

INDIAN OCEAN: A LIFE – LINE FOR SOUTH ASIA

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BY

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DECLARATION

I hereby declare that the work embodied in this dissertation entitled “**Indian Ocean: A Life-Line for South Asia**” has been prepared by me under the guidance of Dr. Kiran K Singh , Assistant Professor, Centre for South and Central Asian Studies, School of Global Relations, Central University of Punjab. No part of this dissertation has formed the basis for the award of any degree or fellowship previously.

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ABSTRACT

Indian Ocean: A Life-Line for South Asia

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Since the ancient times Indian Ocean has played significant role in dissemination of capital, goods, people etc. It has been a source of immense importance and has entered in the life of all the littoral countries. Natural harbours developed at coasts of Indian Ocean in South Asia culminated in to trading points to carry out trade activities across Asia, Africa and far Western world. Sri Lanka, being located in the middle of Indian Ocean was the main boarding station for the ships enrooting east-west or vice versa. Trade routes developed during this period were monopolized by one nation or other from time to time. The discovery of sea route to India via Cape of Good Hope brought Europe and Asia closer and the Industrial revolution that began in Europe gave impetus to trade activities and globalized the Indian Ocean world. The arrival of Portuguese followed by Dutch, British, French and other European powers led them into the tussle to gain power over the Indian Ocean region for its enriched resources, commodities and the strategic importance that naturally endowed to Indian Ocean. It later became bone of contention among various European powers that was responsible for Colonization of almost entire Africa and most of Asia. The British were successful in retaining the power over the region till the end of Second World War. After gaining control over this water-body, they became the masters of the seas. Since ancient time Maldivian economy was heavily dependent on Indian Ocean. Natural resources like fishery, cowries and coir obtained from the coconut was widely cultivated at the coasts. The natural scenic beauty of Indian Ocean sea shores gave the economy of Maldives a new dimension in the form of tourism industry. Britain used its atolls as secret harbors during the Second World War. The two island nations of South Asia heavily rely on Indian Ocean as no other mean to connect outside world since the air route is too costly and cannot handle bulk cargo. In Bangladesh trade was largely based on Indian Ocean water ways but due to problem of siltation in Chittagong port goods were collected at Colombo, Singapore ports and then

brought to Bangladesh. The countries surrounding Indian Ocean were linked with one another through this ocean. The regular trade activities from India in ancient times catered the development of trade routes, Indian rulers from time to time carried out raids to secure their position for trade activities at the points of strategic importance. The Europeans made Indian Ocean coast as their base to expand colonies and British were successful. The period after Second World War is marked with the period of intense rivalry between major powers in Indian Ocean region. On the one hand Indian Ocean revealed a long story of transformation from a zone of conflict to a zone of peace while on another the Indian Ocean mobility experienced significant change because of growing economic activities of littoral nations. Soon after independence the south Asian countries, to cater their economic needs, relied largely on import of finished goods and export of raw materials in the initial years of their independence that had been largely traversed to various countries from the waters of Indian Ocean. The economic and strategic importance of South Asia is linked with the concentration of variety of raw material or natural resources of the world such as rubber, manganese, copper, tea, cotton, Jute and Gold in various littoral states. Indian Ocean did not only help in promoting economic growth in the region but also has played significant role in shaping the polity of south Asia. Since the Indian Ocean preserves the enormous quantity of natural resources and diverse culture it has naturally become a zone of importance in all spheres for the world and South Asia.

Keywords: Indian Ocean, South Asia, Cold War, strategic importance, trade route

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LIST OF ABBREVIATIONS

Sr. No.	Full Form	Abbreviation
1.	Before Present	BP
2.	Central Treaty Organization	CENTO
3.	Exclusive Economic Zone	EEZ
4.	Food & Agriculture Organization	FAO
5.	Federal Republic of Germany	FRG
6.	Gross National Product	GNP
7.	Gross Registered Tonnage	GRT
8.	Liberation Tigers of Tamil Eelam	LTTE
9.	People's Liberation of Tamil Eelam	PLOTE
10.	South East Asian Treaty Organization	SEATO
11.	United States of America	USA
12.	United Nations Convention on the Law of the Sea	UNCLOS
13.	Union of Soviet Socialist Republics	USSR

CHAPTER 1 INTRODUCTION

Oceans are the lifeblood of planet Earth and humankind. They flow over nearly three-quarters of our planet, and hold 97% of the planet's water. Throughout history humans have been directly or indirectly influenced by the oceans. Ocean waters serve as a source of food and valuable minerals, as a vast highway for commerce, and provide a place for both recreation and waste disposal. Increasingly, people are turning to the oceans for their food supply either by direct consumption or indirectly by harvesting fish that is then processed for livestock feed. The world depends heavily on sea-borne trade for its continued existence and ocean allows all countries to participate in the global marketplace in the high seas. Undoubtedly, the economic and political affairs of South Asia also have been dominated by the sea. Indian Ocean covers 20% of earth and ranked third largest water coverage of the world (table 1). Indian Ocean Region comprises 38 littoral states, 24 Ocean territories and 17 landlocked countries. The Indian Ocean has the fewest marginal seas of the major ocean. To the north are the inland Red Sea and Persian Gulf. The Arabian Sea is to the northwest, and the Andaman Sea to the northeast. The large gulfs of Aden and Oman are to the northwest, the Bay of Bengal is to the northeast.

Table 1 World Oceans

S. No.	Ocean	Area ('000/Sq.kms)	Max. Depth (m)
1	Pacific Ocean	1, 65,384	11034
2	Atlantic Ocean	82,317	9219
3	Indian Ocean	73,481	7449
4	Arctic Ocean	14,056	5441

Source: Rashtriya Atlas, 1993

Indian Ocean is possessed with vast natural resources, mineral, fish, marine products, oil resource and natural gas. It also provide home to many choke points, such as the Strait of Hormuz, Strait of Malacca, Lombok and the Sunda Straits. Any disruption in traffic flow through these points can have disastrous consequences. The disruption of energy flows in particular is a considerable security concern for many countries, as majority of their energy lifeline is sea based. Since energy is critical in influencing the geopolitical strategies of a nation, any turbulence in its supply has serious security consequences

1.1. LOCATION

Geographically, it is situated between the two big oceans, thus serving as natural transit lounge for most of the traffic from the Atlantic to the Pacific and vice-versa (Lehr, 2002). The meridian of Cape Town 18°82' east, forms the dividing line between the Indian Ocean and the Atlantic, whereas the meridian of the south east cape of Tasmania, 147° east divides the Pacific and the Indian Ocean (Raja, 2012). It extends from Indian Cape Comorin down to Antarctic continent and in an east west direction from Australia to Africa (Great world Atlas, 1981). It is bounded by Iran, Pakistan, India and Bangladesh to the north, the Malay Peninsula, the Sunda Islands of Indonesia & Australia to the east, Antarctica to the south and the Africa and Arabian peninsula to the west. In the Southwest it joins the Atlantic Ocean south of southern tip of Africa and to the east and Southeast its water mingles with those of the Pacific (figure 1).

The Strait of Malacca, Sunda, Lombok, connect the South China Sea to Indian Ocean. The ocean can only be accessed through several choke point from the west via Cape of Good Hope & the Strait of Madagascar, from the North via the Babb-el-Mandeb at the end of the Red Sea and the Strait of Hormuz at the exit of the Persian Gulf, from the east via the Strait of Malacca, the Sunda & Lombok Straits and the Ombai - water Straits (Lehr, 2002).

From the above it is certain that the Indian Ocean has limited outlets, Suez Canal is an artificial link with the western world. Another possible link with Europe is by circumferencing whole of Africa on the eastern side there two outlets one through the islands of Indonesia second is via South of Australia India Ocean can be chocked any time by controlling these outlets (Roy, 2006).

1.2. ECONOMIC & STRATEGIC IMPORTANCE OF INDIAN OCEAN

Economic importance of the Indian Ocean is immense. Following are few facts which can be brought up in this regards:-

- About 40% of world trade is handled in the ports of the Indian Ocean. Every day 15.5 million barrels of oil or 40% of the entire total oil trade passes through the Strait of Hormuz, 11 million barrels of oil pass through the Malacca & Singapore Straits (Ghosh, 2010).

- It fulfills the requirement of energy in the form of oil for South Asia and rest of the world, which is expected to rise to 96.1% by 2020 for South Asia and 91.6% in particular for India (Ghosh, 2010).
- Nearly half the world container traffic and 70% of the total traffic of the petroleum products are accounted for by the Indian Ocean (Wickrama Singhe, 2011). Around 100,000 ships transit the expanse of Indian Ocean annually.
- Continental shelves cover about 4.2% of the total area of the Indian Ocean and are reported to be very rich in minerals including Tin, Gold, Uranium, Cobalt, Nickel, Aluminum and Cadmium although these resources have been largely not exploited, so far.
- 40 out of 54 types of raw materials used by U.S.A (United States of America) industry are supplied by the Indian Ocean.
- Several of the world's top container ports, including Port Kelang and Singapore, are located in Indian Ocean as well as some of the world's fastest growing and busiest ports.
- Indian Ocean possesses some of the world's largest fishing grounds, providing approximately 15% of the total world's fish catch (approximately 9 million tons per annum). 55% of known world oil reserves are present in Indian Ocean. 40% of the world's natural gas reserves are in Indian Ocean littoral states.

Besides the huge oil trade in the Indian Ocean region, the vast consumer market makes the Indian Ocean region economically dynamic. This region contains 1/3 of the world population 1/4 of landmass, 3/4 of strategic reserves of oil, iron ore and tin (Roy, 2006). Being located in tropical region it provides warm waters to carry out the trade of commodities largely found in the region of South Asia and have had been the source of attraction worldwide. The resources of Indian Ocean are of great importance for the livelihood of South Asian countries.

Indian Ocean has strategic importance for South Asia as main trade routes carrying essential commodities pass through its lanes to vivid ports. Different countries want to dominate the region by providing assistance to littoral nations in

construction and up gradation of their ports, enabling these countries to dictate their terms, thus influence in the region to gain all round advantage.



Fig 1 Indian Ocean

Source: Society for Indian Ocean Studies

1.3. LOCATION OF LITTORAL COUNTRIES OF SOUTH ASIA IN & AROUND INDIAN OCEAN

Countries of South Asia comprise- India, Pakistan, Bangladesh, Sri Lanka and Maldives which are littoral countries while other South Asian countries like Nepal, Bhutan and Afghanistan have indirect access to it via border countries.

India occupies much of the South Asian subcontinent and the Indian mainland stretches from Pakistan in the west to Bangladesh and Myanmar in the east. On

the north India borders China, Nepal and Bhutan. The Indian Ocean to south, the Arabian Sea to the west and the Bay of Bengal to the east form the country's coastline. Lakshadweep Island lies in the Arabian Sea and Andaman and Nicobar Island in the Bay of Bengal. The total length of coastline of main land, Lakshadweep Islands and Andaman and Nicobar islands is 7516.6 km.

Sri Lanka lies to the south of India, across Palk Strait, in the Indian Ocean. It has a coastline of 1340 km. It lies between 5° to 9° North latitude and 79° to 81° East longitude. Pakistan is bounded on the east and southeast by India and on the west by Iran on the north by Afghanistan and on the south by the Arabian Sea. Its coastline is 1046 km. with Arabian Sea branch of Indian Ocean. It lies between latitude 24° and 37° North and longitude 62° and 75° east.

Bangladesh lies to the north of the Bay of Bengal and stretches between 21° N to 26° 30' N latitude and 88° E to 93' E longitude. Four Indian states West Bengal, Assam, Meghalaya, Tripura and Mizoram have common frontiers with Bangladesh to the south east Myanmar has also a common frontier with it. It has coastline of 574 km on the Bay of Bengal of Indian Ocean. Maldives lies nearly 700 kms Southwest of India in Indian Ocean. Maldivian archipelago has a coastline stretching for 644 km (see figure 1).

1.4. INDIAN OCEAN TRADE NETWORK

Indian Ocean trade network spans from East Coast of Africa through Middle East to western and eastern India and then on through Burma to different islands of South East Asia.

Important Indian Ocean routes includes -

- (1) Mediterranean & Indian Ocean Routes - It connects the industrially developed countries of Europe with the East Africa, South Asia and Far East through the Mediterranean Sea. The east bound cargo consist of machinery and industrial products while raw materials like both rubber and other product such as tea, coffee, sugar and petroleum are sent from eastern areas to Europe. Port Said, Aden, Mumbai, Cochin and Colombo are some of the important ports on this route.
- (2) The cape route: This route provided link between Western Europe and Far East, Australia and New Zealand prior to the construction of Suez Canal.

Even now this route is used to reach West African Countries, South Africa, Australia and New Zealand. This route is longer to reach South East Asia as compared to Suez Canal Route.

(3) Suez Canal Route: It is a man made waterway in Egypt which has been constructed to connect the Mediterranean with the Red Sea. It is the shortest route between Western Europe, East Africa, South & South East Asia, Far East and Australia (Qureshi, 2000)

1.5. SOUTH ASIA THRIVES ON INDIAN OCEAN: SINCE TIME IMMEMORIAL

The movement of people to different places through land and sea paved the way for the development of trade routes. The means of transportation largely through sea constitutes of boats, ships, which anchor safely at the place near the coast, called harbor. Gradually places near the sea-coast developed into coastal towns or cities which became the important region for international / national export and import. The place near the harbor where passengers board ships and cargo is loaded and unloaded came to be known as port.

Since the ancient times, Indian Ocean has played significant role in dissemination of capitals, goods, people etc. The world's first dock was built in Lothal in about 2400 B.C. (near Mangrol harbor on the Gujarat coast) for the trade of Indus valley civilization with Mesopotamia, Oman, Bahrain. Up to Buddhist period many trade routes were developed and in Mauryan period reached up to peninsular India at the mouth of Arabian Sea. Tamralipti, which was port on eastern coast, a sea route was developed up to Sri Lanka via eastern coastal area of Sri Lanka up to Burma.

Sri Lanka and Maldives laid on the maritime trade routes, Sri Lanka being the central place the commodities from South East Asia, South India reached here for transportation to west.

The main manufacture exported from India was textiles. Besides muslin they sold brocades, embroidery and cotton clothes. The volume of external trade of India with China increased many folds during the Gupta period. Chinese silk which was known as Chinasunka, had a good market in India.

With the expansion of Arab empire after 9th century, the influence of Arab traders rose in seafaring. Indian traders reached up to Aden, Siraj and Basra. Due to

competition with Arab traders, India's trade with China began to decline during 10th century. Indo-Chinese relations revived with the conquest of Sri Vijay and Sumatra by the Chola ruler Rajendra Chola in 13th century. Gold and silver draining to India in lieu of luxurious items compelled Chinese government to enforce stern laws in 1296 AD for control of export of these precious metals.

Jambukola identified as the present day Kankasanturai, in island nation of Sri Lanka in Indian Ocean, is mentioned in Mahavamsa, served the port of Tamralipti in Bengal. Mahatittha another important port on western side in Arabian Sea was famous for trade of porcelain.

In the middle ages Arabs, Chinese and Indians dominated the region from time to time till the discovery of new sea route by the Portuguese sailor Vasco De Gama which gave new dimensions to Indian Ocean trade.

During the Mughal period India had regular maritime trade with Asia and Europe via Indian Ocean. The main ports in India were Lahoribandar in Sindh, Surat, Broach, Cambay (Gujarat), Masulipatam on east coast with Satgaon, Chittagong in Bengal were their main ports which were often marred by piracy of Portuguese. The stiff competition from Europeans in Indian Ocean trade has also played a role in decline of Mughal Empire since their ports seize to be the important commercial centers.

