

Ailing BlackBerry fights back with cut-price smartphone

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In this picture taken on May 10, 2014, employees of a Blackberry and Apple iPhone shop wait for customers at a shopping mall in Jakarta

Ailing smartphone maker BlackBerry will on Tuesday make a new bid to turn its fortunes around with the launch of a cut-price handset in Indonesia, one of its last bastions.

The Z3, which is expected to be introduced in other emerging markets later, is the first new BlackBerry phone since chief executive John Chen took the helm of the crisis-hit company last year.

The handset is also the first to be produced from the Canadian firm's partnership with Taiwanese tech giant Foxconn, which makes gadgets for Apple, and is a key test of whether the new strategy will work.

BlackBerry has suffered huge losses and slashed thousands of jobs in recent years in the face of intense competition from rivals, particularly titans Apple and Samsung.

Even in Indonesia, where its phones maintain a loyal following, the company's market share has fallen in the past year, analysts say.

Nevertheless BlackBerry is convinced that the new Indonesian model—whose full name is the Z3 "Jakarta Edition"—will be a hit in Southeast Asia's top economy, which has legions of social media-mad young consumers.

"There is still momentum behind the BlackBerry brand in Indonesia and this product will deliver something that should resonate with consumers there," a spokesman said.



A BlackBerry Z3 smartphone is shown by a model during its launch in Jakarta, Indonesia, Tuesday, May 13, 2014. The Z3 is priced at (US\$200) in the country. (AP Photo/Achmad Ibrahim)

BlackBerry says the phone is aimed at fast-growing economies, although it has declined to say where it might be launched next, rather than Western markets, most of which have not enjoyed stellar growth in recent times.

Chen took over in November after the company ousted Thorsten Heins, and a month later BlackBerry announced the tie-up with Foxconn.

It involves transferring to the Taiwan company manufacturing and inventory management, while allowing the phone maker to focus on software and services.

The Z3 has a five inch (13 centimetre) touchscreen, like the most recent BlackBerry handsets which do not have the physical keyboards of the older devices.

The "Jakarta Edition" is designed specifically with Indonesian consumers in mind. The BBM messaging service—wildly popular in Indonesia—comes loaded with pictures of local cartoon characters for users to send to one another.

There is also a limited edition version with "Jakarta" engraved on it.

The company believes the relatively low price of around \$200 will be a particular selling point.

Retailers have said that online pre-orders, which began on April 28, have been healthy. The phone will go on sale several days after Tuesday's launch.

However analysts say it may be too little too late, even in one of BlackBerry's healthiest markets.

"The launch of this device is really BlackBerry's final stand in the Indonesian market," Sudev Bangah from telecoms consultancy IDC told AFP.

IDC says BlackBerry's [market share](#) peaked in Indonesia in 2011 at about 43 percent and remained healthy in 2012 only to suffer a collapse in 2013, when it fell to around 13 percent.

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