6. Tertiary Economic Activities



Think about it.

Read the following comprehension and answer the questions that follow :

There are three friends from different backgrounds. They decided to become entrepreneurs after graduating from the same college.

Rohit is a farmer's son. He pursued his bachelor degree in the Arts faculty. He was thinking of continuing his father's profession but at a different level. He wanted to grow export-quality agricultural products in his two acres of farmland.

Sejal is the daughter of a businessman. They produce and sell bakery products on wholesale basis. She has passed her degree in Science. She wants to become an entrepreneur in Fast Moving Consumer Goods (FMCG) products.

Asif is a son of a small hotel owner. He has passed his graduation in Event Management. He wants to start his own company of Event Management.

After graduating with good grades, they decided to help each other and begin their careers. Rohit, Sejal and Asif tried to find out information about how to start their businesses. They tried to get maximum information regarding their businesses. They wanted to plan, organise and then establish their start-ups. During this period, they found information regarding their businesses.

Rohit found out that he will have to do major changes in his farmland to grow export-quality products like lily, orchid flowers and fruits like kiwis, dragon fruits, etc. He will have to maintain moisture and temperature in the air. He will also need to use special fertilizers to maintain the soil's Ph value. He also came to know that he has to take help of the Agricultural officer from the same Taluka. More importantly, he has to take out a licence to establish a business. He also got to know that he will need an account which can be used for foreign transactions. He also got information from where he would get saplings for the export-quality products. He came to know that, these flowers are in great demand in Gulf countries and they give high returns too. As these countries are within the reach of an hour or two by air, the flowers can remain fresh and retain their quality. He also decided to visit few vendors from these countries to directly setup his business.

Sejal realised that toothpaste is a product which is required daily by the people. Since her background was from Science, she decided to derive an advanced formula which will be good for dental health. She also took help from a cousin brother from the Pharmaceutical industry.

She came to know that she needed the following things to set up the industrial unit :

- Machinery and labour force to work in the plant.
- Land for setting up the plant.
- NOC from competent authorities before taking the product to the market.
- Other licenses like NOC from fire service department.
- Industries that will give tubes to fill ready toothpaste and cartons to wrap the product.
- Appoint an advertising agency to promote the product.

She was reluctant for this start-up since it required land and a large capital investment. But she felt relieved that due to the Government's Start-up schemes, she can get subsidised loan. Her father helped her solve her land problem. He had a small piece of land near her town which was sufficient for this purpose. He arranged for other basic amenities like water, electricity, etc. which are required for an industry. He leased out that plot to Sejal.

Asif realised that he mainly needed services and labour for his start-up, which he can arrange by hiring them from various agencies like caterers, florists, hall owners, band players, sound systems etc. He also understood how to take permission from various competent authorities to arrange various events. He realised that it will be good if he opens up an office to start his business in the market. To advertise his start up, he got a brochure designed and printed visiting cards for marketing his services.

After planning for a year, all the friends started their entrepreneurship in their respective businesses. As their businesses have been established as per their likings, they are enjoying their work. Their businesses are now their passions.

1) What do you understand by the term 'competent authorities'?
2) In which types of economic activities are the children in the story engaged?
3) While being occupied in their type of economic activity, which other activities they interact with?
4) Classify all the economic activities you come across in the passage.

Geographical explanation

While reading the passage, you would have come across many human occupations. These are the economic activities carried out by humans. Out of them, some of the activities are completely dependent on nature. We obtain natural resources out of such activities. These activities are primary activities.

Man cannot use some of the products received from these activities directly. These products can be used again by increasing their values or making them more durable. In that case, these products are processed. This creates new and different products. These are usable, more durable and can be sold at higher prices. Through processing, these activities become a part of secondary activities. Secondary activities are mainly dependent on products obtained from primary activities.

There are activities which act as the link between the primary and secondary activities and are complementary to both of them. These are mostly in the form of services. If you want a particular service you will have to pay for it. These include buying and selling of goods, means of transportation and communication, loading and unloading of goods, credit facilities, marketing, import and export, etc. Providing public services are also a part of it. Other services like knife grinders, vegetable sellers, shopkeepers, passenger's carriers, postal services, etc. are also included in tertiary activities. All these services are called tertiary economic activities. (Fig.6.1)

Use your brain power!

