



## Exploiting the Cross-Sectoral Potential of the Game Industry Through Political Support at the EU Level

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The aim of this paper is to provide some critical insight into the range of political support for the European game industry on the EU policy level, particularly focussing on the industry's huge technological potential to cross-fertilise other economic sectors. It will draw conclusions where further action is needed.

The first two sections provide an overview of the European (and global) game industry and its general trends while the third section highlights its cross-fertilisation potential for other sectors specifically. The paper will then outline what happens at the EU policy level to support the industry as such, and particularly to exploit its cross-sectoral potentials through EU policy instruments.

Finally, it will identify the biggest needs for action and present targeted policy recommendations.

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# 1. Management Summary

- The global game industry is growing steadily. However, some European markets struggle to keep their share of market growth.
- The game industry offers various growth and development potentials with regards to cross-innovation with other sectors. The transformation of game technologies and principles into other areas and sectors can generate new products and services, improve skills, and increase efficiency. The potentials are particularly high in the light of the proceeding digitisation.
- Compared to other creative sectors, the game industry seems to occupy a backseat in the European funding landscape, which is not in accordance with its economic importance and growth potential.
- Some countries implement additional actions, such as tax reliefs or the creation of funds, to support the industry. However, a unified approach across Europe is missing.
- With regards to the political support for cross-sectoral activities on the regional or national level, only few examples exist and many of those are restricted to other creative sectors.
- To exploit the potentials of the industry, a change of attitudes among the political decision-makers who are not yet sufficiently aware of the huge economic potential of the game industry and its leverage effect for other sectors is required.
- Only if the game industry is represented sufficiently in political strategies and supporting schemes, the general awareness of its potential will rise.
- Smart specialisation strategies are a suitable European framework that should be used by regional development policies on the member state level to exploit the game industry's potential and to incentivise public and private investments in the future.
- The existing funding principles must be better adapted to the needs of the industry. For raising awareness, it seems crucial to create and show more good practice examples of cross-sectoral projects, funding of those activities should be expanded in near-term.
- Importantly, a focus of funding should lie in the establishment of structures which lead to an advantageous ecosystem for the industry in Europe. Such structures could be clusters, incubators, accelerators, creative hubs, networks, digital platforms, and professional organisations. Those can improve the autonomous operation of the game industry by e.g. ensuring easier access to private capital and business support in the long-term.
- While supporting the expansion of relevant infrastructures, it is essential to break up the existing silos between sectors and to enable exchange between actors of sectors to motivate cross-

innovation. Therefore, structures should be open to sectors beyond the game industry (or just other creative industries) and should contain elements directly targeting exchange with other sectors.

## 2. Status of the European Game Industry

As a relatively young industry, the video game sector is continuously growing and benefits from innovative and dynamic stakeholders. In 2020, the global games market is expected to generate revenues of 159.3 billion USD, which represents an increase of 9.3 % relative to the prior year. The European game industry accounted for 19 % of these revenues, yielding a sum of 29.6 billion USD (Newzoo 2020).

In 2020 the number of players rose significantly. For example, the software distribution platform Steam broke its record of concurrent users, with 24.5 million players online on April 4th (Steam Database 2020). In fact, many experts believe the game industry to be among few branches to come out of the current crisis strengthened (Arkenberg 2020; David/Jaeger/Zarb 2020; Startup Genome 2020).

However, the growth and development of the industry varies significantly across the globe. Although Europe holds the third biggest share of the total turnover of the game industry after the Asia-Pacific and North American regions, it displays a relatively low yearly growth rate. As the global revenues of the game industry grew by 9.3 % from 2019 to 2020, the European game market has a considerably lower growth with a year-on-year increase of 7.8 % (Newzoo 2020). Some European markets like Germany have struggled to keep up their market share with regards to domestic game development in recent years (Game 2019). While Germans generally spend more money on games, less money was spent on games developed in Germany. Hence, economic potentials are lost to foreign production.

