

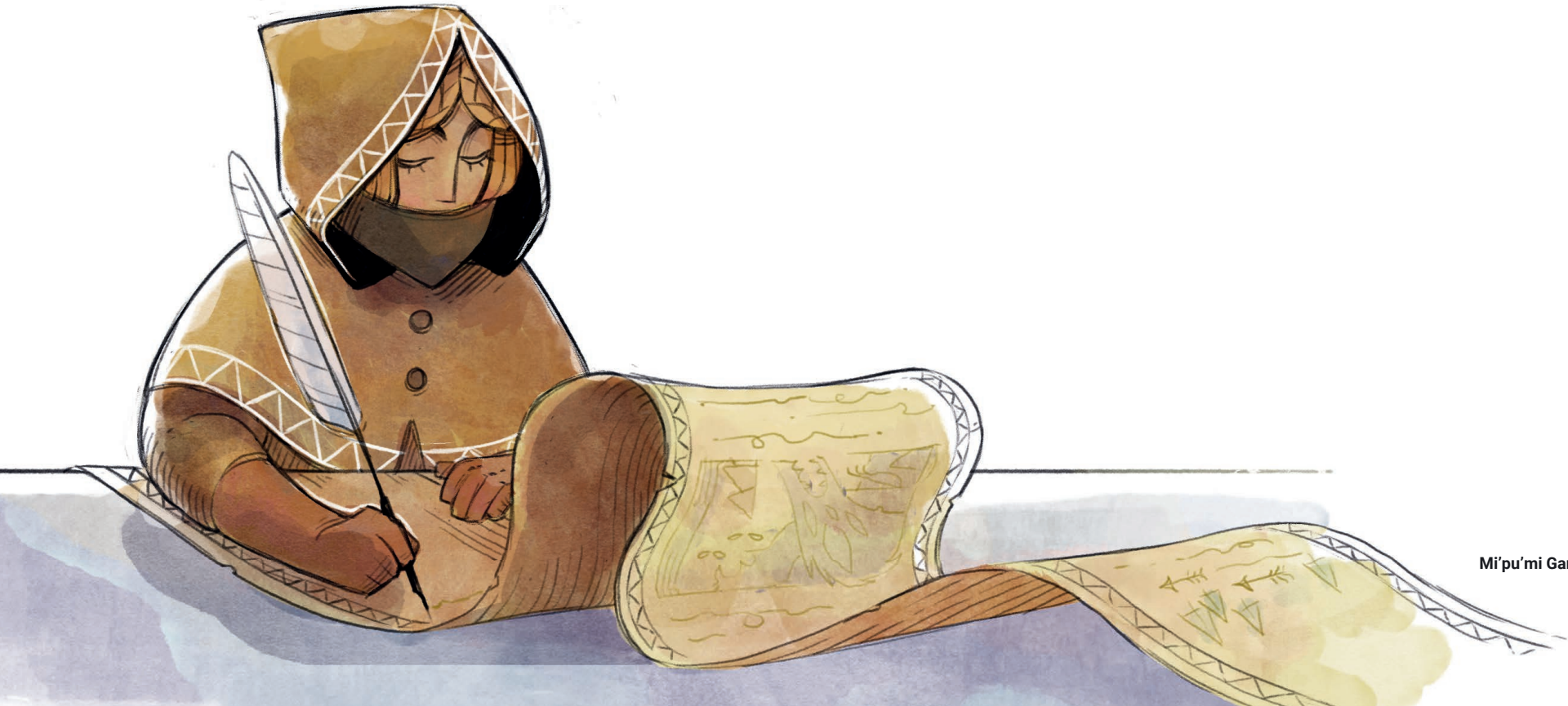


THE AUSTRIAN GAME INDUSTRY 2024

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INTRODUCTION

Game Development in Austria, a young and dynamic industry, is characterized by predominantly small and micro enterprises with an above-average number of young, well-trained, and highly motivated employees.

The profile of game developers in Austria as well as their economic performance and momentum were analyzed in 2018 in a study commissioned by the Austrian Professional Association of Management Consultancy, Accounting and Information Technology (UBIT) and carried out by the Institute of Industrial Research (IWI) (IWI, 2019).

