

SOUTHEAST ASIA
GAME INDUSTRY
REPORT 2021



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EXECUTIVE SUMMARY

The Southeast Asia video game industry has seen a full decade of strong growth, bolstered by the rising economic factors of access to communication, technologies, and an ever improving digital economy across the region. Since 2015, there has been particular interest by countries within Southeast Asia to emphasise development of the creative sector, in particular industries around game development, animation and visual effects. This report examines the current standing of the strengths and opportunities for the game development ecosystem, and an analysis of the larger region in comparative sense to other regions around the world.



FOREWORD BY VICE PRESIDENT, TECH ECOSYSTEMS & GLOBALISATION

Dear Reader,

It gives me great pride to share with you our latest game industry analysis paper, the *Southeast Asia Game Industry Report 2021*. The Malaysia Digital Economy Corporation has long been ensuring efforts to develop the digital content and creative sector as it represents an amazing opportunity for thousands of talented and skilled artists, engineers, programmers and designers to participate in the creation of game development, visual effects, animation and related disciplines.

The rise of the digital economy has no doubt accelerated our growth. With Southeast Asia now a US\$4.4 billion game industry, 70% of which coming from mobile, it leaves little doubt how the power of technology has put digital content in the hands of the 650 million people in the Southeast Asian region. We have certainly tried to play a part in this meteoric transformation, from the hundreds of schools and programs offering academic and professional courses, hosting regional platforms to bring developers, publishers and investors together and more fundamentally creating policies and frameworks to build better business environments.

Malaysia has been a partner in the regional journey towards creating industries around the digital economy for the last 25 years. Our history in the support digital content space goes back to the turn



Gopi Ganesalingam
Vice President

Tech Ecosystems
& Globalisation
MDEC

FOREWORD BY VICE PRESIDENT, TECH ECOSYSTEMS & GLOBALISATION

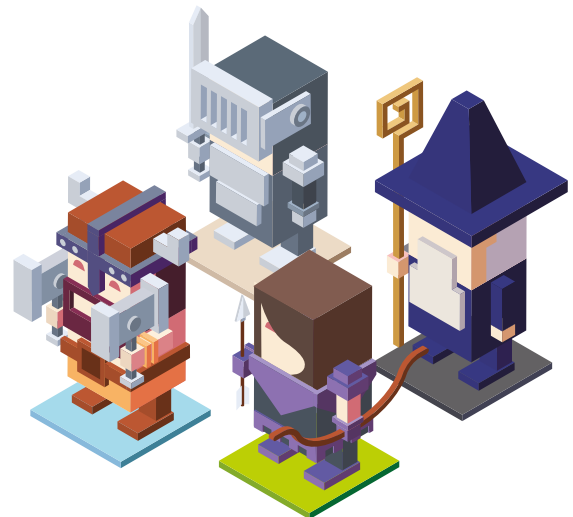
of the millennium and supporting a nascent CG animation industry, followed by visual effects and the game development ecosystem. However, it was in 2015 that we galvanised our efforts around the game industry by several measures. First was the inaugural LEVEL UP KL which was instrumental in offering developers a place to gather as a community, attracting the attention of the global and AAA game developers and publishers. Parallel to that was the publication of the South East Asian Game Industry Initiative 2015, which was the first regional look at the industry from the supply side. Central to this document was the subsequent recommendations which formed the backbone in future engagements and programs.

We have come some ways since then. In November 2014, the SEA games market was but US\$1 billion in total size, serving 126 million gamers. That would mean that this has seen a modest 440% in industry growth over the last six years. And while the active gamers have grown too: reaching 255 million in 2020, this still leaves large segments of the online population still hungry for content, especially those coming from within the region.

I am pleased to note that as an industry, while we continue to export our game IPs and services globally, developers from Southeast Asia are increasingly looking at the domestic regional markets as an export destination. Rising wealth and an increasing middle class, increasingly competitive internet pricing, faster broadband speeds all play a part. But the biggest part could be an ever increasing public sector support, not just in Malaysia from around the major countries in Southeast Asia in support of the digital content and creative sectors.

The last five years have been a banner half-decade, but what is exciting is that the best is yet to come. To the developers, publishers and professionals in the game industry who have participated in this report, I thank you for your support. To the associations who have lent your voice, reason and perspectives for this research, I thank you as well. But thanks must go in the end to the ordinary person and gamer who buys and supports games and creative IPs from Indonesia, Malaysia, Thailand, Philippines, Thailand and Vietnam. This continued support is what really powers the industry to the astonishing growth we've seen.

In the end, we are in this together as a community. We are Southeast Asia, the third largest subregion in the world by population, among the fastest growth game markets in the world, and we certainly have a great industry that produces great games. May the next five years be similarly spectacular!



WELCOME REMARKS BY DIRECTOR, DIGITAL CREATIVE CONTENT MDEC

In 2015, MDEC embarked on a mission to empower the digital content industry and sharpen its focus on the game industry. Already a beneficiary from earlier digital content, animation and visual effects programs stretching a decade earlier, studios in the industry had already grown to become a small but potent piece of the digital content space.

These formed the nucleus of the ecosystem, everywhere from larger studios able to deliver incredibly high-end art and design in the service of AAA-game titles, to the ever-strengthening indie community. These pieces were moved into the next gear when MDEC entered the scene and provided focus and clarity, eventually leading to public policy in place.

I was fortunate to be on both sides of the equation during this time. With a background in the developer and publishing space of over 15 years, having led teams across games development, game commercialization, and ecosystem building. This has allowed me to participate and watch the regional industry grow and now ultimately thrive.

Since joining MDEC in 2016, it was my privilege to join public service, participate in the shaping and coordination of a fast growing games and digital content industry. The sustained multi-year support can not only help the industry grow, but take on a larger national and regional perspective working towards building Malaysia and indeed the Southeast Asian region into a global digital content hub.



Mohan Low
Director, Digital Creative Content MDEC

In that time, we have seen premier platforms such as LEVEL UP KL enter its next phase of maturity, now in its seventh year. The content covered in these conferences have evolved, but more importantly, by extension of what the government projects in this space. While indie communities, large studios and production know-how are still a mainstay, we are now tracking content along the lines of engagement mediums such as esports, new technologies such as blockchain, and embracing more sophisticated platforms such as the PC and console markets.

WELCOME REMARKS BY DIRECTOR, DIGITAL CREATIVE CONTENT MDEC

The Southeast Asia Game Industry Research 2021 paper brings these findings together. With many thanks to the regional associations for their support, these findings not only put us on the map and setting up world-class platforms such as LEVEL UP KL, it also empowers other platforms/initiatives in the Southeast Asian region such as Singapore's Gamescom Asia, Indonesia's Baparekraf Game Prime and Game Developer Exchange, Thailand Game Show and Philippines' Esports Gaming Summit, Komikon and Indie Fiesta.

Today, we also have seen hundreds of quality games coming out of the region and winning international acclaim. Titles such as GigaBash, SIMULACRA series from Malaysia; Coffee Talk, Valthirian Arc from Indonesia; Snake.IO, Pocket Family from the Philippines; Cat Quest II, Butter Royale from Singapore; Kingdom Reborn, Fallen Knight from Thailand and; Axie Infinity, Battle Royale from Vietnam amongst many more are amazing titles that have proven critical and commercial success. This report aims to showcase some of these amazing IPs and we are looking forward to many more to come!

To my mind, reports such as these build the momentum for Southeast Asian game industry promotional and marketing strategies and a foundation for a strong professional network such as regional game associations working to bring us closer together and operate more effectively as a region. As we mature even further, it becomes obvious that the only strategy is not just to prosper as individual nations, but also to succeed as a collective whole.

There is much promise for a future in which Southeast Asia becomes a globally recognized hub for the games industry, not just in consumption but in the industries supporting creativity and digital content. This report exemplifies how much potential, talent, skills and youth are available. It is just with greater cooperation and coordination that we can be better and stronger together.



01

Introduction



INTRODUCTION

Introduction by Regional Partners

IGDA Malaysia



IGDA Malaysia aims to enhance careers and lives by connecting members with peers, promoting professional development and advocating for game developers in the country. We are a bridge between the industry and the outside world so that game developers have what they need to thrive. Game revenues in Malaysia is projected to reach over US\$402 million in 2021, Malaysia is obviously a home to a diverse pool of talent and original ideas with the unique ecosystem such as the Malaysian Digital Economy Corporation (MDEC) providing multiple grants, LEVEL UP Inc - collaborate and support game developers, and LEVEL UP KL, an annual game developer event for developers in the region.

Asosiasi Game Indonesia (AGI)



AGI is governed by professionals with industry experience, with the aim to accelerate the growth of the Indonesian game industry. With membership consisting of developers and publishers from Indonesia, AGI strives to grow the industry through business development, talent development and advocacy of regulations and policies. AGI supports the local Indonesian industry with missions to Game Connection, Gamescom and Tokyo Game Show amongst others. AGI also plays an active role in providing public awareness on the game industry as well as providing policy and regulatory advice to our members.



AGI
Asosiasi Game
Indonesia

INTRODUCTION

Game Developers Association of the Philippines (GDAP)



GDAP comprises of several organizations that promotes the video game industry in Philippines. About 20% of the organizations focuses on tasking new graduates to join the workforce, 30% on original IPs and the rest on different services. GDAP also collaborates with the government and other associations to promote businesses as the main goal is to support members by maximizing opportunities by organizing workshops, trade events, membership programs and coordinating with government departments to bring studios to various conferences. The Philippines is mostly known for outsourcing AAA art and animation services and mobile and PC game development. What makes the Philippines unique is the familiarity with western culture and communication is easy as the country's grasp on English is strong.

Singapore Games Association (SGGA)



SGGA is the primary trade association for gaming and esports in Singapore, supported by the Enterprise Singapore and the government. The vision of SGGA is to uplift Singaporean expertise as a gaming industry and for the Singapore gaming brand to be globally recognized and the mission is to build and support a sustainable gaming ecosystem that connects the industry to the global stage. SGGA is home to 170 institutions with 50% being content creators and 10% being publishing houses. Every year there are 20 - 25 games being shipped on several platforms. The biggest strength of the Singapore game industry is the infrastructure available and ease of setting up a business as well as political stability.



INTRODUCTION



Thai Game Software Industry Association (TGA)



TGA is a trade association consisting of professionals currently involved in Thailand's game developer and publishing scene. Established in 2006, TGA aims to promote collaborations among local companies and studios in the game industry and to unite the Thailand game software industry. The mission of TGA is to promote industry partnerships and make Thai games an industry leader on the global stage. Thailand is home to an amazing game developer community and the TGA is always keen to find partners and investors to explore Southeast Asia and work with Thai game studios.

Vietnam Game Dev

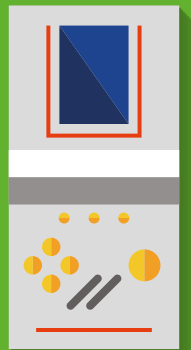
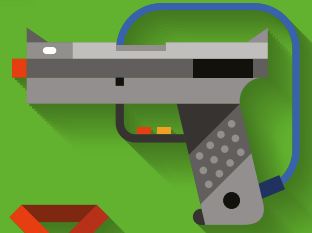
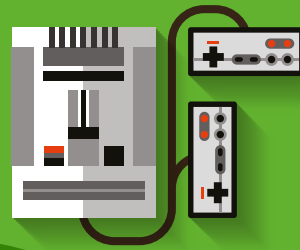
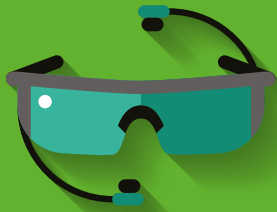


The Vietnam Game Development is a community that connects game developers, marketers, and businesses within and outside the industry. The Vietnamese game industry is an active community with a talented developer community with innovative creators. With a market size of US\$620 million in 2020 alone, Vietnam stands to be a formidable game market and the game developer community is taking advantage. Already home to Gameloft, Ubisoft studios, Vietnam is quickly attracting a new breed of game developers: those in the blockchain gaming space. Sky Mavis, creator of Axie Infinity and Redfox Labs, creator of KOGS are based out of Vietnam.



02

Objective





OBJECTIVE

The objective of the Southeast Asia Game Industry Report 2021 is to assess the key drivers for this rapidly growing gaming market. Focused on the industry capability and capacity to meet market demand in the Southeast Asia and global market, it is equally important to concurrently build a supportive ecosystem so that businesses are able to scale.

Previous reports titled *Southeast Asia Game Industry Initiative 2015* and *Southeast Asia Game Industry Talent Report 2016* have highlighted several recommendations and provided insights to the talent development in the gaming industry. This report is a continuation of that.



Source: Lusolab Entertainment, Go Gold Castle



Source: Why Knot, Home Stray

03

Background



BACKGROUND



One of the fastest growing markets in Southeast Asia, the gaming industry has generated a revenue of over US\$4.4 billion in 2019 with a 16% year-on-year growth. Globally, the industry generated a revenue of US\$177.8 billion in 2020, a +23.1% year-on-year growth¹. When the COVID-19 pandemic hit, the industry generated more than US\$300 billion with about 2.7 billion players².

In order to stimulate and sustain the surge and potential for growth, Malaysia Digital Economy Corporation (MDEC) has, since 2015, taken the lead to research and study the gaming industry. This report is the third regional study for the games industry. Previous research topics include:

i. Southeast Asia Game Industry Initiative Report 2015

The Southeast Asia Game Industry Initiative Report 2015 showed that the gaming industry had tremendous potential for growth. This was due to a few key factors such as a youthful population within the region, a growing middle class, the growth of technology such as mobile platforms, and a proliferation of game engines that was able to commoditise access to game programming and game technology. With these factors in place, the barrier for entry into the industry has been lowered significantly, thus, stimulating the growth potential.

The report also highlighted key characteristics from the production perspective and strategic recommendations that were proposed to accelerate the growth of the gaming industry.

¹ Newzoo Global Gaming Market Report Update April 2021, 2021

² Gaming: The Next Super Platform, Accenture, 2021

BACKGROUND

ii. Southeast Asia Game Industry Talent Report 2016

The Southeast Asia Game Industry Talent Report 2016 focused on the supply and demand of talent in Southeast Asia. The research showed that certain difficulties were not unique to the region but the global skills shortage was a regional industry-wide challenge. Common across the industry was the lack of talent with prior gaming industry experience, having deep technical know-how, business knowledge, gaming product development and related. Based on the findings several suggestions and recommendations were also presented in the report.

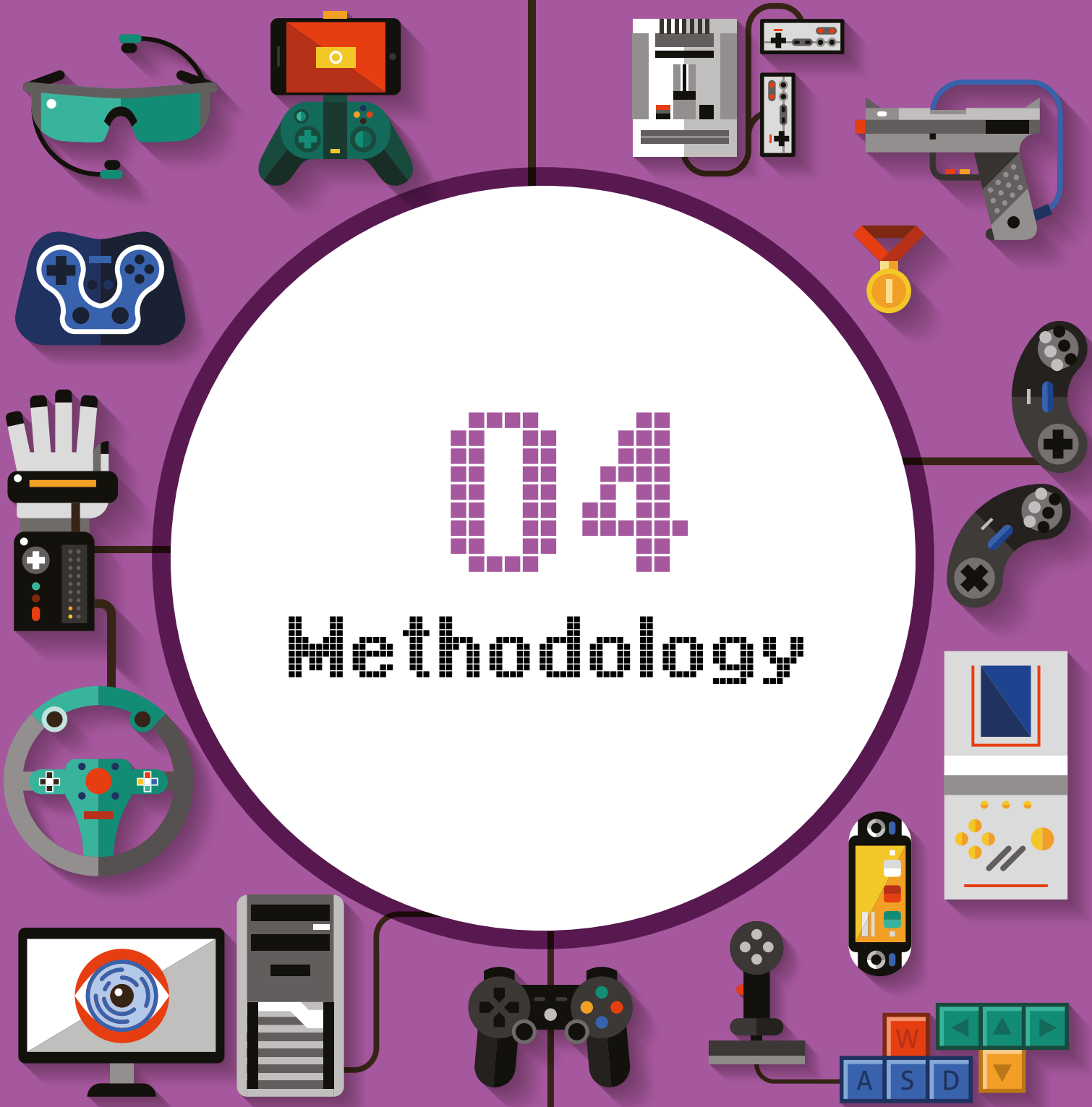
The report concludes that a majority of Institution of Higher Learning (IHLs) regionally support the gaming industry's needs and recognises the needs of industry ready skills and talent through making available a range of game related studies, a significant concentration of which are focused on mobile platforms.

As the landscape for the game industry is rapidly shifting in Southeast Asia, this 2021 study focuses on the industry's capability and capacity to meet the global demand of the industry. It also suggests strategic suggestions to build a supportive ecosystem within the industry. Each country brings different things to the table and the uniqueness is analysed accordingly. Further growth strategies are proposed so that the entire gaming ecosystem in Southeast Asia can be further strengthened.



04

Methodology



METHODOLOGY

Three phases were used in the approach for this paper.

PHASE 1

THE DETERMINATION OF THE SOUTHEAST ASIA GAME INDUSTRY SITUATION AS IT IS NOW

In order to obtain a better understanding and overview of the gaming industry in the Southeast Asia region, a situational analysis was performed. This overview is used as a baseline to provide a reasonable estimation of the size and scale of the gaming industry in Southeast Asia.

A survey was designed to gather information in six countries, namely Malaysia, Indonesia, Philippines, Singapore, Thailand and Vietnam. A total of 67 questions regarding key components of the gaming industry were designed for the purpose of Phase 1 of the report. The factors were:



Demographic



Industry



People



Environment



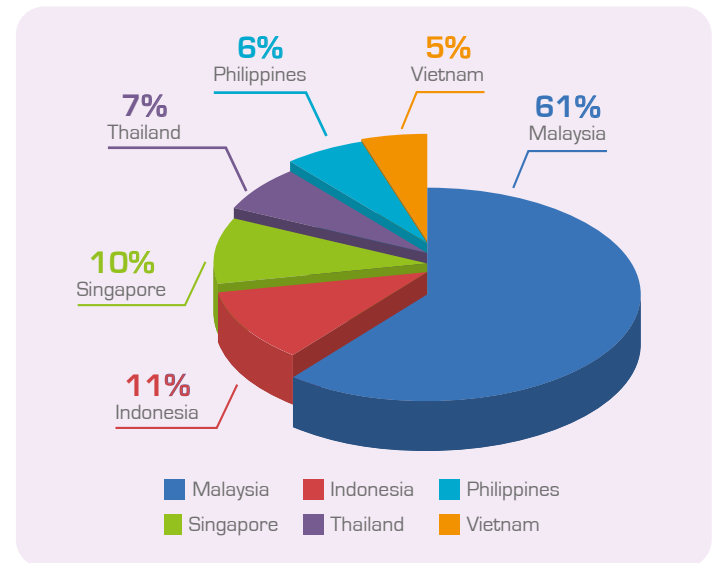
Scale and growth



Quality of life

The specialisation and strength of this rapidly growing market in Southeast Asia was analysed via the survey. A total sample size of 151 gaming industry players was collected. The breakdown of participation by country is as below:

Number of Respondent by Country



Source: Why Knot, Home Stray

METHODOLOGY

PHASE 2

DETERMINING THE BENCHMARK OF A SUCCESSFUL GAME INDUSTRY HUB

In order to provide context, South Korea was chosen as the benchmark for a successful game industry hub. There are a few reasons for this:

1. South Korea has a conducive and holistic game ecosystem

As one of the leading countries with a sizeable gaming market from consumption and production, South Korea has many positive factors. Starting with an incredible gaming ecosystem and infrastructure already in place, South Korea is also one of the strongest and most passionate e-Sports communities globally. Culturally, South Korea is known for a strong gaming culture and adoption rate, which has led to a high penetration of games on mobile. The top three domestic game developers and publishers – NEXON, NCSoft and Netmarble – are publicly listed and known globally.

2. South Korea is known for setting the precedent in leading the game industry

South Korea's government has successfully supported the industry by implementing certain policies since 1998. The establishment of the Game and Record Industry Division, which is in charge of the gaming industry related tasks within the Ministry of Culture, Sports and Tourism has launched the country to be a lead in the market.

The Game and Record Industry Division was subsequently renamed as the Game Industry Support Center (currently known as KOCCA)

in 1999 and in 2006, further policy was put in place with the enactment of the Game Industry Promotion Act. This act is the first law in the world exclusively to do with the game industry.



Source: Gameka, Gamed



Source: Ammobox Studios, Eximius

METHODOLOGY

3. South Korea is the powerhouse for original game IPs

Multiple South Korean IPs have been successful not just on the local market but on the international stage as well. NCSoft Corp launched Lineage M, which is the top grossing app in Taiwan. Gamevil launched Arcana Tactics: Re:Volvers in March 2021 to the global market. Since then, Arcana Tactics: Re:Volvers has been gaining traction and popularity in Thailand and Hong Kong. Another South Korean gaming powerhouse, Krafton Inc released PUBG: New State, which is a new mobile sequel to PlayerUnknown's Battlegrounds with over 5 million pre-registered players on Google Play alone³.

Two other countries, Poland and Serbia, were also included in this report to provide context of a competitive game industry hub as well as an emerging market to watch respectively. As a whole, this industry research should have the necessary perspective to better understand what are the strengths and opportunities for the Southeast Asia game industry.



Source: Forust Studio, The Company Man

PHASE 3

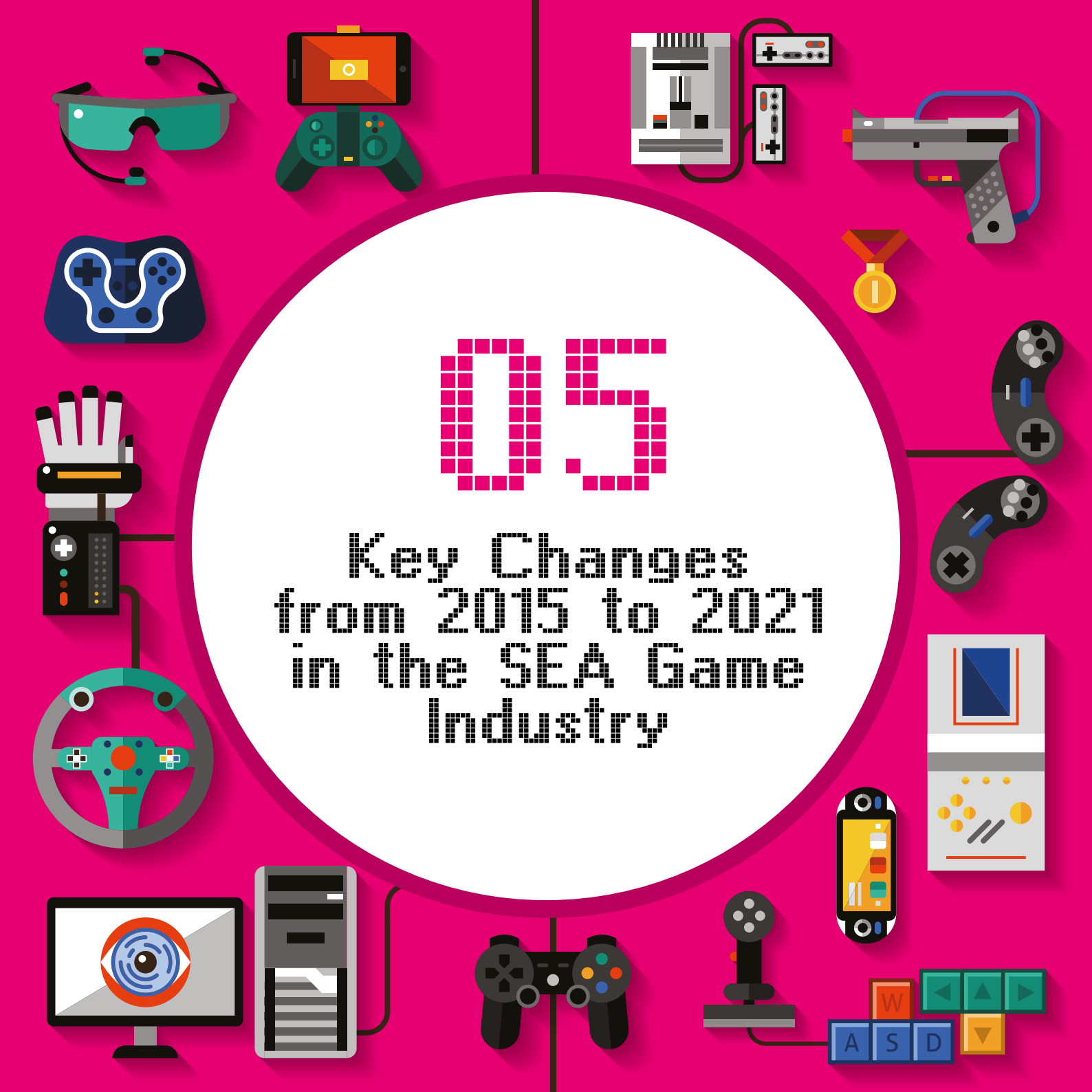
ANALYSIS AND SYNTHESIS OF SURVEY AND BENCHMARKING FINDINGS

In Phase 3, the objective was to highlight all the key contributors, gaps and further recommendations in Southeast Asia's gaming industry to accelerate growth in the region, launching itself to the forefront of the world.



Source: Studio Kamii, Neva Logik

³ Korean Big and Smaller Publishers Pump up Game Pipeline, 2021



05

Key Changes
from 2015 to 2021
in the SEA Game
Industry

KEY CHANGES FROM 2015 TO 2021 IN THE SEA GAME INDUSTRY

As one of the most rapidly growing industries in Southeast Asia, one cannot look at just growth in the gaming industry but also at the stability and sustainability of the industry from all aspects.

A few key achievements within the region are:

- **Diversifying into gamification for international brands marketing from AAA game developer**

Streamline Media Group, a Malaysian-based studio started a collaboration with iconic brand Balenciaga, making inroads into the fashion world. Balenciaga's Afterworld: The Age of Tomorrow delivers the largest volumetric video capture and an interactive and immersive 3D gaming experience, which is the largest in fashion history⁴.



Source: Passion Republic Games, GigaBash

- **Local games featured at international gaming expos**

GigaBash, created by Malaysian developer Passion Republic Games was featured in 2021's E3. E3 is one of the largest gaming expos in the world⁵. Passion Republic Games has worked with numerous AAA developers in the past and present, featuring internationally known games such as Mortal Kombat X, Dark Souls 3, Batman: Arkham Knight, The Last of Us Part II, Ghost of Tsushima, Astral Chain, The Order 1886, Days Gone and many more⁶.



Source: Passion Republic Games, GigaBash

⁴ Malaysia-Based Studio Develops Video Game For Balenciaga, 2021

⁵ Gigabash, A Game By A Malaysian Studio Gets Its Debut During E3 2021, 2021

⁶ Studio Dari Malaysia PASSION REPUBLIC Sekali Lagi Bekerjasama Dalam Pembikinan Game AAA - Ghost of Tsushima!, 2020

KEY CHANGES FROM 2015 TO 2021 IN THE SEA GAME INDUSTRY

● The innovation of new technology – blockchain in gaming

Sky Mavis, a Vietnamese developer, developed internationally popular blockchain game Axie Infinity⁷. Sky Mavis has also raised US\$7.5 million in Series A funding, catching the eye of American billionaire entrepreneur Mark Cuban. Cuban is the owner of the Dallas Mavericks NBA team and is a great fan of cryptocurrencies with investments in Bitcoin, Ethereum and Dogecoin⁸.

● Attracting foreign investment

Globally known developers such as Tencent Holdings Ltd. and MiHoYo have established offices and gaming spaces in Singapore due to the country's developed financial and legal systems⁹.

● Localization to original IP game development

Thailand's Fairplay Studios developed Fallen Knight, which will be released on consoles and PC in 2021¹⁰. Fallen Knight was selected as one of the first 100 games to be released on Apple Arcade, sealing its popularity.

● Building an ecosystem together

Indonesia's Coffee Talk Studio has launched the Toge Game Fund Initiative so that Southeast Asian developers, content creators and game designers could converge for financial support, mentorship, consultations and project management support¹¹.

● Talent capability

Credited as part of popular game Assassin's Creed Valhalla's development team, Ubisoft Philippines worked on the art, level design and other parts of the game¹².



Source: Cool Code, Playlab Classroom



Source: 7th Beat Games, Indienova, A Dance of Fire and Ice

⁷ This Vietnamese Developer Is Behind One of the World's Most Popular Blockchain Games: Profiles in Tech, 2020

⁸ Axie Infinity's Strong Growth Suggests NFT Gaming Market Is Set to Explode, 2021

⁹ Tencent Chooses Co-Working Space For First Singapore Office, 2020

¹⁰ Thai Action Platformer 'Fallen Knight' To Make PC and Console Debut on June 23, 2021

¹¹ Coffee Talk Studio Launches Fund for Southeast Asian Developers, 2021

¹² Ubisoft Philippines Credited as Part of the 'Assassin's Creed Valhalla' Development Team, 2020

KEY CHANGES FROM 2015 TO 2021 IN THE SEA GAME INDUSTRY

Here are a few statistics to further compare the key changes from the Southeast Asia Game Industry Initiative 2015:

- 2021 – 78% of game companies are involved in game development. (2015: 61%)
- 2021 – Majority of the 48% game companies are younger than 3 years (2015: 62%)
- 2021 – Average age of employees in Malaysia and Vietnam is at 26 – 35 years old. (2015: employees below 25 years old)
- 2021: Developers are mostly focused on PC games development (38%) for casual games with a longer completion of 1 year. (2015: focused on mobile games development to be completed in 3 months)
- 2021: 57% of employees possess a degree or higher (2015: 48%)
- 2021: 43% of workforce possess a diploma or lower (2015: 52%)
- 2021: Top three platforms are Steam, Google Play and Apple iOS (2015: Google Play, Apple iOS and Windows Mobile)
- 2021: Major target markets are United States and Southeast Asia (2015: United States and Europe)

- Malaysia is the only country with game companies able to generate more than US\$50,000,001 and Vietnam's game companies are still able to generate US\$10,000,001 to US\$50,000,000.



Source: Ammobox Studios, Eximius



Source: Magnus Games Studio, Re:Legend.

06
Insight &
Observation



INSIGHT & OBSERVATION

Findings from the Southeast Asia game industry research survey are split into six categories: demographics, industry, people, environment, scale & growth and quality of life.



Demographic



Industry



People



Environment



Scale and growth



Quality of life

Demographic

A total of 151 respondents responded to the Southeast Asia Game Industry Survey. The breakdown of countries are as follows:



61%

Malaysia



11%

Indonesia



6%

Philippines



10%

Singapore



7%

Thailand



5%

Vietnam

Regional studios were established from the year 2003 until present. The oldest game company, Game Square Interactive, is from Thailand.

Of those surveyed, 54% of the companies had less than 4 years of experience. 22% had more than 10 years of experience in the industry. 48% had less than 3 years in the market (Figure 1). When compared to the previous study in 2015, the findings show that the Southeast Asia region has grown more mature as in 2015, the majority (62%) of gaming companies had less than 3 years of experience in the market. However, findings also showed that it was difficult for businesses to retain their sustainability as shown by the trend for studios with more than 6 years from 2015 onwards largely dropped off significantly.

The majority of gaming companies (79%) are wholly locally owned and focused on original game IP development (51%), external development or work for hire (28%), game publishing (10%) and others (11%) (Figure 2).

Based on their nature of business, 56% of companies focused more than 50% of their resources on original IP development (Figure 3) and 31% companies are focused on 50% in the external game development or are work for hire (Figure 5). The production cost of original game development is high, therefore, the majority (52%) of companies are involved in both original game development and external game development to ensure financial stability. In 2015, only 23% were developing original and external game development. Many examples of this across Southeast Asia exist, two of which are Passion Republic and Streamline Studios from Malaysia. Previously, these two companies were involved in external game development for AAA games but recently they have released their original IP GigaBash and Bake' n Switch respectively.

INSIGHT & OBSERVATION

Companies that are wholly involved in original IP development only make up 19% of respondents. 5% of respondents are solely focused on external game development or work for hire. 10% of companies are involved in game publishing and other aspects of the industry stand at 11%.

The majority [60%] of game companies in Southeast Asia consist of less than 11 employees. 28% of companies have 11 to 50 employees (Figure 4). Company size is in correlation with the number of years the company has been established as the majority of game companies in Southeast Asia are startups with less than 3 years in the industry [48%]. This also indicated that most game companies in Southeast Asia are indie game development companies that value generalists who can fill multiple roles in the company¹³.

The Philippines is home to the fastest growing game companies. For example, Definite Studios Pte. Ltd., which was established in 2016, has 100 to 200 employees with a 90% focus on external game development or work for hire.

Only 10% of the respondents had more than 100 employees (Figure 4). These are usually established game companies such as Gameloft (Vietnam), Lemon Sky (Malaysia) and Ubisoft (Singapore). This indicates that Southeast Asia actually has the capabilities for further growth and can produce large scale game production for the international stage.

Figure 1 Number Of Establishment Year

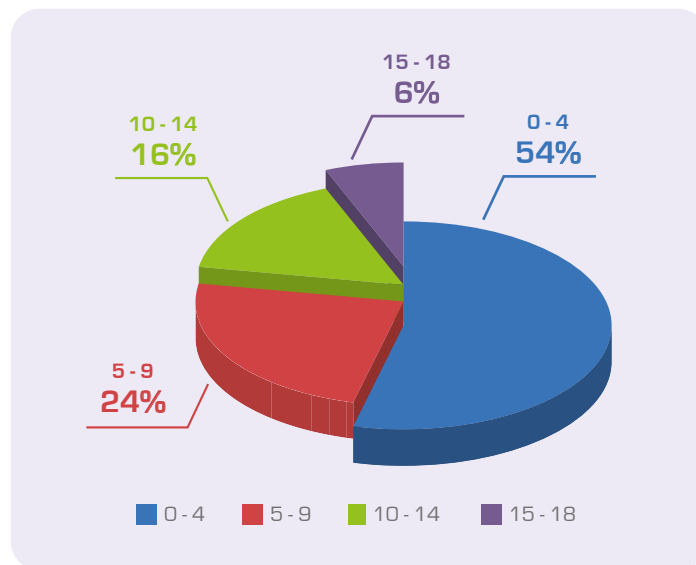
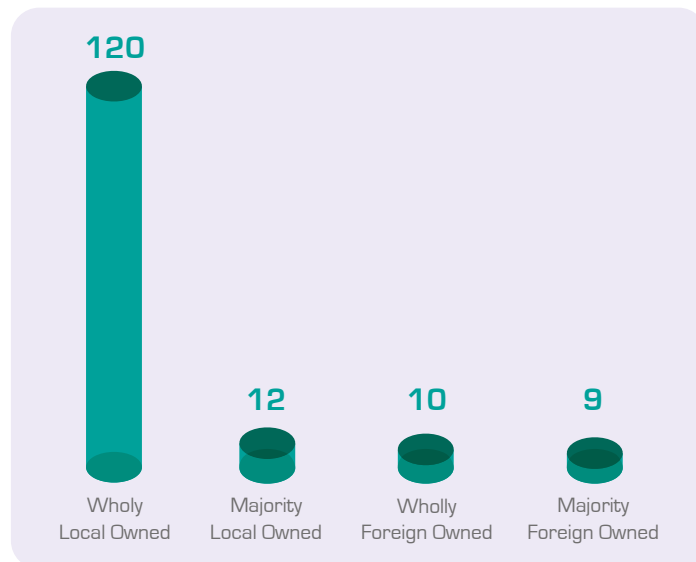


Figure 2 Type Of Ownership



¹³ The Difference Between Working in Indie and AAA Game Development, 2017

INSIGHT & OBSERVATION

Figure 3 Percentage (%) Of Original IP Creation

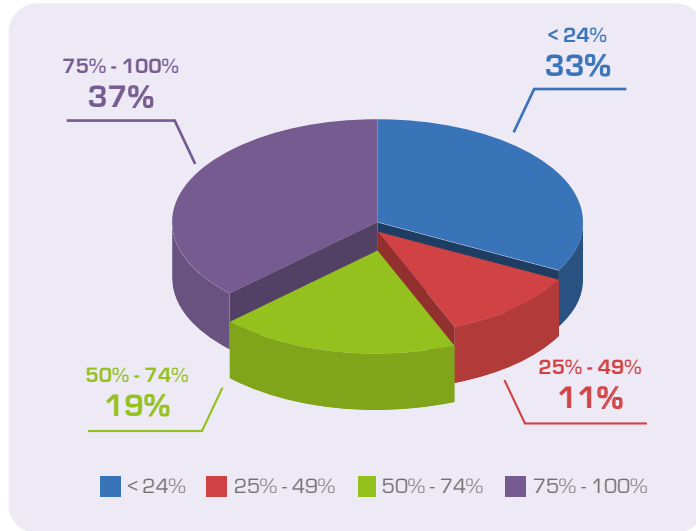


Figure 4 Studio Size (No. Of Employees)

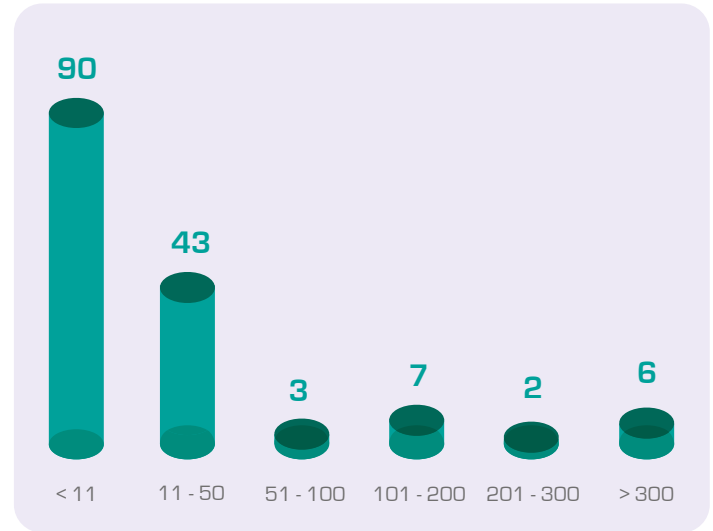


Figure 5 Percentage (%) Of External Development / Work For Hire

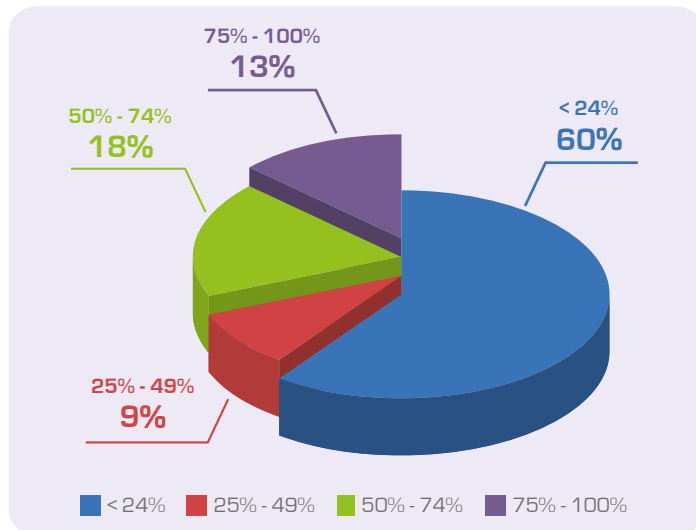
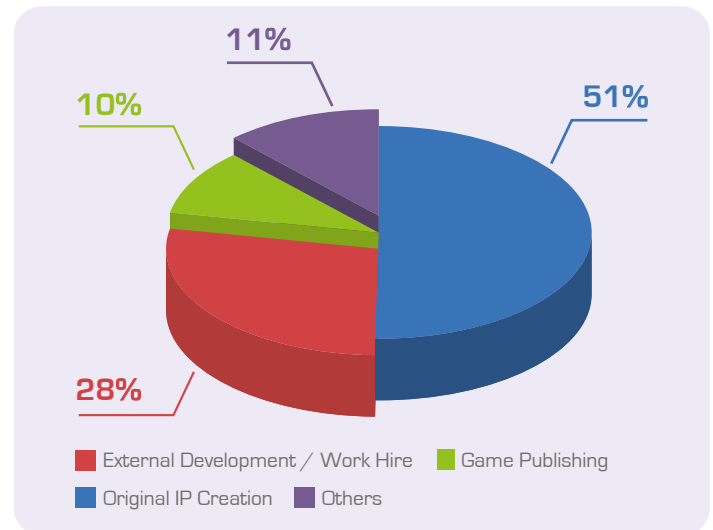


Figure 6 Percentage (%) Of External Development / Work For Hire



INSIGHT & OBSERVATION

Industry

Most (38%) games that have been produced are aimed towards PC platforms (Figure 8). To compare, in 2015, most game companies in Southeast Asia were producing mobile games. A total of 31% of game companies develop games for all three platforms – mobile, PC and console. Some companies only focused on one platform with mobile games (18%), PC (17%) and consoles (1%) only (Figure 7). The findings indicate that different sets of expertise and skills are required in regard to each type of platform. There are usually no crossovers as game companies who are focused on mobile game development are likely not involved in console game development. Other platforms (3%) include tabletop, web game (HTML5), arcade machine, VR for Oculus Quest, HTC Vive, and related.

