

# WHITE PAPER ON SPANISH VIDEOGAME DEVELOPMENT 2023

EXECUTIVE SUMMARY



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## Introduction

**D**EV, the Spanish Association of Video Games and Entertainment Software Producers and Development Companies, once more keeps its commitment to the sector it represents by publishing the White Paper on Spanish Video Game Development, the leading report providing an in-depth analysis of the video game industry in our country and around the world.

The White Paper, this year celebrating its **tenth edition**, is aimed at development studios, current and future professionals, public institutions, and also national and international private investors as well as society in general. This report is an ideal tool to get detailed knowledge on the video game industry and market in Spain and to gather as much information as possible in order to make decisions and create investment and public support plans for the coming years.

The White Paper has had a huge impact on Spanish society, with more than **100,000 downloads** of the electronic reports, hundreds of views in the media (written press, radio, news reports on public and private television stations) and countless references in blogs and on websites as well as mentions or participation in events in the sector. Moreover, the White Paper is **the leading report used in universities and vocational training schools** so that future professionals understand the reality of the sector in which they want to start their work career.

The main goal of any White Paper is to delve deeply into the demands being made by the sector it relates to. This is why the report begins with a list of **recommendations and proposals for the Spanish government** aimed at identifying aspects to be improved or measures to be implemented to ensure a prosperous and competitive future for our industry.

Additionally, the report analyses the **Spanish video game industry**, done thanks to information provided by the Spanish video game development studios via an exhaustive survey carried out during 2023. In this special edition, we go on a journey by looking at the evolution of 10 years of industry data.

This tenth edition of the White Paper also wishes to celebrate the increased presence of women in our industry, which has reached more than 26%. The report's cover is a tribute to three games launched in 2023 whose main characters are women: Angela Solano from American Arcadia (Out of the Blue Games), Koa from Koa and the Five Pirates of Mara (Chibig, Talpa Games, Undercoders) and Candela from In the Shadow (Dead Pixel Tales).

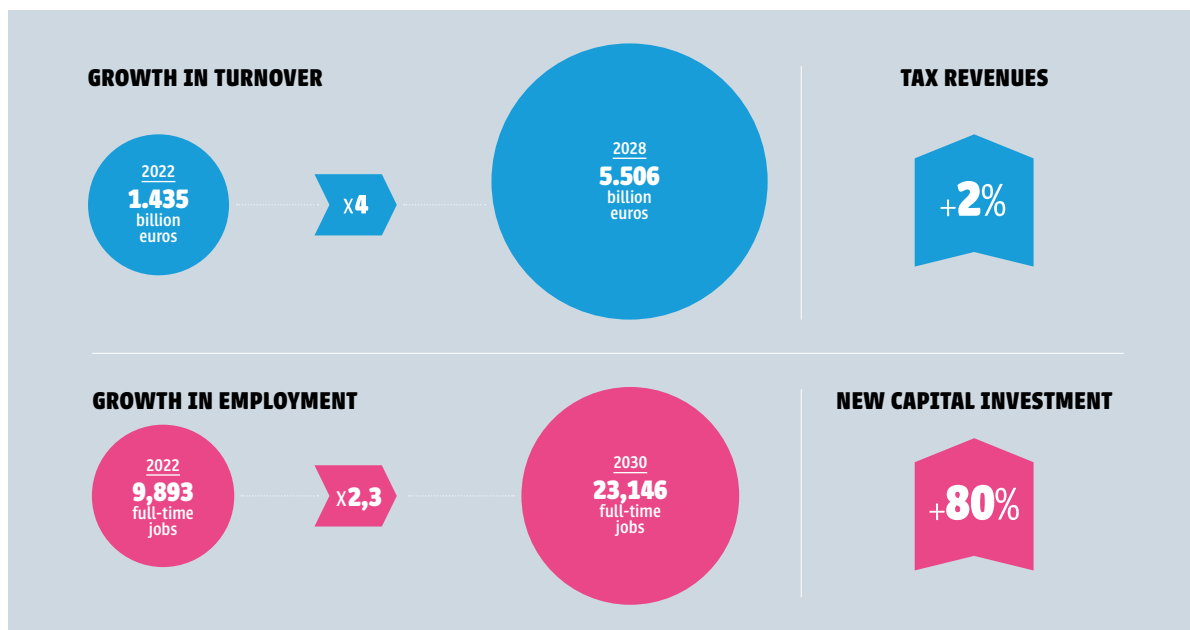
## Measures to stimulate the economy of the Spanish video game development industry in 2024

**A**t DEV, we advocate adoption of a series of measures that are necessary to establish and strengthen growth of the studios and their consolidation as well as to facilitate a suitable density in the sector, ensuring development of new projects. These proposals are aimed at state government and the autonomous communities, depending on their competences.

### 1. Establish a tax incentive for video game production

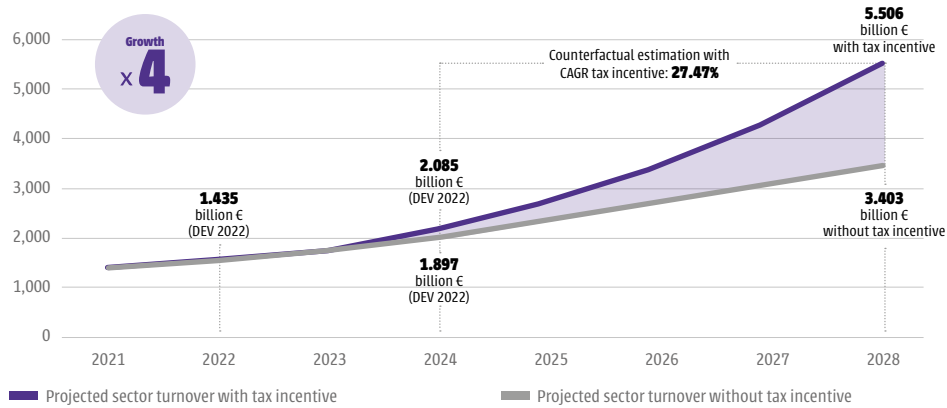
- a. What to do?** Amend Article 36 of the Corporate Income Tax Law to add a new Section 4 so the video game industry has tax incentives for production and acquisition of international projects, similar to what is already received by the audiovisual industry, performing arts and live music. We also propose amending Section 7 of Article 39 of the Corporate Income Tax Law so that, like in other cultural sectors, there are tax deductions for taxpayers who participate in financing Spanish video game productions.
- b. Why?** The main European countries around us (France, Italy, Belgium, the Netherlands and the United Kingdom) have implemented this measure, which is increasing the number of productions, attracting large investments, and establishing a significant multiplier effect
- c. Impact:**

**MAIN DIMENSIONS.** The working hypothesis set out in this report shows that the positive and direct impact of a **20% tax credit on corporate taxes** in the video game production sector would produce the following **results** in Spain:



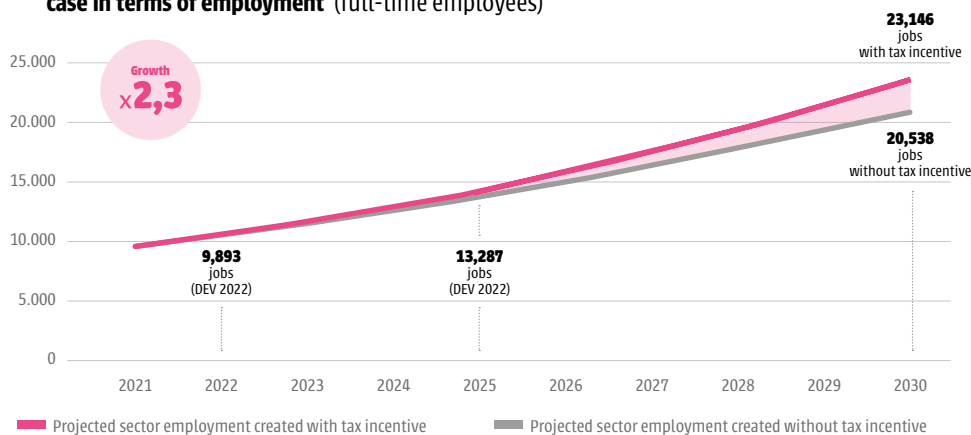
(source: DEV, Impact from the use of tax incentive schemes for investment, business growth and employment in the video game production industry, <https://dev.org.es/incentivofiscal>)

**Use of the United Kingdom model of tax incentives as applied to the Spanish case in terms of turnover** (linear extrapolation model)



Turnover growth in **2028** would be expected to quadruple the amount in 2022, which means that over a five-year period the sector will go from producing revenue of 1.435 billion euros in 2022 (DEV, 2022) to **5.506 billion euros in 2028**.

**Use of the United Kingdom model of tax incentives as applied to the Spanish case in terms of employment** (full-time employees)



Employment in the sector would **increase by 2.3** times in eight years, from 9,893 full-time jobs in 2022 to **23,146 jobs in 2030**.

**Revenue +2%** Reductions in tax burden rates would not imply a drop in tax revenue but rather the contrary, due to the effect from increasing sales: In the case of a tax deduction of 20%, **tax revenue would increase directly by 2%**. Added to this direct effect would be the positive fiscal impact from indirect (industry reinvestment and supplier consumption) and induced (wages and income via revenue) effects.

**New capital +80%** Moreover, and as has been shown in the audiovisual sector and in other leading countries in the industry, growth in capital investment, both national and international, as well as the attraction of new projects can be significant and substantially change the Spanish panorama in just a few years. **New capital investment would increase by 80%**.

**R+D+i** To these quantitative results it is necessary to add the **externalities** in terms of attracting and **retaining talent** and the impact on development from an infrastructure and **ecosystem** to support the sector (educational programs, laboratories, development clusters, new programs in R+D+i), as well as a **positive influence on the survival, consolidation, and growth** of companies.

