

ENTERTAINMENT AND MEDIA

PwC sees 11% spending rise

Entertainment and media spending in Thailand is expected to rise to US\$14.8 billion by 2017, up from \$9.7 billion projected this year, fuelled by surging demand for internet access, TV advertising and consumer and educational book publishing, a PwC forecast says.

The fast-expanding Thai entertainment and media market will grow at a compound annual growth rate of 11.3% over the next five years — the fourth-highest rate in Southeast Asia — compared with much slower growth in developed markets including 4.8% in the US and 3% in Western Europe.

Globally, the market is expected to grow by 5.6%, generating revenue of \$2.2 trillion in 2017, up from \$1.6 trillion last year. The US will remain the largest entertainment and media market, reaching \$632 billion in 2017 from \$499 billion last year.

The Organisation for Economic Cooperation and Development said two-thirds of the world's population by 2030 will be middle class, with a daily expenditure of \$10 to \$100.

The new middle class will appear primarily in Asia-Pacific, meaning the regional industry needs to understand its needs and motivations to capture the spending power.

Nattaporn Phan-udom, partner and leader of PwC's technology, infocomm and entertainment and media practice in Thailand, said consumer demand for entertainment and media will continue to grow strongly, propelled by the rise of the internet and smart devices, despite the recent economic slowdown that has brought a cut in growth forecasts.

"Increasing access to the internet and

BOOM TIMES AHEAD

Projected value of Thailand's entertainment and media market

	2013	2017	CAGR (%)
Business-to-business	460	606	7.6
Consumer and educational book publishing	1,211	1,571	6.7
Consumer magazine publishing	417	440	1.5
Filmed entertainment	527	775	10.5
Internet access	2,106	4,676	24.0
Internet advertising	24	56	24.7
Newspaper publishing	1,196	1,438	4.6
Out-of-home advertising	260	346	7.6
Radio	216	246	3.9
Music	274	396	9.6
TV advertising	2,322	3,131	7.7
TV subscriptions and licence fees	547	946	14.1
Video games	159	226	9.2
Total	9,693	14,785	11.3

Note: CAGR= compound annual growth rate

Unit: million US\$

Source: PwC

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explosive expansion in the ownership of smart devices will continue to be significant driving forces behind this market over the long term," she said.

Household broadband penetration globally will rise to 51% in 2017 from 40% last year.

In contrast, mobile broadband penetration will surge 31% from its 2012 level to 54% in the next five years.

Even though traditional, non-digital media will continue to contribute the lion's share of spending throughout the coming five years, the growth will be concentrated in digital media platforms

and consumption.

By 2017, global digital revenue will make up almost half (47%) of the total, up from 35% in 2012, according to the report.

Global spending on mobile internet access will exceed that of fixed broadband lines next year, driven by emerging markets.

Mobile internet revenue will be worth \$259 billion in 2014 and will exceed \$385 billion by 2017, accounting for 58% of overall internet access expenditure.

Mobile broadband will soon dominate consumer use, Ms Nattaporn said.