

From 'Minecraft' to 'Valheim', Sweden conquers gaming world

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Sweden has given the world music stars like ABBA and Robyn, but its biggest cultural export these days is video games, which now rival the country's traditional shipments of iron ore and paper.

Industry levels up

"Valheim", a Viking-themed survival game, is the latest to rise to fame, with five million copies sold since its early-access release last month.

It follows a long line of global successes such as "Minecraft", "Candy Crush Saga", and critically-acclaimed artistic games such as "Unravel" that have catapulted Sweden into the top echelons of the gaming world.

US and Japanese companies dominate the global gaming scene, but Sweden holds its own for a small country of 10 million people.

According to a December report from the Swedish Games Industry, the country's game makers drew in a total of 2.32 billion euros (\$2.77 billion) in 2019, up 24 percent from a year earlier.

For 2020 the figures are expected to be even higher, as people spent more time in front of their screens when virus restrictions confined them to their homes.

The number of Swedish gaming companies doubled since 2014, hitting 435 in 2019 and employing over 9,000 people.

In terms of revenue, Sweden's largest gaming companies were "Minecraft" developer Mojang, publisher Embracer Group and King, creator of the popular mobile game "Candy Crush".

Several of Sweden's successful studios have been scooped up by American behemoths. Electronic Arts bought DICE, developer of the "Battlefield" series, in 2006.

However, Sweden's Embracer Group has been on an acquisition spree of its own in recent years.

After taking over "Borderlands" developer Gearbox, Embracer said in February its market cap had surpassed that of France's Ubisoft, making it the most valuable gaming company in Europe.

Pivot to success

Like with other Swedish digital success stories—think music streaming giant Spotify—many analysts point to the adoption of Sweden's "Home PC Reform".

Passed by parliament in 1997, it allowed for tax benefits that enabled Swedes to lease a computer through their employer, making PCs commonplace in Swedish homes early on.

Per Stromback, spokesman for Swedish Games Industry, told AFP that home computers certainly had an impact, but the real roots of the Swedish scene go back to the "boys' rooms of the 80s."

"It's about a generation that learned to programme on Commodore 64s, and learned to create games by playing 'Dragons and Demons'," a Swedish game similar to "Dungeons and Dragons", Stromback said.

Most major Swedish studios were founded by people born in the 1970s, he said.

Another key event for Swedish game makers was the crash of the dot-com bubble in 2000, he noted.

Gaming studios existed in Sweden in the 1990s, but were mostly focused on educational games in Swedish and were wiped out as investment capital dried up.

But out of those ashes rose a new generation of studios that instead

targeted the international market.

"It was the shift in focus from the Swedish market to a global market that laid the foundation for the export success," Stromback said.

Indie hits

Many of Sweden's video game studios are now developing games with exorbitant budgets comparable to Hollywood movies, often called AAA titles.

But several got their start as small independent teams, or indie studios, that developed surprise hits.

One such example is Frictional Games, based in the southern city of Helsingborg, which had only had a handful of employees when its "Amnesia: The Dark Descent" was an unexpected success in 2010.

That hit also helped propel the now-massively popular YouTube personality and fellow Swede PewDiePie to fame when his scared reactions to the horror game went viral.

Markus Persson, also known as Notch, created the original "Minecraft" by himself, which became a global phenomenon and was sold, together with Mojang, to Microsoft in 2014 for \$2.5 billion.

More recently, "Valheim" developer Iron Gate had a team of only five people when it released the [game](#) in early February.

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