

What is an Industry: Detailed Discussion for Economics?

Industries can be classified in a variety of ways. Before classifying industry on basis of nature of activity, let us have a broad idea of different approaches of its classification.

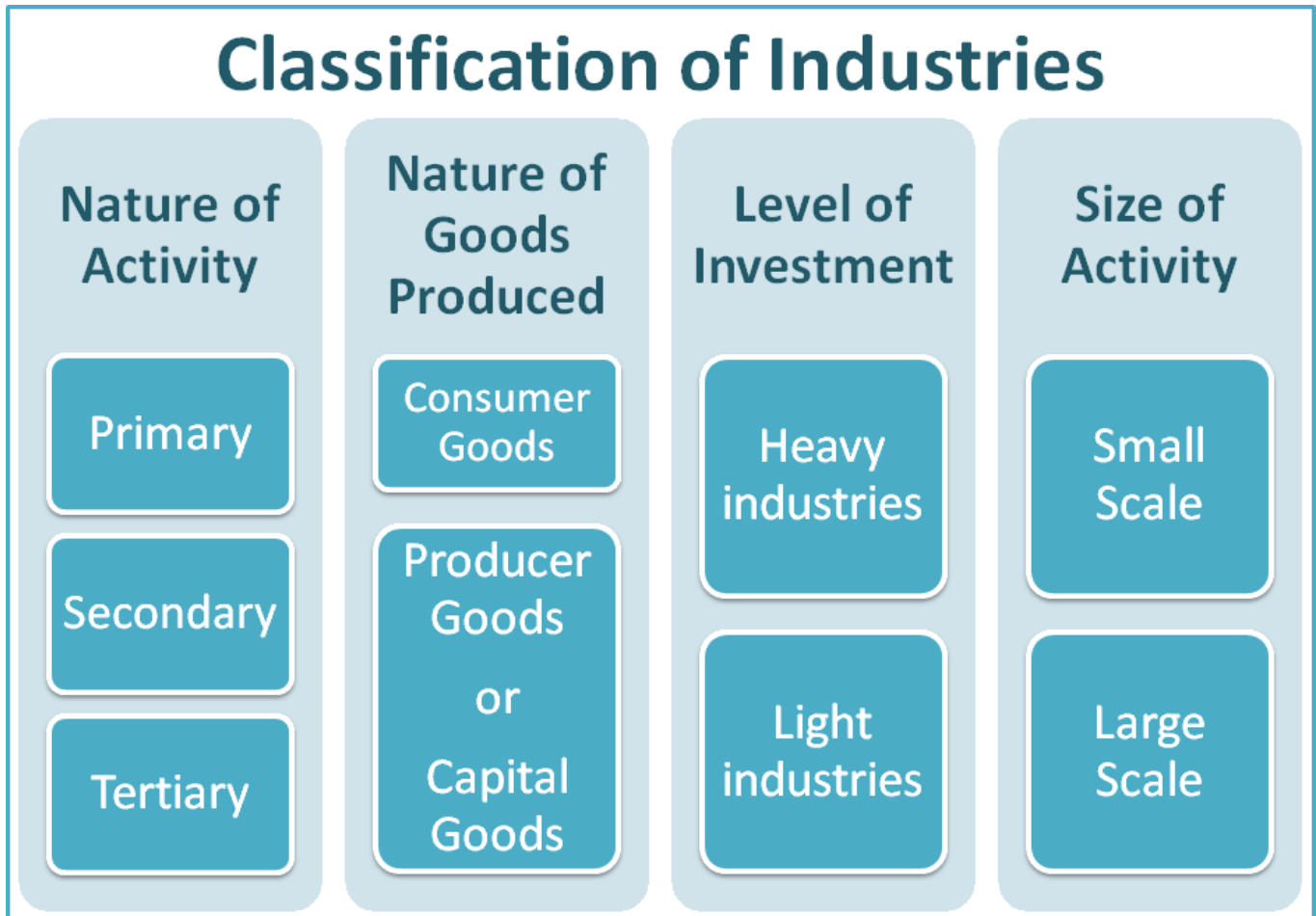


What is an Industry?

An industry is a group of companies which produce similar goods and/or services.

What is an Industry

- 1. Nature of activity:** Primary industries, Secondary industries, Tertiary industries
- 2. Nature of goods produced:** Consumer goods industries, Producers' goods or capital goods industries
- 3. Level of investment:** Heavy industries, Light industries
- 4. Size of activity:** Small scale industries, Large Scale industries



Classification of Industries

Primary Industries

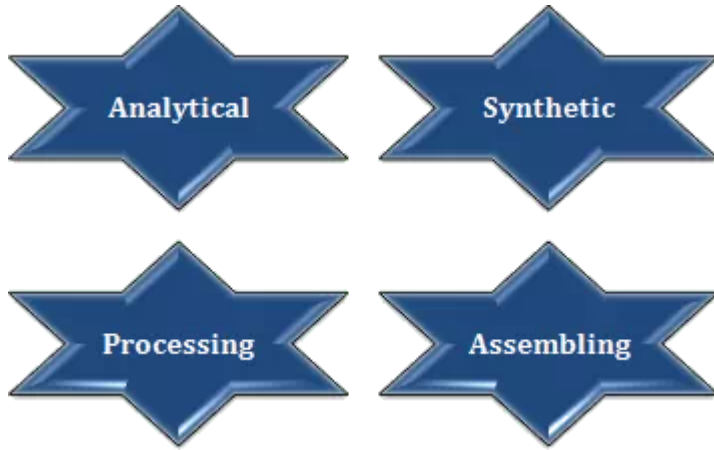
- It refer to activities of extraction of natural resources like coal, oil, minerals etc and reproduction and development of living organisms like plants and animalistic.
- Categorized as extractive and genetic industries.

Secondary Industries

- Products of primary industries are usually used as raw materials to produce a variety of finished goods.
- Activities of this industry may be of manufacturing or construction.
- It uses products of primary industry as its raw materials.
- Manufacturing industries are engaged in producing finished goods out of raw materials or semi-finished products.

Categories of manufacturing industries:

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Types of Industries: Analytical, Synthetic, Processing

(i) Analytical Industries: Petrol, diesel, kerosene, lubricating oil

(ii) Synthetic Industries: Industries put together various ingredients and manufacture a new product.

(iii) Processing Industries: Textile, sugar and paper industries

(iv) Assembling Industries: Scooter, bicycle, radio and television

Tertiary Industries

Tertiary industries are mostly related with generating or processing of different services and facilitate functioning of primary industries and secondary industries as well as activities of trade.