

# Apple, China mend ties to overcome economic turmoil

Article

**The news:** Apple CEO Tim Cook met with China's commerce minister, Wang Wentao, to reestablish business ties between the world's most valuable company and the country that manufactures most of its products, per [Bloomberg](#).

**Why it's worth watching:** China is hosting the **China Development Forum** in Beijing to signal its reopening after years of zero-COVID restrictions at a time of heightened tensions between Beijing and Washington.

- Apple's Cook joins a number of US and European company representatives from **Nestle, BMW, Mercedes-Benz, Pfizer, and Qualcomm** looking to reestablish business and production ties with China.

**China and Apple are both in recovery mode.** The former's economy is recovering from [all-time lows in production](#). The latter reported the biggest [decline in revenue since 2016](#) due to supply chain shortages and diminished consumer demand.

### **What this means for Apple:**

- Strengthening ties with China comes at a critical time for Apple as it prepares for its June and fall releases, with new **iPhones, MacBooks**, and possibly its anticipated AR goggles heading into production.
- Cook told an audience at the CDF that Apple and China have “grown together in the past three decades” and that the relationship between the two is “symbiotic.” **His remarks confirm that short-term gains rely on their continued partnership.**
- Recent setbacks in Apple's expansion to India include a massive fire in its supplier's factory that burned half of that fab's machinery, per [9to5Mac](#).

### **What this means for China:**

- The optics of Cook posing for photos in China is a stark contrast to **TikTok CEO Shou Zi Chew's** unconvincing defense of **ByteDance's** ties to Beijing during last week's congressional hearing.
- Continuing business arrangements with notable companies like Apple could drum up support for Beijing and Xi's leadership at a time when China seeks to be more competitive in technology and innovation.
- China will likely offer attractive incentives to keep established partners in its shores and attract new investments.

**Our take:** Despite efforts to diversify production away from China and into regions like India and Vietnam, Apple is realizing that its best options are with an established partner, at least for

now.

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