

Australia to lead advertising bounce-back in 2021

Lilly Vitorovich | June 23, 2020

Australia's advertising spending has been battered by the coronavirus, but its expected to show the strongest rebound among the world's top 10 markets next year.

Local ad spending is forecast to drop 19 per cent for 2020, as companies led by the travel and tourism industries, slashed spending during the health and economic crisis, according to a new global ad industry report by media investment group GroupM.

Brazil and Japan are forecast to record the biggest drops in ad spending for 2020, down 29 and 20 per cent, respectively, while France and the UK are set to see a drop of 15 and 12.5 per cent, respectively.

Ad spending in the US and China is forecast to fall 7.5 and 2.8 per cent, respectively. Collectively, the two superpowers account for more than half of the world's total ad spending.

Global ad spending is tipped to fall 11.8 per cent to \$US517.49bn (\$747.49bn) this year, excluding US political advertising ahead of the hotly contested presidential election in November, followed by 8.2 per cent growth to \$US559.85bn next year.

Ad spending across the global newspaper industry is forecast to drop 26.1 per cent this year followed by a 25.1 per cent drop across the outdoor and cinema markets around the world.

READ MORE: [Bauer buyer to outline mag plan](#) | [ABC changes its tune on Facebook](#) | [Nine's 60 Minutes slumps 32%](#) |

Digital ads are forecast to fall by 2.3 per cent this year following nearly a decade of double-digit growth.

Including political ads in the US, global ad spending is forecast to drop 9.9 per cent this year, according to GroupM's report, which is issued twice a year.

The report follows a 43 per cent drop in Australian ad spending in April, which accelerated to a 48 per cent drop last month, according to investment bank UBS, citing data from local industry group Standard Media Index.

However, UBS expects declines to "moderate in June", as consumer confidence starts to improve and NRL and AFL-related ads return.

After a difficult year, ad spending is forecast to grow in nine of the top 10 markets next year, led by Australia.

Australia's ad spending is forecast to jump 25.2 per cent followed by 15 per cent growth in Japan and Brazil, respectively.

GroupM, which is owned by ad giant WPP PLC, forecasts China's ad spending to rise by 9.2 per cent, while the US is expected to record a 0.9 per cent drop.

<https://www.theaustralian.com.au/business/media/australia-to-lead-advertising-bounceback-in-2021/news-story/0668b3997160f3def7fcb0e526822d28>