

## Chapter 20

### Categories of Industry

(Primary, Secondary and Tertiary – importance and trends)

## 2019 Short Q2

Name the three categories of industry and give one example of an occupation in each:

- |                       |                     |
|-----------------------|---------------------|
| (i) <u>Primary</u>    | E.g. <u>Farmer</u>  |
| (ii) <u>Secondary</u> | E.g. <u>Builder</u> |
| (iii) <u>Tertiary</u> | E.g. <u>Banker</u>  |

## 2015 Short – Q4

Sentence		True/ False
1.	Factors of production refer to the resources required for the generation of goods and services.	True
2.	The secondary sector refers to the construction and manufacturing industries.	True
3.	Service industries manufacture physical products for sale to consumers.	False
4.	Industries such as agriculture, fishing and forestry are based on a country's natural resources.	True
5.	Indigenous firms are foreign owned firms located in Ireland.	False

## 2012 Q8 – Short

(a) Define the term *primary sector*.

(b) Outline **two** current trends affecting this sector in Ireland:

***\*Trends must be current, don't just use old past paper examples\****

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

(b) Commodities such as **beef** and **milk** are commanding **higher prices** on world markets as demand increases due to **global population growth**.

Developments in the area of **wind energy** and **solar power**.

Increase in demand for **organic food stuffs** (Ireland's **green image** helps)

## 2009 Q6 – Short

Define the 'secondary sector' and outline two current trends affecting this sector in Ireland.

**Takes** raw materials, **processes** raw materials and **produces/** manufactures **finished goods**. Includes **Manufacturing, Agribusiness, Construction**.

Example: **Glanbia** – Food Products.

Current Trends: (i) Increased **competition** from **abroad** - challenge faced by Agribusiness Sector in food market from foreign retailers i.e... **Lidl** and **Aldi**  
(ii) Increased **wage rates** in Ireland has resulted in loss of competitiveness and **relocation** of some manufacturing businesses to **low cost economies** etc

## 2020 Short Q3

*Eight of the top ten aviation leasing companies in the world are based in Ireland. The aviation industry is part of the tertiary sector.*

(a) Explain the term **tertiary sector**.

(b) Outline **two** trends in the tertiary sector in Ireland.

MS: (a) 4m; (b) 2x3m

(a) It refers to the **services industry**. The aim of the sector is to **provide a range of services to businesses and consumers**. E.g. financial services, medical services, transport services, leisure services.

(b)

**Higher Unemployment**

Covid-19 has caused job losses in lots of the services industry including hotels, pubs, restaurants.

**Online services increased**

Covid-19 has forced lots of services to offer online options rather than in store, where consumers can click and collect or get services online. This requires training of staff and investment in IT to adapt.

Other: VAT rate changes, higher minimum wage, more competition (KBC bank, Aldi/Lidl growth)

2013 Q2 (C)

Discuss current trends affecting businesses in the services sector of the Irish economy. Provide examples to support your answer. (20 marks)

MS: 4 @5 marks (2+3)

1. Taxes such as the **household charge**, **property tax** and **cuts in government expenditure** on **social welfare** have led to a fall in the **disposable income** of consumers. As consumers' spending power is reduced the **demand** for the goods and services that businesses sell in the retail services sector has **fallen**.

2. Big multiples are benefiting from **economics of scale** and becoming more **dominant** versus **small retail outlets** and they are having great difficulty in competing, and need to develop their own **USPs to survive**.

E.g. Three and Vodafone grow as new smaller Irish owned business fails Just Mobile

3. Consumers are looking to avail of **discounted products** and stores (**discount retailers**) instead of buying goods at **full price**. This has seen a big increase in the success of stores like Aldi, Lidl, TKMaxx...

4. Businesses in the services sector are facing a **decrease in footfall** because of the challenges facing town centres due to competition from **large suburban shopping centres** and the restrictive parking/traffic systems in operation.

Large Car Parks and all shops in one site, means centers like Dundrum and The Pavilion in Dublin are drawing customers away from Dublin City shopping.

5. Buying and selling goods and services over the internet (e-business), is changing the dynamic of the services sector. Retailers moving to **on-line operations** include **Tesco** and **Lifestyle Sports**, meaning consumers can shop from home.

This is bad news for shops that don't **adapt** to the **changes**, but good for other businesses in the sector e.g. **IT firms** and **couriers/delivery/logistics firms**.

**2017 Q2 (A)**

Discuss the challenges facing businesses in the tertiary (services) sector in Ireland. (15m)

1. Poor access to broadband especially in rural areas, leading to poor use of websites and IT for selling to consumers for some services online, so sales may be lower than more urban areas.
2. Commercial rates charged to business by local authorities. They have placed small local retailers under huge pressure as they try to compete with larger retailers.
3. The uncertainty caused by Brexit negative impact on the exporting of goods and services. Specifically for tertiary retailers related to the agri-food market.
4. The increase in the cost of rental accommodation in cities such as Dublin will cause employees to lodge claims for higher wages. This reduces the profits of service firms and makes it more difficult for them to remain competitive.
5. Successful wage demands in the transport sector such as Dublin Bus and Luas have led to knock on claims in the services sector. This reduces the profits of service firms and makes it more difficult for them to remain competitive.
6. The huge growth in online purchasing has led to the closure of many retail outlets. Growth of discount retailers e.g. Aldi, Lidl, TKMax

***Additional Points could include: Poor infrastructure/lack of skilled workers in certain areas/cost of utilities/ demographic changes/automation of services leading to unemployment (i.e. banking sector).***