



Ministry of Foreign Affairs

The Videogames sector in Argentina

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BRIEF MARKET REPORT

The Videogames sector in Argentina ¹

Prepared June 2022

This brief report provides an overview of the videogames sector in Argentina, its market and intellectual property issues.



Photo: Telam

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¹ Content information provided in this document, is of general nature only. For more detailed information, events and commercial trade offers as well as commercial business contacts, please contact the institutions listed in the Useful Links section.

Introduction, Why Videogames?

Worldwide the videogames industry is one of the “winners” of the Covid pandemic. Although it was already growing rapidly before the pandemic, in 2020 went up at an estimated pace of 10-15-% and globally videogames with a value of over USD 174 bn were sold, reaching an audience estimated in 3100 million.

These sales figures are higher than those of the global business of sports + movies combined!

Some of the figures that show the importance and exponential growth of the game sector:

- *Already in 2017, in the world, video game earnings were six times greater than those reported for the music industry, and their annual growth rate was double that of the automobile industry.*
- *In 2019 the motion picture with the highest gross revenues during its first weekend of release was Avengers: Endgame, with box office receipts of USD 357 million.*
- *But the video game Grand Theft Auto V (GTA V) broke this record in one day, grossing USD 800 million.*

In Argentina, the sector reached sales of USD 500 million already in 2016.

In the Netherlands, the newer sector of videogames is highly dynamic and competitive. Revenue in the Video Games segment is projected to reach USD 837.40m in 2022. Revenue is expected to show an annual growth rate (CAGR 2022-2026) of 7.99%, resulting in a projected market volume of USD 1,139m by 2026².

There seems to be room for complementarity between the Dutch and local industry: a significant part of **the Netherlands' videogaming industry is in serious games**, generally referring to games used in sectors like defense, education, scientific exploration, health care, emergency management, city planning, or engineering. These games differ from those “casual”: videogames targeted at a mass market audience, as opposed to a hardcore game, which is targeted at hobbyist gamers. Casual games may exhibit any type of gameplay and genre, they generally involve simpler rules and require less learned skill.

In comparison, in Argentina 53% of the games are considered of the “casual” type. See further below the breakdown of types of games developed in Argentina.

In the Netherlands, an estimated of 3,000 people are working in the games industry, at more than 330 companies.

² Source: [Statista](#) a German company specializing in market and consumer data.

Video games are important in Dutch employment promotion policies: they include the support for, [Dutch Game Garden](#) an organization with over 45 companies that aims to promoting and improving the video games industry in the Netherlands.

Global Orientation. Besides of the importance of the production and consumption of videogames in both the Dutch and the Argentine markets, adds to the interest of this sector that the companies in the 2 countries are highly oriented to the global market. This makes them prone to hold “a global trade” mentality and be prepared to interact with other companies in search of services, products, or new markets.

For instance, Argentine companies are aware that the local market, although growing rapidly represents only a tiny fraction of the global market, and even the whole Latin American one represents only 4.5% of global demand.

As mentioned, the Dutch and Argentine companies seem to specialize in different types of markets (serious vs. casual) there seem to be a large scope for exchange and complementarity.

The market in Argentina

In Argentina the IDB estimated in recent years annual sales of videogames for a value of USD 495 to 500 million. The Global Web Index notes that there are up to 20 million gamers in Argentina (out of a total population of approx.. 45 million).

The age cohort with the most gamers is the one going between 25 to 34 years, a segment that represents 28% of the total market.

Latin America is an especially attractive market for sports games, where they grew 258% in 2021 compared to 2020, due, specially to the organization of tournaments.

According to Statista, the Argentine [Video Games segment](#) is projected to reach USD 672m in 2022.

- Revenue is expected to show an annual growth rate (CAGR 2022-2026) of 11.35%, resulting in a projected market volume of USD 1,033m by 2026.
- In the Video Games segment, the number of users is expected to amount to 20.1m users by 2026.
- User penetration will be 39.1% in 2022 and is expected to hit 42.3% by 2026.
- The largest segment is Mobile Games with a market volume of USD 505m in 2022.
- The average revenue per user (ARPU) in the Video Games segment is projected to amount to USD 37.36 in 2022.

Before the pandemics in 2019 Argentina was already the third Latam market for videogames. That year the Argentina Game Show, a three-day expo in Buenos Aires, was very successful, with around 40,000 gaming aficionados. A key feature of the fair were the gaming tournaments where players compete for prizes³.

