



## China Workers Strike at Lingerie, IBM Parts Factories Demanding More Pay - Bloomberg

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Thousands of workers in southern China went on strike in the last week to demand higher pay and better treatment, disrupting work at companies including one that supplies equipment to [International Business Machines Corp. \(IBM\)](#).

In Shenzhen, 1,000 workers went on strike Nov. 22 at a factory owned by a Taiwanese computer-parts maker after the company required staff to work overtime from 6 p.m. to midnight, New York-based [China Labor Watch](#) said in a statement. A day earlier, workers at a Shenzhen factory owned by lingerie-maker [Top Form International Ltd. \(333\)](#) struck over wages and "unachievable" production quotas, the group reported. Last week, 7,000 workers at a shoe factory struck in Dongguan, the [China Labor Bulletin](#) reported.

Companies operating in Guangdong, China's richest and most populous province, face both slowing global demand for their exports and increasing competition for workers from central and western China, home to many of the province's migrant laborers, said Wang Erping, a scholar at the Chinese Academy of Sciences in Beijing who studies protests.

"For a long time there was surplus labor in Guangdong, allowing factories to keep wages low and extend working hours," Wang said. "Now China's middle and western areas have had a lot of growth, and are using local labor."

### 'Getting Squeezed'

China's economic growth has slowed amid a cooling property market and the spreading sovereign-debt crisis in the European Union, China's biggest export market. China's manufacturing may contract this month by the most since March 2009, according to a preliminary purchasing managers index released yesterday by HSBC Holdings Plc and Markit Economics.

[Geoffrey Crothall](#), a spokesman for the Hong Kong-based [China Labor Bulletin](#), said the surge in strikes this month is probably the biggest since a wave of stoppages at suppliers to Japanese automakers last year.

"What we are seeing at the moment is like a spike in that action and that is probably related to the global economic turndown, orders decreasing, workers getting squeezed by their employers because the companies themselves are making less profit," Crothall said. "The first thing they do is pass these costs on to the workers."

### Hung Up

The electronics company where [China Labor Watch](#) said workers were striking, [Jingmo Electronics Technology \(Shenzhen\) Co.](#), makes keyboards, wireless cameras, hard-disk drives and computer displays, according to its website. When called today at 11:30 a.m., a woman who answered the phone said no one was working today and there was no strike. She then hung up without identifying herself.

According to its website, the company makes equipment for multinational firms including [International Business Machines Corp.](#) and [LG Electronics. \(066570\)](#). [Ed Barbini](#), a spokesman at IBM, didn't immediately return an e-mail seeking comment.

As many as 200 employees at [Top Form's](#) Shenzhen plant staged a five-day strike over pay before returning to work, [Kenny Suen](#), the Hong Kong-based company's vice president of production, said in a phone interview yesterday.

The employees started their strike on Nov. 16 and returned to work Nov. 22, he said. The stoppage was over wages, he said without elaborating.

"The strike is now resolved," Suen said. The impact was "insignificant" and the company can catch up on lost output "fairly quickly," he said.

### Shares Fall

Shares of [Top Form International](#) fell as much as 9.6 percent in Hong Kong trading to 33 Hong Kong cents, the lowest on an intraday basis since July 2009, and were down 2.7 percent at 2:11 p.m. The shares have fallen 51 percent this year.

Crothall said workers in the coastal provinces are quicker to strike now because inflation exacerbates any cuts to their pay and because of concern that their employers will relocate abroad or to inland areas of China. Food prices in October rose 11.9 percent from a year

ago, China's National Bureau of Statistics reported on Nov. 9.

"They are just preparing for the worst," Crothall said. "There is a general level of uncertainty about what is going to happen in the future."

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