

WHITE PAPER ON SPANISH VIDEOGAME DEVELOPMENT 2024

EXECUTIVE SUMMARY



Promoted by:



With support from:



Promoted by:



With support from:



In collaboration with:



With sponsorship from:



This work as well as all its content are expressly protected by intellectual property rights, whose ownership is held by the Spanish Association of Video Games and Entertainment Software Producers and Development Companies (DEV). Some rights reserved. The reproduction and public communication of this work is allowed as long as there is no commercial or economic purpose. Its physical distribution and transformation is expressly prohibited without explicit prior authorisation from DEV. If you wish to exercise any of the rights not recognized in this clause, please contact DEV at the following e-mail address: info@dev.org.es.

Introduction

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

The White Paper, this year celebrating its eleventh edition, is aimed at development studios, current and future professionals, public institutions, and also national and international private investors as well as society overall. 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 the electronic reports downloaded more than 100,000 times, hundreds of views in the media (press, radio, news reports on public and private television stations) and countless references in blogs, websites and mentions or participation in industry events. 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 industry it is related to. For this reason, 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.

In the following pages 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 2024.

The cover of the White Paper's eleventh edition celebrates the growing presence of Spanish cultural elements in our games, reflected in three characters from three Spanish games published in 2024: La Repompa de Málaga from Flamenco! (Novelingo), Leucón from Songs of Steel: Hispania (Meteorbyte Studios) and The Penitent One from Blasphemous II - "Mea Culpa" DLC (The Game Kitchen).

Measures to promote the economy of the Spanish video game development industry in 2025

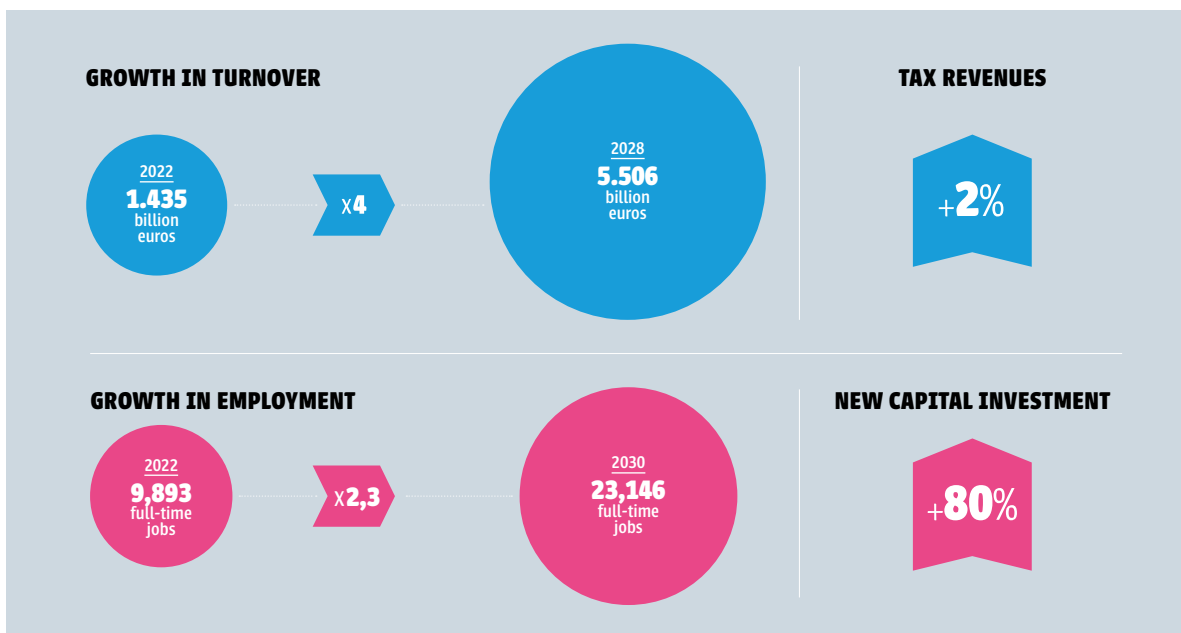
After eleven editions of the White Paper, our experience permits us to make a diagnosis of the reality of the Spanish production sector and to formulate some proposals for measures that, a priori, will have a positive effect to establish and strengthen the growth of the studios, consolidate them, and encourage a correct density in the sector, ensuring development of new projects.

These proposals are aimed at, on the one hand, the Spanish government and the autonomous communities, depending on their competences, as well as the main international private operators that market their products in Spain.

1. Establish tax incentives for video game production

The implementation of a system of tax deductions for investment in video game production is a necessary measure to encourage entry of national and international investors into video game projects developed in Spain. The high effectiveness of this step has been widely demonstrated in the audiovisual sector, including in animation and visual effects.

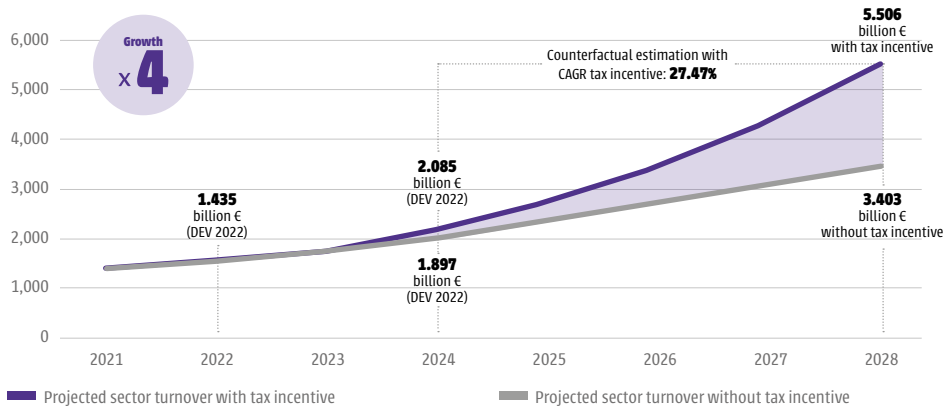
MAIN DIMENSIONS. The working hypothesis set out in this report shows that the positive and direct impact of a **20% tax credit on corporate taxes** in the video game production sector would produce the following **results** in Spain:



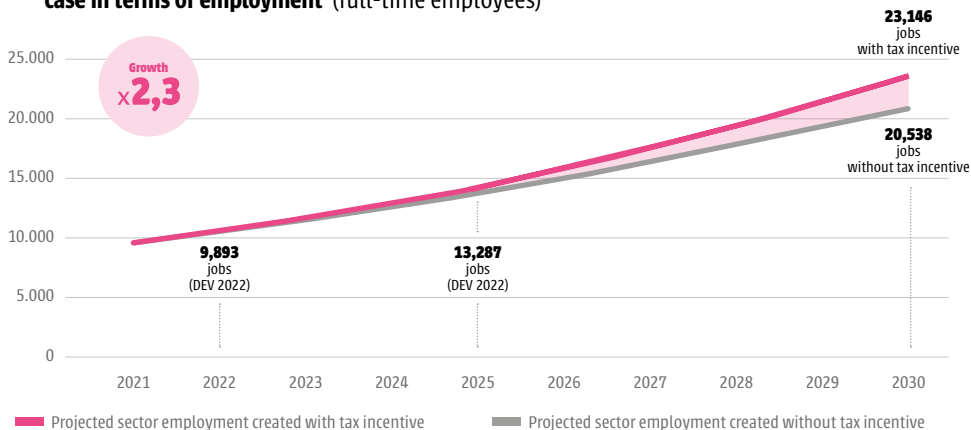
(source: DEV, Impact from the use of tax incentive schemes for investment, business growth and employment in the video game production industry, <https://dev.org.es/incentivofiscal>)

- a. **What to do?** Amend Article 36 of the Corporate Income Tax Law to incorporate a new Section 4 so that the video game industry has tax incentives for production and acquisition of international projects, similar to what the audiovisual industry, performing arts and live music already receive. 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 and the Netherlands, as well as the United Kingdom) have implemented this measure, which is increasing the number of productions, attracting large investments and establishing a significant multiplier effect.
- c. **What is the foreseen impact?** According to the report *Impact of the use of tax incentive systems for investment, business growth and employment in the video game production industry* (<https://dev.org.es/incentivofiscal>), implementation of a tax deduction for investments in video game development projects would allow the sector to quadruple turnover and double high-quality employment. This is because it makes our country more attractive as a global industry, attracting specialised capital as well as generalist capital, which places greater interest on tax incentives for investment.

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



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



(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 to support plans for the Spanish video game development industry

- a. **What to do?** Maintain the lines of support that were implemented within the framework of the Recovery, Transformation and Resilience Plan, increasing the budgetary allocation while also creating the necessary new lines:
 2. **Public aid to promote the video game sector and for other forms of digital creation.** This aid in the form of grants, organised by the Ministry of Culture and endowed with a budget of five million euros in 2024, is aimed at projects in the video game sector as well as incubator, mentoring or accelerator programs and for professional events and cultural exhibitions.
 3. **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 grants.
 4. **Promote public-private investment through already existing instruments** to promote the public-private partnership framework for growth, development and internationalisation of Spanish video game development companies through the Venture Capital - Axis line at ICO or through investment and financing instruments from the Spanish Society for Technology Transformation, SETT.
- 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 maintain a firm commitment by raising budgets to respond to the needs for growth in the sector.