(source: DEV, Impact from the use of tax incentive schemes for investment, business growth and employment in the video game production industry, <https://dev.org.es/incentivofiscal>)

## 2 Provide continuity on the Support Plan for the Spanish video game development industry

- a) **What to do?** Maintain the support lines that were implemented within the framework of the Recovery, Transformation and Resilience Plan, increasing the budgetary allocation. And also creating the necessary new lines:
  - i) **Public aid to promote the video game sector and for other forms of digital creation.** These subsidies, organised by the Ministry of Culture and Sport and endowed with a budget of eight million euros in 2023 and 2024, are aimed at projects in the video game sector as well as incubator, mentoring or acceleration programs and professional events and cultural exhibitions.
  - ii) **Aid for business R&D projects applicable to the audiovisual and video game fields,** organised by the CDTI (Centre for the Development of Industrial Technology) and endowed with 30 million euros in the form of subsidies.
  - iii) **Public-private investment fund:** to promote a public-private partnership framework for the growth, development and internationalisation of Spanish video game development companies through ICO's Venture Capital - Axis line.
- b) **Why?** The calls in 2023 and 2024 were a success in terms of participation and showed the high demand in the industry. As such, it is necessary to remain firmly committed by raising budgets to respond to the need for growth in the sector.
- c) **Impact:** Establish a stable support system to promote the growth and consolidation of small and micro businesses and the launch of new projects; promote development of own technology; offer professional guidance to new entrepreneurial projects in the sector; encourage the application of video game technologies and tools to other industries, education and the public sector; encourage investment in the capital of companies.

## 3 Encourage employment of young professionals, especially women

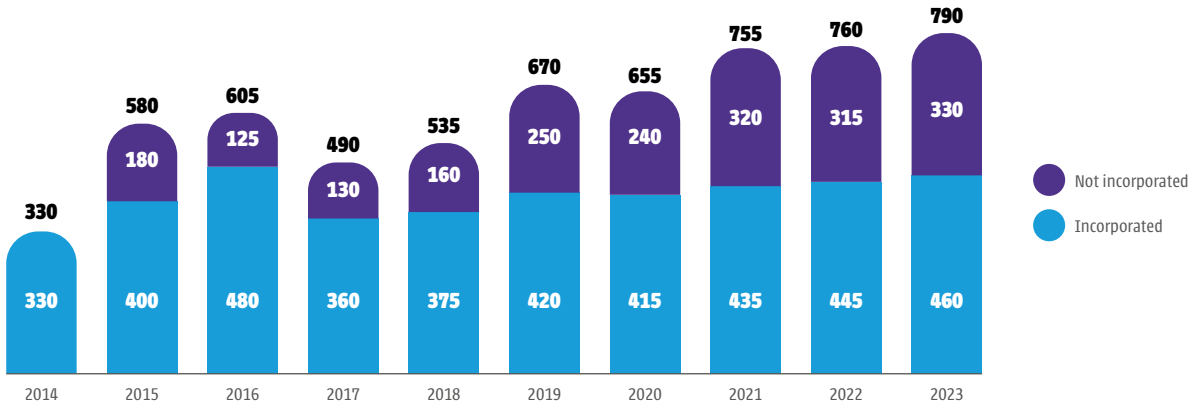
- a) **What to do?** Launch initiatives to facilitate doing curricular internships in companies. Establish subsidies in social security contributions for new jobs for highly-qualified professionals. Establish help in the hiring and training of junior profiles for SMEs in the sector. Design social security contributions for self-employed professionals, taking into account the long production periods without billing or income. Develop equality plans in companies in the sector that promote the hiring of women and support their professional growth on equal terms.
- b) **Why?** The current job offerings and curricular internships are insufficient to cover the large number of undergraduate and postgraduate students in video games. Companies need mechanisms to facilitate people's integration into the workforce. Mechanisms are also needed for those professionals who work as freelancers, since a production cycle can easily exceed two years. Moreover, the presence of women in the industry remains a challenge, since female employment is only at 26%, which contrasts with the balance that exists in terms of gamers (49% are women). Fifty-six percent of studios recognize they have problems in filling more specialised professional profiles.
- c) **Impact:** More hiring of junior professionals and greater job possibilities as opposed to the alternative of entrepreneurship without enough vocation and business knowledge due to a lack of professional opportunities. More internship opportunities in companies, which increases the professionalisation and employability of students. Increase of female professionals in the industry in equal working conditions.

#### 4 Design a reinvestment framework for multinationals to invest in Spanish video games

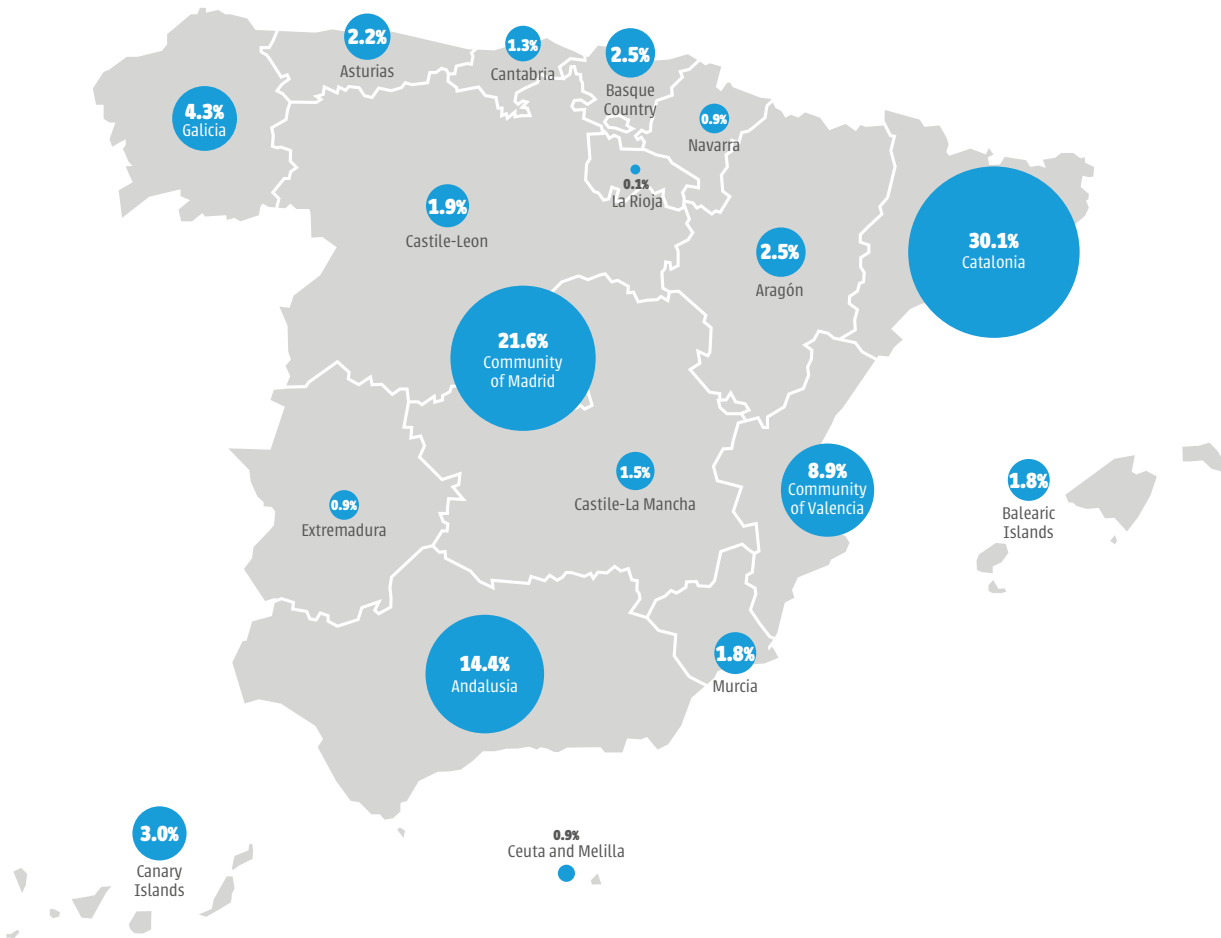
- a) **What to do?** Implement a mechanism that commits a small part of the turnover from companies that distribute physical and digital video games in our country to be invested in the national production of video games. This model, which is already used in the Spanish audiovisual industry, has had very notable success.
- b) **Why?** The Spanish video game market is the fifth largest in Europe. Nevertheless, of the 20 best-selling games in Spain, not one of them has been produced in our country. The big beneficiaries thanks to the strength of Spain as a market, the international distributors, should make a bigger commitment to society, reinvesting a small part of their turnover in active support of video games produced in Spain.
- c) **Impact:** The mandatory reinvestment of 5% of gross turnover could produce a purse of up to 90 million euros that would go toward producing video games in Spain..

## Business composition

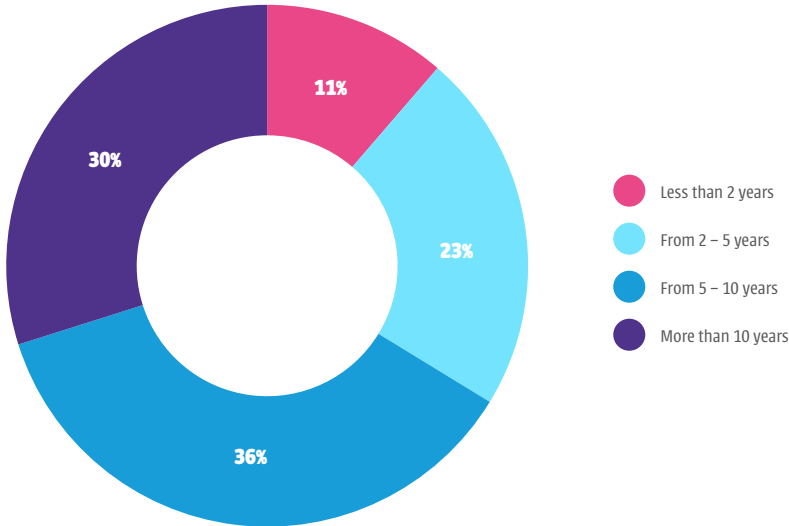
Spain has 790 active studios of which 460 are established as companies and another 330 have as yet not done so. In addition to the 460 studios recognised as a going concern, we have found 170 studios with no activity.



Catalonia (30%) and Madrid (21%) are home to more than half of the industry in Spain. Andalusia (14%) and the Community of Valencia (8.9%) are still at a considerable distance. Except for Galicia (4%), the rest of the communities have 3% or less of the total number of studios.

