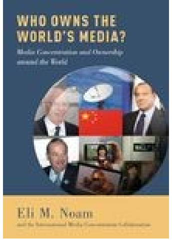

Who Owns the World's Media? Media Concentration and Ownership around the World

Eli M. Noam and The International Media Concentration Collaboration

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CHAPTER

34 Media Industries in International Comparison

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Abstract

This chapter discusses the concentration of the 13 media industries that the countries surveyed. National data for an industry are measured against the other of the 30 countries. The chapter also compares the major regions of the world by averaging the countries for six regions: North America, Latin America, the emerging BRICS countries, Europe, the Middle East, and Asia-Pacific. Also compared are the average per capita spendings on the various media among countries, along with the share of a particular medium in overall national consumption.

Keywords: media market, media industry, media concentration, BRICS countries, Europe, Middle East, Asia-Pacific, print media, audiovisual media, telecom media, Internet media market, media industry, media concentration, BRICS countries, Europe, Middle East, Asia-Pacific, print media, audiovisual media, telecom media, Internet

Subject: Economic Sociology, Social Research and Statistics

Introduction

This chapter discusses the concentration of the 13 media industries the countries surveyed. National data for an industry are measured against the other 30 countries. We also compare the major regions of the world by averaging the countries for six regions: North America, Latin America, the emerging BRICS countries, Europe, the Middle East, and Asia-Pacific.[1]

Average HHI is measured in two ways. First, by the arithmetic mean of the industry concentrations in the various countries, which is referred to simply as the average. The second measure is a weighted HHI average, with the weight being the national media industries' revenues as a share in global industry revenues as proxies for size by population and wealth.

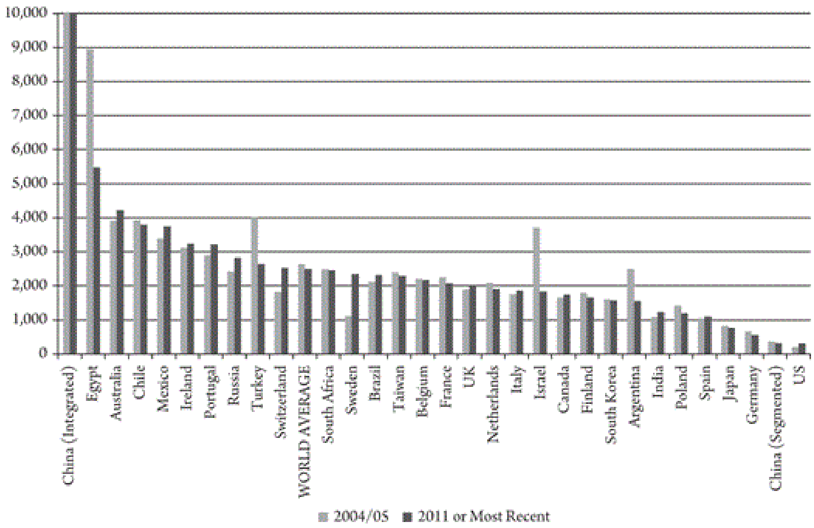
Our "world" consists of the 30 countries of the study. We also compare the average per capita spending on the various media among countries, and the share of a particular medium in overall national consumption.

Content media[2] account for a combined $735 billion, 1% of the world's GDP (really the "GWP"), and platform media[3] accounted for $1.7 trillion, 2.3% of world GDP. Together then, media spending—both direct consumer spending and media advertising—add up to 3.3% of world GDP, or $2.4 trillion.

Daily Newspaper Industry Concentration across the World

Daily newspapers are a concentrated industry by standard definitions that peg the line to "highly concentrated" at an HHI of 2,500 (formerly 1,800). The 2013 world average arithmetic HHI was 2,484 (Graph 34.1). However, the weighted average was significantly lower, at 1,328, suggesting that smaller and poorer countries have a higher concentration. Despite these numbers, newspapers were one of the less concentrated media industries. But once one looks at specific countries one can often observe strong shares of the top firms. Table 34.1 shows the market share of a country's top company. In Mexico, OEM holds 59.4%; in Turkey, Dogan 46.4%; in Australia, News Corp., 57.5%, and in Chile, El Mercurio, 54.9%. Other highly concentrated markets exist—in France, with the Amaury Group at 30.2%; in Ireland, Independent News and Media (INM) with 52%; in Russia, Komsomolskaya Pravda with 39.6%; in Switzerland, Tamedia with 44.3%; in the United Kingdom, Murdoch's News Corp. with 32.5%; and inPortugal, Cofina with 42.4%. The countries with the lowest concentrations are Germany and the United States (the latter with an HHI of 304). Gannett held a 9.6% national market share across the US. The low concentration is in part due to the local character of the US and German newspapers.

Graph 34.1



Daily Newspapers Concentration by Country

Table 34-1. Countries' Top Daily Newspaper Companies, 2011 or More Recent

Country	Top Company	Market Share of Top Company (%)	National HHI
China	Government of China (public)	100%	10,000
	People's Daily (public)	*11.1%*	
Egypt	Government of Egypt (public)	72.2%	5,481
	Al Akhbar (public)	*28.7%*	
Australia	Murdoch (US)	57.5%	4,212
Chile	El Mercurio SAP	54.9%	3,786
Mexico	OEM	59.4%	3,736
Ireland	Independent News and Media	52.0%	3,235
Portugal	Cofina	42.4%	3,215
Russia	Komsomolskaya Pravda	39.6%	2,824
Turkey	Dogan Group	46.4%	2,637
Switzerland	Tamedia	44.3%	2,520
South Africa	Naspers Group	35.0%	2,450
Sweden	Bonnier	41.3%	2,350
Brazil	Globo Group	28.4%	2,321
Taiwan	Liberty Times News Group	31.4%	2,293
Belgium	Corelio	26.6%	2,166
France	Amaury Group	30.2%	2,064
UK	Murdoch Group (News Corp., US)	32.5%	1,974
Netherlands	Telegraaf Media Groep	36.9%	1,914
Italy	RCS Media Group	33.6%	1,863
Israel	Yedioth Ahronoth Group	39.0%	1,835
Canada	Postmedia Network Canada	29.4%	1,743
Finland	Sanoma Oyj	31.0%	1,653
South Korea	Chosun Ilbo	24.3%	1,564
Argentina	Grupo Clarín	37.6%	1,547
India	BCCL (The Times of India Group)	29.2%	1,228
Poland	Agora	24.1%	1,188
Spain	Vocento	18.3%	1,090
Japan	Yomiuri Shimbun	19.7%	762
Germany	Axel Springer AG	18.8%	558
US	Gannett	9.6%	304

Australia's high HHI of 4,212 stems from the high market shares of three main media groups, including News Corp.'s (US) News Ltd.—Rupert Murdoch's original home base—which consolidated its ownership

over regional dailies. Ireland's HHI of 3,235 in 2012 was greatly affected by increased consolidation in the Irish market, with two multimedia groups: Independent News and Media and Communicorp, gaining control of most of the market through buyouts. Several newspapers have a much higher share in revenue than in readers, for example in Mexico, where there is a wide discrepancy between share of advertising revenues and readership. This is true for India, too, because advertisers are focused on the urban middle class demographic. India's concentration is relatively low (1,228) due to the abundance of regional and
p. 1056 vernacular language newspapers, as well as due to government ↳ subsidies. In Mexico, OEM has control of nearly two-thirds of newspapers' advertising revenues, giving the market an HHI of 3,736.

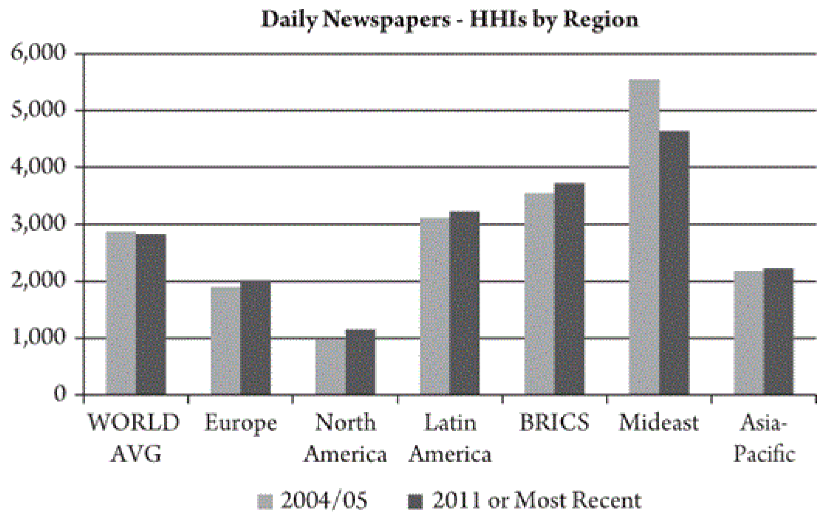
In China, there are many newspaper organizations controlled by various ministries or administrative levels of the governmental and party structure. Many people therefore consider Chinese media to be merely in the nature of rival divisions of the same enterprise, in the same way that the different parts of Time Warner or Vivendi may differ and contest each other at times, but in the end they are part of the same company, and
p. 1057 their top managers are hired and fired by the same top leadership. In contrast, ↳ other observers argue that the various news media are separate and autonomous competitors. Who is right? If we adopt the "integrated" perspective of unified control, then China's newspaper industry, given that no private newspapers are allowed, is just about the most concentrated in the world. (HHI = 10,000). But if we take the view that publications controlled by the Ministry of Defense are not part of the same control grouping as those controlled by the Foreign Ministry or the Province of Hebei, then China's media are just about the most unconcentrated in the world (HHI = 312). The truth is probably somewhere in-between. We present therefore both perspectives: the "integrated" ownership of 10,000 and the "segregated" ownership of 312. For averaging international concentration figures, we use the "integrated" numbers (in this case, HHI = 10,000). The "separated" data are shown for comparative purposes.

Aggregating China's state operations does not single out that country. On the governmental level, we do the same for other countries where the state owns several media. We do not show the "segregated" data for these countries because there is much less state control overall, so the numbers for media industries in South Korea, Taiwan, Russia, and Egypt are also "integrated" data. The same type of aggregation is also done for private companies. Rupert Murdoch's various newspapers, for example, are added together, even though they might be entirely independent of each other, and even compete amongst themselves. Murdoch owns several major companies—News Corp and 21st Century Fox—and these are aggregated into a "Murdoch Group." We repeat this process for two other American media owners: John Malone (who controls the "Liberty"-branded assets) and Sumner Redstone, who controls both Viacom and CBS.

Of the countries surveyed, about half experienced an increase in newspapers concentration after 2004, in particular, Mexico, Australia, Chile, Russia, and Switzerland, while about half experienced a decrease, in particular, Portugal, Poland, Israel, and Egypt. Unweighted HHI declined (to 2,484 from 2,636) – driven by Turkey, Israel, and Egypt – but weighted HHI rose from 1,114 to 1,328 because by share of the world market, Turkey, Egypt, and Israel are small.

Concentration in EU countries is below the world average but considerably higher than for North America. Concentration is significantly higher in the BRICS countries, Latin America, and the Middle East. In all regions except the Mideast and Latin America, concentration is increasing (Graph 34.2).

Graph 34.2

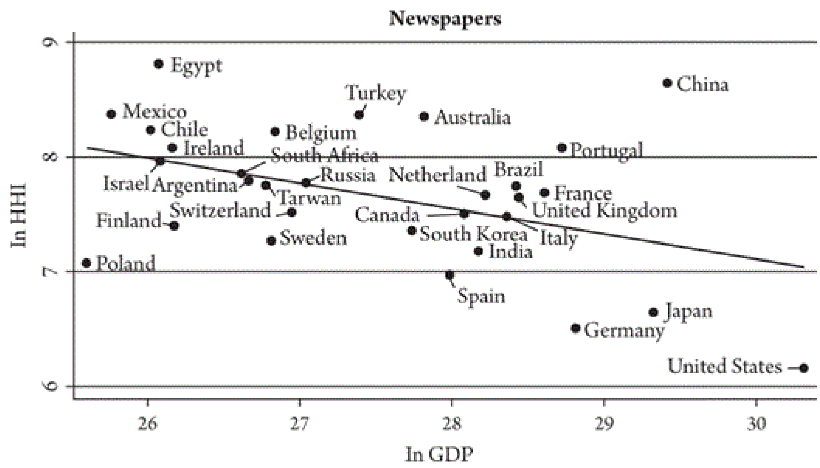


Daily Newspapers Regional Concentration

Of course, media concentration is affected by the size of a country's market. A large market can sustain more competitors, in the same way that a large city can accommodate more movie theaters than a small town. Hence, one should look at the market size to assess the industry concentration in a country. We do
p. 1058 this with more variables and details in the chapter "Country ↳ Comparisons." Here, we present the correlation of GDP and concentration in the newspaper industry. The GDP is used because it incorporates both the income level of a country and its population. A large market may exist because its people are richer, or because there are more of them. Graph 34.3 is a log-log presentation of this relation. What it shows is:

1. A negative correlation of GDP size and HHI concentration.
2. "Outlier" countries: several high-concentration countries are well above the regression line. They includes Egypt, Turkey, Australia, Portugal, and China. Low concentration countries relative to their GDP include Germany, Japan, and the United States, allowing for their market size.

Graph 34.3



Newspapers Industry Concentration and GDP

Total global (i.e., 30 country) revenue for the newspaper industry is $107 billion. We also compare the per capita revenues (directly through purchase and indirectly through advertising). The world average for the world is $114. It is highest in Ireland ($605 annually), Sweden ($458), Finland ($307), Switzerland ($256), and Australia ($247). This reflects the high penetration in these countries due to the popularity of print content and advertising. On top of that, Ireland and Australia have some of the highest industry concentrations, which might lead to high prices. Sweden subsidizes its newspapers. Per capita spending was lowest in China ($0.50), Mexico ($1.90), Egypt ($2.30), and Russia ($3.60). The US per capita spending was $132, slightly above the world average. Newspaper spending, as a share of national consumption, is relatively small in the US economy as a whole (0.21%). It is highest in Ireland (0.88%), Sweden (0.74%), Australia (0.44%), and the United Kingdom (0.37%). The total newspaper industry share of world GDP was 0.24% in 2013.

The US newspaper industry has the largest share of the total world industry at 30.1%. Japan accounts for 17.6% and the United Kingdom has 8.3%. Together, these three countries account for 56% of the 30-country world newspaper revenue (Table 34.2).

Table 34-2. Daily Newspapers in National Markets, 2011 or Most Recent

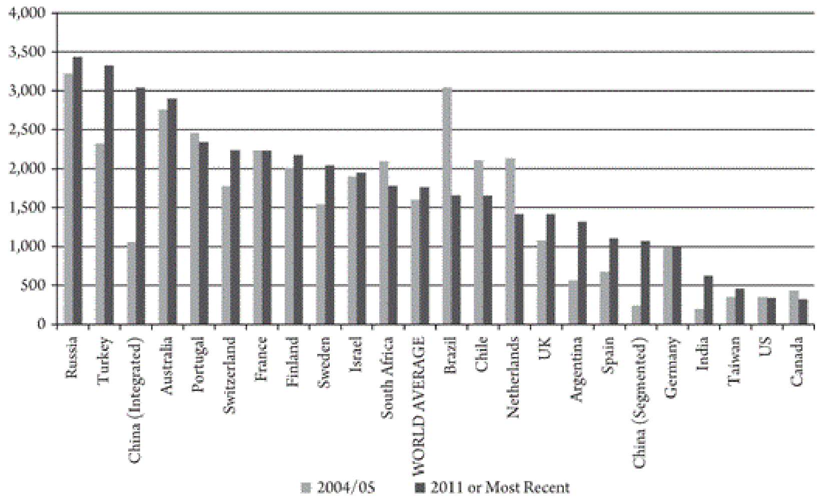
Country	Country Share in World Newspaper Industry Total (%)	Daily Newspapers Share of National GDP (%)	Per Capita Revenue of Daily Newspapers ($)
Argentina	0.4%	0.14%	14.6
Australia	4.0%	0.44%	247.0
Belgium	1.1%	0.23%	135.2
Brazil	1.6%	0.10%	11.2
Canada	3.8%	0.28%	151.5
Chile	0.6%	0.37%	48.8
China	0.5%	0.01%	0.5
Egypt	0.1%	0.08%	2.3
Finland	1.2%	0.50%	306.5
France	4.0%	0.16%	88.5
Germany	4.1%	0.13%	69.1
India	2.4%	0.20%	2.6
Ireland	2.0%	0.88%	604.8
Israel	0.2%	0.13%	42.8
Italy	2.3%	0.11%	53.6
Japan	17.6%	0.38%	190.5
Mexico	0.2%	0.02%	1.9
Netherlands	0.8%	0.11%	70.1
Poland	0.5%	0.10%	17.0
Portugal	0.4%	0.19%	54.8
Russia	0.4%	0.03%	3.6
South Africa	1.0%	0.37%	26.5
South Korea	1.2%	0.15%	35.2
Spain	5.6%	0.39%	167.4
Sweden	3.1%	0.74%	457.5
Switzerland	1.5%	0.30%	256.4
Taiwan	0.5%	0.13%	28.1
Turkey	0.6%	0.09%	10.5
UK	8.3%	0.37%	184.3
US	30.1%	0.23%	132.1
Average Newspaper Industry Share of GDP (%)		0.21	
Total Newspaper Industry Share of World GDP (%)		0.24	
Total Newspaper Revenue (mil $)		106,734	

Average Per Capita Spending ($) on Newspapers (incl. advertising)	113.8

Magazine Industry Global Concentration

The magazine industry is fairly unconcentrated, with its arithmetic average HHI stable at 1,761 in 2013 (Graph 34.4) (Table 34.3). Weighted average HHI was even lower, at 1,031—which means that the larger magazine markets by income and population size have below-average concentration. Magazines have the fourth lowest industry concentration after film, online news media, and book publishing.