It is extremely difficult for newly-created studios to gain access to commercial financing as they do not have a credit history that is trusted by banks. In these stages prior to their consolidation, it is necessary that there be flexibility in the criteria used for risk analysis.

- 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 use of video game technologies and tools in other industries, education and the public sector; promote 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 the new jobs of 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. Encourage 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, as female employment is only at 26%, which contrasts with the balance that exists in terms of gamers (50.4% are women). Forty-five percent of studios admit to finding it difficult to fill more specialised professional profiles.

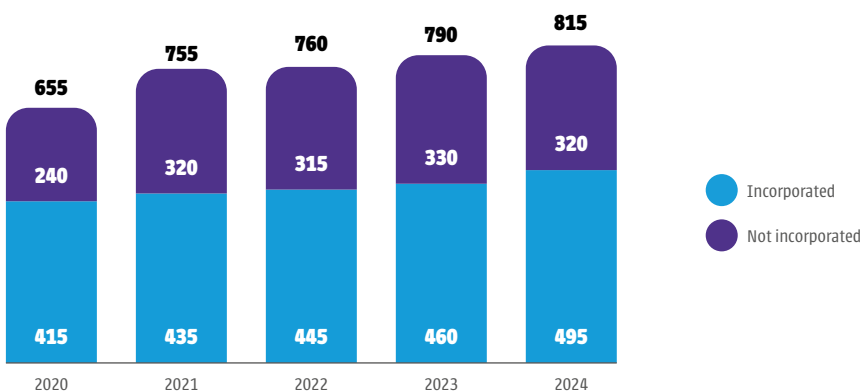
- c. **Impact:** More hiring of junior professionals and greater job possibilities in contrast to the alternative of entrepreneurship without sufficient vocation and business knowledge due to a lack of professional opportunities. More internship opportunities in companies, which increases the professionalisation and employability of students. Increase female professionals in the industry with equal working conditions.

4. Encourage a reinvestment framework for multinationals to invest in Spanish video games

- a. **What to do?** Encourage commitment from the companies that distribute physical and digital video games in our country to voluntarily commit to investing in national video game production.
- 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. Based on Spain’s strength as a market, we ask international distributors to make a bigger commitment to society, reinvesting a small part of their turnover in active support of video games produced in Spain.
- c) **Impact:** A reinvestment of 5% of international distributors’ gross turnover could produce a purse of up to 100 million euros that would go toward producing video games in Spain.

Business Composition

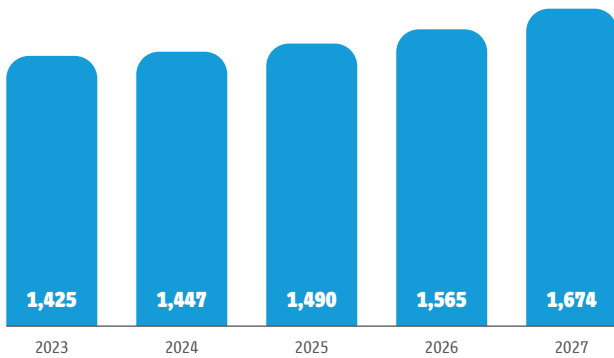
In Spain, we have 815 studios actively developing video games. Of them, 495 are established as companies and 320 still have not done so even though they are developing some type of product. In addition to the 495 studios established as a going concern, we have found 175 studios with no activity.



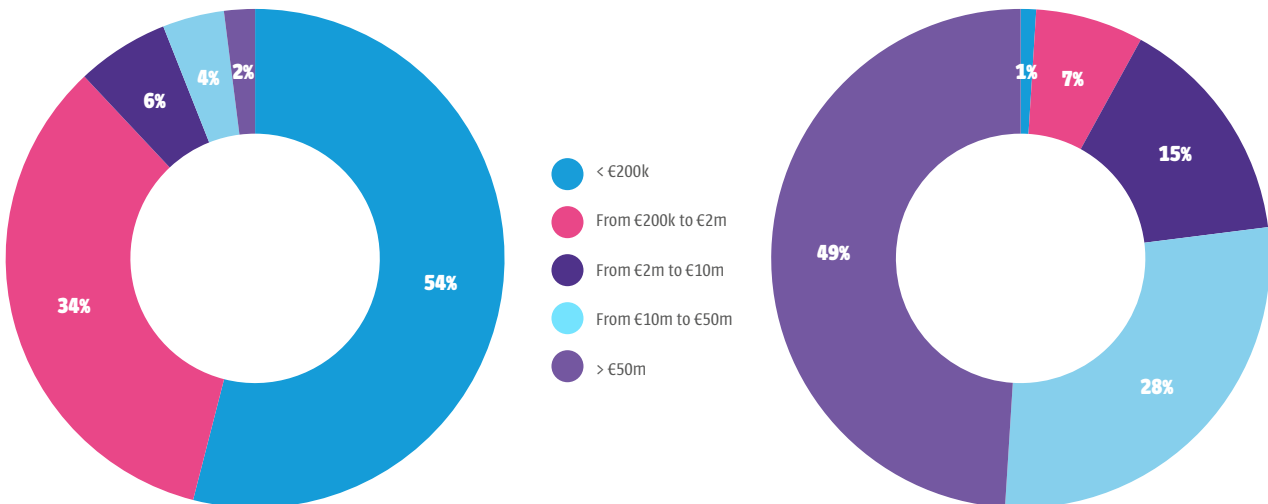
Catalonia (32%) and Madrid (23%) are home to more than half of the industry in Spain. Andalusia (13%) and the Community of Valencia (10%) are still at a considerable distance. The remaining autonomous communities are home to less than 3% of the studios.

Billing and employment in the sector

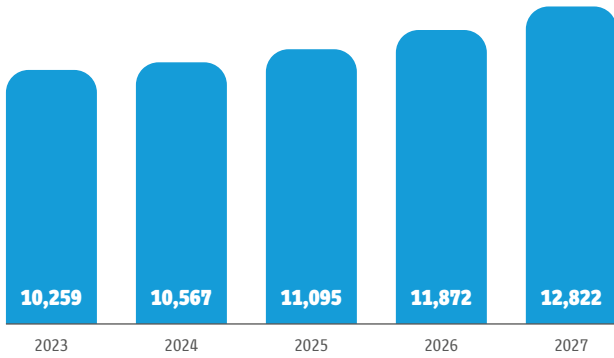
Spanish video games had a turnover of 1,425 million euros in 2023, an increase of 3.1% compared to 2022 . Fifty-three per cent of this revenue corresponds to Catalonia. Aggregate growth is expected to be 4.1% to 2027, the year in which turnover is estimated at 1,674 million euros.



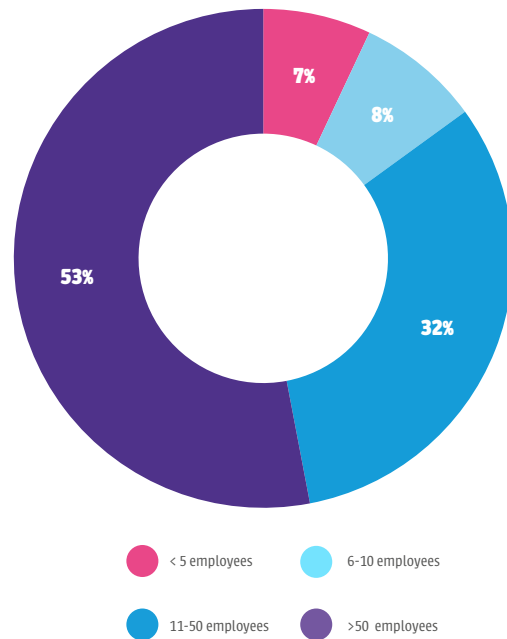
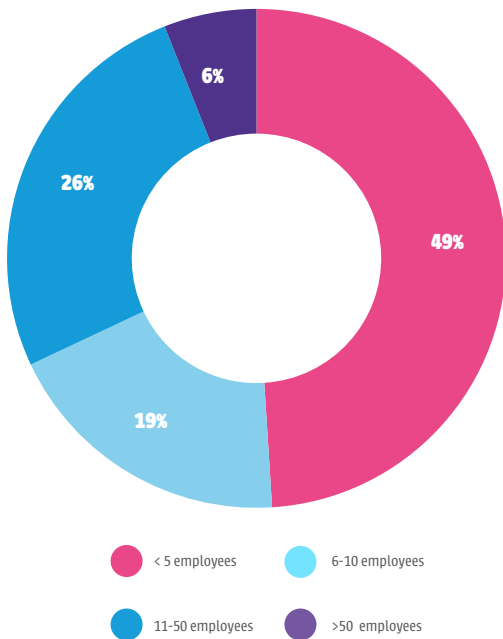
The studios that bill less than 200,000 euros per year represent 54% of the census of companies, as can be seen in the chart on the left, which reflects distribution according to sales volume. Nevertheless, their turnover is barely 1% of the sector’s total, noted in the chart on the right, which shows billing distribution according to business size. Conversely, studios that bill more than 50 million a year represent 2% of the total companies but their turnover accounts for almost half (49%) of the industry total. If added to this group are the studios that bill between 10 and 50 million per year, which represents 4% of the companies and 28% of the turnover, we find that the studios that bill more than ten million a year are responsible for more than two thirds (77%) of the turnover in our country.



