Essential Facts About
THE CANADIAN VIDEO GAME INDUSTRY!

ENTERTAINMENT SOFTWARE ASSOCIATION OF CANADA 2017
The industry saw the greatest increase in number of companies in the Small, Medium and Large categories, which lumped together increased by about 29% over the past 2 years.

Micro: (0-4) 228
Small: (5-25) 241
Medium: (26-59) 62
Large: (60-99) 39
Very Large: (100+) 26

GDP contribution represents a 24% increase from the total impact on the Canadian economy from 2015. For context, Stats Canada reports that the Canadian economy as a whole grew by approximately 4% over the same period.

In other words, the video game industry has grown significantly faster than the wider economy.
DIRECT AND INDIRECT JOBS CREATED WITHIN THE CANADIAN ECONOMY (FULL-TIME EQUIVALENT POSITIONS)

+11% Increase since 2015
EMPLOYMENT

DIRECTLY EMPLOYED

21,700
DIRECTLY EMPLOYED FULL-TIME EQUIVALENT POSITIONS

DISTRIBUTION

Most of the industry’s employment can be attributed to a small number of Very Large companies:

- $77,300 / YEAR
  Average salary for a full-time worker
  +8% increase since 2015

OF EMPLOYEES

are at the Senior or Intermediate levels

Company OWNERSHIP

83% of all companies are Canadian-owned and controlled
17% of all companies are Foreign-owned and controlled

Employment IN INDUSTRY

14% of all employment in the industry is in Canadian-owned companies
86% of all employment in the industry is in Foreign-owned companies
NUMBER OF VIDEO GAME PROJECTS COMPLETED BY COMPANIES IN CANADA

+67% Increase since 2015
### Projects Completed

<table>
<thead>
<tr>
<th>Platform</th>
<th>Share of Total</th>
<th>Change in share of total from 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Web</td>
<td>31%</td>
<td>increase 8% ↑</td>
</tr>
<tr>
<td>Mobile</td>
<td>29%</td>
<td>decrease 36% ↓</td>
</tr>
<tr>
<td>Console</td>
<td>18%</td>
<td>increase 5% ↑</td>
</tr>
<tr>
<td>PC/Mac</td>
<td>14%</td>
<td>increase 7% ↑</td>
</tr>
<tr>
<td>Kiosk/Standalone</td>
<td>5%</td>
<td>increase 4% ↑</td>
</tr>
<tr>
<td>VR</td>
<td>1%</td>
<td>---</td>
</tr>
<tr>
<td>Social Network</td>
<td>0.4%</td>
<td>decrease 1.6% ↓</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>decrease 1% ↓</td>
</tr>
</tbody>
</table>

### Mobile Game Development in Decline Globally

- 38% of developers reported that they were currently developing a game for a mobile platform.
- -12% decrease since 2015

### Average Project Resources by Platform, (2017 and 2015 compared)

<table>
<thead>
<tr>
<th>Platform</th>
<th>Budget</th>
<th>% Change from 2015</th>
<th>Team Size</th>
<th>% Change from 2015</th>
<th># of Days</th>
<th>% Change from 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Console</td>
<td>$12,536,957</td>
<td>↓ 26%</td>
<td>40</td>
<td>↓ 26%</td>
<td>405</td>
<td>↓ 16%</td>
</tr>
<tr>
<td>Mobile</td>
<td>$497,051</td>
<td>↓ 1%</td>
<td>6</td>
<td>↓ 37%</td>
<td>172</td>
<td>↓ 9%</td>
</tr>
<tr>
<td>PC/Mac</td>
<td>$2,454,848</td>
<td>↓ 22%</td>
<td>13</td>
<td>↓ 18%</td>
<td>503</td>
<td>↑ 49%</td>
</tr>
<tr>
<td>Web</td>
<td>$30,833</td>
<td>↓ 95%</td>
<td>2</td>
<td>↓ 71%</td>
<td>57</td>
<td>↓ 67%</td>
</tr>
<tr>
<td>VR</td>
<td>$91,889</td>
<td>↓ 51%</td>
<td>2</td>
<td>↓ 46%</td>
<td>22</td>
<td>↓ 81%</td>
</tr>
</tbody>
</table>

### Genres Completed

- Family oriented: 26% ↑ increase 13%
- Serious: 15% ↑ increase 11%
- Action/Adventure: 15% ↓ decrease 6%
- RPG: 6% ↓ decrease 2%
- Puzzle: 6% ↓ decrease 5%
- Strategy: 4% ↓ decrease 3%

*Source: Game Development Conference’s 2017 State of the Game Industry report*
INNOVATION

The global video game industry is at the cutting edge of technological innovation. With every generation of consoles, or computer processors, games push the envelope and redefine interactive digital entertainment. Game companies in Canada are continually innovating on processes and products—and these innovations have an impact on the wider Canadian economy.

