

# Foxconn sends back Chinese staff from India

## Move may hit Apple India's iPhone 17 plans

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New Delhi/Chennai, 2 July

In a setback to Apple's India expansion plans, Foxconn Technology Group has been sending hundreds of its Chinese engineers and technicians back home from its iPhone factories in India, it is learnt. This is likely to affect the Cupertino major's production plans of iPhone 17, expected to be unveiled in mid-September.

This comes at a time when the Taiwanese contract manufacturer — Apple's largest — is expanding its capacity in India. Some of the company's new assembly plants, including in Bengaluru, are coming up soon. The development also coincides with India's ongoing trade talks with the United States in a bid to strike a bilateral agreement before the reciprocal tax kicks in on July 9.

According to sources in the electronics industry, the Foxconn move may have been prompted by the Chinese government's focus on strengthening its supply chain. They also point out that some Chinese equipment makers, which had identified land for smartphone plants in the country, have shelved their plans. There's signalling from the Chinese side that technology for making machines for new products should remain within their country. Also, there are reports of the Chinese Customs indefinitely holding key machines, which are required to be retrofitted on the assembly lines to make iPhone 17 in India.

An Apple Inc spokesperson did not respond to a query until the time of going to press.

Foxconn was planning to add 1,000 more local employees in India by mid-July, adding to its current strength of around 40,000, said a South India-based industry source.

At this point, India is not expressing much concern over the development. A senior Ministry of Electronics and Information Technology (MeitY) official said: "We don't see any problem. Their



### The return journey

- Foxconn has already called back about 300 engineers and technicians to China
- This comes amid Foxconn's plan to add 1,000 more local employees by the third week of July
- The recall of Chinese staffers may slow down local workforce training
- Apple is expected to release iPhone 17, iPhone 17 Pro, iPhone 17 Pro Max, and a brand-new variant called the iPhone 17 Air in FY26
- Chinese govt has been delaying the clearance of exports of crucial smartphone machines to India

(Foxconn's) technicians come from China, Taiwan and the US regularly to India. We have enough manpower in the country. Also many companies have also started manufacturing machines locally. At most, what we see is a temporary disruption for a month or so."

Apple's FY26 plans are ambitious — for iPhones, it wants to hit a production value of \$27 billion in India. Its goal is to touch \$30-32 billion in the subsequent year.

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This is without the tariff advantage which it expects to have against China, where tariffs are currently pegged at 25 per cent compared to zero in the US for smartphone imports.

According to estimates, if Apple proceeds with its plan to supply from India the entire requirement of the US market, it has to double its production value to over \$40 billion in 24 months from \$22 billion in FY25.

However, the entire plan

could come under stress due to the recall of technicians and engineers from India. Sources who are aware of the development say that the move could lead to an increase in the production cost of the iPhones—increasing the cost disability with China further. And while India has enough talent to replace them, this would clearly disrupt production.

Apple Chief Executive Officer Tim Cook has in the

recent past lauded the skill and expertise of Chinese assembly workers, highlighting it as the key reason — not just more favourable cost — for setting up the majority of Apple's production in the country, a *Bloomberg* report said.

Apple is expected to release four models in its 2025 lineup, which will include iPhone 17, iPhone 17 Pro, iPhone 17 Pro Max, and a brand-new variant called the iPhone 17 Air.