

CUET · GEOGRAPHY · CLASS XII · CODE 313

International Trade

CUET unit: International Trade / Planning and Sustainable
Development in Indian Context

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Snapshot

- India's international trade has changed in volume, composition and direction since 1950-51 (Rs. 1,214 crore) up to 2020-21 (Rs. 77,19,796 crore) and 2021-22 (combined trade Rs. 76,19,796 crore).
- The **trade deficit** (imports > exports) is persistent, alongside a shifting share of agriculture, manufacturing and crude petroleum in exports, and fuel and capital goods in imports.
- India's **12 major ports** (regulated by the central government) and **25+ major airports** are the gateways of foreign trade — frequently tested in CUET on identification of port + hinterland + commodity.
- Key terminology — **hinterland, natural harbour, artificial harbour, land-locked harbour, satellite port** — is routinely converted into MCQ stems.
- This topic links to planning and sustainable development via **liberalisation, import substitution, diversification of markets, modernisation of ports**, and the post-2017 **UDAN scheme** for regional connectivity.

Detailed Notes

2.1 Core concepts

- International trade is mutually beneficial since **no country is self-sufficient**; India's share in world trade is about **1 per cent** of the total volume, yet it plays a significant role in the world economy. (NCERT Ch. 8, §Intro, p. 86)
- **India's external trade rose from Rs. 1,214 crore in 1950-51 to Rs. 77,19,796 crore in 2020-21** — an enormous expansion driven by the momentum of the manufacturing sector, liberal government policies, and diversification of markets. (NCERT p. 86)
- The nature of India's foreign trade has changed: although the total volume of both imports and exports has grown, **the value of imports has consistently exceeded the value of exports**, generating a widening trade deficit. (NCERT Table 8.1, p. 87)
- **Trade balance (Rs. crore):** -1,25,725 (2004-05) → -5,18,202 (2009-10) → -8,10,423 (2013-14) → -7,25,082 (2016-17) → **-14,25,753 (2021-22)** — a near-doubling between 2016-17 and 2021-22. (NCERT Table 8.1, p. 87)
- **Composition of exports (2015-16 → 2021-22, % share, Table 8.2):**

- Agriculture and allied products: 12.6% → 11.9% (declined)
- Ore and minerals: 1.6% → 2.0% (roughly constant)
- **Manufactured goods: 72.9% → 67.8%** (declined but still dominant)
- **Crude and petroleum products: 11.9% → 16.4%** (rose)
- Other commodities: 1.1% → 1.9% (rose). (NCERT p. 87)
- **Manufacturing alone accounted for 67.8% of India's total export value in 2021-22.** Engineering goods have shown significant growth; China and other East Asian countries are India's major competitors. **Gems and jewellery contribute a larger share** of India's foreign trade. (NCERT §Composition of Exports, p. 87)
- **Decline in traditional export items** (like cashew) is due to tough international competition; however, **floricultural products, fresh fruits, marine products and sugar** have registered increases. (NCERT p. 87)
- **Composition of imports — historical shift:** India faced serious food shortage in the 1950s-60s, so the major items of import were **foodgrain, capital goods, machinery and equipment**. After 1970s, **foodgrain import was discontinued due to the success of the Green Revolution**, but the **energy crisis of 1973** pushed petroleum prices up and the import budget along with it; foodgrain was **replaced by fertilisers and petroleum** in the import basket. (NCERT §Composition of Imports, pp. 87-88)
- **Current import basket** includes machine and equipment, special steel, edible oil, chemicals, pearls and precious/semi-precious stones, gold and silver, non-ferrous metals.
- **Composition of imports (2015-16 → 2021-22, % share, Table 8.4):**
 - Food and allied products: 5.1% → 4.4% (declined)
 - **Fuel (Coal, POL): 25.4% → 31.6%** (rose sharply)
 - Fertilisers: 2.1% → 2.3% (modest rise)
 - Paper board manufacturing and newsprint: 0.8% → 0.7% (declined)
 - **Capital goods: 13.0% → 10.1%** (steady decline)
 - Others: 38.1% → 38.5% (roughly constant). (NCERT p. 88)
- **Principal import commodities (2021-22, in crore rupees):** Petroleum, oil and lubricants **Rs. 12,07,803 crore** (largest); non-ferrous metals Rs. 4,99,766 crore; chemical products Rs. 3,08,882 crore; pearls and precious stones Rs. 2,31,279 crore; edible oils Rs. 1,41,532 crore; fertilisers Rs. 1,05,796 crore; iron and steel Rs. 94,053 crore; medicinal and pharma products Rs. 67,545 crore; pulp and waste paper Rs. 11,934 crore. (NCERT Table 8.5, p. 89)
- **Direction of trade (Imports, in crore rupees, Table 8.6):** Asia and ASEAN dominate at Rs. 29,18,577 crore (2021-22), followed by Europe (Rs. 6,40,577), North America (Rs. 3,78,041), Africa (Rs. 3,68,156), Latin America (Rs. 1,61,995). (NCERT p. 89)

