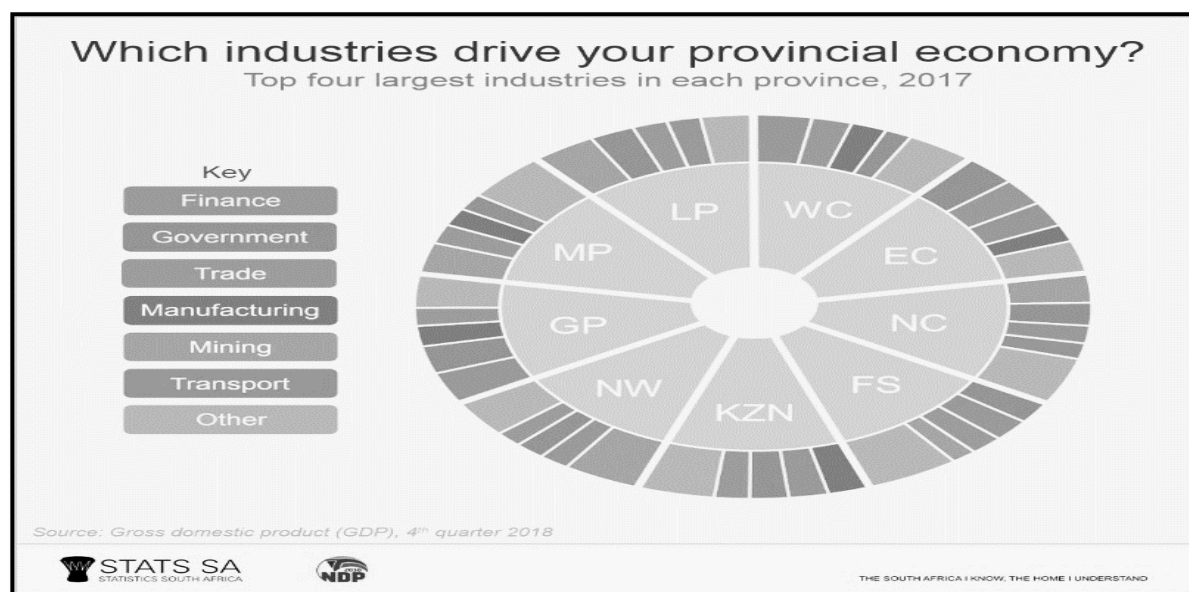


## 7. SECONDARY SECTOR

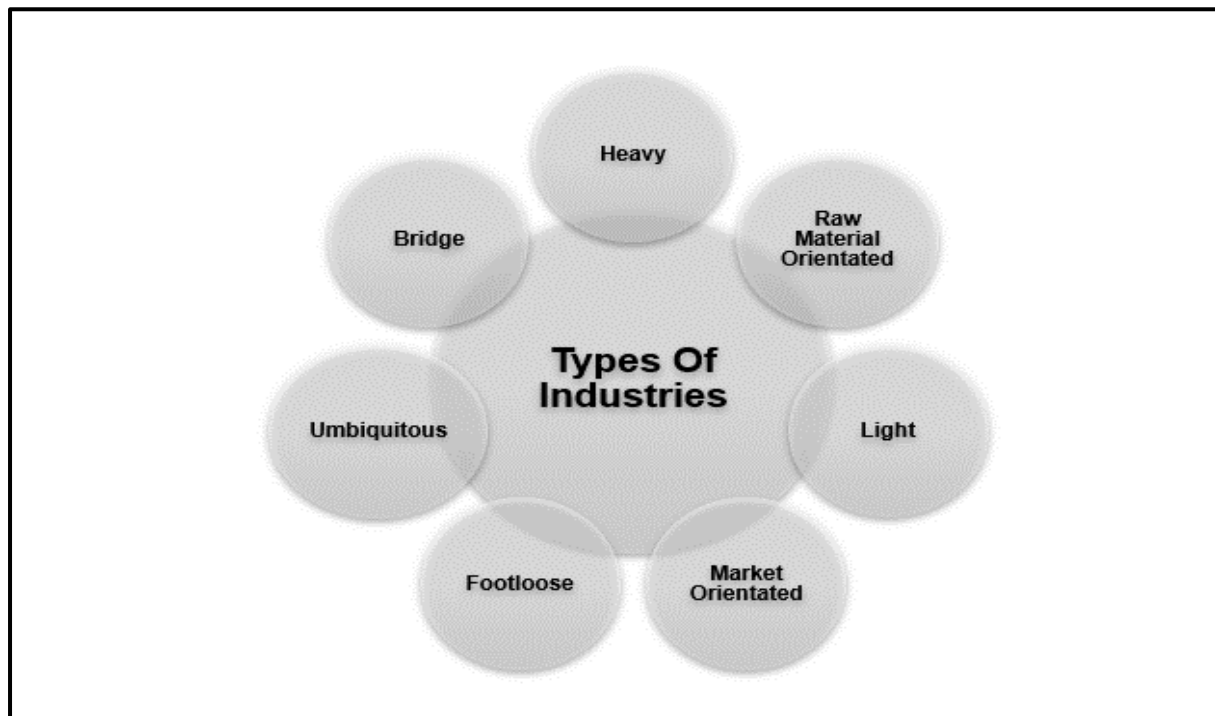
### KEY CONCEPTS

Concepts	Description
Heavy industry	Industries that process a large volume of raw material and usually produce large products, e.g., processing of steel.
Light industry	Industries that produce use less raw material and produce small products.
Raw material orientated industries	Industries that locate close to the source of raw material because they use large volumes of raw material to produce goods.
Market-orientated industry	Industries that must be located close to the market in order to reduce transportation costs.
Footloose industry	The location of the industry does not depend on the raw material or the market.
Ubiquitous industries	The industry can be located anywhere because raw material is evenly distributed
Break of bulk industry	Process raw material before they are passed to other industries.
Gross Domestic Product (GDP)	The total value of goods and services produced within the borders of the country in a year.
Infrastructure	A system of communication links and services.
Semi-skilled worker	A worker who does routine tasks; someone who is not skilled or trained to do specialized work.
Skilled worker	A worker who has a specific set of skills or specialized knowledge that has usually been obtained through formal training.



