



<http://www.vnunet.com/vnunet/news/2161491/digicam-sales-beat-expectations>

Digicam sales beat expectations

Japanese shipments up almost 20 per cent in first half of this year

Simon Burns, [vnunet.com](http://www.vnunet.com) 02 Aug 2006

Digital camera shipments rose 19.5 per cent in the first half of 2006, according to data released yesterday by the Tokyo-based **Camera & Imaging Products Association** (CIPA), which represents firms responsible for 80 per cent of global sales. The figures, showing almost 30 million cameras shipped in the traditionally weaker first half of the year, beat analysts' forecasts by a significant margin.

A majority of analysts and researchers expect that growth in digital camera sales will slow and level off at around 110 million units per year by 2008. However, the surprisingly strong CIPA data may lend some support to more optimistic forecasts, for example from **Semico Research**, which recently predicted that the maturing market will continue to grow rapidly and will exceed 150 million units by 2010.

"The market has been vigorous owing to new products that include image stabilisation plus other additional features, including wide-angle lenses, high sensitivity modes, waterproofing, and automatic exposure correction... the market has become more active as all makers have launched a string of attractive new models," commented analyst Tetsuya Wadaki of **Nomura Securities** in Tokyo in a client briefing.

The latest data reveals that consumers are becoming more sophisticated when they shop for digital cameras. "Previously, the market for digital compact cameras was marked by competition purely in terms of higher pixel counts and thinner bodies," explained Wadaki.

He added: "But in 2006 we have seen the emergence of products with differentiating features, including image stabilisation, wide-angle lenses, high sensitivity modes, waterproofing, and automatic exposure correction. The launch of attractive new models appears to have brought about a change in consumers' buying patterns."

However, Wadaki warned, if vendors do not continue to add new features and launch new products in the second half, a decline in the market could ensue early next year. During the past year, manufacturers have found markets in Europe, the US and Japan increasingly saturated, making it harder to find new customers.

CIPA, an industry-funded body, compiles camera shipment statistics from its **members**, which include Japan's leading camera vendors, and some foreign firms. The figures include both domestic and foreign production. CIPA members control approximately 80 per cent of the global digital camera market, although an increasing quantity of Japanese-branded production is actually manufactured by subcontractors in Taiwan and China.

Based on the encouraging first half data, Nomura has raised its 2006 shipment forecast for CIPA members to 73 million units. But the growth is not expected to continue: the firm currently predicts shipments in 2007 and 2008 of 73 million and 74 million respectively.