

# The Chinese government stopped licensing the distribution of video games, approximately 14,000 game businesses had to close

China's game industry is stagnant, while large corporations have to find ways to reach abroad.

The Chinese government continues policies that limit the development of the video game industry. This morning, the South China Morning Post (SCMP) reported that since July 2021, the National Press and Publication Administration (NPPA) has not updated the list of games allowed to be released.

The domestic news site Securities Daily reported the inevitable consequence: approximately 14,000 businesses, game development studios and game-related companies had to close.



Normally, the NPPA will approve about 80-100 games per month; The fact that the list of games allowed to be released has not been updated for the past half year has caused the game industry in China to stagnate. The large Chinese market means that game companies, which develop related content and support the publishing business, appear in abundance. When new games are no longer released, this ecosystem will wither.

While some large game corporations face tough decisions, have to lay off staff and downsize game development, small studios are the ones who suffer the most.

For comparison: tech giant Tencent continues to expand into other countries, as a way to ease pressure from local regulations. Tencent just opened a studio in Singapore named TiMi Studio Group; TiMi owns a series of international studios located in Montreal (Canada), Seattle (USA) and Los Angeles (USA). Meanwhile, in China,

14,000 other large and small game companies have had to close.



The NPPA has not given a reason for delaying the release of the game, nor has it said when the censorship process will resume. According to SCMP, the NPPA stopped licensing games only a few months after March 2021, when President Xi Jinping mentioned the influence of games on young people's psychology.

In the following months, Chinese gamers were accused by the media of using "electronic drugs", or "mental opium". On September 1 of last year, the terms restricting the time to play online games officially took effect. The Chinese game industry is facing a major crisis, as both players and publishers and developers are in a dilemma.

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