



Rialtas na hÉireann
Government of Ireland

Focus on Audiovisual

December 2018

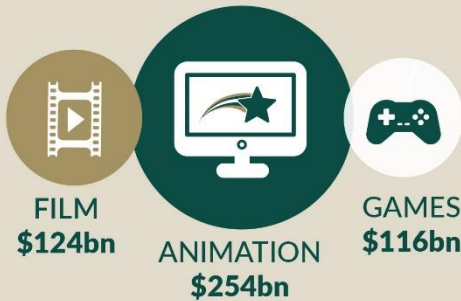
Audiovisual

Ireland's AV sector- creative and connected internationally with strong partnerships



GLOBAL MARKET SIZE 2017

\$494bn



Source: Games: Newzoo, Global Games Market Report 2017. Films: IBISWorld - Global Movie Production & Distribution - Global Market Research Report, August 2017. Animation: Global Animation, VFX & Games Industry: Strategies, Trends & Opportunities, Research and Markets, 2018

CONTRIBUTION TO IRISH ECONOMY

€1.05bn

The Irish AV sector generated €1.05bn in gross value added in the Irish economy in 2016

Potential to contribute **€1.4 billion by 2023** in gross value added

Source: Economic Analysis of the Audiovisual Sector in the Republic of Ireland, Olsberg+SPI with Nordicity, December 2017

Virtual reality (VR) has a projected growth to exceed \$45.09 billion by 2025

Source: Gaming Trends Watch 2018, thenextweb.com

The eSports market is estimated to be worth \$1.5 billion by 2020

85% of work created by the animation sector in Ireland is for overseas companies

Source: Enterprise Ireland

AGENCY SUPPORTED CONTRIBUTION

66

Companies



In 2016, Enterprise Ireland supported 66 companies across animation, media, digital entertainment, game development and advertising that generated **over €140mn worth of exports**

Source: Enterprise Ireland

EMPLOYMENT

14,370



Full-Time Equivalents in 2016

Potential to double employment in film, television and animation by 2023

Source: Economic Analysis of the Audiovisual Sector in the Republic of Ireland, Olsberg+SPI with Nordicity, December 2017



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Prepared by the Department of Business, Enterprise and Innovation

The sector in numbers

| Market Size | | Employment (2016) | Exports (2016) |
|-----------------------|------------------------|--|----------------|
| Global | Games | \$116bn (2017) ⁱ | |
| | Films | \$124bn (2017) ⁱⁱ | |
| | Animation | \$254bn (2017) ⁱⁱⁱ | |
| Ireland ^{iv} | Total | 14,370 FTEs (full-time equivalents) | €191m |
| | Film, TV and Animation | 11,960 FTEs | €183.8m |
| | Commercial Advertising | 370 FTEs | €3.9m |
| | Video games | 2040 FTEs | €3.3m |
| | | | |

i) Global Games Market Report, Newzoo, 2017

ii) Global Movie Production & Distribution Global Market Research Report, IBISWorld, August 2017

iii) Global Animation, VFX & Games Industry: Strategies, Trends & Opportunities, Research and Markets, 2018

iv) Employment and Exports: Economic Analysis of the Audiovisual Sector in the Republic of Ireland, Olsberg•SPI with Nordicity, December 2017

Description of the sector globally

- Audiovisual includes film, TV, animation, commercial advertising and video games. In this brief we focus on games, animation & film production (radio, commercial advertising and TV are outside of the scope of this brief). This encompasses a wide range of activities such as software development, video games, film/TV production, information security, animation, and creative arts (music, art and literature).
- There is increased blurring between video games, animation and film production driven by advances in technology.
- Consumption is fragmented across cinemas, DVDs, Blu-Ray, tablets, game consoles and smartphones.

Global developments and implications

- Worldwide screen content production is one of the fastest growing industries in the world, with consumer spend on internet video content in North America to grow from less than \$5bn in 2012 to over \$20bn in 2021, much of this will be on high end feature film, TV drama and animation content.¹
- Rapid technological changes create disruptions in the industry as the distinction between production and distribution has changed in the Internet era, although such change offers opportunity for new market entrants.

Films

- Visual effects (VFX) is now widespread across information and entertainment content consumption. A number of Irish studios are delivering compelling VFX formats across film and tv productions.
- Digital communication has made it easier to make smaller more efficient films and mobile phone filmmaking is on the rise which will become increasingly more mainstream in the coming years.

