

## MARKING ACTIVITIES (Two) for 4CM1 PRESENTATION

### (Slide 49)

#### **Marking activity 1 (Evaluate question):**

Empire International is a multinational mining company based in the United States. It wants to open up a mine in Chad, a less developed African country.

Evaluate the impact that Empire International may have on the host country in which it wants to operate a new mine in. [12]

After typing in this question, please type in the following answer in manuscript form.

Empire International will provide jobs. This will reduce unemployment. Some people will have a better standard of living. It will pay taxes. This will help the country but Empire International may exploit this African country. It will take its raw materials. It will create pollution. It may avoid tax. These are the eight impacts that Empire International will have on this country where it is located.

#### **Marking activity 2 (Evaluate question):**

Empire International is a multinational mining company based in the United States. It wants to open up a coal mine in Chad, a less developed African country.

Evaluate the impact that Empire International may have on the host country in which it wants to operate a new coal mine in. [12]

After typing in this question, please type in the following answer in manuscript form.

Empire International is a multinational corporations. These are companies that operate in more than one country. They often have factories in countries that are not as economically developed because labour is cheaper. Cheap labour means lower wages to be paid, resulting in greater profits. Offices and headquarters tend to be located in the more developed world. Rio-Tinto is another example of a mining multinational company.

Empire will create jobs which would lower unemployment for the local unemployed of Chad. The multinational will need to invest in the infrastructure to improve roads and communications. This will help both the economy of Chad as well as Empire International.

However, the opening of a coal mine will have negative environmental impacts caused by the exploitation of coal, which is a non-renewable resource. Many multinationals in the past have exploited the natural resources of a country and then moved on when the resources are exhausted. I fear that this will be case with Empire International.

**Marking activity 3 (Evaluate question):**

Empire International is a multinational mining company based in the United States. It wants to open up a coal mine in Chad, a less developed African country.

Evaluate the impact that Empire International may have on the host country in which it wants to operate a new coal mine in. [12]

After typing in this question, please type in the following answer in manuscript form.

Empire will provide jobs in Chad. Less developed countries suffer from unemployment so this will be welcome to local people. These are likely to be the more manual types of job with management posts being filled by people probably from United States. This can mean less scope for local people. Job creation means a reduction in unemployment. People will use their wages to improve their standard of living by purchasing goods and services. This will benefit other businesses in the economy by increased trade. Empire itself may purchase from local firms who in turn may prosper. Empire will therefore contribute to the economy of Chad by the taxes it pays, may train workers so they become more skilled and may contribute to the Chad's infrastructure. This is all looking very good for Chad.

On the other hand Empire, as a mining company, is likely to contribute to the pollution of the country. It is mining raw materials and so depleting the natural resources of the country. It also move much of its profits out of these countries so avoiding payment of tax. Profits from the mine will leave Chad back to the United States. Empire may find it is unprofitable to operate in a particular country like Chad and so suddenly cease mining, especially if labour costs are cheaper elsewhere, so causing localised unemployment with the resulting effects on the local area and its economy. Chad's natural resources will have been used up with pollution left from the coal mine.

Overall, Empire is likely to have considerable impacts on Chad by this location decision, and taking the positive and negative impacts into account, this less developed economy will not.