

Lackluster Showing

Publishing

Japan's book and magazine publishers did brisk business in the first half of 1991, thanks to the start of 99 new periodicals and price hikes averaging some 4%. However, cautious consumer behavior brought a downturn in sales in the second half. For the full year, the publishing business is expected to grow on a year-on-year basis by a moderate 3% in volume and 5% in value.

While books on the Gulf War, upheavals in the Soviet Union and stock scandals sold well, literary books suffered from stagnant sales due to a dearth of best sellers and compelling new titles. Book sales in volume terms for the full year were expected to remain at previous-year levels, with the remainder rate rising to nearly 35%.

Magazine sales also leveled off as the traditional market locomotives—comics, women's magazines, and automobile and computer magazines—lost steam and the shine came off the new periodicals launched in the first half.

In 1992, a delay in the business recovery and stagnant growth in consumer demand, coupled with a round of cover price increases, could well push the growth rate of book and magazine sales down in both value and volume.

Advertising

Advertising outlays were expected to level off in 1991 after three years of solid

expansion at an annual rate of some 10%. The business slowdown has eaten into corporate earnings and dampened corporate willingness to spend large amounts to advertise their products and services. The loss of the special advertising demand generated by the 1990 International Garden and Greenery Exposition in Osaka has also contributed to the year-on-year slowdown.

Advertising businesses have experienced a slowdown in earnings in the aftermath of the collapse of the bubble economy. Television companies suffered from sluggishness in banking advertisements, deregulated in January 1991, following disclosures of a string of irregular financial and stock dealings involving major banks. Direct mailing flagged as well, as leaflets and other sales promotion materials for housing and real estate were curtailed.

The processed food and beverage industries, major players in the advertising market, continued aggressive advertising campaigns. But the Gulf War bit deep into advertisements for tourism and related industries in every type of media. Advertisements for financial institutions, including banks and securities companies, realty and housing firms, and the automobile industry also fell in all media.

Business is expected to remain dull in 1992, with spending on advertising likely to grow by a lackluster 2% to 3%. The Barcelona Olympics may be the only



Sales growth of books is expected to slip further in the coming year.

bright spot, generating a certain amount of new demand.

Broadcasting

Satellite broadcasting dominated the news of the broadcasting world in 1991. Japan Satellite Broadcast (JSB), Japan's first private satellite broadcasting company, launched a full-scale service in April. Although the start of its service was marred by the unsuccessful launch of a *BS-3H* satellite, the number of JSB's subscribers had climbed to 500,000 by September. Meanwhile, Satellite Digital Audio Broadcast, a private satellite PCM digital music broadcasting company, began a full-scale service in September. The satellite broadcast service of Japan Broadcasting Corporation (NHK) also continued to expand, topping 4 million subscribers as of September.

The nonprofit Hi-Vision Promotion Association started eight hours a day of test broadcasts of high-definition television in November 1991. The association is expected to start full-scale PCM music radio and TV broadcast services using a communications satellite in 1992.

These many new services are ushering in a new era of multichannel satellite services in Japan's broadcasting business. Plans for new broadcasting services, keyed to the scheduled launch of a *BS-4* satellite in 1997, are expected to take shape during the year. Once the *BS-4* enters service, multichannel broadcasting is expected to become a permanent presence on Japan's airwaves.

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Advertising Spending and Publication Sales

