

Chennai Airport and Global Trade

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Abstract

The authors analyzed the global trade practices in Chennai Airport over the periods of five years from 2005-06 to 2009-2010. The exports and imports through the Chennai Airport are separately analyzed for the above said periods. The paper covers the imports/exports charges, which is taxed by the Chennai Airport to the exporters/importers is also studied. The authors trace back the ancient history of trade, and Indian trade practices for understand the growth of Indian trade relations with far, and neighbor countries. Besides, origin, and growth of air transports also covered in general, and in India in specific. For in-depth analyses, the authors are used Symmetric Measures, Chi-Square Tests and hypotheses for test and it proved. Hence, the study has own its unique, and importance.

Key words: Global trade, Chennai Airport, Export charges, Trade relations

Introduction

India had a glorious export tradition. Indian spices and fine cloth were exported over centuries to the East as well as to west. It is only during the colonial era that we exported raw materials in abundance, and had to import manufactures as perceived by the colonial power. Even with the limitations imposed by the circumstances, in India's exports amounted to Rs.300 crores in the 1920s. In 1926, India was reported to have been the fifth largest exporting nation in the world. In 1947-48, in the first year of independent and the aftermath of partition, India's exports amounted to Rs.400 crores.

India followed a liberal import policy after independence to over-come the wartime shortages of consumer goods and also to help the industrial development. The export effort of India received comparatively little attention in the fifties when the balance of payments was well supported from accumulated sterling balances and the large amount of external aid obtained by the country.

Global Trade

India ranks 110th on the Case of registering trade property. The process takes to procedures and 62 days, placing India among the upper half of

south Asia countries. By contrast it takes only/day in Norway, 32 in China and 47 in Brazil Costs are also high. Entrepreneurs must pay 8 per cent of the property value. It is only 3 per cent in China, and there is no cost in Saudi Arabia. Within India, it takes the least time to register property in Bangalore and Hyderabad (35 days) and the most time in New Delhi (138 days) and in Calcutta (155 days).

Air Transport

Air transport can have direct and indirect impacts on international trade. Since, it covers all air transportation services, that are performed by residents of one economy for those of another, involving the carriage of passengers, the cargo goods, and movement of (Freight), rentals (charter of carriers with crew) and related supporting and auxiliary services.

Export Management, "India's Export Trade" Himalaya Publishers House, P-g.

The indirect impact of air transport is captured in two ways. The first is through expenditure by foreign economy. The component, which is most commonly associated with tourism, can be facilitated through air transport, or other modes of travel. The second is through

expenditure on goods related to the air transport industry, but not directly linked to the movement of persons.

Although the collection of data on international trade in air transport is still in its infancy, the available primary data show that air transport is an important component of world trade. The imports/exports of air transport as they relate directly to services trade. Indirect trade through the air transport category and expenditure

that can be classified as being on goods is ignored.

The India's International trade in terms of export and import are given in the following tables 1 and table 2. There are towel International Airports are existed in India. The researchers analyzed first five International Airport in terms of cargo traffic, viz., New Delhi Airport, Mumbai Airport, Chennai Airport, Mangalore Airport and Hyderabad Airport are taken as a sample Airport for the periods of five years from 2005-2010.

TABLE-1
INDIA'S EXPORT

Airp ort	Values in Rs. Crore					Percentage shows to total exports				
	200 5- 06	200 6- 07	200 7- 08	200 8- 09	200 9- 10	20 05 - 06	20 06 - 07	20 07 - 08	20 08 - 09	20 09 - 10
Mum bai Airp ort	688 27	680 82	807 98	884 07	946 79	15 .0 8	11 .9 1	12 .3 2	10 .5 2	11 .2 0
Delh i Airp ort	155 59	137 35	145 32	347 97	351 09	3. 41	2. 40	2. 22	4. 14	4. 15
Chen nai Airp ort r	717 5	757 1	800 4	101 08	118 73	1. 57	1. 32	1. 22	1. 20	1. 40
Man galor e Airp ort	112 72	157 62	127 27	119 16	118 68	2. 47	2. 76	1. 94	1. 42	1. 40
Hyde rbad Airp ort	383 3	407 7	543 1	739 5	847 0	0. 84	0. 71	0. 83	0. 88	1. 00
Total	106 666	109 222 7	121 492	152 623	161 999	23 .3 7	19 .0 1	18 .5 3	18 .1 6	19 .1 5

Source: Foreign trade performance of India –<http://www/dgciskol.nic.in/annual/report/book-30.pdf>, 2011

