

# Industrial Location Factors

Transportation, Factors of  
Production, Weber's Theory of  
Industrial Location

# Warm-Up

- List 5 factors that will influence where a business decides to be located.

# Types of Industries

- Bulk-Reducing Industry
  - Industry in which inputs weigh more than the final product
- Bulk-Gaining Industry
  - Making something that gains volume or weight during production



# Transportation defined

- The movement of materials from one place to another
  - Key factor in determining why industries locate in particular places
    - Businesses trying to minimize costs



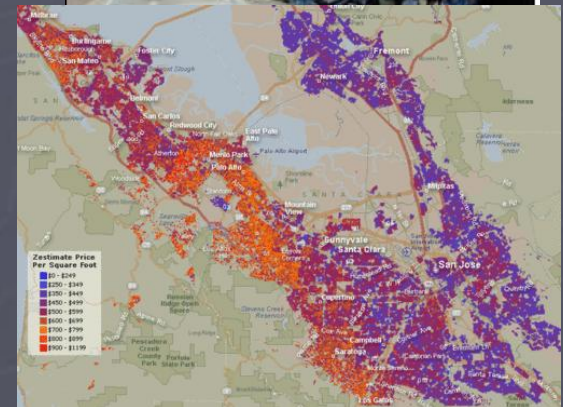
# Types of Transportation

- Truck – short-distance, best for one-day delivery
- Train – Longer distance, no need for stops
- Ship – Low cost, cross-continental
- Air – High cost, for small, high-value packages
- Pipeline – Used to transport liquids and gasses



# Factors of Production

- The unique characteristics of a location
  - Land
    - The need for easy access to larger areas of land or transportation networks
  - Labor
    - Need to have access to large amount of workers
      - Skilled or unskilled determines location in MDCs or LDCs
  - Capital
    - The machines and ideas used to come up with ideas for products



# Weber's Theory of Industrial Location

- Theory that tries to explain why industries locate where they do
  - Need to be close to three factors of production
  - Trying to limit costs as much as possible
  - Bulk-Reducing industries normally located closer to production centers, Bulk-Gaining industries closer to markets

# Weber's Theory of Industrial Location

Transportation Routes