The top three game genres are action (15%), casual (15%) and role playing (13%) (Figure 10). The least popular genre is the exercise genre. Other game genres include visual novel, hyper casual, and puzzle games¹⁴. This is in line with global market dynamics whereby cost for casual game development is low but has a wider market audience and is in line with a significant portion of Southeast Asian game developers.



Source: Cool Code, Playlab Classroom



Source: Kurechii, King's League II

¹⁴ Mobile Game Development Cost | Examples and Estimates, 2020

INSIGHT & OBSERVATION

Some examples of game titles developed by game companies in Southeast Asia are:

Malaysia

- Dr.Who The Lonely Assassins
- Dying Flame
- Ejen Ali: Agents' Arena
- Ejen Ali: Emergency
- Ejen Ali: MATA Training Academy
- Fires at Midnight
- FoodBrawl
- GigaBash
- Hexlords
- Kings League
- Mak Cun's Adventure
- Midwest 90: Rapid City
- Postknight, King's League
- RaceRoom Mobile
- Re:Legend
- Running Duo
- SIMULACRA
- SIMULACRA 2
- SIMULACRA: Pipedreams
- The Company Man
- Zombie Soup
- Zombie Remix

Indonesia

- A Space for The Unbound
- A Day Without Me

- Ayoo Play
- Bubur Ayam Express
- Crazy Delivery Rumble
- Coffee Talk
- Densus 86
- DreadOut
- Knight vs Giant
- Kriegsfront Tactics
- Living in 2020 Ninja Delivery
- Memories, Code Atma
- My Lovely Wife
- Nonstop show
- Parakacuk
- Pippo Brain Training
- Rocky Rampage
- Kingdomtopia Hollywhoot
- Selera Nusantara
- Valthirian Arc
- Water All. Summer Town
- Witchnesia

Philippines

- Bayani
- Bayani - Fighting Game
- Basketball Slam
- Basketball Stars
- Black Salt Coreuption
- Love Esquire
- Milk Tea Tycoon

- Perfect Gold
- Puppy Dog Pals Pups on a Mission
- Soup Pot
- Source | Destination -two of us-
- Syntactic Sugar
- The Classiest Act
- The Letter
- The Diary
- Vita Fighters

Singapore

- Butter Royale
- Dice Soccer
- Dice Soccer City
- Fly-A-Way
- Holy Potatoes series
- Nickelodeon Pixel Town
- Pixel People

Thailand

- Chibi Planet
- City You
- Fallen Knight
- Kingdoms Reborn
- M.A.S.S. Builder
- Ragnarok Battle Academy

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As for popular monetization models for game development, in Southeast Asia, is premium games (29%) followed by free-to-play (F2P) models generating revenue from In-Game Purchases (27%) and Advertising: In-Game Ads/Rewards Ads (21%) (Figure 9).

Most games are published and distributed on Steam (18%), which explains why premium games are the preferred among developers. Other popular platforms include Google Play (17%) and Apple iOS (16%) which is built on the strength of the mobile and smartphone platforms in Southeast Asia (Figure 11).

The findings also indicate that games are currently published across multiple platforms as the top three distribution platforms (Steam, Google Play, Apple iOS), all of which being almost equal. The popularity and growth of the Steam gaming platform is likely due to the high monthly number of active players, the price distribution and the increasing growth of cross platform support, such as the availability of the Steam Link app on both iOS and Android. According to the Video Game Insight (VGI) report, the average indie game price was at US\$7.5 in 2020 which provides an indicative level of buying support for the Southeast Asian game market¹⁵. Steam had approximately 120 million monthly active players in 2020 and the top three popular genres – indie, action, adventure – are on Steam as well¹⁶. The Steam Link app for Android was released in May 2018 and on iOS in 2020¹⁷. Other platforms developers distribute games on include Game Jolt, Utomik and telco stores.

The majority of game companies (52%) take approximately 7 months to 24 months to develop



Source: 7th Beat Games, Rhythm Doctor

games across multiple platforms, including mobile, PC and consoles. However, that would depend on company resources, platforms, and game genres. Game companies focused more on mobile platforms, and in particular for casual games or action games, tend to take a shorter time of less than 3 months (9%). This is due to the lower complexity of game development as compared to the development of PC and console games such as Mason Games (Malaysia), Ayoo Kreasi (Indonesia), GamesTap (Vietnam), and VinGames (Vietnam). Games developed for use on PC and consoles take a longer duration of 2 to 5 years (20%) due to higher complexity, cost of production and expertise. Such games are Earthshine (Thailand), Heaven Tales Entertainment (Malaysia), Vermillion Digital (Thailand), Yangyang Mobile (Philippines) (Figure 12).

In fact, development times on average have grown longer. This is further validated by findings that more developers in Southeast Asia were developing on the Steam platform as compared to 2015. Thus game development production cycles indicate increasing sophistication of the industry in 2021.

¹⁵ Steam Game Trends In 2020 – Covid And The Rise Of Indie Games, 2021

¹⁶ Steam Usage and Catalog Stats for 2021, 2021

¹⁷ How to Play Your Steam Games on iOS and tvOS, 2020

INSIGHT & OBSERVATION

The majority (50%) of gaming companies have an average of 1 to 5 team members per project. This is also due to the majority (48%) of game companies in Southeast Asia being start-ups with less than 3 years of experience. Big name game companies such as Ubisoft (Singapore) and Netease Games (Singapore) have more than 100 members per project (2%) (Figure 13).

The majority of game companies created 1 to 2 (63%) new, original game titles per year (Figure 15). However, only 1 or 2 (26%) are published (Figure 14). This is due to the duration taken for game production as explained above.

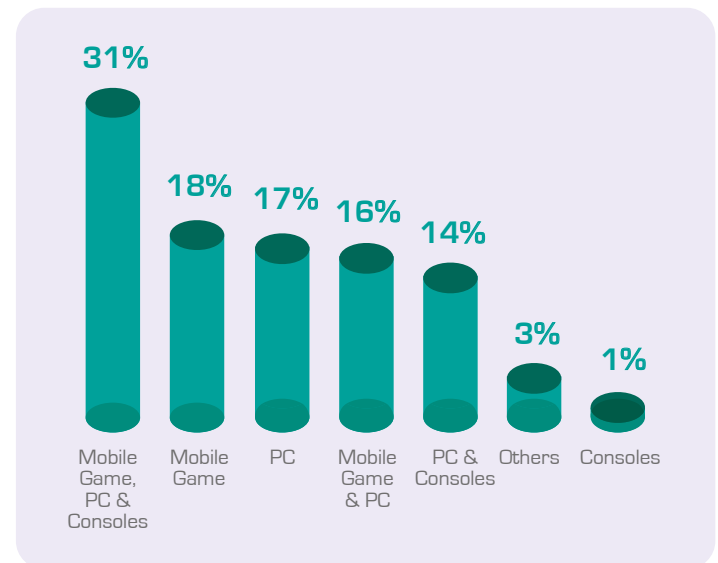
Services provided by game companies in Southeast Asia included planning (13%), pre-production (16%), production (21%), post-production (12%) and testing (10%) (Figure 17). Findings showed that Vietnamese companies provided the most testing and planning services in SEA. Malaysia provides the highest pre-production services and is known as the original new IP games creation hub. Philippines game companies are usually involved in the production and post-production of games due to its competitive labour cost. Singapore is known for pre-launch and launch game services (Figure 16).

The top three target markets of Southeast Asian companies are the United States (18%), Southeast Asia (17%) and Europe (15%) (Figure 19). The increase in targeting in SEA is in tandem with the growing consumer market as SEA has one of the world's fastest growing game markets.



Source: Aeonsparx Interactive, Zombie Soup

Figure 7 Group Of Platform



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Figure 8 Type Of Platform

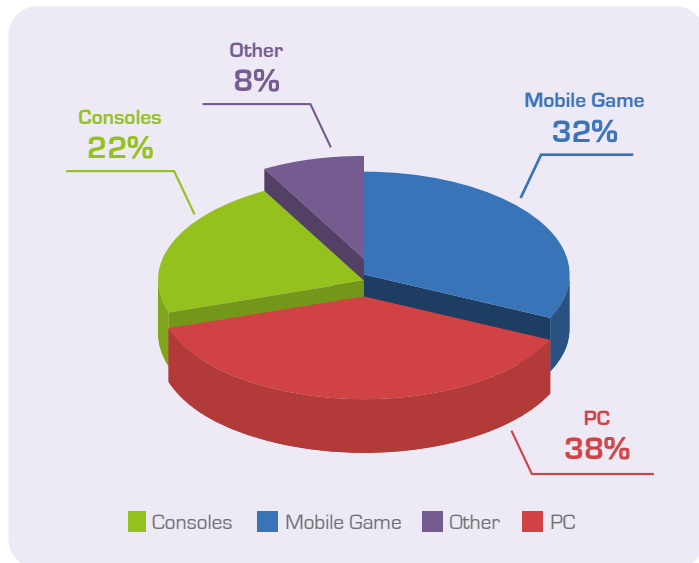


Figure 9 Monetisation Methods

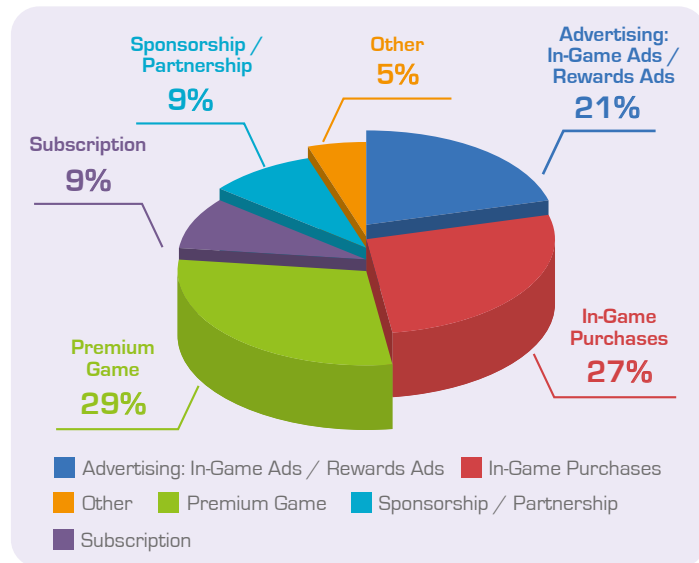
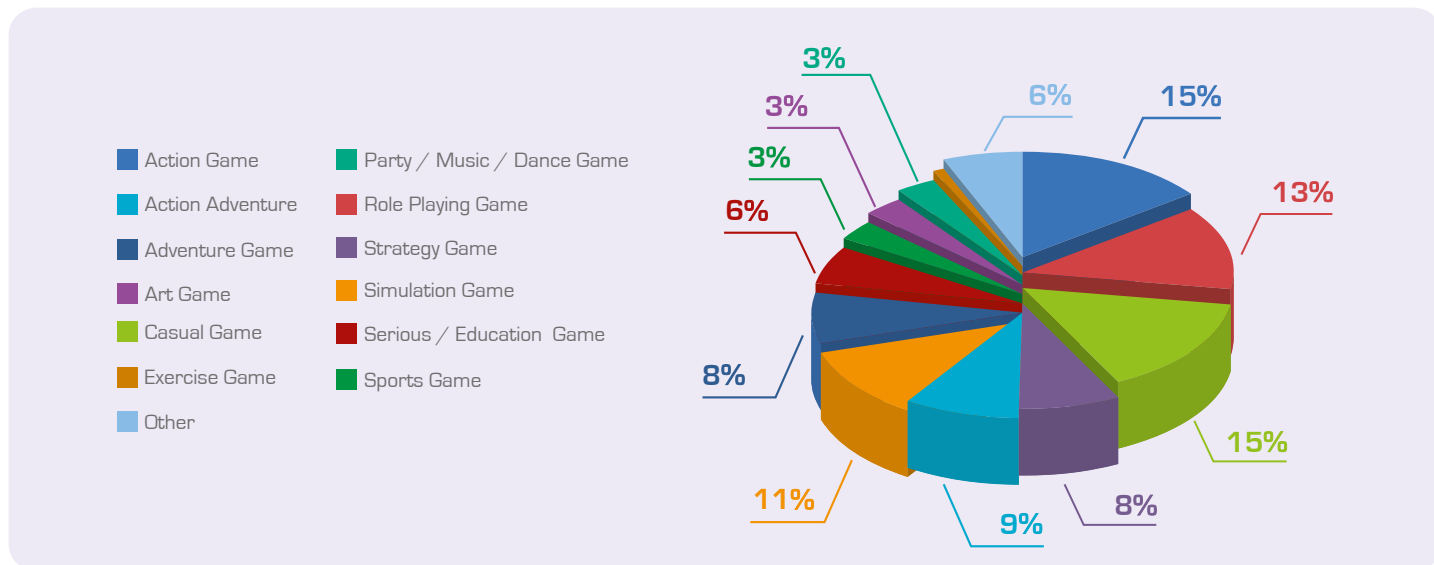


Figure 10 Game Genres



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Figure 11 Distribution Platform

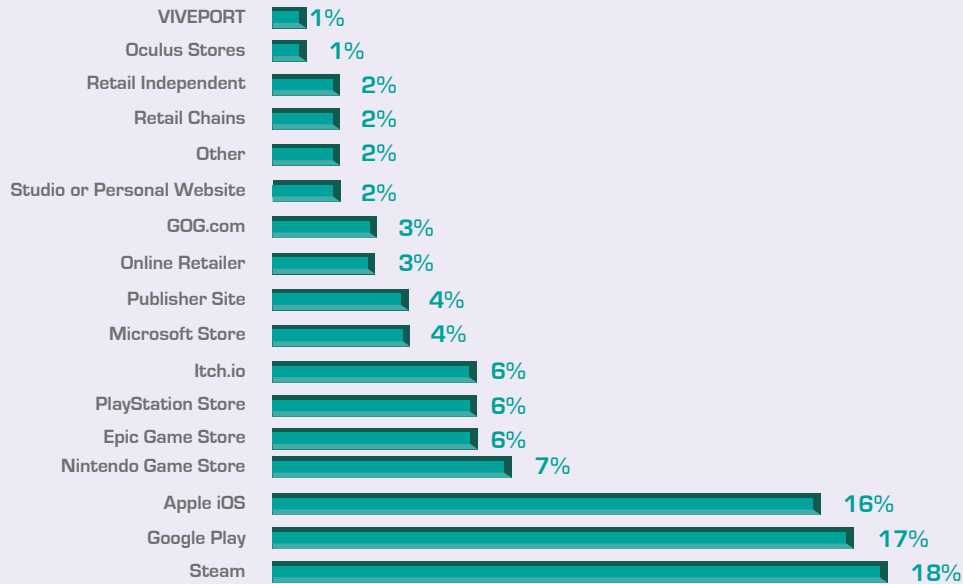


Figure 12 Duration Of Game Production

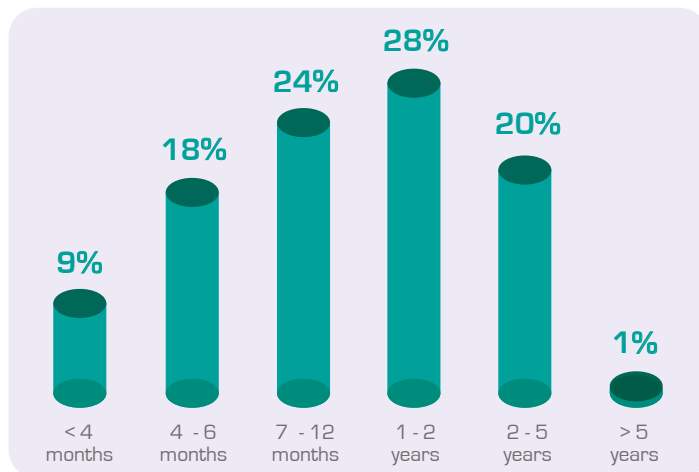
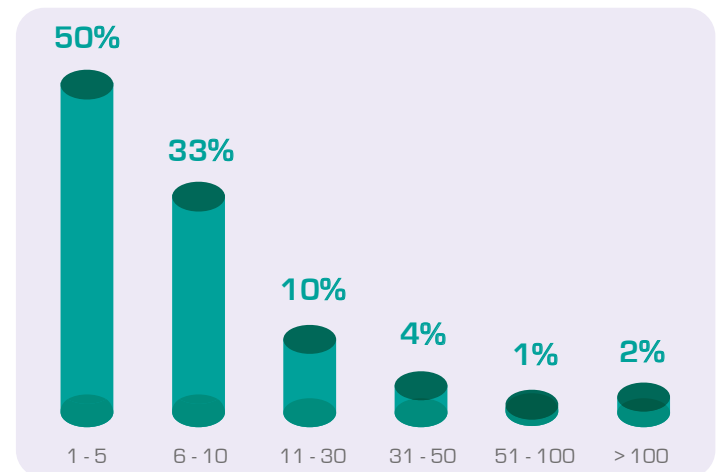


Figure 13 Average Number Of Team Members Per Project



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Figure 14 Average Number Of Game Title(s) Published Per Year

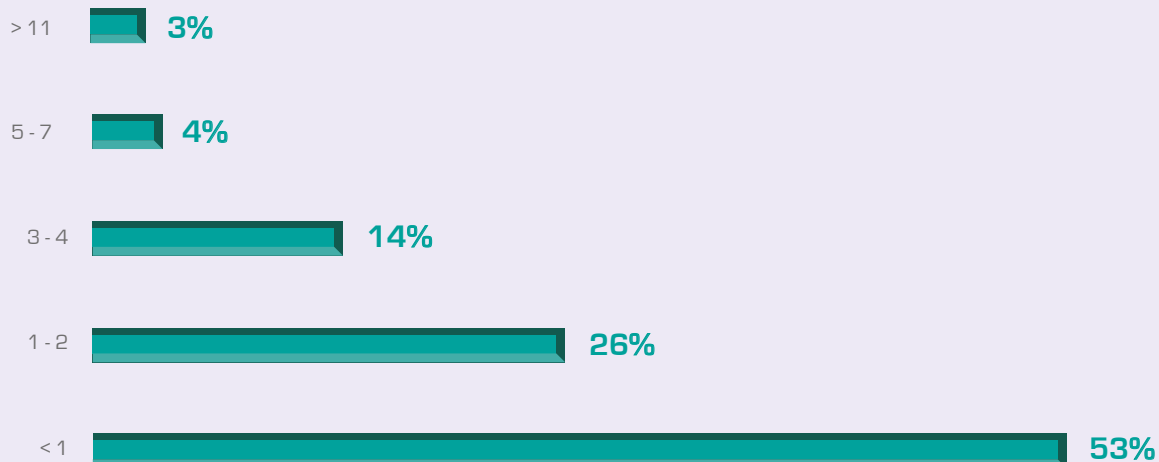
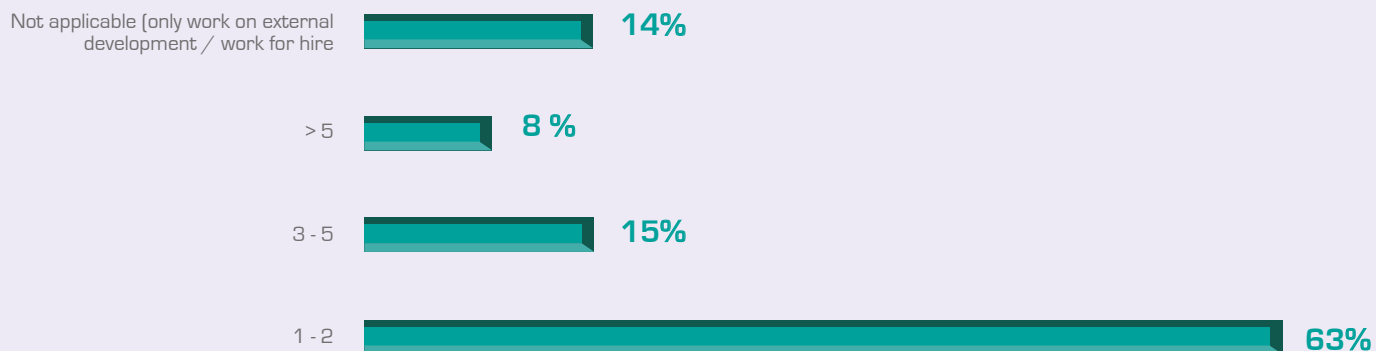


Figure 15 Average Number Of New Original Game Title(s) Created Per Year



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Figure 16 Scope Of Services For External Development / Work For Hire Job by Country

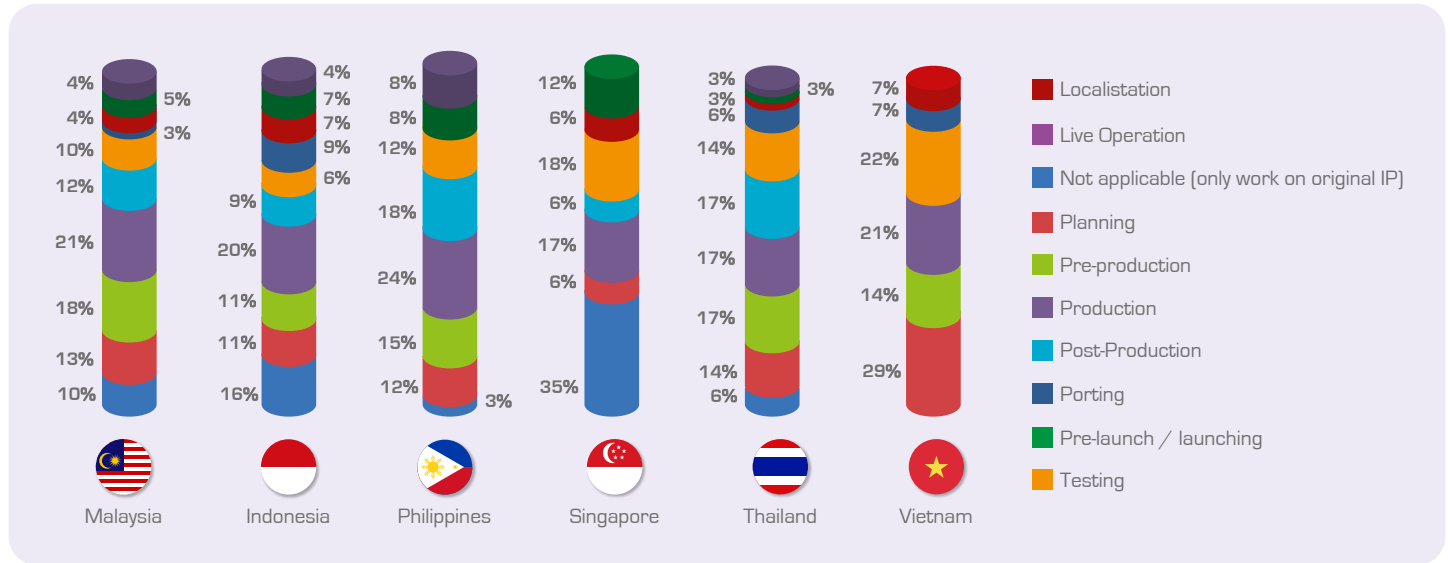
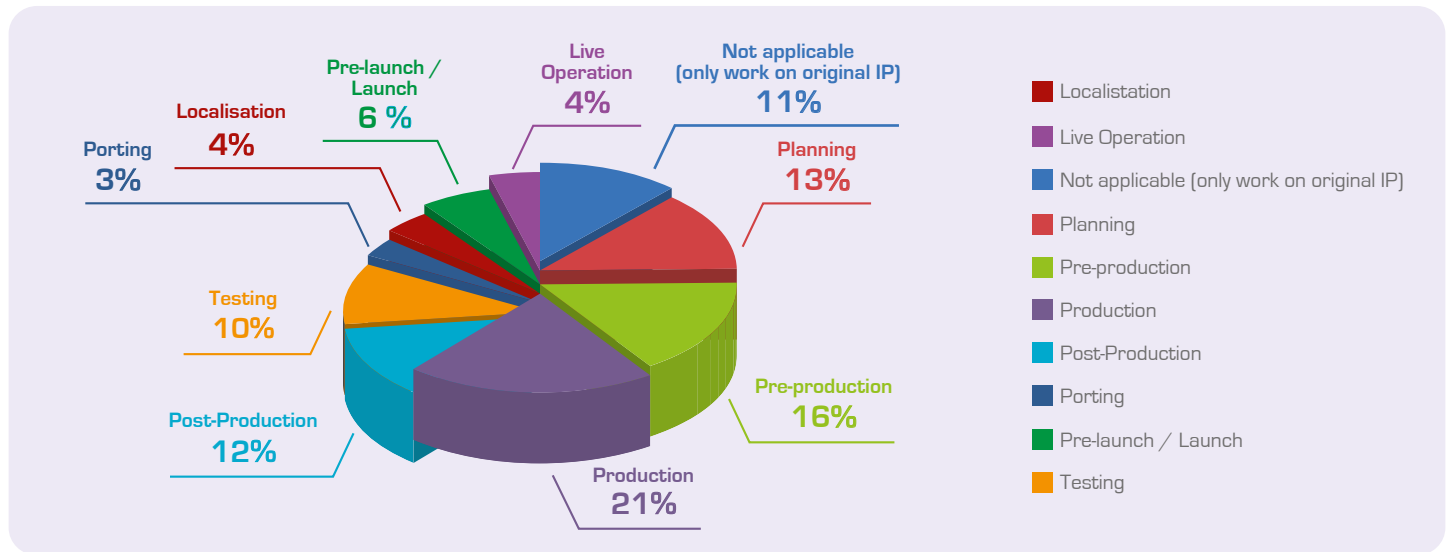


Figure 17 Scope Of Services For External Development / Work For Hire Job



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Figure 18 Target Market By Country

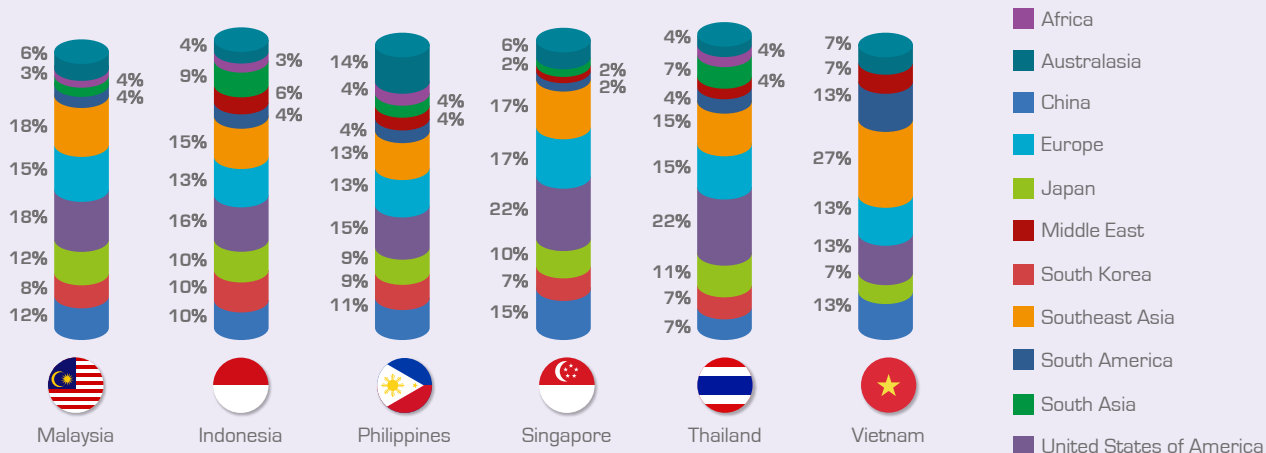
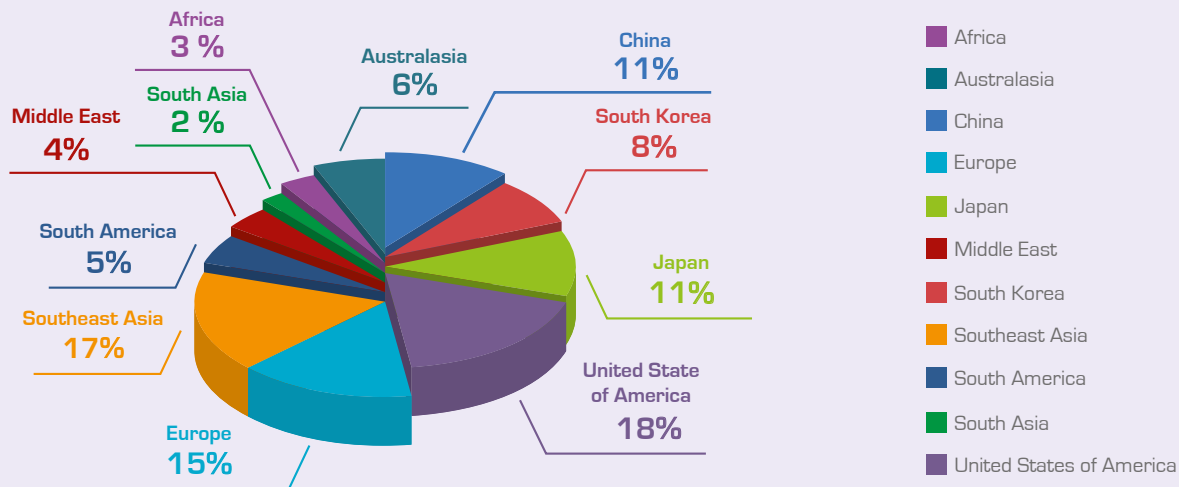


Figure 19 Target Market



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People

57% of employees in Southeast Asian gaming companies possess a degree or higher. 43% of employees possess a diploma or lower. In Indonesia, gaming companies retain the highest number of employees that hold certification or lower (30%) (Figure 21). It is very likely that these studios hire based on portfolio demonstrations and experience. Findings also show that Thailand retains the highest number (38%) of employees that possess a postgraduate degree (masters and PHD) above (Figure 20).

Acquiring talent in the game industry is still a challenge as most companies in Southeast Asia are of the opinion that talent acquisition is somewhat difficult (39%) or within the reasonable (35%) range (Figure 23). These difficulties are overcome by hiring expatriates for certain roles when talent is unavailable in the market. The Philippines is the only country in Southeast Asia that remarks that accessing talent is easy (60%) (Figure 22). Similarly, hiring expatriates is not an issue across the region. However, overall, talent acquisition is still considered as moderate challenges in quality and quantity of talent as well as when it comes to the lack of leadership and management skills (Figure 24).

The majority (64%) of SEA game companies remarked that most entry-level talent are semi-ready and possess basic skills but lack the practical exposure. These talents require between three to six months of practical training in order to meet the demand of the game industry (Figure 25).

Most (43%) SEA game companies absorb talent into the workforce through internship programmes. Other ways to remain competitive include finding talent in-house (38%) and providing external training (9%). Internships are for less than 4 months (54%) and some last for 4 to 6 months (38%) (Figure 26).

External courses and training suggested are online learning platforms that are readily available such as Udemy, Skillshare, Domestika, BDI (Balai Diklat Industri) Bali, Dicoding, Gamelab, Gnomon, AnimSchool, Youtube, Online Academy, Scrum.org and GamaSutra. Each of these platforms offer skills training in some measure with topics such as game design, level design, technical, modelling, animation, and game engineering. Companies also recommend participating in conferences, such as the Games Developer Conference, or regionally like LEVEL UP KL to network and increase industrial knowledge.



Source: Lusolab Entertainment, Go Gold Castle



Source: Lusolab Entertainment, Go Gold Castle

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A few high in-demand courses are:

Game Design	3D Modelling	Gamification
Game Programming	2D Animation	Digital Animation
Game Art	Game Economy Design	UI Designers
Post Processing	Game Marketing & User Acquisition	Multiplayer Games Programmer
Game Development	Technical Artist	3D Realistic Visual Animator
Computer Science	Networking Engineer	iOS Programmer
Graphic & Multimedia Design	Specialist 2D/3D Artist	Game Data Analyst
Environment Arts	Creative Design	Game Visual Effects
Game Optimization	Game Production	Artificial Intelligence
Unreal	Game Business	Systems Development
Unity	VFX Artist	Concept Art
3D design		

One way to improve IHLs is to balance the knowledge between art and programming. Hands-on learning with qualified lecturers and industry practitioners is important for real world exposure as those who aspire to go into the game industry are exposed to real, relevant and relatable learning. Where possible, financial support from the government can be essential so that internships can be supported and extended. Similarly, the opportunity of small-scale fundings will encourage the talents to develop games.

Specifically in the academic and training fields, there is a need to undergo educator placements or train-the-trainer programs in keeping with the latest technology. The involvement of industry experts and relevant associations for yearly curriculum review or industry collaboration will help in bridging any industry gaps.



Source: Magnus Games Studio, Re:Legend



Source: Magnus Games Studio, Re:Legend

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Apart from the technical knowledge, the soft skills needed in the industry such as communication, teamwork, leadership, cognitive thinking, and basic business practices also contribute in producing better quality talent.

The following is a list of IHLs across Southeast Asia which provide game development courses and are recommended by reputable game companies:



MALAYSIA

- Asia Pacific University of Technology & Innovation (APU)
- Akademi Seni Budaya Dan Warisan Kebangsaan (ASWARA)
- Brickfields Asia College (BAC)
- Clazroom College
- Dasein Academy of Art
- LimKokWing University
- Multimedia University (MMU)
- Politeknik Tuanku Syed Sirajuddin Perlis
- Sunway University
- Swinburne University of Technology Sarawak Campus
- UOW Malaysia KDU University College
- The One Academy
- Tunku Abdul Rahman University College (TARUC)
- Taylors University
- UNDO Academy
- Universiti Teknologi MARA (UiTM) Shah Alam
- Universiti Kuala Lumpur (UniKL)
- Universiti Teknologi PETRONAS (UTP)
- Universiti Malaya (UM)
- Universiti Tunku Abdul Rahman (UTAR)
- Universiti Teknologi of Malaysia (UTM)
- Universiti Tun Hussein Onn (UTH) Malaysia



INDONESIA

- Binus University (Universitas Bina Nusantara)
- Bandung Institute of Technology (Institut Teknologi Bandung)
- Multimedia Nusantara University (UMN)
- Politeknik Elektronika Negeri Surabaya
- Sepuluh Nopember Institute of Technology (ITS) (Institut Teknologi Sepuluh Nope member)



PHILIPPINES

- Ateneo de Naga University
- De La Salle-College of Saint Benilde Manila
- CIIT Philippines - Computer Science, Multimedia Arts
- Far Eastern University (FEU)
- iAcademy



SINGAPORE

- DigiPen Institute of Technology Singapore
- FZD School of Design
- Nanyang Polytechnic
- Nanyang Technological University - NTU Singapore
- National University of Singapore (NUS)
- Republic Polytechnic
- Singapore University Malaof Technology and Design (SUTD)

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THAILAND

- Bangkok University
- Chiang Mai University
- Mahidol University (MU)
- Silpakorn University
- Thammasat University



VIETNAM

- Supinfogame Rubicam

Research respondents cited that for IHLs outside of Southeast Asia, the following schools were recommended: Savannah College of Art and Design or SCAD (USA), RMIT (Australia), Teesside University (UK) and several more.

The average age range (51%) of employees in Southeast Asian gaming companies are between 26 – 35 years except Malaysia (19 – 25 years) and Vietnam (below 19 years). To note, the finding of the younger workforce in Vietnam game companies contradict the education qualification of employees (Figure 28).

The three most critical roles in game companies are programmers (27%), art (26%) and design (15%) (Figure 29). Vietnam and Indonesia hire the most programmers while other SEA countries are inclined to hire more game artists (Figure 30). This might be an indication of the shortage of available game programmers in the respective local markets but is in the longer term consistent with the 2016 South East Asia Game Industry Talent Report which supports the geographical bias when it comes to concentration of talent.

Less than 11% of women make up the majority of Southeast Asia companies' workforce (34%) (Figure 33). However, Singapore and Thailand had a marginally higher ratio with 21 – 30% of women hired in game companies (Figure 31). Although the involvement of female gamers is on the rise in the industry, the involvement in the process of game production is still low¹⁸. The turnover rate per year in the majority of game companies in SEA is less than 5% with the main reason being leaving for a better offer (42%) (Figure 34).

The average monthly salary across Southeast Asia for entry-level employees is at US\$501 – US\$750 (34%) (Figure 37). The lowest average monthly salary for entry-level employees is in the Philippines with less than US\$251 (40%) and US\$251 – US\$500 (40%). Singapore game companies pay the highest average monthly salary for entry-level employees of US\$1,501 – US\$2,000 (42%) due to the fact that Singapore has the strongest currency in the SEA region (Figure 36).

Most game companies in Southeast Asia offer an average monthly salary for an employee with 8 years' experience of US\$1,001 – US\$2,000 (30%) (Figure 38). However, the game companies in Indonesia and Vietnam offer lower salaries at US\$501 – US\$1,000 monthly while Singapore has the highest salary of US\$3,001 – US\$4,000 per month. Currency, the cost of living and location-based pay contribute to the variation in average salary (Figure 39).

For both entry and mid level estimated compensation rates, this figure has remained relatively consistent across the range. This indicates that while studios are maturing, the tight competition is keeping wages relatively stable throughout the last few years.

