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BITING INTO APPLE

IT giant under growing pressure to enhance sense of social responsibility

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Time for Change

As China is one of the key manufacturing spots for the iPad and iPhone, Chinese people are supposed to be quite proud, just like we are proud that Noah's Ark in the movie *2012* was also produced in our country. China is competitive in processing and manufacturing, otherwise, Apple Inc. wouldn't choose China in the first place.

But, the fact is that besides employment opportunities and a small profit out of manufacturing contracts, Apple doesn't bring anything more beneficial for China.

We don't mean to blame Apple. For a company, with maximizing profit as its ultimate purpose just like any other company, minimizing cost is one of its means to obtain the greatest economic gain. Normally, companies focus on the interests of shareholders rather than ordinary workers. But to be a responsible international company, Apple needs to make changes.

First, Apple needs to show more concern for workers throughout its supply chain. While making a considerable amount of money, Apple gives suppliers a very low profit margin, which makes suppliers lack incentive and resources to improve workers' welfare and factory environment. The company's founder Steve Jobs hardly showed any concern for corporate social responsibility. After returning to Apple in 1997, he shut down all programs related to charity and never restarted them.

With a total market value of \$400 billion, Apple is capable of enhancing its social responsibility by giving suppliers a more reasonable profit margin, so that they can improve employees' wages and their working environment. Jobs' successors will play a key role in the future in determining whether the company will be involved in charities. We sincerely hope they can make changes.

China's local governments also need to keep an eye on the social responsibility of all kinds of companies and reinforce the supervision of companies that have violated China's laws or regulations.

Apple should also change its discriminative sales policy in China. Apple always delays the release of new products in China. Early in October 2011, the iPhone 4S was put on the market in seven countries including the United States, Britain and Japan. One month later, it was launched in 22 countries or regions including South Korea and Hong Kong. But the product didn't come to the mainland of China until January 2012. Some say it is a "starvation" marketing policy for the Chinese mainland market. But it actually is discrimination toward the market because there is absolutely no need for adopting such a marketing policy here. Judging from the long queues in front of every Apple store, people will easily know that the output of iPhone 4S cannot meet Chinese people's enormous demand.

China has become Apple's second largest market, a sharp contrast to the company's discriminating marketing policy. Apple should think twice about its attitude to Chinese consumers.

We do hope Apple makes efforts to improve its image, for its own future development, and for the love of its fans. ■

WRITE TO US

✉ Send an e-mail: contact@bjreview.com.cn

Please provide your name and address along with your submissions. Submissions may be edited.

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Hostage Rescued

A freed Chinese worker steps out of a plane at Wilson Airport in Nairobi, capital of Kenya, on February 7, 2012.

Twenty-nine Chinese nationals abducted by local rebels in Sudan were successfully rescued by the Sudanese army and arrived at the Chinese Embassy to Kenya that day. They flew back to China on February 9.

On January 28 a group of rebels belonging to anti-government forces attacked a camp of a Chinese company operating at a road construction site in South Kordofan State. The rebels abducted 29 of the 47 Chinese workers in the camp, while the other 18 workers fled to neighboring areas. The Sudanese army found 17 Chinese workers later and transported them to a safe place, but one worker went missing and was confirmed dead days later.

“Technology transfer and technological cooperation shall be decided by businesses independently and will not be used by the Chinese Government as a precondition for market access.”

Chinese Commerce Minister Chen Deming, responding to questions on the alleged “forced sharing of technology” in an interview with the Bloomberg news agency on February 9

“The minimum wage increase of more than 13 percent each year will help increase the money in workers’ pockets and will also be conducive to an elevation in the level of their social security.”

Liu Junsheng, a researcher with the Labor and Wage Institute affiliated with the Ministry of Human Resources and Social Security, commenting on China’s new national employment promotion plan released on February 8

“The rise of India and China cannot only be a parallel process but, with vision and commitment, actually a reinforcing process.”

Indian External Affairs Minister S. M. Krishna speaking at the inauguration ceremony for India’s new embassy complex in Beijing on February 8

“Any outcome of national dialogue should be the result of agreement between the Syrians themselves and should be acceptable to all the Syrians.”

