

INDUSTRY CATEGORIES



FACTORS OF PRODUCTION

The Factors of Production include the following

1. Land (Rent)
2. Labour (Wages)
3. Capital (Interest)
4. Enterprise (Profit)

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LAND

(Factors of Production)

Definition

1. This refers to the natural resources that give us the raw material and energy needed for all business activities. (Extraction)
2. There are two types of resources - Renewable energy and Non Renewable

For example - Land, Seas, Water lakes (Gas, Oil, Iron, animals, Timber).

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LABOUR

(Factors of Production)

Definition

1. This is the human work and effort needed for a business to operate.
2. The availability of labour is limited by the number of fit and healthy people willing and available to work as employees (Wage)

For example - Employees

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CAPITAL

(Factors of Production)

Definition

1. This is anything man made that is used in the running of a business.
2. It also includes money needed to pay for things such as staff, heating marketing.
3. It is also in limited supply (Interest)

For example - It includes equipment, buildings, vehicles.

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ENTERPRISE

(Factors of Production)

Definition

1. This is the human creativity and initiative that is required to pull the three other factors of production together and start a business to provide goods and services.
2. This is also in limited supply (Profit)

For example - Richard Branson.

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SECTORS OF INDUSTRY

1. Primary sector
2. Secondary sector
3. Tertiary sector

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PRIMARY SECTOR

(Sectors of industry)

Definition

1. The PRIMARY SECTOR are natural based industries.
2. There are raw materials that are extracted

For example - agricultural, forestry, fishing, drilling mining

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SECONDARY SECTOR

(Sectors of industry)

Definition

1. The SECONDARY SECTOR is manufacturing industries
2. It converts the raw materials from the primary sector to finished goods

For Example - Manufacturing & construction such as chemicals

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TERTIARY SECTOR

(Sectors of industry)

Definition

1. The TERTIARY SECTOR is the Service industries
2. They provide essential service

For example - retailing, tourism, transport and finance industries

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AGRICULTURE

ARGICULTURE (Primary)

Background to agriculture in Ireland

1. Traditionally consisted of tillage & livestock farming. Has changed due to Irelands inclusion in CAP.
2. Modernisation of machinery and huge strides made in technological developments has led to less demand for employees i
3. Increases in the numbers of imports of meat and vegetables

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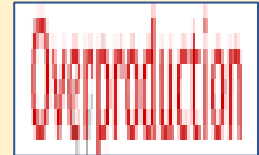


ISSUE/TRENDS IN ARGICULTURE (Primary)

1. Overproduction
2. Diversification
3. Consumer Confidence
4. Declining EU payments
5. Small Farm Sizes
6. Climate Change

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OVERPRODUCTION (Primary - Agriculture)

1. Membership of the EU meant that farmers were given a min. price for their output. Output levels exceeded what was expected resulting in the EU buying up massive quantities of surplus beef, milk,
2. This forced the EU authorities to introduce an annual quota system for all farmers. This effectively put a limit on the amount of farm output farmers could produce.

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DIVERSIFICATION (Primary - Agriculture)

1. To generate a worthwhile income in the agricultural industry diversification into other farm activities is a way forward.

For example

Open farms - geared towards tourists, community groups school tours
Farmhouse holidays - renovating old building for modern usage, holiday packages in a fishing location

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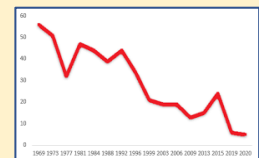
CONSUMER CONFIDENCE (Primary - Agriculture)

1. The issue of quality & safety of our foods has been undermined in this country.
2. Health scares has affected consumer confidence

For Example - mad cow disease, angel dust in beef, "salmonella" in eggs, Foot and mouth, Bird flu & Pesticide on fruit and vegetables.

