

## STATS WINDOW

The Pacific Business Review International has taken an initiative to start a section which will provide a snapshot of major Global & Indian economic indicators and industry review alternatively.

A snapshot of the section in upcoming issues is hereunder:

<b>Sept. 2017</b>	Economy at a Glance (Global & Indian)
<b>Oct. 2017</b>	Tourism sector: Global scenario
<b>Nov. 2017</b>	Economy at a Glance (Global & Indian)
<b>Dec. 2017</b>	Textile Industry: Global Scenario

## Media Industry

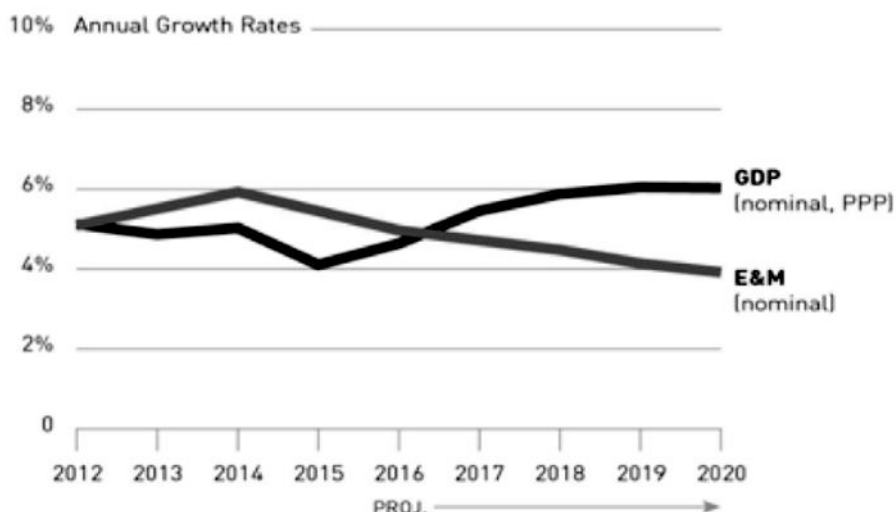
By the end of 2020, the global media industry is expected to cross USD 1000 billion, with Asia Pacific and the US markets accounting for more than a half of the value of this number. Entertainment and media (E&M) companies are making great strides in pivoting to serve digital consumers around the world.

The prime most change that has been evident is the shift towards more and more digital products in the media industry. It is expected that digital products and services will soon account for over 50 percent of any company's overall

media expense. However, at first glance, the outlook for E&M companies worldwide still may seem troubling. Declining pricing power, disinflation, and the trend toward free media and sharing all make it fundamentally challenging to grow organically. Despite growing 5.5 percent last year, this US\$1.7 trillion global industry is likely to have difficulty keeping up with the economy as a whole. The Global Entertainment and Media Outlook 2016–2020 projects that E&M will rise at a compound annual growth rate (CAGR) of 4.4 percent in nominal terms through 2020 — lagging behind overall economic growth.

### Exhibit : Growing but Slowing

Over the next five years, growth in spending on entertainment and media will lag overall economic growth.



Source: Ovum, IMF

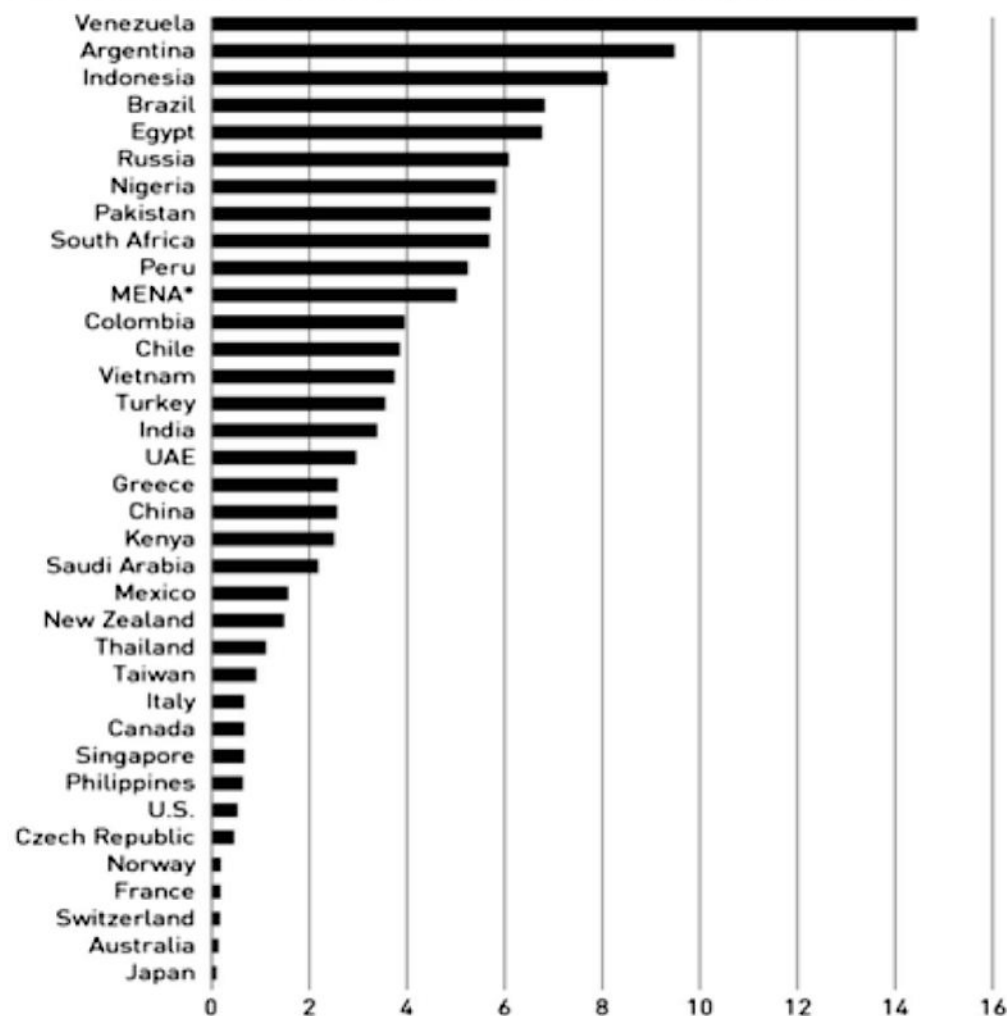
### Developing markets: Driving global growth