The arrival of Portuguese followed by Dutch, British, and French led them into the tussle to gain power over the Indian Ocean region for its enriched commodities. The faster movement of Europeans in Indian Ocean paved the way for their dominance in Asia and Africa and further led to their colonization until the Second World War which changed the scenario with the rise of world powers in the form of USSR and USA till the former was disintegrated in later years of 20th century.

The Portuguese were the first European country and a corporate group to arrive in the Indian Ocean at the end of 15th century. The Euro-Asian trade carried on the account of the Portuguese crown consisted overwhelmingly the export of Malabar pepper to Lisbon. Portuguese garrisons were established in strategic trading ports such as Diu (by the great textile industry), Cochin (for the pepper of Malabar) and Colombo (dominating cinnamon export) (Gupta & Pearson, 1987).

Commercial interest brought the Dutch to India where they established factories in Gujarat, on the Coromandal coast and in Bengal, Bihar and Orissa, entering deep into the interior of lower Ganges valley. At Surat they were supplied with large quantities of indigo manufactured in central India and the Jumna valley & from Bengal, Bihar, Gujarat and Coromandal they exported raw silk, textiles, saltpeter, rice and Gangetic opium. Since the Dutch were largely involved in trade with south East Asia it was important for them to get hold over Sri Lanka in Indian Ocean.

Dutch devised the strategy to paralyze Portuguese naval power by occupying Ceylon and Malacca (Rashid, 1965).

In the wake of gaining profits from trade East India Company stepped in too, but soon realizing the favorable conditions in India they got hold over the country and made its trading points as means to further their extension towards South East Asia.

In 1613 Jahangir issued a firman permitting the English to establish a factory permanently at Surat. On the southeastern coast the English had established a factory at Masulipatam, the principal port of king of Golkunda, in 1611 in order to purchase the locally woven piece goods, which they exported to Persia and Bantam (Majumdar et al., 1990).

Many of the new colonies bordered on the Indian Ocean. Burma, the Maldives, most of the Malay Peninsula, and most of southern Africa became British possessions by the 1880s.¹ Company ships were making regular voyages to China from the English Indian settlements of Calcutta, Madras and Bombay (Mukherjee & Subramaniam, 2003). Goods were carried from these ports to be exchanged for Chinese and Japanese goods through the intermediatory ports of South-East Asia.

Under British colonial rule, the economy of Sri Lanka was transformed to become a producer of agricultural products for foreign trade. Soon the economy was dominated by plantation crops such as coffee, tea, rubber, and coconuts. The British authorities also encouraged the migration of Tamil laborers from southern

¹ <http://web.usal.es/~anafra/Empire-Commonwealth-History.pdf>, accessed ,12/9/12

India to Sri Lanka to work on the plantation fields.² It depicts trade promoted migration of people besides enriching Britain.

After Second World War, with Britain's retreat, the Indian Ocean region remained, as always, a centrally converted prize in global power interests, and not least for its great oil deposits (Kereany, 2004).

History has proved that the Indian Ocean is life line for South Asia as from time to time the monopoly of various powers sought their influence in the region has brought about prosperity for one country and adversity for others.

During the cold war period there emerged three nations at the shores of Indian Ocean (Arabian Sea and Bay of Bengal) namely Pakistan, India and Bangladesh in 1947 and 1971, respectively. The island countries Sri Lanka and Maldives got independence in 1948 and 1965, respectively.

Sri Lanka served an important port terminal in Asia due to its strategic geographic location in Indian Ocean for trade, security and energy supply. Colombo harbor is one of the busiest port of Sri Lanka and ranks among the top 35 ports in the world (Fernando, 2012). Colombo links the Far East with Africa, Europe and the east coast of United States of America, is an ideal connection to trade in Indian sub-continent.

Chittagong in Bangladesh has had been the principal seaport, which is today handling about 92% of import-export of the country; as such its importance in national economy is paramount.

Port of Karachi is the busiest trans-shipment port in Pakistan since its existence but soon Pakistan realized the need to develop another port on the western coast in the form of Gwadar in 1964. Today China wants to use the (Pakistan territory) Gwadar port as a bridge for import and export that would allow China to bypass the shipping lanes between its Eastern and Southern sea boards that runs through the Strait of Malacca and the Indian Ocean, an important step in making imports from the Middle East more secure.

² <http://asiasociety.org/countries/sri-lanka-introductory-essay>, accessed , 12/9/12

Maldives has had strategic importance because of its location on the major marine routes of the Indian Ocean. Its main port is Male commercial harbor that handles international maritime traffic.

Indian Ocean has the strategic importance for South Asia as main trade routes carry essential commodities pass through it to vivid ports. Different countries want to dominate the region by providing the assistance to the littoral countries in construction and up gradation of their ports, enabling these countries to dictate their terms in the long run. Thus, influence the region of South Asia to gain all round advantage.

As the cutting of life line affect drastically in the same way the control over any of the Indian Ocean sea lanes could paralyze the economy of South Asian countries as they largely rely on Indian Ocean for the purpose of trade and commerce.

History has proved that the Indian Ocean has acted as life line of South Asia because movement of goods, people, culture and ideas, from time to time, and the tendency to monopolize the region by various powers shaped the whole region in the present form. Such movement brought prosperity for one country while adversity for other. In this way, the proposed dissertation titled “Indian Ocean: A Life - Line for South Asia” is an attempt to highlight the role of Indian Ocean in the development of South Asian Countries by focusing the navigation in the Indian Ocean and Maritime trade activity.

1.6. OBJECTIVES OF THE STUDY

The present study tries to explore the role of Indian Ocean in the development of South Asia. It particularly focuses on the economic activities like trade and development of ports in the littoral countries in ancient, medieval and modern time (up to 1991). The present study was carried out with following objectives:

1. To explore the significance of Indian Ocean in facilitating inter-regional and intra-regional trade activities of South Asia during ancient and medieval period.
2. To find out importance of Indian Ocean as a high way and medium of import-export of essential commodities during opening of various sea routes.

3. To find out major economic significance of Indian Ocean for South Asian countries after end of colonization.

1.7. METHODOLOGY

In content methodology - descriptive, interpretative and analytical approaches have been adopted. The researcher has relied heavily on the secondary sources that deal with the historical period. The historical documents pertaining to the topic chosen have been studied, analyzed; the impact and the implications have been brought out in relation to the context of study period.

1.7.1 Sources identified and located

- (i) The materials for this work were collected mainly from the Text books, journals, newspapers, magazines,
- (ii) Government gazetteers, mass media including internet.
- (iii) Atlas, maps.

Text books, journals, magazines etc. are the source for review of literature regarding the upcoming and importance of ports located at the border of Indian Ocean since they came into being. Mass media / internet, newspapers are employed for the current scenario. Government gazetteers, reports etc. were used to adjudge their utility for the region.

1.8. LIMITATION OF THE STUDY

The researcher's attempt in this research is very modest, in the sense that the topic has not been totally exhausted. This research has unveiled an area which needs further and deeper study not only for the sake of historical research, but also to throw more light on different other issues related to Indian Ocean and South Asia. The term life line has very broad meaning but in this work the importance of Indian Ocean as life line for South Asia encompasses mainly the trade activities carried out through Indian Ocean region. Since south Asia's survival is on Indian Ocean it is difficult to bind it to a limited time period to justify as a life line for South Asia.

CHAPTER 2

INDIAN OCEAN & SOUTH ASIA IN THE ERA OF ASIAN MARITIME DOMAIN (3000 B.C. – 1498 A.D.)

The beginning of Indian Ocean maritime system may be traced from the prehistoric and Mesolithic period when communities first settled along the coasts of South and South East Asia from 10,000 BC onwards. The commodities involved in maritime trade in Indian Ocean may be kept into various broad categories – aromatics, dyes, medicines, spices, food stuff, wood, textiles, gems and ornaments, metals, plants and animal products. These categories were found mentioned in a range of textual sources from the 1st century A D. Periplus Maris Erythraei to the Geniza documents of the 11th- 13th century (Jalota, 2010). The earliest evidence of fishing communities in South Asia as evident by the finds of beads of shell cones from Batadombalena caves in Sri Lanka dated to circa 28,500-16,000 BP(Before Present). By the second first centuries BC coastal sites were well integrated into island systems and the trading network was well established across the Bay of Bengal incorporating a variety of overland and coastal routes (Jalota, 2010).

The Indian Ocean trade network was a crucial method of exchange during the significant increase in trade, or globalization. Unlike the Silk Road which exchanged chiefly luxury goods such as silk and spices, and bulk goods such as lumber were exchanged across the Indian Ocean. Because the trading was much quicker, people were able to trade necessities, which stimulated trade even more. Another important advantage of the Indian Ocean trading networks was the ships ability to carry more cargo at one time. Unlike horses, which could only carry a small amount of goods, ships could carry tons of cargo. Lastly, many civilizations flourished as a result of the Indian Ocean trading network. The Indian Ocean trade network revolutionized the way of trading.

Various important points in Indian Ocean at the site of the littoral nations of South Asia were established from time to time for trade, communication and strategic value. These points are examined separately for Sri Lanka, Maldives and India.

2.1 SRI LANKA

Location of Sri Lanka in Indian Ocean has made it an ideal place for the appearance of natural harbors that has contributed to the trade activities. Its strategic position in Indian Ocean has been the reason for its centre of attraction. Since the ancient times the island was connected by sea routes with ports in the southern, western and north east regions of the Indian subcontinent and also with ports in the Arab world as well as South East Asian kingdoms and later with China. Several Sri Lankan ports played important role in maritime activities through these sea routes but the importance of some of these ports varied from time to time.

Using the distinct landmarks ancient mariners used to move across the Indian Ocean, this form of travel prevailed till the Arab mariners used the monsoon to sail across the ocean navigated by the stars, the moon, the sun from the Arabian coast of Sabe, Hydramante and Oman to Maldives, Malabar, Sri Lanka and Indonesia Periplus of the Erythean Sea describes about sailing of ships from Red Sea to the East (Fernando, 2001).

The Southwest monsoon carried the sailing ships across the oceans from the West and Northeast monsoon on their return journey from the East. The natural harbors around Sri Lanka such as Manthai in Northwest, Godavaya in the South and Gokanna in the East were very helpful for the sailors in the sea route. On their journey Sri Lanka was used as a point to sell their goods and new commodities and repair their ships with strong wood like halmilla (Fernando, 2001).

Traders who used the sea route in Indian Ocean near Sri Lanka visited to its ports to sell their goods or exchange them with other traders. All the ships, according to historical source Culavamsa that entered to the port had to pay taxes to Sri Lankan rulers; Sri Lankan ports were very busy. Most of the day 5-10 ships were embarked from the port.³

2.1.1 Major trading points

Most important trading points on the border of Indian Ocean in the island during this period were Mahatittha located opposite Mannar on North West coast facing

³ <http://www.scribd.com/doc/64450499/Ancient-Trade-Activities-in-Sri-Lanka>>accessed on 2012 Sept,15.

the Arabian Sea⁴ whereas Uratota, Gokanna in the east, Manthai (3rd B.C. – 11A.D.) in the North-West and Godwaya (1st B.C. – 10th A.D.) in the south were busy ports (The Sunday Times, 2011) (figure 2).

Mahatittha was major port in Indian Ocean during ancient times in Sri Lanka until the collapse of Anuradhapura kingdom. Archeological excavations have found 40 feet wide high way from Mahatittha to capital Anuradhapura. Since Mahatittha was located at the mouth of Malvatu River, had easy access to the capital Anuradhapura, which was located on the bank of same river.⁵ Trade activities promoted the transmission and enhancement of technology that made the transportation of goods easier.

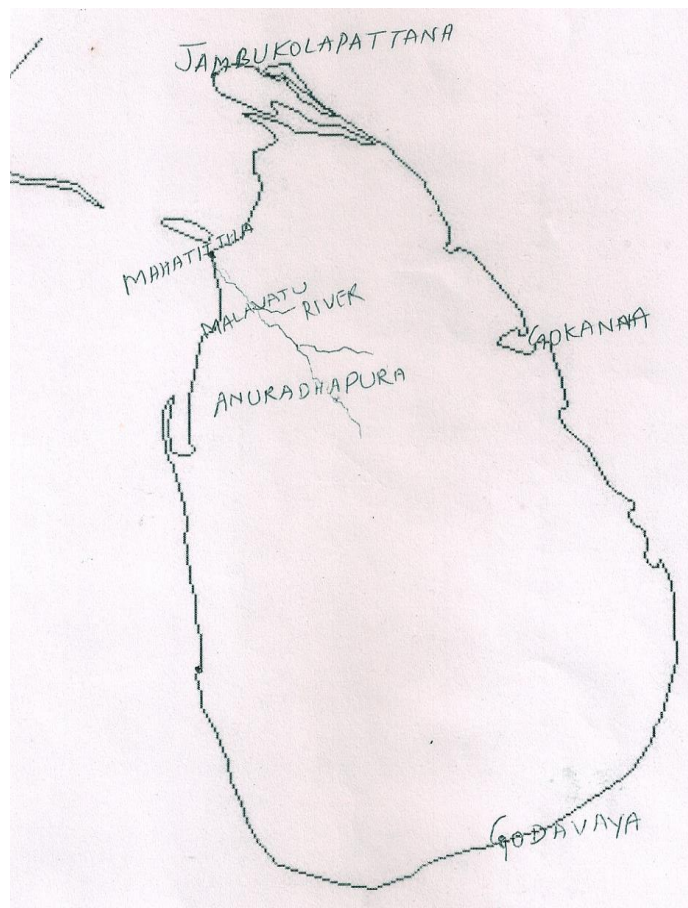


Fig. 2 Ancient ports in Sri Lanka

Map outline source: Rashtriya Atlas

⁴ <http://hettiarachchi.tripod.com/port.html>> accessed on 2012 Sept, 15.

⁵ <http://www.scribd.com/doc/64450499/Ancient-Trade-Activities-in-Sri-Lanka>>accessed on 15/9/12

The rise of Srivijaya kingdom (South East Asia) saw trade activities shifting from western region of Sri Lanka towards eastern side of the country. Mahatittha a main center of entrepot trade, after the 7th century diminished to some extent, which led to further loss of attractiveness of the capital as the importance of the port of Mahatittha had declined. In Sangam literature there are references of this port as one of the leading seaboard of Sri Lanka (C. Rasanayagam, 1993). During 12th century it lost its importance which is depicted in the work of Daladavamsa (12th century).

Jambukolapattana another point in Jaffna peninsula at the border of Indian Ocean was used for embarkation and landing ships. It was very important port in Anuradhapura kingdom. Theri Sanghmitta arrived through this port to Sri Lanka that marked the beginning of Buddhism in the island.⁵ Today this constitutes the dominant religion in this country of South Asia.

Another port in ancient Jaffna peninsula Uratota in Indian Ocean was used for maritime activities, which is evident from an inscription by King Prakaramabahu I⁵. The Tamil inscription of Nainathivu by king Parakramabahu (1153-1186) gives rules that must be followed when ships reached the port of Urathota, kyat.⁶ During these times Uratota and Jambukolapattana were not only trading ports but also places of ship building and repairing. In later centuries also these two ports continued to be important points for connecting South Asia with Jaffna.⁷

After the drift of political center in south west the ports located in south west started becoming important because of growing international commerce. It was international trade that encouraged the Sinhala kingdom to shift the capital in south. In Godavaya port in Hambantota district, according to inscription by King Gajabahu I, the custom duty income of the port was dedicated to Godapavatha viharaya.⁵ Revenue obtained as the result of custom duty was used for the welfare of people by donating for religious or educational purposes.

