



## 4.4 Location Decisions

### **What are the factors influencing location decisions?**

1. Scale of production => economies of scale
2. Supplies and materials => cheaper/access to raw materials
3. Access to markets => market share growth
4. Suitable labour => lower wage cost
5. Cost of premise => lower fixed cost
6. Transportation and infrastructure => enable export/international trade
7. Proximity to supporting/other businesses => supporting services required by business
8. Fair weather/environment conditions => no destruction from natural disaster
9. Security/social and political stability => no disruption of business
10. Government policies => lower tax/tariffs, grants, other incentives
11. Owner's preference

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