



WARC
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US BOLSTERS GLOBAL ADSPEND GROWTH

Warc (www.warc.com), the marketing intelligence service, expects global advertising spend (based on 12 major markets) to increase +4.8% at current prices in 2012, according to its latest *International Ad Forecast*.

This increase masks the underlying caution of marketers due to considerable economic uncertainty, and can be largely attributed to predicted growth in the US market (+4.1%), which will be inflated by the quadrennial effect from extra political and Olympic spend.

Of the 12 markets covered by the forecast, the emerging markets are expected to record the strongest growth in 2012. China is predicted to increase expenditure by +15.5%, followed by Russia (+14.0%), India (+9.3%) and Brazil (+8.9%).

But the BRIC nations are showing signs of weakness in the current economic climate. If we take forecast inflation into account, China and Russia maintain their positions as the two fastest-growing markets, but Brazil, in third, sees its projected growth fall to +3.4%, while India's growth in real terms drops to just +1.1%. Only the European countries are forecast to achieve lower growth than this. Across all 12 markets, adspend is expected to increase +2.1% in real terms in 2012.

Forecast adspend growth in 2012, % change year-on-year

| | Current | Constant* |
|-----------|----------------|------------------|
| Australia | 2.3 | 0.1 |
| Brazil | 8.9 | 3.4 |
| Canada | 4.5 | 2.4 |
| China | 15.5 | 11.3 |
| France | 0.6 | -1.6 |
| Germany | 0.5 | -1.6 |
| India | 9.3 | 1.1 |
| Italy | -3.5 | -6.3 |
| Japan | 2.7 | 2.7 |
| Russia | 14.0 | 8.2 |
| UK | 3.8 | 1.0 |
| US | 4.1 | 1.8 |

*Constant 2005 price forecasts take into account predicted inflation.

Forecast growth calculated in local currency.

Source: www.warc.com/data



Advertising spend is predicted to record a slightly higher growth rate of +5.2% in 2013 compared with 2012, equivalent to +2.5% growth after accounting for inflation. These latest forecasts assume modest global economic growth for 2012, improving in 2013, with no major external shocks, such as a breakup of the eurozone.

Suzy Young, Data Editor Warc, said: "The outlook for advertising spend is fairly positive, considering the economic turmoil in the eurozone and fears that the BRIC economies are stalling. Quadrennial factors are currently providing the lift for 2012 but should the global economy experience another shock, advertising spend may plummet."

Data for Brazil, China and Russia have been revised since our February forecast to reflect a change in methodology or source. Care should be taken when comparing the latest figures with previous releases.

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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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