- Do tertiary activities involve only services?
- Can there be products in tertiary activities? Discuss in class and make a list of such products.

Can you tell?

In figure 6.1, many economic activities included in tertiary occupations are enlisted. Classify the following economic activities in the following two categories :

- Activities dependent on geographical factors
- Activities not dependent on geographical factors

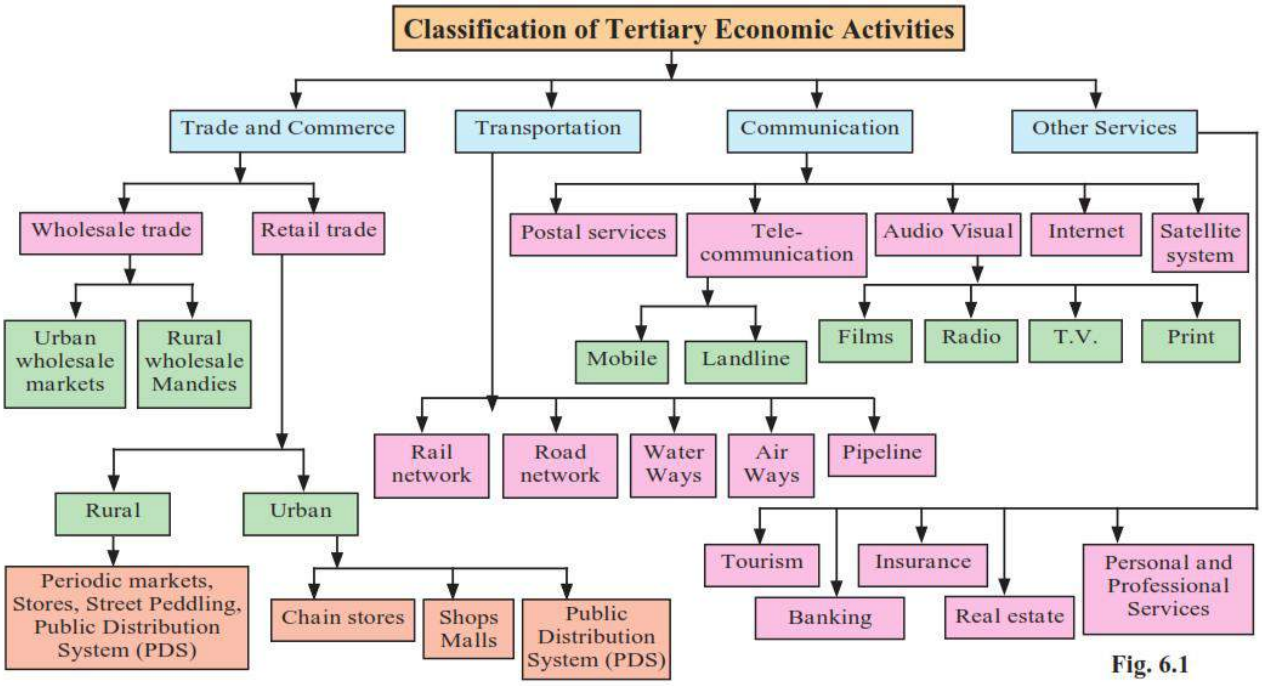

Fig. 6.1

Can you tell ?

- Make a list of things you use in your daily life.
- Divide the activities through which they have been obtained into primary, secondary and tertiary. For example, salt is obtained from primary activity.
- Does your list contain any products which have not been derived by using either of the activities?

Geographical explanation

In tertiary occupations, there is no derivation from the nature as it is in primary activities. There may be some products manufactured like secondary activities but they are in the form of services offered. As these activities are mainly of the service category, these occupations are also known as the 'service sector'.

The distribution of many of these services is dependent on many geographical factors. You will realize from the activity above that there are very few such services which are not dependent on natural factors completely. Climate, topography, nearness to the sea or continental location are some of the geographical factors, which may affect tertiary activities.