To remain competitive in the years ahead, the European gaming sector will have to identify and fully exploit its growth potentials, especially through further diversification and the expansion of cross-sectoral and cross-fertilisation projects.

# 3. Industry Characteristics and General Trends

The global game industry is growing steadily. Novel trends like e-sports or virtual and augmented reality as well as high-performing devices bring endless new potentials. Also, more and more consumers are entering the market globally (Gough 2020). Yet, except for some successful indie games, the global market is dominated by some key players and hotspot regions which account for a significant market share (Newzoo 2020, p. 26). Even though new technologies and market platforms make it easier for small indie productions today, there is still a tendency that big players set standards and trends and perpetuate their growth (Skartsaris 2020). Hence, declining market shares of European developers might accelerate. While for some industries a specialisation amongst countries might be reasonable, there are several arguments apart from lost economic potentials which argue in favour for aiming to keep at least some domestic production in Europe.

Due to their characteristics, games usually are not designed for local markets only, they can be considered quite global goods with international markets. Today, video games are an important element of cultural life. They combine artistic elements like storytelling, visual design, and music. Often, their design even influences other industries, in particular the media industry (University of Minnesota 2016; Yao 2016). Traditionally, they are “cultural hybrids” often combining elements of different cultures (Klevjer 2007). Yet, diminishing shares of European developments do not only represent missed economic opportunities but also lead to the fact that the cultural content is more and more dominated by non-European influences. Clearly, each region has its own unique cultural characteristics and tastes. Hence, as for all other creative industries, there is a significant intangible value to also keeping some domestic production alive to ensure diversity and cultural preservation.

## 4. Cross-Sectoral Potential

The video game industry has always been an innovative industry which induced various technological innovations which were picked up by other industries and are widely used. To create complex games, hardware as well as software elements were continuously developed, and artificial intelligence was used early on. With the advancing global digitisation which affects nearly every sector today, these kinds of innovation become more and more important. Furthermore, the gaming sector is quickly adapting to, but also shifting social trends.

As the developers are constrained to adjust their innovation process to new emerging devices and consumer needs, the field of game development also broadens to more distant application areas. Video game technologies and game principles are also transformed to more and more sectors which at first glance have no relation to the game industry. So called cross-sectoral or cross-fertilisation examples are becoming increasingly common, finding application for instance in healthcare, education, defence and culture (González Piñero 2018).

These cross-sector innovations lead to new ways of e.g. learning, training, testing, and interacting and highly improve the innovative capacity of the affected sectors. A prominent example is the cross fertilisation of the health industry which was a focus of the Baltic Game Industry project (BGI 2017-2020). With virtual reality technology and gaming principles, medical treatments can become more helpful, efficient as well as enjoyable for the patient. Another example of a serious games application is for instance RescueSim Incident Command Simulator (VSTEP 2015). This game enables the simulation of different emergency scenarios. Through various extensions, the developers have adapted the game to different areas of rescue services, among those are airport and harbour fire department operations. Thanks to detailed in-game configurable objectives (time limit, evaluation algorithm, etc.) the simulation has become popular in trainings among rescue teams and is for example used by the Airport Amsterdam Schiphol, the Port of Rotterdam and private companies such as Total or BP. Hence, through such applications, efficiency in other sectors can be enhanced as skills can be improved and significant amounts of costs can be saved.

Video games can generally help to introduce as well as motivate children and adults to programming and informatics basics which have become important key skills today. They often also boost the uptake of new technological applications like virtual reality headsets by the broader public (EGDF 2018). Also, other fields of education can benefit from so-called serious games which teach e.g. sciences or languages in a playful and applicable manner. In recent years, the game industry also put forth several new business models for digital environments which were taken up by other industries (EGDF 2018). Hence, next to bringing forward technological innovations, the industry also fosters the uptake of digital environments.

