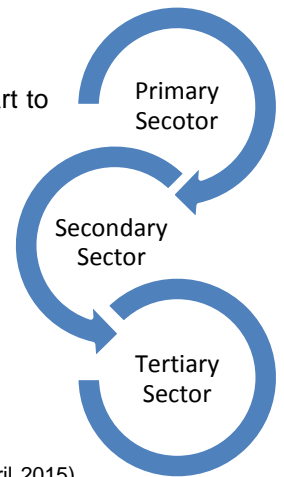


Chapter 5: Economic Sectors

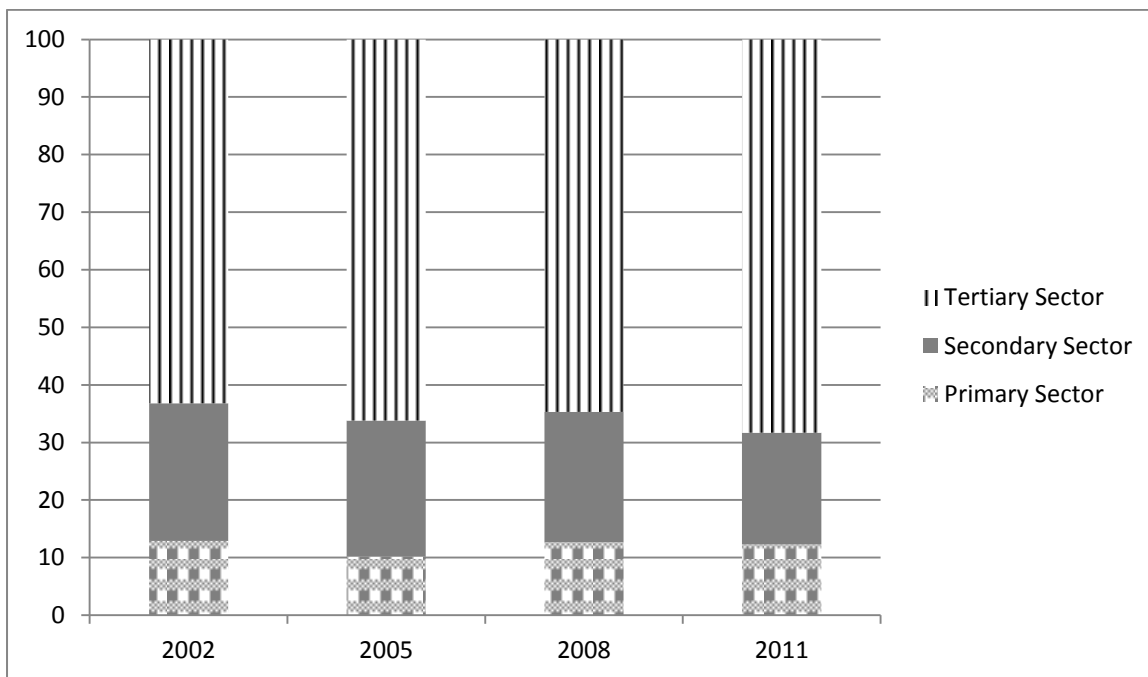
1 Three Economic Sectors

The three economic sectors refer to the various stages that a product goes through from start to finish:

- the extraction of raw materials (primary sector)
- to the manufacturing process (secondary sector)
- to where the product (or service) is ready for resale (tertiary sector)




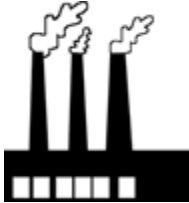




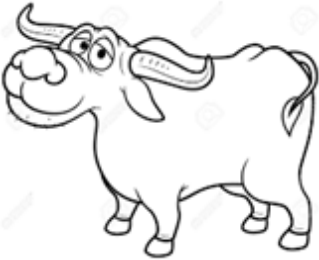


The following statistics (downloaded from http://www.statssa.gov.za/?page_id=735&id=1&paged=3 on 15 April 2015) sums up the percentage contribution from every sector in South Africa:



It is clear that the trend regarding the contributions of the different sectors is relatively stable, with contributions from the various sectors at about:

- primary sector 12%
- secondary sector 22%
- tertiary sector 66%

By looking at the table that illustrates the activities of the three sectors or the so called production chain, the relationship between the sectors will become clear:

Primary Sector	Secondary Sector	Tertiary Sector
Extraction of raw materials	Production process	Products/services that are ready for consumption by the final user
		
		
		

Activity 22:

1 Name the economic sectors and briefly explain what happens in each sector:

_____ Sector What happens here? _____

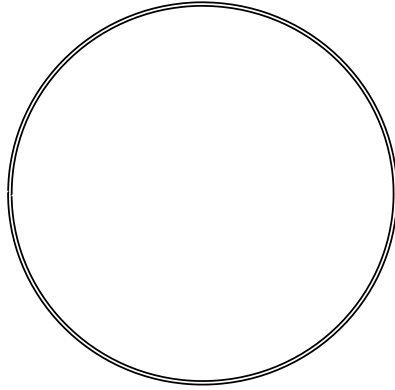
_____ Sector What happens here? _____

_____ Sector What happens here? _____

2 Which sector contributes the most to the South African economy? _____

3 Do you think that the sector you mentioned in number 2 contributes the most in all countries? Motivate your answer. _____

4 Divide the following circle into an accurate pie chart showing the contributions made by the various sectors in 2011.



1.1 The Primary Sector

1.1.1 Different types of natural resources in South Africa's primary sector:

- South Africa is exceptionally rich in minerals especially coal, gold, diamonds, iron deposits, platinum, etc.
- South Africa has a very long coastline that enables catches of a variety of fish (snoek, sardines and hake to name but a few) to contribute to the primary sector.
- Fresh water is an essential resource for households, farms, mines and manufacturing plants. Unfortunately water is often a scarce resource in South Africa. It is therefore important to try and conserve water by building dams, as well as looking at other methods, to conserve this precious resource.
- South Africa has a relatively favourable climate with fertile soil, but as we just mentioned, we experience a scarcity of water and this is a limiting factor when it comes to agriculture in South Africa. We also have a country with different climatic regions, enabling cultivation of a variety of crops. Examples of such crops are: mealies, sugar, oranges, wheat, grapes, sunflowers and tobacco. Large quantities of these products are exported. There are also regions in our country that are suitable when it comes to animal husbandry in terms of cattle, sheep, goats and even wild animals.
- There are not too many natural forests in South Africa, but we have many plantations of oak and blue gum trees, as well as other tree types that have been planted so that they can be used as natural resources. Most of these plantations are found in Kwa Zulu Natal and Mpumalanga.

Activity 23:

Explain why natural resources are important within the context of South Africa's economy.

Refer to various examples in your answer.

1.1.3 Types of skills that the primary sector needs:

- A lot of the physical work done in the primary sector requires manual labour. Think of the farm workers or the people who catch fish or the people that work in mines.
- Of course more and more of these tasks are performed with the help of machines, but workers are needed to operate these machines and these workers require some training. The disadvantage of using machines inevitably means that fewer workers are required to do the work.
- Like in all other businesses, people are still required to do planning, organise the necessary resources and take up leadership roles, to ensure smooth running and that everybody is working to the plan. The people that have to oversee these activities are the managers and we find that they are highly skilled with a high level of formal education.