

The Causes and Trade Policies of Maritime Import and Export Trade in the Indian Ocean Region in the First Century

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ABSTRACT

In the first century, the importance of the Indian Ocean had gradually emerged, and the connections between continents were gradually closer. Different countries from all over the world began to actively participate in the Indian Ocean trade, and the products of various countries were widely and frequently circulated across the region. In this work, I will discuss the causes and trade policies of seaborne import and export trade in the Indian Ocean region in the first century. I will talk about several important aspects in the paper, mainly about states' emphasis on market and trade, including participation, policy establishment and supervision. How do States establish policies to promote local import and export trade? How does the government participate in and control the market? Why are these states keen on import and export trade? We will conclude from this discussion, the interaction of politics and economy not only enabled different countries to gain benefits and status from it, but also made the Indian Ocean trade system more orderly and mature. The analysis and research on the maritime trade of the Indian Ocean in the first century will help us understand the early maritime trade routes, the formation and changes of trade relations between states, and also understand the social environment and pattern at the beginning of the formation of the Maritime Silk Road.

Keywords: *Periplus, the Indian Ocean, import and export trade, marine trade.*

1. INTRODUCTION

East-west trade in the Indian Ocean developed during the Persian Empire and during the Hellenistic period, and during the Roman Empire it was possible to reach India directly from the Red Sea.[1] In the first century AD, the Roman Empire expanded to Europe, Asia and Africa, forming a unified economic network. Goods from these areas were transported by water to Rome and the Mediterranean. By the middle of the first century AD, trade around the Indian Ocean had largely taken shape. In order to gain access to East Africa, Arabia, India and other Far Eastern commodities, the

Roman Empire extended its power to the Indian Ocean, demanding to break the Arab and Indian trade monopolies in this region.[2] When the Roman and Greek merchants mastered the monsoon law, the Arabian maritime merchants' monopoly on the Red Sea and the Indian Ocean was broken, and at this time, more Roman and Greek merchants carried out trade on the sea with ships. Therefore, the central position of the Indian Ocean had been highlighted, and the trade centered on import and export trade around the Indian Ocean had developed a mature and complex structure and pattern.



Figure 1 The world map under a compass

The author of *Periplus* is believed to have been written by a Greek merchant in the mid first century AD, based on his own experiences [3,4]. The main content of *Periplus* is to record the maritime trade centered in the Indian Ocean, including the journey from Egypt through the Red Sea, Arabian Sea to India, and all kinds of cultural and political information along the way. The author wrote this book for the use of Western merchants and sailors at that time [5].

The book *Periplus* is the most detailed account of Western maritime trade in the early A.D. and is one of the most important historical sources for the study of coastal civilizations in East Africa. It is the first direct record of the history of East Africa.[6] Also, The author's voyage was the first time that an ancient westerner approached China by sea. The book focuses on the subject of commerce and trade, with an emphasis on commerce in the Indian Ocean. At the same time, it reveals the changes of trade power and pattern in the Indian Ocean during the period of Roman Empire.[7] Therefore, *Periplus* is an important historical document that will help us better understand the society, civilization and maritime trade of the early Indian Ocean.

2. STATES IMPLEMENTED POLICIES TO PROVIDE INSTITUTIONS AND FACILITATED TRADE

In order to promote trade, states around the Indian Ocean have set up many institutions to facilitate the trade of merchants from different areas.

In terms of transportation safety, anchorages and

watering places would be erected along the way, which would serve as a kind of post station in ancient land transportation to provide traders with rest and supplies. In addition, the convenience points of different countries and regions were various, which was also compared in the book, indicating that the convenience points at that time were also divided into different levels.[8] The second was to implement pilotage system for merchants to help them reach the market more safely and quickly for trade.[9] For example, the place *Papica* mentioned in the article. Even if the entrance to the gulf was safe, the mouth of the *Barygaza* was hard to find. And after finding it, it was also difficult to pass because of its geographical features. As a result, local fishermen in the king's service helped merchants enter the state and trade in the market.[10] Moreover, Pirates have always been a major uncertainty factor in maritime trade. From the cargo on the ship to the life of the crew, they were all threatened by pirates. Therefore, the state would subordinate the pirates to its sovereignty, and the state's attention to and intervention in pirates undoubtedly provide security for maritime trade.[11] Merchants may be more inclined to trade in safer and more convenient places. To some extent, merchants' preference for the market had promoted the economic development and prosperity of the region. Therefore, it is necessary for the state to ensure the safety and convenience of merchants through policies and facilities.

At the same time, the state also supervised the market and established markets according to law for merchants to trade. Legally established towns and cities largely protected the interests of merchants. Goods are protected, for example, while the authorities may

regulate the quality of products, separate them into different categories, protect the interests of merchants,

or arbitration if disputes arise (the King's Court is about seven days' walk from the market town).[12]



Figure 2 Vintage world trade

3. STATES ACTIVELY PARTICIPATED IN TRADE AND CONTROLLED THE MARKET

Apart from establishing institutions to promote trade, the states also actively involved in the import and export trade of the Indian Ocean, such as providing or even controlling the market.