2.1.2 Trade activities in Sri Lanka through Indian Ocean

Ancient Sri Lanka was main market for exchange of goods and import. The main exported items from Sri Lanka were spices. According to ancient Greek and Indian text Sri Lanka was described as Spice Island. It mainly exported cloves under

⁶ http://www.sundaytimes.lk/110130/plus_15.html , accessed on 16/9/12

⁷ <http://www.shiplink.lk/download/History%201-4.pdf?inline>

spices besides cardamoms, pepper, and cinnamon, which were mainly used for flavor, and preservation of food. In Egypt spices were used to produce royal perfumes. Other Exported items in Sri Lanka were gems, pearls, elephants, ivory, tortoise shells, and valuable wood and textiles. Imported items of Sri Lanka were velvet, silk, cotton, ceramics, porcelain, wares, drugs, opium, camphor, tobacco, musk, agar wood, salt peter, glasses, glass bottles, horses' luxury and military usage (table 2).

According to a Greek description, horses were imported to Sri Lanka from India and Persia.⁷ The 6th A.D., Greek description of Taprobane by Cosmos said that horses were imported to Lanka from India and Persia. Sri Lanka became an important trading center for merchants of Persia, Ethiopia, China and India. They exchanged their commodities in Sri Lanka. The goods exchanged included perfumes, horses and wines from Persia, silk from China and minerals from India (Lambert, 2009).

Table 2 Exchange of Commodities in Sri Lanka

Name of the Country	Commodities
Persia	Perfumes, horses and wines
China	Silk
India	Minerals

Source: Lambert, 2009

According to Rajtaringini-In the reign of king Mihinanga(5th AD)a variety of fine cloth resembling silk was imported from Sri Lanka for the use of high born ladies in Kashmir (Priers, 2007). The textile was hand-woven and dyed. It was made up of cotton fibre, 40 threads per inch to 32 threads. The fineness of the warp was 40 English counts. This could therefore be classified as a medium textile. These fragments show that textile manufacture in ancient Sri Lanka was very advanced.

The rain forest in ancient Sri Lanka had contributed to large population of elephants, which were exported to other countries. There were ships, which could

⁷ <http://www.scribd.com/doc/64450499/Ancient-Trade-Activities-in-Sri-Lanka> >accessed on ,16/9/12

carry 10-12 elephants at a time.⁸ According to Greek, Sanskrit and Tamil resources pearls of Gulf of Mannar were among the best and most valuable in ancient times. The export of gems became a royal monopoly (Lambert, 2009). Since they were precious and in great demand worldwide.

According to Mahampitiya Viharaya inscription in Kegalle, dated to 3rd B.C., trade in Indian Ocean was money based during that time. However first indigenous coins appeared in first or second century A.D. in Sri Lanka were widely used for export transactions.⁷ The trade activities that flourished in this region of Indian Ocean made the mark of using the coinage which regularly appeared in around 1st A D. From the excavations of Akurugoda the archeologists' unearthed coin molders. Sri Lanka sold those coins less than to their face value and earned profit. According to Fa Hien records there were money exchangers in Sri Lanka and India.⁷ They used to earn profit by selling the coins.

Trade was in flourishing state is also depicted from foreign coins excavated near the harbors. Coins from ancient Rome, Greece, China, India and Persia have been found. The Roman brassware even imitated for trade and local circulation and hoards of thousands of coins have been found (The Sunday Times, 2011). Badulla pillar inscription of King Udaya IV give some information on trade regulations (Fernando, 2001). The kings took interest in trade activities to counter any arbitration.

Tongi gala inscriptions of King Kirthisri Meghabarna Abahaya refer to a bank run by a merchant.⁹ Merchants used to run the banks and gave money on loan.

The so-called ancient hydraulic civilization of Sri Lanka was dependent on the irrigation of rice. This civilization was in existence prior to the sixth century B.C. Rice had its origin in East Asia while the technology of irrigation that was known in West Asia for wheat irrigation was adopted in Sri Lanka with improved techniques (Fernando, 2001). Trade in this part of Indian Ocean tends to mark with such distinct feature that this period was known as Hydraulic civilization. The trade activities in Indian Ocean were the transmitters of technology that prevailed during the time affected the life style of people.

⁸ <http://www.scribd.com/doc/64450499/Ancient-Trade-Activities-in-Sri-Lanka> ,accessed on ,16/9/12

⁹ <http://www.dailynews.lk/2008/11/13/fea06.asp>

According to ancient Greek description of the islands Lanka exported cotton cloths from domestic industry close to Manthai, Persian traders obtained silk from China at the ports of Lanka. Literary sources record that King Saddhathissa used cotton cloths to cover the Maha Thupa and King Nissanka Malla used Chinese silk to decorate the Latha mandap. Carnelian beads found at Ibbankatuwa burial sites, which indicated to the 8th century B.C. It was imported from Deccan to Sri Lanka (The Sunday Times, 2011). This clearly depicts the evidence of foreign transition. The trade situation changed in 8th century AD Arabs conquered Persia and took its place in trade.

Boeparachchi pottery inscribed in Sinhala Prakrit (2nd B.C. – 1st A.D.) found at Arikmedu, Kodumana, Algankulam on the east coast of India confirms the presence of Sinhala traders in these sea ports. Trade activities along the Indian Ocean region propelled the movement of not only the goods but the people also. Metal crafting was popular. There is reference of copper smith, tinsmith, ironsmith and goldsmith. Major advances had been made in metal technology by 5th A.D. Mantota had an iron industry. The steel industry fulfilled the requirement for local and export industry. Carnelian does not occur in Sri Lanka and was imported from South Deccan (Lambert, 2009).

The maritime silk route from china to Europe opened in the middle of the Tang dynasty (618-907 A. D) ships starting from Chinese port Hepu passed Philippines, Indonesia and through the isthmus of Malacca crossing the Bay of Bengal they stopped in Lanka on their way to Europe via the Persian Gulf or Red sea and few to the southern coast of Africa (The Sunday Times, 2011). Chinese ships used to sail across Malacca strait, entry point of Indian Ocean from east, and stopped at Sri Lankan ports in their westward movement. This route still prevails and is part of modern Indian Ocean highway.

The collapse of Anuradhapura kingdom is considered the beginning of medieval era in Sri Lanka. ⁸

2.1.3 Pollonnaruwa period

The increasing number of invasions from South India caused the gradual shift of the capital Anuradhapura to Pollonnaruwa between the years 933-1038 A D. (Bowden, 2011). There was an increasing interest in northeastern zone of Sri

Lanka Sena left Anuradhapura and ruled from the northeastern city Pollonnaruwa situated on the banks of Mahaweliganga within easy access to Trincomalee.

Gokanna was major port in Pollonnaruwa period got in to prominence since its being in close proximity to the capital than Mahatittha.⁸ King Parakramabahu I laid great emphasis on trade activities. He created large irrigation systems to develop agriculture in country by using the wealth that was earned from trading activities.⁹ The trade activities thus brought prosperity to cater the demands of people.

Kings of Sri Lanka paid great attention towards trade and had exclusive right over the trade of gems, pearls and elephant's. Parakramabahu I sent ships for the sale of gems abroad and earned handsome revenue from it. In Dambadeniya period taxes were collected from nine ports (Lambert, 2009). This clearly depicts that pearls drawn from Indian Ocean were a good source of income.

Nainativu inscription of Parakramabahu I states foreign merchants were welcome and were assured of protection. Elephants and horses were of special interest to Sri Lanka and vessels carrying those received concessions. However in case of ship wreck the king would get a fourth of the horses and elephants and half of all other cargo (Priers, 2007). The merchants were given benefits in the form of concessions in taxes for imports or exports.

King Parakramabahu also had gone to war against Burma to defend free trade because Burma had imposed high tax rates on Sri Lankan exports like elephants⁸. Sometimes the trade activities led to dissensions among the nations to safeguard the interest of its people. According to Rasvahini in Pollonnaruwa period traders collected various commodities from Mahatittha and sold them interior. In this period tax rates were high and there were many rules and regulations. King Parakramabahu I created a department named "Antharangadura" to maintain trade activities inside the country.⁹ Separate departments was established to look after the management of trade activities since the royal hold was over and they used to get the advice from the big traders for trade promotion in Indian Ocean and thus it played a vital role for the development of country's economy.

Pottery and ceramics found at sites all over the island indicate a flourishing foreign trade from pre-historic to medieval times.

In 1153 Prakrambahu the great became king of the realm of Dakkinadesa, reunited Sri Lanka and he repaired the irrigation system (Lambert, 2009).

Galle had gained prominence in Indian Ocean by the middle of 14th century. According to Ibn Batutah the Chinese junks that came through the Strait of Malacca touched at Galle (Siriweera, 1990). This island nation in Indian Ocean was main board for the movement from Far East.

Colombo, the most important city of the Island today was the town largely inhabited by Muslims whose presence there can be traced as far as 10th century. According to Ibn Batuttah Kalambu was the greatest city of Serndib.¹⁰In 13th century the Tamils settled in the north of Sri Lanka and by 1505 Sri Lanka was divided into three areas. In the north lived Tamils there was a Sinhalese kingdom, in the south- west based in kotte and another in the centre and east based in Kandy (Lambert, 2009).

Chinese ships came into the Indian Ocean in 1330. They went straight to trading centers in west India like Gujarat due to this the intermediates handling the Chinese trade lost their position and Sri Lanka lost its monopoly as a trading hub (Lambert, 2009). With the seafaring of Chinese merchants in the Indian Ocean directly ruled out the role of intermediates and benefited the Chinese.

Trade was also included in diplomatic relations Vijayabahu I had initiated a gift-trade relationship with Burma and received camphor sandalwood and clothes in exchange for the products he sent (Preris, 2007).

From 13th century the Sinhala king started to develop the western coast (Dhakkinadesa) the gem and pearl industry were in this region. Large-scale commercial plantation of coconut and cotton were started. There was great emphasis on plantation of coconut gardens. A new class of landowners who owned land that grew commercial products emerged (Preris, 2007). The agro-based industries enhanced. Trade activities promoted the living status of people and which led to the emergence of class of elite.

¹⁰ <http://hettiarachchi.tripod.com/port.html>, accessed on 25/9/12

Sri Lanka, Myanmar and Cambodia were engaged in trade in the Bay of Bengal and all three were interested in trade with China. Myanmar and Cambodia were trade rivals. The overland route in south East Asia was controlled by Myanmar (Prieris, 2007).

In the later period Parakrambahu VI (1412-1426) invaded a port in Tanjore, South India because Sinhala traders had been humiliated there (Prieris, 2007). These expeditions show that the Sinhala king intervened and gave protection to Sinhala traders stationed abroad.

Cotton was grown extensively from 6th B .C to 14th AD women were spinning and weaving with cotton thread. Most often this work was done at home though there was factory production too. Gems were major export throughout the ancient and medieval times. Rubies and Sapphires were particularly valued. Ptolemy (140 AD) wrote about gem industry of Sri Lanka with variety of hyacinth gems. The gems were curved out in to beads found at excavation in Anuradhapura, Kantarodai (Kadurogoda), Mantota and Rid agama. Gems were used for making seals and were obtained through panning. This method of gem mining was well adapted to local conditions involving little capital outlay and only seasonal activity (Coo Ray, 1967; Prieris, 2007).

Its favorable geographical location in Indian Ocean had contributed in the emergence of various industries, which still survive today. Since early period Sri Lanka relied largely on Indian Ocean for its livelihood.

2.1.4 Strategic significance of Indian Ocean for Sri Lanka

Indian Ocean brought about not only the generation of hydraulic civilization; industrial development and emergence of class in the form of landowners but also it had been the route to invade the island. Since the major sea lanes of Indian Ocean passed through its major trading points other nations wished to hold it as the nation controlling it could control the trade activities in Indian Ocean which is relevant even today.

In ancient Sri Lanka due to trade activities many attacks occurred to capture its market particularly by South Indians who attacked Mahatittha several times. Tamil traders already residing there helped them in their military pursuits. They used Jambukolpattana to enter in this island of Indian Ocean. The two merchants Sen

and Gutthika who invaded Sri Lanka in Anuradhapura period is an example. Not only had the zone of social and economic interaction Indian Ocean has been the cause of security threats too.

From the 5th century onwards Sri Lanka suffered several time invasions from India. The South Indian Cholas occupation of Pollonnaruwa (1017-1070 AD) was partly motivated by the commercial policy of Cholas aimed at controlling the western seaboard of Bay of Bengal (Siriweera, 1990).

In 10th century the Cholas kingdom became powerful in Southern India. In 933 A.D. the Cholas captured the northern Sri Lanka and made Pulollnarruwa the capital. In 1017 A.D. they captured the south however the Singhalese continue to resist and in 1030 A.D. the Cholas withdrew from Rohana in the Southeast. In 1070 A.D. the Singhalese rulers, Vijayabahu recaptured the north. However after his death in 1111 A.D. weak rulers succeeded him and Sri Lanka broke up into independent states. This depicts that its strategic location in Indian Ocean sometimes proved to be severe blow to its security.

Since the Indian merchants of the tenth, eleventh and twelfth centuries also became more active, Cholas Tamil merchants trading from the Coromandel Coast and Ceylon eastward to the kingdom of Srivijaya on the Strait of Malacca. The Tamil's Cholas realm in southern India and the Chandella realm in north-central India became more important. The Cholas kingdom reached its zenith under Raja Raja the Great (985-1018). Ruling from Tanjore, south of Madras, Raja Raja conquered southeastern India, northern Sri Lanka and the Maldives Islands south west of India. His son Rajendra went on to conquer Kerala and Orissa, and led campaigns as far as West Bengal, Sumatra and the Malay Peninsula (Chaudhary, 1990).

Exports from South East Asia were transported in Sri Lankan ships, which brought back elephants from Burma in 12th century. According to Akbar-al-sin-w-al-Hind ships reached Kalah, which was on the west coast of Malaya peninsula via Nicobar. Later on trade went in to the hands of Muslims and even Sri Lankan own exports were transported by them (Preris, 2007).

Arab control led the spice trade and took them overland from East via Constantinople into Europe where they were costly but necessary commodity. In

the 15th century navigators found sea routes to the East mainly to break Arab monopoly of the spice trade (The Sunday Times, 2011).

It is clear that appearance of natural harbors in Sri Lanka promoted the trade activities across the Indian Ocean. The ships were embarked at its borders (trading points) Mahatittha a major port located at the mouth of Malavatu river connected to the capital Anuradhapura for the transportation of goods through a highway. Traders were subject to custom duty revenue generated from the process was used for the welfare of people is depicted from inscription of king GajaBahu I. The off shore resources of Indian Ocean were in great demand across the world was obtained from Gulf of Mannar It was the place where ships sailing across the Indian Ocean east ward or west ward board and exchanged their commodities. The trade activities promoted the regular usage of coins around 1st A.D. in this region. Merchants used to run banks and gave money on loan as inscribed from Tongi gala inscription. Not only trade activities prevailed through Indian Ocean but also the technologies were transmitted as is clearly evident from the mark of hydraulic civilization in Sri Lanka. Sometimes trade activities were cause of the wars to secure the interest of traders, King Parakram Bahu raged the attack on Burma against its imposition of high tax on Sri Lankan exports.

