

# Taiwan Entertainment & Media Outlook 2023-2027

English edition

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# About PwC's Outlook

PwC released its "Global Entertainment and Media Outlook 2023-2027" in June 2023.

The Outlook is a comprehensive online source of analysis with five-year historical and five-year forecast data of consumer and advertiser spending in 13 entertainment and media (E&M) industry segments across 53 territories, including Taiwan.

The segments covered include:

- Business-to-business (B2B);
- Cinema;
- Internet access and data consumption;
- Internet advertising;
- Metaverse;
- Music, radio and podcasts;
- Newspapers, consumer magazines and books;
- Non-fungible tokens (NFTs);
- Over-the-top (OTT) video;
- Out-of-home (OOH) advertising;
- Traditional TV;
- Video games and e-sports; and
- Virtual and augmented reality.

The data and commentaries presented in the Outlook are produced by UK research firm Omdia for PwC. The datasets for the Metaverse, NFT, podcast and virtual reality segments are not available for Taiwan due to coverage restrictions.

The Outlook comes in three formats:

- An online interactive tool at [www.pwc.com/outlook](http://www.pwc.com/outlook) requiring subscription, which allows subscribers to dig deeper into the data and analysis at a segment and territory level, and to compare and contrast consumer and advertising spending.
- A special report, [Perspectives from the Global Entertainment & Media Outlook 2023–2027](#), providing insights into the key trends shaping the E&M industry and how companies can respond, which is freely available to non-subscribers.
- Territory editions. The Taiwan version provides a concise summary, in English and Chinese, of the key messages from the global and local E&M markets, along with detailed data and commentary for the segments covered in Taiwan.

This English booklet was compiled by Damian Gilhawley, an industry specialist at PwC Taiwan.

# Introduction

The global entertainment and media (E&M) industry continues its post-Covid recovery, but growth slowed sharply in 2022, which laid the groundwork for this year's theme: "Resetting expectations, refocusing inward and recharging for growth."

The 2023 edition of PwC's Global Entertainment and Media Outlook looks at the current performance of the industry and offers detailed commentaries and five-year projections across 13 E&M segments in 53 territories, including Taiwan.

PwC Taiwan has again produced a local edition of the Outlook, which provides a concise summary, in English and Chinese, of key insights from the global and Taiwan markets, which is drawn from the online resources at [www.pwc.com/outlook](http://www.pwc.com/outlook).

The future for the E&M industry remains challenging, both globally and domestically. But, for those with the right vision and strategy, it's also increasingly bright. Whatever pathways open, the imperative will be to lean into innovative thinking.



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# Key Outlook messages - Global

In many ways, 2022 was a challenging year for the entertainment and media (E&M) industry, according to PwC's Global E&M Outlook for 2023-2027, which finds that it is becoming more digital and increasingly dominated by advertising.

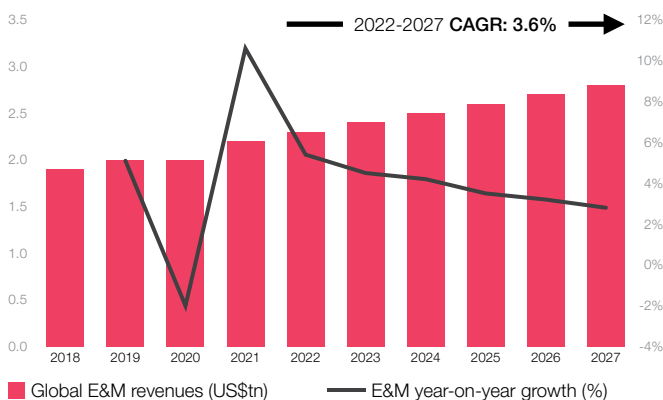
Global E&M revenue rose by 5.4% to US\$2.3tn in 2022. While positive, this represents a sharp deceleration from the 10.6% growth in 2021 when economies and industries were starting to rebound from the upheaval caused by Covid. A combination of macroeconomic pressures, geopolitical instability and mounting price inflation hit consumer spending on E&M last year.

The key challenge — now and in the near future — is the expected continued weakness in consumer spending on E&M. It has historically been the largest of the three broad categories the Outlook tracks, next to advertising and Internet access. But growth in consumer spending will lag behind over the next few years, at a CAGR of 2.4% to reach US\$903bn by 2027.

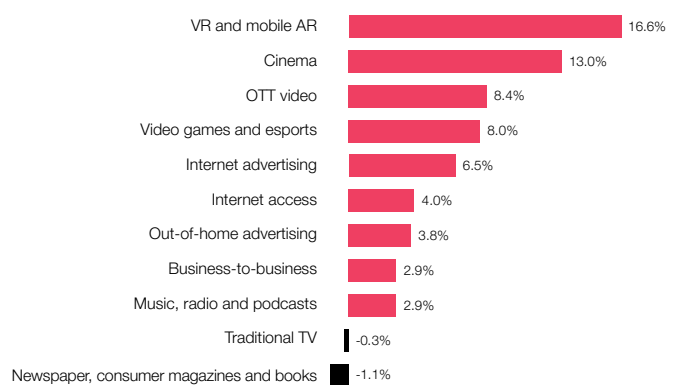
The current slowdown is pushing E&M companies to reset expectations, refocus inward and seek ways to recharge growth. They're doing so by tapping into the many geographical and sectoral hotspots that offer opportunities and by harnessing emerging technology — in particular, by exploring the power of AI as an engine of productivity for the creative process.

Looking ahead, the 2023 Outlook forecasts five years of continued headline revenue growth through to 2027, at which point the E&M industry will approach US\$2.8tn — with advertising alone accounting for US\$952bn. But amid these overall gains, the rate of growth is expected to decline each year over the forecast period, in part due to weakening consumer spending.

