Global video games market, segmented by forecast rate of growth and scale, 2013–2018

Emerging markets see largest growth as online games cut piracy

**Higher-growth, larger-scale markets**
All four countries deemed higher-growth and larger-scale will stay below US$2bn in terms of total video games revenue in 2018, as game publishers and console manufacturers target these regions in order to drive growth. Online gaming will also play its part, with low-cost gaming experiences cutting piracy in the markets. Two of these countries, Brazil and India, will remain under US$1bn in 2018, although they will both see double-digit CAGRs at 13.5% and 16.7%, respectively.

**Lower-growth, larger-scale markets**
No countries from Latin America appear in the lower-growth, larger-scale market. Their high import costs are hindering scale, if not growth. The US, as the most developed video games market in the world, sits here with growth of 6.2% not enough to classify it as higher-growth. It will account for 22% of the global video games market in 2018. China also features with its small console market, only recently legalised, preventing greater growth. The rest comprise of developed markets such as Germany, France, the UK and Japan.

**Higher-growth, smaller-scale markets**
These countries have much smaller-scale than the others, but 13 of the 20 have double-digit CAGRs. Five Latin American countries are higher-growth and smaller-scale, with high import taxes and piracy rates deterring console manufacturers and publishers from setting up in the region. The Latin American countries are joined by several Middle East and African countries, with online gaming opening up these markets by reducing piracy.

**Lower-growth, smaller-scale markets**
Several Western European countries—Austria, Belgium, Denmark, Finland, Greece, Ireland, Norway, Portugal, Sweden and Switzerland—are lower-growth and smaller-scale, having reached maturity but with their further development prospects hindered by small populations. The market in Greece has also been affected by a poor economic climate but will see a CAGR of 5.2% as online and mobile gaming give consumers the opportunity to play games at low cost.

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Source: Global entertainment and media outlook 2014–2018, PwC, Informa Telecoms & Media

Methodology note: Each market’s location within the quadrant is calculated by assessing its average growth rate in video games revenue between 2013 and 2018, then dividing the markets in terms of overall scale.

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