

MIDDLE EAST PUBLISHERS' ASSOCIATION

MEPA'S OBJECTIVES:

- To encourage the widest possible spread of publications throughout Middle East and beyond.
- To promote and protect by all lawful means the publishing industry in Middle East
- To protect members by dealing collectively with problems.
- To cooperate for mutual benefits with other organizations concerned in the creation, production and distribution of publications.
- To promote the development of public interest in publications in association with other publishing organizations with similar objectives.
- To serve as a medium for exchange of ideas with respect to publication, sales copyright and other matters of interest.

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MEPA Latest News

New Journalism Honorary Visiting Fellow - City University London

(Dr Azzam AL Dakhil / MEPA Chairman)

Introducing City's new Honorary Visiting Fellow

Dr Azzam Al Dakhil has been awarded an Honorary Visiting Fellowship by City's Department of Journalism.



Dr Azzam Al Dakhil - MEPA Chairman

Dr Azzam Al Dakhil, CEO and member of the Board of Directors at the Saudi Research and Marketing Group (SRMG), one of the largest publishing groups in the Middle East, has been awarded an Honorary Visiting Fellowship by City's Department of Journalism.

The award came as part of Media and Citizenship: Transnational Television Cultures Reshaping Political Identities in the European Union - a special event held within the School of Arts to launch EU-funded research conducted by its Dean, Professor Christine Slade, which highlights the impact of transnational Arab media on Arab immigrants in Europe.

Dr Al Dakhil, who accepted the Honorary Visiting Fellowship from Professor George Brock, says: "It is both a great honour and a pleasure to accept this grand recognition from one of the United Kingdom's leading journalism schools.

"I will always support efforts to further enhance and better manage our up and coming journalists, not only because they are a key element in any media organisation's operation, but more importantly because well trained journalists are an essential tool in spreading better understanding amongst society of key issues."

"City is keen to extend its links and partnerships within the Middle East, so we are thrilled that Dr Al-Dakhil joins City as a Honorary Visiting Fellow within the Department of Journalism."

Professor George Brock, City's Head of Journalism

Source: City University London

SRMG leaders discuss future of media

RIYADH: Leaders and managers of companies and publications of the Saudi Research and Marketing Group (SRMG) discussed the future of the print and electronic media at a recent two-day meeting.

They also looked at challenges facing the industry and outlined common roads that would lead to a new boom in the media and the means to benefit from it. The aim is to maintain the group's position as the largest media group in the Middle East.

The group's chairman, Prince Faisal bin Salman, stressed before the meeting that achieving integration and synchronization among all parts of the group was a vital need in its companies and publications and that it was necessary to consolidate it as a modus operandi that would benefit all.

The two-day meeting was held last Wednesday and Thursday and was attended by editors in chief, company managers and senior personnel in the group. "Reports about the dwindling numbers of newspaper and magazine readers are not accurate," Prince Faisal said, adding that the number of readers in the region is larger at present than at any past time in the history of the print media. "It was only the tool that differed," he said, citing as an example Asharq Al-Awsat newspaper whose readers have increased manifold since the 1990's.

The meeting held open morning and evening sessions during which it discussed a number of working papers on the new trends in the media. The papers were presented by experts in the industry from abroad in addition to the executive directors and senior officials of the group. The participants were also told about the latest international expertise in media and management.

The first day

The meeting began with a brief speech by the chairman in which he welcomed the participants and said the meeting was aimed at enabling staff of the group to communicate and get to know each other rather than coming out with recommendations or resolutions. He considered this to be the first annual meeting although the group has previously held a number of meetings. The prince said the group planned to make the meeting an annual event so that all employees would share in the agenda and objectives formulated by the board of directors for the New Year and also to become acquainted with the hurdles and difficulties the group is facing.

Prince Faisal said it was not the intention of the meeting to produce a specific work plan but rather to inform the staff about the new decisions of the board of directors and other administrators with a view to synchronizing them.

