

## TECH

# Are digital cameras doomed?

Now that smartphones boast serviceable cameras of their own, sales of standalone point-and-shoots are plummeting

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In January 2012, [Eastman Kodak](#), the iconic film and camera company, filed for Chapter 11 bankruptcy protection after years of losses as customers switched from film to digital photography.

In the year and a half since, Kodak has stopped making cameras, sold many of its patents to Facebook, Google, and other tech giants, and finally, earlier this year, sold its film business to pay its pension obligations and emerge from bankruptcy, a move that seemed to symbolize the final nail in the coffin for the film-camera industry.

Now, just months later, digital camera companies are facing similar struggles, as consumers eschew their cheap digital point-and-shoots for smartphones, which continue to boast better and better quality cameras with each new model. Global shipments of compact digital cameras fell 42 percent in the first five months of 2013, says [a study by Camera and Imaging Products Association](#).

Most of the big brands are reducing the number of entry-level cameras and shifting focus to higher-end models, with stronger zooms and larger sensors not available on smartphone cameras. But by shifting in unison, the industry could be creating a new set of challenges. "[A]s manufacturers crowd the high end of the market, prices could plunge and erode profit margins," industry analysts tell [The Wall Street Journal](#). "Price competition could spill over into the extremely profitable SLR market, which is dominated by the two-biggest camera makers, Canon and Nikon Corp."

Here, some numbers to put the digital-camera industry in context:

**144 million**

Digital cameras shipped in 2010

**102 million**

Digital cameras expected to ship this year

**132 million**



Digital camera companies are hoping to avoid Kodak's fate.  
*Photo: Scott Olson/Getty Images*

Point-and-shoot cameras shipped in 2010

**80 million**

Point-and-shoots expected to ship this year

**32.7**

Percent by which smartphone sales are expected to rise this year

**100 billion**

Photos taken per year around 2000, when film cameras were at their peak

**1.6 trillion**

Photos taken per year now, with smartphones, digital cameras, and other gadgets

**10**

Percent Canon lowered its full-year profit outlook in the wake of falling sales

**50**

Percent by which Fujifilm is planning to cut its product line

**60**

Percent by which Panasonic is working to slash costs in its camera business

Sources: [\*Taipei Times\*](#), [\*The Wall Street Journal\*](#)