

Portable Digital Devices



May 2010

US\$495



Essential sourcing intelligence for buyers

China manufacturer profiles

Detailed profiles of 36 verified suppliers and contact details of an additional 34 exporters

Product & price trends

Prices and specifications of 153 top-selling export products

Supply centers & market trends

Coverage of leading and emerging supply centers, plus insight into capacity, output and R&D

PORTABLE DIGITAL DEVICES

Supplier capability in China

EXECUTIVE SUMMARY

China's portable digital devices industry is growing steadily as it recovers from the effects of the global economic slowdown. Most suppliers are increasing their investment to boost capacity and product development.

The country currently accounts for more than 80 percent of the global supply of digital cameras and portable DVD players.

Technological progress in mobile entertainment and communications is driving production and R&D. The convergence of multimedia functions and applications is also prompting manufacturers to keep their product catalogs updated. Aside from extending product range, companies are exploring alternative export destinations such as South America and Africa to boost sales.

China government's favorable policies, in turn, are helping grow overseas business. Export tax rebates for digital cameras, for example, were raised from 14 to 17 percent last year.

The following are some of the key trends observed in China's portable digital devices industry:

- Suppliers are diversifying their selections to cater to niche markets in an attempt to avoid cutthroat competition in the mainstream. Others are moving out of the low end and emphasizing upscale lines.
- Despite the trend for more expensive selections, low-priced units continue to thrive as gifts and novelties. Entry-level voice recorders, for instance, are being sold as premiums and promotional items.
- New segments and subsegments, including e-book readers, portable projectors and MP3 sunglasses, which emerged from strong and mature lines, are rapidly penetrating the market.
- Cost savings and energy efficiency are likewise priorities in

the line. Companies are pursuing cost-efficient component sourcing, production and marketing to keep expenses minimal.

- A number of manufacturers have moved inland to reduce outlay, but the majority will remain in Guangdong province to take advantage of its established supply and manufacturing service chain.

- Prices are forecast to be stable or will go down by about 5 to 10 percent.

This report covers MP3 and multimedia players, digital voice recorders, portable DVD players, TVs and projectors, digital cameras and e-book readers.

For each key category, the latest design, function and price trends are discussed. A preview of suppliers' R&D activities in the next 12 months is also given.

The Industry Overview elaborates on the common strategies suppliers are employing to cope with challenges and enhance overall competitiveness. It also details industry demographics, highlighting key characteristics of the different types of companies.

The Supplier Survey presents makers' export projections, price strategies, product development agenda and challenges.

Guangdong is China's main production hub for portable digital devices. About 80 percent of the country's MP3 player makers are based in the cities of Shenzhen and Dongguan. TFT-LCD panels, which are the core component in this line, have local upstream providers.

Zhongshan, Huizhou and Zhuhai also host more than 60 percent of companies in the digital voice recorder, portable DVD player and projector, and digital camera segments.

The province has a vast network of raw material and component vendors and service providers.

In this report

- 36 in-depth company profiles
- 34 additional suppliers
- 153 top-selling export products
- Supplier demographics
- Supplier survey
- Industry statistics & charts

METHODOLOGY

To produce this report, Global Sources surveyed a wide range of suppliers. Rather than focus simply on high-profile makers, we compiled a representative sample of large, midsize and emerging manufacturers. All profiled companies are export-oriented professional suppliers that may or may not be clients of Global Sources.

The selection of suppliers is designed to reflect the composition of the industry in China in terms of geographic spread, business type and company ownership.

For each company profile, our research teams interviewed senior executives and export managers who discussed their recent performance and provided price, R&D, production and export forecasts for the next 12 months. The interviews were done in-person, by phone or e-mail.

In each case, companies were required to answer specific questions designed to verify their manufacturing and export credentials, including their production and export statistics, and a breakdown of exports by product type and market. Our production checklist details the product-specific manufacturing capabilities of each supplier.

All suppliers participated in a survey designed to provide insight into product and price trends, and challenges facing the industry. All survey questions are single choice. Results were calculated based on the actual number of valid responses to each question.

INDUSTRY OVERVIEW

Cutting across mature product lines, including MP3 and DVD players, and rising segments such as e-book readers and projectors, the portable digital devices industry in China is on a steady growth path.

Rebounding from the global economic slowdown in early 2009, most suppliers are investing in capacity expansion and product development to boost exports and meet the anticipated surge in orders.

Continued technological advances in mobile entertainment and communications are fueling production and R&D to address strong demand from the consumer electronics market.

Suppliers also follow key trends in the international arena closely to keep in step with major players in the industry. The popularity of Amazon's Kindle and the launch of Apple's iPad, for example, are motivating e-book makers to release competitive models.

Learning from challenges they have faced in the past, many suppliers are now more conscious of their strategies in terms of component sourcing, production efficiency and marketing.

