

European ad sector uncertain about its prospects

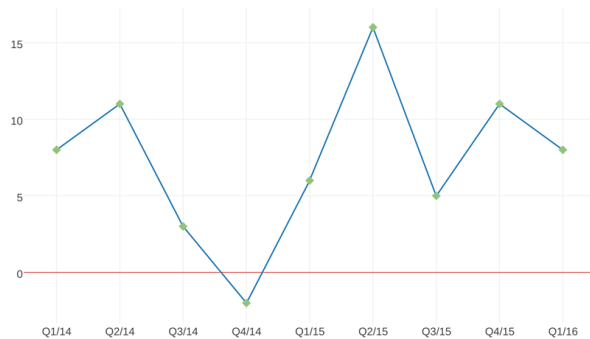
Brussels, 17 May 2016 – Europe’s advertising and marketing industry experienced a decline in business confidence in the first quarter of 2016, according to a report released today by the European Association of Communications Agencies. The drop in confidence is offset by moderately positive expectations by the industry regarding the evolution of demand and employment in the short term. This mild optimism appears misplaced, however, as the actual development of demand for services and employment indicates a decline or stagnation in both cases.

The European Advertising Business Climate Index, based on monthly data collected from advertising and market research companies across the EU for the European Commission (DG ECOFIN), indicates a drop in levels of business confidence in the advertising and marketing sector with its business confidence index falling from +11 to +8 (from January to April 2016) as an average across EU member states.

The Index presents confidence levels for Europe’s largest and most advanced markets for the first time. The French (+6), Swedish (+19) and Italian (+24) ad sectors show a steady growth in confidence for two consecutive quarters. On the other hand, German (+22) and Polish (+3) companies are less confident than in the previous two quarters but still positive. The confidence of the UK market has been very volatile, fluctuating from -10 in October 2015 to +9 in January 2016 and falling sharply again to



Advertising Business Confidence Index



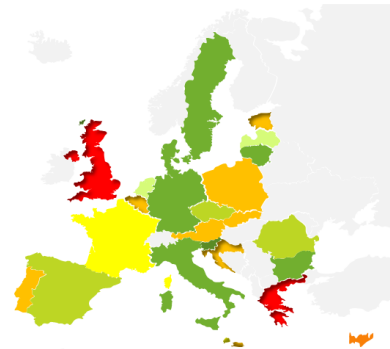
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Advertising Business Confidence Index
April 2016

Austria: 4	Italy: 24
Belgium: 4	Latvia: 11
Bulgaria: 22	Lithuania: 22
Czech Republic: 14	Malta: 2
Denmark: 19	Netherlands: 10
Germany: 22	Poland: 3
Estonia: 1	Portugal: 2
Greece: -15	Romania: 13
Spain: 15	Slovenia: 32
France: 6	Slovakia: 4
Croatia: 0	Sweden: 19
Cyprus: -5	United Kingdom: -15



The colour codes for each country are based on April 2016 values of the Advertising Business Confidence Index. The lowest value (Greece and the UK, -25) is highlighted in red and the highest value (Slovenia, +32) in green, while all others are marked with different shades that lie within the spectrum. The colour coding for a specific month is indicative of that country's position relative to the others. It is not an indication of the absolutely confidence level in that country and may change across the EU depending on the highest and the lowest values, meaning that the same value may have a different colour code each month.

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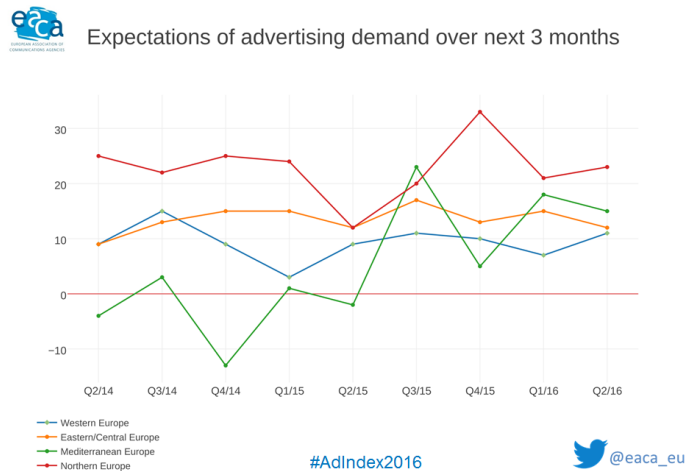
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-15 in April 2016. This is almost certainly due to business uncertainty related to the referendum on EU membership.

The demand for advertising services across Europe remained the same (+8) as did demand expectations (+12). The advertising industry has, however, experienced a moderate downward trend in employment evolution in Q1 falling from +10 to +7. Nevertheless, the employment expectations of the industry rose from +5 for Q1/16 to +8 for Q2/16.

Advertising companies from Western Europe (+11) still demonstrate the lowest expectation of demand for their services in comparison to Northern (+23), Central/Eastern (+12) and Mediterranean Europe (+15).



When asked how they expect their firm's employment to change over the next three months, companies in Western and Northern Europe were more positive; expectations increased from +7 and +10 in January 2016 to +9 and +13 in April 2016, respectively. Conversely, Mediterranean and Central/Eastern Europe were less positive in April than in January 2016 (expectations decreased from +6 and +7 to +3 and 0).

EACA will publish the next edition of the European Advertising Business Climate in July 2016.

Please find the European Advertising Business Climate Index report [here](#).

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About the Advertising Business Confidence Index

The Advertising Business Confidence Index builds on responses provided by advertising and market research companies across Europe for [the Business and Consumer Survey](#) of the European Commission (DG ECOFIN). Every month, companies fill in a standardised questionnaire answering different sets of questions with a simple scale of responses: *increase* (+), *remain unchanged* (=), *decrease* (-). The numbers, expressed in the graphs and the press release, are balances. The balances are obtained after a percentage of negative answers is subtracted from a percentage of positive answers.

Regions featured in the index are **Western Europe** (Austria, Belgium, France, Germany, Netherlands and United Kingdom), **Central/Eastern Europe** (Bulgaria, Croatia, the Czech Republic, Estonia, Lithuania, Latvia, Poland, Romania, Slovakia and Slovenia), **Mediterranean Europe** (Cyprus, Greece, Italy, Malta, Spain and Portugal), and **Northern Europe** (Denmark and Sweden). Ireland, Finland, Luxembourg and Hungary do not provide data.

About EACA

The European Association of Communications Agencies (EACA) represents more than 2 500 communications agencies and agency associations from 30 European countries that directly employ more than 120 000 people. EACA members include advertising, media, digital, branding and PR agencies. They create and place adverts and develop brand-building campaigns. EACA promotes honest, effective advertising, high professional standards and awareness of the contribution of advertising in a free market economy and encourages close co-operation between agencies, advertisers and media in European advertising bodies. EACA works closely with EU institutions to ensure freedom to advertise responsibly and creatively. For more information, please go to www.eaca.eu.

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