



Advertising revenue set to recover in 2011

business.maktoob.com, February 9 2010

DUBAI - Media advertising revenues in the Arab world will recover to pre-crisis levels in 2011 after slumping 14 percent last year as companies slashed marketing budgets amid the economic downturn, an industry report forecast on Tuesday.

Advertising revenues dropped to \$4.6 billion in 2009 from \$5.3 billion in 2008 as the region's economy slowed, according to the report by Dubai Press Club and consultancy **Value Partners**.

Economic growth in the Middle East and North Africa (MENA) region slowed to 2.2 percent last year, compared to 6.1 percent growth in 2008, according to the World Bank, which projects real GDP growth will recover to 4 percent in 2010.

The Dubai Press Club report forecast advertising revenues will pick up as the economy improves, growing at a compound annual growth rate of 8.4 percent over the next four years to \$6.3 billion in 2013.

The industry is optimistic about the future, with nearly 60 percent of 125 executives surveyed for the report having a positive outlook.

The report said the advertising market has significant growth potential going forward due to the region's low per capita advertising spend.

The Arab world has the lowest per capita advertising spending in the world at \$22 compared with \$462 in North America, \$273 in Western Europe and \$30 in the Asia Pacific, according to the report.

Media advertising in the UAE and Qatar is expected to grow at 11 percent annually for the next four years, while for Egypt it will be 7 percent, the report forecast.

The report also highlighted a major gap between the quality and quantity of local content in the Arab region and other regions of the world and called on governments to address key issues of monetisation, funding and talent.

http://business.maktoob.com/20090000433114/Advertising_revenues_set_to_recover_in_2011/Article.htm



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Middle East internet ad spend to hit 4.5%

[ameinfo.com](http://www.ameinfo.com), February 9 2010

Internet advertising spend in the Middle East is expected to experience 'impressive' growth over the coming three years, although will still be significantly lower than elsewhere in the world. The latest annual Arab Media Outlook report, produced by the Dubai Press Club and **Value Partners**, found that while today about \$56m or 1% of the total media advertising spend is online in the Middle East, this figure will rise to at least 4.5% by 2013 to around \$266m.

This will compare to online taking a 13% share of the total media advertising spend elsewhere in the world, and within the region, will be 'a very small proportion of advertising revenues'.

Despite the predicted four-fold growth, advertising spend will be only \$22 per capita, one of the lowest amounts in the world. Broadband growth around the region over the next five years will stimulate the media industry, driven largely by Egypt and Saudi Arabia.

<http://www.ameinfo.com/223549.html>

Regional online adspend to hit 4% in 4 years

Keach Hughey

[thenational.ae](http://www.thenational.ae), February 9 2010

The third Arab Media Outlook, released today, offered a hopeful alternative to the doubts raised in my post yesterday: The Middle East online advertising industry won't have to sustain itself on a measly one per cent of the region's total adspend much longer. The Dubai Press Club and their partners at **Value Partners** project that the internet will take up four per cent of the \$6.3 billion spend on advertising in the region in 2013.

Most of this growth will be driven by increasing broadband penetration, as I'll be discussing in tomorrow's paper, but some will come from eating newspapers' lunch. Newspapers soaked up 52 per cent of adspend in the region in 2007, then saw a huge boost during the property boom of 2008. But 2013, according to the report, they'll take up 49 per cent. That's still incredibly large marketshare for print compared to other markets, but one little stat in the new report shows the writing is on the (Facebook) wall: 40% of news consumers in the Arab region got their news via internet in 2009.

http://blogs.thenational.ae/mixed_media/2010/02/regional-online-adspend-to-hit-4-in-4-years.html



Bright outlook for media in region, report says

The report, analysing prospects for the media sector between 2009 and 2013, is a joint initiative between the Dubai Press Club and **Value Partners**, and was launched at the press club.

Abbas Al Lawati

gulfnews.com, February 10 2010

Dubai: The media sector in the Arab region is expected to fare much better than the rest of the world in the coming years as the global economy tries to recover from the financial crisis, the authors of the Arab Media Outlook revealed yesterday.

"The global media industry is growing much slower than the regional industry. There is confidence here and positive expectations for 2010," said Santino Saguto, Managing Director, Middle East, for **Value Partners**. "Eighty-five per cent of our interviewees expressed optimism for 2020". Saguto was speaking at the launch of the latest version of the annual Arab Media Outlook. The report, analysing prospects for the media sector between 2009 and 2013, is a joint initiative between the Dubai Press Club and **Value Partners**, and was launched at the press club.

While the Arab world saw one of the biggest relative drops in GDP between 2008 and 2009, with only Europe surpassing its decline, it is expected to bounce back fastest to return to being one of the world's fastest growing regions, the report has found.

Launched under the theme 'Inspiring Local Content', the report covers 15 Arab countries, including an additional three since the release of last year's report. The study provides a comprehensive overview of the media scene in the region as compared to global markets, a country by country analysis of the media in 15 Arab nations.

"I wish the report will become a definitive resource for policy makers, media owners, media experts, students and the general public to rely upon," said Mona Al Merri, chairperson of the press club.

Spending

The report found advertising spending to have decreased by 13 per cent in the Arab region from 2008 to 2009. That is on par with the drop in North America but only two per cent more than Africa and Western Europe, and 10 per cent more than Asia/Pacific. Central and Eastern Europe saw the biggest drop in advertising revenue at 21 per cent since last year. Newspapers are expected to continue to receive the major share of advertising spending, followed by television.

While newspaper circulation in the region was found to have increased in 2009, at the peak of the financial crisis, its growth over the years is expected to be slower than that of advertisement spending on print.