The sector in Spain created 10,259 direct jobs in 2023, an increase of 10% compared to last year, with 89% permanent contracts. Catalonia has 50% of the country's workers and the presence of women in the studios has remained stable at 26%, slightly above the European average. For the 2023-2027 period, we estimate an aggregate growth rate of 5.7%.

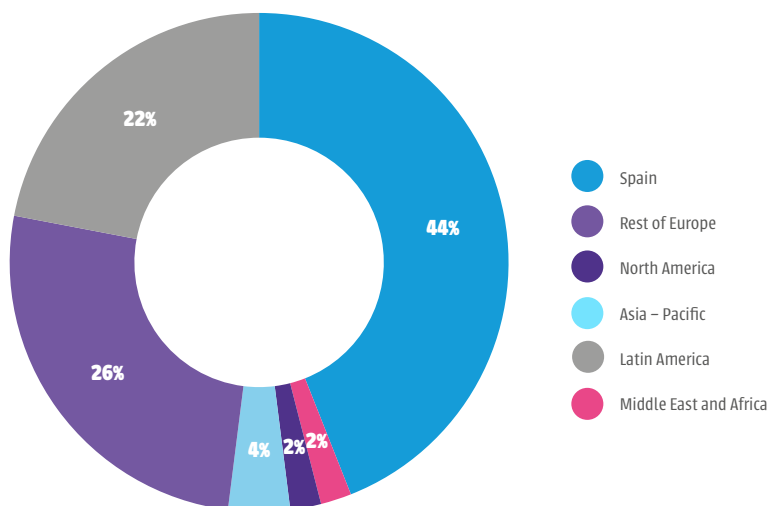


We see a trend towards a higher concentration of employment in the large companies. Even though the companies with more than 50 employees on staff represent only 6% of the total, as shown in the chart on the left which shows distribution according to number of employees, they are responsible for producing more than half (53%) of the jobs in the sector, which is reflected in the chart on the right showing distribution of employment according to business size.



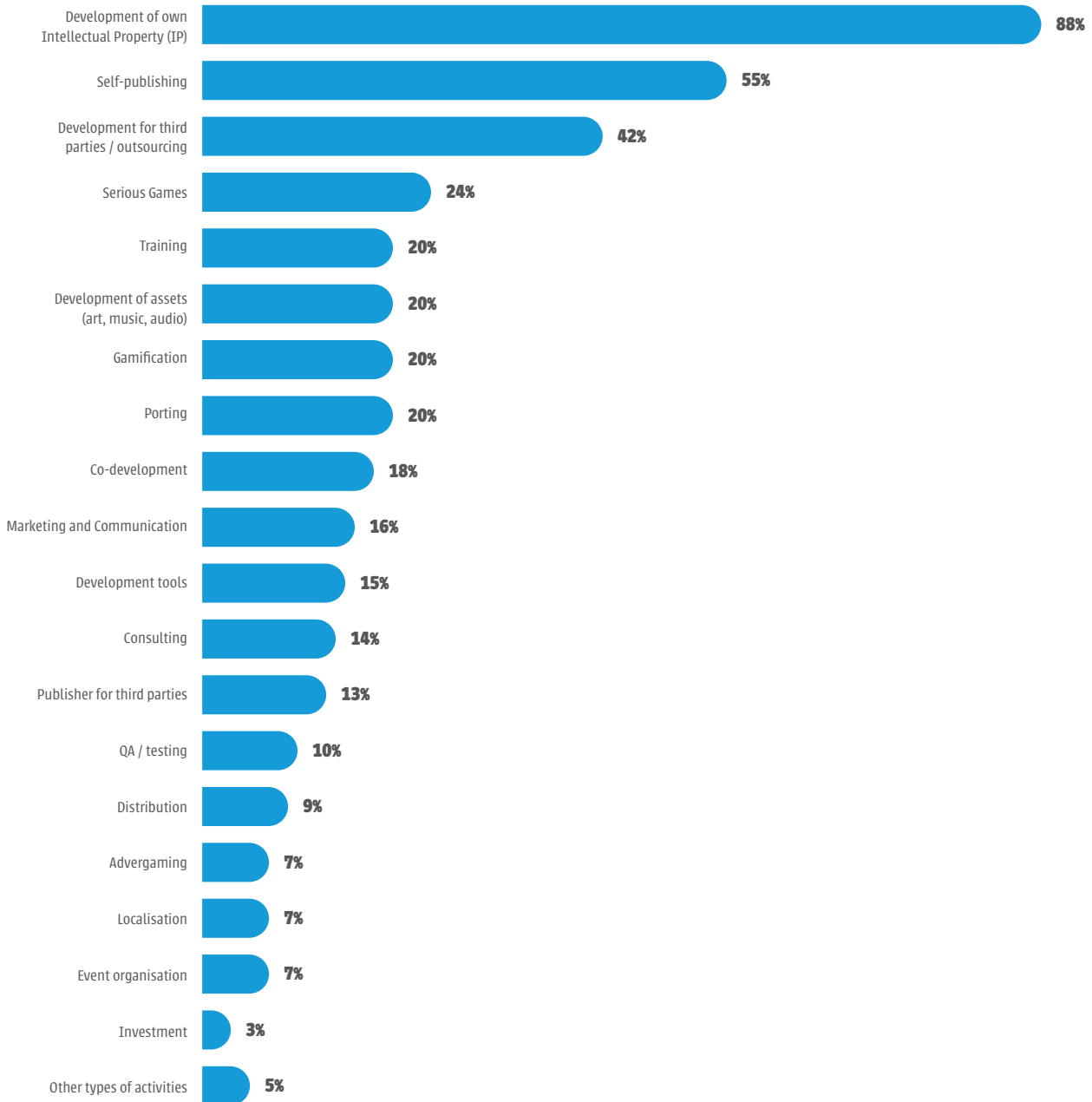
International activity

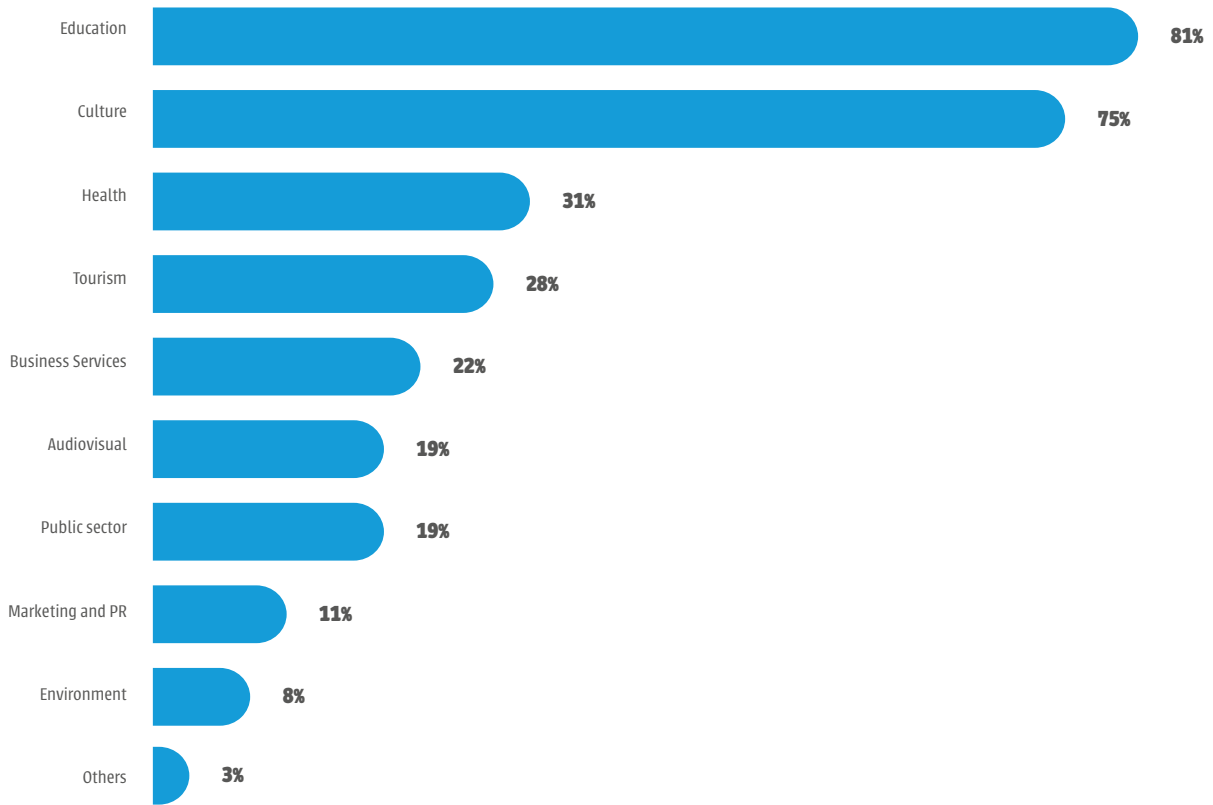
Spain (44%) remains the main market for our video games although in this year’s survey we found that the rest of the European Union (26%) represents, on average, more revenue for our companies than North America (22%). Markets in Asia Pacific (4%), Latin America and the Middle East and Africa (2% respectively) continue to be residual.



