

Fans cheer, but iPhone 7 gets a subdued welcome

REUTERS, Shanghai/Sydney/San Francisco

APPLE employees enthusiastically counted down the last moments before stores from San Francisco to Shanghai opened on Friday to launch the iPhone 7, but the ranks of shoppers were notably thinner than in previous years.

Apple Inc fans assembled at stores around the world to be among the first to buy the iPhone 7, the retail phenomenon that accompanies the launch of the company's updated flagship product each year.

The tech giant announced earlier this week that the larger iPhone 7 Plus had sold out, prompting some who had set up camp outside Apple's marquee store in San Francisco to pack up their bags and head home.

To be sure, online pre-orders have made lines unnecessary for all but diehard fans, and in Chinese stores only those who had ordered in advance were queuing to collect.

Yet in markets like China, online interest in the new phone has also been muted, as cheaper local brands amp up their design and marketing.

Wu Ting, a 28-year-old from Nanjing, was surprised to find herself first in line at a downtown Apple store in Shanghai on Friday, a holiday in China.

"I found last year that there were crowds of people, but this year almost no one. I came an hour early thinking I'd have to wait a long time before getting seen," Wu said.

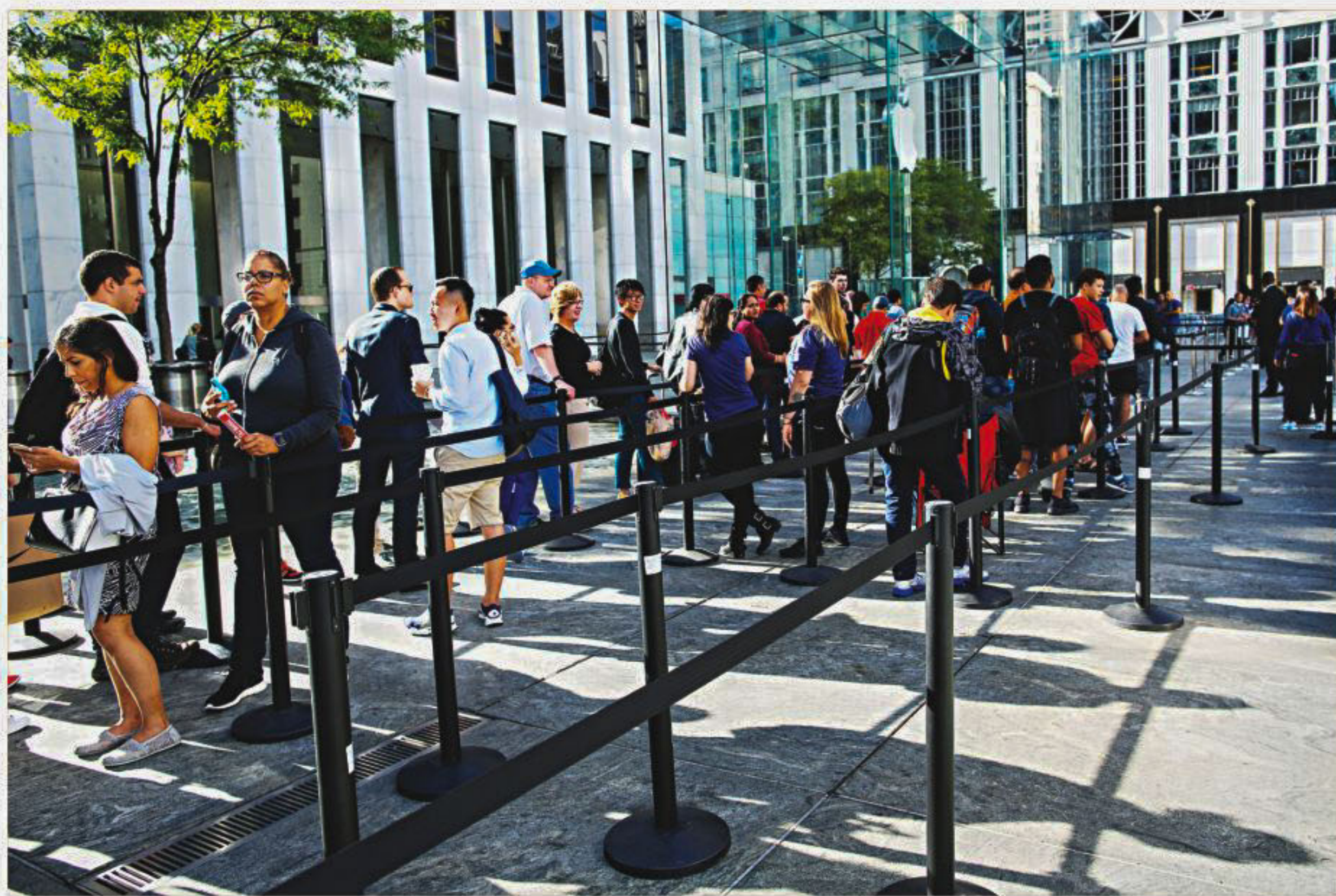
The stakes for the iPhone 7 are high after sales of the gadget dropped during two straight quarters this year, the first declines in its history. The iPhone is Apple's lifeblood, accounting for more than half of the company's revenue.