"As members of the board of directors and shareholders, we are concerned with the final results of the activities of the group, meaning the realization of profits in addition to the other noble objectives the company and its publications are attempting to achieve. We want progress in every part of the group," he said.

Referring to apprehensions about the future of the print media — which represents the crux of the work of the group — Prince Faisal discarded as "inaccurate" reports that said the number of newspaper and magazine readers was decreasing. Offering ideas for possible solutions, Prince Faisal said: "Harmonizing between the rise of readership and the size of revenues is important.

The balance between quality and cost is what we should aim for. The making of a quality magazine is not in itself a challenge. The real challenge is to produce the quality magazine at a lower cost." Prince Faisal said the brainstorming that took place during the group's meeting could produce new and additional solutions.

Newspaper industry

Change and development in the print industry were the subjects of the first day of the meeting. Chief Executive Officer of the Pacific Area Newspaper Publishers' Association (PANPA) Mark Hollands analyzed the prospects facing the print industry in the coming decade and the changes and developments that might mark the nature, kinds and objectives of readers, especially in the light of constant developments in content. The evening session was "The Reality and Future of the Market in the Kingdom and the Challenges Facing Newspapers and Publications Which Depend On It For Income."

The CEO of SRMG, Dr. Azzam Al-Dakheel, who spoke in the evening session, said a group the size of SRMG should be able to meet current challenges and should raise the scope of ambitions, regardless of circumstances. Al-Dakheel presided over the session which was addressed by the editors in chief of Asharq Al-Awsat, Tariq Alhomayed, and Al-Majalla, Adil Al-Traifi. "Being a pioneering company in our field, we should not be worried by a challenge. We have expert managerial and professional qualifications in all our companies and publications. It is a rare thing to see any group with this number of qualified staff," he said. On the relationship between the editorial side and advertisement, Dr. Al-Dakheel said: "The group did not ignore to separate the commercial side from the editorial one. It has established a board of trustees which is fully undertaking its role."

Addressing the meeting, Alhomayed said there were difficulties facing newspapers in the Arab market today. "A few years ago, there was a boom in the number of newspapers and magazines being published — in fact some companies and businesses began to issue their own private publications but since the financial crisis, this has more or less stopped." He said: "There was a conflict between media and advertisement, a dividing line all must treat with caution. We have to develop new creative concepts and ideas. The group has made successful experiments in this connection including specialized supplements which gave the advertiser the right place at the right time and the right shape."

In his comments, the editor in chief of Asharq Al-Awsat spoke about the significance of matching tasks with editor and advertising agent. "A high-quality news story is a means to attract both reader and advertiser," he said. He added: "This may seem simple and easy at first sight but the media chaos that followed the introduction of new tools has limited competition to a narrow part of the targeted advertisers and editors."



Saudi Research and Marketing Group (SRMG) Chairman Prince Faisal bin Salman makes his inaugural address at a meeting of leaders and managers of SRMG companies at the Four Seasons Hotel in Riyadh on Wednesday. (AN photos by Ahmed Fathy)

Commenting on this problem, Al-Dakheel said the threats posed by digital media, which might oblige newspapers to decide to remain as they are or change to electronic was subject for debate. He mentioned the decision of the group to make Al-Majalla magazine a digital publication after 30 years and said elementary indicators showed that it was a good step. The editor in chief of Al-Majalla said though the experiment was still new, it was reassuring. "The making of Al-Majalla into an electronic publication was a real challenge but the experiment revealed many beautiful things. We reissued the magazine depending on a limited number of reporters. We bought some material. We contracted some contributing writers despite the apprehensions of monopolizing a writer electronically in the Arab world," he said.

Quality and budget

In the final session of the first day, Nik Rokoso, the chief operating officer (COO) for SRMG operations spoke about the balance between quality and budget, considering it the perfect means for achieving satisfactory results. "At the outset, the matter may seem difficult because quality also means more expenses. However, this could be done and there have been many experiments dealing with this," he said.

