



Canarygeog Worksheet

Modern Industry - Answers

1. There is no perfect location for an industry. Write three factors which you think would be most important for a company which manufactures high-tech products.
 - Locate in areas with good transport links (close to motorways, railways or airports)
 - Locate in a nice environment to keep workers happy.
 - Close to other high-tech industries to exchange ideas or information.
 - Need workers with special skills close by.
 - Power is usually supplied by a simple electricity socket.

2. If footloose industries can locate almost anywhere, what problems could this bring to the British economy ?

There would be an increase in competition from companies making use of these overseas advantages (cheaper labour is the main one) they will import their products into the UK at lower costs and this will cause a reduction of jobs in the UK.

3. Why are most TNCs based in MEDCs ?

The capital needed to invest and develop these industries is in MEDCs.

Also the initial market for these products is in MEDCs

The knowledge, infrastructure and management expertise required to run these companies is generally in an MEDC.

4. Explain why most TNCs manufacture their products in LEDCs.

Basically due to cheaper labour costs.

Regulations are usually less strict regarding labour rights, salaries and pollution.

5. For an LEDC country, what are the costs and benefits of having a branch of a TNC located there.

Costs

- If they are foreign owned the benefits will go abroad.
- The management jobs will be occupied from people from the headquarters and not from the local country.

Benefits

- Creation of jobs, including a certain number of hi-tech jobs.
- Improvement to the country's infrastructure.
- Economic Growth.

6. There is a Toyota factory (a Japanese TNC) located in Britain, do you think the UK benefits from having this factory there ?

Negative factors

- As it is foreign owned the benefits will go abroad.
- The management jobs will be occupied from people from the headquarters and not from the local country.

Positive factors.

- Creation of jobs, including a certain number of hi-tech jobs.
- Economic Growth.