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Global adspend forecast downgraded to +4% growth in 2013

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Warc (www.warc.com), the marketing intelligence service, expects global advertising spend (based on 12 major markets) to increase +4.3% at current prices in 2012 and by +4.0% in 2013, according to its latest *International Ad Forecast*. These figures represent cuts of -0.5pp and -1.5pp respectively compared with our June report.

If we take forecast inflation into account, global adspend is expected to rise by just +1.8% this year and by +1.6% in 2013.

The reduction in forecast growth for advertising spend next year is a reflection of the continued uncertainty about the global economy and future business conditions.

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

	Current prices	Constant 2005 prices*	Percentage point change vs June (current prices)
Australia	2.6	-0.2	-0.6
Brazil	9.5	3.9	+1.5
Canada	4.7	2.7	-0.3
China	12.5	8.8	-4.5
France	1.3	-0.3	-0.2
Germany	1.7	-0.1	-0.3
India	9.0	1.4	-2.0
Italy	1.7	-0.3	-0.1
Japan	1.0	1.1	-0.6
Russia	14.6	7.5	-0.4
UK	4.0	2.0	-1.0
US	2.5	0.5	-0.6

*Constant 2005 price forecasts take into account predicted inflation.

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

Russia (+14.6%) and China (+12.5%) are expected to be the fastest-growing ad markets in 2013, followed by Brazil (+9.5%) and India (+9.0%). However, it should be noted that forecast inflation is particularly high for both Brazil and India, and therefore adspend growth decelerates to just +3.9% and 1.4% respectively when this is taken into account.



The US – the world's largest ad market with predicted revenue of \$153bn in 2012 – is expected to expand at a slower rate of +2.5% next year without the benefit of election and Olympic spend, following predicted growth of +4.1% in 2012.

Growth for the eurozone countries and Japan is forecast to be limited due to fears of further economic recession.

Suzy Young, Data Editor at Warc, commented: "The global ad market has been boosted this year by quadrennial events, namely the Olympics, the US presidential election and, to a lesser extent, Euro 2012. Next year will suffer by comparison, with advertisers having fewer incentives to spend when the underlying mood is generally one of caution."

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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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