

Press release

FOR RELEASE: 20 NOVEMBER, 00:01 AM

techUK report reveals key future trends and strategic recommendations for the UK's Gaming and Esports Industry

- *New Report Calls for Government Action to Support AI, Immersive, mobile, and Web3 Technologies in the UK*

LONDON, 20 November: techUK, the UK's leading technology trade association, has released a new report revealing the trends set to shape the gaming and Esports sectors of the future. With six targeted recommendations for government action, the report outlines how the UK can lead on the technologies set to underpin these and convert this into growth, employment, and productivity.

The gaming industry offers immense economic potential. Globally, gaming generates more revenue than movies and music combined, with a valuation of \$184 billion in 2022. By 2026, the number of gamers worldwide is expected to reach 3.8 billion. In the UK, the gaming industry contributes over £6 billion to the economy and supports 76,000 jobs. Beyond gaming, the industry's technology 'spillover' effects have boosted other sectors, adding £1.3 billion in economic output and nearly 10,000 jobs as of 2021. With 38 million UK residents regularly playing video games and Esports participation predicted to exceed 23 million by 2029, the report highlights a critical opportunity for economic growth and innovation in the UK.

Emerging Trends Shaping the Future of Gaming and Esports

The report identifies a series of emerging tech trends that will shape the future of the gaming and Esports sectors. These trends highlight how advancements in technology are driving change, creating opportunities for innovation, and transforming gaming into a core pillar of digital economies.

- **Rise of Immersive Technologies (AR, VR, haptics, and wearables):**
Immersive technologies including Augmented Reality (AR) and Virtual Reality (VR) are rapidly transforming gaming experiences. The growing demand for immersive content is driving advancements in hardware, software, and interactive systems. The UK has an opportunity to become a global leader in AR gaming, which techUK recommends government looks to enable through further support for the sector.
- **AI Integration in Gaming:**
Artificial Intelligence (AI) is enhancing the gaming experience by driving the creation of more dynamic, responsive, and realistic environments. AI is also pushing the boundaries of game design, character behaviour, and narrative complexity. techUK's recommendation to incorporate AI into the future UK AI Strategy ensures that the UK stays at the forefront of AI innovation in gaming and related sectors.
- **Social and Competitive Gaming (Esports):**
Esports is growing rapidly, with an expanding player base and viewership worldwide.

As the UK prepares for over 23 million Esports participants by 2029, supporting this sector will be critical for leveraging its full economic potential. This requires robust digital infrastructure and investment in technology areas such as cloud compute and semiconductors, as emphasised by techUK's recommendation to prioritise digital infrastructure upgrades.

- **Blockchain and Web3 Technologies:**

The integration of blockchain and Web3 technologies is bringing new models of ownership, decision making, and digital economies to gaming, including through non-fungible tokens (NFTs) and Decentralised Autonomous Organisations (DAOs). These innovations present new opportunities for players, creators, fans, and developers alike.

- **Esports as a Cultural and Economic Force:**

Esports is becoming a major cultural and economic force, with professional leagues, tournaments, and streaming platforms reshaping entertainment. UK players and teams have the potential to compete on the global stage, making Esports a significant area of focus for policy development. To support this, techUK recommends incorporating gaming into a wider industrial strategy and focusing on areas such as talent development, business resilience, and infrastructure.

Key Recommendations for Government

techUK's report presents six core recommendations to the UK government to foster a dynamic environment for gaming and Esports, setting a path for long-term national leadership:

1. **Prioritise Gaming in the Modern Industrial Strategy**

techUK recommends that gaming be prioritised within the UK's new Industrial Strategy, driving a targeted plan to address barriers to growth, including finance, investment, skills development, and business resilience. This approach, developed in partnership with industry, would promote consistent support across the 'creative industries' and 'digital and technologies' sectors.

2. **Create a Future Gaming & Esports Strategy**

Establishing a **Future Gaming & Esports Strategy** would solidify the foundations for UK leadership in gaming. This strategy should enhance the country's understanding of gaming's potential, provide comprehensive support for the gaming ecosystem, and position the UK as a global leader. While Scotland is already developing a national gaming strategy, a UK-wide approach is essential to create a cohesive vision for future growth.

3. **Focus on AI in Gaming in a Future UK AI Strategy**

The report calls for an emphasis on AI in gaming as part of the UK's AI Strategy. The gaming sector's adoption of advanced AI models could help cement the UK's position as a leader in AI innovation, as gaming continues to serve as a prime incubator and early adopter for AI-driven technologies.

4. **Support the Adoption of AR Technologies**

The UK has a valuable opportunity to lead in future Augmented Reality (AR) technologies, with gaming positioned as a catalyst for AR adoption. techUK recommends that the government leverages the UK's strengths in AR and gaming to promote adoption across multiple sectors.

5. Accelerate Digital Infrastructure Rollout

The development of next-gen digital infrastructure is crucial to the future of gaming and Esports. techUK urges a focus on digital priorities within the UK's planning system to support essential advancements in 5/6G, Wi-Fi 7, and cloud technology, creating a foundation for seamless, immersive gaming experiences and future growth.

6. Integrate Gaming in an Online Safety Sandbox

techUK recommends creating a regulatory sandbox for online safety, allowing gaming and social gaming to be key areas of focus. This approach would foster innovative solutions to challenges such as age verification and tokenisation, supporting implementation of the Online Safety Act and Age-Appropriate Design Code. This would build upon the Information Commissioner's Office's (ICO's) existing Regulatory Sandbox, which includes immersive technology and virtual worlds.

Sue Daley, Director of Tech and Innovation at techUK, said:

"The UK boasts an incredible legacy of world-leading innovations in the development and application of technologies at the core of gaming and Esports, from AI and AR to semiconductors and mobile.

"This report highlights the key technological trends that will shape the future of gaming and Esports, underscoring the need for close collaboration between government and industry to ensure that the UK remains at the forefront of these innovations. Our recommendations aim to foster this collaboration to drive economic growth, ensuring that the benefits extend beyond the gaming sector to strengthen the whole of the UK economy."

Stephane Decroix, Vice President, Tencent Games, EMEA said:

"The UK is instrumental in shaping the global video gaming and esports sectors, thanks to its talented workforce, well-established tech industry and commitment to innovation. Having operated in the UK for over a decade, we've seen firsthand the wealth of gaming talent and creativity here. techUK's Gaming & Esports report highlights emerging technologies and offers recommendations to strengthen the UK's leadership. We're excited to support the UK's pivotal role and contribute to the growth of the video games and esports industry."

-ENDS-

Notes to Editors

techUK's Vision for the UK Tech Sector's Role in Gaming

In addition to these recommendations, techUK has launched a **Web3 and Immersive Technologies Campaign** to foster collaboration, support skills development, and encourage tech innovation across the UK's digital sector. The UK tech sector, which contributed over £150 billion to the economy between 2010 and 2019, will be instrumental in translating gaming and Esports trends into economic growth, as outlined in techUK's Growth Plan.

The full report can be downloaded [here](#).

About techUK



10 St Bride Street
London EC4A 4AD

techUK.org | [@techUK](https://twitter.com/techUK)

Media Contact

Margherita Certo

T: (+44) 07462107214

E: margherita.certo@techUK.org

techUK is the technology trade association that brings together people, companies and organisations to realise the positive outcomes of what digital technology can achieve.

With over 1,000 members (the majority of which are SMEs) across the UK, techUK creates a network for innovation and collaboration across business, government and stakeholders to provide a better future for people, society, the economy and the planet.

By providing expertise and insight, we support members, partners and stakeholders as they prepare the UK for what comes next in a constantly changing world.