

Business

Violent protests at largest iPhone factory in China

Workers clash with security personnel over pay and living conditions at plant

BEIJING: Violent protests have broken out around Foxconn's vast iPhone factory in central China, as workers clashed with security personnel over pay and living conditions at the plant. In videos shared on Weibo and Twitter that AFP has verified, hundreds of workers can be seen marching on a road in daylight. Some were confronted by riot police and people in hazmat suits.

Foxconn confirmed the unrest later on Wednesday. A night-time video showed a man with a bloodied face as someone off-camera says: "They're hitting people, hitting people. Do they have a conscience?" Another at the same scene showed dozens of workers confronting a row of police officers shouting, "Defend our rights! Defend our rights!", while another voice talks of "smoke bombs" and "tear gas".

AFP verified those videos partly through geolocation that showed distinctive features, including a building and barricades near staff living quarters on the factory compound. In a daytime video, several fire trucks surrounded by police in hazmat suits were parked near residential blocks while a voice on a loudspeaker was heard saying: "All workers please return to their accommodation, do not associate with a small minority of illegal elements." China's unrelenting zero-COVID policy has caused fatigue and resentment among wide swaths of the population, some of whom have been locked down for weeks at factories and universities or been unable to travel freely.

The Weibo hashtag "Foxconn riots" appeared to be censored by Wednesday noon but some text posts referring to large protests at the factory remained live.

Foxconn said workers had complained about

pay and conditions at the plant but denied it had housed new recruits with COVID-positive staff at the Zhengzhou factory, the world's largest producer of iPhones. "Regarding any violence, the company will continue to communicate with employees and the government to prevent similar incidents from happening again," the Taiwanese tech giant said in a statement. Apple did not respond to requests for comment.

Hotbed of unrest

Foxconn, also known by its official name Hon Hai Precision Industry, is the world's biggest contract electronics manufacturer, assembling gadgets for many international brands. The Taiwanese tech giant, Apple's principal subcontractor, recently saw a surge in COVID-19 cases at its Zhengzhou site, leading the company to shut the vast complex in a bid to keep the virus in check.

The huge facility of about 200,000 workers—dubbed "iPhone City"—has since been operating in a "closed loop" bubble. Footage emerged this month of panicking workers fleeing the site on foot in the wake of allegations of poor conditions at the facility.

Multiple employees later recounted to AFP scenes of chaos and disorganisation at the complex of workshops and dormitories. In the place of the fleeing workers, the firm has offered large bonuses and other incentives for employees who stayed as the local government bussed in fresh labourers in a bid to keep the factory afloat. Apple this month acknowledged the lockdown had "temporarily impacted" production ahead of the holiday season at the Zhengzhou factory, the Taiwanese company's crown jewel that churns out iPhones in quantities not seen anywhere else.



SHENZHEN, China: This file photo taken on May 27, 2010 shows Chinese workers outside the Foxconn factory in Shenzhen, southern China's Guangdong province. —AFP

Foxconn is China's biggest private sector employer, with more than a million people working across the country in about 30 factories and research institutes. China is the last major economy wedded to a strategy of extinguishing COVID outbreaks as they emerge, imposing lockdowns, mass testing and lengthy quarantines despite the wide-

spread disruption to businesses and international supply chains.

The policy has sparked sporadic protests throughout China, with residents taking to the streets in several major Chinese cities to vent their anger against snap lockdowns and business closures. —AFP

Germany to cap guarantees for investments in China

BERLIN: Germany will limit guarantees for companies doing business in China as it looks to reduce its dependence on Beijing, Economy Minister Robert Habeck said Tuesday.

The investment support program would be overhauled to create "a strong incentive for diversification", Habeck told a news conference in Paris. Policy-makers would implement a quota, "so that not all German guarantees are aimed at one country, that is to say China," Habeck said, flanked by French counterpart Bruno Le Maire.

Germany has been reevaluating its economic relationship with China amid concerns over human rights and the communist regime's ties with Russia. "There will be an upper limit for investments in a particular country," with a figure of three billion euros (\$3.1 billion) being discussed, Habeck said.

"Above that, companies can of course invest in a country but they will no longer be further secured with taxpayer money," he said. The guarantees would also be subject to an "in-depth" check, taking into account environmental and social standards, the German weekly Spiegel reported last week, citing internal government documents.

In May, Germany refused guarantees to Volkswagen in China due to concerns over human rights abuses in the Xinjiang region, where the auto giant has a facility.

