



# Gaming & Esports

## Market Development Plan for Scotland's Gaming and Esports Industry

### Executive Summary

Scotland's gaming industry is a vibrant and growing sector, contributing £188.5 million to the economy and employing over 2,300 creative staff across 162 studios. With iconic titles like Grand Theft Auto and Minecraft console editions originating from Scotland, and a strong educational pipeline led by institutions like Abertay University, the country has a solid foundation.

The esports sector is also gaining traction, with plans for a 4,000-seat arena in Dundee and growing grassroots initiatives. However, challenges such as limited funding, lack of industry recognition, and competition from global hubs like Finland and Saudi Arabia threaten Scotland's ability to scale.

This plan outlines strategies to enhance market growth, focusing on ecosystem development, talent cultivation, international expansion, and infrastructure investment.

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# Executive Summary

The global gaming market was valued at over \$250 billion in 2024, surpassing film and music combined, with esports contributing \$1.5 billion in revenue and a projected audience of 600 million by 2025.

The gaming industry's global landscape, valued at over \$250 billion in 2024, is fueled by rapid advancements in technology and a growing esports sector worth \$1.5 billion.

## Scotland's Position

Scotland's gaming industry, a dynamic £357 million contributor to the UK economy, stands on the cusp of global leadership, driven by its storied legacy of producing iconic titles like Grand Theft Auto and Minecraft console editions.

Scotland's 162 studios represent 7.7% of the UK's total, with a 26% employment growth from 2020 to 2021, outpacing the national average.

- Home to 162 games development studios, up from 147 in 2021, representing 7.7% of UK studios and 9.8% of its developer headcount.
- Employs 2,338 creative staff, with a 26% employment growth from 2020 to 2021, outpacing the UK's 25%.
- Contributes £357 million to UK GDP and supports 4,275 indirect jobs.
- Key hubs in Dundee (highest concentration of gaming companies in the UK), Edinburgh, and Glasgow.
- Esports is emerging, with initiatives like the planned 4,000-seat Dundee arena and Esports Scotland's grassroots efforts.

Yet, challenges like limited funding, talent retention, and fierce competition from global hubs such as Finland and Japan threaten its potential. This market development plan aims to propel Scotland's gaming industry, with a sharp focus on game development, to achieve a £1 billion GVA by 2030.

## Strengths

Strengths include a rich development heritage, with studios like Rockstar North and 4J Studios, and a world-leading educational ecosystem producing over 500 graduates annually through TIGA-accredited programs. Innovation hubs like InGAME and The Data Lab drive research in AI and applied gaming, while the Scottish Games Network (SGN) fosters collaboration.

- **Historical Legacy:** Birthplace of iconic games like *Lemmings* and *Grand Theft Auto*, with globally recognized studios like Rockstar North and 4J Studios.
- **Educational Excellence:** Abertay University launched the world's first games degree in 1997, with seven other Scottish institutions offering games-related programs.
- **Talent Pipeline:** High student-to-population ratio in Dundee and a skilled workforce supported by TIGA-accredited courses.
- **Infrastructure:** Collaborative ecosystem with support from Scottish Enterprise, Creative Scotland, and innovation hubs like InGAME and The Data Lab.
- **Esports Potential:** Plans for a £60 million esports arena in Dundee and partnerships with organizations like Esports Scotland and Dundee & Angus College.

## Weaknesses

- **Funding Gaps:** Limited public and private funding for startups and new IP development compared to competitors like Finland (£2 billion GVA).
- **Perception Issues:** Gaming is often undervalued as “digital toys,” limiting government support and economic recognition.
- **Fragmentation:** Lack of cohesive strategy, with the industry sitting awkwardly between tech, creative, and screen sectors.
- **Global Competition:** Scotland risks falling behind major hubs like the US, Japan, China, and emerging players like Saudi Arabia.

## Opportunities

- **Esports Growth:** Capitalize on the global esports boom with infrastructure like the Dundee arena and grassroots programs.
- **International Markets:** Leverage programs like Techscaler Japan to connect with high-value markets like Japan and Asia.
- **Cross-Industry Applications:** Expand gaming technologies (e.g., Unreal Engine, Unity) into sectors like manufacturing, education, and healthcare.
- **Government Support:** Build on the National Games Strategy and Logan Review to secure funding and policy alignment.
- **AI and Innovation:** Integrate AI-driven game development and analytics, following global trends.

## Threats

- **Global Competition:** Stronger ecosystems in Finland, Saudi Arabia, and Asia could attract talent and investment away from Scotland.
- **Funding Cuts:** Recent UK tax relief abolition for gaming could hinder growth.
- **Talent Retention:** Global job losses in 2023 and lack of local publishing support may drive talent abroad.