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DECLINING EU PAYMENTS (Primary - Agriculture)

1. The EU traditionally provided support to Irish farmers through CAP.
2. However this policy has now changed with farmers receiving one payment no matter how much output they produce

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small

SMALL FARM SIZES (Primary - Agriculture)

1. Due to less money being received from the EU many small farmers are now selling out
2. Resulting in fewer but larger farmers who can avail of economics of scale

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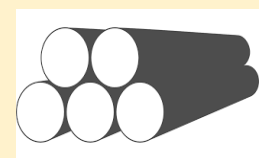


FISHING (Primary - Fishing)

1. This has come under pressure from other EU fisherman fishing off the coast
 2. Due to the decline in the need for red meat amongst consumers.
 3. Fishing stocks have been reduced for due to other vessels entering in our waters.
 4. This is a serious threat to the livelihood of coastal communities that are dependent on fishing as source of income.
- For example** - Killybegs

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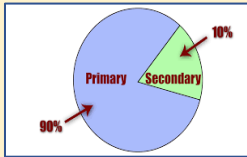


FORESTRY (Primary - Forestry)

1. This is a small-scale industry in Ireland as this country has very little forest cover.
2. In Ireland Coillte offer grant aid to farmers to switch their land over to that of forest produce.
3. COILLTE have been given the job to develop Ireland as a major wood exporting nation.

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SECONDARY

1. Manufacturing
2. Construction

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CONSTRUCTION (Secondary - Construction)

1. This involves the building of houses factories offices and infrastructures - road, tunnels and bridges

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MANUFACTURING (Secondary - Manufacturing)

1. This converts the raw material into finish goods (Computers, furniture). Most manufacturing in Ireland is
 - a. Food and drink production (Kerry Group)
 - b. Chemicals and Pharmaceuticals (TNC)
 - c. Electronic and Computer products (Dell)

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IMPORTANCE OF THE CONSTRUCTION INDUSTRY (Secondary - Construction)

To the Irish economy

1. Use of Irish resources - use sand, gravel and wood which reduces imports and keeps the money in the Irish economy
2. Employment

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TRENDS/CHALLENGES FACING IRISH CONSTRUCTION (Secondary - Construction)

1. Economic fluctuations - when the economy is doing well so to does construction
2. but when the economy is doing poorly employment can drop
3. Health and safety issues
4. Co-vid 19

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INDUSTY CATEGORIES



IMPORTANCE OF THE MANUFACTURING INDUSTRY (Secondary - Manufacturing)

To the Irish economy

1. Employment - Direct jobs (Staff) and indirect jobs (Suppliers of raw materials)
2. Exports - Bring money into the country

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TRENDS/CHALLENGES FACING IRISH MANUFACTURING (Secondary - Manufacturing)

1. Employment - More output being produced by fewer people
2. High labour and other costs - made Irish firms less competitive compare to countries with lower costs
3. Relocation

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ARGIBUSIENSS

Definition

1. This refers to manufacturing firms that use agricultural products such as dairy products, meat, vegetables and cereals as their main source of raw material.
2. This sector exports up to 50%-60% of its produce. 1/3 of the top 100 Irish businesses are from the agribusiness background

For example - Kerry Group, GLANBI

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IMPORTANT ISSUES & TRENDS IN AGRIBUSINESS

1. Retailing developments - selling products to large supermarkets (Dunnes Stores)
2. Research & Development - Rival firms are investing time and money in R & D so agribusinesses must to remain competitive.
3. Mergers/Takeovers - to compete with international business mergers/takeovers converting into PLC's. (Kerry Group Consumer Pressure - health scares have led to producing natural and healthier fo

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TOURISM

1. Ireland is seen as a country of natural unspoilt beauty, as a result it has opened many employment opportunities in the development of hotels and catering facilities.
2. Tourists (Especially Americans) are willing to spend vast amounts of money here.

For example - Clifden, and Killarney etc are seen as major tourism hotspots.

