

## BUSINESS BC

A 'GLORIOUS' DECADE FOR B.C. | D5

U.S. FED RAISES INTEREST RATES | D10

TOR PAUL BUCCI 604-605-2520 • WEDNESDAY, MARCH 23, 2005 • E-mail sunbusiness@png.canwest.com FINAL EDITION

## Gamers seek other income

PRODUCTION | Possibilities include 3-D animation for music videos

BY MARKE ANDREWS  
VANCOUVER SUN

In order for the video game industry to continue to grow at the current rate, it will need to find new revenue streams, a Vancouver-based expert said Tuesday.

Speaking at the Vancouver Enterprise Forum at Science World, Rob Edgar, of Union Entertainment, said that while the video game industry took in more money than the movie industry in terms of North American box office last year, Hollywood still had greater revenues because of ancillary sales of its products.

"The movie industry can recoup costs with DVD, home video, cable television and pay TV," said Edgar. "Video games only have one shot, and that's retail."

Edgar said the next quest for video game companies will be "finding new windows of opportunity for revenue."

He has already started. Among the 200 projects that Edgar oversees is a use of 3-D animation for MTV music videos, as well as packaging convergences of feature films and video games.

The video game industry generated \$25 billion in revenue in 2004, with \$1.2 billion of that coming from this province.

But there is some concern in the industry over the rising cost of video game production. Eight years ago, Edgar



VANCOUVER SUN

**Relic Entertainment's Jonathan Dowdeswell, Nancy Gray-Starkebaum of Electronic Arts and Rob Edgar of Union Entertainment gathered at video game industry forum.**

said, the average video game was made by a team of eight people for a cost of \$500,000. Today, teams of between 50 and 100 work on a game, with production costs reaching \$10 million, he said.

In order for the B.C. industry to continue to flourish, Edgar says it needs to have an infrastructure similar to that of the province's film and television industry, with lawyers, corporate financiers, business planners and accountants included.

Jonathan Dowdeswell, a producer at Vancouver's Relic Entertainment, said that in addition to converging with

other areas, video games can create revenue streams from such things as product placement and advertisements within the games and creating short, lower-priced episodic games that could come out on a regular timetable, much like the old serials people used to watch in movie theatres.

Nancy Gray-Starkebaum, senior manager of recruiting for Electronic Arts, said the province continues to attract and keep young programmers, artists and designers for a variety of reasons: B.C. is a desirable place to live, it has a competitive industry with at least 700 new media compa-

nies, and it has schools with good programs in new media technologies.

Electronic Arts, with 1,300 employees at its Burnaby and Vancouver studios, will hire another 500 in the next year.

She said Electronic Arts tries to make its facilities, from its motion-capture studio to the soccer pitch it's building for employee recreation, state of the art.

"We want to keep our local talent local," said Gray-Starkebaum.

B.C. games companies continue holding events and competitions in order to seek young talent.

Electronic Arts will award \$20,000 to the winner of its Great Canadian Art Competition, which is open to all Canadian art students graduating from a post-secondary school who submit a five-minute 3-D animated short. The company will fly the 25 finalists to its Burnaby studio for the April 30 presentation. The winner's school will also receive \$20,000.

And Vancouver wireless gaming company AirG announced Tuesday it will hold a competition for Simon Fraser University's Engineering Computer Science and Interactive Arts & Technology students to design and implement a mobile entertainment application. The winner will have his or her application launched on a Canadian mobile carrier.