Graph 34.4



Magazine Concentration by Country

Table 34-3. Countries' Top Magazine Publishers, 2011 or Most Recent

Country	Top Company	Market Share of Top Company (%)	National HHI
Russia	Sanoma Oyj (Finland)	44.5%	3,434
Turkey	Dogan Group	52.0%	3,326
China	Government of China	53.2%	3,039
	Rayli (public)	23.6%	
Australia	Nine Entertainment	44.0%	2,898
Portugal	Impresa	32.3%	2,339
Switzerland	Axel Springer (Germany)	29.2%	2,232
France	Lagardère	29.4%	2,229
Finland	Sanoma Oyj	32.5%	2,175
Sweden	Bonnier	32.9%	2,037
Israel	Yedioth Ahronoth Group	33.5%	1,949
South Africa	Naspers Group	39.5%	1,780
Brazil	Abril Group	48.5%	1,652
Chile	COPESA	24.0%	1,649
Netherlands	SBS Nederland (Sanoma Oyj, Finland)	23.8%	1,419
UK	Bauer (Germany)	26.0%	1,419
Argentina	Editorial Atlátida	28.7%	1,317
Spain	Hachette (Lagardere, France)	17.9%	1,101
Germany	Bauer	18.5%	997
India	Living Media Group	24.0%	626
Taiwan	Next Media (Hong Kong)	13.5%	455
US	Hearst	10.3%	338
Canada	Rogers	6.3%	320

Brazil's magazine industry HHI was extremely high in 2004, but declined significantly thereafter, as Abril's
p. 1059 high national market share ↳

p. 1060 ↳

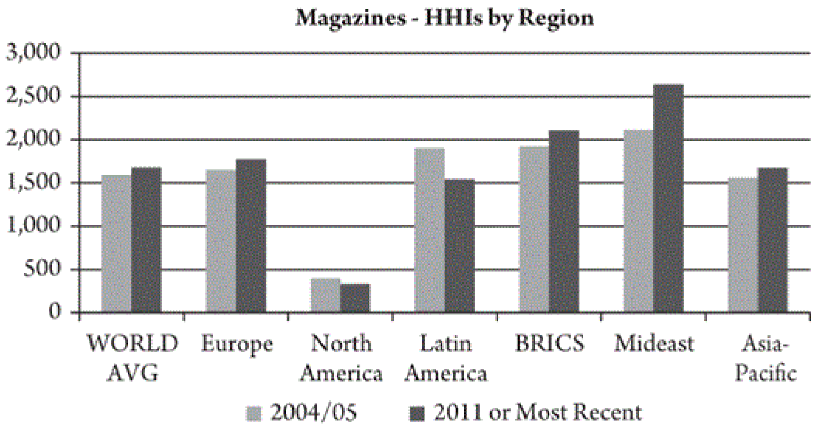
decreased from 68.3% to 48.5% due to the rise of specialty titles. New weeklies, such as *Caras* increased the aggregate market share of small companies (below 1% market share) from a very low figure before 2000—when the market was a duopoly between Abril and the Globo Group—to 42% by 2010. Low concentration rates were in the United States (157), India (626), Taiwan (455), and Canada (320). India used to rank lowest of all countries in 2004 (198), but has increased to 626 as a result of the rise in the Living Media Group's national market share (to 24%) due to its partial acquisition by the ABG Group.

Concentration is highest in Russia (3,434): in 2012, the combined share of Sanoma, Hearst Shkulev Media-InterMedia Group, and Bauer, was 87.5% of the national market. Concentration in France (Lagardère, 29.4% market share) and South Africa (Naspers, 39.5% market share) are also high. Dogan's share in Turkey (in a joint venture with Burda of Germany) rose to 52% from 44% due to several rounds of mergers and acquisitions in which foreign publishers participated heavily.

Chinese state ownership is lower in magazines than in book publishing or newspapers because some private ownership exists, especially in the form of licensed foreign publications like Condè Nast (7.8%) and Caijing (0.4%), thus the HHI is 3,039, less than that of Turkey (3,326), Australia (2,898), and Russia (3,434).

Magazine markets expanded (and HHIs fell correspondingly) in Latin America as overall economic growth in these regions created new consumer cultures, higher literacy rates, and household with incomes high enough to afford magazines and the products advertised in them (Graph 34.5). Overall, however, the trends for magazines are not favorable. The growth of digital media has made it harder for publishers to retain advertisers and paid subscribers in the hardcopy format and to maintain revenues.

Graph 34.5



Magazines Regional Concentration

The United States holds the largest world market share in this industry, with 49.7%. Magazines account for 0.28% of the US national GDP, one of the highest percentages of all the countries surveyed (alongside the United Kingdom and Sweden), the result of the strong magazine diversity and a very active advertising market that targets specific consumer segments. Per capita spending is lowest in India ($0.30), Turkey ($2.50), and Russia ($1.80). The United States, together with Germany (6.9%) and the United Kingdom
p. 1061 (9.1%), accounts for 65.7% of the world market. The US's per capita spending ↳ annually on magazines is $163; higher than that of Germany ($87.9) and France ($72.2), though not of Sweden ($191). The world average per capita spending on magazines is $65.8. Magazine consumption, as a share of overall consumption, averages 0.15%. It is high in the United States (0.28%), Spain (0.29%), the United Kingdom (0.3%), and Sweden (0.31%). It is lowest in India (0.02%) and Russia (0.01%) (Table 34.4).

Table 34-4. Magazine Publishers in National Markets, 2011 or Most Recent

Country	Country Share in World Magazine Industry Total (%)	Magazine Publishers Share of National GDP (%)	Per Capita Revenue of Magazines ($)
Argentina	0.6%	0.15%	14.8
Australia	2.8%	0.22%	126.6
Brazil	4.3%	0.21%	22.5
Canada	2.9%	0.16%	87.6
Chile	0.2%	0.09%	12.2
China	6.9%	0.12%	5.3
Finland	0.7%	0.22%	134.3
France	4.4%	0.13%	72.2
Germany	6.9%	0.16%	87.9
India	0.4%	0.02%	0.3
Israel	0.1%	0.04%	13.5
Netherlands	1.6%	0.15%	96.5
Portugal	0.2%	0.06%	17.4
Russia	0.2%	0.01%	1.8
South Africa	0.5%	0.14%	9.7
Spain	5.6%	0.29%	126.1
Sweden	1.7%	0.31%	190.7
Switzerland	0.8%	0.12%	102.0
Taiwan	0.3%	0.05%	11.8
Turkey	0.2%	0.02%	2.5
UK	9.1%	0.30%	149.5
US	49.7%	0.28%	162.7
Average Magazine Industry Share of GDP (%)		0.15	
Total Magazine Industry Share of World GDP (%)		0.20	
Total Magazine Revenue (mil US$)		79,590	
Average Per Capita Spending ($) on Magazines			65.8

Book Publishing Industry Concentration across the World

p. 1062

The book publishing industry is unconcentrated in almost every country (Graph 34.6). By unweighted HHI, it ranks as the third-least concentrated media industry, and it remained essentially flat with an unweighted average global HHI of 1,690 in 2013 (1,633 in 2004). When weighted, average world industry HHI rose substantially from 1,022 to 2,160 due to the increase in China's share of the industry (to 15.9%): when China is excluded, book publishing for the rest of the world remained unconcentrated (below 1,000) and static from 2004 to 2013. China's industry concentration is highest at 10,000 due to the ↳

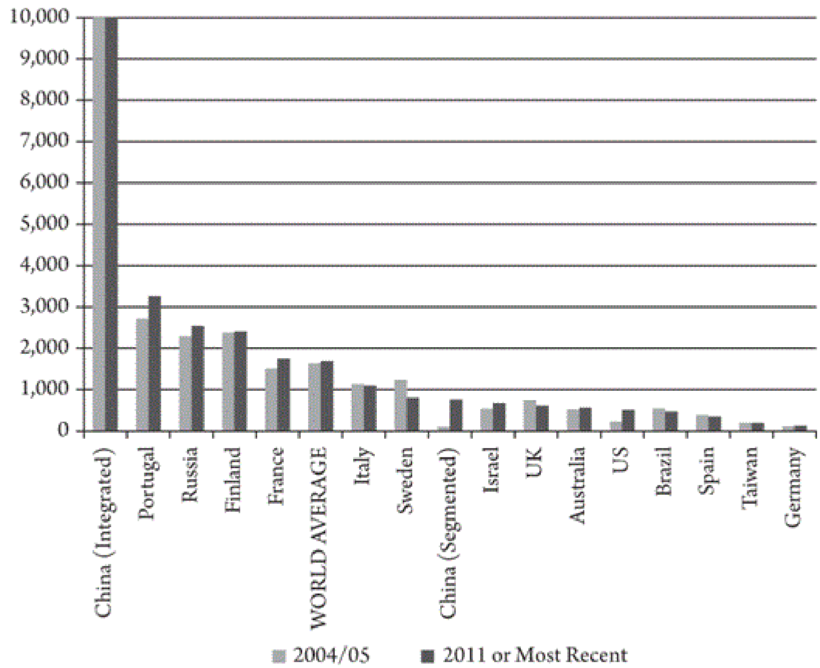
p. 1063

p. 1064 ↳

p. 1065 ↳

monopoly on book publishing by state enterprises (in particular, textbooks). Concentration in the Russian market is also high (2,545), rising by 4% per annum—only a handful of publishing houses are present, including a state enterprise, and the two major publishers AST and Eksmo merged in 2012. France's high industry HHI (1,745) is the result of increasing consolidation of the market by international publishing houses, led by the Lagardère Group with its extraordinarily high share of 29.4%, at the expense of smaller French publishers. In the United States, concentration stood at 511, up from 224: this was in large part due to the merger of Bertelsmann and Pearson's book publishing divisions into Penguin-Random House.

Graph 34.6



Book Publishing Concentration by Country

Taiwan has a very low HHI of 192. The German book publishing is the least concentrated of all the book industries at 121 and the third largest in the world by revenue (at $9.6 billion) with substantial niche content. These factors lead its top 10 publishing houses to have only single-digit shares of the national market, the largest being 6.3% for Axel Springer (see Table 34.5).

Table 34-5. Countries' Top Book Publishers, 2011 or Most Recent

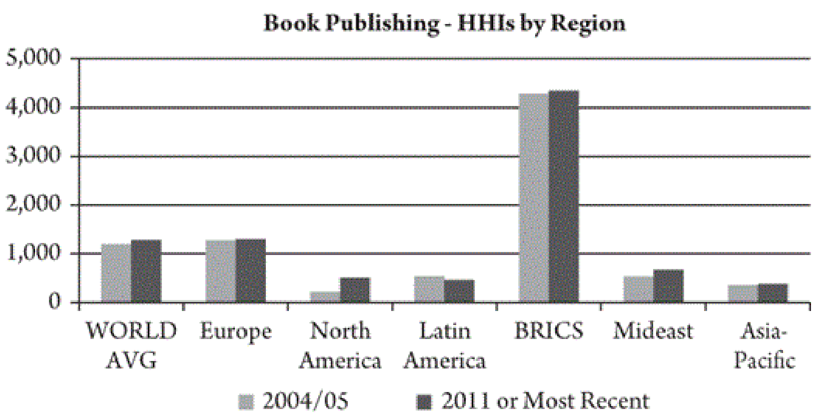
Country	Top Company	Market Share of Top Company (%)	National HHI
China	Government of China[1]	100%	10,000
	Zhejiang Publishing United (Public)	15.3%	
Portugal	Porto Editora	47.8%	3,256
Russia	Eksmo-AST	61.3%	2,545
Finland	Bonnier (Sweden)	31.4%	2,405
France	Lagardère	29.4%	1,748
Italy	Fininvest (Mondadori)	28.4%	1,101
Sweden	Carl Allers	24.9%	809
Israel	Kinneret Zemora	12.2%	674
UK	Bertelsmann-Pearson (Germany/UK)[2]	24.9%	610
Australia	Bertelsmann-Pearson (Germany/UK)	24.4%	562
US	Bertelsmann-Pearson (Germany/UK)	17.6%	511
Brazil	PRISA (Spain)	13.9%	467
Spain	Planeta	10.2%	354
Taiwan	Cité Media Holding Group (Hong Kong)	7.8%	192
Germany	Axel Springer	6.3%	121

1 The Government of China owns all book publishing companies, for a 100% of the market. If each publisher is considered separately, industry HHI = 762.

2 In book publishing, Bertelsmann (Germany) and Pearson (UK) operate as Penguin Random House internationally as of 2013. The combined market share for this joint venture in the US is 17.6%–Bertelsmann with 10.3% and Pearson with 7.3%. It is 24.4% in Australia–Bertelsmann with 10.1% and Pearson with 14.3%.

Concentration rose worldwide. It is highest in the BRICS countries, largely due to the expansion of the Chinese market (Graph 34.7). It is lowest in North America, Asia-Pacific, and Latin America, though it is rising in all three of these regions as publishers consolidate.

Graph 34.7



Book Publishing Regional Concentration

Total global revenue for the industry is $72.2 billion. Per capita per annum revenue averages $112.8 worldwide. It is highest in Germany ($235, partly due to the high prices that accompany retail price maintenance) and France ($227). It is $151 in the United States and is lowest in Russia ($6.70). The United

States accounts for 33.1% of the world industry total, with China (15.9%), Germany (13.3%) and France (10%). Average book industry share as a percentage of GDP is 0.17%. It is highest in France (0.26%) and Germany (0.28%), followed by the United Kingdom (0.25%) (Table 34.6).

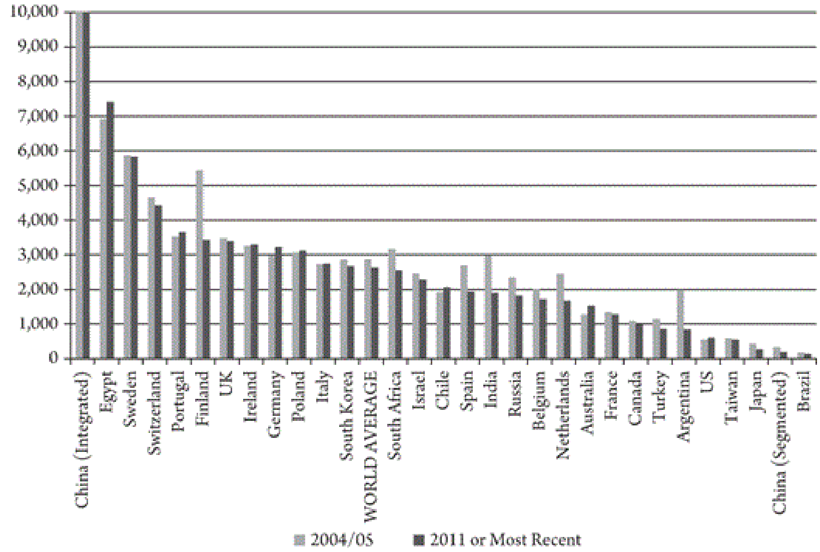
Table 34-6. Book Publishers in National Markets, 2011 or Most Recent

Country	Country Share in World Book Publishing Industry Total (%)	Book Publishers Share of National GDP (%)	Per Capita Spending on Books ($)
Australia	1.6%	0.12%	102.2
Brazil	2.0%	0.09%	14.4
China	15.9%	0.24%	17.0
Finland	0.3%	0.08%	73.7
France	10.0%	0.26%	227.2
Germany	13.3%	0.28%	234.6
Israel	0.1%	0.05%	23.1
Italy	6.5%	0.21%	153.6
Portugal	0.4%	0.11%	48.0
Russia	0.7%	0.03%	6.7
Spain	5.7%	0.27%	177.8
Sweden	1.5%	0.24%	223.4
Taiwan	0.7%	0.13%	45.0
UK	8.5%	0.25%	194.8
US	33.1%	0.17%	151.3
Average Book Publishing Industry Share of GDP (%)		0.17	
Total Book Publishing Industry Share of World GDP (%)		0.20	
Total Book Publishing Revenue (mil $)		72,224	
Average Per Capita Spending ($) on Book Publishing			112.8

Radio Industry Concentration across the World

Radio broadcasting is highly concentrated, with a global unweighted average HHI of 2,627 (weighted, HHI is p. 1066 1,854) (Graph 34.8). Because in many markets most of the stations operate ↳ at the regional level, actual concentration is still higher. Its concentration puts it in seventh place for industry concentration – the median of our 13 industries. The most significant change took place in India, where concentration fell from 2,984 to under 1,901 once the state's legal monopoly was abolished. In the United States, industry HHI rose to 600 in 2013. Although the US radio sector is unconcentrated by international standards—due to geography, a history of regulation favoring localism, and the fragmentation of public broadcasting—its p. 1067 post-1995 figures represented ↳ a significant increase in ownership from the 1980s, when industry HHI, measured for both station ownership and market revenue, was below 100. Since then, large station groups (iHeartRadio and CBS) as well as the satellite radio operator Sirius XM have emerged.

Graph 34.8



Radio Concentration by Country

Concentration levels are lowest in the United States, Mexico, Turkey, Brazil, and Japan (Table 34.7). Concentration is highest in China (10,000) and Egypt (7,408) because radio broadcasting is under government control, though private ownership is permitted in Egypt. It is also very high in several European countries, including Finland, Sweden, and Switzerland—dominated by the national public broadcasters. Here, there is no legal monopoly, yet the incumbency advantage of national public broadcasters is strong—credibility as well as funding through user fees or special taxes. In several countries, where the national public broadcaster's legal monopoly was abolished, concentration declined sharply, as it has in India.

Table 34-7. Countries' Top Radio Broadcasters, 2011 or More Recent

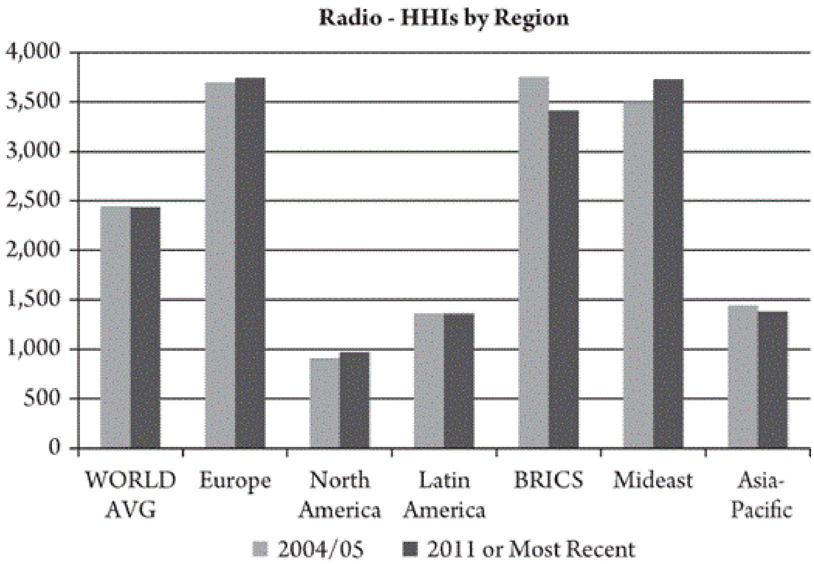
Country	Top Company	Market Share of Top Company (%)	National HHI
China	Government of China[1]	100%	10,000
	China Radio International (public)	9.3%	
Egypt	Government of Egypt (ERTU, public)	85.4%	7,408
Sweden	Sveriges (public)	74.8%	5,829
Switzerland	SRG SSR (public)	66.4%	4,422
Portugal	Group RR	35.7%	3,653
Finland	Yle (public)	55.8%	3,435
UK	BBC (public)	54.5%	3,393
Ireland	RTE (public)	53.5%	3,297
Germany	ARD (public)	36.5%	3,223
Poland	Radio RMF FM	36.4%	3,115
Italy	RAI (public)	48.2%	2,739
South Korea	Government of South Korea	55.8%	2,669
	SBS	47.6%	
South Africa	SABC (public)	31.6%	2,553
Israel	IDF (public)	32.2%	2,278
Chile	Iberoamericana (Spain)	43.8%	2,062
Spain	PRISA	39.6%	1,937
India	Prasar Bharati (public)	30.6%	1,901
Russia	EMG	32.4%	1,822
Belgium	VRT	30.9%	1,721
Netherlands	Netherland Public Broadcasting (public)	32.3%	1,674
Australia	Australian Broadcasting Corporation (public)	27.2%	1,526
France	France Télévisions (Radio France, public)	21.9%	1,277
Canada	Astral	17.5%	981
Turkey	Dogus	17.9%	855
Argentina	Radio 10	15.6%	843
US	Liberty (Sirius XM)	15.4%	600
Taiwan	BCC (public)	20.9%	548
Japan	Fujisankei (NBS)	10.7%	273
Brazil	Globo Group	9.8%	136

1 Most Chinese radio is state-owned at the subnational level. No single station has a very large share (segmented HHI = 194), but government entities control all stations.