¹⁸ Female Gamers Are On The Rise. Can The Gaming Industry Catch Up?, 2021

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Figure 20 Education Qualification By Country

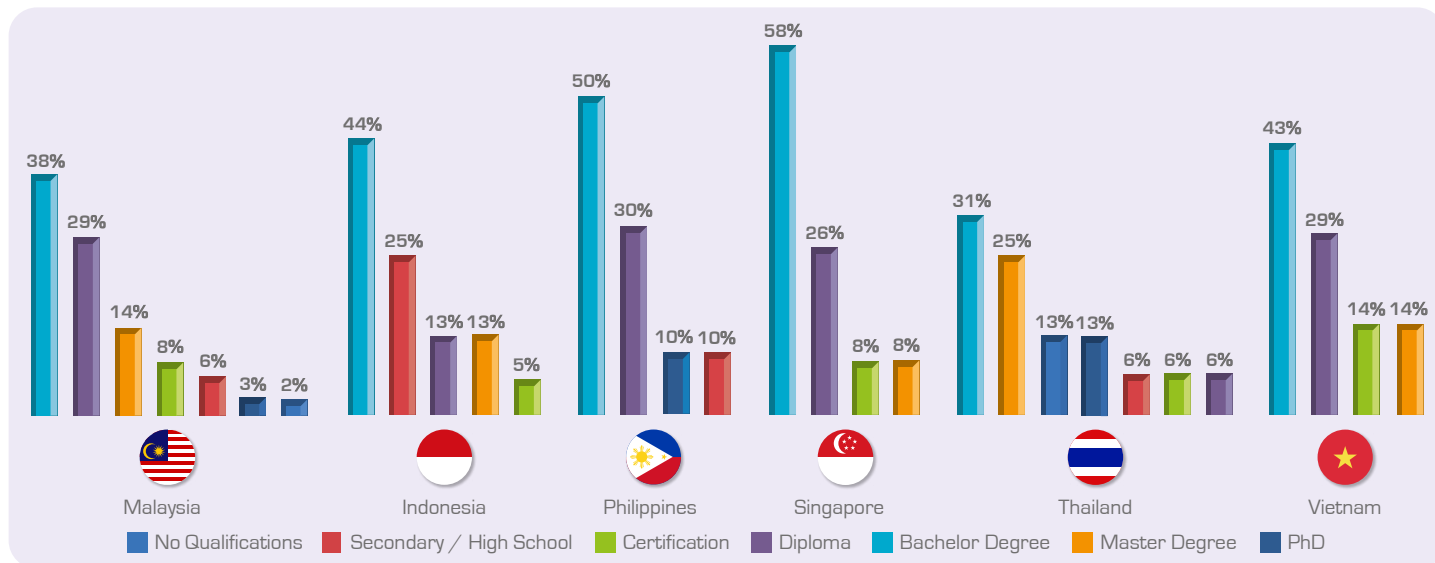


Figure 21 Education Qualification

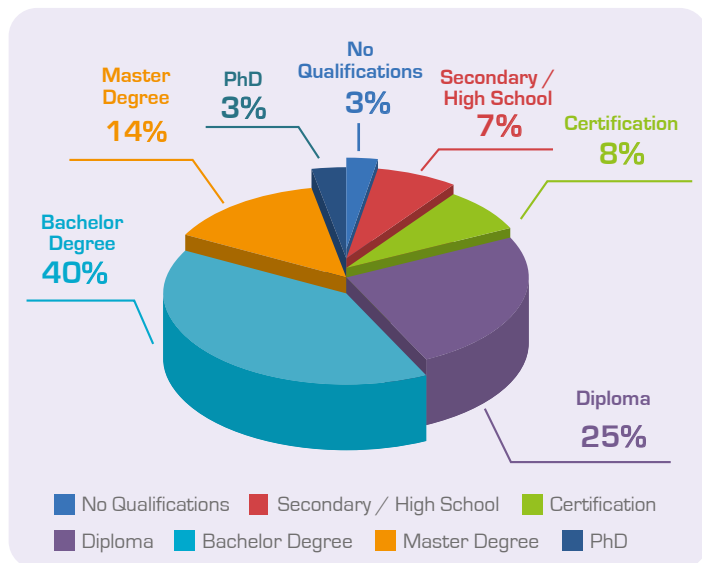
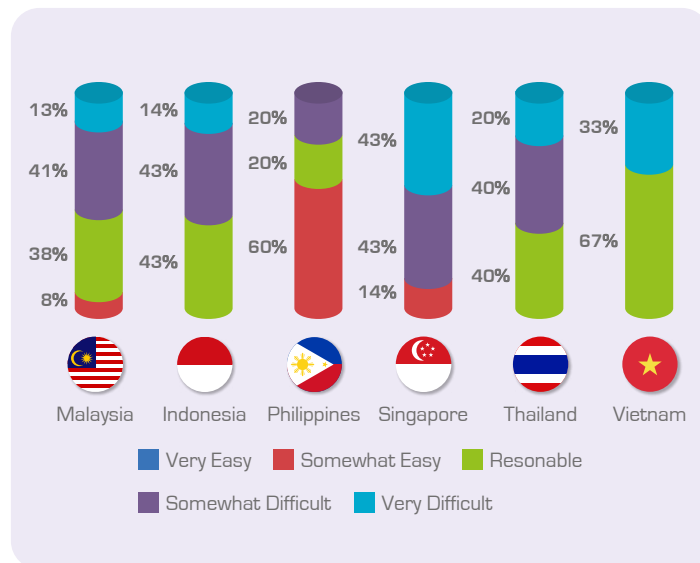


Figure 22 Accessibility Of Talent By Country



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Figure 23 Accessibility Of Talent

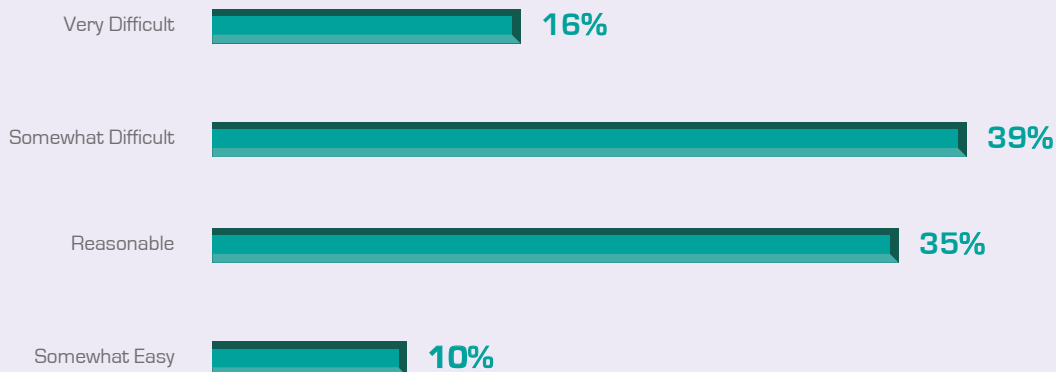
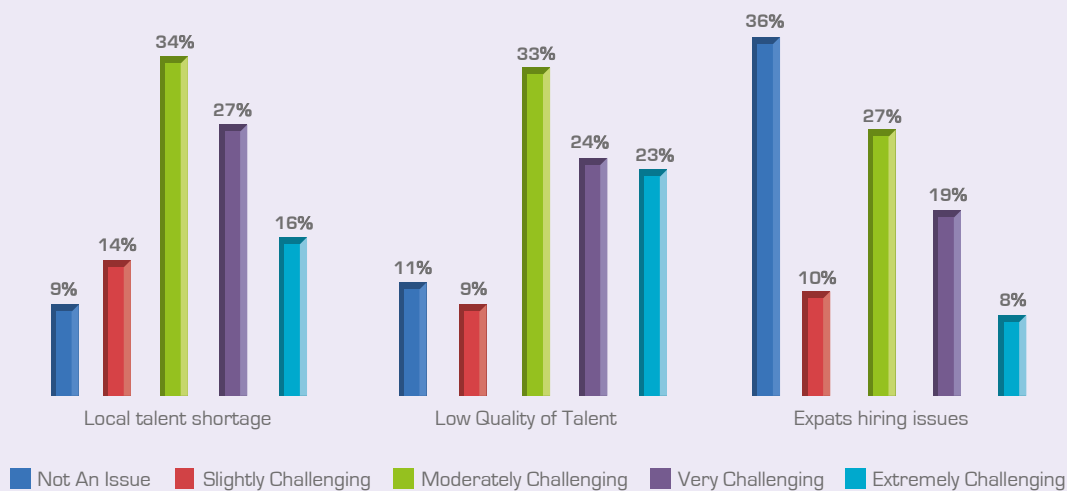


Figure 24 Challenges Of Talent Acquisition



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Figure 25 Readiness For Entry-Level Talent

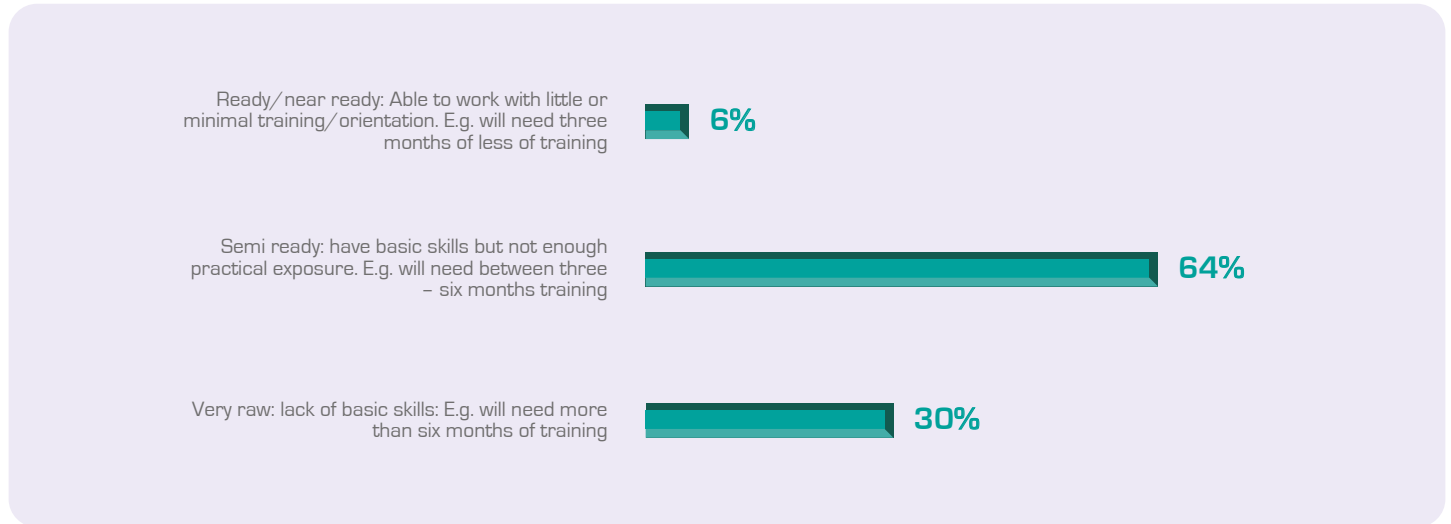


Figure 26 Internship Duration

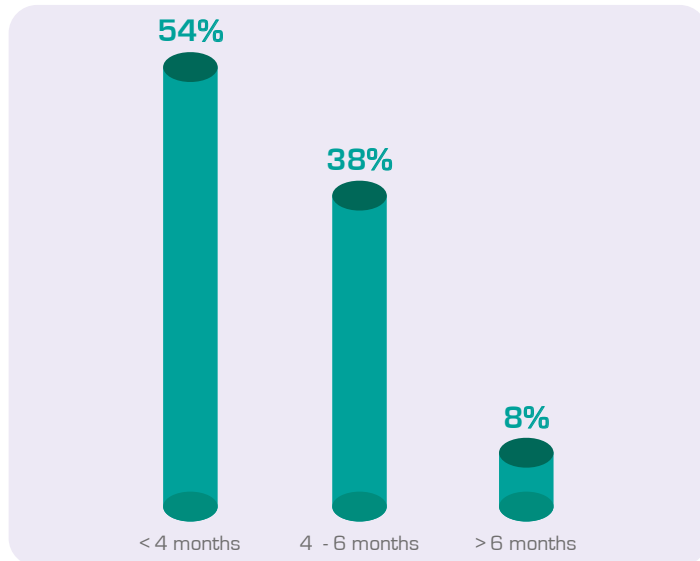
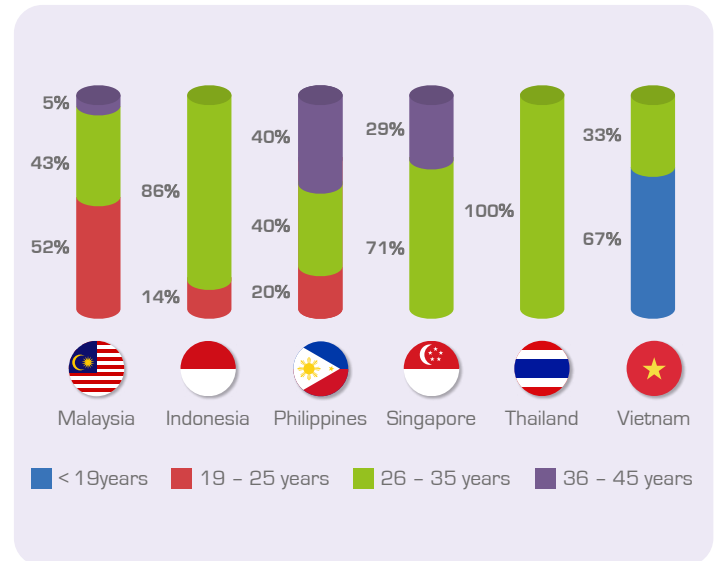


Figure 27 Average Age Range Of Employees By Country



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Figure 28 Average Age Range Of Employees

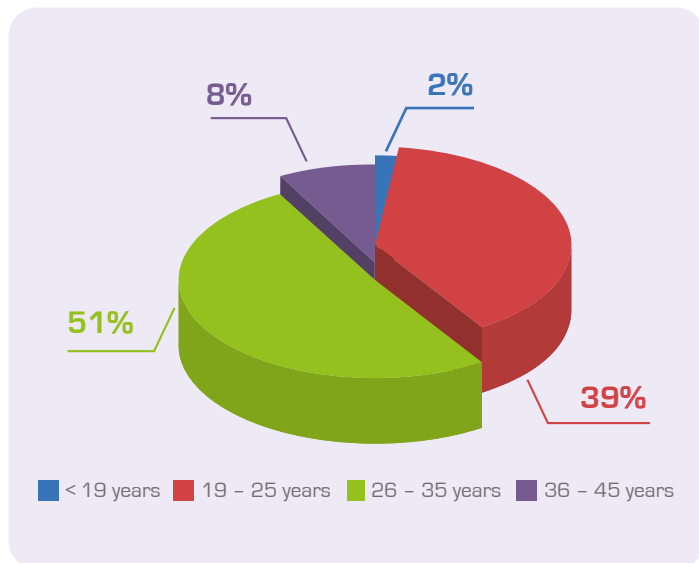


Figure 29 Role Category

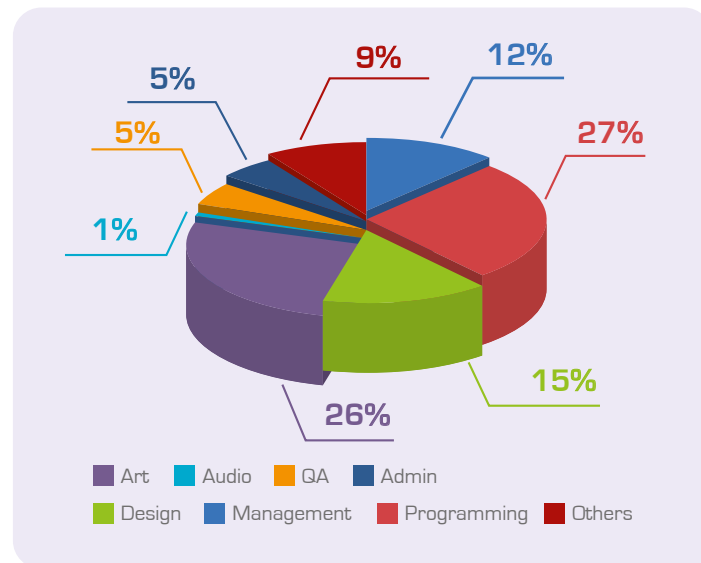
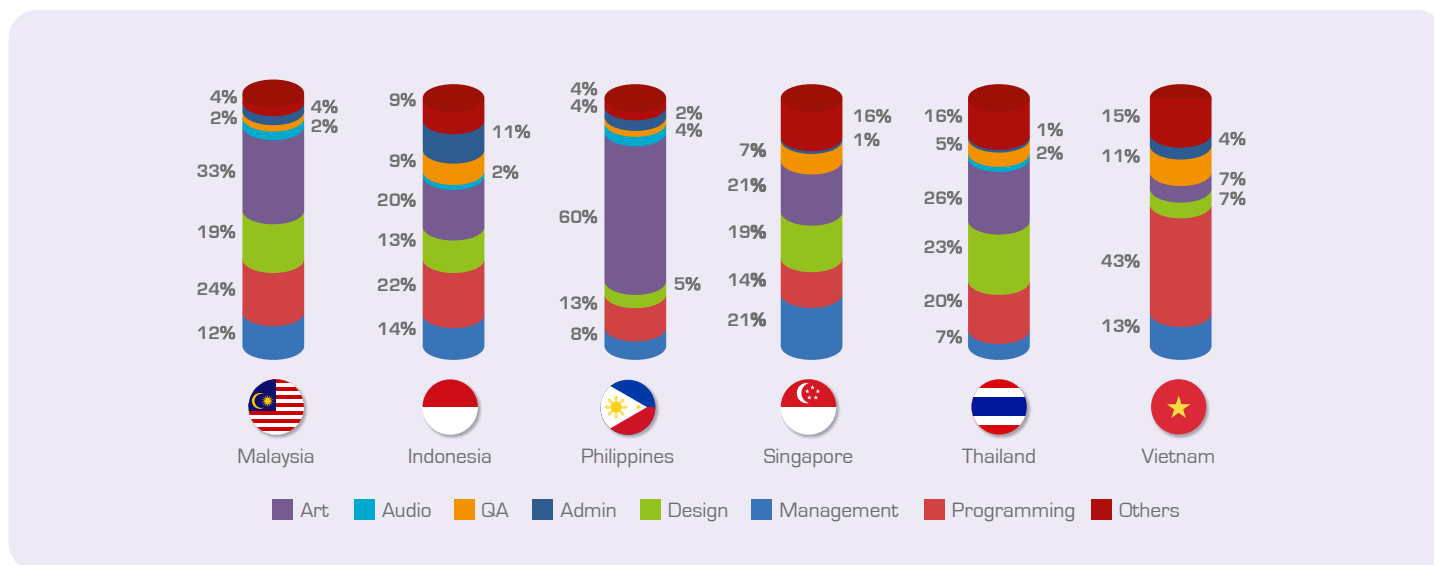


Figure 30 Role Category By Country



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Figure 31 Woman Ratio By Country

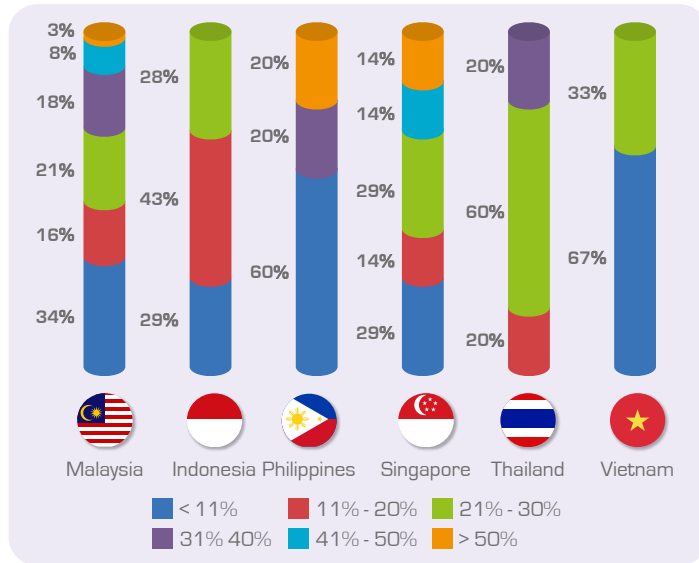


Figure 32 Employee Turnover Rate By Country

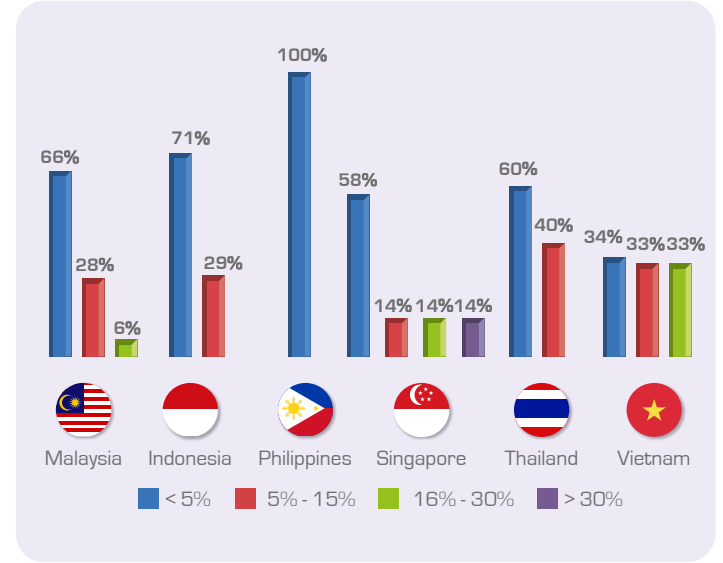


Figure 33 Woman Ratio

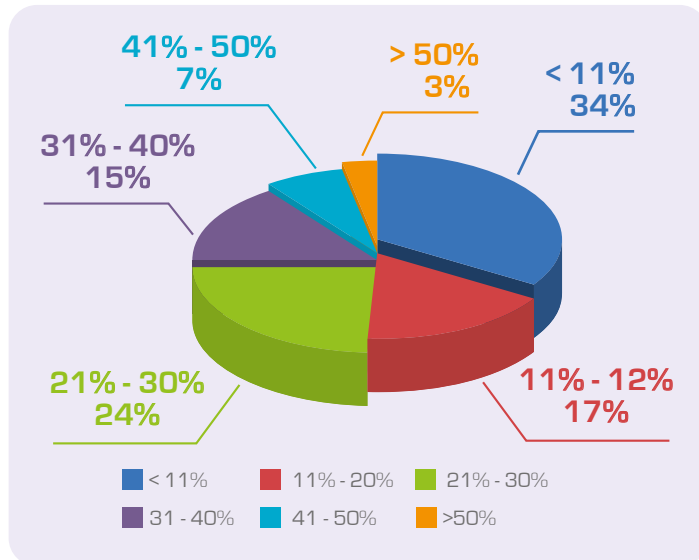
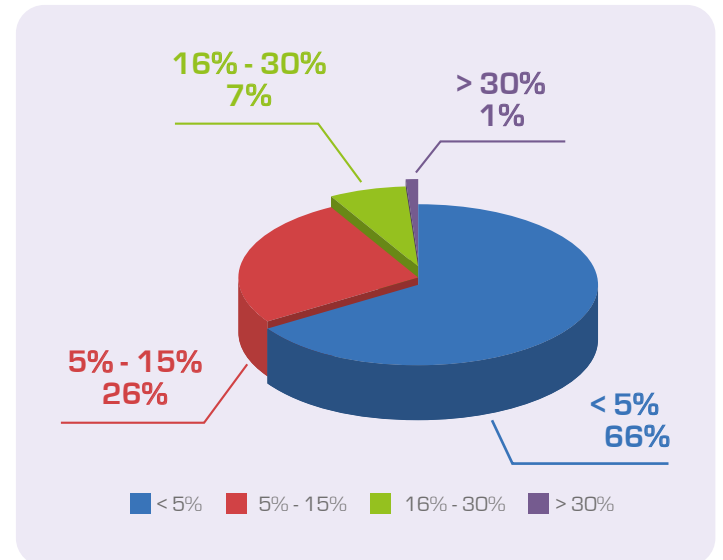


Figure 34 Employee Turnover Rate



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Figure 35 Reason For Employees Leaving Jobs

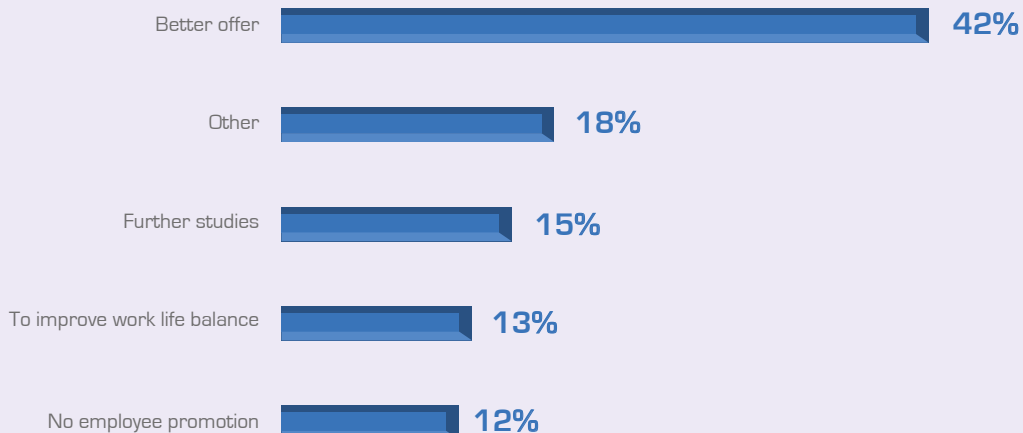
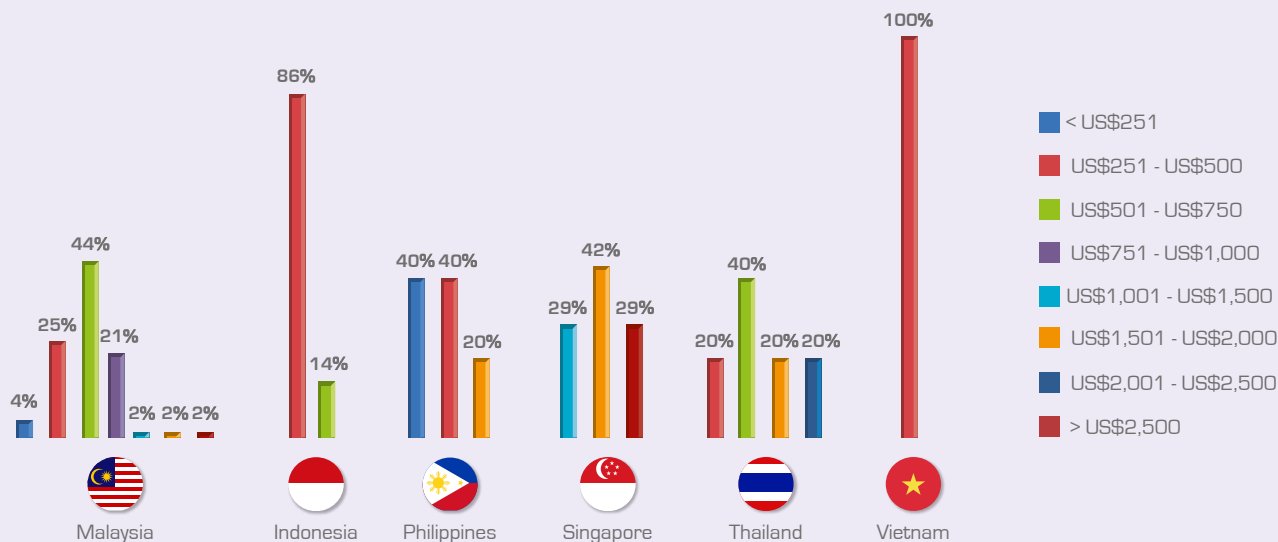


Figure 36 Average Monthly Salary For Entry-level Employee By Country



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Figure 37 Average Monthly Salary For Entry-level Employee

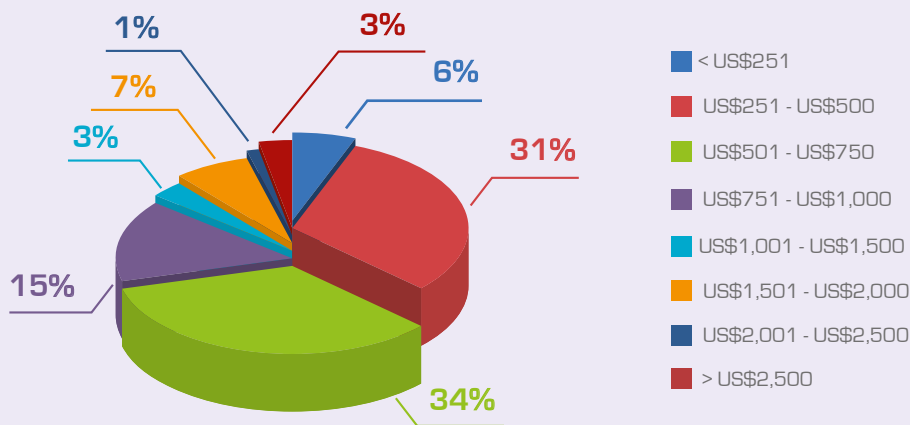
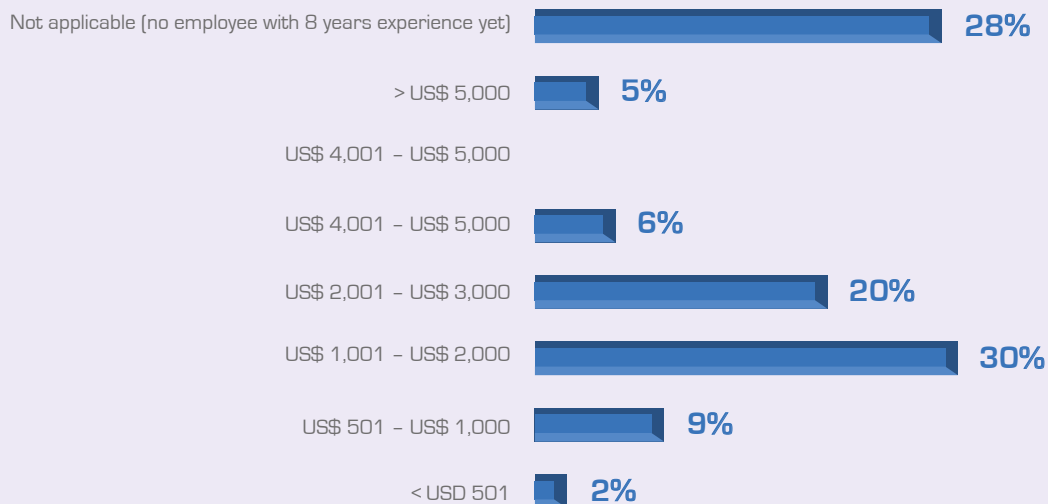
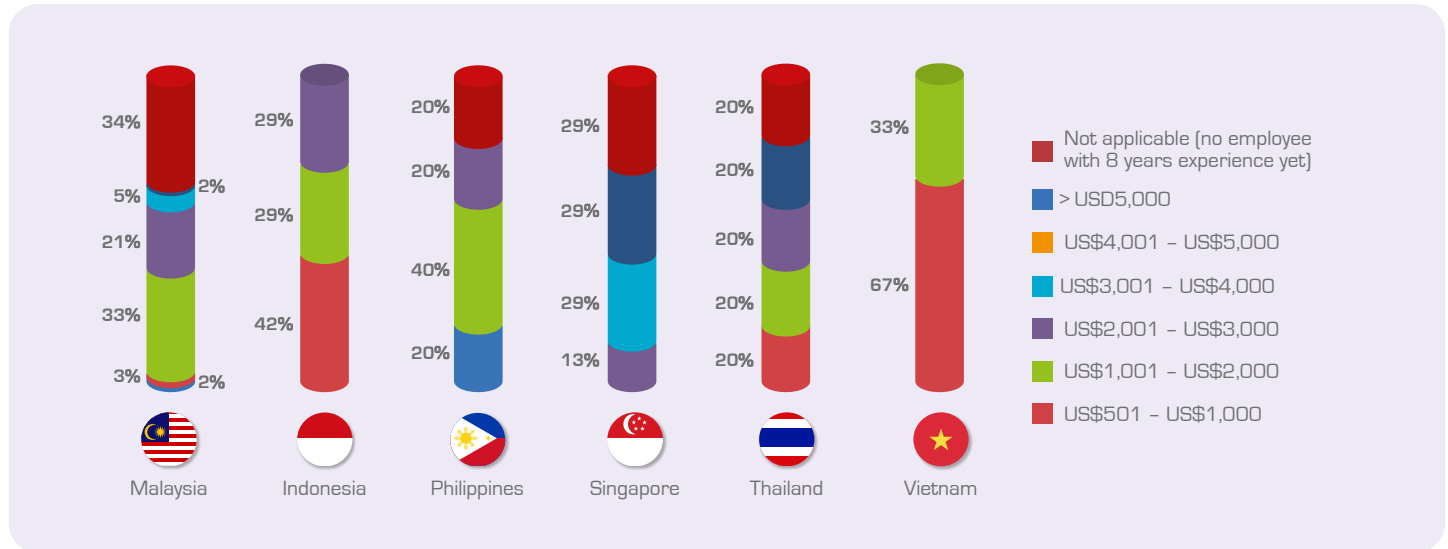


Figure 38 Average Monthly Salary For Eight (8) Years' Experience Employee



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Figure 39 Average Monthly Salary For Eight (8) Years' Experience Employee By Country



Environment

To excel and for growth, there has to be support for the game industry. The top three supporting components of the game ecosystem in Southeast Asia are the game developer community (22%), government support & initiatives (19%) and game industry associations (18%) (Figure 41). These are applicable in all SEA countries except for Thailand, which instead suggests the most support is the well-equipped infrastructure and facilities (27%) (Figure 40).

Game associations in Southeast Asia are:

- Asosiasi Game Indonesia (AGI)
- The Game Developers Association of the Philippines (GDAP)
- Thai Game Software Industry Association (TGA)
- Singapore Game Association (SGGA)

Companies in Indonesia (100%), Singapore (67%) and the Philippines (100%) participate in game associations. Currently, there is no formal game association in Malaysia. Therefore, the Chapter of the International Game Developers Association (IGDA) has been supporting the game development community in this country. There are also many game developer community groups in Malaysia such as Games HQ Malaysia, Malaysia Game Developer. Currently, MDEC is in a leading role as the trade association for the game industry in Malaysia. In Vietnam, an example of an active game developer community is the Vietnam Game Dev.

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The majority (83%) of Southeast Asia countries, have local game conferences, trade fairs and community events (Figure 42). Some local game events are:

- Malaysia: LEVEL UP KL, Comic Fiesta
 - Philippines: ESports Gaming Summit, Komikon, Indie Fiesta
 - Indonesia: Baparekraf Game Prime, Indonesia Game Developer Exchange (IGDX)
 - Singapore: Gamestart Asia (2014 - 2019), gamescom asia (2020 - present), SGGA Industry Day (2018 - present)
 - Thailand: Thailand Game Show
- Thailand: DEPA Game Accelerator
 - Singapore: MIT-Gambit Lab (2007 - 2012) Collaboration between Singapore Government & MIT Boston, SUTD Game Lab (2013 - 2017), Cargo Studio (2020 - present), Iterative Collective (present)

As mentioned before, most game companies are start-ups. Therefore, game incubation programs are present across the SEA region. Most game companies in Indonesia (75%), Thailand (60%) and Philippines (80%) have expressed interest in participating in these programmes while only some companies in Malaysia (35%) and Singapore (50%) showed interest in incubation programmes over the past years. It is interesting to note that the majority (67%) of companies in Vietnam are uninterested in joining the programs (Figure 45). There is an established game company in Indonesia called Agate who is currently partnering with state-owned enterprise Telkom to run the Indigo Game Startup Incubation (IGSI).

Incubations programs are available in Southeast Asia include:

- Malaysia: LEVEL UP Inc, Gamefounders, DC3/IPCC, Global Top Round (GTR), LEVEL UP Apprentice KDU and MDEC 2017, 1337 pre-alpha startup game edition 2017
- Indonesia: Indigo Game Startup Incubation (IGSI), Creative Game Incubation (CGI), IGDX Academy,

Most studios (77%) believe that esports is important for the entire game ecosystem as it helps to build popularity and eventually stimulate industry growth (Figure 46). Factors cited include the development of infrastructure, potential career as game testers, promoting game industry, raising awareness and educating the public. Through esports, the demand and consumption of games will increase in the long run, leading to the continuous growth and sustainability of the industry. An outlier to this is in Singapore, where the majority of game companies are of the opinion that esports is not significant to the game industry growth. While there were several reasons for this, the most common response was that the most popular games played during tournaments are not regionally developed games. Extrapolating this further, there could be an opportunity for widespread regional support for esports should there be competitive gaming titles that were developed or heavily produced within the region.

Based on the survey findings, the regional game ecosystem can be grouped into six categories, which represent the environment as posed by the studios:

1. Community and industry events

Local community and industry events are important as it serves as a platform for knowledge sharing, showcasing, networking, business opportunities with international participation and exposure. It is also a platform to recognize the achievements and success of local game developers.

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2. Public awareness and government support

The government plays a vital support in educating the public regarding the game industry and recognizing that the industry is a contributor to the economy as game companies create job opportunities. Governments can also play a part in crafting friendly tax policies specifically catered to the game industry that can spur further growth.

3. Investment and fundings

To make financial resources accessible, different streams of finance such as private funding, traditional bank loans, government grants and alternative financing from private entities should look at the gaming industry as a viable option. Private entities still lack the understanding regarding the industry; hence game companies find it difficult to raise funds.

4. Research and development

Game companies have to maintain competitiveness via investments in new tech, workflows, processes and similar elements of business and product research & development. This includes the areas of game software, game engines, hardware development and the emergence of new or niche technology such as VR/AR, blockchain in gaming, the leisure economy, and more.

5. Start-up ecosystem

The creation of a better start-up environment and incubator programmes for the game industry will better provide new businesses with a greater chance of commercializing their craft and creating value. Feedback has also shown that while labelled as a start-up ecosystem, it also reflects having an ecosystem for any studio, new or established to undertake managed risk, either by support from partners, capital or product development.

6. Education system and training.

Education and training is a critical component in producing quality talent that meets the demand of the game industry. While the industry is aware that there is never an infallible system to ensure academically trained talent would meet industry demand, closing that gap should be the goal. Better ecosystems support this endeavour. Currently there are insufficient talents in the programming, technical artist, game design, game economy and game art production sectors.

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Figure 40 Supporting Components In Local Ecosystem By Country

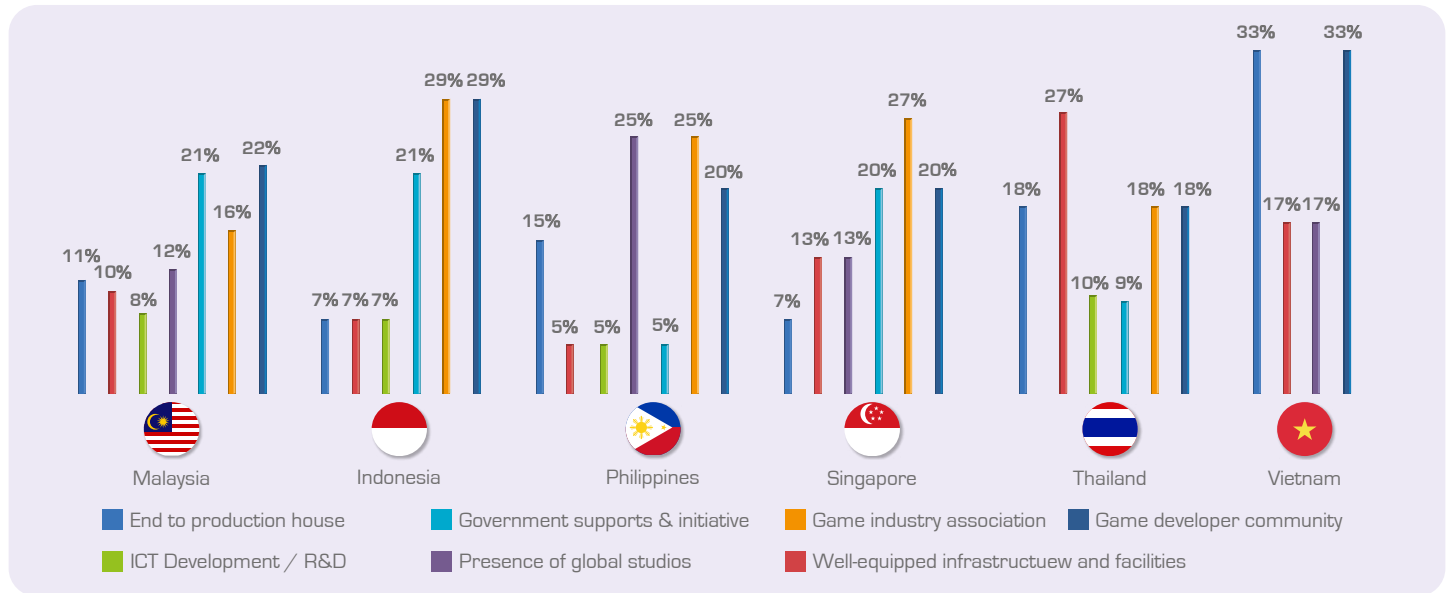
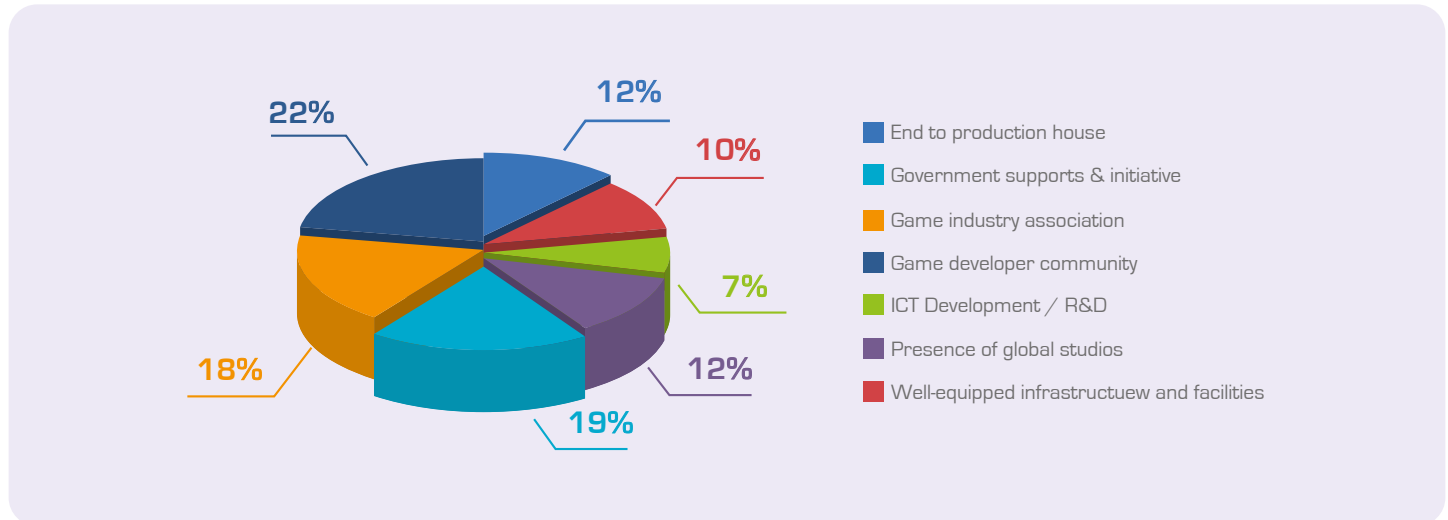


Figure 41 Supporting Components In Local Ecosystem



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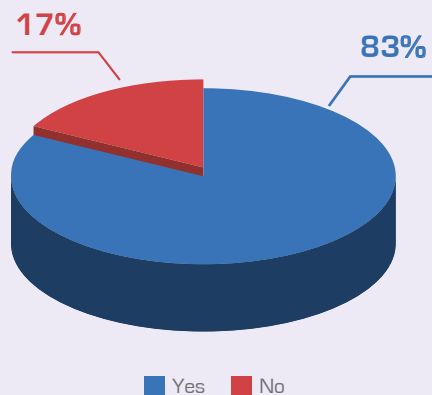
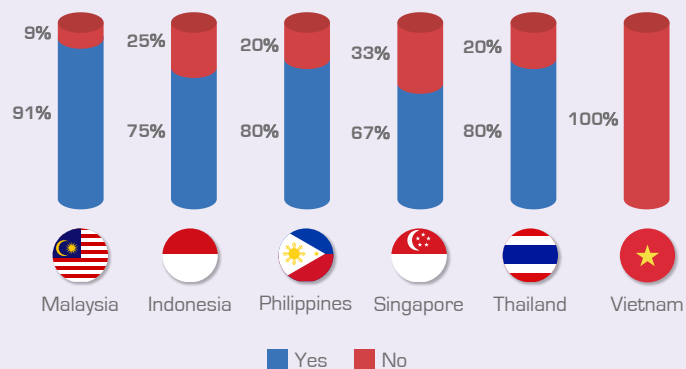
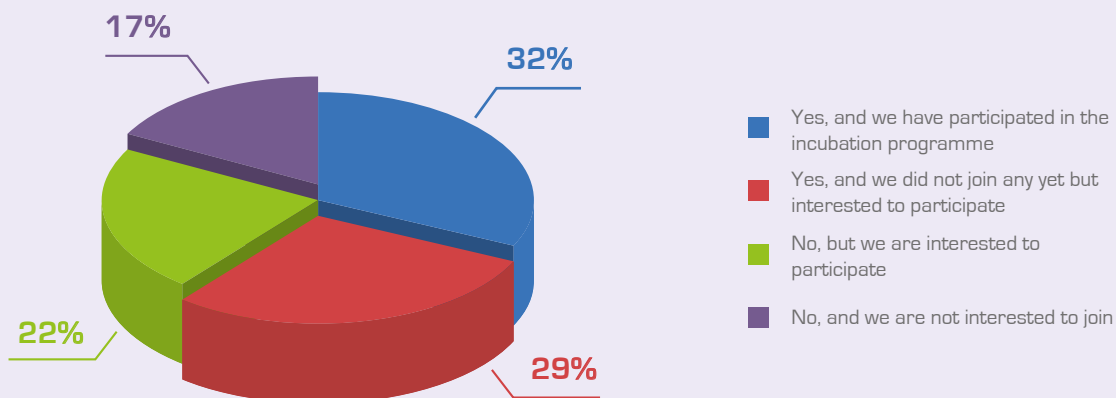
Figure 42 Local Game Conference /
Trade Fair / Community EventsFigure 43 Local Game Conference /
Trade Fair / Community Events By Country

Figure 44 Game Incubation Programme(s) And Participation



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Figure 45 Game Incubation Programme(s) And Participation By Country

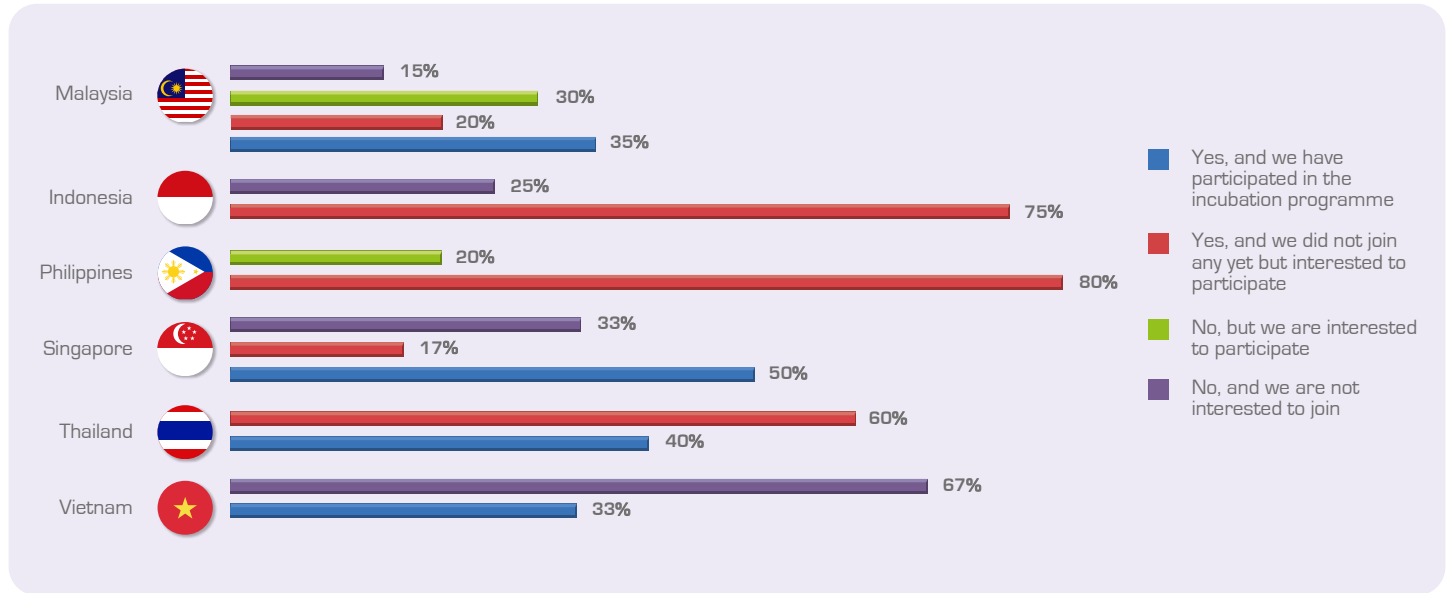


Figure 46 Important Of E-Sport As Game Ecosystem Builder

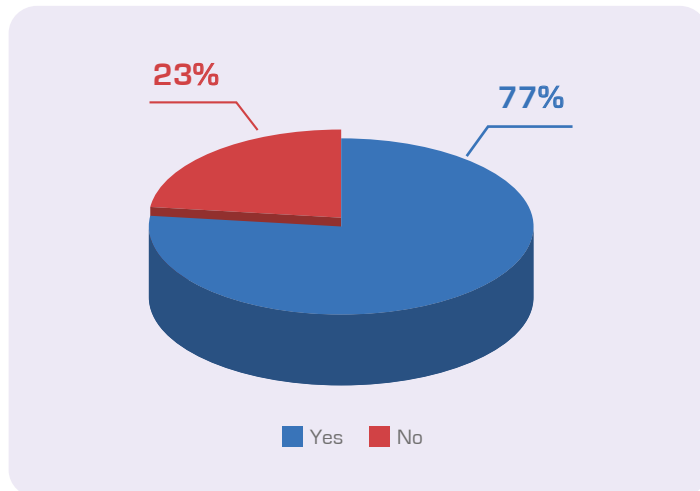
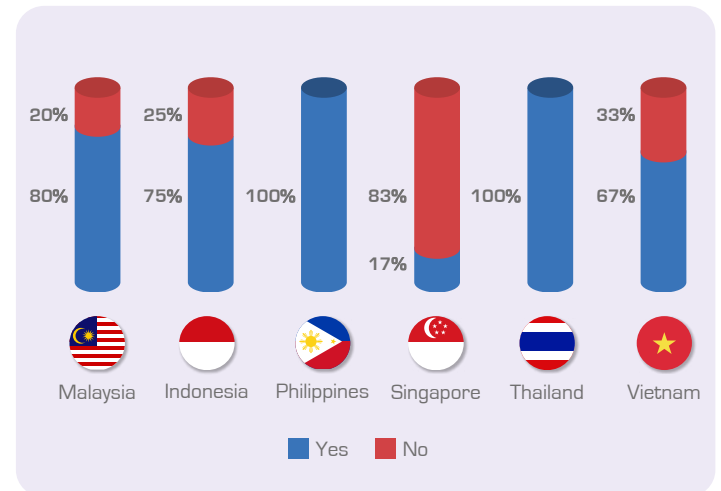


Figure 47 Important Of E-Sport As Game Ecosystem Builder By Country



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Scale & Growth

The business environment of the game industry in Southeast Asia is grouped into 6 components:

- i. Open economy allows for free trade
- ii. Well-equipped infrastructure
- iii. Attractive business environment, including tax system, talent supply, investment
- iv. Friendly governing rules and regulations
- v. Financial and banking services,
- vi. Government support programme

Most components are considered as essential by game companies in Southeast Asia. There are some unique inferences: studios in Singapore, Thailand and Vietnam consider their business environments as very good to excellent [58%] (Figure 54).