2.2 MALDIVES

Maldives a chain of 1192 islands 199 of which located 300 miles of southern coast of India and 450 miles south west of Sri Lanka (Singh, 2012). Its location on major marine routes of the Indian Ocean linking Southeast Asia, China and east African countries has made worth of its strategic importance.

Heyerdahl's research indicates that as early as 2000 B .C Maldives lay on the maritime trading routes of early Egyptian, Mesopotamian and Indus Valley civilization.¹¹ An urn discovered in Maalhos (Ari Atoll) in the 1980s has a vishvavajra inscribed with proto Bengali script. This text was in the same script used in the ancient Buddhist centers of learning in Nalanda and Vikramshila. ¹⁹ The movement of people from Bengal to the island along the course of wind in the ocean for trade also strengthened the communication among various communities thus influenced the language of the region too.

¹¹ <http://countrystudies.us/maldives/1.htm>>Accessed 2012 Oct, 28

Since ancient times cowries obtained from the coasts of the islands were of great importance because they were widely used as currency throughout Asia and parts of East African coast. Middle Eastern seafarers had just begun to take over the Indian Ocean trade routes in 10th century and found Maldives to be an important link in these routes. ¹² As early as the mid-9th century AD the Maldives island were known to Arab merchant Suliyman as a producer of cowries were taken to the ports of southern Arabia as ballast in Arab dhows crossing the Indian ocean from South east Asia by the way of the Maldives these cowries must have been exported to Africa via Sinai or sailing directly to ports such as Mogadishu, Lamu, Malindi, Mombasa, Zanzibar and Kilwa (Jalota, 2010).

2.2.1 Trade activities in Maldives through Indian Ocean

Arab's interest in Maldives also reflected in the residence there in the 1340s of the well-known North African traveler Ibn Battutah. Ibn Batutah who visited Maldives in 1343-and again in 1346 (who was also involved in some cowry trade himself) records that cowry sold at Male for between 400,000 and 1200,000 to the gold dinar. Some years later he saw Maldives cowries sold at the kingdom of Mali in West Africa 1,150 cowries to a gold dinar (Jalota, 2010).

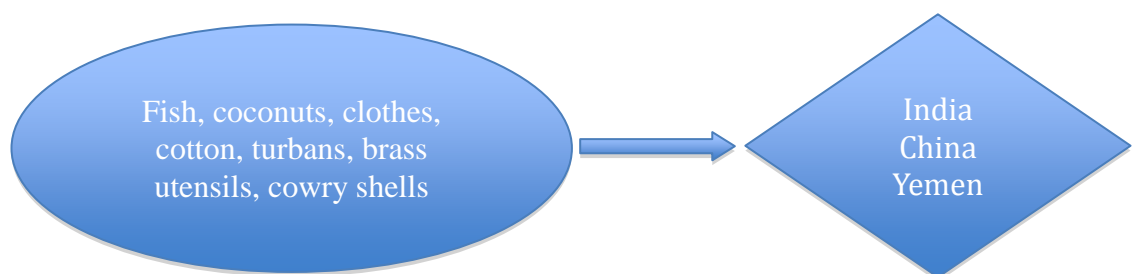


Fig. 3 Commodities exported from Maldives

The inhabitants of Maldives live on a fish called qulab-al-mas and some of these fish were exported to India, China and Yemen other exported items were coconuts, clothes, cotton, turbans, brass utensils, many cowry shells, and qanbar. This is the hairy integument of the coconut, which they tan in pits on the shore and

¹² <http://countrystudies.us/maldives/1.htm>>Accessed 2012 Oct, 28

afterwards beat out with bars the women then spin it and it is made into cords for sewing (the planks of) ships together. These cords were exported to India, China and Yemen and were better than hemp. The Indian and Yemenite ships were sewn together with them, for the Indian Ocean was full of reefs and if a ship is nailed with iron nails it breaks up on striking the rocks where as if it is sewn together with cords it is given a certain resilience and does not fall to pieces (Battutah, p. 242) (figure 3). This depicted the cottage industry in the form of qanbar for cord making was the source of income where the women were leading hand for this trade item.

The inhabitants of these islands used cowry shells as money they are used for buying and selling at the rate of hundred thousand shells for a gold dinar but they often fall in value to twelve hundred thousand for a dinar. They sold them in exchange of rice to the people of Bengal who also use them as money as well as to the Yemenite, who use them instead of sand (As ballasts) in their ships (Battutah, p. 242).The cowries were used for multifarious purposes, as was the major source of the livelihood of islanders.

Oil, milk and honey were extracted from coconut in Maldivian Islands; the merchants of India, Yemen, and China bought it and take it to their own countries where they manufactured sweetmeats from it (Battutah, p. 112). The byproduct of coconut was used as eatables and was largely shipped to other nations to generate income.

The ship building industry flourished in 13th century at Calicut, Cochin, Chinguicar and the Maldives islands (Varthema, p. 49). According to Barbosa South Asia got its ship built in the Maldives islands (Majumdar et al, 1990). Barbosa praised of Maldives ship industry they built many great ships of palm trunks sewn together with thread they also build small boats for rowing like bargantins these are the most graceful in the world, right well-built and extremely light (Barbosa, II, p. 76). Since the trade had to be carried out through ships in the sea i.e., Maldivians also built ships to sell for other countries.

City of qualiquat (Calicut) was one of the chief ports in Mulaybar and one of the largest harbors in the world. It was visited by china, Sumatra, Ceylon, the Maldives, Yemen and Fars and in it gathers merchants from all quarters (Gibb, 2006). Calicut was visited by ship of China, Java, Ceylon, the Maldives Island, and

Yemen & Fars (Chitins, 2009). Sailing between Southern Maldives and Sri Lanka or South India was easy and rich men on the major island on Huvadhu and Addu atolls controlled small fleets of trading vessels maintained regular links with Colombo and Galle in Sri Lanka Cochin in India.¹³ From Kumbala was exported black rice to the Maldives Island and Malabar. In return it got coir made out of the husks of coconut from the Maldives Island (Chitins, 2009). In exchange of imports such as cotton cloth from India, cowry shells from the Maldives and Chinese porcelain, East African exported gold, ivory, coconut oil, mangrove poles (for construction) and enslaved men, women and children.

Africans had been taken to Maldives as part of regular slave trade. Most of the enslaved Africans in the Maldives worked as coconut plantation keepers, planting and harvesting coconut trees for the production of coir rope (made out of fibers of the trees) a particularly valuable commodity sought throughout Asia for maritime related industries (Ali, 2011). Slaves were thus employed to meet the demand of required commodities from abroad.

2.2.2 Strategic significance of Indian Ocean for Maldives

The Maldives was a crucial point of passage on major sea lanes in Indian Ocean which made it strategically important for other nations but itself faced security threats in the form of foreign attacks.

The conquest of Raj Raj I (Cholas ruler) included Kalinga and the old island of the sea numbering 12,000, which have been generally identified with the Laccadives and Maldives. Rajendra I maintained his hold over it (Tripathi, 1999). After conquest of whole of South India and flourishing ports on the Coromandel and Malabar coasts they occupied Sri Lanka and the Maldives as important maritime trading centers in the Indian ocean and then subdued all possible Indian opponents on the eastern coast up to Bengal and finally attacked Srivijaya which dominated South East Asia's trade routes through the Strait of Malacca and the Sunda Strait (Kulle et al, 2009). This strategic step depicts the importance of this island nation in Indian Ocean to get strong hold over the South East region of

¹³ http://www.maldivesculture.com/index.php?option=com_content>Accessed 2012 Oct, 28

Asia. Since Maldives lie at the major sea routes of Indian Ocean linking South East, East Asia, Far East and East Africa.

Due to lack of viable agricultural grounds Maldives, since ancient times, relied on Indian Ocean completely not only for trade activities but also for resources generated out of it to export e.g. fish, cowries etc. Cowries were the main source obtained from its shores was widely used as currency in Asia and East Africa. It was used in exchange to obtain food items from other nations. The byproduct of coconut was largely employed to produce eatables was exported at large. Maldives exported coir made out of the husks of coconut in lieu of black rice from Malabar.

The cottage industry flourished in the form of making qanbar for making cords where the women were largely employed. The ship building industry in Maldives was of profound significance and their ships were in great demand made out of material obtained from the palm trunks. Indian Ocean has provided it with to have compatible trade activities with its neighboring nations like Sri Lanka and India. Africans were largely involved in slave trade in Maldives who were employed for making export items largely in demand throughout Asia.

2.3 INDIA

As far as Indian trade history is concerned, it begins when inhabitants of Indus valley started trading with Mesopotamia in about 3000 BC (Gosch & Stearns, 2007). Favorable conditions for long distance trade existed in this region by 2900 BC (Gosch & Stearns, 2007) as people resided at the banks of rivers like Ganges, Indus, Euphrates and others in the containment of Indian Ocean region.

Archeological evidences in the form of Indus-style artifacts indicated that trade between Mesopotamia and Indus valley was indirect. Ships from both regions converged in Persian Gulf ports mainly on the island of Dilmun. At Ur, a major Sumerian city – state on the Euphrates, some Indus valley merchants and artisans established communities in Mesopotamia.

The world's first dock was established at Lothal in about 2400 BC. It was located away from the main current to avoid silt deposition (Rao, 1985).

Foreign trade flourished and was officially encouraged during Maurya period. It can be deduced from Kautilya's Arthashastra about the importance of foreign trade

both by land and by sea. It referred for the appointment of senior officials to look after highways and ports as well as to encourage foreign trade (Chapter on Trade and Transport Officials, "Arthashastra", by Kautilya).

Up to Buddhist period many trade routes were developed and in Mauryan period such routes were extended up to peninsular region also. Trade routes from port of Tamralipti reached to Champa and from there to Patliputra, Banaras and Kaushambi. From here its branch from Vidisha to Ujjain reached up to Bhargukuch. Main route from Kaushambi parallel to Yamuna reached up to Mathura. From here a branch passed up to mouth of Indus (Patiali; Basham, 1995) (figure 4). The points at both the branches of Indian Ocean (Arabian Sea & Bay of Bengal) were the connectors to the inland regions of India.

As Mauryan dynasty had united almost the entire India. With the conquest of Southern and Northwest regions of India, trade routes in both the regions came under their direct control. This encouraged the trade activities. According to Megasthenes, route from Northwest (Taxila) region to Patliputra and from there to Tamralipti port which had length of 1300 miles also helped in increase of trade activities through sea route. The sea route on Western coast also covered Braouch, Kathiawar and Sopara. Tamralipti, which was port on Eastern coast, a sea route was developed up to Sri Lanka via Eastern coastal area of Sri Lanka and Burma too (Thapar, 1995) (figure 4).



Fig. 4 Hinterland of Indian ports during ancient period

Trade links of India with Roman Empire is evident from archeological sources, coins pertaining to the period of Augustus, Nero and Tiberius have been found at various Tamil regions. The land routes of South India were developed after the Mauryan period. The traders of western and southern India were connected with Red Sea, Arab and Alexandria. Major portions of business were carried out through these areas with the Roman Empire. Since the trade with Rome and other

western countries was carried out through the port of Alexandria where goods carried by sea up to the Red Sea coast were transported either by land or by small boats through canals of the Nile (Majumdar et al., 1978).

Earlier sea trade between India and Egypt did not involve direct sailing. The cargo under these situations was shipped to Aden (Young, G. K., 2001). Ships reached to the coast in West were either followed coastal routes above Persian Gulf up to Babylon or went up to Aden or Socotra through Arabian Sea. Once reached Aden or Socotra ships reached up to Red Sea uninterrupted. Cargo unloaded at a place near Swage was sent to Alexandria via land route, which was gateway to Mediterranean Sea.

The Periplus describes how Chinese silk trade was diverted through Bactria to Kabul area and from there to Peshawar – Rawalpindi area, and then to Mathura in the Ganga-Jamuna doab (Narain & Roy, 1976). From Mathura merchandise was brought to Barygaza, the most important port on the western seaboard of India (Kuraishi, 1939) via Sanchi and Ujjain. Thus silk was shipped to Rome from Barygaza

Pliny discussed the gradual development of the sea routes in four stages, the latest and most developed phase of which brought a ship from a Red Sea port to Muziris (Cannanore) in the Chera country, the most important port in Malabar, within forty days (Pliny, 77-79 AD) (figure 5).

Indian traders used to import silk from China for further export to Roman traders since the spices required by the Romans couldn't be met from India alone therefore Indian traders started developing the trade relations with Southeast Asia (Jha and Shrimali, 1994). The Indian thus turned as the mediators. This resulted in the increase in wealth of India in the form of gold and silver.

During the first three centuries of the Christian era there developed a number of trading stations of Greco-Roman merchants on both the seaboard of south India. The Sangam texts and the two later Tamil epics (the Silappadikaram and the

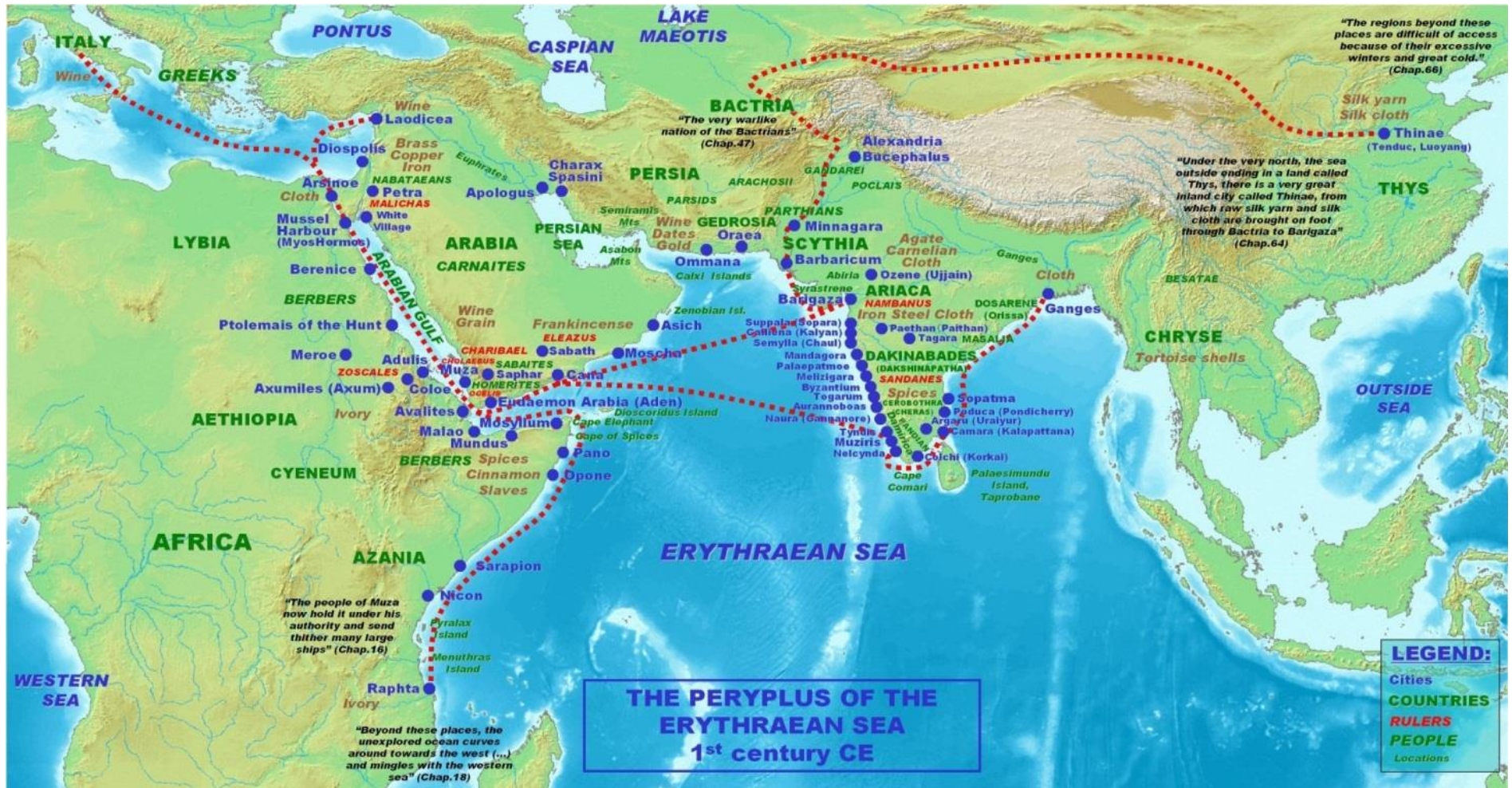


Fig. 5 | Sea route through South India via Indian Ocean in ancient times

Manimekalai) speak of the presence of yavanas in the famous port city of Kaveripattinam (in the Kaveri delta) (Begley & De Puma, 1992).

