Reuters reports LG Display will cut its 2012 capital spending by 25% (making it the lowest in 4 years) as mobile device demand eats into that for TV panels.

The situation results in the company ending up with excess capacity for over a year-- with no relief in sight.

Analysts describe the outlook for the next 9 months as "dreadful"-- weak PC and TV demand especially in Europe and the US and global Q2 2011 LCD TV shipment growth reaching record lows (6% Y-o-Y).

LG Electronics (the world's no. 2 TV maker) cuts its TV sales targets by 20%, while Sony braces for weaker sales and Philips hives off its loss-making TV division.

Prices are also heading downhil, with 40-42" LCD TV panel prices dropping by over 10% in 2011.

LG Display is the first major LCD maker to cut its capex-- even if one can expect Samsung to make a similar announcement in the future. LG Display and Sharp together make 50% of the global LCD flat-panel industry.

Go [LG Display Cuts Capex (Reuters)]