Rokoso also spoke about the changes taking place in the region's media and advertising sectors. "You should be happy. We are not the only ones being obliged to change," he said jokingly. He then addressed the group's plans to develop its print work, connecting it automatically to the digital world through various projects on the sites of electronic newspapers and magazines. He said some newspapers of the group had achieved excellent results in terms of spread and the number of visitors.

The second day

The second day began with a paper presented by the SRMG deputy CEO Tarik A. Algain who is also the managing director of the Saudi Research and Publishing Company (SRPC). He said the print media were facing a number of challenges at present in their sources of income. He stressed that there were huge developments which had created sharp competition to grab a share of readership and advertisement.

In his paper entitled "The SRMG: Present and Future," Algain said technology was being used as new engines for income.

Specialized publishing

Muhammad Al-Omar, director general of the Saudi Specialized Publishing Company, an affiliate of the group, said the company was changing its name to "Numo Visual Media Company. He called for distinctions between a specialized publication and a general one because each has its own target audience. "They both have characteristics for competitiveness in readership and advertisement," he explained. In his paper entitled "Industry of Specialized Publishing: Future Prospects," Al-Omar said about 80 percent of the world's top 100 publications were specialized ones. "The specialized publications have achieved great success and have become the most widely read, circulated and sold in the world."

He cited the example of publications such as the Wall Street Journal and The Economist and said magazines represented a successful experience in the industry of the specialized media. Numo is one of the new projects of SMRG and in the final evening session of the second day, its CEO Fahd Al-Zughaibi said the company was concerned with diversified and developed TV transmission and added that the company had already made profits. He said the company was serving numbers of foreign and local TV channels in a number of areas, including modern studios, external transmission, production units, photography and control rooms. The meeting was shown a documentary film which dealt with the latest developments in both the print and electronic media. The film showed new aspects of the press industry, foremost of which was the linkage of content to modern technology.

For his part, Dr. Muhammad Ahmed Tahir, director of SRMG's legal department spoke about strict punishment for violations in content which might go as far as withdrawing the publication and canceling it altogether. He recalled that according to international law, for violations newspapers would be directed to print apologies in the same space and in the same font. In his paper entitled "Causes of Media and Publishing: Laws and Practices," Tahir called for discretion and for making sure of information before publishing it.

"It is the publisher, not the source of news, who will be held responsible in any media case," he said. He warned that some media cases might reach the level of "criminal responsibility and legal violations" and said the punishment might snowball until it reached fines.

Challenges of distribution

Abdul Rahman Al-Mushawah, director general of the Saudi Distribution Company, an affiliate of the group, said distribution was facing grave challenges, not overlooking that books have much greater financial returns than media publications. In his paper entitled "Distribution in the Kingdom: Challenges and Prospects" Al-Mushawah pointed out that the proceeds made from distributing books might sometimes go up to 85 percent while the distribution of newspapers would be affected by the amount of competition and the rapid expiry of news.

Management of economies

In the last session of the meeting, Adil Al-Laithi, director of administrative and financial affairs in Asharq Al-Awsat in London, said the harmony between administrative and editorial teams was the most influential factor in any successful media activity. In his paper entitled "The Management of Successful Economies," he highlighted the method of providing care for employees and creating communication between them and the directors of the various companies.

"The company has begun applying new protection procedures for employees in a number of departments. This will serve the staff and strengthen their loyalty to the group," he said.

Open dialogue

The first meeting of the group wound up with an open dialogue with the chairman who said he was keen to listen to all candid and sincere viewpoints regarding the work of the group. He supported the suggestion that editors in chief hold quarterly meetings before the group's annual meeting.

Source : Arab News

Eye of Dubai website Wins best UAE internet website

The UAE diamond award for the best internet website for 2009 was awarded to Eye of Dubai, for its www.eyeofdubai.com website.

In winning this award, the Eye of Dubai website accomplished another achievement to be added to its past list of triumphs and proficiencies, according to special international standards in designing websites.

The award was given out in a classy celebration that was held last Saturday, December, 5th at Dubai's Jumairah Beach Hotel.

