

PRODIGAL WANTS TO RETURNS HOME, BUT CAN APPLE WALK THE TALK



Apple Chief executive has expressed his desire to see more of the company's products assembled in America, rather than in China. Apple has long been censured for depending excessively on cost-effective Asian manufacturers to assemble its products and accused of being a major contributor to the decline of the US manufacturing sector. Cook, who took over a difficult job, heading the world's most valuable technology company and filling the shoes of a very popular and competent, the late Steve Jobs, said that, it was not very easy to fulfill his wish as the country lacked sufficient tool-and-die manufacturing expertise, plus a few other things, to enable him to assemble more of his company's products at home. However, he assured that he was working on it. At the , All Things Digital Conference, an annual gathering of A-list technology and media executives, Cook said, "There are things that can be done in the U.S., not just for the U.S. market but that can be exported for the world. On the assembly piece, could that be done in the U.S.? I hope so, again, one day," he added. When Cook says, it's not going to be easy; he probably knows what he is saying. When he says that the semiconductor industry in America is good, it must be, when he says that there are not enough high-tech manufacturing skills in the US, he is again right. But these are not the real reasons why Apple desists from manufacturing within the US. The real reason is that it's simply bad economics to do so. A New York Times report in January, when the venerable Steve Jobs was alive is self-explanatory. It isn't just that workers are cheaper abroad. Rather, Apple's executives believe the vast scale of overseas factories as well as the flexibility, diligence and industrial skills of foreign workers have so outpaced their American counterparts that "Made in the U.S.A." is no longer a viable option for most Apple products. Whilst Apple's American workers enjoy comforts and perks, their counterparts in the supply chains in China live in 8,000 strong dormitories, willing to commence work at midnight and put in 12 hour shifts, in conditions that would have the worker unions here baying for the company's blood. Currently all of Apple's final assembly is done via Asian contract manufacturers. Cook says that Apple does some component manufacturing in the US, including the main microchip that runs the iPhone and iPad. Korean electronics giant Samsung Electronics makes some of Apple's components at a 1.6 million square-foot factory in Austin, Texas. According to Cook also some of the glass for the iPhone and iPad is made in a plant in Kentucky. However, it is a business imperative, that to survive in the competitive cut throat business world, and business will take advantage of all opportunities that are available to them. Moral and social values, don't work in business. That is why Apple, GE and other US giants, will keep their money offshore, as long as there is a cheaper alternative, it will be availed of. Our companies will go overseas for three things, greater flexibility, lower price and sheer speed, attributes our working systems and regulations will never be able to provide, which makes it all the more difficult for the likes of CEO Cook to walk the talk. US must address these problems and create an environment wherein, it can compete with the Chinese and other Asians on flexibility, speed and scale. The cost of production has also to be comparative with the cost in the Asian countries. Coming to the aspect about, which Cook talked, lack of skills, than Apple could take the lead in supporting industrial development, through the creation of technical schools, that could generate the required workforce of engineers and technicians, that could help restore manufacturing parity and bring it back home.