

Tencent earnings creep up 3% after China tech crackdown

November 10 2021



Tencent revenue was up a slower-than-expected 13 percent year-on-year as China cracks down on tech giants and the gaming industry.

Revenues of Chinese gaming and communications giant Tencent rose three percent in the last three months, according to results published

Wednesday, as Beijing cracks down on tech giants and the country's mammoth gaming industry.

China's heavy-handed regulation of the tech and video gaming sectors in recent months has hit industry heavyweights with bumper fines and sweeping restrictions.

Tencent revenues rose to 142.4 billion yuan (\$22.3 billion) for the three months ending in September, as the owner of social media staple WeChat navigated headwinds that have shaken the industry.

Revenue was up a slower-than-expected 13 percent year-on-year—growth which Bloomberg said was the slowest pace since Tencent went public in 2004.

The group said that in the third quarter the internet industry had "adapted to new regulatory and macroeconomic developments".

A state regulatory crackdown that battered Tencent's lucrative gaming empire has drastically reduced the amount of time school children are allowed to spend playing games.

The government crackdown put restrictions on players under 12 making in-[game](#) purchases and locked under-18s out of games after two hours during holidays and one hour on school nights.

Tencent said it was "proactively embracing the new regulatory environment which we believe should contribute to a more sustainable development path for the industry".

However, the results showed that minors accounted for only 0.7 percent of domestic games time in September, sharply down from 6.4 percent in September the year before.

Children also accounted for only around one percent of domestic game sales in September, less than a quarter from a year before.

In September, scores of Chinese video game makers, including Tencent, vowed to better police their products for "politically harmful" content and enforce curbs on underage players, as they looked to fall in line with government demands.

And earlier this year, Tencent was also told to relinquish its exclusive music label rights by the market regulator, which said it had violated antitrust laws.

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