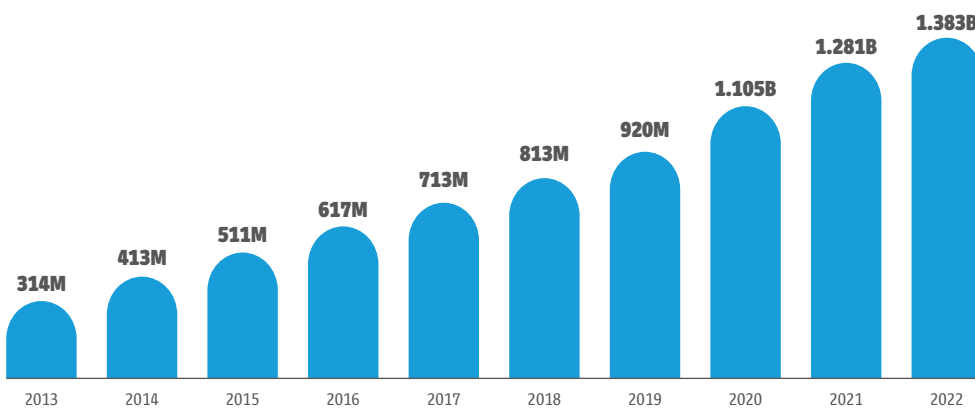


Sixty-six percent of the studios have been around for more than five years, one point more than last year, which shows how consolidated the industry is in our country.

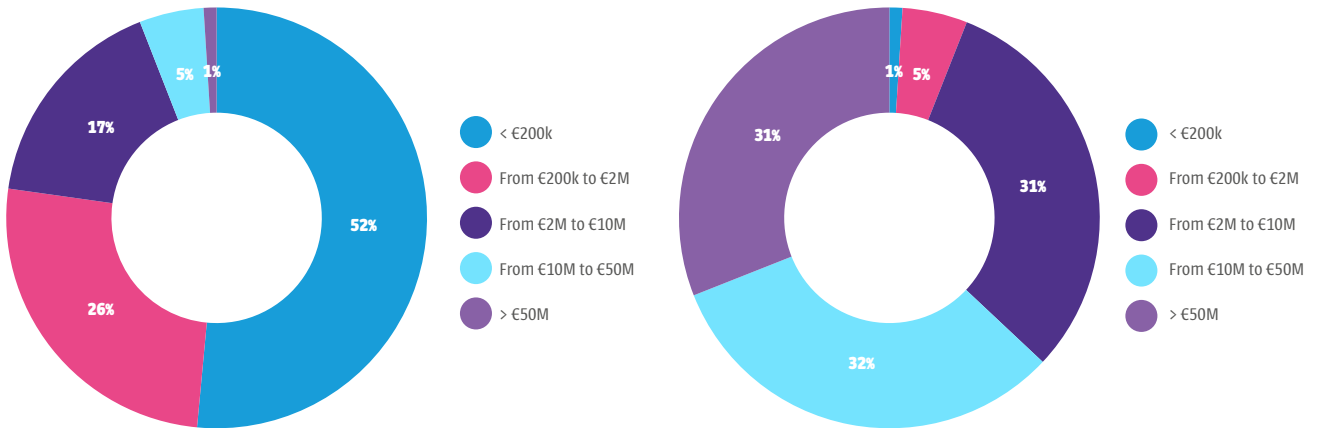


### Billing and employment in the sector

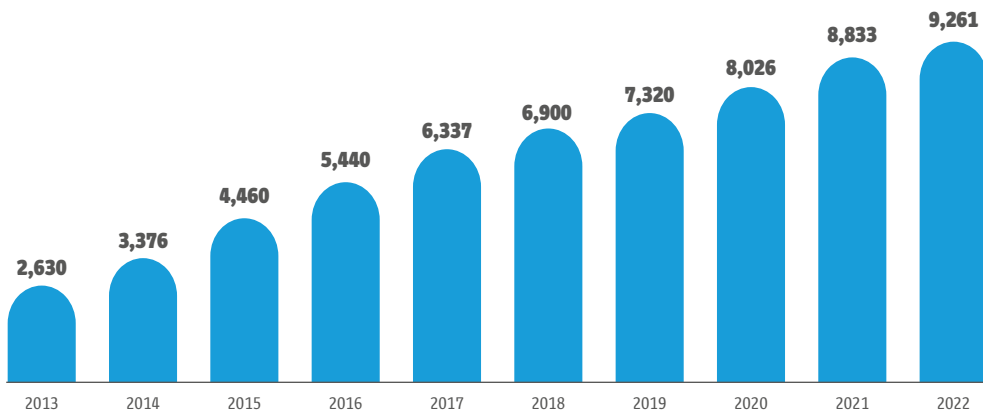
Spanish video games earned 1.383 billion euros in 2022, an increase of 8% compared to 2021, with 51% of this billing corresponding to Catalonia. This figure contrasts with the 314 million euros that were billed in 2013, a number confirming that over the last decade the video game in our country has grown by 440% with an aggregate growth of 17.9%.



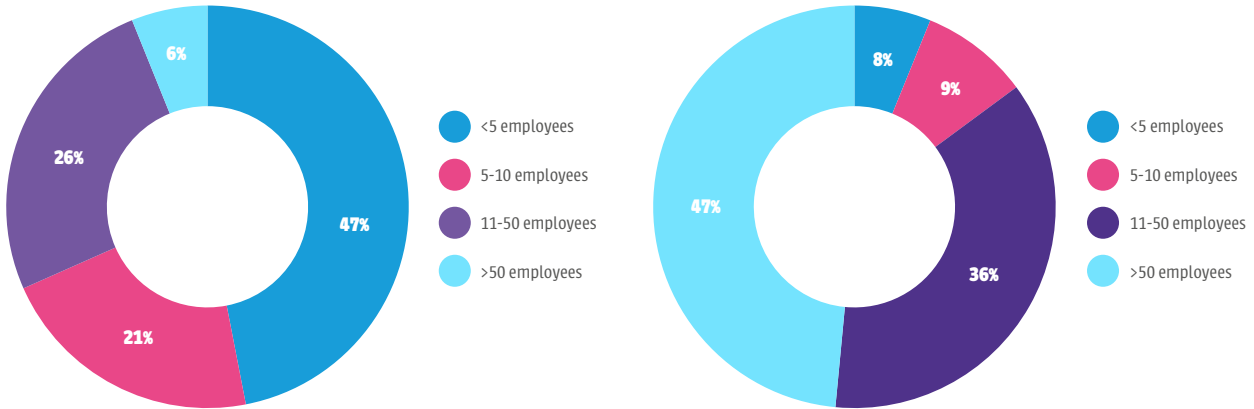
The Spanish sector continues to be made up of a majority of studios that invoice below 200,000 euros (51%) and a tiny percentage (1%) that invoice more than 50 million. Similarly, employment continues to be concentrated in the major studios. Thirty-one percent is in the hands of the studios that bill more than 50 million (a two-point increase over last year), while those that bill less than 200,000 euros account for just 1% of the Spanish market.



The sector in Spain directly employed 9,261 people in 2022 with 93% of the contracts being permanent, an increase of 4.8% compared to the figure in 2021. Fifty percent of these more than 9,000 people are concentrated in Catalonia. The job market in Spain has increased 3.5 times over the last decade, with aggregate growth of 15%. The presence of women has increased in the last year to 26.4%, an increase of 10 points since this was measured in 2018..

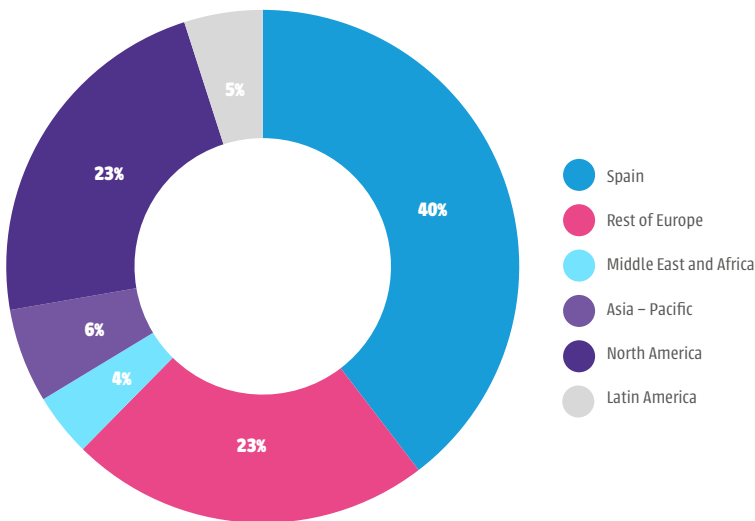


The studios with less than 10 employees are still the majority (68%), a figure slightly higher than last year’s number. Almost half of the sector (47%) consists of studios with less than five people. Only 6% of the studios, one point more than in 2022, have more than 50 employees. The large companies are still the ones that create the most employment in our country, as they hire 47% of workers in the sector, two points above the figure for 2022.



