

PwC's Global Entertainment & Media Outlook Perspectives

2024–2028

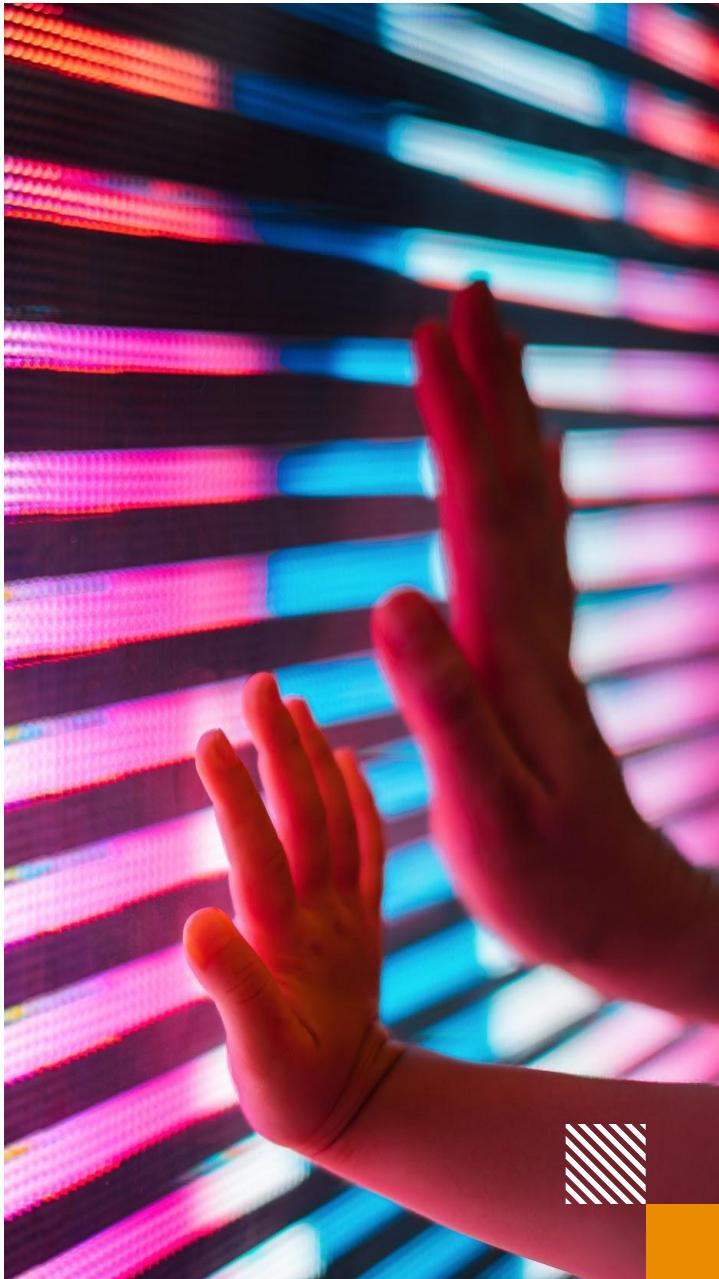
Seizing opportunities through business model reinvention