In Thailand, the country has a very good open economy that allows for free trade [80%] although there is some perception that more public sector support is needed (Figure 58). Singaporean game companies rated most of the six components favorably with the notable average mark being that government support could be better [33%] (Figure 57).

The following 2 suggestions are for the improvement of business environments:

1. Attractive business environment, including tax system, talent supply, investment
 - a. To attract more foreign investors, venture capitals and publishers into the game industry
 - b. Better tax incentives and financial support
 - c. Enhancement of infrastructure
 - d. To improve the quality of talent and talent supply

2. Governing rules and regulations
 - a. Communication improvement to keep the companies well-informed on the processes with transparency such as the timeline of government grant application status
 - b. To change the perceptions of game industry into favourable ecosystem
 - c. Friendly regulatory practices and compliance for game industry

In terms of government support, companies in Indonesia [50%], Singapore [50%], Thailand [60%] and Philippines [60%] are of the opinion that their governments should provide more grants and funding support to the game industry, while this being less prevalent in Malaysia [31%] and Vietnam [33%], where government grants and funding are cited as being more accessible (Figure 49).

The tax incentive in Philippines is considered good [60%], this being less favorable in Indonesia [50%], Singapore [50%] and Thailand [40%] whereby studios cite that the tax system is not aligned to growth-friendly policies (Figure 51).

In Vietnam, most game companies consider the government subsidy loan for businesses as good. However, game companies in Indonesia [83%], Thailand [60%] and the Philippines [40%] have difficulties when it comes to obtaining business loan subsidies from the government and seek further public sector (Figure 50).

To summarize,

- Studios in Thailand and Indonesia are seeking more overall government support
- The government of Malaysia is supportive of the game industry
- Singapore's government provides sufficient

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training and development subsidies but more assistance is needed by studios in the areas of grants and funding, tax incentives and subsidy loan for businesses

- There is an availability of government subsidy loans for game companies in Vietnam to operate businesses. However, the country's government does implement strict controls on game companies who publish games in the Vietnamese market.
- Studios in the Philippines acknowledge there is a shortfall of grants and funding, subsidy loans business from the government

In Southeast Asia, most (35%) of the public-private partnerships initiatives focus on events and programmes (Figure 60). In particular, Indonesia (43%) and Vietnam (50%) focus on incubation programs (Figure 61). A good example would be Agate, who is in partnership with state-owned enterprise Telkom to run the Indigo Game Startup Incubation (IGSI) in Indonesia.

The majority (88%) of game companies in Southeast Asia do not enjoy any special tax incentives (Figure 62). Many (58%) do not have any experience in hiring expats as most employees are locals. Generally, hiring expats can be a little challenging, with the bulk of the issue being immigration roadblocks (31%) and having a limited hiring quota for foreign talent (24%) (Figure 63).

Most (36%) game companies in Southeast Asia are located in city centers (Figure 67). Game companies in Singapore (60%) and Thailand (40%) have the highest internet speed of 1GB. Singapore has the fastest average broadband speeds in SEA, according

to the Speedtest Global Index 2021¹⁹. On the other hand, the majority (67%) of game companies in Indonesia experience regular slow internet speed of below 30Mbps²⁰ (Figure 64). However, as a regional average, 36% of game companies in SEA use 100 Mbps internet speed (Figure 65).

The majority (36%) of game companies in Southeast Asia generated an average of less than US\$10,000 annually in the past 3 years, which follows the smaller studio size. The majority of game studios in Southeast Asia report average year-on-year growth in SEA for the past 3 years of around 6% or less (Figure 81). On a sub-region level, Indonesia saw the highest average year-on-year revenue growth for the past 3 years of more than 20% (33%) (Figure 80).

The majority of game companies in Singapore (49%), Philippines (60%) and Vietnam (67%) estimated an allocation of less than US\$10,001 for the average budget for original IP and external development. For most companies in Malaysia (36%) and Indonesia (66%), the average budget for original IP and external development ranges from US\$10,001 to US\$50,000 (Figure 82). The difference in budgets is affected by several factors such as the type of gaming platform, cost of living and expertise. For example, the labour cost in the Philippines is highly competitive and one of the lowest in Southeast Asia. Mobile games are also lower in cost to development when compared to PC and console games with different expertise required in the process of game completion.

In order to maximise the value of IP capitalisation, the majority (73%) of game companies are interested in co-production (Figure 71). Co-production with established companies also allows those in the industry to gain experience and exposure. Co-

¹⁹ Speedtest Global Index, 2021

²⁰ Ranked in 92, Why Is the Internet in Indonesia so Slow?, 2020

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production also provides opportunities for companies to leverage on each other's strengths, which will eventually lead to business growth. For example, the game *Swimming in Two Rivers* is a product of a co-production by 2 companies based in the Philippines and in Thailand. There are 2 game companies who are also working on developing a game with title *Blast Breaker Mobile*. In Malaysia, there are co-production game projects such as *SoCrwd*, *Ethia Online*, *Rimba Racer Rush*, which are collaborations between local game companies. International partners from Denmark and Sweden have also collaborated with game companies in Southeast Asia, showing that the region is ready to achieve greater success, and that growth through collaboration, be it national, regional or global is increasingly attractive.

Generally, access to financing in Southeast Asia is difficult (34%) (Figure 79). Across SEA, Malaysia is the only country with reasonable access to government funds. This is likely due to the commitment from the Malaysian government to stimulate the growth of the game industry by providing various stages of fundings. For example, Digital Content Grant (DCG) supports local game companies in developing, producing, co-producing and marketing for the games. On the other hand, it is considered difficult for Indonesia (49%), Singapore (67%), Thailand (60%), Philippines (40%) and Vietnam (33%) (Figure 76). Domestic venture capital is a rarity, however standouts such as Discovery Nusantara Capital (DNC) in Indonesia are taking the risk, and reaping the rewards, by having this space still underserved. In Thailand (75%) and Vietnam (67%), traditional banking provides loan and debt to game companies (Figure 77). Nonetheless, the use of intangible assets such as IPs as loan collateral is difficult in most Southeast Asian countries. Game

companies in Vietnam have a unique take apart from other countries, where angel investment access is seen as reasonable (67%) (Figure 75). This angel investment for game development or as working capital for business operations has a growing impact in the ecosystem, an example of which is the angel investment platform Vietnam Angel Network (VAN). This is a national business angel network that aims to build a thriving angel investment ecosystem. Also in alternative funding are platforms such as crowdfunding. In particular, studios in Thailand (75%) cite that they have reasonable access to crowdfunding. For example in 2021, Funding Societies was launched in the country for business expansion, working capital needs or up-front project costs²¹ (Figure 74).

24% of game companies in SEA have not participated in any market access. 28% have participated in local and international market access while 20% have attended regional market events (Figure 73). A few samples of market access are:

- LEVEL UP KL (Malaysia)
- Game Developers Conference (GDC)
- Gamescom Asia (Singapore)
- Game Connection (USA)
- GCA Games Convention Asia (Singapore)
- Casual Connect (Europe)
- CES (USA)
- Taipei Game Show (Taiwan)
- Global Top Round (GTR)
- Comic fiesta (Malaysia)
- Tokyo Game Show (Japan)
- Chinajoy (China)
- Game Connection US
- Pocket Gamer London (UK)

²¹ Funding Societies, SEA's Leading Digital Financing Platform, Launches in Thailand to Support SMEs, 2021

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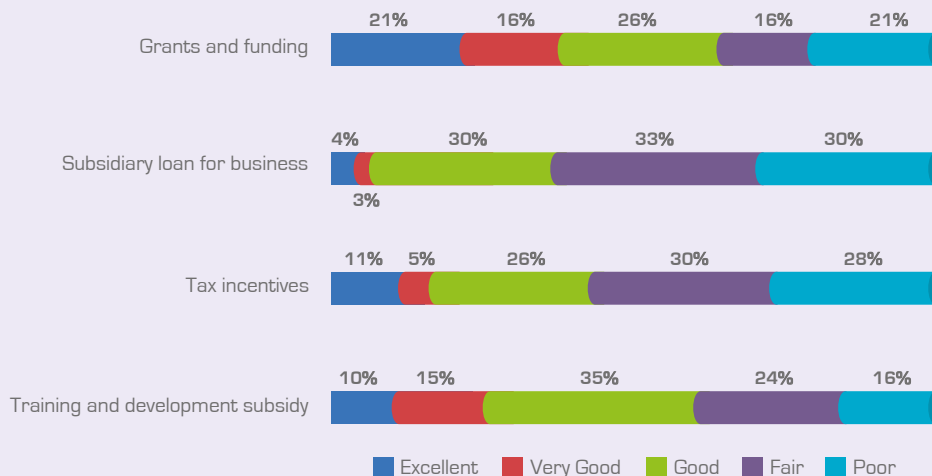
- External Development Summit (XDS) Vancouver (Canada)
 - Pax (Penny Arcade Expo)
 - G-Stars (Korea), Game Developers Session (GDS) (Czech Republic)
 - Game Prime (Indonesia)
 - Indie Game Biz Summit
 - Brazil's Independent Game (BIG) Festival (Brazil)
- Singapore helps entrepreneurs that has a high potential of success at an early stage. It also provides accessibility to global branding and infrastructure
 - Malaysia lends strong government support to the game ecosystem
 - Indonesia offers a larger pool of talent to choose from and lower operating expenses

Participation in market access allows opportunities to network, seek possible publication and collaborations and it provides a platform to recruit talent.

Most (31%) game companies have not considered setting up a business in other countries. One of the reasons why this is so is because companies want to concentrate on the growth of existing companies as most are still in the early stages of a start-up. However, some game companies have chosen Singapore (19%), Indonesia (16%) and Malaysia (14%) because of the following reasons (Figure 70):

The fact that so many Southeast Asian studios cite that up to a quarter of studios do not participate in any significant market access and that nearly a third of studios have not yet considered expansion to other countries with the region or globally is important. It reflects the latent potential of having content creators who have yet reached the market, and are still growing in size and scale. The industry, while older and more mature as whole since 2015, is still very young, presents huge opportunities to scale and has a lot of room to grow.

Figure 48 Government Support



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Figure 49 Grants And Funding

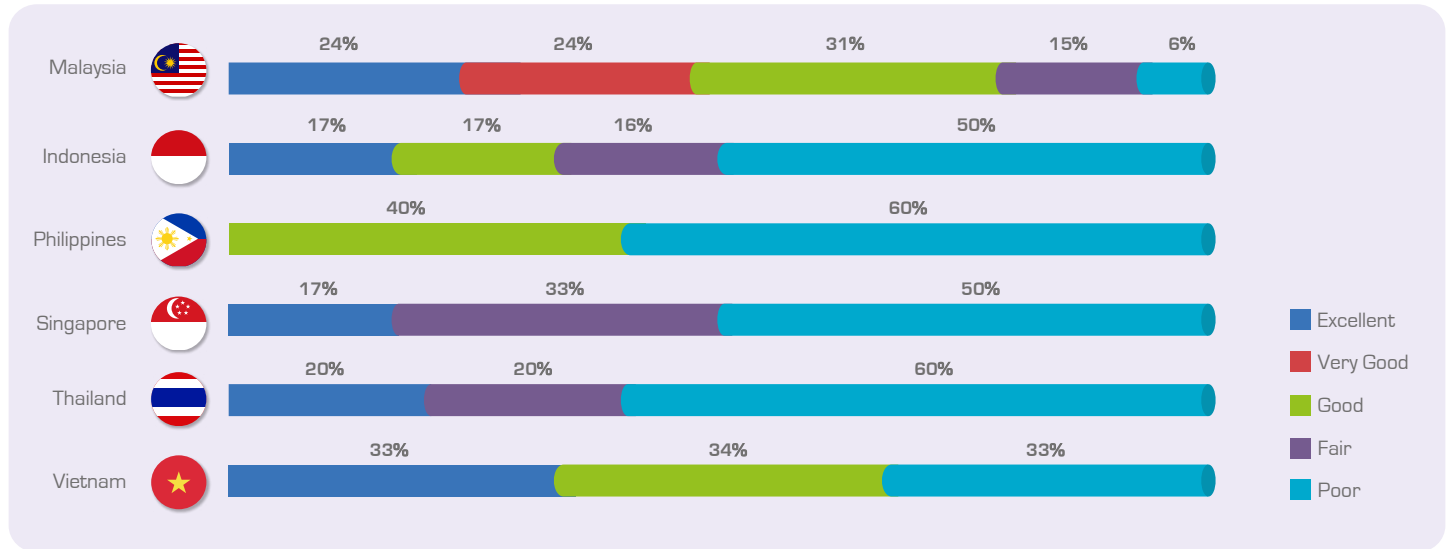
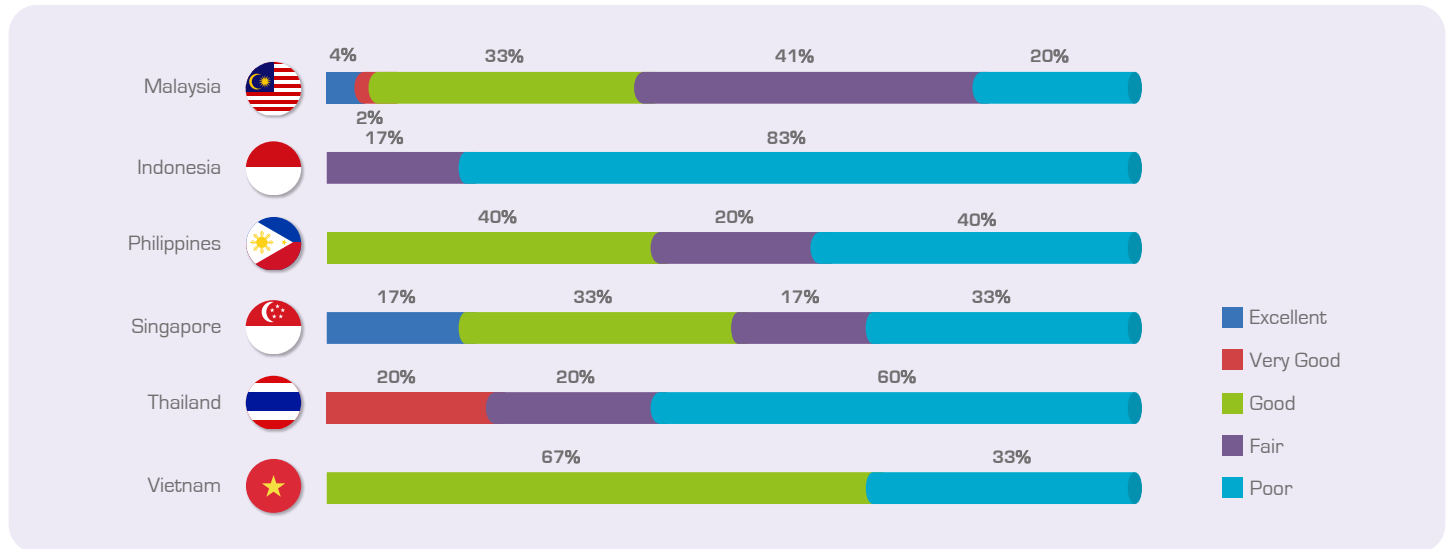


Figure 50 Subsidy Loan For Business



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Figure 51 Tax Incentives

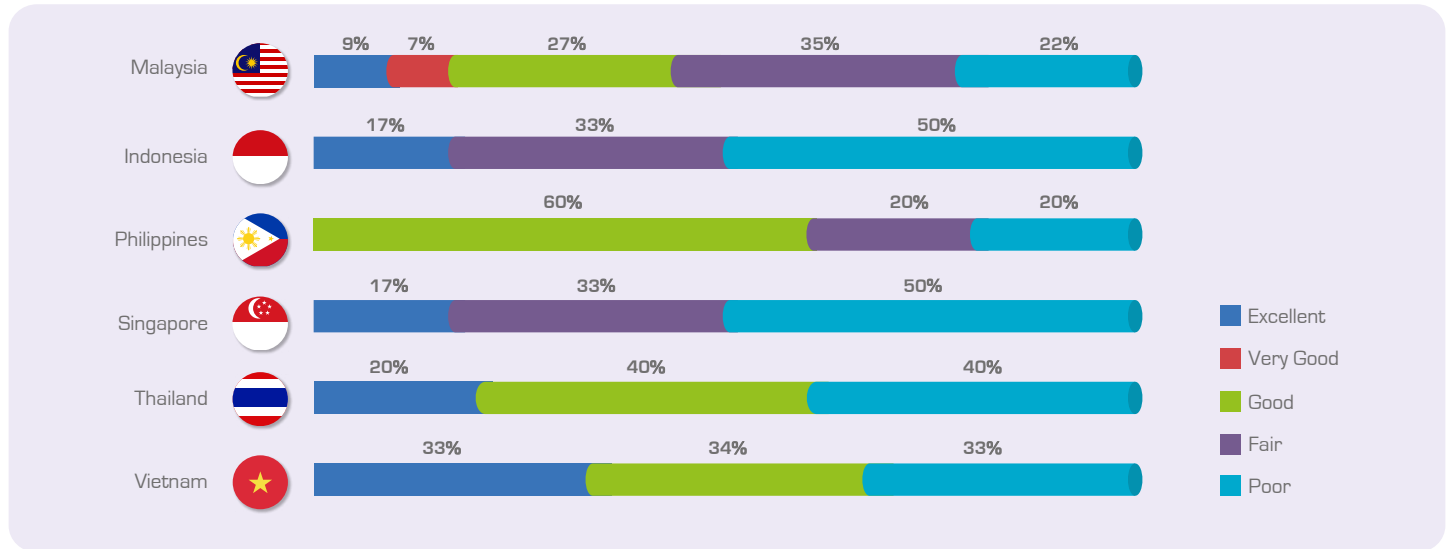
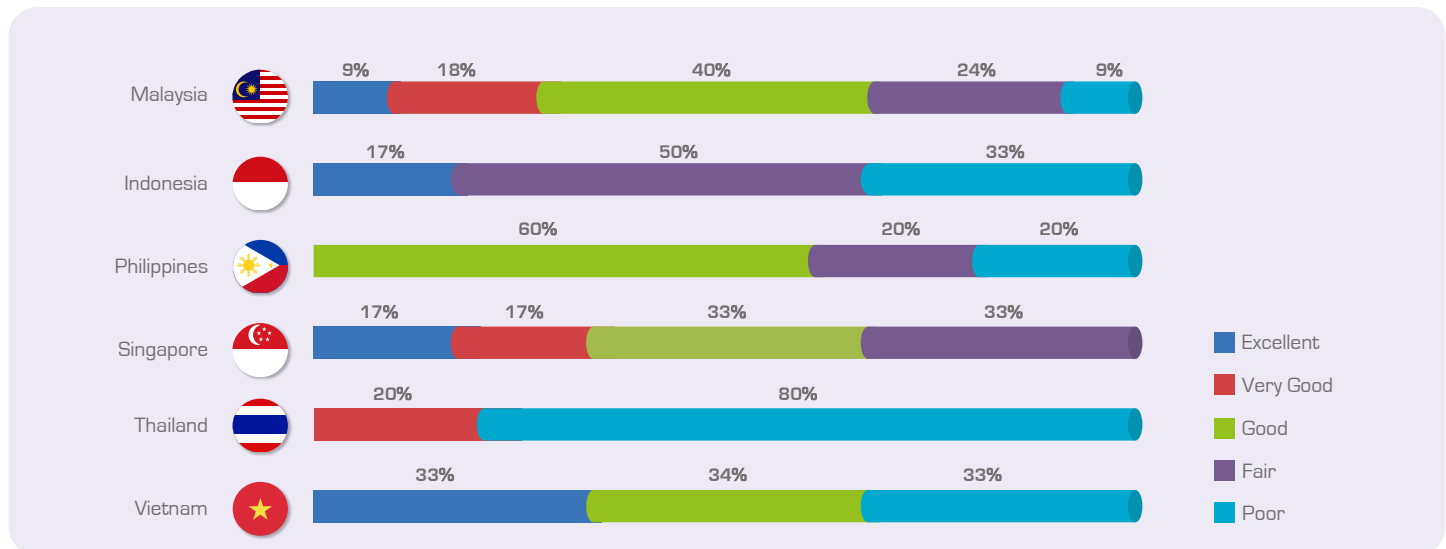


Figure 52 Training And Development Subsidy



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Figure 53 Business Friendliness

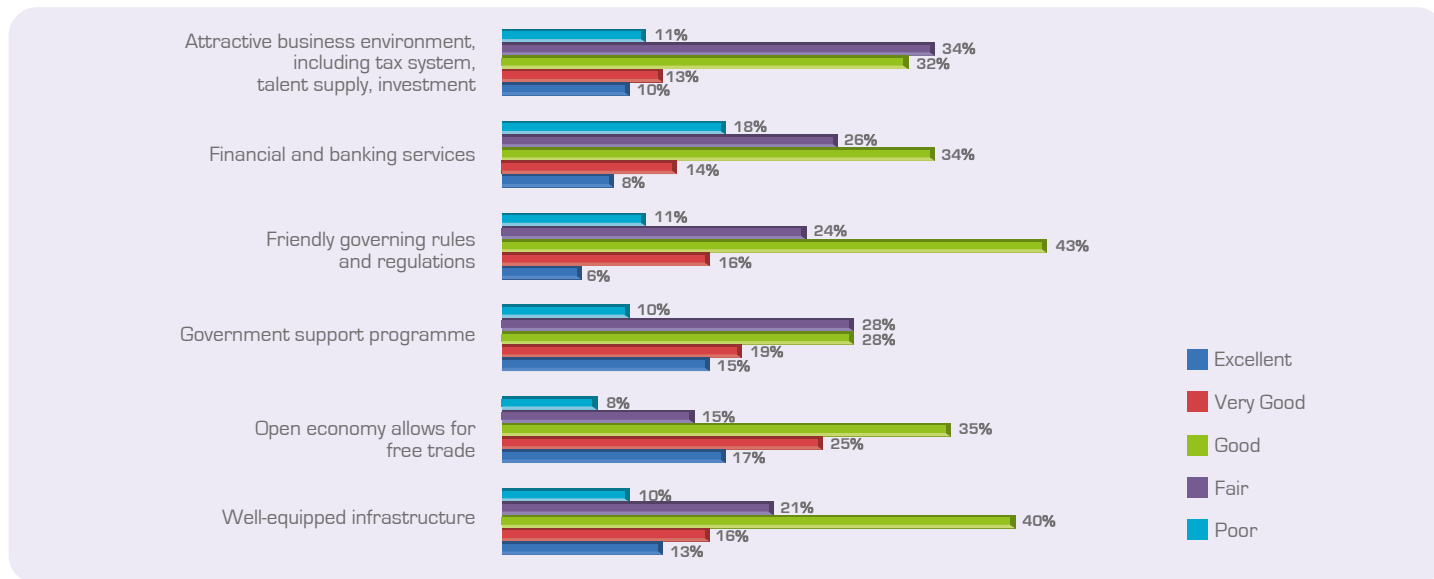
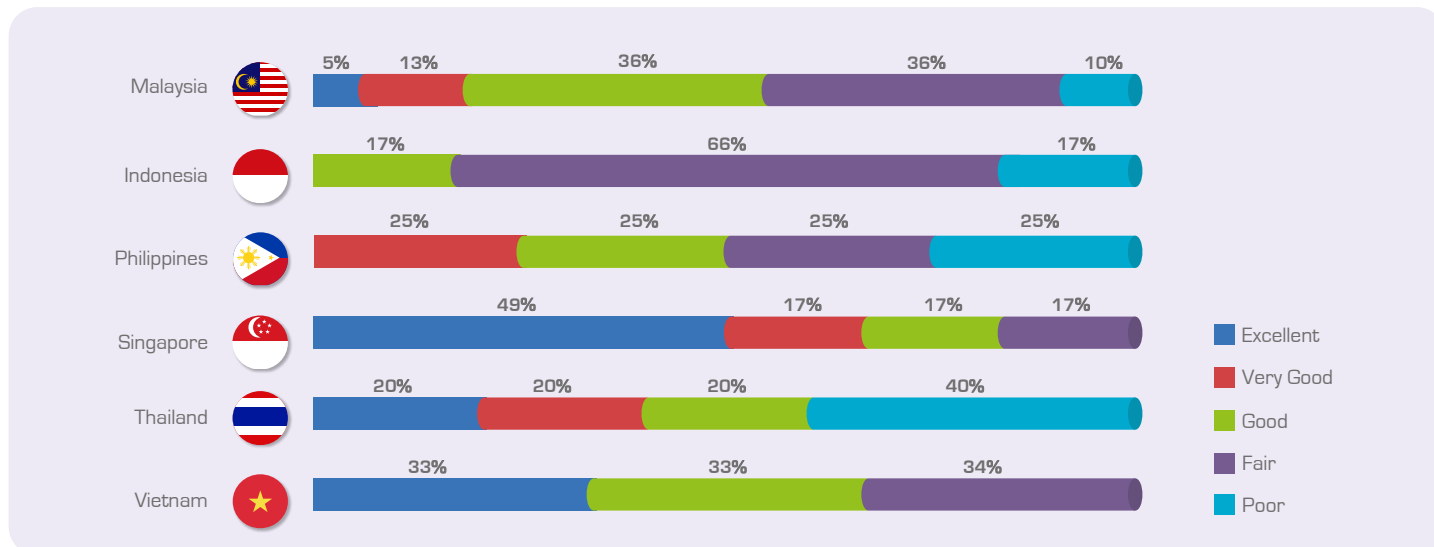


Figure 54 Attractive Business Environment



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Figure 55 Financial And Banking Services

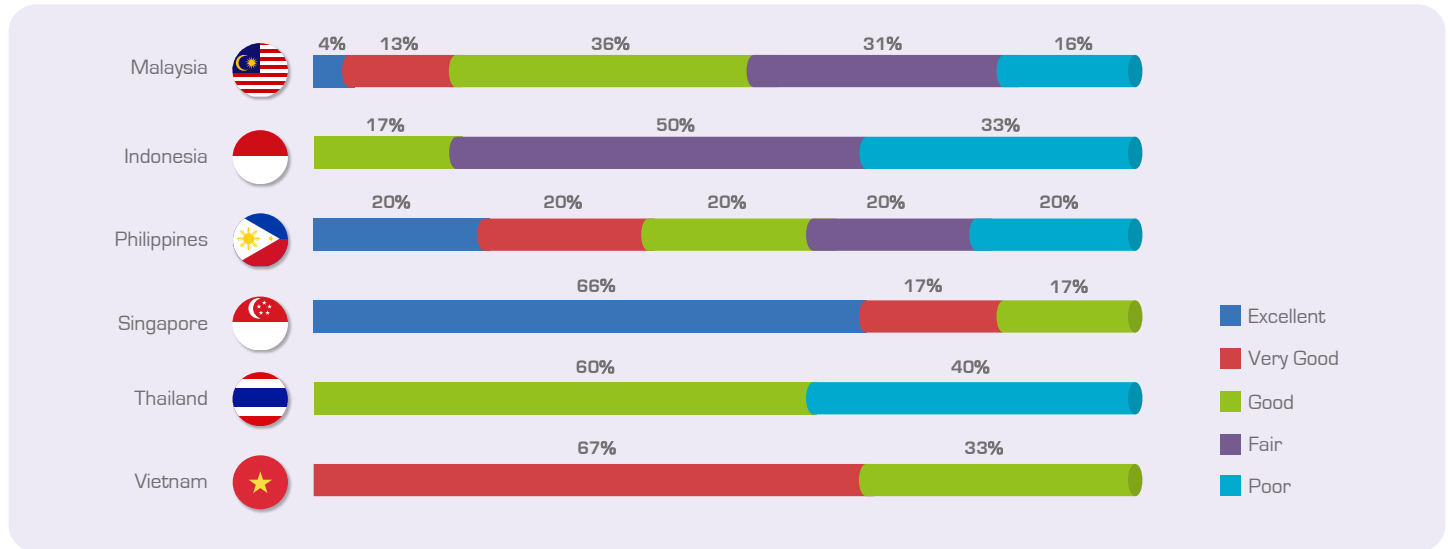
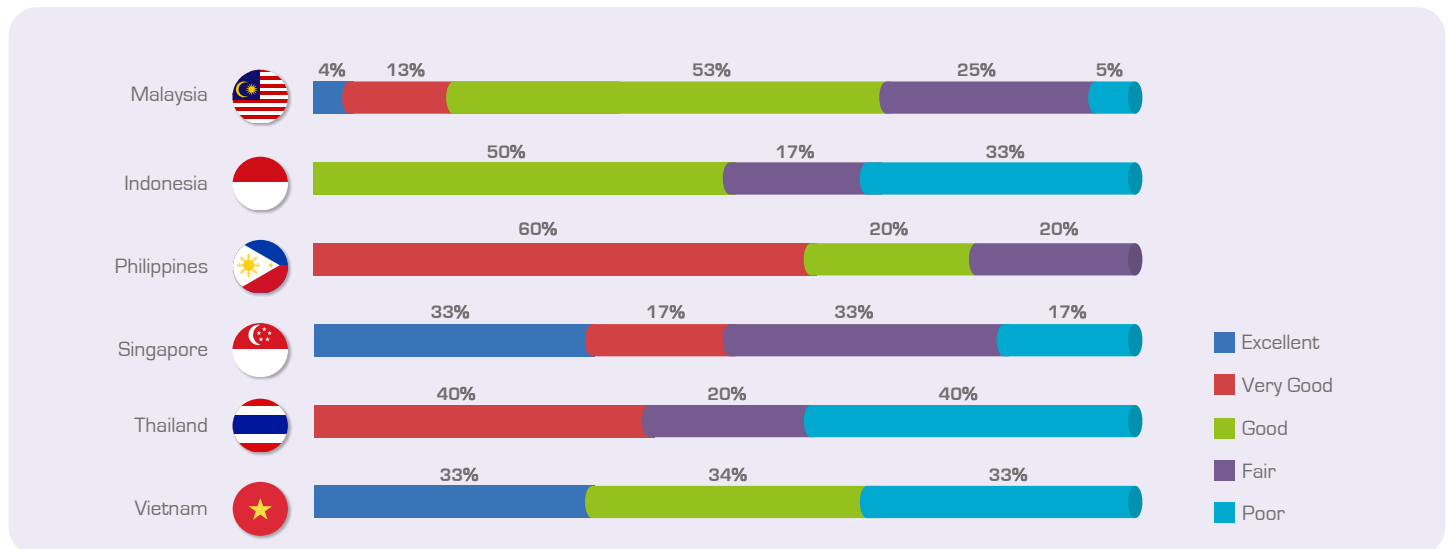


Figure 56 Friendly Governing Rules And Regulations



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Figure 57 Government Support Programme

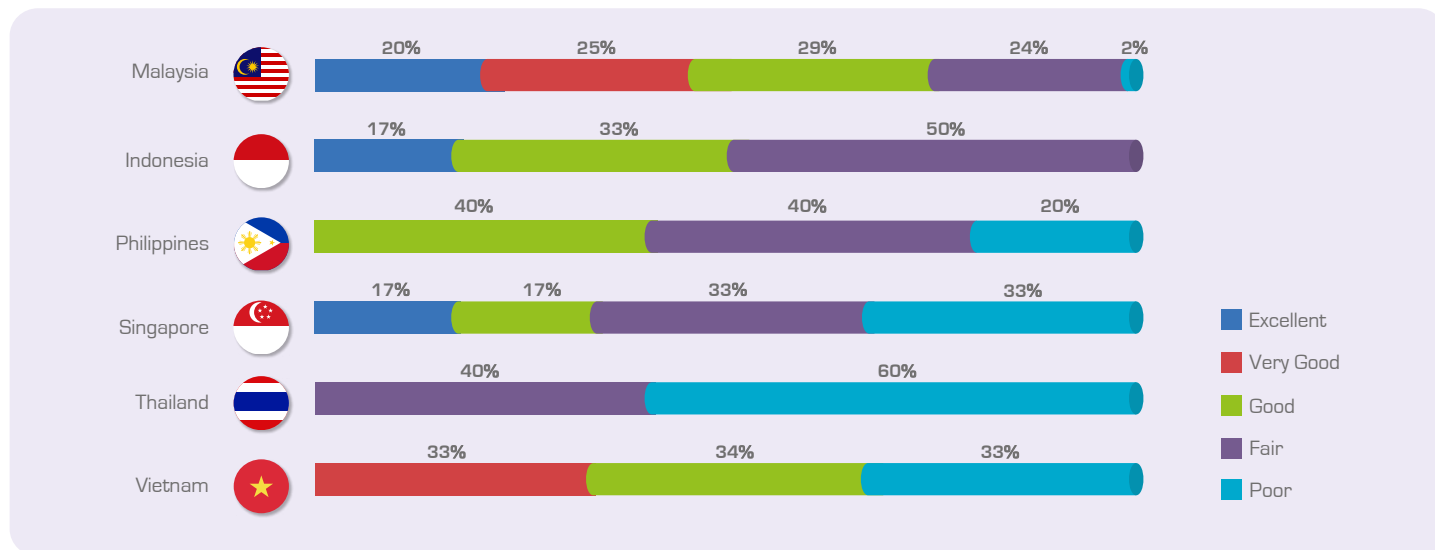
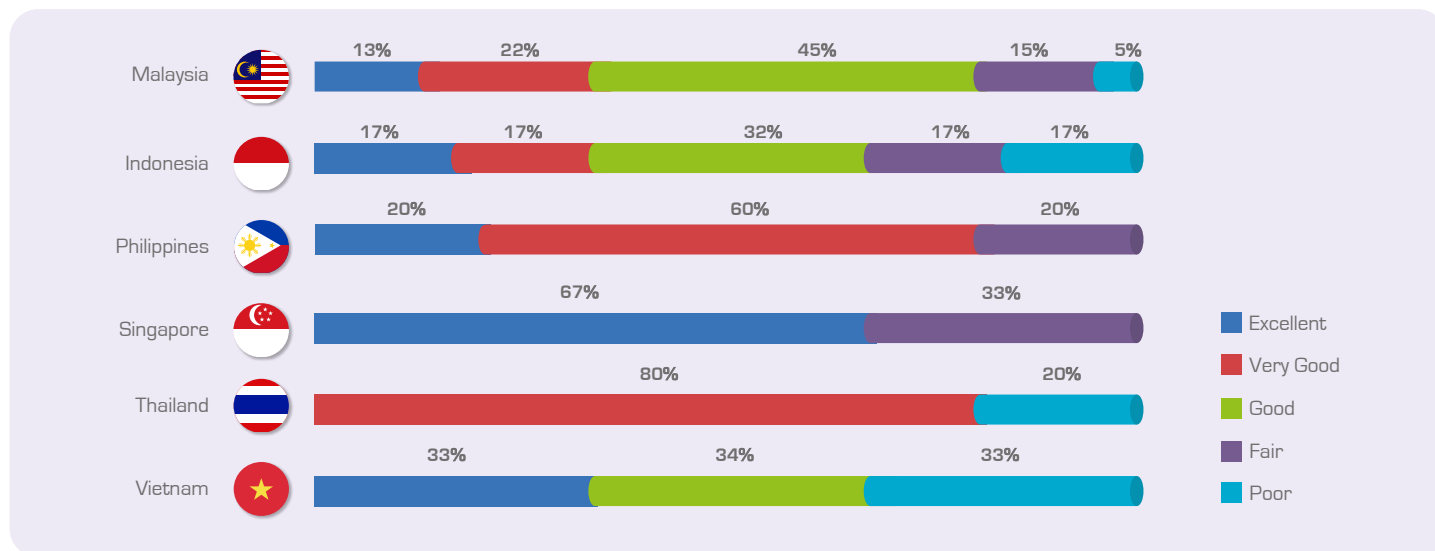


Figure 58 Open Economy Allows For Free Trade



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Figure 59 Well Equipped Infrastructure

