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# *e-Sports - New horizons for Hong Kong and the world*

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**pwc**

## *Agenda*

1. Overview of global e-Sports market size and projection
2. Implications and opportunities for Hong Kong
3. Drivers of market growth
4. Business opportunities and challenges
5. Key takeaways

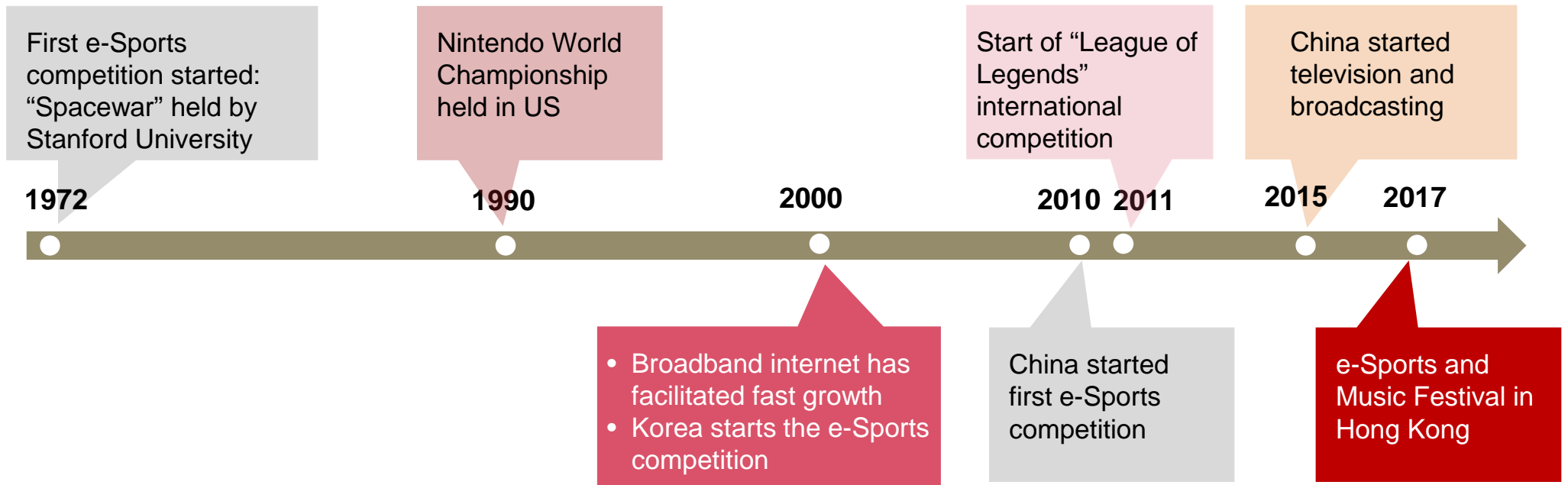


1

## *Overview of global e-Sports market size and projection*

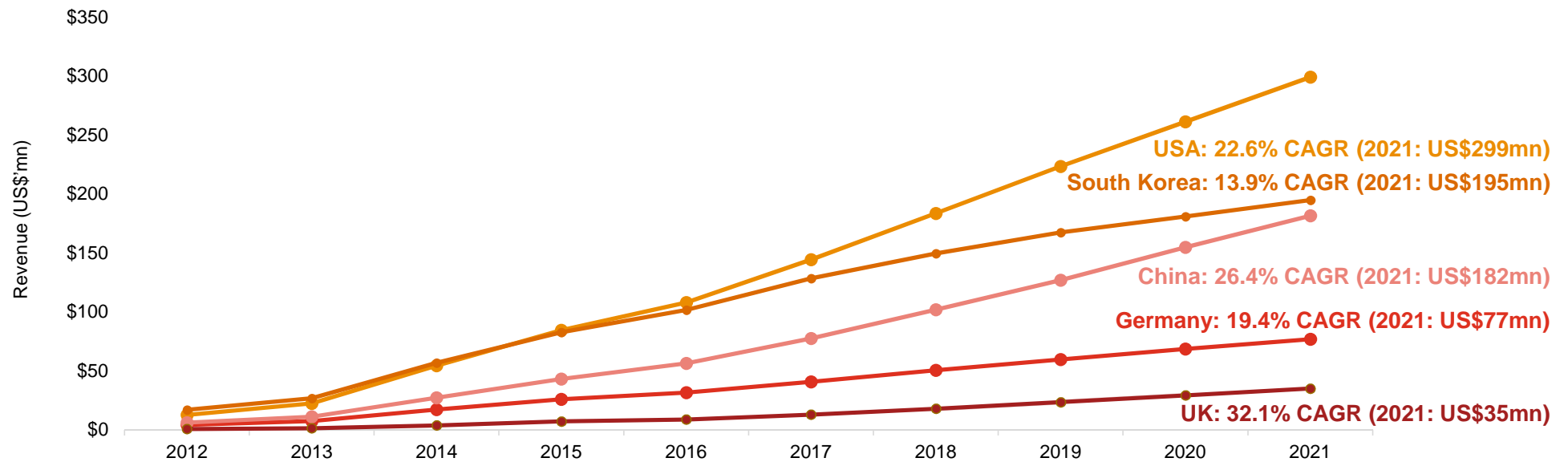
August