Brazil’s HHI concentration is the lowest of all countries surveyed — at 136 — partly because of the absence of a national public broadcaster, which is due to political opposition by regional and local authorities toward the formation of such an entity. Competing political parties and religious denominations control a significant number of stations at the regional level (like in the United States, Brazil’s geographic size has reduced the formation of national radio stations).

Worldwide radio concentration is stable. Regionally, compared to the world average, Europe, the BRICS countries, and the Middle East have high concentrations (Graph 34.9). It is lowest in North America and Latin America.

Graph 34.9



Radio Regional Concentration

The world average per capita industry revenue for radio is $28.3. It is highest in Germany ($105) and France ($84.5), and lowest in India ($0.10) and Egypt ($0.50) (Table 34.8). The United States holds by far the largest market share of the industry in the world with 33.6% and has a high per capita revenue per annum rate of $50.7. In contrast, per capita spending in Russia, Turkey, and China is $2.80, $1.00, and $0.80, respectively. The average share of GDP is 0.08%. It is highest in Germany (0.3%) and France (0.2%), followed by South Africa, the United States, Spain, Australia, the United Kingdom, Ireland, and Canada, all around 0.1%. It is lowest in India and Turkey (0.01%).

Table 34-8. Radio Broadcasters in National Markets, 2011 or Most Recent

Country	Country Share in World Radio Industry Total (%)	Radio Broadcasters Share of National GDP (%)	Per Capita Spending on Radio (US$)
Argentina	0.5%	0.07%	5.6
Australia	3.1%	0.15%	65.6
Belgium	14.8%	0.08%	37.3
Brazil	7.8%	0.08%	6.4
Canada	4.1%	0.14%	57.2
Chile	0.2%	0.05%	5.5
China	2.2%	0.02%	0.8
Egypt	0.1%	0.02%	0.5
Finland	0.3%	0.06%	28.9
France	11.2%	0.20%	84.5
Germany	18.0%	0.25%	105.1
India	0.3%	0.01%	0.1
Ireland	0.4%	0.08%	43.7
Israel	0.1%	0.03%	8.6
Italy	1.3%	0.03%	10.2
Japan	3.9%	0.04%	14.6
Netherlands	0.7%	0.04%	21.3
Poland	0.4%	0.04%	4.8
Portugal	0.5%	0.10%	22.6
Russia	0.8%	0.03%	2.8
South Africa	1.3%	0.22%	12.4
South Korea	0.5%	0.03%	4.8
Spain	4.0%	0.13%	41.7
Sweden	1.0%	0.10%	48.6
Switzerland	1.4%	0.14%	87.5
Taiwan	0.3%	0.03%	5.2
Turkey	0.2%	0.01%	1.0
UK	5.8%	0.11%	44.1
US	33.6%	0.11%	50.7
Average Radio Industry Share of GDP (%)		0.08	
Total Radio Industry Share of World GDP (%)		0.10	
Total Radio Revenue (mil $)		47,687	
Average Per Capita Spending ($) on Radio			28.3

TV Broadcasting Industry Concentration across the World

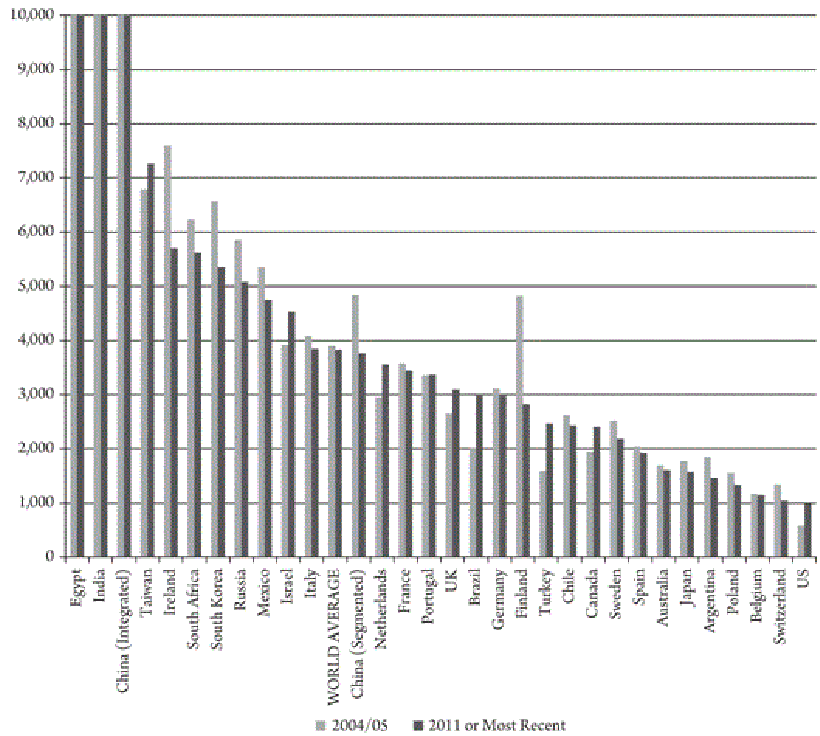
This section deals with traditional free, over-the-air, terrestrial TV broadcasting. Other sections deal with pay-TV platforms and with channels distributed over satellite and cable platforms. These three segments
p. 1068 are partly overlapping. The industry system varies by country, and for ↳

p. 1069 ↳

an apples-to-apples comparison it needs to be disaggregated. Subsequent aggregations are possible, either along the dimensions of all content channels, or of free channels/platforms vs. pay-channels/platforms, or for all channels.

The broadcast TV industry, with a world average unweighted HHI of 3,830 is highly concentrated (Graph 34.10). Even so, it holds an intermediate — sixth — place in concentration among the 13 media industries. The weighted average HHI is lower, but still high, at 2,839 in 2013, up from 2,367 in 2004. The difference indicates that the relatively large markets are less concentrated. Few countries have more than four TV networks or station groups. Japan has six major ones (NHK, NBS, TV Asahi Shimbun, Tokyo Broadcasting System, TV Tokyo, and Fuji TV). The United States has four major networks—ABC, CBS, NBC, and Fox—plus five small networks and several independent station groups.

Graph 34.10



TV Broadcasting Concentration by Country

Concentration is highest in China, Egypt, India, and Taiwan, while it is lowest in the United States, Switzerland, and Turkey (Table 34.9). (It is low in Switzerland due to the prevalence of cross-border TV stations from Germany, France, Italy, and Austria.) The high-concentration countries have strong state systems: India, Egypt, and China have state broadcast monopolies. In Taiwan, of the five terrestrial broadcasters, only one (China Times News Group, held by the Want-Want conglomerate) is not owned by the state or affiliated with the ruling political party. The US's concentration in this industry is the lowest
p. 1070 internationally (984) ↳ for reasons that also apply to the radio market: a high degree of regionalism, a long history of commercial players in the market, a fragmentation of public TV, and residual restrictions on ownership: the top network in 2013 was Comcast's NBC with 17.6%.

Table 34-9. Countries' Top TV Broadcasters, 2011 or Most Recent

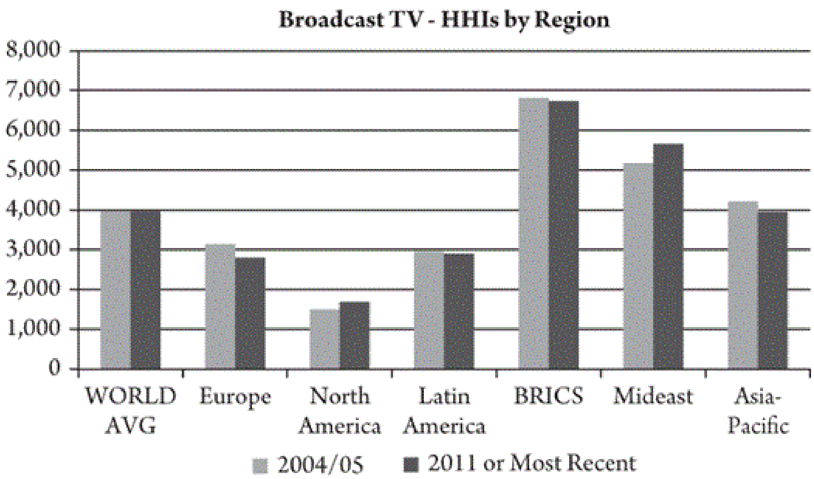
Country	Top Company	Market Share of Top Company (%)	National HHI
China	Government of China	100%	10,000
	China Central Television (CCTV, public)	59.1%	
Egypt	Government of Egypt (ERTU, public)	100.0%	10,000
India	Prasar Bharati, Doordarshan (public)	100.0%	10,000
Taiwan	Government of Taiwan	83.6%	7,255
	Formosa TV (public)	36.9%	
Ireland	RTE (public)	74.0%	5,701
South Africa	SABC (public)	67.6%	5,618
South Korea	Government of South Korea	70.8%	5,348
	KBS (public)	37.3%	
Russia	Government of Russia	70.9%	5,081
	Gazprom Media (public)	33.5%	
Mexico	Televisa	61.0%	4,746
Israel	Channel 2	60.6%	4,527
Italy	RAI (public)	48.3%	3,847
Netherlands	Netherland Public Broadcasting (public)	46.3%	3,559
France	France Televisions (public)	29.4%	3,440
Portugal	RTP (public)	37.0%	3,366
UK	BBC (public)	50.1%	3,092
Brazil	Globo Group	52.4%	2,983
Germany	ProSiebenSat.1	30.0%	2,981
Finland	Yle (public)	41.0%	2,822
Chile	TVN (public)	30.0%	2,430
Turkey	Dogan Group	39.2%	2,458
Canada	Canadian Broadcasting Corporation (public)	38.3%	2,401
Sweden	Bonnier	29.8%	2,188
Spain	Finivest (Mediaset, Italy)	28.1%	1,913
Australia	Seven Network	26.4%	1,606
Japan	NTV	19.1%	1,572
Argentina	Grupo Clarín	23.5%	1,454
Poland	TP (public)	44.3%	1,334
Belgium	VRT	21.2%	1,142
Switzerland	SRG SSR (public)	30.1%	1,044
US	Comcast (NBC)	17.6%	984

In Egypt and India there are legal monopolies over TV news programming content in favor of public broadcasters ERTU and Prasar Bharati's Doordarshan service. Ireland's two national public broadcasters, p. 1071 RTÉ and TG4, hold a near duopoly due to their subsidy packages, along ↳ with advertising and licensing fees. The South African market's public incumbent, SABC, benefits from a combination of state subsidies, licensing and public sector advertising. Finland's HHI was high (for Europe) in 2004, but declined from 4,823 to 2,822. The Government of China controls 100% of the broadcast market in the country, of which CCTV accounts for a market share of 59.1%.

The United Kingdom has an increasing TV industry concentration, but historically lower than in the 1980s due to the increasingly even distribution of market share among commercial broadcasters. In that decade, the market was effectively a duopoly between BBC and the ITV collaborative commercial network arrangement. Turkey's low HHI (799) is maintained by regulations against commercial crossownership. In Mexico, the Televisa Law of 2006 assigned digital spectrum to the two national television networks in the country: to the dominant (and politically well-connected) Televisa, and to TV Azteca. In Italy, industry HHI is well above the world average because Berlusconi's Mediaset is the largest private network, with 38.9% of the market, and the public broadcaster RAI controls the largest market share (48.3%).

The worldwide TV broadcasting industry concentration showed a slight decrease, driven by the European and Asia-Pacific countries (Graph 34.11). The HHI of North America was the lowest of all regions at 1,693 in 2013. The BRICS countries have the highest concentration, at 6,736.

Graph 34.11



Broadcast TV Regional Concentration

The largest national TV markets are the Uni-ted States (23.4%), Japan (14.5%), Germany (8.7%), and the United Kingdom (9%) (Table 34.10). TV revenues (both from use charges and through advertising) average $110.8. They are highest in Portugal ($332), Finland ($255), the United Kingdom ($264), Japan ($209), and Germany ($196). It is intermediate in the United States ($137). It is lowest in India ($0.80), China ($8.30), and Egypt ($2.90).

Table 34-10. TV Broadcasters in National Markets, 2011 or Most Recent

Country	Country Share in World Industry Total (%)	TV Broadcasters Share of National GDP (%)	Per Capita Spending on Broadcast TV (US$)
Argentina	0.7%	0.39%	30.2
Australia	2.7%	0.50%	216.0
Belgium	1.5%	0.55%	244.0
Brazil	5.7%	0.64%	53.0
Canada	1.9%	0.25%	102.4
Chile	0.2%	0.20%	20.5
China	6.1%	0.24%	8.3
Egypt	0.1%	0.14%	2.9
Finland	0.7%	0.54%	255.4
France	1.9%	0.13%	56.5
Germany	8.7%	0.46%	195.9
India	0.6%	0.08%	0.8
Ireland	0.3%	0.19%	101.7
Israel	0.2%	0.22%	54.9
Italy	5.5%	0.46%	165.7
Japan	14.5%	0.54%	209.1
Mexico	1.5%	0.29%	24.5
Netherlands	0.6%	0.14%	70.5
Poland	0.5%	0.17%	22.5
Portugal	1.9%	1.46%	331.6
Russia	2.2%	0.28%	28.7
South Africa	0.6%	0.42%	23.4
South Korea	1.7%	0.36%	65.0
Spain	4.2%	0.51%	168.4
Sweden	1.1%	0.46%	216.3
Switzerland	0.9%	0.34%	220.5
Taiwan	0.2%	0.08%	13.5
Turkey	0.9%	0.24%	21.8
UK	9.0%	0.68%	263.7
US	23.4%	0.31%	136.6
Average TV Broadcasting Industry Share of GDP (%)		0.38	
Total TV Broadcasting Industry Share of World GDP (%)		0.37	
Total TV Broadcasting Revenue (mil $)		184,379	

Average Per Capita Spending ($) on TV Broadcasting	110.8

The percentage of TV spending as a share of national GDP is 0.38%. It is highest in Portugal, the United States, Finland, Mexico, Germany, Japan, Sweden, and Spain. It is lowest in India and Egypt.

Multi-channel Platforms Industry Concentration across the World

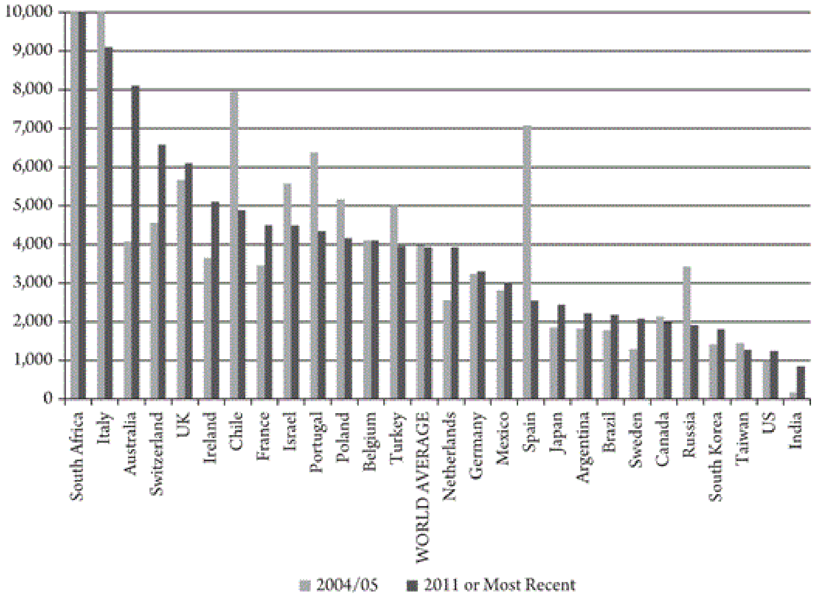
Multi-channel platforms include cable TV distribution networks offered by Multiple Systems Operators (MSOs); direct broadcast satellite to the home (DBS or DTH); IPTV service by telecom companies over their networks: microwave transmission to the home (MMDS); digital terrestrial broadcasting for pay bundles; and online video-on-demand cloud providers.

Media concentration in the multi-channel platforms industry across the 30 countries is high and remaining so, being flat in trend. The arithmetic average HHI is 3,929. Weighted it is 2,148 (Graph 34.12). Multi-
p. 1072 channel platforms are the most concentrated of audiovisual ↳

p. 1073 ↳

industries and the third among all 13 media industries. The highest concentrations exist in Italy and Switzerland (Table 34.11). In these countries, there is little or no cable TV, and satellite TV is dominated by a single firm (Naspers in South Africa with 100%, 21st Century Fox's Sky Italia in Italy with 95.3%, and Liberty in Switzerland with 74%). India is the least concentrated market (842): this is due to the fragmentation of cable TV, many of whose operators function as unregistered/unlicensed entities. In the United States, which is the second-least concentrated market (1,233), there are very loose ownership ceilings imposed on cable operators. In Taiwan, even though there are only five major cable operators, ownership ceilings mean that each of them has a nearly even market share of 20% in cable optic platforms. In other countries (Chile, Turkey, and Portugal) the HHI fell from extremely high (over 6,000) to merely very high 5,000 and under level, as a result of new commercial operators entering the market.

