

**CLM** Top Stories

**HD** **Newest iPhones Hit the Market**

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Apple Inc. began selling its newest iPhones in stores Friday, and the appeal of bigger screens attracted longtime devotees of the smartphone--as well as people seeking to profit by reselling it to **China** and elsewhere.

The **company**'s annual release of a new phone always attracts large crowds outside stores around the world, but observers from Australia to New York thought Friday's lines were longer than previous years in part because of the phone's new features but also because of a growing gray market.

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Apple's new 4.7-inch iPhone 6 and 5.5-inch iPhone 6 Plus are bigger than the current four-inch display of the iPhone 5S. The phones also have better battery life, a faster processor, and an improved camera, leading Apple Chief Executive Tim Cook to call it the "mother of all upgrades."

The new features may be why consumers outside of the 10 countries where the phones are launching Friday, with another 20 expected to be added next week, are eager to get their hands on them.

Outside an Apple store in Paris, a group of 20 to 30 Chechens gathered by the exit, waiting to collect iPhones they paid others to **purchase** for them as one person is only allowed to buy two at a time.

"I hope to get around 30 iPhones together by the end of the day," said one of the young men, who declined to say his name. He organizes the transport of the phones to Moscow, where they will be sold for sometimes almost double the price, he said.

Apple is expected to start selling the iPhones in Russia next week.

The gray market in **Hong Kong** appears poised to surge because Apple has delayed the iPhone launch in **China**. Last year, Apple introduced its new iPhones in the **Chinese** market at the same time that it launched globally. The **Chinese** government hasn't approved the phones for **sale** yet, and it wasn't immediately clear the real reason for the holdup.

However, as a result of strong demand from **Chinese** customers, the price premium for the **gold** iPhone 6 Plus with the most storage has jumped to more than \$1,000, according to the phone retailers in Mongkok, a bustling **Hong Kong** neighborhood that is well-known to anyone shopping for unlocked iPhones and other gray-market electronics.

"5.5-inch iPhone 6 Plus is more popular than the 4.7-inch model because Asian customers love using large-screen phones to watch video and play games," said Lo Lau, an owner of a smartphone store in Mongkok.

Mr. Lau said his store has received about 500 preorders for new iPhones and two-third of them requested for the iPhone 6 Plus.

Jay Lam, a **Hong Kong** shop manager, left the Apple store in the **Hong Kong** area of Causeway Bay with a big smile on his face as he picked up two **gold** iPhone 6 Pluses that come with the most storage.

Mr. Lam said he plans to sell the two iPhone 6 Plus for HK\$20,000 each (\$2,600), making a handsome profit from the official retail price of HK\$8,088.

In New York City, potential buyers were handing out cards with their names and telephone numbers on them to customers in the multiblock line outside the flagship Apple store in midtown. The buyers were offering to **purchase** one or two of the iPhones that those in line were allowed to buy in the store.

Chiew Cheah, 28, of Queens, a financial **firm** accountant, said, "When we were lining up, people gave us cards and paper [with names on them], asking if we would sell."

She added she hadn't made up her mind whether to sell. "They didn't say how much they'd pay," she said of the buyers. She added that many of the people around her were buying on behalf of customers back in **China**, but they would not admit this publicly in case Apple stopped them from buying.

Earlier this week, Apple said it received more than four **million** orders for its two new iPhones in the first 24 hours after it started accepting preorders on Sept. 12--more than it had set aside for preorders.

Apple's main manufacturing supplier, Hon Hai Precision Industry Co., has employed more than 200,000 people on about 100 production lines exclusively for the new iPhones around the clock at a **Chinese** manufacturing site, according to people familiar with the matter.

The phones began selling Friday in Australia, with an estimated 1,300 people waiting in line outside the Sydney store.

"Apple customers wanted bigger screens, and now they have finally done it," said Sh-ane Gray, who had lined up for 15 hours on the sidewalk with his wife and young son.

Mr. Gray, who had made a similar pilgrimage to the city-center store from southwest Sydney for the past five iPhone launches, said he had been flirting with the idea of switching smartphones after becoming frustrated with Apple's reluctance to provide a bigger screen.

With its larger phones, Apple is hoping to attract and retain high-end consumers, who are favoring larger displays. Research **firm** Canalys says that in recent months, nearly all smartphones selling for more than \$400 and running on Google Inc.'s Android operating system come equipped with a display larger than 5 inches.

Apple has raised the base price for its most-expensive model by \$100. The iPhone 6 starts at \$649 without contract--the same price that Apple charged for the iPhone 5S when it introduced that phone a year ago. For the larger iPhone 6 Plus, Apple is charging \$749 without contract, making it the most expensive iPhone that the **company** has ever sold.

The higher price hasn't done much to diminish demand. The waiting time for the iPhone 6 Plus is longer, at three-to-four weeks, while customers can get an iPhone 6 within seven to 10 business days, according to the **company's** online store in the U.S. Apple said it has set aside supplies for customers purchasing the phones in stores on Friday.

Apple stores in Japan opened two hours earlier than usual at 8 a.**m.** on Friday, with employees cheering and exchanging high-fives with the first customers that entered the store. There were at least 1,000 people forming a line at the store in Tokyo. Apple Japan didn't make public how many of the new iPhones they had in stock, but said there should be enough for those in line in the morning.

"It's much thinner and lighter than I expected," said Yuki Manno, one of the first people to buy the new **gold** iPhone 6 from the Apple Store Omotesando.

Outside the flagship Apple store on London's Regent Street, campers braved a torrential overnight thunderstorm to be in prime spots. A full 12 hours before doors opened at 8 a.**m.**, a queue of tents, sleeping bags and chairs snaked around the block, leaving streets trash-strewn.

Still, other news events made the wait more muted than in recent years, said British iPhone fan Billy, 27, who was near the head of the line.

"There is no press here, I think because the whole Scotland thing kicked off," he said, referring to the Scottish independence vote.

Daisuke Wakabayashi in San Francisco; Lorraine Luk in **Hong Kong**; Joe Jackson in New York; Simon Zekaria and Lisa Fleisher in London; Sarah Sloat in Frankfurt; and Ruth Bender in Paris contributed to this article.

**CO** applc : Apple Inc. | honhai : Hon Hai Precision Industry Company Limited

**IN** ismart : Smart Phones | i3302 : Computers/Consumer Electronics | i34531 : Semiconductors | i3454 : Electronic Consumer Goods | imed : Media/Entertainment | i3441 : Telecommunications Equipment | i34411 : Mobile Communications Equipment | icellph : Cellular/Mobile Phones | ielec : Consumer Electronics | ihandaps : Handheld Electronic Devices | iindele : Industrial Electronics | iindstrls : Industrial Goods | itech : Technology | icomp : Computing | icper : Computer Peripherals | icph : Computer Hardware

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