Organised by the Special Academy for Internet Awards in the Arab region and sponsored by Microsoft company, *Business Software Alliance* (BSA) and MSN Arabia, the celebration was attended by His Highness Prince Khalid Bin Saud Al Saud, a number of Ambassadors and Councils in the UAE, senior officials from government departments and company representatives.



Abdullah al Harbi, Eye of Dubai's CEO - His Highness Prince Khalid Bin Saud Al Saud - His Highness Prince Abdul Muhsin Bin Fahad Al Saud - Mohammed Al Nouri, Head of the Awards Office at Dubai's Municipality - Pierre Mkarzil, Head of the best UAE electronic website competition committee

The award is significant because it encourages Arab website developers into building distinguished websites that may well be excellent competitors to international websites.

Eye of Dubai's website offers a bi-lingual comprehensive tourism and investment electronic gate. The Arabic and English speaking website offers many interactive services, important information related to business, community, finance and life trend's news.

The e-government services, general services, Middle East internet marketing integrated solutions can easily be made use of through www.eyeofdubai.com and the Eye of Dubai Tourism and Investment Guide which includes updated information related to the different activities and functions taking place in Dubai.

Eye of Dubai is sponsored and backed by the Dubai Department of Tourism and Commerce Marketing, *Dubai Civil Aviation Authority* (DCAA), *Dubai Roads and Transport Authority* (RTA), *Dubai Summer Surprises* (DSS), *Dubai Municipality*, *Dubai Chamber and other UAE leading establishments, including companies such as Emaar, Etisalat, Du and others.*

Abdullah Al Harbi, Eye of Dubai's CEO said: "We are honoured to receive this award. Our electronic website was able to register a notable audience from both official and private departments. We have also noted an increasing number of web visits to our website, exceeding 3 million visits every month, with 600,000 members. This high rate of visits and increased interest in the website is the result of the simplicity of the website's design, the continually updated information it displays, and the ease of browsing through the website to find the information sought by the visitor, whether due to searching for a specific piece of information or a desire to join in to receive the varied weekly newsletters.

Al Harbi added "No doubt our winning the best website award in the UAE will encourage us to continue our work and double our efforts to offer additional services and facilities for our visitors and fulfil the requirements of our clients.

"We do believe that the unique expertise enjoyed by Eye of Dubai and its continuous strife for distinction will enable it to offer an exceptional experience in the region's electronic field" he added.

"We consider this award as an honour to the efforts done to meet the requirements of both visitors and clients alike" said Al Harbi.

Eye of Dubai's CEO also pointed out that the website won a number of prestigious awards as estimation for its striving to achieve excellence in these fields, adding that "we will continue our efforts in offering the best level of services in line with the awards standards".

Al Harbi also expressed his deep gratitude and thanks to the award organisers.

Source: Eye of Dubai



MEPA is a media partner for the event, hence; the associations' members will benefit from discount.

Social Media Marketing is common in today's business world. Many aspect to consider when companies use this however it is a **low-cost promotional method** out there that will easily give you large numbers of visitors, some of whom may come back to your website again and again.

VMAC Business Group will be organizing a Social Media Marketing Conference + Workshop in Dubai; scheduled to be on 3rd & 4th March 2010. The focus of this Conference is on the business benefits that companies will gain in adding social media marketing as an additional marketing tool to compliment their current marketing strategies

For more info: <http://www.vmacgroup.com/v4/smm/>

Date: 3 - 4 March 2010

Location: Dubai, United Arab Emirates

Language(s): English

**Middle East Conference 2010 - 5th WAN-IFRA Middle East Conference
Changing to succeed - Editorial and commercial strategies for the future**



Summary

Managing today's newsroom and advertising business has become more and more challenging, especially given the economic downturn.

WAN-IFRA's 5th Middle East Conference and hands-on workshops in a media lab will provide insights into the latest newsroom strategies, advertising concepts, business opportunities as well as enabling technologies and systems from around the world, presented by distinguished international and regional speakers.

