

Parent of Taiwan's Foxconn reports profit drop

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The parent of Taiwan technology giant Foxconn, which makes iPads and iPhones for Apple, said Monday its third-quarter profit dropped, with analysts pointing to the cost of moving factories in China.

Hon Hai Precision said it earned Tw\$19.18 billion (\$640 million) between July and September, about nine percent lower than in 2010.

"The costs from shifting production facilities from [coastal areas](#) in China to the inner part of the mainland peaked in the second quarter and since then have gradually fallen," said Edison Lee of Grand Cathay Securities in Taipei.

"Profits will gradually return to (their) normal track after the third quarter."

Despite the year-on-year drop, Hon Hai's third-quarter profit marked a 47.7 percent increase over the second quarter.

In the nine months to September, net profits came in at Tw\$46.56 billion, down 16.4 percent from Tw\$55.7 billion a year ago, Hon Hai said.

The company's Foxconn unit started moving some of its production to central China last year in a bid to cut costs and scale back its massive industrial campus in the southern boomtown of Shenzhen, which has been plagued by a series of employee suicides in recent years.

[Foxconn](#) is the world's largest maker of computer components and produces goods for tech giants including Apple, Sony and Nokia. It currently employs around one million workers in China, about half of them based in [Shenzhen](#).

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