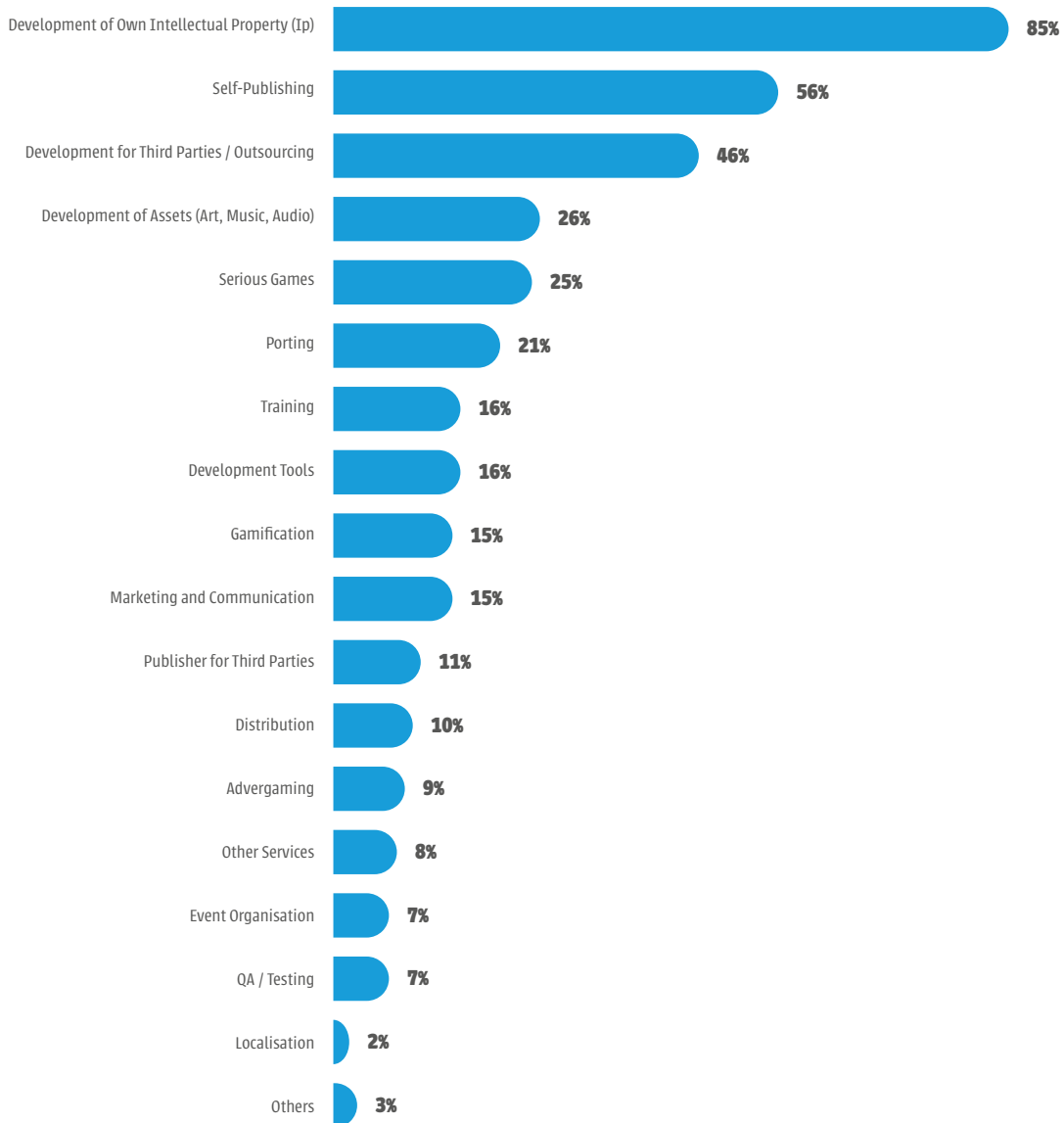
### International activity

Spain is the main market for Spanish games (40%), after overtaking Europe (23%) and North America (23%). Our market has gone up 15 points compared to last year’s report. The drop in sales in Asia-Pacific is notable, which has gone from 8% to 6%.

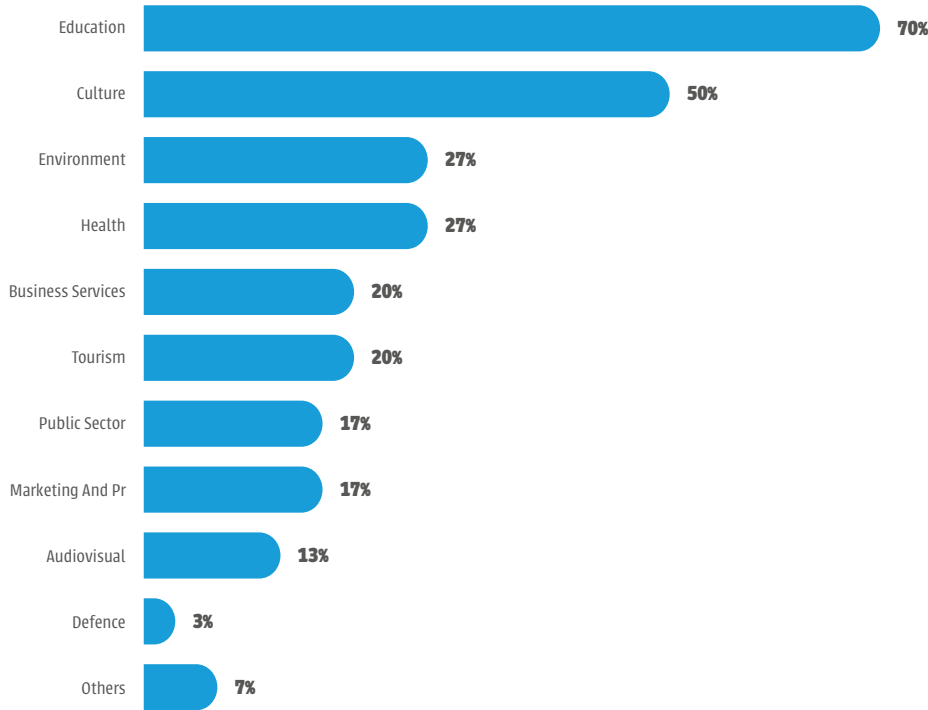


## Activity and business models

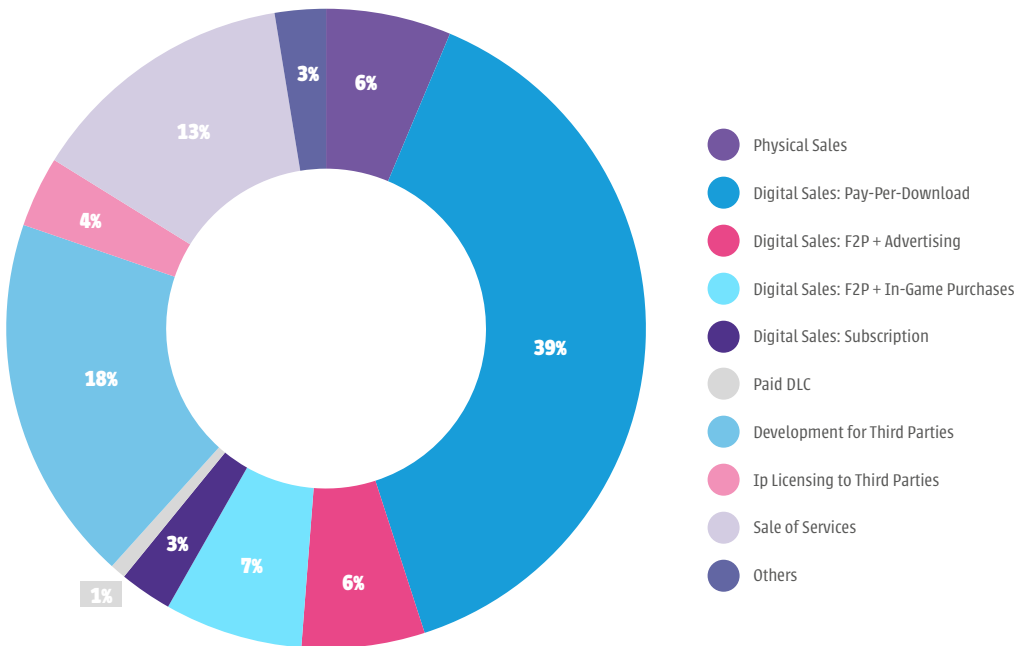
The development of own IPs (85% of the studios), self-publication (56%), and work for third parties (46%) remain the main activities at Spanish studios, with slight modifications between them. The first two categories have decreased compared to last year (ten and eight points, respectively) and the third one has increased. One in four studios are focused on serious games. In this area, education (70%) continues to be the main client, followed by culture (50%). The environment has gained prominence (27%), which puts it on a par with the health sector.



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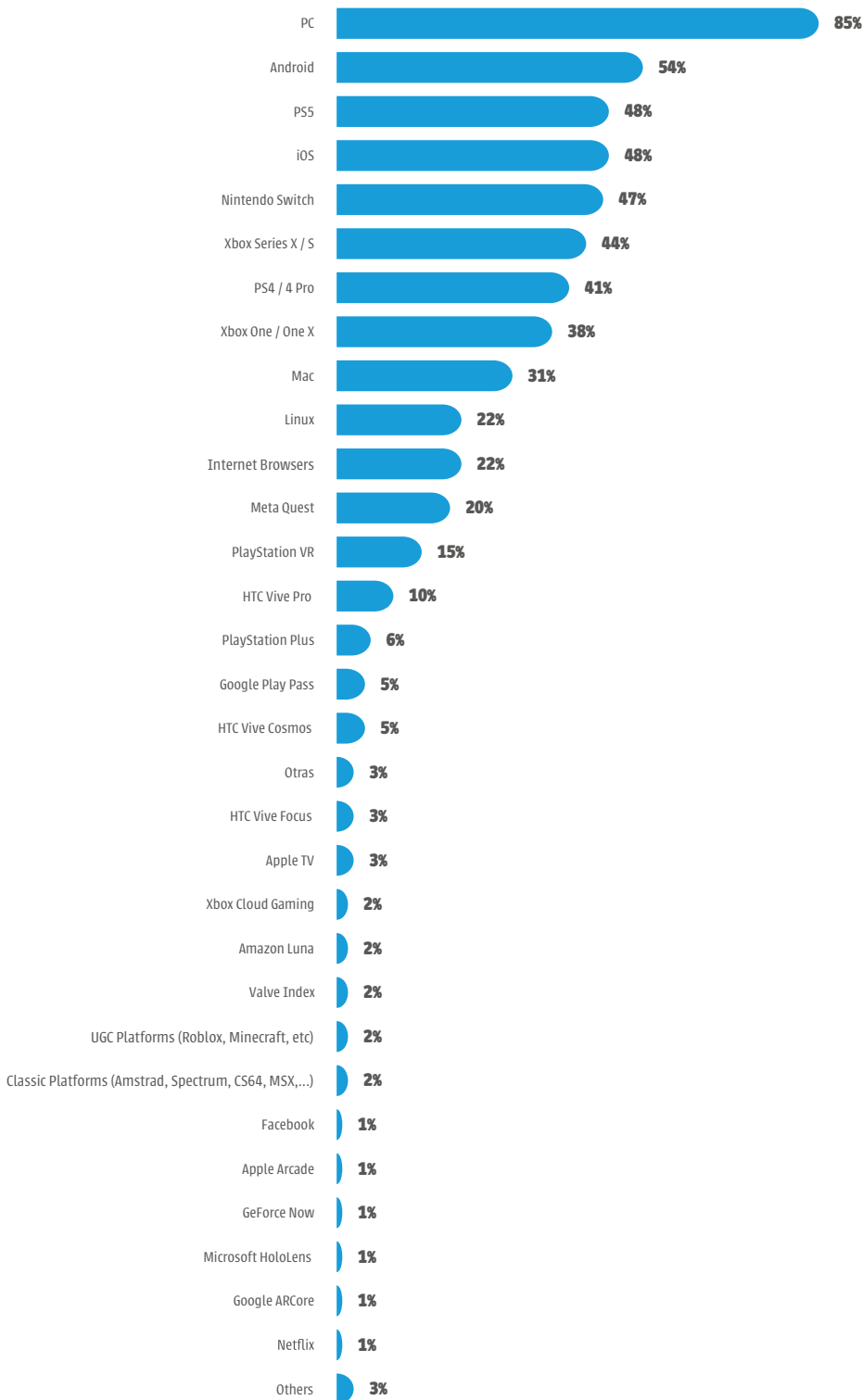


Digital sales remains the key source of revenue for the entire sector. Taking into account all its modalities the total reaches 56%, with pay-per-download the main option at 39%. The total figure represents a drop of nine points compared to last year. Development for third parties, with 18%, is the second main activity of the studios and sale of services has grown strongly, from 3% to 13%.

