

Gaming sector recovery on flamboyant display at ChinaJoy expo

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Attendees visit the booth of Japanese video game company SNK at the annual ChinaJoy digital entertainment expo.

A long-haired sorcerer wearily checked his smartphone as elves and androids bustled past at the digital entertainment expo ChinaJoy on

Friday, the crowds a testament to the local gaming industry's tentative recovery after a period on pause.

China is the world's largest market for video games, but the sector has been through a tough time in recent years thanks to a [government crackdown](#) that restricted player hours and strangled new licenses.

But as the vast exhibition halls in Shanghai boomed with the excited chatter of cosplaying attendees, industry insiders were upbeat about the future.

"I fully see the recovery is happening. And we truly believe the market of China will keep growing rapidly," the Shanghai managing director of gaming giant Ubisoft, Yang Zhi Hong, told AFP.

At rival company Blizzard's booth, a row of players wearing headsets frowned in concentration while onlookers watched their progress on a big screen.

Blizzard, which produces the globally popular "World of Warcraft" (WoW), will make a much-anticipated return to China in August after a [contract dispute](#) with Chinese partner NetEase saw its servers in the country taken offline for more than a year and a half.

"Being able to play on the Chinese servers again is like returning home from wandering around foreign lands with people whose languages I don't speak," an "extremely excited" WoW fan named Wang Wenzheng told AFP.

WoW attracted millions of Chinese users at its peak, but that figure is small potatoes compared to some homegrown gaming companies' stats.

Popular games like Tencent's "League of Legends" or MiHoYo's

"Genshin Impact" boast tens of millions of monthly domestic players.



Industry reps see the cosplaying crowds as evidence the gaming sector is recovering after a rocky few years.

"'Genshin Impact' is a game of special meaning to me," said Wang Xintao, an artificial intelligence researcher who came dressed as the game character Zhongli.

"I started playing it... during a very difficult time of my life," the 25-year-old said, adding "it can bring me a quiet sense of happiness".

First-time ChinaJoy visitor Liu Xiao, a 21-year-old livestreaming host

from northern Hebei province, said the vibe was that of "a very friendly family".

"I'm a very shy person. But I come to ChinaJoy to overcome my shyness."

'Too strict'

Ubisoft's Yang said there was "no secret" to doing well in the lucrative Chinese market.

"The player is the only thing we need to care about and nothing else," he said.

China has presented some unique challenges to the industry in recent times, though.

At ChinaJoy, a dozen or so young gamers gathered in army costumes around a placard protesting a livestreaming ban on "Tom Clancy's Rainbow Six Siege", a tactical shooter game produced by Ubisoft.



Regulatory hurdles for new games are high, as Ubisoft's 'Rainbow Six Siege' has found in recent years.

Regulatory hurdles for new games remain relatively large, with formal approval from authorities needed before release.

One of the costumed "Rainbow Six" fans, a 16-year-old student who gave his name as Nokk, said his beloved game had consistently failed to get a licence.

"Generally speaking, I think the regulations of China's gaming industry are a bit too strict," he told AFP.

Since 2021, children under 18 have only been allowed to play online for

an hour on Fridays, Saturdays and Sundays during school terms, with real-name identification procedures in place to stop minors lying about their age.

"As a global company... we need to follow the local laws and the regulations very strictly," said Ubisoft's Yang.

"All the products we're (bringing) into China, we will do the localization for sure, and do a lot of compliance work to let it fit into the China market."

He said he thought there was "still space" for companies to expand in China -- and that seizing new opportunities offered by AI would be key.

From AI-generated narratives, to AI-powered tools that help world-build, "this tech is not (just) on the paper... it has been already applied into our pipeline, into our workflow", he said.

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