To conclude, the evolution of games is no longer being exclusively bound to the entertainment sector but presents diverse new opportunities for developers and a large economic potential. The market for serious games is expected to be worth more than 9 million USD by 2023 (Allied Market Research 2019). Yet, the vast innovation capacity of the game industry does not only lead to more growth potential for the industry itself. A game-oriented approach could help to exploit innovation potentials in other industries and areas of expertise. It supports the uptake of the digitisation and offers solutions to various problems of life. Hence, through innovative cross-industry applications,

also growth potentials of various other industries can be fertilised, the game industry can thus serve as a booster for the economic development in a holistic sense.

# 5. The Game Industry in a European Policy Context

In this section, we will address the situation of the game industry in a European Policy context. Subsequently, we will have a closer look on the national and regional level with regards to the application of EU framework policies highlighting some good practices.

## ***EU-Level***

As one of the main European Union funding programmes relevant for the game industry, Creative Europe aims to promote the audiovisual, creative and cultural economy in Europe. In the 2014-2020 period, its budget totalled 1.46 billion EUR, distributed over three core areas: the MEDIA and Culture sub-programmes and a cross-sectoral strand (European Commission, 2020). The game industry thus mostly benefits from funding from the MEDIA, and partly from the cross-sectoral section. In 2019, the share of Creative Europe budget dedicated to the game industry amounted to only 0.02 % relatively to the size of the sector. In the Creative Europe Monitoring Report (2020: p. 34), it is argued that the relatively small grant for the business sector is legitimated by means of an application “in strategic areas which can have the biggest impact on shaping the market”. However, the game economy is very scarcely referred to throughout the report and just a few sporadic best-practice examples and project presentations can be found. Especially the potentials of the games sector regarding cross-sectoral cooperation and cross-fertilisation are hardly mentioned. Only the case study of Labourgames, a project focusing on bridging the gap between gaming and the professional world, constitutes an exception (Creative Europe Monitoring Report (2020: p. 75). This seems to be a systemic problem as the cross-sectoral strand of Creative Europe in general seems to only focus on cross-sectoral cooperation between the creative industries. Thereby existing cross-innovation examples of the game industry e.g. in the healthcare field are neglected per se. All in all, given the multiple synergy opportunities, the video game sector appears to be underrepresented. This lack of recognition of the game industry within the Creative Europe programme does not match neither its economic significance nor its innovation potentials.

Next to direct funding of single video game projects, the EU also supports the industry by funding projects like the BGI project. Within the BGI project the game industry in 8 EU member states was to be strengthened by improving the general framework conditions of the game industry and piloting suitable incubation programmes. BGI also demonstrated the cross-sectoral innovation potentials of the game industry focusing the health sector. Major advantages of such projects are that international cooperation and knowledge exchange are fostered while good practice examples for other regions might be created. However, such EU projects specifically focusing on the game industry are rare so far which might be caused by the fact that project calls seldomly target the game industry explicitly. Usually they are directed to several industries and the game industry is only mentioned amongst others at most. Therefore, industry stakeholders often are not aware of such opportunities and only few project ideas are submitted.

Beside the funding programmes, the EU regularly defines the Workplan for Culture (Council of the EU, 2018). This policy tool defines guidelines and action plans to protect and develop cultural assets in Europe. The current plan covers the period from 2019 to 2022 and focuses on the implementation

and development of digital technologies in culture. As defined in the guiding principles, the Workplan recommends “a holistic and horizontal approach as regards legislation, financing and cross-sectoral cooperation” (Council of the EU, 2018: p. 2). Furthermore, it points out the beneficial character of synergies between digital technologies and areas such as “education, social care, healthcare, science and technology, and regional and urban development” (Council of the EU, 2018: p. 3). This can present opportunities for industries with high cross-sectoral innovation potential such as the video game industry. However, the report falls short when it comes to suggesting an implementation of technology transfers between culture and creative industries and other areas. Altogether, there are no direct references to the gaming sector in the Workplan, which seems to be rather aimed at other cultural and artistic activities.

