

Five Asian companies bid for '\$100 laptop'

By Kathrin Hille in Taipei

Published: November 30 2005 16:50 | Last updated: November 30 2005 16:50



Four Taiwanese and one South Korean company are bidding to manufacture the world's cheapest laptop computer, which is to be distributed to children in developing countries from next year.

The laptop, which will cost US\$100 – roughly a tenth of the price of commercial low-end machines on the market now – is being developed by the Media Laboratory at the Massachusetts Institute of

Technology under a programme called "One laptop for every child".

Beyond enhancing primary education in low-income countries, the project could change the face of the PC industry, with IT manufacturers joining MIT in exploring ways to dramatically lower production costs.

Nicholas Negroponte, chairman of the Media Lab, said yesterday MIT would announce within the next two weeks who would build the '\$100 laptop'. "Five original design manufacturers [ODMs] are bidding right now, four Taiwanese and one Korean," he said. "It is likely that it is going to be a Taiwanese company, since the Taiwanese account for 80 per cent of global laptop production."

Quanta Computer and Compal Computer, both Taiwanese, are the world's two largest laptop manufacturers. In Taiwan, the next largest notebook makers are Wistron, the manufacturing arm spun off by Acer three years ago, Inventec and Asustek. Honhai, the world's largest electronics manufacturing services company, also makes notebooks.

MIT plans to have 5m-10m of the low-cost laptops produced next year and distributed on a non-profit basis to primary school pupils through governments in seven developing countries: China, India, Brazil, Argentina, Egypt, Nigeria and Thailand. In 2007, MIT aims to launch a commercial version of the computer with a slightly higher price tag that could then partly subsidise the non-profit model.

"We aim to reach 100m-200m laptops in 2007," Mr Negroponte said. Global laptop production is expected to total 47m units this year.

The tender currently under way is for the initial production phase next year. "For the larger amounts, it would be unwise to have only one manufacturer," Mr Negroponte said.

The low-cost computer will have a 7.5-inch screen and is to be powered by cranking a handle on its side.

Mr Negroponte said more than 50 per cent of the cost-cutting would be achieved because no sales, marketing and commercial distribution was needed.

The main portion of the remaining cost savings were to come from the flat-screen production process.

Copyright The Financial Times Limited 2007

[Print article](#) [Email article](#) [Order reprints](#)

TRACK THIS STORY

News alerts

Email - create a keyword alert on the subject of this topic



Desktop - download our application to receive instant alerts on this topic



Email summaries

Email - start your day with daily email briefing on this topic



RSS feeds

RSS - Track this news topic using our feeds



LATEST STORIES

[Microsoft attacks Google on copyright](#)

[Time pressures mount for options prosecutors](#)

[RIM to restate earnings by \\$250m](#)

[Russo insists earlier growth forecast holds](#)

[Lenovo recalls faulty laptop batteries](#)

[DeWalt takes top job at McAfee](#)

[AMD warns on weak demand](#)

[Netease hopes late entry will inspire](#)

[Izimi in PC file sharing advance](#)

[Macronix chief eyes buy-out in fight for control](#)