

# MULTINATIONAL CORPORATIONS (MNCs) **cgqjk"V<sup>a</sup>h; daiU;k / fuxe**

## □ Meaning & Definitions

- ❖ Huge nature of oligopoly Industry
- ❖ Branches or place of business in two or more countries or territories
- ❖ Also known as Transnational Corporations (TNCs)

Examples: Sony- Japan, IBM- USA, Google- USA,  
Samsung- South Korea, Videocon- India

# Features of MNCs ( 0Sf'k"V;s)

- Large business ( eksBk O;otk;)
- Multi functions: prod- import- export ( cgq dk;sZ)
- Dominance in foreign turnover ( fons'kh myk<kyhps izkcY;)
- Oligopoly nature ( vYitukf/kdkjh Lo:i)
- Economic dominance ( vkfFkZd izkcY;)
- Classification : ( oxhZdj.k)

Service provider MNCs & Manufacturer MNCs

- Transformation of resources ( lk/kulkeqzxhps gLrkarj.k)

# Role of MNCs in Developing Countries

cgqjk"V<sup>a</sup>h; daiU;kaph fodlu'khy jk"V<sup>a</sup>krhy  
Hkwehdk / Qk;ns

- Infrastructural facilities ( पायाभूत सुविधा )

MNCs → huge capital → *infra.devt.* → LDC

- Transfer of technology ( तंत्रज्ञानाचे हस्ततांतर )

*optimum use of resources* → R & D , *technology* →  
*Devt. of LDC*

- Capital & Investment ( भांडवल व गुंतवणूक )

- Research & Development ( संशोधन व विकास )

*huge Invt.* → R & D , *technology* → *new products launch*

## ❑ Marketing Services ( विपणन व्यवस्था )

*advertising → sales promotion → warehouse → transport facility*

## ❑ Employment Opportunities ( रोजगार संधी )

*LDC → excess labour force → MNCs provide employment opp.*

## ❑ Optimum use of Resources ( साधनसामग्रीचा पर्याप्त वापर )

## ❑ Competition ( स्पर्धा )

*LDC → competition → gains of consumers*

# Demerits of MNCs ( rksVs / nks" k)

## ❑ Exploitation of LDCs ( अल्पविकसित देशांचे शोषण)

ex. USA , Japan, china

## ❑ Excess profit level ( प्रचंड लाभ मिळवण्याचा प्रयत्न)

## ❑ Growing social inequalities ( सामाजिक असमानतेत वाढ)

Higher level of salary to staff compare to domestic companies

## ❑ Cut throat competition ( अनुचित स्पर्धा)

Sale goods at very low prices → domestic companies out from the competition

## ❑ Growing Regional imbalance ( क्षेत्रीय असमतोल वाढवितात)

## ❑ Adverse effect on BoP ( प्रतिकूल व्यवहारशेष)

Profit, interest, royalty send to host country →  $P \uparrow R \downarrow \rightarrow \text{BoP}^{-ve}$



**Thank You**