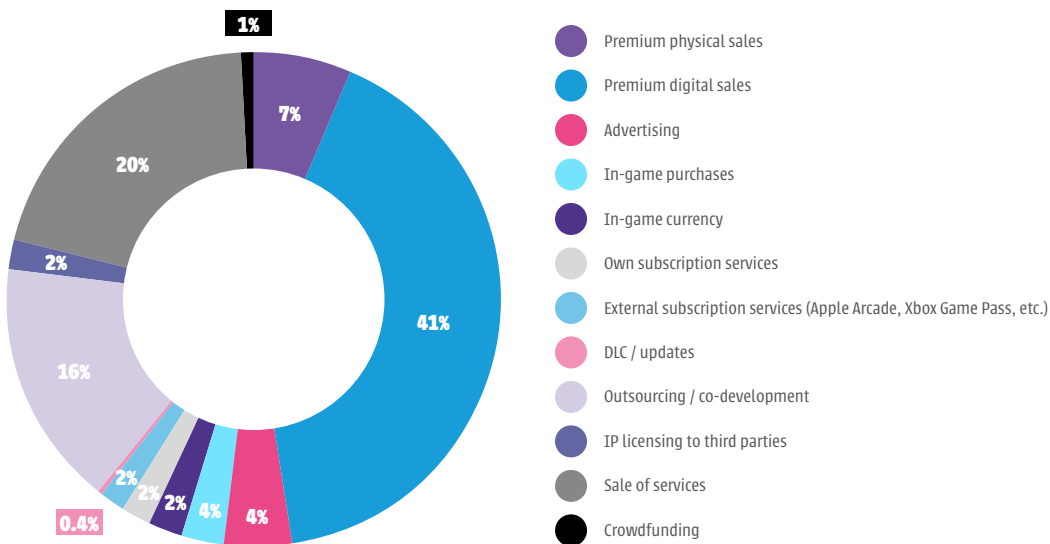
Activity and business models

Development of own IPs (88% of the studios), self-publication (55%) and jobs for third parties (42%) remain in the top three positions, with some percentage differences compared to the previous year. Twenty-four percent of studios are dedicated to the development of serious games. Of these, education (81%) remains the main sector again this year, but games aimed at culture are seeing strong growth (75%).



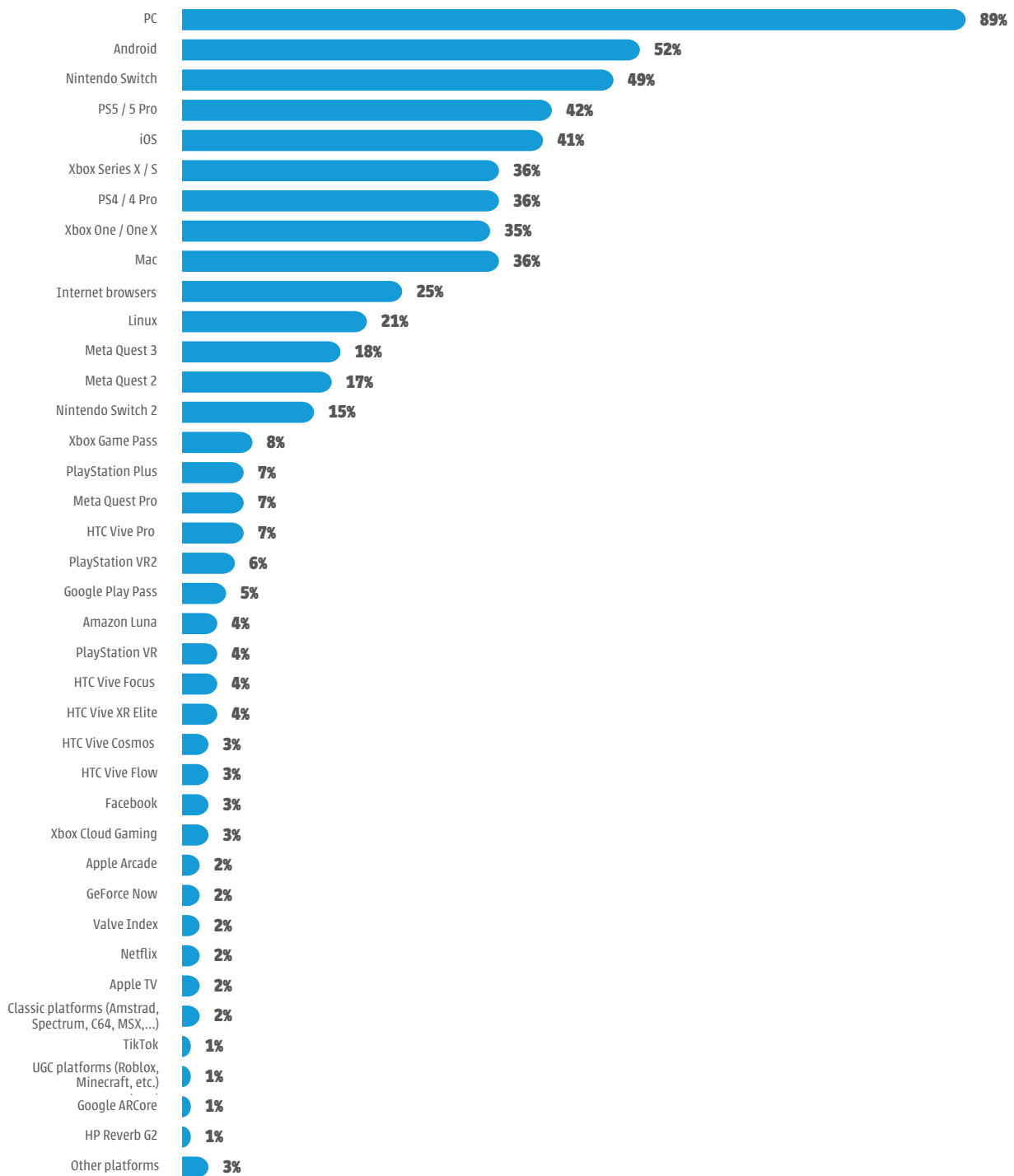


Premium digital sales (41%) remains the sector’s main business model. Sale of services (20%) and development for third parties (16%) are the next most popular formulas. The sum of all digital business models makes up 54% of billing. Premium physical sales has gone up to 7% of billing.