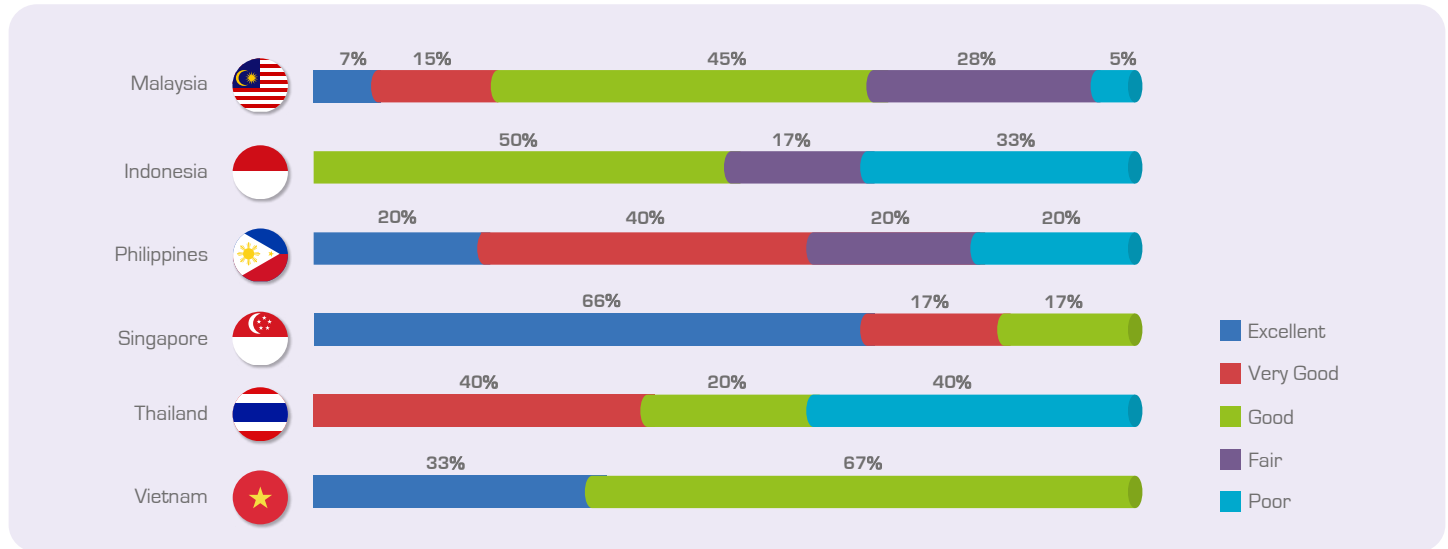


Figure 60 Public Private Partnership Initiative

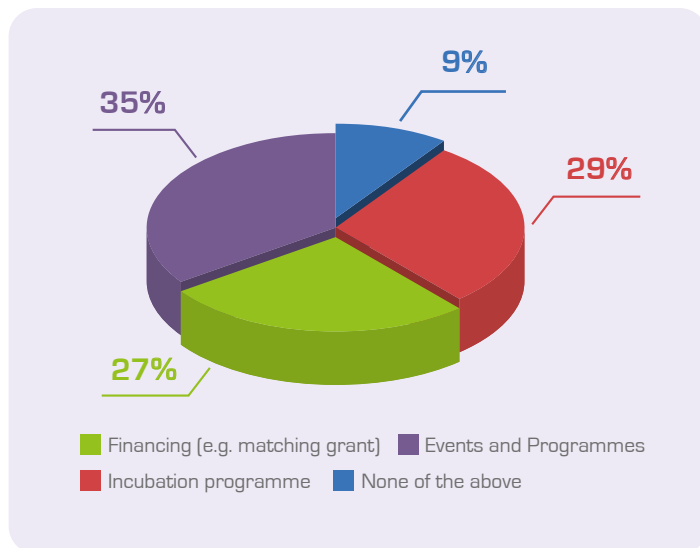
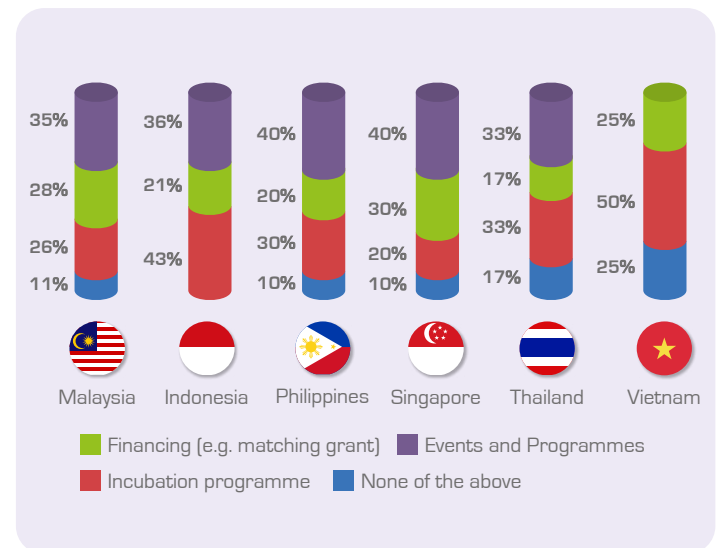


Figure 61 Public Private Partnership Initiative By Country



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Figure 62 Special Tax Incentives

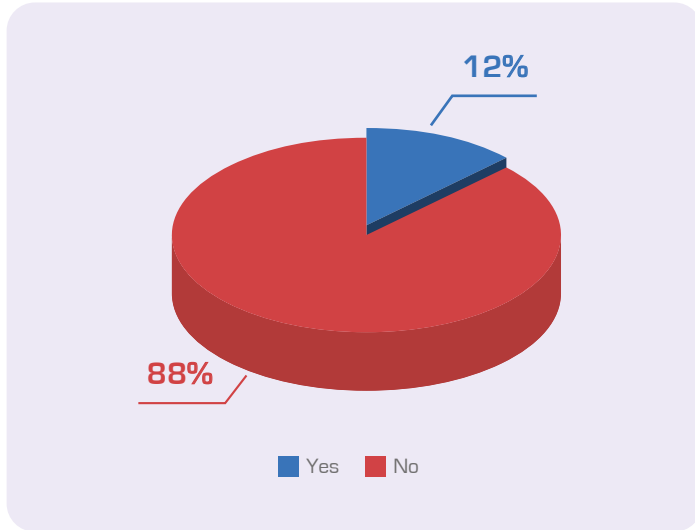


Figure 63 Expats Hiring Challenges

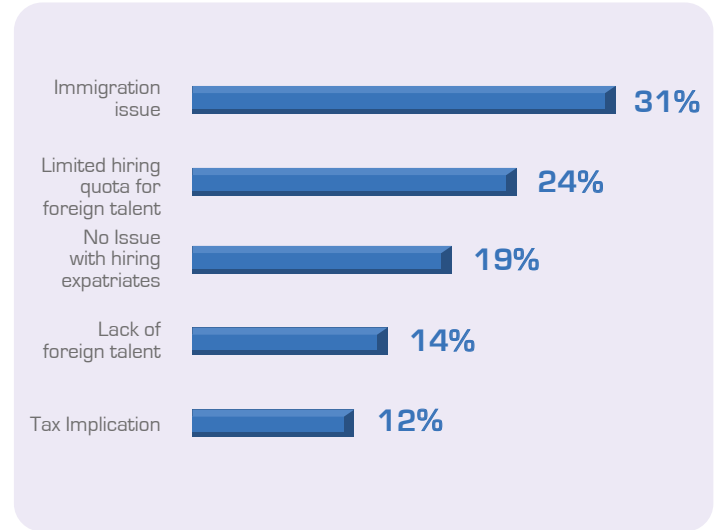


Figure 64 Internet Speed By Country

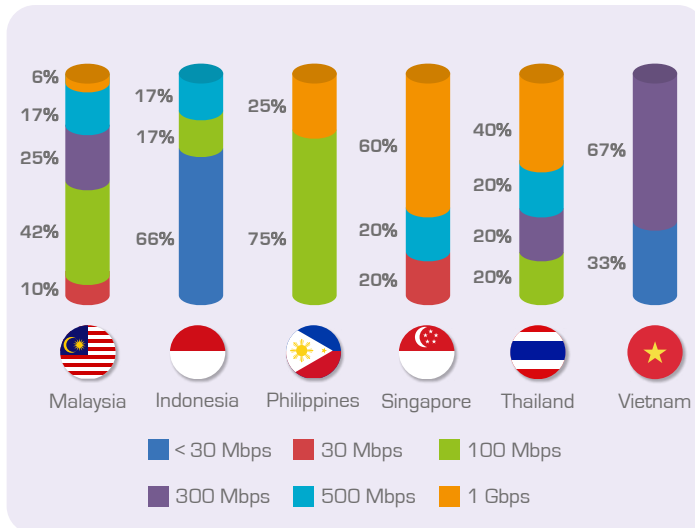
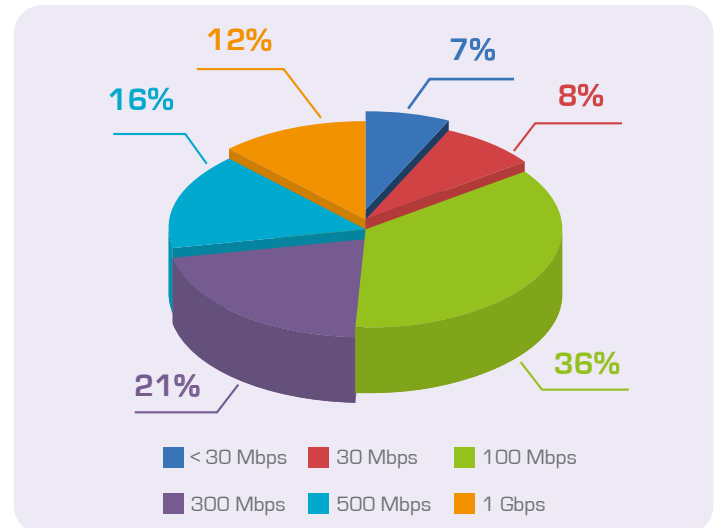


Figure 65 Internet Speed



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Figure 66 Office Location By Country

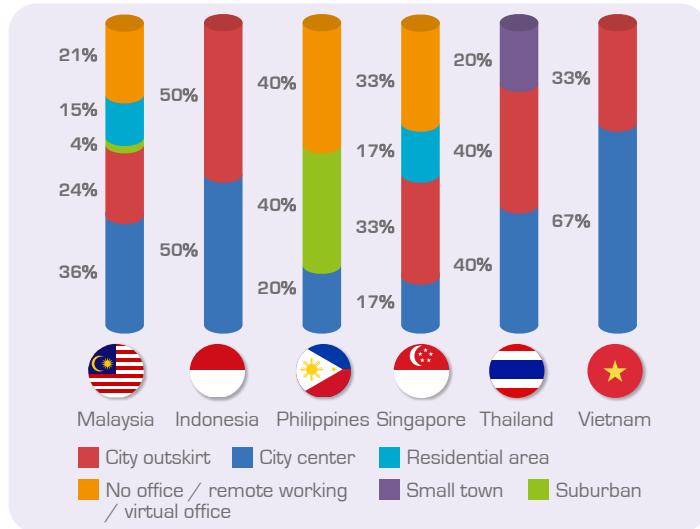


Figure 67 Office Location

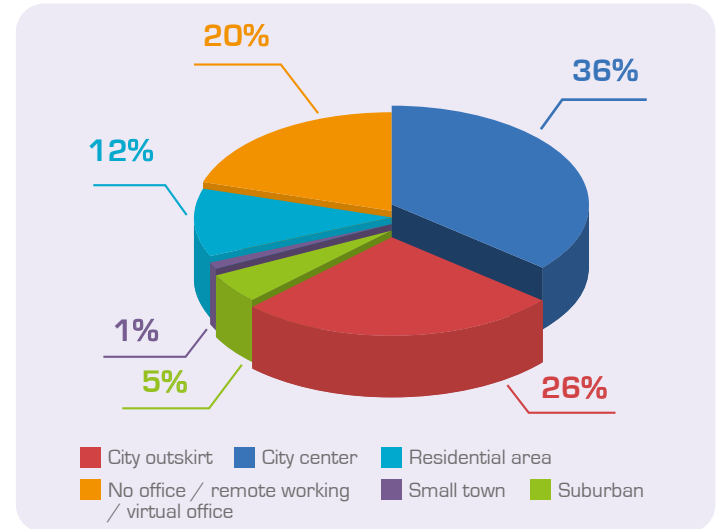


Figure 68 Average Monthly Business's Operating Expenses By Country

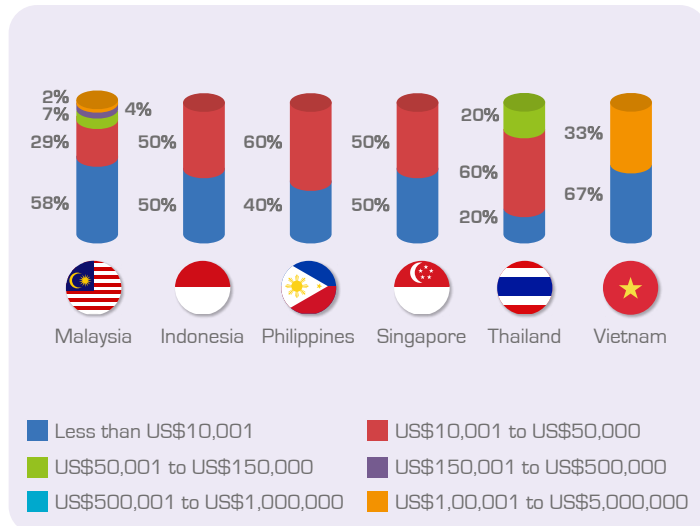
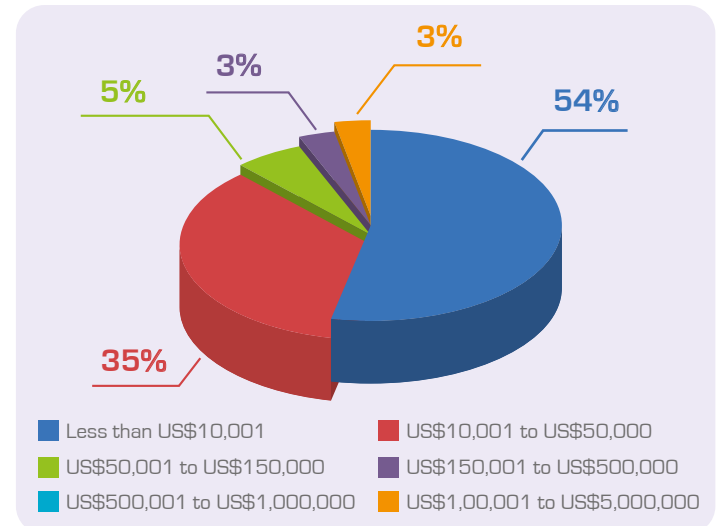


Figure 69 Average Monthly Business's Operating Expenses



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Figure 70 Setup A Business In Other Countries In Southeast Asia

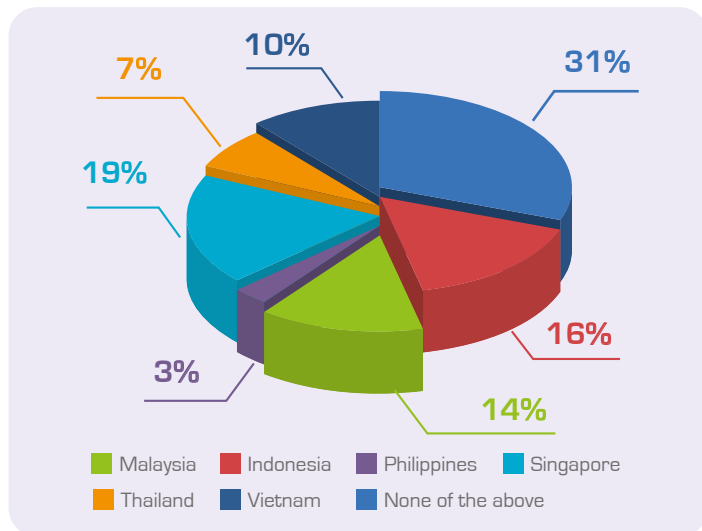


Figure 71 Opportunity For Co-Production

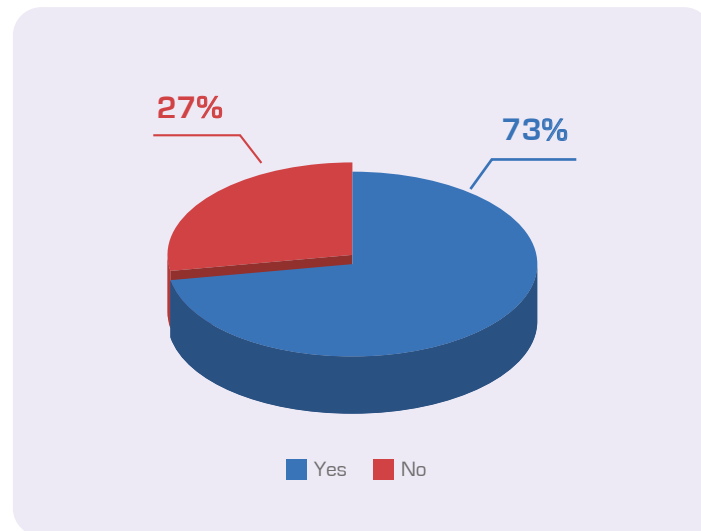
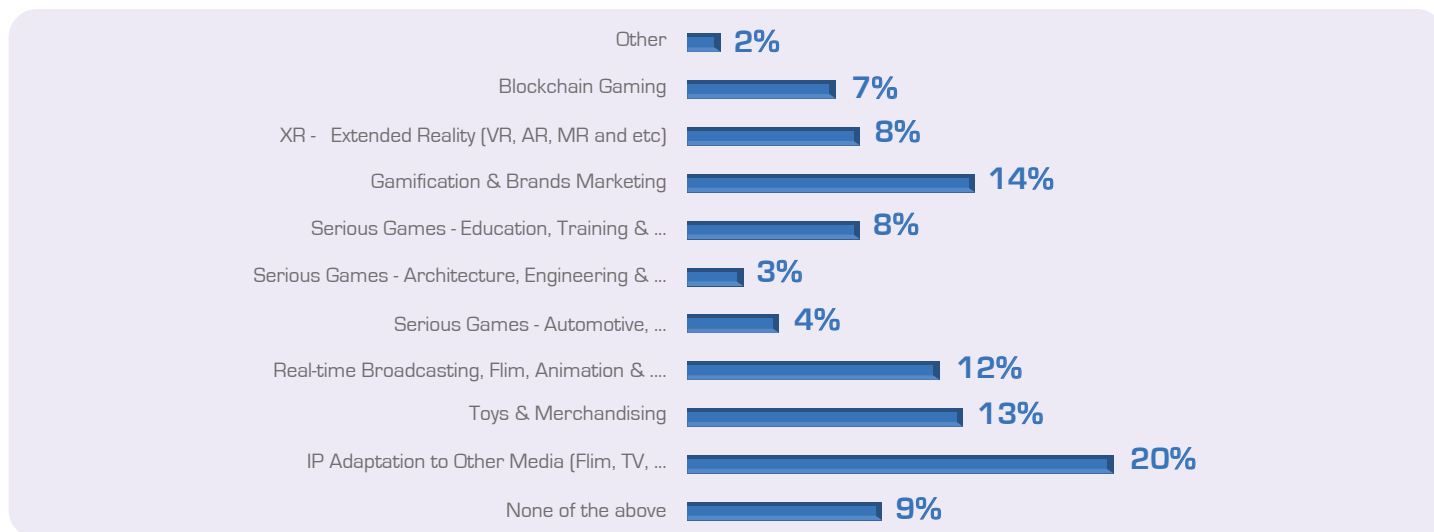


Figure 72 The Next Growth Of Company IP / Services



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Figure 73 Participation In Market Access

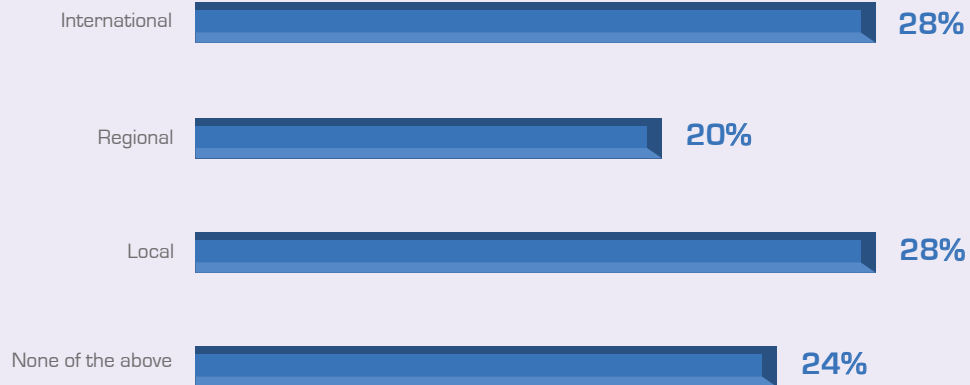
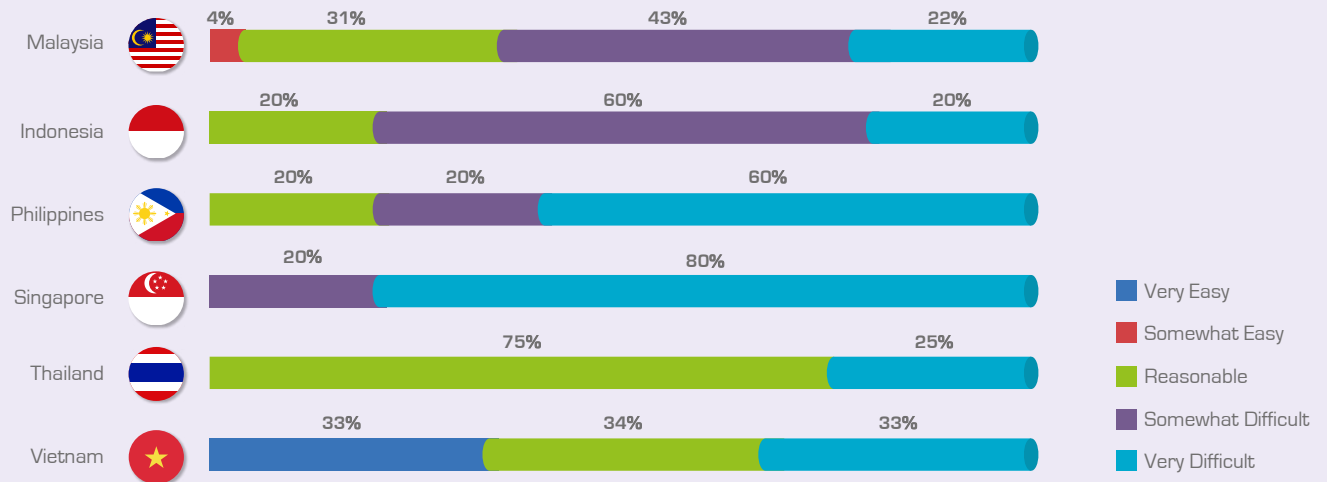


Figure 74 Alternative Funding



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Figure 75 Angel Investor

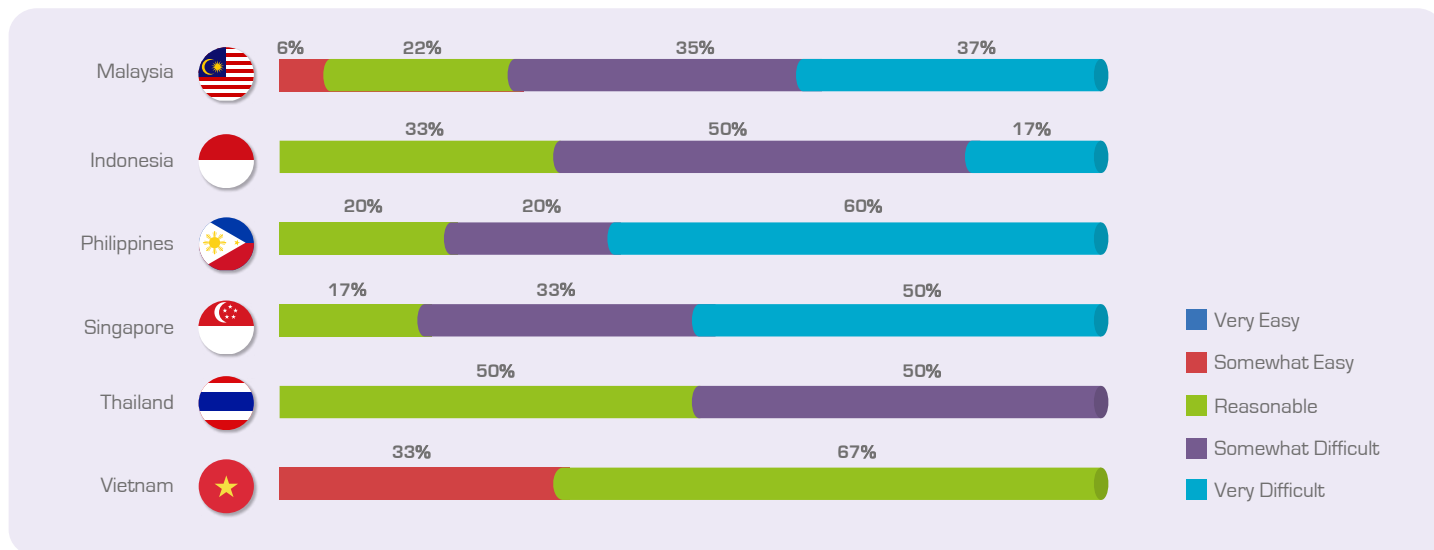
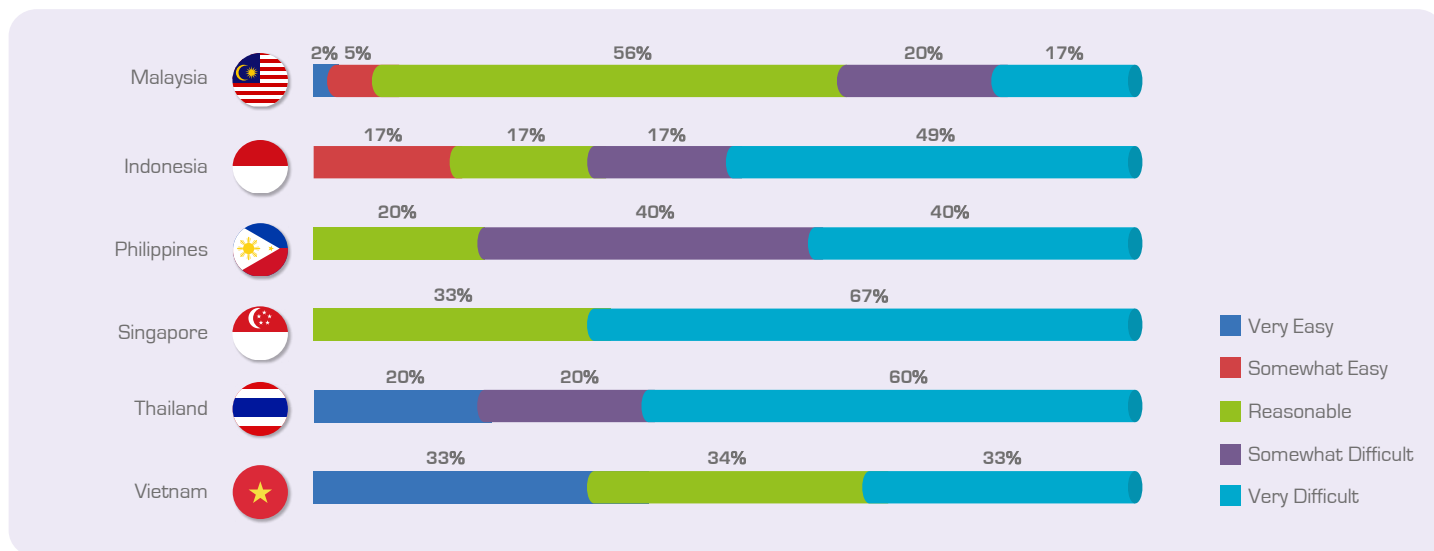


Figure 76 Government Funding



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Figure 77 Loan / Debt

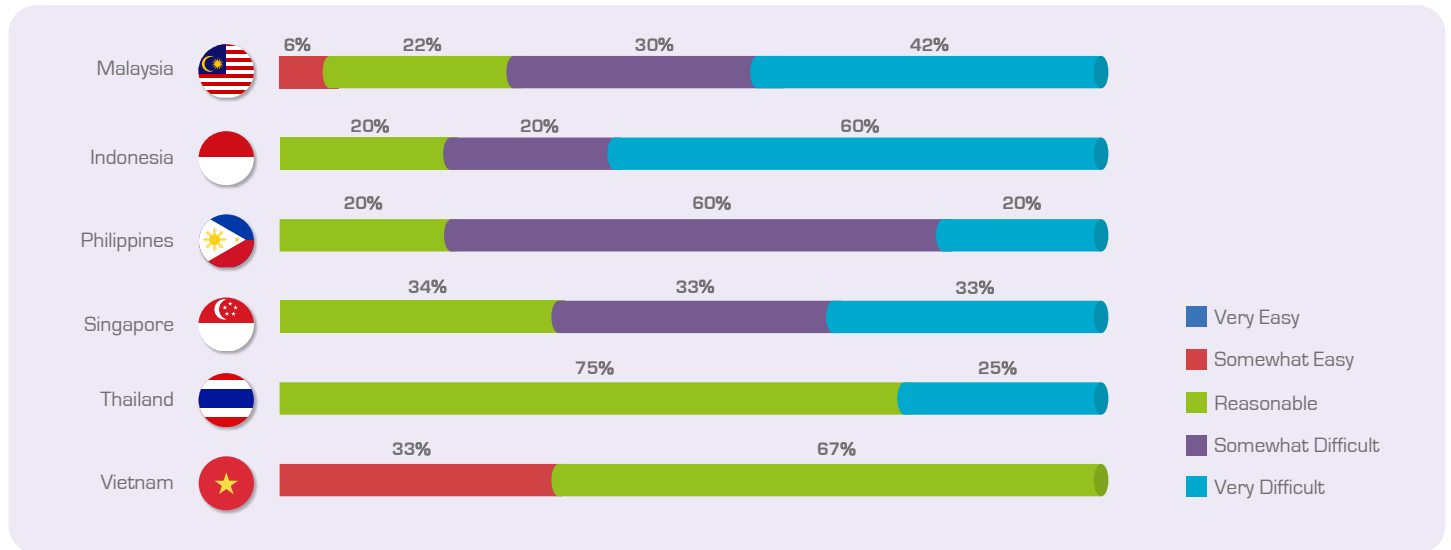
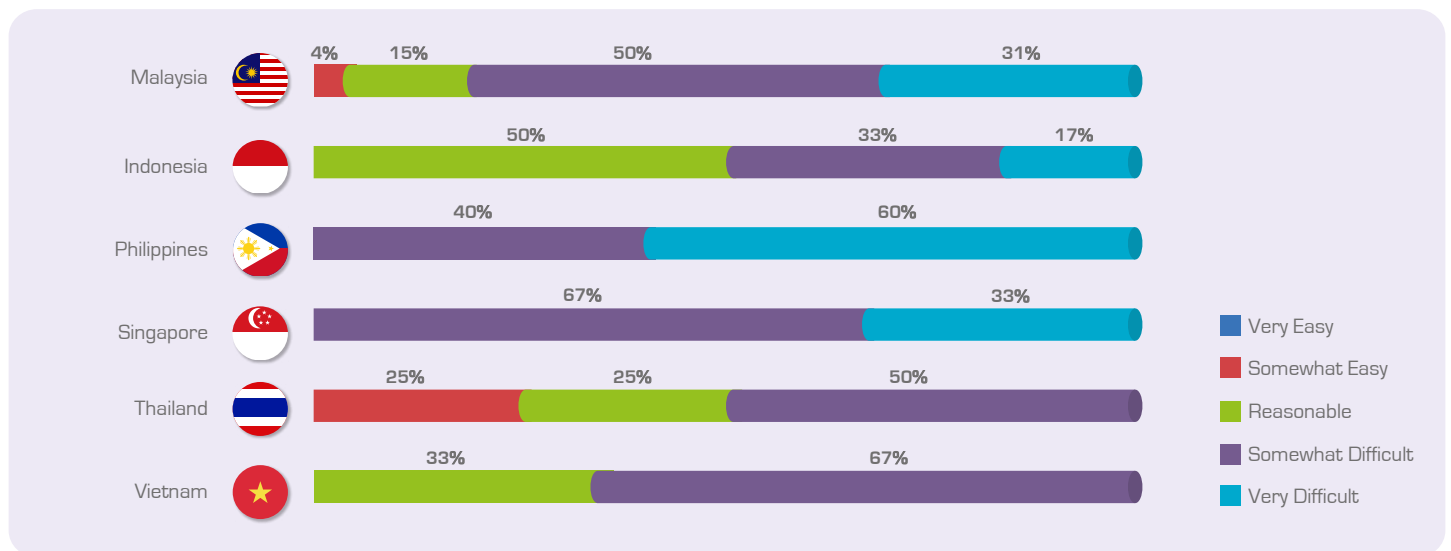


Figure 78 Venture Capital



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Figure 79 Funding / Financing Accessibility

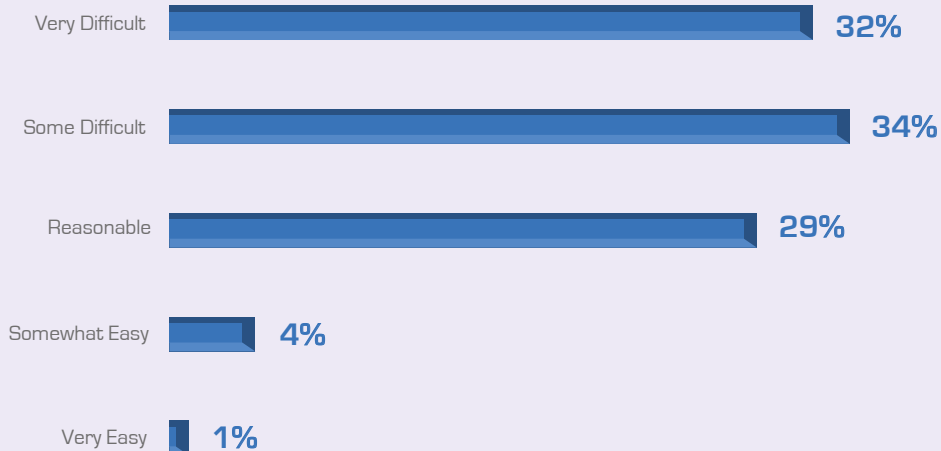


Figure 80 Average Year-To-Year Revenue Growth For The Past 3 Years By Country

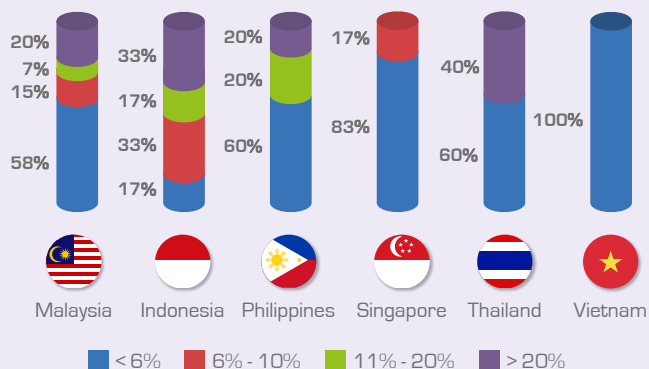
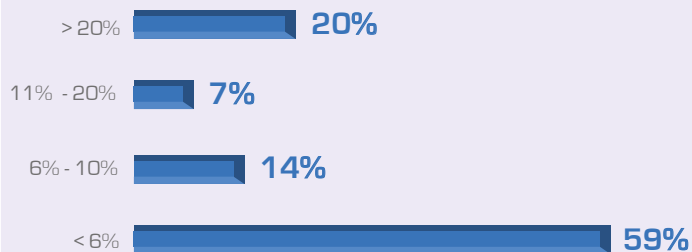


Figure 81 Average Year-To-Year Revenue Growth For The Past 3 Years



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Figure 82 Average Budget For Original IP Or External Development / Work For Hire Project(s) By Country

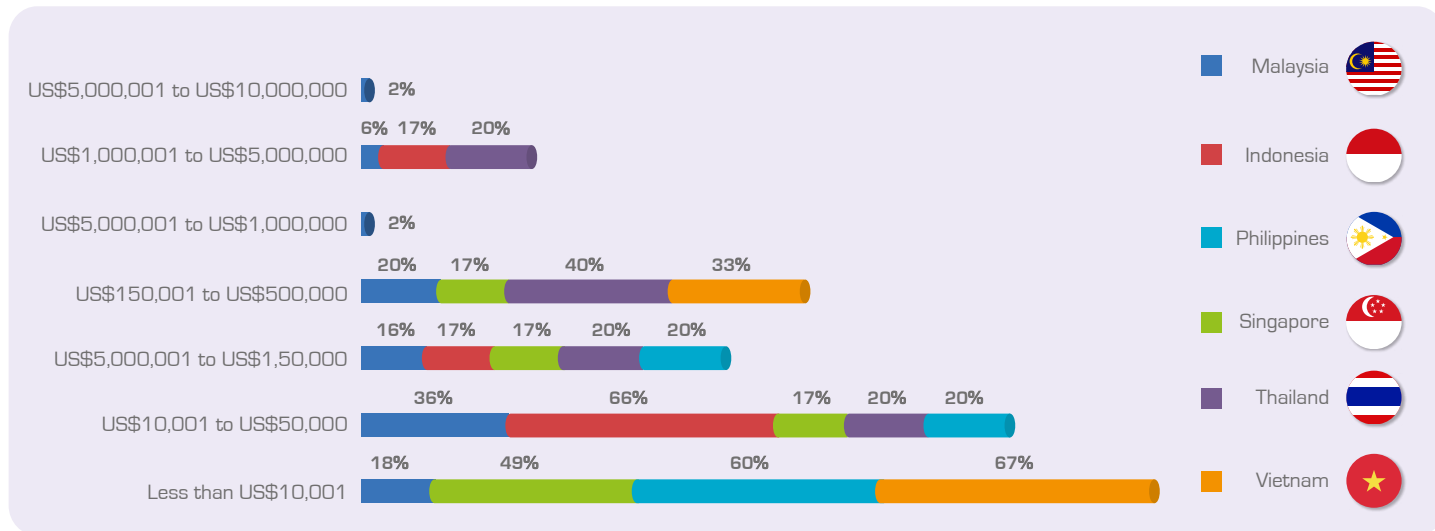
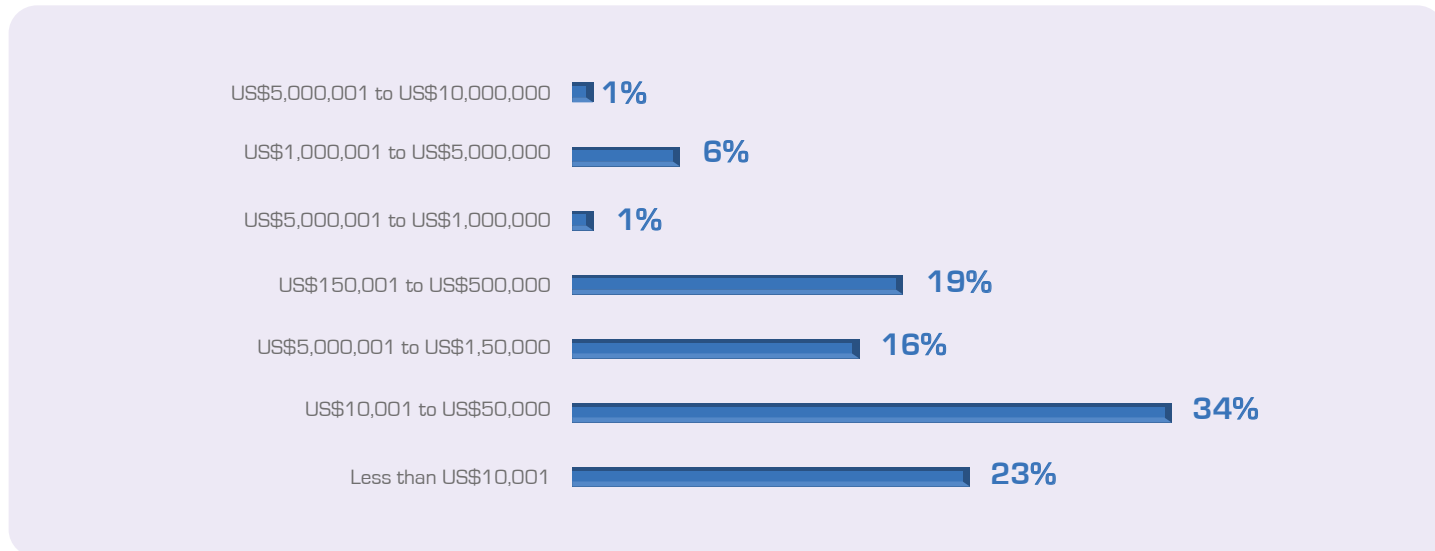


Figure 83 Average Budget For Original IP Or External Development / Work For Hire Project(s)



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Quality of Life

A final component of the research which bears mentioning is the relative satisfaction of the industry operating in the region. This insight is valuable as it shows a softer, more qualitative yardstick on how the region as a whole supports the creative industry, in particular games. While it differs for each country, the average quality of life score: for which companies are asked to evaluate their overall satisfaction with their own country is 52% being either excellent or good (Figure 85). The lowest quality of life score in the region was Thailand, which rated 50% as below average (Figure 84).

The results are somewhat consistent with the responses to the survey, whereby studios frequently cite a general satisfaction with their staff and doing business in Southeast Asia. As part of the next section, it is apparent that major challenges reside in the need for more supporting programs and/or institutions for growth. But the ability to operate out of Southeast Asia, with its diverse multicultural and multi-ethnicity, stable government policies and young talented workforce appear to score highly for game studios in the region.

Figure 84 Quality Of Life By Country

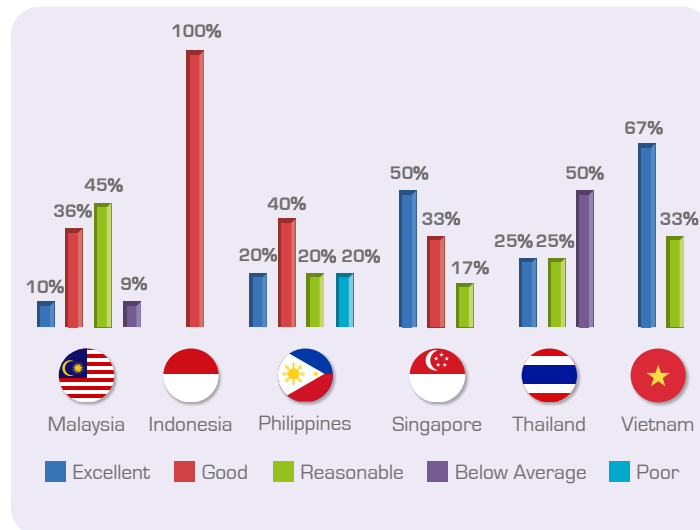
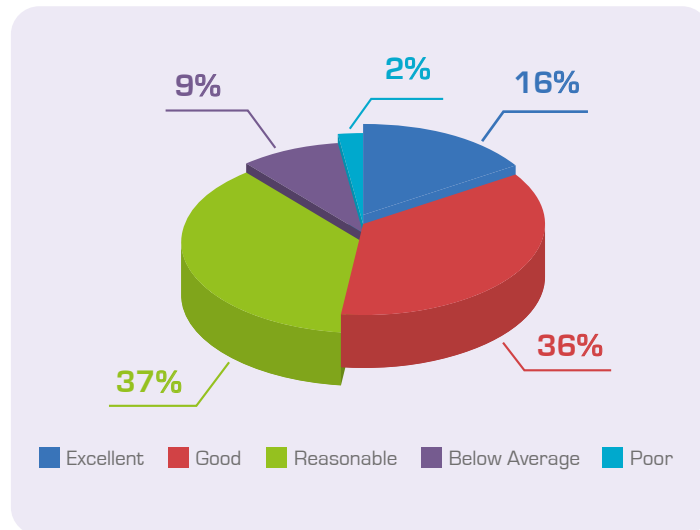
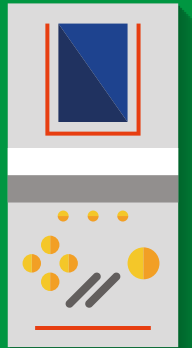
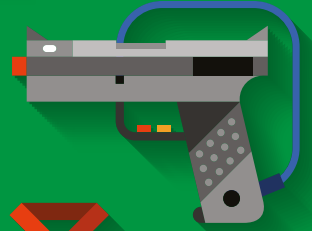
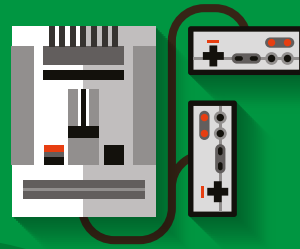
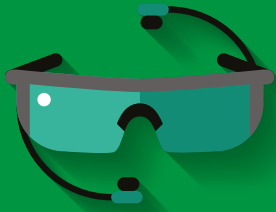


Figure 85 Quality Of Life



07

Regional Overview



REGIONAL OVERVIEW

Based on the survey results, external references and general observation of the region's games environment, we've highlighted each country's key strengths, opportunities, and success stories.

