Most of the countries have been making use of foreign capital and/or technology to accelerate the pace of their economic development. Due to the lack of sophisticated technology and paucity of resources one has to rely on the external resources and admit foreign collaboration for the development and expansion of industry. There is hardly any advanced country the development of which was not assisted by foreign capital and technology. India being a developing country, invitation to multinationals in the areas involving sophisticated technology and expertise in production and marketing to meet international competition needs no emphasis. At a time when the technological gap between India and the developed countries is widening and foreign investment is sorely needed, the invitation to transnational companies for joint ventures with Indian entrepreneurs would be mutually beneficial to the parties concerned. Due to the strategic geographical location and abundant availability of cheap raw material and skilled/unskilled labour force the joint venture with foreign companies can also be advantageously utilised for exploring foreign market and earning much needed foreign exchange.
But the activities of Multinational Corporations, more specifically, after the second World War have caused concern to developing nations. Their role in providing capital, technology and boosting host country’s exports has been increasingly questioned in less developed countries. Concerns over the impact of multinational corporations on the domestic and international affairs by host country has been voiced at the high levels. The United Nations have also passed several resolutions to this effect expressing concern about the impact of the activities of these corporations and emphasised the need to regulate them. In the context of these developments, it is only natural that the academicians, administrators and jurist also feel the need to analyse the problems posed by the emergence of these corporations. I, therefore, felt that it would be useful if detailed study is made to focus what role these Corporations have played/or are playing more particularly, in the growth of tyre industry in India. In this context the present study has been undertaken.

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