

## FOREIGN TRADE AND ITS CHANGING PATTERN DURING THE MUGHAL PERIOD 1526 TO 1707

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### ABSTRACT

*During the Mughal Period from 1526 to 1750, the trade increased many fold with different commodities of trade. With the changes in maritime activities, there was enormous growth of trade. The Renaissance in Europe caused the Growth of trade with far distant nations. The shipping industry's growth played an important role in it. The geographical situation and condition of India also helped in it. India's long coastline, its connectivity with south-east Asian nations from the Coromandel coast provided ideal conditions for European powers who were in search of spices attracted towards the East. India was perhaps the most versatile nation of the time on account of its geography, climate and availability of goods. India's trade relations with Europe became more intimate in the 17th century than before. India's imports consisted of three categories- necessities (precious metals & stones), raw materials (raw silk & quicksilver), and luxuries (spices & perfumes). Besides pepper and spices which were older exports, the new items to Europe were Indigo, cotton, saltpeter, lac, rice, sugar, raw silk etc. The Advent of the Dutch and the English profoundly affected Indian trade and industry. Not only did they establish a new direct trade between India and Western Europe but they also modified the course of the old-established trade of India. The import grew during this period of items like copper, costly European novelties, called toys in English etc.*

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**Keywords:** Mercantilism, Indigo, Cotton, Saltpeter, Trade routes, Import Trade.

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### Introduction

Causes of growth of foreign trade were very evident and simple. With the flourishing of maritime activities on the Indian coast, India's trade relations with Europe became more intimate from the mid sixteenth century than before. Renaissance in Europe caused the growth of mercantilism and commercialism in Europe. European powers started trading with far distance nations and thus they came to India. Growth and development of shipping industry also played an important role in growth of commercial activities. Geographical situation and condition of India also helped in it. India's long coast line, its connectivity with south-east Asian nations from Coromandel coast provided ideal condition for European powers who were in search of spices attracted towards the East. India became a link between south-east nations and European power in the 16th, 17th and 18th centuries. Growth of cottage industries specially textile industry in 16th and 17th century was also a notable factor in growth of foreign trade. Growing demand of Indian cotton textile in Europe was effectively supplied so India became chief textile export country in these centuries. In this way foreign trade flourished in this age due to various reasons.

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- Trade Routes:** The geographical position of India projecting Southwards from the center of Asia to the Indian Ocean, not only influenced her history but also determined the directions of her maritime trade she had countries of traditional commercial contact with other parts of Asia, Africa and even Europe with the Red Sea and the Persian Gulf in West Asia and the coasts of Abyssinia and Africa and the West central Asia after Vasco-de-Gama doubled the Cape of Good Hope and reached Calicut (1498). A century later came the Dutch, the English and later still the French, the Danes and the others for three centuries from the end of the 15th to the end of the 18th century. The Europeans dealt with four clearly separate commercial zones in Asia. India was as K.N. Chaudhari observes 'perhaps the most versatile nation of the time on account of her geographical climatic and other goods'. Thus India's trade relations with Europe became more intimate in the 17th century than before. Besides the European companies there was irregular or unlicensed private trade of the Europeans. Well established commercial relations implied the existence of well-known routes overland and overseas that would both be safe from natural dangers and secure from human depredations. On the Indian seas again, navigation was seasonal unlike the European seas where it was for all seasons. A network of trade routes connected India with Asia, Africa and Europe i.e., from the far East and the Spice Islands to India and from India to West Asia and Africa and to Europe.

The two overland routes westwards through Kabul and Qandahar not only carried Indian merchandise to foreign countries but also brought foreign goods to India. The flow of traffic was restricted and irregular partly because the goods were transported on pack animals like oxen, horse and camels. Partly because of the ever-present risk of highway robbery and violence and partly because of political factors. Hence the volume of this overland traffic pulsated with the Mughal-Persian conflicts over Qandahar which impeded the flow of goods or with Mughal-Portuguese conflicts (which interrupted the sea trade from Gujarat to Persia) and Perso-Portuguese rivalry on the Arabian sea. The type and size of ships needed for the seas and the high oceans were different.

