

Trade between India and Southeast Asia: A Historical Study

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Abstract – International trade has been a crucial element of the long-term economic development of Southeast Asia. Involvement in international trade has laid crucial foundations for the present-day economic process of this region since the fourth quarter of the 20th century. This article aims to provide a general overview of the relations between international trade and the economy of Southeast Asia from a long-term perspective. First, a brief description is supplied about the relationships between natural endowments and international trade of Southeast Asia before the European arrival. This article traced the role of international trade in Southeast Asia's long-term path to socio-economic development, by dividing the region's history in accordance with changing relationships between trade and the economy and society. The relationships are strong, and therefore the economic development of Southeast Asia has been influenced by the changing trend of international trade. The region is found between China and India, both of which had been powerful economic forces, and has been economically and culturally influenced by the 2 civilizations. When Europeans participated in the trade of Southeast Asia within the early sixteenth century, the Southeast Asian economy was faced with greater demand for primary products. The high demand from outside Southeast Asia served as a robust motivation for socio-economic changes within the region.

Key Words – Trade, India, Southeast Asia, Historical, Study.

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INTRODUCTION

International trade has been an important element of the long-term economic development of Southeast Asia. Involvement in international trade has laid crucial foundations for the present-day economic process of this region since the fourth quarter of the 20th century. This article aims to provide a general overview of the relations between international trade and the economy of Southeast Asia from a long-term perspective. First, a brief description is supplied about the relationships between natural endowments and international trade of Southeast Asia before the European arrival. The second section is dedicated to an analysis of international trade of Southeast Asia from the start of the sixteenth century to the center of the last half of the nineteenth century. This is then followed by a case study of Batavia's trade. The third section focuses on the economic influences of international trade on the Southeast Asian economy and society, including the change within the patterns of production, during an equivalent period. The fourth section returns to a survey of trade, to increase it to the high colonial period and its aftermath roughly to 1975, identifying several characteristics of the fashionable Southeast Asian economy along the

way. Finally, the last section touches on the foremost recent period of industrialization, to point out that the historically specific path laid by international trade has been critically important for the understanding of the long-term economic development of Southeast Asia.

Maritime trade in the Early Modern Period

The global economy entered a replacement stage at the start of the so-called Columbian Exchange within the late fifteenth century (Crosby 1972), when America were connected by Columbus and his followers. International connections truly developed on a global scale. As a part of this global economic evolution, the Southeast Asian economy witnessed several changes.

Goa was conquered by the Portuguese in 1510 and have become a middle for the Portuguese maritime empire in Asia. In the next year, the Portuguese attacked the dominion of Malacca (Melaka) capture of this key port in Southeast Asia . Soon the Portuguese also acquired the maritime lines to the Moluccas (Maluku Islands) and to Macau from Malacca. It is generally believed that

capture of the Moluccas was highly important for Portuguese global trade, because the islands were the sole place within the world where the valuable spices of clove, nutmeg, and mace were produced. These spices were key commodities within the Euro-Asian trade by the Portuguese within the sixteenth century.

The spice trade was one among the most sources of profits for the Portuguese empire. Indeed, the Portuguese were also engaged in intra-Asian trade, which also brought impressive profits. They had several trading bases in maritime Asia, a number of which were Portuguese colonial cities like Goa, Hormuz, Colombo, Malacca, and Macau. On the opposite hand, they also had trading posts in port cities under the control of Asian indigenous political regimes, like Cambay (Khambhat) in Gujarat, Ayutthaya in Thailand, and Nagasaki in Japan. Through their trading networks in maritime Asia, the Portuguese obtained large profits (Souza 1986).

The history of the Portuguese provides us with a singular insight. It is true that the ecu arrival was a symbolic event in Southeast Asia during the first modern period. However, from the purpose of view of the region, the Portuguese were simply a replacement participant in Asia's maritime trade. The Portuguese were engaged in both intra-Asian trade and Euro-Asian trade, and these trading activities contributed to the economic development of the region.

Foreign Trade Imports

The total value of foreign imports of personal merchandise (excluding treasure) dropped by Rs. 2.62 crores to Rs. 15.37 crores. This was due to a decrease in the imports of oils, melts and ores, vehicles, cotton twist, and yarn, cotton manufactures, paper and pasteboard, dyeing and tanning substances, hardware, artificial silk, rubber, and silk, raw and manufactured. It was, however, set off to some extent by increases in machinery and millwork, grain, pulse and flour, tobacco, manures, and sugar as shown below.

