

Multinational Corporation Relocation

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Level: 11th/12th Grade

Course: Advanced Placement Human Geography

Inquiry Question: Why do multinational corporations relocate production facilities from developed nations to less developed nations, and what effects does it have?

National Geography Standards:

Standard 11: The patterns and networks of economic interdependence on Earth's surface

AP Human Geography Outline: IV. C. 1, 3

CAM Benchmarks:

Geography:

Analyze an issue, event, phenomenon, or problem in terms of the interaction and interdependence of physical and human systems.

Analyze interrelationships among the characteristics of places and the physical, social, cultural, economic, or technological processes that shape them.

PASS Proficiencies:

A: Know and Use Geographic Information:

A5: Analysis of Physical and Human Systems:

Analyze issues, events, phenomena, or problems in terms of the interaction and interdependence of physical and human systems.

Overview:

In this assessment, students use prior knowledge of multinational corporations and the physical and cultural factors influencing location of production facilities to persuade their audience that relocation of a company's production facilities from the US to Malaysia is a good idea, being sure to incorporate both sides of the issue in their discussion. The students will analyze several thematic maps of Malaysia and interpret information

about Malaysia from their packets to write a business proposal that includes necessary support from the packet arguing for the relocation of a production facility. The students will need to look at the issue from multiple perspectives by analyzing the consequences of their choice and defending their position. They will be assessed using the Oregon State Writing Scoring Guides.

Materials: **Student Instructions, student packet w/ maps and data for Malaysia.**

Time Allotted: **One ninety-minute block period.**

Prior Learning: **The students would have completed a unit on the political organization of space, culminating with a discussion to the challenges to inherited political-territorial arrangements. During this section of the unit, students would have studied organizations and entities that operate outside of national political structures. These organizations include alliances, NGOs, and multinational corporations.**

Teacher Administration Directions:

Provide students with instruction sheet and data packet w/ maps. Read over instructions and discuss as a class. Give the students 25 minutes to read the material and analyze the maps. Then give the students 30 minutes (this is all the time they will have on the AP Exam) to respond to the prompt. This is to be done individually. Collect the exams and packets. Score the exams using the Oregon State Writing Scoring Guides.

Scoring Guide:

The scoring guide to be used is the Oregon State Writing Scoring Guide. The Ideas\Content scoring guide will be weighted 4 times; Organization and Sentence Fluency will each be weighted 2 times; Voice, Word Choice, and Conventions will be weighted 1 time; and Citing Sources will not be used.

**Advanced Placement Human Geography
Free Response Essay Exam
Multinational Corporations**

Directions:

For this essay, you will be given 25 minutes to review the packet of materials and thematic maps of Malaysia. At the end of 25 minutes, you will be given 30 minutes to write a free response essay to the prompt below.

Audience: The CEO and Board of Director's of Intel.

Role:

You are the Vice-President in Charge of Production at Intel who wants to move the Multnomah County facility to Malaysia.

Purpose:

You are to write a formal proposal to the CEO and Board of Directors at Intel advocating your position. You must use the appropriate geographic information found in the data packet and on the maps to support your arguments, and respond to the possible arguments of the other side. Be sure to focus on geographic features, both physical and human, of Malaysia in addition to the purely economic analysis that is so often the focus of this volatile issue. Further, you must be mindful of environmental, cultural, and social impacts, both negative and positive, that relocation or will have in Multnomah County and Malaysia. You will be assessed using the Oregon State Writing Scoring Guide. The Ideas\Content scoring guide will be weighted 4 times; Organization and Sentence Fluency will each be weighted 2 times; Voice, Word Choice, and Conventions will be weighted 1 time; and Citing Sources will not be used.

