Syllabus 4.5:

Terms:4

Submariner Dictionary: Unit 7 (4.3, 4.5, 4.6 + 4.7)

Term	Definition	Diagram.	Example.
	note the use of key terms	Probably better to	Add examples as
	to explain the term	add by hand!	appropriate.
Term	Definition:	Diagram to use:	Example:
FDI or foreign	foreign direct is the process		good example of FDI is
direct	of firms (MNC's or mutli		the establishment of
investment	national corporations)		call centres in countries
	spending money on capital		such as India where
	in LEDC's. This includes		customers worldwide
	spending on private		access advice and
	enterprise activities such as		support from the call
	building a factory or setting		centre.
	up a service in the country.		
	Remember that these are		
	profit making activities but		
	the local economy benefits		
	as the MNC spends money		
	employing factors of		
	production in the LEDC.		
low cost	this is a useful term to		
factor inputs	explain why MNC's invest in		
	LEDC's so as to avail of the		
	low costs of factors of		
	production and in particular		
	labour is a key factor		
	attracting the MNC to the		
	LEDC market and it may		
	also allow the MNC to		
	establsh new markets or		
	simply export the output to		
	their domestic market.		
MNC	MNC is a Multi Nationa		VW, Pepsi etc
	Corporation. These firms		
	are mostly oligopoly firms		
	operation for profit		
	maximisation or some other		
	corporation goals		

£:4	Luck on MANOIs mostly on after the	Inches interestina
profit repatriation	when MNC's make profits in foreign countries they will repatriate (send home) the profits to their home country where they are registered to pay corporation tax on the profits they make	some interesting examples of avoidance here in recent years with many MNC's operating in Ireland where corporation taxes are low at 12.5% and several have attempted to avoid higher tax rates in the markets where they gained the revenue