In order to analyze the evolution of game development in Austria since then, UBIT and other partners commissioned a new study by IWI in 2023. In addition to a comprehensive survey of game developers with a broad range of questions, the new study also analyzes the effects of the industry on the whole domestic economy. Serious games and education and training in game development are chosen as two topics for a special focus.



Rarebyte | Hyperspaced

The game development industry not only demonstrates its economic performance through its own activities, value creation, and through the jobs it provides directly, but is also integrated into a network of supplier relationships through which it passes on impulses to the entire economy.

The future economic effects are also estimated on the basis of a projection of the industry's development up to 2029.

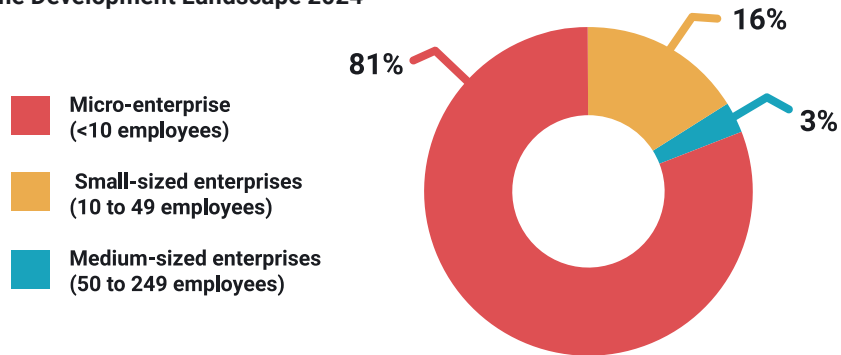
THE AUSTRIAN GAME INDUSTRY

In Austria, around 150 active companies form the industry of game development in the first half of 2024, which implies growth of 71.3% over the last six years.

The game development industry is predominantly characterized by small and micro enterprises, but only a few medium-sized companies.

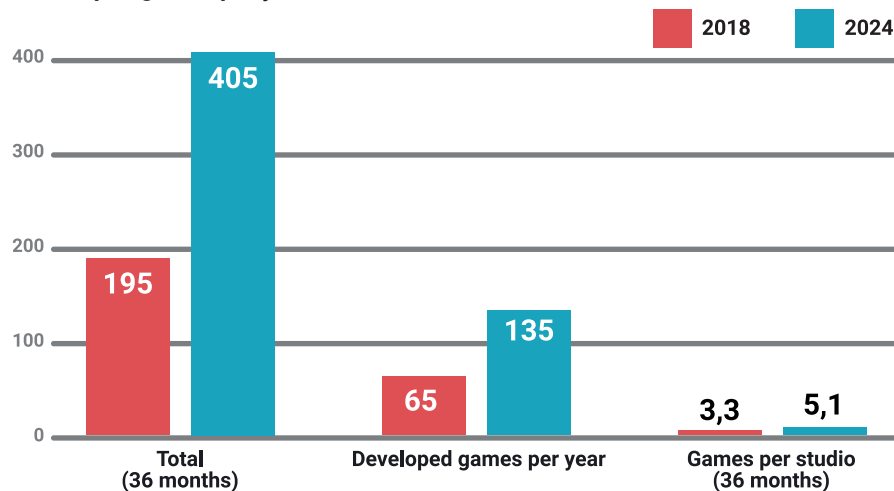
More than 81% of companies have no more than 9 employees. 24 companies (16%) employ 10 to 48 people, and 4 companies (2.7%) have 50 or more employees.

Game Development Landscape 2024



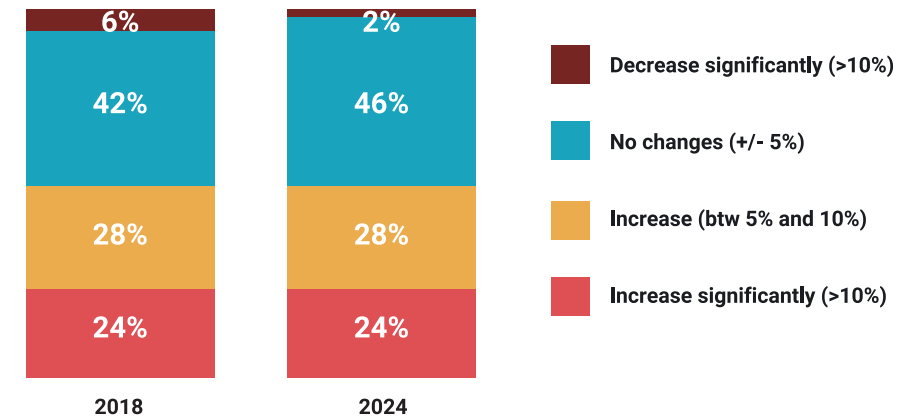
In the past three years, the companies surveyed have developed a total of 405 games (n=78, valid information on the number of games developed).