As the Tamil countries had trade with Arab and Egypt in west and with China and Malaya peninsula in east since the ancient times, which continued till third A.D. Later influence of East Africa and Arab on trade route led to the adverse effects on Indian trade with Rome. This resulted into decline of Tamil states also (Jha and Shrimali, 1994).

Early India not only witnessed many indigenous merchants, but also non-Indian merchants from neighboring and distant areas. Contrary to the bias of ancient theoretical treatises against merchants in general, the same normative texts (for example, Arthashastra) clearly recommended the ruler to encourage the arrival and settlement of traders from abroad in his kingdom (Kautilya, 4th century BC to 2nd century A.D.).

2.3.1 Trade activities in India through Indian Ocean

Mesopotamian inscriptions show that Indian traders from Indus valley were actively involved in trade of copper, hardwoods, ivory, pearls, carnelian and gold in Mesopotamia during the reign of Sargon of Akkad (c. 2300 BC) (Gosch & Stearns, 2007).

There was trade of lapis stones from Lothal, a port city in Gujarat, to Oman, Bahrain and Mesopotamia. The lapis stone to be transported were used to be brought from Badakshan mines in Central Asia overland (Gosch & Stearns, 2007) (Figure 6).

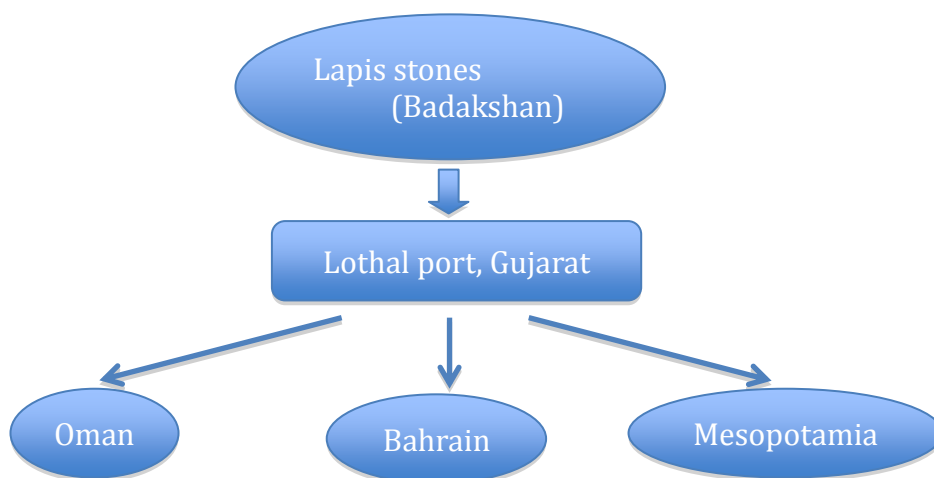


Fig 6: Movement of commodities through Indian Ocean via hinterland

Commodities coming from Egypt to India were exchanged on the ports situated at Arabian Sea. Ivory, tortoise, shells, pearls, indigo and precious wood were exported from India to Egypt during the Mauryan period. According to Justin, a Greek writer, goods exported from India to western countries included pearls, raw silk, silk thread and cloths.

The main Indian manufacture exported during Gupta period was textiles. Beside muslin they sold brocades, embroidery and cotton cloths. Trade to Byzantines moved west through the Red Sea (Kearney, 2004).

Ibn Khurdadab (9th AD) from India goods exported included sandalwood, camphor, clove, cotton etc. Arab writers have also mentioned about the places which were famous for a certain commodities that were sent to coasts for exports such as Indigo from Gujarat was sent to Sindh for export. Besides, grapes, saffron, berry was brought from Uttar Path to Sindhu ports to export. Indian Ocean was connected to hinterland for exports of commodities (Jha & Shrimali, 1990).

Indian goods were considered as precious. They were used as gifts like Cambodian ruler Rudarverman gifted Chinese king with a Buddha's statue made of sandal wood. Goods exported from Indian ports included cinnamon, white pepper, cost us, cardamom, aloe, clove, perfumes, spices, saffron, sandalwood etc. From Pandyan lands of Malabar pearls, ivory and silk was exported (Jha & Shrimali, 1990).

During Gupta period, Indian while driving towards East for the voyages used Tamralipti, Ghantashala, Kadura, Pallura (Andhra Pradesh) as ports for transportation of different goods (Jha & Shrimali, 1990). The account of Cosmos, a Greek writer of Alexandria states that Commodities from China, Indonesia, and South India reached to Sri Lanka and from there transported to Western countries (Jha & Shrimali, 1990). Thus Indian Ocean encompasses Sri Lanka at centre of its vicinity led to acquire important position in trade is clear from Ships sailed from Ethiopia, Persia and South Indian ports reached at Sri Lanka. Sri Lanka was the main boarding station where the ships from different nations used to board. This point is still acting as maritime junction in modern era.

Indian ports maintained regular maritime relations with Sri Lanka, Persia, Arabia, Ethiopia, the Byzantine Empire, China and the islands of the Indian Ocean. Sri

Lanka played an important role both in the foreign trade of the island and in the inter-oceanic commerce between the East and the West.

India's commercial relations with China also flourished and trade was conducted through the land and sea routes. The volume of external trade of India with China greatly increased during the Gupta period. Chinese silk, which was known as chinasunka, had a good market in India. Indo-Chinese maritime trade affected the fortunes of both the great countries (Jha & Shrimali, 1990).

During Gupta period the trade remained opened to traders from many lands including the Persians and Greeks. Silver coins and cowry shells were both accepted as currency. Trade was extended in the east via Bay of Bengal that helped Indian merchants to establish colonies in Cambodia, Thailand, Burma, Indonesia and China (Kearney, 2004). Trade activities promoted the Indians to settle abroad for the strategic gains of the regions.

Tamralipti was at its height when Fa-hien and Huain Tsang visited here in the 4th and 7th centuries A D. respectively. Fa Hien left India from this port for Sri Lanka and was highly impressed by the availability of precious items at this port (Chakravarti, 2007).

Arab writers at the time have mentioned about Indian traders and co-operation of Arab traders to them. Till this time Arab had made contact with Far East nations including China and gained monopoly over the trade of these nations. Al-Masudi's (10th century) ship sailing from India reached Canton in China along with the shipping of Arabs from Serif, Oman, Dajwaga and Champa (Modern Vietnam). Arab writers have also mentioned about the ports lying in the trade routes – Deval (Indus coast), Cambay (Gujarat coast), Thana and Sopara (Maharashtra), Sin don (modern Sunjan which is in north of Mumbai – from where black pepper was exported). During Gupta period, there was Persian monopoly on silk trade. They used to send silk to Byzantine Empire of Rome. According to Cosmos, India imported fine breed of horses from Arabia and Persia and ivory from Ethiopia. At the end of the 6th century AD, White Hun invaders from central Asia gave the final blow to Gupta Empire and Gupta trading system (Thapar, 1995).

The workers of Indian traders resided in Kish and Hormuz in Persian Gulf, which encouraged regular trade between two countries. During 7th century AD, Debal,

Thana, Khambat, Brooch and Somnath were major ports on western coast. In the 10th century AD trade further flourished with countries in west due to the security to sea trade provided by the Chalukyan Empire (Thapar, 1995).

Trade with China and Southeast Asia took place from the eastern and southern Malabar and Coromandal coasts of India. Tamarlipti in Bengal was still the major port in eastern coast but was later replaced by Saptagram. Due to competition with Arab traders India's trade with China begun to decline during 10th century A.D. (Jha & Shrimali, 1990).

Revival of trade with China started during Cholas rulers. Rajendra Chola conquest of Sri Vijay and Sumatra led to the opening of trade with China through Indian Ocean. Gold and silver draining to India in lieu of luxurious items from India compelled Chinese government to enforce stern laws in 1296 AD for control of export of these metals (Jha and Shrimali, 1990). Sometimes trade activities were the cause to take stern action against the nations to prevent the economic loss.

Main ports on eastern coast during this period were Tamirlipti, Saptagram, Puri, Shikakosa, and Kalinga and on western coast Deval, Thana, Bar ouch, Khambat and Somnath (Jha & Shrimali, 1990).

The Jews had regular commercial terms with Indian merchants on the route from Malabar Coast to Egypt via Red Sea as is evident from the business letters of 11th and 12th centuries A.D. Many Jewish traders were interested in trade with India and maintained regular commercial ties with Indian merchants (Chakarvarti, 2007).

The Cannore was one of the chief ports on Malabar. The merchants of cannore possessed their own ships in which they traded in the Dabhol, Chaul, Goa, Cambay, Coromandel Coast, Ceylon, the Maldives Island, Bande and Ormuz (Chitins, 2009).

Cholas king Rajender sent ambassadors to China in 1016 and 1033 A.D. The Cholas government backed an organization of Tamil merchants who traded in every corner of the Bay of Bengal. The Cholas possessed a strong navy, which controlled the Coromandel Coast of Southeastern India and the Malabar Coast of Southwestern India. As opposed to the Malabar Coast's emphasis on pepper, the Tamils of Southeastern India traded mainly in cotton cloth. However, the Strait of Malacca continued to be controlled by the kingdom of Srivijaya from its capital of

Palembang in Sumatra, even though the Cholas sent at least one naval raid to try to win control of this strategic site (Chaudhary, 1990).

During the sultanate period, every day usable articles as well as luxury articles were exported to Syria, Arabia and Persia from Bengal and cam bay. These included silk, clay pots, pans, knives, guns, scissors. Other major things of export were indigo, sugar, oils, ivory, sandalwood, diamonds, spices, and other precious gems. East Africa, Malaya, China and Far East were the places where things were exported. Arab traders shipped Indian goods to European countries through the Red Sea and the Mediterranean ports. Indian textiles were in great demand in China (Tiwari, 2011).

There was favorable trade balance of international trade for India and the settlement of these balances by bullion payment by foreign merchant only one commodity defied this practice. The importation of war horses in the late 13th century increased in volume and value during the Vijayanagar period so did imported cannon hand guns. These war commodities were paid for by Indian exports and bullion according to the accounts of trade at the time. This is supported by the 14th Century coins found in broach, on the western coast (Stein, 2011).

During this period Diamond export (from Golkunda Mines) added to older valuable textile in making Masulipatam the premium port on the Coromandal coast that rivaled the Mughul port of Surat on west coast with whom it began to compete in the Indian Ocean trade (Stein, 2011).

The newly established Mughul Empire was based in the interior of a large land mass and derived the vast majority to its revenues from agriculture because of this the Mughul emperors are often said to have lacked interest in the coastal territories of the subcontinent and their flourishing maritime trade. Agriculture was certainly the main stay of the Mughul economy and the early Mughul court was familiar only with overland or river routes to other regions until the conquest of Gujarat in 1572 (Talbot & Asher, 2011) (figure 7).

Since European traders were primarily interested in Asian Goods, especially Indian textiles to sell in European markets the Mughul domains received large

inflows of precious metals particularly silver. Mughul India was therefore a great metropolitan magnet of wealth in the context of 16th & 17th century international trade (Talbot & Asher, 2011). Primarily an agrarian empire the Mughul state was linked to long distance overland & oceanic trade. From the mid-17th century onwards the empire became more heavily engaged with international economy but it was devoid of strong navy, this enabled European powers to gradually command the sea lanes of the Indian Ocean (Talbot & Asher, 2011).

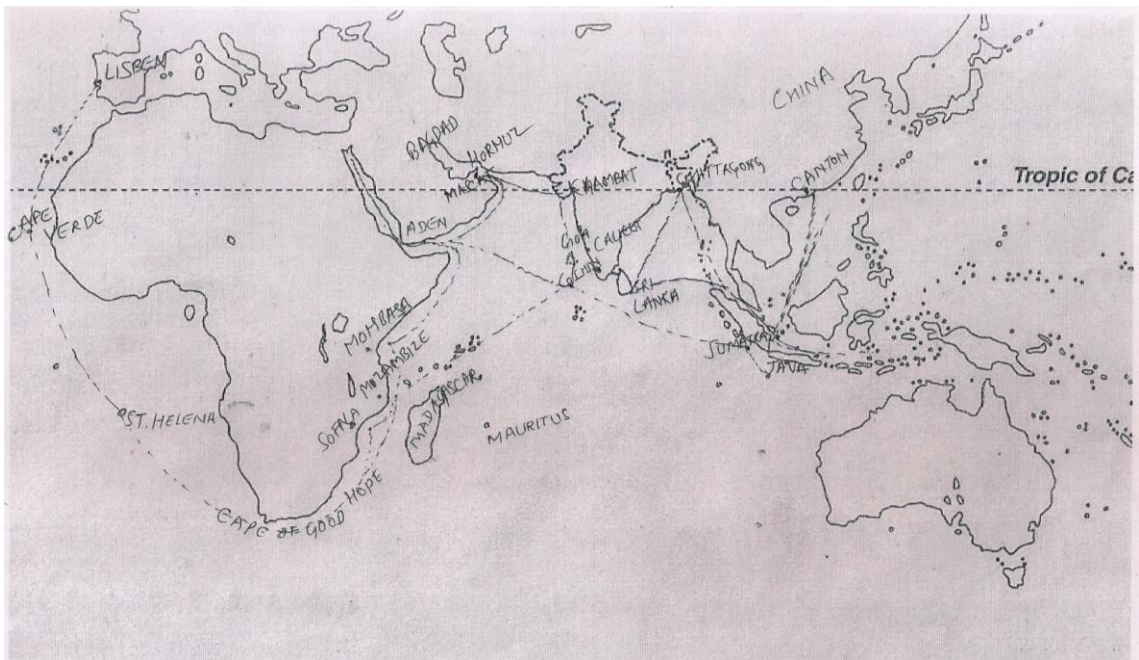


Fig. 7

Sea routes in the Middle ages

(Outline source: Madhya Kaleen Bharat – Part I)

2.3.3 Strategic importance of Indian Ocean for India

In the Indian Ocean since the east coast of India had been the source of extension to further eastward and thus had the strategic importance. One of the reasons for conquest of Kalinga by Asoka was to control trade on Eastern coast (Thapar, 1995).

India because of its location faced attack from Arabs who wished to control and monopolize the Indian Ocean region. Because of Arab attacks decline in trade with west Asia took place. The aim of Arab expansion was to expand trade between

west and east. In 712 A.D., they conquered Multan and Sindh. With the expansion of Arab empire after 9th century, the influence of Arab traders rose in seafaring.

