

All US iPhone production to shift to India

- ▶ Apple to move assembly from China
- ▶ Plan accelerated to avoid high tariffs

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Apple plans to shift the assembly of all US-sold iPhones to India as soon as next year, according to people familiar with the matter, as President Donald Trump's trade war forces the American tech group to pivot away from China.

The push builds on Apple's strategy to diversify its supply chain but goes further and faster than investors expected, with a goal to source from India more than 60mn iPhones sold annually in the US by the end of 2026.

That would mean doubling output in India, after almost two decades in which Apple has spent heavily in China to create a world-beating production line that powered its rise into a \$3tn tech giant.

China, where Apple manufactures the majority of its iPhones via third parties such as Foxconn, has been subject to the US president's most aggressive levies, though he has since signalled a willingness to negotiate with Beijing.

After Trump's tariff announcements, which wiped \$700bn from its market value, Apple rushed to export available India-made iPhones to the US to avoid the then higher tariffs placed on China.

Apple has in recent years been stead-

ily building capacity in India with contract manufacturers Tata Electronics and Foxconn, though it still assembles most of its smartphones in China.

iPhone assembly is the last step in the process, bringing together hundreds of components for which Apple is still heavily reliant on Chinese suppliers.

Trump initially announced "reciprocal" tariffs of more than 100 per cent on imports from China, before offering a temporary reprieve for smartphones.

The devices are still subject to a separate 20 per cent rate that applies to all imports from China.

India was hit with a so-called reciprocal tariff of 26 per cent, though that has been paused while New Delhi pushes for a bilateral trade agreement with the US.

On a visit to India this week, US vice-president JD Vance said the two countries were making "very good progress".

The US accounted for about 28 per cent of Apple's 232.1mn global iPhone shipments in 2024, global data shows.

"We are seeing in real time how a company with these resources is moving at relative light speed to address the tariff risk," said Daniel Newman, head of the Futurum Group research firm.

Apple declined to comment.

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