



NEWS RELEASE

EUROPE'S GEOBLOCKING REGULATION – NO BENEFIT TO EUROPEAN GAMERS

Brussels, 26 October 2017 - On the 27th of October, EU Member State representatives will, at a COREPER meeting, try to come to an agreement on the controversial Geo-blocking Regulation, which has been presented as a cornerstone of the Digital Single Market Strategy. Vital changes must be made to the Regulation or serious harm will come to Europe's video-games industry and European gamers.

The proposed regulation purports to give customers better access to goods and services in the Single Market, but will actually reduce cross-border trade, cause legal and technical problems for companies providing online services and harm investment in lower income areas of Europe.

In the latest draft as proposed by the Estonian Presidency, video games are, unfairly, the only large creative content sector included in the Regulation, while e-books, music and audiovisual works are excluded. This is despite the fact that the overwhelming majority of consumer complaints concerning geoblocking do not concern video games.

Member States in Central and Eastern Europe are areas with the potential for major digital growth over the next decade, as wages and living standards catch up to Western European levels. The video games industry needs to be able to meet consumers' needs and means on a regional basis to deliver the best possible products and experience to consumers and grow all EU markets. The reasons for differences in consumers' purchasing power across the EU are beyond the industry's control. The Regulation will harm rather than help our industry grow and reduce flexibility in shaping offerings and promotions. We note that music, which may be excluded from the Regulation, currently has prices that in some markets are 30% below the average. The video games industry wants to be treated fairly, and to have the same option to promote our games in different ways in different countries to drive digital adoption.

Philip Earl, Chairman of the Interactive Software Federation of Europe, said *"The inclusion of video games in the Regulation is unjust and illogical. This goes against the principles of better regulation, as our industry has not been publically consulted prior to the proposal, and only extremely limited research into our sector has been carried out. The Regulation - if adopted according to the latest draft – will simply not bring benefits to the gamers in Europe, but rather reduce the current commercial flexibility to make regional offers. Lawmakers are sacrificing progress for political expediency"*.

The new text departs significantly from the Council General Approach adopted in April 2017, and from the Commission proposal from May 2016, which did not include video games¹.

¹ Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on addressing geo-blocking and other forms of discrimination based on customers' nationality, place of residence or

For information please contact:

Interactive Software Federation of Europe (ISFE)
David Sweeney, Senior Counsel

Email: david.sweeney@isfe.eu

Phone: +32 (0) 478 577 149

About ISFE:

The Interactive Software Federation of Europe (ISFE) represents the European video games industry. Our membership comprises 16 major publishers and national trade associations in 17 countries throughout Europe. Our national associations in turn represent hundreds of games companies across Europe. Our industry is a world leader in driving new business models for the 21st century, and our annual contribution to the EU economy is now estimated at approximately €18 billion (Newzoo).

www.ifse.eu

Background information:

Our industry fully supports a digital single market. Our goal is to create an EU environment that is good for the players and good for our industry in as many European countries as possible. Most games are already available in every Member State.

Member States in Central and Eastern Europe are areas with the potential for major digital growth over the next decade, as wages and living standards catch up to Western European levels. Our continued investments in those markets allow the industry to take hold and develop companies and services boosting employment. Our industry brings educational, technological, communicational and social benefits wherever it goes, and millions of gamers can now access affordable and localised content. Games greatly promote European integration and are one of the primary means by which many Europeans interact and engage with other Europeans on an ongoing basis – whether through online communities or through enjoying games together over the internet.

This growth, investment and localisation will be **seriously harmed** if games are included in the Geoblocking Regulation. We need to be able to meet consumers' needs and means on a regional basis so that we can deliver the best possible products and experience to consumers and grow all EU markets. The reasons for differences in consumers' purchasing power across the EU are beyond our industry's control. The Regulation will create several market-based, regulatory and technical problems for games and harm rather than help our industry grow, particularly in regions where consumers have less money. We note that music, which may be excluded from the Regulation, currently has prices that in some markets are 30% below the average. We want the same option to promote our games in different ways in different countries to drive digital adoption.

Today the number of digital games sold per 1000 inhabitants in Western and Central and Eastern Europe is widely different as these ISFE statistics show:

place of establishment within the internal market and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC; Council General Approach (COMPET 281117)

Country	Digital Game Unit Sales (2016)	Population (2015)	<i>Digitisation*</i>
UNITED KINGDOM	9,316,857	63,843,856	146
SWEDEN	1,356,244	9,693,883	140
IRELAND	501,698	4,726,856	106
GERMANY	7,169,921	82,562,004	87
NETHERLANDS	1,278,686	16,844,195	76
FRANCE	4,708,828	64,982,894	72
SPAIN	1,804,096	47,199,069	38
HUNGARY	274,168	9,911,396	28
SLOVAKIA	122,299	5,457,889	22
POLAND	836,738	38,221,584	22
CROATIA	89,398	4,255,374	21
GREECE	178,117	11,125,833	16
BULGARIA	55,153	7,112,641	8
ROMANIA	134,928	21,579,201	6

*Digitisation = Number of digital games sold per 1,000 population

If games are included in the Regulation with immediate effect there will be major consequences for our industry, with serious knock on effects to gamers. The above statistics show the potential growth opportunities in CEE markets, hence the importance of localisation and flexibility.