

# The Daily Dispatch

## Weekly Special Feature

July 09, 2021

### 'Crucial Time' for Cloud Gaming, Which Wants to Change How You Play

By: Kellen Browning – The New York Times (Published on July 1, 2021)



A year and a half after Google introduced its Stadia cloud gaming service, access to rival platforms is expanding [Photo: Google]

Imagine video gamers, untethered from their computers and consoles, playing crystal-clear versions of their favorite games anywhere. They might traverse the futuristic world of the sci-fi shooter game Halo on their mobile phones while riding the subway, or dust off old MacBook computers and hop straight into the jungle of the battle arena game League of Legends.

That's the rosy future promised by cloud gaming, a nascent technology that could reshape how people play games. And depending on whom you ask, that future might have arrived already.

On Thursday, Facebook announced that it had expanded the reach of its cloud gaming platform, which was released last fall, to cover 98 percent of the mainland United States. Also this week, Microsoft made its cloud gaming service available on more devices. And Amazon broadened access to its burgeoning cloud service, giving Prime members a free trial version during its Prime Day last month.

It has been a busy period for the small but growing cloud gaming industry, which is expected to surpass \$1 billion in revenue and 23 million paying customers by the end of this

year, according to Newzoo, a gaming analytics firm. Revenue is projected to grow to more than \$5 billion by 2023 as the technology improves.

"After years of development, now is a crucial time for cloud gaming to gain mainstream prominence," said Rupantar Guha, a gaming analyst at the analytics company GlobalData.

Cloud gaming, at its core, is the ability to separate the technical power required to play a video game from the device it is being played on. That is accomplished by using remote data centers, which harness a company's processing power and stream a game directly to a user's device.

That means games will no longer be tied to specific platforms or devices, so Halo could be played not only on an Xbox console but on a mobile phone or streamed directly to a television. Someone could use the power of the cloud to play a high-quality, graphics-intensive game on an older or weaker device.

That could lead people to spend less time and money on expensive video game consoles from Microsoft, Sony and Nintendo, and to turn away from pricey gaming computers. They could theoretically play new games instantaneously on any device anywhere.

It sounds great in theory. But cloud gaming, which is still in an experimental phase, is sometimes bogged down by glitches that frustrate users. And it requires a strong local internet connection.

Cloud gaming could also shake up the supremacy that Sony, Microsoft and other hardware manufacturers have enjoyed in video games. Instead, tech giants like Google and Amazon are barreling in and "see this as a breakthrough opportunity to get into the global games market," said Guilherme Fernandes, Newzoo's cloud gaming expert.

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The road has not been smooth.

“Big Tech has a sense of arrogance that they can take over an industry segment and disrupt it entirely,” said Joost van Dreunen, a New York University professor who studies the business of video games. “So far in gaming, they all suck at that.”

Google was first big tech company off the mark in cloud gaming, releasing its Stadia subscription service in November 2019. For \$10 a month, subscribers could play the initial library of 22 games on their phones, Google Chrome web browsers or televisions, with a controller. People who chose free access to Stadia could buy games individually.

The service was immediately criticized for poor performance and a scarcity of games. Jack Buser, Stadia’s director of games, said the service had stabilized over time and now had more than 180 titles.



The blockbuster game *Cyberpunk 2077*, released in December, was buggy on many older consoles. [PHOTO: Ina Fassbender/Agence France-Presse — Getty Images]

“There hadn’t been a new major entrant in the gaming space in 20 years,” Mr. Buser said. “It does give us an advantage to do something different in this industry and push it forward in a way that consoles can’t.”

Stadia has since gone through other ups and downs. While the blockbuster game *Cyberpunk 2077*, released in December, turned into a buggy mess on many older consoles, users reported smooth sailing on Stadia. But in February, Google announced that it would stop designing

its own exclusive games for Stadia, and the service’s top games developer, Jade Raymond, left the company.

Mr. Buser declined to comment on February’s changes.

Amazon also unveiled a cloud service, Luna, in September. It is so far available only to invitees, who pay \$6 a month to play the 85 games on the platform. The games can be streamed from the cloud to phones, computers and Amazon’s Fire TV.

Like Google, Amazon has struggled to assemble a vast library of appealing games, though it does offer games from the French publisher Ubisoft for an added fee. Amazon has also had trouble developing its own games, which Mr. van Dreunen said showed that the creative artistry necessary to make enticing games was at odds with the more corporate style of the tech giants.

“They may have an interesting technological solution, but it totally lacks personality,” he said.

Amazon said it remained dedicated to game development: It opened a game studio in Montreal in March and, after a long delay, is releasing a game called *New World* this summer.

Even console makers have jumped into cloud gaming. Microsoft, which makes the Xbox console, released a cloud offering, xCloud or Xbox Cloud Gaming, last fall. For a \$15 monthly subscription, users can play more than 200 games on various devices.

Sony also has a cloud gaming service, PlayStation Now, where games can be streamed to PlayStation consoles and computers.

Satya Nadella, Microsoft’s chief executive, said in an interview last month that he did not think it was possible to be a gaming company “with any level of big ambition” without cloud gaming. Sony declined to comment.