TABLE -2

INDIA'S IMPORT

Ai rp or t	Values in Rs. Crore					Percentage shows to total exports				
	2 0 0 5 - 0 6	2 0 0 6 - 0 7	2 0 0 7 - 0 8	2 0 0 8 - 0 9	2 0 0 9 - 1 0	2 0 0 5 - 0 6	2 0 0 6 - 0 7	2 0 0 7 - 0 8	2 0 0 8 - 0 9	2 0 0 9 - 1 0
M u m b a i A i r p o r t	6 7 6 5 5	6 9 4 8 0	7 3 8 0 1	7 1 9 9 7	8 4 5 2 5	1 0 2 2 4	8 · 2 7	7 · 2 9	5 · 2 4	6 · 2 0
D e l h i A i r p o r t	4 1 9 9 2	4 6 6 9 0	4 9 2 9 8	6 7 2 8 9	6 7 4 1 2	5 2 0 3 3	6 · 3 6	5 · 5 5	4 · 8 7	4 · 9 0
C h e n n a i A i r p o r t	2 0 4 5 4	2 8 7 1 6	3 2 0 7 8	4 0 1 3 6	5 0 1 4 3 4	3 · 1 0	3 · 4 2	3 · 1 7	2 · 9 2	3 · 7 0
M a n g a l o r e A i r p o r t	1 8 8 4 2	3 0 1 8 9	2 9 3 6 5	2 6 8 7 0	3 1 1 1 4	2 · 8 5	3 · 5 9	2 · 9 0	1 · 9 5	2 · 2 8
H y d r e b a d A i r p o r t	1 5 8 3 6	1 0 4 9 6	1 6 3 0 3	2 0 0 3 2	3 5 7 4 8	2 · 4 0	1 · 2 5	1 · 6 1	1 · 4 6	2 · 6 2
T o t a l	1 6 4 7 7 9	1 8 5 5 7 1	1 8 6 1 6 6	2 2 6 4 4 7	2 5 3 8 5 4	2 4 9 5	2 · 0 8	1 9 8 4	1 6 4 7	1 8 · 6 2

Source: Foreign trade performance of India –<http://www.dgciskol.nic.in/annual/report/book-30.pdf>, 2011

Table .1 and 2 indicated that, the export/import performance of Chennai Airport in terms of Rupee and percentage. According to the table, India's import is more, when compared with the export. During the study periods, the export is increased from Rs. 106666 to Rs.161999 Crores, and the import also is increased from Rs. 164779 to Rs. 253854 Crores at maximum. Both the export/import is increased in nature, but the

increasing sign are not appreciable. The good sign of economic development is export is more than import. But in India, the export is less than the import. Hence, researcher, suggested that, the India's export should be increased by adopt appropriate measure by the exporters/importers, Airport Authorities, Air Cargo Agents and even Government

TABLE -3

Correlation on factors for Import and Export

S.NO	Factors	Correlation
1.	Importance of Import and Export	.259**
2.	Annual Volume	.120
3.	Types of Business	-.014
4.	Cargo Insured	.107

The relationship between annual Trade volume of Import/Export

Null Hypotheses (HO)

There is no significant difference between the annual volume of goods import and exported with type of items giving importance to import and

export

Alternative Hypotheses (H1)

There is a significant difference between the annual volume of goods import and exported with type of items giving importance to import and export

TABLE -4

Types of Import and Export Cargo and Annual Trade Volume

		Annual volume				Total
		250 tonnes	250 - 500	500 - 750	750 and above	
Importance of Import and Export	Garments	0	19	13	27	59
	Machinery	1	5	9	2	17
	Leather	0	3	1	2	6
	Other	3	30	24	11	68
Total		4	57	47	42	150

Chi-Square Tests

	Value	Difference	Assume. Sig. (2-sided)
Pearson Chi-Square	21.536 ^a	9	.010
Likelihood Ratio	22.779	9	.007
Linear-by-Linear Association	9.833	1	.002
N of Valid Cases	150		

Symmetric Measures

	Value	Assume. Std. Error	Approx. T^b	Approx. Sig.
Interval by Interval Pearson's R	-.257	.077	-3.234	.002 ^c
Ordinal by Ordinal Spearman Correlation	-.254	.079	-3.201	.002 ^c
N of Valid Cases	150			

Inference

Since the calculated value is higher than (21.536) the table value at 9 degrees of freedom with 5 percent level of significance, hence we accept alternative hypotheses, ie., There is a significant difference between the annual volume of goods import and exported with type of items giving importance to import and export of goods.

Association between Types of Import and Export Cargo and Annual Trade Volume

Null Hypotheses (HO): There is no significant difference between the type of business with cargo insured in import and export.

