

iPad challenge looms large at Asia IT show

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An overall view of the Computex Taipei, Asia's biggest information technology and communications trade fair, on May 31. At Computex, some manufacturers are showing how they plan to face the challenge from Apple's iconic product, iPad.

Tablets that match the iPad but at a cheaper price. Slimmer, more powerful notebooks. At Computex, Asia's top IT fair, manufacturers are showing how they plan to face the challenge from Apple's iconic product.

Taiwan-based Compal Electronics made its name as a producer of

notebooks for big-league brands like Dell and Toshiba, but it too has now joined the tablet frenzy and is just months away from launching a seven-inch device.

"Of course, [iPad](#) is the number one challenge," said Yeta Huang, a Compal senior engineer.

"But we believe there's room for us, with the market size for tablet predicted to exceed 50 million this year. Cheaper price is one area where we're trying hard."

Computex, a sprawling event held in Taipei this week, provides a snapshot of a [technology sector](#) scrambling to find the right approach to the iPad, a product embraced by gadget lovers worldwide.

Since Apple's groundbreaking product was released in April last year, a proliferation of brands have hit the market with limited success, and manufacturers have also been hurt by eroding demand for traditional PCs.

[Intel](#) Corp, the world's top chip maker, has used Computex to unveil its response to the iPad, a type of thin laptop that it has dubbed Ultrabook.

It is "a new class of [mobile computers](#)" that "marry the performance and capabilities of today's laptops with tablet-like features," according to the American chip maker, suggesting the future will not just be all tablet.

"There is healthy room for PC growth, but affordability is key to PC penetration," Intel vice president Sean Maloney said according to the Taipei Times newspaper. "Now is the time to reinvent the PC platform again."

Even so, companies know they cannot ignore the tablet and have moved

quickly to enter the market.

Taiwanese PC maker AsusTek Computer set up its first tablet business unit in November 2010, just months after Apple unveiled the iPad.

"Our Chairman Jonney Shih feels the tablet industry has great potential. That's why he decided to establish the new business unit," said Kakuangelo Kuo, a product manager of AsusTek's Eee Pad Business Unit.

"Leading computer brands all have adjusted downward their PC shipments this year as they expect part of the PC market to be eaten away by tablets," he said.

Ray Chen, Compal's president, said that while his company remains confident about the notebook market, where it derives 90 percent of its revenue, it will diversify into tablets and other products.



A ViewSonic staff, seen here displaying a seven-inch tablet called HoneyComb during a press conference in Taipei, on May 30, on the eve of the opening of Asia's biggest IT trade fair Computex. Since Apple's iPad was released in April last year, a proliferation of brands have hit the market with limited success, and manufacturers have also been hurt by eroding demand for traditional PCs.

That way it hopes to raise its non-notebook revenue to 20 percent by the end of this year, Chen said according to Dow Jones Newswires.

Despite all the attention that tablets receive, analysts with a cool view of broad trends in the industry also see continuity in the future.

The good old desktop is not going away, since for large portions of the world's population it remains the only affordable option, they say.

In addition, in many emerging markets the infrastructure is not yet

developed enough to make mobile Internet browsing a seamless, troublefree experience.

"Regular notebooks or desktops will feel less pain as demand from emerging markets, such as Russia, China, India and Brasil remains strong," said Kuo Ming-chi, a Taipei-based analyst with Concord Securities.

This demand will help offset the decline of PC demand from North America and Western Europe following the lauch of the iPad and other tablets, he said.

Some dissenting voices are moving to hose down the tablet hype.

"I bought a [tablet](#) and after three weeks, I found it can't replace my phone, and it can't replace my PC," Mooly Eden, general manager of Intel's PC client group, told the Asian Wall Street Journal at Computex.

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