



More problems for China's Foxconn over workers' pay

Friday, November 19, 2010

By James Pomfret - FOSHAN, China

(Reuters) - Chinese electronics maker Foxconn, a key manufacturer of iPhones and iPads for Apple, has been hit by a new staff dispute, with employees saying they protested this week about pay and relocation plans.

Workers at affiliate Foxconn Premier Image Technology (China) Ltd in Foshan, near the booming metropolis of Guangzhou, told Reuters on Friday that there had been a large protest this week over pay.

"The entire street here was filled with workers," said one worker, sitting astride a moped outside the factory on a leafy avenue in a dusty industrial estate.

"There were perhaps six or seven thousand," said the worker, who declined to be identified. "We're not satisfied."

Other workers trickling out of the gates spoke of demands for significantly higher wage levels, as well as opposition to plans to redeploy batches of workers to inland factories.

Foxconn has struggled to repair its image following a series of apparent worker suicides at its plants in southern China. The company has pledged to improve worker conditions and has raised salaries.

Many factories operating in China have been moving away from coastal regions such as Guangdong and Fujian to inland areas, where labor and land costs are cheaper.

Foxconn Technology Group, which counts Hon Hai and Foxconn International as its subsidiaries, will invest \$2 billion on a new plant in Chengdu in western China, the city government said last month.

A Hon Hai spokesman denied there was any organized industrial action, but said some workers had come together to ask for higher wages. He declined to comment on how many workers were involved.

Workers in Foshan said that management had not agreed to any demands and instead threatened to fire any striking workers.

"They put out a notice saying if we strike they'll fire us," another worker added.

According to one worker, the factory pays a basic wage of 1,100 yuan (\$165.8) a month, which he added is less than what Foxconn had promised to pay its workers when it raised wages recently.

Take-home pay, after overtime and deductions for social security, is about 2,000 yuan per month.

Other workers appeared nervous and would not comment when asked about the dispute.

The Foshan plant employs about 20,000 people, according to workers, far smaller than Foxconn's big facilities in Shenzhen on the other side of the Pearl River delta, which employ several hundred thousand workers.

A burst of strikes in China hit mainly Japanese companies and their suppliers several months ago, bringing into focus low pay and the often difficult conditions facing many Chinese workers. (\$1=6.636 yuan) (Additional reporting by Kelvin Soh in Hong Kong; Writing by Ben Blanchard [✉](#); Editing by Don Durfee)