Industries

Learning Objectives

- ► To know about the nature and the importance of Industries
- ► To understand the general classification of economic activities
- ► To identify the factors responsible for location of Industries
- ► To study about the classification of Industries

Introduction

Anbu and Kabilan were studying in 8th standard like you. One day it was raining while they were playing in the school play ground. They started running towards the class room. Kabilan planned to stay under a nearby tree in the rain and called Anbu to accompany him. But he denied saying that lightning might strike the tree. Finally, they reached the class room. They saw an attractive new cotton towel in the class room. They used the towel for wiping their heads. Other students in the class room said to them," The towel was brought by the teacher and you made it wet. So, she might shout at you". In order to please the teacher, Kabilan asked the teacher some questions. He said, "Madam this is so cute and colourful. From where did you buy this? How is it made?" The teacher was very happy and started explaining the raw materials used, the way it was manufactured and marketed.

Industry

Industry is a process by which the raw materials are changed into finished products. Many raw materials are not fit for human consumption. Therefore, there is a need for conversion. This transformation of commodities from one form to another form is the essence of manufacturing industry or the secondary group of economic activities. Arrival of Science and Technology helped the man to fabricate raw materials into finished products. The economic strength of a country is always measured by the development of manufacturing industries. Therefore, any country in the world is basically depends on the effective growth of industries for its economic development.
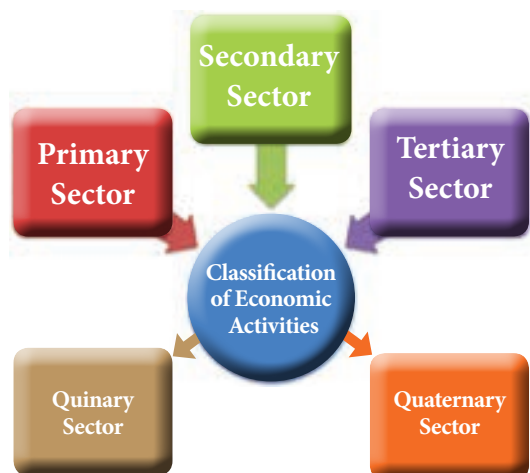
Economic Activity

Any action that involves in the production, distribution, consumption or services is an economic activity.

Basics of Economic Activities

The following are the major and fundamental economic activities.

1. Primary Economic Activities (e.g., Raw cotton production)
2. Secondary Economic Activities (e.g., Spinning mill)
3. Tertiary Economic Activities (e.g. Trade, Transport)

4. Quaternary Activities (e.g. Banking sector)
5. Quinary Activites (e.g. Judicial sector)

1) Primary Economic Activity: These are the economic activities which have been originated in the very beginning. It includes the activities such as, forestry, grazing, hunting, food gathering, fishing, agriculture, mining, and quarrying.

Primary economic activity

2) Secondary Economic Activity: Secondary activities are those that change raw materials into usable products through processing and manufacturing. Bakeries that make flour into bread and factories that change metals and plastics into vehicles are examples of secondary activities.

Secondary Economic Activity

Just like farming, any secondary economic activity can been as a *system*:

Inputs   **Processes**   **Output**
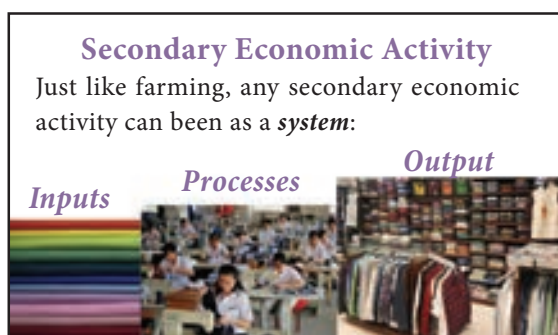
3) Tertiary Economic Activity: Tertiary economic activities are those that provide essential services and support the industries to function. Often it is called service industries, this level includes the transportation, finance, utilities, education, retail, housing, medical and other services. We are educated by school. Since, school is doing service, it comes under tertiary activity.

4) Quaternary Economic Activity: Quaternary activities are associated with the creation and transfer of information, including research and training. Often called information industries, this level has been dramatic growth as a result of advancements in technology and electronic display and transmission of information. e.g., we watch television. The programs are telecasted from television stations. It is an example of quaternary activity.

DO YOU KNOW?

Services sector is the one of the largest sectors of India. Currently this sector is the backbone of the Indian economy and contributing around 53% of the Indian Gross Domestic Product.