Malaysia findings



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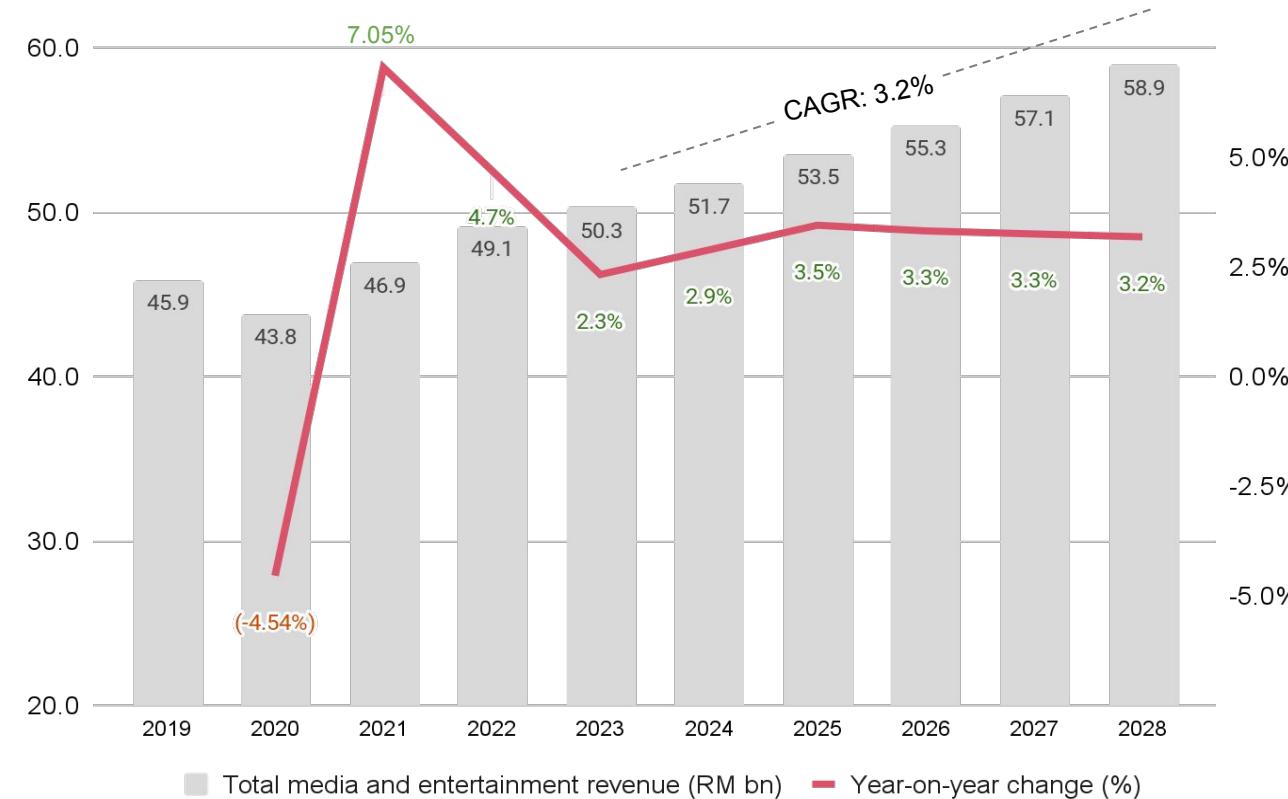




Malaysia's entertainment and media revenues are projected to grow at 3.2% CAGR from 2023 to 2028

In the face of economic headwinds and technological disruptions, Malaysia's entertainment and media (E&M) industry revenue grew by 2.3% to RM50.3 bn in 2023 and is set to rise at 3.2% CAGR to 2028.