Developed games per year



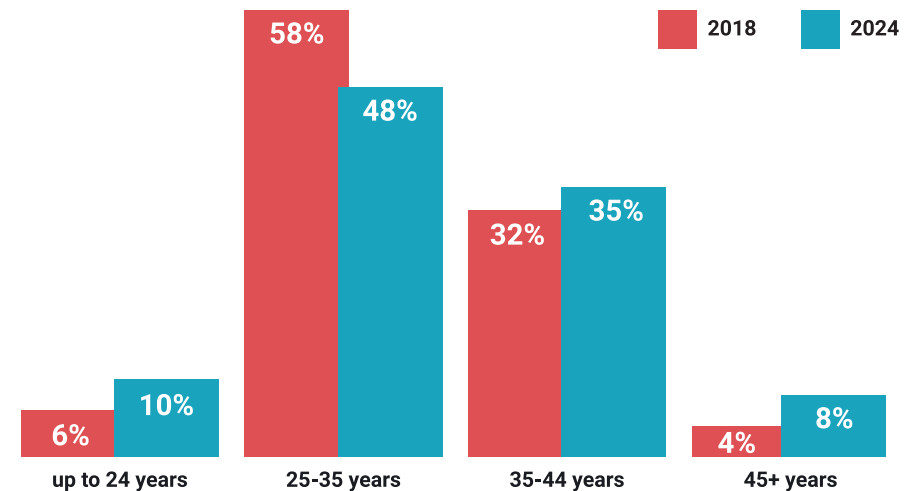
As in 2018, the majority of local game developers expect employment to grow over the next three years (52%), 46% expect it to stagnate, and only 2% expect it to shrink.

Amount of employees in comparison



In 2024, the Austrian game developer scene still passes as a young industry, with the 25 to 34 age group dominating.

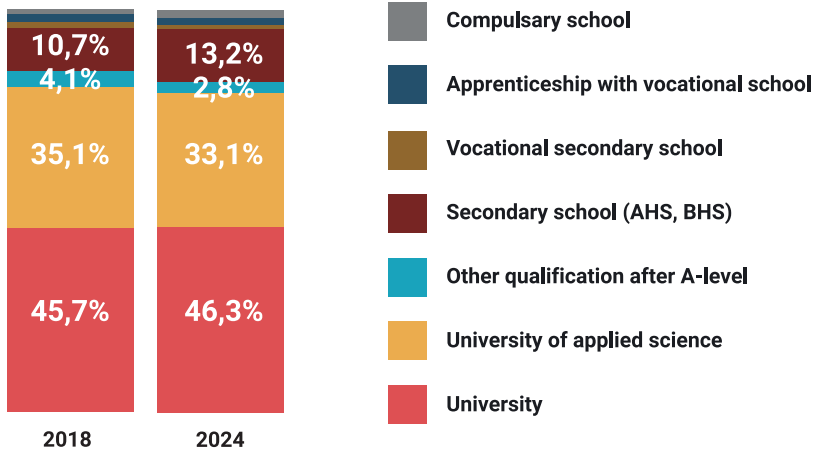
Age structure in comparison



Almost 80% of those working in the relevant companies in Austria have completed tertiary education; they are exceptionally well-trained specialists. There are also employees with lower qualifications, but not to a degree that is relevant for the industry.

A specialized or academic education is an important criterion when it comes to the qualifications required to work as a game developer. This also involves specific game development specializations and courses. According to the majority of respondents in Austria, educational institutions (universities, universities of applied sciences, technical colleges) make a valuable and targeted contribution to the training of new employees in the field of game development.

