**Why do transnational companies decide to relocate?**

Study the different pieces of information that cover a range of potential attractions that transnational companies might consider if they undertook a feasibility study for relocation. Categorize them according to the types of reasons why transnational companies decide to relocate to countries like China.

**Which of these attractions do you think are most important to relocating TNCs?**

There are tax incentives available in the Exporting Processing Zones.

There is a plentiful supply of the bulky raw materials needed for production of the product.

Road and railway links are well developed.

Weak environmental and safety regulations make litigation unlikely in the event of environmental damage.

There are freight concessions (discounts) for exporting goods.

The telecommunications network (phone system, internet) is well developed.

There are large cities nearby with a growing affluent population.

There are few competitors that would compete for similar needs of labour, raw materials and market.

There is no threat from terrorism.

There is a lack of pollution control.

The transport infrastructure can cope with the bulkiness of the finished product.

A growing proportion of the output can be sold locally.

There is no government regulation for a minimum wage.

There are few industrial disputes.

Large supplies of reliable, cheap energy are available.

The environment is favourable, with minimum risk of drought, floods or earthquakes.

The area is politically stable.

Transport links are available to raw material locations, sea ports and markets.

Large amounts of semi-skilled or unskilled labour are required.