The secondary activities are not only dependent on how long the perishable raw material will last but also the mode of transport through which the raw material is to be delivered. For example, for international export of a product like grape obtained through agriculture, using airways will be a better option, while sending cotton through water transport will be more profitable.

The human settlements all over the world have developed as an effect of various favourable geographical factors. Markets, be it retail or wholesale, always occur near these settlements. A secondary activity can occur away from the settlements but markets will not. They are always found near the settlements.

Loading and unloading of goods takes place at ports and dockyards. Try searching the names of these places with the help of internet. (For example, Ghodbunder, Kochi Port trust, Mumbai Port Trust, Delhi International Cargo Terminal). You will find that these places are either located near a water transport or airways.

It is clear from the examples above that tertiary activities are also controlled by geographical factors. Transportation is also an example of this. Now, it is being operated by advanced technology.

Transportation :

Transportation is a service or facility through which passengers, freight and industrial products are carried from one place to another. Transportation plays a very important role in development of any country. It is one of the basic tertiary activities. Development of all economic activities is dependent on transportation system.

Make friends with maps!

Look at the map in Fig. 6.2 and answer the following questions :

1) Which means of transportation are shown in the map?
2) Between which continents do you see an overall higher flow of transportation ?
3) Which canals can you see in the waterways? What could be their purpose ?
4) Which two major cities in India are connected internationally through airways?
5) Which two continents show a lesser use of air routes?
6) Which two continents show a lesser use of rail routes ? Why?
7) Which rail route connects two continents?
8) Why do you see a concentration of transportation routes in the southern part of Australia as opposed to northern parts in all the continents?
9) Which continent does not have contineous internal rail routes? Why?

Make friends with maps!

