

Foxconn not off hook after radio retraction, critics say

Foxconn Technology Group, the top maker of Apple Inc's iPhones and iPads, is not off the hook after a U.S. radio show retracted a program critical of working conditions at one of its Chinese factories.

The Hong-Kong based China Labor Bulletin said Foxconn still employed harsh working conditions, while a fund manager with shares in Foxconn's parent said investors were watching how the company treats workers.

"The retraction has somewhat cleared Foxconn's name, but not all the way. The press and stock investors will continue to watch how Foxconn treats its workers going forward," said Simon Liu, fund manager and deputy investment officer at Polaris Financial Group's fund unit in Taipei. The unit owns share's in Foxconn's parent company, Hon Hai Precision.

"Obviously, Apple is starting to take serious step asking Foxconn to properly treats its China workers," Liu said.

The radio programme "This American Life" last week retracted the episode, saying it had contained "numerous fabrications".

Foxconn said on Monday it had no plans to take legal action although the programme had hurt its reputation.

"Our corporate image has been totally ruined. The point is whatever media that cited the programme should not have reported it without confirming (with us)," said Simon Hsing, Foxconn's spokesman.

"We have no plans to take legal action... We hope nothing similar will happen again."

Rights groups have criticized Foxconn for several years for what they describe as harsh working conditions.

Working practices at Foxconn's huge plants in China, which combined employ a million people, came under intense scrutiny in 2010 after a series of suicides among young workers. Last June three workers died in an explosion at a Foxconn plant in Chengdu, western China.

Geoffrey Crothall, a spokesman for workers' rights group China Labour Bulletin, said workers at Foxconn were still subject to a list of poor working conditions, including long working hours, strict management that sometimes borders on abusive practice, and unsafe work practices in some factories.

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"All those things are very much in place. I don't think there's been any alleviation (of these problems) in the past few months. I don't think Foxconn's done anything, really," Crothall said.

The retracted episode, broadcast on January 6, was based heavily on a one-man theatrical show by actor Mike Daisey: "The Agony and the Ecstasy of Steve Jobs."

Daisey's play and its attendant publicity, including the radio segment, played a big role in pressuring Apple to allow outside inspectors at its contract manufacturing facilities in China, mostly owned by Foxconn Technology.

The executive producer of "This American Life" said in a broadcast last week that most of the retracted program's content was true and corroborated by independent investigation.

The inaccuracies were linked to the actors' account of his trip to China. For example, Daisey said guards at a Foxconn factory had guns, but the programme said only the military and police are permitted to carry guns in China.

Apple, criticized over working conditions at its chain of suppliers in China, said last week that a U.S. non-profit labor group had begun an "unprecedented" inspection of working conditions at its main contract manufacturers.

Last month the New York Times published an investigation into working practices at Apple supplier's plants in China that documented poor health and safety conditions and long working hours.

Hon Hai Precision fell 0.48 percent on Monday, slightly underperforming a 0.14 percent fall in the main Taiwan stock index.

(Additional reporting by Sisi Tang in Hong Kong; Reporting by Faith Hung; Editing by Neil Fullick)

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