

RESOURCE 1

THE USE OF LOGOS

A logo can be a symbol, emblem, icon or sign which forms a trademark or commercial brand which can be easily recognised across the world. The following are all well-known logos of multinational companies.



MICHELIN

French owned
Makes tyres, maps, guides
Locations in China and Brazil



KAPPA

Italian owned
Makes sportswear, footwear
Locations in Argentina and Brazil



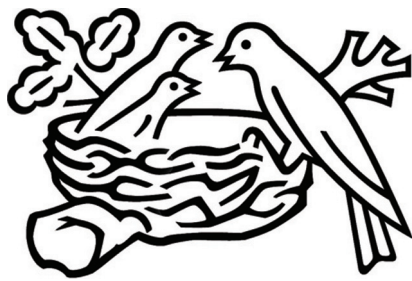
HONDA

Japanese owned
Makes cars, motor bikes
Locations in India and China



SHELL

British/Dutch owned
Makes oil products, chemicals
Locations in Nigeria and Malaysia



NESTLÉ

Swiss owned
Makes coffee, soups, chocolate
Locations in Ethiopia and Venezuela



APPLE

American owned
Makes computers, iPods
Locations in Brazil and India



PEPSI

American owned
Makes drinks, food snacks
Locations in China and Mexico



NIKE

American owned
Makes sportswear, equipment
Locations in Indonesia and India



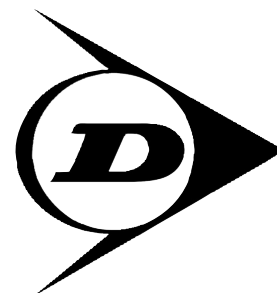
MacDONALDS

American owned
Makes hamburgers, chicken products
Locations in Bangladesh and Egypt



KODAK

American owned
Makes cameras, films, printers
Locations in Thailand and Peru



DUNLOP

British owned
Makes tyres, gloves, optical fibres
Locations in Malaysia and Sri Lanka



KANGOL

British owned
Makes bags, clothes, hats
Locations in China and Pakistan

RESOURCE 4

(a) MARS – AN EXAMPLE OF AN MNC

SNACK FOODS Galaxy, Bounty, M&Ms, Maltesers, Milky Way, Mars, Twix

ACUMEN business information and analysis services

PET CARE Pedigree, Whiskas, Kitekat, Pal, Trill

MAIN MEAL Uncle Ben's, Dolmio, Yeomans

VENDING SYSTEMS in-cup drinks, e.g. tea, coffee

PLANT-CARE Seramis

MARS Electronics International (electronic payment systems)

See map opposite which shows further information about Mars.

(b) MNCs IN NICs – A SUMMARY

SUCSESSES

- Manufacturing industry has developed from textiles and clothes to high-tech electronics
- Wages and living standards have risen
- Industries have grown and are now expanding globally

PROBLEMS

- 'Tax holidays' finish, so MNCs close factories and relocate in other countries
- Skill levels and wages rise, so workers in other LEDCs become cheaper, encouraging relocation
- NICs have borrowed heavily, so if growth slows, they face huge economic problems



