

Kodak takes famous film out of picture

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Kodak has closed one of its oldest and most famous product lines, in the latest sign of the film business fading away against the onslaught of digital photography.

The US-based group on Monday said it would cease production of Kodachrome, the line of professional quality film that was first developed in 1935 and became one of the company's pre-eminent brands, known for stunning colours and sharpness.

"It was certainly a difficult decision to retire it, given its rich history," said Mary Jane Hellyar, head of Kodak's film, photofinishing and entertainment group.

Kodachrome's prominence may have peaked in the 1970s when it was immortalised by Paul Simon, who lauded the film's capacity for bright colours with the lyrics, "Mama don't take my Kodachrome away".

Kodak's newer and cheaper films, combined with the rapid transition to digital cameras in the past 10 years, have eaten away at demand for Kodachrome, which requires complicated processing. The film now represents less than 1 per cent of the company's total sales of still-picture films.

Due to the dwindling sales there is only one location left in the US – Dwayne's Photo in Parsons, Kansas – where photographers can have Kodachrome developed. The shop will continue processing the film until next year.

Kodak's business has been savaged by the weak economy and its slow transition to digital cameras and inkjet printing.

The company now derives about 70 per cent of its revenues from commercial and digital products and in 2004 it stopped selling reloadable film cameras in North America and western Europe. This year it slashed its dividend, cut executive salaries and announced it would cut up to 4,500 jobs.

The company suffered a net loss of \$353m for the first quarter, with sales down 29 per cent. Its shares have fallen 85 per cent in the past year.

Kodak on Monday reaffirmed its commitment to film, noting that it has produced seven new film brands in the past three years. However, according to Chris Whitmore, an analyst at Deutsche Bank, film retail sales in the US have fallen by 30 per cent in the past year.

Even Steve McCurry, who took the image of the Afghan girl, has switched to digital.

Financial Times, New York, June 22, 2009, Companies, online.