For more info, you can log on : <http://www.ifra.com/middleeast>

Date: 2 - 3 February 2010

Location: Dubai, United Arab Emirates

Language(s): English, Arabic

ARAB MEDIA OUTLOOK: COLLABORATING FOR GROWTH

Section Two: Regional update (PART Nine)

CASE STUDY

At a Glance:

Subject: New Law of Publications and Publishing, No. 3 of 2006

Country: Kuwait

Media type: Newspapers

Focus: Market liberalization



The Kuwait Parliament unanimously passed a Press Act in March 2006 that its members hailed as a positive reform and a sign of their commitment to press freedom. The new law reversed the ban on the launching of new newspapers that had existed for over 30 years.

The 2006 press law revitalised the licensing system so that new publications could be established, specifying the minimum amount of capital necessary to establish a daily newspaper publishing company to be around US\$950,000. The new law allows for any party that is denied a publishing license the right to appeal the decision in court, a major improvement on the old system. Al Osbueya Al Eqtsadiya was launched in 2006; six new newspapers were launched in 2007: Al Jarida, Al Wasat, Alam Alyawm, Annahar, Awan and Al Shahed; and four new newspapers were launched in 2008: Assabah, Al-Dar, Arroouiah and Assawt.

The 2006 law also saw the abolition of the order to detain journalists in jail while they are under investigation. The Kuwaiti constitution protects certain freedoms of the press under Articles 36 and 37 and the government generally respects these principles. However, the government does enforce what it interprets as breaches of the law so it is common for journalists to practice self-censorship and approach sensitive issues cautiously. This approach to the enforcement of the 2006 press law appears to have been effective in creating dynamic and forthright print media.

Kuwait is widely accepted to be the freest media environment in the Arab world and was top of the Arab media list in the Freedom House 2008 Freedom in the World Survey of print, broadcast and internet media freedom.

Advertising revenue trends

The outlook for advertising revenue continues to be positive across the region, although the global financial crisis which accelerated in the last quarter of 2008 will continue to suggest uncertainties relating to the global economy in the near- and medium-term future. Implications for the region in general, and its advertising markets, are unclear, but it is evident that the property sector which generates a high proportion of advertising revenues across the region is being impacted.

In the Arab region, 2007 turned out to be an exceptional year for advertising agencies and media owners as advertising revenues surged in many markets of the region creating double-digit growth in eight of the twelve countries covered. Pan-Arab advertising spend across the region also achieved double-digit growth of over 17%.

Interviews with media agencies in the region suggested that the global financial crisis would not have much of an impact on 2008 advertising budgets as these were already set – although there is a suggestion that some pre-booked campaigns may be cancelled. However, going forward, it is clear that major multinational and regional advertisers are reviewing their regional advertising budgets for 2009. It is typical in many industries for advertising spend to be one of the first cuts in a recession. Should the financial crisis develop into a recession in any of the regional markets, it is realistic to expect that for many companies advertising will become a discretionary cost subject to deep scrutiny. Nevertheless, it is believed that annual events that can always be relied on to spur advertising in the region, such as Ramadan and “back to school”, will remain important stimulants for advertising.

According to interviews with media agencies, Saudi Arabia and UAE remain the most important markets in the region, for slightly different reasons. Saudi Arabia is important because of its size and large consumer market, which presents lucrative potential to advertisers. UAE is utilised differently as media agencies tend to use it as a showcase for new campaigns or new advertising technologies in order to attract media owners or advertisers to advertise in the region.

The breakdown by sector of GDP is also important. In particular, the current, rapid developments in the property sectors and the telecommunications markets in some parts of the region have resulted in heavy advertising expenditure relating to market entry and the development of mass-market residential complexes and other properties. Later in this section, we discuss each of the twelve markets in detail, highlighting the major advertising spenders in the region.