5) Quinary Economic Activity: Quinary economic activities refer to the high level decision making processes by executives in industries, business, education, and government. This sector include top executives or officials in the fields of science and technology, universities, health care etc. In our house, our parents

purchase household articles and make decisions by themselves in some situations. Similarly, the council of ministers take decisions to introduce various people welfare schemes in the state. These two are examples of quinary activities.

Factors responsible for location of Industries

Industrial locations are complex in nature. They are influenced by the availability of many factors. Some of them are: Raw Materials, Land, Water, Labour, Capital, Power, Transport, and Market. The locational factors of industries are grouped into: Geographical factors and Non-Geographical factors.

Locational factors for industries
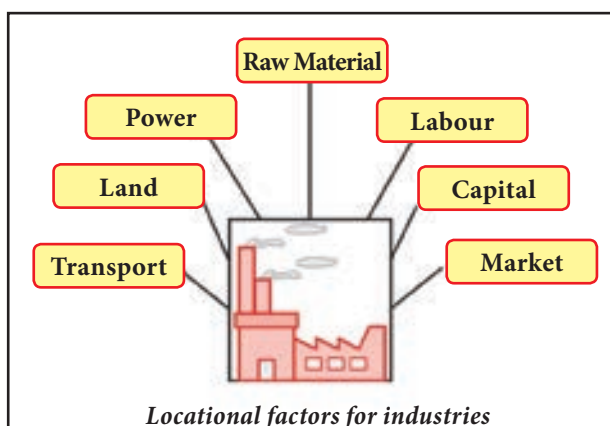
I. Geographical Factors

1. Raw Material: Bulky goods and weight losing materials cannot be transported for long distances. Therefore, industries like iron and steel and sugar industries are located near the place of availability of iron ore and sugar cane respectively. Steel Plant in Salem is located near Kanjamalai, where iron ore is available. Similarly, Sugar industries are located near the sugarcane growing areas.

2. Power: Power is base and essential to run the entire industry. Power is mostly generated from the conventional sources like coal, mineral oil, and water. So, any one of these sources must be located near the industries to fulfil its power requirement.

3. Labour: Availability of cheap and skilled labour is another important requirement for labour intensive industries (e.g., Tea industry).

4. Transport: It is needed for transporting raw materials to the industries and also for sending the finished products to the market. Availability of easy transportation always influences the location of an industry. So, the junction points of waterways, roadways and railways become active centres of industrial activity.

5. Storage and Warehousing: The finished goods should reach the market at the end of the process of manufacturing. Hence, such finished products should be stored at suitable storage or warehouse till the goods are taken to the market.

6. Topography: The site that is selected for the establishment of an industry must be flat. So, it can be well served by different modes of transport.

7. Climate: Climate of the area selected for an industry is also one of the important factors of location of industries. Extreme climate condition is not suitable for the successful industrial growth. Moreover, there are certain industries which require a specific climate. Example: Cool- humid climate is ideal for cotton textile industry. As Coimbatore and Tiruppur have such type of climate, many cotton textile industries are located in this zone.

8. Water Resources: Availability of water is another important factor that influences the industrial location. Many industries are established near rivers, canals, and lakes for this reason. Iron and steel industries, textile industries and chemical industries require plenty of water, for their proper functioning.

II. Non-Geographical Factors

1. Capital: Capital or huge investment is needed for the establishment of industries without which no industry can be established.

2. Availability of Loans: In most cases, it is not possible to start an industry with enough capital in hand. So, the investors seek loan to start the industries. Thus, the organizational set up which provides loan and insurance are required.

3. Government Policies/Regulations:

Government policies are another important factor that influences industrial location. The government sets certain restriction in the allocation of land for industries in order to reduce regional disparities, to control excessive pollution and to avoid the excessive clustering of industries in big cities. So, the policies also affect the industrial locations.

ACTIVITY

Think about Black Board and chalk piece

1. Name the raw materials used for production.
2. Find the places of their production.
3. Name the industrial category in which chalks are made.

Classification of Industries

Industries are classified on various basis in the following ways.

On the basis of Raw Materials

Agro Based Industries

(i) Agro Based Industries: These industries use plant and animal based products as their raw materials. Example: Food Processing, Vegetable Oil, Cotton Textile, Dairy Products, etc.

(ii) Mineral Based Industries: These are the industries that use mineral ores as their raw materials. Iron made from iron ore is the product of mineral based industry. Cement, Machine Tools, etc. are the other examples of mineral based industries.

Mineral Based Industries

(iii) Marine Based Industries: These industries use products from the sea and oceans as raw materials. Example; Processed Sea Food, Fish Oil manufacturing units etc.

