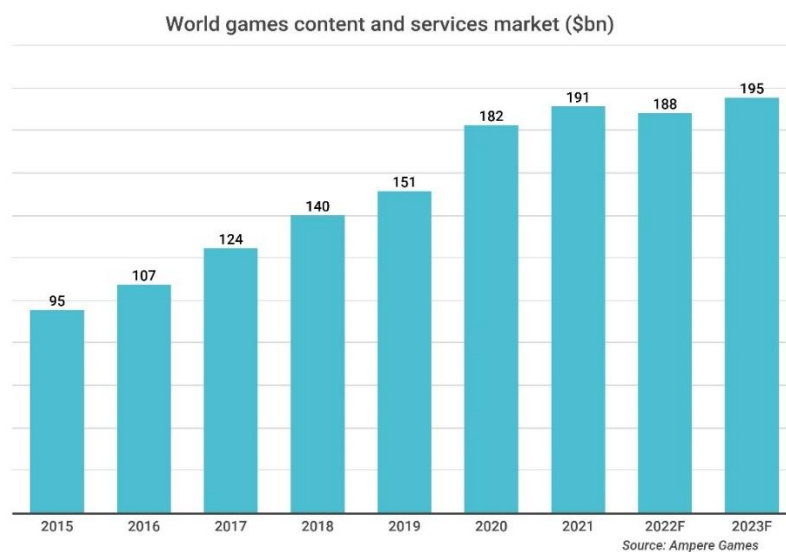


## Global games market forecast to decline in 2022

*A reversal in fortune after the games market's 26% expansion during the pandemic  
The games market is not 'recession proof'*

**London, 5<sup>th</sup> July 2022:** The latest outlook from Ampere Analysis forecasts that the world games content and services market will decline in 2022 to \$188bn (-1.2%). Following a very strong market performance in 2021 (+5%, \$191bn), the sector landscape has become increasingly unsettled during the first six months of 2022.

While the global pandemic has raged, the games market has expanded hugely adding 26% to its scale and \$39bn in spending from 2019 to 2021. Now that many countries have returned to more normality, it is inevitable that consumer attention on gaming will in some cases become more diluted, especially in mature markets.



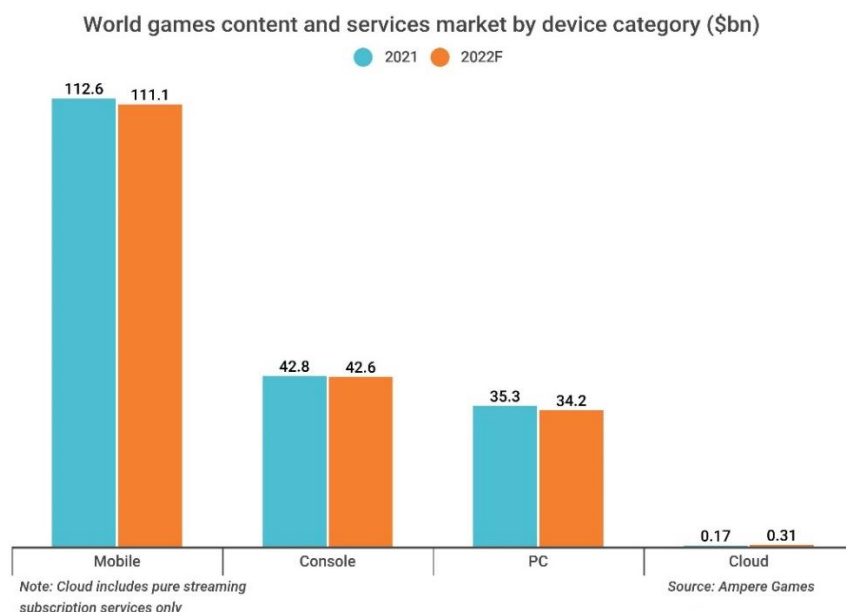
### Games sales are not immune to macroeconomic turbulence

As we progress through a period of heavy inflation, with an increasing cost-of-living squeeze, and a higher potential for a recession, it is inevitable that the games market will be negatively impacted in certain areas. Indeed, the fact that the games sector is now as broad as it is suggests that there are likely to be more cases where a cost-of-living squeeze will impact consumption compared to 2008 and 2009 when the last major global recession took hold.

The idea that the games market is ‘recession proof’ is a fallacy. However, games remain very good value for money and if consumers dial back on other discretionary spending but are at home more, the sector will be relatively well insulated from some of the worst effects of a global slowdown. Ampere currently expects the global market to spring back in 2023 as mature markets stabilise and growth markets continue the adoption of gaming.

### Russia was the 10<sup>th</sup> biggest games market in 2021

Russia’s decision to invade Ukraine and the subsequent market fallout will unsurprisingly drag down games spending in those markets. Ampere is forecasting the Russian market to drop to number 14 in the global ranking in 2022 and for it to lose \$1.2bn in value compared to the previous year. There is continued uncertainty about when, or even if, the market will return to its previous performance. With many major games companies halting their business in response to the invasion, restarting these in the near-term is unlikely to happen.



### Mobile gaming set for a decline of 1.3%

Beyond the macroeconomic and post-pandemic attention factors, each device category is also experiencing other factors that are impacting performance. Ampere’s current year-on-year outlook forecasts the mobile gaming segment to decline by 1.3%. PC

gaming is also expected to decline, by 3%. Console gaming performance is forecast to be flat, while the cloud segment – which includes pure streaming subscription services only - is expected to grow strongly from a very small base.

The biggest segment of the market, mobile gaming, is facing a significant challenge following changes in mobile platform privacy settings, which have turned on its head the ability to target specific cohorts and track advertising performance. This is undermining user acquisition, and the industry will need time to effectively rebuild tactics to overcome these changes.

### **Supply chain challenges are negatively impacting console and PC gaming**

The second biggest segment, console gaming, is being negatively impacted by the continued limited availability of console hardware and the delays to numerous AAA titles, many of which have slipped into 2023. PC gaming was disrupted during the pandemic in key Asian markets due to the shutdown of internet cafes. It has since bounced back but still faces the underlying threat of cannibalization from mobile gaming, with many PC-game franchises being released as mobile apps. At the premium end of the market, delays to AAA releases will also have a negative impact.

Lastly, cloud subscription services – as a standalone proposition – remain very nascent although growing fast due to the launch of a number of new services. Primarily, streaming distribution is being used most effectively as a value-added proposition for established download subscription services such as Xbox Game Pass.

**Piers Harding Rolls, Research Director**, says: “After two years of huge expansion, the games market is poised to hand back a bit of that growth in 2022 as multiple factors combine to undermine performance. Even so, the year will end well ahead of pre-pandemic performance, and the outlook for the sector as a whole remains positive, with growth forecast to return in 2023.”

Ends

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### **About Ampere Analysis**

Founded in January 2015, Ampere Analysis is a new breed of media analyst firm. The company's experienced team of sector-leading industry analysts specialises in games, pay and multiscreen TV and next-generation content distribution. Our founders have more than 60 years combined experience of providing data, forecasts and consulting to the major film studios, telecoms and pay TV operators, technology companies, TV channel groups and investment banks. [www.ampereanalysis.com](http://www.ampereanalysis.com)