# Industry Strategy and Action Plan

Scotland's gaming and esports industry has the potential to become a global powerhouse by leveraging its historical legacy, educational strengths, and emerging esports infrastructure. This plan addresses key challenges through strategic investments in collaboration, talent, funding, and international outreach.

By harnessing cutting-edge technologies like AI, blockchain, and cloud gaming, strengthening the talent pipeline, securing substantial investment, and expanding global reach, Scotland can solidify its position as a powerhouse in the \$250 billion global gaming market, while leveraging esports as a complementary growth driver.

The strategic vision for Scotland's gaming industry centers on scaling the game development ecosystem to achieve a £1 billion GVA by 2030, leading in innovative technologies, securing £120 million in funding, doubling the developer workforce to 4,500, expanding global exports, and leveraging esports to enhance game visibility.

By executing this roadmap, Scotland can achieve a £1 billion GVA, create thousands of jobs, and establish itself as a leader in the \$250 billion global gaming market by 2030.

## Action Projects

These initiatives will harness AI, blockchain, cloud gaming, and immersive tech to drive innovation and competitiveness.

### National Games Strategy

A National Games Strategy, implemented by Q2 2026 with £1 million, will integrate gaming into tech and creative policies, backed by £60 million in allocated funding. An annual Scottish Game Dev Summit during Scottish Games Week, starting in October 2026 with a £3 million budget, will showcase new titles and attract global publishers, targeting 1,200 attendees and 25 international publishers by 2028.

Embracing cutting-edge technologies is critical to positioning Scotland as a leader in game development. InGAME's R&D will expand to develop AI-driven tools for

procedural content and adaptive gameplay, enabling 15 studios to reduce costs by 20% by 2028 with a £10 million investment.

- **To build a cohesive ecosystem, the establishment of a Scottish Game Development Alliance under SGN will unite studios, universities, and government to coordinate strategy, aiming to launch five collaborative projects by 2027 with a £2 million investment.**
- **A Scottish Game Dev Apprenticeship Program**, launched by Q3 2026 with £5 million, will train 250 apprentices annually, reaching 750 by 2030 in partnership with studios like Outplay Entertainment.
- **A Game Dev Mentorship Network**, established by Q2 2026 with £2 million, will connect 100 junior developers yearly with industry leaders, achieving a 50% retention rate by 2028.
- **A Scottish Cloud Gaming Hub**, developed with partners like AWS by Q4 2026 for £7 million, will enable 20 indie studios to distribute globally, boosting exports by 50%.
- **A Blockchain Gaming Incubator**, launched by Q3 2026 with £5 million, will support play-to-earn and NFT-based games, targeting five market-ready titles by 2028.
- **Securing £120 million in funding** is essential to fuel studio growth and IP creation. A Scottish Games Fund, launched by Q4 2026 with £75 million, will provide £25 million annually to support 60 projects and 20 new IPs by 2028.
- **Attracting £45 million in private investment** through venture capital partnerships and tax incentives, facilitated by Scottish Enterprise with a £2 million budget, will secure 12 VC deals and five publisher contracts by 2029.

To counter the UK's tax relief abolition, lobbying for devolved R&D tax credits by Q1 2026 with £1 million will ensure 30 studios benefit by 2027. These financial strategies will empower startups and established studios to innovate and scale, addressing a critical barrier to growth.

## **Position Scotland as a Global Gaming and Esports Hub**

Increase Scotland's share of the global gaming market from £357 million to £1 billion GVA by 2030.

- **Develop a National Esports Network:** Create a coordinated ecosystem of venues, digital platforms, and community hubs by 2027.
- **Scale Grassroots and Professional Events:** Grow the Scottish Esports League to 5,000 participants and 1 million online viewers by 2028.
- **Establish a National Esports Academy:** Train 200 players, coaches, and organizers annually by 2027 to build a sustainable talent pipeline.
- **Develop and Retain Talent:** Double the number of games-related graduates and professionals (to 4,500) by 2030.
- **Enhance Ecosystem Collaboration:** Create a unified games and esports cluster integrating academia, industry, and government.
- **Promote International Growth:** Increase exports and partnerships in key markets like Japan, North America, and Europe.
- **Boost Funding and Investment:** Secure £100 million in public and private funding for startups, IP development, and infrastructure by 2028.

## Conclusion

Scotland's game development industry is at a pivotal moment, with the potential to lead globally by embracing AI, blockchain, cloud gaming, and immersive technologies. This plan addresses funding, talent, and visibility challenges through strategic investments and partnerships, aiming for a £1 billion GVA by 2030.

By fostering innovation, scaling studios, and leveraging esports synergies, Scotland can cement its place as a powerhouse in the \$250 billion gaming market, building on its storied legacy to shape the future of interactive entertainment.