Developing markets are playing an increasingly critical role in global media growth, not only because traditional media in these regions remain strong, but because these markets, from Mexico and China to India and Malaysia, anticipate healthy economic expansion and increasing household

incomes—particularly in Asia Pacific (AP) and Central and Eastern Europe (CEE). This growth will boost both advertising and content spend across the region. In fact, the media market in AP will be the largest source of absolute growth for the global industry over the next five years.

### Growth Rates

Percentage-point difference in growth rates of E&M spending and GDP, 2016



\*MENA (Middle East and North Africa) = Algeria, Bahrain, Jordan, Kuwait, Lebanon, Morocco, Oman, and Qatar. Saudi Arabia, UAE, and Egypt are broken out separately.

Source: Global Entertainment and Media Outlook 2016–2020, PwC, Ovum

strategy+business special report 2016

Over the next five years, the entertainment and media sector in Singapore, Southeast Asia and globally is projected to grow at the following rates:

- Singapore: 4.7% compound annual growth rate (CAGR), from US\$5.3 billion in 2016 to US\$7.1 billion in 2021

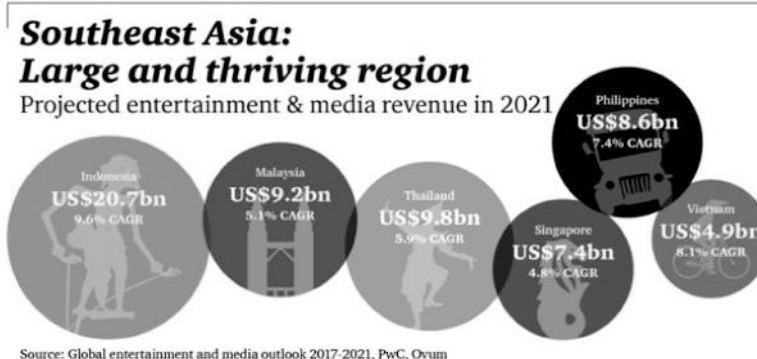
- Southeast Asia: 7.2% CAGR from US\$45.6 to US\$64.5 million
- Globally: 4.2% CAGR, from US\$1.8 trillion to US\$2.2 trillion in 2021



Think regional: Entertainment and media in Southeast Asia

- The media industry is diverse across its segments, and this diversity is multiplied when you layer in the heterogeneous nature of the industry in the various markets of Southeast Asia.

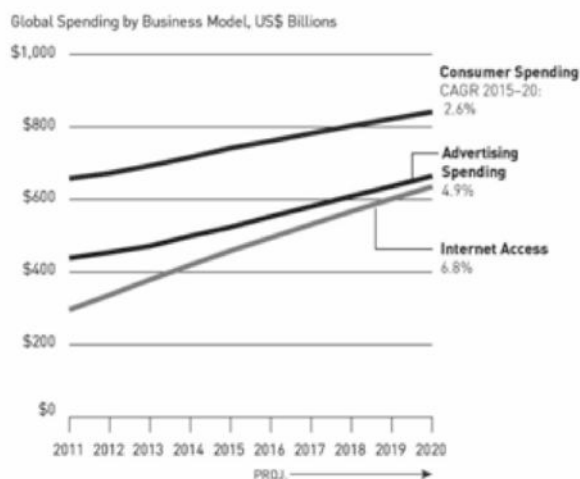
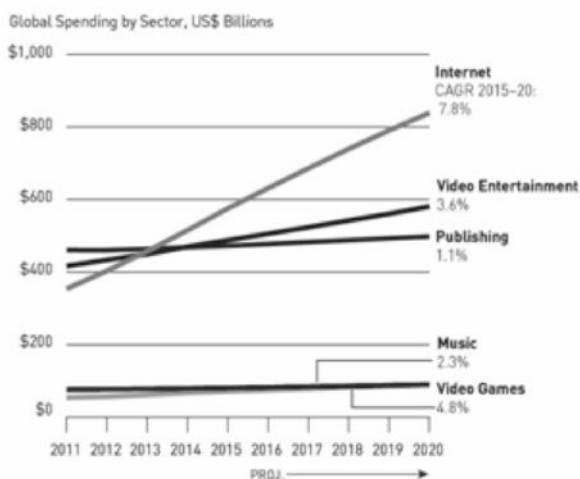
- Indonesia remains the largest entertainment and media market in Southeast Asia, and is expected to be the highest growing market in the region.