## ***e-Sports – History and developments***



## *e-Sports market size and projection (in million)*

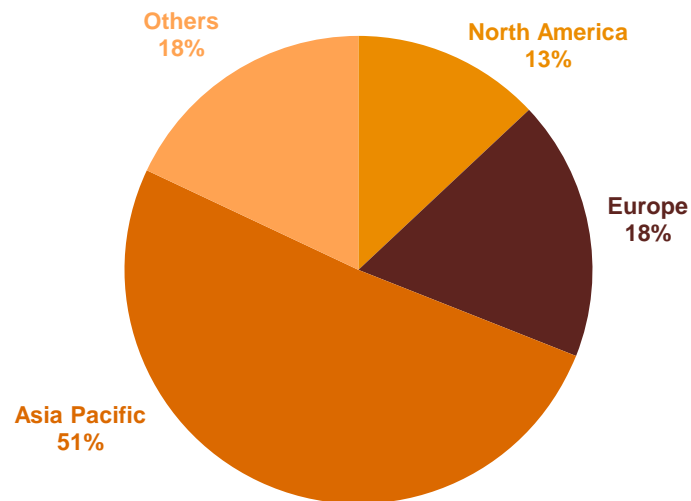
Global e-Sports industry will accelerate from roughly US\$327 million in revenue in 2016 to US\$874 million by 2021, a 21.8% growth. Top 5 countries — USA, South Korea, China, Germany and UK.



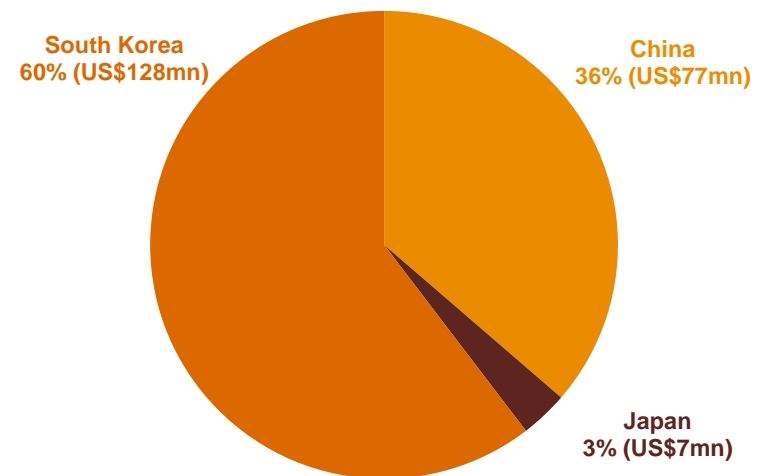
## ***e-Sports size of viewers worldwide & market size in 2017***

According to the estimates, a little over half of the world's frequent e-Sports viewers and enthusiasts can be found in Asia Pacific. In total, it is expected that there will be 191 million viewers globally.

