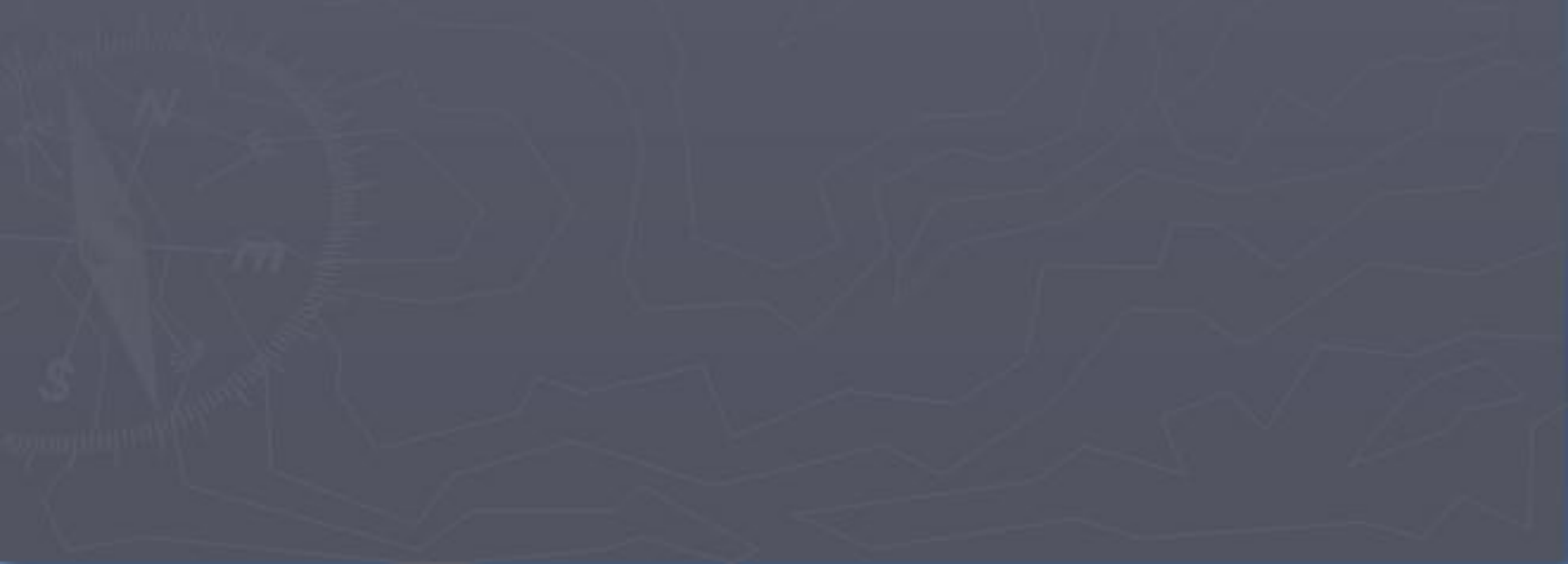


Site and Situation Factors of Industrialization



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



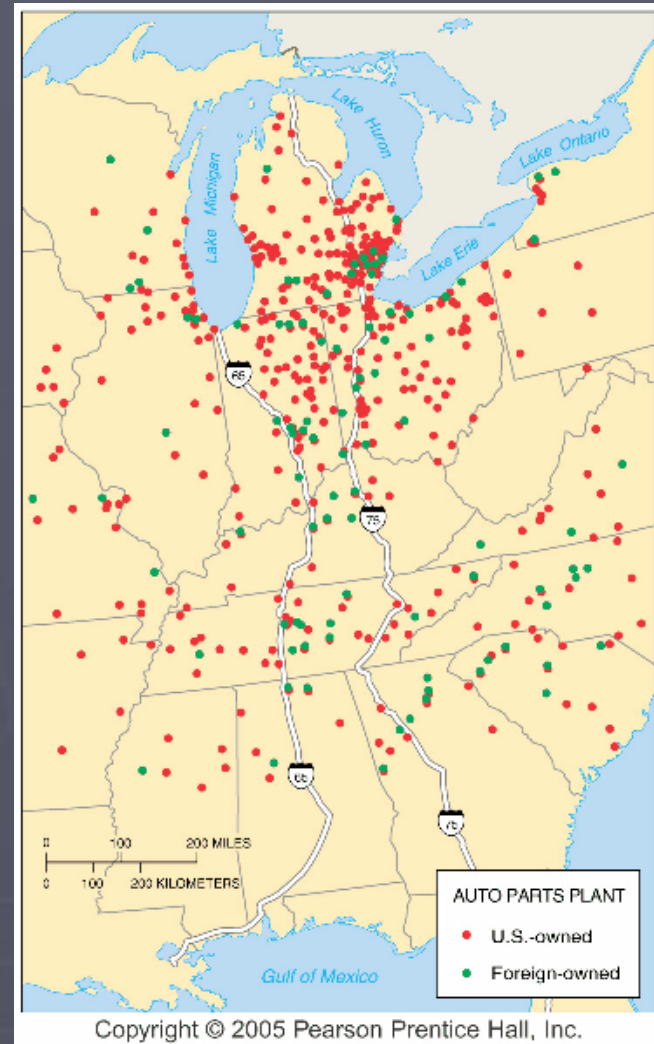
Bulk-Gaining Industry

- 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



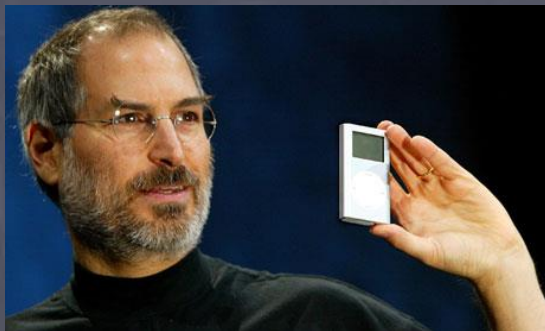
Break-of- Bulk Points

