

The Potential Economic Impact of the Metaverse

In 2022, Meta commissioned Analysis Group to conduct a study on the potential global economic impact of the metaverse, including regional estimates for Asia Pacific; Canada; Europe; India; Latin America and the Caribbean; the Middle East, North Africa and Turkey; Sub-Saharan Africa; and the United States.

While estimates about the economic impact of the metaverse are already part of the public discourse, the Analysis Group report, *The Potential Global Economic Impact of the Metaverse*, utilizes sophisticated analytical and quantitative methods to further the discussion about how the metaverse can expand economic opportunities.

WHAT IS THE METAVERSE?

The metaverse is a set of digital spaces, including immersive 3D experiences in Augmented Reality (AR), Virtual Reality (VR) and Mixed Reality (MR), that are interconnected so you can easily move between them. Just like the internet, the metaverse exists whether Meta is there or not, and it won't be built overnight. Technology allowed us to write, then talk and now see each other. The metaverse will be the next step—letting us feel like we are sharing a space together. It lets you do things you couldn't do in the physical world with people you can't physically be with.

For access to the full white paper, including the full estimation methodology in Section IV, please visit analysisgroup.com/metaverse.



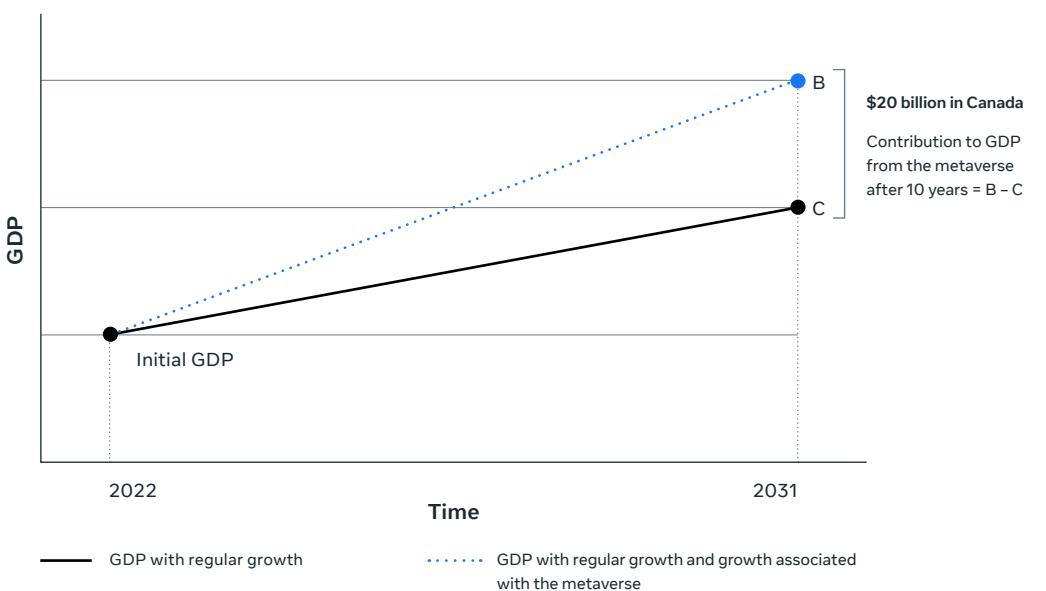
SIZING THE METAVERSE¹

Just as previous technological innovations have boosted economic growth, the metaverse is also expected to expand economic opportunities. The authors of the Analysis Group report estimate that if the metaverse were to be adopted and grow in a similar way as mobile technology in Canada, then after 10 years it could be associated with a **0.9%** contribution to regional GDP, or **\$20 billion**, in 2031. Under the same assumptions, they estimate that the metaverse could be associated with a 2.8% contribution to global GDP, or \$3.01 trillion in 2031.



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The Contribution to GDP by the Metaverse (10 Years after Adoption)



1. The analysis can be thought of in 3 steps. First, the authors identify an existing technology for which data is readily available that serves as an analogue to the metaverse: mobile technology. Second, they use a GMM model to identify an association between mobile technology and GDP growth, finding that a 10% increase in mobile technology adoption is associated with a 0.087 percentage point increase in GDP growth. Finally, for each region, they evaluate the difference between 10 years of growth in the region with the impact of the metaverse (assuming the metaverse has the same adoption and impact as mobile) and without this: the potential economic impact of the metaverse.



CASE STUDY

AN EARLY ADOPTER OF METAVERSE TECHNOLOGIES IN CANADA

In Canada, AR and VR technologies are changing the way people view and experience art. Toronto-based company Nextech AR partnered with Culture Mile and Brookfield Properties in London to build “the Harmony at London Wall Place,” a major AR virtual experience featuring visuals and music from the Guildhall School of Music and Drama as well as the London Symphony Orchestra.² Visitors can open a camera on their phones and hear music compositions and see an AR art installation featuring 3D animation overlaid onto the feed of the camera.

² Cureton, Demond, “Nextech AR Rebrands as Metaverse Company,” XR Today, November 16, 2021, available at xrtoday.com/augmented-reality/nextech-ar-rebrands-as-metaverse-company.