

## Motorola says first US-assembled smartphones coming

May 30 2013, by Will Weissert

Cellphone pioneer Motorola says it's opening a manufacturing facility that will produce the first smartphone ever assembled in the U.S.—its new flagship device, Moto X.

The Texas site was once used by fellow <u>phone manufacturer</u> Nokia, meaning it was designed to produce mobile devices, said Will Moss, a spokesman for Motorola Mobility, which is owned by <u>Google</u>.

"It was a great facility in an ideal location," said Moss, who said it will be an easy trip for Motorola engineering teams based in Chicago and Silicon Valley, and is also close to the company's service and repair operations in Mexico.

The formal announcement came from Motorola CEO Dennis Woodside at AllThingsD's D11 Conference.

The factory will create 2,000 jobs and will be owned and run by Flextronics International Ltd., a Singapore-based contract electronics manufacturer that has had a long relationship with Motorola.

Assembly accounts for relatively little of the cost of a smartphone. The cost largely lies in the chips, battery and display, most of which come from Asian factories. For instance, research firm iSuppli estimates that the components of Samsung's latest flagship phone, the Galaxy S4, cost \$229, while the assembly cost \$8.



In December, Apple Inc. said it would move manufacturing of one of its existing lines of <u>Mac computers</u> to the U.S. this year, reversing decades of increasing outsourcing. The company has come under some criticism for <u>working conditions</u> at the Chinese factories where its products are assembled.

Some other manufacturers, such as Hewlett-Packard Co., have kept some PC <u>assembly operations</u> in the U.S.

Moss said the Moto X will go on sale this summer. He said he could provide few details, citing priority secrets.

Motorola will still have global manufacturing operations, including at factories in China and Brazil.

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