

# Foxconn: World's No. 1 contract electronics maker

July 27 2017, by Kelvin Chan

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In this May 26, 2010 file photo, staff members work on the production line at the Foxconn complex in the southern Chinese city of Shenzhen, Southern city in China. Wisconsin Gov. Scott Walker says President Donald Trump plans to make a "major jobs announcement for Wisconsin" as anticipation builds it will be about electronics giant Foxconn locating in the state. Taiwan-based Foxconn is best known as the assembler of the iPhone. Wisconsin is among seven states, mostly in the Midwest, that the company has named as possible locations to build the its first liquid-crystal display factory that could mean tens of thousands of jobs. (AP Photo/Kin Cheung, File)

Taiwan-based contract manufacturer Foxconn Technology Group says it plans to build a \$10 billion plant in Wisconsin to make liquid-crystal display panels, or LCDs. Little known to consumers, the maker of iPhones and other gadgets is a giant in the electronics industry thanks to its dominant position in the global manufacturing supply chain.

Here's a closer look at Foxconn.

**THE COMPANY:** Foxconn, also known as Hon Hai Precision Industry Co., is the world's largest contract maker of electronics, with factories across mainland China. It's best known for making iPhones and other Apple devices but its long list of customers includes Sony Corp., Dell Inc. and BlackBerry Ltd.

**AMERICAN EXPANSION:** A new U.S. plant will bring Foxconn closer to its biggest market. "TV was invented in America," Foxconn Chairman Terry Gou said at a White House press conference. "Yet America does not have a single LCD factory to produce a complete 8K system. We are going to change that," he said, referring to the latest generation in TV picture clarity, offering four times the resolution of high definition TVs.

**GLOBAL AMBITIONS:** Foxconn bought a majority stake in Japan's Sharp Corp. for \$3.5 billion in 2016, in the first foreign takeover of a major Japanese electronics [company](#). It also has sought a stake in Toshiba Corp.'s lucrative memory chip business though rival bidders are expected to prevail. Gou has made it clear he intends for Foxconn to build its brand and acquire leading technology of its own.



In this Feb. 4, 2016, file photo, employees enter and exit the headquarters of Taiwan's Hon Hai Precision Industry Co., also known as Foxconn, in New Taipei City, Taiwan. Wisconsin Gov. Scott Walker says President Donald Trump plans to make a "major jobs announcement for Wisconsin" as anticipation builds it will be about electronics giant Foxconn locating in the state. Taiwan-based Foxconn is best known as the assembler of the iPhone. Wisconsin is among seven states, mostly in the Midwest, that the company has named as possible locations to build the its first liquid-crystal display factory that could mean tens of thousands of jobs. (AP Photo/Wally Santana, File)

**HUMBLE ROOTS:** As a 24-year-old, Gou borrowed \$7,500 from his mother to found Hon Hai in 1974 to make plastic knobs for black and white TVs. The company went on in the 1980s to make electrical connectors for companies like IBM and Atari, growing quickly thanks to the soaring popularity of video games and personal computers. Foxconn's first factory in China, in Shenzhen near Hong Kong, grew to employ hundreds of thousands of workers on dozens of assembly lines. It

helped transform southern China into a global electronics manufacturing powerhouse. The company now employs more than a million workers, mostly in mainland China.

**LABOR STRIFE:** Like other contract manufacturers, Foxconn has struggled to meet high safety and other standards expected of consumer electronics brands while keeping costs low. Its Chinese plants making Apple products, especially, have drawn attention for worker suicides, accidents and labor disturbances. Labor advocates say the company imposes excessive overtime and pressure on workers, especially when it ramps up production ahead of new iPhone launches. Gou, who reportedly has worked 16-hour days for the past three decades, has raised wages and pledged to prevent more deaths.



In this May 27, 2010 file photo, a worker looks out through the logo at the entrance of the Foxconn complex in the southern Chinese city of Shenzhen. Wisconsin Gov. Scott Walker says President Donald Trump plans to make a "major jobs announcement for Wisconsin" as anticipation builds it will be about

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President Donald Trump, arrives and greets House Speaker Paul Ryan of Wis., and Terry Gou, president and chief executive officer of Foxconn, in the East Room of the White House in Washington, Wednesday, July 26, 2017. (AP Photo/Carolyn Kaster)

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Citation: Foxconn: World's No. 1 contract electronics maker (2017, July 27) retrieved 6 May 2024 from <https://phys.org/news/2017-07-foxconn-world-electronics-maker.html>

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