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Global advertising spend to rise by 2.2% in 2013 and 4.4% in 2014

London, 31st October 2013

Warc (www.warc.com), the marketing intelligence service, expects global advertising spend (based on 12 major markets) to increase by +2.2% at current prices in 2013 and by +4.4% in 2014, according to its latest *International Ad Forecast*. This represents a downgrade of -0.8pp and -1.0pp respectively from our previous report in April.

If inflation is taken into account, global adspend is expected to rise by just +0.1% this year and by +1.7% in 2014.

These downgrades have come largely as a result of lowered expectations for key eurozone markets as well as for the largest national ad markets, the US and China. The health of the global economy remains uncertain with business confidence shaken by the recent US government shutdown.

Forecast adspend growth in 2013, % change year-on-year

	Current prices	Constant 2005 prices*	Percentage point change vs April (current prices)
Australia	2.0	-0.5	-0.2
Brazil	6.5	0.3	-3.0
Canada	2.6	1.4	-0.1
China	8.6	5.6	-0.4
France	-3.2	-4.2	-2.5
Germany	-0.8	-2.4	-1.7
India	6.5	-3.2	-1.4
Italy	-12.9	-14.2	-10.0
Japan	1.5	1.6	+0.2
Russia	11.5	4.7	-0.9
UK	3.6	0.9	+0.5
US	1.5	0.0	-0.7

*Constant 2005 price forecasts take into account predicted inflation.

Forecast growth calculated in local currency. Source: Warc's International Ad Forecast

The BRICs are expected to show the biggest increases in adspend in 2013, led by Russia on +11.5%. However, these four countries are also expected to record high rates of inflation, leading to a significantly lower growth outlook in real terms. On this measure, India is set to record a year-on-year decline in spend of -3.2%.



Only the UK and Japan have had their adspend forecasts for 2013 increased since our April report. The biggest single downgrade comes for Italy, now expected to see a drop of -12.9%.

Looking to 2014, we expect all 12 markets bar France (predicted flat growth) to show growth in adspend at current prices. Russia will continue to increase advertising spend at the fastest rate (+11.0%). Outside the BRICs, the UK will be the strongest performer on +5.4%.

Suzy Young, Data and Journals Director at Warc, commented: "Many advertisers remain reluctant to commit marketing spend, but we expect these concerns to ease through the end of 2013 and into next year."

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About Warc Forecasts & Data

Warc (www.warc.com) has produced trusted and independent data on advertising expenditure and media costs for more than 25 years. It has partnerships with leading advertising organisations in more than 80 countries.

The *Warc International Ad Forecast* is updated four times a year and provides estimates for total advertising expenditure and expenditure on seven individual media for 12 markets. The markets covered by the forecast are: Australia, Brazil, Canada, China, France, Germany, India, Italy, Japan, Russia, UK and US.

The media covered by Warc's forecasts are: TV, newspapers, magazines, internet, outdoor, radio and cinema. Totals for individual media include both display and classified advertising. The figures for internet advertising expenditure incorporate display, classified and search.

Warc data products are available on subscription from www.warc.com. They are used by leading advertisers, media agencies and media owners in all markets.

To find out more about Warc's data products and its flagship online service, www.warc.com, visit www.warc.com/Topics/ForecastsandData.topic or take a free trial at www.warc.com/trial

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