

Types of industry

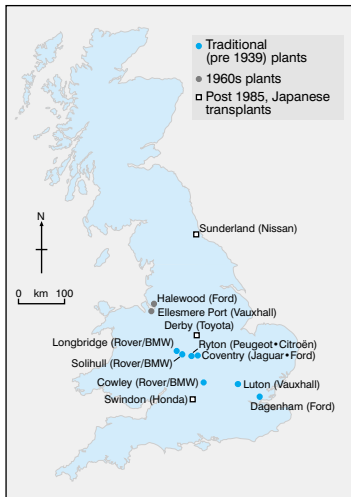
- **Economic activities** can be divided into groups. **Primary activities** are **extraction** industries, which produce food and raw materials. **Secondary** industries are manufacturing industries, which make **added value** products, e.g. by refining raw materials; processing materials; or assembling components. **Tertiary** activities are services. **Quaternary** service industries involve high-level decision making.
- As a country develops the percentage of people employed in manufacturing increases. In the most developed economies tertiary and quaternary activities are replacing manufacturing industries. Until the late 1990s the most rapid **industrialisation** was in the **Newly Industrialising Countries (NICs)** of South-east Asia.

Factors affecting location

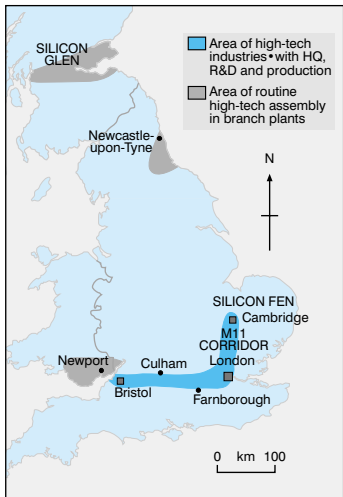
- Heavy basic industries have definite site and locational requirements. Modern, lighter industries are **footloose**. New industrial sites are called **greenfield** sites. A **brownfield** site is where a new industry locates on a redeveloped industrial site. **Industrial inertia** can affect industrial location.
- Traditionally, iron and steel industries were located close to sources of energy or raw materials. Modern iron and steel works rely on imported coal and iron ore, so they have coastal locations. There is no longer bulk storage of coal, iron and limestone at these sites. A continuous supply of raw materials is brought to the site.
- **Car manufacturing** is an **assembly** industry. **Components** such as engines and body parts are assembled together. Transnational companies (TNCs) operate globally and dominate the car industry. The headquarters of TNCs are usually in a MEDC but the TNC can have factories all over the world. Since 1984 Japanese car companies have invested heavily in the UK. The location of Japanese car plants has been affected heavily by the **government location policy** in the UK. The policy encourages industry in areas of high unemployment.

INDUSTRY (2)

- **High-tech** industries are footloose, but most are found close to universities. Universities offer a highly skilled workforce including scientists, technicians and managers, and are centres of research and development. Access to airports is important too, as high-tech industries are global. Easy access to banks and other financial institutions is necessary for raising investment.



Major UK car assembly plants, 1997

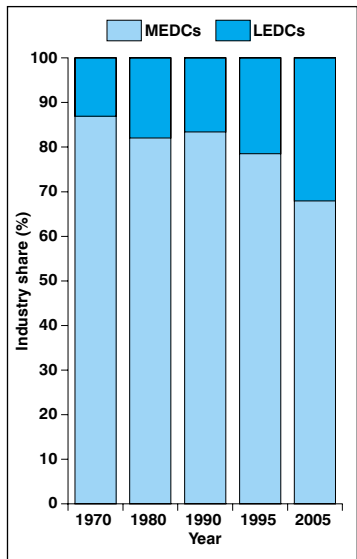


Major concentrations of high-tech industry in the UK, 1997

- Government location policies are often more important than economic location factors now. Governments can have direct influence if the industry is state owned. The influence of the government is more indirect with privately owned industries.

Globalisation

- Increasingly, manufacturing industry is organised on a global scale. One effect has been the rapid growth in LEDCs. **Globalisation** has occurred because TNCs can employ people, make products and buy services cheaply in LEDCs, as well as gaining access to worldwide markets. Globalisation allows economies of scale too. Foreign investors in the UK get around EU trade barriers.
- The distribution of manufacturing industry across the world has changed. The nature of industry in traditional coalfield locations is different too. Government location policy and globalisation have produced these changes.
- The main aim of government location policy is to reduce the effects of regional unemployment and its associated social problems.
- Most governments have used a 'carrot and stick' approach. Financial incentives such as subsidies and grants are given, and planning restrictions are used to discourage industry from locating in particular areas.
- Foreign investment has been a major feature of recent industrial location. The NICs of South-east Asia have invested heavily overseas. Economic growth in these countries was based on low wages, use of subsidies and cheap loans.