## Global E&M revenue forecast for next five years...



## and projected global CAGR by segment



**Note:** 2022 is the latest available data; 2023-2027 values are forecasts.

**Source:** PwC's Global Entertainment & Media Outlook 2023-2027, Omdia

## Even in a lower-growth environment, there are many hotspots of opportunity:

- Advertising revenue is expected to approach US\$1tn in 2027 and become the largest E&M sector. While advertising dollars are growing, they're getting spread more thinly as more market players — including e-commerce sites, video games and streaming platforms — take market share from large social media and search platform incumbents.
- Digital will account for nearly three quarters of E&M industry revenue by 2027, up from 55.2% in 2018. As E&M products become more digital, the costs of production and distribution are declining. Meanwhile, global internet access is also expected to approach a US\$1tn market by 2027, with smartphones being the key drivers for internet access growth.
- OTT (over-the-top) streaming, a key driver of E&M industry growth, is expanding most rapidly in emerging markets, particularly in the Asia Pacific region, where the combination of large, historically underserved rural populations, the spread of mobile broadband, and strong demand for local and sports content presents major opportunities.
- Gaming remains one of the powerhouses of the E&M industry and will continue to be a key driver of growth, particularly in the Asia-Pacific. Global video games and esports revenue will grow at an 8.0% CAGR to reach US\$315bn in 2027, as the sector undergoes a prominent shift from traditional gaming devices such as PCs and games consoles to mobiles.
- Live events will return to pre-pandemic highs in 2024 and outperform the E&M industry at-large. Through 2027, live experience revenues are expected to grow at 9.6% CAGR, four times the 2.4% CAGR predicted for overall consumer revenue, highlighting the enduring appeal of live experiences. Cinema revenue will reach pre-Covid levels by 2025.

- The fastest-growing metric covered in the Outlook will be mobile augmented reality (AR) consumer revenue, with a CAGR of 26.0%. The second fastest-growing metric will be VR gaming revenue with a CAGR of 19.5%. The fastest-shrinking metrics are either physical or print segments which are losing out to more convenient digital alternatives.

### Resetting expectations, refocusing inward and recharging growth.

- The E&M industry experienced strong growth over the past two years following a surge in demand for digital products during Covid-19. However, macroeconomic challenges, increased industry competition and a reduction in production costs — particularly in digital services and experiences — have reduced revenues and consumers' willingness-to-pay.
- The declining influence of consumer spending on E&M products and services and the rising influence of advertising are among the key forces changing the imperatives for industry leaders and forcing a broad reassessment and reinvention of their business models. Technology and innovation hold particular promise as a new growth engine for the industry.
- For years, the overarching story in E&M has been a technology-inspired shift to digital and mobile. The story now, and the potential for growth, is in the convergence of existing and emerging technologies — most notably AI, and specifically generative AI, which is already enabling companies and individuals to think differently about how to create content.
- Generative AI is seemingly tailor-made for the increasingly digital E&M industry. It can boost productivity by automating tasks and workflows, particularly for mundane or labour-intensive routines, giving people more time to spend on higher value activities. Experience shows it can dramatically increase the capability, speed and volume of content production.
- E&M will be on the front line as the usage and sophistication of generative AI grow in the years ahead. Because of the speed at which it iterates and develops, generative AI poses fundamental challenges to business models but also raises important issues surrounding privacy, intellectual property, security and data privacy, environmental harm, and ethics.
- All told, the future for the E&M industry around the world remains challenging. But, for those with the right vision and strategy, it's also increasingly bright. Whatever pathways open, the imperative will be to lean into innovative thinking.

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**Note:** The Outlook database was expanded this year to include new coverage areas examining different aspects of the telco ecosystem. These include capex, mobile annual revenue per user, and information on spectrum ownership for all 53 territories. These additional revenue components, however, are distinct from the other segments covered in the Outlook and are not included in global totals. PwC plans to release a separate Global Telecom Outlook report in September 2023.

# Key Outlook messages - Taiwan

Taiwan's E&M market revenue grew by 5.3% to US\$18.6bn in 2022, similar to the global headline rise of 5.4%. However, this marked a deceleration from the 11.1% expansion in 2021, which was inflated by low base effects due to Covid. High inflation and global uncertainty also contributed to slower growth last year. Looking ahead, total E&M revenues in Taiwan are seen further increasing by 4.1% in 2023, and at a CAGR of 3.1% over the next five years to reach US\$21.7bn in 2027.

The largest E&M segment last year was Internet access (31.5% of E&M revenue), which is dominated by mobile. It is the main driver of growth in Internet access revenue due the ubiquity of mobile devices, as well as the roll-out of infrastructure, which will see the 5G standard accounting for an estimated 78.9% of smartphone connections by 2027. The next biggest market segments were video games and e-sports (18.0% of revenue), Internet advertising (15.1%), traditional TV (14.6%) and OTT video (9.1%). Together these five segments accounted for almost 90% of the E&M industry's overall revenues.

The fastest-growth segments in 2022 were OTT video (up 51.5% on the year, boosted by continuing strong demand for streaming services), cinema (15.8%), music and radio (14.8%), out of-home advertising (14.1%) and B2B (13.3%). Some of the sectors that were worst hit by the pandemic — like cinema, live music and trade shows — made a strong comeback in 2022 as Taiwan transitioned from a zero-Covid policy to living with the virus. The weakest performers were Internet access (-1.1%), newspapers, consumer magazines and books (0.0%), video games and e-sports (1.6%) and traditional TV (2.3%).

Looking at the E&M revenue outlook for the next five years, the strongest performers, in terms of consumer and advertising spending, will be cinema (10.6% CAGR), OTT video (7.1%), Internet advertising (5.7%), music and radio (4.9%), video games and e-sports (4.8%) and out-of-home advertising (3.4%). The weakest performers will be traditional TV (-0.7%) and newspapers, consumer magazines and books (0.1%), as traditional forms of media continue to struggle in the digital age.

The detailed data and commentary for each of the E&M segments covered for Taiwan is provided in the following pages.