50% of companies indicated they created at least one process innovation in 2017.

- 69% indicated they created an innovative product in 2017.
- Process Innovation: The implementation of a new or significantly improved production process, distribution method, or supporting activity.
- Product Innovation: The market introduction of a new or significantly improved good or service with respect to its capabilities, user friendliness, components or sub-systems.

What types of non-entertainment applications are their products used for?

- K-12 Education
- Post Secondary Education
- Life Sciences & Medicine
- Prof. Development and Training
- Defence
- Other

27% of companies reported that process innovations originated from collaborations with other business units.

21% of companies reported that process innovations originated from collaborations with other businesses or institutions in the Canadian economy.
Revenue among Video Game Companies

- **35%** Games Unit Sales
- **27%** Intercompany/Transfer Pricing
- **11%** In-Game/In-App sales

Export Revenue

- 75% of industry revenues among video game companies come from export sales
- -15% decrease in the total share from 2015

Quebec

- **198** companies (+42% increase since 2015)
- **10,000** full-time employees (-7% decrease since 2015)
GEOGRAPHY

ONTARIO

171 companies
3,800 full-time employees
+58% increase since 2015
+52% increase since 2015

BRITISH COLUMBIA

152 companies
5,900 full-time employees
+19% increase since 2015
+7% increase since 2015
37% of Canadians define themselves as "gamers".

However, only 52% of Canadians are actually "gamers", as they have played in the past 4 weeks.

51% of gamers are male. 49% of gamers are female.

Of the gamers, 36 years old is the average age of a Canadian gamer.

18,868,917 Canadians are "gamers".
The Entertainment Software Rating Board (ESRB) is the non-profit, self-regulatory body that assigns ratings for video games and apps so consumers, especially parents, can make informed choices about the ones they deem suitable for their children and family.

**ESRB RATINGS HAVE THREE PARTS**

- **Rating Categories** suggest age appropriateness.
- **Content Descriptors** indicate content that may have triggered a particular rating and/or may be of interest or concern.
- **Interactive Elements** inform about interactive aspects of a product, including the users’ ability to interact, the sharing or user’s location with others, if personal information may be shared with third parties, in in-app purchases of digital goods are completed, and/or if unrestricted internet access is provided.

Of Canadian adult gamers agree that the ESRB Ratings System is very useful to help parents buy & rent age-appropriate games for their children.

Administered by many of the world’s game rating authorities, the International Age Rating Coalition (IARC) provides globally streamed age classification process for digitally delivered games and mobile apps, helping to ensure the consistent cross-platform accessibility of established, trusted age ratings by today’s digital consumers. The five rating authority participants, which collectively represent regions serving approximately 1.5 billion people, monitors to ensure accurate ratings and the system enables the prompt correction of ratings when necessary.

**PARTICIPATING STOREFRONTS**

- Google Play
- Nintendo eShop
- Oculus Store
- Windows Store
ESAC

ABOUT ESAC
The Entertainment Software Association of Canada (ESAC) is the voice of the Canadian video game industry. It works on behalf of its members to ensure the legal and regulatory environment is favourable for the long-term development of Canada’s video game industry.

Available online at www.theesa.ca/resources/essential-facts/

The information in Essential Facts 2017 contains original information from:

Canada’s Video Game Industry 2017 prepared for ESAC by Nordicity. The report gathered quantitative and qualitative data between April - June 2017 from 104 video game companies in Canada.

Understanding The Canadian Gamer 2016 prepared for ESAC by NPD. The report gathered data from 2467 adults (18-64), 270 teens (13-17), and 261 children (6-12) between April 29 – May 20, 2016. The margin of error associated with the total sample is 5% or 19 times out of 20.

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