

# PRESS RELEASE

Digital camera sales continue to soar in Canada;  
consumers embrace digital picture-making

**Toronto, Ontario (February 14, 2005)** - Canada's love affair with digital picture-taking continues to blossom. In fact it is not sufficient to say that Canadian consumers have embraced digital with open arms when it comes to capturing every moment of their lives. Instead, you have to note Canadians are buying so many digital cameras that manufacturers and distributors are still amazed at how growth rates are exceeding expectations). This is based on data released today by the Canadian Imaging Trade Association (CITA).

It's an astounding story: Digital camera prices have gone down while their capabilities and performance have increased, delivering picture quality that is all but indistinguishable from a photographic print. And what Canadian imaging retailers are finding is that more and more of us are having prints made from our digital pictures, and not just storing them on a computer. Increasingly, digital camera users are returning to stores to have photo-quality prints made from their electronic images, or are using retailers' do-it-yourself kiosks or online print-making services. Whichever method they are using, the result is the same: the number of prints made at retail from electronic images is increasing, as consumers become more aware of the availability of these services.

Add into the mix the untold number of images made at home on photo quality inkjet printers, and you have a remarkable story: We have not lost the desire to capture the times of our lives.

## **Digital Cameras**

Once again, digital still camera sales in Canada have surpassed all expectations. It's getting to be a habit; this scenario has happened for the past five years, with the suppliers of digital cameras in Canada shipping far in excess of the forecasted demand.

In 2004, manufacturers shipped more than 2.2 million digital cameras to Canadian retailers, a 53 percent increase compared to 2003. This follows a 69 percent increase from 2002 levels to 2003.

CITA predicts a growth rate of 22 percent, to 2.8 million new cameras shipped in 2005. Of those, 120,000 or 4.2 percent will be Digital Single-Lens Reflex cameras (DSLRs).

2004 - 2,300,000  
2003 - 1,500,000  
2002 - 880,000

(all approx. values, numbers rounded off)

Note that digital camera sales represent more than 92 percent of all still camera sales in Canada, up significantly from the 67 percent recorded in 2003.

## **Traditional Film Cameras**

Canadians continue the rapid shift to digital camera photography. Sales of traditional cameras (those using film as the capture medium) continued to decline in 2004, sliding by 55 percent compared to 2003, to approximately 329,000 units.

Of the cameras sold, the vast majority were 35 mm point-and-shoot models (90+ percent), followed by 35 mm single lens reflex (SLR) models and Advanced Photo System (APS) cameras.

The decline in sales will continue. CITA forecasts an approximately 40 percent decline in 2005, for a total of about 200,000 film cameras. The majority of these will continue to be 35 mm point-and-shoot cameras. CITA notes that many households continue to use film cameras as well as their new digital cameras.

### **Consumer Film**

Film sales in 2004 were adversely affected by the boom in digital camera sales. Sales of total film closed out the year at a total of 31.5 million rolls. That's a decline of 25 percent compared to 2003.

With no end in sight to the avid adoption of digital by consumers, there seems little doubt film sales will continue to decline, however signs show that many new digital camera owners (families) will be dual users of film and digital cameras. CITA forecasts a 20.9 percent decline in total film sales to 25.9 million rolls in 2005. Because of improvements in film design, films with higher speeds -- ISO 400 and 800 -- continue to increase in popularity. They deliver greater versatility, being able to shoot under a variety of conditions yet still deliver excellent quality results. ISO 400- and 800-speed films currently account for approximately 63 percent of sales versus 58 percent in 2003. The expectation is that this growth will level out and hold at 2004 levels.

### **Single-Use Cameras**

Single-use cameras continue to be adopted wholeheartedly by the consuming public because of their ease of use and good results.

Unit shipments in 2004 were 7.6 million, representing a 1.9 percent decline compared to 2003. Single-use cameras are inexpensive, available everywhere, take good quality pictures, and are a handy substitute when you have forgotten or don't want to risk your main camera. They take good quality pictures, remarkable for a product that is completely recyclable when the entire camera is returned for photofinishing.

Flat sales to small growth is projected to in 2005.

### **Professional Film**

Even though professional photographers (and advanced amateur photographers) are making the switch to professional digital cameras, sales of professional slide films held to a decline of only 28 percent in 2004, and sales of professional colour negative films held to a decline of only 32 percent. This represents a combined total of a 634,000 unit decline for both types of film compared to 2003.

Professional film products consisted of the equivalent of 475,000 rolls of colour reversal (slide) film and 973,000 rolls of colour negative film (translating to 33 percent slide vs. 67 percent print in unit volume breakdown). In terms of total volume reduction, print film softened at a greater rate than slide film.

The most popular pro film format in 2004 was 35 mm at 53 percent of the category, followed closely by medium-format (120 and 220 rolls) at 46 percent, with sheet film representing only 1 percent of the category.

### **Film Scanners**

Film scanners provide a convenient way to convert existing photographic images, captured on film, into high quality digital content.

Due to the increasing popularity of digital cameras, however, the overall size of the film scanner market in Canada for 2004 decreased about 19 percent compared to 2003.

### **Binoculars and Spotting Scopes**

Total binocular unit sales were 287,000 in 2004, a decrease of 16 percent compared to 2003. The biggest influence on this decrease was a decline in sales of compact 8X and smaller models. This may be due, in part, to an increase in imports of private label brands not tracked by CITA.

On a more positive note, in 2004 demand increased 23 percent for full size 8X to 10X binoculars and increased 22 percent for full size models (greater than 10X). Compacts still outsold standard size binoculars 2:1 in 2004, down from 3:1 in 2003.

As manufacturers continue to launch new feature-rich digital imaging binoculars, the industry is forecasting unit sales to remain constant into 2005.

Spotting scope sales were relatively stable at slightly more than 10,000 units, with expectations of a slight increase in 2005.

### **Ink Jet Printers & Paper**

As Canadian families and businesses continue to adopt digital cameras for their imaging, personal use photo printers and multi function printers are becoming increasingly popular choices.

For 2004, Canadian Imaging Trade Association members reported sales of 354,000 photo specific printers, up about 8.8 percent above the previous year. Photo printers boasting digital camera memory card slots, LCD view screens, and ever improving print results helped drive this growth. Of special note is the formidable growth of the personal photo lab device, a dedicated 4x6-inch photo printer that consumers are adopting for immediate printing of their digital camera pictures. Photo printer growth for 2005 is expected to remain strong, with the Association forecasting a 6 percent increase in sales for next year.

Multi function desktop printers (or All-in-Ones) also demonstrated strong growth in 2004. Sales of printer/scanner/copiers (some with fax capability) rose 9.1 percent above the previous year, at 978,000 units. As prices of these multi-talented peripherals dropped, consumers readily chose all-in-ones over single function printers and stand-alone scanner alternatives. A more modest growth of 2 percent is forecast for all-in-ones this year.

All of these printers are consuming vast quantities of inkjet paper - an estimated 186 million sheets in 2004. With about half of these sheets coated for photographic or artistic finishes, it is evident that Canadians are getting more and more creative with their images.

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Founded in 1955, the Canadian Imaging Trade Association is the association of manufacturers/importers and distributors of photographic/electronic imaging equipment and sensitized materials.

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