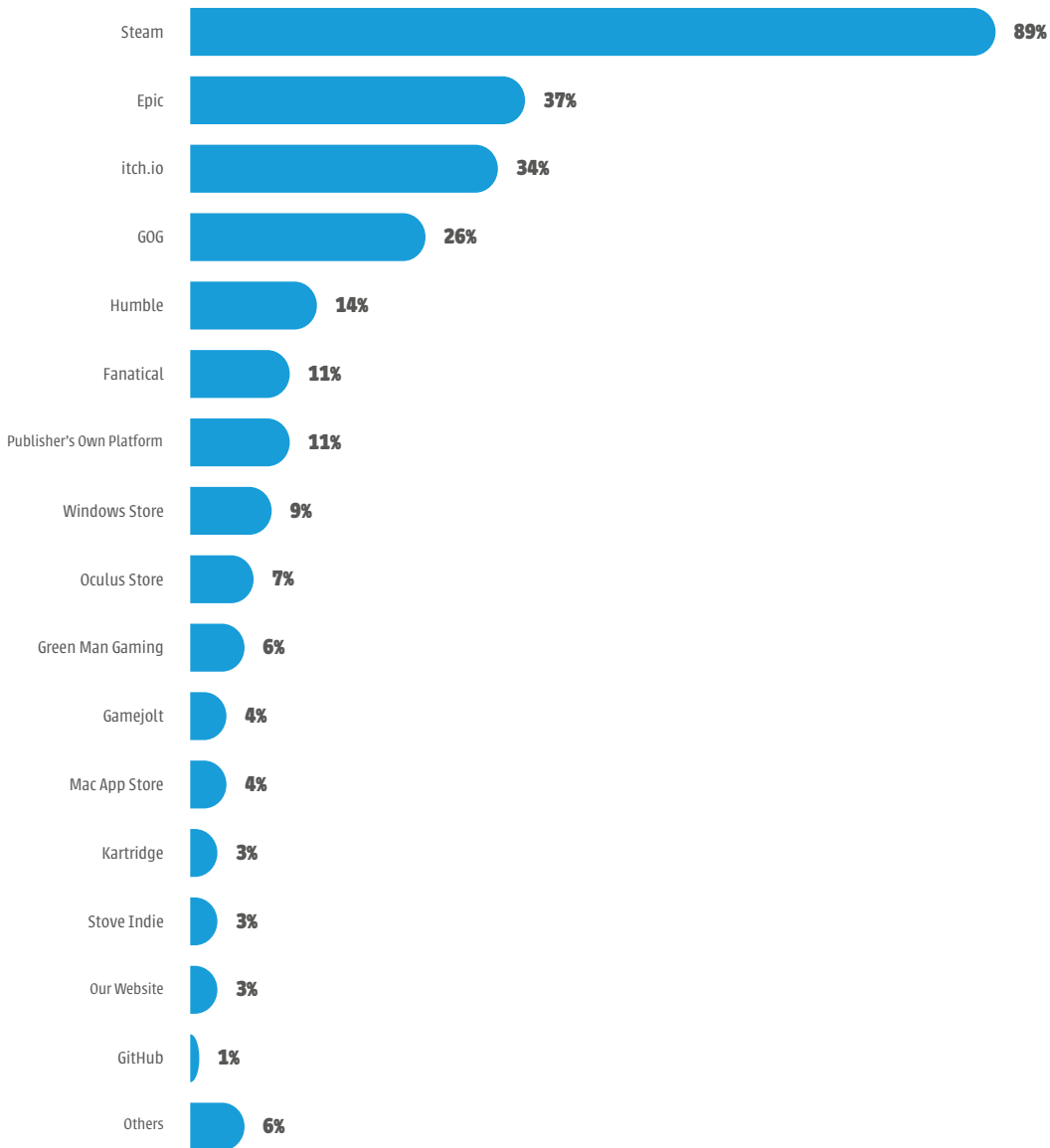


## Platforms and tools

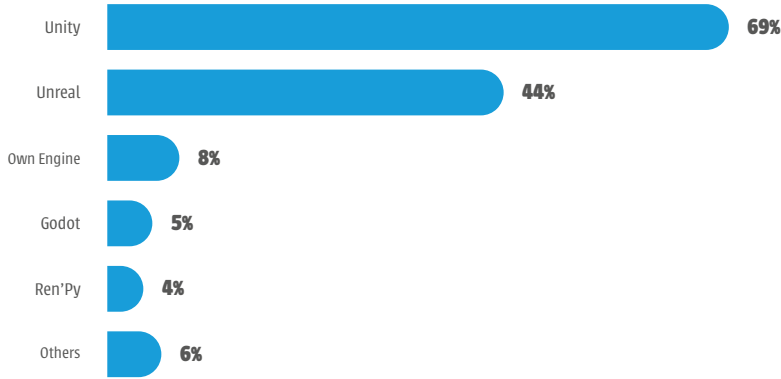
The PC (85%) is still the most popular platform among Spanish studios, which in this year’s survey have placed mobile platforms – Android (54%), iOS (48%) – ahead of desktop consoles. This year, PlayStation 5 (48%) has become the preferred desktop console for the studios, ahead of Nintendo Switch (47%) and Xbox Series X|S (44%).



As to the digital stores preferred by the studios, the podium remains intact compared to last year with Steam (89%) leading, followed distantly by Epic Games Store (37%) and itch.io (34%). Despite the distance, it should be noted that Epic Games Store and itch.io have grown five and two points, respectively.

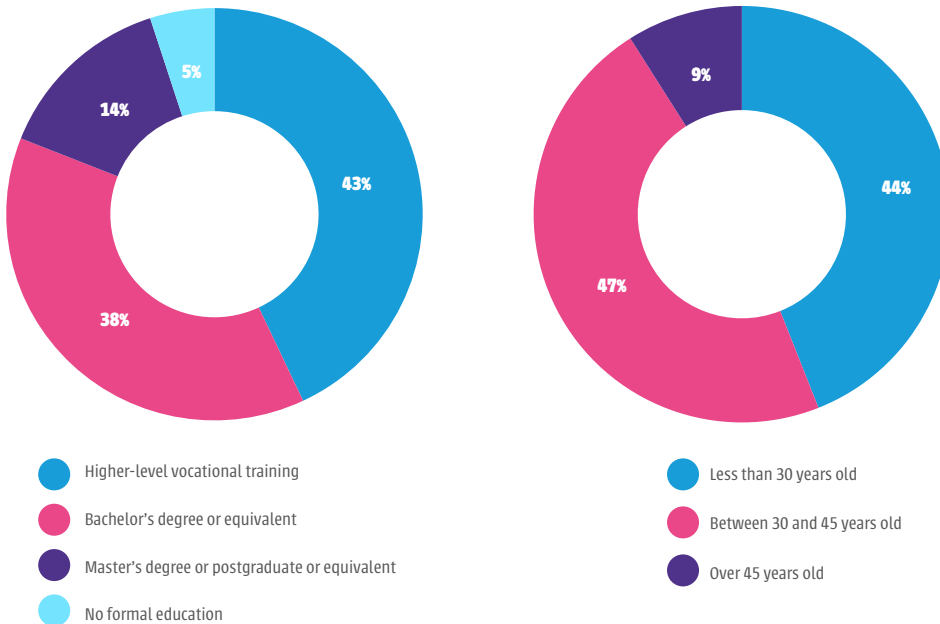


Despite last year’s controversy, Unity (69%) remains the primary tool at Spanish studios, followed at some distance by Unreal Engine (44%). The distance between the two tools has dropped by seven points from last year.