- Most of India's foreign trade is carried through **sea and air routes**; a small portion is also carried through the land route to neighbouring countries — **Nepal, Bhutan, Bangladesh and Pakistan**. (NCERT §Direction of Trade, p. 89)
- India aims to **double its share in international trade within five years** through **import liberalisation, reduction in import duties, delicensing, and change from process to product patents**. (NCERT p. 89)
- **Sea ports as gateways**: India is surrounded by sea on three sides and has a long coastline; the country has a long tradition of sea-faring, with many ports having the suffix pattan meaning "port." **The west coast has more ports than the east coast**. (NCERT §Sea Ports, p. 89)
- **Partition cost India two important ports** — **Karachi** (to Pakistan) and **Chittagong** (to East Pakistan/Bangladesh). To compensate, new ports — **Kandla in the west** and **Diamond Harbour near Kolkata on river Hugli in the east** — were developed. (NCERT p. 90)
- India has **12 major ports** (central-government regulated) and **about 200 minor or intermediate ports** (state-government regulated). Major ports handle the larger share of total traffic. (NCERT p. 90)
- **Port capacity** has grown from **20 million tonnes in 1951 to more than 837 million tonnes in 2016**. Private entrepreneurs have been invited for modernisation. (NCERT p. 90)
- **West-coast major ports (with key facts and hinterlands):**
 - **Deendayal (Kandla) Port** — at the head of Gulf of Kachchh; built post-Partition to relieve Mumbai and serve western/north-western India; designed for **petroleum, petroleum products and fertilisers**; offshore terminal at **Vadinar**. (p. 90)
 - **Mumbai Port** — a **natural harbour** and the **biggest port** of the country; close to Middle East, Mediterranean, North Africa, North America and Europe routes; **20 km long, 6-10 km wide, 54 berths, country's largest oil terminal**; hinterland: MP, Maharashtra, Gujarat, UP and parts of Rajasthan. (p. 90)
 - **Jawaharlal Nehru Port at Nhava Sheva** — a **satellite port** of Mumbai; **largest container port in India**. (p. 90)
 - **Mormugao Port** — at entrance of Zuari estuary; **natural harbour in Goa**; remodelled in 1961 to handle **iron-ore exports to Japan**; Konkan Railway extended hinterland; hinterland: Karnataka, Goa, southern Maharashtra. (p. 90)
 - **New Mangalore Port** — Karnataka; iron-ore and iron-concentrates, fertilisers, petroleum, edible oils, coffee, tea, wood pulp, yarn, granite stone, molasses. Hinterland: Karnataka. (p. 90)
 - **Cochin Port** — at head of Vembanad Kayal; "**Queen of the Arabian Sea**"; natural harbour; **close to Suez-Colombo route**; serves Kerala, southern Karnataka and south-western Tamil Nadu. (p. 92)
- **East-coast major ports (with key facts and hinterlands):**