### Industries that drives provincial economies in the nine provinces



## 7.1 TYPES OF INDUSTRIES





### Differences between heavy and light industries

Heavy Industry	Light Industry
 <ul style="list-style-type: none"> <li>• Heavy industries produce bulk goods</li> <li>• They located on the outskirts</li> <li>• Heavy industries produce a lot of air and noise pollution.</li> <li>• Examples of heavy industries include, Iron and Steel production (ISCOR), car production (VW SA).</li> </ul>	 <ul style="list-style-type: none"> <li>• Light industries produce small products.</li> <li>• Light industries are located close to the CBD.</li> <li>• Light industries produce very</li> <li>• Light industries produce less or no pollution.</li> <li>• Examples of light industries include panel beating, clothes manufacturing, clothes, shoes, furniture, consumer electronics and home appliances.</li> </ul>

### Differences between raw-material and market-orientated industries

Raw-Material Orientated Industries	Market-Orientated Industry
 <p data-bbox="209 786 790 969">It is located close to the source of raw material because it is expensive to transport the raw material. Examples of raw material orientated industries are wood milling, fruit canning sugar mills.</p>	 <p data-bbox="826 786 1396 1003">It is located close the market as it is expensive to transport the products to the market. The products may also be perishable. Examples of market orientated industries are dairy products processing, home industries.</p>