Malaysia, entertainment and media revenue (RM bn), 2019-2028

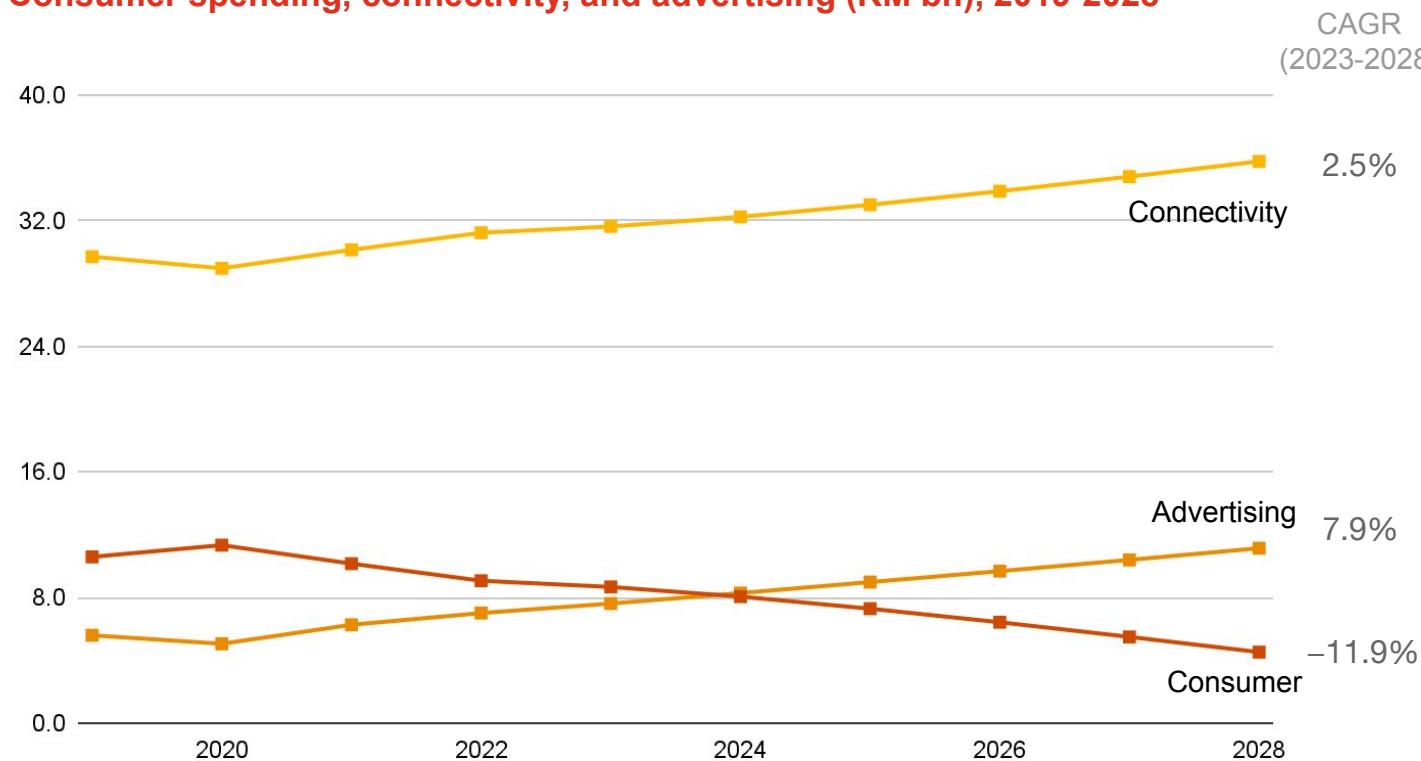


Source: PwC's Global Entertainment & Media Outlook 2024–2028, Omdia

Advertising revenue overtook the consumer category in 2023, connectivity* remains the largest contributor to E&M industry

Despite starting from a lower base, advertising has surpassed consumer spending in 2023 and will have the highest **CAGR at 7.9%** (2023-2028). It is poised to become a more important part of companies' business models - even for those that had previously avoided ad revenues. Meanwhile, connectivity revenue reached RM32bn in 2023, accounting for 66% of total E&M revenue.

Consumer spending, connectivity, and advertising (RM bn), 2019-2028



* Connectivity revenues include fixed voice, fixed broadband access, and value-added services, as well as mobile service revenue.

Source: PwC's Global Entertainment & Media Outlook 2024–2028, Omdia

Changes to the way organisations approach the ad business will be seen in three key areas:

 Monetisation of data, which will fuel more sophisticated advertising models.

 Closer connections between the discovery of products and their purchase and consumption.