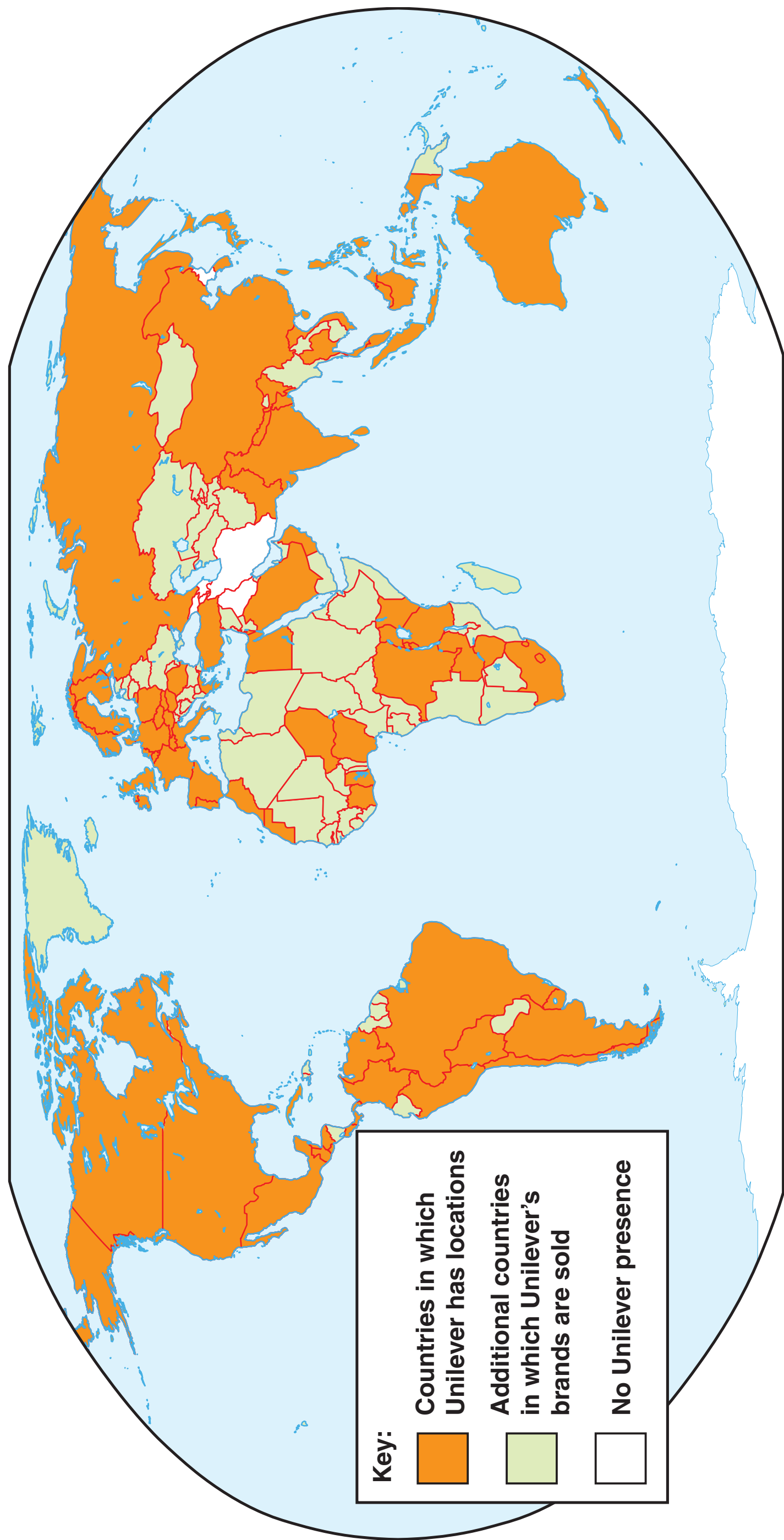
Headquarters in the USA	80 locations in more than 25 countries	Annually turnover of over US\$9 billion	Privately owned by the Mars family
Sells 56% of products in Europe	Employs 26 000 people worldwide	Believes in socially responsible cocoa production	Works to protect the sustainability of rural livelihoods
Delivers practical farming knowledge direct to farmers	Incorporates good farming practices in cocoa growing regions		Is an excellent training ground for managers
Provides a safe working environment that encourages professional development	Committed to a culture free from all forms of discrimination		Provides equal opportunities in all aspects of employment



UNILEVER – AN EXAMPLE OF AN MNC

This company is based in the UK and the Netherlands, but has branches in 90 other countries. It produces consumer goods such as detergents, frozen foods, margarine and hair shampoo. Its brand names include Persil, Colman's mustard, Flora, Brooke Bond, Oxo, Wall's ice cream, Calvin Klein cosmetics and Organics shampoo. Unilever buys its raw materials from many different countries and then makes the finished products in those countries or in the countries that form the biggest markets. Unilever has a reputation of caring for its workers at home and abroad and providing them with a good quality of life. It is also careful to avoid environmental damage at its production sites.

