



## Business Studies

### Summary sheet 2

#### Grade 7

### Classification of businesses:

There are three levels of business activity:

- 1- **Primary stage**: involves the earth's natural resources.

Activities include: farming, fishing, forestry and the extraction of natural materials, such as oil and copper ore.

- 2- **Secondary stage**: involves taking the materials and resources provided by the primary stage and converting them into manufactured or processed products or goods.

Activities include: building and construction, aircraft and car manufacturing, computer assembly and bread baking.

- 3- **Tertiary stage**: involves providing services to both customers and other businesses.

Activities include: transport, banking, retail, insurance, hotels and hairdressing.

In some countries, primary industries such as farming and mining employ many more people than manufacturing or service industries. These tend to be **developing countries**. As most people still live in rural areas with low income.

Countries which started up manufacturing industries, the secondary and tertiary sectors are likely to employ many more workers than the primary sector are called **economically developed countries**.

While countries that most of its workers will be employed in the service sector, as many manufactured goods are bought in from other countries, these countries are called **most developed countries**.

**De-industrialization** occurs when there is decline in the importance of the secondary, manufacturing sector of industry in a country.