## Entertainment and Media market in Taiwan (US\$ millions)

Industry segment	2018	2019	2020	2021	2022E	2023F	2024F	2025F	2026F	2027F	2022-27 CAGR
Business-to-business	307	312	251	261	296	310	322	331	339	345	3.1%
Cinema	368	348	176	170	196	249	285	310	321	324	10.6%
Internet access	6,083	5,860	5,812	6,230	6,160	6,299	6,444	6,576	6,702	6,823	2.1%
Internet advertising	1,494	1,866	2,219	2,726	2,955	3,157	3,364	3,564	3,749	3,903	5.7%
Music and radio	287	303	247	252	289	319	337	350	360	367	4.9%
Newspapers, consumer magazines and books	1,436	1,388	1,240	1,272	1,273	1,269	1,269	1,270	1,272	1,276	0.1%
OTT video	522	627	856	1,179	1,787	2,044	2,222	2,347	2,442	2,521	7.1%
Out-of-home advertising	172	181	165	185	211	221	230	237	244	249	3.4%
Traditional TV	2,795	2,749	2,609	2,798	2,863	2,847	2,850	2,820	2,806	2,763	-0.7%
Video games and esports	2,302	2,723	3,038	3,474	3,528	3,694	3,886	4,093	4,295	4,464	4.8%
<b>Total revenue</b>	<b>15,767</b>	<b>16,356</b>	<b>16,613</b>	<b>18,547</b>	<b>19,557</b>	<b>20,410</b>	<b>21,210</b>	<b>21,897</b>	<b>22,529</b>	<b>23,035</b>	
<b>Total without double counting</b>	<b>15,280</b>	<b>15,718</b>	<b>15,871</b>	<b>17,627</b>	<b>18,562</b>	<b>19,330</b>	<b>20,044</b>	<b>20,651</b>	<b>21,207</b>	<b>21,673</b>	<b>3.1%</b>

**Note:** Numbers shown are rounded. Totals may not equal the sum of their parts due to rounding.

**Source:** PwC's Global Entertainment & Media Outlook 2023-2027, Omdia

# Business-to-business

Taiwan's business-to-business (B2B) market — which comprises the business information, trade magazine and trade shows sectors — grew by 13.3% yoy in revenue terms to US\$296mn in 2022, and it is expected to make a near full recovery to pre-pandemic levels in 2023, propelled by a resurgent trade shows sector following border reopening.

Total trade shows revenue jumped by 71.0% yoy to US\$61mn (20.6% of the B2B market) in 2022, accounting for almost three-quarters of overall market revenue growth for the year. The sector was boosted by the reopening of Taiwan's borders to all arriving visitors in October 2022, which will lead to a rebound in the scale of physical exhibitions going forward.

The Taiwan External Trade Development Council (TAITRA) plans to hold 26 international trade shows in 2023 as the post-Covid recovery takes hold. It also intends to roll out more innovative and digital services — like the online merge offline solution DigitalGo and audiovisual platform TTS D'Channel launched during the pandemic — to enhance trade shows.

Total trade shows revenue is seen growing at a 9.7% CAGR over the next five years to reach US\$97mn in 2027. This will be the most important growth driver in taking total B2B market revenue to US\$345mn in 2027, at a 3.1% CAGR.

## Business-to-business in Taiwan

Unit: US\$ millions	2018	2019	2020	2021	2022E	2023F	2024F	2025F	2026F	2027F	2022-27 CAGR
<b>Business information</b>	<b>200</b>	<b>203</b>	<b>199</b>	<b>204</b>	<b>212</b>	<b>215</b>	<b>218</b>	<b>221</b>	<b>223</b>	<b>225</b>	<b>1.2%</b>
<b>Trade magazines</b>	<b>25</b>	<b>24</b>	<b>21</b>	<b>22</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>-0.2%</b>
Advertising sub-total	12	12	10	11	11	12	12	12	12	12	1.3%
- Digital	5	5	6	6	7	8	8	9	9	9	5.8%
- Print	7	6	4	5	4	4	4	3	3	3	-8.9%
Circulation sub-total	12	12	11	12	12	12	12	12	11	11	-1.6%
- Digital	1	1	1	1	2	2	2	2	2	2	4.4%
- Print	11	11	10	10	10	10	10	10	9	9	-2.7%
<b>Trade shows</b>	<b>83</b>	<b>85</b>	<b>31</b>	<b>36</b>	<b>61</b>	<b>72</b>	<b>80</b>	<b>87</b>	<b>92</b>	<b>97</b>	<b>9.7%</b>
<b>Total revenue</b>	<b>307</b>	<b>312</b>	<b>251</b>	<b>261</b>	<b>296</b>	<b>310</b>	<b>322</b>	<b>331</b>	<b>339</b>	<b>345</b>	<b>3.1%</b>

Source: PwC's Global Entertainment & Media Outlook 2023-2027, Omdia



# Cinema

Box office revenue in Taiwan jumped 15.8% yoy to US\$196mn in 2022 as eased Covid restrictions brought customers back in droves. Seven of the top ten highest-grossing films of the year were Hollywood blockbusters, with *Top Gun: Maverick* in first place with NT\$735mn (US\$25mn) in ticket sales. The other three titles in the top ten were Japanese animation films *Jujutsu Kaisen 0* and *One Piece Film: Red* and Taiwanese horror picture *Incantation*. The latter was the only local film to break into the top ten list with NT\$172mn (US\$5.7mn), and no other crossed the NT\$100mn revenue milestone in 2022.

Taiwanese films were unable to keep up their recent momentum. They had been gaining share in the absence of the usual Hollywood fare during the worst period of the global lockdowns, but lost ground last year. Their intake of the box office was 10.5% in 2022, down from 24.5% in 2021 and 17.0% in 2020, but higher than the pre-pandemic share of 6.9% in 2019.