Intellectual Property issues are very relevant in the videogames industry. Please find information about this issue in Argentina in the ANNEX on IP prepared by the EU project Latin America IP Help Desk (see page 7 – 9).

The industry in Argentina

The Argentine industry is made of 1950 professionals working in the sector, with total sales of USD 87m in 2020 (a figure that includes formal companies and free lancers). Some 77% of the production is exported to other countries. Of total video games production 43% is exported to the US and Canada, 20% to Europe and only 23% is sold in the local Argentine market.

Most local videogame producers are small: 53% of the firms are considered microenterprises (with less than 5 employees), while 36% are medium size (up to 50 employees) and only 11% are considered big companies⁴.

Among the big companies, 4 concentrate most local sales. One of them is **Globant**, founded in 2003 in Argentina, who develops videogames for multiple platforms: It has worked for Electronic Arts, Dreamworks, Playspan, MySpace and True Games, and since 2020, it has its own team, Globant Esmerald Team (GET) to be able to compete in the LVP Professional Videogames League.

The other three companies are **Nimble Giant** -founded in Argentina in 2002 with games like Quatum League and Hellbound-; **Etermax**, founded in the country in 2009 with Trivia Crack as the best-known product; and **WildLife**, founded in Brazil in 2011 under the name Top Free Games⁵.

Local companies are either subcontracted by big industry players at the global level, or their tier one suppliers. Four out of 10 local companies develop their own video games.

The local industry is composed by companies which produce different types of games:

Percentage of local companies that develop each type of video games

- Casual and social 53%,
- Educational 29%,
- Action 27%,
- Puzzles 24%,
- Adventure & Graphic Adventure 20%,
- Strategy 17%,
- Shooters 14%,
- Simulators 12%,
- Sports/Racing 12%,
- RPG MMORPG⁶ 8%,
- Serious games 5%,
- Sandbox 3%.

³ [BATimes](#)

⁴ [Observatory of Video Games](#) 2021 edition

⁵ [Telam](#), Argentina's public news agency

⁶ RPG MMORG: massive multiplayer online role-playing game

71% of videogames are to be played in Mac or Laptop, while those apt for mobile devices are 74%

It is an industry with a bottleneck in the availability of local talents: 80% of the investment of the firms is in hiring and keeping qualified human resources. Its sales are estimated at USD 86m annually⁷.

Events

- [Gamergy](#)
15-17 April 2022
Buenos Aires
- **Argentina Game Show**, [AGS](#)
21, 22, and 23 October 2022
Buenos Aires
- [Expo EVA](#) Argentina Games Expo
September 14-17 2022

Main Sector Institutions

Government Institutions

- [Ministry of Science and Technology and Production Innovation](#), (Ministerio de Ciencia, Tecnología e Innovación Productiva) (**Mincyt**). The main government agency for technology promotion. One of the main participants in the EU projects whose goal is the promotion of science and technology.
- [National Agency for Science and Technology Promotion](#) (Agencia Nacional de Promoción Científica y Tecnológica). Part of Mincyt, it manages public funding to promote technology developments among Argentine SMEs
- [FUNDAV](#) Fundación Argentina de Video Juegos, promotes in general the sector
- [The Ministry of Culture](#) includes a Coordination for videogames
- [Argentine Agency for Investment and Trade](#) Related with the Ministries of Production and of Foreign Affairs, it promotes investment and foreign trade.

⁷ [El Cronista](#), February 2022

Chambers and Promotion Institutions

- **ADVA** Videogames Developers Association of Argentina is a business organization that links actions between studios and entrepreneurs dedicated to video game development and the public sector, the private sector and academia, promoting the local video game industry. Get to know the member companies [here](#).
- **Chamber of Software and Information Services of the Argentine Republic** (Cámara de Empresas de Software y Servicios Informáticos de la República Argentina) (**CESSI**). The most important software business association.