Most avoid shortage and cost fluctuation of key components such as displays and NAND flash memory by ordering stocks in advance and coordinating with major vendors.

Other companies, however, are struggling with new or returning difficulties. Many makers, for instance, are experiencing labor shortage this year, with a few short of workers by up to 40 percent. These suppliers cut jobs in 2008 and 2009 and were unable to fill deliveries as export orders increased.

The convergence of multimedia functions and applications are also pressuring enterprises to keep their selections relevant and up-to-date.

To address some of these issues, more companies are exploring alternative markets such as South America and Africa to widen reach and augment exports.

Some are diversifying their lineups to cater to niche markets and veer away from cutthroat mainstream segments.

Others are simply leaving the low end to concentrate on more profitable upscale products.

Supplier summary

Suppliers surveyed	36
Export sales	\$535.2mn
Export ratio	71%
OEM business	59%
Capacity utilized	48%
Annual R&D spending	\$56.9mn
Full-time employees	18,633

Data: All surveyed suppliers

In the portable A/V players and recorders line, suppliers are emphasizing multimedia capability and offering diverse add-ons to suit various customer specifications. High-end versions use touchscreens and support multiple I/O options for enhanced user interface.

With the broader adoption of digital broadcasting in the US, Europe and other key markets, portable DVD player and TV makers from China are upgrading their lineups to meet the trend.

Companies also take advantage of favorable policies. Digital camera suppliers, for example, now benefit from the government's move to raise export tax rebate rates for the product from 14 to 17 percent in 2009.

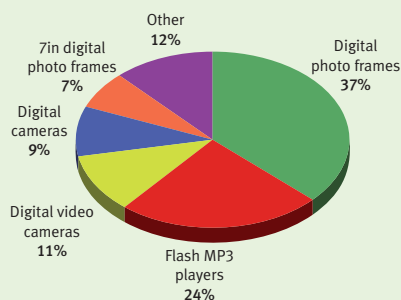
Global Sources online metrics

Portable digital devices

Online metrics are taken from buyer and supplier activity in the featured product group on www.globalsources.com in the month preceding publication of this report.

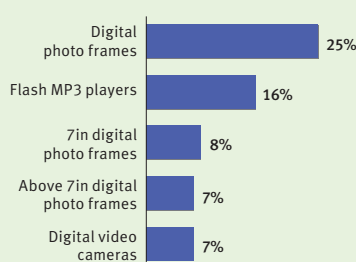
- **Buyer requests** track total inquiries from our worldwide community of more than 880,000 buyers.
- **Product profiles** represent the total number of unique products available from suppliers in our online catalogs.
- **New product postings** indicate the number of new product profiles added by suppliers during the period.

Top buyer requests

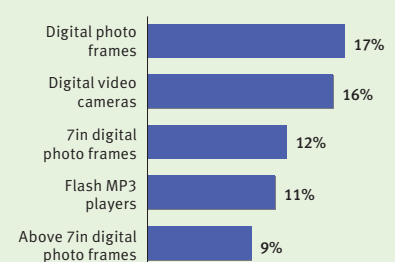


Percent of all online activity for this product group

Top product profiles



Top new product postings



Depo Mfg Corp. Ltd

Guangdong-based trading company Depo was established in 2003. It offers portable digital devices, including digital cameras and photo frames and MP3 players. The line is sourced from four partner factories.

With a workforce of 120, the supplier provides sample making, export documentation, shipping, aftersales consultation, and in-house packaging and assembly services. It invests 1 percent of sales in product development. QC is handled by 30 personnel, while the R&D department has 20 specialists.

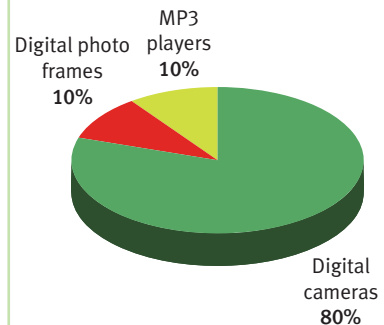
Portable digital devices account for about 70 percent of the maker's total exports. Overseas revenue is expected to increase between 10 and 20 percent in the next 12 months.

The company's total exports reached \$10 million in 2009, \$7 million of which came from sales of portable digital devices. Shipments in this line averaged 20,000 units monthly.

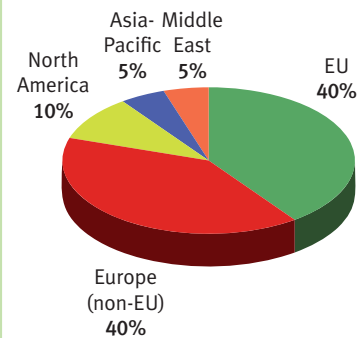
The overseas destinations are Europe, North America, the Asia-Pacific region and the Middle East. The main target markets in coming months are non-EU countries.

