

Industrial Location

Least Cost Theory: Industries must find a location that offers them the greatest cost advantage (Lowest variable costs)

Shipping costs for both finished good and raw materials must be minimal
Labor costs can influence a less desirable location.

Raw Material Orientation: industry is located near the raw material.

Bulky: Raw Material is too large to move far for processing,

- Timber

Perishable: Item must be processed before shipping to market to prevent spoilage,

- Canning, Frozen Food,

Weight Loss: Finished item weighs much less than the raw material used to create finished item,

- metals mining.

Market Orientation: Industry is located near the market

Bulky: Item is too big to transport efficiently and cost-effectively,

- Furniture, Automobiles

Perishable: Finished Product has a limited lifetime and must be quickly transported to market,

- Bakery goods, Newspapers

Weight Gaining: Finished item gains weight at the market site making transportation expensive

- Soda, Beer