- 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



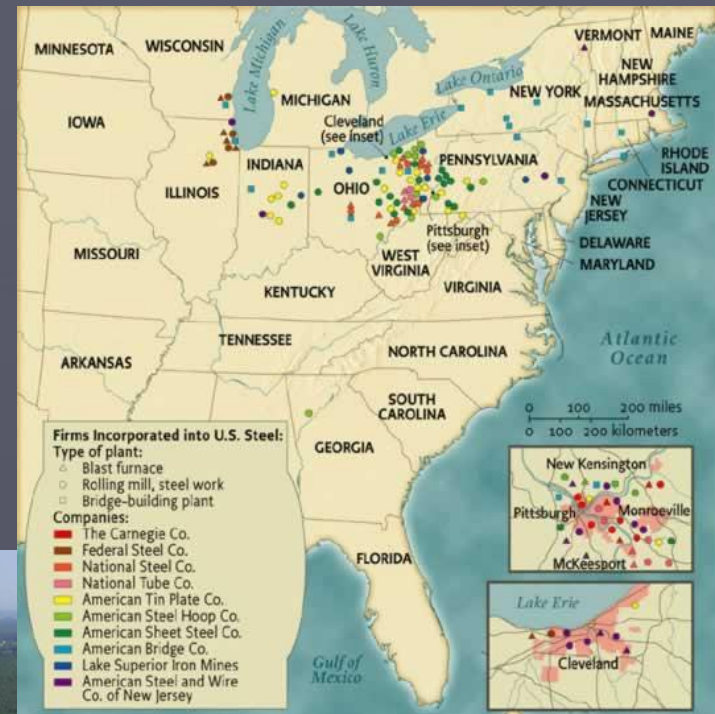
Labor

- 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



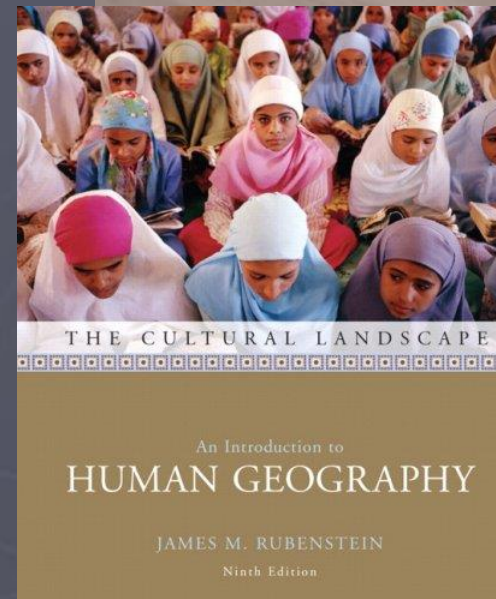
Land

- 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

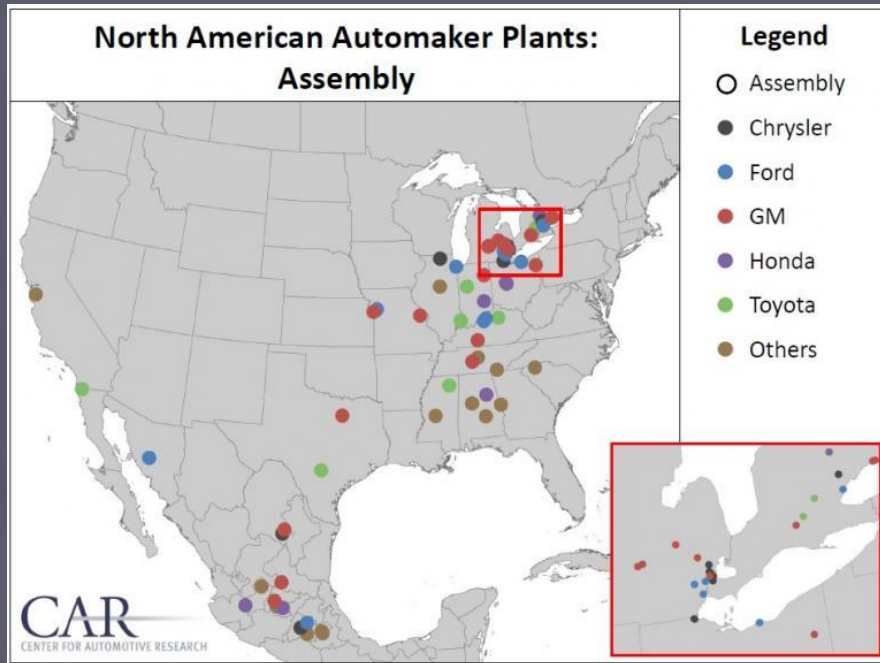


Entrepreneurship

- 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