

Media Convergence

Asia-Pacific

眾志

Issue 17 | January 2009

e-newsletter

Media Convergence Asia-Pacific is happy to send you this CONFIDENTIAL newsletter about recent developments in the region. This regular newsletter will be sent to media companies' CEO's and senior executives.

TO PRINT a copy of the eNewsletter as a PDF: [click here](#)

Please [let us know](#) your reaction. [Click here](#) to unsubscribe.

Didier Guérin
President

The contents of this newsletter are protected by international copyright laws and cannot be reproduced without the prior approval from Media Convergence Asia Pacific.

Copyright 2008

Media Convergence Asia-Pacific

Knox Manor
17 Knox Street
Double Bay NSW 2028
AUSTRALIA
Tel.: (612) 9327-8966
Fax: (612) 9363-8966
www.mediaconv.com

Inside this issue:

- 2009 Asia-Pacific Magazine Advertising Forecasts
- Country by Country Projections for 2009
- The four Dos and Don'ts of magazine publishing for 2009
- Famous Quote

2009 Asia-Pacific Magazine Advertising Forecasts:

- Overall growth of 4.1% in Asia-Pacific
- Decrease of 6.9% in the US and 6.4% in Europe
- China to expand by 14.3%
- Japan and India to contract

While **Europe** and the **US** are expected to see a further reduction of magazine advertising spending in 2009 compared with 2008, the **Asia-Pacific** region will continue to expand during the same period. **GroupM** predicts the four largest markets in the region – excluding **Japan** - will expand by an average of 4.1% in 2009, down from 8.4% the year before.

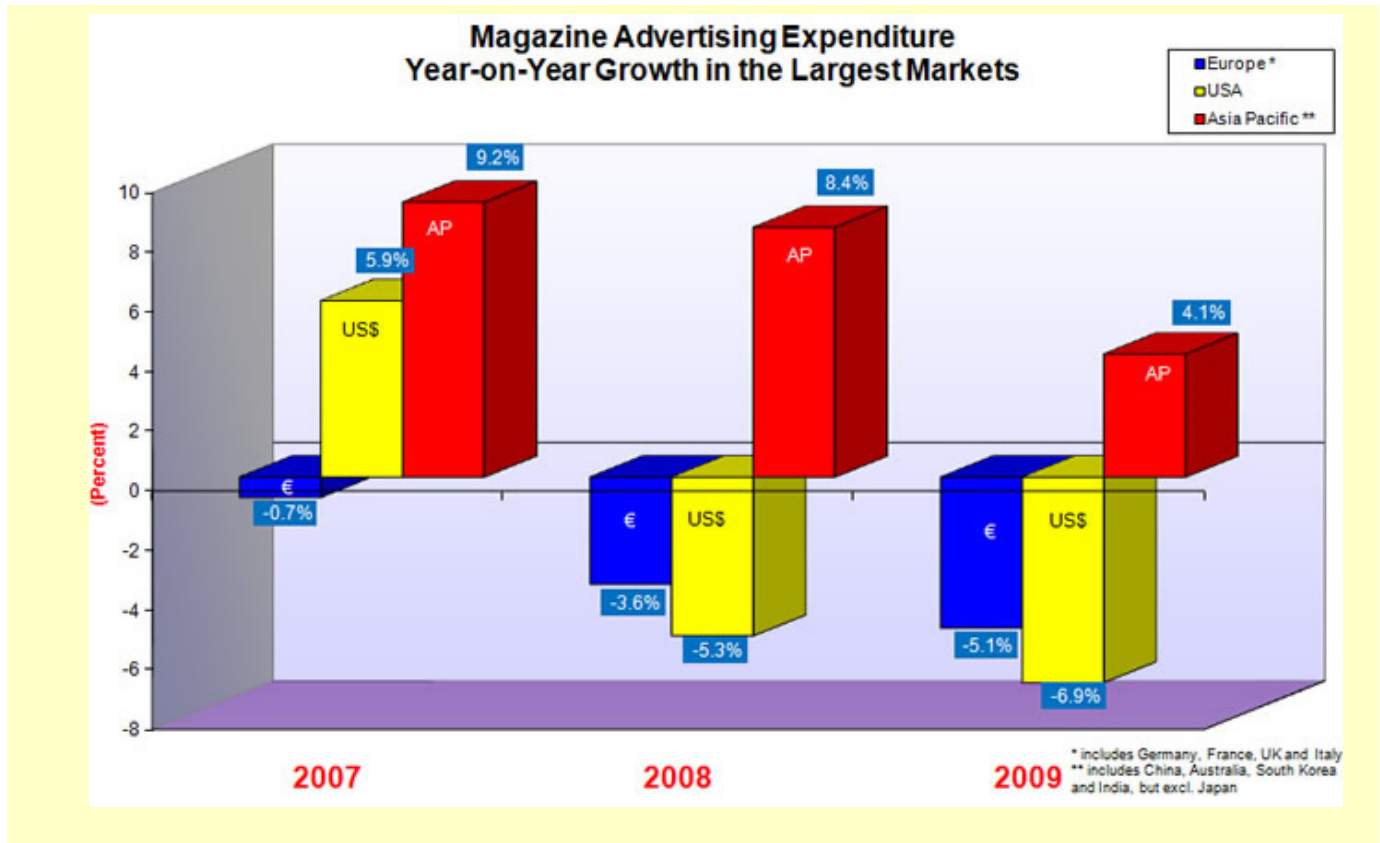
As usual **China** will continue to fuel the expansion of the region with an expected growth of 14.3%, compared with 21.8% in 2008. **Australia** – which now falls below China in magazine advertising spending – should remain flat (-0.3% compared with +0.7% in 2008) while **South Korea** will have a slower growth in 2009 (+1.4%) than during the previous year (+2.6%). The biggest surprise of **GroupM**'s "This Year, Next Year" (December 2008) advertising forecasts is **India**, which is expected to drop by 10% compared with a 10% growth in 2008.