The greater circulation of peoples, goods & practices that characterized India in the centuries after 1550 was also found in Europe & other parts of the world in the era. After direct sea links were established between Europe, Asia & the America around 1500, a global economy spanning diverse regions of the world gradually emerged. This is one reason the 300 years from 1500 to 1800 are often described as the early modern period by historians (Talbot & Asher, 2011).

Despite the presence of Portuguese enclaves along India's west coast in Diu - Daman, Goa and Cochin Gujarat's maritime trade prospered during the 16th century. Portuguese ships patrolled the water off Surat and Cambay, ensuring that all local shipping had been licensed by and paid duties to them. The local ships going to the Persian Gulf and the Red Sea had superior Portuguese armament to protect them and so Gujarat's westward trade kept growing (Talbot & Asher, 2011).

As India has had access by sea as well as land. Indus valley people carried out trade with Mesopotamia via the ports of Persian Gulf. Various trade routes came in to existence during the Buddhist period were extended up to the shore of Indian Ocean during the Mauryan period. The trading commodities were carried out from the inland to the coastal parts from where these were exported abroad as is well depicted in case of lapis lazuli exports. Arab writers have also mentioned about the movement of commodities from hinterland to ports for export.

Indian ports had regular maritime relations with Sri Lanka, Persia, Arabia, Ethiopia the Byzantine Empire, China and the islands of Indian Ocean. China also had the land route connection with India. With the increase in seafaring of Arabs in Indian Ocean India's trade with china begun to decline during the 10th century A.D.

The trade with Roman Empire was widely carried out from peninsular India via Red Sea, Arab and Alexandria to meet the Roman demand of spices India turned towards South East Asia for gaining this commodity to export to Rome and thus they turned the mediators and brought prosperity for India. Later the influence of east Africa and Arab on trade routes of Indian Ocean caused adverse effect on Indian trade with Rome; this resulted in decline of Tamil states too.

The Cholas had strong navy which essentially took naval raids to try to win control of strategic site, Strait of Malacca. Sometimes nations imposed stern laws to curb the economic loss owing to exports of luxurious items is well understood by the action of Chinese government to prevent the flow of precious metals in to India in 1296 A.D.

The Europeans exported mainly cotton from India was in great demand in South-East countries from where they used to get spices to import into their own country. The balance of trade was always in India's favor until the situation changed to worsen the economy of India. The Europeans settled around the coasts and maintained the garrison and defend against any attacks. These coasts were the points to move forward in south East Asia to enhance the trade activities and prohibiting Indians to navigate. The choke points of Indian Ocean were of great importance for undisruptive trade activities. India did not face fatal blow until the arrival of European seafarers in Indian Ocean at the fag end of 15th century.

CHAPTER 3

INDIAN OCEAN & SOUTH ASIA IN THE ERA OF EUROPEAN TUSSLE AND BRITISH ASCENDANCY (1498 A.D. – 1945 A.D.)

Vasco De Gama sailed around the Cape of Good Hope and reached Calicut in the Malabar Coast of India on 20 May 1498. Eventually, the Dutch, Spanish, British and French followed the same navigation route. Initially, the colonizers did not disrupt intra-Asian trade. They focused on developing coastal towns – Madras (1639), Bombay (1668), and Calcutta (1690) – as trade bases. They gradually established direct rule. For example, in India, the British conquered the Mughal province of Bengal in 1757, took over the province of Madras and Bombay in 1803, and seized Punjab from the Sikhs in 1848. They also succeeded in marginalizing their French and Dutch commercial rivals. However, the British government did not establish direct rule in India until after the Indian mutiny in 1857 when the East India Company was disbanded (Madison, 2007).

Eventually, the colonizers divided most of Asia into spheres of influence, took control of trade and customs and restricted access to inland waterways. They destroyed Asian trading systems and diverted profits to Europe. This distorted center-periphery relations made Europe stronger while the Asian empires and kingdoms became weaker (Rana, 2009).

3.1 INDIA

3.1.1 Trade activities in India through Indian Ocean during colonial period

This period saw the steady rise in movement of Europeans in Indian Ocean waters. Portugal sent copper, lead, mercury and African gold to India and brought back mainly black pepper, cinnamon, ginger, cloves, nutmeg, and mace.

The most important export from India was, of course, textiles, though there were other items such as raw silk, opium that figured in this trade. There was a great deal of demand for Indian textiles in markets such as in the Spice Islands (the Moluccas, Banda, and Celebes), Java, Sumatra, the Malay Peninsula, Thailand, and Burma. Traders from various parts of the world during 18th century visited India and exchanged their gold, silver and precious stones with cotton textiles, saltpeter, and tobacco, indigo, silk, brocades etc. The balance of trade was always in India's favour (Chandra, 2005).

At Surat Dutch were supplied with large quantities of Indigo, manufactured in Central India and the Jumna valley and from Bengal, Bihar, Gujarat and Coromandel they exported raw silk, textiles, saltpeter, rice and Gangetic opium.¹⁴ Export items from India were rice, sugar, oil, cotton, indigo and textiles. By 1840 the nature of exports change, from finished Indian textiles to raw cotton for manufactures by the new steam driven machinery of Britain (Stein, 2003). The great disparity in naval power led to the Indians loss of freedom of navigation on the high seas. Besides, it gravely intensified the problem of piracy in the Arabian Sea. The piracy, in turn, prompted a major innovation in the organization of Indian foreign trade in the form of a European escort service for Indian vessels operating between Surat and the Red Sea ports.

The Portuguese ended the era of unarmed open sea trade in the Indian waters, and gave a big blow to the virtual Muslim Monopoly of the trade in the western part of the Indian Ocean and their trade of eastern goods to Europe (Chandra, 2005). The coming of Portuguese in to Indian Ocean virtually ended the Arab monopoly in Indian Ocean and paved the way for European dominance.

The contribution of Portuguese in the field of the politics or expansion of world trade remained negligible. However, the significance of Portuguese opening the direct sea route to India cannot be dismissed as consequential. It opened the way for India's closer integration with the growing world economy and contributed to the further growth of a market economy in India (Chandra, 2005). The opening of direct sea route to India promoted the other Europeans to intrude for trade in Indian Ocean helped in integration of world globally.

Portuguese contact resulted in introduction of many products of Latin American World. Potato, Corn, Pineapple to the Indian rural economy, just as new breeds of fruits had come in the wake of the Turks. Thus the Indian peasants were not allergic to accepting new products of it meant a profit for him (Chandra, 2005). Their voyages into the Indian Ocean world introduced new varieties of crops, which still constitute the staple food of South Asia.

¹⁴<http://allindianhistroy.bwithyou.in/Advent%20of%20the%20Europeans.html>>Accessed on 2012 Dec,20.

Under Portuguese supervision, shipbuilding using western techniques was started at Cochin (Chandra, 2005). This raised the load of goods to be exported. The Portuguese made commercial contact with Japan in 1542, and began to export Japanese silver in exchange for Chinese silk. Huge cannon-guarded wooden castles were built by flourishing Japanese trading cities like Osaka to protect them from raids on their wealth from envious daimyo lords. The Chinese port of Macao, at the mouth of the Pearl River by Canton, was 'given' to Portugal by a Ming emperor in 1557 in return for Portuguese aid against pirates in the China Sea and the payment of an annual tribute. By the mid-sixteenth century, in Africa the Portuguese also settled in Mozambique, exporting its placer gold (Villiers, 1980).

The British at first tried to concentrate their trade efforts on the Spice Islands, but found like the Dutch that Indian Calicoes were in great demand in Bantam, and the Moluccas in exchange for spices. They therefore arrived in Surat in 1612, and in the face of Portuguese objections, obtained permission from Mughal Emperor Jahangir to establish a factory (Stein, 1998).

By 1619, the English had established factories at Surat, Agra, Ahmadabad and Bhroach. All these were placed under the control of the President and Council of the Surat factory, who had also the power to control the Company's trade with the Red Sea ports and Persia. On the southeastern coast the English had established a factory at Masulipatam in order to purchase the locally woven piece-goods, which they exported to Persia and Bantam (Majumdar et al., 1990).

By 1620 the Portuguese had been defeated in battle often enough to neutralize any threat they posed, but the Dutch had proved insuperable in the spice Island, and the British concentrated more and more on the Indian trade, especially in textiles (Stein, 1998).

At the time of British conquest of India, the industrial revolution occurred in England. The capitalist class of England was ready to take full advantage of technological inventions while India, although had commercial class, had no industrial traditions. In the early days of the conquest, the East India Company was eager to make money quickly and in the process ruthlessly exploited Indian manufacturers, heavy tariff were imposed on various Indian goods (Stein, 1998).

The company's governor, Robert Clive, guaranteed that the Indians would buy British goods. Indian merchants and industrialists were forced to pay prohibitively high taxes and to sell their goods only to the British East India Company for artificially low prices (Kearney, 2004).

Moreover fast rate of increase in the production of power - driven machines further deteriorated the conditions of Indian industry. The market of the chief Indian export began to fail and therefore company took up the supply of raw materials to England at cheaper rates by the second half of 18th century Indian became a raw material supplier at the rates fixed by the British according to their interest and a market for the finished goods produced in European countries (Stein, 1998).

The Indian market was so vast that immense profits were soon being lost by the inability of the tiny British work force to turn out sufficient quantities of goods. This was the problem solved by the invention of machines to take over the main burden of production, mainly for the textile and the iron manufacturing industries. Key breakthroughs came with James Watt's steam engine to provide the power, and the powerloom, to weave cloth by machine. By this means the Industrial Revolution siphoned the wealth out of India and the other colonies into the mother country. India (and neighboring regions) became dependent economically on Europe as a supplier of raw materials on exchange for British (and other European) manufactures. While India sank into poverty, England rose to great prosperity (Kearney, 2004). The industrial revolution in England prompted Britons to extract raw material from India to drive the needs for industries that made the demands to be met at the quicker pace and at low prices.

The manufactured products from Britain traded to India for opium, which was carried on to China to be exchanged for tea for sale in Europe. In this way, the Indian Ocean trade was integrated still more into the new global economy (Kearney, 2004). Britain used to earn profit by selling manufactured products in India and used to buy the opium from that profit to sell it to China in exchange of buying tea from China to sell in Europe and thus earn a huge profit thus they were at profit on both ends.

Modern factory production in textile was followed by coal, iron and steel. These developments accelerated socio-economic conditions. Modern urban workers appeared in established commercial centers like Bombay, where old mercantile in

the hands of Indian capitalists was transformed into industrial capital of modern textile mills. Bengali financiers opened coal and iron fields in Bihar and new cities appeared e.g. Jamshedpur (Stein, 1998). With the modernization new towns developed holding large manufacturing sections in the form of factories and workers.

The Western Ghats teakwood forests were brought under and English East India Company monopoly by 1810, destroying the native Indian shipbuilding industry (Kearney, 2004).

British merchants and mariners were benefited from a shift from sailing ships to steam ships, encouraged by the opening of the Suez Canal in 1869, with its more direct route between India and Britain, and by the development of watertight iron hulls. Dependence on the Monsoon routes and seasons was finally left behind. Native sailors were left as poorly paid manual workers on European-owned ships, while trained Europeans assumed the jobs requiring engineering skills. While steam ships were known in the Indian Ocean already in the 1820 s, their adoption had been slowed by the introduction of the speedy clipper sailing ships (Graham, 2008). The maritime activities fasten due to the introduction of steam ships and the opening of Suez Canal reduced the distance between India and England.

By 1939, the eve of World War II, industrial self-sufficiency had been attained, and a major part of Indian output issued from Indian owned factories. The capital from the transition came from India itself, including remnants of the capitalist time, its wealthy Princes who joined the ranks of industrial capitalist in production of jute & textiles. Indian capital was also becoming prominent in shipping, insurance & banking, coal and tea was taking the lead in formation of new industries such as cement & heavy chemicals (Stein, 1998).

During the war, an inflated currency chased limited commodities including foodstuffs and flourishing black markets easily evaded the feeble food rationing schemes. Shortages turned into dearth in many places into a terrible famine in Bengal in 1943, where during the summer and autumn, the coastal zones were without foods because the boats had been removed to thwart the possible Japanese invasion in 1942 (Stein, 1998). In June 1944 The Japanese forces and their rebel Hindu allies were defeated at the battle of Imphal and forced back out of India. (Kearney, 2004)

3.1.2 Strategic importance of Indian Ocean for India

Fleets left Lisbon in March to benefit from the summer monsoon in the Indian Ocean, which pushed them north to India. The return fleets left India in January, and were pushed back south to the Cape of Good Hope by the winter monsoon¹⁵ (figure 8).

The Portuguese wisely decided to keep their control confined to islands, and to forts on the coast which could defend and be supplied by sea. Apart from this, they could, by threats and persuasions, induce rulers of small states such as Calicut, Cochin, Craganore etc. to act as their agents or brokers in the spice trade (Chandra, 2005). They set up their residents by developing the coastal towns and maintained the garrisons to defend and counter attacks besides these coasts in Indian Ocean were the points to move forward in Southeast Asia to enhance the trade activities and hampering Indians.

It was Albuquerque who laid the real foundation of Portuguese power in India. In November, 1510, he captured the rich port of Goa, then belonging to the Bijapur Sultan, and during his rule did his best to strengthen the fortifications of the city and increased its commercial importance (Majumdar et al., 1990).

Since Albuquerque choose Goa on the south-west coast of India to be the seat of power for Portuguese rules of the region, taking up residence in the palace of its Sultan. He arranged alliances with various rulers of important coastal areas around the Indian Ocean. He also encouraged his men to marry native women, to provide soldiers and sailors locally without having to depend on reinforcements from Portugal (Gupta & Pearson, 1987). Goa being the coastal town was strategically important to put hold on the other neighboring rulers and out posts in the Indian Ocean in South Asia along with gaining control over trade activities in Indian Ocean.

¹⁵ <http://www.mod.gov.ae/en/portal/port.era.aspx>>Accessed 2012 Dec,20

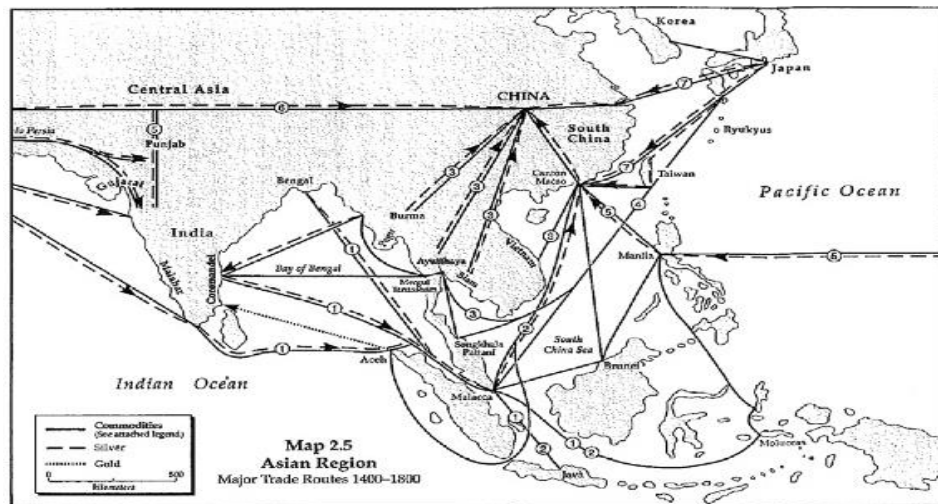


Fig 8 Asian Region – Major Trade Routes (1400 – 1800)

Source: Rana, 2009

Portuguese garrisons were planted in such strategic trading ports as Sofala (to control the gold export from Zimbabwe), Diu (by the Gujarat textile industry), Cochin (for the pepper of Malabar) and Colombo (dominating cinnamon exports) (Gupta and Pearson, 1987).

