

CUTS and Nishith Desai Associates

‘Power-Up’ to the gamers: Empowering Consumers in the Online Gaming World’

Speaking Notes for Opening Remarks by PSM

- 1. The online gaming industry in India is a sunrise industry and is growing at a fast pace. The total number of online gamers grew 8 percent from 360 million in 2020 to 390 million in 2021. It is expected that the number of gamers will cross 450 million by 2023.**
- 2. It is expected to become a US\$ 7 billion market in India by FY2026 and generate 2 lakh new jobs in the process.**
- 3. Despite the industry’s growth it remains largely unregulated, thus making the discussion towards gamer protection, and by extension empowering consumers even more important.**
- 4. In the past few years, various state governments under their power to legislate on ‘betting and gambling’, have come up with regulations on online gaming. The regulations have tried to address issues of gaming addiction, financial losses and suicides among players.**
- 5. For instance, Karnataka and Tamil Nadu prohibited online gaming in all forms stating that such games are ‘games of chance’. However, the High Courts of Karnataka and Tamil Nadu have struck down such amendments to legislations banning online skill gaming as unconstitutional.**

- 6. Recently, Rajasthan has issued a draft law and held a stakeholder consultation as well on the same. The Central Government has set up an inter-ministerial panel to work on regulations for the online gaming industry and identify a nodal ministry to look after the sector. Thus, the time is now to address the issues of player protection through a regulatory framework.**
- 7. CUTS has always tried to push the envelope towards optimal regulation, which promotes innovation and protects consumers, and online gaming is no different.**
- 8. Any regulatory framework should consider costs and benefits on different stakeholders, particularly gamers and start-ups. It should also be enforceable. To this end, we believe there is a need to undertake an ex-ante Regulatory Impact Assessment (RIA) while thinking about a regulatory framework for the sector.**
- 9. It is also important to understand players' perspective, expectations, concerns, level of grievance redress, in this regard. To this end, CUTS plans to undertake evidence-led study to understand and highlight consumer's perception, attitude and behaviour in the sector.**
- 10. Given the sunrise status of the industry, over-regulation may be avoided and co-regulation with adequate consumer representation and stricter mandates for player protection might be the way forward.**
- 11. Thus, to engage on the issue of player protection and to discuss how to provide a regulatory 'Power-Up' to the players, CUTS and Nishith Desai Associates have organised this virtual roundtable to engage**

eminent experts from the online gaming industry and other stakeholders to discuss consumer empowerment in the online gaming world.

12.I would like welcome our speakers, participants, particularly Mr. Rakesh Maheshwari from MeiTY, and look forward to an engaging discussion.

13.Over to my colleague Neelanjana to take this event forward.