Highest level of completed education



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In 2024, the companies are still young and in their start-up phase, but there is a clear trend towards consolidation in the sector, with the proportion of companies in earlier phases having fallen significantly compared to 2018, while the proportion of more advanced groups has risen.

This highly dynamic young sector is slowly growing up and consolidating. This is all the more remarkable given the large number of new companies compared to 2018.

ECONOMIC SIGNIFICANCE

The revenue generated by the approximately 150 domestic companies in the game development industry through their game development activities totalled EUR 92.8 million in the last financial year, 2023.

This represents a nominal increase of more than 285% (i.e. almost four times) compared to 2017, the reference year for the revenue estimate in the previous study. If an adjustment is made for the price development between 2017 and 2023, revenue growth still amounts to more than 180%.

Employment in the game development industry has risen from 474 jobs in 2017

to 1080 jobs in 2024, an increase of 128%. The growth of the past six years is unlikely to be repeated over the next six years. If we assume that the industry's growth will slow to a third of the level seen in recent years, this will still result in revenue growth of more than 60% and employment growth of 42% by 2029.

Based on this plausible assumption, the game development industry in Austria would generate revenues (at 2023 prices) of EUR 149 million and employ more than 1,500 people in 2029.

Development of the game development industry 2017-2023 and projection for 2029

	2017	2023	Growth 2017-2023	2029	Growth 2023-2029
Number of Companies	87	149	71,3%	184	23,5%
Employment	474	1080	127,6%	1536	42,2%
Revenues at prices of 2023 (mill. EUR)	32.7	92.8	183,6%	149.0	60,6%

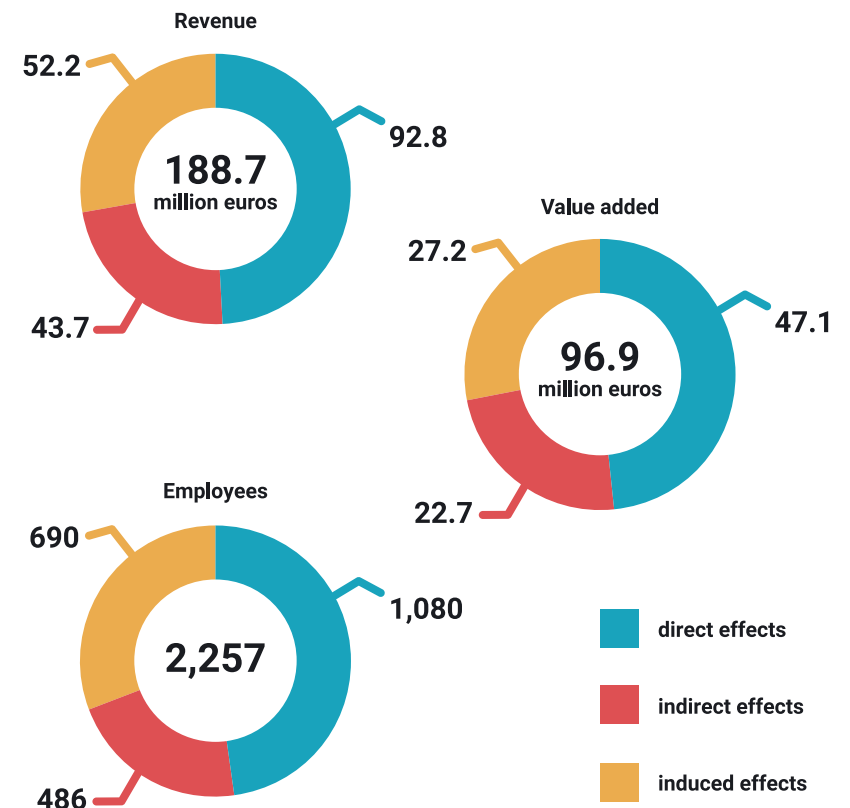
Note: The adjustment for price changes is based on CPI and on the price development in ÖNACE 62-63. We assume a slowdown of growth 2023-2029 relative to 2017-2023 by two thirds.