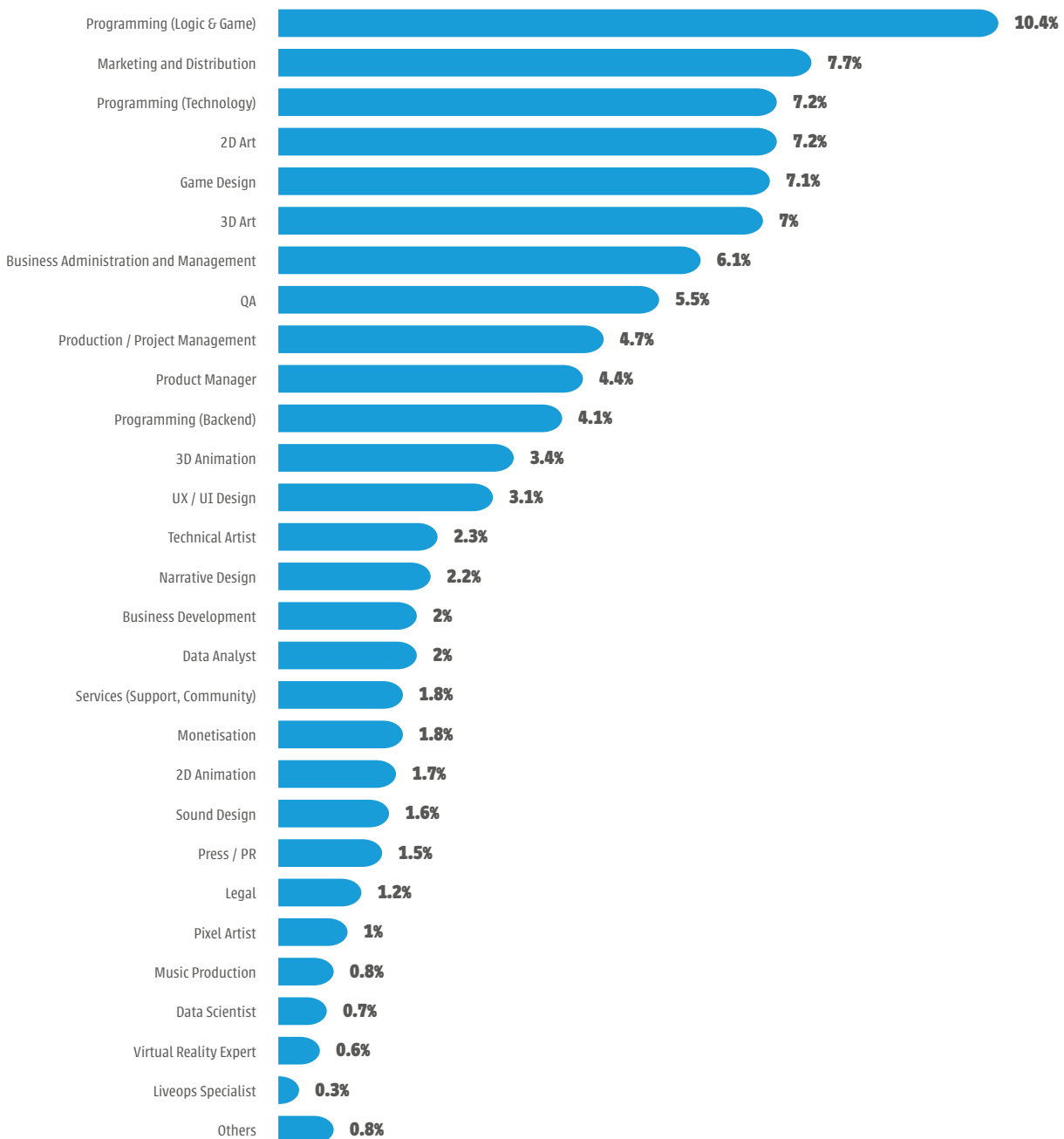


### Employment and professional profiles

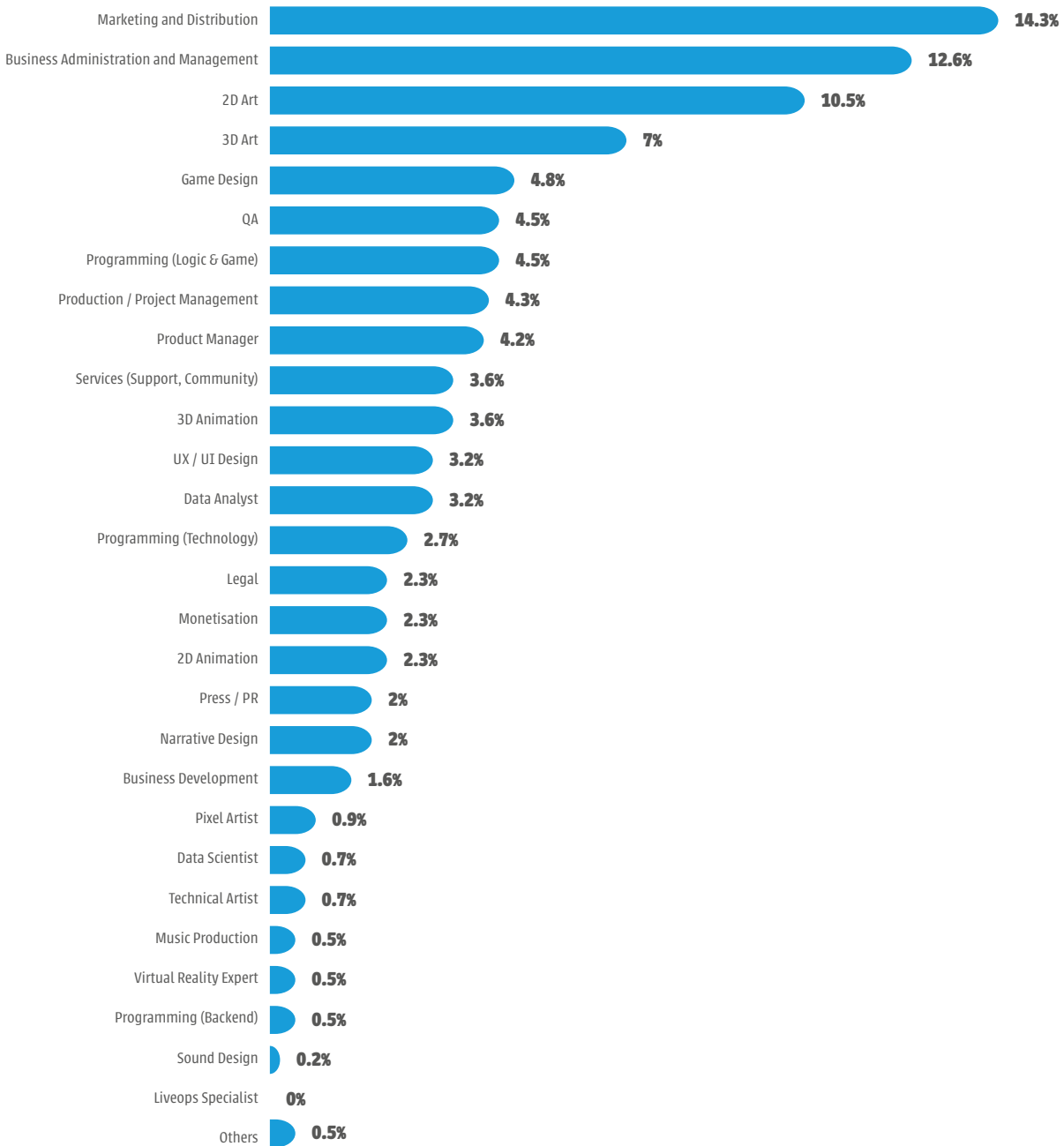
The Spanish video game is an engine for stable job creation and provides quality work. Eighty-three percent of Spanish workers have a university degree or have done a high-level training program, nine points higher than the 2022 figure. Ninety-one percent of workers are under 45 years of age. The largest group is between 30 and 45 years old (47%) and only 9% of workers are above the age of 45, two points more than in last year’s report.



Programming profiles remain the most popular at the studios, reaching 21.7%. Of these, the most numerous are logic and game (10%) followed by technology (7%) and backend (4%). Profiles in 2D and 3D art have decreased compared to last year (going from 17% to 14%). The marketing and distribution profile has grown significantly (7.7%). Designers (7%), business administration and management profiles (6%) and quality controllers (5%) complete the classification of the most prevalent profiles.



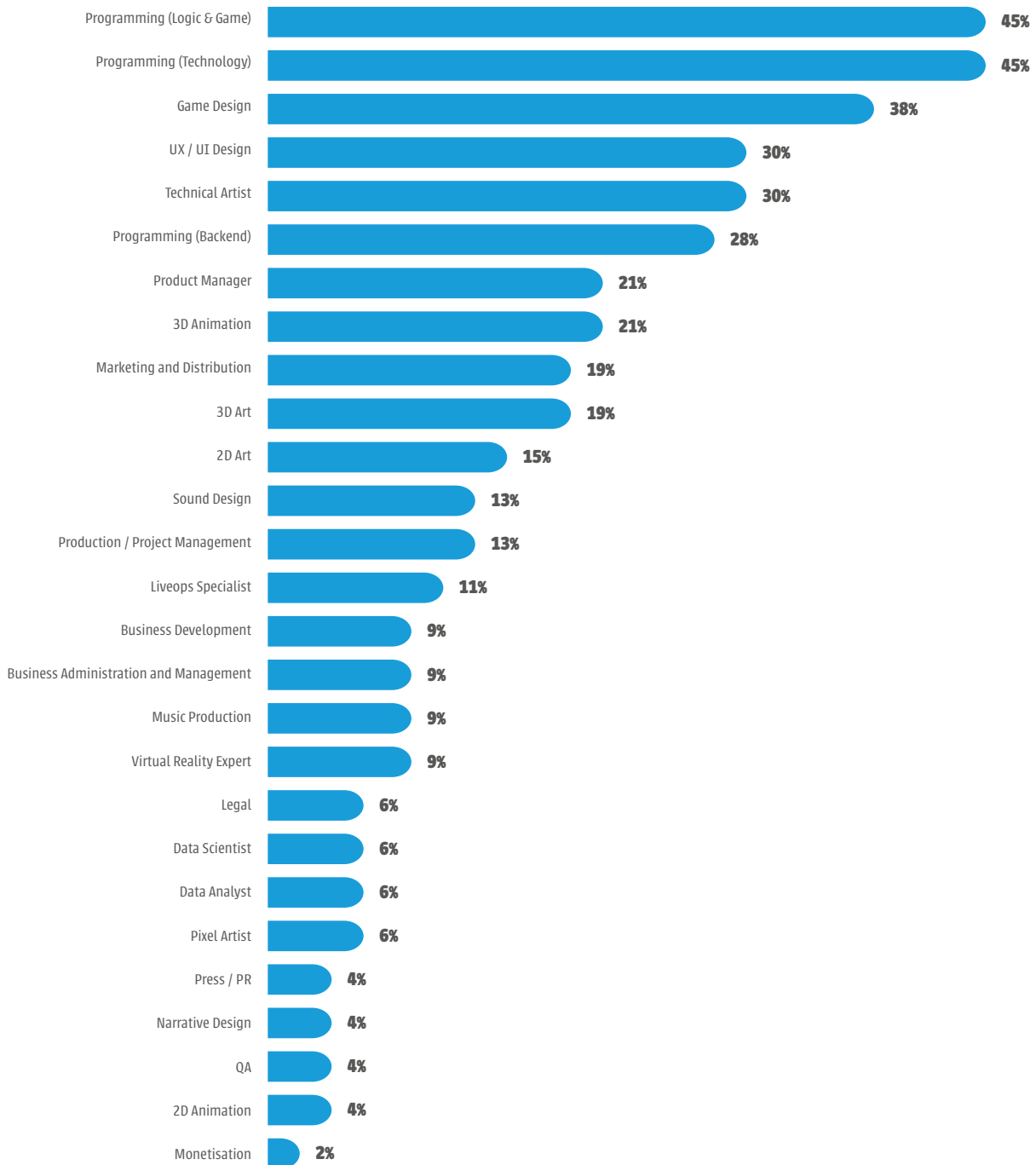
Female profiles are more frequent in marketing and distribution departments (14%), business administration and management (12%), and 2D art (10%) and 3D art (7%). It is striking the little weight they have in programming: 7.7% adding together the three departments.



