

The advantages and disadvantages of multinational companies essay sample

[Business](#), [Company](#)



In a modern society, many multinational companies have been founded. They are called multinational corporations because these corporations operate in more than one country at a time. For example, McDonalds, Pepsi, KFC, Nike. I will discuss the advantages and disadvantages of these corporations. For the advantages, Firstly, multinational products and services provide the best possible standards. Because in a foreign country, Since consumers are willing to spend their money on only the best products, the multination companies need to keep the strong competitive then they must to produce good goods. Secondly, multinational corporations play a big role in creating employment in the foreign countries. Because of their many branch companies, they employ local people in those countries to work for the corporation. This is especially important in developing countries where unemployment is high. Thirdly, the growth of multinational companies in those countries will increase level of industrial and economic development. Because they need more materials in the host country so the MNC's create much more opportunities for the industry.

Last but not the least, the staff from those companies are of different nationalities and culture, they can share different thinking make the company growing up better. For the disadvantages, multinational companies have highly competitive advantages due to low prices over local firms and can destroy local competition. These local companies hard to survive. Many of these multinational companies seek take advantage the political system by pressuring because they have such a strong impact on the economy. The companies can just pay off government officials to protect their company from being shut down. They may avoid tax by practicing transfer pricing. The

multinational companies may afford a low salary to their labor force, because in some developing countries, labor is cheaper than developed countries. In my opinion, multinational companies provide more advantage things than disadvantages to people and nations. They directly and indirectly help both the home country and the host country.