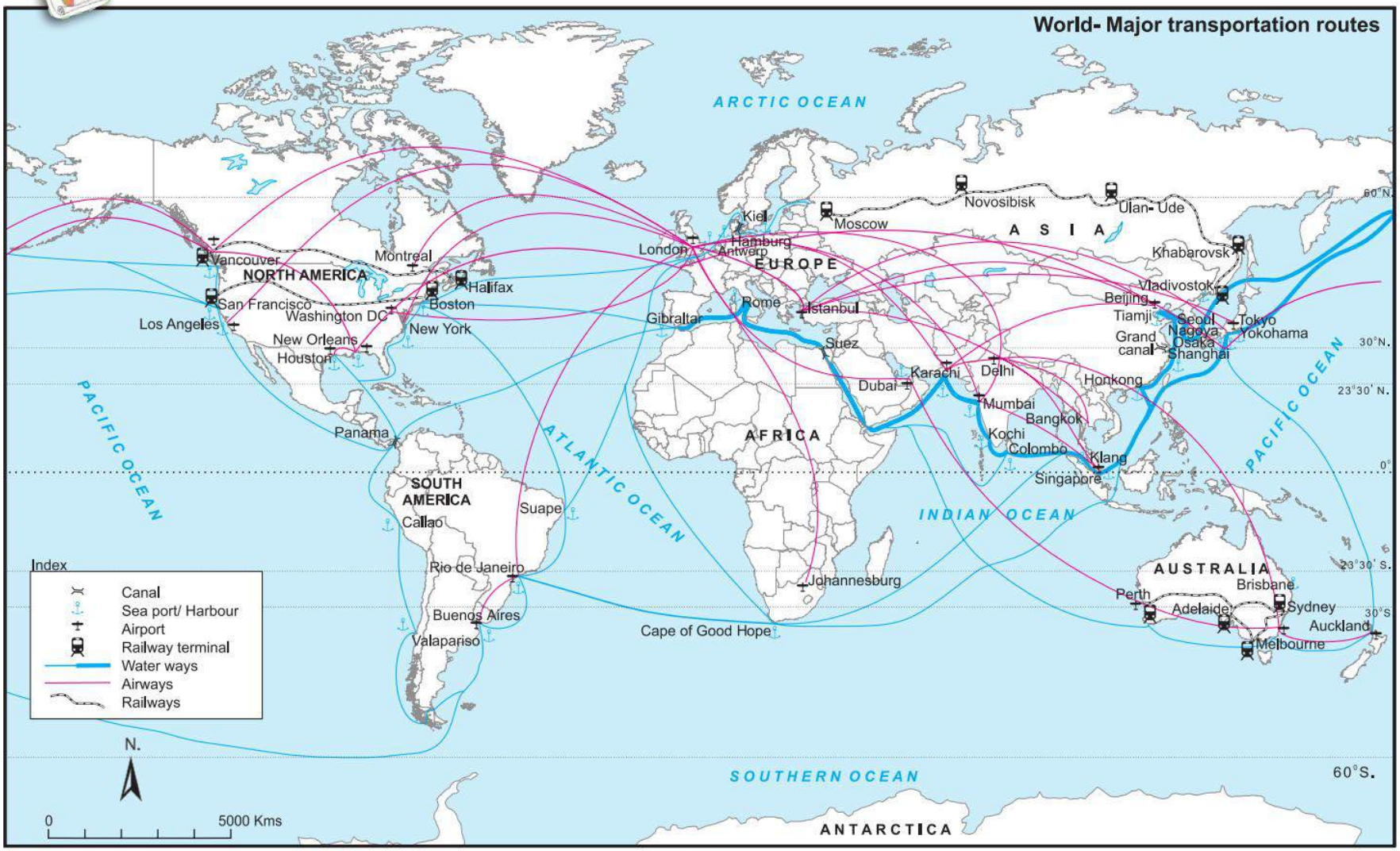

Fig. 6.2

Geographical explanation

Means of transportation are essential components of transport systems. They are the means to carry passengers or freight or a combination of both, from one place to another.

Means of transportation can be grouped into three broad categories based on the medium they use : land, water and air. Each mode has its own requirements and features and is adapted to serve the specific demands of freight and passenger traffic. This gives rise to marked differences in the ways the these means are deployed and utilized in different parts of the world.

Various geographical factors govern the development of transport. Relief, location and climate are the three major physical factors. Generally, it is easier to build rails, roads and pipelines where relief is not rugged. Dense forests, hilly and mountainous regions affect construction of long route rails and roads. For example, in dense forest and arid regions of Africa and South America, construction of long distance roads and rails is difficult.

Coastal area locations are favourable for development of ports and harbours, especially broken coastlines. Therefore, not all coastal areas can be good ports.

With development of technology, air transport is now used more. But still, major trade happens through ocean routes. Two canals which changed the course of transport, Suez Canal and Panama Canal, were constructed to avoid long ocean routes. They changed the use of ocean routes radically. Suez canal connected Asia with Europe and Africa. Panama Canal joined Pacific and Atlantic Oceans.

For airways to develop, one needs favourable climate, advanced technology and plain regions for airports. Constant fog or smogs, area with high peaks, become an obstacle for air transportation.

Trade :



Try this.

Consider the following conditions a, b and c and answer the questions that follow :

a) There are two countries 'A' and 'B'. 'A' produces 500 tonnes of wheat by employing 200 labourers. 'B' produces 1,000 tonnes of wheat by employing 300 labourers.

b) Country 'C' produces 300 kg of tea and 'D' produces 500 kg of coffee. 'C' does not produce coffee and 'D' does not produce tea.

c) Country 'E' has expertise in water engineering and agriculture. Country 'F' has expertise in metro-making.

1) Will trade take place between A and B in condition (a)?
2) Will trade take place between C and D in condition (b)?
3) If trade occurs between A and B in condition (a), what does it tell you about the conditions of the countries in terms of their economy?
4) If trade occurs between C and D in (b), what does it tell you about the climate of the countries?
5) Considering that trade occurs between two countries in condition (c), what does it tell you about the human resources of the countries?
6) Make a list of factors which affect the trade between any two countries.

Geographical explanation

Trade means the voluntary exchange of goods and services, where two or more parties are involved. Barter system was an initial form of trade practised by the primitive societies. There was only an exchange of goods. Today, trade occurs in goods and services. Bilateral or multilateral trades are major types of international trade. Trades can be carried out within a country too. Trades can be affected by many factors.

International trade is a result of specialisation in production and human resources.