The general lack of policies focusing on cross-sector cooperation is also noted in the Impulse paper on the role of cultural and creative sectors in innovating European industry (European Commission 2019). It mentions the lack of “targeted business support to cross sector activities and joint ventures such as direct funding, support between smaller companies and scale up programmes” in the private as well as the public creative sector. To address this issue, the EU discusses to increase networking of different stakeholders through facilitators that act as interdisciplinary mediators. Additionally, physical and virtual spaces should be created to increase cooperation with stakeholders and the funding of cultural and creative sector activities should be focussed on cross-sectoral projects (European Commission 2019).

### ***National / Regional Level***

Several European countries, such as France, Germany, the United Kingdom or Malta provide national funds exclusively to support game development (CNC 2018; ISFE 2018; UK Games Fund 2020; Arts Council Malta, 2020). Some countries like the United Kingdom or France also have adopted tax breaks for creative industries, including the game industry (UK Government Digital Service 2007; CNC 2018). However, a coordinated approach between EU countries to avoid double taxation is missing (ISFE 2020). Remarkably, Finland has included games into its economic development scheme rather than in a cultural scheme (BGI 2020). Temporarily, they even funded the game industry with a dedicated programme which contributed to a significant growth of the Finish game industry. Today, as the industry has successfully developed a working ecosystem and funding through other schemes is possible, the dedicated funding programme is phased out. Rather than directly funding industries, Sweden funds the creation of structures which aim to lead to an environment for business growth (BGI 2020).

Another support strategy is the cluster-like setup of the game industry in Denmark. Due to the geographical proximity of the game industry stakeholders, Danish cities with game development clusters such as Aalborg, Aarhus and Grenaa are searching to create synergies through increased cooperation. By mutually exploiting their existing industry-specific networks and benefitting from each other’s strengths, these hubs manage to attract talent and investment and thus to further boost the growth of the market (see BGI 2020 for more information). In general, a clustering approach complements Smart Specialisation Strategies to support the growth of the game industry through geographic and thematic specialisation.

With regards to cross-innovation policies on the regional or national level, only few examples can be found as most cross-sectoral activities of the creative sector are restricted to other creative sectors.

## **Excursus: Smart Specialisation Strategies (S3) – a suitable European support scheme for the game industry**

With the smart specialisation approach, the EU provides a framework European countries and regions can use themselves to support their game industries in a targeted way.

National and regional authorities across Europe shall design Smart Specialisation Strategies, to make more efficient use of the allocated European Structural Investment Funds, to exploit synergies between different policy levels, and to foster targeted public and private investments (European Commission, 2014). That way, EU funds can incentivise and direct more domestic investment - and the sources of such investment at the member states' and regions' level as well as in the private sector.

As Smart Specialisation Strategies are bound to the EU budgetary periods, the programming for post-2020 in most countries has been in full swing throughout 2020.

Post-2020, an efficient allocation of resources will be even more crucial due to rising competitive pressure from other regions in the world. Therefore, the regional and national authorities should narrow down and specify the identified S3 priorities. In recent discussions about the multiannual framework, voices have become louder, emphasising the need for allocating more resources to innovative regional growth cores and high potential sectors such as the game industry. Because in most cases the existing ones (from previous periods) were too generic, their thematic focus was either too broad or limited to certain "traditional" fields. Subsequently public investments were often not precise and did not encourage private investments effectively.

Content-wise, a bigger emphasis should be put on transnational S3 implementation that can be organised along value chains (as proposed by the Vanguard initiative). When updating the strategies for post-2020 the regional policy owners must take up the chance to integrate aspects of interregional cooperation and to foster cross-sectoral interactions in S3 implementation as areas with cross-innovation potential match the need of efficient resource allocation best. This can particularly be of benefit for regional SMEs by opening-up new business opportunities in high potential sectors such as the game industry.