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IMPORTANCE OF THE SERVICE SECTOR (Tertiary - Tourism)

1. Employment - Labour intensive, largest sector of the economy for employment
2. Tourism
3. Exports
4. Loyalty -
5. Attract TNC

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TRENDS AND CHALLENGES FACING THE SERVICE SECTOR (Tertiary - Tourism)

1. **Globalisation** - for future development of the Irish services sector Irish companies must enter the international markets. This is already done by those firms in telecommunications and financial services.
2. ICT is changing how services are provided (e-commerce)

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INDIGENOUS FIRMS

Definition

1. These are "Irish owned and locally based"
2. They are business that are set up by citizen in a country and are based in that country

For example - Insomnia coffee

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THE BENEFITS OF INDIGENOUS FIRMS

1. They are more likely to remain loyal to this country, this will protect levels of employment
2. They may inspire other local based entrepreneurs to develop similar businesses
3. Indigenous firms tend to be labour intensive, this will create good employment opportunities for the Irish public.

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INDUSTRY CATEGORIES



COMPETITION BETWEEN COUNTRIES FOR FDI

The following are some of the reason for FDI

1. Single European Market SEM
2. Niche Marketing
3. Environmental issues

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SINGLE EUROPEAN MARKET SEM (Competition for FDI)

1. Since the emergence of Ireland in the EU trading block it has been easier for Irish firms to trade freely on the continent. To compete with these larger
2. TNC's Irish firms have opted to form alliances, mergers and takeovers to survive in the market place.

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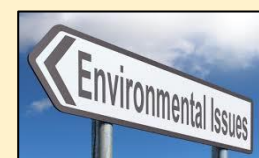
NICHE MARKETING (Competition for FDI)

1. Businesses that identify niche marketing in the global economy where factors such as quality of design, image, innovation or customer service are of more importance than price.

For example: BAILEYS CREAM LIQUOR

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ENVIRONMENTAL ISSUES (Competition for FDI)

1. There is a definite need for IRISH businesses to develop environmentally friendly activities.
2. This will help to promote the business name and keep the Ireland's green reputation on the global stage.
3. This also acts as a marketing tool to sell the produce.

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TRANSNATIONAL FIRMS IN IRELAND

1. These are firms that produce and market goods and services in more than one country. They are also known as multinationals. For example Microsoft and Intel.
2. They do not have strong ties to any country. They will locate in any country that is profitable to do so.
3. FDI - TNC setting up facilities in Ireland to produce goods and services for export.
4. To promote economic activity Ireland tries to attract FDI to Ireland.

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IMPORTANCE OF TNC

1. Exports - 90% of Ireland Exports are from Non Irish TNCs. Exporting brings money into Ireland.
2. TNC provide employment - they employ directly (High skilled jobs) and also indirectly.
3. Local Business benefit.
4. Contribute a lot of Taxes.
5. Make up for weakness of indigenous firms - Manufacturing, chemicals, electrical engineering, computer hardware and

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INDUSTRY CATEGORIES



EXAMPLES OF TNC

Ireland TNCs

Kerry Group
AIB
Cement Road Stone Holding

TNC located in Ireland

Microsoft
Google
Facebook

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WHY TNC LOCATE IN IRELAND

1. Low rate of corporation tax
2. Free access to the EU Markets
3. Availability of Grants from IDA Ireland
4. Skilled labour force
5. Low level of Strikes

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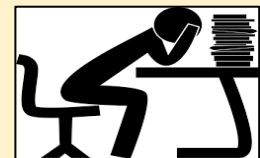


TRENDS AND CHALLENGES OF TNCs

1. Labour and other costs - Ireland has become more expensive and less profitable.
2. Global competition for FDI - other countries offering lower corporation tax +
3. Poor infrastructure - roads, rail, public transport, broadband
4. Energy supply risks - Ireland depends a lot on imported energy (gas and oil)
5. Highly Skilled Labour - TNC to set up exporting companies in Ireland
6. No loyalty -

