



CIS COUNTRIES: FAST AND DYNAMIC DEVELOPMENT

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Television market in the CIS countries is a rapidly developing industry both in terms of the quantity of TV channels and locally produced television content. For the past ten years CIS TV market drew dramatically, especially in such countries as Russia, Ukraine and Kazakhstan which are the biggest regional TV markets. Nevertheless television

industry evolve rapidly also in other CIS countries, such as Uzbekistan, Kyrgyzstan, Azerbaijan, Tajikistan, Armenia, Moldova and Belorussia. The only one “closed for the others’ eyes” market of the region is Turkmenistan, where there are only 5 TV channels, all of which are state-owned.

The most competitive TV markets of the region with the biggest number of national-wide analogue TV nets are Russia (16 national-wide TV channels), Ukraine (14) and Kazakhstan (10). After analogue switch off (in the majority CIS countries deadline for digital terrestrial TV switchover is set for 2015) the number of national-wide terrestrial TV channels will double or even triple in the CIS countries.

ADVERTISING

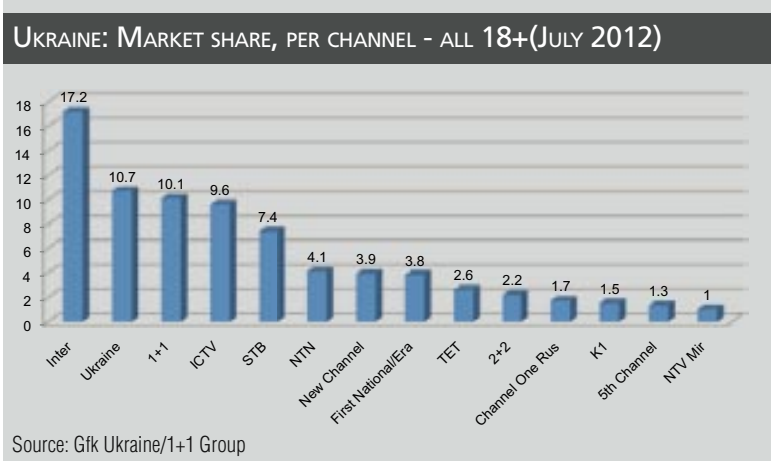
From the advertising point of view Russia, Ukraine and Kazakhstan are also the biggest markets in the region. TV advertising in Russian reached in 2011 more than \$4.35 billion, in Ukraine – \$440 million, in Kazakhstan – \$380 million. It’s necessary to mention that economic

crisis of 2008-2009 influenced negatively advertising revenues of the CIS countries broadcasters.

For example, in Ukraine TV advertising market fell almost twice in 2009 and still cannot recover after the crisis. In Belorussia crisis for TV industry started in 2011 when advertising revenues decreased 40% (to \$68 million) comparing with 2010. This tendency in Belorussia continues till now and analysts say 2012 will show 25% drop of the local advertising market.

On behalf of programming, entertainment content prevails almost in all CIS markets. Nevertheless in different countries of the region certain TV content restrictions exist. For example, in Moldova TV channels are not allowed to broadcast foreign movies in Russian translation, in Ukraine panel games are prohibited on TV. But the most strange restriction (we are not talking about Turkmenistan, where almost all foreign and entertainment content is forbidden) was introduced this year in Azerbaijan where starting from this May foreign TV series are prohibited to broadcast by TV channels.

Russia dominates in the region by the quantity of locally produced TV content. There are more than 150 production companies in the country that are supplying channels with TV dramas, comedies, detectives and TV shows. More than 60% of programming content of the



largest TV nets in Russia is locally produced. At the same time Ukraine is a region leader by as TV shows production (and adaptation of the international formats).

In the last 18 months Ukraine has come to be among the top three countries by the volume of foreign TV formats purchase. In the preceding decade (from 2000 to 2009) there were less format shows and programs launched in Ukraine, than in 2011 and first half of 2012. Roughly there were a little over 40 foreign formats adapted in the years 2000-2009. At the same time, in 2011 and first half of this year the amount of format TV-shows produced in this country outnumbered the total of the whole previous decade—the number of foreign formats adapted in the last 18 months crossed the mark of 60 absolutely new projects (not counting the subsequent seasons of the big shows, which were launched earlier). Game shows and reality shows are leading both in Russia and Ukraine.

In Kazakhstan feature movies production is better developed than in Ukraine, but in terms of TV content production this country is just starting to evolve. Local TV production in such countries as Armenia, Azerbaijan, Moldova, Kyrgyzstan, Belorussia, Tajikistan and Uzbekistan is represented by TV shows, because high-quality series production is not yet a matter of fact for these territories. TV channels of above-mentioned countries prefer to broadcast Russian and American TV content. In Azerbaijan, for instance, Turkish TV dramas are very popular. Romanian content is desired in Moldova, and both Korean and Turkish series are welcomed in Uzbekistan and Kyrgyzstan.

