

Apple's Asian partners and rivals eye Jobs' health

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A member of the media looks at a MacBook Air during an Apple event. As Apple's legendary boss Steve Jobs goes on another medical leave of absence, analysts say his company's myriad Asian partners could suffer -- but rivals such as Samsung and Sony might cash in.

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Jobs, who is 55 and underwent surgery for pancreatic cancer in 2004 and a liver transplant in 2009, said he would continue as chief executive "and be involved in major strategic decisions for the company".

Apple's fortunes have been uniquely linked to Jobs, who took the then flagging company in 1997 and transformed it with the introduction of

innovative and wildly successful products such as the iPod, [iPhone](#) and [iPad](#).

But in Asia, home to many of Apple's major rivals and where the firm's products are actually made, analysts highlighted how uncertain its future would be without the talismanic innovator at the helm.

Any long-term problem would see companies such as Japan's Sony begin to recover ground lost to the US giant.

"I'd say that Sony can take the initiative to make the next strategic step," said Hiroshi Sakai, an analyst at SMBC Friend Securities. "As bad as that sounds."

And Alex Huang, an analyst at Mega International Investment Services in Taiwan, said: "I think the impact would be much more considerable if he were to take a long leave, as Apple's future depends on him."

Samsung, however, could both gain and lose if Jobs remains absent from Apple for a long period and the American firm fails to innovate.

Samsung competes with Apple in many markets, including tablet computers and smartphones, yet also provides up to a third of the components for the iPad and iPhone.

"I think this whole worry in the market derives from the fact that Apple has a very narrow hierarchy, with the company heavily relying on Steve Jobs," said Ha Joon-Doo, senior analyst with South Korea's Shinhan Investment Corporation.

"If this problem continues and such worries (about Apple's future) become a long-term issue, then Samsung will have much room to benefit -- as a rival," added Ha.

Though Apple's drive and innovation comes from the company's headquarters in Cupertino, California -- it is Taiwanese tech firm Hon Hai, and its subsidiary Foxconn, that actually make the American firm's top selling gadgets.



Apple CEO Steve Jobs demonstrates the new iPhone 4. As Jobs goes on another medical leave of absence, analysts say his company's myriad Asian partners could suffer -- but rivals such as Samsung and Sony might cash in.

Questions about Jobs' health have resurfaced periodically since he underwent an operation for pancreatic cancer in 2004 and received a [liver transplant](#) in 2009. He returned to public view in September 2009 looking gaunt but healthy.

Wall Street was closed for a holiday on Monday but the surprise announcement that Jobs was facing renewed health issues sent Apple shares tumbling in Frankfurt, where they fell 6.57 percent to 243.10 euros.

Asian tech shares slipped in early trade on Tuesday although they later pared back the losses and in some cases closed in positive territory as the immediate concerns eased.

Apple was scheduled to release its fiscal 2011 first quarter results after the markets closed on Tuesday. Its shares ended at a record high of \$348.48 on Wall Street Friday.

Silicon Valley analyst Rob Enderle said the challenge to the company without Jobs is "What will [Apple](#) do next?"

"That is probably where [Steve Jobs](#) is going to be much missed," he said, adding that with each departure "there is an increasing chance that he won't come back."

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