

PlayStations to be sold legally in China

SHANGHAI, CHINA: Sony will sell its PlayStation consoles in China through two joint ventures, the Japanese gaming company and its Chinese partner, as they seek to tap into the estimated 500m people who play video games in China.



Sony's Kazuo Hirai says producing localised content for the Chinese market will be fundamental to the company's success. China has an estimated 500m gamers. Image: [Headbang'n Buttonmash](#)

China in January formally authorised the domestic sale of game consoles that are made in its first free trade zone (FTZ) in Shanghai, opening up a new market for foreign companies including Sony, Microsoft and Nintendo.

Sony's newest games console - PlayStation 4 - has seen record demand since its launch in late 2013 with sales topping seven million units globally last month.

The opening of the huge Chinese market could be a major boost for Sony's video game business, as the firm looks to cast off years of losses.

"The Chinese market, given its size, is obviously potentially a very large market for video game products," Sony Chief Executive Kazuo Hirai told reporters in Tokyo.

"I think that we will be able to replicate the kind of success in China that we have had with PS4 in other parts of the world," he said, adding that generating localised games would be a key to success in the vast market.

"Initially, we will start with non-Chinese games, that's fine because that's all we have," Hirai said.

Quality and healthy games being sold

"But in the longer term it's about getting involved in the local content creation market, which I think is very important for real success in the Chinese market," Hirai said.

Earlier, Shanghai-listed tourism and culture firm Oriental Pearl said it would set up two joint ventures with Sony in the FTZ, one for hardware and one to handle software and services, according to a statement filed to the stock exchange.

Sony will take a 49% stake in one venture and a majority 70% in the other, the statement said, to make and market PlayStation consoles and related software in China.

"The ventures will help introduce quality and healthy gaming products to Chinese players," the Oriental Pearl statement said, adding that this was one of the requirements of authorities for selling products in China.

Some foreign industry officials fear that such regulatory approval - conceivably to censor game content which China deems too violent, obscene or politically sensitive - could be used as a potential trade barrier.

Competitor Microsoft said in late April that it will start offering its Xbox One game console in China from September through a joint venture in the FTZ.

The relaxation of the decade-long sales ban does not apply to console imports, though the devices are already widely available through unofficial sales channels after being smuggled into China.



Gaming consoles like the PlayStation 4, Xbox or Wii can legally be sold in China. Image: [PlayStation](#)

China's game revenue jumped 38% year-on-year to 83.2bn yuan in 2013, according to one industry estimate, although the market was dominated by online computer games.

Analysts say Chinese consumers are unlikely to want to pay high prices for foreign consoles and authorised software, especially if it is slow coming to the market.

Source: AFP via I-Net Bridge

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