But some on Wall Street fear that the world's most valuable company is due for a disappointing year as the redesigned phone features largely incremental improvements, such as an enhanced camera and new headphone technology.

Sales in China will be a key harbinger for Apple's prospects: The success of the iPhone 6 in China propelled the company to record heights in 2014, while the 6S contributed to the company's first global revenue drop in over a decade earlier this year.

Apple will not release first-weekend sales of the phones this year, a break with previous policy. The figure has become a reflection of supply more than demand, the company said.

An index of searches on Baidu Inc, China's most popu-



Customers wait in line to buy the new iPhone 7 smartphone outside Apple Inc store in New York.

lar search engine, shows the new phone lagging both the iPhone 6 and iPhone 5.

Apple's Greater China sales dropped by a third in April-June, albeit after more than doubling a year earlier, while its market share has fallen to around 7.8 percent, placing it fifth behind local rivals Huawei, OPPO and Vivo.

"From Steve Jobs to Tim Cook, Apple has never had any marketing strategy tailor-made for China," said Zhou Zhanggui, a Beijing-based strategic consultant. "Apple risks losing out more if it does not better cater to local demands in its marketing as well as product design."

In Beijing's fashionable Sanlitun shopping district, several people who had already grabbed new iPhone 7s were hawking them for a markup just outside a flagship store.

But Apple has not lost its shine for all customers. Marcus Barsoum, a 16-year-old who described himself

as a "diehard Apple fan," spent two nights camped outside the Sydney store. By morning, some 200 people were gathered in light rain to be the first customers globally to own iPhone 7s.

Weary but elated, Barsoum charged into the store at 8 a.m. to the cheers of Apple staff. He emerged with a matte black iPhone 7, although he had wanted a larger 7 plus in jet black.

"It feels great to be the first in the world to have the iPhone 7," he said. "It was 100 percent worth it."

Omar Nofal, a 26-year-old doctor in San Francisco, was all smiles as he emerged from the Apple Store with a silver iPhone 7, his first upgrade in four years. He said he was tempted to hold off until next year, when many predict Apple will redesign the iPhone to mark the gadget's 10th anniversary, but his phone has a cracked screen.

"I couldn't wait another year," he said.

Protection of Amazon's biodiversity could fuel fourth industrial revolution: study

REUTERS, Rio De Janeiro

THE Amazon rainforest holds the biological keys to kick-start a "fourth industrial revolution" if its biodiversity is protected, said a study published on Friday.

New digital technologies such as 3-D printing and quantum computing create the potential for the Amazon's unique plants to drive major advances in medicine and engineering, said the study by Brazilian scientists.

"Leveraging the Amazon's vast biomimetic and biodiversity assets, we can aspire to develop revolutionary innovations in multiple fields," said Juan Carlos Castilla-Rubio, one of the study's authors and chairman of Space Time Ventures, a Brazilian technology company.

"For example, a long-lasting foam produced by a species of frog has inspired the creation of new technologies for capturing carbon dioxide from the atmosphere."

