

Apple iPhones shipped from India to US as tech firm tries to beat tariffs

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Apple is reportedly chartering cargo flights to ferry iPhones from its Indian manufacturing plants to the US in an attempt to beat Donald Trump's incoming tariffs.

The tech company has flown 600 tonnes of iPhones, or as many as 1.5m handsets, to the US from India since March after ramping up production at its plants in the country, according to Reuters.

Trump's threatened tariffs of 26% on Indian imports are on hold for about three months after the US president called a 90-day pause, but he has announced that tariffs on goods from China - where Apple assembles most of its iPhones - will be subject to a levy of at least 145%.

A source familiar with the planning behind the move told Reuters

Apple "wanted to beat the tariff". India must still pay import taxes under Trump's measures but at the reduced rate of 10%.

Analysts have said that iPhone prices could surge after the US imposed its highest tariff on imports from China, with the investment bank UBS estimating an iPhone 16 Pro Max with 256GB of storage could increase in price by more than two-thirds from \$1,199 (£925) to nearly

\$2,000 if Apple passes on a substantial chunk of the tariff costs.

Reuters reported that Apple had targeted a 20% increase in production at iPhone plants in India by increasing the number of workers, and temporarily operating the biggest Foxconn India factory in Chennai on Sundays. The Chennai plant produced 20m iPhones last year, including the latest iPhone 15 and 16 models. Apple has three plants in India operated by Foxconn and Tata.

The Wall Street Journal reported this week that Apple planned to send more iPhones to the US from India as a "short-term stopgap" while the company attempted to secure an exemption from the China tariffs. If Apple diverted all India-made iPhones to the US it would account for about 50% of American demand this year, according to the Bank of America analyst Wamsi Mohan.

Analysts have said that moving iPhone production to the US would be prohibitively expensive because of factors such as the cost of paying hundreds of thousands of workers. Analysts at Wedbush Securities, a US financial services company, have said a US-made iPhone would cost \$3,500.

"If consumers want a \$3,500 iPhone we should make them in New Jersey or Texas or another state," said Dan Ives, a Wedbush analyst, in a note to investors this week.

Apple was contacted for comment.

Hollywood films cut

Hours after Donald Trump imposed record 145% tariffs on Chinese products entering the US, China has said it will further curb the number of US films allowed to screen in the country.

"The wrong action of the US government to abuse tariffs on China will inevitably further reduce the domestic audience's favourability towards American films," the China Film Administration said yesterday, adding that it will "moderately reduce the number of American films imported."

China is the world's second-largest film market after the US, although domestic offerings have recently outshone Hollywood imports. **Catherine Shoard**