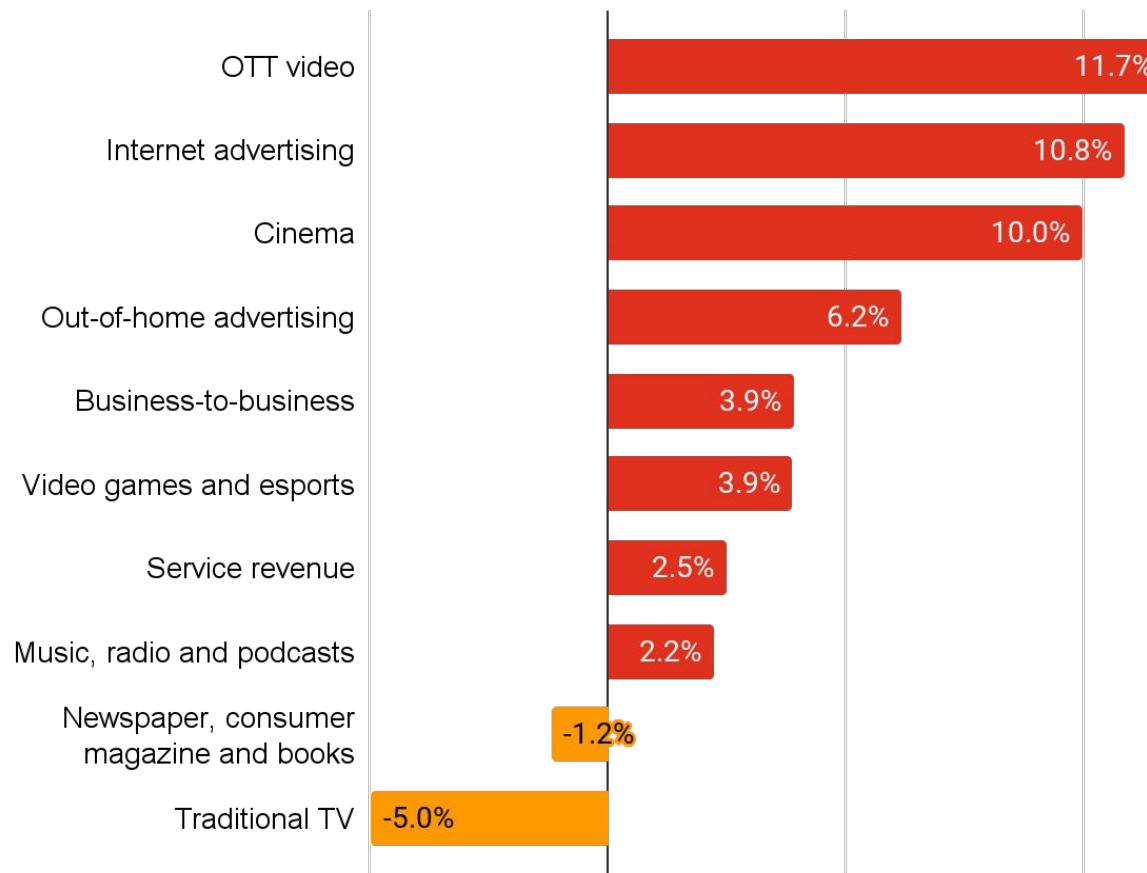
 The need to understand how global privacy regulations impact growth.



New revenue pools in streaming and advertising are forming

The OTT (Over-the-Top) video market in Malaysia is experiencing rapid growth, in contrast to the decline of traditional media. The cinema segment stands out for its resilience and innovation despite challenges.

Malaysia E&M segments CAGR (2023-2028)



OTT video is projected to grow rapidly, driven primarily by Subscription Video on Demand (SVOD) services like Netflix and local platforms such as Astro Go and sooka.



Internet advertising is set for rapid growth, with video ads at the forefront. Google and Meta currently dominate the market, but ByteDance's TikTok has emerged as a strong contender, particularly for reaching younger audiences.



Traditional media like traditional TV and newspapers are facing significant challenges, underscoring broader trends towards digital media consumption.



