International Trade

Introduction:

International trade, economic transactions that are made between countries. Among the items most commonly sold are consumer goods, such as televisions and clothing; large goods, such as machinery; and consumables and food.

1. Changing Patterns of the Composition of India's Exports:

- 1. In recent years, changes have been recorded in the consolidation of goods in India's international trade. There is a decline in the share of agricultural and related products and shares of petroleum and waste products and other commodities have increased. The share of petroleum products has increased significantly due to rising fuel prices and an increase in the refining capacity of India.
- 2. Significant reductions are registered in the export of traditional products such as coffee, spices, tea, pulses, etc. due to difficult international competition. Although the increase is registered in flower products, fresh fruit, seafood and sugar products, etc. But the manufacturing sector alone accounted for

products, etc. But the manufacturing sector alone accounted for 68% of total exports to India in 2010-11. India's biggest rivals are China and other East Asian countries. Apart from this, jewels and jewelry are some of the major



2. Changing Patterns of the Composition of India's Import

1. During the 1950s and 1960s, India experienced a severe food shortage, so the country had to buy grain, bulk goods, machinery and equipment on a large scale.

contributors to Indian trade.

- 2. Payment balance was poor as imports were more than exported without all attempts to repatriate imports.
- 3. After the 1970s, the success of the green revolution halted the importation of cereals. But the power crisis of 1973 replaced grain exports for fertilizer and petroleum as petroleum prices rose.
- 4. In addition, other imported goods were machinery and equipment, special metals, edible oil and chemicals.
- 5. According to the Economic Survey 2011-12, petroleum products have registered rapid growth in imports.
- 6. It is a product of the petrochemical industry and is also used as oil. Rising means a period of industrial growth and improved living standards.
- 7. Occasional price hikes in international markets may be another reason for the rise.
- 8. The importation of large goods such as non-electrical equipment, transportation, metallurgy and machinery equipment is registering for continued growth. This increase may be due to increased demand in the industrial and domestic sectors focused on exports.
- 9. Imports of food and related products are registered for declines due to the sudden decline in imports of edible oil from other countries.
- 10. Pearls and precious stones, gold and silver, iron ore and iron ore, stainless steel, electrical goods, etc. are some of the precious metals bought in India.



3. Direction of Trade

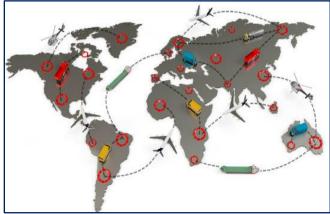
- 1. India is a trading partner with many countries and major trading centers in the world.
- India aims to double its share of international trade over the next 5 years. To achieve this goal, India has begun taking appropriate steps that include international liberation, the reduction of import duties, the revocation of licenses and the transition from system to product patents.
- India has set an example by the percentage of Asia and ASEAN (Association of Southeast Asian Nations) in total global trade increased. It was 33.3% in 2000-01 and increased to 57.3% in 2011-12. In contrast, the European and
 - American share has dropped from 42.5% to 30.8%. This has helped India survive the crisis in Europe and America.
- 4. With the development of the Indian trading system, the Indian trade share with various countries has also changed. In 2003-04, the USA became India's largest trading partner. The UAE has now ousted the USA as India's largest trading partner in 2010-11.
- 5. After the UAE, China is the second largest trading partner with India continuing this position from 2008-09 to 2010-11. The US dropped to third place.
- India's foreign trade is mainly done by sea and airways. Foreign trade on the national route is restricted to neighboring countries such as Nepal, Bhutan, Bangladesh and Pakistan.



- 1. India has a long history of international trade through seaports as it has a long coastline and is open to the sea from three sides. Water provides smooth and cheap transport without interruption.
- India has developed many ports along its coast. These holes are named after the suffix 'pattern' which means hole. It is interesting to note that India has more seaports on the West Coast than its East Coast.
- 3. After the arrival of European traders and the British occupation, Indian ports emerged as the gateways to international trade.
- There are some parts that have a great impact and some have a limited area of influence.

Large and Small Ports:

- 1. Currently, India has 12 major and 185 small or medium ports. In major ports, the Central Government is responsible for determining the policies and regulating their operations and small ports, the Regional Government is responsible for the same functions mentioned above.
- 2. Larger traffic ports are hosted by larger ports, e.g., about 71% of India's maritime traffic was handled by 12 major ports between 2008-09.
- The British used these ports to export India's natural resources; especially in their rural areas but the practice was discontinued after 1947.
- India lost two of its most important ports, the Karachi port to Pakistan and the Chittagong port to Bangladesh (formerly East-Pakistan). But India successfully recovered from this loss by opening many new ports, for example, Kandla in the West and the Diamond port near Kolkata on the Hugli River in the East.
- Today, large numbers of domestic and international trade are handled by these Indian ports. Most ports are equipped with modem infrastructure.
- Previously, government institutions were expected to be responsible for the development and development of Indian ports.