Malaysia

Geography

Location: Southeastern Asia, peninsula and northern one-third of the island of Borneo, bordering Indonesia and the South China Sea, south of Vietnam

Geographic coordinates: 2 30 N, 112 30 E

Map references: Southeast Asia

Area:

Total: 329,750 sq. km

Land: 328,550 sq. km

Water: 1,200 sq. km

Area—comparative: slightly larger than New Mexico

Land boundaries:

Total: 2,669 km

Border countries: Brunei 381 km, Indonesia 1,782 km, Thailand 506 km

Coastline: 4,675 km (Peninsular Malaysia 2,068 km, East Malaysia 2,607 km)

Maritime claims:

Continental shelf: 200-m depth or to the depth of exploitation; specified boundary in the South China Sea

Exclusive economic zone: 200 nm

Territorial sea: 12 nm

Climate: tropical; annual southwest (April to October) and northeast (October to February) monsoons

Terrain: coastal plains rising to hills and mountains

Elevation extremes:

Lowest point: Indian Ocean 0 m

Highest point: Mount Kinabalu 4,100 m

Natural resources: tin, petroleum, timber, copper, iron ore, natural gas, bauxite

Land use:

Arable land: 3%

Permanent crops: 12%

Permanent pastures: 0%

Forests and woodland: 68%

Other: 17% (1993 est.)

Irrigated land: 3,400 sq. km (1993 est.)

Natural hazards: flooding, landslides

Environment—current issues: air pollution from industrial and vehicular emissions; water pollution from raw sewage; deforestation; smoke/haze from Indonesian forest fires

Environment—international agreements:

Party to: Biodiversity, Climate Change, Desertification, Endangered Species, Hazardous Wastes, Law of the Sea, Marine Life Conservation, Nuclear Test Ban, Ozone Layer Protection, Tropical Timber 83, Tropical Timber 94, Whaling

Signed, but not ratified: none of the selected agreements

Geography—note: strategic location along Strait of Malacca and southern South China Sea

People

Population: 20,932,901 (July 1998 est.)

Age structure:

0-14 years: 36% (male 3,832,040; female 3,635,136)

15-64 years: 60% (male 6,314,693; female 6,324,389)

65 years and over: 4% (male 359,006; female 467,637) (July 1998 est.)

Population growth rate: 2.11% (1998 est.)

Birth rate: 26.5 births/1,000 population (1998 est.)

Death rate: 5.36 deaths/1,000 population (1998 est.)

Net migration rate: 0 migrant(s)/1,000 population (1998 est.)

Sex ratio:

At birth: 1.06 male(s)/female

Under 15 years: 1.05 male(s)/female

15-64 years: 1 male(s)/female

65 years and over: 0.77 male(s)/female (1998 est.)

Infant mortality rate: 22.45 deaths/1,000 live births (1998 est.)

Life expectancy at birth:

Total population: 70.36 years

Male: 67.35 years

Female: 73.56 years (1998 est.)

Total fertility rate: 3.37 children born/woman (1998 est.)

Nationality:

Noun: Malaysian(s)

Adjective: Malaysian

Ethnic groups: Malay and other indigenous 58%, Chinese 26%, Indian 7%, others 9%

Religions: Peninsular Malaysia—Muslim (Malays), Buddhist (Chinese), Hindu (Indians), Sabah—Muslim 38%, Christian 17%, other 45%; Sarawak—tribal religion 35%, Buddhist and Confucian 24%, Muslim 20%, Christian 16%, other 5%

Languages: Peninsular Malaysia—Malay (official), English, Chinese dialects, Tamil, Sabah—English, Malay, numerous tribal dialects, Chinese (Mandarin and Hakka dialects predominate); Sarawak—English, Malay, Mandarin, numerous tribal languages

Literacy:

Definition: age 15 and over can read and write

Total population: 83.5%

Male: 89.1%

Female: 78.1% (1995 est.)

Government

Country name:

Conventional long form: none

Conventional short form: Malaysia

Former: Malayan Union

Data code: MY

Government type: constitutional monarchy

Note: Federation of Malaysia formed 9 July 1963; nominally headed by the paramount ruler (king) and a bicameral Parliament; Peninsular Malaysian states—hereditary rulers in all but Melaka and Penang, where governors are appointed by Malaysian Government; powers of state governments are limited by the federal constitution; Sabah—self-governing state, holds 20 seats in House of Representatives, with foreign affairs, defense, internal security, and other powers delegated to federal government; Sarawak—self-governing state, holds 27 seats in House of Representatives, with foreign affairs, defense, internal security, and other powers delegated to federal government

