

Games developers fleeing UK

Tax breaks luring talent elsewhere

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Games developers in the UK are trying to put pressure on the government to offer more tax breaks arguing that the gaming industry could become an "economic powerhouse".

But the slow response for authorities has seen some developers up sticks and head for tax-friendlier places including Canada.

15 companies have formed a lobbying group called "Games Up?" to fight for better benefits in the UK.

Richard Wilson is chief executive of Tiga, the UK trade organisation for game developers and explained: "All our key competitors offer tax breaks and grants, putting UK developers at a disadvantage".

The lobbying group argues that the UK is missing out.

It told the Financial Times that "figures by Games Investor Consulting suggested if its proposals on skills and tax credits were implemented, the British games industry would receive an additional investment of £220m over five years, creating an additional 1,500 jobs, rather than the projected decline from 10,000 developers today".

However, the group says that instead of introducing incentives, the UK government is possibly going to turn its attention to fighting those countries that are luring developers away.

In particular, online reports suggest that it is going to question whether the incentives being offered by Canada are violating World Trade Organisation rules.

Gaming giants including Ubisoft and Activision already have massive studios in Canada.