International trade occurs when it is mutually beneficial to trading partners and when it is a comparative advantage for both, rather than producing in their own countries. It may occur to you that this is an economic concept, then why are we discussing this in geography? But, actually, the foundation of this activity lies in geography. You will relate to it when you read the explanation further.

The various geographical factors which affect the trade are as follows :

- **Difference in natural resources :** We have studied many concepts in geography till now. Out of them, the concept of natural region specifies that each region is different from another. The natural resources available in one country will be different from the ones available in a different region. They may not be the same. Also, it may happen, that in one region they may be in abundance, while in another in much less quantity.

  Soil, minerals, forests, land, water and human resources are unevenly distributed. A country rich in soil will be good in agriculture. Thus, it may be a good exporter of grains and other crops. On the other hand, a country which does not practise agriculture on a large scale will have to import grains. Example can be given from the Gulf countries. These countries are rich in mineral oil. Hence, they export oil but they import grains.
- **Climate :** Climate affects the plants and animals in a region. It also ensures how different types of products can be grown or produced in a country. For example, countries which are snow covered for a major part of the year, export meat and woollen products. On the other hand, tropical countries produce and export bananas, rice, cocoa, tea and coffee. For example, Sri Lanka is a major tea exporter country. Cheap labour, favourable climate, undulating land, soil which can drain water, etc. are geographical factors, which make tea plantations on a large scale possible here. The production of tea is more than what their population requires. The United Kingdom does not have tea plantations. But the demand for tea is high in this country. So countries like India, Sri Lanka export tea to UK.
- **Population factors :** The size, distribution and diversity of people is found in various countries. This leads to different products and hence trade occur. Also, size of trade is affected. Densely populated countries have to worry about feeding their own populations. Standard of living can also determine the demand for various goods and services. The country with less population will depend more on trade because less human resource is engaged in production of goods. The population of the Asian continent along with India is known for their expertise in Information Technology. The education system in these countries, mathematical knowledge, skills of using technology has made this possible. Though it appears that geographical factors have no direct influence, it is important to note that, this labour force belongs to the same geographical region.
- **Culture :** Some parts of the world are known for their products and specific art and craft. They are valued all over the world. For example, there is great demand for Chinese porcelain, Iranian carpets and Batik print of Indonesia and Kashmiri shawl, silk from various parts of India around the world. This promotes the trade.
- **Economic cost :** Cost is a major factor in production. If it is cheaper to import than to produce certain goods in a country, then trade will occur. For example, a country may not have the climatic and physical conditions to grow tea, hence they will find it easier to import it from tea producing countries.

- **Specialisation :** Some countries have specialised goods and services. e.g. Israel has specialised itself in dry farming or agricultural engineering. In such a case, it exports its services to countries who wish to carry out agriculture in desert-like conditions. Similarly, specialised goods and services have an international demand and therefore trade may occur between countries.

Can you tell ?

- Can intelligence or physical efforts be imported and exported?
- If possible, discuss some examples in class.

- **Government policies :** Government policies may cause or stop international trade. A free trade government policy will not restrict the citizens from buying or selling to another country. To maintain good relations with another country, a country may carry out trade with it.

Importance of Transport in Trade :

Transportation is a very important tertiary activity for trading. The importance of ports, sea transport and air transport has been very obvious in the trade.

Try this.

The graph in fig 6.3 shows trade carried from 1980 to 2010 through sea transport. Interpret the graph in your own words.

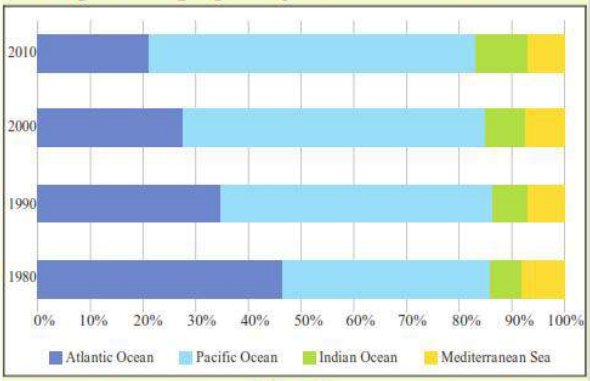

Fig. 6.3

Find out !