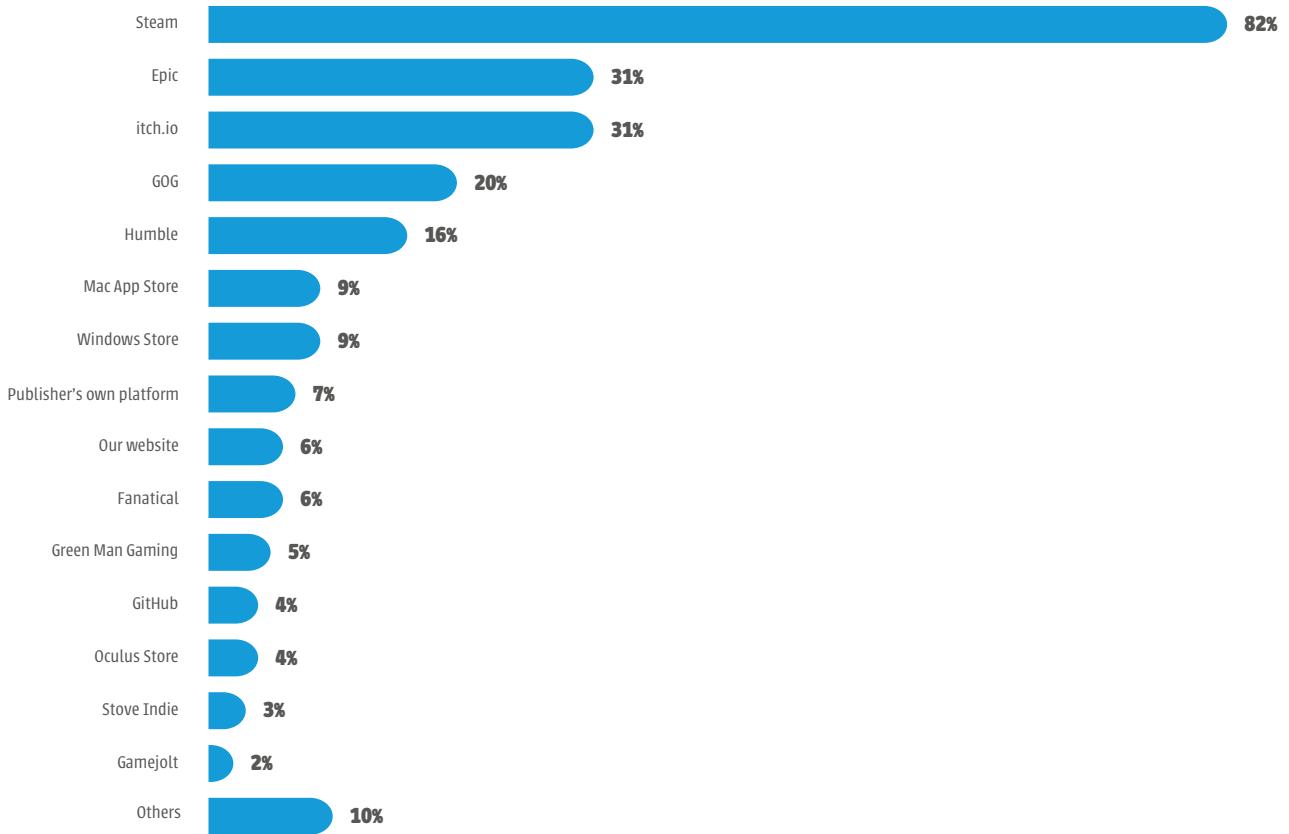


Platforms and tools

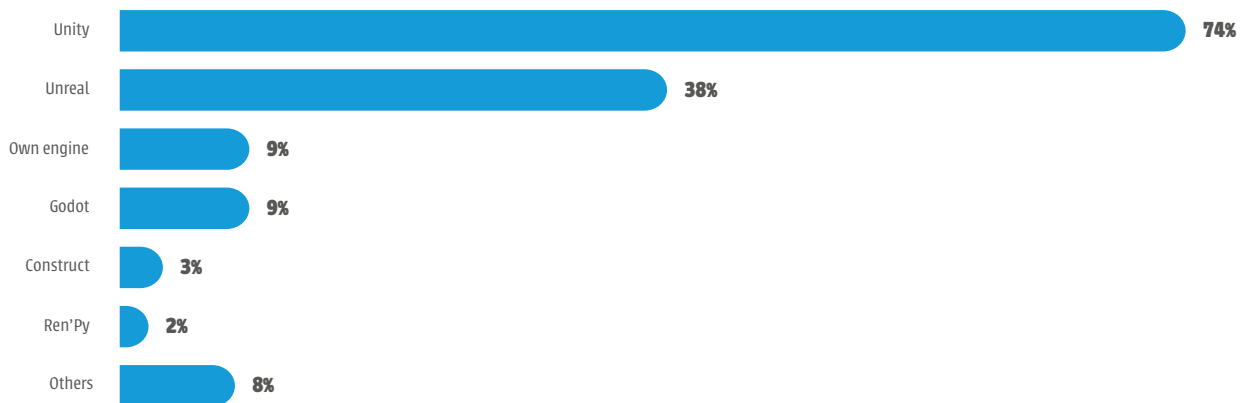
Games developed for the PC (89%) are still the most popular among Spanish studios. Android (52%) is the leading mobile platform, with iOS well behind (41%). Among desktop consoles, Nintendo Switch (49%) is the main one, followed by PlayStation 5 (42%).



Steam (82%) remains the leading digital store for our studios. It is followed, at a great distance, by the Epic Games Store and itch.io, both with 31%. GOG (20%) and Humble (16%) are other options for studios who publish on PC, although they are in the minority.

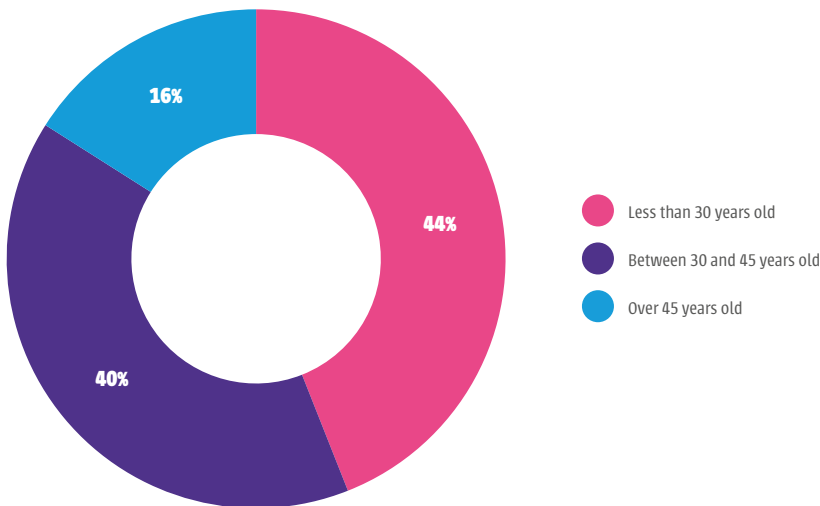
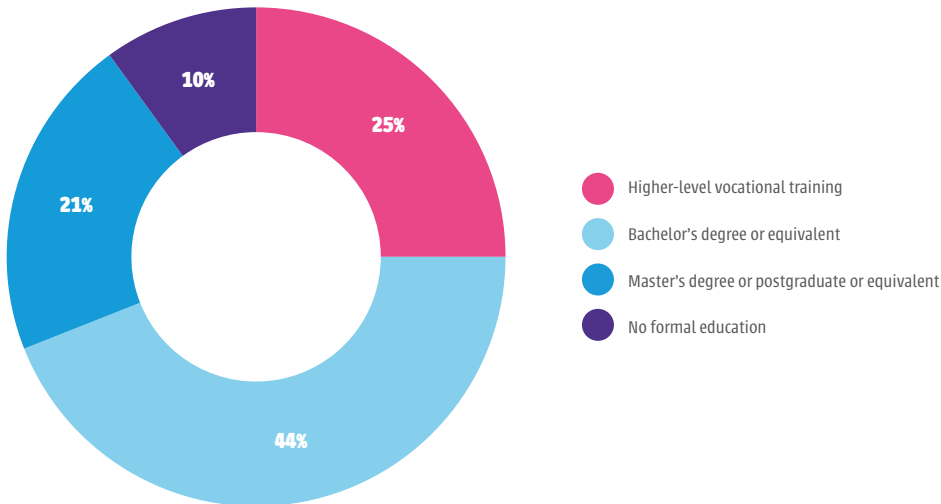


Unity's reputational crisis has not had an impact on adoption of its technology. Seventy-four percent of Spanish studios work with this engine, compared to 38% that work with Unreal Engine or the 9% that develop their own tools.