## Sector wise Growth Rates of E&M Industry

### Exhibit : A Decade of Divergence

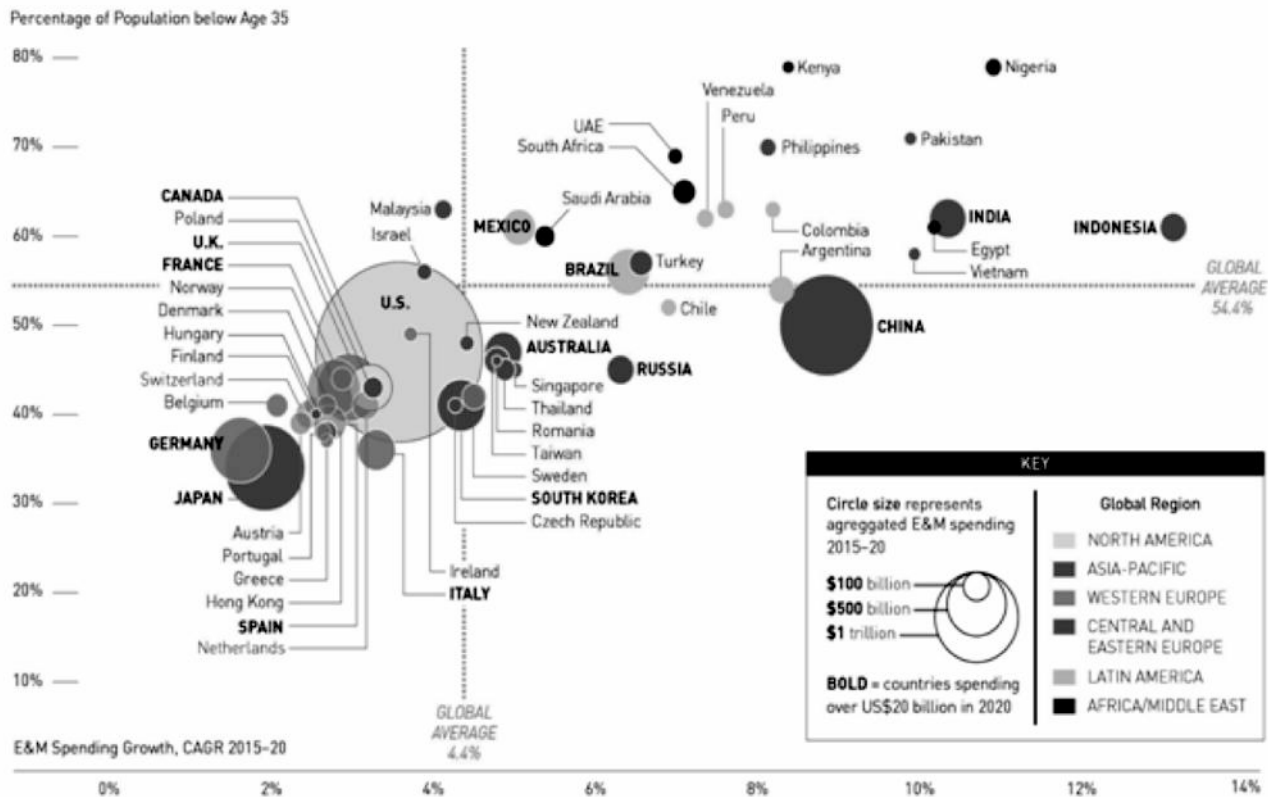
Differential growth rates for sectors and business models are reshaping the E&M industry.



## Youth Movement Globally and Growth of E & M Spending

### Exhibit : Youth Movement

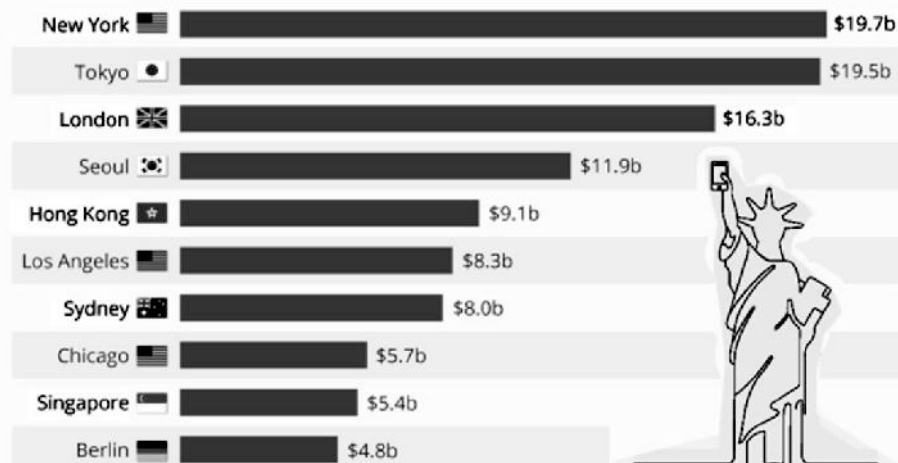
Across countries, there is a strong correlation between the relative size of the under-35 population and growth in E&M spending.



Source: Global Entertainment and Media Outlook 2016-2020, PwC, Ovum

### New York Is The World's Media Capital

Estimated entertainment & media spending in 2014\*



**Total global spending by category<sup>1</sup> (US \$ millions)**

Category	2009	2010	2011	2012	2013	2014p	2009–2014p CAGR	2015	2016	2017	2018	2019	2014–2019 CAGR
Digital Advertising	60,336	70,756	81,544	94,065	109,686	127,345	16.1	146,617	168,538	190,822	211,955	231,442	12.7
Broadband	234,137	267,784	313,039	355,947	393,274	429,280	12.9	463,826	500,510	539,361	581,203	624,613	7.8
TV Advertising	136,792	152,824	159,985	168,749	173,314	183,501	6.1	189,445	202,511	208,960	223,099	233,876	5.0
In-Home Video Entertainment	257,841	270,985	283,287	297,662	310,783	323,408	4.6	331,922	347,781	358,950	370,244	381,648	3.4
Audio Entertainment	92,551	91,294	92,470	93,681	96,559	95,636	0.7	96,984	98,772	100,667	102,767	104,648	1.8
Cinema	30,147	31,692	32,245	34,719	35,972	37,133	4.3	39,359	41,614	43,799	45,834	48,334	5.4
Out-of-Home	24,817	27,044	27,816	29,150	30,627	31,747	5.0	33,220	34,824	36,468	38,337	40,334	4.9
Consumer Magazine Publishing	65,573	65,010	65,376	63,635	61,167	59,061	-2.1	57,640	56,546	55,710	55,080	54,610	-1.6
Newspaper Publishing	153,392	154,521	153,900	150,311	145,688	142,430	-1.5	140,647	139,917	140,023	140,766	141,968	-0.1
Consumer Books	69,687	70,034	69,504	69,944	70,750	72,357	0.8	72,976	74,020	74,794	75,425	75,968	1.0
Educational Publishing	38,619	39,608	40,135	39,347	39,955	40,960	1.2	41,624	42,138	42,629	43,241	43,929	1.4
Video Games	55,190	57,791	60,822	66,444	73,973	84,534	8.9	94,117	103,454	111,634	118,738	124,542	8.1
<b>Total</b>	<b>1,208,470</b>	<b>1,286,526</b>	<b>1,364,933</b>	<b>1,446,077</b>	<b>1,521,420</b>	<b>1,603,951</b>	<b>5.8</b>	<b>1,681,314</b>	<b>1,779,536</b>	<b>1,868,556</b>	<b>1,966,897</b>	<b>2,061,479</b>	<b>5.1</b>

