

LEARNING TO PLAY THE LONG GAME

Short-sighted policies could lead to Ireland missing out on an opportunity to become a major global games industry centre

Ireland has become a world leader in the ICT space with particular strengths in emerging sub-sectors such as fintech and the internet of things. The country's success in this area is usually attributed to the potent mix of tax, talent and cost competitiveness on offer to both established and start-up companies in the technology sector.

However, despite an abundance of native talent, the games industry has failed to capitalise on the climate and, indeed, is falling behind neighbouring competitors such as Northern Ireland. John Gleeson, Global Head of Media and Entertainment at Grant Thornton who is based in Dublin, believes this is at least in part due to administrative failings as well as a lack of understanding on the part of policymakers of the role of gaming in the modern entertainment industry.

While the overall global gaming industry is actually bigger than Hollywood in financial terms this view of the two as being separate is rapidly becoming a thing of the past, according to Gleeson. "When you look at gaming in a global context, it is now a big part of film and TV strategy. We are seeing a growing convergence between the industries and this is going to get faster and faster over the next five years."

What he is referring to is the fact that the games which accompany popular movies or TV series are now becoming part of an integrated production package. For exam-

ple, a key revenue stream for the Star Wars franchise is the games which accompany each new movie release in the series. *Game of Thrones* fans sustain themselves between series by immersing themselves in the fabled land of Westeros through increasingly realistic online games. And popular police procedural series' like CSI allow fans to play forensic detective in an online world.

Integration

The games not only help maintain fan loyalty but generate considerable extra income for film and TV production companies. "It's becoming an integral part of the film and TV industry," says Gleeson.

"The dean of UCLA was speaking at the Mediacon conference in Dublin recently and he pointed out that a particular element in media courses now is games integration. One module in the course requires students to devise a pilot for a TV series, create a funding plan for it, and so on. They not only need a story arc and a business plan, but they need accompanying games development and integration as well. The industries are now actually two sides of the same coin."

The issue for Ireland is that this particular policy penny has yet to drop. "The UK has spotted this trend and is moving towards a policy of supporting screen, film, TV and gaming as one industry.

"Northern Ireland provides develop-

ment funding and tax credits to all of them. And it's a big, big business to get a slice of. Top films take four years to make and cost about \$200 million.

"You are talking about \$50 million over two years for some of the projects we have been involved in. And games are a big part of this. Gaming gets the same level of support in Northern Ireland and gets a 25 per cent tax credit."

This has borne fruit for Northern Ireland with the gaming sector growing rapidly there despite the fact that it has no track record in the industry up until relatively recently. "They have adopted a 'build it and they will come' approach to their grants and tax package and it has worked."

In the Republic, however, games devel-



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opment does not qualify for the R&D tax credit and there is no support for production along the lines there are of film. "If you go to Northern Ireland you will get 20 per cent of your \$200 million budget in a cheque from HMRC [the UK government's revenue department]. You will get a couple of hundred grand in R&D grants as well. There are no grants available here; the Irish Film Board does not give grants to games producers."

This doesn't mean that there is no gaming sector in the Republic of course. "There are two or three of the large multinationals here and we are doing okay in that respect," says Gleeson.

"EA Games and Activision are both here but they are not engaged in any real development work. We also have Irish companies like Digit. We have a small pool of incredibly talented independent games developers but they haven't enjoyed the nice experience of receiving major capital injections or tax breaks."



Global Head of Media and Entertainment at Grant Thornton, John Gleeson: 'Ireland is missing out on lucrative gaming integration with film and television titles such as Game of Thrones and the CSI series.'

Nurturing talent

Without that capital behind them, Irish companies will not be in a position to fund the development of blockbuster games and that leaves them playing in a different space. They do attract some sub-contracting work from the major global players but this means that the intellectual property and the profits are located outside of Ireland.

Gleeson believes that the Irish industry needs to be nurtured to allow it to pursue a similar strategy to the aviation sector where the entrepreneurs and experts were able to build up capital of their own through selling companies earlier in their careers and then investing that in major projects. "It's a long game and one we have to get better at playing," he says. "We need to have processes and supports in place for our native talent."

That means having a strategic vision for the future. "We need to look at the industry and have a vision of what we want it to look



like in five or ten years' time", he says. "There hasn't really been a business case made for the industry here in the past. This hasn't been for want of trying and industry organisations like Games Ireland and the Irish Gaming Association have done their best. What we need now is the Government, IDA Ireland, Enterprise Ireland and other agencies to take a fresh look at the industry and at least match the supports available to it in the UK.

"The future is looking bright for film and TV in Ireland over the next 10 years and if we have a well thought-out plan for gaming, that can be the same. There will be instant benefits in terms of employment and increased investment. We are now on the cusp of a tipping point in the entertainment industry where games will actually precede movies and TV series and if those games are developed here we have every chance of getting the film and TV production as well. We have the talent, all we need is the infrastructure to support it."