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GLOBAL AD MARKET SLOWS AS ECONOMIC PRESSURE MOUNTS

Warc (www.warc.com), the marketing intelligence service, has cut its predicted adspend growth for nine of the featured twelve markets in its latest *International Ad Forecast*. Only Russia, Canada and Japan have escaped downward revisions for 2011 and 2012.

This is largely due to volatile global economic conditions, with grave concerns about the public finances of eurozone members weighing particularly heavily on both investor and consumer confidence. Nonetheless, forecasts are based on the assumption that the threat of sovereign defaults in the eurozone will recede as we enter 2012.

Global economic conditions in 2012 will be tough. Warc has lowered its expectations for GDP growth for all countries in the *Forecast*, bar Japan, which is unchanged. However, on a slightly more positive note, the high rates of inflation experienced in 2011 are expected to subside next year.

Forecast adspend growth, % change year-on-year

	2011		2012	
	Current	Constant	Current	Constant
Australia	2.6	-0.8	3.5	0.6
Brazil	5.1	-1.5	8.0	2.2
Canada	5.5	2.5	5.0	2.9
China	12.0	6.3	11.0	6.7
France	1.6	-0.6	2.0	0.3
Germany	2.1	-0.3	2.0	0.3
India	13.0	3.8	14.0	6.2
Italy	-5.0	-7.4	0.8	-1.0
Japan	-3.0	-3.0	3.0	3.1
Russia	27.0	16.6	21.5	13.1
UK	1.7	-0.9	5.2	3.3
US	2.5	-0.6	4.1	2.5

*Constant price forecasts take into account predicted inflation.
Forecast growth calculated in local currency.
Source: www.warc.com/data

Three of the BRIC markets are expected to record the strongest year-on-year growth in advertising spend in 2011: Russia (+27%), India (+13%) and China (+12%). Brazil, however, has seen its growth cut by 2.4pp to +5.1% in 2011. As a result, Canada is expected to be the fourth fastest-growing market.

At the other end of the spectrum, Italy's high levels of public debt have put the nation at the centre of the ongoing eurozone crisis and this has weighed heavily on Italian advertiser sentiment. We predict a decline of –5.0% at current prices in 2011 (equating to –7.4% at constant prices). Any rise in 2012, currently predicted at +0.8%, will largely be down to favourable year on year comparisons with 2011.

Suzy Young, Data Editor, Warc, said: "*The crisis in the eurozone is continuing to create havoc for the world's financial markets, and it shows no sign of abating any time soon. As a result advertisers have become more and more cautious, even in markets outside Western Europe.*"

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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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