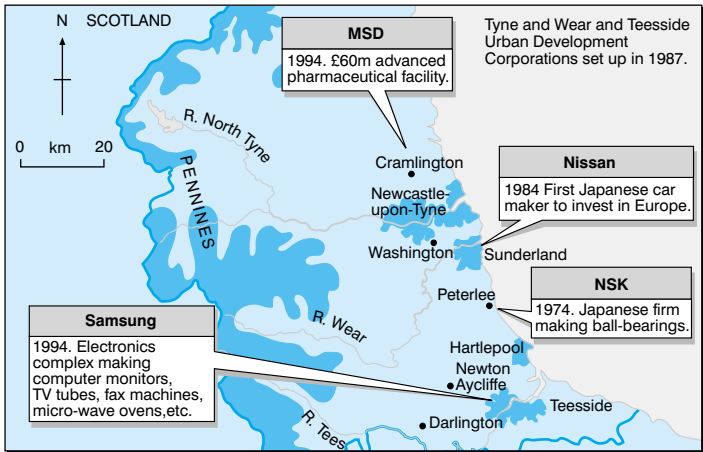
Changing structure of global manufacturing, 1970–2005

INDUSTRY (4)

- Large South Korean companies have invested in the UK partly because of UK government grants. High-tech industry has replaced many heavier industries.

Reindustrialisation

- North-east England, following the collapse of traditional **smokestack** industries has gone through a period of **reindustrialisation**. The region's skilled labour force, low labour costs, good communications and regional assistance has attracted many companies.



The new North-east: major investments.

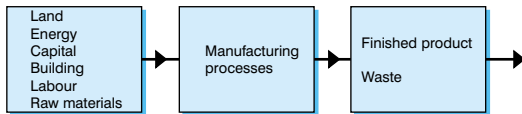
- The decline in UK manufacturing industry has left large areas of **derelict land**. Various attempts have been made to overcome this problem. For example, redevelopment of brownfield sites with the use of private investment. **Urban development corporations** have redeveloped docklands by building offices and leisure facilities. **Enterprise zones** give special tax allowances and fewer, simplified planning procedures.

Industry (1–4)

- 1** What is 'industrial inertia'? (1)
- 2** What is a development area? (1)
- 3** Name a NIC that has invested in the UK. (1)
- 4** To what group of industries does advertising belong? (1)
- 5** What is an integrated steelworks? (1)
- 6** Name a modern integrated steelworks in the UK. (1)
- 7** Why is the Midlands the traditional area for the car industry? (1)
- 8** What is an industrial estate? (1)
- 9** Why is a cannery more likely to be found near the raw material than the market? (1)
- 10** What is agglomeration? (1)
- 11** Draw an industrial system of a manufacturing industry. (3)
- 12** Why is there a link between secondary and tertiary industries? (2)
- 13** Give three reasons for the development of high-tech industries in Cambridge. (3)
- 14** Name two disadvantages which coalfield industrial areas face when they try to attract new industrial growth. (2)

- 1 Where an industry remains at a location even though the original advantages of the site are no longer applicable. (1) Also called **historical momentum** or **geographical inertia**.
- 2 Area of industrial decline that is eligible for government assistance. (1) Examples are **South Wales** and **North-east England**
- 3 Daewoo, Honda, Samsung. (1)
- 4 Quaternary. (1) This service industry is dependent on **high-quality decisions** and makes frequent use of computers.
- 5 Where all the operations are on the same site. (1)
- 6 Llanwern, Port Talbot, Scunthorpe, Redcar-Lackenby (1)
- 7 Its central location made the assembly of components relatively easy. (1) **Inertia is also important**.
- 8 An area of footloose light industries which benefit from good road access. (1) Often found on **outskirts of urban areas**.
- 9 The finished product is less perishable than the raw material. (1) **Bakeries are the opposite. The finished product (bread) is more perishable than the raw material.**
- 10 Industries locating close together for mutual benefit. (1) Benefits include **sharing each other's products or research and development**.

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- 12 The service industry sells or distributes the products of the secondary industry. (1) Service industries make use of manufactured products. (1)
- 13 Nearness to Cambridge University research and development. (1) M11 links to London. (1) Attractive area. (1)
- 14 Labour force needs retraining. (1) Remoteness or poor access. (1) Distance from the main core regions of South-east England and the Continent.

TOTAL