

Hopes for bumper tourist season in bin Laden town

AFP, Abbottabad, Pakistan

Pakistani hoteliers in the now notorious town where Osama bin Laden was killed by elite US forces are praying the views and balmy weather still reel in bumper tourist numbers this year.

Considered one of the quietest towns in the northwest, nestled in pine-dotted hills and popular with day-trippers from the capital, Abbottabad is listed on Pakistan's official tourism website as a "popular summer resort".

The breezy language employed by the Pakistan Tourism Development Corporation promoting a "charming town" gives no hint of forces that -- according to a widow of bin Laden -- housed the world's most-wanted terrorist for five years.

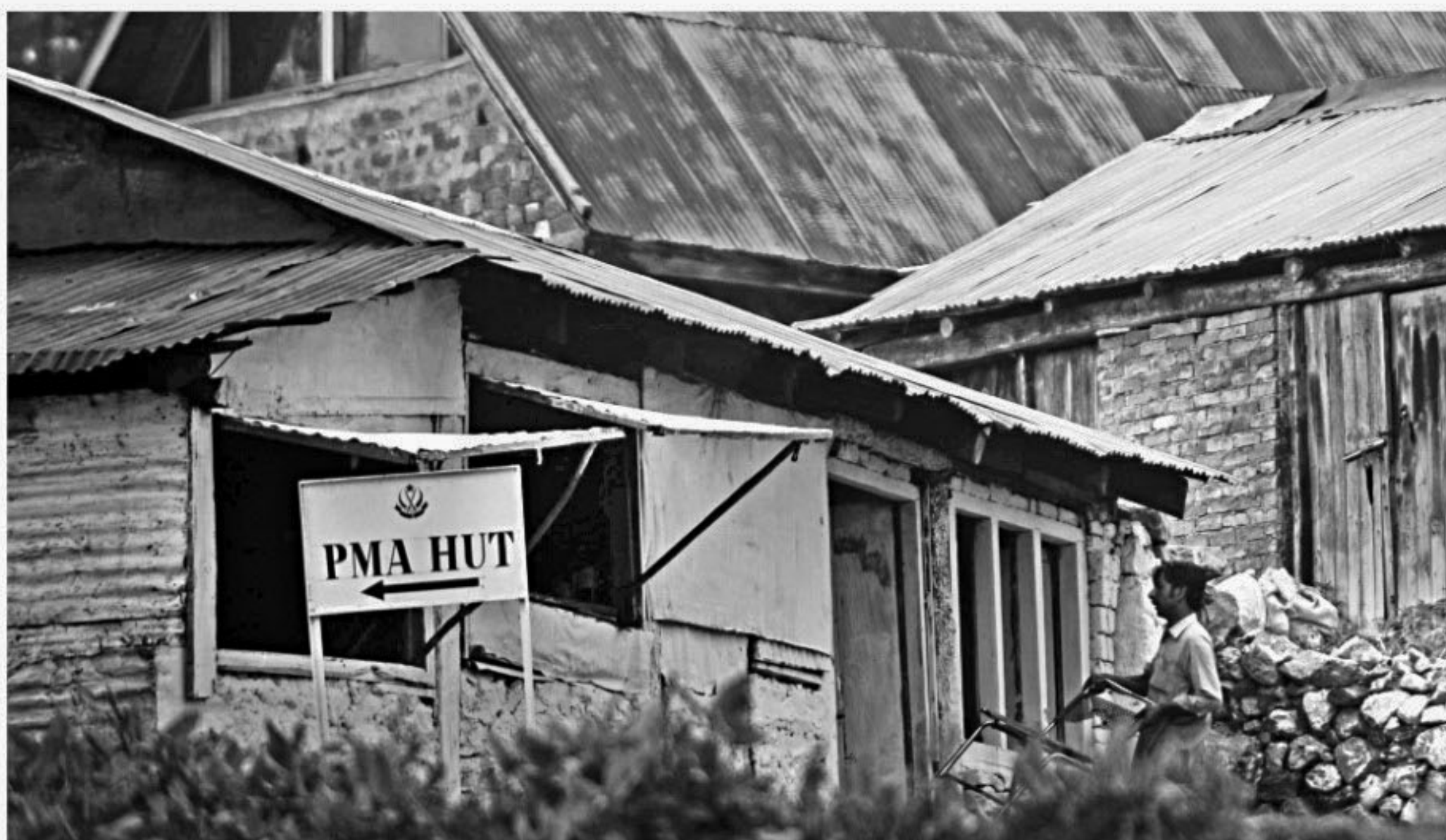
Instead it says the town is a base for trips to the beautiful Kaghan valley and recommends as "places worth visiting in and around Abbottabad" the Ilyasi mosque with its water spring, the Shimla view point and Thandiani hill resort.

Officials say the bin Laden episode might not dampen the inflow of tourists, since the peace of the city was barely disturbed and business has continued as usual. Indeed, said one, it might even be a bonus.