**e-Sports size of viewers worldwide in 2017**

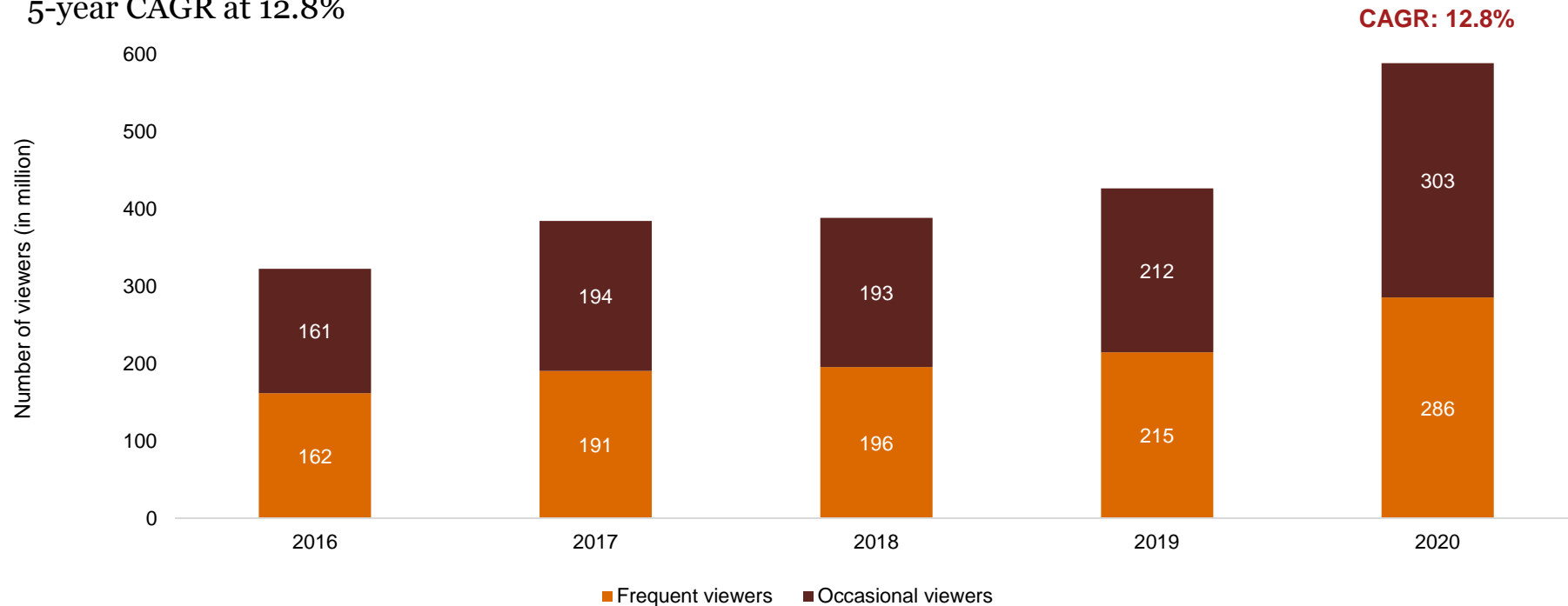


**Asia's e-Sports market size**



## *e-Sports size of viewers worldwide from 2016 to 2020*

- 2016 - number of frequent e-Sports viewers and enthusiasts was 162 M. Occasional viewer number is 161 M
- 2020 – number of frequent viewers projected to be 286M; occasional viewers is 303M. A total of nearly 590M!
- 5-year CAGR at 12.8%





