

Topic Synopsis

Manufacturing Industries

- The manufacturing industries are the economic indicator of the growth of country's economy.
- Manufacturing industries are the backbone of development as they help to reduce the burden on agriculture.
- They help in reducing regional disparities, poverty and unemployment.
- They help in establishing trade relation as we are able to export the surplus and meet our requirement by importing the raw materials.

Agriculture and Industry

- Both agriculture and industry are complimentary to each other, and go hand in hand.
- Agriculture provides raw material for agro - based industries, and in return the industries provide it with machinery, fertilizers, pesticides, etc.

Contribution To Indian Economy

- Manufacturing industry contribute 9.8% of the total GDP in 2010-11. However it employs 14% of the total workforce.

FACTORS INFLUENCING THE LOCATION OF INDUSTRIES

- Three basic factors of production includes land, labour and capital. Land in this case includes not only the land where the plant has been established, but also the raw material that is processed in to the final product.
- **Availability of raw material** is one of the most important factors for the location of an industry. Raw material is one of the most important factors of location of an industry. Industries like the Iron and Steel Industry, using heavy and bulky raw materials like coal, iron ore, manganese etc. tends to be located close to the source of raw material. In doing so, they minimise the transportation cost. This is the reason behind the concentration of iron and steel plants in the Chotanagpur Plateau area of our country.
- On the other hand, industries like the cotton textile industry that use non weight losing raw material like raw cotton have the advantage of being set up in any place or be decentralised. The transportation of either raw cotton or the finished product is not very expensive. This type of industries is called footloose industry.
- **Market** – determines the demand of the finished product and thus determines the entire production process. In cases where the finished product is heavy, production units are located close to the markets or areas of demand in order to minimise transportation cost and vice versa.
- **Power** – or the availability of energy that is required for running the numerous machines and equipments is also an important locational factor for setting up an industry. Industries tend to be located in areas of uninterrupted power supply or where the government provides subsidy for the consumption of power. The later factor has been responsible for the growth of industrial regions through industrial economies.
- **Transportation**- is very important as the movement of raw materials as well as the supply of the finished product to the market depends on it. Cheap, easy and convenient transportation and well developed transport networks are prerequisites for setting up of an industry. Industries tend to be located in areas with good transportation facilities.

- **Labour** – is the active factor of production and makes the production process a reality by bringing together all the other passive factors of production. Availability of skilled and efficient labourers also determines the location of an industry. The availability of skilled man power has led to the growth of the Information Technology industry in Bangalore.
- **Industrial policies** – have also contributed to the location of industries in a particular area. The growth of Bhilai and Bokaro steel plants and consequently the cities have been the result of industrial policies undertaken by the government of India. The purpose of this was to bring about equal development in all the regions of the country. Industrial policies more often than not provide subsidised electricity, land etc. in order to attract industries to the particular place.
- **Historical factors** – like early colonisation, better infrastructural facilities are often the reason behind the growth of a particular region. For example, growth of Kolkata as the capital of the country and its consequent growth is the reason behind the supremacy or rather primacy of the city over others in eastern India