### Footloose and Ubiquitous industries

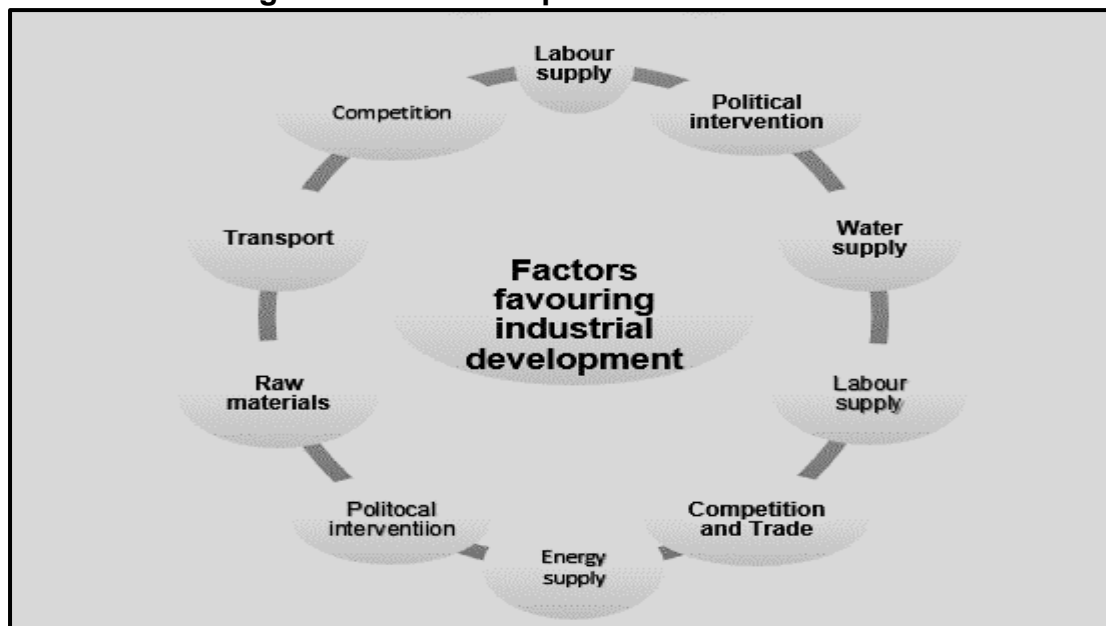
Footloose Industry	Ubiquitous Industries
 <p data-bbox="209 1711 790 1854">Highly skilled people work in this industry. Examples of footloose industry are software, design and research institutions.</p>	 <p data-bbox="815 1711 1396 1821">These industries can be found anywhere. A good example of a cell phone company.</p>

## Break of bulk industry



- Bridge (break - of - bulk industry) is a heavy industry. An example is a sugar mill. It is located between the source of raw material and the market.

## Factors favouring industrial development in South Africa



## Raw materials

- Availability of a large variety of raw material.
- There is a good fish industry in the west coast of South Africa.
- There is a variety of raw material that can be used for food processing.
- Fruit that can be used to make wine dried fruits and juice are available.
- Different climatic conditions allow for a variety of agricultural products.
- A variety of agricultural products favors the development of a variety of industries and a large industrial sector.

**Labour supply**

- Availability of large skilled and unskilled labor force in South Africa.

**Water supply**

- Water is used for processing raw material and cooling of machines in industries.
- There are water transfer schemes that add to the available water in areas which have shortages.

**Energy supply**

- Many industries are located close to the sources of power to reduce the cost of energy.
- Many coal power stations are located in Mpumalanga and Gauteng because of abundant supply of coal.

**Transport**

- The country has a well-developed road and rail network for transportation of goods to markets.
- There are four international airports to transport goods to local and international markets.
- There is a good railway network that connects the markets to the harbor for export of goods.

**Political intervention**

- Government has laws and policies which support local industries to grow.
- Government has laws and policies to develop previously disadvantaged by establishment of Spatial Development Initiative (SDIs) and Industrial Development Zones (IDZ)

