

1. The values of imports are higher than that of exports.
  2. Trade deficit has increased due to the rise in price of crude petroleum.
  3. Crude petroleum is the largest imported item in India.
  4. Engineering goods are the largest exported commodity.
  5. Gujarat has maximum number of domestic airports.
  6. Largest imports and exports are from and to Asian and Oceania countries.
  7. The U.S.A. is India's largest trading partner.
  8. Mumbai is the largest port and oil terminal in India.
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Q.1 Why between 1951 and 2005, India's external trade increased rapidly?

Ans. Three reasons are: -

- a. The production increased in 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 traditional agricultural items such as coffee, spices, tea, pulses, etc and allied products has declined.
  - a. The decline in traditional items is largely due to the tough international competition
- ii. The % shares of petroleum and crude products have increased.
  - a. The increase in the share of petroleum products is due to a rise in petroleum prices and increase in India's refining capacity.
- iii. The shares of ore minerals and manufactured goods have largely remained constant over the years from 1997-98 to 2003-04.
- iv. Manufacturing goods are the largest exported commodities. It alone accounted for 75.96 per cent of India's total value of export in 2003-04.
  - v. The % share of other commodities has increased due to an increase in export of floricultural products, fresh fruits, marine products and sugar, etc.
- vi. Engineering goods are the largest commodity in the export list.
- vii. Five largest commodities are: Engineering goods, Gems and Jewellery, Chemical products, Textiles and Petroleum products.
- viii. Textile sector could not achieve much in spite of the liberal measures taken by the government due to competition from China and other East Asian countries.

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. After 1970s, food grain import was stopped due to the success of green revolution.
- ii. Food grain import was replaced by fertilisers and petroleum.
- iii. 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.
- iv. Import of capital goods (Non-electrical machinery, transport equipment, manufacturers of metals and machine tools) also increased due to;
  - a. Rising demand in the export-oriented industrial and domestic sectors.
- v. Special steel, edible oil and chemicals are also imported largest. Import of edible oils has fallen.
- vi. 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 Oceania countries.
- c. It is followed by West European countries, East European countries and America.
- d. The U.S.A. is India's largest trading partner. Other countries in order of significance include the U.K., Belgium, Germany, Japan, and Switzerland.
- e. Most of India's foreign trade is carried through sea and air routes.
- f. However, a small portion is also carried through land route to neighbouring countries like Nepal, Bhutan, Bangladesh and Pakistan.
- g. 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****Advantages to India:**

- i. India is surrounded by sea from three sides and is bestowed with a long coastline.
- ii. Water provides a smooth surface for very cheap transport provided there is no turbulence.
- iii. India has a long tradition of sea faring.
- iv. An interesting fact about ports in India is that its west coast has more seaports than its east coast.
- v. At present, India has 12 major ports and 185 minor or intermediate ports.
- vi. The 12 major ports handle about 75 per cent of the country's oceanic traffic.

**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:**
- It is at Nhava Sheva near Mumbai port.
  - It was developed as a satellite port to reduce the pressure at the Mumbai.
  - It is the largest container port in India.
- v. **Marmagao Port:**
- It is a natural harbour in Goa. From here iron-ore is exported to Japan.
  - Construction of Konkan railway has extended the hinterland of this port.
- vi. **New Mangalore Port:**
- It is located in the state of Karnataka.
  - It exports iron-ore and iron-concentrates. It also handles fertilisers, petroleum products, coffee, tea, etc.
- vii. **Kochchi Port:**
- It is in Kerala and popularly known as the "Queen of the Arabian Sea,"
  - It is also a natural harbour.
  - This port has an advantageous location being close to the Suez-Colombo route.
- viii. **Kolkata Port:**
- It is located on the Hugli River, 128 km inland from the Bay of Bengal.
  - This port has lost its significance due to development of other sea ports such as Vishakhapatnam, Paradwip and its satellite port, Haldia.
  - Problem of silt accumulation in the Hugli River is a great problem.
  - Its hinterland covers U.P., Bihar, Jharkhand, West Bengal, Sikkim and the north-eastern states.
  - Apart from this, it also extends ports facilities to our neighbouring land-locked countries such as Nepal and Bhutan.
- ix. **Haldia Port:**
- It is also an inland port near Kolkata.
  - It has been constructed to reduce the congestion at Kolkata port.
  - It handles bulk cargo like iron ore, coal, petroleum, petroleum products and fertilisers, jute, jute products, cotton and cotton yarn, etc.
- x. **Paradwip Port:**
- It is situated in the Mahanadi delta.
  - It has the deepest harbour specially suited to handle very large vessels.
  - It has been developed mainly to handle large-scale export of iron-ore.
  - Orissa, Chhattisgarh and Jharkhand are the parts of its hinterland.
- xi. **Visakhapatnam Port:**
- It is in Andhra Pradesh and is a land-locked harbour.
  - It is connected to the sea by a channel cut through solid rock and sand.
  - 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:**
- It is one of the oldest ports on the eastern coast.
  - It is an artificial harbour built in 1859.
  - 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:**
- 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:**
- It was also developed to relieve the pressure of Chennai port.
  - It deals with a variety of cargo including coal, salt, food grains, edible oils, sugar, chemicals and petroleum products.