

Tencent limits gaming for kids after official media critique

August 3 2021, by Zen Soo



Visitors gather at a display booth for Chinese technology firm Tencent at the China International Fair for Trade in Services (CIFTIS) in Beijing on Sept. 5, 2020. China's biggest gaming company Tencent Holdings said Tuesday, Aug. 3, 2021, that it would limit gaming time for minors and ban children under 12 from making in-game purchases after a state media article called games "spiritual opium" on Monday. Credit: AP Photo/Mark Schiefelbein

China's biggest gaming company, Tencent Holdings, said Tuesday it will limit gaming time for minors and ban children under age 12 from making in-game purchases after a state media article called games "spiritual opium."

Tencent's pledge to curb gaming for minors came hours after the company's stock plunged as much as 11% following a critique published by the Economic Information Daily, a newspaper affiliated with China's official Xinhua News Agency.

The newspaper article named Tencent's wildly popular Honor of Kings game as one that minors were addicted to, and cited a student as saying that some played the game for eight hours a day. The online article was removed hours later.

"'Spiritual opium' has grown into an industry worth hundreds of billions," the newspaper said, adding that no industry should be allowed to develop in a manner that will "destroy a generation."

On Tuesday, Tencent said in a statement it will limit gaming time for minors to one hour a day, and two hours a day during holidays. Children under age 12 will also be prohibited from making purchases within the game, the company said.

Under Chinese law, users under age 18 can play online games for a maximum of one and a half hours a day, and three hours during holidays.

Tencent also called for the industry to control gaming time for minors and discuss the possibility of banning those younger than 12 from playing games.

It was not clear if Tencent issued the curbs in light of the article. The company did not immediately comment.

The critique of the gaming industry sparked a selloff of stocks in Chinese gaming companies including NetEase amid fears that the gaming industry could be the next to experience a clampdown.

Chinese authorities in recent months have targeted e-commerce and online education, implementing new regulations to curb anti-competitive behavior after years of rapid growth in the technology sector.

Last month, authorities banned companies that provide tutoring in core school subjects from turning a profit, wiping out billions in market value from online education companies such as TAL Education and Gaotu Techedu.

"Obviously there's great concern over policy uncertainty because this is not just about online education, there was also talk about data security and now, about mobile games," said Kenny Wen, wealth management strategist at Everbright Sun Hung Kai.

"So the future will be highly uncertain, it is difficult to give a fair valuation on these stocks and investors will take a wait-and-see approach and be relatively prudent in this sector as we don't know what will happen next."

Tencent's stock price closed down 6.11% at 446 Hong Kong dollars on Tuesday.

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