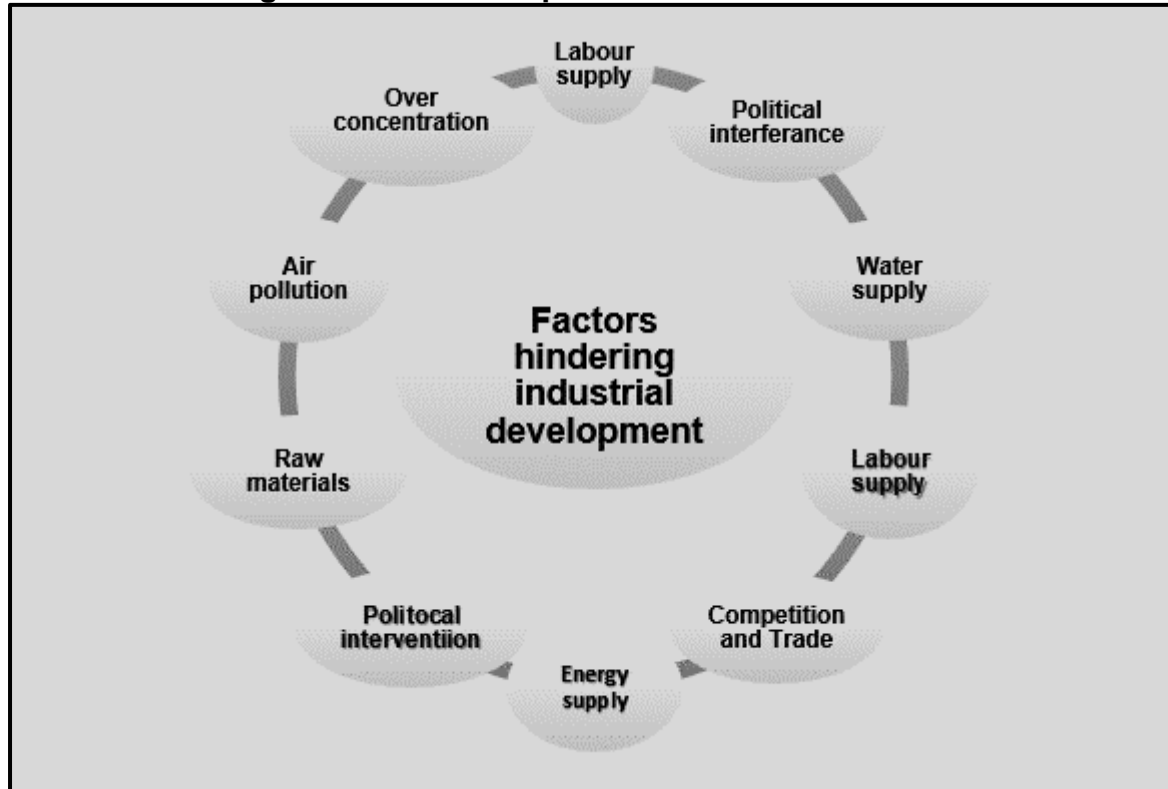
**Competition**

- There is local competition which promotes the improvement of the quality of goods that are produced.

**Trade**

- Harbors promote trade by creating a route for export of goods.
- There is free trade which allows all companies to trade.

## Factors hindering industrial development in South Africa



### Over-concentration

- There are many industries are in the urban areas.
- When many industries a concentrated in urban areas it creates a challenge of lack of space.

### Transport

- Road construction is very expensive.
- It is costly for companies to export goods.
- The railway lines are not sufficient.
- Cable theft of power lines cause delay of transported goods.
- There is huge distance to markets which adds to the retail price of goods.
- There is large distance from industries located away from the harbors.

### Air pollution

- The industries cause a lot of noise and air pollution.

### Labour supply

- There is a shortage of skilled labor force.
- Labor disputes such as strikes decrease production in companies.
- Lack of funding for skills development has not improved the shortage of skilled labor force.

**Water supply**

- South Africa is a water scarce country and water is used in manufacturing processes.
- Companies need a permit from government to use a certain amount of water which limits the capacity to produce goods.
- Industries dump water in rivers and make the water unusable.

**Energy supply**

- Unreliable electricity supply from Eskom disrupts production in industries.
- The price of electricity is increasing at a high rate.

**Raw materials**

- Some components used in manufacturing such as motor vehicle parts, telephone parts.
- When companies use imported goods the products produced are expensive.
- The price of imported goods depends on exchange rate makes industries to be unstable.