<sup>1</sup>At average 2014 exchange rates.

Note: Television, audio, newspaper, and consumer magazine digital advertising as well as video games advertising are included in their respective segments and also in the digital advertising segment, but only once in the overall total.

Sources: McKinsey &amp; Company, Wilkofsky Gruen Associates

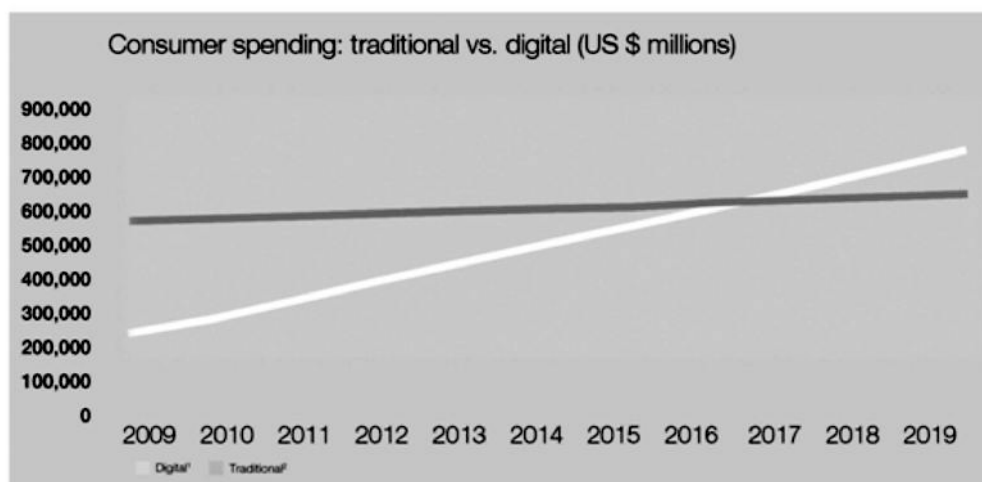
**Total global spending by region<sup>1</sup> (US \$ millions)**

Region	2009	2010	2011	2012	2013	2014p	2009–2014p CAGR	2015	2016	2017	2018	2019	2014–2019 CAGR
<b>North America</b>	389,934	407,426	421,930	440,564	458,685	478,770	4.2	497,051	521,620	540,922	564,906	583,783	4.0
<b>EMEA</b>													
Western Europe	360,339	371,754	382,038	384,926	388,710	397,449	2.0	407,598	419,548	431,507	443,666	455,831	2.8
Central and Eastern Europe	31,937	35,298	40,622	44,158	48,632	51,565	10.1	54,028	57,059	60,701	65,099	69,606	6.2
Middle East/ Africa	19,744	22,399	27,982	31,554	35,585	39,518	14.9	43,722	49,031	54,837	61,216	68,027	11.5
<b>EMEA Total</b>	<b>412,020</b>	<b>429,451</b>	<b>450,642</b>	<b>460,638</b>	<b>472,927</b>	<b>488,532</b>	<b>3.5</b>	<b>505,348</b>	<b>525,638</b>	<b>547,045</b>	<b>569,981</b>	<b>593,464</b>	<b>4.0</b>
<b>Asia Pacific</b>	353,971	387,426	417,924	457,725	491,880	527,160	8.3	558,359	597,417	632,777	668,106	702,864	5.9
<b>Latin America</b>	52,545	62,223	74,437	87,150	97,928	109,489	15.8	120,556	134,861	147,812	163,904	181,368	10.6
<b>Total</b>	<b>1,208,470</b>	<b>1,286,526</b>	<b>1,364,933</b>	<b>1,446,077</b>	<b>1,521,420</b>	<b>1,603,951</b>	<b>5.8</b>	<b>1,681,314</b>	<b>1,779,536</b>	<b>1,868,556</b>	<b>1,966,897</b>	<b>2,061,479</b>	<b>5.1</b>

<sup>1</sup>At average 2014 exchange rates.

