Site and Situation Factors of Industrialization
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
Case Study: “Auto Alley” vs the “Midlands Hub”

- Located between Coal of West Virginia and Iron of Minnesota
- Located between Coal of S. Scotland/N. England and Iron of S. Midlands/S. Wales