Marine Based Industries

(iv) Forest Based Industries: These industries use forest products as their raw materials. Example: Pulp & Paper, Furniture and Some Pharmaceuticals industries, etc.

Forest Based Industries

On the basis of Size and Capital

(i) Large Scale Industries: The capital required for the establishment of an industry is more than one crore the industry is called as large scale industry. Iron & steel, Oil refineries, Cement and Textile industries are the best examples for large scale industries.

(ii) Small Scale Industries: The capital required for the establishment of an industry is less than one crore, the industry is called as small scale industry. Silk weaving and household industries belong to this category.

Small Scale Industries

DO YOU KNOW?

Detroit of India

Detroit city in Michigan State, USA is known as the world's traditional automotive centre. In India Chennai is known as 'Detroit of India'. It has the world famous automobile industries such as GM, Ford, Hyundai and Mahindra. The city accounts for 60% of the country's automotive exports.

Apart from the above cited industries, cottage or household industries are also a type of small scale industry where the products are manufactured by hand, by the artisans with the help of family members. These industries are also classified and grouped as miscellaneous categories. Example: Basket weaving, pot making, handicrafts etc.

On the basis of Ownership

(i) Private Sector Industries: These type of industries are owned and operated by individuals or a group of individuals. Example: Bajaj Auto, Reliance, etc.

INDUSTRIES

- **On the basis of Source of Raw Material**
  - Agro Based Industries
  - Mineral Based Industries
  - Marine Based Industries
  - Forest Based Industries
- **On the basis of Size**
  - Large Scale Industries
  - Small Scale Industries
- **On the basis of Ownership**
  - Public Sector Industries
  - Private Sector Industries
  - Joint Sector Industries
  - Co-operative Sector Industries

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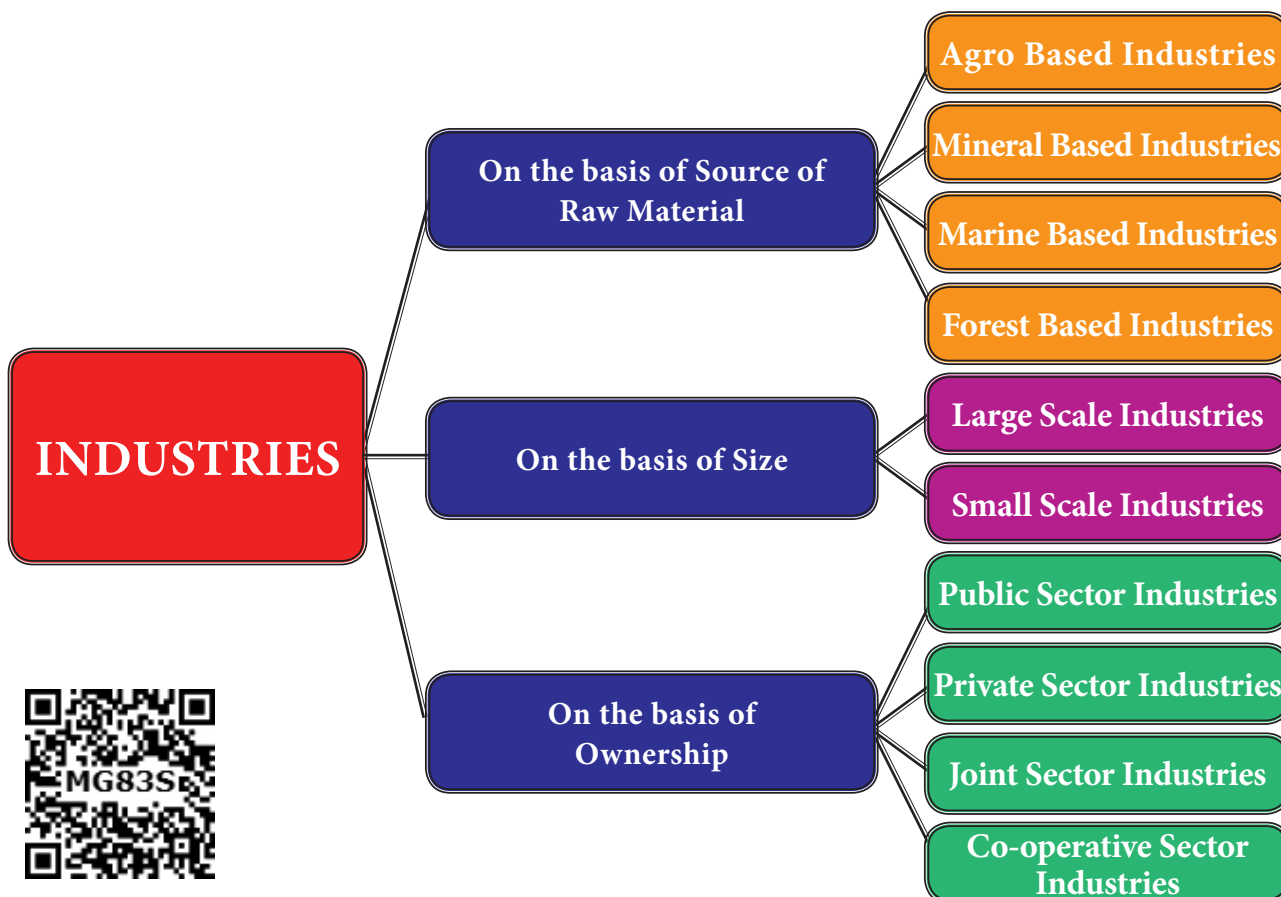
(ii) Public Sector Industries: These type of industries are owned and operated by the Government. Hindustan Aeronautics Limited (HAL), Bharat Heavy Electricals Ltd (BHEL), Steel Authority of India Ltd (SAIL) are the examples of Public sector industries.

