







# Knowledge organiser: Y7—How does the UK earn a living?

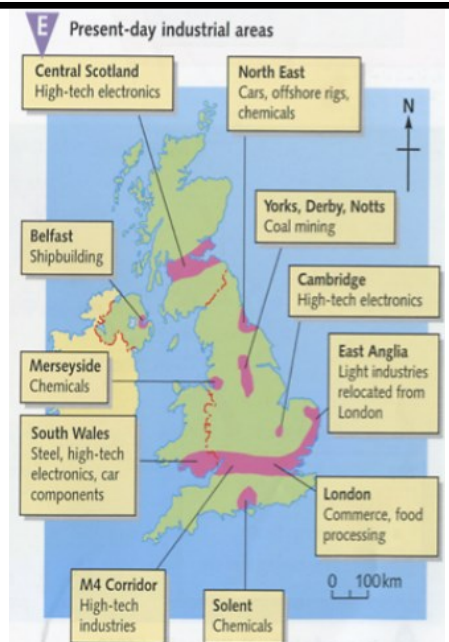
KEY VOCABULARY	
<b>Containerisation</b> —the system of transporting goods around the world using a standard size container that can be easily moved between different modes of transport and countries.	<b>Primary sector</b> —the part of the economy that includes jobs and activities where people extract raw materials.
<b>Economy</b> —the wealth and resources of a country in terms of the goods that are produced and consumed there.	<b>Quaternary sector</b> —the part of the economy that includes jobs and activities in science and research.
<b>Exports</b> —goods and services that are sold to businesses in other countries.	<b>Raw materials</b> —materials that are found naturally on the planet that can be used by humans.
<b>Globalisation</b> —The increasing links between countries around the world, as a result of the movement of people, goods, ideas and money worldwide.	<b>Secondary sector</b> —the part of the economy that includes jobs and activities where people manufacture goods from raw materials or other products.
<b>Imports</b> —goods and services from overseas that are brought by businesses in the UK.	<b>Tertiary sector</b> —the part of the economy that includes the jobs and activities which provide a service to people.

## Sectors of the economy

Sector	Example
Primary 	Farming, mining, logging
Secondary 	Manufacturing
Tertiary 	Teachers, doctors, shop assistants, cleaners, tour guide.
Quaternary 	Scientists

Industry locates where there are advantages for that industry. For example

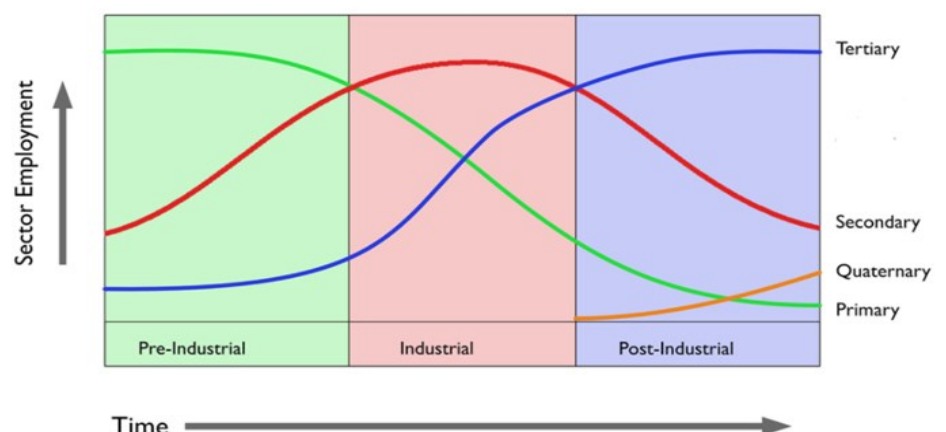
- Fishing in coastal areas;
- Mining in areas where there was raw materials such as coal;
- Ship building on the coast;
- Farming on flat fertile land..
- Tourism occurs in areas where there are physical and human attractions.
- This means different places in the UK have different economic structures.



## Changing sectors of the economy over time.

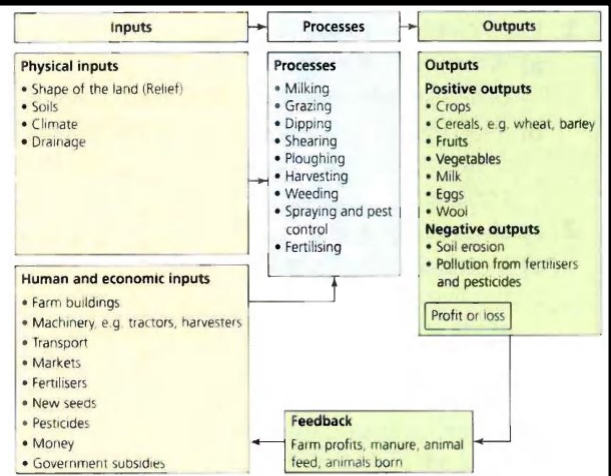
The economic structure of a country changes overtime.

The UK once relied on primary jobs for most of it's income but today most people are employed in the tertiary sector.



## Primary sector—Farming

- A farm is the land and buildings where crops are grown and/or livestock is kept.
- Types: arable (crops), pastoral (cattle/sheep), mixed (crops and animals), market gardens (fruit/vegetables/flowers)
- Importance: 70% of the UK's land area but less than 1% of the population are employed in farming. Today fewer people needed to work on farms as big machines such as tractors are used instead of people.
- Farming the UK is commercial . This means farms are run as a business to make profit, with inputs, processes and outputs.



