



## P R E S S   R E L E A S E

Digital camera sales reach all-time high in Canada;  
consumers embrace digital picture-making

**Toronto, Ontario (February 7, 2006)** — The revolution in picture-taking has reached its zenith, matching predictions made several years ago. Canada's switchover from film-based picture-taking to digital picture-taking is close to being complete. This statement is based on data released today by the Canadian Imaging Trade Association (CITA).

The revolution has been a short one, lasting a handful of years, and its effects will continue to be felt for decades to come. What we have seen is digital camera prices declining while their capabilities and performance have increased, delivering picture quality that is all but indistinguishable from a photographic print. What was slow to launch but now picking up speed is having prints made from these digital pictures, 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. Regardless of the method used, the results are the same: the number of prints made at retail from electronic images is increasing.

But the story does not end there, as countless images are made at home on photo-quality inkjet printers: We have not lost the desire to capture the times of our lives.

"It's an exciting time for our industry," says Kent Hatton, Chairman, CITA Statistics Committee. "Digital imaging has revitalized the picture-taking experience, and provided new ways to capture, discover, share and print. In many key segments we are seeing tremendous growth and will continue to do so in the years to come."

### **Cameras**

In 2004, manufacturers shipped about 2.3 million digital cameras to Canadian retailers, a 53 percent increase compared to 2003. This followed a 69 percent increase from 2002 levels to 2003.

In 2005, the growth rate slowed to 7 percent compared to 2004, with slightly less than 2.5 million digital cameras sold into the Canadian dealer network.

2005 – 2,500,000  
2004 - 2,300,000  
2003 - 1,500,000  
2002 - 880,000

(all approx. values, numbers rounded off)

While representing about 98,000 units, digital single lens reflex (DSLR) cameras had the highest category growth with a 64 percent increase in 2005 compared to 2004, far outstripping the projections. This sector is expected to be the biggest performer again this year, as advanced amateurs and professionals recognize the high quality output these cameras can attain.

Conventional film camera sales declined significantly in 2005 and are expected to continue to drop this year.

CITA is forecasting a slight growth in digital camera sales in 2006, but an overall unit sales decline for all cameras of 2 percent, simply because of the further erosion in film camera demand.

### **Consumer Film**

Film sales in 2005 continued to be adversely affected by the switch to digital cameras. Total sales of film closed out the year at 20.6 million rolls. That's a decline of about 34 percent compared to 2004.

There seems little doubt film sales will continue to decline. CITA forecasts an approximately 30 percent decline in total film sales to 14.5 million rolls in 2006.

Because of improvements in film design, films with higher speeds – ISO 400 and 800 – continue to be the films of choice for consumers. They deliver greater versatility, being able to shoot under a variety of conditions while delivering excellent quality results. As predicted, ISO 400- and 800-speed films accounted for approximately 64 percent of sales in 2005 compared to 63 percent in 2004 and 58 percent in 2003. The expectation is that this growth will level out and hold at 2005 levels.

### **Single-Use Cameras**

Last year, single-use cameras began to feel the affects of the traditional film capture market decline, however at a lower rate of decline than traditional roll film because of their ease of use, good results and continued relevance in an increasingly digital world.

Unit shipments in 2005 were 5.8 million, representing slightly less than a 23 percent decline compared to 2004. 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.

A continued decline is projected in 2006 with total single-use camera sales expected to be 5.2 million units, down slightly less than 11 percent.

### **Professional Film**

Professional film sales continued the trend of recent years with increasing rates of decline in both colour negative and colour reversal films as professional image makers convert to digital. Professional colour reversal film unit sales declined 40 percent while professional colour negative film unit sales declined about 44 percent.

The rate of decline is expected to begin to level out in 2006 with professional colour reversal film unit sales forecast to decline 40 percent and professional colour negative film unit sales forecast to decline 43 percent.

### **Colour Roll Paper**

Colour roll paper – used by photofinishers to make prints – continued its trend of increasing rates of decline year over year in 2005, albeit at a much lower rate than film. Colour roll paper 6 inches or less in width declined at a rate of almost 19 percent to 33,156,000 square meters. Colour roll paper 8 inches or larger in width declined at about 27 percent to 3,123,000 square meters. Overall, this category was down about 19 percent.

In 2006 the rate of decline is expected to moderate as consumers print more digitally-captured images. Colour paper is therefore forecast to decline about 17 percent overall to 30,000,000 square meters – 6 inch or narrower will decline 17 percent and 8 inch or larger will decline less than 20 percent.

### **Binoculars and Spotting Scopes**

Overall demand for binoculars softened in 2005 with more than 261,000 units sold. This represents a decrease of slightly less than 18 percent compared to 2004. Compact binoculars continue to be the most popular, outselling full size binoculars by a ratio of nearly 2:1.

For the third year in a row, full size binoculars – 10X and higher – enjoyed double digit growth. In 2005, unit sales of this category increased by 64 percent compared to 2004, continuing the consumer trend towards full size binoculars with more powerful magnification.

Spotting scope sales in 2005 were again relatively stable at approximately 11,500 units, representing a slight decrease of 2 percent compared to the previous year.

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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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