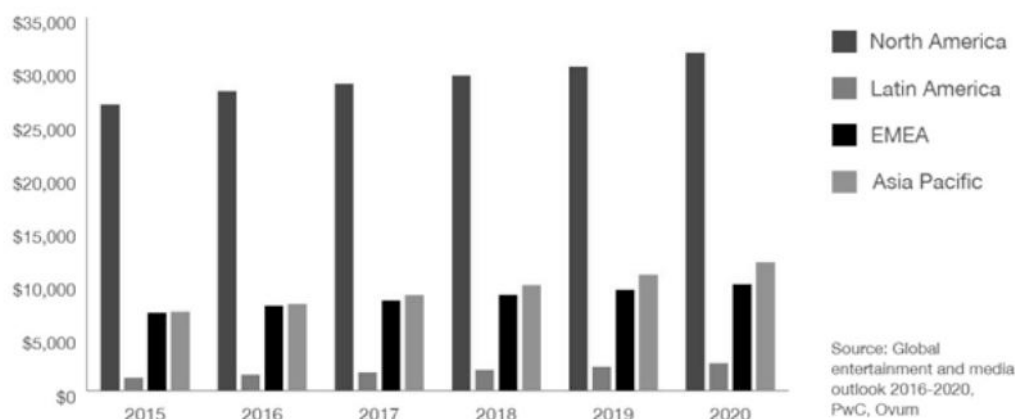
Sources: McKinsey &amp; Company, Wilkofsky Gruen Associates





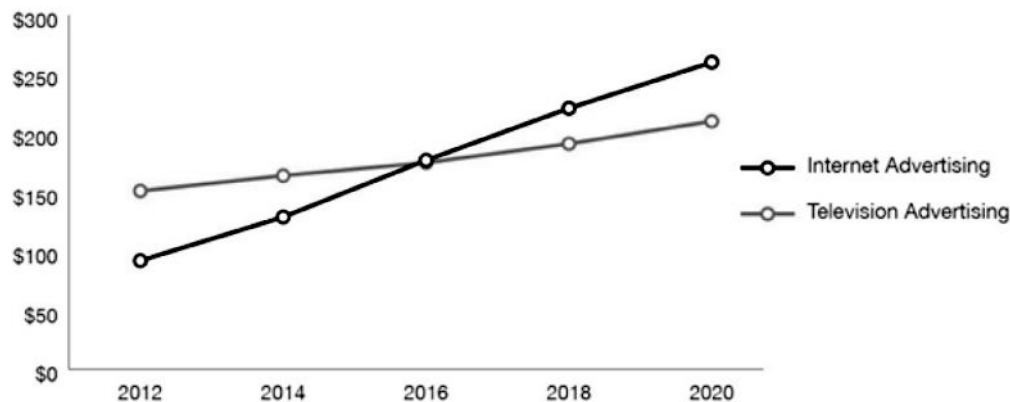
The largest linear TV audiences are increasingly concentrated on live sports and premium entertainment—boosting the price of sports rights and related ad slots

Multichannel television revenue per territories (US\$m)



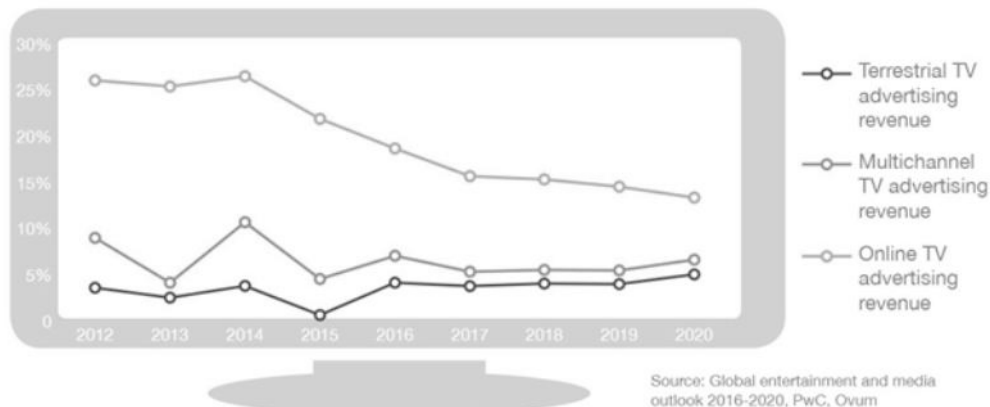
In 2016, Global Internet advertising revenue will surpass TV advertising

Global Internet advertising and Television advertising revenue (US\$bn), 2011-2020



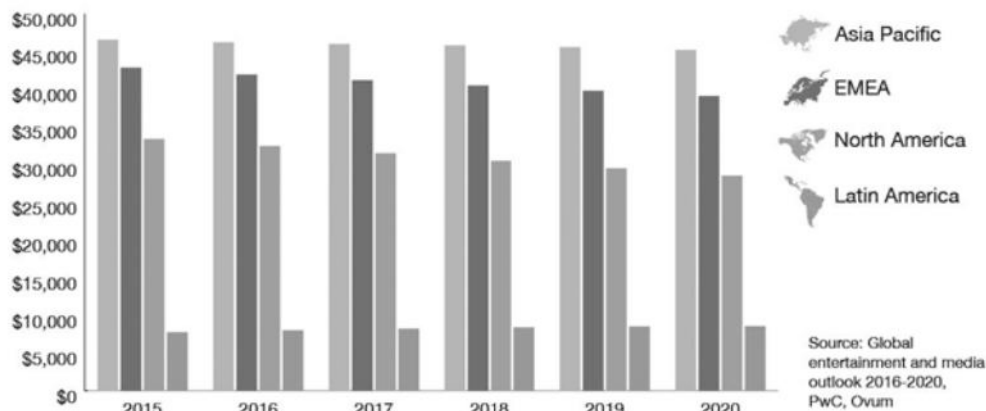
### Rising online viewing is driving online TV advertising and the development of new measurement services

Growth rates of terrestrial, multichannel and online TV advertising revenue (%), 2012-2020