Find out, what are these places famous for : Coorg, Yusmarg, Saputara, Ladghar, Marina beach, Istanbul, Milan. What is the main economic activity carried here? Is there any relationship between their location (geographical) and their economic activities? Find out!

Tourism :

Try this.

See the following two tables and answer the questions that follow :

TABLE 1 : Direct Contribution of Travel and Tourism to GDP of some regions (%) (2018)	
Maldives	38.92
British Virgin Islands	32.96
Macao	28.01
Aruba	27.64
Seychelles	25.73

TABLE 2 : People engaged in tourism in some regions (%) (2018)	
Aruba	29.91
St. Lucia	27.29
The Bahamas	26.49
Macao	26.48
Seychelles	25.35

Source: World Bank data

1) What do the tables show ?
2) Are the countries shown in the tables same?
3) Locate them on a map of the world.
4) Can you tell, why contribution of tourism is high in these countries in terms of GDP and employment?
5) Write a concluding paragraph on factors affecting tourism as an occupation in a country.

Geographical explanation

Tourism is an important tertiary economic activity. The tourism sector has grown tremendously in the last few decades. At present, this growth is seen due to the availability of

advanced means of transport and the basic infrastructure facilities for tourism. Looking at the countries given in the table, you will notice that most of these regions are island countries. Therefore, the climate, natural beauty of the region, availability of land and sea adventure sports, tourism is a major contributor to the country's GDP. Also, the population employed in tourism is higher.

The following geographical factors play an important role in the growth of tourism in a region : the site and situation of a place, climate, relief, altitude, biodiversity, accessibility, availability of water are important physical factors, while transportation facilities, lodging and boarding facilities, cultural diversity, government policies and political conditions in a country are important human factors affecting the development of tourism.

Use your brain power!

Given below are the countries which are least dependent on tourism. Locate these countries on a map. Explain the geographical factors which are responsible for non-development of tourism in these countries.

Country	Contribution of Tourism to GDP (%) (2018)
Democratic Republic of Congo	0.66
Papua New Guinea	0.66
Uzbekistan	0.93
Moldova	0.96
Gabon	1.02

Communication :

Can you tell?

1) What are the list of items mentioned in timeline related to?
2) Which of these means are you aware of ?
3) Which of these means do you actually use?
4) Which of these are now outdated?
5) What could be the reasons for them getting outdated?
6) Can you add more to the list?

Geographical explanation

Man uses different means of communication to express what he wants to say and makes it reach other humans. For example, depiction through pictures, symbols, verbal communication using signs, body language, postures, etc. In earlier times, the tribal people used coloured smoke to communicate. Now, in recent times, we use telephones, mobiles, internet, etc. to communicate.

This is the era of information. One who has information is considered to be the pioneer in many things. Each country is trying to stay up-to-date with such information. Use of technology in communication has increased manifold. For example, use of satellites.

The satellites in space work for communications day and night. They give us a lot of information regarding various physical and human factors on the earth. For example, daily atmospheric conditions, cyclones, movements of the earth, looking for mineral reserves, obtaining the latitudes and longitudes of a place, etc.

All these means of communication are used for regional development on a large scale. The extent and scope of this tertiary activity and these means of communication is increasing day by day.

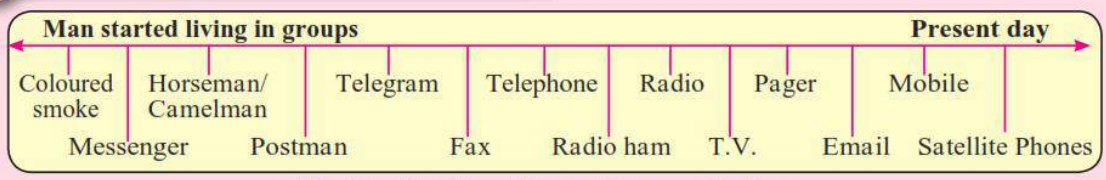

Fig. 6.4 : Timeline - Means of communication

Use your brain power!

- Are maps a means of communication?

Can you tell?

