LG considers exiting smartphones in 2021

LG is considering exiting the smartphone market in 2021. After losing around $4.5 billion over the past five years, LG's smartphone business has been struggling to compete with rivals. Now LG CEO Kwon Bong-seok has notified employees that the company is considering making big changes to its smartphone business.

The Korea Herald reports that Kwon Bong-seok sent out an internal memo to staff on Wednesday, hinting at a change in direction for LG's phone business. "Since the competition in the global market for mobile devices is getting fiercer, it is about time for LG to make a cold judgment and the best choice," says an LG official in a statement to *The Korea Herald*. "The company is considering all possible measures, including sale, withdrawal and downsizing of the smartphone business."

LG confirmed the internal memo was genuine in a statement to *The Verge*, noting that nothing has been decided yet. "LG Electronics management is committed to making whatever decision is necessary to resolve its mobile business challenges in 2021," says an LG spokesperson. "As of today, nothing has been finalized."

LG's Rollable phone.
LG

This new internal memo follows a now-deleted report from

Korean outlet *TheElec* earlier this month that claimed LG was planning to exit the smartphone business. LG branded that report “completely false and without merit,” in a statement to *Android Police* just a week ago.

LG has previously promised “wow factors” to try and attract consumers and make its flagging mobile division profitable. LG has tried multiple times with the G7, the V40, the G8, and the V50 to compete with Samsung and Huawei, but it’s not been enough to push its market share in the right direction. LG’s latest Velvet and Wing smartphones have attempted to try something new, but neither were well received.

Samsung, Huawei, Xiaomi, Vivo, and Apple all continue to dominate worldwide smartphone shipments, according to IDC. LG is now turning its focus to its Rollable phone, in an effort to differentiate it from the competition. LG teased the Rollable device again at the Consumer Electronics Show last week, with a “unique resizable screen” that extends from a phone to become a small tablet display.

LG has promised its Rollable device is real and will launch in 2021, but with the company reconsidering its mobile plans it could be one of the last LG phones we’ll see.

https://www.theverge.com/2021/1/20/22240282/lg-smartphone-business-exit-2021-internal-memo