The Taiwan Creative Content Agency (TAICCA), backed by the Ministry of Culture, has been very active in promoting Taiwanese titles at international markets and festivals — one reason why they have a higher international profile than those of most other Asian countries. For instance, there were 92 Taiwanese titles available at the European Film Market during the 2023 Berlin International Film Festival, which can be seen as a snapshot of the current state of Taiwan cinema.

Looking ahead, total cinema box office revenue in Taiwan is forecast to increase at a CAGR of 10.6% over the next five years to reach US\$324mn in 2027, though still lower than the pre-Covid revenue figure of US\$348mn in 2019.

## Cinema in Taiwan

Unit: US\$ millions	2018	2019	2020	2021	2022E	2023F	2024F	2025F	2026F	2027F	2022-27 CAGR
Box office	368	348	176	170	196	249	285	310	321	324	10.6%
Cinema advertising	0	0	0	0	0	0	0	0	0	0	0.0%
<b>Total revenue</b>	<b>368</b>	<b>348</b>	<b>176</b>	<b>170</b>	<b>196</b>	<b>249</b>	<b>285</b>	<b>310</b>	<b>321</b>	<b>324</b>	<b>10.6%</b>

Source: PwC's Global Entertainment & Media Outlook 2023-2027, Omdia



# Internet access

Internet services in Taiwan have grown strongly over the past few years, with the Internet user penetration rate reaching 86.3% in 2022, according to the National Communications Commission (NCC). Taiwan's Internet access market revenue totalled US\$6.2bn in 2022 and is forecast to increase at a CAGR of 2.1% over the next five years to reach US\$6.8bn by 2027, with the mobile Internet segment continuing to outpace the maturing fixed broadband sector over the period.

Taiwan has had a fibre-based network in place for many years, with 62.8% of broadband homes taking fibre in 2022 and seen rising to 69.3% by 2027. But fixed broadband growth is slowing as more consumers switch to mobile services because of convenience and increasingly affordable services and improving quality. Fixed broadband penetration will hit 91.2% of all homes by 2027, and access revenues will grow modestly at a 0.6% CAGR from US\$2.1bn in 2022 to US\$2.2bn in 2027.

Mobile dominates the Internet access market, accounting for US\$4.0bn (65.2%) of total revenue in 2022, and the sector is forecast to expand at a 2.8% CAGR to US\$4.6bn (67.6%) by 2027, when mobile Internet penetration will reach 71.6%. Taiwan's mobile operators started to provide 5G services from July 2020 onward. Although the 5G coverage rate has now reached 95%, 5G users accounted for just 22.4% of total mobile subscribers at the end of 2022, according to the NCC.

## Telco

Taiwan's telecommunications market is highly competitive and crowded, currently with five network operators. Incumbent Chunghwa Telecom is the clear leader in both fixed-line and mobile, followed by Taiwan Mobile and Far EastOne Telecom (FET). The other two network operators are Taiwan Star and Asia Pacific Telecom (APT), which have much smaller subscriber bases. The market is set for consolidation in 2023 as the number of telecom operators could shrink to three.

In January 2023, the NCC granted conditional approval to two telecom mergers, one between Taiwan Mobile and Taiwan Star, and the other between FET and APT. The conditions set by the regulator require the companies to dispose of excess bandwidth acquired through the mergers by the end of June 2024, and also obliges them to raise their 4G coverage rates to 99% and 5G coverage rates to 98% by 2027. The two mergers have still yet to be approved by the Fair Trade Commission.

Consolidation in Taiwan's telecommunications market is being driven by the high cost of 5G deployment and developing value-added 5G applications and solutions. Consequently, there will likely be less of a focus on continued 4G network and service development, with telco operators sidelining the technology for use in basic connectivity. Instead, 5G will see intense investment over the medium term, with the standard accounting for 78.9% of smartphone connections by 2027.

## Internet access in Taiwan

Unit: US\$ millions	2018	2019	2020	2021	2022E	2023F	2024F	2025F	2026F	2027F	2022-27 CAGR
Fixed broadband access	2,114	2,122	2,108	2,112	2,142	2,165	2,182	2,193	2,201	2,207	0.6%
Mobile Internet access	3,970	3,738	3,704	4,118	4,019	4,134	4,263	4,383	4,501	4,615	2.8%
<b>Total revenue</b>	<b>6,083</b>	<b>5,860</b>	<b>5,812</b>	<b>6,230</b>	<b>6,160</b>	<b>6,299</b>	<b>6,444</b>	<b>6,576</b>	<b>6,702</b>	<b>6,823</b>	<b>2.1%</b>

Source: PwC's Global Entertainment & Media Outlook 2023-2027, Omdia

# Internet advertising

Taiwan's Internet advertising market is supported by a well-developed Internet and mobile infrastructure and high smart-phone penetration. Total market revenue increased by a robust 8.4% yoy to US\$3.0bn in 2022, though the overall growth trend is expected to moderate over the next five years as the market matures, at a 5.7% CAGR to US\$3.9bn in 2027.

Mobile ad spend is the key growth driver and will increase at a 7.5% CAGR from US\$2.0bn in 2022 to US\$2.9bn (73.6% of market revenue) by 2027. This is a faster rate than for wired ad revenue, which will grow at a 1.5% CAGR from US\$956mn to US\$1.0bn over the same period. The fastest-growing sub-segment will be mobile video advertising, at a 13.4.% CAGR.

The Taiwan government continues to actively support the mobile medium by improving the national Internet infrastructure, and promoting wider adoption of mobile payments (targeting a penetration rate of 90% by 2025, up from 72.2% in 2021). Other factors underpinning digital ad growth include a booming e-commerce sector and expanding 5G deployments.