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PAST QUESTIONS

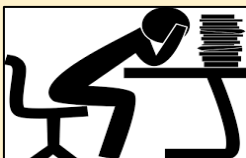


NAME THE THREE CATEGORIES OF INDUSTRY AND GIVE ONE EXAMPLE OF AN OCCUPATION IN EACH

- | | |
|----------------|--|
| (i) Primary | Example: Farmer |
| (ii) Secondary | Example: Builder/Factory production worker |
| (iii) Tertiary | Example: Banker |

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PAST QUESTIONS

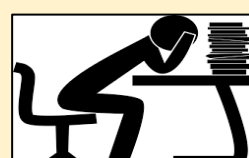


CHALLENGES FACING BUSINESSES IN THE TERTIARY SECTOR IN IRELAND.

1. Access to technology - Poor access to broadband, Poor use of websites
2. Commercial Rates - small retailers under pressure - compete with larger retailers.
3. Brexit/uncertainty - The uncertainty negative impact on the exporting
4. Rents - The increase in the rents will cause employees claims for higher wages.
5. Wage demands - wage demands in the transport sector such as (LUAS)

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PAST QUESTIONS



DEFINE THE TERM PRIMARY SECTOR

The primary sector (**extractive**) is a category of industry based on the natural resources of a country such as agriculture, forestry, fishing, mining, energy.

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PAST QUESTIONS



OUTLINE TWO TRENDS AFFECTING THIS SECTOR IN IRELAND

1. As a result of overfishing the EU has introduced fish quotas
2. Gas deposits may be mined using 'fracking'
3. Developments in the area of wind energy and solar power.
4. Continued growth in organic food production.
5. Restriction on turf cutting due to EU environmental directive

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PAST QUESTIONS



DEFINE THE 'SECONDARY SECTOR

1. The secondary sector includes Manufacturing, Agribusiness and Construction businesses - that manufacture products from the materials produced by the primary sector (Agriculture, Forestry, Fishing and Mining).
2. Takes raw materials, processes raw materials and produces finished good

For example: Kerry Group - Food Products

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PAST QUESTIONS



OUTLINE TRENDS AFFECTING THE SECONDARY SECTOR IN IRELAND

1. Decline in employment in Secondary Sector - downsizing and closures have resulted in an increase in unemployment,
2. Increased competition- challenge faced by Agribusiness Sector from foreign retailers i.e... Lidl and Aldi
3. Increased wage rates in Ireland has resulted in loss of competitiveness - relocation of some manufacturing businesses to low cost economies

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PAST QUESTIONS



NAME A STATE-OWNED ENTERPRISE IN THE 'PRODUCTION' CATEGORY

ESB

REASONS FOR STATE INVOLVEMENT

Essential service ·
Economic Infrastructure/development.

Remember to Explain these points

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PAST QUESTIONS



IMPORTANCE OF THE CATEGORIES OF INDUSTRY TO THE IRISH ECONOMY.

Primary (Extractive): Agriculture, forestry, fishing, mining.

Secondary (Manufacturing/Construction): Electronics, food processing, chemicals, pharmaceuticals, building, development of the physical infrastructure, roads, bridges, tunnels, etc.

Tertiary (Service industry): Public Utilities, e.g. electricity, gas, Transport, communications, distribution, financial services.

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PAST QUESTIONS



EXPLAIN THE TERM SERVICE INDUSTRY

1. Tertiary industries are the service industries and businesses providing a service of one kind or another to the other industries, i.e. to the extractive or manufacturing industries or to the public.
2. They may not actually produce or make a product but they provide an important service by bridging the gap between producers and the final consumer.

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PAST QUESTIONS



NAME AND GIVE AN EXAMPLE OF EACH TYPE OF INDUSTRY

Primary. Extractive. - Supply or obtain food and raw materials. Agriculture, forestry, fishing, mining,

Secondary. Manufacturing - building and construction. Food processing, Electronics, chemical and pharmaceutical, Building materials, development of the physical infrastructure, roads, bridges etc.

Tertiary. Service industries - Public Utilities eg. Electricity, Gas, Water

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