	DECREASE	
	1852-53 (Rs in lakhs)	1938-39 (Rs. in lakhs)
Oils	163.92	130.58
Metals and ores	144.65	123.79
Vehicles	107.20	72.36
Cotton, twist and yarn	72.31	56.00
Other manufactures of cotton	92.90	72.12
Paper and pasteboard	70.97	50.62
Dyeing and tanning substances	64.77	51.75
Hardware	47.31	35.48
Artificial silk	48.05	12.09
Rubber	38.21	25.09
Silk, raw and manufactured	36.66	18.02
	INCREASE	
Machinery and mill work	240.86	269.36
Grain, pulse and flour	2.84	14.96
Tobacco	16.07	27.68
Manures	44.29	51.65
Sugar	0.25	5.70

(Source: Report on the Administration of the Madras Presidency for the year 1938 - 39)

Oils

Imports of diesel and other fuel oils rose from 21.17 million gallons valued at Rs. 33.35 lakhs to 23.43 million gallons of the worth of Rs. 46.07 lakhs. Supplies of kerosene oil declined from 11.74 million gallons valued at Rs. 56.42 lakhs to 11.10 million gallons valued at Rs. 40.27 lakhs. Imports of petrol dropped from 5.70 million gallons valued at Rs. 50.93 lakh to 5.30 million gallons valued at Rs. 25.70 lakhs, reduced prices being primarily liable for the steep fall in value, Sumatra, which supplied 4.66 million gallons worth Rs. 45.30 lakhs in 1937-38, was practically out of the market in 1938-39.

Metals and Ores

Imports of iron and steel dropped from Rs. 95.28 lakhs to Rs. 78.95 lakhs. Supplies from the UK and Belgium fell by nearly Rs. 3 lakhs each, those from Germany by Rs. 5 lakhs and from Japan by about Rs. 3½ lakhs. Receipts of brass from the United Kingdom and Germany rose from Rs. 9.11 lakhs to Rs. 7.60 lakhs to Rs. 11.4 lakhs and 11.66 lakhs respectively. Supplies of copper from the UK and Germany increased from Rs. 4.51 lakhs to Rs. 1.85 lakhs, to Rs. 5.07 lakhs and Rs. 3.02 lakhs respectively, while imports of tin from the Straits Settlements fell from Rs. 8.21 lakhs to Rs. 3.38 lakhs. Imports of quicksilver diminished from Rs. 3.34 lakhs to Rs. 1.48 lakhs.

Vehicles

Imports of motor cars fell to 1,352 valued at Rs. 26.13 lakhs as compared with 2,312 valued at Rs. 42.22 lakhs in the previous year. The United Kingdom and the United States of America mainly imported to the decrease, their supplies falling from 1.04 lakhs, 455 cars to 677 and 227 respectively. The number of motor omnibuses and lorries imported was 639 against 1,302 in the previous year, the value declining from Rs. 19.64 lakhs to Rs. 11.48 lakhs. Shipments from Canada and the United States of America decreased by Rs. 2.49 lakhs and Rs. 6.13 lakhs respectively. The United Kingdom sent 26,916 cycles worth Rs. 9.58 lakhs as against 33,076 valued at Rs. 10.91 lakhs in 1937-38.

Cotton, Twist and Yarn

Imports of cotton, twist, and yarn declined from Rs. 72.31 lakhs to Rs. 56.00 lakhs. The heavy fall may be attributed to the increased production of twist and yarn in the Indian cotton mills. Supplies from the United Kingdom contracted from Rs. 36.94 lakhs to Rs. 20.02 lakhs and those from Japan from Rs. 35.13 lakhs to Rs. 30.90 lakhs.

Other Manufacturer of Cotton

Imports of cotton pieces goods dropped from Rs. 83.92 lakhs to Rs. 64.07 lakhs. White and colored piece goods from the United Kingdom recorded on steep fall from Rs. 63.58 lakhs to 40.19 lakhs. Colored pieces of goods from Japan declined from Rs. 7.56 lakhs to Rs. 5.99 lakhs, while there was a clear increase in Japanese plain gray yard goods from Rs. 3.95 lakhs to Rs. 9.28 lakhs.

