

8

INTERNATIONAL TRADE



Q.1 Why between 1951 and 2017, India's external trade increased rapidly?

Ans. Three reasons are: -

- a. The momentum picked up by the manufacturing sectors,
- b. The liberal policies of the government and
- c. The diversification of markets.

Q.2 Describe the changes in the composition of India's exports.

Ans. The changes are:

- i. The share of agriculture and allied products has declined whereas shares of petroleum and crude products and other commodities have increased.
- ii. The shares of ore minerals and manufactured goods have largely remained constant over the years from 2009-10 to 2016-17.
- iii. The decline in traditional items is largely due to the tough international competition.
- iv. The exports of traditional items such as coffee, spices, tea, pulses, etc. has decreased.
- v. Export of Floricultural products, fresh fruits, marine products and sugar, etc has increased.
- vi. Manufacturing sector alone accounted for 73.6 per cent of India's total value of export.
- vii. Engineering goods have shown a significant growth in the export list.
- viii. China and other East Asian countries are our major competitors.

Q.3 Describe the changing patterns of composition of India's import.

Ans. The changes are:

- i. During 1950s and 1960s the major item of import was food grain because India faced serious food shortage during this period.
- ii. After 1970s, food grain import was stopped due to the success of green revolution.
- iii. Food grain import was replaced by fertilisers and petroleum.
- iv. Petroleum is the largest imported commodity.
 - a. Because it is used not only as a fuel but also as an industrial raw material.
 - b. Rapid rise in price in the international market.
- v. Machine and equipment, special steel, edible oil and chemicals largely make the import basket.
- vi. Import of capital goods also increased due to rising demand in the export-oriented industrial and domestic sectors.
- vii. Import of edible oils has fallen.
- viii. Other major items of India's import include pearls and semi precious stones, gold and silver, metal ores and metal scrap, electronic goods, etc.

Direction of Trade

Q.4 Describe the changing nature of India's foreign trade.

Ans. The changes are

- a. India has trade relations with most of the countries and major trading blocks of the world.
- b. Largest imports and exports are from and to Asian and ASEAN countries.

- c. India aims to double its share in the international trade by
 - i. Import liberalisation,
 - ii. Reduction in import duties,
 - iii. De-licensing
 - iv. Change from process to product patents.

Sea Ports as Gateways of International Trade

New port developed after independence:

- i. India lost two very important ports i.e. Karachi port and Chittagong port to Bangladesh after independence.
- ii. To compensate the losses, many new ports like the Kandla in the Gujarat and the Diamond Harbour near Kolkata on river Hugli in the east were developed.

Important Indian ports: (For 1 Mark Questions)

- i. **Kandla Port**
 - a. It is situated at the head of Gulf of Kuchchh.
 - b. It reduces the pressure at Mumbai port.
 - c. The port is designed to receive large quantities of petroleum and petroleum products and fertiliser.
- ii. **Vadinar:**
 - a. The offshore terminal at Vadinar has been developed to reduce the pressure at Kandla port.
- iii. **Mumbai:**
 - a. It is a natural harbour and the biggest port of the country.
 - b. The port is situated closer to the routes from the countries of Middle East, Mediterranean countries, North Africa, North America and Europe where the major share of country's overseas trade is carried out.
 - c. It has the country's largest oil terminal.
- iv. **Jawaharlal Nehru Port:**
 - a. It is at Nhava Sheva near Mumbai port.
 - b. It was developed as a satellite port to reduce the pressure at the Mumbai.
 - c. It is the largest container port in India.
- v. **Marmagao Port:**
 - a. It is a natural harbour in Goa. From here iron-ore is exported to Japan.
 - b. Construction of Konkan railway has extended the hinterland of this port.
- vi. **New Mangalore Port:**
 - a. It is located in the state of Karnataka.
 - b. It exports iron-ore and iron-concentrates. It also handles fertilisers, petroleum products, coffee, tea, etc.
- vii. **Kochchi Port:**
 - a. It is in Kerala and popularly known as the "Queen of the Arabian Sea,"
 - b. It is also a natural harbour.
 - c. This port has an advantageous location being close to the Suez-Colombo route.
- viii. **Kolkata Port:**
 - a. It is located on the Hugli River, 128 km inland from the Bay of Bengal.
 - b. This port has lost its significance due to development of other sea ports such as Vishakhapatnam, Paradwip and its satellite port, Haldia.
 - c. Problem of silt accumulation in the Hugli River is a great problem.
 - d. Its hinterland covers U.P., Bihar, Jharkhand, West Bengal, Sikkim and the north-eastern states.

- e. Apart from this, it also extends ports facilities to our neighbouring land-locked countries such as Nepal and Bhutan.
- ix. **Haldia Port:**
 - a. It is also an inland port near Kolkata.
 - b. It has been constructed to reduce the congestion at Kolkata port.
 - c. It handles bulk cargo like iron ore, coal, petroleum, petroleum products and fertilisers, jute, jute products, cotton and cotton yarn, etc.
- x. **Paradwip Port:**
 - a. It is situated in the Mahanadi delta.
 - b. It has the deepest harbour specially suited to handle very large vessels.
 - c. It has been developed mainly to handle large-scale export of iron-ore.
 - d. Orissa, Chhattisgarh and Jharkhand are the parts of its hinterland.
- xi. **Visakhapatnam Port:**
 - a. **It is** in Andhra Pradesh and is a land-locked harbour.
 - b. **It is** connected to the sea by a channel cut through solid rock and sand.
 - c. An outer harbour has been developed for handling iron-ore, petroleum and general cargo. Andhra Pradesh is the main hinterland for this port.
- xii. **Chennai Port:**
 - a. It is one of the oldest ports on the eastern coast.
 - b. It is an artificial harbour built in 1859.
 - c. It is not much suitable for large ships because of the shallow waters near the coast. Tamil Nadu and Pondicherry are its hinterland.
- xiii. **Ennore:**
 - a. It is a newly developed port in Tamil Nadu, has been constructed 25 km north of Chennai to relieve the pressure at Chennai port.
- xiv. **Tuticorin Port:**
 - a. It was also developed to relieve the pressure of Chennai port.
 - b. It deals with a variety of cargo including coal, salt, food grains, edible oils, sugar, chemicals and petroleum products.