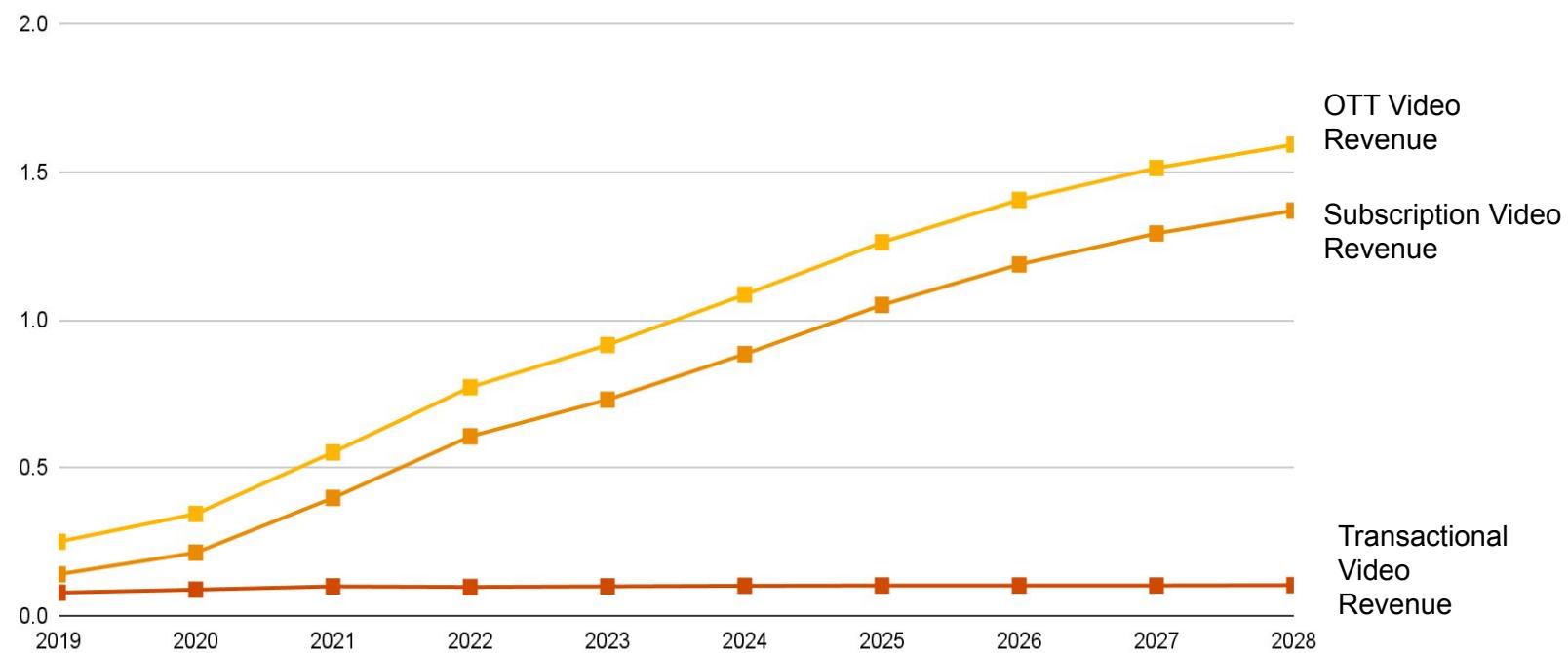
Cinema segment shows resilience and innovation despite challenges in traditional media. IMAX screens are expanding, and luxury concepts like Aurum TRX are meeting consumer demand for enhanced cinema experiences.



The rise of the OTT video market

Malaysia's OTT market has grown nearly six-fold since 2019, reaching revenues of RM 730 mn in 2023. There remains room for further growth, with the market set to expand at **11.7% CAGR** to reach RM1.6bn in 2028. At this time, 86% of total OTT revenue will be attributable to SVOD services, with the transactional (TVOD) market struggling for growth.