Critical infrastructure

Germany could not "decouple from China, nor can we completely do without the Chinese market," Foreign Minister Annalena Baerbock said at an event hosted by the Sueddeutsche Zeitung daily. Berlin however had the potential to "accompany" more investments with guarantees around the globe in countries other than China, she said.

Scepticism has also grown in Germany around Chinese investments in what is deemed to be critical infrastructure. "We are increasingly refusing investments from Chinese firms in these areas (critical infrastructure)," Habeck said.

By blocking Chinese buyers from taking stakes in sensitive areas, Germany was "claiming the same right that China claims for itself", he said. Earlier this month, Berlin blocked the sale of two chipmakers to Chinese investors, citing a potential threat to security. The key technology has increasingly become a zone of confrontation with China, as Germany and its European partners look to reduce their dependence on Asia and grow their domestic industry. Germany did give the green light to the sale of a stake in the Hamburg port terminal to the Chinese firm Cosco, despite internal government opposition.

Chancellor Olaf Scholz defied calls from six ministries to veto the sale, permitting Cosco to acquire a reduced stake. Scholz made a plea for "pragmatism" in relations with China ahead of a controversial trip to Beijing earlier this month. Germany should not withdraw from the key market but would look to "reduce one-sided dependencies", he said. —AFP

A greener ride: West Africans switch on to ebikes

COTONOU, Benin: Beninese hairdresser Edwige Govi makes a point these days of using electric motorbike taxis to get around Cotonou, saying she enjoys a ride that is quiet and clean. Motorcycle taxis are a popular and cheap form of transportation in West Africa. But in Benin and Togo, electric models are gaining the ascendancy over petrol-powered rivals.

Customers are plumping for environmentally-friendlier travel and taxi drivers are switching to machines that, above all, are less expensive to buy and operate. "They are very quiet and do not give off smoke," says Govi, 26, who had just completed a half-hour run across Benin's economic hub.

In African cities, road pollution is becoming a major health and environment issue, although for taxi drivers, the big attraction of electric motorcycles is the cost. "I manage to get by," said Govi's driver, Octave, wearing the green and yellow vest used by Benin's zemi-djan taxis—a word meaning "take me quickly" in the local Fon language.

"I make more money than with my fuel motorcycle," Local environmentalist Murielle Hozanhekpon said the electric motorbikes do have some disadvantages "but not on an environmental level".

Alain Tossounon, a journalist specializing in environmental issues, said electric bikes were prized by taxi drivers as they were less expensive to maintain or

Report lays bare Australia's sobering climate challenge

SYDNEY: Rising temperatures are fuelling widespread environmental degradation across Australia and supercharging natural disasters, according to a government report released Wednesday in the wake of flash floods on the country's east coast. The State of the Climate report found global warming was also slowly melting Australia's fragile alpine regions while contributing to ocean acidification and rising sea levels.

Climate researcher Ian Lowe said the report was a "frightening" wake-up call for Australia, which relies heavily on coal and gas exports for economic growth. "The scale of changes demonstrates that cleaning up our energy use is an urgent priority," Lowe said.

Credit Suisse expects pre-tax loss of \$1.6 bn

ZURICH: Credit Suisse predicted a surprise fourth-quarter pre-tax loss of up to \$1.6 billion as the beleaguered bank undertakes a radical overhaul, sending stocks tumbling again on Wednesday. Shaken by repeated scandals, Switzerland's second-biggest bank unveiled a rejig in late October but accepted its accounts would take a hit of up to 1.5 billion Swiss francs (\$1.6 billion) in the final three months of the year.

At an extraordinary general meeting, shareholders approved capital increases worth around four billion Swiss francs in order to fund

the restructuring plan.

Chairman Axel Lehmann called it an "important step in our journey to build the new Credit Suisse".

"This vote confirms confidence in the strategy, as we presented it in October, and we are fully focused on delivering our strategic priorities to lay the foundation for future profitable growth," he said. The increase in share capital is expected to boost Credit Suisse's CET1 ratio, which compares a bank's capital to its risk-weighted assets. At 1200 GMT, the group's shares were down 4.8 percent at 3.67 Swiss francs, while the Swiss stock exchange's main SMI index was up 0.2 percent. The bank suffered a net loss of 273 million Swiss francs in the first quarter, then nearly 1.6 billion in the second quarter and four billion in the third.

The scale of fourth-quarter losses "will depend on a number of factors

run. The cost factor has become more and more important in the face of an explosion of fuel prices this year triggered by Russia's invasion of Ukraine.