Indian trade was also cosmopolitan. Hindu, Muslim and Jewish merchants working in cooperation. The Red Sea developed as a major overseas market of India. Now as regards the articles of trade the principal imports from the above Asiatic and African countries included precious metals, spices and luxury goods. But cotton goods of India constituted the most valuable exports in this trade in the 16th-17th centuries. On the Coromandel coast the local Telegu merchants carried on a brisk trade with numerous ships exporting cotton cloths of Golkonda cotton thread iron, steel and agricultural and imported horses from Arabia, gold and silver.

These circumstances also determined to a large extent the nature of India's demand for imports from the coast of Asia. This demand considered essentially either of consumption goods which were not produced domestically for soil, climatic or other reasons or of minerals and metals of various kinds whose domestic supply was either nil or substantially below that of the total demand. In the first category were items such as fine spices like cloves, nutmeg and much from Indonesia, and horses and rosewater from West Asia. The second category included rubies and other precious stones from Burma as well as metals both precious and non-precious. By far the most important non-precious metal imported was iron from Malaya. Precious metals, mainly silver, were imported overwhelmingly from West Asia. She not only provided the textiles and on a far more modest scale the food grains and the provision in great demand in the neighboring societies but also provided an important outlet for their specialized agricultural, minerals and other products trade satisfied different kinds of consumption needs for India's as compared with her numerous trading partners in the Indian Ocean region.

#### **Trade with European powers**

Before the discovery of the Cape routes the direct sea route to India via Cape of Good Hope (1497) India's trade with Europe was indirect. It was partly carried by sea through the Red Sea and Persian Gulf and partly by the overland route both converging on the Levant or east coast of the Mediterranean where the European merchants came and distributed the Indian goods to different countries in Europe. The return traffic also followed the same routes.

The advent of the Portuguese in 1498 in Malabar and the establishment of direct trade with Europe by the Portuguese from the beginning of the 16th century greatly affected the pre-existing system. In the 16th century therefore both the Muslim and the Portuguese came to dominate the commercial situation. Besides territorial ambitions the Portuguese resolved to dominate the eastern seas regulate and secure the eastern trade. So long as commerce was independent of political control. The Muslim adjusted themselves to the situation in the areas of trade and permitted other traders of Bengal, Gujarat and

Coromandal to have space and accompany those on their own ships but the Portuguese made trade a state or royal monopoly on certain scheduled routes in specific articles, allowed private shipping outside these limits only under license (cartage) from the viceroy of Goa and making war prizes (i.e. seizing) and confiscating the goods of all unlicensed ships.

The spice Island and the far East or formed indirect partnership with the Portuguese officially or merchants. Other still sought to defy the cartage system (a) Changing the routes viz from Malacca to Coromandal instead of to Malabar. (b) Preferring ship wreck along the longer Maldives route to the west to piracy by Portuguese along the shorter route. (c) Sailing to the Red Sea pilgrim ports with cartage. (d) Occasionally fighting or pirating the Portuguese ships like the Malabar coastal pirates, whose license the latter took. The 17th century witnessed another commercial revolution more far reaching than that of 16th. The outstanding development in that country was the advent and the activity of the Dutch and the English merchants and the collapse of the Portuguese lost the bulk of the trade with Western Europe to the Dutch and the English during the first half of the 17th century the two protestant companies changed not only the trend of India's trade with the East African Coast and Asia but also established a direct trade between the markets of the east and the west.