- **Shyama Prasad Mookerjee (Kolkata) Port** — on the **Hugli river, 128 km inland** from Bay of Bengal; British-era port; **lost significance** because of diversion of exports to Visakhapatnam, Paradwip and its satellite **Haldia**, and due to **silt accumulation in the Hugli**; hinterland: UP, Bihar, Jharkhand, West Bengal, Sikkim, NE states; serves **land-locked Nepal and Bhutan**. (p. 92)
- **Haldia Port** — 105 km downstream of Kolkata; satellite to relieve Kolkata congestion; handles iron-ore, coal, petroleum and products, fertilisers, jute, cotton yarn. (p. 92)
- **Paradwip Port** — in Mahanadi delta, about 100 km from Cuttack; has the **deepest harbour** suited to very large vessels; built mainly for **large-scale iron-ore export**; hinterland: Odisha, Chhattisgarh, Jharkhand. (p. 92)
- **Visakhapatnam Port** — Andhra Pradesh; a **land-locked harbour, connected to the sea by a channel cut through solid rock and sand**; outer harbour developed for iron-ore, petroleum and general cargo; hinterland: Andhra Pradesh and Telangana. (p. 92)
- **Chennai Port** — one of the oldest east-coast ports; **artificial harbour built in 1859**; **shallow waters near the coast** make it less suitable for large ships; hinterland: Tamil Nadu and Puducherry. (p. 92)
- **Kamarajar (Ennore) Port** — newly developed, **25 km north of Chennai**, to relieve Chennai. (p. 92)
- **V.O. Chidambaranar (Tuticorin) Port** — also developed to relieve Chennai; handles coal, salt, foodgrains, edible oils, sugar, chemicals, petroleum products. (p. 92)
- **Airports: 25 major airports** were functioning per the Annual Report 2016-17 — including Ahmedabad, Bengaluru, Chennai, Delhi, Goa, Guwahati, Hyderabad, Kolkata, Mumbai, Thiruvananthapuram, Srinagar, Jaipur, Calicut, Nagpur, Coimbatore, Cochin, Lucknow, Pune, Chandigarh, Mangaluru, Visakhapatnam, Indore, Patna, Bhubaneswar and Kannur.
- **UDAN scheme (since 2017):** a total number of **73 unserved/underserved airports including 9 heliports and 2 water aerodromes** have been operationalised. (NCERT §Airports, p. 92)
- Air transport has the advantage of carrying **high-value or perishable goods over long distances** in the least time, but is **costly and unsuitable for heavy/bulky cargo** — hence its smaller share than sea routes in international trade. (NCERT p. 92)

2.2 Definitions to memorise

Term	Definition	Page
International trade	Mutually beneficial trade between two countries, since no country is self-sufficient	86
	About 1% of total volume	86

Term	Definition	Page
India's share in world trade		
Trade balance	Difference between value of exports and imports — negative for India throughout 2004-05 to 2021-22	87
Composition of trade	Commodity-wise share in exports/imports	87
Direction of trade	Region- or country-wise distribution of trade	89
Import substitution	Policy of replacing imports with domestic production; pursued in early decades	87
Green Revolution effect	After 1970s, ended India's foodgrain imports	87
1973 energy crisis	Pushed petroleum prices up; petroleum and fertilisers replaced foodgrain in import basket	88
UDAN scheme (2017)	Regional air-connectivity programme that operationalised 73 unserved/underserved airports, 9 heliports, 2 water aerodromes	92
Major port	Port whose policy and regulation are decided by the central government; India has 12	90
Minor / intermediate port	State-government-regulated port; India has about 200	90
Hinterland	Inland area served by a port, from which it draws exports and to which it delivers imports; boundary is not fixed and may overlap with another port's hinterland	90
Natural harbour	Harbour formed by natural coastal features (e.g., Mumbai, Mormugao, Cochin)	90-92
Artificial harbour	Harbour built by human engineering (e.g., Chennai, built 1859)	92
Land-locked harbour	Harbour connected to sea by a channel cut through solid rock and sand (e.g., Visakhapatnam)	92
Satellite port	Port developed to relieve pressure on a major port (JNPT for Mumbai; Haldia for Kolkata; Kamarajar/Ennore for Chennai)	90, 92
Pattan	Sanskrit suffix meaning "port" — appears in many Indian port names	89
Queen of the Arabian Sea	Popular name for Cochin Port	92
Vadinar	Offshore terminal that relieves Kandla port	90
Suez-Colombo route	Major sea route close to which Cochin is located	92
		90