Graph 34.12



Multichannel Platforms Concentration by Country

Table 34-11. Countries' Top Multichannel Platforms, 2011 or Most Recent

Country	Top Company	Market Share of Top Company (%)	National HHI
South Africa	Naspers Group	100.0%	10,000
Italy	Murdoch Group	95.3%	9,104
Australia	Foxtel[1] (50% Murdoch, US + 50% Telstra, Australia)	90.0%	8,100
Switzerland	Liberty (US)	74.0%	6,577
UK	Murdoch Group (BSkyB, US)	73.3%	6,089
Ireland	Murdoch Group	52.0%	5,102
Chile	DirecTV (US)	56.0%	4,875
France	Vivendi	61.0%	4,488
Israel	Altice (France)/HOT	57.3%	4,485
Portugal	ZON	57.9%	4,342
Poland	Polsat	56.7%	4,156
Belgium	Telenet (Liberty Media, US)	54.5%	4,094
Turkey	Cukurova Group	53.7%	3,956
Netherlands	Ziggo	53.2%	3,929
Germany	Kabel Deutschland	45.0%	3,294
Mexico	Televisa	50.0%	3,022
Spain	PRISA	42.2%	2,543
Japan	JSAT (SkyPerfecTV)	43.6%	2,430
Argentina	Grupo Clarín	55.1%	2,217
Brazil	Globo Group	53.6%	2,179
Sweden	Com Hem (BC Partners, UK)	38.4%	2,071
Canada	Shaw	28.3%	1,975
Russia	NMG	26.5%	1,918
South Korea	Tbroad	25.6%	1,805
Taiwan	CNS (South Korea)	21.6%	1,268
US	Comcast	23.2%	1,233
India	Zee Entertainment Enterprises	19.4%	842

1 21st Century Fox runs Foxtel as a joint venture with Telstra, so their 50:50 split in the venture would give Telstra 45% market share, and Fox 45%.

The greatest declines took place in Chile, Portugal, and Turkey, while the largest increases occurred in India and Spain (though India remains unconcentrated with industry HHI of less than 1,800).

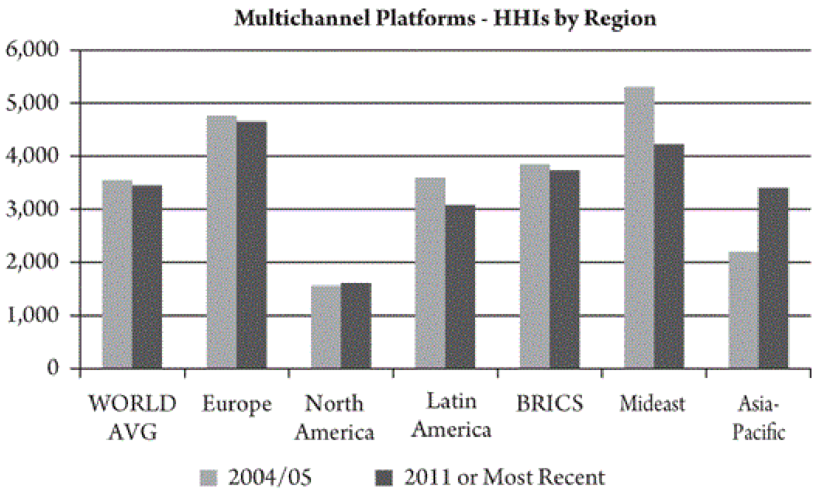
Liberty (as UPC) and 21st Century Fox (including both Sky Broadcasting and Star TV) are the two largest multinational companies in this industry. In Italy, Sky Italia, part of Rupert Murdoch's 21st Century Fox, dominates. IPTV platforms collectively hold less than 5% of the total market. Concentration increased most in Switzerland, the Netherlands, and Ireland.

Duopolies exist in several markets. Concentration is high in Ireland — with an HHI of 5,102 — because both cable and satellite broadcasting are effectively monopolies controlled by companies that are also active in the multi-channel industry: Liberty Media (US) which bought up Virgin Media's cable operation, and 21st Century Fox (Sky Broadcasting) in satellite TV. The United Kingdom is also a duopoly with a high industry HHI of 6,089 due to the presence of the aforementioned two American companies. In France, the duopoly of Altice/Numericable in cable and Vivendi in DBS results in an industry HHI of 4,488 based on a series of mergers and acquisitions.

p. 1074 Many cable companies operate at the regional level. National concentration numbers can therefore be deceptive from a consumer's choice perspective. In each area, there is typically only one cable firm and maybe two DBS (DTH) providers. Occasionally (but increasingly), there may be a wireline telecom firm offering IPTV. Online broadband TV might change that to a more open system on the content level, but on the transmission level such online TV would use the broadband facilities of the ISP cable and telecom firms. This kind of TV is in its early development. This will change rapidly.

Concentration in multi-channel platforms is high in Europe as foreign companies (mostly American) consolidated their presence, while declining slightly in Latin America as more foreign companies entered
p. 1075 new markets (Graph 34.13). It was lowest in North ↳ America, but rising. The biggest decline was in the Mideast, driven by increasing competition in Turkey and Israel for growing pay-TV demand.

Graph 34.13



Multichannel Platforms Regional Concentration

The United States has an extraordinary high share of this industry, at 64%, and not counting the presence of US firms such as Liberty Media, 21st Century Fox, DirecTV, and Dish internationally. Per capita spending was highest in the United States ($502), reflective of the extent of subscribership, and also of high prices. In most other heavily cabled countries—Canada, Switzerland, The Netherlands, United Kingdom, Ireland, Finland, and Sweden—the spending was less than half of that. The world average per capita spending stands at $104.6. As a share of the national GDP (1.13%), US spending is the largest of all countries, while it is lowest in Germany and South Africa (Table 34.12).

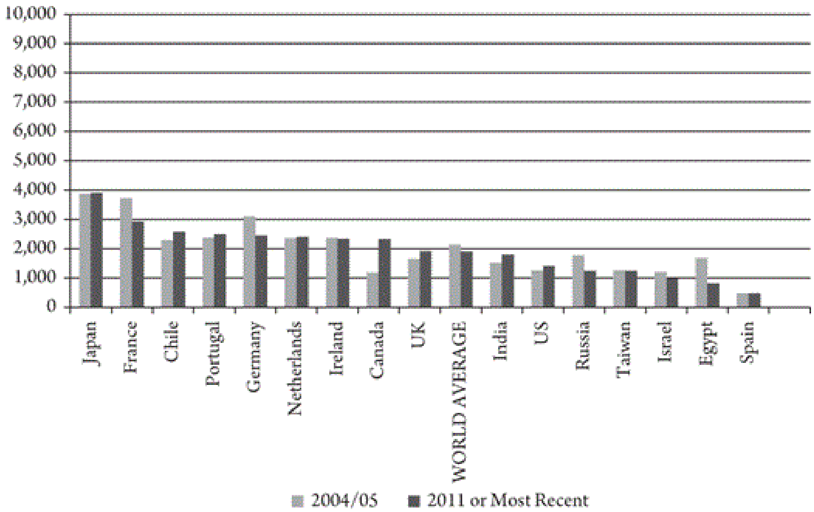
Table 34-12. Multichannel Platforms in National Markets, 2011 or Most Recent

Country	Country Share in World Multichannel Industry Total (%)	Multichannel Platforms Share of National GDP (%)	Per Capita Spending on Multichannel Platforms (US$)
Argentina	0.7%	0.51%	40.3
Australia	1.3%	0.33%	145.6
Belgium	0.5%	0.23%	102.0
Brazil	2.8%	0.42%	35.3
Canada	3.5%	0.61%	251.8
Chile	0.4%	0.52%	53.3
France	2.0%	0.18%	77.2
Germany	1.8%	0.13%	54.8
India	2.0%	0.38%	3.9
Ireland	0.3%	0.34%	180.7
Israel	0.4%	0.55%	136.8
Italy	1.8%	0.20%	71.9
Japan	4.2%	0.21%	81.2
Mexico	1.0%	0.26%	22.6
Netherlands	1.0%	0.30%	147.5
Poland	0.1%	0.03%	4.4
Portugal	0.6%	0.61%	138.2
Russia	0.5%	0.09%	8.6
South Africa	0.1%	0.12%	6.7
South Korea	1.1%	0.30%	54.7
Spain	2.6%	0.42%	139.1
Sweden	0.6%	0.31%	148.9
Switzerland	0.4%	0.21%	132.9
Taiwan	0.5%	0.32%	55.2
Turkey	0.2%	0.09%	8.3
UK	5.6%	0.57%	220.5
US	64.0%	1.13%	501.7
Average Multichannel Industry Share of GDP (%)		0.35	
Total Multichannel Industry Share of World GDP (%)		0.55	
Total Multichannel Revenue (mil $)		247,666	
Average Per Capita Spending ($) on Multichannel			104.6

Video Channel Industry Concentration across the World

We turn to "video channels"—non-terrestrial and typically payment-based channels, as delivered over subscription cable, DBS, IPTV, and online. Also included are encrypted conditional access pay-channels over terrestrial broadcasting. Globally, the video channel industry is highly concentrated, with a world average arithmetic HHI of 1,957 unweighted and 1,948 weighted (Graph 34.14). Even so, among the audiovisual industries it is the second least concentrated audiovisual media industry (only film is less concentrated). Among reporting countries, concentration is highest in Japan (3,902), France (2,928) and Chile (2,584) while it is lowest in Israel (992), Egypt (818), and Spain (477). The US's industry HHI is moderately concentrated at 1,409 and rising. (Table 34.13).

Graph 34.14



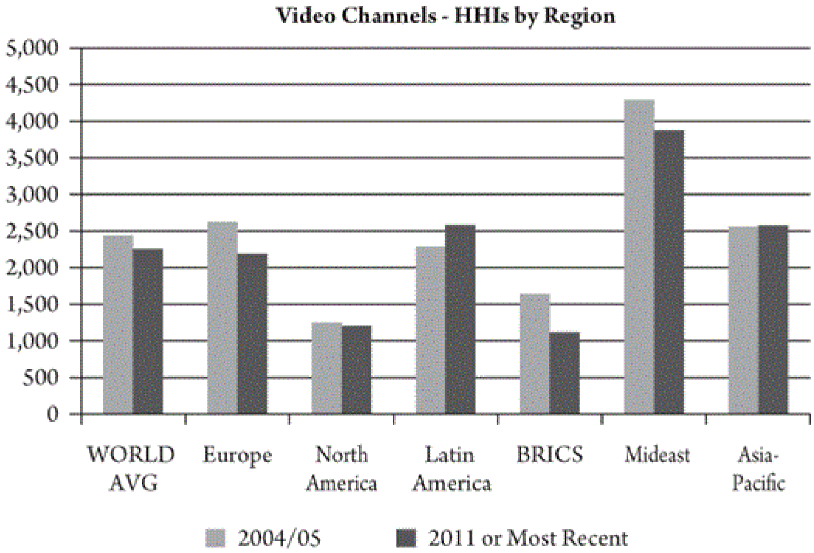
Video Channel Concentration by Country

Table 34-13. Countries' Top Non-Broadcast Video and Pay TV Channel Provider (Non-Broadcast Channels), 2011 or Most Recent

Country	Top Company	Market Share of Top Company (%)	National HHI
Japan	JSAT (SkyPerfecTV)	55.6%	3,902
France	Vivendi	49.5%	2,928
Chile	Discovery (US)	38.5%	2,584
Portugal	Impresa	24.9%	2,497
Germany	Bertelsmann	25.1%	2,449
Netherlands	Viacom (US)	34.1%	2,406
Ireland	RTE (public)	35.7%	2,335
Canada	Shaw	33.9%	2,329
UK	Murdoch (BSkyB, US)	38.4%	1,917
India	Zee Entertainment Enterprises	30.2%	1,793
US	Time Warner	23.2%	1,409
Russia	MTG (Sweden)	20.6%	1,242
Taiwan	SET	16.6%	1,241
Israel	Dori Media Group	20.0%	992
Egypt	Hayat	13.3%	818
Spain	PRISA	14.5%	477

As in the multi-channel platforms industry, concentration has been relatively static. It declined slightly in all regions except Latin America, where it rose to 2,584 (Graph 34.15).

Graph 34.15



Video Channel Regional Concentration

Of the reporting countries, the Netherlands ($219) have the highest per capita spending, while it is extremely low in India at just $1 (Table 34.14). This is in part due to the relatively small size of the market compared to broadcasting in India: the industry's share of the national GDP in European countries is on average three times what it is in India, where the market is worth only over $1.3 billion and has a large number of participants. The United States has a 40.4% share of the industry's total world revenue of $70.6 billion.

Table 34-14. Non-Broadcast Video Channels in National Markets, 2011 or Most Recent

Country	Country Share in World Video Channel Industry Total (%)	Video Channels Share of National GDP (%)	Per Capita Spending on Video Channels (US$)
Canada	10.3%	0.51%	211.8
Chile	0.5%	0.22%	22.0
Egypt	0.7%	0.20%	94.4
France	10.2%	0.26%	113.7
Germany	4.6%	0.09%	39.7
India	1.8%	0.10%	1.0
Ireland	0.6%	0.18%	94.6
Israel	0.8%	0.28%	70.3
Japan	7.4%	0.11%	40.6
Netherlands	5.2%	0.44%	219.2
Portugal	0.8%	0.22%	50.9
Russia	0.3%	0.01%	1.3
Spain	6.2%	0.29%	94.2
Taiwan	1.2%	0.22%	36.9
UK	9.0%	0.26%	101.9
US	40.4%	0.20%	90.2
Average Video Channel Industry Share of GDP (%)		0.22	
Total Video Channel Industry Share of World GDP (%)		0.20	
Total Video Channel Revenue (mil $)		70,636	
Average Per Capita Spending ($) on Video Channels			80.2

Film Industry Global Concentration

Six US-based Hollywood major "studios" dominate the industry worldwide (Table 34.15). They are Universal (Comcast), Paramount (Viacom), 20th Century Fox (owned by 21st Century Fox, spun off from
p. 1076 Rupert Murdoch's News Corp. in ↳

p. 1077 ↳

2013), Disney, Warner Brothers (Time Warner), and the Japanese-owned Sony Pictures.

Table 34-15. Countries' Top Film Studios/Distributors, 2011 or Most Recent

Country	Top Company	Market Shares of Top Company (%)	National HHI
China	Government of China	63.0	5,154
	China Film Group (public)	45.0	
South Africa[1]	Sony	16.5	3,366
	Disney	16.5	
Taiwan	Sony	16.6	2,257
Chile	Disney	13.7	2,062
South Korea	CJ Group	30.1	1,834
Japan	Toho	37.9	1,771
Russia	Warner Brothers/Karo Premier	18.7	1,642
Netherlands	Warner Brothers	27.2	1,522
Argentina	Disney	22.9	1,522
Brazil	Paramount	19.6	1,484
Australia	Village Roadshow/Warner Brothers	21.0	1,300
Mexico	Grupo Televisa	6.9	1,263
Switzerland	Sony	16.6	1,258
UK	Universal	18.5	1,208
US	Warner Brothers	19.9	1,182
Ireland	Universal	18.5	1,178
Canada	Warner Brothers	19.9	1,103
Italy	Fininvest (Medusa)	16.6	1,097
Israel	Sony[3]	16.6	1,027
Poland	Sony	16.6	1,027
Belgium	Sony	16.6	1,027
Finland	Sony	16.6	1,027
Portugal	Disney[2]	15.3	1,008
Spain	Universal	22.2	978
Turkey	Sony	16.6	909
Germany	Warner Brothers	16.6	856
France	Vivendi	26.8	637
Sweden	Sony	16.6	751
India	Eros Entertainment	12.9	476
Egypt	Sony	6.6	165

1 Ster-Kinekor Entertainment, owned by Primedia, is a South African distributor for both Sony and Disney, whose market shares tie for the highest in the country.

2 ZON, the Portuguese distributor for Paramount, Universal, and Walt Disney in this market, has a combined share of 42.3%. Of this, Disney's was the single largest, at 15.3%, in 2011/12, based on global shares.

3 Sony data for several countries estimated based on global share.

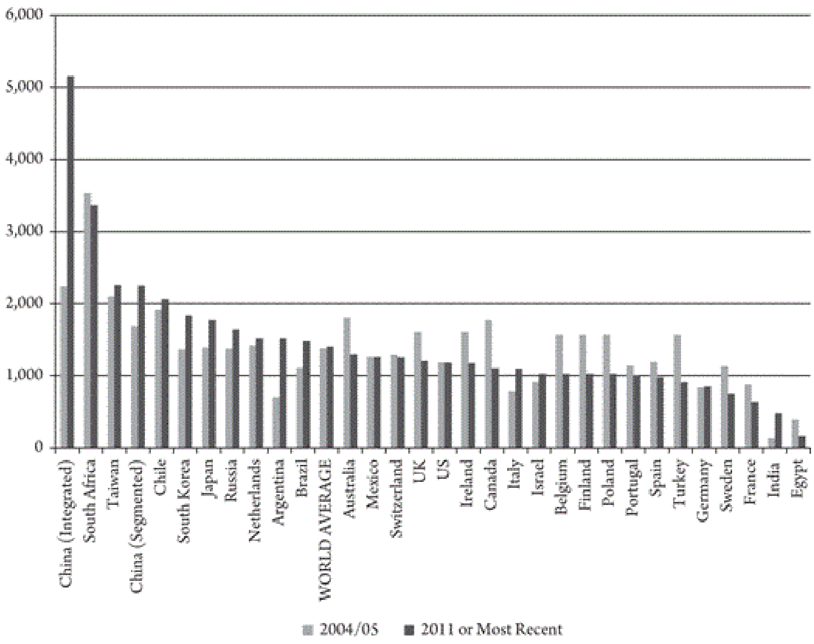
Surprisingly, given Hollywood's global dominance, the film industry has a moderate overall concentration in most countries. The worldwide arithmetic average HHI was only 1,403 (weighted 1,294) (Graph 34.16). This made film production and distribution the least concentrated media industry overall by thismeasure.
p. 1078 The explanation is that while these ↳

p. 1079 ↳

p. 1080 ↳

six firms dominate in the aggregate, with a 76.4% combined world average market share, none dominates internationally, and none dominates a particular country. Market shares fluctuate somewhat from year to year based on the box office performance of particular attractive films but rarely exceed 20% or drop below 10%. This kind of oligopoly has a lower concentration measure than those of many other media, where often one or two firms stand out. What makes film unusual is that the same firms, for all their intermediate market shares, have such presence in just about every country in the world.