MALAYSIA

Key Drivers	Strengths	Opportunities
<p>Recognition of the game industry by government as a key economic segment and development of relevant and conducive policies to attract foreign investments</p>	<p>By building a conducive ecosystem, the government has managed to attract big-name foreign investment from companies like Bandai Namco, Sony Interactive Entertainment Worldwide Studios (SIE WWS), Larian Studios, Codemasters, and Streamline Studios, all of which have established operations in the country.</p>	<p>The government recognises the industry's potential for economic growth²².</p> <p>In 2019, the Ministry of Communications and Multimedia announced that it is working with Malaysia Digital Economy Corporation (MDEC) to establish a new Digital Content Ecosystem (DICE) policy. This is to further strengthen the local digital content industry and ultimately to position Malaysia as a leader in this industry to the region²³.</p>

²² The Evolution Of the Online Gaming Industry In Malaysia, 2020

²³ Ministry Introduces DICE Policy to Bolster Digital Content, 2019

REGIONAL OVERVIEW

MALAYSIA

Key Drivers	Strengths	Opportunities
<p>Establishing a persistent, consistent premier regional game event and Malaysia as the third largest market in Southeast Asia</p>	<p>LEVEL UP KL is Southeast Asia's premier industry event for game developers. The objective of LEVEL UP KL is to bring both local and international players to the same platform for game development in SEA. Players in the industry have an opportunity to interact, learn and share knowledge.</p>	<p>Malaysia is the 3rd largest game market in SEA in 2020 with a game market of US\$786 million. However, the regional platform provides access for global market attention to the region through cooperation and partnership with regional studios and associations.</p> <p>Hosting market access opportunities for Malaysian studios and also supporting regional game developers creates economies of scale for publishers to work with the best of the region.</p>
<p>Conducive ecosystem for game start-ups with a strong government support in terms of financing and incubation.</p>	<p>LEVEL UP Inc is an incubator for the top small and medium game start-ups to collaborate, support and accelerate business growth.</p> <p>This is a part of the government's support to assist Malaysian based studios grow into sustainable game companies and build great IPs.</p>	<p>Many government-backed initiatives have been implemented to foster the growth of the game industry, including financing, training, incubation, business connection, market access, conference and community awareness programs. One of the key initiatives is production support and funding.</p>

REGIONAL OVERVIEW

MALAYSIA

Key Drivers	Strengths	Opportunities
	<p>Success stories from LEVEL UP Inc include:</p> <ol style="list-style-type: none"> 1. No Straight Roads by Metronomik Won the Best Audio at Taipei Game Show's Indie Game Award 2. Simulacra by Kaigan Games received several awards i.e, The Webby Awards of Games-Features Best User Experience, Excellence in Storytelling by IMGA Singapore²⁴ <p>The Digital Content Creators Challenge (DC3), formerly known as the IP Creators Challenge (IPCC), is a platform for creative talents to hone their creativity, learn, accelerate and develop the commercialization of international standard digital content. Apart from grant money to develop winning proposals, DC3 winners will also receive consultancy privileges</p>	<p>Digital Content Grant (DCG) is a Malaysian government initiative to support local creative content producers in developing, producing, co-producing and marketing digital content in animation, digital games and interactive media²⁵. Since its inception in 2009, DCG has benefited 207 projects from 170 local creative content companies</p> <p>The following are some newly-launched original IP games created in Malaysia and some of which have benefitted from government support</p> <ol style="list-style-type: none"> 1. Aeonsparx Interactive : Zombie Soup 2. Heaven Tales Entertainment : Rokudo 3. 7th Beat Games : Rhythm Doctor

²⁴ SIMULACRA: Game Mobile Seram Buatan Malaysia Dicalonkan Di The Webby Awards, 2019

²⁵ Digital Content Grant

REGIONAL OVERVIEW

MALAYSIA

Key Drivers	Strengths	Opportunities
	<p>from experts in the industry²⁶. The DC3 program has been running since 2006 and in the last major funding cycle, more than 350 projects have been supported.</p>	<ul style="list-style-type: none"> 4. Lusolab Entertainment : Go Gold Castle 5. Kurechii : Postknight2, RPG 6. Aeonsparx Interactive : Hexlords: Quantum Warfare 7. Nerdook Productions : The Magister, RPG 8. Passion Republic Games : GigaBash
<p>Malaysia is a major outsourcing and original IP creation player for the growing game market supported by the talent pipeline through institutes of higher learning</p>	<p>Malaysian game studios have built a global reputation for developing original IP games and providing outsourced development for the biggest international publishers.</p>	<p>The country's tertiary education system provides a solid foundation for producing talent. The One Academy was ranked 10th Best Game Design School in the Rookie Awards 2019, where they bagged four awards. In Malaysia, there are approximately fifty (50) game-related courses offered by local IHLs²⁷.</p>

²⁶ Digital Content Creator Challenge (DC3)

²⁷ The One Academy Bags Four Awards, Oct 2019

REGIONAL OVERVIEW

MALAYSIA

Key Drivers	Strengths	Opportunities
	<p>Some of the best AAA games released in recent years are Command & Conquer: Remastered, The Last of Us Part 2, Spider-Man: Miles Morales, Gears 5, and Final Fantasy XIV: Shadowbringers. Local successful and award-winning original IP game titles across multiple platforms include No Straight Roads, Re:Legend, The King's League, Simulacra, Postknight, Eximius: Seize the Frontline.</p>	<p>The Malaysian government has also sought to ensure that future graduates are propelled into becoming innovation-driven and industry ready. One such collaboration between MDEC and the Ministry of Education designated 11 universities and 5 polytechnics as Premier Digital Tech Institutions providing students with the quality theoretical and practical training programmes.</p>



Source: Gentlebros, Cat Quest II

REGIONAL OVERVIEW

SUCCESS STORY

Kaigan Games

Kaigan Games Entertainment is a Malaysian based independent video game developer with a strong focus on narrative games. At the moment, Kaigan is also focusing on building its own IP but at the same time, are in a collaborative effort with other IPs that are in sync with the company's genre and style.

Kaigan has published the SIMULACRA series of games, including SIMULACRA 1 and SIMULACRA 2, on Steam, Google Play, Appstore, GOG, Nintendo Switch, Xbox One, Playstation 4, Tencent 1001 and Migu. The most recent and largest partnership work Kaigan has produced is with Maze Theory and BBC on their Doctor Who IP, Doctor Who The Lonely Assassins. Also available on Steam, GOG, Epic Store, Google Play, Appstore, Xbox, Nintendo Switch and Playstation. This is an amazing opportunity to be working on an IP that is as impactful as Doctor Who. Putting Kaigan's own spin on the game is incredibly exciting as Kaigan's work on the game has added to the lore and world building of the game.



Source: Kaigan Games Entertainment, Doctor Who The Lonely Assassins



Source: Kaigan Games Entertainment, SIMULACRA 2

Today, Kaigan's biggest achievement is the SIMULACRA series. Over 400,000 copies of the franchise has been sold and the game has been posted on multiple platforms globally. At the moment, the SIMULACRA 3 is in the works as the next instalment of the franchise.

The thrill of creating something new and unique is what keeps Kaigan going. Not just a game developer, Kaigan loves to develop stories and characters that come to life as the stories and characters come from personal experiences and ideas. Seeing it take form and played by hundreds of thousands of players is very fulfilling as players enjoy the game.

Kaigan is focused and motivated by the urge to create something truly Malaysian, and, to an extent, Southeast Asian, that focuses on showcasing SEA's talent and regional and local culture. Finding talent with both skills and passions has been a challenge for Kaigan. Hiring always comes with the caveat that there is going to be a learning curve and extra time and effort has to be spent to ensure those hired are up to par that the company strives for internally.

REGIONAL OVERVIEW

As the industrial skill level is not up to international standards that Kaigan needs to compete on the global stage, the company sees it as a necessary evil to train new talent.

As Kaigan is based in Malaysia, there are several barriers imposed by the government as well such as withholding taxes, which causes the company to be double taxed, limited access to development kits from platforms such as Xbox, Nintendo and Playstation as well as the limited access to government or private funds. Despite the challenges, Kaigan believes that creating games, following deadlines and sticking to a publishing date is important for a game developer to succeed.

Hoping to launch SIMULACRA 3 in 2022, Kaigan is also currently working on two unannounced games which are created based on the company's narrative and storytelling experience.

Passion Republic & Passion Republic Games

Passion Republic is a Malaysian-based game art and animation studio located in Kuala Lumpur. Having a well-earned reputation for unwavering passion and dedication, Passion Republic has produced quality digital content since 2009 for top developers worldwide.

The studio has more than a decade of experience in producing high-quality assets for AAA games. Every project was undertaken with great care and strategic diligence by offering creative solutions, ranging from concept art, 3D-modelling, rigging, animation, and in-game cinematics.



Source: Passion Republic Games, GigaBash

Passion Republic does not just produce and create beautiful artwork for their clients; it is about the final game for the players and their relationship with their partners. This pushes them to openly communicate and tailor their work to synergize with their partners' game design, story, and gameplay mechanics. The final outcome is ultimately a cohesive game development experience with their partners and creating enjoyable games for gamers.

Passion Republic has a long history of working with multiple international developers and publishers. Part of this comes from their striving to nurture a vibrant collaborative experience with their partners. The studio counts Xbox Game Studios, Sony Interactive Entertainment, Square Enix, PlatinumGames, FromSoftware, NetherRealm Games, Naughty Dog, and The Coalition as part of the impressive list of clients.

This holistic synergy from both parties have produced multiple award-winning video games such as Uncharted 4, Batman Arkham Knight, Gears of War 5, Dark Souls 3, Injustice 2, and many more.

REGIONAL OVERVIEW

Over the years, Passion Republic has gained the confidence and experience to produce high-quality visual assets for video games. To further their insight into the entire game development process, they took a leap of faith and founded Passion Republic Games (PRG) in 2018. It is a mashup of experienced artists from their existing team and new talents to make a breakthrough in their journey. They are currently working on the first video game IP – GigaBash.



Source: Passion Republic Games, GigaBash

GigaBash is a multiplayer arena brawler featuring Kaijus, giant monsters, and heroes inspired by pop culture. Up to 4 players can battle in fully destructible maps, featuring unique map mechanics and inspired by familiar locales from around the world. The game is now available for wish list on Steam and Epic Games Store. It is set to be released on PC and PlayStation in early 2022.

Although the game has yet to be released, GigaBash has won multiple awards and nominations on the local and international stage such as LEVEL UP KL, DengekiOnline, 4Gamer.net and Famitsu from Japan, and Taipei Game Show. In recent news, they have also been shortlisted for The GWB Game Awards 2021 hosted by Tencent. Besides that, they have been featured on video game media giants and events such as IGN, Tokyo Games Show, gamescom, PAX East, PC Gaming Show on E3, GCore Festival and more. They are all set to be recognized on the global market.

Passion Republic and Passion Republic Games may have minor differences in their daily work; both teams share the same roof and work culture. Both believe their passion for game development can cultivate the growth of the local games industry. By nurturing and sharing their skills and knowledge, they ultimately aim to create a self-sustaining games industry in Malaysia.



Source: Passion Republic Games, GigaBash

REGIONAL OVERVIEW

INDONESIA

Key Drivers	Strengths	Opportunities
<p>Active trade association and a supportive Indonesian government</p>	<p>Since 2013, Asosiasi Game Indonesia (AGI) has played a progressive role to accelerate the game industry through business development, talent development and regulation advocacy.</p> <p>Every year, AGI organises the Indonesia Game Developer eXchange (IGDX). It is a gathering of game developers and industry professionals in Indonesia to provide an opportunity to meet, network, share, and discuss new opportunities with fellow domestic and foreign players²⁸.</p> <p>Since 2016, 8 August has been marked as the Indonesian Game Day or Hari Game Indonesia (HARGAI)²⁹.</p>	<p>The gaming industry in Indonesia is supported by the government, industry and community.</p> <p>The 5th BAPAREKRAF Game Prime (Formerly Known as “BEKRAF Game Prime) is a local game developer event organised by Asosiasi Game Indonesia (AGI) and Badan Pariwisata dan Ekonomi Kreatif (BAPAREKRAF) since 2016. The objective is to exchange ideas, knowledge share and for game showcasing and marketing³⁰.</p> <p>In 2016, the Indonesian Ministry of Communication and Informatics released the Indonesian Game Rating System (IGRS). This consists of five (5) rating classifications based on game content, which include the use of alcohol, cigarettes, drugs, violence, blood, language, sexual content, etc.³¹</p>

²⁸ IGDX

²⁹ Hari Game Indonesia: Hargai Digelar 8 Agustus 2016, 2016

³⁰ BAPAREKRAF Game Prime 2020 Akan Tampilkan Karya Gamedev Lokal Secara Online, 2020

³¹ Indonesia Game Rating System (IGRS), 2020

REGIONAL OVERVIEW

INDONESIA

Key Drivers	Strengths	Opportunities
<p>Skillful talent working in the biggest game market in Southeast Asia</p>	<p>Indonesia's gaming industry focuses primarily on the external development and work-for-hire for PC and console games as there is a lack of funds and talent for original IP development³².</p> <p>In 2016, there were only a handful of universities offering gaming majors such as Institut Teknologi Bandung (ITB), BINUS University, Institut Teknologi Sepuluh Nopember/ITS (Master Degree), Universitas Multimedia Nusantara (UMN), and Politeknik Elektronika Negeri Surabaya (PENS)³³.</p> <p>At present and with skillfull developers in very high demand, AGI collaborates with local game industry players in coordinating the Game Talent ID and Game Industry Talent Standardisation (SKKNI), with the objective of improving the quality and quantity of new talents.</p> <p>Acquiring and retaining talent is a common challenge throughout the region, and Indonesia is not an exception.</p>	<p>Indonesia is the biggest gaming market in Southeast Asia with a revenue of US\$1.6 billion and consists of 64% of the online population with 110.3 million gamers in 2020. This is despite the slow development of digital infrastructure i.e, the internet speed in Indonesia is the slowest in the SEA region due to its geographical conditions.</p> <p>The launch of 5G internet connectivity will soon improve the internet experience³⁴.</p>

³² Gamedev Industries in Poland and ASEAN Countries, 2021

³³ The Indonesian Video Gaming Industry by EIBN, 2016

³⁴ Speedtest Global Index, 2021 & NewZoo Global Game Market Report 2020, 2020,

REGIONAL OVERVIEW

INDONESIA

Key Drivers	Strengths	Opportunities
<p>Small but active industry cluster adds diversity and culture of game design and innovation</p>	<p>A small but growing local developer scene has produced several notable award-winning games. The sales and growth of local developers, however, is relatively small.</p> <p>The Indonesia government announced there are 15 big game studios and 135 small independent studios³⁶. Among the top game companies are Agate International, Digital Happiness, Nightspade, Toge Productions, and Touchten Games.</p>	<p>The government also introduced VAT of 10% on digital services from August 2020 onwards which has impacted video game prices. AGI is proposing that a portion of the tax income be reinvested into the industry to help jumpstart growth³⁵.</p> <p>There is an opportunity for smaller independent studios to tap into the external development and work-for-hire from internal projects³⁶ thus creating opportunity for a more cohesive ecosystem.</p>
<p>Training and development by experienced local industry players using online platform as the main avenue</p>	<p>An active local game industry share knowledge on business and the creative and technical aspect of gaming through the Skill Tree Programme organized by Asosiasi Game Indonesia³⁷</p> <p>To connect local game companies to foreign publishers, there is ARCHIPELAGEEK, a market access programme.</p>	<p>There is room for further growth in the Indonesian gaming industry as there is lower internet penetration compared to other countries in the region</p>

³⁵ Indonesia All Set to Introduce Digital Goods Tax Rule, 2020

³⁶ ASIA SPOTLIGHT REPORT March 2020 Indonesia by NIKO Partners, 2020

³⁷ IGDX

REGIONAL OVERVIEW

INDONESIA

Key Drivers	Strengths	Opportunities
<p>Start-up ecosystem with the availability of financing opportunities</p>	<p>Indigo Game Startup Incubation Programme is a private partnership between PT Telkom Indonesia (Telkom) and PT Agate International since 2019 for the development of the game ecosystem.</p> <p>This is the first incubation programme for game start-ups in Indonesia that provide development funds, mentoring and co-working space³⁸. Since its establishment, more than 80 game startups have signed up, with nine graduating from the programme.</p> <p>Among the graduates are Freemergency, SLAB Games, AIOUS Production, GINVO Studio, Clay Game Studio, GrinSmile Studio, 4Happy Studio and Dreams Studio in collaboration with Niji Games.</p>	<p>The availability of private equity financing by Discovery Nusantara Capital (DNC). In 2017 – 2018, Indonesia Game Studios i.e, Semisoft and Toge Production obtained funding from NDC.</p> <p>Recently, Toge Production has launched the Toge Game Fund Initiative for Southeast Asian developers in providing financial support, mentorship, consultation, and project management³⁹.</p> <p>Although most of the criteria for a solid gaming ecosystem are met, there is still a lack of funding and talent for original IP development. The gaming industry, for now, focuses on external development and work for hire for PC and console. To address this gap, AGI has laid plans for 2019-2024 to focus on game development and publishing.</p>

³⁸ Indigo Game Startup

³⁹ Coffee Talk Developer Opens Funds for Southeast Asian Indie Games, June 2021

REGIONAL OVERVIEW

SUCCESS STORY

Toge Productions

Toge Productions is an indie game development and publishing studio. Over the years, the production house has created multiple games across multiple genres. One of the biggest and recent titles released in 2020 for PC and consoles is the popular game *Coffee Talk*. The game, which successfully made it on the global market, gave Toge Productions a marketing boost. *Coffee Talk* has also been nominated for the DICE Awards in 2021, alongside big indie titles such as *Hades*.



Source: Toge Productions, *Coffee Talk*

Hailing from Indonesia, Toge Production has faced many difficulties and hardships when creating, selling and distributing games over the years on their own as an indie game studio. This is why the production studio always lends a helping hand to other indie game developers in the region. Toge Production

helps other gaming professionals by hosting and creating gatherings and events for people to network and meet each other. Collaborations between game creators, designers and studios, though from different companies, are highly encouraged.

Despite the challenges faced, since 2017, Toge Productions has published games made by indie game developers around the country, such as *My Lovely Daughter* by Gamechanger Studio, *When the Past was Around* and *A Space for the Unbound* by Mojiken Studio and *Rising Hell* by Tahoe Games. Heavily motivated by helping other developers within Indonesia, helping indie producers publish games such as the above is a source of pride for the company.



Source: Mojiken Studio, *A Space for the Unbound*.

REGIONAL OVERVIEW

Game development in Indonesia is still in its infancy and Southeast Asia as a region does not have the same leverage and privilege as other game developers in other parts of the world. Thus, Toge Production has shown its grit through learning via trial and error. One of the production house's goals is to help Southeast Asian game developers to gain traction in the international market.

Due to the lack of resources available, the fact that Toge Productions is internationally known is an achievement by itself. The lack of money and investors did not stop game development. Toge Production smartly utilised the resources available when they were starting out so that they could continue with game development.

Already on the global market with an international audience yet refusing to set limits for themselves, the company initiated the Toge Growth Fund Initiative (TGFI) to help marginalised and underrepresented developers from Southeast Asia to grow in the gaming industry.

Before the COVID-19 pandemic, heading for prestigious gaming events and conferences to network could be very expensive. The current challenge of dealing with time zones is seemingly small in comparison, yet Toge Productions has taken it all in its stride.

Toge Productions are currently working on the game title A Space for the Unbound in collaboration with another Indonesian company, Mojiken Studio, which is set to be released in 2022 for PC and consoles.

Several other game titles are also in the works such as Kriegsfront Tactics and Vanaris Tactics. Toge Productions also expects the TGFI program to find more developers from Southeast Asia to mentor and grow the industry together.



Source: Tahoe Games, Raising Hell

Agate

Agate is a leading game developer and gamified solutions provider in Indonesia. Currently one of the largest game developers in the Southeast Asian region, Agate has only gotten to where it is by putting the gaming community, fun and meaningful play at the heart of all their games.

Agate products include Code Atma, Valthirian Arc, Memories and Levio, which spans all current and next-gen platforms, including consoles, mobile games, virtual and augmented reality.

Despite hailing from Indonesia, which is still in its fledgling state when it comes to the gaming industry, Agate has managed to stay afloat and grow from an 18 person team to more than 300 crew members today. The sustainable growth model of the company remains one of its biggest source of pride for the team. The team continuously strives to create better and more meaningful experiences for gamers locally and internationally.

REGIONAL OVERVIEW

Agate firmly believes that games are more than simple entertainment. There is education, communication, vast potential for deeper engagement and overall more meaningful interactions that go into the thought behind the games. Agate aims to enrich the lives of people through games.

Agate has limited resources when they first started out, which allowed the game developer to become one of the pioneering game companies in Indonesia. Instead of seeing the lack of the Indonesian game industry as a setback, Agate took advantage of that by being a trailblazer in the industry.

Since there was no template to follow, Agate set the path instead. Adaptable, resilient and quick on their feet, Agate has managed to position themselves to be the frontrunner in the gaming industry in SEA. Going from Flash games to web and mobile games, keeping up with the continuously evolving trends of the global video game industry is a turbulent journey. As Agate has already seen itself through multiple challenges, the confidence in tackling other challenges in the future has grown.

For Agate, the financial aspect of game development is important. Learning about the business, budgeting, learning how to monetize the game and balance the books every month is just as important as creating the perfect game. No one is left behind on Agate's team and through the proper management of finances, the team's peace of mind is ensured, thus able to work and create well.

The company has a principle that happy developers make the best games. Thus, the developers have set Southeast Asia is just a stepping stone to further expand into the global market. Further plans include a mobile dating simulation platform called Memories,

to be launched in Canada in late 2021. Other plans include making available hit mobile RPG game Code Atma to the United Kingdom, Canada, Australia, Denmark and Southeast Asia. In addition, several other consumer games are in the development phase at the moment.



Source: Agate, Code Atma.



Source: Agate, Valthirian Arc



Source: Agate, Memories

REGIONAL OVERVIEW

PHILIPPINES

Key Drivers	Strengths	Opportunities
<p>Competitive labour market and wages with talents working on international projects driven by the oldest game association in SEA region</p>	<p>Founded in 2007, the Game Developers Association of Philippines (GDAP) has a growing membership of 56 game studios and schools⁴⁰.</p> <p>One of the members of GDAP, Secret 6, was involved in the development of AAA titles i.e, the Uncharted series and The Last of Us 2. Secret 6 was responsible for creating 3D and concept art for Cyberpunk 2077.</p> <p>Synergy88 previously worked on Gears of War 4 and The Witcher III: Wild Hunt Blood and Wine.</p> <p>Pixel Mafia was involved in the art development by designing the logos, billboards, and magazines in Night City's bustling metropolis⁴¹.</p>	<p>Labour cost in the Philippines is among the most competitive in Southeast Asia. Hence, the Philippines has attracted foreign studios such as Gameloft, Keywords studios, Gumi, Garena and Ubisoft to set up studio in the country.</p> <p>Ubisoft is strategically located inside the De La Salle University Science and Technology Complex in Santa Rosa, where a Bachelor of Science in Interactive Entertainment Major in Game Development and a Bachelor of Science in Interactive Entertainment Major in Art and Design are offered⁴².</p>

⁴⁰ Gamedev Industries in Poland and ASEAN Countries, 2021

⁴¹ Meet the Filipino Developers Who Brought Night City to Life, 2020

⁴² How GameDev Philippines Helped Launch Ubisoft in the Philippines

REGIONAL OVERVIEW

PHILIPPINES

Key Drivers	Strengths	Opportunities
<p>Unique business model in online gaming and attractive tax system</p>	<p>Casino online gaming is legal in the Philippines as it is licensed and regulated.</p> <p>State-run Philippine Amusement and Gaming Corp. (Pagcor) is set to introduce an online casino called “Live Shots” that will cater to Filipino gamblers⁴³.</p>	
<p>Philippines has an active creative industry community and plays host to significant games and creative industry market access platforms</p>	<p>Electronic Sports and Gaming Summit (ESGS) is the biggest annual gaming event in the Philippines since 2013. It combines the elements of e-sports competition and gaming convention showcasing the games by local and international developers.</p> <p>The industry movement in lobbying the government is a strong sign of grassroots’ support. Industry-led strategic planning and direction for the creation of a government focus such as a Creative Industry Act or Policy shows the significant size and scale of the community and ambition in driving the growth of the game industry</p>	<p>Game development and design has been identified as the top five priority sectors for the Philippines creative economy.</p> <p>The Creative Economy Council of the Philippines (CECP) has proposed the Creative Economy Roadmap to the Department of Trade and Industry (DTI) and the Board of Investments (BOI)⁴⁴.</p> <p>Parallel to this, the Philippines government has made great strides in an effort to boost investor attractiveness. Effective 1 January 2021 on non-resident foreign corporations, the company income tax rate has been reduced from 30% to 25%, making the business environment even more attractive now⁴⁵.</p>

⁴³ Pagcor to Launch Online Casino, 2020

⁴⁴ Creative Economy Roadmap for Philippines Proposed, 2019

⁴⁵ Philippines Enacts Law Reducing Corporate Income Tax Rates and Rationalizing Fiscal Incentives, 2021

REGIONAL OVERVIEW

PHILIPPINES

Key Drivers	Strengths	Opportunities
Rich in art and animation with the fastest-growing market for mobile game downloads in 2020	Philippines is home to many renowned artists, employed by major names like Warner Bros and Pixar Studios. The Ubisoft Philippines team worked on the art for several Assassin's Creed titles, building the massive landmark structures that the series is known for ⁴⁶ .	<p>In 2020, the Philippines saw an increase of over 55% in consumer spending on mobile gaming, according to a report by app analytics and market data provider App Annie⁴⁷.</p> <p>The Philippines was the fastest-growing market in Southeast Asia in terms of mobile game downloads in 2020, accounting for 16% of downloads shares, an increase of 45% from the previous year.</p>

SUCCESS STORY

Taktyl Studios

Taktyl Studios is a gamified development company that utilises gamification and human-centred design principles to turn ideas, systems, and processes into fun and meaningful experiences via gaming.

Over the years, Taktyl Studios has developed multiple game titles with various IPs for well-known developers and content producers such as Disney, Cartoon Network, Nickelodeon and CBN.

Maintaining good long-term relations with clients and partners has undoubtedly paid off for Taktyl

Studios. While other companies had to close their shutters during the COVID-19 pandemic, Taktyl Studios managed to position themselves to fund the development of its original IP independently through the launch of a sister company.

Through the same good relationships with clients and partners, Taktyl Studios has managed to survive but also thrive despite the challenges. By viewing challenges as opportunities for growth, Taktyl Studios has managed to get through them with sheer grit and creativity in finding alternative solutions.

Producing polished work that other players can enjoy is an excellent motivator behind Taktyl Studio's success. With the aim of launching independent

⁴⁶ Q&A: Ubisoft Philippines studio art director JP Tan on their work on 'AC: Valhalla', Sept 2020

⁴⁷ 2020 Data Confirms Vietnam as One of the World's Most Dynamic Mobile Gaming Markets, 2020

REGIONAL OVERVIEW

game franchises of their own, Taktyl Studio believes that hard work is the key to success in the industry.



Source: Taktyl Studios

The challenges faced, such as the dependency on vendor work which tends to shift in terms of directions for long-time clients, and releasing hit independent titles in a competitive industry, are taken as opportunities to evolve and flourish. The belief that every studio, from the highest-grossing to a new developer just starting out, faces unique and personal challenges has pushed Taktyl Studios to do whatever it takes to get things done and be optimistic about their years in the industry.

Taktyl Studios will continue scaling their game development vendor services and gamified training platforms across different countries. Plans are in the works to launch GaaS platforms set in the future that focus on community development and retention for the gaming industry.



Source: Taktyl Studios



Source: Taktyl Studios

Kooapps Philippines Corp

Kooapps Philippines Corp is a mobile gaming studio and publisher with over 100 million downloads across its portfolio of games. Titles of note produced by Kooapps include Snake.io, Stacky Bird and Pictoword. As a game studio and publisher, Kooapps wants to connect to the world, not just via broadband of networks but through amazing daily experiences and gameplay.

REGIONAL OVERVIEW

Surviving and striving for over 10 years, Kooapps have produced indie titles that have over millions of daily active users and seeing game players enjoy games brings joy to the company. What makes creating and publishing games even sweeter is the positive impact games have had on players' lives. When an amazing review or email is written and received, Kooapps really enjoy the praise and take it as motivation to bring their work and game design to the next level.



Source: Kooapps Philippines Corp, Pictoword



Source: Kooapps Philippines Corp, Snake.IO

Like any other company, Kooapps faces their own challenges, of which, the lack of qualified talent is one and the scarce source of funding for game industry start-ups. This is why Kooapps is proud to still be in the industry for more than a decade. Although larger international companies tend to overlook the Philippines when it comes to the game industry, Kooapps have managed to make themselves relevant and their millions of downloads is proof of that. Kooapps have also lamented the fact that platform owners frequently change their policies, which results in the game company having to spend extra time on those issues rather than on creating.

Despite the challenges, Kooapps has managed to stay relevant due to proper business planning, ensuring there are enough funds to deliver a project and giving attention to marketing funds after delivery.

In the future, Kooapps are prepared to deliver and publish more games, but the public has to wait to be surprised as things are still under wraps.



Source: Kooapps, Pocket Family.

REGIONAL OVERVIEW

SINGAPORE

Key Drivers	Strengths	Opportunities
<p>International recognition of Singapore and active game community engagement promote the growth of the game industry</p>	<p>Newly founded Singapore Games Association (SGGA) in 2020 is the leading voice for the industry. The Singapore Association is supported by Enterprise Singapore (ESG), the Singapore Tourism Board (STB), and Infocomm Media Development Authority (IMDA)⁴⁸.</p> <p>SGGA conducts roundtable sessions and chats with indie developers to explore multiple topics and developments, like game design logistics, concepts, and best practices. Game Dev Drink Up and Indie Soapbox are among the other well-known networking platforms. To link students to the “real world” game industry and provide networking opportunities, SGGA organises an annual industry day.</p>	<p>Singapore is the host for the 1st edition of Gamescom Asia starting 2020⁴⁹</p> <p>The buildup to the event includes Singapore Games Week and the Esports Awards.</p>

⁴⁸ The Primary Trade Association For The Singapore Games & Esports Industry

⁴⁹ Gamescom Asia

REGIONAL OVERVIEW

SINGAPORE

Key Drivers	Strengths	Opportunities
<p>Quality foreign investment and growing local companies accompanied by highest annual spend per player in consumer market</p>	<p>Newly set up top game studios in 2020 i.e, Tencent, Riot Games, Storms, Cargo Studio and Alterculture Studio are part of the impressive achievements as Singapore continues attracting quality foreign investment into Singapore⁵⁰.</p> <ul style="list-style-type: none">• Sea Group and IGG are listed as the top 50 public companies in 2019 by NewZoo with the following revenue:<ol style="list-style-type: none">1. Sea Group: US\$1,136 million2. IGG: US\$668 million⁵¹• Razer and Secretlab, which are globally prominent lifestyle brands amongst gamers today.• Unity Technologies, the developer for the top game engine is based in Singapore.	<p>Singapore's game market size is the smallest but has the highest annual spend per player at US\$214 in SEA region in 2020⁵¹.</p> <p>Opportunities for industry growth are met by the approximately 170 game studios in Singapore, creating 20 - 25 new game titles in the last five years across multiple platforms. Among these titles are Cat Quest II, Butter Royale, Sushi Willdlands, and Songbird Symphony</p>

⁵⁰ Gamedev Industries in Poland and ASEAN Countries, 2021

⁵¹ NewZoo Global Game Market Report: 2020, 2020

REGIONAL OVERVIEW

SINGAPORE

Key Drivers	Strengths	Opportunities
<p>Attractive business environment with world class education that provides industry with skilled talent and expertise</p>	<p>Among the top universities offering games courses in Singapore are DigiPen Singapore, Nanyang Polytechnic, Republic Polytechnic, and the National University of Singapore.</p> <p>Singapore University of Technology and Design's Game Innovation Programme internship (GIP) provides a conducive environment for game designers, coders and artists to break into the industry. Over 300 tertiary-level students with a passion in game making participate in the GIP between May to August each year⁵².</p>	<p>The corporate tax rate of 17% in Singapore is the lowest in Southeast Asia⁵³, making it an attractive destination for foreign investment and startups.</p> <p>Singapore has the fastest average broadband speed in SEA region allowing the business to function efficiently with better productivity⁵⁴.</p>

⁵² This Singapore 'Pre-Incubator' Teaches Gamemakers to Be Entrepreneurs

⁵³ ASEAN Tax Singapore

⁵⁴ Speedtest Global Index, 2021

REGIONAL OVERVIEW

SUCCESS STORY

Gentlebros

Gentlebros is a Singaporean game studio best known for the Cat Quest series of games. Cat Quest franchise has been bought and downloaded over 2 million times to date and has grossed over US\$8 million in revenue. The first game from Southeast Asia to be nominated for the prestigious DICE awards, Cat Quest, has received multiple awards, sealing its place as one of the best games out there.

Gentlebros has over the years, grown in leaps and bounds. Despite the successes, Gentlebros is cautious for fear of the company growing too fast. As such, they always took a more conservative stance. Although growing and maintaining a sustainable company is a challenge for most game developers, it is now taking the necessary step to grow and taking things in its stride.

By not following trends but creating a product that Gentlebros feel strongly about, success came in the form of this popular game.

Currently, Gentlebros is on a mission to create nine Cat Quest games as cats have nine lives. Each Cat Quest game creates an opportunity to try out a new idea and continuously expand the Cat Quest universe.



Source:
Gentlebros, Cat
Quest II

Mighty Bear

The Mighty Bear, based in Singapore, was founded in 2016 by a few people already involved in the game industry and were pretty much considered veterans. Specializing in Free to Play multiplayer experiences, Mighty Bear has brought their games to a universal and mobile-first audience.

Having built a global team on a bedrock of AAA experience, Mighty Bear has a very strong understanding of emergent gaming habits in Asia. A signature launch by the company called Butter Royale is proof of that as the game is one of Apple Arcade's signature titles. Released in January 2020 exclusively on the Apple Arcade platform, Butter Royale is a family-friendly mobile battle royale that reimagines the genre into the world's biggest food fight. Butter Royale has gained and much deservedly earned a lot of media attention as it is the game's addictive core gameplay and universal, non-violent theme that caught the eye of the public. Having been featured in The Verge, Los Angeles Times, Washington Post and more, Butter Royale has already gained international acclaim, lending credence to the fact that Mighty Bear is a force to be reckoned with in the industry.



Source: Mighty Bear, Butter Royale

REGIONAL OVERVIEW

However, that does not mean Mighty Bear rests on their laurels. The team at the company is hard at work continuing to support Butter Royale and on two other new games, one of which is in collaboration with a top A-list IP holder.

Mighty Bear's biggest achievement does not rely on their accolade. In fact, the game company highly values the team and continually puts in the effort to build a fun and diverse team who has not only delivered great titles but has built strong relationships with global partners.

Mighty Bear has demonstrated that it is possible to build a global gaming company in the Southeast Asian region with over 70% of the team originally from Southeast Asia. Mighty Bear has also demonstrated that it is essential for companies to embrace diversity so that there is balance in the workforce with more than female team members making up 40% of the company.

Striving to bring new and accessible experiences to mobile whilst retaining the depth and immersive the best of desktop gaming, without compromise, is what drives Mighty Bear.

With success comes challenges of course and Mighty Bear is not averse to challenges. Currently, preserving the strong and unique culture the company has built over the years is the most critical challenge as they scale up the gaming studio. The hiring process is stringent to ensure that people hired are a good cultural fit. Ensuring the fit is essential, which is why Mighty Bear takes its time to find the best people to join the team. Effort is also put in to continually nurture the team from within by making a mix of coaching, learning and development programs easily accessible.

The time, effort, budget, and technical challenges are important in making games. The games need to best fit the team's capability for the development and choosing the right time in launching the game to the market are some aspects to consider.

In terms of development, Mighty Bear will be supporting Butter Royale with regular freshly baked updates and events and plans to deliver two new projects that are already in development by the end of 2021.

To support the SEA gaming community, Mighty Bear would love to share and write weekly articles on what they do and how they go about it.



Source: Mighty Bear, Butter Royale

REGIONAL OVERVIEW

THAILAND

Key Drivers	Strengths	Opportunities
<p>Active game association with the support of Thailand's government</p>	<p>Digital Economy Promotion Agency (depa), in collaboration with Thai Game Software Industry Association (TGA) and Infosed Co., Ltd. launched depa Game Accelerator Program batch 1 in Thailand, aiming to develop Thai game makers and game developers in four popular game categories to enhance capabilities and standards to an international level.</p> <p>The program will also offer opportunities for further business growth and a game trial run to get feedback from gamers prior to the commercial launch domestically and internationally. In 2020, the value of Thailand's digital content industry has been driven dominantly by the game industry.</p> <p>The 42-hour game development training covers four popular game categories: action, adventure, strategy and sport (casual) in order to create mobile game business knowledge and provide investors</p>	<p>Investment incentives for gaming companies supported by Thailand Government include:</p> <ul style="list-style-type: none">• Digital Economy Promotion Agency (depa) Packages for example depa Manpower Fund, depa Digital Startup Fund, depa Digital Event and Marketing Fund, depa Digital Infrastructure Fund• Thailand Board of Investment (BOI): Tax and non-tax incentives⁵⁵

⁵⁵ Depa Investment Quarterly Gaming Industry

REGIONAL OVERVIEW

THAILAND

Key Drivers	Strengths	Opportunities
	<p>access to game developers and to run a trial before commercial launch⁵⁶.</p> <p>Among the selected top four game development teams are Igloo Studio, Plastique Co., Ltd, Fairplay Studios and Warisoft Company Limited with an opportunity to continue working with Nintendo (Licensed Developer) with support for the game development kit.</p>	
<p>Popular local game titles and game localisation as well as the adoption of e-sport curriculum</p>	<p>Several popular and successful local game titles in the Chinese and Japanese market like Kingdom Reborn, Home Sweet Home, Project Nimbus, So Many Me, Fallen Knight, Time Lie, etc. were produced⁵⁷.</p>	<p>The Thailand game market is an open market and games have been well-received by Thai gamers.</p> <p>The release of Thai subtitled versions of major game titles such as Cyberpunk 2077 and The Last of Us Part II and the opening of the gaming industry and e-sport related curriculum in Thai universities can be seen as the response of the industry to the expanding players base in the country⁵⁸.</p>

⁵⁶ Depa Opening the Country's First Depa Game Accelerator Program, 2021

⁵⁷ Promoting & Supporting the Development of Thai Game Industry, 2021

⁵⁸ Gaming Business in Thailand: Business Opportunity and Legal Concerns, 2020

REGIONAL OVERVIEW

THAILAND

Key Drivers	Strengths	Opportunities
		Similar to other countries across the SEA region, the country's tertiary education system has yet to provide enough games-related courses to meet future demand for local talent.
Second largest game market size with the close collaboration within the telco and industry players in the new technology adoption	<p>Thailand's two cloud gaming services were officially announced in 2020:</p> <ol style="list-style-type: none"> 1. AIS+Blacknut+Gameloft Launched on 1 Oct 2020 by leveraging on AIS 5G network with access to over 400 titles on Android, PC and MAC 2. true+Antstream Arcade Launched in Jan 2021 for True's OTT box users with the access of thousands retro games⁵⁹ 	<p>The game market size in Thailand is the second largest in the Southeast Asia region in 2020 with a year-over-year increase of 14.1% reported by DEPA and IMC Institute.</p> <p>However, there is a lack of specialists and skilled labour, which poses as a massive threat to gaming industrial development in Thailand. The problem partly comes from insufficient gaming courses from universities⁶⁰.</p>

⁵⁹ A Spotlight on the Thai Games Market: Key Numbers & Trends, 2021

⁶⁰ Depa Investment Quarterly Gaming Industry

REGIONAL OVERVIEW

SUCCESS STORY

Earthshine Co., Ltd

Earthshine's single and most popular game, Kingdoms Reborn, is a well-known game in Thailand, was released in November 2020 on Steam Early Access. Prior to that, the game was developed by a solo PhD graduate from the prestigious MIT in the United States who started off as a senior engineer at the Apple Headquarters in Silicon Valley before leaving to follow his passion in the gaming industry in 2019. Since then, Earthshine's team has grown to 7 and is still growing.

One of Earthshine's most significant achievements to date, is the development of Kingdoms Reborn. With full concentration on this game, Earthshine has managed to push Kingdoms Reborn to be the highest-grossing game in Thailand thus far.

For two consecutive years, namely 2020 and 2021, Kingdoms Reborn is also one of the best-selling city-building games released on Steam, sealing its place as one of the best games in the industry.



Source: Earthshine's Co., Ltd, Kingdom Reborn

Continually striving to create and make amazing products on par with others globally, Earthshine definitely has a high bar to reach. As an indie game, the expectations are generally higher. In putting gameplay and player experience first, Earthshine has managed to meet the high expectations by delivering a great game product, even in the Early Access phase.

For those planning to enter the industry, Earthshine's advice is that games development is akin to software development, therefore it is essential to ensure a strong coding team is in place. Other than that, newcomers are advised to pour their energy into building a great product first prior to releasing it on Steam Early Access or other similar platforms, as Steam and the influencer ecosystem will do a lot of marketing for the product/company. It is no point spending huge sums on PR/marketing, especially if they have a limited budget and a small team.

Although Kingdoms Reborn is still under development, Earthshine plans to release the full version in the next 2 - 3 years. At the same time, the team at Earthshine is also working to develop a second game/title.



Source: Earthshine's Co., Ltd, Kingdom Reborn

REGIONAL OVERVIEW

FairPlay Studios

FairPlay Studios started with 6 individuals who had a passion for gaming and had a vision of becoming frontrunners in the gaming industry. A game development studio, today FairPlay Studios has grown to a team of 20. Creating games has always been a passion for FairPlay Studios, which is reflected in the content they have created whereby a lot of thought has been put into creating games as each team member put themselves in the shoes of gamers to create a game that is fun and engaging.

