

12th Standard Geography

International Trade

Changing Patterns of the Composition of India's Exports

- During recent years, a change has been recorded in the composition of commodities in India's international trade. There is a decline in the share of agriculture and allied products whereas shares of petroleum and crude products and other commodities have increased. The share of petroleum products has increased mainly because of the rise in petroleum prices and increase in the petroleum refining capacity of India.
- A huge decline is registered in the export of traditional items like, coffee, spices, tea, pulses, etc due to the tough international competition. Though an increase has been registered in floricultural products, fresh fruits, marine products and sugar, etc. But manufacturing sector alone accounted for 68% of India's total value of export in 2010-11.
- The major competitors of India are China and other East Asian countries. Apart from this, the gems and jewellery are other commodities that have larger share in India's international trade.

Changing Patterns of the Composition of India's Import

- During 1950s and 1960s, India faced serious food shortage, thus the country had to import food grain, capital goods, machinery and equipments at large scale.
- The balance of payment was adverse as imports were more than export inspite of all the efforts of imports substitution.
- After 1970s, the success of green revolution discontinued the food grain import. But the energy crises of 1973 replaced the import of food grains by fertilizers and petroleum as the prices of petroleum had been raised.
- Besides, other imported goods were machine and equipment, special steel, edible oil and chemicals.
- According to economic Survey 2011-12, petroleum products have registered a rapid increase in import goods.
- It is a raw material for petrochemical industries and also used as fuel. The increase signifies the tempo of rising industrialisation and improvement in standard of living.
- Periodic price rise of petroleum in the international market may be another reason for this increase.
- Import of capital goods like non-electrical machinery, transport equipment, manufactures of metals and machine tools registered a steady increase. This increase could be because of increasing demand in the export oriented industrial and domestic sectors.
- Import of food and allied products registered a decrease because of a sudden decline in imports of edible oils.

- Pearls and semi-precious stones, gold and silver, metalliferous ores and metal scrap, non-ferrous metals, electronic goods, etc are other important items of India's import.

Direction of Trade

- India is a trading partner with most of the countries and major trading blocks of the world.
- India has goal to double its share in international trade within the next 5 years. To achieve this objective, India has started to adopt suitable measures which includes import liberalisation, reduction in import duties, de-licensing and change from process to product patents.
- India has created an example in terms of percentage of Asia and ASEAN (Association of South-east Asian Nations) in total trade of world has increased. It was 33.3% in 2000-01 and it increased to 57.3% in the 2011-12 . In contrast to this, the share of Europe and America decreased from 42.5% to 30.8%. This has helped India to survive during the global crisis in Europe and America.
- With the development of India's trade direction, India's trading share with different countries also changed. During 2003 -04, USA was India's largest trading partner. Now UAE has displaced USA as it was India's largest trading partner during 2010-11.
- After UAE, China is the second largest trading partner with India continuing this position from 2008-09 to 2010-11. USA has slipped to third position.

- India's foreign trade is mainly carried through oceanic and air routes. Foreign trade via land route is only limited to the neighbouring countries such as Nepal, Bhutan, Bangladesh and Pakistan.

Sea ports as Gateways of International Trade

- India has a long history of international trade via sea ports as it has long coastline and is opened to sea from three sides. Water provides smooth surface and cheap transport without any hinderance.
- India has developed many ports on its coast. These ports are named with suffix 'pattan' meaning port. It is interesting to know that India has more sea ports on West coast than its East coast.
- After coming of the European traders and colonisation of the country by the British, the Indian ports have emerged as gateways of international trade.
- There are some parts which have very vast area of influence and some have limited area of influence.

Major and Minor ports

- At present, India has 12 major and 185 minor or intermediate ports. For major ports, central Government is responsible for deciding the policies and regulate their functions and for minor ports, State Government is responsible for the same functions stated above.
- A larger port of total traffic is handled by major ports, e.g. about 71% of the India's oceanic traffic was handled by the the 12 major ports during 2008-09.

- The Britishers used these ports to export natural resources of India; particularly from their hinterland but this trend was discontinued after 1947.
- The India lost its two very important ports i.e. Karachi port to Pakistan and Chittagong port to Bangladesh (erstwhile East-Pakistan). But India recovered successfully from this loss by opening many new ports, for instance, Kandla in the West and the Diamond harbour near Kolkata on river Hugli in the East.
- Today, large volumes of domestic and international trade are handled by these Indian ports. Most of the ports are equipped with modern infrastructure.
- Previously, it was expected that government agencies are responsible for the development and modernisation of Indian ports. But it was considered that there is a need to increase the functions and bring these ports at par with the international ports. Thus, private entrepreneurs have been invited for the modernisation of ports in the country.
- The cargo handling capacity of Indian ports increased from 20 million tonnes in 1951 to more than 600million tonnes at present.