Graph 34.16



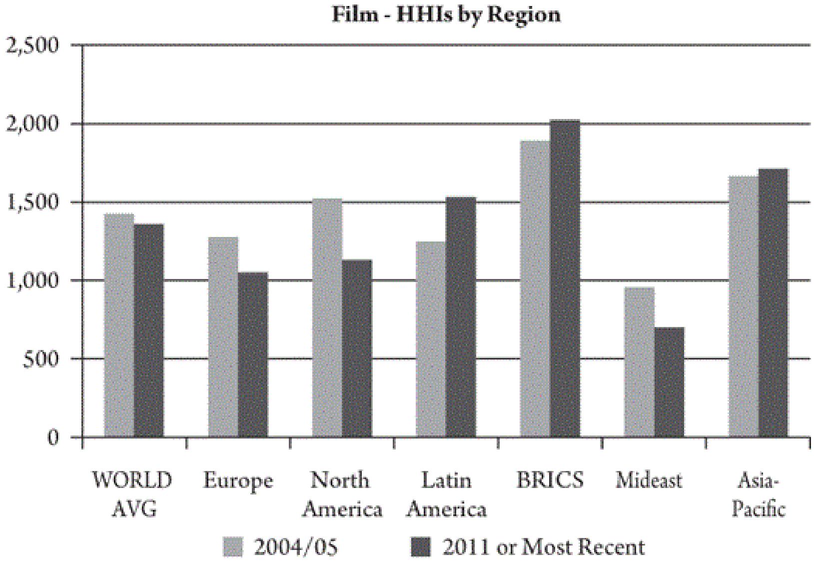
Film Industry Concentration by Country

National market concentration is actually highest in protectionist markets where there is a domestic industry, often state supported. Concentration is high and increasing in China, due to the consolidation of smaller publicly owned studios which account for more than half of production, into two larger state-owned studios. One of them is the China Film Group, with 45% of the domestic market. The import of foreign films is limited to 34 per year. There is also a private studio, Huayi Brothers. Japan's high HHI is due to the dominance of Toho as a domestic distributor and exhibitor of foreign films and longtime producer of popular genre content. It has 37.9% of the Japanese market. In South Korea, domestic films must be shown at least 40% of the time, as a way to give domestic producers an opening. The CJ Group, a large media firm, has a share of 30.1%. In France, Vivendi, through its near-monopoly pay-TV service Canal Plus and its production/distribution arm Studio Canal (which can supply funds and distribution), has 26.8%. On the other hand, concentration is lowest in the two countries with substantial homegrown film industries where protectionism and state support are not major factors but cultural difference is, leading to a role as regional production centers. This is the case for Egypt and India.

India has an enormously active and fragmented domestic film industry. Hollywood's share in India is fairly
p. 1081 low at 16.1%, of which ↳ 21st Century Fox accounted for 4.1% for 2012. In Egypt, Hollywood has only 20% combined, of which Sony held 6.6% in 2012. Overall, World C6 is 76.4%—the sum of the averages market shares the Hollywood "Big Six" (including Sony).

The average HHI for film has been stable on a global scale, but the trends vary by region. Between 2004 and 2012, the industry became less concentrated in the European Union (Graph 34.17). Similarly, film industry concentration in North America slightly declined. It remains low in the Middle East primarily due to the strong indigenous cinema production houses in Egypt and to a lesser extent, Turkey.

Graph 34.17



Film Industry Regional Concentration

Per capita film consumption revenues average a fairly low $31.6. It is highest in Australia ($79.6), France ($85.3), Germany ($91.3), Switzerland ($63.8), and the United States ($60). (Table 34.16). It is low in Latin America, and even lower in China ($1.6). Worldwide industry revenues are $30.7 billion, of which the Hollywood companies take in approximately $22.9 billion. As a sector of national economies (with a world average of 0.06%), film production and consumption in Egypt is the highest at 0.16% of GDP, more than twice that in the United Kingdom or United States (0.07% each). Cairo is the film capital of the Arab world.

Table 34-16. Film in National Markets, 2011 or Most Recent

Country	Country Share in World Film Industry Total (%)	Films Share of National GDP (%)	Per Capita Spending on Films (US$)
Argentina	0.6%	0.05%	8.5
Australia	2.8%	0.09%	77.1
Belgium	0.2%	0.01%	13.3
Brazil	1.3%	0.02%	4.0
Canada	2.9%	0.06%	51.5
Chile	0.2%	0.04%	8.4
China	3.5%	0.02%	1.6
Egypt	0.9%	0.16%	6.6
Finland	0.4%	0.05%	50.7
France	8.8%	0.10%	85.3
Germany	12.2%	0.11%	91.3
India	1.7%	0.04%	0.9
Ireland	0.4%	0.05%	53.0
Israel	0.1%	0.01%	5.1
Italy	2.5%	0.03%	25.0
Japan	5.9%	0.04%	28.1
Mexico	2.8%	0.09%	15.2
Netherlands	0.9%	0.03%	34.9
Poland	0.5%	0.03%	8.7
Portugal	0.9%	0.12%	52.5
Russia	3.6%	0.08%	15.3
South Africa	0.3%	0.03%	3.4
South Korea	3.5%	0.12%	43.9
Spain	4.0%	0.08%	52.9
Sweden	0.2%	0.01%	13.8
Switzerland	0.8%	0.05%	63.8
Taiwan	0.3%	0.02%	7.3
Turkey	1.1%	0.05%	9.3
UK	5.8%	0.07%	56.4
US	30.9%	0.07%	60.0
Average Film Industry Share of GDP (%)		0.06%	
Total Film Industry Share of World GDP (%)		0.06%	
Total Film Industry Revenue (mil $)		30,710	

Average Per Capita Spending ($) on Films	31.6

Wireline Telecom Industry Concentration across the World

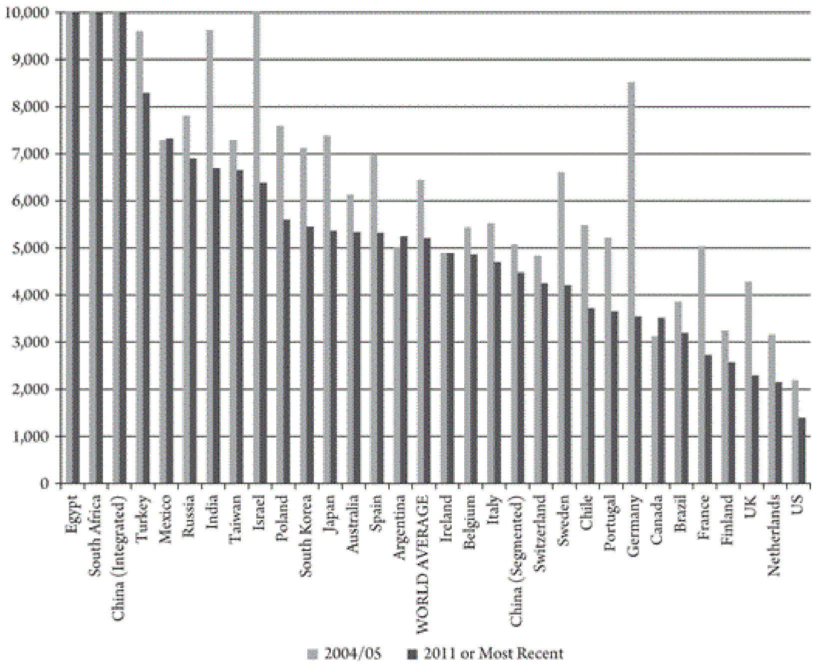
“Wireline” used to be fairly synonymous with “telecommunications.” More recently, however, mobile wireless telecom eclipsed it in volume and penetration, especially in the developing world. However, it would be superficial to view wireline as a relic like the telegraph. Business communications, long distance calls, international communications, and Internet data traffic travel over wires of increasing power such as fiber. Also, most mobile communications use wireless only for the tail end close to the end-users, with everything in between travelling over wires. Wireline and wireless are overlapping markets though they have different regulatory and global ownership arrangements.

The wireline telecommunications sector is the second most highly concentrated media industry, with an average HHI of 5,208, significantly more so than wireless’ arithmetic mean HHI of 3,493 (Graph 34.18). Concentration is highest in China, Egypt, Turkey, and South Africa and lowest in the United States, The Netherlands, and Finland. The United States market has followed a unique trajectory. In the 1980s, 80% of
p. 1082 the market was controlled by ↳

p. 1083 ↳

one firm, AT&T. Following the government’s breakup of that provider into eight parts, concentration declined enormously. The regional providers subsequently reconverged into three entities, Verizon, a new AT&T, and a smaller firm called CenturyLink. Even so, other providers entered or remained, and industry HHI is low in international comparison. For the United States, the industry used to be historically near-monopolistic, with an HHI of about 7,685, but became much less concentrated thereafter, with the industry HHI falling instantly to 1,633 in 1984 and to 1,049 in 1996. Since then, it rose again due to consolidations to 2,191 by 2006 but then fell to 1,395 in 2013 as cable TV companies’ telecom business grew.

Graph 34.18



National Wireline Telecom Industries by Country

But one must recognize that in the United States, as well as in Finland, and Canada, the major wireline providers operate in separate territories for their local service, and from the consumer’s perspective there is less competition than the national HHI figures suggest.

South Africa and Egypt have industry HHIs of 10,000 because the incumbent wireline telecom operators (Telkom and Telecom Egypt, respectively) have a legal monopoly in their respective markets. China’s industry is also state-owned, but separated into two regional companies, so the segmented HHI (4,476) is much smaller than the integrated measure (10,000).

p. 1084 In countries with high industry HHIs in 2004—Turkey, Japan, Germany, Israel,[4] Sweden, ↳ and India[5]—concentration fell significantly. In all of these countries, formerly state-owned incumbents lost market shares to new entrants. HHI remains high in many countries despite the transfer of state ownership of the public incumbent to a commercial operator ("privatization") and an opening to new entrants ("liberalization"), which often includes an opening to foreign firms. New operators entered the market but the formerly public incumbents still dominate the top companies' list (see Table 34.17). Partly this is due to high economies of scale and network effects.

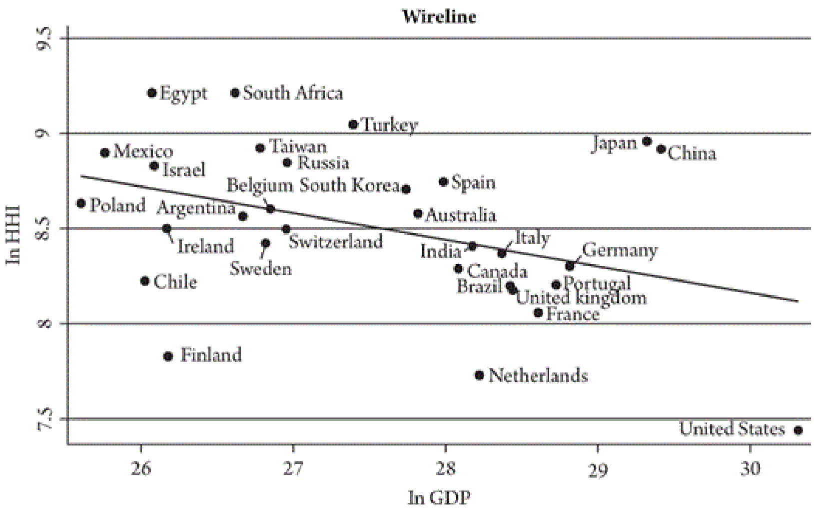
Table 34-17. Countries' Top Wireline Telecom Providers, 2011 or Most Recent

Country	Top Company	Market Share of Top Company (%)	National HHI
China	Government of China	100%	10,000
	China Telecom (public)	58.6%	
South Africa	Telkom (public)	100.0%	10,000
Egypt	Government of Egypt (Telecom Egypt, public)	100.0%	10,000
Turkey	Turk Telekom (Oger Group, Saudi Arabia/Turkey, public)	91.0%	8,296
Mexico	Grupo Carso	85.0%	7,324
Russia	Government of Russia (Svyazinvest, public)	82.6%	6,899
India	BSNL (public)	81.0%	6,699
Taiwan	Government of Taiwan (CHT, public)	80.7%	6,654
Israel	Bezeq	82.0%	6,390
Poland	TP (public)	73.3%	5,600
South Korea	KT	72.5%	5,447
Japan	NTT (33% public)	72.3%	5,369
Australia	Telstra	71.4%	5,336
Spain	Telefónica	71.9%	5,319
Argentina	Telefónica (Spain)	61.1%	5,246
Ireland	SingTel (Singapore)	61.3%	4,888
Belgium	Belgacom	63.1%	4,859
Italy	Telecom Italia	66.0%	4,702
Switzerland	Swisscom (public)	63.1%	4,248
Sweden	TeliaSonera (Sweden/Finland) (50% public)	62.9%	4,205
Chile	Telefónica (Spain)	53.0%	3,723
Portugal	Oi (Brazil)/Portugal Telecom	55.3%	3,653
Germany	Deutsche Telekom (38% public)	56.9%	3,542
Canada	Bell Canada Enterprise/CTV	54.4% (regional)	3,513
Brazil	Oi (Telemar Participações)/Portugal Telecom	42.1% (regional)	3,190
France	France Telecom (27% public)	41.0%	2,728
Finland	Elisa	38.0% (regional)	2,565
UK	BT	43.8%	2,293
Netherlands	KPN	41.4%	2,150
US	AT&T	26.7% (regional)	1,395

Finland's relatively low telecom HHI is a legacy of its history, with subscriber cooperatives operating in the urban markets and a national public operator providing rural service. This system goes back to the czarist days when Finland was a reluctant Russian province. Although the cooperatives have disappeared, rather than merge with the state-owned incumbent they joined into different commercial operators.

Graph 34.19 with its scattergram shows the relation of wireline industry concentration and GDP. Outliers are, for high concentration, not only China, South Africa, and Egypt—usually among the most concentrated—but also Japan (Graph 34.19). Among low concentration countries, adjusted for GDP, are the United States, the Netherlands, Finland, and the United Kingdom.

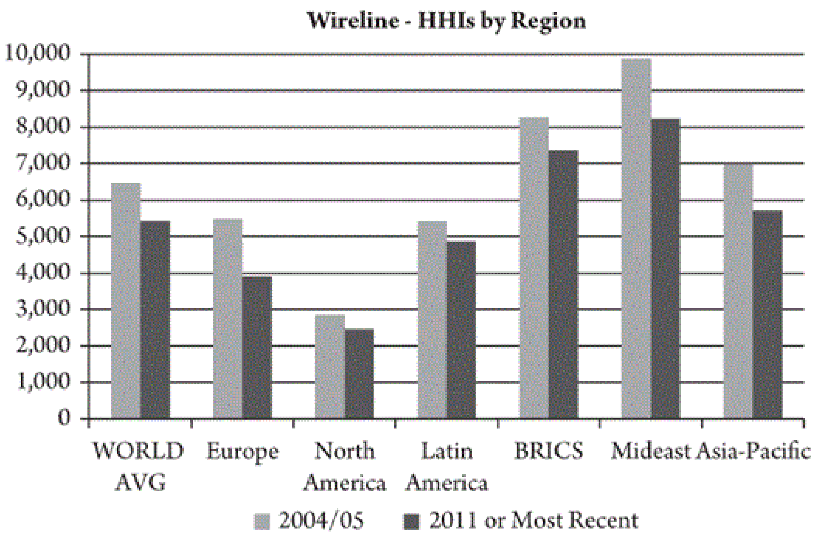
Graph 34.19



Wireline Industry Concentration and GDP

Worldwide average HHI has been decreasing. Every region shows a similar decreasing trend in concentration across the industry (Graph 34.20).

Graph 34.20



Wireline Telecom Regional Concentration

Because wireline services are an essential platform industry within national economies, their share of GDP as a media industry is higher than that of content media. On average, the industry accounts for 1.17% of GDP. In the United States, it is 1.5% of the US's total economic activity and is similarly high in Australia (1.3%), Germany (1.5%), and Spain (1.3%) (Table 34.18). Per capita spending is highest in Switzerland ($745) and the United States at $664 annually. It is lowest in countries such as India, Mexico, China, and Egypt because of lower usage and much lower penetration (i.e., the total revenue is generated by fewer users than total national population). The world average per capita spending stands at $288. ↳

p. 1085

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Table 34-18. Wireline Telecoms in National Markets, 2011 or Most Recent

Country	Country Share in World Wireline Industry Total (%)	Wireline Share of National GDP (%)	Per Capita Spending on Wireline (US$)
Argentina	0.4%	0.78%	60.7
Australia	2.2%	1.32%	572.4
Belgium	0.9%	1.05%	470.3
Brazil	8.8%	3.19%	265.4
Canada	2.8%	1.17%	480.8
Chile	0.2%	0.59%	60.4
China	4.5%	0.56%	19.5
Egypt	0.3%	1.03%	21.9
Finland	0.4%	0.84%	398.3
France	3.8%	0.82%	353.4
Germany	8.6%	1.46%	619.7
India	1.0%	0.46%	4.8
Ireland	0.4%	1.06%	563.0
Israel	0.2%	0.63%	157.1
Italy	3.1%	0.83%	301.3
Japan	10.8%	1.29%	499.3
Mexico	0.5%	0.31%	26.7
Netherlands	1.2%	0.85%	423.2
Poland	0.8%	0.96%	129.1
Portugal	0.3%	0.68%	155.0
Russia	1.9%	0.78%	79.2
South Africa	0.8%	1.64%	90.4
South Korea	1.6%	1.07%	193.4
Spain	3.3%	1.29%	426.8
Sweden	0.7%	0.88%	415.7
Switzerland	1.0%	1.15%	744.9
Taiwan	0.5%	0.81%	139.4
Turkey	1.0%	0.87%	79.3
UK	2.3%	0.56%	214.8
US	35.6%	1.49%	664.0
Average Wireline Industry Share of GDP (%)		1.01	
Total Wireline Industry Share of World GDP (%)		1.17	
Total Wireline Industry Revenue (mil $)		589,986	

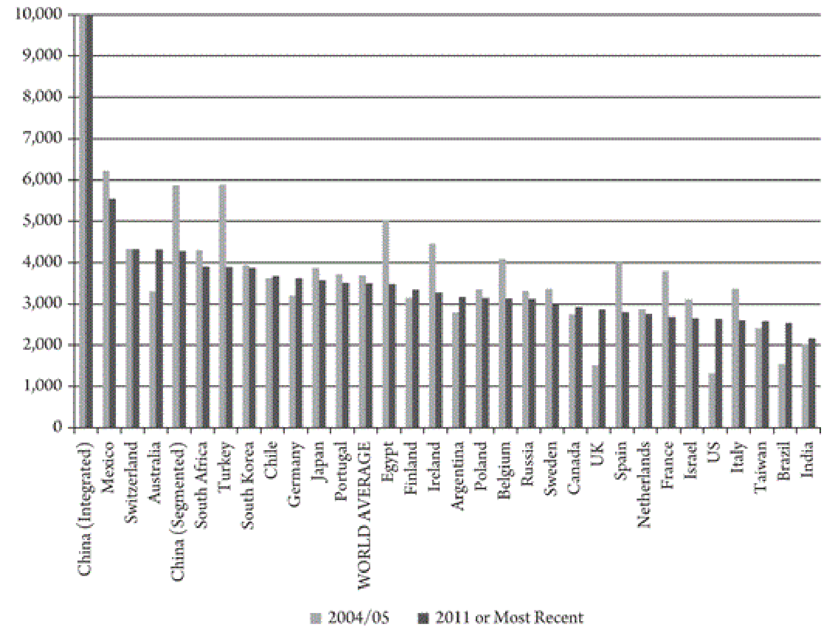
Average Per Capita Spending ($) on Wireline	287.7

p. 1087

Wireless Telecommunications Industry Concentration across the World

The international wireless market displays a high but stable average HHI (unweighted), which fell from 3,691 to 3,493, still making it the fourth most highly concentrated media industry (Graph 34.21). The emerging market structure for mobile wireless is three to four national footprints, typically two large firms and one or two smaller players, plus a few resellers (MVNOs). Among the national operators, the incumbent traditional wireline operators, formerly the monopoly providers, typically have the highest market share, for example, Orange in France, NTT in Japan, Deutsche Telekom (T-Mobile) in Germany, Telmex in Mexico, Telefónica in Spain and Argentina, and so on (Table 34.19) The number 2–4 firms are often foreign companies, and often the national incumbents of other countries (e.g., Orange, Telefónica, Deutsche Telekom, etc.). These firms then can leverage their domestic experience, resources, and economies of scale (and the needs of developing markets) into increasingly global footprints. This process is still taking place. At present, there are over a dozen of such firms. Consolidation is likely, probably through international partnerships.

