Taiwan's Foxconn to invest up to $1 bn in Indonesia

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Taiwan technology giant Foxconn group has signed a letter of intent to invest up to $1 billion in Indonesia as it seeks to diversify production away from China, officials said Sunday.

Foxconn, also known by its Taipei-headquartered mother company Hon Hai Precision Industry which is the world's largest contract electronics maker, said the investments would be in Jakarta province, which has better infrastructure than other regions of the country.

"We plan to come up with detailed investment plans for the Indonesian and Jakarta authorities in three months," a Hon Hai official told AFP.

The investments would be completed in three to five years in areas ranging from R&D, electronics software design and Internet business to manufacturing and assembly of electronic products, she said.

The move is part of the conglomerate's efforts to diversify investments from China where it has set up huge manufacturing facilities to make products for Apple—including iPhones—as well as Sony and Nokia.

The group employs about one million workers in China, roughly half of them based at its main facility in the southern city of Shenzhen.

But officials from the group said China was gradually losing its attraction as a global factory featuring cheap labour and land.
Foxconn in late 2013 also announced that it was planning to spend $40 million in manufacturing and research facilities in the United States.

The group has production facilities in more than 10 countries, including Vietnam, Brazil and Mexico.

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