Alternative Hypotheses (H1): There is a significant difference between the type of business with cargo insured in import and export.

TABLE-5**Types of Business and Insurance**

		Insurance				Total
		Marine insured	Fire insured	General insured	Accident insured	
Types of Business	Small scale	17	3	0	0	20
	Medium scale	37	1	1	0	39
	Large scale	76	1	6	1	84
	Others	4	1	2	0	7
Total		134	6	9	1	150

TABLE -5**Types of Business and Insurance**

	Sum of Squares	Difference	Mean Square	F	Sig.
Between Groups	5.051	3	1.684	2.846	.040
Within Groups	86.389	146	.592		
Total	91.440	149			

Inference

Since the calculated value is higher than (2.846) the table value at 3,146 degrees of freedom with 5 percent level of significance, hence we accept alternative hypotheses, i.e., there is a significant difference between the type of business with cargo insured in import and export.

There are six airports in Tamil Nadu State, and are listed in the Table.5

TABLE 6**Airports in Tamil Nadu**

S L. N o	Tamil Nadu Airport	Status		Carg o
		Domes tic	Internatio nal	*P/C **
1.	Chennai Airport	Domes tic	Internation al	*P/C **
2.	Madurai Airport	Domes tic	-	*P/C **
3.	Coimbatore Airport	Domes tic	Internation al	*P/C **
4.	Tiruchirap alli Airport	Domes tic	Internation al	*P/C **
5.	Salem Airport	Domes tic	-	*P
6.	Tuticorne Airport	Domes tic	-	*P

Source: <http://en.wikipedia.org/> *Passenger
**Cargo

Total land area at present in Chennai Airport acquired is 466 hectares. The building which is land mark of the city of Chennai was apply judged Indian guild of professional Architects as one of the best buildings designed to handle 1.2 million passengers a year which corresponds to 1,200 passengers during peak hours. The new complex uses exciting runways.

The existing facilities in Chennai Airport are given in Table.6.

Robertso: "Rood networks and location of facilities" *Environment and planning, volume, p. 2, 2004.*

TABLE 7**Facilities in Chennai Airport**

SL. No	Present in Chennai Airport	Area. In sq Mts
1	Total land area	466
2	Terminal building at Kamaraj	1 hectare (3000 sq mts)
3	Internatio nal Terminal	1 hectare (5700 sq mts)
4	Airport Type	Airports Authority of India
5.	Operator	11 hectare

6.	Land allotted to other Agencies	152, 386 sq mts
7.	Cargo complex	2 hectares
8.	Residential complex	3327 sq: mts
9.	Land under operational area	314 hectares
10	Serves	Chennai Metropolitan Area
11.	Location	Chennai, India
12.	Elevation	52 ft (16m)
13.	Runways	Two
14.	Elevation	52ft(16m)
15.	Runway0 7/25	12,001ft x148ft (3,658mx45m)
16.	Runway 12/30	6,708ft x 148ft (2,045mx45)

Source: Airport Authority of India, Chennai Airport 2010.

Chennai International Airport consists of three terminals. The old terminal at Meenambakkam used for cargo, while the new passenger terminal complex near Pallavaram used for passenger operations. The passenger terminal complex consists of the domestic and International terminal interconnected by a link building, which house administrative offices and a restaurant. Although the complex has continuous structure, it was built at different periods.

The Airport has the honors of being the first ISO 9001:2000 certified airports in the country, which it received in 2001. Currently, Chennai Airport handles about 25 aircraft movement every hour, which will be saturated by the year 2014-15. However, peak hour traffic handling capability will be exhausted much earlier than that.

Air Cargo Services

The Chennai Airport is providing quality services to the exporters/importers according to their requirements. There are as follows.

1. Cargo pickup facility round the clock by own fleet of close body trucks.
2. Transportation of air cargo, customs clearance in hinterlands to International Airport.
3. Transport of cargo from point of discharge of hinterland destinations in conjunction with our overseas partner.

Door to door delivery of cargo.

Conclusion

The Chennai Airport is the oldest International Airport in India. Since its establishment, has play own unique role in cargo services. Now a day, number of International Airport is increased in India along with cargo services, from 4 to 12, but the Chennai Airport does not affect its Air Cargo Traffic (ACT), because of its existing quality services, which are offered by the Airport to the stakeholders. All the stakeholders should be considered for increase the export than import, by promotion of agricultural based small-scale and medium-scale industries in rural areas, and Non-agricultural, IT, and Service based larges-scale industries in urban areas for attain export sustainability.

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