Anyhow, this requires a change of attitudes among the responsible policy makers in general, and specifically an awareness-raising for the huge economic potential of the game industry, and its leverage effect as an "enabling technology" for other industries that should not be left under-utilised.

The Baltic Sea macro-region is basically a good testbed for addressing these transnational and cross-cutting aspects, and the BGI project has prepared the ground for a renewed perspective on the game industry that can direct policy makers at different levels.

As a mandatory EU requirement, the S3 programming process at the regional level must be organised through a co-creative entrepreneurial discovery approach involving different types of stakeholders. In that context, the BGI partners from Lithuania (Lithuanian Innovation Center - LIC) have been able to bring up relevant aspects of the cross-fertilising potential of the game industry in the national S3 programming discussions whose were finally being considered by the political decision-makers when reformulating their S3 for the post-2020 budgetary period.

## **Good Practice from Lithuania – a blueprint for other European regions**

The Government of the Republic of Lithuania had already declared Creative Industries as one of their six priority areas for smart specialisation in 2013. Within the area “Inclusive and creative society” modern self-development and education technologies and processes as well as technologies and processes for the development and implementation of breakthrough innovations should be promoted (S3 Platform 2020). Yet, in the previous S3 period, the focus was limited to the film and audiovisual industries. In 2019, during the Lithuanian Smart Specialisation Strategy review process, BGI project partner Lithuanian Innovation Centre informed the Lithuanian Ministry of Education and the Ministry of Economy of the importance of the Lithuanian game industry and its economic growth potential. As a result, in the new Lithuanian S3 for the 2021-2027 period, the Game (Developing) Industry has been added to the S3 priority areas within the Creative Industries (see BGI 2020 for more information).

## 6. Identification of the Biggest Needs for Action

The reasons outlined above show that the game industry is a valuable industry which offers extensive potential for future development. However, compared to several other creative and entertainment industries, political support is pronounced sparsely which leads to a comparative disadvantage for the industry. Since some frontrunner countries which dominate the global video game market actively boost their game industries, the European game industry is also confronted with strong international competition. These conditions suggest the EU might also need to actively support the game industry to strengthen the industry against the backdrops. Yet, since a global or sectoral “subsidy race” should not generally be aspired (e.g. Sauvage 2019), “active support” should not necessarily mean profound direct financial support (for relatively mature products).

As shown in section 4, there are some direct funding opportunities for video games on EU-level. However, these seem to be rarely utilised since applications amounts for e.g. past Creative Europe Media funds are rather low (Creative Europe 2020). As with many national or regional funding schemes, there is some critique that funding requirements are too strict and/or do not match the specific needs of the industry. In a report on EU funding the European Games Developer Federation remarks that project selection processes are designed in a way that does not favour the best applications (EDGF 2018, p. 11). They criticise requirements are strict and constantly changing so that in the end only few companies who are good at writing applications are funded. A common discussion in that regard is also that games often are supposed to have “highly innovative content” in order to be funded (e.g. by Creative Europe), but the concept of what is considered to be “innovative” is rather strict. Like other creative industries, the game industry suffers from the perception that innovation is often restricted to technological or digital issues. Hence, creative industries are generally often excluded from schemes which promote innovation (OMC 2018). This general misconception is also outlined in the report of the Open Method of Coordination Working Group of Member States’ Experts on the role of public policies in the cultural and creative sectors in relation to the Work Plan for Culture 2015- 2018 (OMC 2018). The report attests a “a strong need for a greater openness towards a broad and more inclusive meaning of innovation – beyond its technological aspects – that highlights the role of culture and creativity in its process” (OMC 2018). Therefore, policies are needed considering the specific features of the game industry. A better dedicated funding strategy on EU-level could also serve as an example for the adaptation of potential regional strategies.