Out-of-home is one of the fastest growing sectors in the region. One issue that has been noted from our interviews is the increasing fragmentation of out-of-home advertising media. The price of outdoor media has increased significantly in recent years due to the prominent use of high-profile outdoor advertising, which is popular with advertisers. In Saudi Arabia and Egypt, the outdoor market is expanding rapidly and there is a wide selection of delivery alternatives including: uni-poles (typical highway signs), building ad-wraps (where the building is encased in photographic quality advertising), sky-poles (high visibility three-sided displays), shopping mall digi-signs, blimps (small airships) and rooftop billboards. Outdoor advertising often serves a dual purpose by both promoting a product and concealing a construction site. Some LED digital billboards have been installed regionally but they are not widely deployed. Trends in Europe and the US suggest that digital billboards and digital networks will become key drivers of growth. Digital billboards expand the effective out-of-home inventory as multiple ads can be shown on the same display, thereby generating multiples of revenue. Street furniture, airport and transit advertising are other rapidly growing out-of-home sectors.

However, the fragmentation of the out-of-home advertising industry (there is no clear leader in the industry, and a number of outdoor media owners have entered the market), and the inconsistent pricing structure of this media make it difficult for media agencies scientifically to plan outdoor advertising and there is an aversion to outdoor advertisements in general. This is an area of potential improvement.

Our illustrative projections for overall advertising market growth for the 12 countries covered in this report are summarised in Table 2.8 below. Projected compound annual growth rates (CAGRs) for the period 2007 to 2012 range from 5.5% for Bahrain to 12.4% in the pan-Arab region. These projections are expressed in nominal terms, that is, before adjusting for the impact of inflation.

Table 2.8

Illustrative total advertising revenue projections by country - 2006 to 2012

(US\$ Millions)	2006	2007	2008	2009	2010	2011	2012	CAGR 07-12
Bahrain	69	74	83	85	89	92	96	5.5%
% growth		7.0%	13.1%	1.5%	5.1%	3.9%	4.3%	
Egypt	366	437	540	682	793	879	977	17.5%
% growth		19.2%	23.7%	26.3%	16.3%	10.8%	11.1%	
Jordan	77	86	104	116	129	143	157	12.8%
% growth		12.3%	20.8%	11.2%	11.5%	10.8%	9.9%	
Kuwait	312	359	514	515	552	599	647	12.5%
% growth		15.0%	43.2%	0.2%	7.3%	8.4%	8.0%	
Lebanon	171	186	212	230	246	270	298	9.8%
% growth		9.3%	13.7%	8.3%	7.2%	9.8%	10.3%	
Morocco	200	231	278	295	322	354	389	11.0%
% growth		15.4%	20.4%	6.0%	9.1%	10.0%	10.1%	
Oman	64	73	102	107	116	125	136	13.1%
% growth		15.0%	39.4%	4.2%	8.7%	8.1%	8.4%	
Qatar	123	161	257	312	395	442	486	24.7%
% growth		30.7%	59.5%	21.3%	26.7%	11.7%	10.0%	
Saudi Arabia	650	710	982	1,037	1,162	1,315	1,484	15.9%
% growth		9.1%	38.3%	5.7%	12.0%	13.2%	12.9%	
Tunisia	24	27	33	34	36	39	43	9.3%
% growth		14.1%	19.3%	3.1%	7.5%	8.7%	8.3%	
United Arab Emirates	755	892	1,263	1,348	1,513	1,705	1,913	16.5%
% growth		18.2%	41.5%	6.7%	12.2%	12.7%	12.2%	
Yemen	7	8	10	13	15	17	19	18.7%
% growth		12.4%	26.3%	22.9%	16.5%	13.7%	14.4%	
Pan Arab (Regional)	683	802	939	1,051	1,167	1,295	1,438	12.4%
% growth		17.4%	17.0%	12.0%	11.0%	11.0%	11.0%	

Source: PwC analysis (2007 to 2012), 2006 data derived from Zenith and PARC
 Note: Pan Arab is mainly regional satellite television

It should be noted that the advertising revenue data shown in Table 2.8 and in the later tables in this section are net of estimated discounts and commissions given to advertising agencies by media owners, and hence correspond to revenue from the standpoint of the media owners. The magnitude of these discounts varies across markets and media and is commercially sensitive, which indicates that publicly available data may not be reliable. This implies that, while the projections provide a useful indication of trends, individual figures are subject to considerable uncertainty and hence comparisons between countries may not be valid. The treatment of discounts in the projections is explained in more detail in the Methodology Annex.

