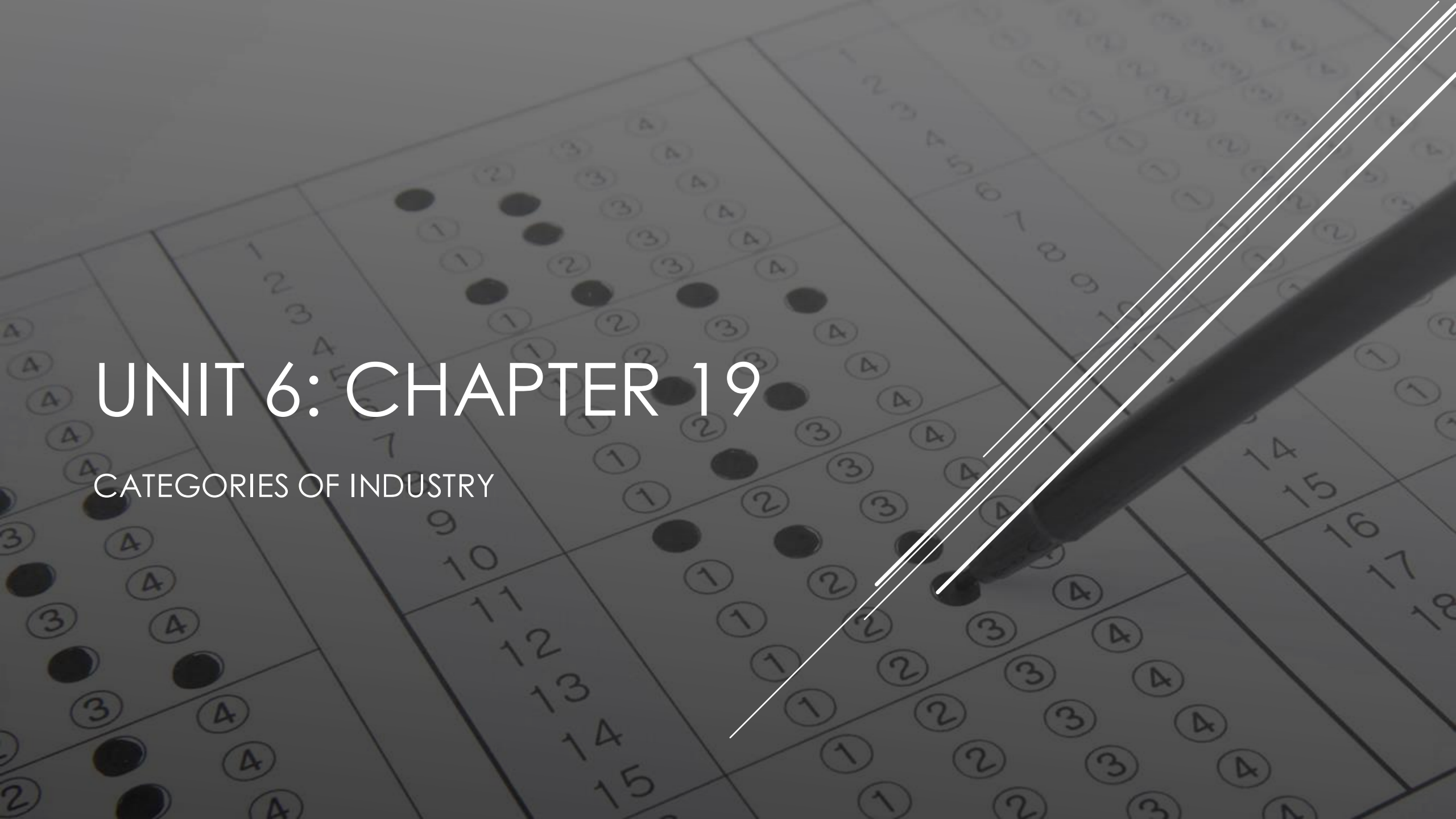


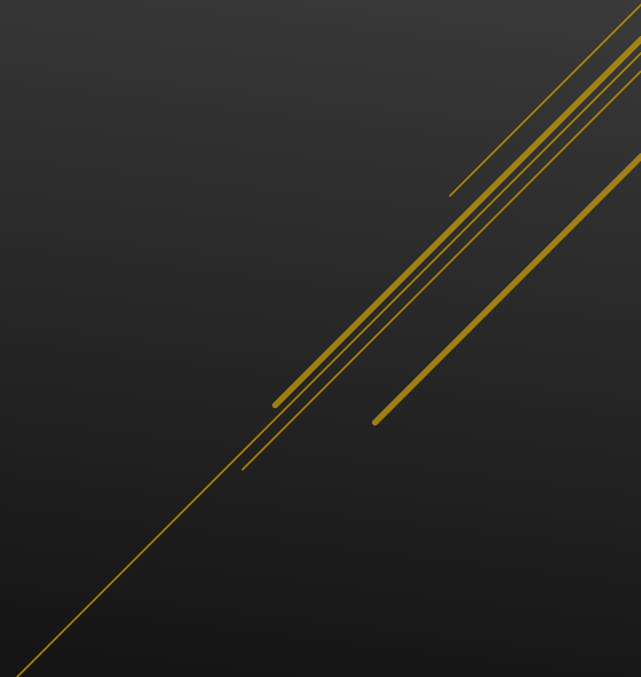
UNIT 6: CHAPTER 19

CATEGORIES OF INDUSTRY



LEARNING OUTCOMES FROM THIS CHAPTER

On completion, you should be able to:

- ▶ Explain how the factors of production contribute to the production process
 - ▶ Show an understanding of the primary, secondary and tertiary sectors
 - ▶ Illustrate different types of businesses that are involved in different categories of industry
 - ▶ Discuss the importance of different categories of industry
 - ▶ Outline recent trends in different categories of industry
 - ▶ Explain the challenges facing different categories of industry
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FACTORS OF PRODUCTION

Land	Raw materials used to produce goods and services, taken from natural resources (e.g. wind, water, land, air, climate, animals)
Labour	All human effort that goes in to producing goods and services
Capital	Anything man-made that is used to produce goods and services (e.g. machines, computers, equipment, stock, money)
Enterprise	Uses initiative to take on a risk and combine the other factors of production to produce a good or service and make a profit

CATEGORIES OF INDUSTRY: PRIMARY

Definition	Based on the natural resources of a country (e.g. agriculture, forestry, fishing, mining, energy)
Importance	<ul style="list-style-type: none">• Provides premium produce to be used in the secondary sector• Can provide alternative energy sources (e.g. solar, wind) as alternative to importing oil, gas and petrol
