Introduction to Industrial Geography
Types of Industries

• Primary Industries
  – Responsible for the mining and harvesting of natural resources

• Secondary Industries
  – Takes natural resources and uses them to manufacture consumer goods

• Tertiary Industries
  – Provide services to the Primary and Secondary services as well as the community and individuals
Decline of Secondary Industries in MDCs

• Deindustrialization
  – Transition of primary economic activity of a country to shift from Secondary to Tertiary industries
    • Especially in MDCs since 1950s
    • Otherwise known as the post-industrial era
  – Changes in manufacturing in MDCs
    • Increased automation
    • High-Technology production
Impacts of Deindustrialization

• Transnational Corporations
  – Increasing trend of corporations having entities in different countries
    • Offshoring and Outsourcing used to maximize profits

• Industrial Decay
  – Decline of traditional manufacturing centers
    • The Ex. Rust Belt
Impacts of Deindustrialization

- Industrialization of LDCs
  - Corporations moving production centers to LDCs in favor of lower land and labor costs
  - Leading to unemployment in MDCs
  - Development of Trading Blocs to increase trade between neighboring countries
    - Ex. NAFTA
New International Division of Labor

• Transfer of some types of jobs, especially those requiring low-paid, less-skilled workers, from more developed to less developed countries.

• Specialization in types of economic activities
  – Ex. China as manufacturing center and London as a banking center
Bulk-Reducing Industry

• An industry in which the final product weighs less or comprises a lower volume than the inputs.
  – Ex. Iron-Ore

• Processing plants located close to mining centers
Bulk-Gaining Industry

• An industry in which the final product weighs more or comprises a greater volume than the inputs.
  – Ex. Car Industry
• Manufacturing plants located close to market
Specialized Industries

• Single-Market Manufacturers
  – Specializers with only 1-2 customers
  – Located as close to customer as possible
    • Ex. Motor vehicle parts

• Perishable Product Manufacturers
  – Located close to market to maximize product time on sale
    • Ex. milk
Geography of Transportation

- Truck – short-distance, best for one-day delivery
- Train – Longer distance, no need for stops, better for large objects
- Ship – Low cost, cross-continental
- Air – High cost, for small, high-value packages
- Pipeline – Only used for liquids and gasses
Break-of- Bulk Points

• Break-of-Bulk Point
  – Points where portions of cargo are unloaded and redistributed for redirection
  • Often to other modes of transportation
The Factors of Production

• Three traditional Factors:
  – Land
  – Labor
  – Capital

• The Fourth Factor:
  – Entrepreneurship
Labor

• Workers
  – Normally largest input in production
  – Locate where most workers available at lowest cost possible to maximize profits

• Labor-intensive industry
  – Industry where paying workers is high percentage of total costs
Land

• Factory Location
  – Large footprint so they locate outside cities where land costs are lower
  – Proximity to transportation routes

• Natural Resources
  – Used in production of product
  – Secondary Industries locate close to natural resources used
Capital

• Borrowed Money
  – Proximity to banking institutions
    • Not as big a factor due to internet banking

• Tools of the craft
  – Machines or tools used for doing the job
    • Ex. Tractor for farmer, Stethoscope for doctor
Entrepreneurship

• The Ideas
  – The person or people who are able to combine all three factors of production and make a profit
  – Need access to resources and economic freedom to try new ideas