It was a United East India Company of the Netherland (VOC,1602) which first attempted in the 17th century to ascent their claims to a monopoly in the spice trade (including pepper). Here however the Dutch had to face the competition one the English East India company (founded 1600). For both the northern companies the reign of Jahangir was a period of experimentation and assessment of the needs and potential laities of this new trade. By 1625 they established the trade in indigo and calicoes. Surat grew to be the chief center of the European trade. However the terrible Gujarat famine of 1630-32 led them to seek alternative fields and supplement the reduced supplies there from. By 1650 the Dutch and the English were not only firmly established in all the principal marts of the coast from Sind to Bengal but, they prosecuted their commercial enter prices over Bihar and modern Uttar Pradesh. In the long run the English ousted all her rivals and came to control India's trade with Europe.

The nature of India's foreign trade during the 16th and 17th centuries was found a mentally different from the present times. India's imports consisted of three categories- necessities, raw materials and luxuries,

- The necessities included precious metals and horses. Bullion was needed for coinage. Ornaments display and or hording. Good horses needed for the army and display came from Arabia and Iraq-Persia.
- The Raw materials included raw silk (from China) for Gujarat Silk winding. Metals e.g. Copper, tin (from Malay) Zinc, lead and quicksilver (from Lisbon via Red Sea) and ivory (from East Africa) Coral amber and dye woods (from Persian Gulf) other goods for artistic handicrafts.
- Luxuries or fancy goods for the king and the upper classes included (i) all sorts of precious stones (from Archipelago) and pearls (from Ceylon), (ii) Textiles, silks, woolens (broad cloth) Velvets and brocades (iii) Spices (iv) Perfumes (and rose water) (v) Fruits (vi) Drugs (vii) China goods (fine Chinese porcelain highly prized spirits), (viii) African slaves (ix) rarities or novelties mirrors glassware including colored glass from Venice.

In the 16th century the principal exports from India were as follows and their pattern generally remained the same later subject to a few changes: -

- Textile's fabrics including calicoes Muslims and fancy goods formed the major item of export throughout the 16th and 18th centuries. These were indispensable to Asia. While the finer varieties of Bengal and the east coast were needed for the aristocrats of Asia the coarser and cheaper ones of Gujarat weavers clothed the masses in South Asia, Indonesia and the Red Sea.
- Common food articles-rice, wheat, pulses, oils surplus grain went from Bengal, Orissa and the Konkan Coast north of Malabar to cities like Malacca, Hormuz and Aden. Coconut products and some minor spices like ginger, Cardamom, turmeric, nutmegs etc. All these were cheap necessities and not luxuries and all even including Bengal sugar on the border line generally illustrated bulk trading.
- Raw silk from Bengal and cotton yarn or raw cotton from Gujarat
- Indo Portuguese commerce in the 16th century rested on a single item exported of black pepper. But it was "a big business" It not only went to Indonesia but it was the chief item in direct

Portuguese trade to western Europe, pepper lost its primacy as an Asian import because of competition of other goods especially Indian textiles directly imported by the Dutch and the English to Europe. (i) Indigo (from Bengal, Coromandal and Gujarat) and some other dyes; (ii) Opium (to Peru, Java, Malay Peninsula, China and Persia);

- Miscellaneous minor goods, e.g. Bengal wax and lac and Coromandal skins. Of all these exports cotton goods constituted the most important and extensive. Again, of the three principal centers of export of cotton goods, the Coromandal coast was more important than Cambay or Bengal. Cotton manufactures and handloom products continued to constitute the principal proportion of export trade to Asia, where these were indispensable the most valuable item for the exporting areas (except Malabar and Bengal). These were of three broad types: (i) Calicoes, widely manufactured in various regions of India, chiefly for Indian were also exported to different countries of Asia. The Portuguese extended its trade to west Africa and Brazil, (ii) Muslins differed from Calicoes only in degree, i.e. in texture or weight. With their production localized in Bengal and the Deccan, these were chiefly exported to Persia, Arabia and Egypt. The trade in Muslims to North-West Africa, as organized by the Portuguese might either be a diversion of the old Egyptian trade or a new development, (iii) Dress and fancy goods (pintados, Chintz, handkerchief, etc.), manufactured in Coromandal Coast areas and Gujarat were demanded in the east.