Although **Japan** remains the largest market in magazine advertising in the region, it continues to decline (-9% in 2009) to come back to the level of magazine advertising spending it experienced about ten years ago.

Meantime the **US** magazine industry is expected to contract by 6.9% (following a drop of 5.3% in 2008) and the four largest markets in Europe should follow a similar trend averaging a drop of 6.4% in 2009, down from a negative growth of 3.6% in 2008 (**Germany**: -2%; **UK**: -11.5%; **France**: -3.1% and **Italy**: -7%).

In the last ten years, **Media Convergence Asia-Pacific (MCAP)** has presented forecasts in magazine advertising spending for the new up-coming year. Based on the data from **ZenithOptimedia** and **GroupM**, these projections were based on a country-by-country market analysis usually finalised during the month of July. The present analysis has been the most difficult to make ever. We started with the July 2008 projections which came at the same time as the sub-prime financial crisis was starting to be exposed. New figures came in October at the time when the worldwide economy was slowing down. Finally, the following **GroupM**'s projections published in mid-December take into consideration the financial and economic turbulence of 2008.

GroupM is the parent company to WPP media agencies including **MAXUS**, **MediaCom**, **Mediaedge:cia** and **Mindshare**. With worldwide billing in excess of US\$50 billion and 110,000 employees, **GroupM** operates more than 2,000 offices in 106 countries.



Country by Country Projections for 2009

Source: **GroupM** Forecasts - December 2008

JAPAN		Growth over previous year	Magazine Advertising (in million Yen and at current prices)
	2007	-4.0%	458,500
	2008	-15.0%	389,725
	2009	-9.0%	354,650

CHINA		Growth over previous year	Magazine Advertising (in million RMB and at current prices)
	2007	18.8%	3,281
	2008	22.0%	4,003
	2009	14.3%	4,575


AUSTRALIA		Growth over previous year	Magazine Advertising (in million A\$ and at current prices)
	2007	4.2%	898
	2008	0.7%	904
	2009	-0.3%	901

SOUTH KOREA		Growth over previous year	Magazine Advertising (in million Won and at current prices)
	2007	3.6%	428,999
	2008	2.6%	440,299
	2009	1.4%	446,403

TAIWAN		Growth over previous year	Magazine Advertising (in million NT\$ and at current prices)
	2007	1.5%	6,454
	2008	1.0%	6,519
	2009	-0.2%	6,508

HONG KONG		Growth over previous year	Magazine Advertising (in million HK\$ and at current prices)
	2007	14.4%	4,252
	2008	8.1%	4,595
	2009	2.0%	4,687

INDIA		Growth over previous year	Magazine Advertising (in million Rupees and at current prices)
--------------	--	----------------------------------	--

	2007	16.0%	7,300
	2008	10.0%	8,030
	2009	-10.0%	7,227

NEW ZEALAND		Growth over previous year	Magazine Advertising (in million NZ\$ and at current prices)
	2007	2.4%	257
	2008	-5.1%	244
	2009	-4.9%	232

THAILAND		Growth over previous year	Magazine Advertising (in million Baht and at current prices)
	2007	-12.9%	4,687
	2008	-2.7%	4,560
	2009	-6.1%	4,280

INDONESIA		Growth over previous year	Magazine Advertising (in billion Rupiah and at current prices)
	2007	9.4%	824
	2008	27.0%	1,046
	2009	20.0%	1,255

SINGAPORE		Growth over previous year	Magazine Advertising (in million Sing\$ and at current prices)
	2007	0.2%	88
	2008	-3.4%	85
	2009	-3.5%	82

MALAYSIA		Growth over previous year	Magazine Advertising (in million Ringgit and at current prices)
	2007	6.7%	166
	2008	1.7%	169
	2009	-2.9%	164

The four Dos and Don'ts of magazine publishing for 2009:

Invented by the **US** edition of *Glamour*, the "**Dos and Don'ts**" feature was designed to help young women how to dress with elegance. The world of magazine publishing has been far too much affected by the exuberance and irrationality of the finance world without any elegance. A few basic advice are provided below:

- **DON'T give-up on magazines**

The industry has been threatened before by several recessions. Magazines will not disappear off the planet and magazines continue to have a great future.

- **DO invest internationally**

Remember your Business 101 text book: diversify your exposure by expanding internationally. The magazine industry in Asia is far from mature and many opportunities still exist, especially in **China** where growth is high and investment is low.

- **DON'T stop market research**

The market is changing. Readers' interests are changing. Is your editorial content keeping up with the change? This is a good time to do a little research to measure if your magazines' editorial direction keeps in line with readers' interests.

- **DO continue to promote your magazines**

Keep investing in your brands. In times of uncertainty, consumers tend to stick with what they know best. When everyone else cuts down on promotion, going against the trend gives more mileage to your dollar. This is the best time to increase market share at a reasonable price.

Check out
all the magazines we've launched ...

Famous Quote:

"Challenging times create new opportunities to take risks.

Expanding outside one's domestic market is a good risk.

Expanding to Asia is a must. "

Francis Morel

CEO

Le Figaro

Paris, December 2008



Copyright © 2008 - Media Convergence Asia-Pacific. All rights reserved.