

Casio To Focus On Digicams

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(CASIO)

Casio is gradually abandoning the saturated market for calculators and keyboards and switching to high-growth products such as digital cameras and mobile phones, said a senior official.

The Japanese company that pioneered the electronic calculator expects to record 30 per cent growth in the Middle East this year, Casio's sales manager, Masaki Fujino, told **Emirates Business**.

This will be achieved by capturing a major share of the digital camera market. Solar-powered watches that are set by a radio signal are another growth area.

"The business of calculators, keyboards and conventional electronic watches is almost saturated and we cannot grow by focusing on these sectors," said Fujino.

"Our focus is shifting to digital cameras and mobiles and we hope to capture 40 per cent of the market as buyers replace the 100 million first-generation digicams that were sold around the world. In the Middle East also our electronic watch and calculator business is not a core area now," he said.

The global electronic giant has been under intense pressure due to the rising yen, competition from other Japanese companies and the economic slowdown in Japan, the United States and Europe. As cheap electronic calculators from China and other countries flooded the market in 2007, Casio's sales of electronic components and related segments declined by 12.5 per cent as subsidiary Casio Micronics reported falling revenues and declining unit prices. The loss-making division is being sold to Hitachi Cable.

"We have sold more than one billion calculators but we cannot make much profit from selling just calculators and watches. We have already introduced mobile phones in the Japanese market in collaboration with Hitachi but these cannot be exported to the Middle East because of the GSM standard here. We are exploring the world market for Casio mobile phones," said Fujino.

Casio, which launched the first digital camera with an LCD display in 1995, now holds just 10 per cent of the global market for digital still cameras, which is dominated by other Japanese companies such as

Sony and Canon. But the company hopes this will change with the unveiling of the Exilim Card EX-S10, known as the fastest, thinnest and smallest 10.1 megapixel camera in the world. This third-generation camera has been launched with UAE business partner Abba Electronics.

“The Middle East and North Africa region including Turkey is a major market for us and we expect 30 per cent growth in sales during 2007,” said Fujino. “In Japan, film-based cameras have almost disappeared and manufacturers have diversified into digital products. In the Mena region some people are still using film cameras but they will be replaced with digital cameras.”

More than 50 per cent of Japanese people own digital cameras, and Casio has 20 per cent of the market. In the UAE the market is 450,000 cameras per year – most customers are visitors who arrive in the country for leisure or business.

Demand is strong in emerging markets such as the Middle East and Asia as well as the United States where there is a huge replacement market from film-based and first-generation digital cameras.

“In India and China people have just started to replace film cameras with digital ones. With the launch of the first third-generation camera we hope to grow in these markets. We are focusing on digital cameras because there is a growing replacement market,” said Fujino.

He added that piracy was a major issue for Japanese electronic companies but digital cameras were not seriously affected as they require advanced technology.

“Eighty per cent of our production is now in China as we have set up a plant to reduce labour costs. However, high-end products are still manufactured in Japan,” said Casio’s sales manager.