

# GAMES SURVEY WALES

## 2024 UPDATE

### MAPPING THE WELSH VIDEO GAMES INDUSTRY

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# INTRODUCTION

This short report provides an update of the key statistics presented in the Games Survey Wales 2021.<sup>1</sup> This report is part of ongoing Creative Industries focused research being undertaken at the Centre for the Study of Media and Culture in Small Nations, University of South Wales.

The data presented in this report is important as it provides detail and a focus for Wales based industry which is often lacking in national UK level reports. The granularity of the data is essential for the effective implementation of tailored support and policy development.

The Games Survey Wales 2021 was used to inform the development of the Creative Wales Skills Action Plan,<sup>2</sup> which in turn led to the roll out of the Creative Skills Fund<sup>3</sup> that has funded 17 skills interventions, three of which are focused on games.<sup>4</sup> A new round of Creative Skills Fund projects will launch in mid to late 2024, with Games identified as a priority sector.<sup>5</sup>

Since publishing the Games Survey Wales 2021 the video games industry has moved on, the fallout from the COVID-19 pandemic has become clearer and the global games industry is currently in a period of turmoil with a significant number of layoffs in 2023 and 2024.

Whilst for this short report there is only an update of company details and mapping, the data has indicated some changes in the makeup of the video games industry in Wales.

## RESEARCH AIMS

1. Update the mapping of video game companies in Wales.
2. Key data comparison from 2021 to April 2024.

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<sup>1</sup> <https://clwstwr.org.uk/clwstwr-games-survey-wales>

<sup>2</sup> <https://www.creative.wales/creative-skills-action-plan>

<sup>3</sup> <https://www.creative.wales/creative-skills-fund>

<sup>4</sup> <https://www.creative.wales/skills-and-talent/discover-17-projects-were-supporting-year>

<sup>5</sup> <https://www.creative.wales/sites/creative/files/2024-03/Creative%20Skills%20Fund%20-%20External%20Guidance%20Notes%20-%202024%20-%20Final%20E.pdf>