**D** The farm as an economy system

## Secondary sector—Nissan factory, Sunderland

- The secondary sector is also called the manufacturing sector.
- Factories locate where they will be profitable using location factors to find the best site.
- Some businesses locate their factories in other countries if it is cheaper.
- In 1994 Nissan set up a car factory in Sunderland.
- The advantages of TNCs in areas like Sunderland include: Job creation, improved infrastructure, regeneration and training opportunities.

Location Factors	Why Nissan located in Sunderland.
1) Costs	Low average salary & cheap land
2) Size & skill level of workforce	Large skilled workforce
3) Appeal of the region (natural resources & transport links)	300 hectare plot Good road/rail links Tyne port 5 miles away.
4) Appeal of location (government incentives, attractive for workers)	UK government reduced cost of land
5) Large market (customers)	Access to UK & European market (75% of production)

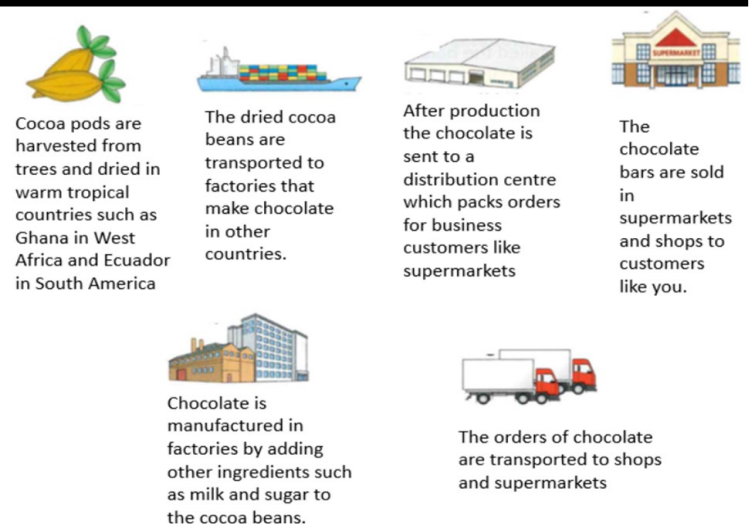
## Tertiary sector—Tourism

- Tourism is the fastest growing economic industry in the world and 1 in 10 people are employed in a job linked to tourism such as tour guides, waitresses, hotel workers, tourist transport, aircrew.
- Historically, most tourists in the UK were domestic (from within the UK), however the growth of cheap air travel & more paid holiday UK residents can travel abroad easily and cheaply.
- The UK is a major destination for international tourist with 37.8m visitors in 2023. This is an important source of income for the UK economy (£31.8bn in 2023). This creates jobs for up to 3.64m people.
- Scarborough is an example of a town that has benefited from tourism in the UK.

## How are sectors of the economy connected?

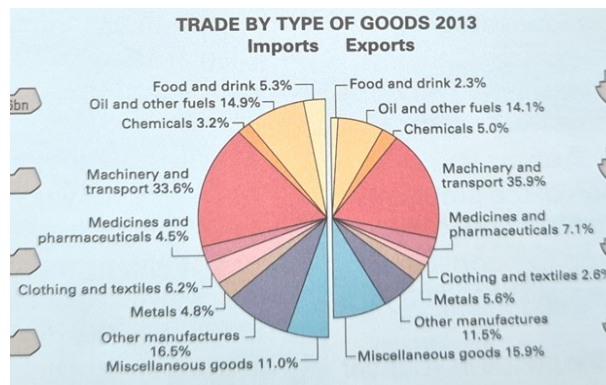
Economic sectors are linked together. The goods we buy come from raw materials (primary), are manufactured into a product (secondary), then transported and sold to other businesses or individual consumers (tertiary).

Chocolate is an example of a product that links all the



## Trade

- No single country has everything it needs and so countries need to trade with each other.
- The UK benefits from cheaper goods by importing goods from abroad. It also benefits from a wider market by exporting goods, creating an income from these exports.
- Improvements in transport have made trade easier and cheaper, creating more global trade.
- Most non-perishable goods are exported by sea as this is cheap. Containerisation led to boom in global trade. Standard containers can be transferred between different types of transport (ships, trains, lorries). This makes it cheaper and quicker to move goods between countries.
- 95% of all traded goods in the UK travel via sea and this has led to the development of large high tech ports across the UK.



## Globalisation & TNCs

- Improvements in transport and communications have made the world more interconnected.
- This allows businesses to make products in different locations around the world where raw materials, labour and production costs are cheaper. Businesses that operate in more than one country are called TNCs (transnational corporations).
- TNCs are responsible for 50% of all global trade and 25% of employment around the world.
- Globalisation has positives and negatives for the UK economy.

Positives	Negatives
Wider range of cheaper products	Job losses in some areas
Creates jobs	Over reliance on goods from abroad
Increases tourism	

## Jobs in the future

Technology and changing attitudes are changing potential jobs for the future. Growing sectors include:

- Knowledge based sectors, including artificial intelligence;
- The gig economy—short term temporary work found online;
- Green economy and green jobs—for example jobs in recycling, renewable energy production, and low energy consumption housing design.

Want to know more or check your learning? Use these websites to help!

Link to extra reading on economic sectors on BBC bitesize.



BBC Bitesize Revision—Globalisation and the economy



The Almighty Dollar Book—extend your understanding of the global economy.