Malaysia OTT market (RM bn), 2019-2028

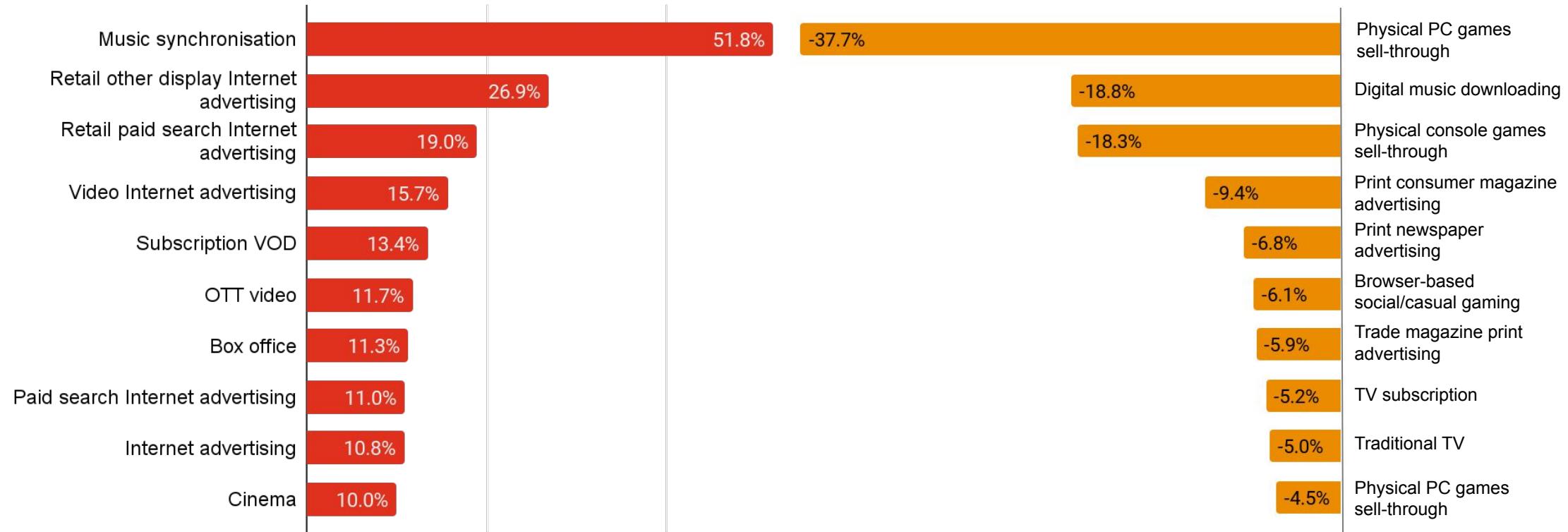


Source: PwC's Global Entertainment & Media Outlook 2024–2028, Omdia

Rapid growth of internet advertising metrics contrasts with declines in physical

Digital E&M revenue will drive growth across the sector over the next five years, led by gains in streaming and internet advertising revenue. Non-digital E&M revenue will decline over the forecast period, with digital advertising revenue surpassing print advertising revenue in 2023. Social platforms is notably looking into becoming more directly shoppable e.g. the launch of TikTok Shop

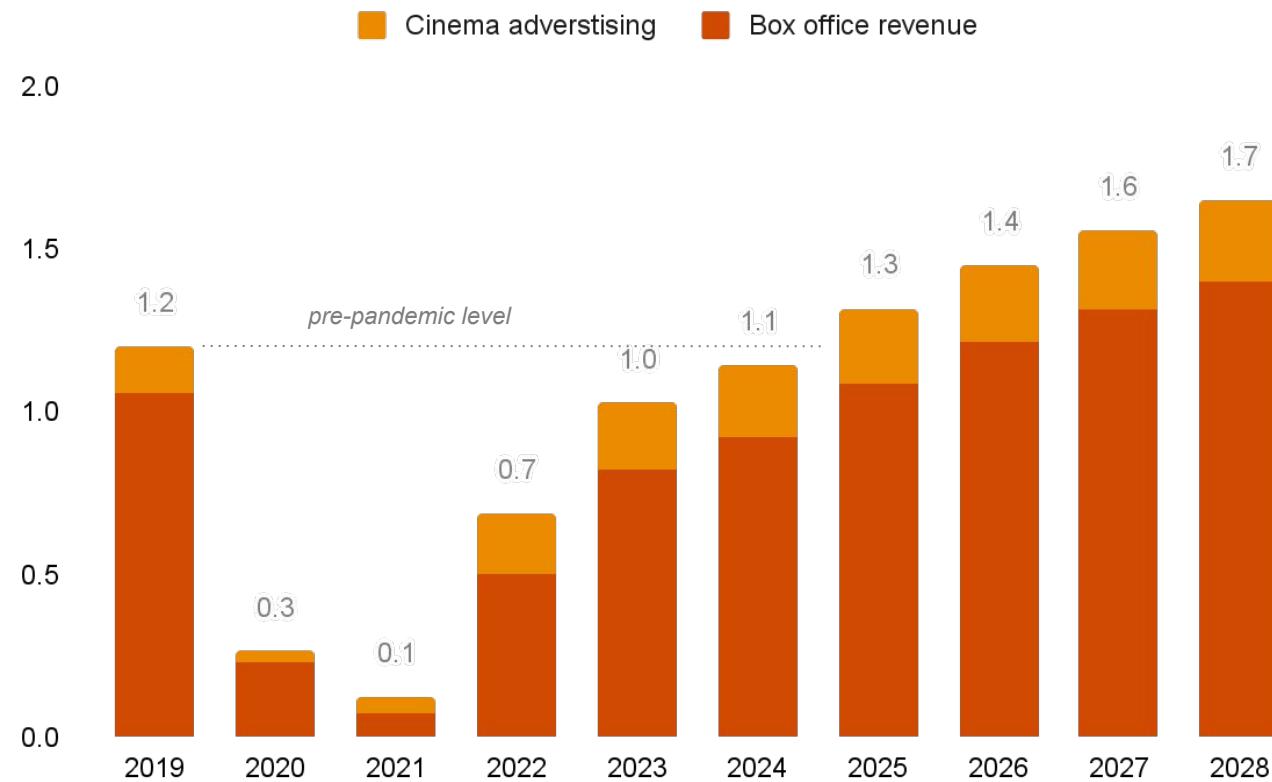
Malaysia fastest rising and declining E&M metrics by CAGR (2023-2028)



Cinema segment to recover to pre-pandemic levels by 2025

Malaysia's cinema sector remains vibrant and is expected to grow at a **10.0% CAGR** (2023-2028). This is evident in the rising number of IMAX venues and luxury concepts like Aurum TRX. The growth is aided by government initiatives e.g. support for digital content production, tax incentives for local productions, and reduction of entertainment tax from 25% to 10% on cinema tickets.

