

TRADE AND TRANSPORT : AN EVER - FLOURISHING SECTOR

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Abstract : This paper extends into a basic study of transport and trade. The research paper emphasizes over the topics: what they are, what are the various types of trade and transport, how they influenced the world, how it altered the civilizations and how it connected the world at a global level. The prominence and importance of this topic is what attracted us towards the study of this research topic.

Keywords: Transport, Trade, Domestic Trade, International Trade.

I.INTRODUCTION

Transport or transportation is the movement of people, animals and goods from one location to another. Transport is important because it enables trade between persons, which is essential for the development of civilizations.

1.1 Modes of transport

Rail, Road, Air, Animal powered, Human powered, Water and Others (pipeline, cable, spaceflight).

1.2 Elements of transport Infrastructure, Vehicle and Operation

1.3 Importance of transportation

Transport is a key element of economic growth and competitiveness. Transport can be call the heart of globalization, indeed the term of globalization would be meaningless without the ability to move goods and people around the planet. The opportunities for individuals and businesses to benefit from globalization are increased by efficient, cost-effective transport networks.

1.4 Trade

Trade involves the transfer of the ownership of goods or services from one person or entity to another in exchange for other goods or services or for money. Possible synonyms of "trade" include "commerce" and "financial transaction". Types of trade include barter. A network that allows trade is called a market. The original form of trade, barter, saw the direct exchange of goods and services for other goods and services. Later one side of the barter started to involve precious metals, which gained symbolic as well as practical importance. Modern traders generally negotiate through a medium of exchange, such as money. As a result, buying can be separated from selling, or earning. The invention of money (and later credit, paper money and non-physical money) greatly simplified and promoted trade. Trade between two traders is called bilateral trade, while trade between more than two traders is called multilateral trade. Trade exists due to the specialization and division of labor, in which most people concentrate on a small aspect of production, trading for other products. Trade exists between regions because different regions may have a comparative advantage (perceived or real) in the production of some trade-able commodity, or because

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different regions' size may encourage mass production. As such, trade at market prices between locations can benefit both locations.

Figure 1



Source: <http://kalyan-city.blogspot.com/2011/03/what-is-trade-meaning-and-nature.html>

Accessed on 3rd May, 2011

Gaurav Akrami accessed 3rd May, 2011 “What is trade? Meaning and nature-different types of trade”

1.5 Types of trade

1.5.1 Domestic trade

Domestic trade, also known as internal trade or home trade is the exchange of domestic goods within the boundaries of a country. This may be sub-divided into two categories, wholesale and retail.

1.5.2 International trade -

International trade is the exchange of goods and services between countries. This type of trade gives rise to a world economy, in which prices or supply and demand are affected by global events. Trading globally gives consumers and countries the opportunity to be exposed to goods and services not available in their own countries. This may be sub-divided into three parts, import, export and entrepot trade.

2. Growth of trade and transport

The trade of goods, finance, information and people among the world's economies is not new. But in recent decades the international flow of trade and finance has grown to unprecedented levels and become essential to the world economy. The economic emergence of developing countries (such as Brazil, China and India) has dramatically increased global trade flows overall and also shifted the balance of international trade flows between developed and developing countries.

Since 1950, world trade has increased over 20-fold (by value), far exceeding the growth rate for population or GDP. In the United States, the trade-to-GDP ratio (a measure of the share of total GDP made up of international trade) increased from 20.5% in 1990 to 28.7% for 2006–2008, and it is estimated that it could increase to almost 55% of GDP by 2038.

When goods are traded internationally, they can be moved over water, air or land. The transport choice depends on the geographic proximity of the trading partners, characteristics of the product to be transported, the relative costs of competing transport modes, and other key facilitating services such as communications.

3. Trade and transport: connecting the world.

Global flows have been a common thread in economic growth for centuries, since the days of the Silk Road, through the mercantilist and colonial periods and the Industrial Revolution. But today, the movement of goods, services, finance, and people has reached previously unimagined levels. Global flows are creating new degrees of connectedness among economies and playing an ever-larger role in determining the fate of nations, companies, and individuals; to be unconnected are to fall behind. Flows of goods, services, and finance reached \$26 trillion in 2012, or 36 percent of global GDP, 1.5 times the level in 1990. Now, one in three goods crosses national borders, and more than one-third of financial investments are international transactions. Our scenarios show that global flows could reach \$54 trillion to \$85 trillion by 2025, more than double or triple their current scale. The network of global flows is expanding rapidly as emerging economies join in. Rising incomes in the developing world are creating enormous new centers of consumer demand, global production, and commodities trade, as well as sending more people across

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borders for business and leisure. Existing routes of flows are broadening and deepening and new ones emerging as more countries participate. Developing economies now account for 38 percent of global flows, nearly triple their share in 1990. Developing countries have grown from roughly \$200 billion (6 percent of goods flows) in 1990 to \$4.2 trillion (24 percent) in 2012.