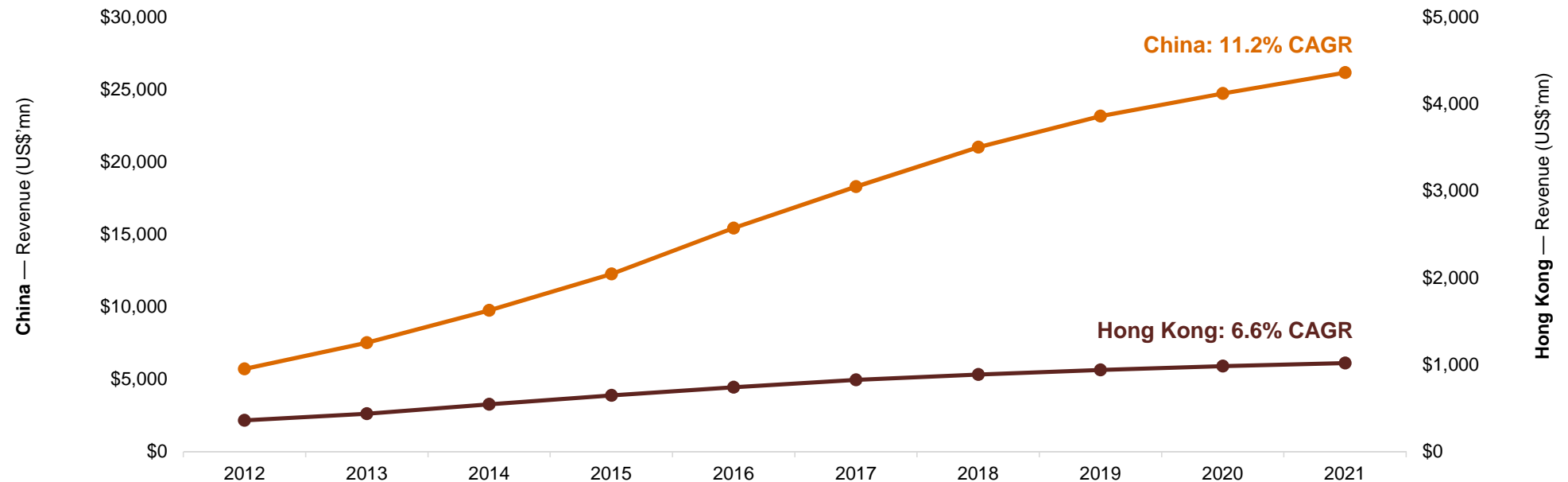
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## *Implications and opportunities for Hong Kong*