Amazon plants could also lead to breakthroughs in antiseptics, anti-wrinkle creams, gynecological medicines and anti-inflammatory drugs if they are coupled with new technologies, said the study published in the Proceedings of the National Academy of Sciences.

Deforestation and climate change are threatening to turn the world's largest tropical forest into dry savannah land, destroying its biological promise, said the study.

If more than 40 percent of the forest is cleared, the resulting "savannization" process could become irreversible, said the study.

Currently about 20 percent of the Amazon basin rainforest has been cut down, said Castilla-Rubio.

"If business as usual continues, the Amazon will transform into savannah... this has massive consequences," he told the Thomson Reuters Foundation.

Brazil has reduced the rate of illegal deforestation by nearly 80 percent in the last decade, the study said, meaning there is still time to stop the rainforest from becoming savannah land.

Protecting indigenous land rights, combating climate change and providing the right incentives for businesses to move away from extracting natural resources are crucial for further reducing the deforestation rate, Castilla-Rubio said.

Much of the forest was cleared for economic activities such as mining, cattle ranching, agriculture or logging, but the study shows the Amazon has more value if left standing, he said.

Success for women entrepreneurs in poor countries means enlisting men: activists

REUTERS, San Francisco

EFFORTS to help women build small businesses in developing countries risk failure unless husbands, fathers and other men are convinced to be supportive and involved, activists said.

Without the backing of men, women entrepreneurs are likely to quit, receive threats and even suffer violence, groups working in Asia, Africa and Central America said on Wednesday at SOCAP, an annual conference of social entrepreneurs and investors.

The groups included the British-based Value for Women, which promotes women's economic participation, and Oxfam America, which launched an initiative called Women in Small Enterprise (WISE) to support women entrepreneurs.

"Without men's involvement, you definitely see a lot higher drop out rates," said Alicia Robinson, chief investment officer for WISE, based in Guatemala.

Women entrepreneurs there often need their husband's permission to launch a business, Robinson said.

"Men need to feel like they are allowing their wives to participate," she said. "Men need to feel like they

are deriving some kind of benefit from it."

Value for Women appeals to men's attitude of "what's in it for me?" said Rebecca Fries, the group's global managing director. "Our programs are more effective and the impact is more effective if I'm engaging male family members," she said.

Women entrepreneurs need to be trained not only in solid business skills but also soft skills of communication and negotiation, the activists said.

The soft skills help women navigate resistance by husbands or fathers as they defy traditional roles or become breadwinners, they said.

The need for those soft skills became apparent when Agora Partnerships, which supports entrepreneurs in Latin America, started making plans to distribute \$1 million among women running businesses, some with their husbands, said Maria Denise Duarte, program development manager.

It is still accepting applications from women seeking support.

"One woman came to me and she said, 'How do I explain to my husband that we need to pay each other a salary? We have to decide how much to pay each other,'" she said.

"That's a negotiation that's really,

really hard," she said. "You cannot just teach hard skills. You must complement it with soft skills."

Resistance to female entrepreneurship can come from husbands, fathers, brothers, sons and even other women, said Fries.

"That backlash is sometimes taking the form of violence," she said.

Such violence is a very real concern in Guatemala, which has one of the highest rates of femicide in Central America, Robinson said.

At least two women are killed violently each day in Guatemala, according to the United Nations.

As women in Guatemala challenge the traditions of a patriarchal society, "it's really important that we understand the environments that they're operating in," Robinson said.

Girls in East Africa and South Asia who benefit from Spring Accelerator, a project aimed at improving the lives of girls in developing countries, can find themselves facing trouble from men, said Spring investment director Suzanne Biegel.

"Now this girl is empowered and she breaks up with her boyfriend, or now she's starting to make money and now she's more of a target," Biegel said.

India's new motorcycle owners drive gasoline boom



A man rides a motorcycle in a parking lot at a market in New Delhi.

REUTERS, London

INDIA'S gasoline consumption is growing rapidly as millions of additional households buy motor cars and especially motorcycles as a status symbol amid growing prosperity. Gasoline consumption averaged 550,000 barrels per day between June and August, an increase of nearly 15 percent from 480,000 bpd a year earlier.