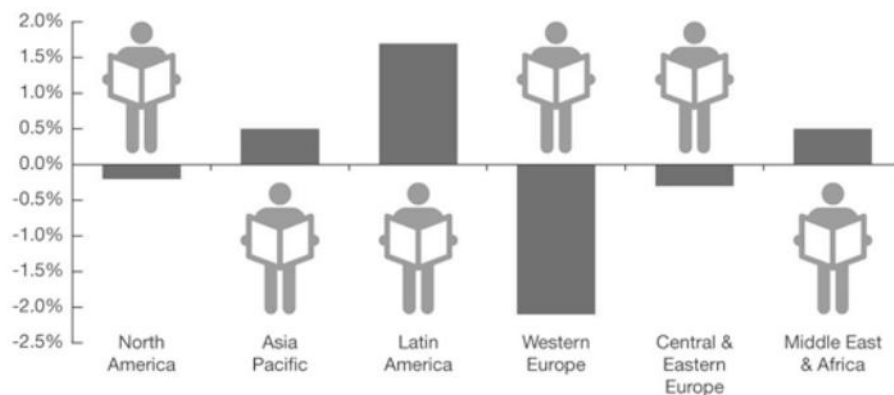
### Looking across the world, Latin America is the only region whose newspaper industry is continuing to grow—driven by digital charging schemes

Total newspaper revenue by region (US\$m), 2015-2020



### Growing middle classes and economies will drive consumer magazine revenues in developing markets, while developed economies wane

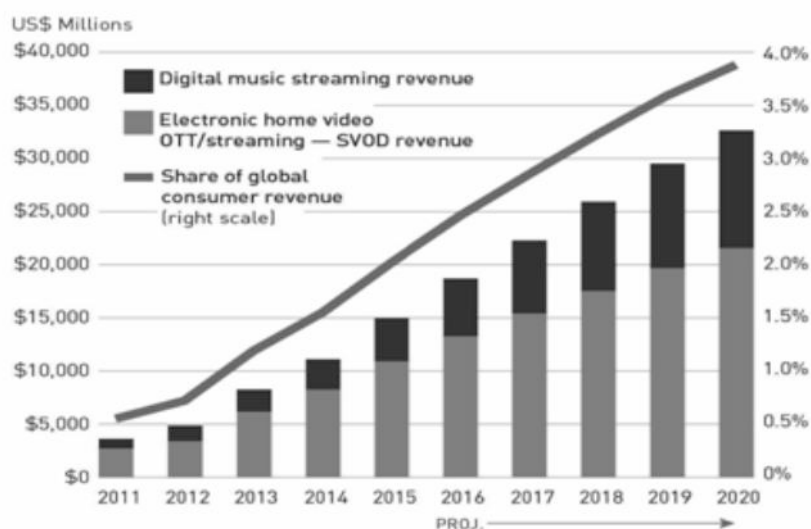
Consumer magazine growth CAGR (%) by region, 2015-2020



## Revenues

### Exhibit : A Stream Runs Through It

Revenues for streaming services are growing rapidly.



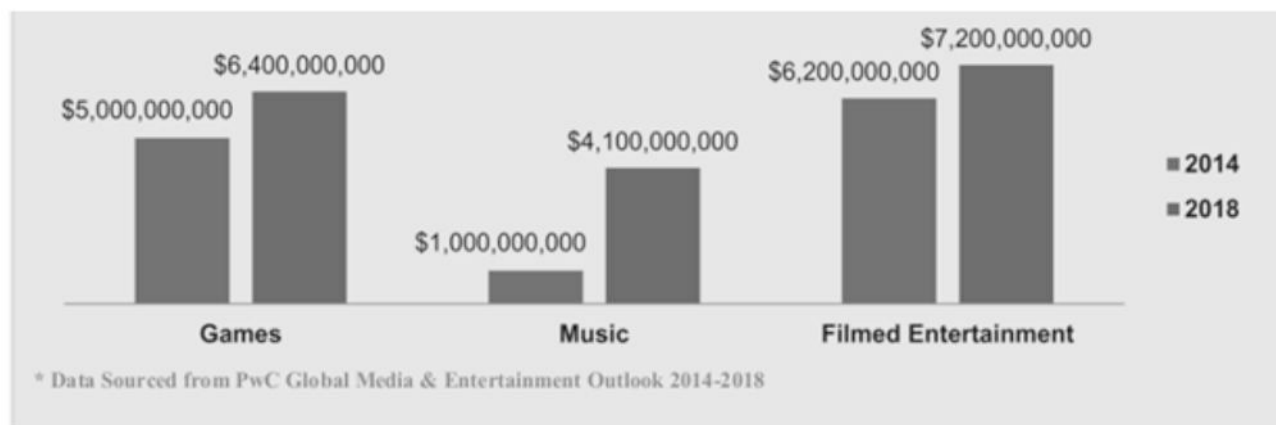
## Media & Entertainment Exports

### Projected 25 Top Exports for Media & Entertainment Exports 2015-2018\*

1. United Kingdom	6. Mexico	11. Colombia	16. South Africa	21. Netherlands
2. China	7. France	12. Italy	17. Sweden	22. Israel
3. Canada	8. Germany	13. Nigeria	18. Switzerland	23. Norway
4. Brazil	9. Russia	14. Spain	19. Japan	24. South Korea
5. India	10. Australia	15. Turkey	20. Argentina	25. Singapore