Some major titles that FairPlay Studios has worked on include Fallen Knight (released on Apple Arcade on PC & console) and Himmaman Marshmello Saga (released on Android/iOS/Huawei App Gallery). Fallen Knight was selected as one of the first 100 games to be released on Apple Arcade. The game has also won the Rising Star Award at the SEA Game Awards 2020. Other games in development or the testing phase include At Your Service, The Land Beneath Us and Angry Wife.

Striving to be the very best in the field, FairPlay Studios puts customer service first. Game creation is done with innovation, meticulous attention to detail and commitment to quality so that customers gain an unforgettable gaming experience. More than a gaming developers made up of gamers for gamers, the dream to become frontrunners in the industry has thrown the team at FairPlay Studios to wholly dedicating themselves to unearthing new customer experiences. The happiness of customers and gamers worldwide is at the core of FairPlay Studios.



Source:
FairPlay
Studios,
Fallen Knight.



Source: FairPlay Studios, Fallen Knight.

REGIONAL OVERVIEW

The team of innovative developers and gaming professionals continually pushes for the Thailand gaming industry to be the best, not just in terms of content but also in talent acquisition and creative innovations. FairPlay Studios has a mission to bring about an era of a thriving game industry to the country.

The vision, mission and mostly passion drive FairPlay Studios. Collaboration between other companies, partners and game publishers, while putting gamers first to create gameplay, has pushed the studio to greater heights.

One of the major challenges faced by FairPlay Studios as a new player in the industry was to properly set up every aspect of getting a game into the market. From preparing pitch decks, coming up with the financial forecast, market comparisons, negotiating with publishers to porting to consoles, passing platform questionnaires, and more, these challenges have provided FairPlay Studios with the chance to learn about the gaming industry in every aspect.

Future plans for FairPlay Studios include:

- Fallen Knight PC & Xbox/Playstation launch on 20th July 2021
- allen Knight NSW (Global) launch in mid-end September 2021
- Himmaman Marshmello Saga global launch (currently only launched on iOS & Android in Thailand)
- At Your Service (Couch Co-op) to launch on PC & Console in Q2 2022.

Two other games, in the pipeline concurrently with the above, The Land Beneath Us, is currently in development and being pitched to publishers, while Angry Wife (Endless Runner) is being tested for a global launch on iOS & Android.



Source: FairPlay Studios, At Your Service.

REGIONAL OVERVIEW

VIETNAM

Key Drivers	Strengths	Opportunities
Attraction of foreign game companies with local partnership	<p>Since 2004, Gameloft, a French Video Game Studio has been based in Vietnam.</p> <p>From the first office in Saigon in 2004, to two offices in 2008, Gameloft quickly expanded to Da Nang in 2010 and Hanoi in 2011. Gameloft Vietnam has more than 1,200 employees on staff⁶¹.</p> <p>Assassin's Creed maker Ubisoft has opened a new mobile studio in Da Nang, Vietnam. Ubisoft explained that the Da Nang studio will focus on developing HTML5 'Instant Games' for a variety of social media platforms and will also look to collaborate with local institutions and universities to form partnerships that will help it better integrate into the region⁶².</p>	<p>Overseas developers often partner with Vietnamese publishing firms to ease penetration and navigating the market, to build and manage a community, market their products, and meet local regulations.</p> <p>Foreign companies can either work with Vietnamese studios that help them carry out the necessary procedures or establish a branch and a representative office in Vietnam. Local knowledge is crucial in this case⁶³.</p>

⁶¹ Gameloft Has Opened a New Office in Saigon, 2019

⁶² Ubisoft Opens New Mobile and Instant Game Studio in Vietnam, 2019

⁶³ Trends and Opportunities in Online Gaming: Taking Vietnam's Gaming Industry to the Next Level, 2020

REGIONAL OVERVIEW

VIETNAM

Key Drivers	Strengths	Opportunities
Competitive talent market and government digital transformation policy	Vietnam is home to talented engineers who cost less than in more developed markets. Although most of them develop and create casual games that are simpler in terms of quality, graphics, and user interface, there are several examples of Vietnamese games that make it to the international stage, such as Caravan War and Tiles Hope: EDM Rush! ⁶⁴	Launched in 2020, Vietnam's National Programme for Digital Transformation is aimed at ensuring more than 80% of households have access to fiber-optic infrastructure by 2025 ⁶⁵ .
Vietnam is a fast growth market with a vibrant game developer and publishing community	Local companies face tough competition in the gaming market, but Vietnamese indie developers have found international success with casual games. The most notable example is the Vietnam-made game Flappy Bird, which topped app stores worldwide and put Vietnamese talent on the radar ⁶⁴ . Most recently, Vietnam surprised the game market once more with the famous blockchain game called Axie Infinite, raising	Internet cafes are mushrooming around the country, with several large centres focusing on gaming. The internet cafes are opening in places like HCM City, Hà Nội and Đà Nẵng ⁶⁶ . With more than half of Vietnam's population under the age of 25, the youth segment is an important driver of growth for the gaming market ⁶⁷ .

⁶⁴ Trends and Opportunities in Online Gaming: Taking Vietnam's Gaming Industry to the Next Level, 2020

⁶⁵ Why Vietnam's Expanding Digital Economy Presents Opportunities for Investors, 2020

⁶⁶ Online Gaming Industry Targets \$1 Billion Revenue, 2021

⁶⁷ Trends and Opportunities in Online Gaming: Taking Vietnam's Gaming Industry to the Next Level, 2020

REGIONAL OVERVIEW

VIETNAM

Key Drivers	Strengths	Opportunities
	<p>US\$7.5 mil of investment funds. Some of the leading game companies in Vietnam are Alley Labs, Sparx, Gear Incs, Funtap and Topebox. Sparx is one of the largest game companies in Vietnam with more than 400 employees.</p> <p>Among the top four publishers in Vietnam are VNG, Amanotes, OneSoft, and BACHA Soft.</p>	<p>In Vietnam, there are approximately 3.99 million gamers, and over 60% are between 18 and 30 years old⁶⁸.</p>
<p>Community and market programs are evolving as the challenge in coordination is met by platforms able to see Vietnam's strength as a market</p>	<p>There have been numerous games-related events between 2006 - 2016, but no recent events have been identified, including:</p> <ol style="list-style-type: none"> 1. Vietnamese Gamers Festival, also known as the Online Game Festival, 2014 - 2015 2. 360mobi Congress, 2016 3. VTC Mobile Festival, 2016 VTC Game Day, 2016⁶⁹ 	<p>Emergence of business accelerator program and networking platforms that leverage on the potential of the Vietnam game developer community and studios.</p> <p>Think Games Vietnam 2021 focuses on developing a sustainable industry through capacity building and fund sourcing. The event is grouped into two programmes: Gaming Growth Lab and GameCamp⁷⁰.</p>

⁶⁸ THE RISE OF MOBILE GAMING IN VIETNAM: TAKING IT TO THE NEXT LEVEL, 2020

⁶⁹ 7 Hội Chợ Game Tự Phát Lớn Nhất Làng Game Việt Trong Những Năm Gần đây, 2016

⁷⁰ Think Games Vietnam promotes sustainable development of Vietnam's games industry, June 2021

REGIONAL OVERVIEW

VIETNAM

Key Drivers	Strengths	Opportunities
		<p>business model, develop quality game products, gain access to players, generate effective revenue, and grow their business internationally. Meanwhile, GameCamp's goal is to help newcomers gain knowledge, experience and link them to a network of experts.</p>

SUCCESS STORY

Sky Mavis

Sky Mavis wants to bring economic freedom to gamers through fun, relatable and nostalgic experiences and by the introduction of blockchain technology. Based in Vietnam, Sky Mavis' first project is called Axie Infinity, which is a virtual world full of fierce, adorable pets called Axies. You can send Axies into battle, can be collected and even used to earn an income.

As part of Sky Mavis' journey, the company has built the tech stack so that developers can infuse their games with Blockchain technology. In addition to Axie Infinity, Sky Mavis has released a digital wallet with a scalability solution called Ronin and a Blockchain



Source: Sky Mavis, Axie Infinity.

REGIONAL OVERVIEW



Source: Sky Mavis, Axie Infinity.

gaming store. This in-house game item marketplace has processed millions of dollars in transactions and holds the record for the largest game item sale of all time.

Sky Mavis has bragging rights as the number 1 non-fungible token (NFT) project by all-time volume and is the most played NFT game of all time.

Not without its challenges, Sky Mavis has faced many such as having to build many of the tools they needed to build an NFT game. This essentially meant the company had to start from scratch. Eventually, Sky Mavis built its own marketplace, wallet, Ethereum sidechain, block explorer and more.

Another challenge faced by Sky Mavis is the fact that there are not many in the world who understands blockchain technology well, let alone an NFT game. Therefore, the public had to be educated and a lot of resources went into creating awareness aimed at game players.

Sky Mavis always tries to conceptualize what new products are needed that can be elevated by a very strong gaming community. Jumping in on a hot trend would be too late. Instead, preparation and building before finding the right product-market fit is a must. However, do not go at it alone but alongside your community.

REGIONAL OVERVIEW



Source: Sky Mavis,
Axie Infinity.

Over the next year, Sky Mavis will release an updated battle system with new mechanics, art and free-to-try Axies. Sky Mavis is also working on a land gameplay system whereby players will build a village or town, harvest resources, form alliances and fight to control territory. It will be something like Farmville or Stardew Valley merged with Clash of Clans whereby in-game resources will have real value. Needless to say, the game community is highly anticipating the release.

VNG

VNG Corporation is a game studio located in Vietnam. As a technology company that was founded in 2004, the company specializes in digital content, online entertainment, social networking and e-commerce. In the gaming market, a focus is put on online games and the different platforms.

VNG was, at first, founded under the name, VinaGame in 2004 and only in 2009 changed its name to VNG Corporation.

As a game company, it has received numerous awards including the “Global Fast-Growing Enterprise in East Asia” by the World Economic Forum in the Philippines. VNG Corporation also has the honour of being Vietnam’s unicorn.

The passion for creating and designing games has pushed VNG Corporation to design and develop their game design capacity. The said passion is also their key to success in the game market.

As the game Battle Royale is still trending, there are currently no future plans to launch any new games until the trend dies down. Only then will the world be surprised by new releases from VNG Corporation.

09

Global Industry
Practices:
Learning From
International
Markets



GLOBAL INDUSTRY PRACTICES: LEARNING FROM INTERNATIONAL MARKETS

South Korea

Background

Gaming has become part of South Korean culture, and is an organised structure partnering some of the biggest corporations. The country has one of the best esports ecosystems in the world, supporting a multi-billion-dollar industry, and its gamers dominate the global scene.

The South Korea games industry is the fourth largest in the world, valued at 17.9 trillion won in 2020 (US\$16.6 billion), about a third of the size of its automobile industry. Estimates place the value of the market in 2021 to be around 18.8 trillion won⁷⁰.

Mobile games are credited with the growth in the domestic games industry, with a 24.1% growth to 9.4 trillion won in 2020. Game exports are also rising, with exports in 2019 standing at US\$6.7 billion, up 3.8% from the previous year⁷⁰. The games industry makes up 13% of the entire content industry in the country⁷¹.

The mobile gaming market in South Korea has become the major market segment over traditional PC gaming, with 6 out of 10 Koreans between the ages of 10 and 65 stating that they play mobile games⁷².

The success of the industry is driven through government initiatives and civil cooperation, going back to the late 1990s, when public internet access was still relatively new. In comparison, although the US, Japan and Europe established some precedents in the industry, it was largely through the effort of private enterprises, with minimal intervention from their respective governments⁷³.

The following timeline details the government's initiatives from 1999 - 2009⁷³:

- 1999: The Record, Video Contents and Games act was enforced. The Game Promotion Center, a government agency for the promotion of the domestic game industry and incubation of startups, was established.
- 2002: With the publication of the White Book on Korean Games, the government began collecting statistical data for the industry and market.
- 2003: The Game Promotion Centre proposed a mid-to-long-term blueprint for promoting the games industry.
- 2006: The Games Industry Promotion Act, the first law in the world exclusively for the industry, was enacted.
- 2009: The Korea Creative Content Agency (KOCCA), a government agency that oversees and coordinated the promotion of the Korean content industry, was established. KOCCA integrated five related organisations, including the Korean Broadcasting Institute, the Korea Culture & Content Agency, and the Korea Game Agency.

⁷⁰ S.Korean Game industry boasts strong growth; set to exceed \$16bn, Jan 2021

⁷¹ South Korea: Leading The Way In The Gaming Industry, 2021

⁷² Size of the gaming market in South Korea from 2006 to 2022, Statista

⁷³ The Success Story of the Cultural Industry in Korea: The Case of the Game Industry 2014

GLOBAL INDUSTRY PRACTICES: LEARNING FROM INTERNATIONAL MARKETS

The South Korean government has announced plans to support the game industry by relaxing regulations as well as focusing more on esports teams and gaming events. The government plans to expand the Global Game Hub Center, which currently supports game startups. The ministry also plans to provide consulting services and create a system for information about the foreign market to support small and medium-sized companies who are willing to expand their presence overseas. By extending its ecosystem, the government is hoping to create more jobs in subsequent years and help the gaming industry continue its development.

Key Drivers

1. Anchor Companies

Key takeaways:

- Initial Public Offering (IPO) as a growth strategy in fundraising
- Partnership as a new market expansion strategy
- Business merger and acquisition as competitive advantage
- Mobile and PC gaming are the biggest platform in South Korea



Source: 7th Beat Games,
Rhythm Doctor



Source: Gameka, Combat Wombat

GLOBAL INDUSTRY PRACTICES: LEARNING FROM INTERNATIONAL MARKETS

The presence of anchor companies in South Korea ensures that the ecosystem has a strong local production capability, ensuring that IP creation and talent development is sustainable.

South Korea has a sizeable network of 916 game production and distribution companies, employing 89,157 people⁷⁴. The game development market is mostly focused on online PC and mobile games. There are three main players: NEXON, NCSoft and Netmarble⁷⁵.

South Korean companies have built a good reputation both at home and abroad, with several pulling in revenue surpassing the US\$1 billion mark. An example is Com2uS, which exceeded the mark with Summoners War. Netmarble is an established name, having found global success with titles like Marvel Future Fight and Lineage 2 Revolution⁷⁶.

i. NEXON

Founded in 1994, NEXON has become the largest developer and publisher in South Korea, and its subsidiaries has become renowned in their own right, such as Neople, which developed Dungeon Fighter Online, NEXON's top game which is especially popular in China. Other major franchises include MapleStory, KartRider and Dungeon & Fighter.

NEXON was listed on the JPX400 in 2015 and was added to the Nikkei Stock Index 300 in 2017. In 2020, it was included into the Nikkei 225 index.

The company has more than 50 live games on multiple platforms, available across 190 countries⁷⁷.

ii. NCSoft

Since the company was founded in 1997, NCsoft has built a reputation as a mobile games developer and publisher, with most of its profits coming from this segment. The company is behind titles like Lineage 2 and Guild Wars 2, with the latter pulling in 1.3 billion won in sales on launch day⁷⁸. Other popular multiplayer titles are City of Heroes, WildStar , Aion, Blade and Soul, and Master X Master⁷⁹.

NCSoft is listed on the Korea Stock Exchange since 2003⁸⁰, and has operations in Taiwan, China, Japan, the UK and US. The company's operating profits in 2020 exceeded 850 billion won, with revenue topping 2 trillion won⁷⁸.

iii. Netmarble

Netmarble has become a top developer and publisher since it was established in 2000, with notable success abroad. The company has built franchises and collaborations with IP holders worldwide. It is the parent company of Kabam and a major shareholder of Jamcity and HYBE (formerly Big Hit Entertainment) and is listed on the Korea Stock Exchange.

⁷⁴ 2020 White Paper on Korean Games, 2020

⁷⁵ GamesS.Korean Game Industry Boasts Strong Growth; Set to Exceed \$16 Bn, 2021

⁷⁶ Region Focus: The Opportunities and Challenges Facing South Korea's Lucrative Games Industry, 2018

⁷⁷ Nexon Purchases \$100 Million Worth of Bitcoin, 2021

⁷⁸ Top 10 Korean Gaming Companies to Watch For - Best of 2021, 2021

⁷⁹ NCSoft Pitchbook

⁸⁰ NCSoft History

GLOBAL INDUSTRY PRACTICES: LEARNING FROM INTERNATIONAL MARKETS

The company's well-known titles include Lineage 2: Revolution, The Seven Deadly Sins: Grand Cross, Blade & Soul Revolution and MARVEL Future Fight.

The company expects revenue to hit US\$3 billion in 2021 with the launch of new mobile games like Seven Knights Revolution, Second Country: Cross Worlds, and Marvel Future Revolution. Other notable companies are Krafton Game Union, Pearl Abyss and Gamevil⁸¹.

- iv. Krafton Game Union, formerly known as Bluehole, is a Korean gaming company housing different units of game developers and studios that create their own game titles. PUBG Corporation, the most successful subsidiary of Krafton is the creator of Playersunknown Battleground (PUBG) one of the most popular games in the world, generating US\$1.5 billion in revenue in 2019 and US\$5 billion in 2020⁸¹.

In 2021, Krafton released PUBG: New State as sequel to PUBG, seeing a pre-registration of 5 million players on Google Play⁸².

Its other subsidiaries include Delusion Studio, En Masse Entertainment, Bluehole Squall, and Red Sahara⁸¹.

2. Financing initiatives

Key takeaways:

- Strong government support and financial incentives
- Accessibility of alternative funding

i. Game Global Service Platform Plus project

KOCCA's Game Global Service Platform Plus project is making headway in helping small to medium-sized companies expand to the global market. The platform provides marketing, games localisation and infrastructure services. Successful applicants are given up to 300 million won worth of points to use on the platform to network with other companies⁸³.

In 2021, the platform announced a 5.5 billion won budget to help up to 50 gaming companies.

ii. Game production support

In 2021, KOCCA announced a 22.4 billion won budget (US\$20 million) budget to promote the local games industry and produce global game content. The funds will be channeled into four sectors: general games, functional games, new technology-based games and new market-creating games⁸⁴.

a) General games (11.1 billion won)

For mobile and PC games and cutting edge games using virtual reality, augmented reality or mixed reality.

⁸¹ Top 10 Korean Gaming Companies to Watch For - Best of 2021, 2021

⁸² Korean Big and Smaller Publishers Pump up Game Pipeline, 2021

⁸³ KOCCA's GSP Plus Helps Game Companies Go Global, 2021

⁸⁴ KOCCA to Invest W22.4b in Korean Games, 2021

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- b) Functional games (2.1 billion won)
Educational games for the public, sports, fashion and others.
- c) New technology-based games (4.8 billion won)
Games using new tech such as blockchain, cloud and AI.
- d) New market-creating games
To help create new markets for platforms like console games and arcade games.

iii. Venture Funding

Korea Venture Investment Corporation (KVIC) provides a capital source for the venture capital market including job creation, angel funds, foreign VC investment funds, and industrial technology commercialization⁸⁵

3. Game Industry Community

Key takeaways:

- Passionate gamer communities with positive engagement
- Active game associations act as the trade association in promoting the interest of game developer and ecosystem building

Game associations provide support and networking opportunities and are a vital part of the Korean game ecosystem.

- i. Korea Game Association of Game Industry (K-GAMES)
- ii. Korea Game Developers Association (KGDA) whose role is to create a stable game ecosystem for small and indie developer and contribute to public interest
- iii. Korea Mobile Game Association (KMGA)

There are several trade shows for the purpose of networking and promotion.

- i. G-Star is an annual trade show presented by K-GAMES and the Busan IT Promotion Agency since 2005
- ii. PlayX4 B2B, established 11 years ago, focuses on business matching, hosted by Gyonggi Content Agency
- iii. It's Game is an exhibition of Korean content aimed at promoting Korean games at an international level⁸⁶

4. Game incubators and accelerators

Key takeaways:

- Building up a vibrant startup ecosystem
- i. Content Korea Lab (CKL)

Content Korea Lab helps entrepreneurs turn their ideas into startups, offering mentoring, networking, funding and marketing for content creation startups⁸⁶.

⁸⁵ Korean Startup Ecosystem, 2021

⁸⁶ The Rise in Demand for Korean Content, 2020

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ii. Game Coach

A government accredited academy in Seoul for future pro gamers, focusing mainly on League of Legends and Overwatch⁸⁷.

iii. LAUNCHPAD

KOCCA organised LAUNCHPAD helps Korean startups enter Silicon Valley, providing networking opportunities in the United States. The program is in partnership with BAM Ventures and Strong Ventures⁸⁸.

iv. Center for Creative Economy and Innovation (CCEI)

The Center for Creative Economy and Innovation is a leading government agency that helps local startups and small-to-medium enterprises expand globally. Established in 2014, CCEI has 10 offices in 17 regions across the country.

v. K-Startup Grand Challenge

The K-Startup Grand Challenge is an inbound program designed to attract promising foreign startups to Korea within the “Global Accelerating Activation Program” under the Ministry of SMEs and Startups of the Republic of Korea. The program aims to support promising foreign startups to enter the Korean market. Participants need to establish a corporation in Korea and hire Koreans with the objective to run businesses in Korea⁸⁹.

Further to this, KOCCA plays an integral role in the games industry and is a success story in itself, incubating new games businesses and promoting investments and financing, besides publishing the annual White Paper.

Since 2002, the agency has run an online incubating system called corcess.com. To help develop a positive gaming culture, KOCCA set up a “Council of Gaming Culture Promotion” in 2002 to help change the public’s perception of games, which was previously negative, and encourage a wholesome and balanced approach to gaming. A pre-rating system was developed to provide the public with more information on upcoming games. Since 2001, KOCCA has organised the annual World Cyber Games festival⁹⁰.

The agency has formed a comprehensive network with foreign distributors, production and communications companies, allowing Korean players to gain access to the global market and talent. Since 1998, KOCCA has helped showcase Korean companies on international platforms like E3 and ECTS.

5. Infrastructure and facilities

Key takeaways:

- High speed internet
- Cohesive support facilities for content industry

The existing infrastructure in South Korea is more than ideal for gaming; South Korea has one of the best internet connections in the world, for both availability and speed. The country already has a stable 5G network with more than 13 million subscribers.

⁸⁷ South Korea the Birth of Esports

⁸⁸ Korean Startup Ecosystem, 2021

⁸⁹ Korean Startup Ecosystem, 2021 & K-Startup Grand Challenge

⁹⁰ 2004 The Rise of Korean Games, 2004

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The government has invested in broadband internet access since the mid-1990s⁹¹. The country has a high internet penetration rate, with 70.5% of the country having access to high-speed internet⁹².

KOCCA provides the creative content industry with infrastructure and support facilities such as a one-stop complex facility and infrastructure at Bitmaru, Ilsan, which has a Content Support Center to handle complaints and offer consulting. KOCCA also has an IP-based UHD broadcast production studio at DMS, Sangam and the largest studio and support facility in the country at Studio Cube, Daejeon that provides Culture Technology and R&D support related to the planning, production and supply of various forms of content (music, games, broadcast etc)⁹³.

The government launched the Global Game Hub Center in 2009 to prepare the industry for a dominant position in the next-generation games market. There are plans to expand the center, which currently offers support for game startups⁹⁴.



Source: Kurechii, Postknight2

South Korea has the equivalent of Silicon Valley in the form of Pangyo Techno Valley. Located in Seongnam, Gyeonggi Province, the startup and industrial campus is home to some of the country's top tech companies like NCSOFT, Kakao, SK Planet and NEXON⁹⁵.

6. Cultural

Key takeaways:

- Gaming as a cultural transfer force
- Cultivating a gaming culture

South Korea is the undisputed home of esports. The gaming culture was born in the country and spread to other countries. Sensing the potential to commoditise esports (like K-pop), the government moved quickly to establish the Korea Esports Association (KeSPA). KeSPA is a member of the National Olympic Committee of South Korea, and played a major role in setting up the world's first esports stadium in 2005, in Yongsan. Esports is managed as a professional league, with pro gamers receiving a salary. Matches have been broadcast on national television since the late 1990s.

An integral part of the gaming culture is the PC Bangs. Like cyber cafes, PC Bangs are gaming centres that charge an hourly fee. These centres began mushrooming in the late 1990s. The strong internet infrastructure in Korea, along with the low cost of playing at these centres, eventually resulted in the establishment of around 25,000 PC Bangs all across the country. Gamers gather at these centres to play together and share strategies, and from these gatherings, gaming experts emerge and communities are built.

⁹¹ Video Game in South Korea, 2007

⁹² South Korea: Leading the Way in the Gaming Industry, 2021

⁹³ Korea Creative Content Agency (KOCCA)

⁹⁴ Korea to Relax Regulations on Game Industry to Lead Global Market, 2020

⁹⁵ Korean Startup Ecosystem, 2021

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Becoming a pro gamer is the cultural equivalent of becoming a K-pop star. Earnings can reach millions of dollars, with the highest earner gaining US\$2.5 million in 2019⁹⁶.

Pro gaming has become a respected profession over the last decade. Competition is fierce, with many budding gamers having to decide between going to college or focusing solely on games at a very young age. They can choose to join an Esports Academy to be trained by current and former pro gamers. South Korea is home to the world's first esports academy, Game Coach. Game Coach is a government-accredited gaming camp, with training sessions and even assignments to develop a player's potential. Pro teams use these academies to scout for talent, with several graduates gaining spots in some of the world's top teams⁹⁷.

Although life as a pro gamer usually ends in the mid to late twenties, they can continue to monetise their skills through social media and endorsements. It's also easy for a retired pro gamer to get a job at a startup or games publisher, as they have the expertise and experience. Demand for gaming professionals is growing, and the industry will continue to grow.

Gaming is deeply ingrained in Korean culture. NCSoft's Lineage, released in 1998, was the first Internet-based online game in Korea, laying the groundwork for future MMORPG games. Twenty years after its release, the game is still an influential phenomenon in the world of online cultural content.

7. Research and development

Key takeaways:

- Investing in research, data and insight for strategic planning and development is an important factor to developing a sustainable game development industry

South Korea is the fifth highest investor in R&D at around US\$94.5 billion spent in this area. The country's spending ratio to gross domestic product (GDP) is the second highest in the world at 4.3%, according to the Startup Genome Report 2020.

KOCCA plays a vital role in the mid-to-long term development strategy. It analyses trends and statistics and publishes the results in its annual White paper by genre in broadcasting, games, comics, animation, characters, music

There are also numerous commercial publications related to the content industry such as N-CONTENT⁹⁸.

8. Policy and government support

Key takeaways

- The role of the government in shaping the gaming economy through policy direction, laws and regulation
- Government initiatives in the promotion and facilitation of the games industry

⁹⁶ Faker, League of Legends

⁹⁷ <https://gamecoachacademy.com/eng/>

⁹⁸ Korea Creative Content Agency (KOCCA)

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As soon as the internet boomed, the South Korean government began laying the groundwork for a comprehensive games industry. From 1998 to 2013, there were thirteen (13) game-related initiatives. Of these, four (4) were industry-related agencies and departments; three (3) were law enactments and six (6) were policies⁹⁹.

1. Establishment of the Game and Record Industry Division, for industry-related tasks, within the Ministry of Culture, Sports, and Tourism (1998)
2. Establishment of the Game Industry Support Center (1999):
The Game Industry Support Center was renamed twice—Game Industry Development Agency and then Game Industry Promotion Agency, respectively—before it was integrated into KOCCA in 2009. Its basic responsibilities include incubating game developers to foster growth, operating joint game development centers, setting up game academies to train game industry professionals, investing in game content development, raising funds for game development, supporting global B2B by participating in international game conferences in more advanced nations, providing information about games to the public by publishing a game encyclopedia and other game industry-related data and trends, supporting game industry-related policies and regulations, and promoting game culture. The agency is the core of the domestic games industry.
3. Enactment of the Record, Video Content, and Game Content Act (1999)
4. Enactment of the Game Industry Promotion Act (2006)
5. Establishment of Game Content Rating Board (GCRB) (2006)
6. Enactment of the e-Sports Promotion Act (2012)
7. Establishment of Game Rating and Administration Committee (GRAC) (2013)
8. Contents of the Mid- and Long-Term Plan for Game Industry (2003 - 2007)
9. Announcement of an e-Sports Mid- and Long-term Vision (2004)
10. Gaming Culture Promotion Plan (2005)
11. Announcement of the “2010 Game Industry Promotion Strategy Execution Report Seminar” (2006, Publication of policy report)
12. Announcement of the “Mid- and Long-term Plan for the Game Industry (2008 - 2012): the Second Revolution” (2008)
13. Announcement of the “e-Sports Mid- Long-term Development Plan (2010 - 2014): e-Sports Innovation 2.0”

⁹⁹ *The Success Story of the Cultural Industry in Korea: The Case of the Game Industry 2014*

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The government has established a games industry-related policy promotion system as listed below¹⁰⁰

1. Governmental Agency: Planning, establishing, and executing all game industry-related policies i.e, Game Content Industry Division of Cultural Content Industry Office of Ministry of Culture, Sports, and Tourism
2. Promotion Agency: Promoting game industry-related businesses i.e, KOCCA
3. Cooperative Agency: Maintaining a cooperative relationship when establishing and promoting game industry-related policies i.e, industrial, academic, and civil groups (Korea Internet & Digital Entertainment Association, Korea Game Society, etc.)
4. Unit of policy
Promotion: Determining the policy objectives and the time required for promotion i.e, planning and promoting mid to long term plans (5 years), and short-term plans (1 year)
5. Resources for Promoting Policies: Gather necessary resources when promoting the policies i.e, Government budget (100%) Funds (Budget + Investments)

The government runs several promotion initiatives and programmes that provide infrastructure, promotion, training and funding support.

- i. A focus in incubation

The Incubation Programme led by the Korea Game Promotion Center supports small-to-medium sized companies, providing fully-equipped working spaces for minimal to no charge to allow them to become more competitive without worrying about rental costs. The incubation period is usually three years in the initial phase, with the option to extend by another year, if required. One success story to come out of this is T3 Entertainment, which eventually became a multi-million dollar company.

- ii. Lending sustained financial support

To spot companies with potential, the government organises game planning contests, with the selected games given financial support for production. The government will either financially support the production, with the entrant required to submit the completed product, or finance the games and be reimbursed for the production cost when the game reaches a certain amount of profit. However, the first method is not sustainable because of the limited budget. Through consultations with KOSDAQ, the Korea Game Industry Agency has adjusted the listing conditions for games companies.

- iii. Investment support as a way to drive capital and interest into the domestic market

The government has also roped in private funding, encouraging private investors to invest in games companies. Through government arranged programmes, games companies can gain access

¹⁰⁰ *The Success Story of the Cultural Industry in Korea: The Case of the Game Industry 2014*

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to international buyers or potential collaborators. These companies can also showcase their games in overseas exhibitions through a Korean contingency.

- iv. Employing export promotion programmes and tactics to spread IP and services globally

Promoting the export of domestic games by connecting domestic game companies and overseas buyers. Another important service rendered by the export promotion projects is the participation in overseas games exhibitions that provides an opportunity to showcase Korean games in the global market.

- v. Professional training as part of skills development

The Game Academy, established through KOCCA, provides training for the games industry workforce to meet the high demand for skilled professionals. The academy provides training in three key areas – planning/design, programming and graphics. While courses in public universities are fully subsidised by the government, education at the academy, or similar establishments, is only partially subsidised making an education in games less accessible to those from lower-income families. Since 2009 the academy no longer provides an intensive two-year course, instead offering a general course.

Trends and lessons learned from the growth of the Korean Gaming Industry

Resurgence of older IP proves to challenge the decision between developing new IP vs acquisition

Games that were released online between the early 1990s to mid-2000s, or the “golden age” reappeared as mobile games. While this was encouraging, this resulted in the separation of developing games and acquiring IPs, eventually leading to a mismatch between the two. A mismatch would cause development to cease on a game as the direction was not as per intended IP.

Console and multiplatform development is a challenge owing to a skillset gap and increasing reliance on overseas talent

While the Korean industry is focused on PC and mobile games, it lacks the experience and educational infrastructure for console games. For developers in this area, they need to recruit foreign talent via visa issuance or send local students for overseas internship programmes. For domestic talent looking to work abroad, a weak command of English is seen as barrier.

Policy reforms create opportunities for better morale and retention

As demand for developer talent is high, companies like Netmarble and Krafton announced they would raise the salaries of all employees and offer signing bonuses. This is a welcome change from the work culture that was the norm just three years ago. The work culture is intense, with many working long

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unpaid extra hours. Labour unions protesting the working conditions at NEXON and Smilegate were formed in 2018. The government has abolished the Blanket Wage System (BWS) which pays workers a fixed wage no matter how many hours are put in. Policy changes such as these would have long term benefits in creating a sustainable industry sector¹⁰¹.

Proper updating of game related policies increases transparency and improves governance of the sector

The rise of cryptocurrency has given birth to blockchain games. Since cash equivalents are offered as rewards, this encourages speculation. To overcome this, the Game Rating and Administration Committee (GRAC) plans to review the policy direction of the Financial Services Commission, covering non-replaceable token (NFT) transactions and the operation of exchanges, to set the standards for classifying blockchain-related game products.

Additionally, an older regulation limit was overturned. In 2019, the Ministry of Culture, Sports, and Tourism abolished the online PC game transaction limit, set at 500,000 won per month for adults. The GRAC decided to allow electronic payment systems for arcade games for all ages. This can lead to a higher spend on games since these e-payments and credit card channels were opened¹⁰¹.

Poland

Key takeaways:

- The unique approach of having a Special Gaming Index within the Warsaw Stock Exchange provides developers access to capital
- Accessibility of funding and financing from both government and venture capital, with a focus on gaming and software
- Strong foundation in the education system and community support
- Friendly taxation policies and program
- Gaming as a national brand

No other country is prouder to call themselves a gaming nation than Poland. A combination of government and private sector support, conducive policies, community support and education has created a population of more than 16 million players in a country of 38 million. That means almost every other Pole plays some form of PC, mobile or console game. As a developed economy, infrastructure such as high-speed broadband access is almost a given, with regular access for 90% of its population.

Annually, Poland's gaming population of 16 million generates US\$596 million in revenue, placing the country around the 20th highest globally.

Although the country boasts a large developer industry with an estimated 440 studios, the games it produces are mainly for export (96%), therefore game production figures should not be linked to the domestic game market¹⁰².

¹⁰¹ 2020 White Paper on Korean Games, 2020
¹⁰² The Game Industry of Poland 2020

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Several key factors contribute to Poland having a conducive game industry ecosystem:

i. Listing games companies for quality

What makes Poland's approach unique is the number of publicly-listed games companies and the formation of a games company-only index, allowing developers to tap into funding and giving the public the opportunity to directly invest in the industry¹⁰³. Nearly all listed companies are locally-owned and/or are listed on the Warsaw Stock Exchange (WSE), making them highly independent. The most successful gaming companies have stated that this autonomy allows them to achieve the best in games quality.

The ease of raising capital, by companies both new and established, as well as high rates of return from investments have meant that foreign investors are starting to recognise the exchange as an investment opportunity.



Source: Hidden Chest Studio, *Midwest 90: Rapid City*

Poland is serious about its games industry. The WSE has an index dedicated exclusively to gaming companies, called WIG.Games¹⁰⁴, which currently lists 43 gaming studios, out of which 12 are on the main board and 32 are on the New Connect Market. Examples are CD Projekt S.A, Ten Square Games, PlayWay, 11 bit Studios, Creepy Jar and all in! Games. However, it should be pointed out that 90% of entities in the Polish game industry function outside the Warsaw Stock Exchange, including Huuuge Games and Techland, i.e. the second and third largest companies in the country, respectively¹⁰⁵.

ii. Access to funding

Besides capital markets as a source of funding, there are plenty of government and private financing options. Video games have been declared one of the Poland's National Intelligence Specialisation areas, resulting in many government aid and tax programs created with the objective of improving global competitiveness. The government received PLN300 million via an EU-funded programme designed to help finance new gaming projects¹⁰⁴.

SMOK Ventures is a US/Polish VC fund investing between US\$50k and US\$1 million in early-stage startups in Poland with a focus on gaming and software. The fund invested in three gamedev studios in 2020: Exit Plan Games, Nibble Games and a yet unannounced international gaming project. Inovo Venture Partners backs early-stage, post-traction startups and helps them grow 100x through a robust network and operational support. Inovo invests between EURO0.5–2 million in startups from Poland and the region. One of the fund's gaming investments ECC Games, which successfully IPOed on the Warsaw Stock Exchange.

¹⁰³ Taking Gaming Seriously Has Paid off for Poland, 2020

¹⁰⁴ Mapping the Polish Game Industry, 2020

¹⁰⁵ The Game Industry of Poland 2020

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The ease of funding is supported by a system of tax relief oriented towards supporting innovative industries like gaming, or tax relief for companies representing creators of culture¹⁰⁶.

iii. Areas of specialisation

Poland is a particularly strong market for PC gaming, based on data from three key distribution platforms. The Steamspy Report ranks Poland seventh in terms of indie games revenue. On Epic Games Store, Polish gamers are the seventh largest community on the platform. They are also the third largest group on GOG.com, in terms of share of sales, following closely behind Americans and Germans.

Polish developers focus on AA premium games in an effort to push the boundaries for high quality output.

The sector offers external development in asset production, porting, localisation, quality assurance, and video production services. At least seven companies: Keywords, Lionbridge, QLOC, Roboto Global, Sperasoft, Testronic, and Platige Image employ hundreds and offer top quality services to international clients.

Polish developers are known for games in the horror genre, with examples being *Darkwood* and *Medium*. The country also specialises in PC games distribution. Polish platform GOG.com is known for its extensive collection of classic games and for its campaign against digital rights management.



Source: Round Table Games Studio, *Dying Flame*

Local games studios benefit from their country's rich cultural reserves, drawing on the literature, history and geography of Poland and the region for inspiration. CD Projekt's flagship *Witcher* series is based on novels by Polish fantasy writer Andrzej Sapkowski¹⁰⁷.

iv. Strong education and community support

The Polish school curriculum places a strong emphasis on Mathematics, which leads to a high number of very skilled programmers. Use of English is widespread, with English speakers the top-ranked in all of Eastern Europe, making development for the international market easier.

There are a total of 60 degree-level courses related to games, with 34 of them available at public universities. Nearly half are programming-related, confirming the perception that Poland is highly successful at producing specialists in this area.

¹⁰⁶ Taking Gaming Seriously Has Paid off for Poland, 2020
¹⁰⁷ The Game Industry of Poland 2020

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Training and experience exchange is practiced on a much wider scale, and much earlier. Each of the larger universities organises public lectures at least once a year, while student clubs host regular seminars. Key hubs like Wroclaw, Cracow, Warsaw, and Poznan host regular lectures by professionals through local organisers¹⁰⁸.

The Poles love their game jams, with at least 30 hosted annually attracting at least a dozen players. Global Game Jam is the largest, gathering over 600 participants in several locations per year.

For companies to showcase their abilities, there are three major trade events that are of international repute. Digital Dragons ranks among the leading business conferences in Europe. IT's known for its DD Awards – the most important Polish annual gaming prize. The Poznan Game Arena



Source: One More Dream Studio, Ageless

Expo and Game Industry Conference attracts members of the public, trade professionals and gamers, forming the third largest gaming event in Europe. Poznan is also the host city for the annual Central & Eastern European Game Awards – the most important award in the region, lining trade organisations from 16 countries.

v. Employment in game production

There are an estimated 440 development studios, employing 9,710 people. The game development industry generates EUR479 million per year, through 480 new title releases. Year-on-year growth remains stable, at nearly 30%.

In terms of size, 39% of studios have five or fewer employees, 40% employ between six to 16 people, and 10 studios have more than 200 employees. The distribution of company sizes follows the 80/20 rule, where 20% of the biggest companies make up 80% of the total workforce. CD Red Projekt alone counts for 10%, employing more than 900 people¹⁰⁸.



Source: Magnus Games Studio, Re:Legend

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Poland is a particularly good location for setting up business, with the availability of very creative and well-educated staff at a lower cost point than neighbouring developed countries.

Game market to watch-Serbia

There are several new markets emerging, creating new opportunities for companies and talented experts. These new markets include Romania, Turkey, Bulgaria and Serbia¹⁰⁹.

Of these emerging game markets, Serbia is the embodiment of a truly “indie” and self-sustaining industry that still manages to make a mark despite lack of government support, lack of funding opportunities, double taxation with the US, no console support and uncondusive tax policies and legislation. In 2020, 65% of games were self-published, highlighting the disconnect between investors and producers.

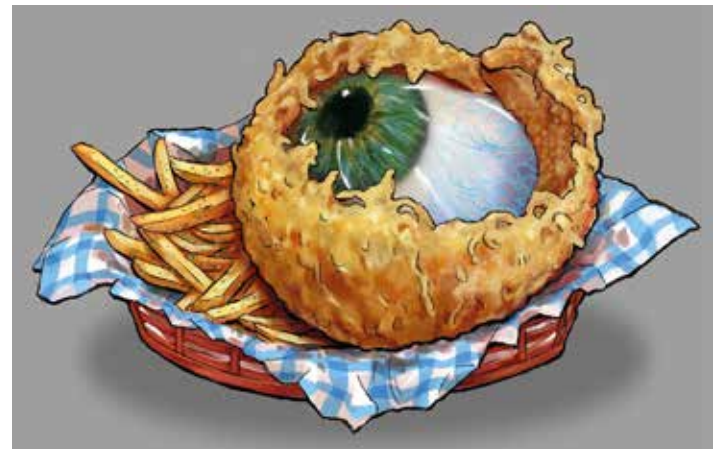
The country is a games hub in the making. The industry currently comprises 120 companies, studios and indie teams, 58 of which are based in Belgrade. These companies are mainly small indie developers, but together they generated EUR120 million in revenue in 2020. Most of the companies are startups (56%) with between one and five employees, and only 8% employing between 50 - 200.

Some of the well-established names in the industry are 3Lateral, Digital Arrow, Fortuna Esports, Mad Head Games, Nordeus, Peaksel, Playrix RS, Two Desperados, Ubisoft Belgrade, Webelix Games, Yboga, Bunker VFX, Brave Giant, COFA Games, Sozap and HORA Games.

Serbian development teams published 41 games in 2020 and earned most of their revenue via mobile and PC/MAC platforms (45% and 32%, respectively), achieving a download rate exceeding 350 million. Most of the games are premium or free-to-play including ads.

The average game takes 12 months to be finalised, with a maximum budget of 500,000 euros. The majority of companies (62%) work on original intellectual properties, but there is also a burgeoning service and outsourcing sector. 10% of the market is represented by service companies, while another 10% is outsourcing companies¹¹⁰.