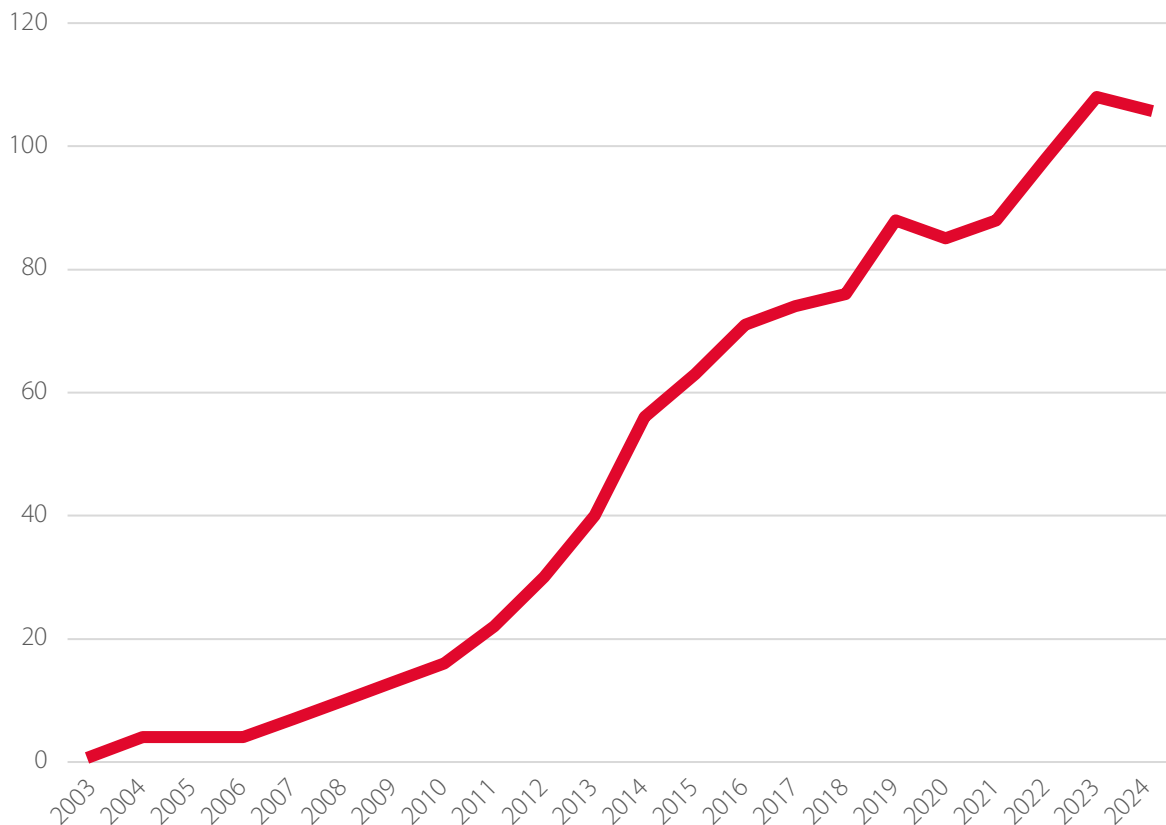
# THE STATE OF PLAY IN 2024

## INDUSTRY SIZE

In April 2024 there are **103 video games companies operating in Wales**.

**Since 2003 a total of 150 video games companies have been registered in Wales.** 44 companies have ceased trading<sup>6</sup> and 3 companies are currently in the process of liquidating.

