
CBSE Class 12 Geography
NCERT Solutions
Chapter 21
International Trade

1. Choose the right answers of the following from the given options.

(i) Trade between two countries is termed as

1. Internal trade
2. External trade
3. International trade
4. Local trade

Ans. (3) International trade

(ii) Which one of the following is a land-locked harbour?

1. Vishakhapatnam
2. Mumbai
3. Ennor
4. Haldia

Ans. (1) Vishakhapatnam

(iii) Most of India's foreign trade is carried an through

1. Land and sea
2. Land and air
3. Sea and air
4. Sea

Ans. (3) Sea and air

(iv) Which one of the following is India's largest trading partner (2004-05)?

1. U.K
2. China
3. Germany
4. U.S.A.

Ans. (4) U.S.A

2. Answer the following questions in about 30 words.

(i) Mention the characteristics of India's foreign trade.

Ans. Given below are characteristics of foreign trade:

1. **Small share in the world trade:** India's contribution in the world trade is as low as 1% of the total volume.
2. **Increase in trade deficit:** It is mainly due to price rise of crude petroleum which forms a major component of India's import list.
3. **Most of the foreign trade is carried through sea and air routes.** However, a small portion is also carried through land routes to neighbouring countries like Nepal, Bhutan, Bangladesh and Pakistan.
4. **Large increase in volume of imports and exports:** The total imports of India in 2000-01 were Rs. 230 crores and exports were Rs. 203 crores which have increased to 1363 crores and 845 crores in 2009-10.
5. Exports of electronics, computer hardware and software had increased significantly in the recent years.
6. **Increased share in Gross National Income:** In 1950-51, India's foreign trade contribution into national income was 12% which increased to 48% in 2015.

(ii) Distinguish between port and harbour.

Ans.

Ports	Harbours
(a) It is the point on the coast where the ship can be tied up for anchoring.	It is an area at the sea providing

	shelter to the ship.
(b) It provides facilities for loading and unloading for ship.	Ships are encouraged and given protection from waves and stones.
(c) Ports are generally artificially created.	It is usually a natural structure.
(d) It provides many facilities like warehouses to store cargo and well-built transportation systems.	It provides an adequate room for harbouring of ships.

(iii) Explain the meaning of hinterland.

Ans. Hinterland is the surrounding area which is closely connected to the port with roads and railways. The products of this area are sent to the port for export; and imported material is distributed here for sale and consumption. For example, Andhra Pradesh is the hinterland of Vishakhapatnam port.

(iv) Name important items which India imports from different countries.

Ans. India's imports include pearls and semi precious stones, gold and silver, metallic ferrous ores and metal scrap, non-ferrous metals, electronic goods, etc.

(v) Name the ports of India located on the east coast.

Ans. Major ports located on the east coast are: Kolkata, Haldia, Paradip, Vishakhapatnam, Ennore, Chennai, Tuticorin.

3. Answer the following questions in about 150 words.

(i) Describe the composition of Export and import trade of India.

Ans. Composition of Export trade of India:

1. The percentage share of the agriculture and allied products have declined. There is a decline in the exports of traditional items such as coffee, spices, tea, pulses, etc.
2. The share of petroleum and crude products have increased due to rise in petroleum prices and increase in India's refining capacity.

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3. The share of ore minerals and manufactured goods have largely remained constant over the years from 1997- 98 to 2003-04.
 4. Manufacturing goods are the largest exporting commodities in the year 2003-04 (75.96%).
 5. The percentage share of other commodities has increased due to an increase in fruits,marine products and sugar.
 6. Engineering goods are the largest commodities on the export list.
 7. Textile sector could not achieve much inspite of liberal measures taken by government due to competition from China and other Asian countries.

Composition of Import trade of India:

1. During 1950-60's, the major items of imports were food grains because India faced a dire need for food grain.
2. After 1970's import of food grains stopped due to Green Revolution.
3. Food grains were replaced by fertilisers and petroleum.
4. Machine and equipment, special steel, edible oil and chemicals were largely import.
5. Petroleum is the largest imported commodity because it is used as a fuel as well as raw material. It indicates the tempo of rising in industrialisation and better standard if living.
6. The capital goods like non-electrical machinery, transport, equipment, machines, tools, etc. have increased on the import list.
7. Special steel alloy, edible oils are also imported.
8. The other major items of import include pulse, precious gold and silver, metal ores, scraps, electronic goods, etc.

(ii) Write a note on the changing nature of the international trade of India.

Ans. India aims to double its share in the international trade within the next five years. It has already started adopting suitable measures such as import liberalisation, reduction in import duties, de-licensing and change from process to product patents. India has trade relations with most of the countries and major trading blocks of the world.

1. Largest imports and exports are from Asia and oceanic countries.
2. Asia and Oceania accounted for 47.41 per cent of India's export followed by West Europe

(23.80 per cent) and America (20.42). Similarly, India's imports were highest from Asia and Oceania (35.40 per cent) followed by West Europe (22.60 per cent) and America (8.36 per cent) in 2004-05.

3. Exchange of information and knowledge has surpassed exchange of goods and commodities. Through its advanced software knowledge and excellence in the field of information technology, India has emerged as a viable contender at the international level and is earning huge amounts of foreign exchange through the same.
4. Tourism too has added to India's upgraded position in international trade. In 2004, there was a 23.5% increase in foreign tourist arrivals as against the number in 2003.
5. India's share in total world trade is continuously declining. It was 2.1% in 1950 and it is 1% in 2005. There are many factors responsible for it.
 - Depreciation in value of rupee in international market.
 - Slow progress in production
 - Increase in domestic consumption
 - Increasing competition in international market, etc.

