

Apple could lose R46m in iPhone sales daily amid Russia market exit

Apple might lose an estimate of at least \$3m (R46m) in iPhone sales revenue daily or \$1.14bn annually, according to data presented by [Burga](#). Apple's smartphone sales in Russia accounts for a share of 15% to rank third overall. South Korea's Samsung occupies the pole position with 34%, followed by Xiaomi in the third spot at 26%.



Source: [Unsplash](#)

Elsewhere, as of 2021, Russia's smartphone sales stood at ₦730bn (\$7.6bn). Therefore, based on Burga's calculation, Apple might lose an estimate of at least \$3m in iPhone sales revenue daily, equivalent to \$1.14bn a year. The amount is based on Apple's latest recorded Russian sales share and the company's last year revenue

The estimates on Russia's smartphone market sales share and revenue is provided by the International Data Corporation and Mvideoeldorado.ru respectively.

Impact of Apple's exit from the Russian market

Apple pulled out of the Russian market alongside other top American companies, including Google, Microsoft following an enormous global pressure protesting the country's attack on Ukraine. The exit means that Apple will no longer sell its products and services in Russia.

At the moment, determining the full financial impact of Apple's decision cannot be estimated, although the company has previously described Russia as a promising market. The impact will likely be reflected in the coming quarters.

The Russian market amounts for only a tiny fraction of Apple's overall annual revenue, although alongside other tech firms, the company is faced with complex ethical and reputational questions. Apple so far has taken the most significant action against Russia. Therefore, standing against Russia outweighs the company's tiny fraction of revenue generated.

Furthermore, there is a likelihood Apple might not feel a pinch on the financial side by simply standing with Ukraine. Apple might receive positive attention, and it could draw new customers who share the same stand on the conflict.

By halting product sales in Russia, interested local operators will likely incur higher costs to get the product from other sources. Before the ban, Russians have had to pay slightly more for Apple products due to taxes and the ruble's weak price compared to the dollar.

However, based on the size of economic sanctions against Russia, local operators are likely not to pursue exporting Apple smartphones from other sources. Currently, the ruble is plunging, and insurance firms might not be willing to cover businesses exporting products to Russia.

In the meantime, Russian leaders have called on residents to switch to locally manufactured AYYA T1 smartphone brands despite the rising sanction. One of the phone's key features is the separate hardware button to turn off the cameras and microphone for those aiming to avoid surveillance.

Focus on other smartphone operators

Elsewhere, Apple's exit in Russia puts a close to the rocky relationship between the two entities. Notably, Russia has in the past enacted questionable policies for companies like Apple to comply with. Apple had only recently adhered with a government mandate to open offices in Russia to offer online services there.

Recently, the Russian government has also demanded that iPhone users install locally developed software. Although Apple had objected, the two entities reached a compromise where the installation would be a choice for users.

The sanctions have also forced other operators like Samsung to follow suit. Such a move will potentially positively impact Chinese based Xiaomi, which is touted to continue operating in Russia.

Overall, Chinese companies could grab some market share left by their existing American counterparts. However, they risk suffering the impact of secondary sanctions that might target their products for using US. based technology.