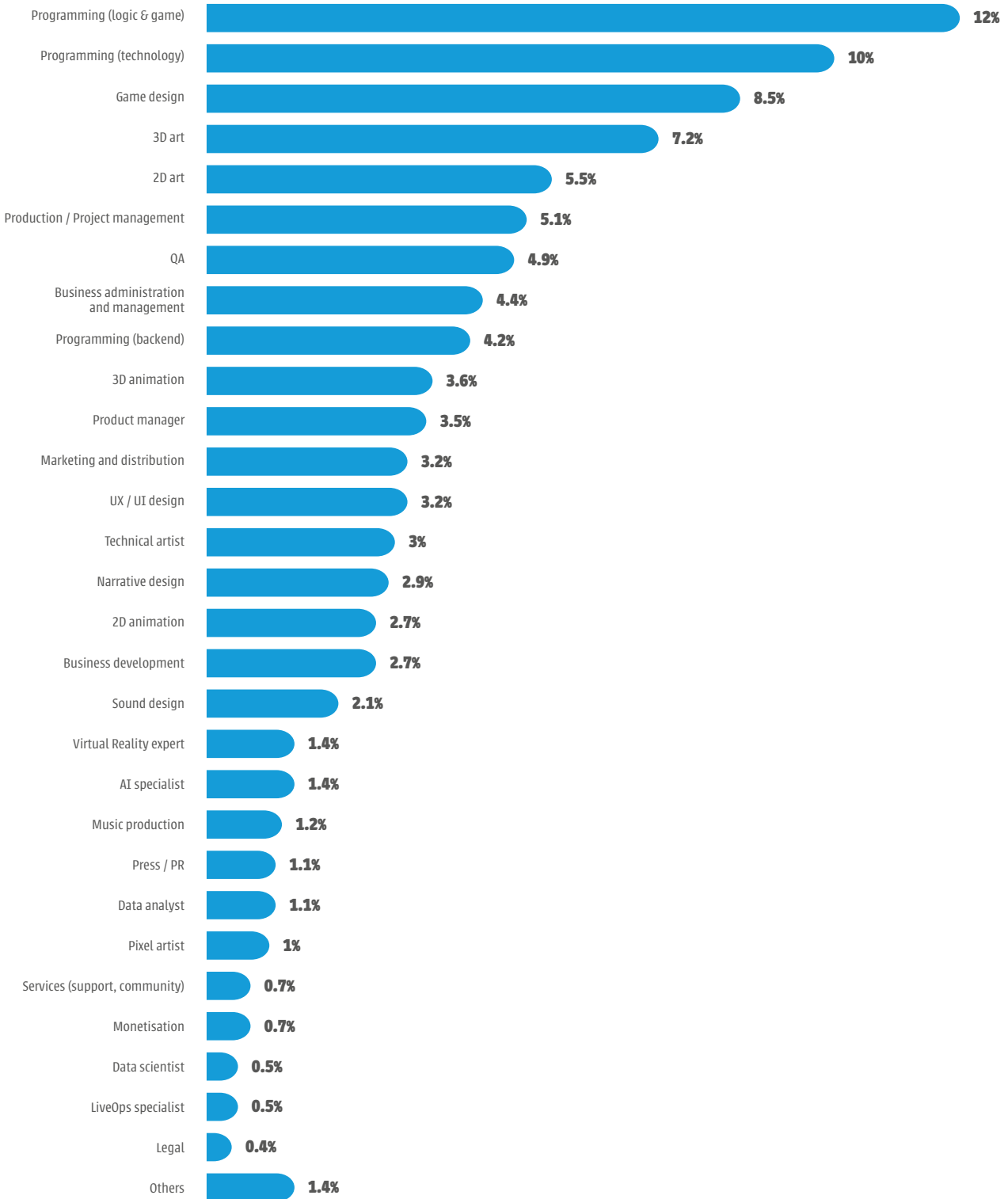


Employment and professional profiles

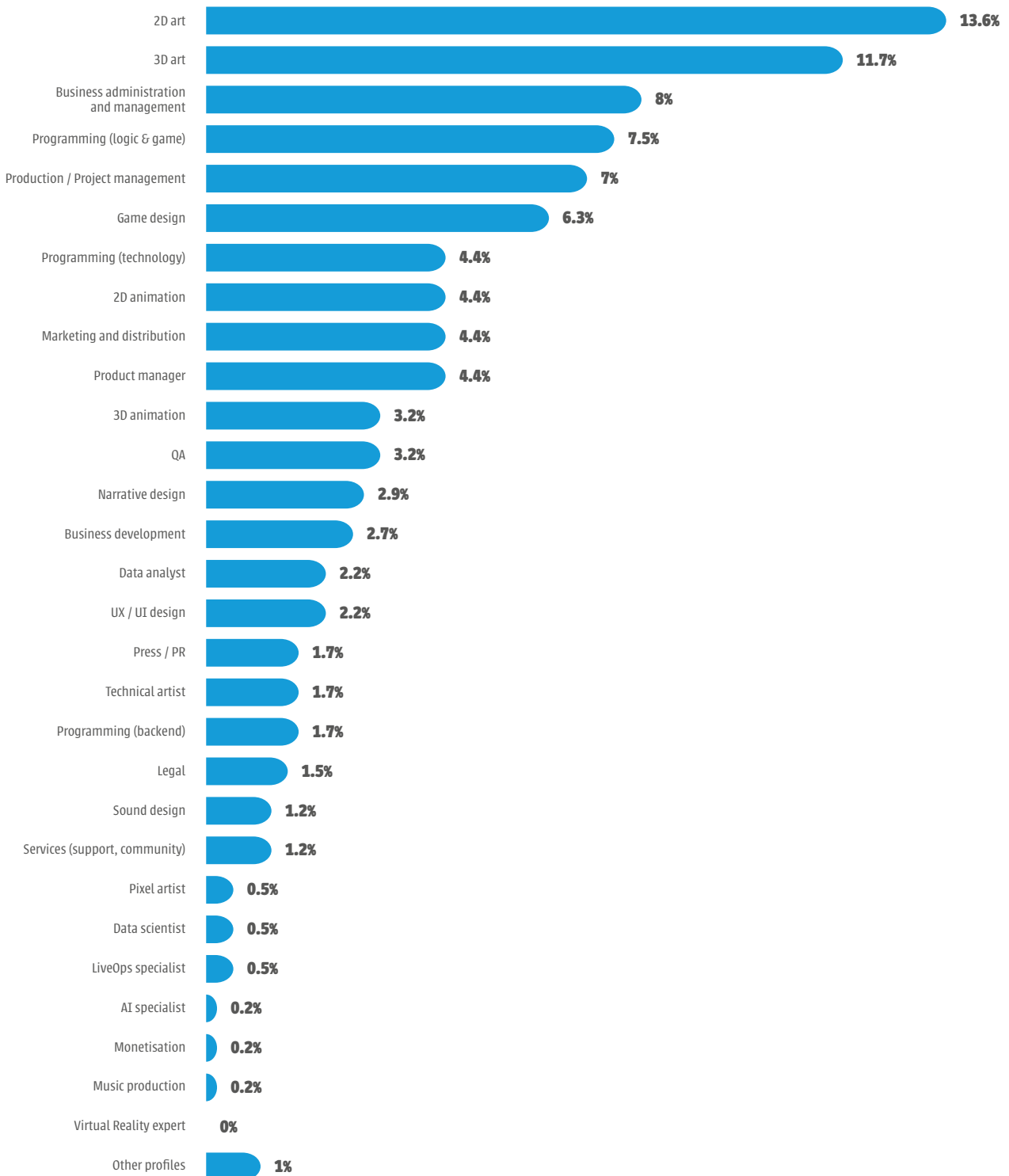
Ninety percent of workers at Spanish video game studios have some type of higher education. Of these, those who have an undergraduate degree (44%) are the most numerous, compared to the 25% who have higher-level vocational training and the 21% who have obtained a Master's, postgraduate or equivalent degree. Almost half of the employees (44%) are under the age of 30. If we add this group to the workers who are between 30 and 45 years of age, we find that 84% of the industry is under 45 years old.



Programming profiles (26.2%) are the most numerous in video game studios, mainly in logic and games (12%) and technology (10%). 3D and 2D art profiles continue to decline, which have gone from 14% to 12.7%. Game designers (8.5%) are up and AI specialists (1.4%), one of the profiles studios believe they will need in coming years, appears for the first time.



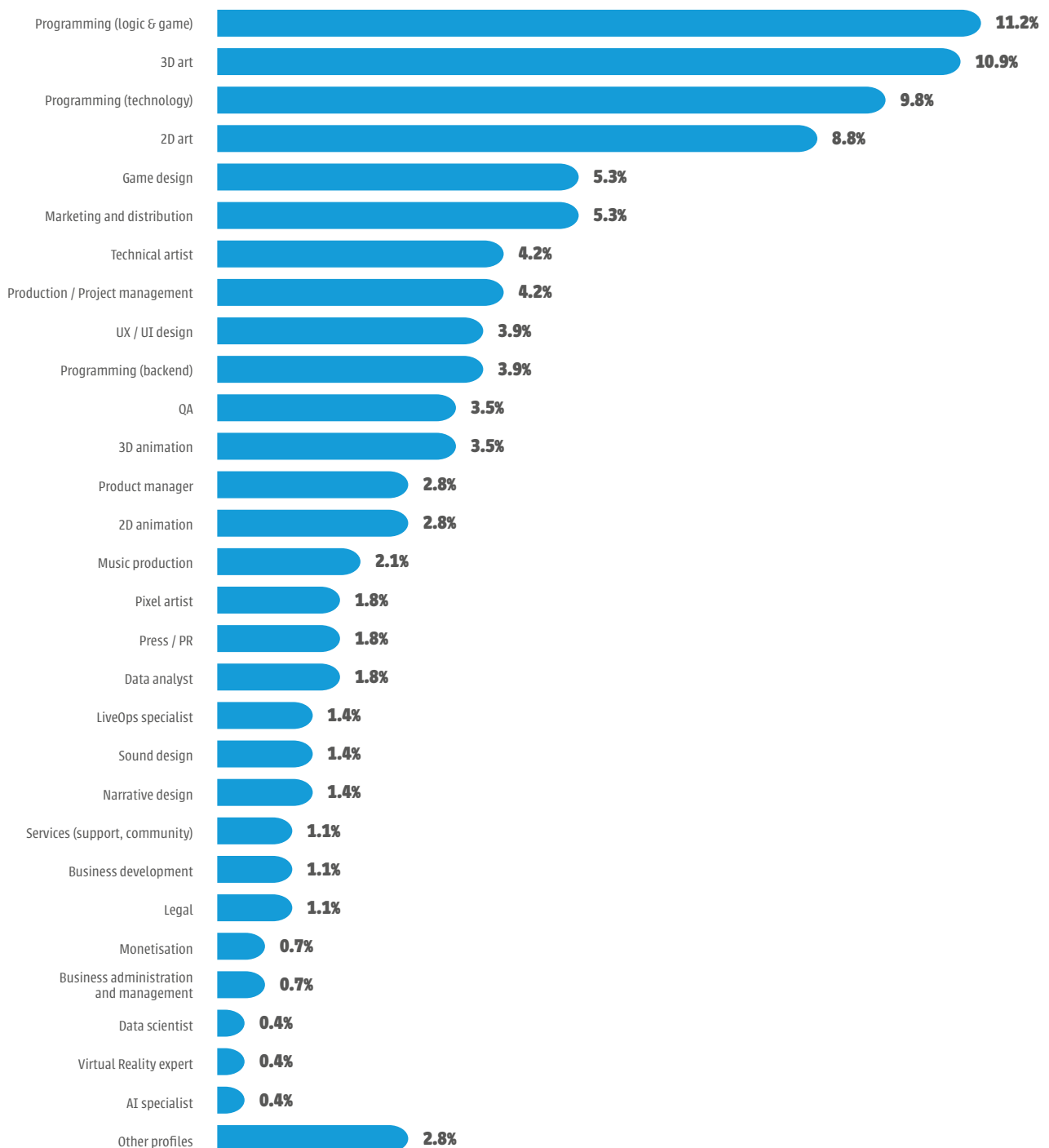
Among women, the profiles that stand out are 2D art (13.6%) and 3D art (11.7%), while those in Business administration and management (8%) and marketing and distribution (4.4%) have fallen. Some good news is the increase in the number of programmers compared to 2022.