Yet, for broad and sustainable growth of the industry in the long-term, funding of single game projects is neither effective nor desirable for reasons outlined above. Another way to promote an industry is to invest in its structures and the general “ecosystem” of the industry to create an autonomous environment for long-term growth. This approach is also highlighted in the report of the OMC report on the role of public policies in the cultural and creative sectors (OMC 2018). The report suggests to “identify policies and instruments which support the creation of a productive setting for creativity and innovation” (OMC 2018). According to the report, such structures could be clusters, incubators, accelerators, creative hubs, networks, digital platforms, professional organisations, co-working spaces, creative labs, ‘makerspaces’ and fabrication labs amongst others. These structures are supposed to act as intermediaries which promote, facilitate, and bring together diverse stakeholders and resources relevant for the industries’ development. Indeed, projects like

Dutch Game Garden or the Swedish approach show that the installation of such structures can effectively benefit the game industry. Institutions like incubators might not only advance game start-ups but serve as intermediaries which bring together many relevant game industry stakeholders like e.g. private capital providers. Hence, they might support the creation of long-term networks and cooperation. As such structures, like all kinds of network-based activities, are hard to finance and set up in the beginning, funding is indispensable at first. If incubation pilots, like the ones from the BGI project, succeed and are promoted as good practice examples, private financing might become a more realistic option for such structures in the future. Closely related to this regard, the European Games Developer Federation claims that a specific funding instrument for European game conferences would be needed as they serve as an important platform for the dissemination of games but are currently struggling to survive (EDGF 2018).

The support of dynamic game industry ecosystems might also help to enable cross-innovation. If structures are designed in a way which integrates different industries' stakeholders or establish point of contacts between industries cross-sectoral cooperation might be initiated. However, since good cross-innovation examples of the game industry are still rare, financial support of pilot projects at the beginning might be required. Hence, funding for structures which help to build a favourable ecosystem for games, ideally ones which also encourage cross-sectoral cooperation, is essential in the first place. Yet also schemes and instruments which are dedicated cross-innovation projects might need to be funded to create sufficient good practice examples and attention. Again, private sector funding might only be possible after such high-risk investments in new approaches have been made by the public (OMC 2018).

However, the establishment of such institutions as such might not be sufficient. Experiences like the ones made in the BGI project, show that the game industry still lacks to be recognised as a "serious" industry with high (economic) potentials often. This image impedes the industry since it makes it more difficult for the industry to acquire funding or to find investors. In that regard, the underrepresentation of the game industry in EU strategies or reports which was found in section 4 is one key aspect for improvement. Compared to its significance, the industry is rarely mentioned while other creative sectors like film or music are covered in a more prominent way.

Also, with regards to the cross-innovation potentials, a more prominent promotion of opportunities would be needed because structures like networks and hubs as well as funding schemes only work if attention is raised. Next to the problem that other industries might not consider the game industry as a beneficial cooperation partner, the industry itself seems to frequently lack awareness of the cross-innovation potentials. This observation also fits with the one made in the OMC report for creative industries in general which claims that there is a lack of understanding of the potential benefits of cross-sectoral cooperation within and beyond the cultural and creative sectors and that these industries themselves have not convinced other sectors about their innovation potential yet (OMC 2018). However, this is difficult for these sectors to achieve all by themselves. Therefore, systematic research and demonstration of these potentials are required (OMC 2018). Hence, an integration of good examples of cross-innovation cooperation with the game industry into EU outputs and case studies would be key to raise awareness for cross-innovation and enable the structures described above to work.

# 7. Policy Recommendations for the EU Level

The needs derived above show that targeted action is required to utilise the immense potential the game industry offers for Europe's economic development.