There are 23 more companies trading in 2024 than there were in 2021.



**Chart 1:** Number of video games companies trading in Wales by year.  
Please note: 2024 data is up-to April 2024 only.

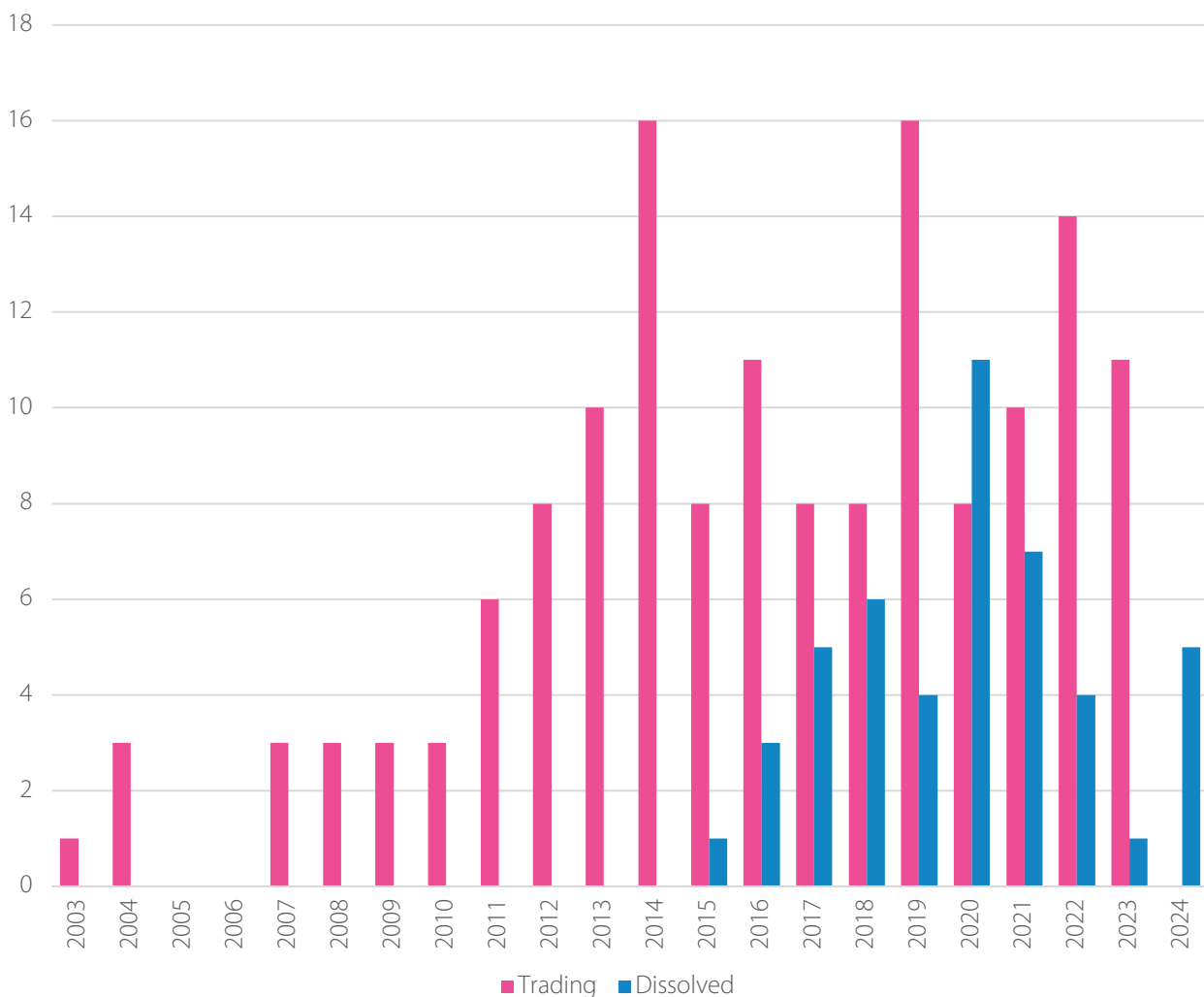
<sup>6</sup> Data for dissolved companies is only available from 2015.