Term	Definition	Page
Diamond Harbour	Port on the Hugli developed to compensate for the loss of Chittagong	
Karachi & Chittagong	Two pre-Partition Indian ports lost to Pakistan and Bangladesh	90
Konkan Railway	Extended the hinterland of Mormugao port	90
Engineering goods	Fastest-growing manufactured export item	87
Gems and jewellery	Major contributor to India's export value	87

2.3 Diagrams / processes to remember

- **Fig. 8.1 (p. 86) — Extent of gap between exports and imports, 2013-14 to 2021-22 (Economic Survey 2022-23):** A line graph in which the import line consistently sits above the export line, with the vertical gap widening towards 2021-22 — the visual proof of India's chronic trade deficit.
- **Table 8.1 (p. 87) — India's Foreign Trade values:** Exports, imports and trade balance for 2004-05, 2009-10, 2013-14, 2016-17 and 2021-22. The 2021-22 trade deficit of –Rs. 14,25,753 crore is the most-tested figure.
- **Table 8.2 (p. 87) — Composition of India's Exports:** % share by commodity group across four years — used in statement-based MCQs (manufacturing declined; crude petroleum products rose).
- **Table 8.3 (p. 88) — Export of Principal Commodities (2021-22):** Manufactured goods Rs. 21,32,296 crore is the dominant item by value.
- **Table 8.4 (p. 88) — Composition of India's Imports:** Fuel rose from 25.4% to 31.6%; capital goods fell from 13.0% to 10.1%.
- **Table 8.5 (p. 89) — Principal Import Commodities:** POL Rs. 12,07,803 crore is the biggest single import.
- **Table 8.6 (p. 89) — Direction of India's Import trade:** Asia & ASEAN dominate; expected in matching/ranking MCQs.
- **Fig. 8.4 (p. 91) — India: Major Ports and Sea Routes:** Map showing all 12 major ports (Deendayal, Mumbai, JNPT, Mormugao, New Mangalore, Cochin, Tuticorin, Chennai, Kamarajar, Visakhapatnam, Paradwip, Haldia, Shyama Prasad Mookerjee/ Kolkata) and key sea-route distances. Map-based identification is high-yield.
- **Fig. 8.5 (p. 93) — India: Air Routes:** Shows convergence of national/international air routes at Delhi, Mumbai, Kolkata and Chennai — the four metropolitan air hubs.
- **Trade-balance flow:** Exports < Imports → Negative balance → Funded by foreign exchange reserves, capital inflows and remittances → Push to "double share in 5 years" via liberalisation and reduction of import duties.

- **Port classification flow:** 12 major (central) vs 200 minor (state) → west coast more numerous → some natural (Mumbai, Mormugao, Cochin), some artificial (Chennai), one land-locked (Visakhapatnam), satellites (JNPT, Haldia, Ennore) → modernisation via private sector.