Serbia’s game industry is not resting on its laurels, and signals more positive changes ahead. The industry is pushing for changes in the ecosystem, including tax incentive, better education and co-financing opportunities.



Source: Hidden Chest Studio, Midwest 90: Rapid City

¹⁰⁹ The Game Development Industry Boom in Serbia, Romania, Turkey and Bulgaria

¹¹⁰ The Serbian Game Development Industry Continues to Grow as Sector Revenues Reach £120m, 2021

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Despite the lack of games-related university courses, Serbian talent is highly-regarded. The quality and diversity in supply of talent in Serbia has led to Ubisoft making plans to expand in the country. The French company established a subsidiary in Belgrade in 2016 with the team working on such high-value titles as third person shooter Tom Clancy's Ghost Recon: Wildlands, driving game The Crew 2, and the winter sports simulation Steep's expansion Road to the Olympics.

In 2019, Epic Games, the American developer and publisher behind the FPS cult hit Unreal and the recent popular e-sports obsession Fortnite, acquired Novi Sad-based digital effects and animation studio 3lateral – known for its groundbreaking facial digitalisation technology. 3lateral has contributed to such critically acclaimed and bestselling games as Until Dawn, Marvel's Spider-Man, Hellblade, and Devil May Cry 5¹¹¹.

To address the gap in education, the games ecosystem is working to educate teachers at the Crater Training Centre, funded by a mega-grant from American games giant Epic Games. The centre has developed a special Unreal Engine to provide a team of 30 professors and their students the knowledge base and expertise needed to enter the gaming industry.

Local games association support also plays a major role in developing the industry. The Serbian Games Association (SGA) was established in March 2018 in Belgrade it is a non-profit NGO, focused on developing the national gaming industry. Among the programmes organised by SGA are game bootcamps, SGA Assemble, industry and academic collaborations, and portfolio reviews.

The plans for this year are to increase employment in the sector, with 66% of companies placing this objective in their agenda. Currently, programming specialists and artists remain in greatest demand from startups¹¹².



Source: RoundTable Games Studio, Amnesiac Adventurer

¹¹¹ The Serbian Gaming Industry Is on the Cusp of a Global Breakthrough, 2021

¹¹² The Serbian Game Development Industry Continues to Grow as Sector Revenues Reach £120m, 2021

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Assessment of Global Industry Practices on Southeast Asia Region

South Korea & Poland Game Industry Practices	Assessment Level (High, Medium, Low)	Assessment on Southeast Asia Region
Policy and government support	Medium/Low	<p>Most of Southeast Asia's governments are in support of programs and events. Since 2009, there has been constant production support and funding in Malaysia.</p> <p>There has not been any enactment on the game industry promotion that is exclusively for the industry or promotion of a positive gaming culture in SEA.</p>
Anchor Companies	Medium	<p>Southeast Asia attracts foreign game companies to set up offices due to the business environment, cost competitiveness and talents available.</p> <p>Locally, game companies are growing but are still striving for stability. A legitimate concern for long term business scalability includes financing and capital.</p>

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Assessment of Global Industry Practices on Southeast Asia Region

South Korea & Poland Game Industry Practices	Assessment Level (High, Medium, Low)	Assessment on Southeast Asia Region
		<p>In comparison to Poland, which took on a unique approach by having a Special Gaming Index in the Warsaw Stock Exchange, provides game developers access to capital. In Korea, major game companies are publicly listed and are able to trade publicly with an open market to raise capital.</p>
Financing Initiatives	Low/Medium	<p>A challenge game industry companies face is the lack of consistency of grants and funds from governments in Southeast Asia. Malaysia is currently the only country that provides constant production support and fundings to the industry since 2009.</p> <p>IP lending or IP-backed financing from bank loans and venture capitalists are difficult to obtain for most game companies in SEA.</p>

GLOBAL INDUSTRY PRACTICES: LEARNING FROM INTERNATIONAL MARKETS

Assessment of Global Industry Practices on Southeast Asia Region

South Korea & Poland Game Industry Practices	Assessment Level (High, Medium, Low)	Assessment on Southeast Asia Region
		In comparison to Korea and Poland, the game companies there raise equity capital with initial public offering,
Game Associations & Events	High/Medium	There are active associations and engaging gaming communities across SEA countries. However, the game industry in Vietnam has a lack of local gaming events.
Game incubators and accelerators	High	Incubation programs are available in Southeast Asia such as: <ul style="list-style-type: none"> - LEVEL UP Inc. (Malaysia) - Indigo Game Startup Incubation (IGSI) , Creative Game Incubation (CGI), IGDX Academy (Indonesia) - depa Game Accelerator Program (Thailand) - Cargo Studio, Iterative Collective (Singapore) - Think Games Vietnam (Vietnam)

GLOBAL INDUSTRY PRACTICES: LEARNING FROM INTERNATIONAL MARKETS

Assessment of Global Industry Practices on Southeast Asia Region

South Korea & Poland Game Industry Practices	Assessment Level (High, Medium, Low)	Assessment on Southeast Asia Region
Infrastructure and facilities (Internet Connectivity)	Medium	There is high internet penetration across SEA countries but to continually improve on the internet accessibility and speed.
Game Cultural	Medium	Southeast Asia has one of the fastest-growing game markets universally. Cultivating and promoting a positive gaming culture is important so that being a gamer, programmer or game artist in the industry is gradually accepted as a valid career goal.
Research and development	Medium/Low	Although there have been game-related research papers published by certain SEA countries, research and development for new technology is lacking.

09

Recommendation &
Way Forward



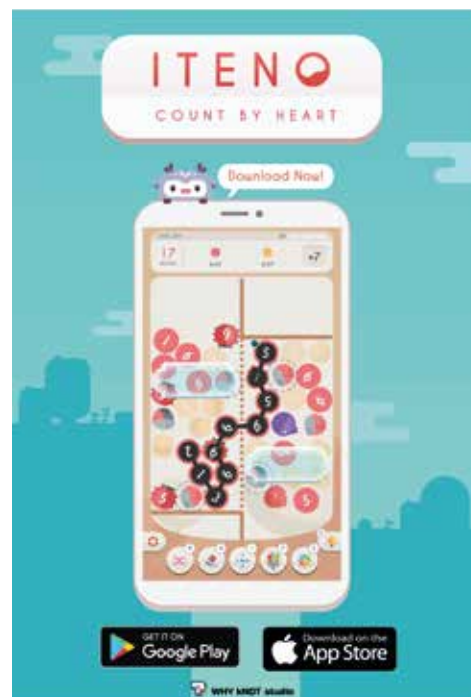
RECOMMENDATION AND WAY FORWARD

There are a few steps to take in order for the game industry to grow and move forward. It is an effort consolidation derived from several factors including strengthening government policy, financial capability and capacity building, building sustainable talent development and pipeline, regional brand identity and regional publisher.

STRENGTHEN GOVERNMENT POLICY

- Introduction policies that are catered towards the promotion of the game industry to cultivate a positive gaming culture in Southeast Asia
- Blockchain based crypto games and collectibles are currently shaping the new marketing and revenue strategy within the industry. However, industry players are concerned regarding regulatory requirements for the token offer or collectibles. Game tokens can be perceived as a securities transaction in a virtual marketplace or securities exchange and gambling elements and money transmitters, which are subject to the law and regulations. SEA governments should review any policy directions for blockchain based game related products as the potential to grow is huge.
- Establish a standard Game Content Rating System in Southeast Asia that is based on the suitability of the target audience. The Game Content Rating System can be utilized as an analytical tool for game businesses to keep track of their checkpoints and to observe trends.

- The game industry is synonymous to crunch culture. The recent abolishment of the Blanket Wage System (BWS) in South Korea showed that proper compensation for the underpaid and overloaded staff should be carried out.
- Design an inbound program to attract promising foreign startups to Southeast Asia. The aim of this program is to create more job opportunities and to set up new game businesses.



Source: Why Knot Studio, Iteno Count by Heart

RECOMMENDATION AND WAY FORWARD

FINANCIAL CAPABILITY AND CAPACITY BUILDING

- Encourage game companies to be publicly listed and trade publicly within an open market to raise capital.
- Set up a venture capital and angel investor centralized platform for the game industry in Southeast Asia as a united platform to connect venture capitalists and investors with potential game studios looking for funding. By making Southeast Asia's game studios' portfolios readily available on the platform, potential investment deals are more easily accessed and become a key attraction.
- Collaborations with financial institutions in SEA to consider IP as collateral or IP-based financing for obtaining bank loans. Plus the government to provide the guarantee on the IP-based financing.
- Government co-financed hybrid venture capital program to help investors gain confidence in the game industry. Government intervention will drive the growth of the industry and in building the game ecosystem.
- Make available consistent grants and funds from governments and channel funds to the game companies as an incentive to grow the industry.

BUILDING SUSTAINABLE TALENT DEVELOPMENT AND PIPELINE

- Cultivate and develop a positive gaming culture so that being a gamer, programmer or game artist as a career will eventually be accepted as a profession.
- Have a subsidy scheme for upskilling so that those in the game industry can improve in knowledge, skills and abilities. This is also to bridge any gaps in the workplace.
- Industry-academia-government collaborations to increase the marketability and employability of fresh graduates and talent.
- Create a positive work environment by creating a culture of work-life balance to entice talent.
- Propose a combination in the higher education system that focuses on industry internships and on campus learning to produce quality and balanced graduates that can immediately join the game industry. This combination enhances learning by putting theory to practice.
- Establish a Regional One Stop Center for game professionals practitioners registry platform to ease the hiring process.
- Establish a SEA Game Mentorship Partnership network as a platform for experienced mentors to provide resourceful guides to mentees.

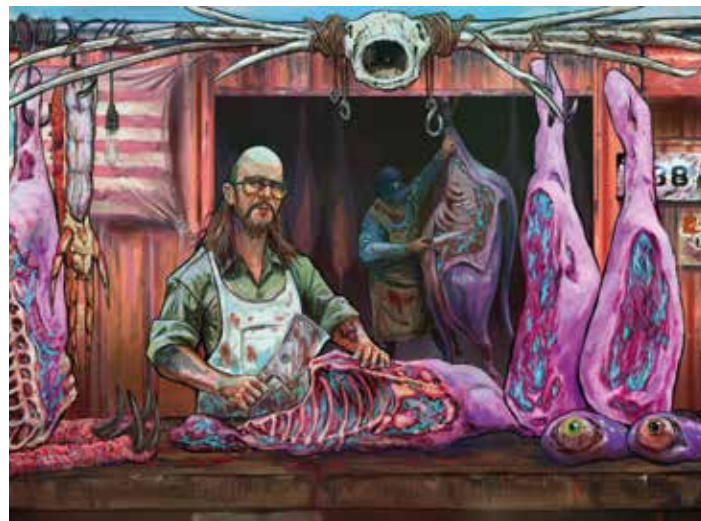
RECOMMENDATION AND WAY FORWARD

REGIONAL BRAND IDENTITY

- Collaborate and promote Southeast Asia as a fast growing game hub at the forefront of the global market through collaborations. This includes promotional and marketing strategies such as synergistic collaborations for pavilion booths so that SEA game companies are represented in international game events. SEA can also organize international game events that provides opportunities for business connection, showcasing and knowledge sharing.
- Initiate a strong network foundation by the establishment of a SEA Game Association with representatives from each country in Southeast Asia.
- Set up a regional R&D center to encourage collaboration in the new development of technology.



Source: O.P. Neon Games, Megabot Battle Arena



Source: Hidden Chest Studio, Midwest 90: Rapid City

REGIONAL PUBLISHER

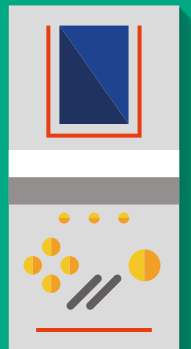
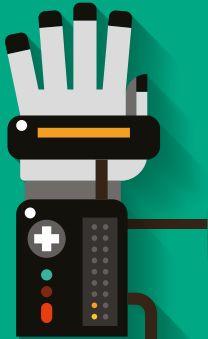
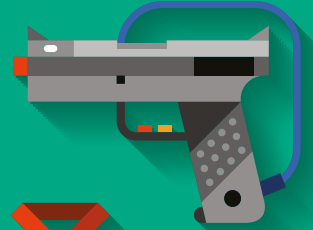
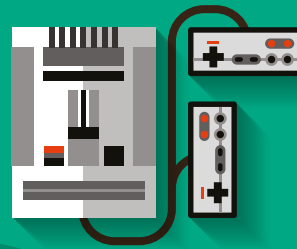
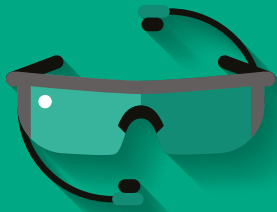
- Encourage the establishment of local publishers in acquiring and promoting games made in Southeast Asia



Source: Aeonsparx Interactive, Zombie Soup

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SEA Game Company
Catalogue



SEA GAME COMPANY CATALOGUE (MALAYSIA)



1. AeonSparx Interactive Sdn Bhd

Date of Incorporation: 5/13/2013

<https://aeonsparx.com> ✉ kfc@aeonsparx.com

Best known for: Zombie Soup

Company description: AeonSparx Interactive comprises of a team of like-minded and enthusiastic artists, programmers and naturally, gamers. As a small yet passionate indie studio located in Kuala Lumpur, Malaysia, we are constantly challenging our creative limits to develop ideas unbound by any restrictions and to ultimately deliver a gaming experience reflective of all the accumulated designs and visions which we can proudly claim as our own.

ALCHY·MY

2. Alchymy Creative

Date of Incorporation: 3/5/2019

<http://alchy.my/> ✉ artbug@gmail.com

Best known for: Animation, Social Media Content, Game Development

Company description: Creative Solution Provider.



3. Appxplore (iCandy) Sdn Bhd

Date of Incorporation: 5/2/2011

www.appxplore.com ✉ desmond@appxplore.com

Best known for: War, Masketeers, Claw Stars

Company description: Appxplore (iCandy) is one of Southeast Asia's leading mobile game developers and publishers. Its games Claw Stars, Masketeers, Crab War, Light A Way and Alien Path have multiple features on the Play Store and App Store, winning the Google Play Game of The Year 2016 and "Excellence in Gameplay" IMGA SEA awards. Their first blockchain game CryptantCrab was released in 2018. Appxplore is a subsidiary studio of iCandy Interactive Limited. iCandy Interactive Limited (ASX: ICI) is an Australian publicly traded company with a core business in the development and publishing of mobile games. iCandy Interactive runs a portfolio of mobile games that are played by over 350 million mobile gamers worldwide.



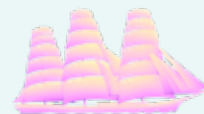
4. Big Frost Games

Date of Incorporation: 5/19/2016

<https://www.bigfrostgames.com> ✉ contact@bigfrostgames.com

Best known for: Circuroid, Smashy Duo

Company description: Big Frost Games is a team of passionate game developers based in Malaysia that is fueled with creatively driven hobbyists who loves creating games. We aim to bring imaginative cool ideas to life with the best gaming experience for our players.



5. Clipper Interactive Sdn Bhd

Date of Incorporation: 7/6/2020

<https://clipperinteractive.com/> ✉ hello@clipperinteractive.com

Best known for: Dance Dance Dungeon (in development)

Company description: We're making a VR game.



6. Common Extract

Date of Incorporation: 12/3/2008

<https://www.commonextract.com>

✉ Enquiry@commonextract.com

Best known for: Ejen Ali : Agents Arena



Company description: We provide games development services.

SEA GAME COMPANY CATALOGUE (MALAYSIA)



7. Cool Code Sdn Bhd

Date of Incorporation: 12/1/2014

 <https://coolcode.my/>  ariffaizat@coolcode.my


Best known for: Software House Development


Company description: Cool Code Sdn Bhd is a registered company incorporated in December 2014. The company active in the arena of IT development with trending tech and now based in Johor Bahru which located at MaGICX, Universiti Teknologi Malaysia, Skudai. Cool Code has three core main area which are mobile application development, system development, and game development.



8. Hidden Chest Studio

Date of Incorporation: 9/23/2020

 <https://www.facebook.com/midwest90.rapidcity>

 hiddencheststudio@gmail.com



Best known for: Midwest 90: Rapid City

Company description: Hidden Chest Studio is an indie game development studio that is currently developing its own IP called Midwest 90: Rapid City, a single player tycoon game on the PC.



9. IXI STUDIOS SDN BHD

Date of Incorporation: 2/2/2015

 www.ixi.my  raxon@ixi.my

Best known for: Indie Game Development

Company description: Startup Indie Game Development.



10. Kotakoren Games Studio Sdn. Bhd.

Date of Incorporation: 9/18/2020

 <https://twitter.com/kotakoren>  kotakoren.games@gmail.com

Best known for: -

Company description: Brand new indie game studio out to make an ambitious first game!



11. Lightgearlab Sdn Bhd

Date of Incorporation: 4/1/2014

 lightgearlab.com  akmal@lightgearlab.com


Best known for: Konflix

Company description: We are an outsourcing company focusing on mobile apps and web based solutions. On the other hand, we also creating our own mobile game brands on Visual Novel Platform, namely Konflix.



12. Lusolab Entertainment

Date of Incorporation: 2/4/2015

 www.lusolab.com.my  luso@lusolab.com.my

Best known for: Indie, Small scale outsource

Company description: Indie game studio that provide interactive creative services at the same time developing own IP.

SEA GAME COMPANY CATALOGUE (MALAYSIA)



13. Mason Games Sdn. Bhd.

Date of Incorporation: 5/1/2021

<https://www.masongames.net/> ✉ daryl@masongames.net

Best known for: Hyper Casual Games

Company description: We are a hyper casual game developer and publisher with roots in Malaysia and plans to expand to Vietnam in 2022. We aim to develop casual games that bring an entertaining experience for everyone. We infuse Asian influences in our games to give them a unique twist. Ultimately, we want to make games that are fun and can be enjoyed by everyone. We embrace diversity and work with various partners in the SEA region to bring fun games to be distributed on Apple App Store and Google Play Store.

Our goal is to publish 50 casual game titles by the end of 2022 that are fun and engaging to play for gamers of all ages. At Mason Games, we've created an environment conducive to ideation and creativity to flourish and help with our game development process. Our games will reflect our values and creativity, and we believe that we'll manage to grow our portfolio at an exponential rate. Follow us on our journey and watch us grow to a formidable force in the ASEAN region. Our games are available on Google Play Store and Apple App Store.



14. Moredoor Interactive Sdn. Bhd.

Date of Incorporation: 7/31/2019

moredoor.com.my ✉ azfar@moredoor.com.my

Best known for: -

Company description: We make games and empower others to create one. We believe that the more people can develop games, the better, more interesting, and more diverse games will become. We have set ourselves a mission to make world-class games from the results of local game developers' collaboration. We also believe that the technology advancement is reshaping the game industry. We want to be part of it by exploring and applying the latest technology into our games. We will then share any kind of knowledge that we can contribute to our local game developer community as we believe it will empower everybody to create a better game with latest technology.



15. Nixel Entertainment

Date of Incorporation: 9/25/2018

<https://nixel-entertainment.com/> ✉ hugoteoh93@gmail.com

Best known for: -

Company description: Indie Game Developer.



16. PlayStation Studios Malaysia

<https://www.playstation.com/en-us/corporate/playstation-studios/>

✉ sueki.yap@sony.com

Best known for: PlayStation

Company description: PlayStation Studios is the organization behind SIE's multi-award winning and critically acclaimed titles. Hugely popular for developing strong single-player, narrative-driven games, PlayStation Studios' diverse collective of studios and internal teams create a variety of quality, innovative, and epic experiences for players everywhere. Together, we build worlds.



17. Ragent Sdn. Bhd.

Date of Incorporation: 5/25/2020

[None](#) ✉ rizragent@gmail.com

Best known for: Revenants of Ruins

Company description: New company attempting to bend game genre as unique as fun.

SEA GAME COMPANY CATALOGUE (MALAYSIA)



18. RoundTable Games Studio Sdn Bhd

Date of Incorporation: 7/1/2020

 <https://www.rtgamesstudio.com/>

 edison.new93@roundtablegames.page

Best known for: Dying Flame


Company description: Keeping you awake to ponder your decisions.



19. Sherman3D

Date of Incorporation: 4/2/2003

 <https://itch.io/c/1182407/-sherman3ds-engine-free-resource-packs>

 info@Sherman3D.com


Best known for: Alpha Kimori


Company description: Sherman3D works on bright colorful artwork and games!



20. Skyfeather Games Studio

Date of Incorporation: 9/1/2018

 <https://www.facebook.com/skyfeathergames>

 skyfeathergames@gmail.com



Best known for: -

Company description: A group of JRPG lovers aiming to create more lovable and enjoyable JRPGs.



21. Spacepup Entertainment

Date of Incorporation: 12/7/2013

 www.gospacepups.com  gospacepups@gmail.com

Best known for: The 9th Gate

Company description: Develops games and solutions of all genres for most platforms!

T E C H N I N I E R

22. Techninier Sdn Bhd

Date of Incorporation: 5/19/2006

 <https://www.techninier.com/>  bd@techninier.com

Best known for: Super Jones

Company description: We are an internet company based in Malaysia with focus on South East Asian Region. Our vision is to better the lives of consumers and small businesses of South East Asia with Technology. In Techninier, we help passionate gamers to connect and compete. We also help to digitalize public assets & communities to connect with municipal governments.



23. TCG Horizon

Date of Incorporation: 10/2/2020



 None  thehorizont@gmail.com

Best known for: Retail Sales for Trading Card Game Related Products



Company description: A Startup that would like to venture into gaming industry, Aim High and Humble effort.

SEA GAME COMPANY CATALOGUE  (MALAYSIA)**24. Twilight Foundry Games****Date of Incorporation:** 7/19/2021
 https://twitter.com/tfgames_
 william@twilightfoundrygames.com
Best known for: Sunset Satellite


Company description: A newly minted Malaysian indie game development studio where the digital furnace runs hot deep into the night, forging games one memorable beat at a time.

**26. Winprovisе Sdn. Bhd.****Date of Incorporation:** 10/9/2009
 <http://www.winprovisе.com>
 inquiry@winprovisе.com
Best known for: -

Company description: Winprovisе is an app and indie game developer from Kuala Lumpur, Malaysia. We develop indie games for mobile and PC. Our goal is to bring fun, excitement and immersive experiences to players.

**25. Weyrdworks Productions Sdn Bhd****Date of Incorporation:** 5/10/2019
 <https://weyrdworks.com>
 us@weyrdworks.com
Best known for: Developing eccentric experiences with experimental control schemes and game mechanics.

Company description: Weyrdworks is an award-winning game development studio based in Kuala Lumpur Malaysia known for developing eccentric experiences with experimental control schemes and game mechanics.

**27. Xhinobi Studio****Date of Incorporation:** 3/28/2019
 www.xhinobi.com
 omega@xhinobi.com
Best known for: Game Development and Gamification

Company description: Game Development - Turning fun engagement into business solutions is what we do best! From developing, monitoring, and maintenance to protecting your IP throughout its lifetime, we offer extensive solutions targeting your project needs and budget. Leave the technical effort to us, so you can focus on what you do best - running the business.

Interactive or Software Solution - Whether it is a game or a non-game concept, interactivity is the key to higher engagement that is highly possible to be converted to sales. Our comprehensive solutions are devised and developed to help you achieve higher engagement with interactive content that complements a wide range of events such as product launches, roadshows, special occasions, celebrations, and exhibitions

SEA GAME COMPANY CATALOGUE



(INDONESIA)

1. Arsnesia

Date of Incorporation: 4/2/2011🌐 arsnesia.com ✉ support@arsnesia.com**Best known for:** Pippo the Penguin, Summertown**Company description:** We are a game studio who aims to spread joy and bring positive impact to the world. Derived from Sanskrit word of Arsa (pleasure and excitement) and Greek word of Nesos (islands), we named our team after Arsnesia as we believe it defines our vision to create a “place” of pleasure and happiness. Founded in 2011, we have a mission to introduce Indonesian rich culture to the world.

SEA GAME COMPANY CATALOGUE



(THAILAND)



1. Asiasoft Corporation Public Company Limited

Date of Incorporation: 9/20/2001🌐 www.asiasoft.net ✉ business@asiasoft.net**Best known for:** Publisher**Company description:** Asiasoft Corporation Public Company Limited, a leading online game publisher in Southeast Asia, was established on 20 September 2001 and listed on the Stock Exchange of Thailand on 17 May 2007 (SET : AS) currently has offices in six countries: Thailand, Singapore, Philippines, Malaysia, Indonesia, and Vietnam. Asiasoft has launched more than 170 PC and mobile games covering a wide range of genres, including MMORPG, SRPG, Casual, FPS, and MOBA, operating more than 30 live games currently. Other than specializing in in-game service, Asiasoft also understands the different needs and preferences of the markets it is operating in, with a comprehensive team in Southeast Asia. As a result, it contributed to the huge success of launching and operating a variety of games. Over the years, Asiasoft has launched PC games such as Ragnarok (TH), Yulgang Online (TH, VN), Audition (TH, SG, PH, MY), MapleStory SEA (MY, SG), MU Online (TH, SG, PH, MY, ID), Cabal Online (TH, PH), MAT2 (SG, PH, MY), Heroes of the Storm (TH, SG, MY, PH), and mobile games such as Line Dragonica Mobile (TH, SG, PH, MY, ID, VN), Ragnarok Mobile (TH), TS Online Mobile (TH), Club Audition Mobile (SG, PH, MY). With such an impressive portfolio, Asiasoft has gained the confidence of world-class game developers such as Blizzard Entertainment, Sony Online Entertainment, SEGA, CAPCOM, NEXON, Gravity, HanbitSoft to work with us. With 20 years of experience in the gaming industry, Asiasoft has published the most number of MMORPG games in Southeast Asia, with an active player base in the region of more than 6 million IDs.

2. Bit Egg Inc

Date of Incorporation: 6/5/2015🌐 bitegginc.com ✉ bizdev@bitegginc.com**Best known for:** Developer**Company description:** Bit Egg is an independent game studio with offices in Bangkok and Chiang Mai, Thailand. We develop original games, including Neko Samurai, a member of Google's Indie Games Accelerator Class of 2018. We are also a world-class contract animation, art, and game development studio.



SEA GAME COMPANY CATALOGUE (THAILAND)



CLOUD COLOUR

3. Cloud Colour Games

Date of Incorporation: 4/18/2017

 www.cloudcolourgames.com  jay@cloudcolourgames.com



Best known for: Education and Consulting

Company description: If you are looking to set up a game studio or becoming a professional game developer in Thailand, look no further. Cloud Colour Games is a team of game industry projects, products, and studio management specialists that has been setting up successful game studios, launching successful titles, and creating new game career opportunities since 2010. Our portfolio contains 8 studios, 7 of which are still in operation with 35 finished and published games across mobile, PC, consoles, and Virtual Reality (VR) platforms and still counting up. We provide guidance and assist in talent acquisition, making sure that studios always receive top-level candidates with thorough background checks and assist in carrying out the game studio operation from conceptualization to live operation. We provide technical training and team building activities that benefit both the studio and aspiring individuals. Our video courses and around-the-clock support help students accelerate learning and studios with on the job training when high-quality talents are in high demand. We believe that the prosperity of the local game industry relies on the availability of healthy businesses staffed with high potential talents growing together hand in hand.



4. Debuz

Date of Incorporation: 5/27/2001

 www.debuz.com/en  contact@debuz.com


Best known for: developer/ publisher/ outsourcing

Company description: Debuz Company was founded in 2001 as a group of friends from college and high school who like to play games together and dream of making their own games for others to enjoy together with us. We developed more than half a hundred games with J2ME technology until reaching Thailand's first 2DMMORPG PC game called ProjectONE, which became the prototype of OMGServer, the game engine used to develop all our online games. 2007 joint venture with Benchachinda Group of mobile phone service providers under the name of DTAC to form GAMEINDY company, separating the game service business from Debuz. Currently, Debuz group has more than 10 million downloads and players. More than 700,000 gamers per month



5. DIGITOPOLIS CO., LTD.

Date of Incorporation: 6/9/2007

 www.digitopolisstudio.com  info@digitopolisstudio.com

Best known for: Developer

Company description: 10 years experiences as mobile Game & App Developer in THAILAND, Serve various Industries we are ready to share our broad Experiences with your business



6. Extend Interactive Co., Ltd.

Date of Incorporation: 7/4/2008

 x10interactive.com  contact@x10studio.com

Best known for: Developer

Company description: Extend Studio (x10), is a leading independent IP development house in Thailand. The studio is a close-knit team of designers, programmers, artists and business folks, all striving as a team to deliver high-quality titles on multiple platforms.

SEA GAME COMPANY CATALOGUE  (THAILAND)

7. FairPlay Studios Co., Ltd.

Date of Incorporation: 9/17/2018

 fairplaystudios.net  support@fairplaystudios.net

Best known for: Developer / Outsourcing (Production House)

Company description: FairPlay Studios started as a small group of like-minded individuals with a passion for gaming. Just like everybody else – we are people with a dream, and our dream derives from our core as gamers. At FairPlay Studios we strive to become the very best in our field. We create games and entertainment products with innovation, painstaking attention to detail and the highest commitment to quality. FairPlay Studios is more than a gaming development studio, we truly dream to become frontrunners of the industry through our commitment to wholly dedicating ourselves to unearthing new customer experiences. We pride ourselves as innovative developers, professionals, and above all else gamers who are in the never-ending pursuit of happiness, which makes your happiness the very core of our company. Our projects reflect the hardcore gamers in each of our team members. We look to create games where we ourselves as gamers would love to play.



8. GameCraft Company Limited

Date of Incorporation: 5/17/2019

 www.playgamecraft.com  biz.contact@playgamecraft.com

Best known for: Publisher/MKT Outsourcing/Developing Consultant

Company description: One-stop service for Games & Apps publishing & developing in Thailand & SEA.



9. Game Square interactive Co.,Ltd.

Date of Incorporation: 10/27/2003

 www.gamesquare.co.th  worasing@gamesquare.co.th



Best known for: Developer

Company description: We are one of the most prominent game developers in Thailand with high experience. We specialize in Online Game development and publishing.



10. Igloo Studio

Date of Incorporation: 8/6/2008

 www.igloocg.com  info@igloocg.com



Best known for: Developer/ Animation/ CG

Company description: Founded in 2007, Igloo Studio is a creative company, specialized in animation and production design. We are a group of artists and professionals who come together to create meaningful stories and produce high quality animation for the worldwide audience. We have recently ventured into the gaming industry with our debut title Bounty Brawl.



11. Infotronics corp

Date of Incorporation: 10/28/2019

 Facebook.com/sati.zeroaccident  aon168.sati@gmail.com

Best known for: Developer/ Outsourcing

Company description: I development game with unreal engine base on pc, mobile device.

SEA GAME COMPANY CATALOGUE  (THAILAND)

12. Ini3 Games

Date of Incorporation: 3/28/2018

 www.ini3.co.th  contact@ini3.co.th

Best known for: Publisher

Company description: Ini3 was established in 2004, we develops progressively its insightful operations with our 17-year experiences in online game services. We are the first company that applied Free-to-play model into Thai game industry, we have already worked with more than 44 titles. We have expanded our collaborations with international partners and experts in digital business and gaming industry 39 worldwide partners.



13. Innova Interactive Studio Co.,Ltd.

Date of Incorporation: 1/22/2019

 www.innova-interactive.com  contact@innova-interactive.com

Best known for: Developer

Company description: The Innova Interactive Studio is a Game and software house. We always interested in creating new way of marketing communication and learning tools. Everything we do, from Augment Reality, Virtual Reality, Game to Educational Software, requires a certain combination of skill, reliability, and enthusiasm. If you feel you have what it takes to coordinate with us, send us your requirement.



14. Imagimax Co.,Ltd.

Date of Incorporation: 12/10/1998

 www.imagimax.com  saksiri@imagimaxstudio.com

Best known for: Publisher

Company description: Imagimax is the leading animation & design studio in Thailand and a true pioneer & innovator in the rapidly evolving Computer-Generated Imagery (CGI) industry. Imagimax provides a full range of services including character development, storyboard, layout, modeling, animation, lighting, texturing, editing, and com positing. With the experience of working with the international studios from Europe and the USA on 3D animation for TV series, movie games and graphic games for games studio in Japan, as well as domestic productions for special Fx. For Thai featured film and Computer Graphic for the advertising industry. Imagimax is becoming one of the best animation studio where comprised of the best-trained and the experienced animation team in the country.



15. Kiragames Co.,Ltd

Date of Incorporation: 4/7/2011



 www.kiragames.com  chaiwatcfp@kiragames.com

Best known for: Developer

Company description: Kiragames is a Thai indie game development company. It all started back in 2009 with just a passionate game developer - the founder, Kirakorn whose biggest passion is to create games that everyone can enjoy. Kiragames creates, develops, and publishes mobile games. The company is best known for its hit game 'Unblock Me' - a red wooden block puzzle game. Kiragames has its headquarters in Nakhon Ratchasima, and also has offices in Chiang Mai, Thailand. Today the company offers a multitude of great mobile games and 2021 will see us mark our 12th anniversary year. To celebrate this major milestone, we have some exciting surprises lined up for you. Stay tuned for further announcements.

SEA GAME COMPANY CATALOGUE  (THAILAND)**16. LYLAC GAME GRAPHICS CO.,LTD.**

Date of Incorporation: 10/26/2016



 lylacgraphics.com  leng@lylacgraphics.com

Best known for: Game Assets / Unity Game Development

Company description: Visualize and execute your game ideas. Provide art contents for your games Create games and interactive to match your branding activities.

**17. Mad Virtual Reality Studio Co.,Ltd.**

Date of Incorporation: 10/6/2005

 www.madvrstudio.com  contact@madvrstudio.com

Best known for: Developer

Company description: Create new ways to generate revenue with game base technology: Unity, Unreal, Virtual Reality, Augmented Reality, Simulation with Hardware Integration.

**18. Magic Fox Studio**

Date of Incorporation: 3/8/2020



 www.magicfoxstudio.com  contact@magicfoxstudio.com

Best known for: Outsourcing

Company description: We delivered digital contents services from pre-production to post production in 2D and 3D in high quality while minimized time and cost for our clients since 2013 as Charged Concept. Before turning into Magic Fox Studio.

**19. ProGaming Co., LTD.**

Date of Incorporation: 2/1/2010

 www.progaming.co.th  info@progaming.co.th

Best known for: Developer

Company description: ProGaming is developer game in Thailand more than 10 years, we also have self-publish and develop on many platform on PC/Web/Mobile.

**20. PIGSSS GAMES Co.,Ltd**

Date of Incorporation: 4/3/2005



 www.pigsssgames.com  suphot@pigsssgames.com

Best known for: Developer, Outsourcing

Company description: PIGSSS GAMES is an agile game development studio based in Bangkok, Thailand focusing on the development of high quality games on various platforms.

**21. RingZero Game Studio**

Date of Incorporation: 12/30/2008

 www.ringzerogames.com  games@rznet.com

Best known for: Developer

Company description: RingZero Game Studio is an international video game development company with many years of experience in game development. We have released more than 30 titles on a variety of platforms. We focus on the development of AA games for consoles (PS4, Xbox One, Nintendo Switch) / PC (Steam) as well as the development of sponsored games for mobile. Our team is comprised of more than 100 professionals coming from 15 different countries.

SEA GAME COMPANY CATALOGUE  (THAILAND)

22. Shin-a Service

Date of Incorporation: 7/17/2017

 www.shin-a.tv  CONTACT@SHIN-A.TV

Best known for: Outsourcing

Company description: SHIN-A Service is an expertise full-service game marketing and co-branding agency, which focus on the entire digital marketing funnel, from awareness to purchase. We partner with influencers, publishers and media managers to help our clients reach their growth potential. Services we offer include Marketing Campaign Creating, Digital Advertising, Influencer Marketing, Social Media Management, Co-Branding and many more.



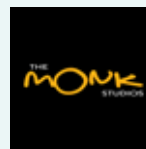
23. Studio HIVE Co.,Ltd.

Date of Incorporation: 11/3/2010

 www.studio-hive.com  contact@studio-hive.com

Best known for: Outsourcing

Company description: Studio HIVE co., ltd. was created for one purpose, to deliver top quality illustrations, artwork and assets for entertainment industry. The studio is founded by "Skan Srisuwan", an industry veteran who has received major recognition worldwide. After many years of works in industries as illustrator, designer, art director and recently a lead character and mechanical designer for Square-Enix's Front Mission Evolved, he made a decision to start his own team with "Kan Supabanpot", a major player in local videogame industry upon his return. The duo started to attract a number of elite artists and projects in no time. We seek the opportunities to provide our creativity that leads to top quality works for entertainment industries. It is our goal to be an endeavor of the next generation contents, as well as freshen up existing ones. At Studio HIVE, we always strive to bring together talented people to work projects that can convey their imagination to the world.



24. The Monk Studios

Date of Incorporation: 7/24/2006

 www.themonkstudios.com  contact@themonkstudio.com

Best known for: CG - Animation

Company description: The Monk Studios was founded in 2006 by Juck Somsaman a 25-year veteran of the high-end US CGI visual effects and film industry and headquartered in Bangkok, Thailand. The Philosophy of the company is to focus on producing world-class imagery using highly skilled artists and cutting edge technology. The company produces high quality visual effects [VFX] and animations for both feature films and commercials in Asian and Western markets. Gathering the region's most talented artists, The Monk Studios is gaining a solid reputation as a leading high end animation and visual effects studio in South East Asia, frequently working with major international partners and clients, such as Dreamworks Animation, Industrial Light and Magic, Lucas Film, Alibaba Pictures, Maccann Erikson and LoweWorldWide, on a variety of public and confidential projects. The studio also boasts an efficient technical infrastructure, a sophisticated pipeline, high capacity output, and qualified engineering staff.



25. Urnique Studio

Date of Incorporation: 3/26/2018

 www.urniquestudio.com  parimeth.w@urniquestudio.com



Best known for: Developer

Company description: Urnique Studio is a Thailand-based independent game studio behind a critically-acclaimed game, Timelie. It focuses on creating innovative and unique products with four years of experience developing high-quality games and software. Urnique Studio has excellent connections to all relevant partners within Thailand, Southeast Asia, and the global game industry.

SEA GAME COMPANY CATALOGUE  (THAILAND)

26. Yggdrasil Group PCL.

Date of Incorporation: 1/6/2006

 www.ygg-cg.com  info@ygg-cg.com

Best known for: Outsourcing

Company description: Digital Content (VFX, Animation, Production, Game & VR Services Business) Company description: Yggdrasil is one of the top VFX, Animation, VR studio in Bangkok. Specializing in full post production services for commercials, feature film, game, cinematic, tv series and VR360.

SEA GAME COMPANY CATALOGUE  (PHILIPPINES)

1. Definite Studios Pte. Ltd.

Date of Incorporation: 9/1/2016

 www.definitestudios.com  jester@definitestudios.com

Best known for: 2D Art & Animation for Games

Company description: One of the best and biggest creative outsourcing studio in Manila, Philippines that specialize in 2D art, animation, video editing and motion graphics.



3. ThinkBIT Solutions Phils. Inc.

Date of Incorporation: 4/28/2014

 www.thinkbitsolutions.com  info@thinkbitsolutions.com

Best known for: Brawl Quest

Company description: ThinkBIT is an award-winning software development outsourcing company based in the Philippines operating for 7 years servicing corporate, and multinational organizations globally.

ThinkBIT offers fully end-to-end custom software development services

1. DevOps Services (AWS, GCP)
2. Mobile Application Development Services
3. Web Application Development Services
4. Project Management Services
5. Game and Gamification Development Services
6. Quality Assurance Services

ThinkBIT's projects have won various international awards such as The Stevie Awards and the Asian Rice Bowl Awards. Have a project we can work on? Get a proposal immediately by emailing us at info@thinkbitsolutions.com or set a meeting with us now!



2. Taktyl Studios Inc.

Date of Incorporation: 10/5/2017

 taktylstudios.com  james.lo@taktylstudios.com

Best known for: Game Development/ Gamification Strategy Services

Company description: Taktyl Studios is a gamified software development company that utilizes gamification and human-centered design principles to turn ideas, systems, and processes into fun and meaningful experiences.

SEA GAME COMPANY CATALOGUE



(PHILIPPINES)

4. Top Peg Animation Studio Inc.

Date of Incorporation: 9/11/1998

toppeg-animation.com ✉ alstairesarthou@gmail.com**Best known for:** 2D Animation for TV series, games and cinematics**Company description:** Top Peg is a Philippine based animation studio that produces quality, consistent animation and content. Our studio's industry experts brings our clients ideas to life, providing optimal solutions and giving options to make any production easy and hassle free.

Source: Kurechii,
Postknight2



Source: Studio Kamii, To-Gather Island

RESEARCH TEAM



Juleza Julai Poh
*Lead Analyst
Research & Ecosystem,
Digital Creative Content*

Juleza is the Lead Analyst of Research & Ecosystem Development, in the Digital Creative Content of the Malaysia Digital Economy Corporation (MDEC). Her current work includes formulating research and thought leadership papers towards digital content ecosystem growth, within the fields of games, animation, visual effects, OTT and streaming and more. She has also extensive experience in program management and client services leading novel and pilot developmental projects such as Enterprise Development program (EDP), DICE-UP and Kre8tif!@Schools.

Prior to government service, Juleza was an external auditor in the Big Four and has been exposed to various industries during her time there, including property, plantation, services and retail industry. She holds a Masters of Business Administration, Bachelor of Accountancy and CPA Australia.

Jasni is the Head of Research & Ecosystem Development, in the Digital Creative Content of the Malaysia Digital Economy Corporation (MDEC). Currently heading research and ecosystem development programs such as talent and skills development, incubation support in the Digital Creative Content ecosystem, mostly focused on assisting partners and companies in the space of animation, games, visual effects and new media. He has led strategy formulation initiatives including the formulation and syndication of the Digital Content Ecosystem Policy Paper as well as the macro-economic position papers for 11th and 12th Malaysia Economic Plans. Jasni has led research and analytics behind multiple industry and economic initiatives, including the Digital Creative Industry COVID-19 Report 2020, South East Asia Animation Industry Report 2018, the South East Asia Game Industry Talent Report 2016, the Digital Economy Report 2014 and more. He has 20 years total experience across a range of industries, the last eight of which were in the public sector concentrating on IT and IT services.

Prior to government service, Jasni was a senior engineer in the private sector with upstream oil & gas and telco experience. He graduated with a Bachelors in Electrical & Electronics Engineering and counts golf as the ultimate lifelong fruitless obsession and Civilization II as both his favourite video game and also the biggest time sink of his life.



Jasni Zain
*Head of Research
Digital Creative Content*

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