Training needs

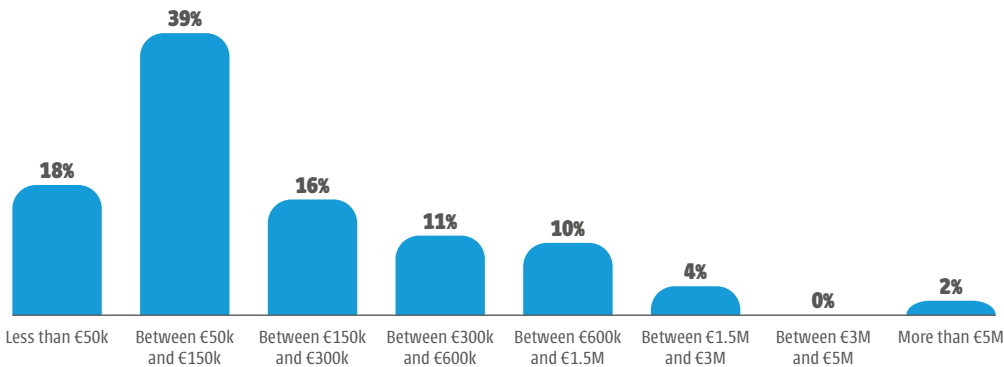
Forty-five percent of Spanish studios have problems finding qualified professional profiles. Programming profiles in logic and game (47%) and technology (43%) are the ones that give companies the biggest headaches, followed by technical artists (27%) and 3D artists (27%).

Among the reasons given by companies for this response are overly general training (61%) or training that is not adapted to the needs of the companies (51%). Another 51% also point to the absence of professionals with sufficient experience in the sector.

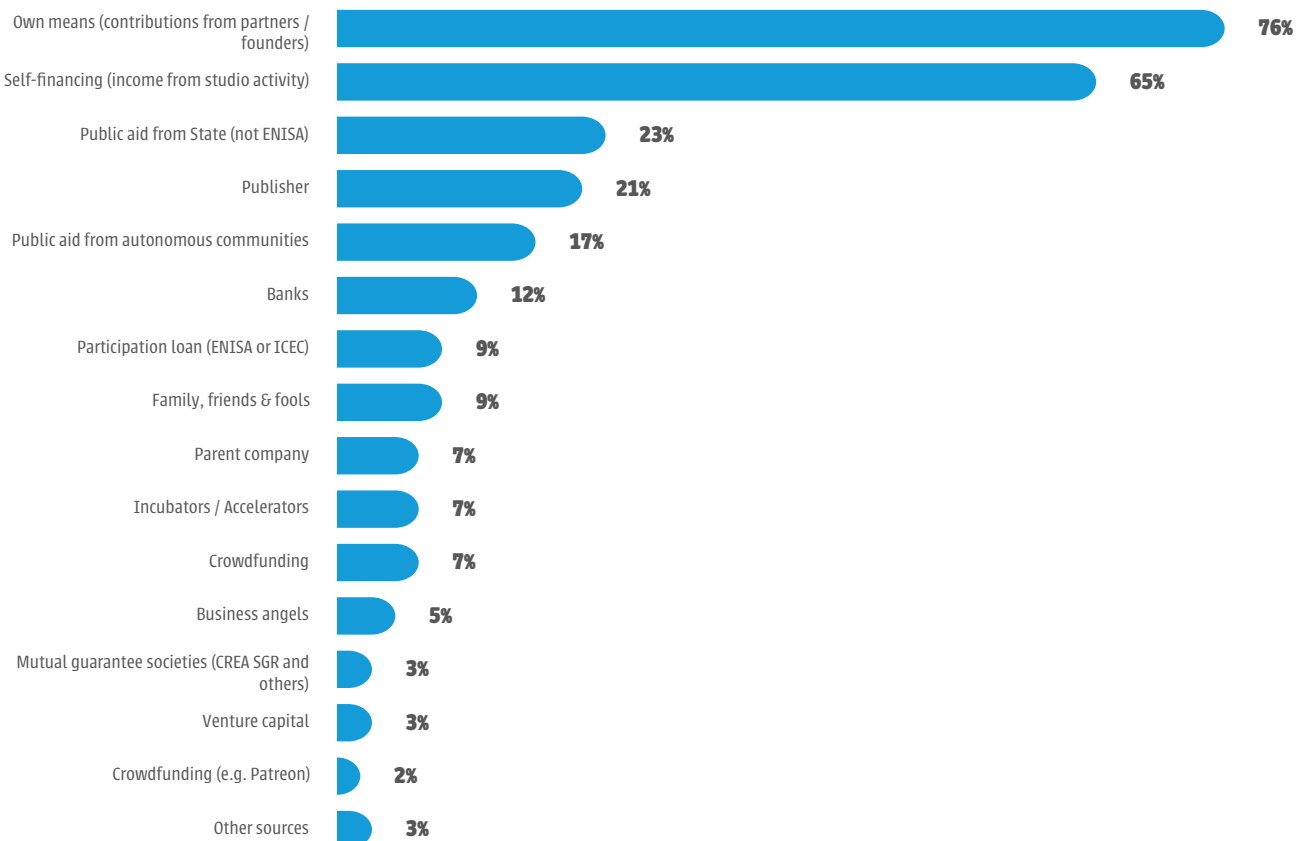


Funding requirements

Thirty-nine percent of Spanish studios that need financing for their next projects estimate they require between 50,000 and 150,000 euros for their next development. Studios showing a sharp decline are the ones that need between 600,000 and 1.5 million euros, which last year accounted for 24% and this year are at 10%. In this sense, we think these changes may be explained by the difficulty of accessing financing channels as well as by a more balanced representation by studios of different sizes participating in the survey.

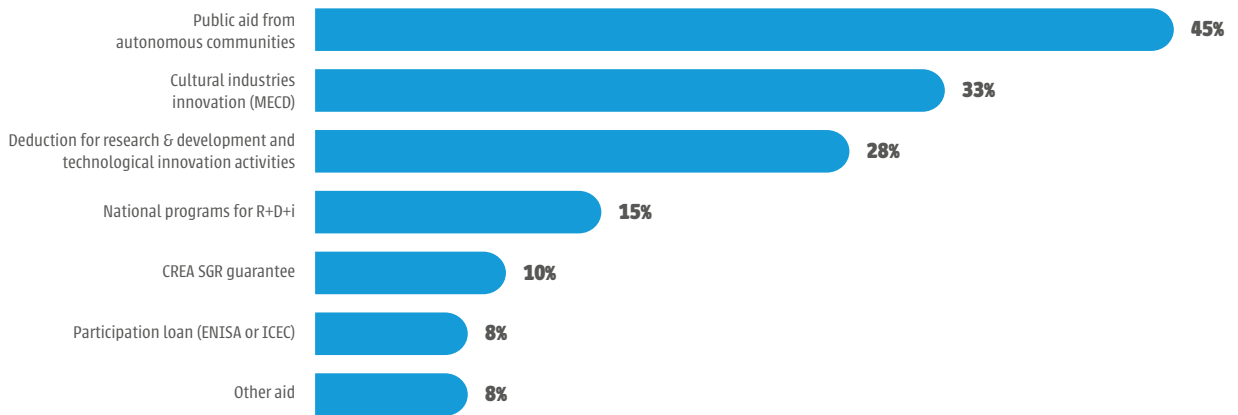


In a change in trend with respect to recent years, own means (76%), understood as contributions from partners and founders, are the main source of financing for studios ahead of self-financing (65%), referring to income derived from the studios' activity. Twenty-three percent are financed through State aid and only 21% are financed with the help of a publisher. Financing through banks (12%) has also gone up.

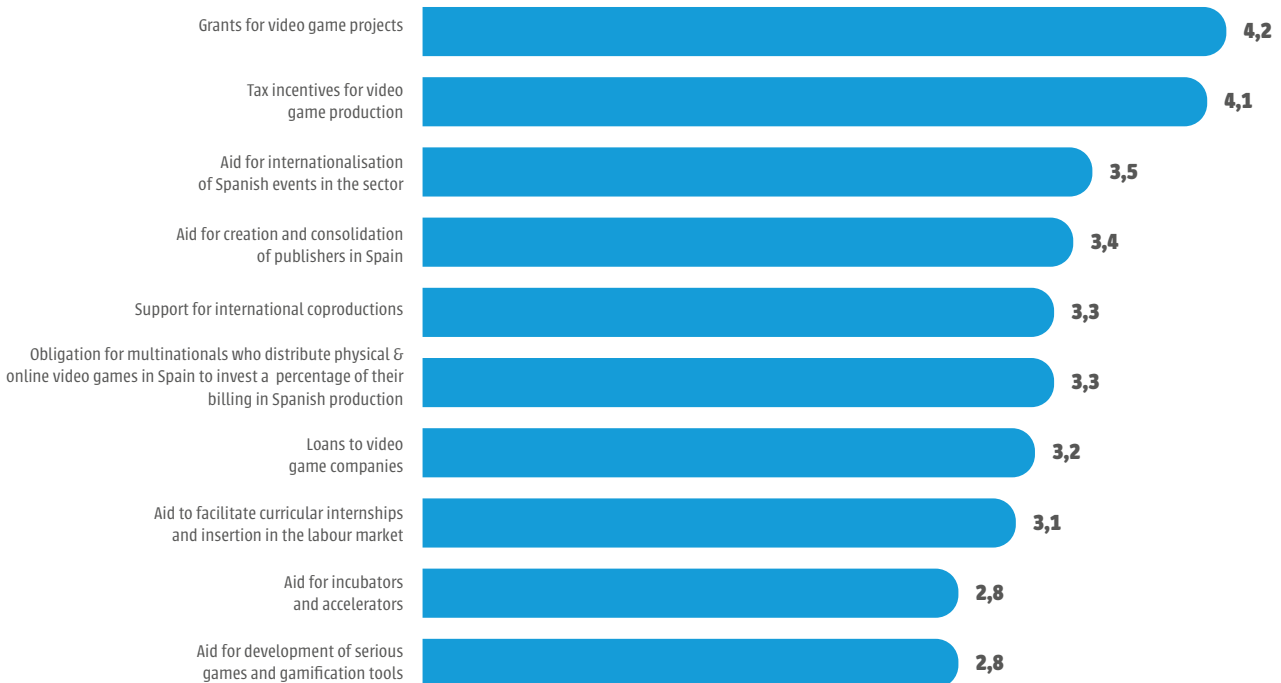


Public aid

In the lowest figure recorded in the last five years, only 27% of Spanish studios claim to have received some type of public aid during 2023. Public aid from the autonomous communities (46%) was the main support for the studios, followed by aid for innovation from cultural industries (MECD), at 33%, and deductions for technological R+D+i activities (28%).