Graph 34.21



Wireless Telecom Concentration by Country

Table 34-19. Countries' Top Wireless Telecoms, 2011 or Most Recent

Country	Top Company	Market Share of Top Company (%)	National HHI
China	Government of China	100%	10,000
	China Mobile (public)	63.9%	
Mexico	Grupo Carso	70.8%	5,545
Switzerland	Swisscom (public)	60.4%	4,319
Australia	Telstra	58.0%	4,318
South Africa	Vodacom[1]	50.9%	3,898
Turkey	Turkcell[2]	52.0%	3,888
South Korea	SK Group	50.5%	3,869
Germany	Deutsche Telekom (38% public)	32.4%	3,622
Japan	NTT (33% public)	45.8%	3,567
Portugal	Oi (Brazil)/Portugal Telecom	39.5%	3,501
Egypt	Mobinil (Orange, France Telecom)	35.1%	3,471
Chile	Telefónica (Spain)	41.0%	3,461
Finland	Elisa	39.0%	3,346
Ireland	Vodafone (UK)	42.5%	3,274
Argentina	América Móvil (Mexico)	35.4%	3,160
Poland	PTTK Centertel	33.4%	3,136
Belgium	Belgacom	41.7%	3,124
Russia	MTS	35.0%	3,116
France	France Telecom (27% public)	38.0%	2,686
Sweden	TeliaSonera (Sweden/Finland) (50% public)	40.4%	2,984
Canada	Rogers	37.0%	2,924
UK	Everything Everywhere (Deutsche Telekom & Orange)	34.0%	2,862
	Deutsche Telekom (T-Mobile, Germany)	17%	
	Orange (France Telecom, France)	17%	
Spain	Telefónica	39.8%	2,798
Netherlands	KPN	35.0%	2,750
Israel	Cellcom Israel	31.5%	2,651
US	Verizon	33.6%	2,636
Italy	Telecom Italia	33.1%	2,601
Taiwan	Government of Taiwan (CHT, public)	32.5%	2,583
Brazil	Telefónica (Spain)	28.6%	2,534
India	Bharti Enterprises	34.1%	2,164

1 65% Vodafone, UK. 35% Telkom South Africa.

2 37% TeliaSonera, Sweden; 13.2% Alfa Group, Russia; 13.8% Cukurova Group.

Overall, the market is less concentrated than the wireline market. Incumbents, too, had to build their business, and had fewer advantages over new entrants than for wireline. And the entrants were often large telecom incumbents themselves that moved into other countries' markets rather than small new entrants. The most concentrated markets are China, Mexico, Turkey, and Switzerland. The least concentrated markets are India, the United States, and Taiwan. India's low concentration shows that low income in a country is not a fundamental factor for concentration. This is true for the other BRICS countries too, except for China.

In the United Kingdom, concentration has risen sharply from a low HHI of 1,513 to a high 2,862 because of the merger between T-Mobile and Orange in 2010, operating under the name Everything Everywhere (EE). p. 1088 Concentration also increased considerably in the United States ↳

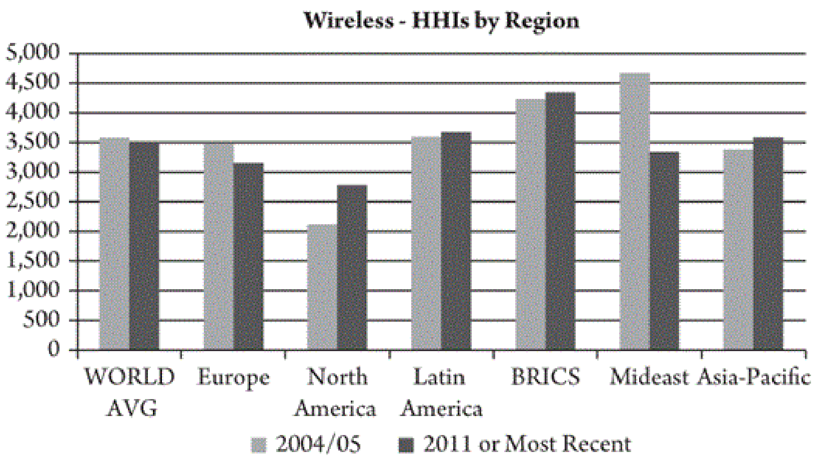
p. 1089 ↳

(from 1,311 to 2,636) due to mergers. Even so, both of these countries are relatively unconcentrated in international comparison. In the United States, AT&T holds a share of 32.1% of the industry, while Verizon holds a share of 33.6%. The American increase in industry HHI is a result of consolidation of several companies by several operators (AT&T, Verizon, Sprint, T-Mobile) to reach a structure of four national firms.

In China, three state-owned companies, into which the government has consolidated the assets of smaller operators, dominate the industry. China Mobile holds 63.9% of the market, followed by China Unicom (21.5%) and China Telecom (14.4%). In Egypt, the market is effectively a duopoly with two foreign-owned incumbents dominating the market: Vodafone and Orange's Mobinil. Brazil's high HHI increase (from 1,542 to 2,534) stems from the aggressive mergers and acquisitions policy pursued by the market entrant America Móvil (Mexico), a subsidiary of Carlos Slim's operations. America Móvil bought several operators in South America, including AT&T's Latin American operations, Argentina's Techtel, Mexico's Metrored, and Verizon's Caribbean operations.

Regionally, concentration in North America, the BRICS countries, and Latin America rose, and declined in the rest of the world on average (Graph 34.22). It used to be significantly lower in North America before 2004, but not anymore.

Graph 34.22



Wireless Telecom Regional Concentration

Per capita spending in the United States is high—at $506 about $42 per month—and accounts for 21.6% of the total global revenue in this sector. China (17.1%) and Japan (10.7%) follow. As a share of GDP, wireless spending averages a hefty 1.53%, the highest worldwide. It is highest in South Africa (3.8%) (Table 34.20). This is due to a combination of high penetration, high prices due to the high market share of the state-owned Telkom. Other countries with high per capita spending are Israel, the United Kingdom, Switzerland, the Netherlands, and Japan, all of which are higher than the United States. Per capita spending is much lower in Argentina, China, Egypt, and India. This is mostly due to lower prices and partly due to a lower p. 1090 penetration rate. ↳

Table 34-20. Wireless Telecom in National Markets, 2011 or Most Recent

Country	Country Share in World Wireless Industry Total (%)	Mobile Share of National GDP (%)	Per Capita Spending on Mobile (US$)
Argentina	0.3%	0.60%	46.9
Australia	2.1%	1.56%	676.7
Belgium	0.9%	1.37%	609.1
Brazil	5.8%	2.61%	217.6
Canada	2.7%	1.41%	578.3
Chile	0.2%	0.90%	91.9
China	17.1%	2.66%	93.5
Egypt	0.6%	2.45%	52.3
Finland	0.3%	0.95%	451.3
France	4.1%	1.12%	483.4
Germany	3.6%	0.78%	330.1
India	3.1%	1.79%	18.6
Ireland	0.4%	1.11%	584.8
Israel	0.4%	1.52%	381.5
Italy	2.9%	0.96%	348.7
Japan	10.7%	1.60%	617.0
Mexico	2.7%	2.04%	175.1
Netherlands	1.4%	1.20%	599.2
Poland	1.0%	1.48%	198.9
Portugal	0.6%	1.84%	417.3
Russia	3.1%	1.61%	162.5
South Africa	1.4%	3.80%	209.7
South Korea	2.4%	2.01%	362.7
Spain	2.9%	1.42%	468.9
Sweden	0.6%	0.94%	448.1
Switzerland	0.6%	0.84%	541.0
Taiwan	0.9%	1.63%	279.6
Turkey	1.2%	1.37%	124.9
UK	4.4%	1.33%	513.7
US	21.6%	1.14%	506.0
Average Wireless Industry Share of GDP (%)		1.53	
Total Wireless Industry Share of World GDP (%)		1.47	
Total Wireless Industry Revenue (mil $)		740,038	

Average Per Capita Spending ($) on Wireless	353.0

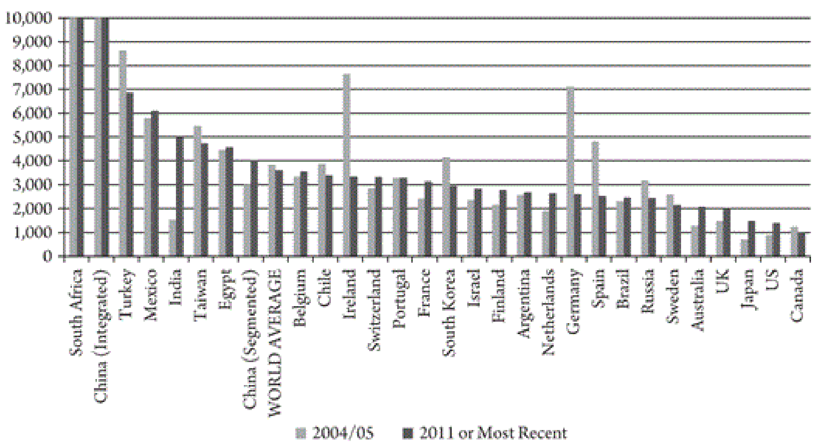
p. 1091

Internet Service Provider Industry Concentration across the World

There are basically five types of Internet service providers for broadband connectivity (ignoring the remaining dial-up ISPs): (1) telecom companies; (2) cable TV companies; (3) other technology platforms such as satellite and terrestrial microwave, with small shares due to cost and low speed; (4) mobile wireless operators, whose networks increasingly provide speeds that approach those of wireless-based broadband. (Of course, the speed of the wireline networks also keeps rising rapidly, and with it the needs of applications and expectations of users); lastly, (5) there are ISPs without a network facilities platform of their own, but riding on top of telecom networks. Such independent providers are important, in particular, in Japan and several European countries. To some extent, they become possible through the regulation of "unbundling" the telecom incumbents' system into network elements, and through a price regulation of the terms under which they must be offered. The result can be a more competitiveISP market. Negative consequences include lower incentive to invest in network upgrades, both by incumbents and new entrants.

The ISP market is highly concentrated, worldwide, with the arithmetic average HHI standing at 3,616, down from 3,829 in 2005 and ranked fifth out of all industries for concentration (weighted HHI is 3,085) (Graph 34.23). The highest concentrations exist in South Africa, China, Turkey, and Mexico. The largest ISPs, by total subscribers, are China Telecom, which holds 51.4% of the Chinese market, followed by China Unicom, also state-owned, with 36.5%. The lowest concentrations are in the United States, Brazil, Japan, and Canada. In the United States, the regionalism of the telecom and cable TV markets results in the second lowest HHI of the surveyed countries, with national concentration at 1,390 (local ISP HHI is 4,790). A similar regional situation exists in Canada. Ireland had one of the most concentrated markets in 2004, but HHI fell from 7,642 to 3,343 in 2011 due to Eircom's losing market share to new entrants.[6]

Graph 34.23



ISP Concentration by Country

p. 1092 The biggest international ISP provider outside of its home country is a US cable company, Liberty Global, which owns cable distribution systems in several European countries. Liberty Global has high shares of the ISP market in Switzerland, Ireland, The Netherlands, Belgium, and Chile. In 2013, Liberty Global completed the acquisition of Virgin Media in the United Kingdom, expanding its total reach to 25 million broadband subscribers globally (and 19.4% of the British market).

Telefónica is the leading ISP in Spain, with a 59.8% market share in 2013, and is able to use its incumbency as a wireline and wireless operator. Spain has been unbundling regulations, though, so Telefónica has seen its share decline from 66.1% in 2004. Telefónica is also the biggest ISP in Chile and Argentina, with market shares of 46% and 28.7%, respectively, and number two in Brazil (15.1%). Telefónica has more ISP customers outside of Spain than Liberty Global has outside of the United States. It operates in 22 countries.

The main ISP operator in France is Orange (France Telecom), which led the ISP sector with a 45% market share there in 2013. France has unbundling regulations. Orange also has a mobile ISP presence in Germany, Spain, and the United Kingdom, where it operates in a venture with Germany’s T-Mobile. The ISP sector in France has gone through several changes, including many mergers that have caused increasing concentration since 2008.

Although the US’s industry HHI of 1,390 after 2008 was low in international comparison, it marked an increase from 880 in 2004. This increase in concentration is the result of market consolidation by incumbent local telephone companies.

South Africa has the highest HHI index in the industry next to China due to the monopoly maintained by the incumbent public wireline monopolist, Telekom (Table 34.21). Turkey’s HHI has gone down slightly due to new market entrants, but the market share of the incumbent is high. Turk Telecom (TT) was protected from competition for a decade after it was privatized by a restrictive licensing system. There is little by way of cable TV platform options.

Table 34-21. Countries' Top ISPs, 2011 or Most Recent

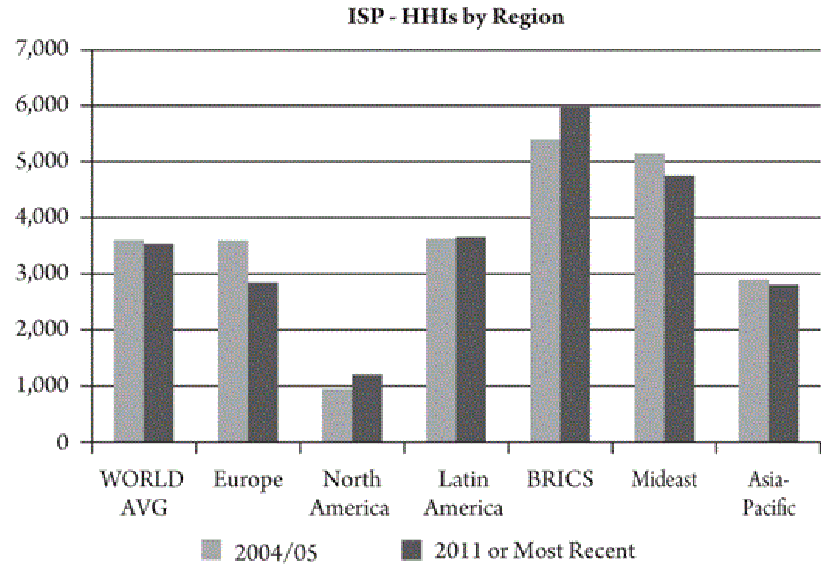
Country	Top Company	Market Share of Top Company (%)	National HHI
China	Government of China	100%	10,000
	China Telecom (public)	51.4%	
South Africa	Telkom (public)	100.0%	10,000
Turkey	Turk Telekom (Oger Telekom, Saudi Arabia/Turkey, public)	82.7%	6,865
Mexico	Grupo Carso	76.9%	6,103
India	BSNL (public)	69.1%	4,962
Taiwan	Government of Taiwan (CHT, public)	67.9%	4,737
Egypt	Government of Egypt (Telecom Egypt, public)	64.2%	4,570
Belgium	Belgacom	47.1%	3,557
Chile	Telefónica (Spain)	43.0%	3,393
Ireland	SingTel (Singapore)	41.0%	3,343
Switzerland	Swisscom (public)	53.7%	3,322
Portugal	Oi (Brazil)/Portugal Telecom	48.2%	3,287
France	France Telecom (27% public)	45.0%	3,135
South Korea	KT	43.5%	2,954
Israel	Bezeq	36.0%	2,836
Finland	Elisa	34.0%	2,773
Argentina	Telefónica (Spain)	31.2%	2,676
Netherlands	KPN	42.6%	2,629
Germany	Deutsche Telekom (38% public)	45.6%	2,599
Spain	Telefónica	44.1%	2,519
Brazil	Oi (Telemar Participações)/Portugal Telecom	30.3%	2,469
Russia	NMG	31.9%	2,451
Sweden	TeliaSonera (Sweden/Finland) (50% public)	37.2%	2,146
Australia	Telstra	42.2%	2,066
UK	BT	29.6%	1,983
Japan	NTT (33% public)	33.1%	1,473
US	AT&T	18.2%	1,390
Canada	Bell Canada Enterprise/CTV	21.2%	1,013

The Mexican market is nearly monopolized by the wireline incumbent Telmex, which as in South Africa and Turkey controls most of the wireline infrastructure in the country, allowing it to set rates. In Switzerland, the public operator Swisscom holds 53.7% and in Germany, incumbent Deutsch Telekom has 45.6%. Canada's geography, which has produced a regionalized telecom sector, also affects the scope of the ISP market, as in the United States and Finland.

