Apple will make its own power management chips, says report

Apple is designing its own power management chips for iPhones, and plans to stop relying on its current supplier Dialog Semiconductor, anonymous sources told *Nikkei Asian Review.*

One anonymous source said: “Based on Apple’s current plan, they are set to replace around half of its power management chips to go into iPhones by itself, starting next year.” Another person said the chips might not be ready until 2019.

Power management chips handle tasks like iPhone charging, battery life management, and energy consumption. Apple’s new chips will be the “most advanced” and have better power monitoring capabilities than rivals, the sources said, which will presumably improve battery life. The chips are going to continue to be manufactured by Taiwan Semiconductor, the world’s biggest chipmaker, which also makes Dialog’s chips.

Shares for Dialog Semiconductor are down 17 percent following the news. The company designed chips for iPhones, iPads, and Apple Watches, and relied on Apple for 74 percent of its revenue last year.

Apple has been cutting out suppliers over the past year and producing more and more parts in house, like designing its own graphics chips and severing ties with its former graphics partner Imagination Technologies back in April. (Imagination then sued Apple for taking what it claimed to be proprietary graphics chip designs.) It’s a trend that’s cutting costs for Apple and streamlining the process, while being detrimental to old business partners.

We’ve reached out to Apple for comment.