## Internet advertising in Taiwan

Unit: US\$ millions	2018	2019	2020	2021	2022E	2023F	2024F	2025F	2026F	2027F	2022-27 CAGR
<b>Mobile Internet advertising</b>	<b>845</b>	<b>1,138</b>	<b>1,421</b>	<b>1,809</b>	<b>1,999</b>	<b>2,178</b>	<b>2,366</b>	<b>2,551</b>	<b>2,725</b>	<b>2,873</b>	<b>7.5%</b>
Display sub-total	695	959	1,220	1,539	1,694	1,869	2,039	2,208	2,369	2,507	8.2%
- Other display	533	733	913	1,116	1,171	1,241	1,315	1,400	1,475	1,525	5.4%
- Video	162	226	307	422	523	628	724	809	894	982	13.4%
Paid search	150	179	201	270	304	310	327	342	355	366	3.7%
<b>Wired Internet advertising</b>	<b>650</b>	<b>727</b>	<b>799</b>	<b>917</b>	<b>956</b>	<b>979</b>	<b>998</b>	<b>1,013</b>	<b>1,024</b>	<b>1,030</b>	<b>1.5%</b>
Classified	212	216	227	237	246	253	259	264	267	270	1.9%
Display sub-total	312	363	409	484	500	511	520	528	533	537	1.4%
- Other display	238	266	281	319	325	328	330	333	336	338	0.7%
- Video	74	97	127	165	175	183	190	194	197	199	2.7%
Paid search	126	148	163	196	210	215	220	222	223	223	1.2%
<b>Total revenue</b>	<b>1,494</b>	<b>1,866</b>	<b>2,219</b>	<b>2,726</b>	<b>2,955</b>	<b>3,157</b>	<b>3,364</b>	<b>3,564</b>	<b>3,749</b>	<b>3,903</b>	<b>5.7%</b>

Source: PwC's Global Entertainment & Media Outlook 2023-2027, Omdia

# Music, radio and podcasts

Taiwan's music and radio market revenue increased by 14.8% yoy to US\$289mn in 2022, boosted by the easing of Covid restrictions on public events and performances through the year as the pandemic stabilised. This helped recharge the live music sector, which accounted for almost 90% of the overall market revenue increase in 2022. Over the next five years, total music and radio revenue is forecast to grow at a 4.9% CAGR to US\$367mn in 2027, largely driven by live music.

## Music

Taiwanese music fans have long since transitioned to digital products, with streaming services accounting for US\$127mn (82.2%) of all recorded music revenue in 2022. Streaming will continue to drive sector growth, with the myriad on-demand and subscription products expected to increase at a 6.8% CAGR to US\$177mn (91.9%) in 2027. As for the other recorded music segments, CDs are a diminishing format in Taiwan, while demand for digital downloads is minuscule – and shrinking.

Taiwan's live music sector saw a 72.1% yoy increase in revenue to US\$56mn (26.6% of the total music sector) in 2022, but still below the pre-Covid high of US\$85mn in 2019. Taiwan was relatively late to end its mandatory Covid quarantine for inbound arrivals, only fully reopening its borders in October 2022. With that handbrake removed, international touring is set to return in 2023. Live music revenue is seen growing at a 11.8% CAGR over the forecast period to US\$98mn in 2027.

## Radio

Taiwan's radio sector is saturated in terms of listeners and the number of radio stations (186 at end-2022). As a result, there has been increasingly less interest in radio as an outlet among advertisers over the last few years, which even discounting the economic impact of the pandemic has seen ad spend in the sector decrease from US\$90mn in 2018 to US\$78mn in 2022. Total radio revenue will slip further over the next five years at a -0.3% CAGR to US\$77mn in 2027.

## Podcasts

Podcasts are growing in popularity in Taiwan, with local content producers flocking to the sector since 2019. According to a report by podcast start-up SoundOn, there were around 3,000 active podcast programmes in Taiwan in 2022, and each listener donated an average of NT\$458 (US\$15), representing a year-on-year increase of 29%. It is also worth noting that the business collaboration market for podcasts in Taiwan was worth around NT\$1bn (US\$33mn) in 2022, according to the SoundOn report, which shows that companies are actively leveraging the marketing potential of the podcast platform.

## Music and radio in Taiwan

Unit: US\$ millions	2018	2019	2020	2021	2022E	2023F	2024F	2025F	2026F	2027F	2022-27 CAGR
<b>Live music</b>	<b>78</b>	<b>85</b>	<b>38</b>	<b>33</b>	<b>56</b>	<b>78</b>	<b>88</b>	<b>93</b>	<b>96</b>	<b>98</b>	<b>11.8%</b>
Live music sponsorship	14	15	4	3	8	14	15	16	16	16	14.9%
Live music ticket sales	63	70	34	29	48	64	72	77	80	82	11.3%
<b>Recorded music</b>	<b>119</b>	<b>129</b>	<b>138</b>	<b>142</b>	<b>155</b>	<b>163</b>	<b>172</b>	<b>180</b>	<b>186</b>	<b>192</b>	<b>4.5%</b>
Digital recorded music	85	99	111	117	128	138	149	159	169	177	6.7%
- Digital music downloading	2	1	1	1	1	0	0	0	0	0	-34.8%
- Digital music streaming	84	98	110	116	127	138	149	159	168	177	6.8%
- Streaming subscription	10	13	16	14	19	21	23	24	26	27	7.3%
- Streaming advertising	74	86	94	102	108	117	126	135	143	150	6.8%
Music performance rights	4	4	4	4	4	4	4	4	4	4	2.8%
Music synchronisation	1	2	1	1	1	1	2	2	2	2	5.8%
Physical recorded music	29	25	23	20	22	20	17	15	12	9	-15.4%
<b>Radio advertising</b>	<b>90</b>	<b>89</b>	<b>71</b>	<b>77</b>	<b>78</b>	<b>78</b>	<b>78</b>	<b>77</b>	<b>77</b>	<b>77</b>	<b>-0.3%</b>
<b>Total revenue</b>	<b>287</b>	<b>303</b>	<b>247</b>	<b>252</b>	<b>289</b>	<b>319</b>	<b>337</b>	<b>350</b>	<b>360</b>	<b>367</b>	<b>4.9%</b>

**Note:** Podcast data is not available for the Taiwan market.

**Source:** PwC's Global Entertainment & Media Outlook 2023-2027, Omdia

# Newspaper, consumer magazines and books

## Consumer books

Taiwan's consumer books market grew by 1.1% yoy in revenue to US\$561mn in 2022, but is forecast to contract at a -0.3% CAGR to reach US\$553mn in 2027 due to the continuing decline in demand for physical books. Electronic books revenue will increase at a 5.7% CAGR over the next five years, while the print sector will see revenue decrease at a -2.8% CAGR.