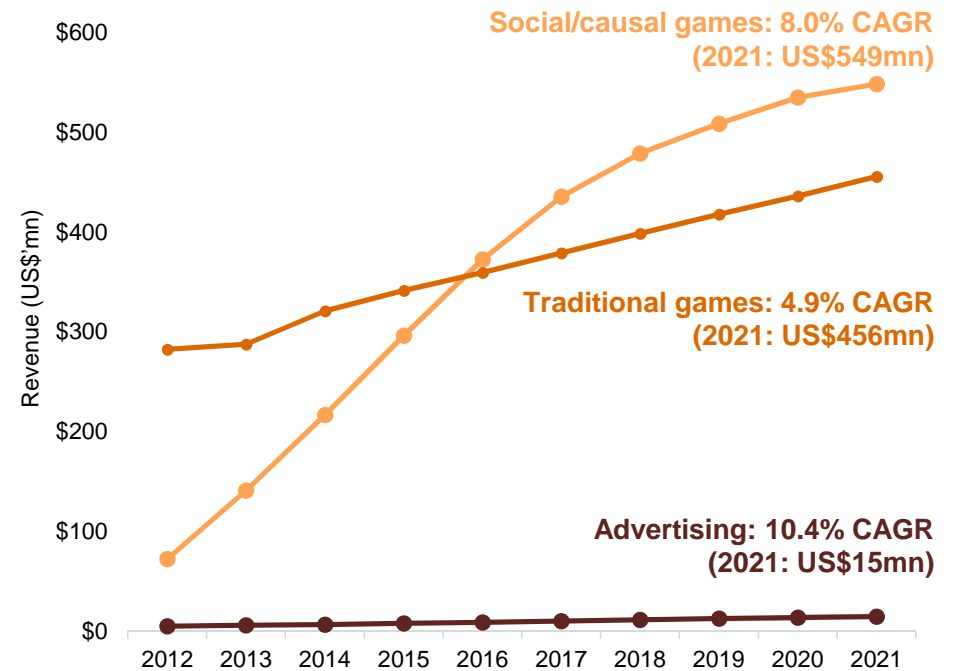
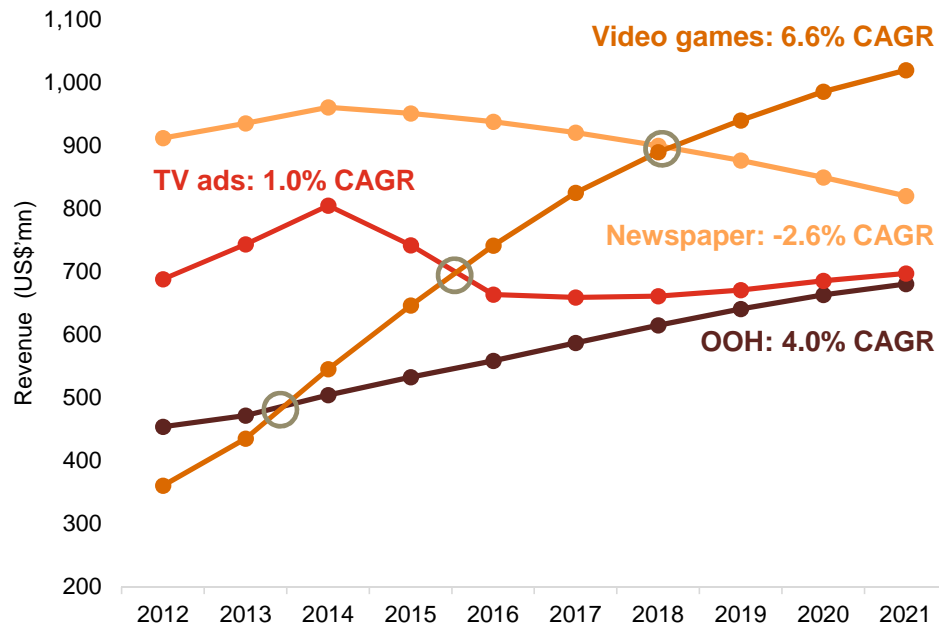
## China and Hong Kong video game market

- 2016: China's video games revenue of China - US\$15.4 B
- 2021: Reach US\$26.2 B at CAGR of 11.2%
- China: Second-largest market after US



# Hong Kong video game market

- 2016: Revenue at US\$742 M
- Segment in the entertainment and media sector showing faster growth in next 5 years



