

The Cost of Making Apple Products, At a Glance



While Apple Inc.'s relationship with Hon Hai Precision Industry Co. gets a lot of attention, the Taiwanese company accounts for only a fraction of the cost of each device it assembles.

The Chinese factories of Hon Hai, also known as Foxconn, put together iPhones and iPads, but high-cost components like chips and screens come from a range of U.S., Taiwanese and South Korean companies.

Research firm IHS iSuppli provides the following cost breakdowns:

—Basic iPhone 4S

Price: \$199 with two-year contract

—Cost of components

Memory chips: \$28.20

Touch-sensitive display screen: \$37

Wireless chips: \$23.54

Camera: \$17.60

Total cost of materials: \$188

What it costs Apple to have the basic iPhone assembled in a Foxconn plant: \$8

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—Basic iPad

Price: \$499

—Cost of components

Memory chips: \$30.70

Touch-sensitive display screen: \$117

Battery: \$32

Total cost of materials: \$306

What it costs Apple to have the basic iPad assembled in a Foxconn plant: \$10

AP: www.ap.org [1]

Posted by Janine E. Mooney, Editor

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