

Chinese Video Server Revenues Surge in 2007

Contributed by IMS Research
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05 February 2008 Â The Chinese market for video servers (video encoders) used in security applications increased by a massive 60% in 2007, according to a new report â€œThe Chinese Market for CCTV and Video Surveillance Equipmentâ€• by IMS Research (www.imsresearch.com). The market is forecast to continue growing rapidly over the coming years to exceed \$150 million by 2011. This dramatic growth is primarily attributed to the strong demand for IP-based video surveillance systems in China. More and more users of security systems are choosing networked solutions based on video servers, instead of traditional analogue CCTV systems.

Research Manager, Richard Jun Li commented: â€œFor users of analogue video surveillance systems, video servers represent a cost-effective upgrade since their existing analogue cameras can be re-used while they still get the benefits of a networked security system. Furthermore, in China it is often more cost-effective to use a combination of a video server plus analogue cameras, rather than network cameras, since analogue cameras are so cheap. Besides, network cameras are still new to system integrators in China; so they tend to recommend video servers to end-users who are looking for a network video surveillance solutionâ€•.

The trend to network video surveillance has just started in China with large telecoms companies, such as China Telecom and China Netcom, leading the way in government-funded â€œSafe Cityâ€• projects. Chinese integrators are becoming more familiar with developing IP networks. This will ensure that the market for network video surveillance products grows rapidly for many years to come.