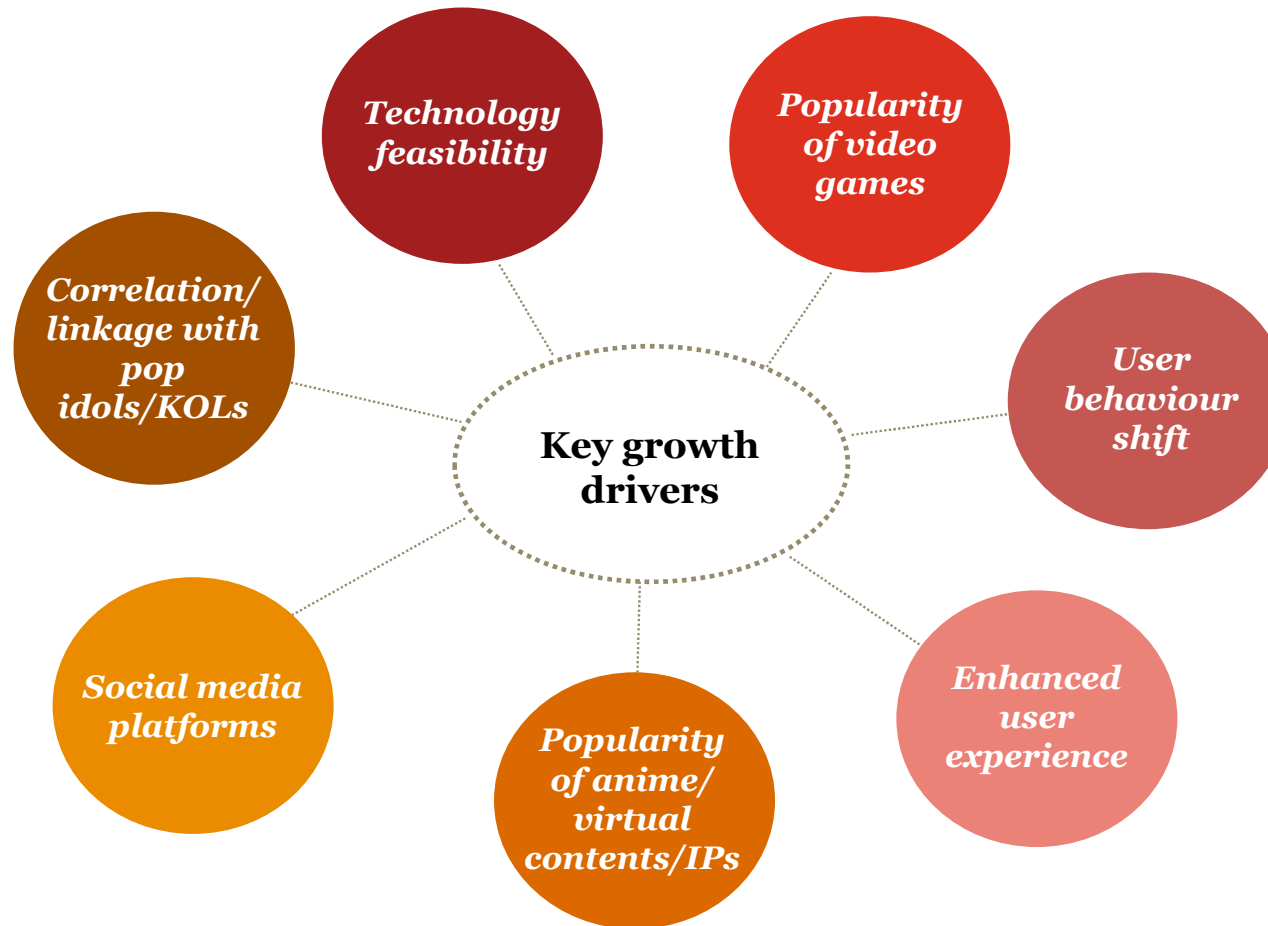


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*Drivers of market growth*

August 2017

## *Key drivers of growth*





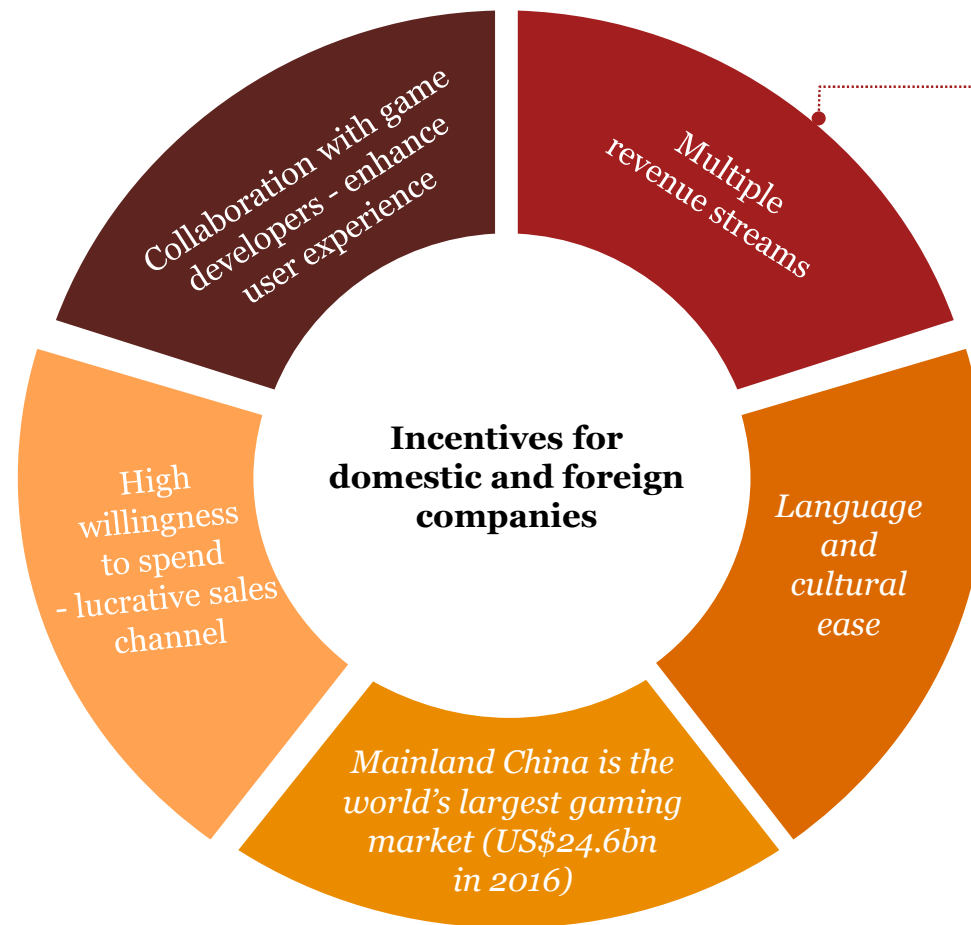
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## *e-Sports business opportunities and challenges*

## ***Hong Kong's competitive advantages as an e-Sports hub***



# *e-Sports business incentives for domestic and foreign companies*



- Admission fees / sponsorships / merchandises / TV rights / video games / online and mobile advertising / product placements / IoT devices
- Content partnerships — live streaming / KOLs / music collaborators
- Alliances with sports & apparel firms / entertainment & media / telecom networks
- VR/AR applications as demand for digital entertainment surges
- Crossover with other entertainment and media industries (e.g. live music and movies) and other industries (Food and Beverage, Retail and Consumer, Gaming equipment)

## ***e-Sports challenges and competitive considerations***

**1**

Lack of ready-to-convert venues for hosting large outdoor events  
=> increase costs of event organisation

**2**

Competition from Mainland China and Korea, more mature market players

**3**

Government support:

- Conversion of existing venues to be “e-Sports friendly” and “weather proof” (e.g. West Kowloon, Cyberport, Science Park, Kai Tak Sports Stadium, etc.)
- Funding to boost e-Sports as a tourist attraction; attract foreign investment via trade associations i.e. InvestHK, HKTDC, HK Tourism Board...etc.





5

*Key takeaways*

## Key takeaways



1. Growing popularity of e-Sports is a reflection of the shift of consumer behaviour and shift of user experience-driven content
2. Technology enhances the feasibility of growth
3. Strong video game growth supports e-Sports growth
4. Multiple revenue streams and cross industry/sector participation
5. Success of e-Sports relies on public engagement which creates lucrative sales channels
6. Mainland China can be an ally or keen competitor



*Hong Kong has strong potential to become a formidable e-Sports hub in Asia and is ready to go!*

## *Let's talk*



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