- Which practicals of Geography for Class 11 and Class 12 have you carried out with the help of satellites?

Give it a try.

Draw a suitable graph for the following information given in table 6.1 and write a paragraph interpreting the data.

Table 6.4 : Contribution of various sectors in the national income. (%)

Countries	Primary 2018	Secondary 2018	Tertiary 2018
Denmark	1.0	34.0	65.0
India	14.0	30.0	56.0
Kenya	34.0	23.3	42.7
New Zealand	7.0	27.4	65.6
Russia Federation	3.0	43.0	54.0
Tajikistan	21.0	37.2	41.8
Tanzania	29.0	33.1	37.9
Uganda	24.0	28.4	47.6
United Kingdom	1.0	28.5	70.5
U.S.A	1.0	21.6	77.4

Always remember

Quaternary and Quinary Activities

Considering tertiary economic activities, the services included in this sector are varied in nature and have a very vast coverage. Therefore, some specialised services are now categorised into quaternary (fourth and quinary (fifth) activities. Quaternary activities refer to those activities where task is to think, research and develop ideas. Thus, this sector involves activities related to education, information, research and development. For example, financial planners, tax consultants, software developers, statisticians, persons working in offices, hospitals, theatres, schools teachers and university professors, accountants etc. belong to this category of services.

Quinary economic activities involve work related to administrative character. Senior business executives, government officials, scientists, judges, etc. belong to quinary activities. The main difference between the two types is that the people involved in quinary activities are involved in highest level decision-making or policy-making.

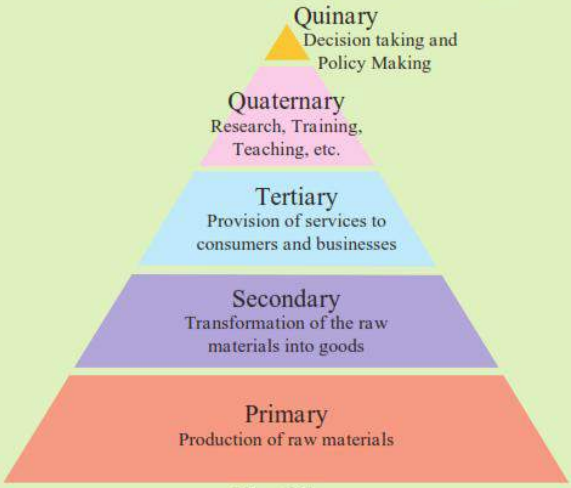

Fig. 6.5

Try this.

In fig. 6.6, five hypothetical countries and some information about their conditions is given. Study them carefully and answer the following questions :

- Considering the natural resources available in these countries, which activities will flourish here?
- Between which countries will export-import of goods occur?

- Which tertiary activities will take place here?
- Considering the location of country 'E', how will it carry out the trade with other countries?
- Write in your own words, the effect of geographical factors on human economic activities in these countries.