Animation

- In 2017, the global Animation market was worth \$254 billion,² while formerly aimed solely at children, animation now targets teenagers and adults.
- Increasingly the development of animation content is being outsourced to Asia, particularly by North American producers. This is due to the availability of powerful computer animation platforms and lower labour rates in the Asia/Pacific region.
- Animation companies are creating new revenue streams through licensing operations for merchandise.

Games

- The games sub-segment is evolving towards 'games as a service', driven by consumer preferences and enabled by cloud technology and mobile devices. Game developers and publishers are using sophisticated analytics to capture user feedback so that games and user engagement can be enhanced, and ultimately revenues maximised.
- Virtual reality (VR) is a fast-growing segment of the games industry and 2018 will see this trend continue with projected growth to exceed \$45.09 billion by 2025.³ The VR gaming market is expected to be driven by the emergence of virtual theme parks and arcades and smartphone integrated VR gaming applications.
- The eSports market is estimated to be worth about \$1.5 billion by 2020.⁴
- It is challenging for new games companies to establish themselves given the scale of large scale distributors who have the manpower and infrastructure to create and promote games on a global scale.

¹ Economic Analysis of the Audiovisual Sector in the Republic of Ireland, Olsberg•SPI with Nordicity, December 2017

² Global Animation, VFX & Games Industry: Strategies, Trends & Opportunities, 2018

³ <https://thenextweb.com/contributors/2017/11/30/gaming-trends-watch-2018/>

⁴ <https://thenextweb.com/contributors/2017/11/30/gaming-trends-watch-2018/Statista>

The sector in Ireland

- The Audiovisual Action Plan was published in June 2018 by the Department of Culture, Heritage and the Gaeltacht, and seeks to implement recommendations over the next five years.
- The recommendations set out in the Audiovisual Action Plan will be delivered across Government by relevant Departments and their Agencies and is being overseen by a High Level Steering Group which will report regularly on progress.
- With an already booming AV industry exemplified by the recent success of films like Room, The Lobster, and Cartoon Saloon's The Breadwinner, the action plan comes at an opportune time for Ireland's continued creative development.
- Ireland has a proven and internationally recognised ability to create unique revenue generating content with long term IP value.
- The Irish AV sector⁵ generated €856.9 million in gross value added in the Irish economy in 2016 and supported employment of over 14,000 full-time equivalents.⁶ The animation sector is particularly strong with 85% of work created for overseas companies.
- The Action Plan outlines the potential to double employment in film, television and animation to over 24,000 full time equivalents (FTEs) and contribute €1.4 billion in value added by 2023.
- Irish AV companies are known globally for developing visual concepts, international partnerships and building and maintaining relationships.
- In 2016, Enterprise Ireland supported 66 companies across animation, media, digital entertainment, game development and advertising that generated over €140 million worth of exports. The projected growth for 2017 is 30% to €182 million.
- Significant exits and JVs in recent years show substantial value creation in the industry. Acquisitions- Brown Bag Films to 9 Story Canada, Boulder Media to Hasbro US, Screenspace to NEP Group US. JV in Kilkenny-Cartoon Saloon collaboration with Mercury Filmworks (Canada) to establish Lighthouse Studios.
- The nascent games industry in Ireland has potential to grow both in terms of attracting large international gaming companies (EA and Activision Blizzard have customer support functions established here) as well as developing the indigenous games industry. Pewter Games and Tribal City Interactive have recently each been awarded over €100,000 from Creative Europe.
- Ireland's film sector has received worldwide recognition over the last few years. Irish talent and films have received multiple Oscar nominations underlining the strength and depth of Irish filmmaking talent.⁷

⁵ Film, TV and Animation; Commercial Advertising; Video games; and Radio

⁶ Economic Analysis of the Audiovisual Sector in the Republic of Ireland, Olsberg•SPI with Nordicity, December 2017

⁷ Economic Analysis of the Audiovisual Sector in the Republic of Ireland, Olsberg•SPI with Nordicity, December 2017

Ecosystem

- ADAPT is Ireland's global centre of excellence for digital content. Recently awarded €50 million in additional funding, it is a world-leading multi-institutional research centre.
- Ballyfermot College of Further Education, IADT, DCU, Griffith College, Pulse College, Liberties College, Dundalk IT, Carlow IT and Limerick IT, that provide degrees and diplomas in areas such as television and film production, animation, and set design.

