

●Video game market in Kuwait

The Japanese domestic market of video game, the main actor of Japan's subculture, has matured. The market is experiencing tough time in the last few years partly due to worsening recession. Various video games from Japan are exerting great influence around the world, and they are popular in the Middle East as well. Most Japanese probably are not aware of the reality of the Middle East video game software market.



Kuwaiti youngsters caught up in online games

There is a reason why games are gaining popularity in the Middle East. In countries with cold climate, people cannot go outside during the winter and video games that can be played indoors become popular. For the same reason, in countries with hot climate, it is too hot during the summer and people cannot go out,

and people have more opportunities to play video games indoors. That is the reason. So video games tend to gain popularity in countries with climate too hot or too cold.

In the Middle East, the distribution system for the home video game machines and game software is not well-developed so the online video games that can be played with personal computers are the mainstream. Games popular in Japan can be sold without marketing promotion in the Middle East. However, most of home video game machines are imported through Europe or the United States.

The Middle East video game market is one of the most rapidly growing markets in the world. The Middle East is composed of 22 Arabic-speaking countries. Out of the Middle East population of 400 millions, 75 millions are the Internet users, and 40 million mobile phones were sold from July to September, 2010. Surprisingly, the population of people 25 years old or younger is 180 millions. In other words, there are so many young people in the Middle East and the region has a great potential for the video game market growth. Another surprising statistical data is that 15% of the Face Book users in the world are those in the Middle East.

The Middle East video game market is one billion dollars in size. Mobile devices and PC are predominant platforms. Home video game machine market is suffering piracy, but PlayStation 3 has more than 50% share of the market. PlayStation 3 is the most prevalent video game machine and in comparison of the same video game titles, games for PlayStation 3 sell 7 times as many as those for Xbox 360. Having online capability is a must for sale.

In Kuwait on the Gulf coast, there are facilities almost identical to game centers in Japan inside shopping malls. Game machines in arcade setting



Video game parlor in a Kuwaiti shopping mall

are very popular among young people. The shooting game called FPS is the mainstream in overseas market, the fighting sports games are popular in the Middle East. For example, the game called Street Fighter created by Capcom Co., Ltd. has gained a great popularity and Kuwaiti

players are participating in various tournaments in Japan and other countries. Mr. Daigo Umehara, a professional game player, is famous and participates in tournaments in the United States. He was invited to a tournament in Kuwait last year. In the tournament, Mr. Umehara competed with a local player in a exhibition match. Admission charge for the event was 15 Kuwaiti Dinars (about 4,500 yen), but more than 100 young people paid the admission charge and attended the event partly because of popularity of Mr. Umehara. Since Kuwait's population is a little less than 3.5 millions, this is a substantial number of attendees. There were some among the attendees who came all the way from neighboring Dubai. It was the first visit to Kuwait for Mr. Umehara and he seems to have had a strong impression about the country. He commented in his interviews, "The tournament organizer appeared to be rich and his house was the biggest house I have ever seen," "I thought people have to wear turban and white clothes all the time but I was wrong," and "Someone recommended that Kuwaiti cuisine is so tasty so I tried. It turned out to be not to my taste and Italian foods I ate in a shopping mall was much more delicious." He also commented, "I received an enthusiastic welcome from

young people who are crazy about video games, and I became fond of Kuwait.” Just like the year before last, a special event was held on October 20 and 21 last year.

The Middle East countries continue to face many challenges. Proliferation of pirated products is one of those problems. While online video games are becoming prevalent, a penetration level of credit cards is low. Many investors are not aware of the potential of the Middle East market. Differences in religion and culture make localization difficult. For example, the language barrier is a major problem for RPG.

Major Japanese video game companies are not yet targeting the Middle East. Because many video games are imported from Europe and the United States, European companies are mostly controlling the Middle East market. In recent years, people in Japan started paying more attentions to the Middle East. Some companies are trying to use UAE (Dubai) as one of their operation bases. However, since Dubai has many immigrants from foreign countries (47.2% of the entire population came from South Asia), Dubai market is different from other Middle East markets. It is unlikely that UAE becomes a major player in the Middle East video game market. On the other hand, Saudi Arabia, Kuwait and Egypt have a large domestic population of video game users. Japanese video game experts are not aware of the video game fad in Kuwait. Kuwait has a potential of spreading the video game fad to other Persian Gulf countries including the neighboring Saudi Arabia and other Middle East countries.