



FOR IMMEDIATE RELEASE:

DESPITE NEW REGULATIONS, CHINESE DOMESTIC MOBILE GAMES REVENUE FORECAST TO HIT \$8.3 BILLION IN 2017, 31% OF TOTAL DIGITAL GAMES REVENUE

New Chinese Regulations to Slow the Supply but not Demand for Mobile Games

SAN JOSE, Calif. – September 6, 2016 – Niko Partners, the leader in Asian Games Market Intelligence, today announced the availability of the firm’s *2016 Chinese Mobile Gaming Report and 5-Year Forecast*. The report includes detailed data on the market size and forecast for mobile games, games rankings, mobile game company information, special sections on female gamers and on mobile eSports, as well as gamer behavioral and preference data, drivers and inhibitors for market growth, and industry analysis covering 2014 through 2020.

Key takeaways from the *2016 Chinese Mobile Gaming Report & 5-Year Forecast* include:

- Chinese domestic mobile games revenue is projected to rise 28% in 2016 over 2015, and rise further to \$8.3 billion in 2017.
- There will be 465 million Chinese mobile gamers by the end of 2016, an increase of 100 million in only 2 years.
- The market share of mobile games played in China has gone from 11% of digital games revenue (mobile, online and TV-based games) in 2013, to 29% in 2016, and will rise to 31% in 2017.
- Chinese mobile game developers will generate an additional \$1.3 billion in 2016 from mobile game exports to other markets, and nearly double to \$2.1 billion in 2020. Exports are rising annually.
- The regulations that began in July 2016 will curb supply by slowing the new games into the market and speeding up market consolidation of smaller studios.



But the regulations will not curb demand, which is still voracious, for the tens of thousands of games that are currently available to Chinese gamers.

- Tencent dominates with 53% share of the domestically derived mobile games revenue, but NetEase is quickly challenging Tencent and the two companies are now decidedly the market leaders.

“The new regulations are daunting, but by understanding the Chinese gaming audience, the rules and the process game developers can still release games into the market, albeit at a slower rate,” said Lisa Cosmas Hanson, Managing Partner and founder of Niko Partners. “Now more than ever it is crucial to study Chinese gamer behavior, build relationships with publishing partners, and invest in localization that reflects cultural understanding beyond the requirements for all games to include only Chinese text.”

The full report is available at www.nikopartners.com for \$8,000 and contains 102 slides with 62 data exhibits and 5 infographics based on direct research and surveys of Niko’s database of more than 2 million gamers in China.

ABOUT NIKO PARTNERS

Niko Partners is the leader in Asian Games Market Intelligence™, specializing in the Chinese and Southeast Asian game markets. Founded in 2002 and in its 13th year of detailed analysis on the Chinese market, the firm conducts syndicated and custom research studies on Chinese gamers, Southeast Asian gamers, online games, mobile games, consoles, Smart TV gaming, 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 impressive 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 games industry in Southeast Asian and China.

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