Russian Foreign Minister Sergei Lavrov, telling the press on February 8 after his visit to Damascus



GUO CHENG

HAPPY FESTIVAL Streets of Haikou, capital of Hainan Province, are decorated with colorful lanterns on February 6, China's Lantern Festival

Brave Girl

Xiang Xinyuan, a senior middle school student, won nationwide praise because she bravely saved a drowning boy in freezing winter.

Xiang, 16, is a grade three student in a senior middle school in Guiyang, capital of Guizhou Province. On January 31, 2012, while walking alongside a river, she found that a little boy was drowning. Without even taking off her coat and boots, Xiang dashed into the river and swam toward the boy. After saving the boy, Xiang left silently without leaving her name.

After media reports, Xiang became famous on the Internet and she was dubbed "the most beautiful girl in Guiyang" by netizens.

"I just did what I thought was right. I never thought of becoming famous," said Xiang.



Job Creation

China's State Council, or cabinet, on February 8 issued a plan to boost employment by creating 45 million jobs in cities by 2015. The government aims to keep the registered urban unemployment rate at no more than 5 percent. The country also plans to create jobs for 40 million people in the countryside in the five-year period.

From 2006 to 2010, 57.71 million new jobs were created in urban areas and 45 million people from the countryside were able to find new jobs, according to official data.

At the end of 2011, China's urban unemployment rate stood at 4.1 percent, unchanged from a year earlier.

The government also pledged to maintain an average 13 percent growth annually in the nation's minimum wage standards in 2011-15, to keep the standard in most regions higher than 40 percent of the average wage of local urban employees.

China has managed to raise its minimum wage standards by an average of 12.5 percent year on year during the 2006-10 period.

New Water Source

The local government of Liuzhou, a city in southwest China's Guangxi Zhuang Autonomous Region, announced on February 6 a plan to find an alternative source of drinking water after a toxic cadmium spill

contaminated a local river in January.

Cadmium pollution was first detected in the Longjiang River on January 15 in Hechi, and it then spread to the downstream Liujiang River, threatening water supplies in Liuzhou, a city with 1.5 million permanent residents.

The city will also build a reservoir with a storage capacity of 100 million cubic meters on the nearby Guchang River.

The reservoir is designed to help meet the city's water needs for two months in the summer and three months in the winter.

Anti-gun Campaign

China will launch a new police campaign to crack down on crimes involving guns and explosives, according to the Ministry of Public Security.

The police will be targeting major cases, tracking criminal dens and eradicating arms sales networks during the campaign that will last until November.

Police authorities have also been ordered to direct their efforts against contaminated food, counterfeit medicine, telecom fraud, the abduction of women and children as well as economic crimes.

Real-name Micro-blogging

Beijing authorities said on February 7 that users of Twitter-like micro-blogging services in the city who fail to register with their real



JULI HUANG/SONG

YOUNG ARTS People visit the Third Art Work Exhibition of College Students held at the China Academy of Art in Hangzhou, capital of east China's Zhejiang Province, on February 8



YI HUIXU

MOON MAP China on February 6 published a complete set of lunar maps and lunar images, which cover the entire surface of the moon. With a resolution of 7 meters, the images were captured by China's second lunar orbiter, *Chang'e-2*

names by March 16 will be banned from posting on those websites.

The ultimatum came nearly two months after the city introduced guidelines mandating real-name registration for micro-bloggers.

After Beijing's initiative, several other Chinese cities, including Guangzhou and Shenzhen in Guangdong Province and Shanghai, have adopted similar rules, as authorities believe micro-blogs help spread rumors and vulgarities.

Legal Aid

More underrepresented citizens have received legal assistance, said the Ministry of Justice on February 8.

About 946,000 people sought free legal assistance in 2011, a year-on-year increase of 15.4 percent. China now has about 3,573 government-sponsored legal aid centers with a total staff of 13,800, while practicing lawyers also take legal aid cases.

In 2011, the central budget for legal aid centers increased from 100 million yuan (\$15.88 million) in 2010 to 200 million yuan (\$31.76 million), according to a ministry statement.

Part of the revenue from national lottery ticket sales also went to legal aid.

Fire Accountability

China will hold the country's municipal- or provincial-level officials accountable for severe fire-related accidents, according to a State Council circular on February 6.

