

Consumer electronics industry hoping for a rosier 2010

January 6 2010, by Chris Lefkow



Attendees watch 3D entertainment at the Sensio media display during a press event for the 2010 International Consumer Electronics Show on January 5 in Las Vegas, Nevada. CES, the world's largest annual consumer technology tradeshow, runs from January 7-10.

Consumer electronics manufacturers, after suffering a rare dip in sales last year, are hoping to bounce back in 2010 with smartphones, e-readers and smaller laptops leading the way.

But the Consumer Electronics Association, releasing its 2010 forecast ahead of its annual gadget show here, provided little cheer to an industry which saw revenue fall by two percent in 2009 to 681 billion dollars after registering 14 percent growth in 2008.

"The global [economic recession](#) that has crept its way around the globe

really impacted revenues in 2009," CEA director of industry analysis Steve Koenig said.

"In 2010, as the world starts to recover from this [global recession](#), we're anticipating flat overall revenues, at least at this stage," he told reporters gathered for the [Consumer Electronics Show](#) (CES) which opens on Thursday.

Koenig said the outlook was encouraging for Asian giants such as China and India and South America but "a lot of this growth we're seeing in emerging markets is not enough to offset the declines in the developed countries."

Shawn DuBravac, CEA's chief economist and its director of research, said he expected the low-cost laptop computers known as netbooks to be among the stars of the four-day technology extravaganza at the Las Vegas Convention Center.

"We're going to see a plethora of offerings," he said, as CEA predicted that 68 percent of overall global personal computer sales this year will be laptops, many of them netbooks.

"Consumers really want all the features of a notebook with the price of a [netbook](#)," DuBravac said. "They're using it to browse the Internet, they're using it to email, they're shopping online," he said.

"The US netbook market doubled in '09 and we expect it to double again in 2010," he said.

Mobile phones are seen as another growth category with the CEA forecasting global sales of 1.169 billion wireless handsets this year, up two percent over last year and slightly better than the total of two years ago.

One of the biggest players -- Apple, maker of the iPhone -- will not be represented at CES, however, and neither will newcomer on the mobile scene, Internet giant Google.

Apple traditionally spurns CES and Google decided to unveil its first Google-branded smartphone, the "Nexus One," at its Mountain View, California, headquarters on Tuesday on the eve of the show.

Google's entry into the mobile phone wars is an example of what DuBravac described as a growing trend of "cross pollination" by technology companies.

"You're seeing traditional GPS manufacturers moving into mobile phones, you're seeing mobile phone manufactures moving into netbook categories," he said.

The line between the [personal computer](#) and the television set is also being increasingly blurred as companies take advantage of Web-enabled TVs to offer new products and services.

Among them is Skype, which announced that new high-definition TVs from Panasonic of Japan and South Korea's LG will enable the free voice and video calls offered by the Web communications firm.

In the nascent electronic book reader category, Amazon is facing growing competition to its popular Kindle and a host of would-be rivals are displaying their wares at CES.

Also on display will be industry staple flat-panel televisions and 3-D TVs as manufacturers continue their push to bring 3-D into the home, an initiative stymied so far by a lack of content and the need to wear special glasses.

3-D adoption got a major boost, however, on Tuesday as US sports broadcaster ESPN said it will show some World Cup soccer matches live from South Africa in 3-D and Sony said it was teaming up with Discovery and IMAX to launch a 3-D TV network in the United States.

CES expects around 110,000 visitors to this year's show, which features more than 2,500 exhibitors.

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