4. Flourishing trade between India and the World

Right from ancient times till the establishment of the British Empire, India was famed for her fabulous wealth. Even during the medieval period, i.e. roughly from the 12th to the 16th centuries, the country was prosperous despite the frequent political upheavals. A notable feature of this period was the growth of towns in various parts of the country. This development was the result of the political and economic policies followed by the Muslim rulers. These towns grew into trade and industrial centres which in turn led to the general prosperity. During the Sultanate period, which lasted from the early 13th to the early 16th centuries, the economy of the towns flourished. This was due to the establishment of a sound currency system based on the silver tanka and the copper dirham. Ibn Batuta the 14th century Moorish traveller had visited India during the Sultanate period. He had described the teeming markets of the big cities in the Gangetic plains, Malwa, Gujarat and Southern India. The important centres of trade and industry were Delhi, Lahore, Bombay, Ahmedabad, Sonargaon and Jaunpur. Coastal towns also developed into booming industrial centres with large populations. The Mughal era witnessed the establishment of a stable centre and a uniform provincial government. During this age of relative peace and security, trade and commerce flourished. The burgeoning foreign trade led to the development of market places not only in the towns but also in the villages. The production of handicrafts increased in order to keep up with the demand for them in foreign countries. The important cities in the west included Ahmadabad, Bombay (then known as Khambat), Surat, Ujjain and Patan (in Gujarat). The flourishing trade centres in the eastern part of the country were Dacca, Hoogli, Patna, Chittagong and Murshidabad. Most of these cities boasted of sizeable populations. India's exports far exceeded her imports both in the number of items as well as in volume. The chief articles of import were horses, from Kabul and Arabia, dry fruits and precious stones. India also imported glassware from Europe, high grade textiles like satin from West Asia, while China supplied raw silk and porcelain. Foreign luxury goods were highly popular among the royalty and the nobility. These included wines, dry fruits, precious stones, corals, scented oils, perfumes and velvets. During the Sultanate period articles of everyday use as well as luxury articles were exported to Syria, Arabia and Persia from Bengal and Cambay. These included silks, gold-embroidered cloth caps, exquisitely designed clay pots and pans, guns, knives and scissors. The other prime articles of export were sugar, indigo, oils, ivory sandalwood, spices, diamonds and other precious gems and coconuts. Arab traders shipped Indian goods to European countries through the Red Sea and the Mediterranean ports. Indian products were also sent to East Africa, Malaya, China and the Far East. In China, Indian textiles were valued more than silk. Trade was also conducted through overland routes with Afghanistan, Central Asia and Persia. The route lay through Kashmir, Quetta and the Khyber Pass. Iraq and Bukhara were the other countries with which India conducted trade via the land route. Foreign trade was in the hands of both local and foreign merchants. Many European travellers had settled in the coastal regions. Limbodar in Gujarat was a major exporting centre. Horses imported from Arabia were sent from the port of Bhatkal in Goa to the southern kingdoms. Imports like bronze, iron, wax, gold and wool were brought in through Goa, Calicut, Cochin and Quilon. The traders of Malabar, Gujarat and foreign settlers controlled business in the port cities of Calicut, Khambat, and Mangalore. Chinese ships docked at Quilon and Calicut while in Khambat the volume of trade was such that 3000 ships visited this port annually. This fact gives an idea of the magnitude of India's foreign trade during the medieval period. Trade with China and Southeast Asia was mainly carried on through the port of Sonargaon now known as Dacca. Vijaynagar, which was the richest and most extensive state in the 15th and 16th centuries, enjoyed the most voluminous maritime trade with diverse countries such as Persia, Arabia, Africa, the Malayan Archipelago, Burma, China and the numerous islands in the Indian Ocean. The magnitude of trade can be surmised from the fact that there were 300 ports to facilitate the movement of goods. The shipbuilding industry flourished in the coastal towns. The city of Vijaynagar was a teeming marketplace for both exports and imports. The fabulous wealth of the Empire left the foreigners dumbfounded. The people, irrespective of which strata of society they belonged to, possessed vast quantities of gold, diamonds and material wealth. Domingo Paes described the citizens as being heavily bejewelled. Abdur Razzak, the Khorasan ambassador to the court of Vijaynagar, refers to the treasury which had chambers filled with molten gold. The merchant community in the other parts of the country was a prosperous lot. The Gujarati and Marwari businessmen who controlled the trade between the coastal towns and North India were extremely wealthy and spent large sums for the construction of temples. The Multanis who were Hindus and the Khurasanis who were Muslim foreigners controlled the trade with Central and West Asia. Many of

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these Multanis and Khurasanis settled in Delhi where they lived luxurious lives. Cambay was also home to an affluent mercantile community.

5.CONCLUSION

From the observations over transport and trade and how they facilitated each other and shaped the whole world and civilizations along with it, we can conclude that, the sector of trade and transport has played an important role in shaping and developing mankind and the civilizations revolving along with it. The project also emphasizes on the flourishing trade between India and the world. Transport and trade is an ever- continuing sector which acts fuel and vehicle for the global economy. Trade and transportation has proven to improve and stand the test of time.

6.REFERENCES

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