"When major fire accidents occur, re-

sponsible leaders in, or heads of, the local government will be held accountable. If an accident has grave consequences or a nasty social impact, responsible leaders in the government will be held accountable," according to the circular.

The circular also specified conditions for when leaders of community-level governments, public security authorities and fire departments, as well as other organizations, will be held accountable.

Along with rapid social and economic development, chances of fire accidents have increased and prevention has been made more difficult, according to the circular.

Livelihood Subsidies

Southwest China's Tibet Autonomous Region has earmarked more than 8 billion yuan (\$1.3 billion) this year to improve the living conditions of farmers and herdsmen in the region.

The fund, 68.4 percent bigger than last year's, will be used for rural infrastructure construction and as agricultural subsidies, according to a statement released by the region's Finance Department on February 4.

Some of the money will also be used to encourage farmers to modernize and industrialize their work, and to develop Tibetan-featured industries, said the statement.

According to the region's financial data, the net income per capita of its farmers and herdsmen last year surged 13.6 percent to 4,700 yuan.

Tibet Autonomous Region has a population of 3 million, over 80 percent of whom are farmers and herdsmen.

Centenarian Scholar



Yang Jingnian, a 104-year-old renowned economist, educator and translator, has become something of a legend.

Yang was born in 1908 to a poor family in Hunan Province. He went to Britain to study with government funds in 1945 and obtained a doctoral degree from Oxford University. After graduation, Yang came back to China and has been a teacher at Nankai University in Tianjin Municipality since 1948.

Yang is one of the founders of development economics in China and published several books on development economics. Yang also translated many foreign works on economics. In 1998, the then 90-year-old translated Adam Smith's masterpiece *The Wealth of Nations* within 11 months. In 2007, Yang wrote an autobiography as he was turning 100 years old.



BING WANG

COLD SNAP Street cleaners clear snow in Yakeshi City, north China's Inner Mongolia Autonomous Region, on February 3. Much of north China was in the grip of a severe cold spell in early February

THIS WEEK ECONOMY

CPI at Three-Month High ▮

China's consumer price index (CPI) rose to a three-month high of 4.5 percent in January, said the National Bureau of Statistics (NBS) on February 9. This growth rate is 0.4 percentage points higher than that in December 2011.

Food prices jumped 10.5 percent year on year, driving the CPI up 3.29 percentage points.

The surge was driven by a pre-Spring Festival (January 23) consumer boom, said Peng Wensheng, chief economist with China International Capital Corp. The inflation pressure is expected to ease this year.

The NBS also released the producer price index, which grew 0.7 percent year on year in January, compared with 1.7 percent in December 2011.

Tax Tussle

China said it will not require domestic airlines to pay carbon emission taxes imposed by the European Union on flights to and from Europe.

The State Council said Chinese airlines need approval if they want to join the emission plan, which the Chinese Government has denounced as an unfair trade barrier.

From January 1, the EU began charging airlines using EU airports for carbon emissions based on its Emission Trading Scheme.

The money will not be collected until April 30 next year, however, and China has added its voice to a growing global protest ahead of the date.

SOEs Profitable

China's centrally administered state-owned enterprises (SOEs) reported net profits of 917.33 billion yuan (\$141.3 billion) in 2011, up 6.4 percent year on year, said the State-

owned Assets Supervision and Administration Commission (SASAC).

But the growth rate was 33.8 percentage points down from a year earlier, partly due to the difficult economic situations at home and abroad, said the SASAC. The Chinese economy grew 9.2 percent in 2011, down from 10.3 percent in the previous year.

Total revenues of the central SOEs rose 20.8 percent to 20.24 trillion yuan (\$3.2 trillion) last year, 11.3 percentage points lower than the previous year.

Auto Sales Tumble

January sales of passenger vehicles in China registered their largest year-on-year decline in the past decade.

The drop was largely attributed to the two holidays in a single month—the New Year and the Spring Festival.

Combined sales of cars, sport-utility vehicles, multi-purpose vehicles and minivans nose-dived 16.5 percent from a year earlier to 1.17 million units in January, said the China Passenger Car Association (CPCA) on February 7.

It's also the first time in recent years that these vehicle types have seen negative monthly growth rates.

"It's in accordance with our previous expectations of 15-20 percent negative growth. The three-day New Year holiday and the week-long Spring Festival holiday (January 22-28) not only cut production days by almost 50 percent, but also led to a void in the vehicle showrooms," said Rao Da, Secretary-General of CPCA.