## INDUSTRY GROWTH

10 new video games companies were set up in Wales in 2021, 14 in 2022 and 11 in 2023. There have also been company closures during this period, meaning that there has been an overall net **gain of 23 companies** from 2021.<sup>7</sup>

There is an **average annual growth rate of 8% between 2021 and 2023**. This is a little higher than the pre-COVID growth rate from 2017 to 2019 which averaged 7% per year.

2019 saw a surge in the number of companies being registered (16 companies). However, 2020 saw the largest number of company closures in one year (11 companies). This led to a reduction in the number of trading video games companies in 2020 (an overall reduction of three companies). A large contributing factor is likely to have been the COVID-19 pandemic.



**Chart 2:** Annual company registrations and dissolutions by year.  
Please note: 2024 data is up-to April 2024 only.

<sup>7</sup> Please note that the data for 2024 is incomplete.

# COMPANY AGE

The number of companies in their first five years of trading has tripled since 2021, but the data collected also shows that the majority of video games companies fail within the first five years of trading.

**Table 1:** Comparison of trading duration, between 2021 and 2024 data sets.

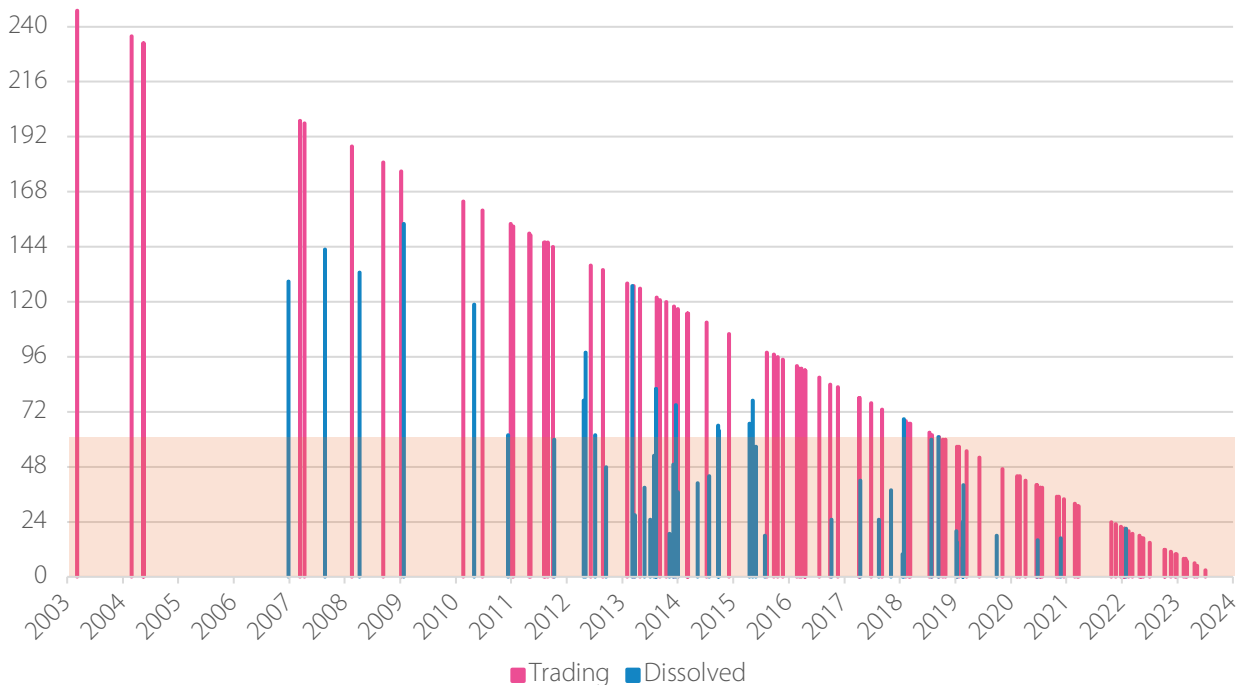
Trading duration	Companies (2021)		Companies (2024)	
Under 5 years	14	20.3%	43	41.7%
5 to 10 years	28	40.6%	32	31.1%
Over 10 years	27	39.1%	28	27.2%

In 2021 the average lifespan for active companies was 6 years 7 months, at the start of 2024 the average trading lifespan had increased to 6 years 11 months.<sup>8</sup>

**Table 2:** When do video games companies fail?

Ceased trading	Companies	
Under 5 years	26	55%
5 to 10 years	16	34%
Over 10 years	5	11%

The average trading lifespan of companies that have ceased trading has got shorter. In 2021 the average was 4 years and 11 months, in 2024 the average is 4 years and 6 months. In 2024, there are now significantly more companies within their first five years of trading. Consequently, there is now a larger proportion of companies within the period at which the risk of closure is at its highest.



**Chart 3:** Company trading duration in months, shown in chorological order of incorporation. The orange box shows the period when the risk of closure is at its highest.

<sup>8</sup> These statistics were generated on 26 April 2024.

## GEOGRAPHICAL DISTRIBUTION

The geographical distribution of companies around Wales has remained largely the same, with noticeable **clustering in the north east**, around Wrexham and Deeside, **and in the south east**, around Cardiff and in Swansea. The largest cluster of companies is in the Cardiff Capital Region (CCR) area<sup>9</sup> and is particularly condensed within Cardiff, which has 21 companies (20%).