## Training needs

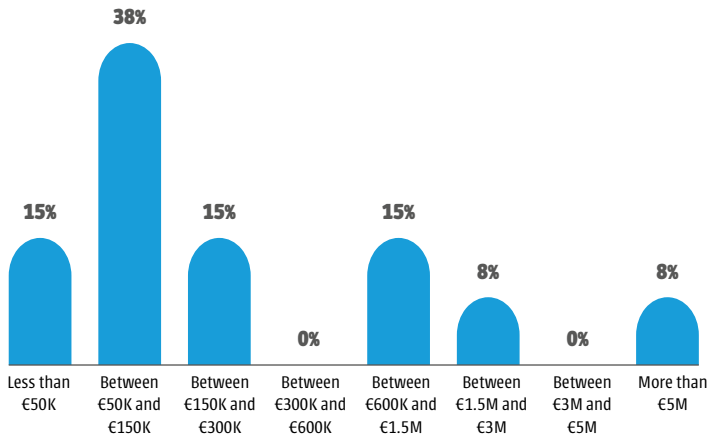
Fifty-five percent of Spanish studios admit to having problems in finding highly-qualified professional profiles. Programming profiles in logic and game (45%) and technology (45%) are the most complicated to hire, followed by designers (38%), UX/UI designers (30%), and technical artists (30%).

Companies point to overly generalist training (64%), high competitiveness between companies as to salaries (52%) and teachers with little experience and low-quality training (both with 48%) as the main reasons why the training that new employees receive is not of the desired quality.

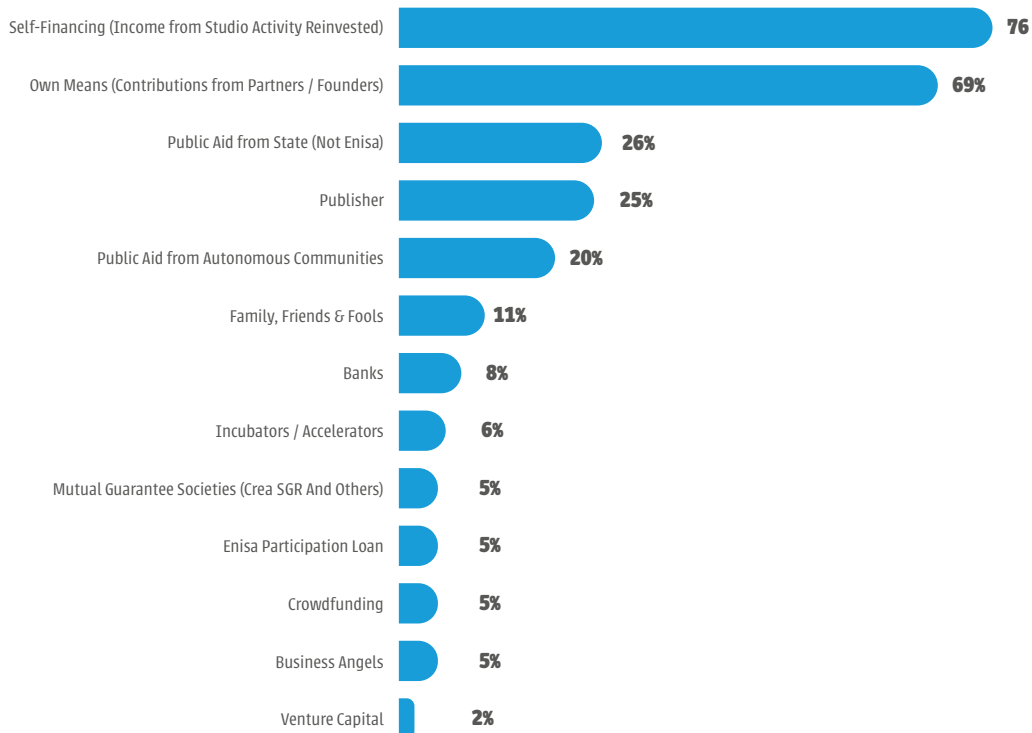


## Funding requirements

Sixty-seven percent of Spanish studios need investment to take on future projects. It is equally divided between those who need between 50,000 and 150,000 euros (24%) and those looking for between 600,000 and 1,500,000 euros (24%). Only 14% of studios have needs that go above 1.5 million euros.

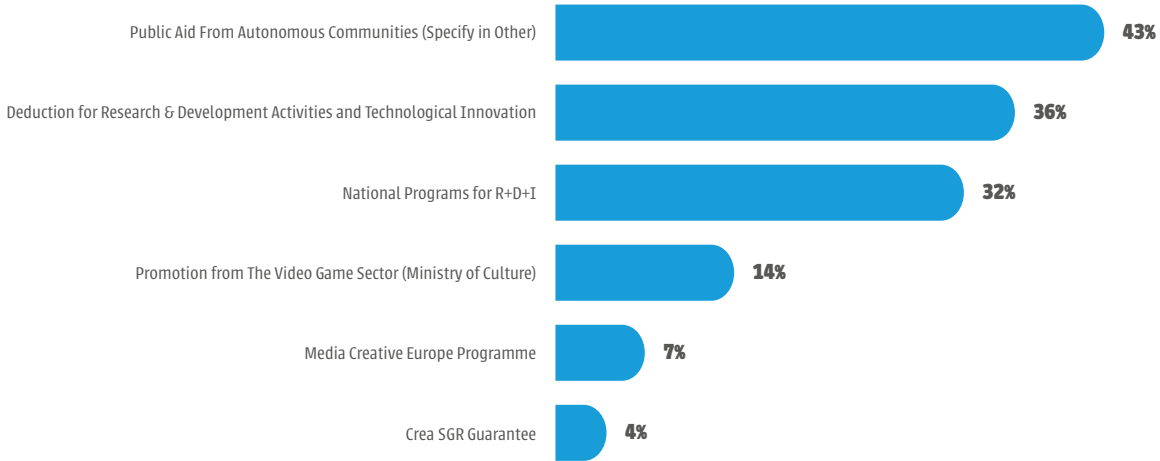


Self-financing or income derived from the studio’s activity, with 76%, and own resources, contributions from the partners and founders, with 69%, remain in the first two positions. State aid has risen sharply, from 12% to 26%, a figure that should keep rising in the coming years. Studios working with a publisher have fallen from 29% to 25%.

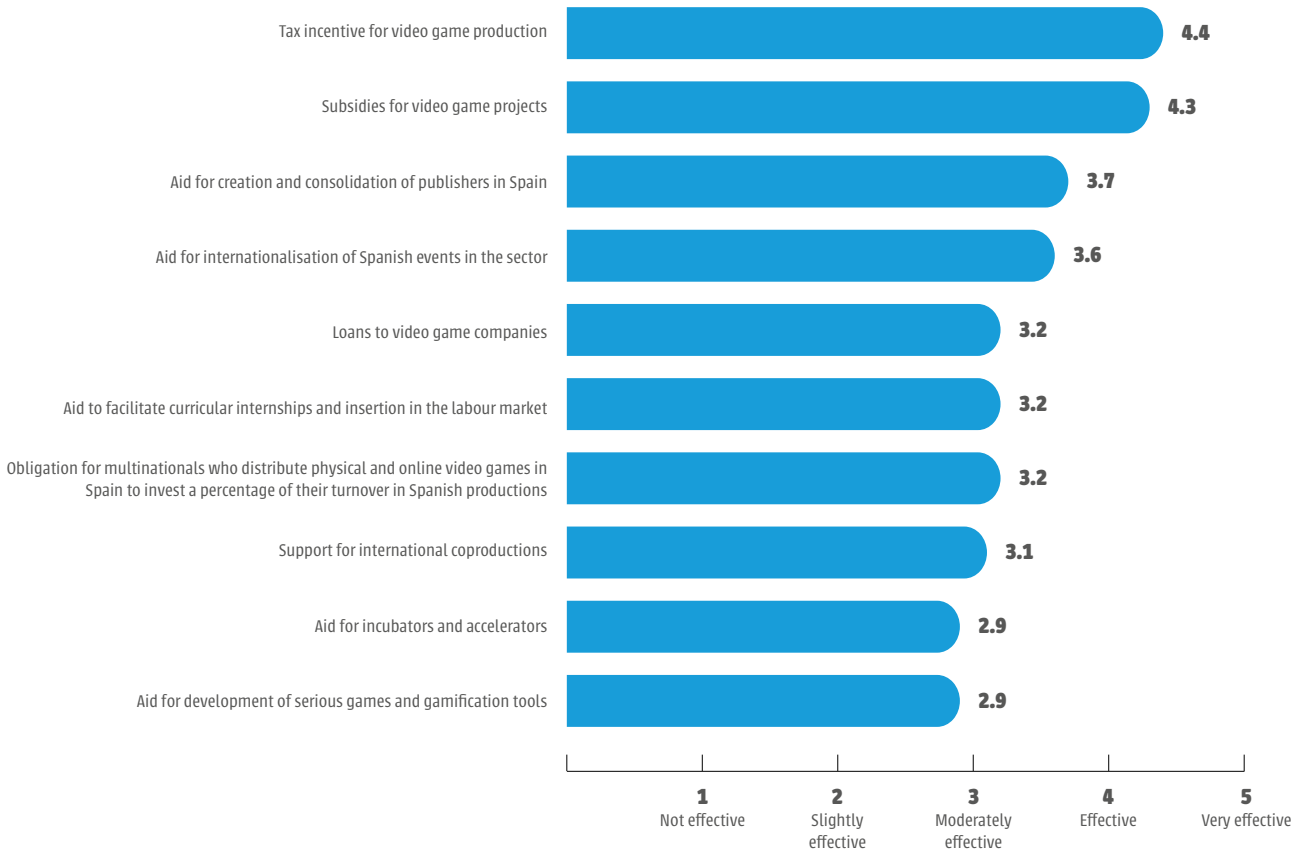


## Public aid

Thirty-six percent of studios received some type of public aid last year. The main aid came from the autonomous communities (43%), the deduction for R+D+i activities (36%), and national R+D+i programs (32%).