National capital: Kuala Lumpur

Administrative divisions: 13 states (negeri-negeri, singular—negeri) and 2 federal territories* (wilayah-wilayah persekutuan, Singular—wilayah persekutuan); Johor, Kedah, Kelantan, Labuan*, Melaka, Negeri Sembilan, Pahang, Perak, Perlis, Pulau Pinang, Sabah, Sarawak, Selangor, Terengganu, Wilayah Persekutuan*

Note: the city of Kuala Lumpur is located within the federal territory of Wilayah Persekutuan; the terms therefore are not interchangeable

Independence: 31 August 1957 (from UK)

National holiday: National Day, 31 August (1957)

Constitution: 31 August 1957, amended 16 September 1963

Legal system: based on English common law; judicial review of legislative acts in the Supreme Court at request of supreme head of the federation; has not accepted compulsory ICJ jurisdiction

Suffrage: 21 years of age; universal

Executive branch:

Chief of state: Paramount Ruler TUANKU JA'AFAR ibni Al-Marhum Tuanku Abdul Rahman (since 26 April 1994) and Deputy Paramount Ruler Sultan TUNKU SALAHUDDIN Abdul Aziz Shah ibni Al-Marhum Sultan Hisammuddin Alam Shah (since 26 April 1994)

Head of government: Prime Minister Dr. MAHATHIR bin Mohamad (since 16 July 1981); Deputy Prime Minister ANWAR bin Ibrahim (since 1 December 1993)

Cabinet: Cabinet appointed by the prime minister from among the members of Parliament with consent of the paramount ruler

Elections: paramount ruler and deputy paramount ruler elected by and from the hereditary rulers of nine of the states for Five-year terms; election last held 4 February 1994 (next to be held NA 1999); prime minister designated from among the Members of the House of Representatives; following legislative elections, the leader of the party that wins a plurality of seats in the House of Representatives becomes prime minister

Election results: TUANKU JA'AFAR ibni Al-Marhum Tuanku Abdul Rahman elected paramount ruler; Sultan TUNKU SALAHUDDIN Abdul Aziz Shah ibni Al-Marhum Sultan Hisammuddin Alam Shah elected deputy paramount ruler

Legislative branch: bicameral Parliament or Parliament consists of the Senate or Dewan Negara (69 seats; 43 appointed by the Paramount ruler, 26 elected by the state legislatures; elected members serve six-year terms) and the House of Representatives or Dewan Rakyat (192 seats; members elected by popular vote directly weighted toward the rural Malay population to serve five-year terms)

Elections: Senate—last held NA April 1995 (next to be held by 2000); House of Representatives—last held 24-25 April 1995 (next to be held by 2000)

Election results: Senate—percent of vote by party—NA; seats by party—NA; House of Representatives—percent

of vote by party—National Front 63%, other 37%; seats by party—National Front 162, DAP 9, PBS 8, PAS 7, Spirit of '46 6

Judicial branch: Supreme Court, judges appointed by the paramount ruler

Political parties and leaders:

Peninsular Malaysia: National Front, a confederation of 13 political parties dominated by United Malays National Organization Baru (UMNO Baru), MAHATHIR bin Mohamad; Malaysian Chinese Association (MCA), LING Liong Sik; Gerakan Rakyat Malaysia, LIM Keng Yaik; Malaysian Indian Congress (MIC), S. Samy VELLU; major opposition parties are Parti Islam SeMalaysia (PAS), Ustaz Fadzil Mohamed NOOR and the Democratic Action Party (DAP), LIM Kit Siang Sabah: National Front, dominated by the UMNO, Sabah Progressive Party (SAPP), Datuk YONG Teck Lee, Parti Democratic Sabah (PDS), Bernard DOMPOK; Parti Bersatu Rakyat Sabah (PBRS), Datuk Joseph KURUP

Sarawak: National Front, composed of the Party Pesaka Bumiputra Bersatu (PBB), Datuk Patinggi Haji Abdul TAIB Mahmud; Sarawak United People's Party (SUPP), Datuk Amar Stephen YONG Kuat Tze; Sarawak National Party (SNAP), Datuk Amar James WONG; Parti Bansa Dayak Sarawak (PBDS), Datuk Leo MOGGIE; major opposition party is Democratic Action Party (DAP), LIM Kit Siang

