

Newspaper publishing

Key insights at a glance



1

Total newspaper revenue will decline over each of the next five years, albeit at lower rates.

After falling -0.9% in 2014, total newspaper revenue will continue declining to 2019, losing more than US\$2bn to reach US\$146.85bn. Yet these declines will become marginal from 2017 onwards, offering the industry some much-needed stability.

2

Circulation print is set for growth—but its value is shrinking.

Average daily unit circulation print is forecast to rise at a 1.0% CAGR over the forecast period, from 552.7mn in 2014 to 580.7mn in 2019. But the replacement of premium-paid titles with lower-cost equivalents in emerging markets means that print newspaper circulation revenue will continue to fall at a -0.7% CAGR.

3

Paywalls are now making up for lost print sales.

Digital newspaper circulation revenue from a wave of subscription offerings reached nearly US\$2.5bn in 2014. In 2013, total newspaper circulation revenue increased 0.7% despite continued print shrinkage as digital made its mark—a pattern that is set to continue in the years ahead.

4

China and India will be the industry's growth engine.

The global newspaper industry continues to shrink in its most established markets, but is growing well in countries such as China and India as expanding literacy, economies and population spur consumption. The two countries combined will account for an astonishing 57.3% of global average daily unit circulation print in 2019, up from 49.7% in 2014.

5

Circulation revenue and advertising revenue are converging due to advertising's continued decline.

Total newspaper advertising revenue has always been the greatest contributor to total newspaper revenue. However, the former's ongoing decline means that total newspaper circulation revenue and total newspaper advertising revenue are becoming of equal value to the global newspaper industry. From 54.4% in 2010 and 52.6% in 2014, total newspaper advertising revenue will account for just 50.7% of total newspaper revenue in 2019.

6

Mobile monetisation is the next critical challenge.

By 2017, more than half of the world's population will be mobile Internet subscribers. While markets such as Turkey and Indonesia that comprise the global industry's bedrock remain comprehensively led by print for now, mobile take-up threatens the same digital disruption faced in markets like the UK. Year-on-year growth in Brazil's total newspaper revenue, for example, was 3.4% in 2014, but this growth will have fallen to 1.8% in 2019.