Trends	<ul style="list-style-type: none">• Investment in solar/wind energy• Growth in veganism may impact demand for Irish beef/chicken• Large retailers putting pressure on farmers to lower beef prices• Over-reliance on direct payments in lots of areas

CATEGORIES OF INDUSTRY: SECONDARY

Definition	Takes raw materials from the primary sector, processes these raw materials and produces finished goods to sell
Importance	<ul style="list-style-type: none">• Direct employment (e.g. factory workers, architects, builders, managers) and indirect employment or 'spin-off' jobs (e.g. farmers, insurance companies, banks)• Ireland exports lots of pharmaceutical and food products and raw materials (e.g. whey powder)
Trends	<ul style="list-style-type: none">• Growth of Irish PLCs (e.g. Glanbia, Kerry Group) in the agri-food sector• Recovery of construction sector since the global recession• Large presence of pharma firms (e.g. Pfizer, Amgen, Johnson & Johnson)• Growth of automation, increased production levels

CATEGORIES OF INDUSTRY: TERTIARY

Definition	Provides services to business and the public, rather than producing goods/services for sale
Importance	Provides support services so other businesses can operate (e.g. insurance, banking, couriers, hospitality, transport)
Trends	<ul style="list-style-type: none">• Poor/limited broadband in rural areas• Expensive commercial rates• Brexit uncertainty• Higher wage demands• Online sales negatively impacting retail stores• More discount retailers (e.g. Aldi, Lidl, TK Maxx)• Increased automation (e.g. banking machines, self-checkouts)