Concentration is relatively low internationally due to the presence of many regional providers.
p. 1093 Concentration is also lower in countries ↳ with cable TV platforms, such as to the United States, Canada, Argentina, Australia, Sweden, Finland, the Netherlands, and Switzerland.

The ISP market concentration has slightly declined worldwide since 2004 (Graph 34.24). Decreases can be observed in all regions except for North America and the BRICS countries.

Graph 34.24



ISPs Regional Concentration

The highest per capita spending on ISPs is in Canada ($211), France ($201), the United Kingdom ($184), Japan ($172), the Netherlands ($153), Portugal ($155), Finland ($150), and Australia ($113) (Table 34.22). The United States has the largest share internationally of 28%. It is still high, but slightly lower, in the United States at $144. The worldwide average is $89.4. Revenues of ISPs as a share of GDP average at 0.29%.
p. 1094 It is highest in Portugal (0.68%) and Spain (0.47%), and lowest in Turkey, Mexico, and Russia (0.08% each). ↳

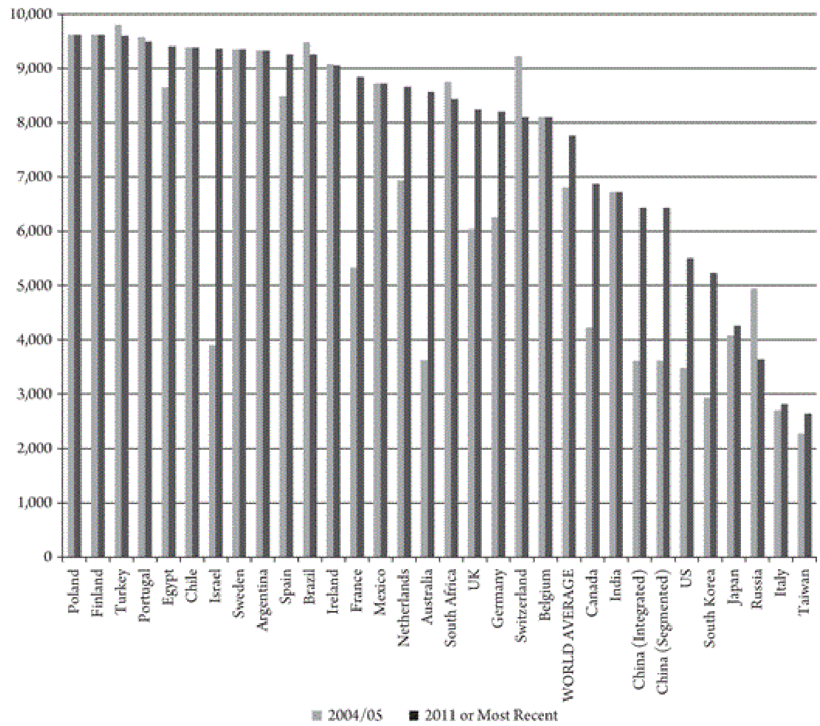
Table 34-22. Isp in National Markets, 2011 or Most Recent

Country	Country Share in World ISP Industry Total (%)	ISPs Share of National GDP (%)	Per Capita Spending on ISPs (US$)
Argentina	0.2%	0.11%	8.3
Australia	1.6%	0.26%	112.9
Belgium	0.6%	0.18%	81.8
Brazil	2.5%	0.25%	20.5
Canada	4.5%	0.51%	211.1
Chile	0.2%	0.16%	16.0
China	12.7%	0.43%	15.2
Egypt	0.4%	0.34%	7.2
Finland	0.5%	0.32%	150.2
France	7.8%	0.47%	200.9
Germany	5.2%	0.24%	103.4
India	1.4%	0.17%	1.8
Ireland	0.4%	0.26%	137.4
Israel	0.3%	0.25%	61.9
Japan	13.6%	0.44%	171.5
Mexico	0.5%	0.08%	7.0
Netherlands	1.6%	0.31%	153.4
Portugal	1.0%	0.68%	155.0
Russia	0.7%	0.08%	8.1
South Africa	0.3%	0.15%	8.3
South Korea	2.3%	0.42%	75.1
Spain	4.4%	0.47%	156.0
Sweden	0.9%	0.31%	149.0
Switzerland	0.6%	0.18%	116.2
Taiwan	0.6%	0.23%	39.5
Turkey	0.3%	0.08%	7.2
UK	7.1%	0.48%	184.4
US	28.0%	0.32%	143.7
Average ISP Industry Share of GDP (%)		0.29	
Total ISP Industry Share of World GDP (%)		0.34	
Total ISP Industry Revenue (mil $)		162,033	
Average Per Capita Spending ($) on ISPs			89.4

Search Engine Industry Concentration across the World

The search engines industry is the most concentrated media industry of all 13 surveyed here, by both arithmetic and weighted indexing. The average HHI concentration was an extraordinarily high 7,760 in 2013 (weighted: 6,333), up from 6,809 in 2004 (weighted 4,278) (Graph 34.25). The $41.3 billion industry is concentrated as a result of Google's dominance. The countries with the highest concentrations include Finland, Turkey, Chile, and Portugal. The countries with the lowest levels of concentration are Taiwan, Italy, South Korea, Russia, Japan, China, and the United States. The United States has a somewhat lower industry HHI of 5,506, reflecting the presence of several smaller companies.

Graph 34.25



Search Engine Concentration by Country

Industry HHI is over 8,000 in 21 of the 30 countries surveyed. Countries where industry HHI is under 6,000 (South Korea, the US, Japan, Russia, Italy, Taiwan) have particular characteristics that inhibit a Google monopoly (Table 34.23). Italy has a large number of specialized, indigenous search engines that reduce Google's share of the national market. In Japan, the domestic operation of the US-based Yahoo is majority owned by the entrepreneurial Japanese company, Softbank, and it had an incumbency advantage of an early presence. In South Korea, a series of corporate lawsuits brought about by domestically owned search engines and suggested by the government led to a regulatory regime that bars Google from indexing enough Korean-language content. In China, Google is no longer officially present due to a dispute with the state over censorship (Google is accessible, but there is no Google China), and the market is dominated by the commercial platform Baidu, one of the few privately owned large companies operating in the Chinese national media market. In Russia, the search engine Yandex was established prior to Google's entry to the market, and its analytics seem to be better optimized for Russian-language content than Google's are.

Table 34-23. Countries' Top Search Engines, 2011 or Most Recent

Country	Top Company	Market Share of Top Company (%)	National HHI
Poland	Google (US)	98.1%	9,624
Finland	Google (US)	98.1%	9,624
Turkey	Google (US)	98.0%	9,604
Portugal	Google (US)	97.4%	9,494
Egypt	Google (US)	97.0%	9,409
Chile	Google (US)	96.6%	9,390
Israel	Google (US)	96.7%	9,365
Sweden	Google (US)	96.7%	9,356
Argentina	Google (US)	96.6%	9,332
Spain	Google (US)	96.2%	9,258
Brazil	Google (US)	96.2%	9,256
Ireland	Google (US)	94.0%	9,061
France	Google (US)	94.0%	8,846
Mexico	Google (US)	93.4%	8,724
Netherlands	Google (US)	93.0%	8,662
Australia	Google (US)	92.5%	8,575
South Africa	Google (US)	91.8%	8,438
UK	Google (US)	90.7%	8,248
Germany	Google (US)	90.5%	8,204
Switzerland	Google (US)	89.9%	8,105
Belgium	Google (US)	90.0%	8,100
Canada	Google (US)	82.4%	6,879
India	Google (US)	81.4%	6,724
China	Baidu	78.6%	6,433
US	Google	68.4%	5,506
South Korea	NHN	68.8%	5,230
Japan	Google (US)	34.9%	4,262
Russia	Yandex.ru	47.1%	3,642
Italy	Google (US)	47.0%	2,819
Taiwan	Yahoo (US)	39.7%	2,646

US companies dominate. Google is far ahead. Yahoo and Microsoft tend to be number 2 and 3 in the various national markets where there are not strong local entities, such as Mail.ru and Yandex.ru in Russia. Google's success is attributed to its rank-based search algorithm, its applications and productivity tools, and
p. 1096 acquisition of other Internet media properties, such as YouTube and DoubleClick. ↳

p. 1097 Yahoo is best known for its web search engine, Yahoo Search, and has the third largest global search directory after Google. Outside of the United States, where it has lost significant market share to Google, it leads in Taiwan, with a market share of 39.7%. Between 2001 and 2004, Yahoo Search was powered using Google's search engine, but as of 2009 is powered by Microsoft's Bing.

Google's top competitor in the United States is Microsoft's Bing. While it still has only a fraction of the international market, Bing experienced rapid growth and is challenging Google in the United States, accounting for 16% of the US market, and international markets such as Australia, Taiwan, and Israel.

In the handful of countries where Google is not the dominant search engine, the largest search engine by volume tends to be one based in that country. Baidu is the largest search engine in China, holding 78.6% of the Chinese market share. Baidu is also the world's second largest search engine by number of searches. Baidu is a privately owned content media producer in a country where most platform and content media producers are state-owned. Google occupies a much smaller share of the Chinese market with 15.6% in 2012. In 2005, Google entered the Chinese market with the launch of Google China, but had to deal with government censorship and cyber-attacks on its servers. In 2009, the company decided to end its self-censorship, resulting in Google China being banned in 2010, though its services were still available to users who access the search engine using a Taiwanese domain name. Other factors affecting Google's low market share in China are language barriers and a poor localization of content.

Yahoo and Google dominate the Japanese market, creating a duopoly. Yahoo Japan's decision to adopt Google's technology to power its Internet search engine and search advertising platform ultimately helped
p. 1098 Google's market share from diminishing further in ↳ Japan. In 2012, Google's share of the market was 34.9%%. Despite its name, Yahoo is not the majority owner of Yahoo Japan: Softbank (Japan) is. In this sense, Yahoo Japan is a Japanese-owned company. In contrast, Google is seen as a foreign company, and it does not appear to overtake Yahoo Japan.

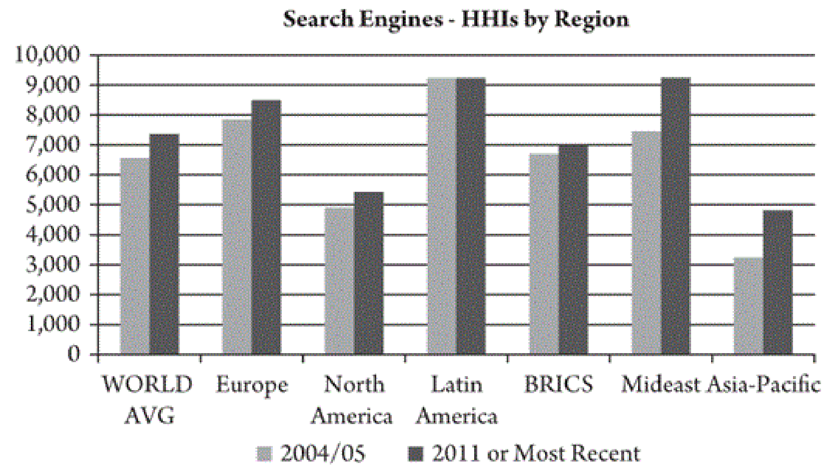
The case of search engine usage in South Korea parallels the situation in China, as Google was unable to acquire a large share of the market. The top search engines in South Korea are NHN, with 68.8% of the market in 2012, followed by Daum, with 22.1%. An important factor in explaining Google's small market share in the country is that the government blocks access to its websites to Google, a practice it does not extend to South Korean–based search engines. Thus, government websites are not indexed by Google and cannot be accessed through its search engine. With so much content blocked, it would actually be burdensome for many South Koreans to use Google over other search engines. Google lobbied the South Korean government to allow it to index Korean-language governmental content.

Yandex is the largest search engine in Russia, followed by Google, Mail.ru, and ProfMedia. Yandex controlled 47.1% of the market in 2010. Unlike the cases in several East Asian countries where Google cannot compete due to government roadblocks, the main reason for Yandex's success at the expense of Google is the popularity of its user interface among Russian consumers, and its compatibility with the linguistic and grammatical rules of the Russian language. Yandex's search algorithm caters to the difficulty of the inflections specific to the Russian language.

Given the fears that Google is leveraging its search market power into the advertising market, competitors and various governments have brought antitrust lawsuits against the company.

Average concentration rose after 2004 worldwide and in every region (Graph 34.26). Where it was already highest (Latin America), it rose least, and where it was lowest (North America and Asia-Pacific), it rose most.

Graph 34.26



Search Engine Regional Concentration

Japan accounts for a 10.1% share of the world industry total, second to the US's 35.8%. Search engines constitute a low percentage of countries' total economic activity as a media industry, and only 0.07% of GDP. Per capita spending in this industry by consumers and advertisers is, on average, $20.5. They are highest in the United States ($46.8), The Netherlands ($53), and the United Kingdom ($35.9) (Table 34.24).

p. 1099 They are lowest in Egypt, India, and Mexico ($0.50). ↳

Table 34-24. Search Engines in National Markets, 2011 or Most Recent

Country	Country Share in World Search Engine Industry Total (%)	Search Engines Share of National GDP (%)	Per Capita Spending on Search Engines (US$)
Argentina	0.4%	0.05%	3.8
Australia	2.3%	0.10%	42.2
Belgium	0.8%	0.07%	30.0
Brazil	1.8%	0.05%	3.8
Canada	2.6%	0.08%	31.2
Chile	0.2%	0.04%	3.6
China	8.5%	0.07%	2.6
Egypt	0.1%	0.03%	0.5
Finland	0.4%	0.06%	30.7
France	2.6%	0.04%	16.8
Germany	7.4%	0.09%	37.6
India	1.5%	0.05%	0.5
Ireland	0.4%	0.06%	32.2
Israel	0.1%	0.03%	7.2
Italy	4.7%	0.09%	31.7
Japan	10.1%	0.08%	32.6
Mexico	0.1%	0.01%	0.5
Netherlands	2.1%	0.11%	53.0
Poland	0.5%	0.04%	5.6
Portugal	0.8%	0.14%	31.8
Russia	2.3%	0.06%	6.5
South Africa	0.4%	0.07%	3.6
South Korea	2.7%	0.13%	22.9
Spain	3.6%	0.10%	32.0
Sweden	0.7%	0.06%	30.5
Switzerland	0.6%	0.05%	30.6
Taiwan	0.2%	0.02%	3.7
Turkey	0.7%	0.04%	3.9
UK	5.4%	0.09%	35.9
US	35.8%	0.11%	46.8
Average Search Engine Industry Share of GDP (%)		0.07	
Total Search Engine Industry Share of World GDP (%)		0.08	
Total Search Engine Industry Revenue (mil US$)		41,300	

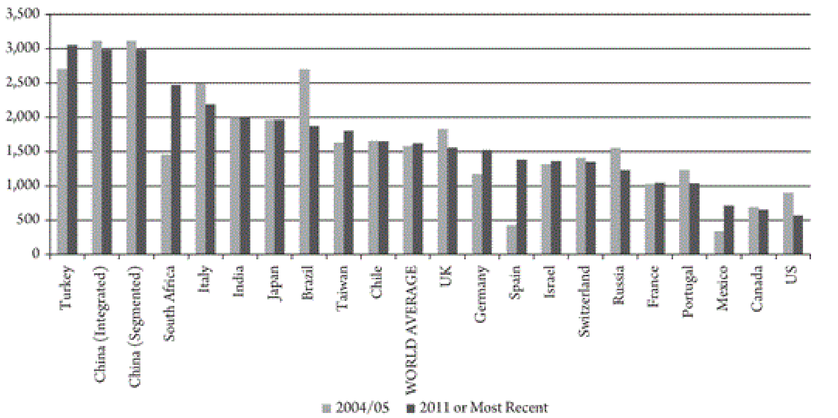
Average Per Capita Spending ($) on Search Engines	20.5

p. 1100

Online News Industry Concentration across the World

Online news media are only moderately concentrated, with an average arithmetic HHI of 1,621 (Graph 34.27). The industry ranks tenth out of the 13 industries for such concentration. By weighted average HHI, the industry is also unconcentrated, at 1,279 in 2013. Online news media is the least concentrated of the three Internet media industries analyzed. It is also less concentrated than newspapers by both measures, though not in all countries. The countries with the highest concentrations are Brazil, China, Switzerland, and Turkey (Table 34.25). Turkey's online news rose strongly after 2004, because the Dogan Media Group, the largest newspaper owner in Turkey, bought out other newspaper companies' and dominated the online news industry. In Brazil, four media groups—Folhapar, Globo, Telefónica, and Telemar—dominate the industry and collectively hold 70% of the national market share.

Graph 34.27



Online News Concentration by Country

Table 34-25. Countries' Top Online News Media Outlets, 2011 or Most Recent

Country	Top Company	Market Share of Top Company (%)	National HHI
Turkey	Dogan Group	52.0%	3,052
China	Sina.com	38.9%	2,989
South Africa	Naspers Group	32.6%	2,471
Italy	Gruppo Espresso	40.8%	2,188
India	Yahoo	32.7%	1,996
Japan	Yahoo (US)[1]	15.9%	1,965
Brazil	Folhapar	31.9%	1,875
Taiwan	United Daily News Group	29.1%	1,803
Chile	El Mercurio	54.2%	1,651
UK	BBC (public)	32.0%	1,559
Germany	Axel Springer	30.2%	1,521
Spain	PRISA	26.1%	1,382
Israel	Yedioth Ahronoth Group	24.3%	1,361
Switzerland	Tamedia	26.5%	1,350
Russia	RBC.ru	17.8%	1,231
France	Socpresse Group	15.0%	1,048
Portugal	Impresa	14.2%	1,041
Mexico	El Universal	15.8%	711
Canada	Bing (Microsoft, US)	14.7%	649
US	Yahoo	11.0%	569

1 Shares here indicate its 34.74% share in Yahoo! Japan.

The countries with the lowest levels of online news concentration are Canada, the United States, Spain, and Mexico. The US's industry HHI of 569 reflects its relatively low concentration in the broadcast TV and daily newspapers market at the national level, plus several independent news-style sites. That said, the incumbency advantage of the major multimedia producers here means this sector is almost twice as concentrated in the United States as the daily newspapers industry, though less concentrated than for broadcast TV news.

Brazil's rising online news industry HHI is the result of the increasing market shares held by the country's largest audiovisual and telecommunications media groups. In China, online news media is one of the national media industries not dominated by state-owned companies (the other being search engines). But the online news market has become increasingly concentrated because new entrants such as Caijing have not been able to attract significant advertising revenues away from the more established firms such as China.org.cn.

