



## Foxconn suffers unrest at iPhone factory

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By Kathrin Hille in Zhengzhou

Foxconn, the Taiwanese contract manufacturer that makes products for Apple, has been hit by a second bout of labour unrest in less than two weeks as one of its largest factories in China is hurrying to churn out the latest iPhone.

More than 200 quality control employees at the plant in Zhengzhou, a central Chinese city, refused to work on Friday in protest over their high-pressure work conditions, the company said on Sunday.

Foxconn, the world's largest contract manufacturer by revenue, said large numbers of production-line workers had resisted strict quality requirements introduced in connection with production of the iPhone 5. Some quality control staff told the FT that they had been threatened by workers. Some workers said one quality controller had been beaten, but that could not be confirmed.

The Zhengzhou plant is one of two Foxconn factories in the country that makes the iPhone 5. Foxconn has not officially commented on the size of its workforce there, but human resources officials at the plant said it now employs close to 200,000 workers.

"The incident was triggered by an emotional standoff between quality control personnel and production-line workers," said Foxconn. "After we addressed the issues, people on the [Friday] day shift resumed work, and there was basically no impact on the production lines."

Since orders for Apple's latest gadget started coming earlier this year, Foxconn has battled chronic labour shortages in manning its huge production lines in China.

The ramp-up of the Zhengzhou plant since 2010 is part of Foxconn's gradual shift of its manufacturing operation to China's inland provinces, a strategy which the company hoped could address rising labour costs and labour shortages. But some of the new plants, have met the same problems as the company's largest factory in Shenzhen, the export hub next to Hong Kong.

This comes as labour unrest is generally on the rise in China, with young workers less willing to sacrifice their personal lives for meagre savings, and more aware of their rights.

The Zhengzhou dispute follows a riot at Foxconn's plant in Taiyuan in late September. More than 2,000 workers in that factory - which makes iPhone components - smashed shop windows, overturned cars and burnt a police post following a brawl between workers and security guards.

On Saturday, Foxconn denied a report by China Labor Watch, a US-based non-governmental organisation, that up to 4,000 of its workers in Zhengzhou went on strike on Friday. It would only acknowledge in a statement that there had been disputes between a small group of production-line workers and quality assurance personnel at the Zhengzhou factory earlier in the week on October 1 and 2.

In the Saturday statement, Foxconn said: "These were isolated incidents and were immediately addressed and measures taken, including providing additional staff for the lines in question, to address the issues raised by both production workers".

But in Zhengzhou, workers, company representatives and government officials told the FT of a continued strain on labour relations that was exacerbated by the pressure caused by the iPhone 5 orders. There have been complaints, for example, from consumers about scratches on the back of the new device.

"There was some problem with the coating chosen for the casing, so they tightened the rules for quality control," said Cai Yun, an engineer who has been with Foxconn for six years. "But the pressure in these jobs is already too high. You add one more thing, and there's bound to be trouble."

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