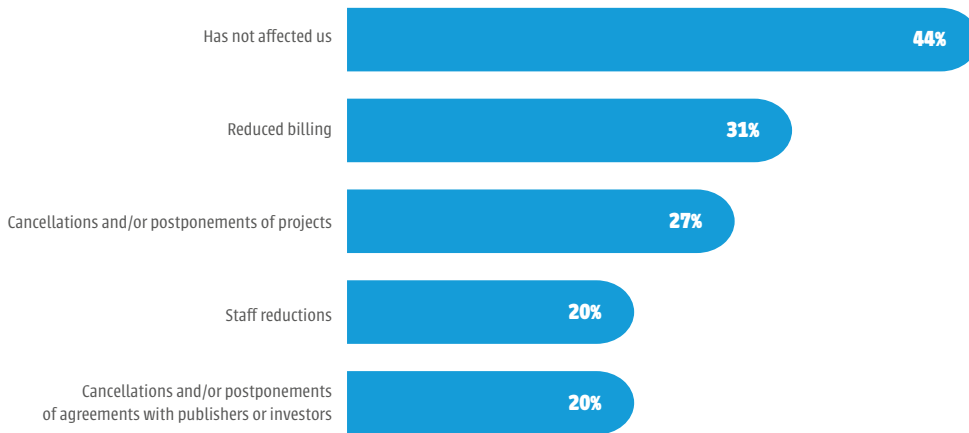


Studios consider project grants (4.2 points out of 5) would be more beneficial for the sector than tax incentives (4.1 out of 5). The studios find themselves more concerned about their short-term situation, and it is likely that the decline in public aid received in 2023 also plays a part in this decision.

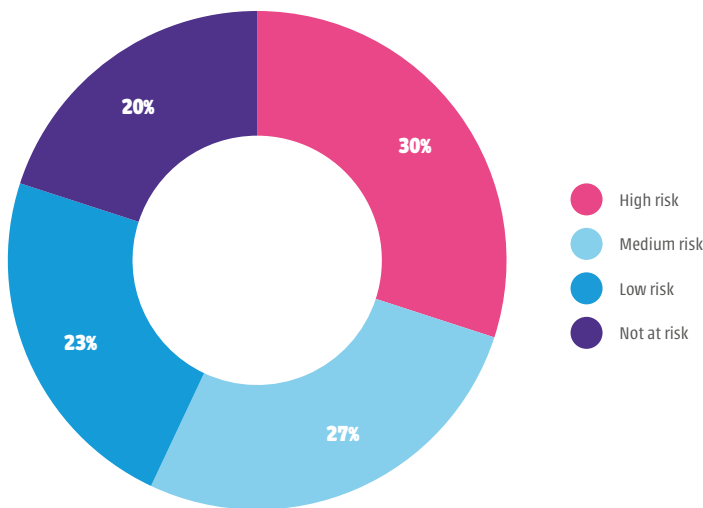


Impact of the post-COVID-19 crisis in 2023 and 2024 on studios

Fifty-six percent of studios claim that the crisis has affected them in some way, compared to 44% that have not noted anything. Among the affected studios, 31% have seen their turnover reduced, 27% have cancelled or postponed projects, 20% have had to reduce staff and another 20% have seen how agreements with publishers or investors have been cancelled or postponed.

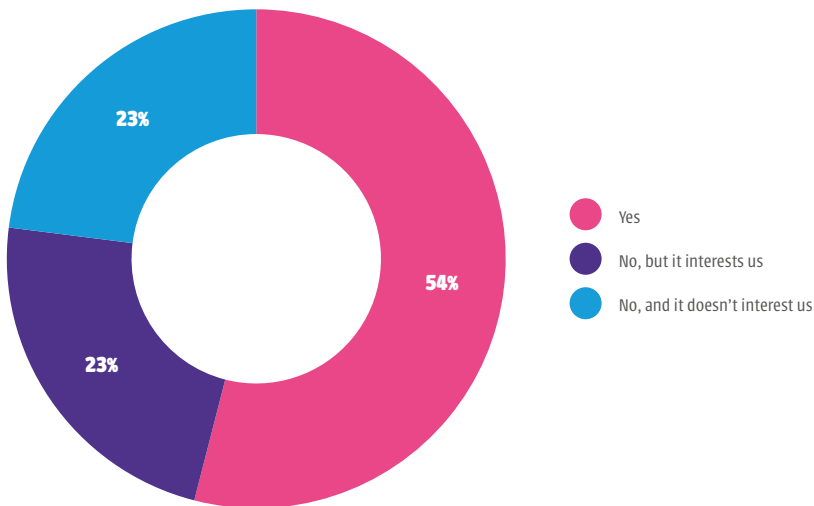


Given the possibility of the crisis continuing over time, 83% declare themselves to be at risk, based on whether the risk is high (30%), medium (38%) or low (23%). Only 20% claim they are not at risk from the current situation.

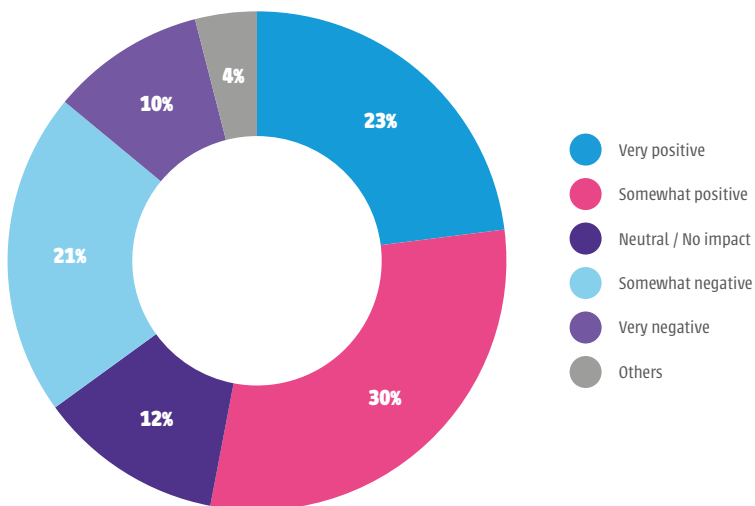


Impact of Generative Artificial Intelligence (GenAI)

Fifty-four percent of Spanish studios claim to use generative Artificial Intelligence tools in their daily work. The remaining 46% are divided equally between those who do not use it, although they are interested in it (23%), and those who have no interest in this technology (23%).



Forty-five percent of the studios surveyed have not yet established a policy regarding the use of these tools in daily operations, while 38% make use of the technology optional. For 14%, its use is prohibited in their daily activities and only 3% are obligated to use it. Studios that consider the impact of generative Artificial Intelligence to be very or somewhat positive are at 53%, while those that believe it is very or somewhat negative reflect 31% of the responses. Twelve percent are neutral on this topic.



DEV, the Spanish Association of Video Games and Entertainment Software Producers and Development Companies, represents the interests of video game development companies, Spanish as well as the international companies based in Spain, who are committed to the development of this sector. The association advocates for the 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**

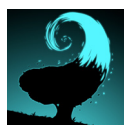
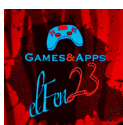
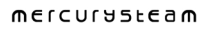
Major milestones

DEV's direct actions have most notably led 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 the Spanish development studios.
- 2012** DEV signs an agreement with Audiovisual SGR (now known as 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 21M euros.
- 2014** In Law 27/2014, of November 27, on Corporate Tax, deductions are introduced for technological innovation activities for prototypes and pilot projects of video games.
- 2015** ENISA creates the new “Digital Agenda” line, with a budget of more than 15M 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 of 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, 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”.
- 2024** DEV launches the campaign “GameOn: 2024 is the year of Games From Spain!” with support from the Ministry of Culture, which included free mentoring for developers and project representation at Game Developers Conference 2025.

DEV Partners





Collaborating and Technological Partners



WHITE PAPER ON SPANISH VIDEO GAME DEVELOPMENT

2024 EDITION

Promoted by



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

Velázquez, 10, 1ª planta - 28001 Madrid

www.dev.org.es