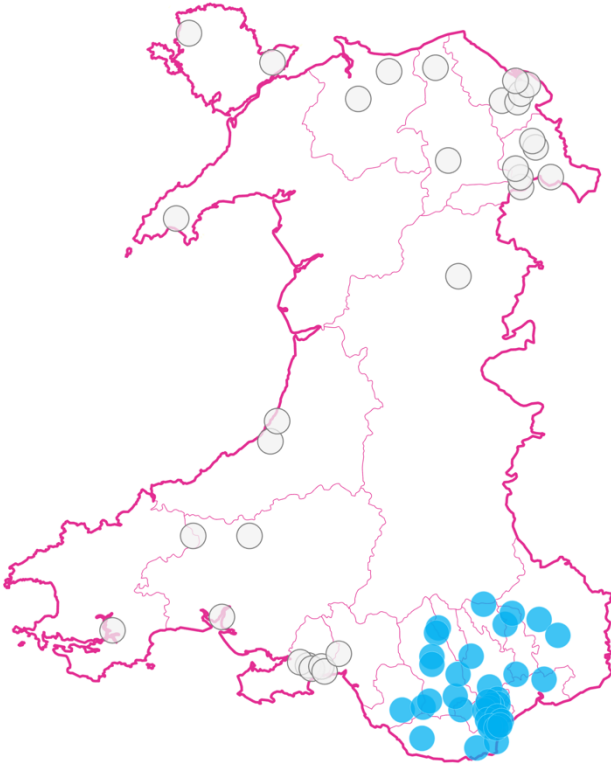


Figure 1: Video games companies trading in Wales in 2021.  
Blue circles indicate companies inside the CCR.

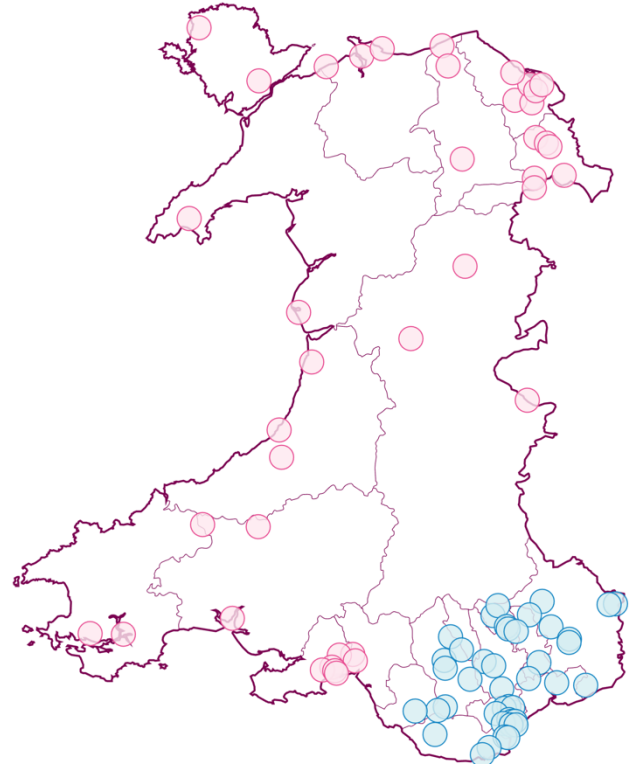


Figure 2: Video games companies trading in Wales in April 2024.  
Blue circles indicate companies inside the CCR.

The proportion of companies inside the CCR and across the rest of Wales has essentially stayed the same between 2021 and 2024.

**Table 3:** Comparison of the geographic distribution of companies between 2021 and 2024.

Trading duration	Companies (2021)	Companies (2024)
Inside CCR	<b>38</b> 55%	<b>56</b> 54%
Outside CCR	<b>31</b> 45%	<b>47</b> 46%

<sup>9</sup> Cardiff Capital Region is a regional body (also known as a Corporate Joint Committee) made up of the 10 councils across south east Wales.

# WALES IN THE CONTEXT OF THE UK VIDEO GAMES INDUSTRY

## WORKFORCE

Whilst the number of games companies in Wales has been growing, workforce statistics show that the Welsh video games development workforce has been shrinking.

**The proportion of Wales based developers compared to other regions in the UK has reduced,** which suggests that Wales based companies are not recruiting new employees at the same rate as other regions. This is especially concerning as the Creative Industries workforce has increased in Wales.