Other companies have waded in, too. Nvidia, the chip maker that produces gaming hardware, has a \$10-a-month cloud program, GeForce Now.

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Phil Eisler, a Nvidia vice president who leads GeForce Now, said the service was still not as fast as a powerful gaming computer.

“We think it’s the way of the future,” he said. But “we don’t know exactly when the future’s going to come in terms of everybody’s going to switch over.”

Facebook has also dabbled. Unlike other companies, it has eschewed a subscription service and focused on making games load instantly within the Facebook app and website. That way, people may spend more time on the social media platform.

Facebook also used cloud technology to test a twist on video gaming: From December to March, it hosted a type of interactive reality television game, Rival Peak, where millions of viewers could vote on how characters should act and interact.

Vivek Sharma, the vice president of Facebook Gaming, said cloud gaming made it easier for people to immediately jump into games with their Facebook friends.

“The whole point of cloud is, ‘Dude, let’s chill out, now!’” Mr. Sharma said. “If things are easy and simple and fast, people will do it.”

Many of the cloud programs have not been as easily available because Apple has essentially barred them from its App Store. Apple, which prohibits apps that offer a library of games, declined to comment.

Elijah Dolosa, a professional video game player for the e-sports organization XSET, has tried Nvidia’s GeForce Now service and said he was “excited and optimistic” about cloud gaming.

Other gamers were more cautious. Patrick Riley of Cincinnati, who has used Stadia, xCloud and Luna, said technical glitches would keep many people from embracing cloud gaming for several more years.

“I have not had any luck finding any of the services playable at this moment,” he said.

Kellen Browning is a technology reporter in the Bay Area covering the video game industry and general tech news. He graduated from Pomona College.

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July 09, 2021  
TODAY'S TOP NEWS

## Banks' bad loans hit 13-year high

NONPERFORMING LOANS (NPLs) held by Philippine banks continued to rise in May, bringing the industry's NPL ratio to the highest in 13 years amid the prolonged pandemic. Gross NPLs surged by 83% to P479.481 billion in May from P262 billion a year earlier.

## DoubleDragon, Jollibee partner for industrial REIT

DOUBLEDRAGON Properties Corp. and Jollibee Foods Corp. (JFC) are planning to create the country's "first and largest" industrial real estate investment trust (REIT), which will be registered by 2022.

## SMC lists 'jumbo' P30-B first tranche bonds

SAN Miguel Corp. (SMC) listed the P30-billion first tranche of its shelf-registered bonds at the Philippine Dealing & Exchange Corp. (PDEX) on Thursday. San Miguel's six-year Series I due 2027 with a 3.3832% per annum rate forms part of its P50-billion shelf-registered fixed-rate bonds.

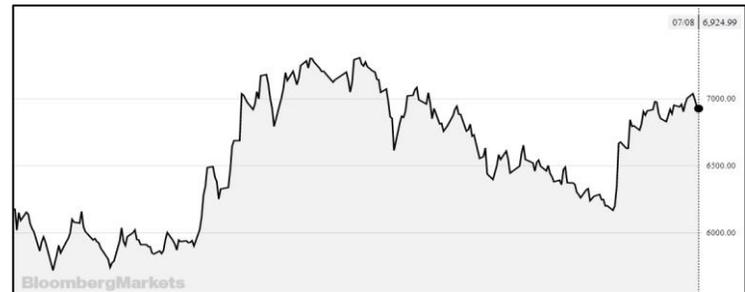
## CAVITEX C5 Link seen operational next year

THE Department of Public Works and Highways (DPWH) said it expects the CAVITEX C5 Link, a segment of the Manila-Cavite Toll Expressway Project, to be completed next year. The Manila-Cavite Toll Expressway Project is a joint venture project of the Cavite Infrastructure Corp. (CIC) and the Philippine Reclamation Authority.

## Emperador considers secondary listing in Singapore

EMPERADOR, Inc. on Thursday said that its management is looking into listing in Singapore after its "strong operating and financial performance" caught the attention of global institutional investors.

## Philippine Stock Market Update



**Previous Close:**

6,943.00

**1 Yr Return:**

13.66%

**Open:**

6,945.99

**YTD Return:**

-3.01%

**52-Week Range:**

5,691.74 - 7,432.40

**Source:**

Bloomberg

## Foreign Exchange

As of July 8, 2021

US Dollar	Philippine Peso
1	49.79

## BVAL Reference Rates

As of July 8, 2021

Tenor	Rate
1Y	1.599
3Y	2.314
5Y	2.951
7Y	3.433
10Y	3.851
20Y	4.966

## Daily Quote

"Happiness adds and multiplies,  
as we divide it with others."

-- A. Nielsen

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## MORE LOCAL NEWS

### EGov transactions jump over 50 times

Bangko Sentral ng Pilipinas Governor Benjamin Diokno said Thursday transactions using EGov Pay, an e-payment facility for taxes, permits, fees and other government obligations, jumped by over 5,000 percent in volume and almost 2,000 percent in value as of end-May.

