

# MULTINATIONAL CORPORATIONS



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# General information

- A multinational corporation is a giant international firm that is registered in more than one country. The firm operates from its corporate headquarters in the home country, but it conducts business activities through its subsidiaries (branches of the company) across the globe. This firm both produces and sells goods and services.



# Features of MNCs

- Multinational corporations invest heavily in the primary and secondary sector in the host countries.
- They have branches or subsidiaries in many foreign countries. Globalization has allowed these companies to extend their geographical reach.
- The subsidiary might not be totally owned by the parent company. However the parent company has the controlling share in subsidiaries.



# Largest Multinationals(2016)

1. Walmart (\$485,873)
2. State Grid (\$315,199)
3. Sinopec Group (\$267,518)
4. China National Petroleum (\$262,573)
5. Toyota (\$254,694)



# Advantages

- Can benefit in the sales of goods and services with occasional issues.
- Broader market base
- Job creation



# Disadvantages

- Corporations are often blamed for the materialism that is endemic in developed societies.
- Corporations are in the business of making money, not providing charity.
- Money is a powerful incentive, and the desire to make it can bring enormous drawbacks to everyone.
- Ability to dominate the market.



# Policy

## *FOR MNCs*

- Foreign investments
- Export and import

## *AGAINST MNCs*

Sanctions



Thank you for your  
attention!!!