Gasoline consumption hit a new record of 600,000 bpd in August, according to the Ministry of Petroleum and Natural Gas.

Consumption remains low compared with the advanced economies or China, the other emerging-market giant, but no other country is exhibiting such fast and sustained growth.

The number of registered vehicles on India's roads has been doubling every seven years and hit 182 million in 2013, according to the Ministry of Road Transport and Highways ("Road transport year-book", 2012/13).

The majority of registered vehicles in 2013 were motorcycles (133 million) with a much smaller number of cars, jeeps and taxis (25 million) and goods vehicles (9 million). Unlike cars, many of which run

on diesel, motorcycles all run on gasoline. Motorcycles accounted for more than 60 percent of all gasoline sales in 2013 ("All India study on sectoral demand of diesel and petrol", Nielsen, 2013).

Motorcycle sales have been expanding at a compound growth rate of 7 percent per year since 2010/11 and hit a record 16.5 million in 2015/16, according to the Society of Indian Automobile Manufacturers. In contrast, car sales have grown at a compound rate of just over 2 percent per year and reached 2.8 million in 2015/16.

Owning a personal vehicle rather than relying on public transport is an important status symbol for India's fast-expanding middle class but many buyers opt for motorcycles due to cheaper purchase and operating costs. "The majority of the middle-class, middle-income population including college students prefer to travel by two-wheelers, as it is more economical," a market research report for the government said.

Motorcycles are also far more manoeuvrable in the country's crowded urban streets and highways.

Two-wheelers use far less fuel than cars but the sheer number of motorcycles being added to the country's roads each year is propelling rapid

growth in fuel consumption.

India's fuel demand would be growing even faster if consumers were buying cars ("As long as India's oil demand is driven by mopeds, it won't be the new China", Reuters, July 13).

But consumption is nonetheless growing fast as millions more people use a motorcycle rather than walking or taking public transport, which is the relevant baseline for oil demand.

Vehicle ownership rates in India remain far below the level in advanced economies as well as other middle-income developing countries, according to the Ministry of Road Transport and Highways.

India's motorcycle ownership rates are fairly high, at 108 motorcycles per 1,000 population, and steadily increasing, which puts the country ahead of most peers, though far behind Malaysia with 362.

But overall vehicle penetration remains low, at 149 motor vehicles per 1,000 population, compared with 273 in Brazil, 277 in Mexico, 512 in Britain and 781 in the United States.

So there is enormous scope for fuel demand to increase over the next decade as more households obtain access to a motor vehicle - initially two-wheelers before some upgrade to four wheels.

Spanish business group warns tax changes may hit corporate solvency

REUTERS, Madrid

SPAIN'S plans to introduce changes to corporate tax laws in a bid to raise revenues and keep the public deficit in check could endanger some companies' solvency, business association CEOE said in a letter sent to the government and seen by Reuters.

Spain's acting Economy Minister Luis de Guindos said on Tuesday the government would sign a decree in coming months aimed at making companies pay more of their tax bill upfront.

"This tax advance was not accounted for by treasuries of the affected companies, and so it will raise their financing needs and could compromise their solvency in some

cases," CEOE head Juan Rosell said in the letter addressed to the economy and treasury ministers.

Spain faces potential European Union sanctions for failing to do enough to reduce its public deficit in line with Brussels' targets after overshooting the goal in 2015.

Following two inconclusive elections since December, and with Spaniards potentially facing another trip to the polling booth at the end of the year, the acting conservative government has been unable to focus on the public finances this year.

Spain has been given a reprieve by Brussels on any potential fine following the 2015 miss, but the lack of a government and the prospect that will mean this year's budget is rolled over into 2017, mean a

later sanction is still possible, de Guindos has said.

The tax decree aims to earn the government an extra 6 billion euros (\$6.7 billion) by year end, without which Spain is unlikely to be able to reduce its budget shortfall to 4.6 percent of economic output from 5 percent last year.

While the government insists the decree would mean only a change in the tax calendar and does not constitute a tax rise, some companies are concerned about the proposal.

"We're very worried and if they finally take the decision as has been suggested, it would be a disaster for many companies," a source at one of Spain's top listed companies said on Friday.