

Snyder: 'Strong possibility' for Foxconn to come to Michigan

August 8 2017, by David Eggert

Gov. Rick Snyder expressed optimism that Taiwanese electronics manufacturer Foxconn Technology Group will open a facility in Michigan, but he said the specifics remain uncertain and it could be a few months before any potential deal takes shape.

In a phone interview Monday night from Shanghai, where he was concluding a nine-day trade trip in China, Snyder said there is a "strong possibility" for Foxconn to still locate in the state after the company in recent weeks picked neighboring Wisconsin for a \$10 billion display panel plant with 3,000 employees that could grow to 13,000.

Snyder told The Associated Press that Foxconn Chairman Terry Gou invited him for dinner, meetings and a tour of the company's sprawling factory in Shenzhen near Hong Kong that employs some 200,000 workers. They discussed the autonomous vehicle industry and advanced manufacturing, Snyder said.

The company, he said, is highly advanced in tooling, machinery and robotics similarly to Michigan but does not yet have much of a U.S. presence in those sectors.

"We had very healthy, very good discussions about Michigan's strengths and how it could be very good for Foxconn to be present in Michigan in some fashion. What it is has yet to be determined," he said.

Chinese media outlets, quoting Gou, reported over the weekend that

Foxconn plans to open a research and development center related to self-driving vehicles in Michigan, where General Motors, Ford and Fiat Chrysler are based. The company has not confirmed the plans, instead repeating that Michigan is one of the states under consideration for some sort of investment.

Snyder declined to confirm Foxconn is eyeing an autonomous vehicle facility but said "that would be one of the natural things that they could well be looking at." Foxconn said last month that its Wisconsin announcement was just the first of several unspecified investments the company will be making in the U.S.

"It's going really well," Snyder said of the courtship. "But we're still getting to know each other, we're still working through that. They can make their own business decisions. But we're going to continue to present them good opportunities of what we can do in Michigan."

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. Working conditions at Foxconn's factories in China have come under scrutiny in the past due to labor practices and suicides.

Michigan was one of seven states that competed for the Foxconn plant that went to Wisconsin, several of which were important in Donald Trump's presidential victory. Trump made the Foxconn announcement in a White House ceremony attended by Gou. Other states that vied for the plant were Indiana, Ohio, Pennsylvania, Texas and Illinois.

Critics have cautioned that Foxconn has made promises before to invest in the U.S. and elsewhere around the world and not followed through. Foxconn promised in 2013, for example, to invest \$30 million and hire 500 workers for a new, high-tech factory in Pennsylvania that was never

built.

Foxconn also has struggled to meet high safety and other standards expected of consumer electronics brands while keeping costs low. Its Chinese plants making Apple products 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 has raised wages and pledged to prevent more deaths.

Snyder and Michigan lawmakers last month enacted job-creation tax incentives, including one tailored to companies such as Foxconn that add at least 3,000 jobs that pay the average regional wage. But Wisconsin offered what Snyder called a "gigantic" \$3 billion incentive package to land the factory that will construct liquid crystal display (LCD) monitors used in televisions and computers.

Snyder said Foxconn has other projects on its radar that "would be better suited for Michigan." He said it is too early to say how many jobs could come with a Foxconn facility in Michigan. He is hopeful that talks continue in the next few months and "things start solidifying."

The trip was the Snyder administration's seventh mission to China. Snyder said one theme throughout the trip was China's increased interest in autonomous mobility, and he wants Michigan to capitalize on potential business opportunities in the emerging sector.

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