



## NEWS RELEASE

FOR IMMEDIATE RELEASE

March 6, 2020

Contact: Rich Bishop  
CEO, AppInChina  
+86 152-1020-2787  
rich@appinchina.co

### **Apple could lose \$879 million in China iOS game revenue**

*Surprise requirement will lead to the removal of thousands of foreign games from China App Store*

BEIJING, China – Apple stands to lose up to \$879 million of yearly revenue in China, thanks to an announcement to developers that games with in-app purchases must secure a game license from the Chinese government by June 30, 2020, or face removal from the Apple App Store in China.

Here is how we arrived at this calculation:

There are 64,667 games on the Apple App Store China that are either paid or contain in-app purchases.

Since January 2010 SAPPRFT has issued a total of 41,833 domestic game licenses and 1,271 imported game licenses, for a total of 43,104 game licenses (source: <http://www.sapprft.gov.cn/sapprft/channels/7026.shtml>).

This includes all types of games, but if we take the most conservative estimate and assume all of those game licenses were for mobile games, then that means at least 21,563 paid/IAP games remain on the Apple App Store China without a game license.

It takes 4 to 8 months to get a game license, and SAPPRFT issued a total of just 1,572 game licenses (domestic and imported) in 2019. This means the vast majority of the 21,563 paid/IAP games on the Apple App Store China won't be able to get a game license for several years, let alone by June 30th 2020.

This means 33.3% (21,563 / 64,667) of the paid/IAP games on Apple App Store China are likely to be removed after June 30th 2020.

Gross Revenue from Apple App Store China (games only) in 2019 was \$8.8B USD. If Apple is forced to remove 33.3% of paid/IAP games on June 30th 2020, then this would result in a total gross revenue reduction of up to USD 2.93B / year (8.8B x 33.3%). Apple typically takes a 30% cut of this, meaning that Apple will see a reduction of up to USD 0.879B of yearly revenue, and developers will see a reduction of up to USD 2.05B / year. Sources are attached.

**AppInChina** helps foreign companies localize, publish and promote their mobile apps and games in the Chinese market through the Apple App Store, Steam, and the major Android app stores.

###



Sources:

**Qimai:**

As of February 28th 2020, the total number of games on Apple App Store China was 224,862. This is divided as follows:

Paid games: 21,935

- Paid games with in-app purchase: 2,067

- Paid games with no in-app purchase: 19,868

Free games: 202,927

- Free games with in-app purchase: 42,732

- Free games with no in-app purchase: 160,195

**App Annie:**

Gross Revenue from Apple App Store Worldwide: USD 40B

Gross Revenue from Apple App Store Worldwide (Games Only): USD 27B

Gross Revenue from Apple App Store China: USD 11.5B

Gross Revenue from Apple App Store China (Games Only): USD 8.8B

Gross Revenue from Apple App Store US: USD 11B

Gross Revenue from Apple App Store US (Games Only): USD 6.5B