Top Chinese automaker SAIC Motor Corp. said its January sales dropped 8.48 percent from a year earlier to 380,305 units.

Power Shortages

The China Electricity Council (CEC) said the



NEATLY FOLDED A farmer works in a garment packaging company in Jimo, Shandong Province. The city has in recent years made great efforts to help with local employment

country faces tightened supplies of electric power this year, with a shortage estimated to reach 40 million kwh.

Both regional and seasonal power shortages will occur in 2012, the CEC warned.

The CEC expected the country's electric power consumption this year to reach 514 million kwh, up 9.5 percent year on year. The growth rate represents an 11.7-percent decrease from 2011, as China is expected to experience slower economic growth this year.

The CEC added that China needs to improve its coal production capacity and increase imports to support rising demand for power-generating coal.

Numbers

52.9%

China's non-manufacturing purchasing managers index, a key economic indicator for the service industry, fell to 52.9 percent in January from 56 percent in December 2011, said the China Federation of Logistics and Purchasing.

988 billion yuan

The main business revenue of the nation's telecommunication sector went up 10 percent year on year to reach 988 billion yuan (\$157 billion) in 2011, said the Ministry of Industry and Information Technology.



LIANG XIAOFENG

BUMPER HARVEST A worker sifts corn in Tongxin County, Ningxia Hui Autonomous Region. Purchase prices of corn have been increasing recently due to bouyant demand



YAN SHIYAO

TRANSPORT BOOM A container terminal at the Qinghuangdao Port, Hebei Province. Annual container throughput capacity of the province is expected to reach 6 million TEUs by 2015

Hiking Fuel Prices

China raised retail prices for gasoline and diesel by 300 yuan (\$47.53) per ton on February 8.

The benchmark retail price of gasoline will be lifted by 0.22 yuan (3.5 cents) per liter and diesel by 0.26 yuan (4.1 cents) per liter, said the National Development and Reform Commission.

The latest price change, which was much anticipated by the market, comes amid rising pressures for the country's refineries as the increasing international crude oil futures prices keep driving up their operation costs.

Businesswoman Sentenced

Wu Ying, 31, former boss of Bense Group, a business conglomerate based in east China's Zhejiang Province, received the death sentence for cheating investors out of several hundred million yuan in January. The sentence upheld the results of a previous trial at the Jinhua Intermediate People's Court in December 2009.

From May 2005 to February 2007, Wu raised 770 million yuan (\$122 million) by promising high returns to investors. She still had 380 million yuan (\$60.3 million) unpaid debt with creditors when the case was uncovered. Wu amassed the fortune by fabricating facts, deliberately hiding the truth, and promising high returns as an incentive. Most companies she registered haven't actually been opened or are losing money all the time.

The death-sentence verdict has sparked a heated controversy in society, with netizens calling for a more lenient punishment. A report from Xinhua news agency said that the controversy stirred by Wu's death sentence showed the urgency of the reform in China's financial system.



156 billion yuan

China's postal service revenue totaled 156 billion yuan (\$24.8 billion) in 2011, up 22.3 percent year on year. Half of the revenue came from express delivery business, said the State Post Bureau.

39.3%

China Vanke Co. Ltd., the country's largest property developer by market value, saw its home sales slump 39.3 percent year on year to 12.2 billion yuan (\$1.96 billion) in January.



XINHUA/AF

HUNGARY

Passengers wait in front of the ticketing desk of Hungarian airline Malev in the Budapest Ferenc Liszt International Airport on February 3. The financially strained carrier grounded all its flights a month after the EU said it must pay back state aid



XINHUA/AF

Penguins in a zoo in Asahikawa on February 3. Severe snowfall hit western and northern Japan in early February

JAPAN



XINHUA/AFIP

SOMALIA

Displaced children receive food rations at a feeding center in Mogadishu. The UN said on February 3 that famine conditions have ended in this war-torn country six months after they were declared. But the situation remains dire, with nearly a third of the population needing emergency support

THE MALDIVES



XINHUA/AFIP

Mohamed Nasheed, President of the Maldives, announces his resignation on February 7 in Male after a mutiny by the police and weeks of demonstrations