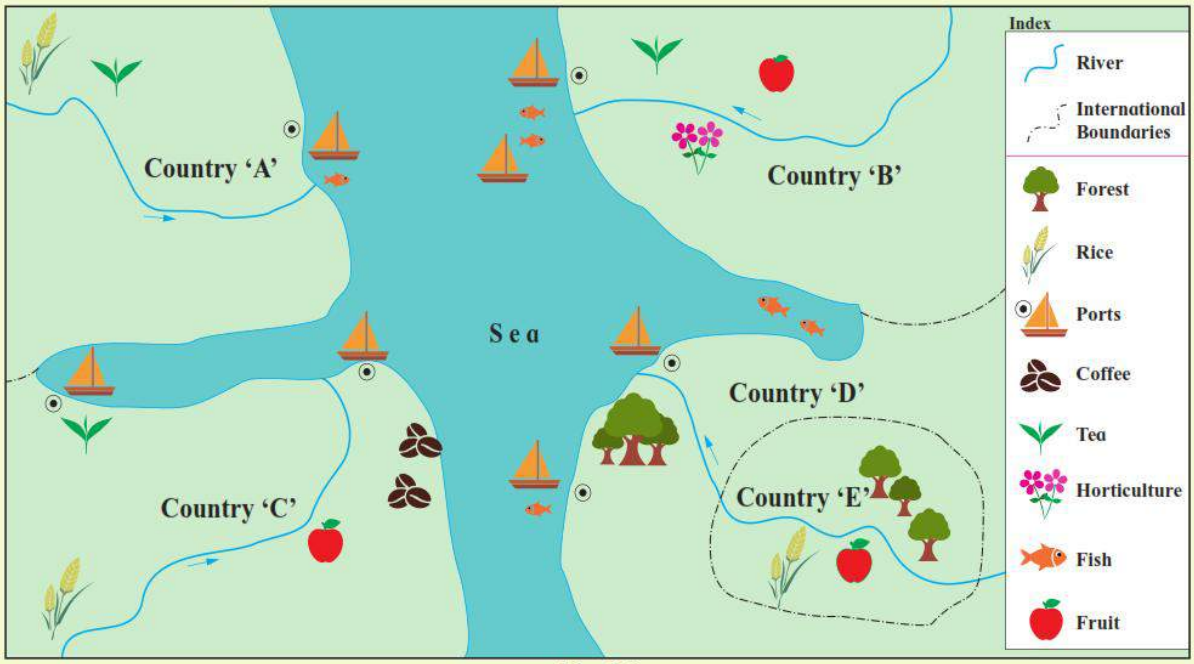

Fig. 6.6

Exercise

Q. 1) Complete the chain :

A	B	C
1) Matheran	Tea	Communication
2) GPS	Atlantic Ocean	Tertiary Activity
3) Sri Lanka	Satellite	Export
4) Panama Canal	Tourism	Pacific Ocean

Q. 2) Choose the correct option :

1) Tertiary activities include :
   a) Use of natural resources
   b) Finished product
   c) Raw material
   d) Transportation
2) Natural Ports :
   a) Kochi
   b) JNPT
   c) Dehi International Cargo Terminal
   d) Nagpur Cargo Hub (MIHAAN)
3) Trans-Australian Railway connects
   a) Perth - Sydney
   b) Perth - Vladivostok
   c) Sydney - Vancouver
   d) Vancouver - Vladivostok

Q. 3) Give geographical reasons :

1) Tertiary activities include both services and exchange.
2) The proportion of airways as means of transportation is increasing.
3) Geographical diversity is responsible for trade to occur.

Q. 4) Short notes :

1) Importance of satellites as means of communication.

2) Role of transportation in trade.
3) Tourism and GDP.

Q. 5) Differentiate between :

1) Secondary economic activities and Tertiary economic activities.
2) Quaternary and Quinary activities
3) Waterways and Airways

Q. 6) Answer in detail :

1) Explain the factors affecting trade between two countries.
2) Development of transportation is dependent on geographical factors. Explain.
3) Why is transportation system important in the development of any nation?
4) Tertiary activities are expanding day-by-day. Explain the statement.

Q. 7) On an outline map of the world, show the following with the help of suitable index :

1) A canal bringing radical change in sea transport.
2) Railway connecting two continents.
3) An international airport in India.
4) An important port in India.

Q. 8) Read the given passage and answer the following questions :

Careful planning and implementation is necessary for economic development of any country. In the tourism sector the need for planned development is of great importance. It involves many industries working together in a complex way and needs special attention. Planning basically tries to allot limited resources between various competitors with a view to maximize output, income and employment and to make sure different sectors have fair growth. Tourism planning is a process through which the set goals can be achieved and the various choices linked to tourism development can be addressed. It is a long term and constant process of preparing, upgrading and improving a destination for tourist. Communities are the basic elements of tourism. It mainly depends upon the level of acceptance shown by local communities. In the process of planning their involvement is essential .The development of tourism creates impact on mainly environment, socio-culture and economy of the host community at any destination. These impacts produce both negative as well as positive impacts. Planning is necessary to reduce the negative impact and boost the positive impact for sustainable development of a destination.

1) Why does the tourism sector need planning?
2) What is the importance of communities in planning?
3) Explain any two benefits of planning.
4) What factors affect the economy of the host community?
5) Why is planning a long term task?

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