

Govt confident of Apple's India contingency plans

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The government is not much concerned about the possible disruption to Apple India's iPhone production plans, including that of the latest variant, the iPhone 17, on account of China's decision to recall Foxconn's Chinese engineers, senior government officials said.

The Ministry of Electronics and Information Technology (Meity) is, however, monitoring the situation and is confident that "Apple's contingency plans" will kick in and the company will be able to manage the situation, said a senior government official asking not to be named. "They (Apple) are tapping other countries for engineering and training talent. While we track production targets, it is not our primary concern. They (Apple) should be able to manage," the official said.

In its conversa-

tions with the government, the iPhone maker has said it will be able to navigate the situation without much discomfort and that there will be no disruption to the flagship phone's India production plans, another official said.

"We facilitated their (Foxconn's Chinese employees') visas at their (Apple's) request earlier. Now, if those employees want to return, it is between them and the companies (Apple and Foxconn). It is up to Apple to decide how to keep the operations (of their suppliers) running," the official said. Despite the

possibility of a short-term disruption, the government believes this is an opportunity for Indian companies to enhance their local capacity, according to one of the officials quoted above. "We will have to build domestic capacity eventually to manage such operations. This is more of an opportunity," the official said.

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Foxconn has drawn up an alternative plan to rescue its India iPhone 17 production by bringing in experts mainly from Taiwan and the US. Sources in Meity had earlier said both Apple and Foxconn were, for the last four to five months, aware of the possibility of losing Chinese engineers.

The move "forcing" Foxconn to send back some of its Chinese employees is seen by industry experts as China's attempt to disrupt the efforts by western technology firms to shift manufacturing away from that country.

It is also seen as a continuation of the diplomatic tussle between India and China. Chinese authorities were already restricting the export of key machines required to be retro-

fitted on the assembly lines to make the iPhone 17, which is expected to be unveiled by September this year.

Currently, Foxconn and Tata Electronics are primarily handling iPhone assembly in India.

Foxconn operates a large facility in Sriperumbudur, near Chennai, Tamil Nadu. It also has plans to assemble iPhones in Devanahalli, Karnataka. Foxconn has around 40,000 employees in South India at present, and it is expected to hire 1,000 more in July.

On the other hand, Tata has a Karnataka unit which it took over from Pegatron, besides a facility in Tamil Nadu's Hosur. Overall, Apple is expanding its component ecosystem in India by bringing in firms like Sunwoda, Foxlink, and Aequs.

