

Activity 2.1

Copy this table. Indicate with a tick which sector of industry each business is in.

Business	Primary	Secondary	Tertiary
Insurance			
Forestry			
Coal mining			
Computer assembly			
Travel agent			
Bakery			
Car showroom			

- 1 Ade's Engineering Company (AEC) makes parts for cars and trucks. These are sold to car manufacturers in many countries. The parts include metal brake components and rubber seals to fit around windows. AEC operates in Country X, which, until a few years ago, had an economy dominated by agriculture and coal mining. Over the last 20 years the relative importance of the primary sector has declined. To be successful AEC requires natural resources to make car parts and the services provided by other businesses. Consumer incomes are rising rapidly in Country X.
- a) What is meant by 'primary sector'? [2]
 - b) Identify **two** examples of services that a business such as AEC requires. [2]
 - c) Identify and explain **two** reasons why a business such as AEC could not be successful without other firms providing natural resources. [4]
 - d) Identify and explain **two** likely reasons why the relative importance of the primary sector of Country X's economy has declined. [6]
- e) A Government minister in Country X recently said: 'The secondary sector

- 2 The Government of Country Y owns and controls many businesses. 'The public sector always produces goods and services more efficiently than privately owned businesses', a Government minister recently said. Other ministers disagree and want to privatise many state-owned businesses. The private sector businesses in Country Y produce 55 per cent of total output – mainly in services such as transport, tourism and finance. The secondary sector of industry produces 35 per cent of total output.
- a) What is meant by 'public sector'? [2]
 - b) Identify **two** industries in the secondary sector. [2]
 - c) Identify and explain **two** reasons why the tertiary sector of industry is becoming more important in most economies. [4]
 - d) Identify and explain **two** possible reasons why some ministers want to privatise some businesses in the public sector. [6]