

Ms Joan McAlpine MSP
Convener, Culture, Tourism, Europe and External Affairs Committee
M5.12
The Scottish Parliament
Edinburgh
EH99 1SP

3 November 2020

Dear Ms McAlpine,

Scottish Video Games Industry Grows by 17 per cent

I am writing to you regarding the publication of new TIGA research which reveals that the Scottish video games industry grew 17 per cent between November 2018 and April 2020.

TIGA, the trade association representing the UK video games industry, has released new research showing that Scotland is the fourth largest games cluster in the UK and the Scottish video games development industry now employs 1,803 people in permanent and full-time equivalent roles and supports a further 3,296 indirect jobs.

TIGA's research shows that in the period from November 2018 to April 2020:

- Scotland has 1,803 permanent and full-time equivalent creative staff working on games development in 96 companies. This is up from 84 companies employing 1,537 staff in November 2018.
- Scotland is home to 7.3 per cent of the UK's total games companies and 10.7 per cent of its developer headcount (the comparable figures for 2018 were 7.9 per cent and 10.7 per cent, respectively).
- Scotland's games development sector supports an additional 3,296 indirect jobs (up from 2,810 in November 2018).
- Annually, Scottish games development companies are estimated to invest £106 million in salaries and overheads, contribute £97 million in direct and indirect tax revenues to HM Treasury, and make a direct and indirect contribution of £236 million to the UK's Gross Domestic Product (GDP).

Scotland represents the fourth largest games cluster in the UK. It has a critical mass of experienced games developers; renowned universities preparing skilled graduates for the games industry, including TIGA Accredited Abertay University; and supportive agencies including Scottish Enterprise and Creative Scotland. The UK Games Fund is also based in Dundee.

These factors have helped the Scottish video games industry to continue to grow in 2020 despite the coronavirus crisis. To aid Scotland's economic recovery, the UK and Scottish Governments should play



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to our strengths and invest in the video games sector to enable it to continue its upward trend, continue increasing employee headcount, and to continue contributing to growth across the UK.

To do so, TIGA has proposed strengthening [Video Games Tax Relief \(VGTR\)](#). This tax relief enables UK games businesses to compete on a level playing field against games businesses in other countries that benefit from similar reliefs. VGTR incentivises investment and job creation in the UK – it has been available since 2014 and since then employment in the sector has increased by an annual average of 8.9 per cent.

In addition, the introduction of a [Video Games Investment Fund](#) would allow the sector to continue its growth, by providing match funding to studios to promote the development of original IP and encourage studio growth. The [UK Games Fund](#) could also be strengthened to improve access to finance.

It is also important that we continue to strengthen industry-university links, enhance skills and training, and enable UK games companies to recruit highly skilled workers from the EU and beyond. This can enable our sector to increase employment, increase investment and increase exports. TIGA [itself accredits](#) high quality university video games courses, and works with universities across the UK to ensure graduates can enter the industry with the right skills.

The new statistics are welcome news for the Scottish video games industry and for the UK as a whole. I would be grateful if you could spare some time to meet to discuss TIGA's proposals concerning the video games industry in more detail.

Yours sincerely,

Dr Richard Wilson OBE
Chief Executive Officer
TIGA