Future trends

We now consider likely future trends in the allocation of advertising spend across the different media. Here the pattern varies very widely across the region, with newspapers being the dominant advertising in eight of the twelve markets, including Bahrain, Egypt, Jordan, Kuwait, Oman, Qatar, Saudi Arabia and the UAE, whereas in other markets such as Morocco and Tunisia, television is dominant. In Yemen, out-of-home currently dominates the advertising market.

In Tables 2.9 to 2.20 below we summarise our projections for each of the countries covered in this report showing the split-of-the-total, projected advertising spend across television, newspapers, magazines, radio, out-of-home (outdoor and cinema) and the internet. Since robust and consistent data across the 12 countries for the historic revenue breakdowns for 2006 and 2007 (the base years for the projections) are incomplete, we emphasise that our projections are solely designed to highlight trends and that detailed comparisons of projected figures between countries may not be valid. In Table 2.21 below we show the corresponding projections for pan-Arab media

Bahrain

Of all the countries we studied this year Bahrain has the smallest population at around 800,000 but a strong economy with a GDP of US\$17 billion (2007 figures).

Bahrain has the highest penetration of broadband use with around 60% of households having a subscription and the highest mobile penetration at a massive 165% of population. These factors are key drivers of internet advertising.

Total advertising revenues are projected to grow at a CAGR of around 5% over the projection period (See Table 2.9).

Table 2.9

Illustrative projected total advertising revenue by media: Bahrain

(US\$ Millions)	2006	2007	2008	2009	2010	2011	2012	"CAGR 07-12"
TV	10	11	9	9	9	9	7	-7%
Newspaper	45	49	56	58	63	66	70	8%
Magazine	6	6	7	6	6	6	6	0%
Radio	2	0	2	2	2	1	2	31%
Out of home	6	7	8	8	8	8	8	3%
Internet	1	1	1	1	2	2	3	27%
Total	69	74	83	85	89	92	96	5%

Source: PwC analysis

With a literacy rate of over 85%, newspapers form the dominant advertising media in Bahrain, accounting for over 66% of the total advertising revenue, while magazines account for around 8%. Bahrain has eight major newspapers, all of them privately owned. Bahrain's constitution guarantees freedom of speech and publishing rights are protected by a press law, however, some offences are still subject to possible prosecution and may result in journalists practising self-censorship. Newspaper advertising revenues are expected to continue to increase steadily at a CAGR of 8% over the projection period, taking share away from most of the other advertising media such as television, despite the increasing competition and rising costs of newspaper printing. One newspaper owner commented that, "text, pictures and audio can now be simultaneously used, in a fast manner, which allows better coverage of news and an interactive rapport with readers". He indicated that his company would be investing in audio and video technology for online services to complement the newspaper's offering.

Although Bahrain has been promoting itself as a regional media hub in recent years, advertising revenue for domestic television remains small (only 15% of overall ad spend) and is projected to lose out to newspapers and the internet over the projection period. This is mainly due to the state-owned nature of the local television sector and the dominance of the much-preferred, regional satellite-TV, which is also the first choice for advertisers. One example of such a satellite-TV broadcaster is MBC, a Dubai-based, pan-Arab satellite broadcaster that has chosen Bahrain as the base for its English-language movie channel, MBC-2. Multichannel-TV penetration of television households stood at a relatively high 42%, while pay-TV penetration is about 10% of television households. Orbit Communications (based in Bahrain), Showtime, and TVLand are among the key, multichannel satellite-TV services available in Bahrain.

In terms of distributing television content over the mobile network, both the Bahrain Telecommunications Company (Batelco) and Zain Bahrain—the country's two rivalling mobile operators—offer mobile television via their 3G mobile network. Given the level of mobile penetration in the country (currently standing at 165% of population), it is expected that a significant portion of the rapidly growing internet advertising revenue will come from the mobile internet sector, as more consumers surf the internet and consume media via their mobile handset.

