TNC

A Transnational Corporation is a company that operates in more than 1 country. They set up factories in LEDCs as the land and labor is cheaper in these countries. Since the labor is cheaper in these countries, they can sell the items for a cheaper rate.

Selling good products for cheap rates attracts customers. This is one of the factors that leads to TNCs being successful.

Cons list (TNC)

- Profits going to companies overseas rather than locals.
- Factories are often footloose and jobs insecure. If labor costs increase, the company may move elsewhere
- Slows down LEDCs from developing their own companies
- Causes pollution