

Defining Types of Industry

Industry can be classified in many different ways.

1. Labour Intensive vs. Capital Intensive

Manufacturing businesses can be classified based on the process. All manufacturing can be classified as either requiring a lot of labour to do the processing or as requiring a lot of machinery to do the processing. Some manufacturing businesses might be more difficult to classify because they require a lot of capital and a lot of labour.

- . Labour intensive = requires a lot of person hours to produce the product.
- . Capital intensive = requires a lot of equipment to make the product.

2. Heavy vs. Light Industry

Manufacturing businesses can be classified based on the output. All manufacturing can be classified as either producing large, expensive items for other business to use in manufacturing or transportation or as producing small items for consumers to purchase directly. Some manufacturing businesses might be more difficult to classify because they produce items that might be used by business or by private people.

Heavy industry = produces big expensive products for for other industry. Ex. Ship yard, tractor production

Light Industry = produces products for consumers. Ex. Pop industry.