

MEDIA PARTNERS ASIA: GROWTH IN VIDEO CONTENT INVESTMENT ACROSS INDIA, KOREA AND SOUTHEAST ASIA ACCELERATES TO 12% IN 2018, UP FROM 8% IN 2017

- *Media Partners Asia (MPA) publishes the 2019 edition of Asia Video Content Dynamics, tracking video content investment, production and consumption across seven major markets*
- *Growth for total video content spend is accelerating as competition for audiences and talent starts to escalate, especially in key content hubs*
- *The biggest jump took place in India, where video content costs skyrocketed 24% to reach US\$3.6 bil. in 2018, lifted up by increased spending on sports rights*
- *Indonesia and Vietnam also generated double-digit growth in video content investment last year, although costs in Malaysia and the Philippines were flat to down*

(HONG KONG/MUMBAI/SINGAPORE, JULY 24, 2019) Video content budgets across India, Korea and Southeast Asia climbed 12% in 2018 to reach ~US\$10 bil., according to the latest edition of Asia Video Content Dynamics, published today by Media Partners Asia. Asia Video Content Dynamics tracks investment, production and consumption for TV, film and online video across India, Korea and Southeast Asia's five biggest growth markets (Indonesia, Malaysia, the Philippines, Thailand and Vietnam).

The 12% increase, up from 8% in 2017, highlights rising competition for audiences and production talent, especially in India and Korea, two of Asia's most dynamic production and content hubs. Together, India and Korea accounted for more than 75% of video content spend across the report's seven surveyed markets last year.

Of these, India was by far the biggest dynamo of growth with a 24% surge in video content spend in 2018 taking budgets up to US\$3.6 bil. according to MPA estimates. This surge reflects a major outlay on premium sports rights in 2018, including a big price increase for IPL cricket, supported by continued growth and competition in TV, especially among regional languages outside the Hindi heartlands. Growth on TV entertainment is likely to soften in 2019, due to new regulations on channel pricing and bundling introduced earlier this year, although underlying trends remain strong.

Video budgets in Korea expanded at a more modest but still respectable 7.2% to US\$3.2 bil. in 2018, lifted up with increased investment on movies and pay-TV content in particular, characterized by rising film production costs and ever improving production values. Compared with India, there is more balanced competition between TV majors in Korea, helping foster creative diversity. Korea's online video sector is underweight, due to a thriving TVOD market that captures a large slice of audience time and spend. Netflix is starting to drive growth in Korea's online video sector however, with an eye on local, regional and global distribution.

There are also notable pockets of growth for video content investment in Southeast Asia, especially in Indonesia, where budgets expanded 13% in 2018 to US\$800 mil., and Vietnam, where investment grew 11% in 2018 to US\$500 mil. The overall picture in Southeast Asia was more mixed, however. Video content costs in the Philippines fell 2.2% in 2018, reflecting declining audiences for free-to-air and pay-TV. There was minimal growth in Malaysia, as a result of revenue pressures for Media Prima, the free-to-air incumbent, and Astro, the country’s biggest broadcaster.

Commenting on the findings from the report, MPA Vice President Stephen Laslocky said:

“The outlook remains healthy across much of Asia for the video content industry, with aggregate budgets scaling up in TV, film and online video across our surveyed markets. Much of this growth came from India and Korea, two large production dynamos with deep pools of talent. There are pockets of pressure in other markets however, especially for incumbent free-to-air broadcasters in Malaysia and the Philippines, where TV budgets were reined in. Falls in TV viewership have been especially pronounced in Malaysia, Thailand and Vietnam, largely precipitated by digital competition as viewers flee marginal TV channels. Viewing data suggests that popular TV channels are relatively well insulated from online video competition, at least for now.”

Laslocky continued: “Meanwhile, investment in online video content continues to scale, up 60% in aggregate to reach US\$858 mil. across the seven surveyed markets, powered by rapid growth in India, boosted by Amazon, Hotstar and Netflix in particular. Online video accounted for 14% of all video content spend in India last year, the highest proportion of all our surveyed markets. Growth in online video budgets is also accelerating from a low base across much of Southeast Asia, although investment remains underweight in Thailand and Vietnam. Online video budgets are also constrained in Korea, due to the popularity of VOD services from incumbent IPTV platforms.”

VIDEO CONTENT INVESTMENT TRENDS ACROSS INDIA, KOREA AND SOUTHEAST ASIA



Source: Media Partners Asia

About Asia Video Content Dynamics

Asia Video Content Dynamics, an annual report published by Media Partners Asia (MPA), reviews industry supply, demand and key drivers across India, Indonesia, Korea, Malaysia, the Philippines, Thailand and Vietnam. Analysis includes: (1) Operating & historical data for free TV, pay-TV, online video and theatrical content investment; (2) Production costs & margins and top studios by genre; (3) TV ratings, genre share and top programs; (4) Online video library sizes and key components by operator; (4) Box office revenues, including top 20 films and breakout of domestic and foreign film revenues; (5) Listings for key players by market.

About Media Partners Asia (MPA)

Media Partners Asia (MPA) is the leading independent provider of research, advisory and consulting services across the media, entertainment, sports, telecommunications and technology industries in Asia Pacific. As digital distribution recalibrates revenues, costs and valuations, we help our clients and customers grow across a US\$500 billion consumer media and telecoms industry in Asia Pacific. MPA research reports and publications are widely used and sourced by local, regional and media companies for strategic planning and equity & debt transactions. Detailed proprietary databases across media, sports and telecoms, developed by our analysts, help companies track and competitively benchmark performance across 18 markets and multiple sectors. Our advisory & consulting services help clients enter new markets and sectors and acquire companies with MPA also offering commercial due diligence.

For more details, visit www.media-partners-asia.com

Contact

Lavina Bhojwani
VP & GM
Media Partners Asia
E: lavina@media-partners-asia.com
T: +852 2815 8710

###