In the 17th century the Dutch and the English companies effected a change in the direction of the textile's exports. At first, they exported the piece-goods of Coromandal and Gujarat to Indonesia but later they extended their import into Europe. Besides pepper and spices which were older exports, the new items to Europe were the following: Indigo now became so highly prized an import that it became, in Roc's words, a "prime commodity" in commerce. It was found to be more advantageous than wood: it was relatively cheap and fast, and hence economical; it was mostly needed in the Mediterranean area. Saltpeter, an indispensable raw material for manufacture of gunpowder, was in great demand to feed the growing munitions industries in West European countries for their political policies and military developments. It was also a lucrative article of trade. Next came raw silk from Bengal Mulberry plantations of Kasim bazar and North Bengal yielded silk yarn of all India repute and the area had become famous for its silk weaving also. The European companies bought at first the finished silk manufactures of the region and then raw silk. By the fifties of the 17th century Bengal came to supplant Persia, France and Italy as suppliers of Silk yarn to Europe's weavers, in the 18th century it ranked next to textiles in bulk and value among imports. Demand for a variety of Indian silk goods (taffetas and brocades) and cotton goods grew in Europe now. Raw cotton came to be exported specially to Persia and Arabia but not to England and Europe till the American Revolution. Cotton yarn however went to Europe in large quantities for manufacture of wicks. Other items were rice and sugar both moist and dry (to Persia and France along land routes) lac (to Persia) Iron and steel went from Masulipatam.

In the second half of the 17th century the principal items of India's direct trade with Europe were four:

- Madras Calicoes
- Bihar Saltpeter
- Bengal silk
- Bengal sugar.

European goods were as before hardly demanded. But now the rich upper classes got wider opportunities of satisfying their craze for costly novel curiosities described by Jahangir as rarities and antiquities and mentioned them. The European utilized this weakness of the Mughal ruling classes for gaining vital economic privileges which proved ultimately detrimental of the economics interests of the country. The Advent of the Dutch and the English profoundly affected Indian trade and industry. Not only did they established a new direct trade between India and Western Europe but they also modified the course of the old established trade of India with other ports of Asia and the east coast of Africa the principal changes in this respect being traceable in (a) import trade (b) export trade and (c) shipping industry.

The changes in import trade were not much as old needs continued and new needs were not created consumption or foreign goods did not increase much. However a new feature was that copper was imported from Japan into northern India. There was an increase among the upper classes in India for costly European novelties, called toys in English commercial correspondence. It was not very extensive but it was the principal commercial necessity at that time. Foreigners used to get political and

commercial privileges by presenting 'toys' to the authorities. It is very difficult to say whether the activity of European merchants resulted in extension of existing commerce. The first half of the 17th century as regard export trade to Western Europe was period of prolonged experiment. Late in the first decade the Dutch on the east coast and the English on the west were beginning to learn by experience what goods could be bought and sold. During the second decade the Dutch had discovered indigo was worst and saltpeter dearest. The English indigo trade was good and they were establishing calico trade in Gujarat. By the middle of the first half of the 17th century (c.1625) Surat became the principal port for Europe. The East coast was contributing little and Bengal was still unknown to European buyers. After the famine of 1630-37 many parts of India including Bengal and Orissa were tapped a fresh to supplement inadequate supplies. After 1650 the eastern coast took a prominent place in European trade as the trade of Gujarat declined then on account of the West Indies competition and unfavorable political conditions due to the rise of the Marathas and in the 18th century for political disorders in India and Persia, Bengal became commercially more important. The position of India was changed by the opening up of new commercial relations with the progressive market of Western Europe. Indian goods became familiar in Amsterdam, London and Persia and other places. A business organization was created with future possibilities. Attempts have been made to estimate to volume and value of Indo-European trade. But in the absence of adequate data it is difficult if not impossible to arrive at any definite numerical assessment of the volume of India's commerce overseas and coastal and value of her imports and exports.

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