Film

- Screen Ireland (formerly the Irish Film Board) is the national development agency for Irish film. It supports and promotes Irish screen industries at major international markets and festivals, promotes inward investment, the use of Ireland as a location, and provides support for companies filming in Ireland.
- Screen Skills Ireland is the national training and development resource for Ireland's television and film industry.
- There are a number of associations which work together with Screen Ireland to strengthen and develop the creative skill base for Irish screen content output, such as, the Writers Guild of Ireland, the Screen Directors Guild, Screen Producers Ireland, Animation Ireland (AI), Visual Effects Association of Ireland (VFXAI), Women in Film and Television, Games Ireland and Imirt (Irish game makers' association).
- The VFX association of Ireland (VFXAI) was established to showcase Ireland as a centre of excellence and a destination with VFX talent and scale.
- Section 481 is the Irish government's film tax relief and plays a key role in developing the sector. The credit is 32% toward eligible expenditure of the lower of 80% of total film production costs or €70 million. Budget 2019, proposes to extend this tax by four years to December 2024, while an additional short-term tax incentive will be introduced for productions based in certain regions.
- Government policies to support film production include public service broadcaster funding, the Broadcasting Authority of Ireland (BAI) Sound and Vision Scheme and the mandating of a quota for programming from independent television companies for RTÉ.

Animation

- Animation Skillnet was established in 2013 to address the current and future skills needs of the animation, games and vfx sectors
- Many of the animation companies in Ireland can be found under the one brand at <http://animationireland.com>.
- Animation Dingle is a conference & workshop event delivered annually by Jam Media and attended by Irish industry SMEs, students and invited internationals.

Games

- Various degree, diploma and certificate courses are available for the games sector across the country in institutions such as Ballyfermot College of Further Education, DIT, UL, Dundalk IT, Limerick IT, Tralee IT, Letterkenny IT and Pulse College. These courses include game design, 3D for games, composing for games and online game development.
- CoderDojo is a voluntary organisation, based in locations across the country, where children aged 7-17 can learn to code, create an app or a game and explore technology in an informal, creative and social environment.
- Enterprise Ireland's Competitive Start Fund (€50k equity) has funded over 20 games companies since December 2010.
- Indigenous developers have set up a new representative body called 'Imirt' (www.imirt.ie) and www.developers.ie provides a platform for networking and information sharing.

Relevant Reports

Click on the hyperlinks below

- [Global Animation, VFX & Games Industry: Strategies, Trends & Opportunities, 2018](#)
- [Economic Analysis of the Audiovisual Sector in the Republic of Ireland, Olsberg•SPI with Nordicity \(December 2017\)](#)
- [Audiovisual Action Plan, Department of Culture, Heritage and the Gaeltacht, 2018](#)

Key actors

Government Departments: Department of Culture Heritage and the Gaeltacht (DCHG), Department of Business Enterprise and Innovation (DBEI), Department of Education and Skills (DES), Department of Communications Climate Action and the Environment (DCCAE), Department of Finance (DoF)

Agencies: Screen Ireland, Enterprise Ireland, IDA Ireland, Broadcasting Authority of Ireland, Animation Skillnet

Industry: Animation Ireland, VFX Association of Ireland, Women in Animation (WIA), Imirt

Recent Developments

Company Developments

- Shutterstock, Inc. (NYSE: SSTK), global technology company offering high-quality assets, tools and services through its creative platform, today announced the launch of its Dublin office with the intent to initially hire 40 professionals including engineering roles, and to potentially grow the team further over the coming years (June 2018)
- Nightflyers is an American science fiction television series which was produced by NBC Universal in Troy Studios, Limerick. The series premiered in the United States in December 2018.

- Boulder Media is adding several new animation positions, in conceptual design, 2D and 3D animation, as well as animated CG feature film to its operations in Dublin (March 2017)
- PressReader is a digital content platform and the pioneer of the all-you-can-read model announced 65 jobs in Dublin (February 2017)
- Kilkenny-Based Lighthouse Studios to Create 140 Jobs and develop Animated Children's and Family Television Entertainment, for Multiplatform Global Distribution (February 2017)
- Overcast, a video management company, has announced plans to hire 70 new staff in Dublin over the next 3 years (January 2017)