Note: subsequent to the election, the following parties were dissolved—Spirit of '46 (Semangat '46), Tengku Tan Sri RAZALEIGH, president, and Sabah United Party (Parti Bersatu Sabah, PBS), Datuk Seri Joseph PAIRIN Kitingan

International organization participation: APEC, AsDB, ASEAN, C, CCC, CP, ESCAP, FAO, G-15, G-77, IAEA, IBRD, ICAO, ICFTU, ICRM, IDA, IDB, IFAD, IFC, IFRC, IHO, ILO, IMF, IMO, Inmarsat, Intelsat, Interpol, IOC, ISO, ITU, MINURSO, MONUA, NAM, OIC, UN, UNCTAD, UNESCO, UNIDO, UNIKOM, UNMIBH, UNOMIL, UPU, WCL, WFTU, WHO, WIPO, WMO, WToO, WTrO

Diplomatic representation in the US:

Chief of mission: Ambassador DALI Mahmud Hashim

Chancery: 2401 Massachusetts Avenue NW, Washington, DC 20008

Telephone: [1] (202) 328-2700

FAX: [1] (202) 483-7661

Consulate(s) general: Los Angeles and New York

Diplomatic representation from the US:

Chief of mission: Ambassador John R. MALOTT

Embassy: 376 Jalan Tun Razak, 50400 Kuala Lumpur

Mailing address: P. O. Box No. 10035, 50700 Kuala Lumpur or American Embassy Kuala Lumpur, APO AP 96535-8152

Telephone: [60] (3) 248-9011

FAX: [60] (3) 242-2207

Flag description: 14 equal horizontal stripes of red (top) alternating with white (bottom); there is a blue rectangle in the upper hoist-side corner bearing a yellow crescent and a yellow fourteen-pointed star; the crescent and the star are traditional symbols of Islam; the design was based on the flag of the US

Economy

Economy—overview: After decades of high GDP growth, Malaysia's economy—shaken by the ongoing regional financial crisis in 1997/98—is forecast by the government to grow only 4%-5% in 1998; private forecasts project the growth rate could be as low as 2%. The sharp decline in local currency and stock markets forced Kuala Lumpur to announce tough cost-cutting measures—on top of a contractionary budget—to further reduce the current account deficit to 3% of GDP in 1998 from 5.5% in 1997. To achieve this goal, Kuala Lumpur will cut government spending by 20% and continue to slash big-ticket imports and defer large-scale infrastructure projects. Government austerity and slower growth mean increased unemployment and higher interest rates that will bite into corporate earnings.

GDP: purchasing power parity—\$227 billion (1997 est.)

GDP—real growth rate: 7.4% (1997 est.)
GDP—per capita: purchasing power parity—\$11,100 (1997 est.)
GDP—composition by sector:
Agriculture: 14%
Industry: 45%
Services: 41% (1995 est.)

Inflation rate—consumer price index: 36% (1996)

Labor force:

Total: 8.398 million (1996 est.)
By occupation: manufacturing 25%, agriculture, forestry, and fisheries 21%, local trade and tourism 17%, services 12%, government 11%, construction 8% (1996)
Unemployment rate: 2.6% (1996 est.)

Budget:

Revenues: \$22.6 billion
Expenditures: \$22 billion, including capital expenditures of \$5.3 billion (1996 est.)

Industries: Peninsular Malaysia—rubber and oil palm processing and manufacturing, light manufacturing industry, electronics, tin mining and smelting, logging and processing timber; Sabah—logging, petroleum production; Sarawak—agriculture processing, petroleum production and refining, logging

Industrial production growth rate: 14.4% (1995)

Electricity—capacity: 7.83 million kW (1995)
Electricity—production: 42 billion kWh (1995)
Electricity—consumption per capita: 2,132 kWh (1995)

Agriculture—products: Peninsular Malaysia—natural rubber, palm oil, rice; Sabah—subsistence crops, rubber, timber, coconut, rice; Sarawak—rubber, pepper; timber

Exports:

Total value: \$78.2 billion (1996)
Commodities: electronic equipment, petroleum and petroleum products, palm oil, wood and wood products, rubber, textiles
Partners: US 21%, Singapore 20%, Japan 12%, Hong Kong 5%, UK 4%, Thailand 4%, Germany 3% (1995)

Imports:

Total value: \$78.4 billion (1996)
Commodities: machinery and equipment, chemicals, food
Partners: Japan 27%, US 16%, Singapore 12%, Taiwan 5%, Germany 4%, South Korea 4% (1995)

Debt—external: \$27.5 billion (1995 est.)

