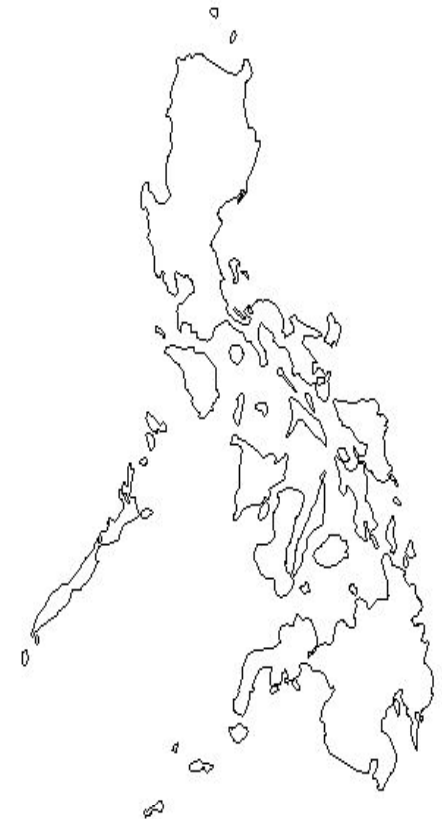
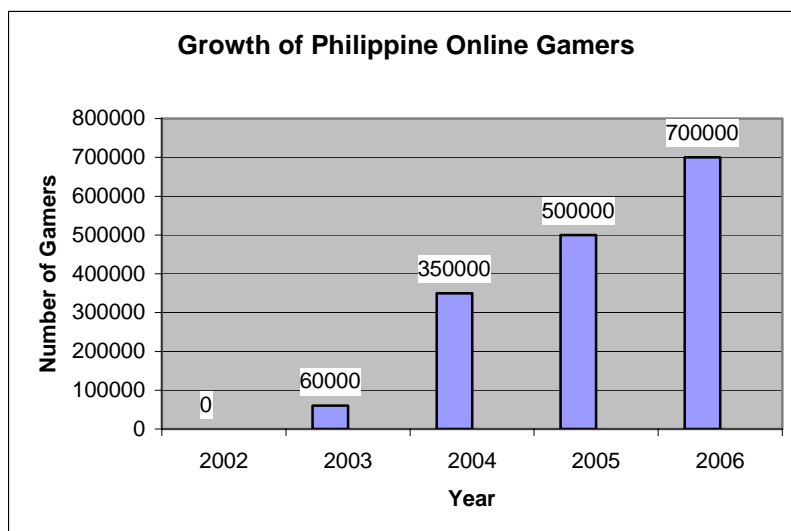


# ONLINE GAMING

## ONLINE GAMING

### Market Overview

- Online gaming is the current trend in the Philippine digital entertainment industry.
- **Subscribership grew 171% in 2004 to 350,000.**
- Revenues hit **\$2.8 million in 2003** from nearly zero in 2002.
  - ✓ **2004 revenue expected to hit US\$10 million.**
- **Sharp growth of Internet Cafés** expanding gaming demand.
- **Expanded broadband** Internet access will further drive demand.
- **Telecom operators are currently increasing bandwidth** to handle increased phone consumption.
  - ✓ Philippines is the largest mobile-text market in the world.
- Massive multiplayer online role-playing games (**MMORPGs**) are the game of choice.



## Competition

- **Online content is nearly 100% imported.**
- **Korean** developed games dominate the industry. **Ragnarok** is the leading online game
- **U.S. is a distance second.**
  - ✓ U.S. online games played locally are Half Life II and Empire Earth.
  - ✓ Philippine game publishers are participating in a bid to bring U.S. developed, World of Warcraft, into the market.
- Other locally available online games: Oz World, Khan: The Absolute Power, MU Online, GunBound, Tantra, Prison Tale, Skyblade
- **No local online game developers.** Local game development is limited to the PC, console and mobile segments.

## Commercial Opportunities

- **U.S. content is popular**, and market uptake for new games is immediate.
- Gaming popularity is **driving demand for PC sophistication.**
  - ✓ Avid usage requires an **IT infrastructure**, specifically a **server farm (including switches)**, with consistent output and reliable, expansion-ready performance with no downtime.
- Concurrent growth is taking place in **PC accessories** to support Gaming, including Graphics Media Accelerator, Express Graphic Utilization, High-Definition Audio and Audio/Video Multi-Streaming.
- Continued growth in online game is **driving demand for more PCs** (new or refurbished). Minimum system requirements for PCs are:
  - Environment: Windows 98, Win ME, Windows 2K, Win XP, DirectX 8.1 or higher
  - CPU: Pentium III 600 Mhz
  - RAM: 256 MB
  - VGA: 3D Acceleration Video Card /w 32MB RAM
  - HDD: 1.2GB of available space



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