In India they established themselves at Diu, Daman, Salsette, Bassein, Chaul and Bombay, San Thom near Madras and Hugli in Bengal. Their authority also extended over the major part of Ceylon. But in course of time they lost most of these places with the exception of Diu, Daman and Goa, which they retained until 1961. Though the earliest “intruder into the East”, the Portuguese lost their influence in the sphere of Indian trade by the eighteenth century (Majumdar et al., 1990).

With a view to get direct access to the spice markets in South-East Asia, the Dutch undertook several voyages from 1596 and eventually formed the Dutch East India Company in 1602. In 1605 the Dutch captured Amboynas from the Portuguese and gradually established their influence at the coast of the latter in the Spice Islands. They conquered Jakarta and established Batavia on its ruins in 1619, blockaded Goa in 1639, captured Malacca in 1641 and got possession of the last Portuguese settlement in Ceylon in 1658.¹⁶As commercial interests drew the Dutch to India, where they established factories in Gujarat, on the Coromandel Coast and in Bengal, Bihar and Orissa , entering deep into the interior of the lower

¹⁶<http://allindianhistory.bwithyou.in/Advent%20of%20the%20Europeans.html>>Accessed 2012 Dec,20.

Ganges valley. The more important of their factories in India were at Masulipatam (1605), Pulicat (1610), Surat (1616), Bimlilpatam (1641), Karikal (1645), Chinsura (1653), Cassimbazar, Baranagore, Patna (Majumdar et al., 1990). The coming of the Europeans had a wide-ranging impact on the Balasore, Negapatam (1658) and Cochin.¹⁵ these trading posts were the centers to join with interior of India at one end and South-East Asia on the other.

On the 31st December 1600 the East India Company received a charter from Queen Elizabeth granting it the monopoly of eastern trade for fifteen years. The early voyages of the English Company were directed to Sumatra, Java and the Moluccas in order to get a share of the spice trade (Majumdar et al., 1990). English found a little share in trade with South-East Asia due to Dutch monopoly in the region they turned their interest towards India.

French were the last of the European powers to compete for commercial gains in the East with the other European companies. The first French factory in India was established by Francois Caron at Surat in 1668 AD, and Marcara succeeded in establishing another French factory at Masulipatam in 1669 by obtaining a patent from the Sultan of Golconda. In 1672 the French seized San Thom, close to Madras. The European rivalries between the Dutch (supported by the English) and French adversely influenced the position of the French in India (Majumdar et al., 1990).

The French encouraged an anti-British alliance in India between Haider Ali, the Nizam of Hyderabad, and the Marathas of the Mahratta state centered in the northwestern Deccan. That same year, a British expedition arrived from Surat, and broke up this coalition, while the British East India Company's Governor, Warren Hastings, occupied French Pondicherry and Mahe, in the Seychelles, in 1778 (Kearney, 2004).

British power on the Strait of Malacca began to grow with the new English East India Company settlement at Penang, on the Malayan coast, in 1786. The British presence in the Indian Ocean was also strengthened by two new settlement colonies: Australia and New Zealand. ¹⁷(figure 9). The geographical location of India helped British to grow their presence in eastern part of Indian Ocean.

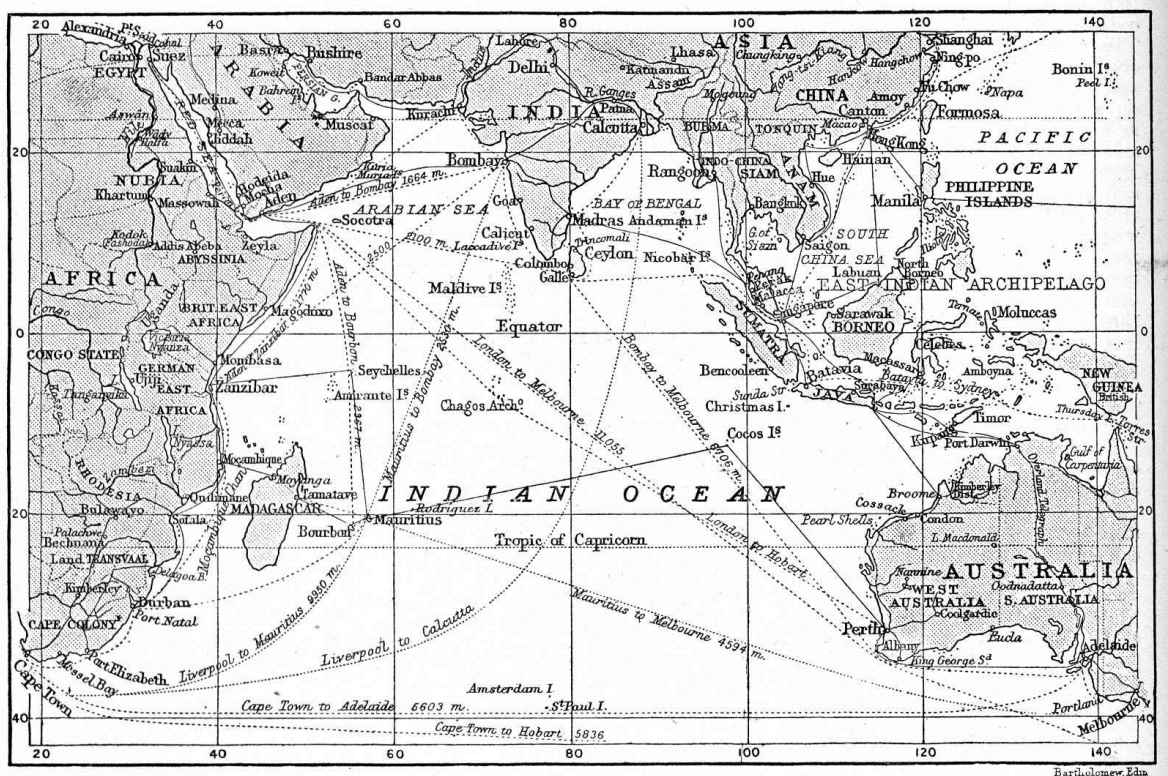


Fig. 9 Indian Ocean Trade Routes 1906 source: Internet Map Archive

3.1.3 Another side of the picture

The Indian Ocean possessions enriched Britain tremendously. In terms of purchasing British manufactures alone, India (along with the United States) was one of the two largest purchasers of British goods (each importing £21 m of goods in 1867). To this were added sales to other Indian Ocean customers, including most notably Australia (importing £8 m in that year) and Singapore (accounting for £2 m). Muslims, who were for so long had enjoyed a high profile in Indian Ocean trade, were now decisively left behind while the principal non-Indian Ocean competitors, Russia, Germany, and Japan, would for a century challenge the British position in vain (Kearney, 2004). The non-Indian oceanic powers were getting their influence on Indian Ocean trade activities that were being carried out. The huge profit that Britain was earning had made it to face challenges by other European powers.

3.2 SRI LANKA

Sri Lanka began to feel the impact of Europe soon after Portuguese ships found their way to the Indian Ocean at the end of the 15th century. Because Sri Lanka was rich in goods that Europeans wanted, and also because it is a convenient

place to stop on the way from Europe to Indonesia and China, Europeans competed to control the island and its trade. The Portuguese conquered Sri Lanka's coastal cities in the 16th century (Portuguese occupied Colombo, Sri Lanka in 1517) but faced fierce competition from the Dutch for control of the island. By 1707 the Dutch had captured the last of the Portuguese forts along the coast and became the main European power in Sri Lanka, but they in turn lost out to the British in 1795-96.¹⁷ In the early 19th century the company's Bengal Army was deployed overseas in Ceylon, Java and the Red Sea area (Boss, 2006). By 1818 the British had also defeated the independent inland Kingdom of Kandy, and the whole island of Sri Lanka became part of the British Empire.¹⁷

3.2.1 Trade activities in Sri Lanka during colonial period

From Ceylon Dutch controlled the largest amount of territory in the East Indies and had the largest concentration of power. The most important item procured in the region was cinnamon and since this spice was grown for all practical purposes, only in Ceylon, the Company came to have absolute monopoly rights in this item in the European market. Procurement of trade in cinnamon had traditionally been a state preserve under the Sinhalese kings as well as the Portuguese.¹⁸ The Company expanded its monopoly to include items such as elephants (which like cinnamon, had traditionally been a state preserve) and areca-nuts among the export goods and cloth among the import goods.

Pepper and other spices continued to be of great importance in this trade, the emphasis in the latter part of the century increasingly shifted to textiles and raw silk. Thus, even in the case of the Dutch East India Company, which enjoyed significant monopolistic privileges in the major spices grown in Indonesia and Ceylon, the trend towards the growing importance of textiles and raw silk was unmistakable (Jacob, 1976).

Under British colonial rule, the economy of Sri Lanka was transformed to become a producer of agricultural products for foreign trade. Soon the economy was

¹⁷ <http://asiaticsociety.org/countries/sri-lanka-introductory-essay>> Accessed 2012 Dec , 24.

¹⁸ <http://www.bath.ac.uk/cds/events/sym-papers/Jayasundara2.pdf>> Accessed 2012 Dec , 24.

dominated by plantation crops such as coffee, tea, rubber, and coconuts. The British authorities also encouraged the migration of Tamil laborers from southern India to Sri Lanka to work on plantation.¹⁹ Even today these crops constitute the major source in the economy of Sri Lanka.

Colonial rule created new elite groups, including plantation managers, intellectuals who took advantage of the opportunity to gain a western-style education, and bureaucrat who worked for the colonial government. But ethnic problems continued to complicate Sri Lankan national life.

3.2.2 Strategic importance of Indian Ocean for Sri Lanka

When the Portuguese arrived in 1505 to trade for cinnamon, they found a kingdom that was weakened and fairly easy to control by the time they desired to do so in the 1520' s. Kotte was reduced to a small strip of land around Colombo by 1580, and was controlled completely by the Portuguese by the 1590s. In 1619 the Portuguese succeeded in taking over the Kingdom of Jaffna in the North, although they never held control over Kandy (De Silva, 1981).

After the Dutch managed to oust the Portuguese from Ceylon in 1658, they were free to divert their attention to the Portuguese menace on the Malabar Coast. An important consideration was to eliminate the risk of the Portuguese trying to re conquer Ceylon from their base at Cochin. The Dutch were also approached by a rival faction of the royal house of Cochin – the Mutta branch – for assistance in throwing out both the Portuguese and the faction in power – the Vettattu branch. Between 1658 and 1663, five Dutch expeditions were sent from Ceylon culminating in the conquest of Cochin in January 1663. The Mutta branch was put on the throne and the Dutch obtained special privileges on the lines of the Portuguese before them (Jacob, 1976) (figure 10). The Cochin was strategically located on the coast of Indian Ocean from where the Ceylon could be in easy reach, the Dutch tried to control the region to avert any attack of Portuguese.

¹⁹ <http://asiasociety.org/countries/sri-lanka-introductory-essay>>Accessed 2012 Dec, 29.



Fig. 10 Map showing strategic location of Sri Lanka in Indian Ocean

The Dutch were only interested in the export of spices. To achieve this goal they negotiated with Kandy for rights to the cinnamon in forests in the hill country. They were not interested in political control because of an awareness of the growing strength of the English and the French. Dutch power was stretched over Asia, and they did not want to risk their position in Asia just to obtain rule over Kandy. In 1638 Kandy signed a treaty with the Dutch to aid in the removal of the Portuguese. The Dutch acted almost immediately and overthrew the Portuguese by 1640. Instead of leaving as the treaty stipulated, the Dutch held the ports of Galle and Negombo in order to gain control of the cinnamon trade. The official Dutch excuse for the occupation was that Kandy had not paid them all of the cinnamon they were owed for dispelling the Portuguese (DeSilva, 1992). The Dutch controlled over the port of Galle and Negombo for the pepper trade through Sri Lanka for which they adopted the force efforts and for some time gained the control over till the British arrived.

In spite of limited political control, the Dutch did influence the culture of Sri Lanka. They encouraged conversion to Protestantism from both Roman Catholicism and the traditional religions of the island, and many low in the country converted to obtain Dutch favor. They encouraged the registration of births and marriages by making all claims to property based on legal and registered lineage. Consequently, their influence on legal systems was also large, as was the introduction of the concept of upward mobility, especially in relation to education being a social necessity; this concept of social mobility was continued by the British (DeSilva, 1992).

During Dutch rule the English East India Company was allowed to trade in Sri Lankan ports. The transfer of Dutch power to British in Sri Lanka was due to a peace treaty of 1801 between the Dutch and British, in which it was agreed that the British would take control of Dutch territories. By 1796, in fact, the British had established commercial control of Sri Lanka. Since the early 1760s the British had been sending spy missions to Kandy, and attempting to establish commercial relations by the 1780s (De Silva, 1992). When they established official political control of Sri Lanka in 1801 the British attempted to control the coast and Kandy. After numerous invasions and battles between Kandy and the British a treaty was signed in 1815 at the Kandy as the result British controlled the entire island for another 133 years, and greatly influenced Sri Lanka.

To strengthen their naval power in Indian Ocean and thus to expand the colonial empire British conquered Singapore, Malacca and Ceylon. In 1923, work began on providing Singapore with dockyard facilities designed to make it an updated naval strong hold to continue to dominate the Strait of Malacca (Kearney, 2004).

The final selection of Singapore was no doubt, largely the result of its centrality in respect to Hong Kong, port Darwin, Colombo, Calcutta & Madras and to its commanding position from the far Eastern waters, the Indian Ocean and its close proximity to the other entrances (Cole, 1938).

World War I had only a minimal military impact on Sri Lanka, which entered the war as part of the British Empire. The closest fight took place in the Bay of Bengal where an Australian war ship sank a German cruiser but the war had an important influence on the rise of nationalism.²⁰

Following the Second World War, popular pressure for independence intensified. The office of Prime Minister of Ceylon was created in advance of independence on 14 October 1947; Don Stephen Senanayake became the first prime minister. On 4 February 1948 the country gained its independence as the Dominion of Ceylon (Daily Times, 2010).

During World War II, the island served as an important allied military base. A large segment of the British and American fleet were deployed on the island, as were tens of thousands of soldiers committed to the war against Japan in South-East Asia (Singh, 2008). Finally the loss of Singapore to Japan threatened British of

their free movement in Indian Ocean waters, prompted them to take quick step in the form of making their position strong in Island country of Ceylon in Indian Ocean.

The British planners were of the opinion that the next target of the Japanese would be east coast of India and by seizing Ceylon they would threaten the vital communication from the United Kingdom by way of the cape, to India, the Middle East & Persian Gulf (Kirby, 2004). Now Ceylon was to be a vast aircraft carrier for which the attack on the Japanese was being mounted under the South-East Command. In 1942 Lord Mountbatten set up his headquarters in Peradeniya (Ludowype, 1967).

Since there was no base for operation in pacific after the loss of South East Asia to the Japanese nearer than Ceylon which itself was threatened and the British Eastern fleet was for a period in 1942 forced back to east coast of Africa. Japanese naval and air power dominated the Bay of Bengal which meant that again for a period not only the great port of Calcutta was closed to Shipping, but the eastern cost of India was open to invasion (Ludowype, 1967).

