Press Start on Growth

Unlocking the full potential of the UK video games industry

The UK video games industry is one of the most dynamic, innovative and high-growth sectors in the creative economy. It already contributes £6 billion in Gross Value Added (GVA) annually and supports more than 73,000 jobs.

But new analysis shows that, with targeted policy intervention, the sector could generate:

£500 million in additional GVA

6,000 new jobs over five years, of which **2,550** are highly skilled

5:1 return on public investment

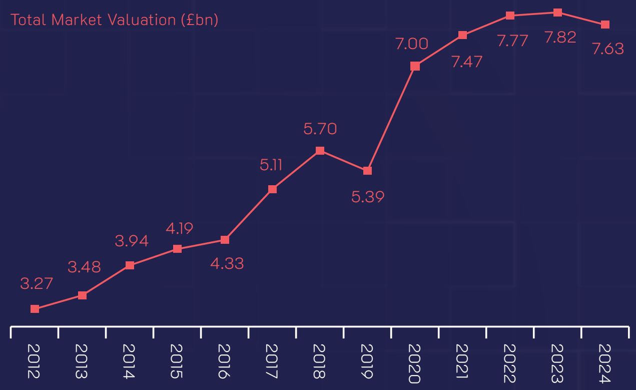
Source: Ukie / Nordicity, Business Case for an Enhanced Video Games Expenditure Credit, February 2025

The risk without action

Global competitors are already increasing incentives to attract investment and talent

Driving UK growth

UK Games Consumer Market Valuation



New data show consumers have spent £7.6bn in 2024

Market size has doubled since 2013 (£3.5bn)

Despite a challenging global environment, mobile game spend grew by 8.1% in 2024

Record number of incorporated UK games companies in 2023, with regional growth across the UK

Source: Ukie, Consumer Market Valuation, May 2025

Policy Recommendations

1. Reform the Video Games Expenditure Credit (VGEC)
2. Expand Access to Finance and Innovation Support
3. Develop Skills and Attract Global Talent

Now is the time to press start on growth

The UK video games sector is a vital growth engine within the creative economy. With the right strategic support and policy reforms, the UK can not only retain its global leadership, but also significantly expand its reach, influence and economic contribution.
Now is the time to press start on growth.

Ukie 2024 Video Games Consumer Market Valuation

Game Software

- Physical (boxed) software fell 34% year-on-year, continuing a long-term decline, accounting now for 4% of total spend.

Source: NielsenIQ/GfK Entertainment, 2024

- Mobile games grew by 8%, although behind the Western European average of 13%.
- Full-game digital purchases dipped due to fewer blockbuster releases, though overall game volume remained stable.
- Lower-priced hits like Palworld and Helldivers II affected average PC game prices, but growing PS5 adoption and record Steam user numbers helped drive strong DLC performance.
- Game subscription revenue rose, mainly due to price increases, as the console subscriber base approached saturation.

Source: Omdia, 2024

Game Hardware

- The Sony PS5 Disc console and Microsoft Xbox Series Consoles saw declines owing to fewer major first-party software releases and accompanying hardware bundles, dampened consumer confidence from cost of living rises, and other global economic factors. Nintendo. Switch sales also declined with the Switch being in its 8th year and consumers primed for Switch 2 in 2025.
- Conversely, the PS5 Digital Console had a best ever year at its lower price point alongside the growth of direct-digital delivery of games via PlayStation Plus membership plans.

Source: NielsenIQ/GfK Entertainment

Game Culture

- Game culture fell by 13% with declines across all categories, tracking with broader market trends.
- Game culture ticket and subscription prices rose in 2024, counteracting some of the revenue impact of declines in engagement.

Source: Ukie, 2024

– Toys & Merchandise

- Video game-related toy sales fell by 8.5%, in line with a broader toy market decline.
- Notable successes included Sonic the Hedgehog and Animal Crossing merchandise.
- Pokémon started 2025 as the UK's top toy property.

Source: Circana, POS Tracking Service, UK, Full Year 2024 & YTD March 2025

– Events & Esports

- Live events spending fell 15% due to cancellations and event transitions.
- Esports grew by 44% year-on-year, with more prominent UK-based events.
- Grassroots events expanded, suggesting signs of post-pandemic recovery.

Source: Ukie, 2024

– Film, TV, Streaming and GVC

- Box office receipts for video game adaptations were lower this year with Borderlands grossing under £2 million and Sonic the Hedgehog 3's December release meaning that some of its box office will contribute to 2025 instead.
- In contrast, 2023 saw major hits like The Super Mario Bros. Movie (£55m) and Five Nights at Freddy's (£11m), both of which went on to lead video sales and rentals in 2024.

Source: BFI, Comscore, Official Charts Company, Omdia, 2024

- Online streaming and gaming video content fell 3% as audiences continue to stabilise post-pandemic.

Source: Ukie, 2024

Game Software	2024	YOY Change	Source
Boxed	322	-34%	NielsenIQ/GfK Entertainment
Digital Console	2,446	3.5%	Omdia
Digital PC	647	-1.8%	Omdia
Mobile	1,725	8.1%	Omdia
	5,140	**0.58%**	
Game Hardware			
Console	723	-24%	NielsenIQ/GfK Entertainment
PC	715	6.0%	NielsenIQ/GfK Entertainment
Console Game Accessories	463	14%	NielsenIQ/GfK Entertainment
VR	204	7.0%	NielsenIQ/GfK Entertainment
	2,105	**-5.1%**	
Game Culture			
Toys and Merchandise	211	-8.5%	Circana
Books	6.8	*	Nielsen
Magazines	3.8	-2.5%	ABC, Ukie
Film, TV, Soundtracks, Streaming and GVC	155	-17%	BFI, Comscore, Official Charts Company, Omdia, Ukie
Events and Venues	9.2	-11%	Ukie
	385	**-13%**	
Total	**7,630**	**-1.8%**	

*The methodology for Books has changed and cannot be compared directly to the previous year's figure.