Useful links

- **Embassy of the Netherlands in Argentina**
Economic Section T: +54 11 4338 0090 , Website www.paisesbajosytu.nl
Linkedin: [EmbajadadelReinodelosPaísesBajosenBuenosAires](#)
- **Netherlands Business Support Office in Córdoba**, a foreign trade office of the Dutch government implemented by the Netherlands Enterprise Agency (RvO.nl) located in the important region of Córdoba in the center of the country. T+54 9 3584 383 175
Website link: [NBSO Córdoba](#)
- **Argentine-Dutch Chamber of Commerce** The chamber that gathers most Dutch businesses in Argentina. Website <https://ccah.org.ar/> Email info@ccah.org.ar
- The **Latin America IP SME Helpdesk** website provides information about the costs, registration requirements and other peculiarities of Intellectual Property in Argentina. In addition to their [country guide](#), they have a [cost tool](#) and a [Helpline](#). This service of the European Commission is for European SMEs and is completely free and confidential, and provides answers to all questions related to intellectual property in three working days.
- **European Enterprise Network (EEN) in Argentina**
The EEN is a network funded by the EU to support SMEs and research centers in the EU and emerging economies including Argentina. Website: <https://een.ec.europa.eu/about/branches/argentina>

ANNEX

LATIN AMERICA
IP SME HELPDESK



The Latin America IP SME Helpdesk is a free service for SMEs which provides practical, objective and factual information about Intellectual Property Rights in Latin America. The services are not of a legal or advisory nature and no responsibility is accepted for the results of any actions made on the basis of its services. The content and opinions expressed are those of the authors and do not necessarily represent the views of the European Commission and/or the Executive Agency for Small and Medium-sized Enterprises or any other body of the European Union. Before taking specific actions in relation to IPR protection or enforcement all customers are advised to seek independent advice. Neither the European Commission nor the Agency may be held responsible for the use which may be made of the information contained herein

Intellectual property in Argentina: videogame industry

1. What is Intellectual Property?

Intellectual Property (IP) is a legal tool to transform intangibles into appropriable and tradable assets. Some basics you need to know about IP Rights (IPR):

- Usually, they need to be properly registered: with some exceptions such as copyright.
- They are territorial: they must be registered in each country where you aim to operate, if you want to access the exclusive right that the IP Rights provide.
- The scope of protection of each IPR (e.g. patent, trade mark, copyright, industrial design, utility model, geographical indication, trade secret, etc.) is different. Normally, products or their features could be protected by various IP rights simultaneously.
- Usually, the 'first-to-file' principle rules: So be quick and go register as soon as possible.
- Ownership allows you to prevent others from using it: they must ask permission or reach an agreement (e.g. cross licensing, assignment, etc.) in order to use it.
- The duration is generally limited: Except with trade marks, after the legal period, it becomes part of the public domain and anyone can use it without asking permission.

2. Where is IP?

A video game is a complex work composed of many elements that can be protected by IP. The Argentine authorities had been working on a new legal mechanism to integrate all of them into a single procedure, but there is still a long way ahead. Therefore, it is necessary to identify the aspects that are worth protecting and choose the appropriate Rights. These are the most relevant ones:

- Copyright:** It protects the literary or artistic original expressions, like the appearance of characters, scenarios or objects; music; animations; interfaces; voices; sounds; images; videos... and software! This applies to the video game itself and to all audiovisual content related to the sale of accessories and merchandising.
Unlike other IPRs, it does not need registration (its protection arises upon creation) and the [Berne Convention](#) makes what is created in any of its member parties recognized as if it had been made in Argentina (and vice versa). Registration is recommended (before the [DNDA](#) in general or before [CESSI](#) for software), because it speeds up legal processes. Its protection is 70

years from the author's death or the publication of the work (calculated from January 1st of the year after). Any natural or legal person may become the holder of a copyright. However, only natural persons may be considered as the author of an intellectual work, thus entities may only be derivative holders of the intellectual work. In those cases where the registration of the work is not personally applied for by its author, the applicant shall be required to explain the reason why he/she acquired the rights.

Watch-out!

The local regulation on the responsibility of service providers is still under development. That doesn't mean that common practices like gameplays' streaming can be done without asking their owners for permission.

- b. Trade marks:** It protects any sign or means that distinguishes or serves to distinguish a person's product or services from another person's similar or identical products or services on the market. One or more types of goods or services should be chosen and thus the relevant class of the [Nice Classification](#) should be selected. The most popular ones in the video game industry are:
- a. class 9 - computer game software etc.;
 - b. class 41 - game services provided online from a computer network etc.;
 - c. class 42 - computer software design etc.; and
 - d. class 28 - apparatus for games etc.;
 - e. not to mention class 25 - clothing, footwear and headwear.