Malaysia cinema market (RM bn), 2019-2028



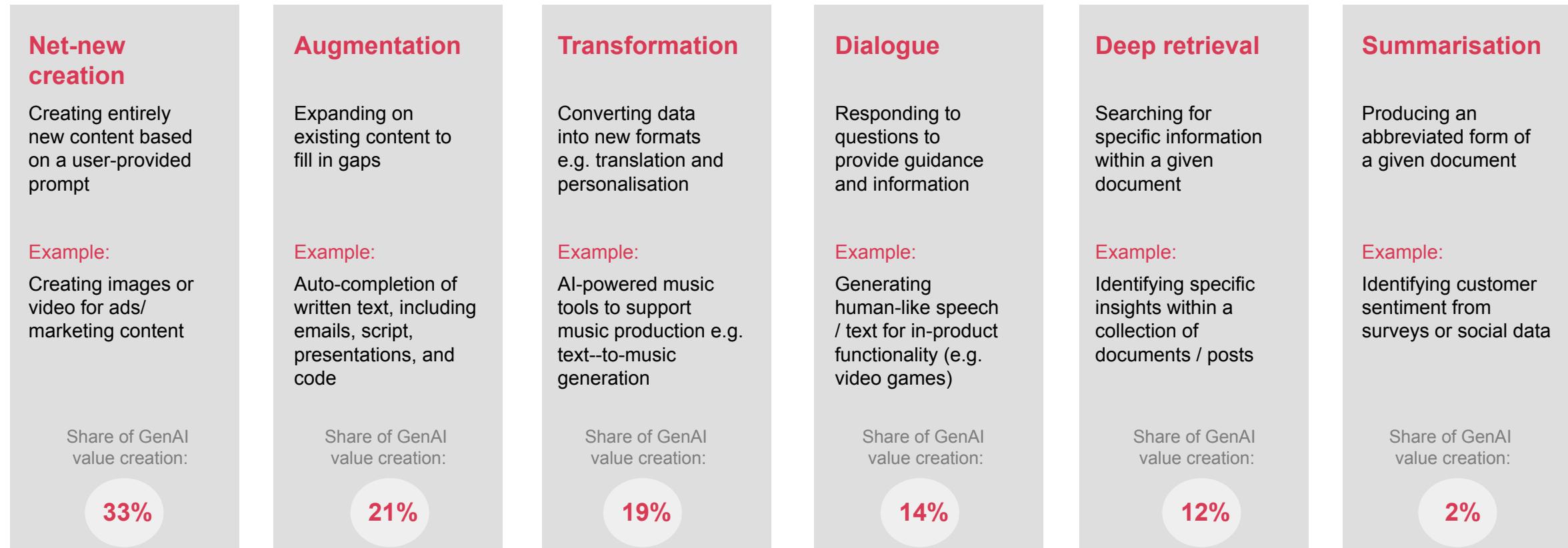
Source: PwC's Global Entertainment & Media Outlook 2024–2028, Omdia



Generative AI challenges content production industries: Books, TV, Music, OTT, Cinema & Video games

GenAI is increasingly being integrated into content creation and advertising tools. Its application tends to focus on speed, efficiency and reducing costs. If GenAI can be harnessed to offer new experiences and create new revenue streams, then the growth potential is even greater.

Six common GenAI use-cases





“As Malaysia’s entertainment and media industry grows, market players face risks and opportunities. Consumer preferences shifts, accelerated pace of change and impact of new technologies like Generative AI are forcing organisations to reinvent their business models.

As consumers increasingly consume content online, organisations must reinvent their service offerings to connect and build relationships with consumers on platforms where they spend more of their time.

Closing the implementation gap by turning ideas and strategies into actionable steps will be essential.”



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