Profile

Products exported



Export markets



Contact details

Business contact

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Company facts

Year established	2003
Business type	Trading company
Company ownership	Mainland China-owned
Head office location	Shenzhen (Guangdong)
No. of subcontracting factories	4
Factory location(s)	Shenzhen (Guangdong)
No. of full-time employees	120
No. of in-house R&D/design staff	20
No. of production line QC staff	30
Annual export sales (all products)	\$10.0mn
Annual R&D spending	\$100,000
ISO certification	Yes

Sales & output: Portable digital devices

Annual export sales	\$7.0mn
Share of total export sales	70%
Average monthly exports	20,000 units
OEM % of exports	80%
ODM % of exports	10%
OBM % of exports	10%
Other products traded	Keychains

Capability

Services provided

Sample making	Yes
Export documentation	Yes
Shipping	Yes
Aftersales	Yes
In-house packaging	Yes
In-house assembly	Yes
Dedicated capacity	Yes

Exports by product

Digital cameras	80%
Digital photo frames	10%
Digital voice recorders	—
E-book readers	—
MP3 players	10%
PMPs	—
Portable DVD players	—
Portable projectors	—
Portable TVs	—

Exports by market

North America	10%
European Union	40%
Europe (non-EU)	40%
Asia-Pacific	5%
Middle East	5%
Other	—

Survey

- **Export prices**
Increased
- **Export price increase**
11-15%
- **Export sales**
Increase 10-20%
- **Target market**
Europe (non-EU)
- **Capital expenditure**
No increase
- **Major challenge**
Price competition
- **Export capability**
Improve operating efficiency
- **R&D focus**
Enhance external design

Popular export models



Digital camera

Model	DAD1306
MOQ	1,000 units
Packaging	Color box
Delivery	35 days
Price	\$41.50

Description: 1.3MP image sensor; 3MP maximum resolution; 32MB NAND flash internal memory; 2in TFT display; 2x digital zoom; 1.2m to infinity focus range; F2.8 lens; JPG, AVI formats; USB 2.0; A/V, HDMI output; 111.5x56.5x18.5mm



Digital camera

Model	DAH5002
MOQ	1,000 units
Packaging	Color box
Delivery	35 days
Price	\$29.50

Description: 5MP resolution, 8MP interpolated; 32 to 512MB internal memory; 2in TFT-LCD screen; F3.2/f=7.58mm fixed lens; 4x digital zoom; 1.2m to infinity focus range; 15 to 200 photos; USB 1.1; JPEG, AVI formats; 92x58x26mm; built-in 3.7V rechargeable lithium battery, 1hr operating time



Digital camera

Model	DAH5107
MOQ	1,000 units
Packaging	White box and color sleeve
Delivery	35 days
Price	\$58.50

Description: 3-in-1 digital camcorder; 5MP CMOS sensor; HD 720p video image resolution, 1280x720 pixels, 30fps; LTPS 2.7in color LCD; 64MB NAND flash internal memory; 4x digital zoom; SD slot, up to 32GB; still camera function, removable drive; 114x64x30mm

PRODUCT GALLERY

Digital cameras



Depo
(profile page 30)
Model: DAD1306
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Packaging: Color box
Delivery: 35 days
Price: \$41.50
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Depo
(profile page 30)
Model: DAH5107
MOQ: 1,000 units
Packaging: White box and color sleeve
Delivery: 35 days
Price: \$58.50
Description: 3-in-1 digital camcorder; 5MP CMOS sensor; HD 720p video image resolution, 1280x720 pixels, 30fps; LTPS 2.7in color LCD; 64MB NAND flash internal memory; 4x digital zoom; SD slot, up to 32GB; still camera function, removable drive; 114x64x30mm



Eken
(profile page 38)
Model: D001
MOQ: 100 units
Packaging: Gift box
Delivery: 15 days
Price: \$11
Description: 300,000-pixel CMOS sensor, 2MP image resolution; 720x480-pixel video resolution at 30fps; no internal memory; slot for up to 8GB TransFlash; AVI video format; PC camera function, voice control; 5-pin Mini-USB port; 60dB S/N ratio; built-in lithium battery; 19x22x56mm



Eken
(profile page 38)
Model: D004
MOQ: 100 units
Packaging: Gift box
Delivery: 15 days
Price: \$8
Description: 300,000-pixel CMOS sensor; 720x480-pixel video resolution at 30fps; no internal memory; JPEG, AVI video, WAV voice recording formats; slot for up to 8GB TransFlash; PC camera function; 5-pin Mini-USB port; built-in lithium battery, 5VDC charging, 2hr operating time



Eken
(profile page 38)
Model: D008
MOQ: 100 units
Packaging: Gift box
Delivery: 15 days
Price: \$22
Description: 2MP CMOS sensor; 720x480-pixel video resolution at 30fps; no internal memory; slot for up to 8GB TransFlash; JPEG, AVI video formats; PC camera function; built-in lithium battery, 5VDC charging, 2hr operating time

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