Apple to move production to the U.S. from China

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NEW YORK (AP) — Apple CEO Tim Cook says the company will produce one of its existing lines of Mac computers in the United States next year.

Cook made the comments in part of an interview taped for NBC's "Rock Center," but aired Thursday morning on "Today" and posted on the network's website.

In a separate interview with Bloomberg Businessweek, he said that the company will spend $100 million in 2013 to move production of the line to the U.S. from China.

"This doesn't mean that Apple will do it ourselves, but we'll be working with people and we'll be investing our money," Cook told Bloomberg.

A call to Apple Inc. for comment before business hours Thursday was not immediately returned.

Like most consumer electronics companies, Apple lets contract manufacturers assemble its products overseas. However, the assembly accounts for little of the cost of making a PC or smartphone. Most of the cost lies in buying chips, and many of those are made in the U.S., Cook noted in his interview with NBC.

The company and its manufacturing partner Foxconn Technology Group have faced significant criticism this year over working conditions at the Chinese facilities where Apple products are assembled, prompting Foxconn to raise salaries.

Cook didn't say which line of computers would be produced in the U.S. or where in the country they would be made. But he told Bloomberg that the production would include more than just final assembly. That suggests that machining of cases and printing of circuit boards could take place in the U.S.

Regardless, the U.S. manufacturing line is expected to represent just a tiny piece of Apple overall production, with sales of iPhones and iPads now dwarfing those of its computers.

Cook said in his interview with NBC that companies like Apple chose to produce their products in places like China, not because of the lower costs associated with it, but because the manufacturing skills required just aren't present in the U.S. anymore.

He added that the consumer electronics world has never really had a big production presence in the U.S. As a result, it's really more about starting production in the U.S. than bringing it back.

Apple originally made its computers in the U.S. It started outsourcing production in the mid-90s, first by selling some plants to contract manufacturers, then by hiring manufacturers overseas. It assembled iMacs in Elk Grove, California, until 2004.

The news comes a day after Apple posted its worst stock drop in four years, erasing $35 million in market capitalization. Apple shares fell $1.79 to $537 in Thursday morning trading.

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