Print revenue in the region has dropped from \$4.17 billion (Dh15.3 billion) in 2008 to \$3.69 billion between 2008 and 2009, but is expected to recover to and surpass the 2008 figures by 2011, when the global GDP is expected to rise back to 2008 levels, as per the International Monetary Fund's figures.

The launch of the report was followed by a seminar based on the theme of local content, discussing challenges to producing such content. Participants discussed the difficulty of producing content that is truly pan-Arab and can have a following throughout the region as opposed to certain countries.

<http://gulfnews.com/news/gulf/uae/media/bright-outlook-for-media-in-region-report-says-1.580700>



Hard-hit advertising tipped to rebound

Keach Hagey

thenational.ae, February 10 2010

The media industry of the Arab world was among the hardest hit worldwide by last year's downturn, but it is expected to bounce back this year, a new study says.

Advertising spending dropped 13 per cent across the MENA region last year from its level in the boom times of 2008 but is set to increase at an annual rate of 8 per cent each year until 2013, according to the Arab Media Outlook, a report produced by Dubai Press Club and **Value Partners**, a consultancy based in Milan.

Until the crisis, advertising spending in the Arab region was among the fastest growing in the world with annual growth of more than 30 per cent from 2007. Last year's contraction was second only to that seen in central and eastern Europe, where advertising spending fell by 21 per cent.

"There is a very positive consensus across all the industry players we interviewed that 2010 is expected to be a positive year, or at least neutral in terms of expectations," said Santino Saguto, the managing director for **Value Partners** in the MENA region.

Advertising spending in the region is expected to hit US\$5.1 billion (Dh18.73bn) this year, up from last year's \$4.6bn, but short of the \$5.2bn spent in 2008. Projections put regional advertising spending at \$5.6bn next year.

Media professionals surveyed for the report were optimistic about the region's ability to bounce back, with 60 per cent saying they felt positive about the industry's prospects this year.

"The industry here has a lot more potential here, in terms of growth opportunities, than the rest of the world," Mr Saguto said.

In addition to growing internet advertising revenues, TV revenues are expected to substantially increase, driven by pan-Arab satellite spending. Half of the consumers surveyed said they were now watching more television because of the economic downturn.

Print revenues, which were especially hard hit in the financial crisis, are expected to rebound from last year's \$3.6bn to nearly \$4bn this year.

Despite this growth, advertising spending per capita in the Arab world will still be a fraction of that in more developed markets. Advertisers in North America spent \$462 for every person in that region last year; in the Arab world, they spent \$22, the report said.

<http://www.thenational.ae/apps/pbcs.dll/article?AID=/20100209/BUSINESS/702099871/1005>



Arabic internet adverts set to soar

Keach Hagey

thenational.ae, February 10 2010

The internet's share of advertising expenditure in the Arab world is expected to rise fourfold in the next four years, a new report says.

The surge is expected because of a doubling of broadband penetration in the region, which means more people using faster internet connections to view more online content.

The Arab Media Outlook, produced by the Dubai Press Club and **Value Partners**, a management consultancy based in Milan, was bullish on the prospects for online advertising, projecting that the sector's share of total advertising expenditure in the region would rise from 1 per cent to 4.2 per cent by 2013.

"The online platform today accounts for advertising revenues of about 1 per cent, on a pan-regional level," said Santino Saguto, the managing director for **Value Partners** in the MENA region. "Because of broadband penetration, we expect a very significant growth, going up to at least 4 per cent, probably higher."

As of last year, 12 per cent of households in the region had broadband internet access, but by 2013, that figure will rise to 29 per cent, said the report, which was released yesterday.

The study looked at data from 15 countries and territories in the Middle East and North Africa: Bahrain, Egypt, Jordan, Lebanon, Kuwait, Morocco, Oman, the Palestinian Territories, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, the UAE and Yemen.

Qatar, the UAE and Bahrain have so far been the clear leaders in broadband adoption, with 84, 69 and 68 per cent of their respective households having access to the technology last year, the report said.

By 2013, Saudi Arabia will have caught up to these near-western levels of penetration, with 71 per cent of Saudi households expected to have broadband by then. As of last year, just 37 per cent of Saudi households had broadband.

This rapidly improving infrastructure will attract more money to the media sector and increase the amount of locally produced, Arabic-language content, said Maryam bin Fahad, the executive director of the Dubai Press Club.

"It is all based on the broadband increase in this region," she said. "Once that is available in this region, we think that major development will happen in terms of media industry and the availability of content, which will affect advertising revenue." However, an increasingly robust internet brings with it the challenges that have been radically reshaping the media sector in the West.

Although the report's projections suggested that daily newspaper circulation would continue to rise in the region, the 5.5 per cent annual growth enjoyed between 2007 and last year will drop to a more modest 2.3 per cent through to 2013, the report said. The internet is already



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having an impact on the print industry. Forty per cent of the news readers surveyed said they accessed news online last year.

Overall, the report presented a picture of cautious optimism for the region's advertising industry. The report noted that although the Arab region's media sector was among the hardest hit in the world last year, seeing a 13 per cent drop in advertising revenue compared with 2008, it was also among those poised to bounce back the fastest.

The report said that while regional advertising spending would only just clear US\$5 billion (Dh18.36bn) this year – still shy of the nearly \$5.3bn spent in 2008 – by next year it would bounce back up to \$5.6bn.

Regional media companies have already begun to adapt to the growing importance of digital distribution. More than 80 per cent of the media company executives surveyed said they believed the region's readers should turn to websites as a source of news, not simply newspapers.

"The online and mobile sector is still not to be compared with the TV industry or the print industry, but companies are gradually building their capabilities," Ms bin Fahad said.

<http://www.thenational.ae/apps/pbcs.dll/article?AID=/20100210/BUSINESS/702099869/1042/FAVICON.ICO?template=globalbriefing>)