



GLOBALISATION AND THE INDIAN ECONOMY

Module-3/5

FOREIGN TRADE AND INTERACTION OF MARKETS

- For a long time foreign trade has been the main channel connecting countries.
- Foreign trade creates opportunity for the producers to reach beyond the domestic markets and sell in other countries.
- Buyers get more choice.
- Foreign trade results in connecting the markets in different countries.



TRADE

- Buying and selling of goods is called trade.
- Export and import are the two components of trade.
- Trade between two or more countries is called foreign trade.



FACTORS THAT HAVE ENABLED GLOBALISATION

- Technology –

Improvement in transportation technology:

faster and better means of transport have made much faster delivery of goods at long distances at lower price.



MEANS OF TRANSPORT IN OLD TIMES



MODERN MEANS OF TRANSPORT



FACTORS THAT HAVE ENABLED GLOBALISATION

Development in information and communication technology-

- Telecommunication facilities like telephone and fax are used to connect, access information and to communicate from remote areas.
- The amazing world of internet is used to share and obtain information, to send instant e-mail, video conference or voice mail at negligible costs.
- Payments can be done instantly with net banking.



EARLIER MEANS OF COMMUNICATION

Radio



fire signals



smoke signals



ship's flags



TV



drums



telegraph



pigeons



telephone



snail mail



Morse code



cave drawings



messages on stone columns



MODERN MEANS OF COMMUNICATION



LIBERALISATION



- Removing barriers or restrictions set by the government is known as liberalisation.
- After independence government put trade barriers to foreign trade and foreign investment to protect Indian industries.
- These trade barriers were removed around 1991 .
- Tax on import is the example of trade barrier



LIBERALISATION

what are other
words for
liberalisation?

liberalization, relaxation,
letting go, release, rise,
freeing, alleviation, easement,
easing, relief



o Thank you

