

Foxconn to give Chinese workers another pay raise

June 6 2010

(AP) -- Foxconn workers in China will get another pay raise in coming months, on top of an increase that just took effect in response to recent worker suicides, the company said Sunday.

Taiwan-based Foxconn Technology Group said salaries would be raised in October to 2,000 yuan (US\$293) for workers at its plant in the southern Chinese city of Shenzhen. Workers elsewhere in <u>China</u> will get raises in July adjusted for local conditions, the statement said.

Less than a week ago, the maker of iPads, iPhones and other electronic gadgets for international companies had raised workers' pay by 30 percent at its plants across China.

The basic salary at Foxconn's China plants was about 900 yuan (\$130) per month before the 30 percent raise, and new recruits are paid 1,200 yuan (\$176) per month.

"This wage increase has been instituted to safeguard the dignity of workers," said Foxconn Chairman Terry Gou in the statement. "We are working diligently to ensure that our workplace standards and remuneration not only continue to meet the rapidly changing needs of our employees, but they are best-in-class."

The company added workers in Shenzhen have to pass a three-month review period before they are qualified for the October raise. It did not elaborate. Foxconn employs 300,000 in Shenzhen.



Labor activists accuse the company of having a rigid management style, an excessively fast <u>assembly line</u> and forced overwork. Foxconn denies the allegations, but it has been under great public pressure to improve conditions at its Chinese operations.

Ten workers have killed themselves and three have attempted suicide at Foxconn's operations in southern China this year, mainly workers who jumped from buildings. A Foxconn worker in northern China also committed suicide this year.

The company, part of Taiwan's Hon Hai Precision Industry Co., is the world's largest contract maker of electronics. Its big-name customers include Apple Inc., Sony Corp., Dell Inc., Nokia Corp. and Hewlett-Packard Co.

In late May, Foxconn Chairman Terry Gou led a media tour of the company's mammoth industrial park in Shenzhen and promised to work harder to prevent more deaths.

Safety nets were being installed on buildings and more counselors were being hired. Employees also were being assigned to 50-person groups, to watch one another for signs of emotional trouble.

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