**Table 4:** Comparison of Creative Industries workforce size and Games Industry Workforce size across UK regions.

	Creative Industries Workforce		Games Industry Workforce					
	2020 (DCMS) <sup>10</sup>	2022 (DCMS) <sup>11</sup>	2016 (UKIE) <sup>12</sup>		2019 (BFI) <sup>13</sup>		2023 (TIGA) <sup>14</sup>	
<b>Wales</b>	<b>2.7%</b>	<b>2.9%</b>	<b>172</b>	<b>1.1%</b>	<b>98</b>	<b>0.5%</b>	<b>145</b>	<b>0.6%</b>
Scotland	5.8%	6.3%	1,156	7.2%	2,181	10.8%	2,198	9.1%
Northern Ireland	1.4%	1.6%	77	0.5%	74	0.4%	169	0.7%
North East	2.7%	1.9%	518	3.2%	763	3.8%	1,304	5.4%
North West	7.5%	7.7%	1,315	8.2%	1,765	8.8%	2,899	12.0%
Yorkshire & Humber	5.8%	5.6%	767	4.8%	701	3.5%	1,401	5.8%
West Midlands	4.4%	5.8%	1,209	7.5%	1,765	8.8%	2,416	10.0%
East Midlands	5.6%	4.8%	906	5.6%	1,461	7.3%	1,184	4.9%
East of England	8.0%	7.7%	1,209	7.5%	1,332	6.6%	1,618	6.7%
South West	7.3%	8.0%	423	2.6%	507	2.5%	604	2.5%
South East	16.0%	16.9%	3,266	20.3%	3,684	18.3%	4,807	19.9%
London	33.0%	30.9%	5,107	31.7%	5,805	28.8%	5,411	22.4%
Total			16,125		20,136		24,155	

*Note: The games industry workforce employment numbers are for employees directly involved in the development of games (roles such as artist, designer, programmer), this does not include roles such as marketing, finance and legal.*

The UK video games industry has seen significant growth over the last 10 years. Based on statistics from TIGA<sup>14</sup> between 2021 and 2023 there was a 15.2% increase in development staff, to 24,155. This may have been the peak for the UK workforce: since 2023 the UK and global games industry has seen a number of high-profile job losses.<sup>15</sup>

In the first four months of 2024 there have been at least 8,000 redundancies globally and it is estimated that since the start of 2023 there have been over 19,000 redundancies globally.<sup>16</sup>

<sup>10</sup> <https://www.thecreativeindustries.co.uk/facts-figures/resources-infographics>

<sup>11</sup> <https://www.gov.uk/government/statistics/economic-estimates-earnings-2023-and-employment-october-2022-to-september-2023-for-the-dcms-sectors-and-digital-sector>

<sup>12</sup> <https://ukie.org.uk/download/4828842jn4qnt5b2pe01nx9zd6/0>

<sup>13</sup> <https://core-cms.bfi.org.uk/media/15419/download>

<sup>14</sup> <https://tiga.org/news/studio-numbers-employment-rise-in-uk-video-games-industry-new-tiga-research>

<sup>15</sup> <https://www.theguardian.com/games/2024/feb/08/why-is-the-games-industry-shedding-staff-epic-games-activision-blizzard>

<sup>16</sup> <https://publish.obsidian.md/vg-layoffs/Archive/2024>

However, because of the recent redundancies the regional percentages outlined in Table 4 are likely to change, although it is currently unclear which regions will be most severely impacted.

The workforce redundancies are set against the picture of a prosperous UK video games industry, which saw 4.4% growth in the last year and a value of £7.82bn to the UK economy.<sup>17</sup>

As there are no large or even medium sized games companies based in Wales the industry here is likely to be somewhat insulated from the effect of global redundancies. In fact, Wales may buck this trend with the arrival of Rocket Science Corp in mid-2023 which will create 50 new video games jobs in Wales over the next few years. This will make Rocket Science Corp the largest games company in Wales.<sup>18</sup>

## TO CONCLUDE

It is promising to see that **the number of new video games companies in Wales has been growing steadily since 2021**, with 10 new companies in 2021, 14 in 2022 and 11 in 2023. However there have also been closures during this period, meaning that there has been an **overall growth of 23 companies**. This signals an average growth rate of 8% per year.

