

HD Corporate News: Resale Hopes Attract iPhone Buyers

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The appeal of bigger screens -- and the potential profit of reselling the phones elsewhere -- attracted crowds as Apple Inc. began selling its newest iPhones in stores Friday.

New phone models often draw Apple fans outside stores, but observers from Australia to San Francisco thought Friday's lines were longer than in previous years, in part 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 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." Mr. Cook opened the doors of the Apple store in Palo Alto, Calif., not far from Apple's headquarters.

The new phones went on **sale** in 10 countries Friday, with another 20 expected to be added next week.

Some shoppers waited to **purchase** the phones and send them elsewhere. A group of 20 to 30 Chechens gathered outside an Apple store in Paris to collect iPhones they paid others to **purchase** for them; each person was allowed to buy two phones.

"I hope to get around 30 iPhones together by the end of the day," said one of the men, who declined to provide his name. He said the phones would be shipped to Moscow, where they would be sold for as much as double the price. Apple is expected to start selling the iPhones in Russia next week.

The gray market in **Hong Kong** appears poised to surge because the new phones aren't immediately available in **China**. Last year, Apple introduced its new iPhones in **China** at the same time as it launched globally, but the **Chinese** government hasn't approved the new phones for **sale** yet.

Phone retailers in the Mongkok district said the price premium for the **gold** iPhone 6 Plus with the most storage had jumped to more than \$1,000. "Asian customers love using large-screen phones to watch video and play games," said Lo Lau, an owner of a smartphone store in Mongkok.

Jay Lam, a **Hong Kong** shop manager, left the Apple store in the Causeway Bay neighborhood with a big smile and two **gold** iPhone 6 Pluses. Mr. Lam said he planned to sell each phone for 20,000 **Hong Kong** dollars (US\$2,600), a handsome profit from the official retail price of HK\$8,088.

In San Francisco, Kevin Chen, a 19-year-old student from **China**, played with the iPhone 6 Plus he bought via preorder as he waited in line to buy two more iPhones to sell to friends in **China**. If he had been at home in **China**, Mr. Chen said he would have had to travel to **Hong Kong** to get the new phones.

Earlier this week, Apple said it received more than four **million** orders for its two new phones 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., employed more than 200,000 people on about 100 production lines at a **Chinese** factory exclusively for the new iPhones, according to people familiar with the matter.

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

The rise in demand comes despite a price increase for Apple's most expensive model.

The iPhone 6 Plus costs \$749 without a contract, making it the most expensive iPhone ever. The iPhone 6 starts at \$649 without contract -- the same price that Apple charged for the iPhone 5S when it was introduced a year ago. Online, there was still a wait for the new phones -- up to four weeks for the iPhone 6 Plus, the **company** said.

Daisuke Wakabayashi in San Francisco, Lorraine Luk in **Hong Kong** and Ruth Bender in Paris contributed to this article.

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