However, there is a need to increase employment and make these ports the size of the world's ports. Therefore, private entrepreneurs have been invited to develop ports in the country.

- 7. The carrying capacity of Indian ports increased from 20 million tons in 1951 to more than 600 billion tons at present.
- 8. Important Ports

The other ports of India and its hinterlands are as follows:

1. Kandla Port:



- 1. This port is located at the head of the Gulf of Kachchh. The main objectives of this large port are to meet the needs of the Western and North-West ports of the country and to reduce pressure on the port of Mumbai.
- This port is mainly designed to accommodate large quantities of fuel as well as petroleum products and fertilizers.
- 3. To reduce pressure on Kandla port, a coastal port called Vadinar has been built.
- 4. Due to confusion in boundary design, the adjacent area of one port may extend to another.

2. Mumbai Port:





- 1. This is a natural port and a major port in India.
- 2. The port's location is close to conventional routes from the Middle East, the Mediterranean countries, North Africa, North America and Europe, where much of the world's overseas trade takes place.
- 3. The port has been expanded to cover a large area of 20 km and 6-10 km wide with 54 rooms and has the largest oil base in the country.
- 4. The main ports of the port are Madhya Pradesh, Maharashtra, Gujarat, Uttar Pradesh and other parts of Rajasthan.

3. Jawaharlal Nehru Port:



- 1. This satellite station is located at Nhava Sheva. Designed to reduce pressure on the port of Mumbai.
- 2. It is the largest port in India.

4. Mormogao Port:



- 1. Located at the mouth of the Zuari River which is a natural harbor in Goa. It gained momentum after its restructuring in 1961 to handle the export of iron-ore to Japan.
- 2. The construction of the Konkan railway line expanded its external territory, e.g., Karnataka, Goa, Southern Maharashtra including their country.

5. The new port of Mangalore:



- 1. It is widely used to export iron-ore and iron concentrates, and other substances such as fertilizers, petroleum products, edible oils, coffee, tea, wood pulp, yam, granite, molasses, etc.
- 2 . It is located in Karnataka which is largely in the west.

6. Kochchi Port:



- 1. The airport is best known as the 'Queen of the Arabian Sea'.
- 2. It is a natural port and is located at the head of Vembanad Kayal.
- 3. Kochchi Harbour is close to the Suez-Colombo route.
- 4. Provides the needs of Kerala, Southern-Karnataka, and South-Western Tamil Nadu.

7. Kolkata Port:



- 1. Located on the Hugli River 128 km inland from the Bay of Bengal. The port was founded by the British as it was the capital of British India.
- 2. The port has lost its value due to diversion in other ports such as Visakhapatnam, Paradip and the satellite port, Haldia.
- 3. It also faces the problem of the accumulation of mud in the Hugli River, which prevents contact with the sea.
- 4. West includes Uttar Pradesh, Bihar,
- 5. Jharkhand, West Bengal, Sikkim and North-Eastern Provinces.
- 6. It also provides port services to neighboring countries such as Nepal and Bhutan.

8. Haldia Port:



- 1. Located 105 km downstream from Kolkata.
- 2. Designed to reduce congestion in Kolkata harbor.
- 3. Handles bulk materials such as iron-ore, coal, petroleum, petroleum and fertilizer products, jute, jute products, cotton, cotton thread, etc.

9. Paradip Port:



- 1. The port is located in the Mahanadi area and is 100 km from Cuttack.
- 2. It has the advantage of having a very deep port, so it is very suitable for handling very large vessels.
- 3. It mainly deals with iron-ore shipping on a large scale.
- 4. Odisha, Chhattisgarh and Jharkhand form their own hinterland.

10. Visakhapatnam Port:



- 1. It is a locked harbor located in Andhra Pradesh.
- 2. Attached to the sea by a canal cut through solid rock and sand.
- 3. Managing various commodities such as iron-ore, petroleum and general goods the outer port has been established.
- 4. Andhra Pradesh is the main port of the port.

11. Chennai Port:



- 1. Chennai artificial harbor is one of the oldest ports on the east coast. Built in 1859.
- 2. Due to the shallow water near the coast, it is not suitable for large vessels.
- 3. Tamil Nadu and Pondicherry formed its hinterland.

12. Ennore Port:



- 1. The newly developed port is located 25 km north of Chennai.
- 2. Designed to reduce pressure in Chennai harbor.

13. Tuticorin Port:



- 1. Another port built to ease the pressure of the Chennai port.
- 2. The port carries a large amounts of raw materials such as coal, salt, grain, edible oil, sugar, chemicals and petroleum products.

Airports:



Air transport plays an important role in international trade. The benefits are as follows:

- 1. Air transport is very useful for managing high value or perishable goods over long distances.
- 2. It takes less time to move goods.