Credit carrot

In Benin, an electric motorcycle costs 480,000 CFA (\$737 / euros) against 490,050 CFA (\$752 / euros) for a petrol-driven equivalent. But this significant price difference is only one factor which explains the trend towards "silent motorcycles," said Tossounon. Many taxi drivers are also lured by flexible credit deals—instead of making a hefty one-off purchase, many are able to get loans that they pay off monthly, weekly or even daily.

Two companies in Cotonou have been offering electric models and say they are overwhelmed by demand. "The queue here is from morning to evening. Every hour, at least two roll out of the shop," said vendor Anicet Takalodjou. Oloufounmi Koucoi, 38, director of another company delivering the models to Cotonou, said they had put thousands of e-motorcycles in circulation. "The number is growing every day."

By assembling the motorcycles locally in Benin, his electric models are cheaper than if they had been imported. To attract customers, his company, Zed-Motors, offers solar panels to facilitate recharging for those who do not have electricity at home. For decades, Benin and its economy have struggled with power cuts. The situation has improved, but outages remain common. In rural areas, especially, electricity remains largely inaccessible.

Battery change

In Lome, capital of neighboring Togo, Octave de Souza parades proudly through the streets on his brand-new green electric motorcycle. One point in

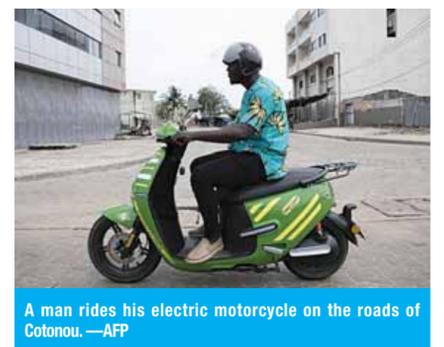
"We also need to reduce our exports of coal and gas." The report, a joint effort between the government's weather bureau and national science agency, found Australia's climate had warmed by an average of 1.47 degrees Celsius since records began in 1910.

Environment Minister Tanya Plihersek said it was "sobering" reading. "For our environment, for our communities, this report reinforces the urgent need for climate action," she said.

'Record-breaking extremes'

Australia has in recent years experienced a series of extreme weather events linked to rising global temperatures. Flash floods swept through parts of inland New South Wales earlier this month, tearing entire homes from their foundations in some country towns.

Tens of thousands of Sydney residents were ordered to evacuate in July when floods swamped the city's fringe. An east coast flooding disaster in March—caused by heavy storms in Queensland and New South Wales—claimed more than 20 lives.



A man rides his electric motorcycle on the roads of Cotonou. —AFP

particular makes him and his wallet happy: no more fuelling up. "All you need to do is change the battery," he smiled. "There are sales outlets, you go there and it's exchanged for you."

A recharge costs 1,000 CFA (\$1.50 / euros) and can provide three days' mobility. For the same price, Octave said, he would only be able to ride for one day using petrol, which is subsidised by the government. Local authorities also are encouraging the switch to electric in a bid to replace old, highly polluting motorcycles.

But some drivers remain wary of electric models, citing range anxiety—the worry of coming to a halt with a flat battery. Taxi driver Koffi Abotsi said he struggled with the "stress" of having to quickly find a charging station so as not to break down. "This sometimes leads us to swap (the battery) even with 10 percent or 15 percent charge remaining so as not to have any unpleasant surprises along the way." —AFP

Catastrophic bushfires swept through huge chunks of New South Wales in the "Black Summer" of 2019 and 2020, while the Great Barrier Reef has suffered four separate mass coral bleaching events since 2016. "These changes are happening at an increased pace," the State of the Climate report found.

"The past decade has seen record-breaking extremes leading to natural disasters that are exacerbated by anthropogenic (human-caused) climate change," Prime Minister Anthony Albanese last week unveiled a bid to host the 2026 COP summit, seeking to repair Australia's international reputation as a climate change laggard. Albanese's centre-left government introduced a 2050 net zero emissions target following its election earlier this year but has faced calls domestically to do more.

University of Melbourne climate scientist Andrew King said Australia needed to rapidly cut its carbon emissions. "The consequences of our continued use of fossil fuels are clear in Australia like elsewhere," he said. —AFP



including the investment bank's performance for the remainder of the quarter, the continued exit of non-core positions, any goodwill impairments, and the outcome of certain other actions, including potential real-estate sales", the Zurich-based

bank said in a statement. Credit Suisse said in October that it expected to incur restructuring charges and software and property impairments of around 250 million Swiss francs in the fourth quarter as part of its overhaul. —AFP