The growth rate seems to have recovered well from the slight shrinkage of company numbers during COVID-19 (in 2020 the overall number of companies shrank by 4%).

The average trading duration of Welsh video games companies remains low; **40% of companies having been trading for fewer than five years**. This indicates that support is needed for early-stage companies. This has been bolstered in recent years by Creative Wales' Creative Skills Fund funding places for Wales based companies on the Indielab UK Games Accelerator in 2022 and 2023.<sup>19</sup>

The geographical distribution of companies has remained largely the same. There is noticeable **clustering in the north east** around Wrexham and Deeside, **and in the south east** around Cardiff and in Swansea.

The Welsh video games industry is currently underperforming compared with other regions of the UK, however, there remains a significant opportunity to grow the video games industry in Wales. There is a strong talent pipeline from educational organisations which is driving growth.

**Wales based companies are in a strong position to make games with extensive public value**, specifically where Welsh culture and language are concerned. This can be seen with the recent successful release of Wales Interactive's Sker Ritual.<sup>20</sup>

Effective support, funding and training, is essential for home grown companies (both new and established) in order for them to develop their intellectual property and to publish it on global market places. It is also needed for welcoming games companies into Wales to build overall mass, helping to grow developer capacity and consolidate community.

<sup>17</sup> <https://ukie.org.uk/news/2024/04/2023VideoGameIndustryValuation>

<sup>18</sup> <https://www.gov.wales/american-games-company-chooses-wales-its-new-european-hq>

<sup>19</sup> <https://www.indielabgames.co.uk/news/indielab-games-launches-uk-games-accelerator-2023>

<sup>20</sup> <https://www.bbc.co.uk/news/uk-wales-68934685>



# METHODOLOGICAL NOTES

## DEFINING A VIDEO GAMES COMPANY

The same definitions for defining a video games company or organisation were used in the 2021 report. The criteria for inclusion were companies or organisations that:

1. are active and producing video games content for public consumption (publishers and developers);
2. provide services (e.g. writing, audio, motion capture, voice acting etc.) for video games productions;
3. have an operational base in Wales.

Companies were excluded where their main output is gambling/gaming, board games, eSport, PR, Communications, marketing, brand promotion of a product or service and influencer type online content development.

Registered companies were identified using Standard Industrial Classification (SIC) codes. There are two codes which are relevant to video games making and publishing; these are unsurprisingly the two predominant codes used by video games developers based in Wales.

- 62011 Ready-made interactive leisure and entertainment software development
- 58210 Publishing of computer games

There are several other SIC codes used by companies that appear in the data set.

- 62090 Other information technology service activities
- 62012 Business and domestic software development
- 90030 Artistic creation
- 73110 Advertising agencies
- 58290 Other software publishing
- 96090 Other service activities N.E.C.

## COMPANY DATA SOURCES

The initial data set was created using Bureau van Dijk's FAME database to extract UK company information for cognate (Standard Industrial Classification) SIC categories.<sup>21</sup>

The UK Games map created by UKIE,<sup>22</sup> was used to identify active companies based in Wales. 66 video games companies appear in this data set, the same number as in 2021. This data was accessed on 26th April 2024. The data has been combined with additional searches on Companies House company database,<sup>23</sup> in order to verify the trading status of each company. The most recent data point in within the combined data set is 30 April 2024.

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<sup>21</sup> FAME data exported on 29 April 2021 and 2 May 2024.

<sup>22</sup> <https://map.gamesmap.uk>

<sup>23</sup> <https://www.gov.uk/get-information-about-a-company>

## ACKNOWLEDGEMENTS

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The Centre for the Study of Media and Culture in Small Nations, University of South Wales was established in 2006 as a means of co-ordinating and supporting the research of academic staff in the areas of media, culture, communication, theatre, and performance, much of which has focused on the creative industries in Wales and the wider economic, social and political contexts in which these industries operate. The Centre is based in the Faculty of Business and Creative Industries, University of South Wales. It works closely with Film and TV School Wales.

## SUGGESTED CITATION

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