Economic aid:

Recipient: ODA, \$45 million (1993)

Currency: 1 ringgit (M\$) = 100 sen

Exchange rates: ringgits (M\$) per US\$1—4.3985 (January 1998), 2.8133 (1997), 2.5159 (1996), 2.5044 (1995), 2.6243 (1994), 2.5741 (1993)

Fiscal year: calendar year

Communications

Telephones: 2,550,957 (1992 est.)

Telephone system: international service good

Domestic: good intercity service provided on Peninsular Malaysia mainly by microwave radio relay; adequate intercity microwave radio relay network between Sabah and Sarawak via Brunei; domestic satellite system with 2 earth stations

International: submarine cables to India, Hong Kong and Singapore; satellite earth stations—2 Intelsat (1 Indian Ocean and 1 Pacific Ocean)

Radio broadcast stations: AM 28, FM 3, short-wave 0

Radios: 8.08 million (1992 est.)

Television broadcast stations: 33

Televisions: 2 million (1993 est.)

Transportation

Railways:

Total: 1,648 km

Narrow gauge: 1,648 km 1.000-m gauge (148 km electrified)

Highways:

Total: 94,500 km

Paved: 70,970 km (including 580 km of expressways)

Unpaved: 23,530 km (1996 est.)

Waterways: 7,296 km (Peninsular Malaysia 3,209 km, Sabah 1,569 km, Sarawak 2,518 km)

Pipelines: crude oil 1,307 km; natural gas 379 km

Ports and harbors: Bintulu, Kota Kinabalu, Kuantan, Kuching, Kudat, Labuan, Lahad Datu, Lumut, Miri, Pasir Gudang, Penang, Port Dickson, Port Kelang, Sandakan, Sibul, Tanjong Berhala, Tanjong Kidurong, Tawau

Merchant marine:

Total: 359 ships (1,000 GRT or over) totaling 4,586,576 GRT/6,747,771 DWT

Ships by type: bulk 57, cargo 132, chemical tanker 23, container 48, liquefied gas tanker 17, livestock carrier 1, oil tanker 63, refrigerated cargo 2, roll-on/roll-off cargo 5, short-sea passenger 1, specialized tanker 2, vehicle carrier 8 (1997 est.)

Airports: 114 (1997 est.)

Airports—with paved runways:

Total: 33

Over 3,047 m: 5

2,438 to 3,047 m: 4

1,524 to 2,437 m: 11

914 to 1,523 m: 6

Under 914 m: 7 (1997 est.)

Airports—with unpaved runways:

Total: 81

1,524 to 2,437 m: 1

914 to 1,523 m: 8

Under 914 m: 72 (1997 est.)

Heliports: 1 (1997 est.)

Military

Military branches: Malaysian Army, Royal Malaysian Navy, Royal Malaysian Air Force, Royal Malaysian Police Force, Marine Police, Sarawak Border Scouts

Military manpower—military age: 21 years of age

Military manpower—availability:

Males age 15-49: 5,402,322 (1998 est.)

Military manpower—fit for military service:

Males: 3,274,265 (1998 est.)

Military manpower—reaching military age annually:

Males: 184,232 (1998 est.)

Military expenditures—dollar figure: \$2.5 billion (1997)

Military expenditures—percent of GDP: 2.6% (1997)

Transnational Issues

Disputes—international: involved in a complex dispute over the Spratly Islands with China, Philippines, Taiwan, Vietnam, and possibly Brunei; Sabah State claimed by the Philippines; Brunei may wish to purchase the Malaysian salient that divides Brunei into two parts; two islands in dispute with Singapore; two islands in dispute with Indonesia

Illicit drugs: transit point for Golden Triangle heroin going to Western markets despite severe penalties for drug trafficking

<http://www.odci.gov/cia/publications/factbook/my.html>