Depending on your market strategy, you can consider to register the name, color or logo of the company or game, its characters, locations or phrases as trade mark(s). Your registration grants an initial 10-years protection period counted from the granting date (watch-out! It takes at least 18 months) renewable indefinitely for decades. To do this, basically it has to be available and not be contrary to public morality (beware of offensive names in local language/jargon). [INPI](#) is the competent Office, and foreigners will have to appoint a local representative (unless they have a domicile in Buenos Aires). If there is a confusingly similar mark, INPI itself will take it into account (without its proprietor to request it and even against its will -the co-existence agreements for trade marks have to be approved by INPI-). Argentina allows the registration of 3D, smell, sound, movement and hologram trade marks, in addition to the most classic ones (i.e. logo, words, signs, colors, etc.). Exceptionally, marks that have been used prior to registration are protected, provided that it (i) has been used for a considerable period of time; (ii) has generated goodwill and/or a customer portfolio; and that (iii) use has been uncontested).

Watch-out

Including others' trade mark in the metaverse/video game cannot be done without the legal consent of its owners. It doesn't matter if it's an intended to be a "homage" or a "pop culture reference". In fact, the protection of well-known trade marks is greater, not lesser.

- c. Industrial Designs:** It protects two and three-dimensional forms applied to an object with ornamental purposes. To register, it has to be worldwide new, but this is not examined by INPI, that's why it is granted so quickly (c.a. 4 working days). Conversely, if a competitor finds that your IPR is weak (i.e. not really new), they can -and will- use that to revoke your Industrial Design. The good news is that in Argentina, a grace period of 6 months is granted if shown in an official exhibition. After that time without applying for registration, it will be understood that it is not

new and will fall into the public domain. The protection is 5 years renewable up to 15 in total. And contrary to Europe, there is no protection for unregistered designs.

Watch-out

To check the novelty of patents or designs, all kinds of publications must be considered -in all languages and formats-. Finding reliable databases (e.g. [ESPACENET](#) or [DesignView](#)) is the first step to rule out the most obvious risks.

- d. **Trade Secrets:** Any information that provides a competitive advantage by being secret can benefit from this mechanism. It applies to algorithms, prototypes or concepts discussed at a meeting to raise funds or partners, but also to lists of customers or suppliers. It does not require registration (so it can last forever), but it does require reasonable measures for its protection (e.g. Non-Disclosure Agreements, Technological Protection Measures, etc.).

- e. **Patents:** Solutions to technical problems (inventions) are protected with this IPR. The applications to the video game sector are more limited in Argentina than in countries where software patenting is widely accepted. Consequently, this type of patents granted abroad would not be extendable to the South American country, unless the software and the device where it is integrated are inseparable, where the software operates as a procedure to achieve a result (i.e. computer implemented inventions). However, there is much room for patent protection. For example: in systems manufacturing heat-resistant or flexible materials; controllers whose arrangement favors universal ergonomics even in conditions of extreme sweating; or seats that prevent excess tension at strategic points of the body, or unpluggable microphones for headphones with efficient background noise cancellation and high-quality sound delivery. INPI is also responsible for the registration and you must have at least an address in Buenos Aires to file the application. Registration requirements are:
 - 1) Worldwide novelty (although there is a grace period of 12 months);
 - 2) Inventive step (non-obvious); and
 - 3) Industrial applicability (services included).

The protection is 20 years counted from the application date (non-renewable), but it takes average 5-7 years.

Take away messages

- ✓ Get informed (preferably hand in hand with a qualified professional) of the possibility of protecting your creations. It will be useful to obtain exclusive rights and/or detect pre-existing Rights that you have to observe and avoid in order not to commit an infringement.
- ✓ Register before you go. At least, apply for your IPRs. Otherwise, you will have little bargain power before potential clients and partners.
- ✓ Include IP ownership clauses in your contracts (particularly with software developers or designers). Local regulation may provide by default options in case nothing is said contrary to your interests.

To learn more about the costs, registration requirements and other peculiarities of Intellectual Property in Argentina, visit the [Latin America IP SME Helpdesk](#). In addition to their [country guide](#), they have a [cost tool](#) and a [Helpline](#). This service of the European Commission is for European SMEs and is completely free and confidential, and provides answers to all questions related to intellectual property in three working days.

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