ACTIVITY

List out the ownership based industries which are located in your places.

(iii) Joint Sector Industries: These types of industries are owned and operated jointly by the Government and Individuals or a Group of Individuals. Example: Indian Oil Sky Tanking Ltd, Indian Synthetic Rubber Ltd, Mahanagar Gas Ltd, Maruti Udyog etc.,

(iv) Co-operative Sector Industries: Industries of this kind are owned and operated by the producers or suppliers of raw materials or workers or both. Anand Milk Union Limited (AMUL) is the best example of the Co-operative sector.

Recap

- Industry: Industry is a place of process by which the raw materials are changed into finished products.
- Economic Activity: Any action that involves in the production, distribution, consumption or services in an activity.
- Types of Economic Activities: Primary economic activities, secondary economic activities and tertiary economic activities are the fundamental and major economic activities.
- Factors affecting location of Industries: Factors affecting location of industries are raw materials, capital, land, water, labour, power supply, transport and market.

GLOSSARY		
Quaternary activities	Creation and transfer of information	நான்காம் நிலை தொழில்
Quinary activities	Decision making processes by Executives associated with industries, government, etc	ஐந்தாம் நிலை தொழில்
Private Sector	This industry is owned and operated by individuals or group of individuals.	தனியார்துறை
Co-operative Sector	This industry is owned by the producer or suppliers of raw materials or workers or both.	கூட்டுறவு துறை

Evaluation

I Choose the correct answer

1. Silk weaving and house hold industries come under the category of _____
   a) Small scale industry
   b) Large scale industry
   c) Marine based industry
   d) Capital intensive industry

2. On the basis of ownership the industry can be divided into _____ types
   a) 2   b) 3   c) 4   d) 5

3. Amul dairy industry is best example of _____ sector.
   a) Private Sector
   b) Public Sector
   c) Co-operative sector
   d) Joint sector

4. Iron and Steel and Cement Industries are the examples of _____ industries.
   a) Agro based   b) Mineral based
   c) Forest based   d) Marine based

5. Tertiary activity is divided into _____ types
   a) 4   b) 3
   c) 2   d) 5

II Fill in the blanks

1. Banking is a _____ economic activity.

2. Tertiary activity is divided into _____ and _____

3. Government decision making process comes under the _____ category of tertiary economic activity.

4. Raw material based perspective Cotton Textile industry is a _____ industry.

5. Capital required for establishing a large scale industry is more than _____

III Match the following

1. Judicial sector   - Private Sector
2. TV telecasts   - Non Geographical factor
3. Geographical factor   - Quaternary activity
4. Capital   - Raw materials
5. Bajaji Auto   - Quinary activity

IV Distinguish between

1. Secondary economic activity and tertiary economic activity.

2. Agro based and marine based industries.

3. Large scale industries and small scale industries.

V Answer briefly

1. Define industry.

2. What is meant by economic activity?

3. Name the major economic activities.

4. What is Quinary activity? Elucidate with an example.

5. Name the factors responsible for the location of industries.

6. Write a short note on the following
   a) Large scale industries
   b) Small scale industries

VI Answer in Paragraph

1. Classify and explain the industries based on the source of raw materials.

2. Explain the Geographical factors which affect the location of industries?

3. Classify the industries through a flow chart.

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