With one of the highest broadband penetration rates in the region, at around 60% of households, internet advertising revenue in Bahrain is projected to grow at a CAGR of 27% over the projection period, albeit from a small base. In 2005, the Bahrain government founded the Bahrain Internet Exchange (BIX) as a non-profit organisation with the mission of ensuring that information on the internet could be accessed by all sectors of society. This action is expected to further drive broadband growth over the next five years. Currently, the BIX is helping smaller internet service providers (ISPs) to compete with Batelco—the incumbent ISP—and the government has issued 18 ISPLicenses to provide internet services.

Bahrain is the base for many financial services institutions and this is expected to be a key driver for internet ad spend, as financial services are generally more sophisticated buyers of advertising media and there is a trend for banks and other financial institutions to use internet advertising to reach their target customers. Other industries driving Bahrain's advertising revenues include the government sector and the retail industry.

Egypt

Egypt's population is approximately 75m and its GDP is US\$128 billion (2007 figures). When compared with the rest of the region both mobile and broadband penetration rates are relatively low at 59% of population and 0.3% of households respectively (June 2008).

Total advertising revenues for Egypt are projected to grow at a CAGR of around 17% over the projection period (Table 2.10)

Table 2.10

Illustrative projected total advertising revenue by media: Egypt

(US\$ Millions)	2006	2007	2008	2009	2010	2011	2012	"CAGR 07-12"
TV	122	146	182	231	270	301	336	18%
Newspaper	199	236	290	364	420	461	510	17%
Magazine	25	28	33	38	37	40	38	6%
Radio	18	22	27	34	39	42	47	16%
Out of home	2	4	7	14	24	32	43	61%
Internet	1	1	1	2	2	3	4	43%
Total	366	437	540	682	793	879	977	17%

Source: PwC analysis

As a major regional media hub in the Arab region, Egypt's media industry boasts a growing number of private media outlets that contribute to the robust growth of advertising revenue in the country. Egypt is home to one of the oldest Arabic newspapers, Al Ahram, which was launched in 1876. With daily sales of one million copies (claimed circulation). Unsurprisingly, newspapers form the strongest advertising sector in Egypt, currently accounting for 54% of total advertising revenue. Magazines account for only 6% and are forecast to grow at a modest rate of 6% CAGR over the projection period. One of the drivers of magazine growth is the growing middle class in Egypt which looks to magazines as an alternative source of specialist information on topics such as beauty, luxury living and travel.

Egypt's television and film industry is among the largest in the Arab world and the country is known within the region for its strong content production capability. State-run operator, Egyptian Radio and Television Union (ERTU), operates 12 terrestrial and satellite channels. ERTU was the first in the Arab region to operate its own satellite, NileSat. Other leading satellite TV operators include Arab Radio and Television (ART), Showtime and Orbit. As a result of the strong television culture in Egypt, television-advertising revenue accounts for a large portion of total advertising at 34%, and this is expected to continue to grow at a CAGR of 18%. Radio has seen strong growth in Egypt ever since the first private radio station, owned by Nile Radio Productions, opened in 2003, leading the way for revenue opportunities in what was previously a government-owned media sector.

While the overall split between media segments is forecast to remain relatively stable, out-of-home advertising is forecast to see tremendous growth over the projection period. Growing at a CAGR of 61% from 2008-12, the growth can be attributed to both effective outdoor advertising on major highways leading to tourist destinations, especially during the holiday seasons, and the emergence of innovative outdoor advertisements such as blimps and flags along major roads and highways.

Despite growing from a small base, internet advertising is projected to grow at the rapid pace of 43% over the projection period, although it currently accounts for less than 1% of total advertising revenue due to low broadband penetration in the country. Since 2006, major domestic ISPs, Telecom Egypt and LINKdotNET, have started to provide IP-based television services. User-generated content has also gained popularity in Egypt, with some traditional media such as the newspaper Al Akhbar beginning to integrate UGC into their online business strategy.

Key sectors driving the advertising revenue in Egypt include the telecommunications industry and the public sector.

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