BRITAIN



XINHUA/AFIP

Palestinian President and Fatah chief Mahmoud Abbas (left) signs a unity government agreement with Hamas chief Khaled Meshaal (right) in the presence of Sheikh Hamad Bin Khalifa Al Thani (middle), Qatar's Emir, on February 6 in Doha. A unified transitional government headed by Abbas will be formed for the West Bank and the Gaza Strip

QATAR



XINHUA/AFIP

Queen Elizabeth II greets subjects in King's Lynn on February 6. The day marked 60 years since the Queen's accession to the throne



COVER STORY

THE SOUR APPLE

A Chinese perspective of what it takes to become an Apple By Liu Yunyun

With the iPhone, iPad and Mac computer line in its arsenal, Apple Inc. enjoys popularity on a global scale among anyone with two thumbs to text and the desire to stay connected with people around the world.

The worldwide sale of iPhone helped Apple Inc. to exceed LG and ZTE to become the third largest cellphone manufacturer in the world, according to figures provided by International Data Corp. In the fourth quarter last year, Apple sold 37.04 million iPhones, taking 8.7 percent of the global market share.

Behind the curtain of hi-tech gadgets and

brehtaking figures are the men and women producing these Apples: low-paid and hard-working Chinese laborers who work round-the-clock shifts and are exposed to numerous health risks to meet production deadlines.

The legions of supply chain employees aside, Chinese manufacturers are also left with scraps compared to Apple's overall annual profits.

Market discrimination

On the morning of January 13, the planned release date of the much-anticipated iPhone 4S in China, the Apple store in Beijing's Sanlitun

shopping area remained closed after a large crowd amassed outside its doors.

Fights eventually broke out among customers anxiously awaiting the new "it" product and a few pelted the store's large glass windows to express their frustration.

Apple underestimated the Chinese demand for the iPhone 4S, said Tim Cook, Apple's current CEO. Bloomberg quoted Cook as saying that "We thought we were betting bold. We didn't bet high enough" on a conference call on January 24 when the company released its first fiscal quarterly report in 2012.

Apple said China has become its fastest



THE LONG QUEUE: A large number of Apple fans queue in line at the Lujiazui Apple Store in Shanghai on January 13, 2012, wanting to be the first to get the iPhone 4S to be released in the Chinese market

year-on-year increase of 270 percent, which accounted for 16 percent of Apple's total quarterly revenue. In sharp contrast, sales in China only accounted for 2 percent of Apple's revenue in 2009.

Despite the Chinese people's craving for the devices, Apple has never attached importance to the Chinese market. China is still categorized as a third or fourth-tier market, along with the British Virgin Islands, and Cayman Islands, a clear distinction from its status as the second largest market.

Because Apple products are released much later in China than in other countries, many Apple fans turn to smugglers to satisfy demand.

China's dilemma

Besides being its second largest market, China has also become Apple's biggest and the most important manufacturing base, but Chinese companies have little say in the Apple supply chain and their profit margin is less than 2 percent.

As Apple products are warmly embraced around the world, the Apple industry has blossomed in Shenzhen, Guangdong Province. At present, a complete industrial chain for Apple products has taken shape in the world's most vibrant manufacturing hub.

Manufacturers providing Apple-related products amount to more than 1,500 in Shenzhen, with annual turnover exceeding 100 billion yuan (\$15.87 billion).

Although they have been working their heads off for Apple, suppliers have not gained matching return from it.

Apple's profit margin has now surpassed 30 percent, while the Taiwan-listed Hon Hai Precision Ind. Co. Ltd., Apple Inc's biggest manufacturing partner, has seen its profit margin drop to 2 percent from 5.9 percent in 2006. The margin dipped faster after Apple launched its all-time bestseller iPad and iPhone.

Meanwhile, Chinese workers at Apple's suppliers are overworked to meet Apple's requirements. "We are under heavy pressure and enormous workload, as the customer tolerates no mistakes. The leader of the assembly line often scolds us girls to tears," complained

Xiao Wei, who started working for Hon Hai's Shenzhen-based Foxconn in September 2010.

Many of her co-workers still remember an incident in 2009 when 25-year-old Sun Danyong committed suicide after brutal interrogation when a N90 version of the iPhone went missing. The next year, another 10 Foxconn workers killed themselves due to various mental issues and heavy work pressure.

