

**DAYS AFTER GLOBAL LAUNCH...**

# Apple begins making iPhone14 in India

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Apple Inc on Monday announced that it has started assembling the phones in its latest iPhone 14 series at the Foxconn factory in Tamil Nadu. With this, the company has achieved a significant milestone by narrowing the gap between the days of the phones' global launch (September 7) and their availability in stores (from September 16) and the start of their assembly in India.

The move to assemble iPhone 14 series devices in India soon after their global launch raises expectations that the Cupertino-based company may reduce the prices of its new models as it does not have to pay Customs duties unlike when units are imported from China. But according to persons aware of the company's working, such a move may not be immediate, and prospective buyers may have to wait for a quarter or more for any reduction in device prices.

In a statement, the company said: "We're excited to be manufacturing

## THE BIG BITE

Apple is speeding up production roll-outs in India

Year of manufacturing in India  
(Time lag since global launch)



**iPhone SE**

**May 2017** (14 months)

**iPhone 11**

**July 2020** (10 months)

**iPhone 12**

**March 2021** (5 months)

**iPhone 13**

**April 2022** (7 months)

**iPhone 14**

**Sep 2022** (10 days)

iPhone 14 in India. The new iPhone introduces groundbreaking new technologies and important safety capabilities."

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# Apple...

Apple effectively pays 26 per cent duty on the free on board (FOB) value of imported phones. This includes 22 per cent basic Customs duty (20 per cent customs duty and a surcharge of 10 per cent over it) and an additional 4 per cent as GST. That is because it has to pay 18 per cent GST on the phone's value but after the addition of basic customs duty (BCD). By making iPhone 14 devices in India, the company can pass on a substantial portion of savings to the customer by lowering their prices.

While an Apple spokesperson did not respond to a query about when and by how much the prices will fall, the sources mentioned earlier said there are some key challenges. For one, the company's vendors will have to scale up production in India, so that it has enough "Made in India" iPhone 14s to cater to domestic demand and does not need to import, at all.

Two, sources said, the company has already discounted the price in anticipation of its manufacturing picking up in the country and has absorbed the unprecedented depreciation of the rupee versus the dollar. Still, according to experts, the company should be able to reduce iPhone 14 series prices by anything between 17 per cent and 20 per cent. They point out the difference in pricing between comparable models in the US, where they are least costly, and in India is pretty steep. For instance, for the top-of-the-line iPhone 14 Pro with 256 GB memory, the price differential, when viewed in rupee terms, is over ₹50,000 (it is ₹139,900 in India against ₹89,623 in the US).