Important Ports

Some of the Indian ports along with their hinterlands are as follows:

Kandla Port

- This port is situated at the head of Gulf of Kutch. The main objectives of this major port are to serve the needs of Western and North-Western ports of the country and also to reduce the pressure at Mumbai port.
- This port is mainly designed to receive large quantities of petroleum and petroleum products and fertilizers.
- To reduce the pressure at Kandla port, an offshore terminal named Vadinar has also been developed.
- Due to confusion in demarcation of the boundary, hinterland of one port may overlap with that of the other.

Mumbai Port

- This is a natural harbour and the biggest port of India.
- The location of this port is closer to the general 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.
- This port is extended over a large area with the length of 20 km and width of 6-10 km with 54 berths and has the country's largest oil terminal.
- The main hinterlands of this port are Madhya Pradesh, Maharashtra, Gujarat, Uttar Pradesh and some parts of Rajasthan.

Jawaharlal Nehru Port

- This satellite port is located at Nhava Sheva. It was developed to relieve the pressure at the Mumbai port.
- It is the largest container port in India.

Marmagao Port

- It is located at the entrance of the Zuari estuary which is a natural harbour in Goa. It gained significance after its remodelling in 1961 to handle iron-ore exports to Japan.
- Construction of Konkan railway extended its hinterland, e.g. Karnataka, Goa, Southern Maharashtra constitute its hinterland.

New Mangalore Port

- It is mainly used to export iron-ore and iron concentrates, and other commodities like fertilizers, petroleum products, edible oils, coffee, tea, wood pulp, yam, granite stone, molasses, etc.
- It is located in Karnataka which is its major hinterland.

Kochchi Port

- This port is popularly known as 'Queen of the Arabian sea'.
- It is a natural harbour and situated at the head of Vembanad Koyal.
- Kochchi port is located close to the Suez-Colombo route.
- It serves the needs of Kerala, Southem-Kamataka, and South-Western Tamil Nadu.

Kolkata Port

- It is located on the Hugli river 128 km inland from the Bay of Bengal. This port was developed by the British as it was once the capital of British India.
- The port has lost its significance considerably on account of the diversion of exports to the other ports such as Vishakhapatnam, Paradwip and satellite port, Haldia.
- It is also facing the problem of silt accumulation in the Hugli river, which hinders the link to the sea.
- Its hinterland covers Uttar Pradesh, Bihar, Jharkhand, West Bengal, Sikkim and the North-Eastern states.
- It also provides port facilities to our neighbouring land-locked countries such as Nepal and Bhutan.

Haldia Port

- It is located 105 km downstream from Kolkata.
- It has been constructed to reduce the congestion at Kolkata port.
- It handles bulk cargo like iron-ore, coal, petroleum, petroleum products and fertilizers, jute, jute products, cotton, and cotton yarn, etc.

Paradwip Port

- The port is located in the Mahanadi delta and it is about 100 km far from Cuttack.
- It has advantage of having the deepest harbour, thus it is best suited to handle very large vessels.

- It mainly handles large scale export of iron-ore.
- Odisha, Chhattisgarh and Jharkhand constitute its hinterland.

Vishakhapatnam Port

- It is a land locked harbour situated in Andhra Pradesh.
- It is connected to the sea by a channel which is cut through solid rock and sand.
- To handle various commodities like iron-ore, petroleum and general cargo an outer harbour has been developed.
- Andhra Pradesh is the main hinterland for this port.

Chennai Port

- The artificial harbour of Chennai is one of the oldest ports on the eastern coast.
It was built in 1859.
- Because of the shallow water near the coast, it is not suitable for large ships.
- Tamil Nadu and Puducherry constitute its hinterland.

Ennore Port

- This newly developed port, is situated 25 km north of Chennai.
- It was developed to minimise the pressure at Chennai port.

Tuticorin Port

- It is another port which was developed to relieve the pressure of Chennai port.
- This port handles a number of commodities like coal, salt, food grains, edible oils, sugar, chemicals and petroleum products.

Airports

Air transport plays a significant role in the international trade of a nation.

The advantages are follows:

1. Air transport is very useful for handling high value or perishable goods over long distance.
2. It takes less time to transport cargo.

The disadvantages are as follows:

1. Air transportation is very costly.
2. It is not suitable for the transportation of heavy and bulky commodities.

Thus, having these disadvantages air transport is not/less preferred for international trade as compared to oceanic routes. At present, there are 12 international airports. They are; Ahmedabad, Amritsar, Bengalura, Chennai, Delhi, Goa, Guwahati, Hyderabad, Kochchi, Kolkata, Mumbai and Thiruvananthapuram. Apart from these, there are 112 domestic airports in India.