Paper and Pasteboard

There was a marked decline in the imports of all the categories of paper except strawboard and manufacturers of pasteboard, billboard, and cardboard. Imports of packing paper fell from Rs. 11.19 lakhs to Rs. 5.87 lakhs, Germany, Sweden, and Czechoslovakia mainly accounting for the decrease. Printing paper decreased in value from Rs. 29.30 lakhs to Rs. 17.95 lakhs, Germany and Austria contributing to the autumn. Writing paper increased in quantity from 29,808 cwts to 31,351 cwts. But declined in value from 7.26 lakhs to Rs. 6.72 lakhs. Imports from the United Kingdom fell from Rs. 2.98 lakhs to Rs. 2.52 lakhs, while imports from Austria advanced from Rs. 0.71 lakhs to Rs. 1.49 lakhs. Old newspapers registered an increase in quantity, from 243,741 cwts to 279,931 cwts. But declined in value from Rs. 12.77 lakhs to Rs. 11.57 lakhs, the share of the United Kingdom being 271.299 cwts, worth Rs. 11.20 lakhs.

Dyeing and Tanning Substances

Imports of dyeing and tanning substances decreased from Rs. 64.77 lakhs to Rs. 51.75 lakhs. The union of South Africa supplied 323,180 cwts of wattle bark valued at Rs. 22.06 lakhs as compared with 342,968 cwts worth Rs. 20.75 lakhs in 1937-38. Despite the autumn in quantity, the worth rose as a result of higher prices. Shipments of aniline dyes from Germany declined from 1.68 million lbs. Valued at Rs. 34.03 lakhs to 0.81 million lbs, worth Rs. 22.37 lakhs and of alizarine dyes from 0.23 million lbs, worth Rs. 1.57 lakhs to 0.16 million lbs, of the worth of Rs. 1.17 lakhs. Shipments of aniline dyes from the UK increased in value from Rs. 1.69 lakhs to Rs. 1.80 lakhs in spite of a decrease in quantity from 0.17 million lbs to 0.11 million lbs.

Hardware

Imports of hardware dropped from Rs. 47.31 lakhs to Rs. 35.48 lakhs. They were mainly drawn from the UK and Germany, which accounted for Rs. 13.52 lakhs and Rs. 10.73 lakhs as against Rs. 15.51 lakhs and Rs. 17.18 lakhs. The other sources of supply were Japan (Rs. 2.75 lakhs), Sweden (Rs. 2.26 lakhs), and the United States of America (Rs. 3.41 lakhs).

Artificial Silk

The total value of imports of artificial silk yarn and piece goods fell from Rs. 47.92 lakhs to Rs. 12.83 lakhs. The supply of artificial silk yarn from Japan decreased from Rs. 35.58 lakhs to Rs 7.18 lakhs and of artificial silk piece goods from Rs. 10.00 lakhs to Rs. 3.67 lakhs. Imports of artificial silk yarn from the UK perceptibly declined from Rs. 1.21 lakhs to Rs. 632 lakhs.

Rubber

The chief supplies of rubber manufacture in order of importance were the United Kingdom Rs. 16.06 lakhs (Rs. 23.17 lakhs), Germany Rs. 6.78 lakhs (Rs. 6.16 lakhs), the United States of America Rs. 1.39 lakhs (Rs. 3.32 lakhs) and Japan Rs. 10.01 lakhs (Rs. 2.16 lakhs). Imports of pneumatic tire covers and tubes from the United Kingdom were worth Rs. 14.49 lakhs (Rs. 20.18 lakhs), from Germany Rs. 4.83 lakhs (Rs. 5.07 lakhs), from Japan Rs. 0.84 lakhs (Rs. 1.60 lakhs), and from the United States of America Rs. 1.16 lakhs (Rs. 3.97 lakhs).

Silk, Raw and Manufactured

Imports of raw silk fell from Rs. 26.67 lakhs to Rs. 14.78 lakhs, silk yarn from Rs. 2.37 lakhs to Rs. 0.95 lakhs and silk piece goods from Rs. 6.90 lakhs to Rs. 2.62 lakhs. Supplies of raw silk from Japan, the principal suppliers, fell heavily from Rs. 19.55 lakhs to Rs. 5.45 lakhs, while imports from China advanced from Rs. 5.455 lakhs to Rs. 9.34 lakhs Japan sent silk yard goods to the worth of Rs. 2.51 lakhs as against Rs. 6.61 lakhs in 1937-38.

Machinery and Mill Work

Imports of machinery have been steadily on the increase during the past five years and rose from Rs. 240.36 lakhs in 1852-53 to Rs. 269.18 lakhs. As usual, the UK supplied the majority of the imports and accounted for Rs. 164.64 lakhs or 61 percent as against Rs. 169.91 lakhs or 71 percent in 1937-38. Next came Germany (Rs. 47.95 lakhs) followed by USA (Rs. 17.92 lakhs) and Denmark (Rs. 11.24 lakhs). Belgium increased her share from Rs. 6.83 lakhs to 8.59 lakhs and Switzerland from Rs. 1.92 lakhs to Rs. 8.17 lakhs.