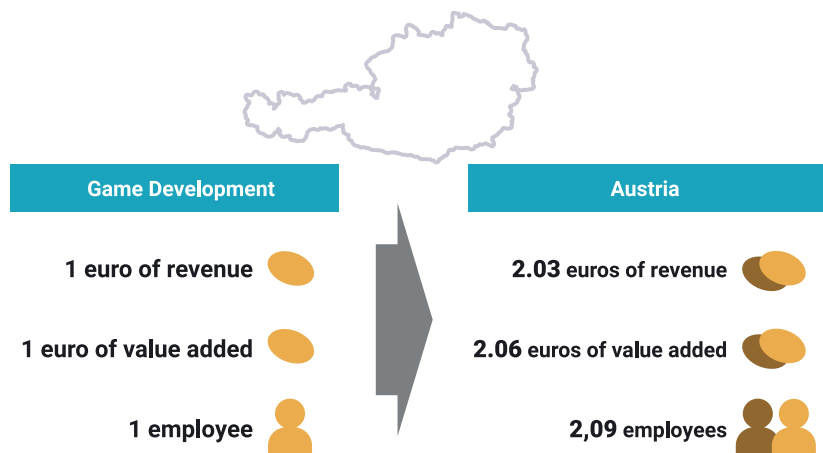
Source: IWI (2024)

In 2023 Austrian game developers generated overall revenues of EUR 188.7 million. The companies themselves earned EUR 92.8 million (direct effects). In addition, EUR 43.7 million were generated by companies delivering intermediate goods (indirect effects) as well as EUR 52.2 million revenues that were created via consumption and investment effects (induced effects). Austrian game development companies

generated direct and indirect added value of EUR 96.9 million in the domestic economy. For every euro of added value generated by game developers, a further EUR 1.06 of added value is generated throughout Austria via indirect and induced effects. Every job in a game developer company secures more than one additional job in Austria. In total, around 2,260 jobs are created in Austria by domestic game developers.

Macroeconomics and multiplier effects of game development in Austria 2023





The game development industry is extremely export orientated. Games are mainly distributed via the internet, opening up global markets.

A variety of instruments are available to companies nowadays to finance their activities. However, in the small-structured industry of Austrian game developers, self-financing or internal financing from profits, provisions and amortization still surpasses all other forms, as was the case in 2018. These are important or very important for 92% of game developers.

They rate public funding (subsidies and grants) as the second most important financing source: 62% very or somewhat important. The financing by shareholder contributions and loans is still important for 24%, with the remaining ten other suggestions not exceeding the 20% mark.



Flat Head Studio | Deadly Delivery



Mi'pu'mi Games | The Flower Collectors

SERIOUS GAMES

Serious Games as a sub-segment of game development promise a high social benefit in the context of the digitalization of society.

Serious games are digital games whose purpose goes beyond pure entertainment. They pursue a characterizing goal (impact goal), e.g. learning, raising awareness. They do not have to be ‘serious’ in the conventional sense but utilize the playful element to have a lasting effect. Serious games are enjoying ever greater acceptance. The enormous potential of these games is being further strengthened by ongoing digitalization and the integration of new technologies, particularly in the context of the mobile learning trend.

Together with related trends such as gamification, serious games represent an area of the digitalization of society and will become more widespread as digitalization progresses, according to the experts interviewed. Ten years ago, there were only a few pioneers offering serious games in Austria, but today there are around 20 to 30 companies specializing in this area, employing around 130 to 150 people.

The range of goals and themes covered by serious games is diverse and extends from education, health and professional development to everyday topics. However, one area stands out in the survey – raising awareness of important social issues (such as the environment, climate, or conflict prevention) was mentioned most frequently in the survey as the motivation for developing a serious game.

Themes of Serious Games



Note: n=23, Company is a developer of serious games Source: IWI (2024)