But when asked why she did not quit, she said she could not earn more working somewhere other than Foxconn, and most of the other jobs have no vacations. "Here in Foxconn, we can take one day off each week, plus annual leave and paid vacation."

Thanks to Apple, tens of thousands of jobs were created in China. Many fresh college graduates and migrant workers are able to peek into the production process of the state-of-the-art electronic devices.

Foxconn has more than 1 million employees on the Chinese mainland. More than 200,000 workers, which is equivalent to the population of a medium-sized city in the United States, stuff the 2.3-square-km-large Shenzhen Longhuayuan Industrial Park.

Apple's leftovers

Disguised by the shiny exterior of an iPad or an iPhone, pollution, occupational diseases, abuse of labor and occasional industrial accidents are the biggest problems that haunt Apple's sourcing partners in China.

Apple's harsh and demanding requests for suppliers and outsourcing partners, aggressive attitude to its outsourcing partners during negotiations, and its disregard of pollution have led to mounting problems with its suppliers that need immediate remedies.

A few days before the 2011 Christmas holiday, an explosion rocked the fourth floor of RiTeng Computer Accessory's Shanghai plant, which provided accessories for Apple's electronic devices. The accident left 61 workers seriously injured. A similar incident also occurred at another Apple supplier in May 2011 in Chengdu, Sichuan Province.

In January 2011, Ma Jun, director of the non-profit Institute of Public and Environmental Affairs (IPE) based in Beijing, issued a pollution report titled *The Other Side* ▶▶

growing market with annual sales valued as high as \$13 billion.

In 2011, the Chinese fervor for iPhone, iPad and Mac products led to 40,000 daily visits to Apple stores in Beijing and Shanghai.

The company sold 5.6 million iPhones in China in the first nine months last year, making it the fourth largest smartphone vendor in the country in the third quarter, according to Gartner Inc., a Stamford, Connecticut-based research company.

As Apple's second largest market, China contributed \$4.5 billion to Apple's revenue in the fourth fiscal quarter of 2011, a staggering

THE GUARDIAN: The father of an injured worker sits beside the hospital bed of his son, who was injured by an explosion caused by the misuse of aluminite powder at the Chendu factory of Fongfujin Precision Electronics (Chengdu) Co. Ltd., which polishes Apple's electronic devices



of Apple, which listed 11 cases of workers who were poisoned by n-hexane, a poisonous liquid cleaner which is used to clean the touch screens of Apple devices.

According to Ma, Apple said one thing and did another. Apple claimed that it is committed to ensuring that working conditions in its supply chain are safe, that workers are treated with respect and dignity, and that manufacturing processes are environmentally responsible.

IPE and some other NGOs conducted two surveys in 2011, and they found 27 Apple-related suppliers discharged excessive poisonous and polluting sewage into the rivers.

Some of Apple's suppliers, like Foxconn, are major international companies; others

are smaller and often under-regulated. Apple manages to squeeze profits from its suppliers to cut its costs. As a result, the suppliers have taken extreme measures such as forcing workers to work long shifts, hiring under-aged workers, holding back workers' salaries and polluting the environment.

When interviewed, workers at the factory of Lian Jian Technology in Suzhou, Jiangsu Province, stated that n-hexane evaporated much more quickly than alcohol-based cleaners, thereby increasing their efficiency. Inhaling n-hexane leads to peripheral neuropathy, numbness of the limbs, and impedes movement and the sense of touch.

The production area at the Lian Jian

Technology factory boasts an air tight clean room, which is a stuffy place with poor air circulation. When local authorities inspected the production site, they discovered a buildup of volatile n-hexane in the air that greatly exceeded national safety limits. Because the workers were not effectively protected, over time many in the production area were gradually poisoned.

The Chinese tax payers ended up paying the bill for treating employees injured by occupational diseases.

Ma went to Apple's headquarters last November, and said he was happy to see the change of attitude of the Apple management, from "complete negligence" to willing to make



A GOOD JOB: The first group of employees from Henan Province celebrate the opportunity to work for Foxconn's factory in the provincial capital. For many young workers, working for Apple suppliers is not a bad job

(Below) THE PROTEST: A protester from SACOM (Students and Scholars Against Corporate Misbehavior) demonstrate outside the Foxconn annual general meeting in Hong Kong on May 18, 2011



garments, shoes, toys and handicrafts industries. Enterprises in these industries ignore work safety and sanitation, environmental protection and labor protection, depress salaries and benefits, and provide inadequate remedies for industrial injury and medical treatment to avoid social responsibilities.

