

E-Sports and Gaming Saga: Indian Outlook

Yash Jain

Abstract: *The Indian economy's shift towards technology has spurred the growth of unconventional sectors like gaming. Gaming, with its interactive storytelling, has gained traction. In the early 2000s, despite high costs, gaming found a niche in India. The mid-2000s saw a surge in online gaming, buoyed by social media and mobile penetration. Policy adjustments and governmental recognition of esports have further fueled growth. However, a 28% GST rate on online gaming raises concerns. To unlock India's E-sports potential, strategic investments, clear regulations, and collaboration are imperative. A robust framework, prioritizing player experiences and industry cohesion, is essential for India's success in the global E-sports arena.*

Keywords: Gaming Industry, Mobile Gaming, E-sports, Government Policy, Taxation

1. Introduction

As Indian Economy is shifting its path to a more technological driven approach it has incorporated some Non-conventional industries which no one would've thought to flourish when this nation got Independence from the British Regime. The gaming sector in India is swiftly emerging as a significant contender in the attention economy, with individuals dedicating 8.5 to 11 hours per week to gaming. While traditional forms of storytelling, such as paintings, books, and films, have long captivated audiences, gaming takes this concept further by enabling players to actively engage in and influence the storyline.

Early 2000s: Gaming Console and PC Era

In the early 2000s when the wave of Globalization was still stagnant to the western countries Indian Gaming Sector started establishing its market. Initially it was concentrated to middle-income Indians although the consumption was limited to a niche segment of People due to the high cost of Consoles and PC Gaming . It highlighted the promise of online gaming in India. On the PC platform, gaming enthusiasts gravitated towards titles such as Call of Duty, FIFA, Counter Strike, and Dota, drawn by the evolving quality of these games from Western markets. The action-packed and multiplayer-focused themes particularly appealed to young male gamers equipped with a PC and internet access.

In the mid-2000s as Internet started entering the life of human beings as an essential element bringing more and more people on social media platforms resulted in an uptick graph for the Gaming Industry. The online community began to delve into, acquire skills in, and disseminate online games through various social media platforms. Titles like Farmville and Mafia Wars on Facebook entered the lives of countless Indians, introducing them to online gaming for the first time within the realm of social networks.

Mobile Gaming Era

More youngsters getting hold of mobile phones and increase in social media presence and doubled the audience of mobile gaming. With people spending 8.5-11 hours weekly. Availability of mobile phones and internet facilities at cheaper price has led to the spike in revenue of Gaming Industry. Policy adjustments made by Google, owned by Alphabet, in its Play Store have opened up additional avenues for mobile gaming firms in India. In November of

last year, Google unveiled significant alterations to its Android operating system and Play Store following directives from India's antitrust regulator, the Competition Commission of India. As a component of its policy amendment, Google announced that original equipment manufacturers (OEMs) would now have the option to license specific Google applications for pre-installation on their devices. The future of gaming holds great promise, particularly with the rise of e-Sports and the emergence of local competitive gaming leagues in India. These developments are garnering attention from both brands and consumers, setting the stage for an exhilarating journey ahead.

Government Stance on Gaming and E-sports

The revisions to the Information and Technology (IT) Act by the Indian government earlier this year, officially recognizing E-sports as a sport and differentiating it from real-money gaming, represented a significant triumph for players. This decision not only legitimizes careers in video gaming but also elevates them to a recognized and respected profession. In the Union Budget 2023-24, the government announced measures to boost digital adoption through online gaming. These include the elimination of the minimum threshold of ₹10,000 for TDS (Tax Deducted at Source) and clarification on the taxability pertaining to online gaming.

Whereas Indian Government decide to implement a 28 per cent GST rate on online gaming. Many have criticized this approach labelling it as a discouraging move for all the investors and start-ups looking for an opportunity to enter the Gaming Industry. Suggestions have been made that the e-gaming industry need a TRAI-like body for seamless communication to the government and for resolving issues that may crop up due to the rapid pace in technological innovation in the industry. Real money gaming (RMG) is another significant segment, accounting for approximately 60% of all gaming monetization in India. Various platforms offer casual gaming for real money (MPL), daily fantasy sports (Dream11), opinion trading (Probo, Better Opinion), and learning (StockGro). Notably, the top 5-10% of players contribute 80-90% of the revenue in these categories. Putting tax on RMG segment can be a big setback for the Industry. Considering how big the mobile Gaming market in India is and if proper measures and resources are allocated to fuelled the Industry with skills and capital needed this in turn can transform into a big Maverick.

2. Conclusion

India needs to address the structural gap in order to fully leverage the potential of its E-sports ecosystem. Investments, regulations, and strategic interventions are crucial to drive the industry forward. Collaboration among industry stakeholders, government bodies, and the gaming community is essential for India to establish itself as a leader in the global e-sports arena, where talent is not only acknowledged but also cultivated from grassroots to professional levels.

As the country navigates the dynamic e-sports landscape, the demand for a comprehensive, organized, and inclusive framework becomes increasingly urgent, offering a promising future for both e-sports enthusiasts and professionals. To that end, every stakeholder in the ecosystem of E-sports must focus on delivering superior experiences to players as it will create a win-win situation and holistic benefits for all participating entities.

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