

# Foxconn ends 'closed loop' at iPhone megafactory in China

December 9 2022

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Taiwanese tech giant Foxconn has ended a months-long "closed loop" system at the world's biggest iPhone factory in central China, citing Beijing's nationwide loosening of zero-COVID regulations.

Earlier this week, the Chinese government rolled back most mass testing and lockdown requirements to hasten a return to normal life, significantly relaxing three years of restrictions that have tanked its economy and wearied its population.

The Foxconn facility in central Zhengzhou was in effective lockdown for 56 days, with workers only allowed to travel between their dormitories and the factory floor on shuttle buses after cases were discovered in October.

In mid-November, violent protests by new recruits erupted over salaries and conditions, with hundreds marching and some clashing with riot police and health workers.

On Thursday the company said it was ending the closed loop system.

"Given the... further lifting of China's epidemic control measures, the company requires employees to present a 48-hour negative test result in order to return to work," said a notice posted Thursday on the official WeChat account of Foxconn's main campus in Zhengzhou, Henan province.

The company added that its shuttle buses had resumed service and urged employees who had not been taking part in the closed loop to return to work "as soon as possible".

Other official WeChat accounts of agencies hiring for Foxconn also announced that the "closed loop is lifted".

Foxconn, also known by its official name Hon Hai Precision Industry, is the world's biggest contract electronics manufacturer and assembles gadgets for many international brands.

Most of its factories are in China, with its biggest in Zhengzhou—which has been dubbed "iPhone city".

Lockdowns were imposed on the city last month as part of Beijing's zero-COVID policy after a spike in infections.

The prolonged factory disruption and protests heavily impacted Foxconn's hiring practices and rocked supply chain stability, to which Beijing attaches high importance.

A letter sent by Foxconn founder Terry Gou warning the Chinese leadership about the damage to supply chains from zero-COVID helped government advisers argue for an end to the policy, the Wall Street Journal reported Thursday, citing people familiar with the matter.

Foxconn's reported revenue last month fell 11.4 percent year on year and 29 percent from October.

It earlier said it was revising down its outlook for the last quarter. Some analysts have predicted sales could drop as much as 20 percent.

Citation: Foxconn ends 'closed loop' at iPhone megafactory in China (2022, December 9)  
retrieved 5 May 2024 from

<https://techxplore.com/news/2022-12-foxconn-loop-iphone-megafactory-china.html>

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