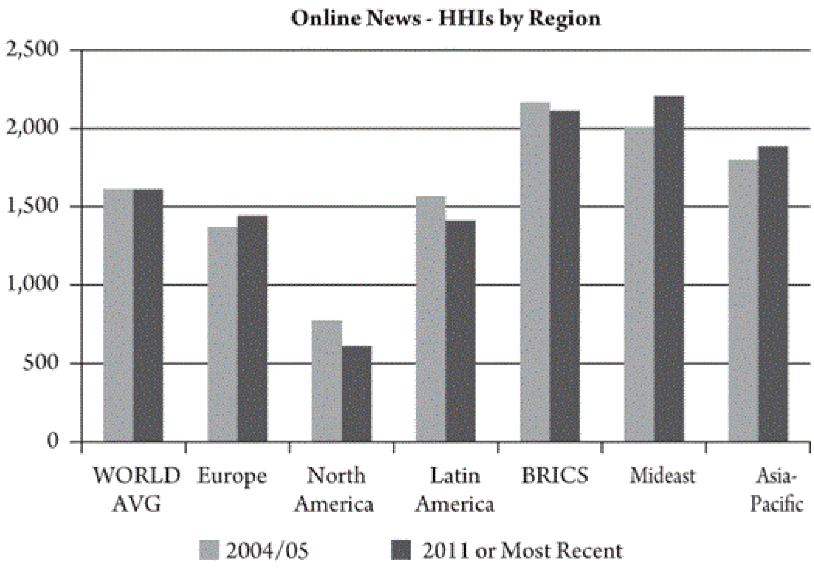
Mexico's low HHI of 711 illustrates the popularity of many online editions of print and audiovisual content, especially the Spanish-language editions of US content producers.

Many of the world's major online news companies were successful due to their strong brands in print news, coupled with economies of scope in extending traditional news operations to the online mode. Examples are
p. 1101 News Corp., Dogan Group (Turkey), Folhapar (Brazil), Axel Springer (Germany), Gruppo ↳ Espresso (Italy), the Guardian (United States, United Kingdom, Australia), and The Times of India Group. Similar advantages

accrue to TV and cable news providers including BBC, Time Warner (CNN), and Comcast (MSNBC). Other companies started their business exclusively online, such as Sina.com, Sohu.com, and 163.com in China, Yandex.ru and Mail.ru in Russia, and Yahoo.

The global online news media industry is moderately concentrated. Concentration is declining in North America, where it fell from 774 to 609 and, in the BRICS countries, and Europe (Graph 34.28).

Graph 34.28



Online News Regional Concentration

Revenues in online news—both directly through charges on users, and indirectly through advertising—are low, averaging $8.90 per capita worldwide. In comparison, average per capita revenue for newspapers is $113.8, about 13 times higher, and for magazines it is $65.8. Online news has revenues of $19.8 billion, a figure that is rising rapidly (from $12.6 billion in 2004), but still only a fraction of print news at $107 billion. Similarly, as a percentage of GDP, online news on average is 0.04%. It is highest in Brazil (0.11%) (Table 34.26). It is 0.06% in the United States, and it is lowest in Mexico at 0.01%.

Table 34-26. Online News Media in National Markets, 2011 or Most Recent

Country	Country Share in World News Media Industry Total (%)	Online News Media Share of National GDP (%)	Per Capita Spending on Online News Media (US$)
Brazil	8.7%	0.11%	8.8
Canada	0.5%	0.01%	2.9
Chile	0.2%	0.03%	2.7
China	4.7%	0.02%	0.7
France	4.8%	0.03%	14.8
Germany	1.9%	0.01%	4.5
India	3.5%	0.05%	0.6
Israel	0.2%	0.02%	4.7
Italy	4.4%	0.04%	14.4
Japan	9.2%	0.04%	14.2
Mexico	0.3%	0.01%	0.5
Portugal	0.8%	0.06%	14.5
Russia	4.7%	0.06%	6.5
South Africa	0.7%	0.05%	2.7
Spain	3.4%	0.04%	14.5
Switzerland	0.6%	0.02%	13.9
Taiwan	0.3%	0.02%	2.7
Turkey	1.0%	0.03%	2.7
UK	7.7%	0.06%	24.4
US	42.3%	0.06%	26.5
Average News Media Industry Share of GDP (%)		0.04	
Total News Media Industry Share of World GDP (%)		0.04	
Total News media Industry Revenue (mil $)		19,760	
Average Per Capita Spending ($) on News Media			8.9

Table 34.27 compares the concentration of online news with that of print newspapers. Online news has a fairly unconcentrated HHI of 1,621; often lower than of print newspapers, which have a worldwide average concentration of HHI of 2,484. But in certain countries, online news media HHIs are actually higher than print dailies' HHIs. This is the case in the United States (569 for online news, 304 for newspapers), Italy
p. 1102 (2,188 for online news, 1,863 for newspapers), Germany (1,521 for online news, ↳

p. 1103 ↳

p. 1104 ↳

558 for newspapers), Japan (1,965 for online news, 762 for newspapers), Turkey (3,052 for online news, 2,637 for newspapers), India (1,996 for online news, 1,228 for newspapers), Spain (1,382 for online news,

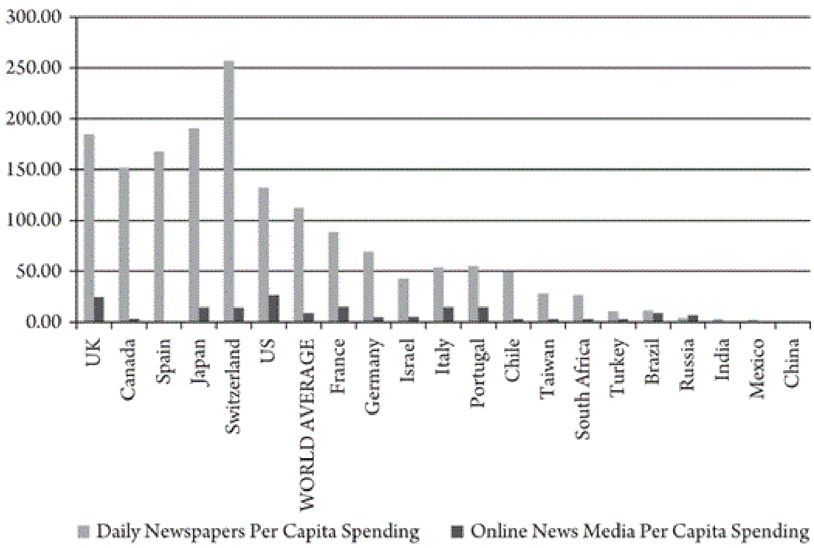
1,090 for newspapers), South Africa (2,471 for online news, 2,450 for newspapers), and Brazil (2,916 for online news, 2,321 for newspapers).

Table 34-27. Hhi of Print Newspapers vs. Online News Media

	Daily Newspapers	Online News Media
Argentina	1,547	N/A
Australia	4,212	N/A
Belgium	2,166	N/A
Brazil	2,321	1,875
Canada	1,743	649
Chile	3,786	1,651
China (Integrated)	10,000	2,989
Egypt	5,481	N/A
Finland	1,653	N/A
France	2,064	1,048
Germany	558	1,521
India	1,228	1,996
Ireland	3,235	N/A
Israel	1,835	1,361
Italy	1,863	2,188
Japan	762	1,965
Mexico	3,736	711
Netherlands	1,914	N/A
Poland	1,188	N/A
Portugal	3,215	1,041
Russia	2,824	1,231
South Africa	2,450	2,471
South Korea	1,564	N/A
Spain	1,090	1,382
Sweden	2,350	N/A
Switzerland	2,520	1,350
Taiwan	2,293	1,803
Turkey	2,637	3,052
UK	1,974	1,559
US	304	569
World Average	2,484	1,621

The lower concentration for online news is positive in comparison to print newspapers in terms of diversity. On the negative side of the ledge is that revenues per capita are dismal in comparison (see Graph 34.29).

Graph 34.29



Daily Newspapers vs. Online News Per Capita Spending, 2011 or Most Recent

The Music Industry

Although the music industry is outside the scope of this study, Table 34.28 provides, as of 2013, the regional market shares for the top three companies: Sony, Vivendi, and ↳ (Time) Warner Music. The high market shares around the world of the surviving three major music groups, especially of France's Vivendi (which owns Universal Music Group), are remarkable.

p. 1105

Table 34-28. Global and Regional Market Shares of the Music Group Majors (2013)[1]

	Sony (Japan)	Vivendi (France)	Warner Music (US)	Others	HHI
North America	23.6	34.9	17.6	23.9	2,085
Europe	22.2	38.4	17.3	22.1	2,267
Asia (excluding Japan)	18.5	22.8	13.4	45.3	1,042
Japan[2]	21.3	17.4	10.0	23.3	1,162
Latin America	30.0	23.7	8.9	37.4	1,541
Australasia	24.4	31.6	17.8	26.2	1,911
Africa	24.2	36.0	7.9	31.9	1,944
World	22.9	32.2	16.1	28.8	1,820

1 Based on market shares before sale of BMG (Germany) music labels to Sony in 2008, and sale of EMI on market shares before sale of BMG (Germany) music labels t to Warner (1/3) in 2013. Warner Music Group is independent of Time Warner.

2 Japanese HHI is calculated using Avex (14.7%), King (7.4%) and J-Stormtorm (14.7%), King (7.4%)

Summaries

The largest media industries, by far and away, are mobile and wireline telecom ($740 billion, 30.9%, and $590 billion, 24.7%) followed by multi-channel platforms (10.4%). Of purely content media, broadcast TV is largest (7.7%) and ranked fourth in size. It is followed by ISPs (6.8%), newspapers (4.5%), magazines (3.3%), book publishing (3%), video channels (3%), radio (2%), search engines (1.7%), film (1.3%), and online news (0.8%). If one looks only at content media, these percentages would scale up by about three times, with broadcast TV largest at 25.9%.

Content media[7] account for a combined $735 billion, 1% of the world's (30-country) GDP, and platform media[8] account for $1.7 trillion, 2.3% of world GDP. Together then, media spending—receipts by the providers from consumers directly and by advertisers, and from government sources—add up to $2.4 trillion, or 3.3% of world GDP. To that we can add other media activities or related businesses. Music sales accounted for $16.5 billion worldwide[9] in 2012. Video game revenue was $67 billion in 2011. Consumer electronics devices used in the consumption of media account for the following global revenues: mobile phone handsets $210 billion; TV sets $100 billion; consumer microcomputers $160 billion; and music players $30 billion. If these are included, the consumption of media content, platforms, and devices is almost $2.9 trillion, 5.9% of the 30-country gross world product of $61.2 trillion USD.

These are revenues on the platform/vendor/producer end. The price to end-users/consumers rises by the retail and wholesale markups for print media, film, music, games, and most consumer electronics. If we make a fairly realistic assumption that the wholesale and retail distribution chain doubles the price of content and devices to consumers, the share in GDP rises to $3.6 trillion, or 7.3%. (There is, however, some double counting involved, due to a vertical value chain, as is often the case in GDP and industry aggregations.)

The content market is largest, by far, in the United States ($268 billion), followed by Japan ($63.9 billion), the United Kingdom ($58 billion), Germany ($56 billion), France ($37.5 billion), and Spain ($34.1 billion). Although China is perhaps the largest country by audience size, its content is sixth internationally, at $35.3 billion.

The largest platform media markets are the United States ($521 billion), China ($173 billion), Japan ($172 billion), Brazil ($104 billion), Germany ($89.2 billion), France ($69 billion), and the United Kingdom ($66.5 billion). China and India's ($34.7 billion), growth have been especially significant, with the market value nearly tripling in the period under review.

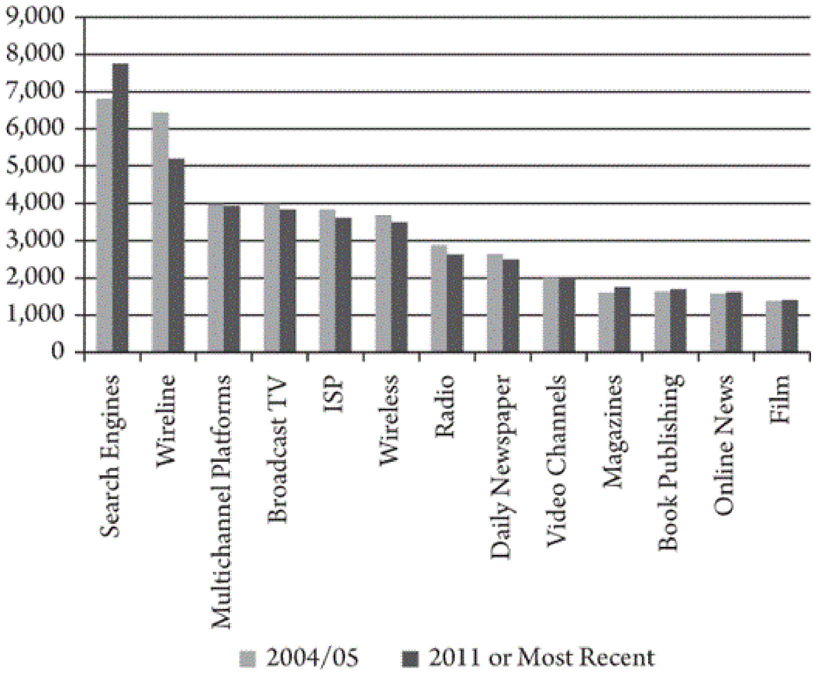
We can now compare the concentrations of the global average HHI of the 13 industries (Table 34.29).

Table 34-29. Average HHI Industry Concentration (Arithmetic Averages of Companies)

	2004/05	2011 or Most Recent	% Change Per Annum (8-yrs)
Search Engines	6,809	7,760	1.7%
Wireline	6,440	5,208	−2.4%
Multichannel Platforms	3,982	3,929	−0.2%
Broadcast TV	3,984	3,830	−0.5%
ISP	3,829	3,616	−0.7%
Wireless	3,691	3,493	−0.7%
Radio	2,874	2,627	−1.1%
Daily Newspapers	2,636	2,484	−0.7%
Video Channels	2,004	1,957	−0.3%
Magazines	1,602	1,761	1.2%
Book Publishing	1,633	1,690	0.4%
Online News	1,580	1,621	0.3%
Film	1,378	1,403	0.2%

Due to the worldwide market power of Google, the search engine industry is the most concentrated (7,760) and experienced the highest increase in its already high concentration (1.7%) during the observed period (Graph 34.30). In comparison, the worldwide average HHI of the wireline industry, the second least concentrated, has been decreasing by 2.4% annually. However, the presence of formerly or currently incumbent public telecom monopoly providers makes the wireline telecommunication ↳ sector still one of the most highly concentrated. At the lower end are the print media industries such as daily newspapers, magazines, and book publishing industries. Surprisingly, the film industry has the lowest average HHI of all media industries (1,403), due to the absence of a single dominating firm. That industry, however, is unusual insofar as the same six firms dominate in almost all countries.

Graph 34.30



Average HHI Industry Concentration (Arithmetic Averages of Companies)

Appendix:China Media Control: Integrated, Segmented, or Averaged

We present the two approaches for Chinese media in the tables and graphs to calculate the concentration
p. 1107 figures in the chapter, so that the reader may utilize different perspectives. (Table 34.30). ↳

Table 34-30. China Hhi Data 2004/05 vs. 2011 or Most Recent

	2004/2005			2011 or Most Recent		
	Segmented HHI	Integrated HHI	Averaged HHI	Segmented HHI	Integrated HHI	Averaged HHI
Newspapers	357	10,000	5,179	312	10,000	5,156
Magazines	240	1,053	647	1,066	3,039	2,053
Books	94	10,000	5,047	762	10,000	5,381
Radio	338	10,000	10,000	194	10,000	10,000
Broadcast TV	4,837	10,000	7,419	3,761	10,000	6,881
Multichannel Platforms	N/A	N/A	N/A	N/A	N/A	N/A
Video Channels	N/A	N/A	N/A	N/A	N/A	N/A
Film	1,691	2,240	1,966	2,248	5,154	3,701
Wireline	5,078	10,000	7,539	4,476	10,000	7,238
Wireless	5,873	10,000	7,936	4,275	10,000	7,138
ISP	3,016	10,000	6,508	4,023	10,000	7,012
Search Engines	3,612	3,612	10,000	6,433	6,433	10,000
Online News	3,113	3,113	3,113	2,989	2,989	2,989

p. 1108 "Segmented" HHI treats each of the different state-owned companies as separate firms. The second approach is to assume that the different state enterprises are in the nature of divisions of the same overall organization. This is the "Integrated" definition. The third approach is to combine both of these two metrics in an "averaged" concentration measure.

Bibliography

For the sources mentioned in this chapter, see the general bibliography at the end of this book.

Notes

1. North America: Canada and the United States. Latin America: Argentina, Brazil, Chile, and Mexico. BRICS: Brazil, Russia, India, China, and South Africa. Europe: Belgium, Finland, France, Germany, Ireland, Italy, The Netherlands, Poland, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. Middle East: Egypt, Israel, and Turkey. Asia-Pacific: Australia, Japan, South Korea, and Taiwan.
2. "Content media" includes newspapers, magazines, book publishing, film, radio, broadcast television, video channels, search engines, online news media, and one-third of the multi-channel industry's total revenues.
3. "Platform media" are defined as wireless and wireline telecom, ISPs, and two-thirds of multi-channel industry revenues. The allocation for the multi-channel industry is based on its dual role of both platform and content aggregator, and approximates the cost shares.
4. Wireline market shares dropped significantly for Bezeq (B Communication), which had 99% in 2004 and 82% in 2013. Altice-HOT holds 14% of market shares and Partner Communications gained 3%, both much smaller companies than Bezeq.
5. Wireline revenue decreased substantially from $9.6 billion in 2004 to $6.7 billion in 2013.
6. Between 2004 and 2008, the incumbent Eircom's market share fell by half, from 87% to 41%, and two new companies entered the market: Liberty Global and Vodafone.
7. "Content media" include newspapers, magazines, book publishing, film, radio, broadcast television, video channels, search engines, online news media, and one-third of the multi-channel industry's total revenues. The allocation for the

multi-channel industry is based on its dual role as both platform and content aggregator, and approximates the cost shares.

8. "Platform media" are defined as wireless and wireline telecom, ISPs, and two-thirds of multi-channel industry revenues.
9. According to the International Federation of the Phonographic Industry Report 2012, as reported by Billboard here: <http://www.billboard.com/biz/articles/news/digital-and-mobile/1549915/ifpi-digital-music-report-2013-global-recorded-music>.