2.4 Common confusions / NTA trap points

- Mumbai vs Jawaharlal Nehru Port: Mumbai is the **biggest** and a natural harbour; **Nhava Sheva (JNPT) is the largest container port** — students often swap them.
- **Visakhapatnam is the land-locked harbour** (channel through rock and sand), not Mumbai or Haldia — Exercise 1 (ii) directly tests this.
- Chennai is an **artificial harbour built in 1859** with shallow waters; it is **not** suitable for very large ships — **Paradwip has the deepest harbour**.
- The Green Revolution allowed India to **stop importing foodgrain after the 1970s**, but the **1973 energy crisis** then pushed petroleum and fertilisers into the import basket — common assertion-reason trap.
- Manufacturing's share in exports has **declined** from 72.9% (2015-16) to 67.8% (2021-22); students wrongly assume it has risen because total exports rose.
- **Crude petroleum products** in exports rose from 11.9% to 16.4% — not declined; this catches students out who associate India with petroleum import only.
- Major ports are regulated by the **central government** (12 in number); minor/intermediate by **state governments** (~200) — easy to flip.
- Cochin lies near the **Suez-Colombo route**, not the Cape of Good Hope route; Mormugao gained significance for **iron-ore exports to Japan**, remodelled in **1961**.
- The two ports lost at Partition are **Karachi** (Pakistan) and **Chittagong** (Bangladesh) — not "Karachi and Lahore" or "Chittagong and Dhaka."
- Kolkata Port serves **land-locked Nepal and Bhutan** — geographically counter-intuitive since Kolkata is far from those countries.
- **POL is India's largest single import** (Rs. 12,07,803 crore in 2021-22); gold/diamonds and edible oils come later — distractors often list edible oil first.
- The UDAN scheme operationalised **73 airports, 9 heliports and 2 water aerodromes** — not 100 airports as some distractors suggest.

2.5 Key data table (NCERT figures only)

Parameter	Figure / fact	Source (NCERT p.)
India's external trade 1950-51 → 2020-21	Rs. 1,214 cr → Rs. 77,19,796 cr	86
India's share in world trade	~1% of total volume	86
Trade balance 2021-22	-Rs. 14,25,753 crore	87

Parameter	Figure / fact	Source (NCERT p.)
Manufactured-goods share of exports 2021-22	67.8%	87
Crude-petroleum products share of exports 2021-22	16.4% (rose from 11.9% in 2015-16)	87
Fuel share of imports 2021-22	31.6% (rose from 25.4% in 2015-16)	88
Capital-goods share of imports 2021-22	10.1% (declined from 13.0% in 2015-16)	88
Largest single import (2021-22)	POL — Rs. 12,07,803 crore	89
Largest import region (2021-22)	Asia & ASEAN — Rs. 29,18,577 crore	89
Number of major ports	12 (central-regulated)	90
Number of minor/intermediate ports	~200 (state-regulated)	90
Port cargo capacity growth	20 mt (1951) → 837+ mt (2016)	90
Mumbai port dimensions	20 km long, 6-10 km wide, 54 berths, largest oil terminal	90
UDAN operationalised airports	73 + 9 heliports + 2 water aerodromes	92
Major airports listed (2016-17)	25	92

Practice MCQs

PYQ Alignment

This chapter is a high-yield CUET Geography topic — port identification and hinterland matching appear almost every year, alongside a factual MCQ on composition/direction of trade and a definitional question on hinterland, natural vs land-locked harbour, or trade balance. Expect 2-3 direct port-based items, 1-2 trade-composition items (especially the manufacturing-share decline and the POL import rise), 1 assertion-reason on Kolkata Port silt or Green Revolution / Energy Crisis, and at least one map-based identification (Mumbai natural harbour, Visakhapatnam land-locked, Chennai 1859 artificial) every cycle from this chapter.

CUET 2025 — Actual PYQs from this chapter

Q.38 (CUET 2025) Arrange the following commodities in descending order according to their share in India's imports (2021–2022): (A) Petroleum, oil and lubricants (B) Chemical products (C) Fertilisers and fertiliser manufacturing (D) Iron and steel

- A) A, C, B, D B) A, B, C, D C) C, B, D, A D) A, D, B, C Tests: Composition of India's imports (2021–22) Answer: Not in extracted key