Disadvantage is as follows:

- 1. Air travel is very expensive.
- 2. Not suitable for the transport of heavy and bulky items.

Therefore, having these disadvantages of air transport is not preferred / less in international trade compared to sea routes. Currently, there are 12 international airports. That's right; Ahmedabad, Amritsar, Bengaluru, Chennai, Delhi, Goa, Guwahati, Hyderabad, Kochchi, Kolkata, Mumbai and Thiruvananthapuram. Apart from these, there are 112 domestic airports in India.

Questions For Practice

- **1.** What is the carrying capacity of Indian port goods (millions of tons)?
 - (a) 100
- (b) 300
- (c) 500
- (d) 700
- 2. India has ____ large ports?
 - (a) 6
- (b) 8
- (c) 10
- (d) 12

- **3.** What is India's share in world trade?
 - (a) 1%
- (b) 2%
- (c) 3%
- (d) 4%
- **4.** What are the major shipments from New Mangalore ports?
 - (a) Coal
- (b) Iron ore
- (c) Copper
- (d) Micah
- **5.** Which port is called the 'Queen of the Arabian Sea'?
 - (a) Mangalore
- (b) Kochchi
- (c) Mumbai
- (d) Kandla
- **6.** When was the Jawaharlal Nehru port trust built?
 - (a) 1939
- (b) 1979
- (c) 1989
- (d) 1969

7. Most of India's foreign trade is made (a) Internal trade **23.** Which country is the largest trading up of the following? (b) External trade partner of India? (a) Land and sea (c) International trade (a) Britain (b) China (b) Earth and air (d) Local trade (c) the USA (d) Pakistan (c) Sea and wind (d) The sea **16.** What is the total number of major **24.** Name the new port of India which is **8.** Trade between the two countries is ports in India? developed to relieve Mumbai Port? (b) 11 (a) Jawaharlal Nehru Port called? (a) 10 (a) Internal trade (d) 14 (b) Kandla (c) 12 (b) Foreign trade (c) Kolkata 17. Most of India's foreign trade is (c) International trade (d) Visakhapatnam carried through: (d) Local trading 25. What was the reason for the decline (a) Land and sea (b) Land and air 9. What is the status of the Nava Shave (c) Sea and air (d) Sea of import of food grains? port? (a) Green revolution **18.** What is the trade between two (b) Decline in population (a) Gujarat (b) Goa countries called? (c) Maharashtra (d) Karnataka (c) Decrease in the birth rate (a) Local trade (d) Import duty 10. Which country is India's largest (b) Internal trade **26.** Which one of the following is India's trading partner? (c) External trade largest trading partner (2004-05)? (a) Britain (b) China (d) International trade (c) USA (d) Pakistan (a) UK (b) China **19.** Which element India's of (c) Germany (d) USA **11.** What is the major export from New International trade has changed? Mangalore ports? (a) Amount 27. What is India's share in world (a) Coal (b) Iron ore (b) Composition trade? (c) Copper (d) Mica (c) Direction (a) 1% (b) 2% (d) All the above (c) 3% (d) 4% **12.** What is the value of adverse balance of trade in India in 2011? **20.** Which one of the following is a land 28. Which one of the following is a locked Harbour? landlocked harbor? (a) 405,989 Crore (a) Vishakhapatnam (a) Visakhapatnam (b) 540,818 Crore (b) Haldia (c) 103,976 Crore (b) Haldia (d) 450,112 Crore (c) Ennore (c) Ennore (d) Mumbai (d) Mumbai **13.** When was Chennai port built? **29.** Which element of India's (a) 1839 (b) 1849 21. Which one of the Indian Sea Ports International trade has changed? (d) 1869 (c) 1859 provides facilities to the land-locked (a) Amount neighboring countries? (b) Composition 14. Which of the following is not an (a) Nhava Sheva (c) Direction important item which India exports (b) Kandla (d) All the above to other countries? (c) Kolkata (a) Manufactured goods **30.** What is the trade between two (d) Visakhapatnam (b) Readymade garments countries called? (c) Cotton yarn 22. What is the cargo handling capacity (a) Local trade (d) Machinery of Indian ports (million tonnes)? (b) Internal trade (a) 100 (b) 300 (c) External trade 15. Trade between two countries is (c) 500 (d) 700 (d) International trade termed as? **Solutions**

(c) 4. (b) 7. (c) 10. (c) 13. (c) 16. (c) 19. (d) 22. (c) 25. (a) 28. (a) (d) 11. (b) 14. (d) 17. (c) 23. (c) 5. (b) 8. (c) 20. (a) 26. (d) 29. (d) 9. (c) 12. (b) (a) (c) 15. (c) 18. (c) 21. (c) 24. (a) 27. (a) 30. (c)