**Political interference**

- It leads to heavy taxation and restrictions which prevent foreign investment and further development.

**Competition**

- Competition from cheaper imported products can destroy local industries e.g. the cheap Clothes and fabrics brought the SA textile industries to their knees.

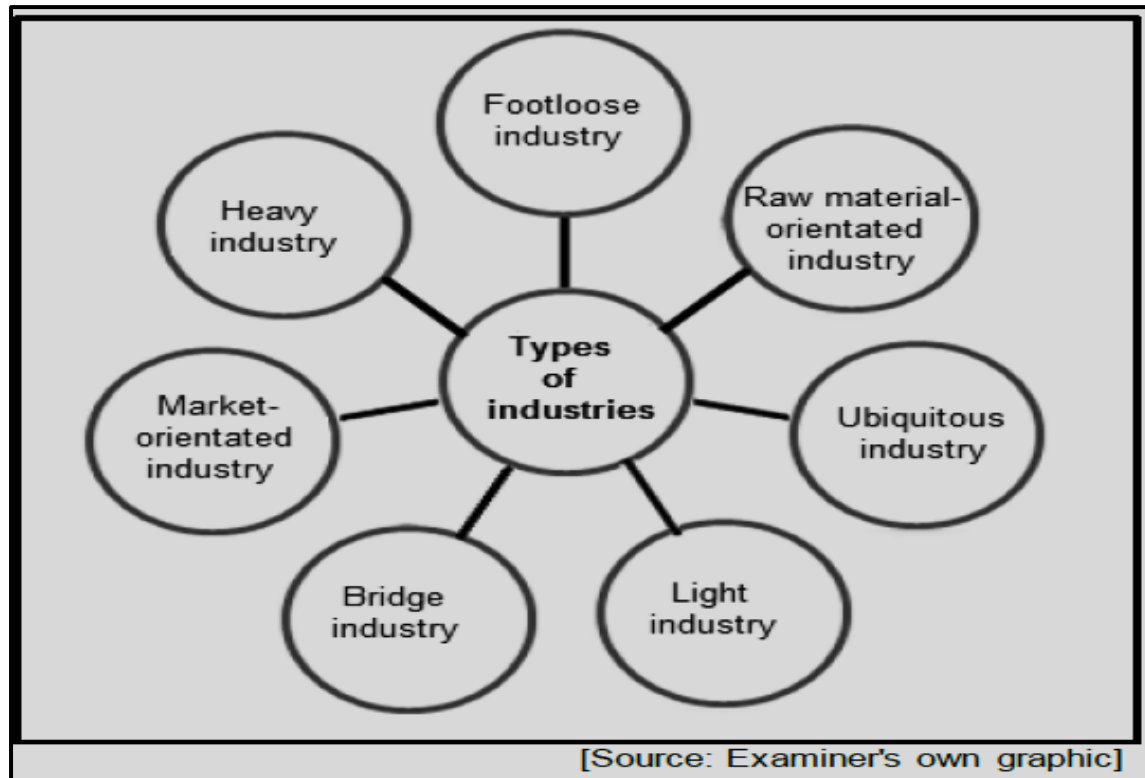
**Trade**

- Trade restrictions and taxes on imports to SA and exports to other countries lead to lower profits. Trade is often limited due to embargos and cooperation agreements between countries.



## ACTIVITY 7.1 (TYPES OF INDUSTRIES)

Refer to the Figure below and match the types of industries in the diagram with the statements below.



- 7.1.1 Industries that produce perishable goods
- 7.1.2 Industries that can be located anywhere and are not restricted by the location of markets or raw materials
- 7.1.3 Industries that can be located anywhere without an effect from factors such as resources or transport
- 7.1.4 Industries that process bulky raw materials
- 7.1.5 Industries located on the outskirts of the built-up areas because of noise and air pollution
- 7.1.6 Industries located between the source of the raw material and the market (customers)
- 7.1.7 Industries that occupy small spaces and can be located in the city centre

(7 x 1) (7)