

## Eastern Europe media boom now in reverse

PwC's Mackenroth says region hit hard in economic crisis

By Scott Roxborough

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BERLIN – The credit crunch has sapped the strength from Eastern Europe's media boom, according to regional expert Frank Mackenroth of PricewaterhouseCoopers.

"Eastern Europe has been hit particularly hard by the global financial crisis," Mackenroth told attendees at industry conference the European Television Dialogue in Berlin on Thursday. "We are seeing a sharp slowdown in most territories."

For the past few years, "New Europe" has been the El Dorado of international broadcasting executives who saw the rapid growth in the ad industries of Russia, Poland and the Czech Republic as a means of compensating for sluggish performance in Western Europe's more established markets.

But Eastern Europe has gone from boom to bust in a matter of months.

"We saw a good performance in most territories for the first eight to nine months and then a rapid drop, with ad campaigns canceled, revenue slipping sharply," Mackenroth told The Hollywood Reporter. "I think fourth-quarter figures will be very bad indeed."

Mackenroth expects Russia, whose oil-driven economy has fallen with the drop in crude prices, to be among the hardest hit. But Hungary, a shining light until the financial crunch nearly bankrupted the country, also is in danger.

"We have to wait to see the effects on the real economy, on consumer demand, since advertising sales track that closely," Mackenroth said. "But it doesn't look good."