RESOURCE 5 (continued)



RESOURCE 5 (continued)



Tea companies can ensure that the workforce and their families are provided with good standards of housing, healthcare and education

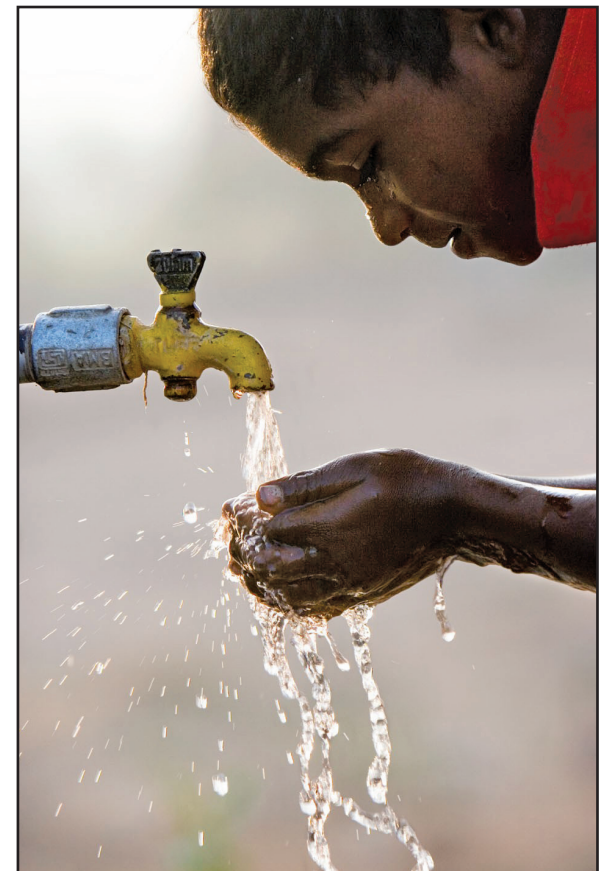


Infrastructure for religious and cultural community support

RESOURCE 5 (continued)



A range of Unilever products



Housing and clean water supplies for employees



Family accommodation for employees on a tea estate in Southern India

RESOURCE 8

FIAT CARS IN BRAZIL

- Fiat began manufacturing cars in Brazil over 30 years ago and is now a market leader.
- Fiat allows its Brazilian arm a lot of autonomy, with all its senior managers being Brazilian. Fiat wants the company to be seen as a Brazilian brand by, for example, sponsoring the best local football teams.
- Some cars are designed specially for the Brazilian market such as the Fiat Palio which is small and rugged, but quite roomy. Good ground clearance and heavy-duty suspensions are important to challenge the conditions of the roads in Brazil.

FIAT CAR FACTORY, BETIM (CLOSE TO BELO HORIZONTE) SOUTH-EAST BRAZIL

FACTORS THAT ATTRACTED THE COMPANY TO BETIM

Guaranteed market for cars in Brazil and other South American countries.
Loans, grants and cheap land offered by the government (50% of initial cost).
Taxes are relatively low.
Low level of car ownership, but growing rapidly (1 in 8 now has a car).
Brazil has a stable government – a low-risk investment.
Prepared site with infrastructure such as roads, sewerage and electricity.
Well developed infrastructure in the region – motorway, rail and shipping routes.
Large pool of cheap labour.
Government guarantees of few labour problems or strikes.
Fiat allowed to take their profits out of the country.
Lower health and safety standards save costs.
Hard working and highly productive workforce – one of the best in the world.
Nearby steelworks saves transport costs.
High import tariff barriers provided a market protected from foreign competition.

RESOURCE 8 (continued)

LOCATION OF FIAT CAR FACTORY IN BETIM, BRAZIL



AN UNCERTAIN FUTURE

Due to recent world economic problems and the ‘credit crunch’, the future of the Fiat plant at Betim is now less sure. The demand for cars worldwide has fallen and MNCs like Fiat are reassessing their global investments. However, the Brazilian government is very keen for the plant to remain open for employment and trade reasons.