### Factory output surged by 265% in May, says PSA

The manufacturing industry accelerated in May from a year ago, as the economy further reopened from lockdowns imposed by the government to curb the spread of the COVID-19 pandemic, data from the Philippine Statistics Authority show.

### ALI unit now part of RE suppliers' list

The Department of Energy (DOE) has approved the application of a new renewable energy (RE) firm for its inclusion in the Green Energy Option Program (GEOP). DirectPower Services Inc., a wholly-owned subsidiary of Ayala Land Inc. (ALI), is now included in the list.

### Downside risk to mobile banking growth -Fitch

INTERNATIONAL think tank Fitch Solutions Inc. said mobile banking in the Philippines has gained momentum recently and is expected to benefit the country, but underdeveloped digital infrastructure puts a downside risk to its growth.

### PH shares extend decline

The PSEi declined by 0.26 percent or 18.01 points to 6,924.99, while the wider All Shares inched up by 0.06 percent or 2.5 points to close at 4,274.66. Philstocks Financial Inc. senior research analyst Japhet Tantiangco attributed the market's third straight decline to the lack of catalysts that could spur optimism in the market.

### Da Vinci Holdings [DAVIN] trading suspended

The SEC finally approved on July 7th, so on July 8th, the PSE suspended trading in DAVIN because the noted consequence of the transactions that were approved was that the public's ownership of DAVIN sank below the minimum threshold (<10%).

### PH pork imports may reach 425,000 MT this year

The Philippines is expected to import over 400,000 metric tons (MT) of pork this year, driven by improved market access, according to the United States Department of Agriculture (USDA).

### PayMaya funding seen to boost fintech sector

The fledgling financial technology (fintech) sector in the Philippines received a shot in the arm after Voyager Innovations Inc. raised \$167 million to finance the foray of PayMaya into the digital banking space, according to Fitch Solutions Country Risk & Industry Research.

### BSP wants all state agencies onboard EGov Pay

The Bangko Sentral ng Pilipinas (BSP) wants to onboard all government entities in its electronic payment facility for taxes, permits, fees and other obligations by the end of the year as part of efforts to curb revenue leakages and slow the spread of COVID-19 infections.

### DTI: 10% of MSMEs remain closed in June

Speaking at the Senate committee of trade commerce and entrepreneurship hearing, Trade Secretary Ramon Lopez said the agency's survey covering 33,145 respondents showed 10 percent of MSMEs were closed as of June.

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## TODAY'S TOP ASIAN NEWS

### Janio bags US\$8m investment from fintech Choco Up

SINGAPORE logistics platform Janio has bagged a US\$8 million investment from fintech company Choco Up, as part of a wider closed round bridge investment which includes funding from Innoven Capital and Janio's existing shareholders.

### S. Korea unveils 41T won plan to be EV battery giant

SOUTH KOREA plans to invest 40.6 trillion won (S\$41.2 billion) in its electric-vehicle (EV) battery industry by the end of the decade to secure its spot as a major global force in the sector and compete with a dominant China and Japan.

### Singapore-based Spac files for \$135 million US IPO

Singapore-based special purpose acquisition company (Spac), Fat Projects Acquisition Corp, has filed to go public via Nasdaq in a US\$100 million (S\$135 million) initial public offering (IPO), the company said on Thursday (July 8).

### UpGrad earmarks \$337 million for acquisitions

Online education provider UpGrad is allocating US\$250 million (S\$337 million) for acquisitions in the coming months to speed up global expansion, one among a slew of India-born edtech start-ups setting their sights on international markets.

### Cash-rich SIA positioned for regional dominance

Singapore Airlines (SIA), flush with US\$16 billion (S\$21.6 billion) raised since the start of the Covid-19 pandemic thanks to help from a state investor, is in a position of dominance among its South-east Asian rivals as they downsize and restructure.

## TODAY'S TOP GLOBAL NEWS

### Tesla unveils much cheaper Model Y in China

[BEIJING] Tesla debuted a significantly cheaper version of its locally built Model Y sports utility vehicle in China as deliveries for June slipped amid concern a string of negative publicity may have soured consumer sentiment toward the electric-carmaking pioneer.

### Deliveroo hikes forecasts as demand stays strong

[LONDON] Britain's Deliveroo reported an 88 per cent jump in quarterly food orders and raised its annual order value forecasts on Thursday, as people remained hooked on having meals and groceries delivered to their home.

### US states sue Google over Play Store abuse

ALPHABET'S Google was sued by three dozen states alleging that the company illegally abused its power over the sale and distribution of apps through the Google Play store on mobile devices.

### TikTok lets users apply for jobs with video resumes

TikTok, the social network known for short entertainment videos popular with young people, has launched a recruiting platform that allows users to respond to job offers with a short video rather than a traditional resume.

### Levi earnings crush estimates, raises 2021 forecast

Levi Strauss & Co. said Thursday that shoppers are stocking up on jeans in new sizes and styles in the U.S. and China as they emerge from their homes during the pandemic. The momentum both in stores and online boosted its fiscal second-quarter earnings and revenue ahead of analysts' expectations.