Grain, Pulse and Flour

The total imports of grain, pulse, and flour advanced from Rs. 2.84 lakhs to Rs. 14.96 lakhs in 1938 – 39. Indo-China increased her supply of paddy from 2,824 tons valued at Rs. 1.77 lakhs to 16,134 tons worth Rs. 8.97 lakhs. Siam was out of the market in 1852-53 but contributed 7,142 tons valued at Rs. 3.97 lakhs in 1938-39.

Tobacco

Imports of unmanufactured tobacco from the USA increased from 0.82 million lbs worth Rs. 13.71 lakhs to 1 million lbs valued at Rs. 17.25 lakhs. In 1938-39 the United Kingdom contributed 0.74 million lbs of cigarettes valued at Rs. 1.84 lakhs as against 0.04 million lbs worth Rs. 1.28 lakhs.

Cotton Manufactures

Shipments of cotton handkerchiefs and shawls to the UK fell steeply from Rs. 17.86 lakhs to Rs. 1.53 lakhs and those to Nigeria from Rs. 30.34 lakhs to Rs. 13.57 lakhs. Ceylon reduced her purchase of colored cotton piece goods from Rs. 71.33 lakhs to Rs. 54.40 lakhs and the Straits Settlements from Rs. 40.68 lakhs to Rs. 28.16 lakhs.

Metals and Ores

Japan, the chief buyer of "iron ore, for remanufactured" diminished her takings from Rs. 4.72 lakhs to Rs. 1.17 lakhs. Exports of manganese ore dropped steeply from Rs. 128.22 lakhs to Rs. 61.59 lakhs, i.e. by over 50 percent. Germany took 4,500 tons of Chromate or chrome ore valued at Rs. 1.78 lakhs as compared with 3,000 tons worth Rs. 1.13 lakhs in 1937-38.

Rubber

The UK and therefore the USA curtailed its demand for rubber by about Rs.3 lakhs each to Rs. 35.95 lakhs and Rs. 11.13 lakhs respectively, and Czechoslovakia and France by about Rs. 4 lakhs each to Rs. 5.54 lakhs and Rs. 0.85 lakhs. Germany was the only country, which increased her purchases by Rs. 2 lakhs to Rs. 8.11 lakhs.

Spices

The demand for cardamoms decreased noticeably from Rs. 23.66 lakhs to Rs. 15.83 lakhs, for chilies from Rs. 16.95 lakhs to Rs. 15.26 lakhs and for pepper from Rs. 2.12 lakhs to Rs. 1.73 lakhs; but exports of ginger improved slightly from Rs. 3.41 lakhs to Rs. 3.63 lakhs. The principal markets for cardamoms so as of importance were Sweden (Rs. 5.43 lakhs), Germany (Rs. 1.76 lakhs), the United States of America (Rs. 1.80 lakhs), and the United Kingdom (Rs. 1.79 lakhs).

Coffee

Shipments of coffee advanced substantially from Rs. 51.90 lakhs to Rs. 72.02 lakhs. The United Kingdom took 60,905 cwts. (Rs. 33.87 lakhs) Belgium 9,924 cwts. (Rs. 3.76 lakhs) (Rs. 33.87 lakhs), Belgium 9,924 cwts. (Rs. 3.76 lakhs) and therefore the Commonwealth of Australia 5,859 cwts (Rs. 2.12 lakhs). The other principal consumers were France (87,926 cwts, valued at Rs. 11.98 lakhs),

Norway (22,501 cwts Rs. 8.25 lakhs), Iraq (7,230 cwts worth Rs. 2.79 lakhs), and Germany 91,130 cwt worth Rs. 0.43 lakhs.).

Tea

Shipments of tea improved from Rs. 453.26 lakhs to Rs. 491.59 lakhs, the chief consumer being the United Kingdom, which increased her purchases from Rs. 423.17 lakhs to Rs. 458.20 lakhs.

Treasures

Imports of gold showed a marked improvement from Rs. 14.84 lakhs to 23.43 lakhs of which Ceylon contributed Rs. 22.80 lakhs worth of billion and Burma Rs. 0.62 lakhs. Exports of gold, on the opposite hand, fell from Rs. 1.10 lakhs to Rs. 0.14 lakhs. Supplies of silver fell heavily from Rs. 3.95 lakhs to Rs. 0.80 lakhs of which Rs. 0.71 lakh came from the United Kingdom.