- The biggest challenge is to support the industry in a holistic and sustainable way. As an industry which inheres a special status due to combining elements of the creative sector and a strong technology affinity of the ICT sector, the game industry needs special attention and supporting solutions tailored to its specific needs. Otherwise, there is a risk that it falls through the cracks of general support mechanisms provided to the creative sector or purely technology-driven industries. It is crucial to **adapt supporting structures and funding schemes to cover the special characteristics of the game industry**. Moreover, it should be ensured that general support structures like start-up incubators do not systematically exclude game start-ups by either focussing only on traditional creative or on ICT sectors. In the best case, EU schemes should serve as an example and form a standard for national schemes in that respect.
- Against the above background, it is advisable to **invest more into general structures and an ecosystem for games** on the EU as well as on the national and regional levels. In an environment with functioning networks, incubators, and partnerships with e.g. private investors, start-ups as well as established firms can benefit sustainably without requiring direct EU funding. Thereby, the game industry gains more autonomy, and a sustainable long-term growth path can be established. Hence, **funding the establishment of structures should be amplified**. This can be done by EU funded projects (like BGI) which pilots incubation programmes and enhances international exchange. Aspired structures should not only cover clusters, labs, or co-working spaces but also hubs, networks, and digital platforms (OMC 2018). Regional development policies in the member states should foster such support structures e.g. by including the game industry in their Smart Specialisation Strategies. S3 build a suitable European framework that should be used more targeted in order to exploit the game industry's potential to a full extent and to incentivise public and private investments more efficiently in the future (see above "Excursus").
- **Ideally, the fact that the game industry is located in between sectors should be perceived as a strength as it also makes the industry an ideal pioneer for cross-innovation**. So far, in the industry itself but also in other industries, there is generally a lack of understanding and awareness of the cross-innovation potential. Existing innovation strategies and programmes at European, national, or regional levels are too often still designed in a way which represents the underestimation of the game industry's role (OMC 2018). To overcome this barrier, targeted support is needed to create good practice examples and thus increase the recognition of the industry's potentials. Ideally, funding for the creation of support structures and networks should focus on structures which include various sectors and can hence facilitate interactions. **Funded networks, conferences or incubators should not exclusively be targeted to game developers only or should at least explicitly provide additional strategic elements to foster exchange with other sectors**. Building up on a few good practice examples created so far,

cross-innovation can also additionally be boosted by direct incentives for projects by concrete instruments like innovation vouchers (see chapter 4).

- Anyhow, this often requires a change of attitudes among the political decision-makers first who are not yet sufficiently aware of the huge economic potential of the game industry, and its leverage effect for other sectors. Even though the industry is more and more perceived as a serious industry recently, there is still too little attention paid to it by policy makers. The underrepresentation of the game industry in EU supporting schemes impedes the industry from being recognised by other sectors. **Moreover, a stronger recognition and promotion of its various potentials by the public authorities** would facilitate the game industry's access to private capital which in turn makes less public funding on all political levels necessary.

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## THE PROJECT

The project 'Baltic Game Industry' (BGI) aims to foster the game industry in the Baltic Sea region - turning an ambitious game developer scene into a competitive and attractive business sector with sound innovation potential and thus making the region a game hotspot with worldwide competitiveness.

The partnership works together on framework condition improvements, on making business support services fit for the special needs of game start-ups and finally on new business opportunities for game developers in other industry sectors, such as health care. The core element is the installation of durable game incubators, programmes and schemes for game start-ups across the region.

BGI effectively combines policy and business development. Tailor-made game business support fosters a durable economic growth of this innovative industry in the whole region. The introduction of VR technologies in non-game industries contributes to boosting innovation beyond games. The common branding of the Baltic Sea region as game innovation hotspot will attract international clients, investors, creative entrepreneurs and qualified workforce.

Read more at [www.baltic-games.eu](http://www.baltic-games.eu)

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- Finland: Neogames Finland, Metropolia University of Applied Sciences, City of Helsinki
- Germany: Hamburg Institute of International Economics, HTW Berlin University of Applied Sciences, State of Berlin, University Medical Center Hamburg-Eppendorf
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