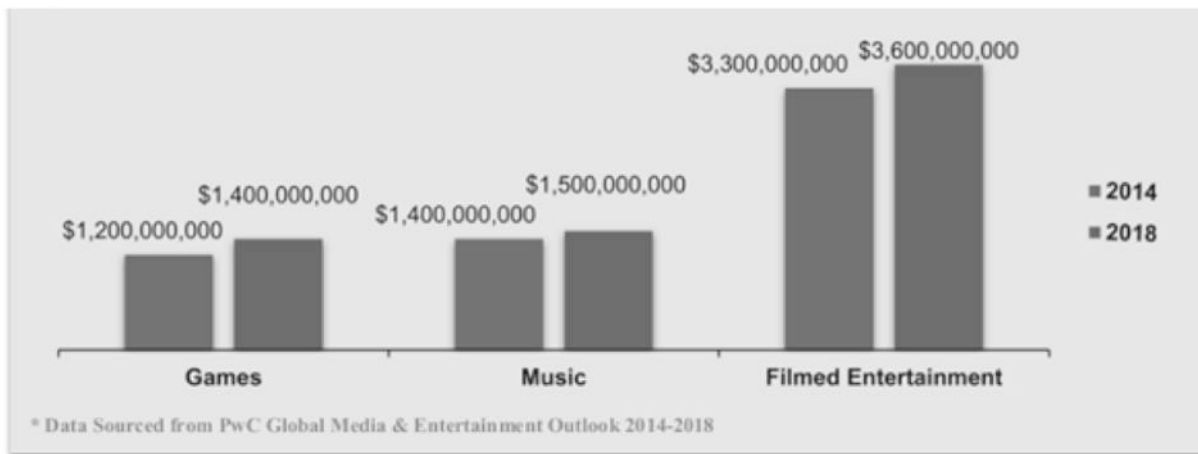
\*U.S. Department of Commerce, International Trade Administration

## Media & Entertainment in the United Kingdom (2014-2018)

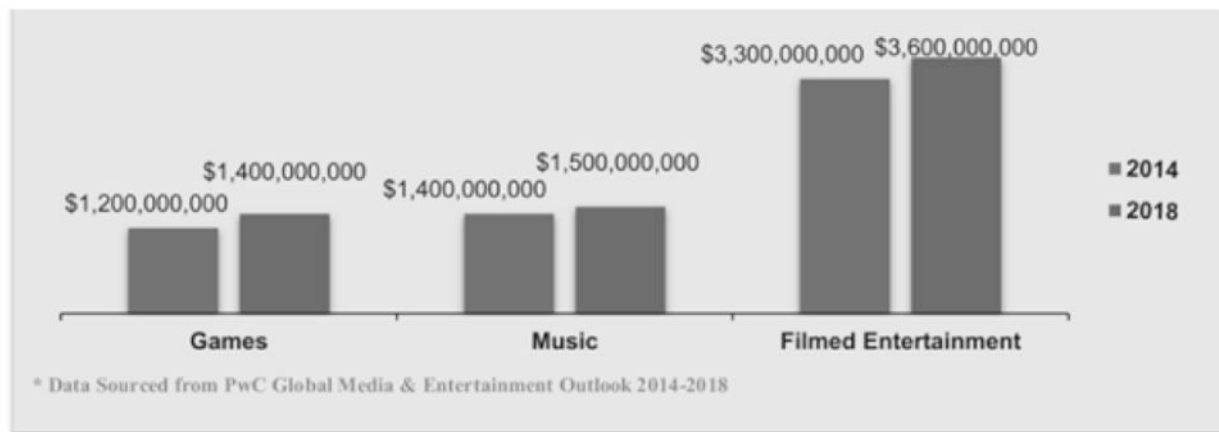




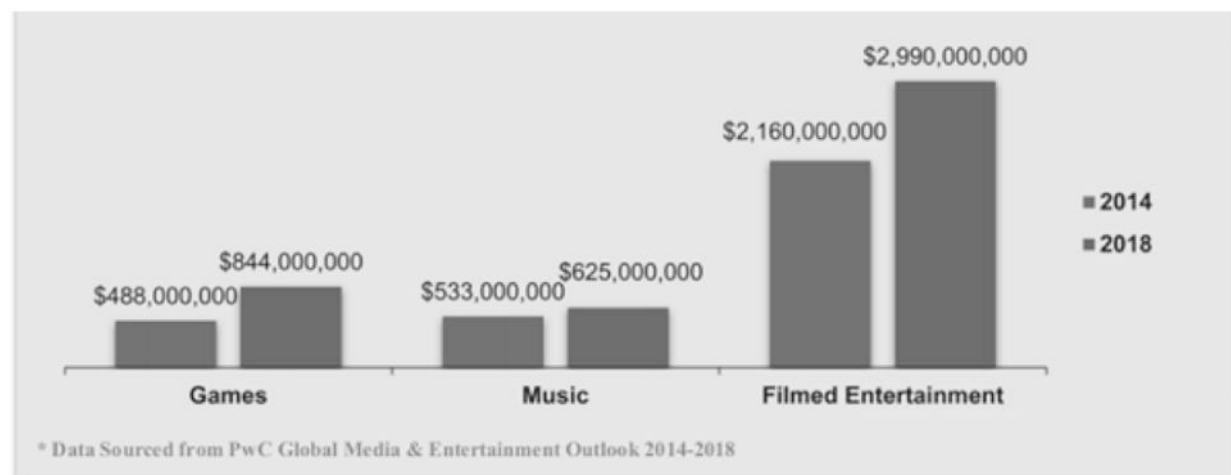
### Media & Entertainment in the China (2014-2018)



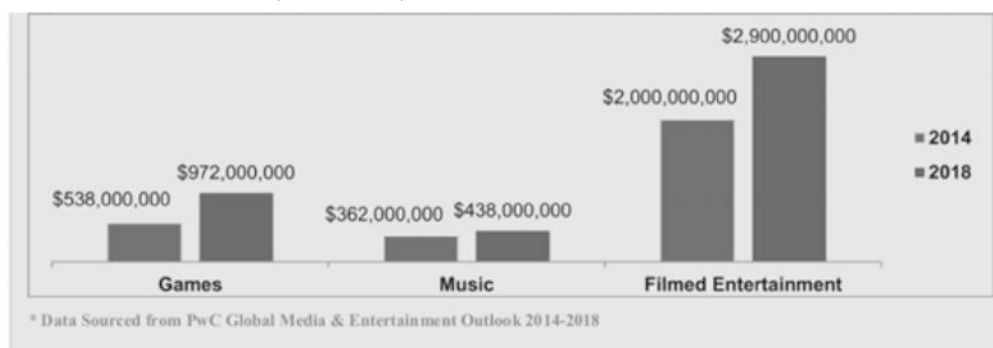
### Media & Entertainment in Canada (2014-2018)



