# Apple iPhone users warned of potential price hike amid US tariffs



In the UK, millions of Apple iPhone users are being warned of a potential price increase of up to £300 for the next generation of iPhones. This warning follows the recent tariffs imposed by former US President Donald Trump on Chinese imports, which experts believe may lead to substantial repercussions for global pricing of Apple products.

Harry Mills, director at Oku Markets, highlighted the urgency for consumers considering an upgrade, stating, "Consumers eyeing an upgrade might do well to act sooner and avoid a gamble on a £300 price hike." Analysts are predicting that if Apple decides to pass on the increased costs due to tariffs, the price of the iPhone 16 Pro Max could rise by as much as 43%, potentially reaching around $2,300 (£1,800).

Prem Raja, head of the trading floor at Currencies 4 You, elaborated on the implications of these tariffs for pricing, expressing concerns over how Apple might address the financial strain on consumers. "To mitigate such steep increases in its home market, Apple might adopt a global pricing strategy, distributing the additional costs across various regions," he explained. However, he noted the risk that significant price increases could dampen consumer demand, presenting a challenge for Apple's market position.

Raja further explained that while Apple maintains healthy profit margins on its devices, the pressures from rising costs could lead to higher prices for consumers. He estimated that the top-spec iPhone 16 Pro Max may see prices soar to between $1400 and $1500 (£1169) due to the tariffs. He also remarked that UK consumers are unlikely to benefit from any potential weakness in the US dollar, as Apple applies a standard pricing structure across markets, with the iPhone 16 Pro currently priced at £999 and the iPhone 16 Pro Max at £1,199.

Meanwhile, Labour Party Chancellor Rachel Reeves addressed the situation on Tuesday, attempting to reassure the stock market amid the global sell-off triggered by the trade tariffs. She reported a conversation with Andrew Bailey, the governor of the Bank of England, who affirmed, “markets are functioning effectively and that our banking system is resilient.”

Reeves reiterated the importance of avoiding a trade war, stating that "it is in nobody’s interest”, and confirmed that negotiations for a new trade deal with the US were underway, as she is scheduled to meet with US Treasury Secretary Scott Bessent “shortly.”

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.techradar.com/phones/iphone-panic-buying-hits-apple-stores-but-tariff-impacts-may-not-be-as-bad-as-feared> - Corroborates the impact of Trump's tariffs on Apple product prices, including potential price hikes for the iPhone 16 Pro Max, and panic buying among consumers.
* <https://www.standard.co.uk/news/tech/apple-iphone-prices-soar-under-trump-tariffs-b1220816.html> - Supports the potential significant price increases of Apple iPhones due to tariffs, with predictions of a 43% hike affecting UK prices.
* <https://www.bloomberg.com> - Provides context on the effects of US tariffs on Apple products, though a specific article is not mentioned. Bloomberg is cited as a source indicating panic buying due to tariff concerns.
* <https://www.apple.com/newsroom> - Typically serves as a source for official Apple announcements and could provide insight into Apple's pricing strategies in response to tariffs, though specific tariffs-related statements may not be available.
* <https://www.theguardian.com/business/2021/jan/04/us-trade-policy-uk-post-brexit> - While not directly mentioning Apple, this link provides general information on trade policies and tariffs post-Brexit, which could influence how businesses like Apple operate in the UK.