While revenues at bricks-and-mortar bookstores suffered during Covid, e-book sales continue to steadily grow, supported by the trend of e-reading and a new policy that e-books can apply for independent ISBNs in addition to physical books. Audiobook sales are also growing fast and largely influenced by the popularity of podcasts. Electronic books and audiobooks together accounted for 26.0% of total consumer books revenue in 2022, which is forecast to rise to 34.9% by 2027.

The Ministry of Culture in June 2023 launched a Young Adult Culture Vouchers initiative to boost arts and cultural activities. It includes a NT\$1,200 (US\$39) digital handout, called Culture Points, which can be claimed through a dedicated mobile app by about 1 million residents aged 18-21. The points can be used at designated independent bookstores, record stores, music stores, live music events and venues, cultural parks, bazaars, and screenings of Taiwanese films around Taiwan.

## Newspapers

Taiwan is one of a few places globally where newspapers revenue will grow over the forecast period, at a 0.6% CAGR from US\$525mn in 2022 to US\$540mn in 2027. The fastest-growing sub-sector will be digital circulation, where revenue will expand at a 13.6% CAGR, underpinned by the successful transition and recruitment of digital readers to pay models.

Local newspaper publishers face stiff competition from digital providers and social media and are urging the government to introduce regulations similar to Australia's News Media and Digital Platforms Mandatory Bargaining Code, which requires designated digital platforms to pay publishers for news content. In December 2022, the Ministry of Digital Affairs facilitated the first of a series of meetings between local news media outlets and big tech firms to discuss the issue of sharing news revenue. Following the December negotiations, Google launched in March 2023 a Taiwan News Digital Co-prosperity Fund which will provide NT\$300mn (US\$9.7mn) over three years to support the digital transformation of the local news industry.

## Consumer magazines

Consumer magazines revenue in Taiwan will decline at a -0.5% CAGR over the forecast period, falling from US\$186mn in 2022 to US\$182mn in 2027, due to the ongoing decline in print advertising and circulation, while digital continues to grow.

## Newspapers, consumer magazines and books in Taiwan

Unit: US\$ millions	2018	2019	2020	2021	2022E	2023F	2024F	2025F	2026F	2027F	2022-27 CAGR
<b>Consumer books</b>	<b>537</b>	<b>528</b>	<b>532</b>	<b>555</b>	<b>561</b>	<b>562</b>	<b>563</b>	<b>561</b>	<b>558</b>	<b>553</b>	<b>-0.3%</b>
Electronic	71	83	96	130	146	157	168	177	186	193	5.7%
Print	466	445	435	425	415	405	395	384	372	360	-2.8%
<b>Newspapers</b>	<b>676</b>	<b>645</b>	<b>522</b>	<b>528</b>	<b>525</b>	<b>522</b>	<b>522</b>	<b>526</b>	<b>532</b>	<b>540</b>	<b>0.6%</b>
Advertising	302	269	170	159	149	139	132	126	122	117	-4.6%
- Digital	34	36	36	34	35	36	37	38	40	41	3.4%
- Print	267	234	134	125	114	104	95	88	82	77	-7.7%
Circulation	374	375	352	370	376	382	390	399	410	423	2.4%
- Digital	39	49	63	76	90	104	118	134	151	170	13.6%
- Print	335	326	289	294	286	279	272	265	259	252	-2.5%
<b>Consumer magazines</b>	<b>223</b>	<b>215</b>	<b>186</b>	<b>189</b>	<b>186</b>	<b>185</b>	<b>183</b>	<b>183</b>	<b>182</b>	<b>182</b>	<b>-0.5%</b>
Advertising	68	63	55	44	44	44	45	45	46	47	1.3%
- Digital	20	23	24	20	21	23	25	27	28	30	7.1%
- Print	48	40	32	24	23	21	20	19	18	17	-5.8%
Circulation	156	153	131	145	142	140	139	137	136	135	-1.0%
- Digital	13	15	17	19	21	23	25	27	29	31	8.3%
- Print	142	137	114	126	122	118	114	111	107	104	-3.0%
<b>Total revenue</b>	<b>1,436</b>	<b>1,388</b>	<b>1,240</b>	<b>1,272</b>	<b>1,273</b>	<b>1,269</b>	<b>1,269</b>	<b>1,270</b>	<b>1,272</b>	<b>1,276</b>	<b>0.1%</b>

Source: PwC's Global Entertainment & Media Outlook 2023-2027, Omdia

# OTT video

Taiwan's OTT video market has surged in recent years, reaching total revenue of US\$1.8bn in 2022 — almost triple the pre-Covid level of US\$627mn in 2019, boosted by greater demand for streaming services during the pandemic. There remains room for further growth, particularly as households look to “stack” multiple subscription services, with total OTT video revenue forecast to expand at a 7.1% CAGR to US\$2.5bn in 2027. With only a niche market for transactional video-on-demand (VOD), subscription VOD services will account for over 99% of total OTT video market revenue in Taiwan.

Netflix and Amazon Prime Video arrived in Taiwan in 2016 and competition has continued to grow since, with further launches from major international players. Disney+ launched in late 2021, agreeing an exclusive, 18-month distribution deal with Taiwan Mobile, together with its Kbro cable TV affiliate. WarnerMedia is also expected to launch its HBO Max service in Taiwan in 2023. In addition, Netflix continues to expand its local content, announcing in late 2022 a slate of new Chinese-language programming from Taiwan, including fantasy series *Agent from Above* and comedy series *The Nipple Talk*.