Multinationals like Apple claim to have a strict process for monitoring their suppliers, but with the continued refinement of work divisions and with the list of suppliers getting longer, it's possible for them to lose control of their supply chains. Both the government and the multinationals should be involved in supervising the conduct of those suppliers and make sure they are properly guided to avoid future mistakes.

Of course, China needs to improve its legal system so that all downstream companies take action to prevent pollution just as upstream companies do. The Chinese authorities should also reflect on their role in corporate social responsibility supervision. Some cities, in order to attract investment, sacrifice their interests in environmental protection and laborers' rights. Local governments tend to spoil big companies which can bring considerable GDP growth to the local economy.

In addition, monitoring technologies of government departments are outdated and the working efficiency is poor, Dong Zhengwei, a lawyer at the Beijing Lianggao Law Firm who has participated in lawsuits against foreign brands, told Xinhua News Agency. Many government officials know little about corporate social responsibilities and government supervisors have no monitoring or prevention authority over these companies. ■

a difference, though it has so far done little to improve the work conditions of its suppliers.

Ma said Apple must choose between two options. One is to take advantage of the pitfalls in the Chinese legal system, side with the polluting companies and obtain its exorbitant profits at the cost of environmental pollution and the people's well being; and the other is to open up and cooperate with the Chinese side and NGOs to boost green production and the construction of the green supply chain.

Under heavy pressure, Apple released a 27-page long 2012 Supplier Responsibility Progress Report in January. For the first time in Apple's history, it revealed the list of 97 percent of its global suppliers. Apple said in

the report that it has indeed found "a number of violations," but did not say anything about how and when to correct them.

Analysts questioned Apple's intention in disclosing the list, and argued the fingerprinting has actually shifted the social responsibility that Apple should carry to its suppliers in developing countries, which are in a weak position when doing business with Apple.

Wang Tieshan, professor at Xi'an Jiaotong University, said the problem of infringing on labor rights by some multinationals has become more and more serious, mainly in processing trade companies and exporting companies in the electronics, textiles,

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Sightseeing in Yu Garden

13:00-14:00 Jinzhi Yuye Cheongsam Store

14:00-15:00 Memories Hidden in the Streets

15:00-16:00 Tianzifang—Shanghai's Greenwich Village

16:00-17:00 New Height of the City

—Shanghai World Financial Center

17:00-19:00 Sunset on Riverside Avenue

19:00-20:00 Hengshan Road in Moonlight

20:00-21:00 Nightlife in Xintiandi

21:00-22:00 Shopping at Nanjing Road

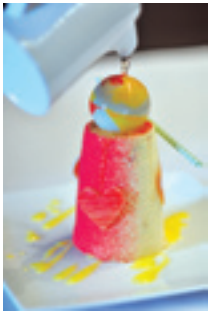
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HOTEL INFORMATION

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On the 2012 Valentine's Day, InterContinental Hotel Beijing Financial Street served lovers special Valentine set meals. The creative dishes brought our customers an incredibly wonderful feeling on that special day.

A three-flavor dish of oyster raised the curtain of the romantic feast. The distinctive oxtail soup brought lovers cozy warmth in the still cold early spring. And another was the top Norwegian Salmon, tasty and cute. The main courses were the classic Australian Angus beefsteak and Boston lobster. The courses aroused our customers the warm passion of falling in love.



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- At Leonardo's, 1,800 yuan net for a six-course gourmet for two with two glasses of Rose Champagne

- At Sichuan Court, 818 yuan plus 15 percent service fees for a set menu for two with two glasses of Rose Champagne

- At Atrium Café, 888 yuan plus 15 percent service fees for buffet dinner for two with two glasses of Rose Champagne, free flow of soft drink and beer



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Recently, Gloria Hotels & Resorts signed a strategic cooperation agreement with the Shanghai-based ECUC Ltd., an infrastructure construction and urban design company. Their cooperation will focus on hotel project development, design, pre-opening consultation and franchise services.



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