

## Are Phones Evolving Inside the Amazon Jungle?

Written by Marco Attard  
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Amazon might have entered the tablet jungle with the Kindle Fire, but is it preparing to take on the mobile phone market? It appears to be so, at least according to Citigroup analyst Mark Mahaney.



The analyst writes "Based on our supply chain channel checks in Asia led by Kevin Chang, Citi's Taipei-based hardware research analyst, we believe an Amazon Smartphone will be launched in 4Q12."

According to Mahaney, Amazon is developing the phone-- a "mid-end" handset carrying a last-gen TI OMAP 4 processor-- with help from Foxconn and manufacturing by the Hon Hai TMS business group (the one making the Kindle and the Kindle Fire).

It will cost around \$150-170 to build, and "it's conceivable that the company will sell it for something close to that price," Mahaney says. Even for less, if Amazon is willing to make losses.

As for the OS, the analyst fails to give any details, so one might assume Amazon will simply use the Android version the Kindle Fire uses... but then again, rumours do say Amazon has webOS maker Palm on its wish list. A purchase that would actually make a lot of sense, as it means sidestepping the OS royalty payments Microsoft squeezes from other Android handset makers...

Not to mention webOS remains a fairly slick and capable mobile OS (unlike the Android version inside the Kindle Fire, the unkind might add).

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Amazon is not the only vendor gunning for Palm-- the list of potential buyers also includes RIM, IBM, Intel and even Oracle. But wouldn't the price of such a purchase (one surely totalling hundreds of millions) end up reflected in the price of an Amazon smartphone?

And, ultimately, will customers bother investing in yet another smartphone and surrounding ecosystem?

Never let it be said the mobile market is becoming boring...

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