

Foxconn says no changes planned for Wisconsin project

May 23 2018, by Scott Bauer

Taiwan-based Foxconn Technology Group said Wednesday that it remains committed to its \$10 billion Wisconsin manufacturing facility, rejecting a report that it's considering reducing its initial investment by making display screens for smaller electronics, like phones, rather than large screens for televisions.

The Tokyo-based Nikkei Asian Review reported that Foxconn was looking at producing small to medium-sized display panels for Apple, carmakers and others rather than larger display screens, as originally planned. The story cites unnamed sources who were familiar with the plans.

Foxconn, the world's largest contract maker of electronics and China's largest private employer, called the report "inaccurate" and "not based on any facts." It said in a news release that there had been no changes to its plans to invest \$10 billion and create 13,000 jobs at the planned facility in southeastern Wisconsin, near the Illinois border.

The Nikkei Asian Review story said producing larger liquid crystal display panels, as originally planned, would have required a more complete local supply chain that doesn't currently exist and a greater initial investment in equipment.

Foxconn said Wednesday that it has a "phased approach" for the [project](#) that will begin with producing display screens for a wide variety of uses, including "the latest generation televisions to self-driving cars, notebooks

and monitors."

The company's statement did not directly address whether it plans to reduce its initial investment as production work is phased in.

Democratic critics of the project were quick to argue that the report means there will be fewer secondary jobs created for suppliers to the plant.

"I have serious concerns that Foxconn's reputation for abandoning projects and failing to deliver on their promises is coming to fruition," said Democratic Senate Minority Leader Jennifer Shilling.

But project backer Tom Still, president of the Wisconsin Technology Council, said he wouldn't be surprised if Foxconn does shift its production plans to diversify and that would be good news for Wisconsin.

"They are also really responding to what I think are clear market trends in the television screen market, in which there's a current glut of those kinds of screens," he said. "They are not highly profitable lines at this point for anybody."

Gov. Scott Walker, who negotiated the deal with Foxconn ahead of his re-election campaign this year, has repeatedly called the project transformational for Wisconsin and said it will provide economic benefits for generations. His spokeswoman referred questions to Foxconn's statement.

Foxconn announced the Wisconsin project at a White House ceremony last July. President Donald Trump has touted Foxconn's plans to build its first plant in North America in Wisconsin as part of his push to return overseas manufacturing to the United States.

Wisconsin is poised to provide \$4.5 billion in state and local incentives over 15 years to Foxconn if it meets investment and job-creation targets. Wisconsin's incentive package was the largest ever offered to a foreign-based company.

Wisconsin Democrats have been holding a series of public meetings across the state to call attention to the potential cost of the project, negative environmental impacts and other concerns. The project has also been a target of criticism among candidates looking to challenge Walker.

Foxconn began initial work on the site in Mount Pleasant earlier this month. An official groundbreaking ceremony is scheduled for June 28. Foxconn has said it hopes to be operational late next year.

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