

## Global advertising revenue forecast to increase 4% during 2011

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Global advertising revenue will increase 4 per cent in 2011 as confidence grows in a sustainable recovery in media spending, according to forecasts by Carat, Aegis Group's media agency.

Carat has also revised its expectations for the current year from 1 per cent to 2.9 per cent growth globally, with the television market set to make the most dramatic rebound.

But Carat warned the predicted growth was against weak comparators. After last year's 9 per cent collapse in marketing budgets, total spending in 2010 will remain below 2006's levels.

"This early view of future global ad spend shows the potential for modest recovery through this year and into 2011 in what looks like being an increasingly benign environment," said Jerry Buhlmann, Aegis media chief. "Whilst the year ahead remains challenging, these are encouraging signs."

The Asia-Pacific region will lead the advertising world out of its slump, according to Carat.

Asia will see 6.8 per cent growth in 2010 and 7.2 per cent in 2011, with advertising spending in China up by more than 16 per cent in both years.

Central and eastern Europe is Carat's second-fastest growing territory, after suffering the sharpest drop globally in 2009, with Brazil, Indonesia and Turkey the other main hotspots.

The US will experience flat media spending this year, an improved outlook from the 2.6 per cent decline Carat previously modelled. Western Europe will also stabilise. Only Germany and Japan should see continued shrinkage into 2011, given macroeconomic concerns.

Online advertising, the only medium to avoid a decline last year due largely to the resilience of search ads, will return to double-digit growth in 2010, Carat predicts. But 10.1 per cent growth on the web this year will fall to 9.1 per cent in 2011. Television will show the biggest recovery, Carat expects, swinging from a 4.8 per cent decline in 2009 to growth of more than 6 per cent this year and next.

That marks a strong upward revision of Carat's 2.2 per cent growth forecast six months ago.

"Television is expected to continue to receive the highest share of spend at 45.2 per cent," Carat said. "[This is] an increase of 8 percentage points over the past decade."

The rise of internet advertising has largely come at the expense of print media. The web will overtake magazines to become the third largest medium with 11 per cent share this year, the agency forecasts.

Newspapers' decline in advertising spending is set to continue through to 2011, albeit at a slower rate of 0.7 per cent.

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