On the one hand, the authorities were involved in trade and engaged in production, supplying raw materials and goods to the market, sometimes responsible for processing raw materials. For example, the state was responsible for the procurement of raw materials, like sending slaves and those who were punished to gather frankincense.[13] Also, the state sent Arabs to get acquainted with and intermarry with the local people, which promoted the communication between the people of different regions and facilitated the future trade.[14] Moreover, the state sent officials to trade with merchants and exchange goods such as frankincense for cloth and wheat.[15]

Trade in the Indian Ocean involves countries from different regions, not just those around the Indian Ocean. For example, India, Africa and the Arab world played a variety of roles in the trade, providing raw materials, transit points and markets. Rome, as a western state, was the main consumer in the trade, but also provided some raw materials and exquisite handicrafts, and attracted merchants to Egypt for trade.

China also supplied raw materials but is only indirectly involved in the trade due to the distance.[16] Goods such as silk needed to flow through India to the market.[17]

On the other hand, the states controlled the market and centrally manages the goods in the market. The centralized production and management of commodities by the states ensures the orderliness of trade and strengthens the government's control over the market. Sometimes the goods were even transported directly to the king's place.[18] Also, imported goods must be stored in official warehouses before they arrive at the port to ensure they do not disappear during the taxation.[19]

In addition, the states had a complete trade route for commodity control. Take frankincense as an example, the state centrally stores frankincense in one place, and then uniformly transport it to another city, Cana. From Cana, they enter ports or markets by different routes for export and then send to different states.[20] We can see that the state has actually formed a monopoly distributor, and the state has a strong control over the goods, controlling the supply chain and the distribution chain. Trade has become more systematic and centralized in such circumstances. Finally, for the export of commodities, such as frankincense, a special license from the king was required.[21] The state would then have full access to information about the goods being exported. This can prevent merchants from smuggling goods or illegal transactions to a certain extent.[22]

4. WHY DO THESE STATES ATTACH SO MUCH IMPORTANCE AND ENTHUSIASM TO TRADE?

First, trade generates a lot of tax revenue, and tax revenue is particularly important for the states as a whole. The states had set up various taxation mechanisms and policies in trade. For example, they set up barriers and take a quarter of the goods as taxes.[23] Taxes help the states raise financial funds and obtain more construction funds and maintenance funds. And over time, the tax policy continued. For example, in the second century, the main tax levied on Red Sea trade in Alexandria, was a 25 percent tetarte. This is an important procedure before the goods can continue to be shipped.[24] Until now, taxes have been an indispensable part of national revenue. Taxation helps the country stabilize and adjust the structure of market economy and stabilize the country's rule over society. Moreover, for those small economies or those states with insufficient productivity and labor, import and export trade and taxes will play a more important role in national income and become the income dependence of these small states.

Second, states have access to all kinds of luxuries through trade. For example, at that time, gold and silver, sculpture, purple clothing, were luxury items that were brought to the king or officials. All things brought to the king are the best.[25] In most cases, merchants would give these high-grade goods as gifts to the emperor. These unusual items flow to political authority as prestige items, used in politics' construction, indicating status, and to maintain the hierarchy. Moreover, by

giving gifts to the emperor, merchants could easily become the emperor's friends and the emperor would also facilitate their trade, such as making it possible for their goods to reach the market more quickly, or perhaps selling their goods in areas where the market was more crowded.[26] Thus, it would promote the smooth progress of trade and ensure the profits of both the state and merchants.

At that time, people may have formed a relatively complete and mature evaluation system, with a unified standard for dividing the quality of goods. Merchants care a lot about quality and are familiar with the quality of products from different places. In the book, the author mentioned about the comparison of the quality of products in different places, and they also had grades. For example, as mentioned in the book, the turtle shells of Opone and Sarapis are of good quality, the turtle shells of Chryse are of the best in the Red Sea region, and Acanna's far-side frankincense is the best quality.[27] In addition to luxuries, everyday goods of different quality and grades are brought into the market for trade, and goods of different quality levels can match consumers of different levels.

Grading enables merchants to maximize their profits and promote their products to consumers who are best suited to them. Goods stimulate people's desire to consume, and people's desire to consume encourages people to work harder, thus bringing more labor to the state. As a result, the state can also produce more goods to import and export, or control a larger trade market, and thus obtain more capital income to improve its trade status or build up the city even the state.



Figure 3 Research and development

5. CONCLUSION

Trade and politics are inseparable and interplay. The strong demand for trade promotes the formulation of corresponding national policies. The mature and complex trade network needs effective national policy support. These policies have promoted the orderly and stable flow of trade and ensured the sustained growth of economy and interests. In turn, it promotes the promotion of the country's comprehensive national strength and trade status.

The import and export trade is even more important for coastal polities. The main source of income of the coastal countries is the income from import and export trade and the tax generated, which brings the prosperity of the coastal areas. As a result, states around the Indian Ocean are keen to trade imports and exports and expend energy on policy making.

Imports and exports and proper government complemented each other, creating the thriving Indian Ocean trade in the first century and laying the foundation for the Indian Ocean to play an important role in the Maritime Silk Road.

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