The tax incentive (with a score of 4.4 out of 5) has solidified as the measure that studios believe would have the most impact on the growth of the industry in our country, followed closely by subsidies for video game projects (4.3 out of 5). Eighty-five percent of studios consider that the tax incentive would be between effective and very effective for the sector.



## About DEV

**DEV, the Spanish Association of Video Games and Entertainment Software Producers and Development Companies**, represents the interests of video game development companies, Spanish ones as well as international companies based in Spain, who are committed to the development of this sector. The association advocates for institutional recognition of the video game industry as a strategic, highly technological sector, an engine for new business models, a creator of employment and an international exponent of our culture.

The governing and representative bodies of the Association are, respectively, the General Assembly and the Board of Directors, currently made up by:

**President:** **Mauricio García**, Director of The Game Kitchen

**Vice Presidents:** **Juan Castillo**, Technology Director at GGTech

**Xavier Carrillo**, CEO at Digital Legends

**Treasurer:** **Fran Gálvez**

**Spokespeople:** **Ana Molina**, CEO at Odders Lab

**Anabel Sánchez**, Founder of Malapata Studio

**Antonio Iglesias**, Co-founder of Kraken Empire

**Javier Capel**, Director at Ubisoft Barcelona

**Jesús Bosch**, General manager at Product Madness

**Jorge Bassols**, CFO at Socialpoint

**Luis Olivan**, Co-founder of Fictiorama

**General Secretary:** **Antonio Fernández**

**Technical Secretary:** **Emanuele Carisio**

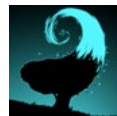
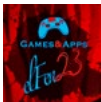
## Major milestones

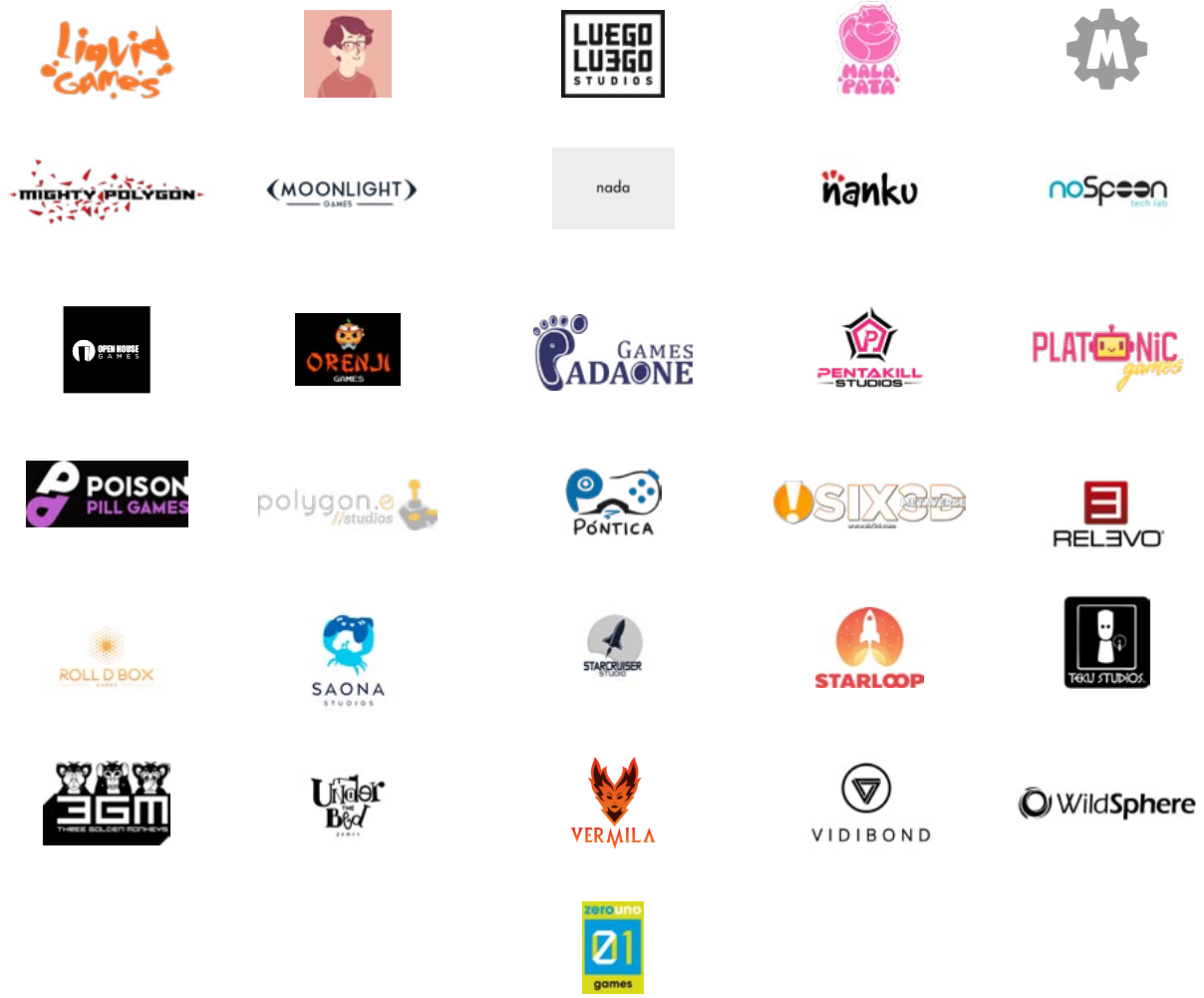
DEV's direct actions have led most notably to the following milestones:

- 2009** The Committee on Culture at the Spanish Parliament recognised the video game as a cultural industry. This recognition has allowed the video game industry to benefit from the Plan to Promote Cultural and Creative Industries launched by the Ministry of Culture.
- 2010** Video games are considered to be a strategic sector in the Plan Avanza and especially in Avanza 2.
- 2010** ICEX implements the Sectoral Plan for video games to encourage internationalisation of Spanish development studios.
- 2012** DEV signs an agreement with CREA SGR, which offers the best conditions for guaranties.
- 2013** DEV promotes point 9 of Axis I of the Plan to promote the digital economy and digital content, specifically for development of video games, with an endowment of 35 million euros in credits and 3.5 million euros in subsidies.
- 2014** DEV publishes the White Paper on Spanish Video Game Development, the first in-depth analysis of the Spanish video game development industry.
- 2014** Thanks to the impetus of DEV, the SETSI publishes the first aid scheme for the video game sector. Aid for projects is granted for a total amount of 21 million euros
- 2014** In Law 27/2014, of November 27, on Corporate Tax, deductions are introduced for technological innovation activities for video game prototypes and pilot projects.
- 2015** ENISA creates the new “Digital Agenda” line, with a budget of more than 15 million euros aimed at participatory loans in video game projects and digital content.
- 2016** The Committee on Culture at the Spanish Parliament unanimously approves two non-legislative proposals in which the government is asked to support the Spanish video game development industry, in addition to tax incentives.
- 2017** The Department of Economy, Employment and Finance in the Community of Madrid launches a working group to study and implement a specific development plan for the creation and production of video games in the region.
- 2017** The Parliament of Catalonia approves a resolution on the establishment and convening of a multidisciplinary working group on the video game industry.
- 2017** The Conference on the Culture Sector launches the first video game roundtable with the General State Administration, the autonomous communities and the main agents in the sector.
- 2018** DEV publishes “The 3Ds of Video Game Financing: *Detectar, Destinar, Devolver* (Detect, Allocate, Repay)”, a report aimed at raising awareness on both the supply of capital and the demand from projects to invest in.

- 2018** Red.es launches the first call for proposals for the new program to promote the video game sector, having an endowment of 5 million euros.
- 2018** The Parliament of Catalonia approves a resolution on the establishment and convening of a multidisciplinary working group on the video game industry.
- 2018** DEV presents the White Paper on the Development of Video Games in the Community of Valencia.
- 2018** DEV, with support from the Ministry of Culture and Sport and from ICEX Spain Trade and Investment launches [www.GameSpain.es](http://www.GameSpain.es), the first online interactive directory of the Spanish video game development industry.
- 2018** DEV launches the first Census of the Audio Sector for Video Games and Interactive Experiences in Spain.
- 2018** DEV and the Ministry of Culture and Sport organise the I Game Jam Open Culture.
- 2019** DEV and the Department of Culture and Tourism of the Community of Madrid organise the I Game Jam Madrid Crea.
- 2019** The Department of Culture and Tourism of the Community of Madrid launches a program of grants to companies and individuals for the creation and development of video game projects.
- 2020** DEV publishes the study “The impact of the COVID-19 crisis on business in the video game development industry”.
- 2021** The Committee on Industry, Commerce and Tourism in the Spanish Parliament has approved a non-legislative proposal that urges the government to include the video game in the deduction for investments in film productions, audiovisual series, and live performing arts and musical performances.
- 2022** DEV publishes the report “#GameDevEs: an in-depth analysis of professionals in Spanish video game development”.
- 2023** DEV publishes the study “Impact from the use of tax incentive schemes for investment, business growth, and employment in the video game production industry”.

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# **WHITE PAPER ON SPANISH VIDEO GAME DEVELOPMENT**

2023 EDITION

Promoted by



DEV - Spanish Association of Video Games and Entertainment  
Software Producers and Development Companies

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