In May 2022, the National Communications Commission (NCC) released an updated legal framework for a new draft bill regulating OTT TV service providers. The old draft, which was first introduced in 2020, had been criticised for requiring operators to divulge sensitive business information and for not incentivising their generation of new content. According to the new 2022 framework, the proposed bill will require large operators to register with the government and subject to other special obligations. The NCC has yet to announce details of the new Internet Audio-visual Service Management Act.

## OTT video in Taiwan

Unit: US\$ millions	2018	2019	2020	2021	2022E	2023F	2024F	2025F	2026F	2027F	2022-27 CAGR
Subscription video on demand	509	613	840	1,163	1,770	2,026	2,204	2,329	2,423	2,502	7.2%
Transactional video on demand	13	14	16	16	17	18	18	18	19	19	2.1%
<b>Total revenue</b>	<b>522</b>	<b>627</b>	<b>856</b>	<b>1,179</b>	<b>1,787</b>	<b>2,044</b>	<b>2,222</b>	<b>2,347</b>	<b>2,442</b>	<b>2,521</b>	<b>7.1%</b>

Source: PwC's Global Entertainment & Media Outlook 2023-2027, Omdia

# Out-of-home advertising

Taiwan's out-of-home (OOH) advertising market is one of the most heavily digitalised in the world, with as much as 73.9% of total revenue coming from digital OOH (DOOH) expenditure in 2022. The total OOH advertising market grew by 14.1% yoy to US\$211mn last year, and it is forecast to increase at a 3.4% CAGR over the next five years to US\$249mn in 2027.

DOOH revenue is projected to expand at a 6.1% CAGR from US\$156mn in 2022 to US\$209mn in 2027, when it will account for 84.1% of the total OOH advertising market. Physical OOH revenue had already begun to contract in 2022 following its short-lived post-Covid bounce and will contract rapidly at a -6.3% CAGR over the forecast period to US\$40mn in 2027.

Leveraging data and technology, programmatic DOOH is transforming how brands connect with audiences through out-of-home advertising across Taiwan. Canadian programmatic DOOH ad tech company Hivestack has been particularly active in the local market in recent years. Following a tie-up with Taiwan-based Solmate Media in 2021, the firm has since also established local partnerships with KanBan Culture and PilotTV Media, enabling them to monetise their DOOH assets.

## Out-of-home advertising in Taiwan

Unit: US\$ millions	2018	2019	2020	2021	2022E	2023F	2024F	2025F	2026F	2027F	2022-27 CAGR
Digital OOH advertising	107	120	114	128	156	170	182	193	201	209	6.1%
Physical OOH advertising	65	61	51	57	55	51	48	45	42	40	-6.3%
<b>Total revenue</b>	<b>172</b>	<b>181</b>	<b>165</b>	<b>185</b>	<b>211</b>	<b>221</b>	<b>230</b>	<b>237</b>	<b>244</b>	<b>249</b>	<b>3.4%</b>

Source: PwC's Global Entertainment & Media Outlook 2023-2027, Omdia



# Traditional TV

Taiwan's traditional TV market comprises the TV subscription (67.5% of total revenue in 2022) and TV advertising (32.5%) segments. Overall market revenue amounted to US\$2.9bn in 2022, and is projected to decline at a -0.7% CAGR over the next five years to reach US\$2.8bn in 2027, due to the impact of strong OTT competition and changing viewing habits.

## TV subscription

Taiwan has a mature pay-TV market, with around two-thirds of households paying for subscription TV services. Cable remains the primary technology of delivery, with a 70.9% share of subscription subscribers, followed by IPTV (26.5%) and satellite (2.6%). Despite this high take-up, the market faces pressure from streaming services and a shift in viewing habits.

Taiwan's cable TV market is contracting, with TV households falling to a five-year low of 4.2mn at the end of 2022. Strong competition from OTT is accelerating cable cord cutting and also eroding the growth momentum of Chunghwa Telecom's IPTV multimedia-on-demand (MOD) service — it had 2.05mn MOD subscribers at the end of 2022, down from a mid-2019 peak of 2.09mn. The 2023-2027 period will see more local households take “skinny” pay-TV bundles and supplement with streaming services, causing overall TV subscription market revenue to decline at a -0.4% CAGR to US\$1.9bn in 2027.

## TV advertising

Taiwan's TV advertising market is approaching its peak, with total revenue set to decline at a -1.3% CAGR to US\$869mn in 2027, down from US\$930mn in 2022. With the OTT video sector growing more popular and competitive, viewing habits will increasingly shift away from live linear broadcasts. Advertisers will still look towards broadcast TV for the largest live audiences, but online TV advertising and the wider digital advertising market will play an increasingly important role.

Multichannel advertising will continue to represent the largest proportion of market revenue, at 57.2% in 2027, followed by terrestrial channel advertising at 31.3%. But both sectors will see their shares reduce over the forecast period as online TV advertising gains traction on the back of the popularity of ad-supported VOD platforms. Online TV advertising revenue will grow at a 6.2% CAGR to reach US\$100mn in 2027, representing 11.5% of the total TV ad market, up from 7.9% in 2022.

