

Video games, a sector of excellence in France

Video game production is one of France’s sectors of excellence. Today, its creativity and quality are recognized throughout the world. In 2012, the video games industry was the second largest cultural sector in the world (worth €57 billion) but it was also **the largest cultural sector by sales in France**, with revenues that now exceed those in the cinema, video and music industries¹. **The market in France is larger than in Germany and is second only to the United Kingdom in Europe.**

I. France, a hive of production and consumer activity

Extremely buoyant consumer spending

The French are very keen on video games: in 2012, sales volumes (for hardware and software) amounted to **€2.9 billion**. Even though physical sales have recently declined significantly (by around 16% year-on-year), virtual sales, which currently account of 35% of the market, are growing by 20% in the online, web and mobile markets, spurring growth in the sector.

Selected key figures

- ✓ **38%** of French people aged over 15 are video gamers.
- ✓ **33%** of gamers are women – the percentage of female gamers is rising twice as quickly as for male gamers (by 44% in the last three years, versus 22%).
- ✓ **13%** of gamers play on a smartphone.
- ✓ **Over 75%** of gamers play alone at home.

(Source: Kantar Media study, March 2012)

One of the leading video games producers in the world

The 250 companies in the sector, which employ 5,000 people, **generate more than twice as many indirect jobs** in sectors such as IT engineering, software, IT security and technical services (special effects).

France is the second largest producer of video games by volume after the United States, particularly in sectors boasting strong growth such as video games on social networks and smartphones.

French companies have **an annual production budget of more than €400 million**.

A very large number of companies are prospering in both traditional and virtual markets. The sector is also the source of a very large number of innovative SMEs and micro-enterprises.

Some of France’s large companies in the sector are among the largest in



¹ €2.9 billion for video games, versus €800 million for music and €2 billion for cinema box office revenues.

the world:

- **Activision-Blizzard**, a subsidiary of Vivendi and **Ubisoft** are among the **five largest video games publishers in the world**.
- **Bigben Interactive** is the **leading video games accessories company in Europe**, and the second largest in the world.
- **Pretty Simple**, provides the 2nd most played Game on Facebook in the world
- **Quantic Dream, Arkane Studio and Dont Nod Entertainment** have launched games sold millions copys

II. Attractive close-knit industry and business ecosystem

Several regions in France (including Ile-de France (Paris region), Nord-Pas-de-Calais, Rhône-Alpes, Aquitaine and Languedoc-Roussillon) have long since promoted support measures and public-private partnerships to boost development in the sector, such as innovation clusters for example.

Sector-specific training:

There are many types of training courses in France for graphic design, computer graphics or system developers that prepare students for jobs in the video games industry. Some are already recognized by industry professionals; for others this process is still ongoing. **The National Video Games Association (Syndicat National du Jeu Vidéo – SNJV)** certifies training courses that comply with its specifications.

Other more traditional engineering or artistic courses may also enable students to apply for internships with companies in the video games industry.

- **The National Video Game and Digital Interactive Media School (Ecole National du Jeu Vidéo et des Médias Interactifs Numériques – Enjmin)** received certification in January 2012 for its Master's Degree in Video and Interactive Medias by professionals from the video games industry. Located in the south-western French city of Angoulême, Enjmin is a state-run higher education and research establishment. <http://www.enjmin.fr/index.php>
- **The Creajeux School (L'Ecole Creajeux)** in Nîmes, southern France, was also recently certified by industry professionals.

A well-established sector:

- **The National trade Video Games Association (SNJV)**, founded in 2008 in extension to the Association of Producers of Multimedia Content (APOM), plays an active role throughout the sector to preserve or extend the competitive advantage of video game production companies located in France. <http://www.snjv.org/fr/syndicat1/>
- **The Sell** represents videogames Publishers and distributors <http://www.sell.fr/>

Events:

- **The “Game Connection”:** The leading business convention in the video games sector brings together all industry professionals in Paris for a three-day exhibition every November to present their productions and establish production agreements. <http://www.game-connection.com/gameconn/>
- **The “WebGame Conference”:** This European conference, which specializes more in virtual video games, takes place in Paris every June and targets decision-makers from companies working in virtual markets. <http://www.webgameconf.eu/>
- Since the beginning of 2012, all institutional stakeholders in video gaming as well as the National Video Games Association have launched a joint approach, called “**Le Game**” in order to promote French expertise and talent, notably at the leading trade shows and meetings throughout the world. <http://www.le-game.net>

III. Government support for the industry

Support for the video games sector exists in various forms:

1. R&D support

- **France’s research tax credit** enables companies to receive relief on social security contributions for the salaries of employees conducting R&D. The system involves a tax credit which can be deducted each year from the company’s profits, and can cover 30% of the company’s R&D spending (40% in the first year).
- **The “Innovative new companies” scheme** offers support on a sliding scale towards employer social security contributions for salaries allocated to innovation positions. Eligible companies must be less than eight years old.

2. Support for video game production

- **France’s video game tax credit**, a unique measure in Europe, enables companies to save 20% of eligible video game creation expenditure, subject to meeting certain qualifying criteria. The tax credit is awarded by a commission of experts using funds from the Ministry for the Economy, Finance and Trade and the National Center for Cinema and Animation (*Centre national du cinéma et de l’image animée* – CNC). **On April 25, 2012**, the European Commission authorized **its renewal for six years** (until December 2017).
- **The video games support fund (FAJV)**, jointly funded by the Ministry for the Economy, Finance and Trade and the CNC and administered by the latter, seeks to support innovation and creativity in the video games sector by providing production grants.

Together, these support measures along with the very attractive business ecosystem for startups provide a bespoke environment for developing video game production operations in France.