

Grey market iPads selling like hot cakes across Asia

May 5 2010, by Adrian Addison



A woman looks towards a website showing the latest Apple iPad in Taipei on January 2010. Apple has not yet officially launched the iPad in Asia, but that hasn't stopped a booming "grey market" trade in the world's most talked-about high-tech gadget.

Apple has not yet officially launched the iPad in Asia, but that hasn't stopped a booming "grey market" trade in the world's most talked-about high-tech gadget.

The company said on Monday that it had sold a million iPads in just 28 days, and thousands of those clever little black slabs of glass and aluminium made it to Asia.

From Singapore to Seoul, Bangkok to Beijing, iPads are on sale -- for a substantial mark-up on the US [retail price](#).

In Hong Kong, computer malls are doing brisk business.

"We get them from the US," Carl Lee, a salesman at a computer shop in Mongkok Computer Centre, told AFP.

"But if you want one, get one quick -- [Apple](#) is restricting buyers to only two iPads per credit card in the States and we don't know how much longer we can get them."

The store could get 15 of the basic 16-gigabyte (GB) models "within a day", he said, for 5,700 Hong Kong dollars each -- around 730 US dollars.

The same model retails in the [United States](#) for 499 dollars.

Another salesman, Jay at Concept Digital in the same computer mall, offered to get up to 30 of the same model "within half an hour" for around 710 dollars each.

In Low Yat Plaza, one of Kuala Lumpur's centres for cheap electronics and gadgets, every other mobile phone stall had iPads for sale.

"We have the 16GB, 32GB or 64GB version, how many do you want?" asked vendor Caryn Lee. Prices ranged from 750 to 1,100 dollars.

"Our shop is quite big so we have been able to bring in several hundred over the last month."

Most sellers said they got their iPads from a few dealers with small retail shops in the United States, and one said Apple's failure to supply the device outside the country was fuelling the unofficial trade.

"It is not illegal to sell the [iPad](#) and if Apple does not bring them in to

Malaysia, we will continue to do so as the demand is very, very high," said phone dealer Low Fun Meng, who sold 70 iPads last week.

Dozens of vendors are selling iPads at stalls in Bangkok's MBK mall for similar prices.

The stallholders are not the only ones doing the selling: two Americans in the mall held a duffel bag with four iPads they had brought over from the United States in the hope of cashing in on the grey market boom.

"We'll make about 100 bucks a pop, 150 bucks a pop. It defrays the cost of the one I got myself," said one of the men.

"It's a hassle bringing them over. I had to whack out three grand on my credit card to get them."

The other man said: "You know, it's a risk. If you get stopped at customs, you'll have to pay a duty that pretty much takes away your profit."

The iPad is made in China and Taiwan, so the ones on sale in Beijing and Taipei have had a long journey home.

Alan Lee, who owns a small electronics shop in Taipei's Guanhua Digital Plaza, had sold out.

"The iPad is the most popular Apple product ever. We're approached by customers every day asking about the availability," he said.

China's grey market in Apple products developed to satisfy demand for the iPhone, which only officially went on sale in the Asian giant in October -- more than two years after its US launch.

At the Buynow electronics store in downtown Beijing, iPads were selling for between 700 and 1,000 dollars.

"We started selling them around 10 days ago and have only three left now," said a saleswoman at one booth, adding she had had a stock of less than 100.

She said the iPads came through a "distributor" in the southern city of Shenzhen, on the border with [Hong Kong](#).

An Apple spokeswoman contacted by AFP would not comment on grey market sales, which are fuelled by the fact that the iPad is not currently available through official Apple stores outside the United States.

The level of demand in the United States since the iPad's launch on April 3 forced Apple to delay the tablet's international release by a month.

"Demand continues to exceed supply and we're working hard to get this magical product into the hands of even more customers," Apple CEO Steve Jobs said on Monday.

The first non-grey market iPads will be on sale at the end of May in Japan and Australia.

But the rest of the Asia-Pacific region will have to wait -- and Apple won't yet say for how long.

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