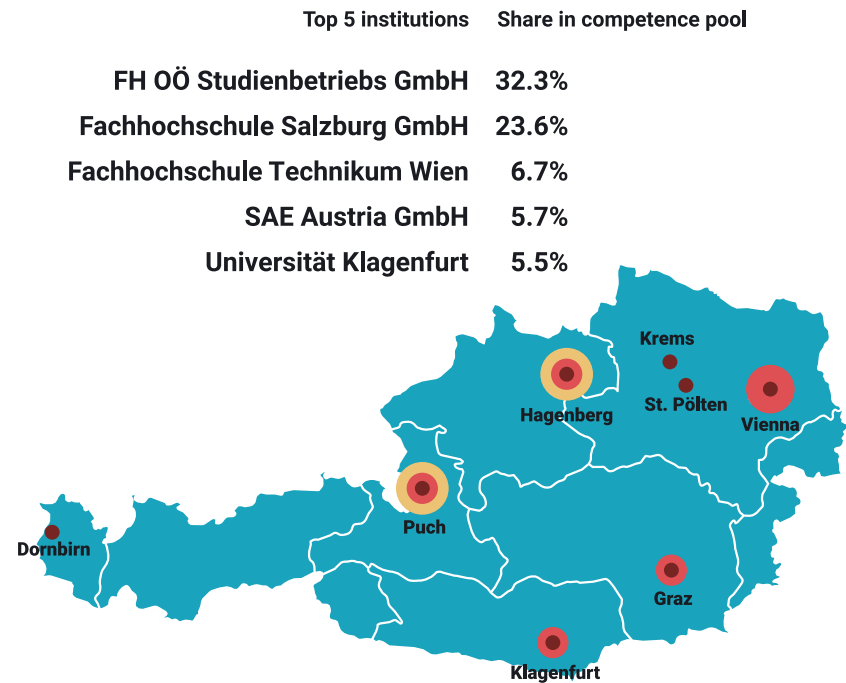
EDUCATION

In total, there are 25 higher education programs in game development in Austria that are explicitly geared towards game development and game design.

Three regional focal points can be found at universities in Salzburg, Upper Austria, and Carinthia. In addition, IT qualifications are taught in dedicated game development programs and university courses in Styria, Vorarlberg, and Lower Austria.

In terms of skills output (proportion of IT content taught in the degree programs at each location – weighted by the number of graduates), the locations Hagenberg in Upper Austria and Puch in Salzburg are central skills hubs for IT qualifications in game development studies. Together they account for around 50% of the skills pool.

Heatmap: Regional distribution of the IT-competence pools in game development at universities in Austria, 2021/2022



Source: IWI (2024), own research and calculations



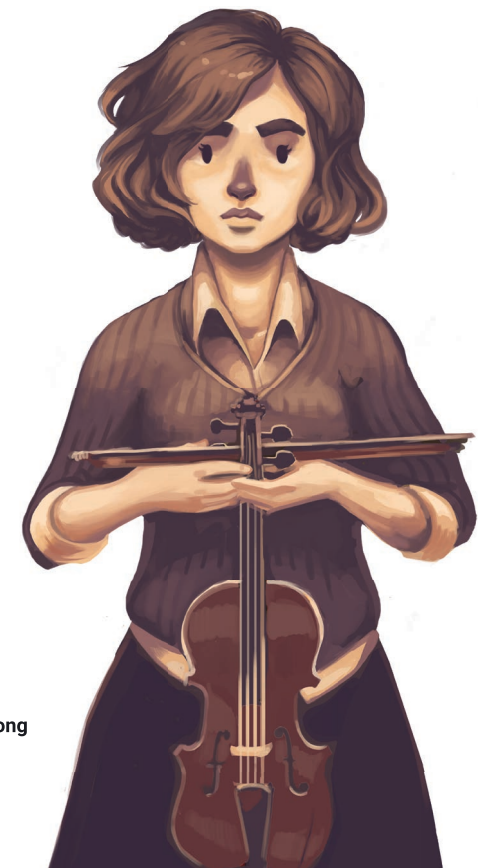
SUMMARY

In 2024, game developers generally expressed a similar view of Austria as a business location as they did in 2018: in both surveys, only 5% of companies planned to relocate abroad or close their site in Austria.

In 2024, as in 2018, Austria's location policy clearly has room for improvement from the perspective of game developers. 77% currently rate Austria as a poor or very poor location, an assessment that is even worse than in 2018. No improvement in the quality of the location is expected in the next three years.

There is a particular need for action in the fields of 'Active policy for game developers in Austria and the EU' and 'Capital market and corporate financing, subsidies, and financing options'. Here, the domestic game developer scene is below average in terms of satisfaction with current conditions, while at the same time these topics are seen as a high priority for the future.

Support is seen as very important in two of the five proposed points in particular: the promotion of funding guarantees (55% very important) and political support or lobbying (50% very important).



Mi'pu'mi Games | The Lion's Song

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Zeppelin Studio | Rebuilders

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