Tobacco, unmanufactured

The United Kingdom and Ceylon increased their off-take considerably from Rs. 12.89 lakhs and Rs. 6.35 lakhs to Rs. 31.98 lakhs and Rs. 11.98 lakhs, respectively. The Union of Soviet Socialist Republics, which did not buy these goods last year observed unmanufactured tobacco to the value of Rs. 10.05 lakhs in the present year.

Leather

The United Kingdom reduced its takings from Rs. 242.52 lakhs to Rs. 233.51 lakhs. The share of the Union of South Africa rose from Rs. 16.97 lakhs to Rs. 46.65 lakhs, of the United States of America from Rs. 7.49 lakhs to Rs. 12.51 lakhs and of Ceylon from Rs. 5.56 lakhs to Rs. 8.76 lakhs.

Groundnuts

Exports to the United Kingdom declined by nearly 50 percent from Rs. 619.97 lakhs to Rs. 311.74 lakhs. The requirements of Ceylon and the commonwealth of Australia also decreased from Rs. 12.38 and Rs. 16.16 lakhs to Rs. 5.76 lakhs and Rs. 5.78 lakhs respectively. But Egypt increased her consumption from Rs. 66.39 lakhs to Rs. 140.84 lakhs. Canada, Kenya Colony, Palestine, and Turkey entered the market with purchases worth Rs. 47.17 lakhs, and those to Ceylon from Rs. 2.68 lakhs to Rs. 4.91 lakhs.

Manganese Ore

The USA hamper her requirements from Rs.43.87 lakhs to Rs. 1.25; also there have been no shipments to the commonwealth of Australia, which absorbed Rs. 2.98 lakhs last year.

CONCLUSIONS

This article traced the role of international trade in Southeast Asia's long-term path to socio-economic development, by dividing the region's history in accordance with changing relationships between trade and the economy and society. The relationships have been strong, and the economic development of Southeast Asia has been influenced by the changing trend of international trade. The region is found between China and India, both of which had been powerful economic forces, and has been economically and culturally influenced by the 2 civilizations. When Europeans participated in the trade of Southeast Asia within the early sixteenth century, the Southeast Asian economy was faced with greater demand for primary products. The high demand from outside Southeast Asia served as a robust motivation for socio-economic changes within the region.

From the arrival of the Europeans to the mid-nineteenth century, Southeast Asia experienced the following changes: The development of international trade and the large demand for Southeast Asian products from outside the region resulted in the development of agricultural and mining sectors. With reference to agriculture, the plantation system was introduced, while small-scale peasant agriculture also developed. In both cases, these changes were reflections of the high demand for Southeast Asia's primary products in international trade. In addition, the mining sector and therefore the plantation system needed immigrants and technology from outside. Both of them were managed by wealthy overseas Chinese merchants. On the opposite hand, European colonial cities gathered immigrants from Asia and Europe, which resulted in the general acceptance of multi-ethnic societies in port cities.

During the high colonial period, the event of international trade caused economic changes in Southeast Asia. With the introduction of modern institutions, foreign merchants received benefits when conducting their business in South-east Asia. These foreign merchants weren't only European and American but also Chinese. In particular, overseas Chinese merchants were successful in banking and tax farming also as in trade and commerce. These changes caused by the event of international trade became distinctive characteristics of the Southeast Asian economy. They remain so today.

Large influences of international trade on the Southeast Asian economy continues to the present day also. Throughout the method of decolonization after war II, the Southeast Asian economy acted as a supplier of primary products to Europe and therefore the USA. Rubber, rice, timber, and sugar were the most items exported from Southeast Asia. However, within the mid-1970s, the economic links with East Asia became more significant. While Japan's high-speed economic process was put to an end within

the early 1970s thanks to the Nixon Shock in 1971 and therefore the oil crisis in 1973, South Korea, Taiwan, Hong Kong, and even Singapore began to enjoy the economic process as Asian Newly Industrializing Economies (Asian NIEs). This gave momentum to many Southeast Asian countries to treat economic links with Asian countries more seriously rather than sticking to traditional links with Europe and the USA. Thus the Southeast Asian economy began to direct its path of economic development, with intra-Asian trade and therefore the international division of labor in maritime Asia in mind. This meant that the region partly served as a supplier of resources (oil and gas, also as agricultural, forestry, and marine products) but also acted as a producer of manufactured goods, or a minimum of producing parts as a part of supply chains of manufactured goods, thus promoting industrialization. Of course, it's well-known that the method of economic process within the fourth quarter of the 20th century was often amid the developmental directorship, a minimum of in the initial period.

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