## Traditional TV in Taiwan

Unit: US\$ millions	2018	2019	2020	2021	2022E	2023F	2024F	2025F	2026F	2027F	2022-27 CAGR
<b>TV subscription</b>	<b>1,829</b>	<b>1,796</b>	<b>1,749</b>	<b>1,894</b>	<b>1,934</b>	<b>1,927</b>	<b>1,919</b>	<b>1,911</b>	<b>1,903</b>	<b>1,894</b>	<b>-0.4%</b>
Electronic through-TV-subscription	53	54	51	52	52	53	53	53	53	53	0.4%
Non-through-TV subscription	1,775	1,742	1,698	1,842	1,881	1,874	1,866	1,858	1,849	1,840	-0.4%
<b>TV advertising</b>	<b>966</b>	<b>953</b>	<b>860</b>	<b>904</b>	<b>930</b>	<b>921</b>	<b>931</b>	<b>908</b>	<b>904</b>	<b>869</b>	<b>-1.3%</b>
Broadcast TV advertising	919	897	800	838	856	838	841	813	805	769	-2.1%
- Multichannel TV advertising	580	568	509	544	547	537	540	523	519	497	-1.9%
- Terrestrial TV advertising	339	328	291	295	309	301	301	290	286	272	-2.5%
Online TV advertising	48	56	60	66	74	82	90	95	99	100	6.2%
<b>Total revenue</b>	<b>2,795</b>	<b>2,749</b>	<b>2,609</b>	<b>2,798</b>	<b>2,863</b>	<b>2,847</b>	<b>2,850</b>	<b>2,820</b>	<b>2,806</b>	<b>2,763</b>	<b>-0.7%</b>

Source: PwC's Global Entertainment & Media Outlook 2023-2027, Omdia



# Video games and e-sports

Like elsewhere in the world, Covid boosted growth in Taiwan's gaming and esports market as more time spent at home increased demand for video games. But that boost has tapered off, with total video games and esports revenue growing just 1.6% yoy in 2022 to reach US\$3.5bn. Nevertheless, the market is projected to grow at a 4.8% CAGR to US\$4.5bn in 2027, underpinned by high smartphone penetration, affordable high speed data plans and growing 5G network coverage.

Over two-thirds of Taiwan's video games and esports revenue stemmed from social and casual gaming in 2022, and with the sector forecast to see a healthy increase at a 5.7% CAGR, revenue is expected to reach US\$3.3bn by 2027.

Taiwan also has a substantial traditional gaming market heavily oriented towards PC games, which is unsurprising given that it is the epicentre of PC hardware manufacturing. PC games reached US\$734mn in revenue in 2022, most of which stemmed from online/microtransaction sales. Declining physical sales in Taiwan's smaller console games market contributes to slower, but steady, overall growth in the traditional gaming sector, with a five-year increase at a 2.3% CAGR.

## Esports

Taiwan has an active esports market, which has been supported by government recognition of it as an official sport (since 2017) and the high local popularity of online PC gaming. Consequently, esports has increasingly attracted the attention of international video game developers, which have established esports venues in the capital Taipei City, as well as from local gaming hardware brands, financial services companies and others as sponsors of esports teams and tournaments.

Total esports revenue in Taiwan grew by an average of 22.2% a year in the 2018-2022 period to reach US\$26.1mn in 2022, and is forecast to grow at a CAGR of 10.6% (slightly below the five-year global CAGR of 10.9%) to US\$43.2mn by 2027, which would make it the fourth biggest market in the Asia Pacific region. The largest esports segment will be sponsorship, which will increase in revenue from US\$10.9mn in 2022 to US\$17.1mn in 2027, at a CAGR of 9.5%, thanks to the multitude of sponsorship deals being agreed as companies realise the exposure esports can offer and the sector's fast growth.

## Video games and esports in Taiwan

Unit: US\$ millions	2018	2019	2020	2021	2022E	2023F	2024F	2025F	2026F	2027F	2022-27 CAGR
<b>Social/casual gaming</b>	<b>1,401</b>	<b>1,789</b>	<b>2,052</b>	<b>2,452</b>	<b>2,481</b>	<b>2,620</b>	<b>2,785</b>	<b>2,965</b>	<b>3,139</b>	<b>3,277</b>	<b>5.7%</b>
App-based	956	1,214	1,389	1,615	1,590	1,663	1,760	1,874	1,984	2,092	5.6%
Browser-based	78	72	66	62	57	53	49	45	43	40	-6.9%
In-app games advertising	368	502	597	775	833	904	976	1,046	1,112	1,146	6.6%
<b>Traditional gaming</b>	<b>878</b>	<b>908</b>	<b>957</b>	<b>987</b>	<b>1,008</b>	<b>1,031</b>	<b>1,054</b>	<b>1,079</b>	<b>1,103</b>	<b>1,130</b>	<b>2.3%</b>
Console games	249	252	263	270	274	276	276	276	275	273	-0.1%
- Digital sell-through	56	63	70	75	78	81	83	86	87	90	2.9%
- Online/microtransaction	1	2	2	2	2	3	3	3	3	4	7.8%
- Physical sell-through	191	187	191	193	193	192	190	187	184	179	-1.5%
PC games	629	656	694	718	734	755	778	802	829	857	3.1%
- Digital sell-through	20	21	23	23	23	23	24	24	24	24	0.5%
- Online/microtransaction	607	634	671	695	711	732	754	779	805	833	3.2%
- Physical sell-through	1	1	1	1	0	0	0	0	0	0	-50.1%
<b>Integrated video games advertising</b>	<b>13</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>2.2%</b>
<b>Esports</b>	<b>12</b>	<b>14</b>	<b>17</b>	<b>20</b>	<b>26</b>	<b>30</b>	<b>33</b>	<b>36</b>	<b>40</b>	<b>43</b>	<b>10.6%</b>
Consumer contribution	1	2	2	0	2	2	2	2	2	2	6.3%
Consumer ticket sales	1	1	0	0	1	1	2	2	2	2	16.7%
Media rights	2	3	4	5	6	8	9	10	11	12	14.3%
Sponsorship	5	6	7	9	11	12	13	14	16	17	9.5%
Streaming advertising	3	3	4	5	6	7	8	8	9	9	8.1%
<b>Total revenue</b>	<b>2,302</b>	<b>2,723</b>	<b>3,038</b>	<b>3,474</b>	<b>3,528</b>	<b>3,694</b>	<b>3,886</b>	<b>4,093</b>	<b>4,295</b>	<b>4,464</b>	<b>4.8%</b>

Source: PwC's Global Entertainment & Media Outlook 2023-2027, Omdia

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