"I believe that tourism will not be impacted -- rather, more people are coming to see the place where the incident happened," provincial secretary for tourism and culture Azam Khan told AFP.

"Abbottabad is a normal, peaceful city today as it was before."

The town is famous for its military training centres including the elite Pakistan Military Academy, but the surrounding hills attract people on short breaks from



AFP

An employee works outside a restaurant at Thandiani tourist resort on the outskirts of Pakistan's hill Abbottabad city on May 11 where slain Al-Qaeda chief Osama Bin Laden was killed on May 2. Abbottabad is listed on Pakistan's official tourism website as a "popular summer resort".

Islamabad and tourists escaping to cooler climes. Hoteliers were upbeat, saying prospects for this summer were good.

"Praise be to God, we are doing good business and expect a full season," Hummayun Khan, manager of the Alpine hotel, told AFP.

"I don't think the recent incident will have a negative impact, because the city is still normal and peaceful and people are doing business without any fear."

Jibran Mirza, a manager at Gilani's guest house, said some people may this year prefer to go to Murree, another resort town north of Islamabad, but he did "not see any downside" in business.

"Murree is overcrowded, so fami-

lies prefer Abbottabad," he added.

Locals suspect that the comings and goings of tourists and migrants are exactly what enabled bin Laden to live there for so long undetected.

"It's a quiet town and gateway to northern areas and Kashmir," said another Pakistani security official when asked why Al-Qaeda might have considered Abbottabad as a hiding place.

"The transit nature of the city and the fact that a lot of people come from other towns and cities to escape the summer heat for a few months allow all kinds of people to stay in the city and leave without any footprints," he said.

Abbottabad is popular not just with visitors but with those looking

to relocate. Its weather, peaceful reputation and the perceived security of a garrison have drawn many from other cities to work or educate their children.

There was an influx of migrants from Kashmir after the 2005 earthquake, and another from the north-western tribal belt bordering Afghanistan after the army launched major operations against the Taliban in Waziristan and Swat in 2009.

And though it may be mainly tranquil, it is close to more troubled areas.

Abbottabad is bordered by Mansehra district in the north and in the east by Muzaffarabad, the capital of Pakistani Kashmir, where India alleges militants are trained.

To the south is the garrison city of

Yahoo faces tough ride to iron out differences with Alibaba

REUTERS, Shanghai

Yahoo Inc and Alibaba Group will find it difficult to resolve their feud over the Chinese company's transfer of a major Internet asset, raising questions over how long its troubled marriage would last.

Yahoo shares have fallen 11 percent since Tuesday when the U.S. Internet company said Alibaba had restructured Alipay, an online e-commerce payment system similar to eBay Inc's PayPal, to Alibaba Chief Executive Officer Jack Ma.

Analysts said this reduced the value of Yahoo's 43 percent stake in Alibaba - considered one of its most valuable assets.

After initially issuing contradictory statements, both companies said in a joint statement that they were in negotiations and were committed to resolving the dispute.

However, analysts said the soured relationship between Alibaba and its major shareholder is a deep-rooted one and any attempts to improve ties will not be easy.

"You will see more difficulties in communication and potential disagreements probably until the day Yahoo decides to sell back its stake in the company," said Mark Natkin, managing director of Marbridge Consulting.

Yahoo said it was blindsided by the Alipay deal, while Alibaba countered that Yahoo was aware of the transaction by virtue of having a board seat, now held by former Yahoo Chief Executive Jerry Yang, who is also a Yahoo director.

Yahoo and Alibaba have endured long simmering tensions since the departure of Yang from Yahoo.

Samsung sees better LCD performance; no big investments

REUTERS, Tangeong, South Korea

Flat screen prices are stabilizing after a year-long fall and demand growth is picking up as television makers prepare for new product launches, the head of Samsung Electronics Co's LCD business said.

Chang Wonkie said results for the world's No.1 LCD flat-screen maker would improve after it reported a first-quarter operating loss of 230 billion won (\$212 million) but the division was holding off on new investment for now because growth in TV sales, while improving, would remain tepid.

"There'll be no more fall in selling prices and earnings will improve as capacity run rates are rising, costs are falling and demand is showing improvement," Chang, president of Samsung's LCD division, said at the Reuters Global Technology Summit.

His cautiously upbeat remarks in a rare media interview contrast with a more downbeat industry view, which suggests that the global LCD TV market will shrink annually from this year between 3 percent and 4 percent.

Samsung has said for some time that the liquid crystal display (LCD) sector would improve. But now it says it is seeing the evidence.

After declining around one third over the past one year, TV panel prices are finally showing some signs of bottoming out this month.

Indeed, prices of 40-42 inch panels have risen 1 percent from late April, according to industry data.

Emerging markets led by China are showing a strong recovery in LCD TV sales, making up for subdued demand in developed countries, where many consumers have already traded their bulky tube TV sets for flat-screen models.

Chang said TV sales were strong in the two weeks through China's Labor Day holiday in early May, rising 15 percent to 2.6 million units from a year earlier.



