

CBSE Test Paper 03
Ch-9 International Trade

1. What are seaports?
2. Name the regional trade bloc of which India is a member.
3. WTO is often criticised for widening the gap between developed and developing countries. Examine critically.
4. What do you mean by free trade?
5. On the basis of the following table, answer the following questions:

World exports and imports (in millions US \$)						
Year	1955	1965	1975	1985	1995	2005
Total Merchandised Exports	95000	190000	877000	1954000	5162000	10393000
Total Merchandised Imports	99000	199000	912000	2015000	5292000	10753000

- i. What was the total value of merchandised exports in 2005?
 - ii. What was the value of goods imported in 2005?
 - iii. What was the difference between exports and imports in 2005?
 - iv. Who is the biggest trading partner of India?
6. What are the advantages of water transport?
7. What is a port? What is the chief aim of a port?
8. Write a brief note on ASEAN.
9. What factors act as a basis of international trade? Discuss.
10. Classify the ports on the basis of specialized functions and give one example each.

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Answer

1. A seaport is a place on the sea coast where cargo is received from other countries as imports and sent out as exports. Seaports are important interfaces in the supply chain between sea and land transportation and a component of freight distribution as the entrance of produce, merchandise and passengers to a country, but as well as the exit door to all the exports to the international markets.
2. India is a member of SAFTA (South Asian Free Trade Agreement).
3. The WTO has been criticised and opposed by those who are worried about the effects of free trade and economic globalisation. It is argued that free trade does not make ordinary people's lives more prosperous. It is actually widening the gulf between the rich and the poor by making rich countries richer. Free Trade benefits developed countries more than developing countries. It is argued, developing countries need some trade protection to be able to develop new industries; this is important to be able to diversify the economy. It is known as the infant industry argument. Many developed economies used a degree of tariff protection in their development phase. Economist Ha Joon Chang argues WTO trade rules are like 'pulling away the ladder they used themselves to climb up'
4. The act of opening up economies for trading is known as free trade or trade liberalisation. Free trade is a policy to eliminate discrimination against imports and exports. Buyers and sellers from different economies may voluntarily trade without a government applying tariffs, quotas, subsidies or prohibitions on goods and services. Free trade is the opposite of trade protectionism or economic isolationism.
5.
 - i. The total value of merchandised exports in 2005 was 10393000 million US \$.
 - ii. The value of goods imported in 2005 was 10753000 million US \$.
 - iii. The difference between exports and imports in 2005 is = $10753000 - 10393000 = 360000$ million US \$
 - iv. The USA is the biggest trading partner of India.

6. The advantages of water transport are:

- i. One of the great advantages of water transportation is that it does not require route construction. The oceans are linked with each other and are negotiable with ships of various sizes. All that is needed is to provide port facilities at the two ends.
- ii. It is much cheaper because the friction of water is far less than that of land.

7. Port is a place on seacoast from where exports and imports take place. It is a gateway of its hinterland.

The chief aim of a port is to provide facilities of docking, loading, unloading and the storage facilities for cargo. In order to provide these facilities, the port authorities make arrangements for maintaining navigable channels, arranging tugs and barges, and providing labour and managerial services.

The importance of a port is judged by the size of cargo and the number of ships handled. The quantity of cargo handled by a port is an indicator of the level of development of its hinterland.

8. ASEAN stands for Association of South East Asian Nations. Member nations are - Brunei, Indonesia, Malaysia, Singapore, Thailand and Vietnam. It was formed in August, 1967. It is a regional intergovernmental organization comprising ten Southeast Asian countries that promotes intergovernmental cooperation and facilitates economic, political, security, military, educational, and sociocultural integration amongst its members and other Asian states. It also regularly engages other states in the Asia-Pacific region and beyond. Being a global powerhouse, the central platform for cooperation in Asia-Pacific, and one of the world's most prominent and influential organisations, ASEAN maintains a global network of alliances and is involved in numerous international affairs. It is a major partner of the Shanghai Cooperation Organisation (SCO), developing cooperation model with the organisation for the peace, stability, development and sustainability of the Asian continent. It also serves as an international role model in seeking harmony and strength among diversity and differences, as well as a leading figure in international diplomacy.

9. Basis of International Trade :

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- i. Difference in national resources: The world's national resources are unevenly distributed because of differences in their physical make up i.e. geology, relief soil and climate.
 - a. Geological structure: It determines the mineral resource base and topographical differences ensure diversity of crops and animals raised. Lowlands have greater agricultural potential. Mountains attract tourists and promote tourism.
 - b. Mineral resources: They have unevenly distributed the world over. The availability of mineral resources provides the basis for industrial development.
 - c. Climate: It influences the type of flora and fauna that can survive in a given region. It also ensures diversity in the range of various products, e.g. wool production can take place in cold regions, bananas, rubber and cocoa can grow in tropical regions.
 - ii. Population factors: The size, distribution and diversity of people between countries affect the type and volume of goods traded.
 - a. Cultural factors: Distinctive forms of art and craft develop in certain cultures which are valued the world over, e.g. China produces the finest porcelains and brocades. Carpets of Iran are famous while North African leather work and Indonesian batik cloth are prized handicrafts.
 - b. Size of population: Densely populated countries have large volume of internal trade but little external trade because most of the agricultural and industrial production is consumed in the local markets. Standard of living of the population determines the demand for better quality imported products because with low standard of living only a few people can afford to buy costly imported goods.
 - iii. Stage of economic development: At different stages of economic development of countries, the nature of items traded undergo changes. In agriculturally important countries, agro products are exchanged for manufactured goods whereas industrialised nations export machinery and finished products and import food grains and other raw materials.
 - iv. Extent of foreign investment: Foreign investment can boost trade in developing countries which lack in capital required for the development of mining, oil drilling, heavy engineering, lumbering and plantation agriculture. By developing

such capital intensive industries in developing countries, the industrial nations ensure import of food stuffs, minerals and create markets for their finished products. This entire cycle steps up the volume of trade between nations.

- v. **Transport:** In olden times, lack of adequate and efficient means of transport restricted trade to local areas. Only high value items, e.g. gems, silk and spices were traded over long distances. With expansions of rail, ocean and air transport, better means of refrigeration and preservation, trade has experienced spatial expansion.

10. Types of the port on the basis of specialised functions:

- i. **Oil ports:** These ports deal in the processing and shipping of oil. Some of these are tanker ports and some are refinery ports. Maracaibo in Venezuela, Esskhira in Tunisia, Tripoli in Lebanon are tanker ports. Abadan on the Gulf of Persia is a refinery port.
- ii. **Ports of Call:** These are the ports that originally developed as calling points on main sea routes where ships used to anchor for refuelling, watering and taking food items. Later on, they developed into commercial ports. Aden, Honolulu and Singapore are good examples.
- iii. **Packet Station:** These are also known as ferry ports. These packet stations are exclusively concerned with the transportation of passengers and mail across water bodies covering short distances. These stations occur in pairs located in such a way that they face each other across the water body, e.g. Dover in England and Calais in France across the English Channel.
- iv. **Entrepot Ports:** These are collection centres where the goods are brought from different countries for export. Singapore is an entrepot for Asia. Rotterdam for Europe, and Copenhagen for the Baltic region.
- v. **Naval Ports:** These are ports that have only strategic importance. These ports serve warships and have repair workshops for them. Kochi and Karwar are examples of such ports in India.