ECONOMIC GEOGRAPHY: SECONDARY & TERTIARY SECTORS

Lesson Description

In this lesson we:

- Identify secondary and tertiary sectors to the South African economy
- Discuss the contribution of secondary and tertiary sectors to the economy
- Examine different types of industries
- Discuss factors influencing industrial development in South Africa
- Explore South Africa's industrial regions

Summary

Classification of Industry

Secondary industry

Secondary industries are those that take the raw materials produced by the primary sector and process them into manufactured goods and products.

Examples of secondary industries include heavy manufacturing, light manufacturing, food processing, oil refining and energy production.

Tertiary industry

The tertiary sector is also called the service sector and involves the selling of services and skills. They can also involve selling goods and products from primary and secondary industries.

Examples of tertiary employment include the health service, transportation, education, entertainment, tourism, finance, sales and retail.

Quaternary industry

The quaternary sector consists of those industries providing information services, such as computing, ICT (information and communication technologies), consultancy (offering advice to businesses) and R&D (research, particularly in scientific fields).

Secondary and Tertiary Sectors to the Economy

Different countries have different employment structures. The employment structure of a given country can tell you quite a lot about its economy. In the richest countries, for example, there will
usually be more people working in the tertiary sector than in the primary and secondary sectors. In the poorest countries, there tend to be more people working in the primary sector than in either the secondary or tertiary sectors.

In South Africa the primary sector has traditionally been the largest sector but in the last 30 years the secondary and tertiary sectors have increased.

**Types of Industry**

1. **Heavy industry**
   - Requires a large quantity of raw materials
   - Usually pollutes
   - Bulky end products
   - Uses heavy machinery

2. **Light industry**
   - Requires a large market and access to customers
   - Light weight raw materials
   - Uses light machinery
   - Small end product
Factors influencing the location of industries:

The location of industry depends on what is being produced

1. **Physical Factors:**
   Heavy industry needs to be near raw materials such as coal, iron ore and electricity. These industries also need mass transport like railways and water transport.

2. **Economic Factors:**
   Certain industries need to be near their markets, e.g. service industries. Certain activities also require large amounts of capital input and are near large markets.

3. **Social Factors:**
   Each manufacturing activity requires different amounts of labour, both in terms of quantity and skill levels. For example, a mine requires large numbers of miners but they need not be very skilled. A finance house may only require few personnel but they would be highly skilled.

4. **Political Factors:**
   The government may decide where to establish industries (e.g. Coega).

Factors Favouring and Hindering Industrial Development in Various Regions

Traditionally South Africa has four manufacturing regions, namely the PWV complex of Gauteng, the Durban-Pinetown region, the South-western Cape region and the Port Elizabeth-Uitenhage region.
<table>
<thead>
<tr>
<th>Region</th>
<th>Main Industries</th>
<th>Reasons for development</th>
<th>Limitations</th>
</tr>
</thead>
</table>
| Pretoria-Witwatersrand-Vaal complex (PWV) | Metal, iron and steel, machinery, chemicals, transport, equipment. | • Discovery of gold.  
• Good agricultural land. Fast growing population provided market.  
• Availability of various raw materials  
• Water available.  
• Good transport network linked to ports.  
• Huge capital available | • Water will become scarce  
• Housing and social necessities no longer adequate  
• Far from harbour |
| Durban-Pinetown-Pietermaritzberg Region | Sugar, chemicals, paint, textiles, shipping | Port location  
• High population concentration with skilled and unskilled labour  
• Availability of resources as well as imports  
• High rainfall for good water supply  
• Energy – availability of coal  
• Suitable relief  
• Market availability | • Harbour developed to capacity  
• Hilly topography limits space |
| South-western Cape Region    | Wine, fresh fruit packing, dried fruit, canning, fish, clothing, food. | Historical lead as first  
• Western-type city  
• Tradition of specialised manufacturing skills  
• Inland dams provide adequate water  
• Education above national average.  
• Important harbour, also fast rail and road links.  
• Large local market and foreign tourists. | • Not any local power course  
• Few natural minerals  
• Dry summers with limited water supply  
• Buying power lower than PWV complex |
| Port Elizabeth-Uitenhage Region | Motor vehicle assembly plants, motor vehicle parts. | More than adequate water  
• Centrally located modern harbour  
• Equalised rail tariffs  
• Large labour pool  
• Coega project is large new industrial development zone near PE. | • Far from main consumer areas  
• Labour costs higher than Asia and Eastern Europe for car production  
• Labour unrest and strikes. |
Test Yourself

Question 1
The provision of electricity is a … activity.
A primary
B secondary
C tertiary
D quaternary

Question 2
The sector of the economy that is not regulated and registered for taxes is the … sector.
A formal
B tertiary
C informal
D primary

Question 3
The clustering of economic activities that are similar and rely on each other is referred to as …
A agglomeration
B centralisation
C decentralisation
D nationalisation

Question 4
Which ONE of the following economic activities is associated with the tertiary sector?
A Mining
B Forestry
C Retail
D Agriculture

Question 5
Industries that are service-orientated are known as … industries.
A market-orientated
B raw materials orientated
C footloose
D bridge
Improve your Skills

Question 1
1.1 Define the following concepts and give an example of each one:
   1.1.1 Heavy industry
   1.1.2 Light industry
1.2 What is an ubiquitous industry?
1.3 Give an example of a footloose industry

Question 2
Look at the map below and answer the questions that follow

2.1 Identify the industrial areas marked A, B, C and D respectively.
2.2 Provide TWO factors that promote industry at A.
2.3 State the main type of industry found at B.
2.4 What is a break-of-bulk point? Give examples that take place in region A and B
2.4 Briefly discuss any TWO factors that promoted industrial development in South Africa.
2.5 Briefly discuss any TWO factors that are currently restricting industrial development in South Africa.
Question 3
Refer to the following figure in order to answer the following questions.

### CONTRIBUTION TO GDP

<table>
<thead>
<tr>
<th></th>
<th>Economic Activity</th>
<th>Percentage</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agriculture</td>
<td>2.1%</td>
<td>63.9</td>
</tr>
<tr>
<td>2</td>
<td>Mining and quarrying</td>
<td>8.7%</td>
<td>260</td>
</tr>
<tr>
<td>3</td>
<td>Electricity, gas and water</td>
<td>2.6%</td>
<td>78</td>
</tr>
<tr>
<td>4</td>
<td>Manufacturing</td>
<td>12%</td>
<td>357</td>
</tr>
<tr>
<td>5</td>
<td>Finance</td>
<td>19%</td>
<td>565</td>
</tr>
<tr>
<td>6</td>
<td>Construction</td>
<td>4%</td>
<td>120</td>
</tr>
<tr>
<td>7</td>
<td>Internet</td>
<td>2%</td>
<td>59</td>
</tr>
</tbody>
</table>

**KEY:**
1. Agriculture
2. Mining and quarrying
3. Electricity, gas and water
4. Manufacturing
5. Finance
6. Construction
7. Internet

[Source: www.internetmatters.co.za/images/contrib.png]

3.1 Which economic activity contributed the highest percentage to the GDP?
3.2 What percentage contribution do the secondary and tertiary sectors make to GDP?
3.3 Explain why the secondary and tertiary sectors are increasing in the South African Economy

### Links
- **South African Water Game Challenge 2014:**
  http://www.watergame.co.za/