



## **FOR IMMEDIATE RELEASE:**

### **China's Online Games Industry Outperforms National GDP Growth**

*21.4% growth-rate brings online game revenues to \$5.8 billion for 2011*

(SHANGHAI, China and SILICON VALLEY, California) May 5, 2011 -- Niko Partners, a research firm, has today released their annual review and five-year market forecast of the video game industry in China.

The report covers changes and growth in the current market, led by social games, and predicts continued market-growth through 2015.

Niko Partners estimates market size in China as \$5.8 billion for 2011. The market was \$4.8 billion last year.

Subscribers received the 78 page report this week, while non-subscribers can now order the full report from the Niko Partners website.

Findings include explicit data on the continued growth of China's core online games, the explosive growth and new audience for social network games, as well as consumer insights, an overview of current government regulation, and key changes to how gamers use internet cafés. While the report finds the market is in transition, it specifically notes that revenue sources have become broader.

Basic consumer behavior has changed. Both habits and demands of Chinese gamers are evolving, and large game operators that are slow to react leave strong market opportunities for others.

Based on extensive gamer surveys across ten cities in China, Niko Partners provides proprietary analysis, including the fact that social network games are played on home or office computers, but considerably less so at internet cafés, something confirmed by Niko Partners' exclusive measurement of 20,000 iCafe PCs across China.

2009 was the first year to see games on social networking sites in China, generating \$80 million in revenues by Niko's estimate. By 2010, the amount of revenue generated from these social networking games had reached \$500 million. Niko Partners forecasts continued growth through 2015.

The World Bank projects a growth-rate of 9.3% for China's gross domestic product for 2011. Niko

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Partners finds that the growth-rate for revenues of online games will be 21.4% this year, showing significant strength within that particular sector of the Chinese economy. The report also finds no effect of the global recession.

"Chinese game companies are looking for even more growth beyond their borders," says Lisa Cosmas Hanson, the firm's managing partner. "And they have more experience operating online games and social games than anyone else in the world." That said, these companies need to be ready for competition from nontraditional game companies domestically, and global game industry giants both abroad and in China, assuming the Chinese regulatory landscape becomes more welcoming for foreign game companies as the industry grows.

For additional information on Niko's 2011 China's Games Industry Annual Review and Five-Year Forecast Report, including a table of contents, please visit: <http://www.nikopartners.com/researchstore>.

#### ABOUT NIKO PARTNERS

Niko Partners is The leader in Asian Video Game Market Intelligence™, specializing in the Chinese and Southeast Asian game markets. Founded in 2003, the firm conducts syndicated and custom research studies on Chinese gamers (including the region of Taiwan), Southeast Asian gamers, online games, offline games, consoles, handhelds, regulatory issues, piracy, development, online operators, distribution, and retail. Niko Partners also offers consulting services including focus groups, partnership selection, market opportunity analysis, custom surveys in cities throughout China and the Asia-Pacific region and customized data analysis. The goal of the research and strategic advisory services is to help understand the market, strategically enter or expand market share, and continue to profitably grow within China and Southeast Asia's emerging markets.

The company is based in Silicon Valley and Shanghai, and its clients include worldwide leaders in game software, hardware, and services, as well as hedge funds, media companies, trade associations, and management consulting firms, all of whom have a vested interest in a thorough understanding of the emerging Southeast Asian and Chinese video game industries.

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Media Contact:

Sean Kauppinen

International Digital Entertainment Agency

415-299-2156

[sean@ide-agency.com](mailto:sean@ide-agency.com)

[www.nikopartners.com](http://www.nikopartners.com)