

Apple plan to sidestep tariffs by using Indian sites draws White House censure

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Donald Trump has hit out at Apple's plans to produce more iPhones in India as a way to avoid American tariffs on Chinese-made goods, as he pushes the tech group to manufacture its best-selling device in the US.

Speaking in Qatar on the latest leg of his Middle East tour, the US president said he had "a little problem with Tim Cook yesterday" after the Apple chief executive confirmed last week that Indian factories would supply the "majority" of iPhones sold in the US in the coming months. The Financial Times previously reported that Apple planned to source from India all of the more than 60mn iPhones sold annually in the US by the end of next year.

Trump criticised that idea yesterday,

saying that he told Cook: "We are treating you really good, we put up with all the plants you built in China for years. We are not interested in you building in India."

He claimed Apple would be "upping their production in the United States" following the conversation. Apple did not respond to a request for comment.

Trump's comments are the latest sign of a cooling in his relationship with Apple, one of the US's most valuable groups. Speaking at a Riyadh event this week after announcing a multibillion-dollar deal to sell hundreds of thousands of Nvidia processors to a new Saudi artificial intelligence project, Trump lavished praise on the chipmaker's chief, Jensen Huang, from the stage, saying: "Tim Cook isn't here but you are."

Apple in February pledged to spend \$500bn in the US during Trump's four

years in office, including producing chips and servers for AI.

But the company faces huge challenges in replicating in the US its vast Chinese supply chain and production facilities, which rely on a skilled high-tech manufacturing workforce that is overwhelmingly concentrated in Asia.

Analysts estimate that it would cost tens of billions of dollars and take years.

US commerce secretary Howard Lutnick said last month that Cook had told him the US would need "robotic arms" to replicate the "scale and precision" of Chinese manufacturing. "He's going to build it here," Lutnick told CNBC. "And Americans are going to be the technicians who drive those factories. They're not going to be the ones screwing it in."

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