

Apple event has world watching for new iPhone

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Apple is expected to unveil a new iPhone and maybe even a second-generation smartwatch at a special event in San Francisco on Wednesday.

The rumor mill has been grinding away with talk of iPhone 7 models that will boast faster chips, more sophisticated cameras, and improved software while doing away with jacks for plugging in wired headphones.

To assuage users accustomed to wired headphones, Apple could roll out accessories that include an adaptor that plugs into a remaining port.

The event would also be a chance to showcase wireless headphones, perhaps some from Beats, which Apple bought two years ago in a deal valued at \$3 billion.

In the Apple's usual enigmatic style, it provided little more than the date, time and place to the invitation-only gathering.

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In July, the company announced the sale of its billionth iPhone, a milestone for the company as it seeks to keep momentum in a competitive smartphone market.

Apple reported a drop in iPhone sales in the second quarter of this year, a second straight drop after uninterrupted growth since its introduction in 2007.

South Korean consumer electronics giant LG is set to show off a new premium V20 smartphone in San Francisco the evening before the Apple event.

The V20 will be the first to ship with a new Nougat version of Google-backed Android operating software.

Meanwhile, leading smartphone maker Samsung has announced it will recall its latest flagship smartphone after faulty batteries caused some Galaxy Note 7 "phablets" to explode while charging, in a massive blow to the South Korean electronics giant's reputation.



A protestor dressed as Snow White (C) demonstrates outside the parliament buildings in Dublin in support of the EU ruling to take 13 billion euros (\$15 billion) in taxes from Apple on September 2, 2016

Apple Watch time?

California-based Apple could also use the event to showcase updates to other products, such as its smartwatch and laptop computers.

Speculation regarding an Apple Watch 2 was fueled in part by the fact that the original hardware has not been updated since it debuted in April

of last year.

Improved iPhone and smartwatch models would be arriving just as Apple is set to roll out a new version of the mobile operating system.

The event on Wednesday will come as Apple squares off with the European Union over a multibillion-dollar bill.

Analysts told AFP that Apple was in position to fend off the blow from the EU demand that the iPhone maker pay a record 13 billion euros (\$14.5 billion) in back taxes in Ireland.

"It's total political crap," Cook told the Irish Independent newspaper, of European Competition Commissioner Margrethe Vestager's assertion that the company had paid a tax rate of 0.005 percent on its European profits in 2014.

The commission ruled that Apple had received favorable tax terms that amounted to state aid—illegal under its rules.

Apple expects to repatriate billions of dollars of global profits to the United States next year, Cook told Irish national broadcaster RTE without providing specific figures.

The ease with which the company could write a check to pay the gargantuan bill was seen as potentially coming back to bite Apple by giving the impression it is greedily avoiding doing right by the public coffers.

According to its most recent earnings report, Apple had \$231.5 billion in cash plus marketable securities at the end of June.



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Of that total, \$214.8 billion, or 93 percent, was said to be outside the United States, Apple's chief financial officer Luca Maestri said on an earnings call.

Apple has vowed to fight the tax bill.

New hit needed

Apple's real issue is the lack of a blockbuster announcement along the lines of those that ignited markets and rocketed the company to glory under the leadership of late co-founder Steve Jobs, according to analysts.

"Apple is a company that lived hit to hit: the iPod, iPhone, iPad," said independent Silicon Valley analyst Rob Enderle of Enderle Group.

"Without those successive hits, it is struggling. While it has plenty of cash, it has stopped being a market maker."

Analysts and Apple fans have been eagerly waiting for Cook to take a page from Jobs's playbook and enthrall the world with a must-have "one more thing."

Apple iPhones have been at the heart of the company's money-making machine for years, while reported investments in self-driving cars and virtual reality have yet to result in transformative new products.

With iPhone sales and profits sliding, Apple in July highlighted growth in sales of apps, music and cloud services.

Apple is moving into new areas such as Apple TV and streaming music, which could produce more stable revenues.

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