### Media & Entertainment in Brazil (2014-2018)



## Media & Entertainment in the India (2014-2018)



### Indian Scenario

India's media and entertainment industry is expected to double in size to Rs.1.66 trillion by 2017, from Rs.82,000 crore last year. That's a compounded annual growth rate (CAGR) of 15.2%, according to the Indian Media and Entertainment Industry Report

Increased digitization, the growth of regional media, upcoming elections, the strength of the film sector and fast-increasing new media businesses will see India's media and entertainment industry grow 11.8% to Rs.91,700 crore

### Industry Size

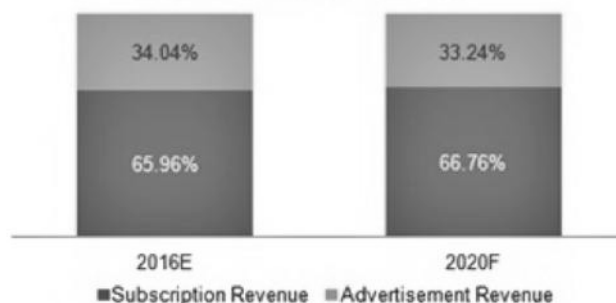
Overall industry size (INR billion) (For calendar years)	2010	2011	2012	2013	2014	2015	Growth in 2015 over 2014
TV	297.0	329.0	370.1	417.2	474.9	542.2	14.2%
Print	192.9	208.8	224.1	243.1	263.4	283.4	7.6%
Films	83.3	92.9	112.4	125.3	126.4	138.2	9.3%
Radio	10.0	11.5	12.7	14.6	17.2	19.8	15.3%
Music	8.6	9.0	10.6	9.6	9.8	10.8	10.2%
OOH	16.5	17.8	18.2	19.3	22.0	24.4	10.9%
Animation and VFX	23.7	31.0	35.3	39.7	44.9	51.1	13.8%
Gaming	10.0	13.0	15.3	19.2	23.5	26.5	12.8%
Digital Advertising	10.0	15.4	21.7	30.1	43.5	60.1	38.2%
<b>Total</b>	<b>652</b>	<b>728</b>	<b>821</b>	<b>918</b>	<b>1,026</b>	<b>1,157</b>	<b>12.8%</b>

Source: KPMG in India analysis, 2016

Overall industry size (INR billion) (For calendar years)	2016P	2017P	2018P	2019P	2020P	CAGR (2015-2020)
TV	617.0	709.6	823.3	956.8	1097.6	15.1%
Print	305.2	329.6	355.9	383.6	412.5	7.8%
Films	158.7	174.1	190.0	207.8	227.3	10.5%
Radio	23.4	28.4	32.7	37.8	43.3	16.9%
Music	12.1	14.0	16.1	18.4	20.6	13.8%
OOH	28.3	31.6	35.4	40.0	45.2	13.1%
Animation and VFX	58.3	67.1	78.1	91.3	108.0	16.1%
Gaming	30.8	34.4	39.0	45.4	50.7	13.9%
Digital Advertising	81.1	113.6	153.3	199.3	255.2	33.5%
<b>Total</b>	<b>1,315</b>	<b>1,502</b>	<b>1,724</b>	<b>1,980</b>	<b>2,260</b>	<b>14.3%</b>

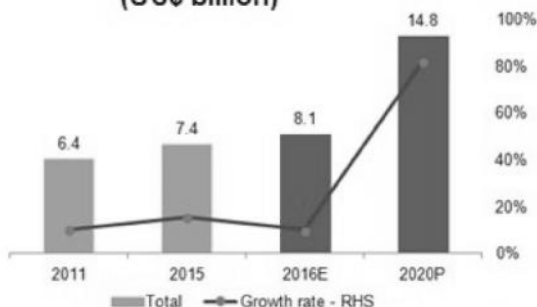
Source: KPMG in India analysis, 2016

### Share of subscription and advertising revenues for television industry



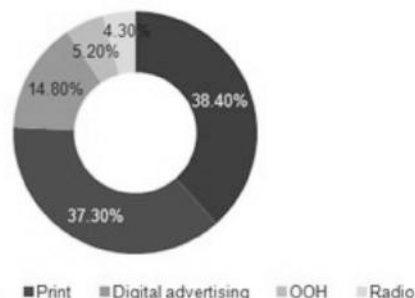
Source: KPMG FICCI Report 2014, 2015 & 2016, TechSci Research  
 Note: E- Estimated, F - Forecast , TV - Television

### Advertising revenue forecast (US\$ billion)



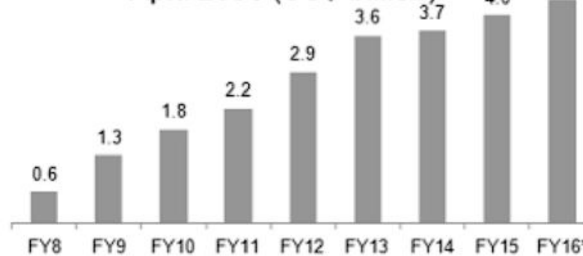
Source: KPMG - FICCI Report 2015 & 2016, TechSci Research  
 Notes: E - estimated, P - projected

### Advertising revenue share (2016E)



Source: KPMG - FICCI Report 2015 & 2016, TechSci Research  
 Notes: OOH - Out of Home, E - estimated, P - projected

### Cumulative FDI inflows into Information and Broadcasting from April 2000 (US\$ billion)



Source: Department of Industrial Policy and Promotion (DIPP), TechSci Research  
 Note: \* indicated data till September, 2015; FDI - Foreign Direct Investment