

Global photo market on an upward trend

NUREMBERG, GERMANY: The global photo market is once again experiencing growth, after some regions recorded a decline in the previous year. For 2010, GfK Retail and Technology is forecasting sales of 141 million digital cameras, which even represents an increase on the high levels seen in 2008. These findings have been recorded in view of the upcoming photokina trade fair in Cologne.



In the first half of 2010, the technical consumer goods market in 56 countries grew by more than 20% in value terms compared with the same period of the prior year. The photo sector grew by 11% over the first half-year and by as much as 19% in June alone. Particular growth markets are the Eastern European countries (with an increase of 25%), Latin America (51%) and Asia (20%). As a result of this positive trend, the Middle East and Latin America have overcome the decline recorded in the previous year and are even at a far higher level than in 2008. The main growth drivers are digital and multimedia cameras - products that can be used both to take photographs and to play videos and are sometimes equipped with audio functions or voice recording. Sales of digital picture frames and camcorders did not reach the previous year's level in value terms.

Asia as a growth engine for digital cameras

For 2010 as a whole, GfK Retail and Technology is anticipating that the digital camera market, which includes both compact cameras and system cameras with and without SLR technology, will see a sales increase in volume terms to over 141 million units. This market is very strongly driven by growth in Asia: in China, sales of over 14 million cameras are expected in 2010, and 16 million in 2011. On the one hand, this data reflects a high level of interest in the subject of photography among consumers. On the other, it is a sign of the still very low level of market saturation. This growth means that China has now become the second largest market for digital cameras behind the USA (source: GfK and NPD).

Demand for high-quality products

Consumers are currently displaying a high level of interest in high-quality digital compact cameras with a build-in interchangeable lens. This product segment is characterized by the very fast rate of technological development, and the increasing number of functions is encouraging many consumers to buy a second or third camera. Digital SLR cameras recorded strong growth of 22% in the first six months of the year. They have been joined by system cameras without SLR technology, a product segment which appears to be establishing a new market field and creating demand potential both from the traditional SLR market and from the compact segment. In the second quarter of 2010 in particular, cameras in this market with interchangeable lenses recorded growth of 32%.

Positive trend for storage media continues

The number of technical products that use storage media, for example digital cameras, digital photo frames, mobile phones and smartphones, as well as camcorders and notebooks, continues to rise. These markets are seeing particularly positive growth in Russia, the Middle East and Latin America. Consequently, demand for memory cards is also increasing. Although these have recorded an overall decline of 13% in unit sales volume in Western Europe, storage capacity and value sales have grown by 16% and 2% respectively. The regions of Eastern Europe, the Middle East and Latin America have seen a

rise in sales of between 5% and 7% in volume terms, an increase of 50% in storage capacity and growth in sales of between 20% and 28% in value terms.

Although the smartphones market continues to enjoy very dynamic growth, demand for micro cards which are used in phones is not rising to the same extent. In contrast, cards for digital cameras and camcorders are on an upward trend. SD cards should receive a special mention here, as they are showing very positive overall development and corresponding value growth. Average prices have increased by 28% per card in Western Europe, and by as much as 38% in Eastern Europe. This means that clear trend reversals are emerging in these product groups.

GfK Retail and Technology will be presenting more information on the global markets at the photokina trade fair in Cologne from September 21 to 26, 2010, in the world market presentations and at the GfK stand (stand A1 in the corridor between halls 2 and 4).

More market data on the global photo market can be found in this [brochure](#).

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