

Motorola to close only US smartphone factory

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Google's Motorola Mobility handset unit has announced it will close its Texas factory by the end of this year, barely a year after it opened as the first smartphone factory in the U.S.

Sales of its flagship phone, the Moto X, have been weak and the costs of running the plant are too high to keep operations going, Motorola Mobility spokesman Will Moss said. Singapore-based international contract electronics manufacturer Flextronics Ltd. operates the plant.

Even though the concept of the smartphone was pioneered in the U.S. and many phones have been designed here, the vast majority of phones are assembled in Asia.

The Texas factory has allowed Google to stamp the phone with "Made in the U.S.," although assembly is just the last step in the [manufacturing process](#) and 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.

The factory employs about 700 workers who assemble the Moto X smartphones for the U.S. market, Moss said. He declined to comment on whether Motorola would retain the workers.

Google bought cellphone pioneer Motorola Mobility for \$12.4 billion in 2012. Originally retailing the Moto X for \$600, amid flagging sales, Google dropped the price to \$399. Still, only a fraction of the units were

sold compared to the Apple iPhone.

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