REUTERS

Models pose with Samsung Electronics' new smartphone Galaxy S II at the company's headquarters in Seoul.

He expects to boost production in the current quarter to 90-95 percent of capacity from 85-90 percent in the previous quarter.

CREATIVE REPLACEMENT VS CAUTIOUS OUTLOOK

Samsung is known for making massive ahead-of-the-curve investment, and Chang said the company will keep investment flexible, although there was no immediate plan for massive investment for next generation technology.

Demand growth for LCD is being limited by new types of displays such as OLED, currently used in high-end smartphones but which is fast expanding into the television sector.

The next, or 11th-generation plant, would allow production of bigger-sized TV panels at a lower cost.

The 56-year-old president said its panel venture with Sony Corp does not have any immediate plan to make massive investments either.

The venture has cut capital by \$555 million as the Japanese firm struggles with perennial losses from its TV business. Sony has also said it would not make further investment in a separate 10th generation panel venture it has with Sharp Corp.

"We have held several talks with

Sony about building an 11th generation plant and technology is ready but we've agreed that there won't be massive investment for that technology any time soon," Chang said.

Currently, Sharp has the most advanced 10th generation factory but it suspended production last month following the March 11 earthquake and tsunami.

Still, Chang said the flat-screen business has solid growth potential.

"It's been mainly replacement demand which has led the LCD growth so far. But it's more likely to create new market category from now on," said Chang, who has worked at Samsung for 30 years, mainly in the flat-screen operation.

"There's going to be creative replacement leading LCD industry's growth. There's huge untapped market potential in such areas as public displays, transparent displays, and educational displays used in schools."

NEW 3D TECHNOLOGY

Samsung supplies around a quarter of large-sized LCD globally and it is also the world's No.1 TV maker.

But its dominance had been challenged this year by local rival LG Electronics Inc and its panel unit LG Display.

EU officials talk of carrots, sticks for Greece

AFP, Frankfurt, Germany

European Union economic affairs chief Olli Rehn pressed Greece on Monday to speed up reforms as a German colleague floated the idea of an EU plan for less competitive countries.

"I will say it very clearly, Greece must accelerate its economic reforms and set up a complete privatisation programme," Rehn, who is Finnish, told the German daily Die Welt.

Athens already benefits from a financial rescue package worth 110 billion euros (\$155 billion) but markets believe it will need as much as 60 billion more to meet debt payments over the next two years.

Even if opposition in countries like Finland and Germany to more aid is overcome, "it is an illusion to think there is an alternative to reforms," Rehn said as he urged Greek political leaders to settle squabbles and get to work.

The head of the Austrian central bank, Ewald Nowotny, told the German financial daily Handelsblatt meanwhile that Greece had to begin selling some of its hundreds of billions of euros in assets to help pay its debts.

"This programme must be undertaken, it would send an important signal" to markets, Nowotny said in comments that echoed remarks by the International Monetary Funds director for Europe last week.

Greek Prime Minister Georges Papandreou has said privatisations are now one of his government's

China's clamp down on gas oil exports may fuel Asia rally

REUTERS, Singapore

China's moves to clamp down on diesel exports come at a bad time for Asian buyers of the transport fuel, sapping supplies just as demand rises to meet summer demand from tractors and air conditioners.

The expected tightness may help diesel return towards the 30-month high hit in April after the Japan earthquake, boosting concerns about inflation that is already around multi-year highs in many countries in the region.

Diesel typically has a far deeper impact on costs than any other oil product as it is the most common transportation fuel and is used for a variety of applications -- from running water pumps to irrigate fields to backup diesel generators to cope with power outages.

China is bracing for its worst power shortage since 2004, which has led to it clamping down on diesel shipments, while Japan, one of the region's top exporters, struggles to restore shipments to pre-quake levels.

"Overall we expect gas oil to remain strong this year with China limiting exports to satisfy domestic demand," said Sushant Gupta, an analyst with energy consultancy Wood Mackenzie in Singapore.

"The cracks will depend more on what happens in China than Japan."

The front-month June gas oil crack spread was valued at a premium of \$17.42 a barrel to Dubai crude on May 13. While this is down from the 30-month peak of \$24 seen a month earlier, it is still higher than the 2010 high of \$15.14.

Gas oil premiums have been high since the end of last year after China faced a diesel supply squeeze caused by nationwide power restrictions that led companies to fire-up generators and refiners to slash diesel exports.

They surged following the massive earthquake and tsunami in Japan that forced refiners there to shut, raising concerns that Asia's second-largest exporter of the fuel will turn importer. The resumption of shipments from Japan, much to the surprise of the market, prompted a steep correction.



AFP

Germany's new Economy Minister Philipp Roesler poses next to an electric car yesterday at his ministry in Berlin. The German government is prepared to pay a billion euros (\$1.4 billion) in subsidies over the next two years to help its industry develop electric cars, Welt am Sonntag newspaper said on Sunday. Chancellor Angela Merkel called for Germany to become the market leader in the new technology with a view to "having a million electric cars on our roads by 2020".