The Japanese attacked Colombo on 4th April 1942; Trincomalee was also attacked on 9 April (Fuller, 1993) but could not hold over the Ceylon. Although the Japanese had captured Singapore and Andaman but still the British were in more advantageous position with Ceylon and Madagascar in their possession from where they launched successful operation against the Japanese (Fuller, 1993). The strategic importance of this island in Indian Ocean is well evident as a point to board the naval fleet for the further movement towards west in Indian Ocean.

On the whole Sri Lanka benefited from its role in World War II. The plantation sector was busy meeting the urgent demands of the allies for essential products, especially rubber, enabling the country to save a surplus in hard currency. Because Sri Lanka was seat of South East Asia Command, a broad infrastructure of health services and modern amenities was built to accommodate the large number of troops posted into all parts of country. The inherited infrastructure improved the standard of living in post war, independent Sri Lanka.²⁰

²⁰http://www.mongabay.com/history/srilanka/sri_lanka_world_war_ii_and_the_transition_to_independence.htm
l> Accessed 2012 Dec, 30.

3.2.3 Other side of the picture

Since the First World War had left with it the urgent requirement for building up infrastructure, technological innovation and the capacity for large-scale motor transport and the beginning of the Air transport. This also gave the strong nations a reason viable enough to control over such products, as petroleum is largely found in the vicinity of Indian Ocean.

With Britain's retreat, the Indian Ocean region remained, as always, a centrally converted prize in global power interests, and not least for its great oil deposits. Even though India lacked oil, its geographic location was still of great strategic importance, surrounded as this vast and heavily populated country was by countries that did have oil (from Indonesia in the east to Iran, Iraq, and Saudi Arabia to the west). The collapse of the British Empire left behind a struggle between two new world contestants – the United States and the Soviet Union (Kearney, 2004).

3.3 MALDIVES

3.3.1 Trade activities in Maldives during colonial period

During the colonial period the main items exported from here were cowry, tuna fish, coir made of coconut. While serving as Prime Minister during 1940s, Didi nationalized the fish export industry.²¹ Since the fishery constituted one of the major sources of economy it got privilege because it provided employment and export earnings for centuries.

During the 16th and early 17th centuries Maldivian cowries were shipped in bulk to west coast of India, often on board Maldivian vessels, and then re-exported in European ships both to east and west coast of Africa. During the late half of 17th century the Maldivians cowry trade was largely routed through Sri Lanka, which had fallen under the Dutch control (Maniku, 2001).

By middle of 18th century the Dutch had taken full control of cowry trade from the Maldives. By 19th century even though Zanzibar and some of small coastal states developed a cowry industry it was short lived mainly because of small size of cowries compared to cowries of Maldives. This trade continued until about 1921

²¹ <http://maldiveslives.in/about-maldives/historyofmaldives>> Accessed 2012 Dec, 30.

when it was replaced by the rupee (Maniku, 2001). Until the monetary system was introduced the Maldivian cowry was the main source of earning because of its good quality.

3.3.2 Strategic importance of Indian Ocean for Maldives

In 1558 the Portuguese established themselves on Maldives, which they administrated from Goa on India's west coast²²with the help of a Viador (viyazonu) or overseer.²³ Fifteen years later a local guerrilla leader named Mohammed Thakurufaan organized a popular revolt and drove the Portuguese out of Maldives. In mid of 17th century the Dutch who had replaced the Portuguese as a dominant power in Ceylon, established hegemony over Maldivian affairs without involving themselves directly in local matters. The British expelled the Dutch from Ceylon in 1796 and included Maldives as a British protected area.²⁴

Addu first came to British Military notice in 1835 when commander Moresby of the Indian Navy was ordered to survey the Maldives in an attempt to reduce the incidence of shipwreck on the atolls. Moresby realized the potential of Addu as a harbor and coaling station for British steam ships and mapped the lagoon thoroughly. Addu became very important during World War II when the British, alarmed by Japanese attacks in North East India & Sri Lanka, decided to establish a top secret harbor in the lagoon, packing (installing) it with a hundred ships and sea planes.²⁴ As Addu Atoll, a ring of coral island surrounding a deep water lagoon at the southern end of Maldives island about 600 miles south west of Ceylon was a make shift alternative to Colombo. Here remote from all the main shipping routes and approachable by an enemy only after a long Ocean passage (Churchill, 1950).

Gan Island, where the population was easily persuaded to shift temporarily to Hithadhoo for fear of a Japanese attack, was converted into a military airport. To facilitate wartime communication, the Maldivian government placed Addu under the direct control of the Maldivian government representative in Colombo. A Sea

²² <http://countrystudies.us/Maldives/1.Htm>>Accessed 2012 Dec, 30.

²³ <http://maldiveslives.in/about-maldives/historyofmaldives>> Accessed 2012 Dec, 30.

²⁴<http://www.maldivesculture.com/index.php?option=com-content>>Accessed 2012 Dec, 30.

plane squadron was stationed in Southern Hithadhoo and ammunition stored there²⁵ (figure 11).

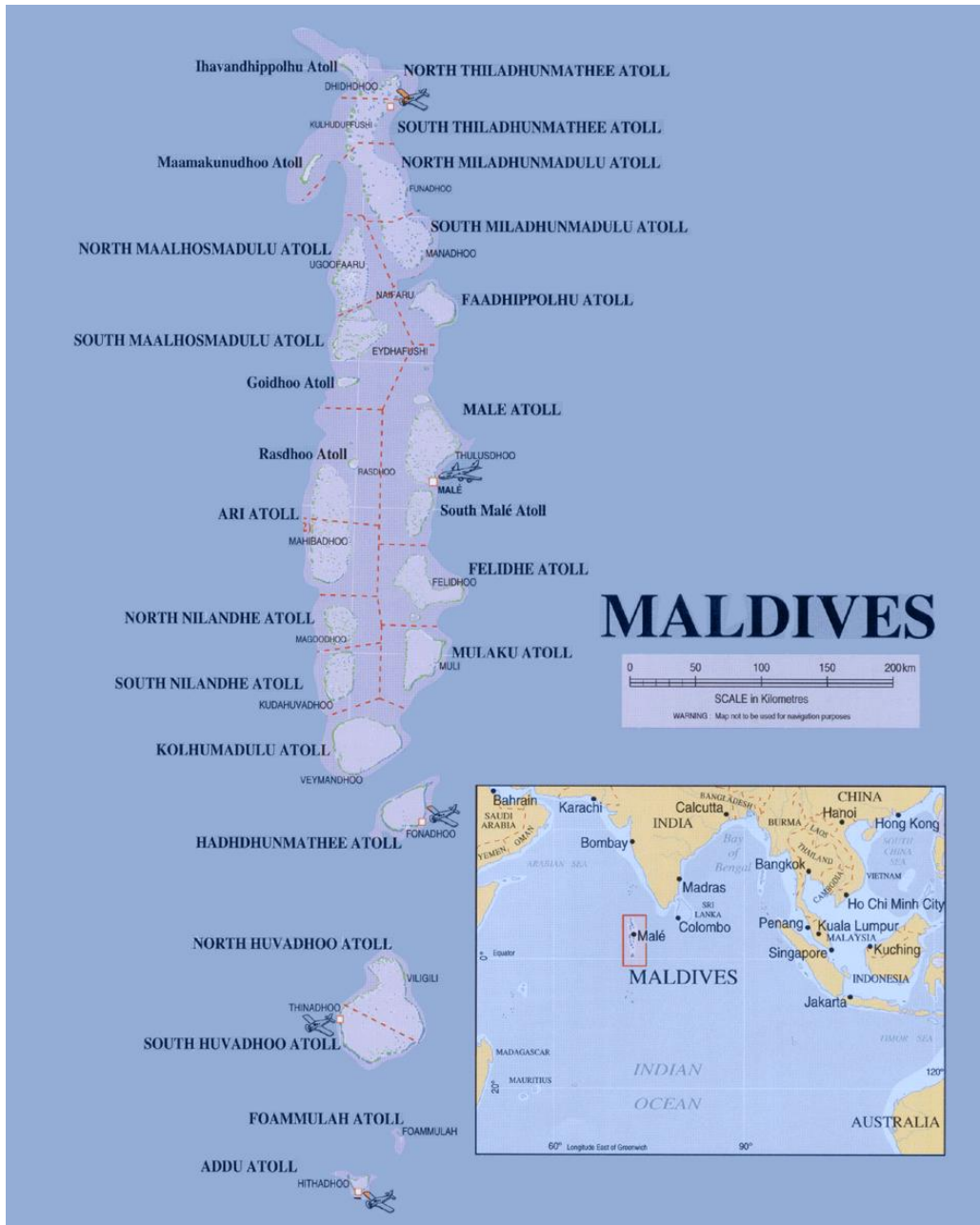


Fig. 11 Strategic value of Maldivian Islands *Source:* UNICEF

The location of Maldives made British realize of its importance and tended to establish the naval bases there to combat any threat from South-East Asia (figure 12).

Maldives, India and Sri Lanka

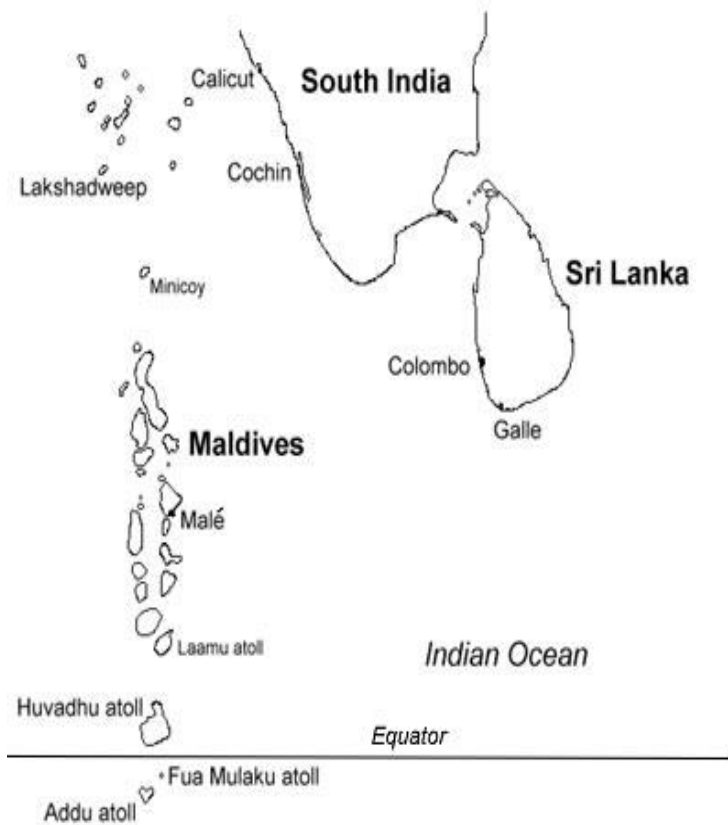


Fig. 12 Location of Maldives *Source: FAO*

It is clear that arrival of Europeans in the Indian Ocean for trade led it more and more linked with the global world. The British hold on South Asia through the means of Indian ocean made them undisputed master of the sea and brought wealth for them while on the other hand south Asia particularly India sank to adversity. The industrial revolution indulged the nations towards colonialism to obtain raw material to manufacture products to sell them in the colonies and thus earn profits besides technical innovations made oil and petroleum products of Indian Ocean, an important single commodity for which non oceanic countries also jumped in to. The two devastating world wars is an excellent example. With the retreat of Britain the two powers appeared in the Indian Ocean in the form of USSR and USA posed new threats to lifeline of South Asia.

During colonial period Indian Ocean facilitated easy mobility to the European powers and made them prosperous. It was because of ocean transportation movement was easy and Britain could have hold over the South Asian countries.

CHAPTER 4

INDIAN OCEAN & SOUTH ASIA IN THE ERA OF SUPER POWER RIVALRY (1945 A.D. – 1991 A.D.)

The period after Second World War is marked as a period of intense rivalry between major powers. "It was Admiral Alfred T. Mahan (1840-1914) of the United States Navy who is reported to have said that whoever attains maritime supremacy in the Indian Ocean would be a prominent player on the international scene. Admiral Mahan was a great naval strategic thinker and historian who was in many ways the naval equivalent of the Army's Clausewitz (General Karl Von Clausewitz of Germany). It was in 1890 that Mahan wrote the famous treatise on 'The influence of Sea Power upon History, 1660-1783' that changed naval thinking in the United States." After the Second World War the world's oceans were transformed into a series of militarized geographies based on shipping lanes defense areas and strategic choke points. The varied biological and oceanographic attributes of the world's oceans and seas were transformed into the abstract geostrategic spaces of super power rivalry. As a consequence, maritime perceptions and policies of the littoral states came to be dominated by the cold war confrontation (Najeed, 1986; Rais, 1987).

Prime objective of this chapter is to explore the relevance of Indian Ocean for South Asian countries during the period of military rivalry among super powers that was going on in Indian Ocean. On the one hand Indian Ocean reveals a long story of transformation from a zone of conflict to a zone of peace while on another the Indian Ocean mobility experienced significant change because of growing economic activities of the littoral countries.

In the initial years of their independence the South Asian countries, to cater their economic needs, relied largely on import of finished goods and export of raw material that had been largely traversed to various countries through the waters of Indian Ocean. The economic importance of Indian Ocean is linked with concentration of natural resources of the world such as oil, rubber, manganese, copper, tea, cotton, Jute and Gold in the various littoral states (Kapur, 1983).

4.1 INTEREST OF BIG POWERS IN THE INDIAN OCEAN

The vacuum caused by the withdrawal of the British naval forces tempted big power rivalry in the Indian Ocean. Reduction of forces from Suez in 1968 and closure of British Naval base at Mauritius and airfield in Gan Island of Maldives started causing a situation of power vacuum in Indian Ocean and this was the perfect time when US could shape its foreign policy towards Indian Ocean region and South Asia. In the same year, Britain withdrew from bases in Singapore, Malaysia, New Zealand, Australia, Iran, Kuwait, Bahrain, Saudi Arabia, Aden, Abu Dhabi, East Africa and South Africa. The American government in 1970 declared that the Indian Ocean was the third most strategic region after Europe and East Asia for American Interest (Kearney, 2004).

Russia, besides USA, was also tempted by the vast expenses of the Indian Ocean as a strategic dispersal area for a long distance and deep-diving nuclear submarines equipped with the most sophisticated long range missiles. US was connected with Indian Ocean through trade activities but it was huge reserves of oil that attracted US in not only taking interest in oil exploration but also making his full presence for protecting his ships throughout its journey. The 1930s, the years between the Great Depression and World War II, saw intense oil exploration activity in the Persian Gulf region with U.S. oil companies competing with British interests for acreage concessions. Following World War II, Socal and the Texas Oil Company of USA resumed oil exploration operations in Saudi Arabia. Those efforts resulted in the discovery of the Ghawar Oil Field in 1948. It remains today the largest conventional oil field ever found (170 miles long by 19 miles wide) and has produced more than 65 billion barrels of oil. Production began in 1951. Ghawar alone accounted for more than half the cumulative oil production from all of Saudi Arabia. Saudi Arabia also boasted the largest offshore oil field in the world, the Safaniya field under the Persian Gulf. It began producing oil in 1957. In spite of the early successes in Iran, Iraq, Bahrain and Saudi Arabia, oil riches were slow to come to many of the Middle East countries because of delays imposed by World War II. Smaller countries, dependent upon Britain, did not begin to enjoy the oil riches until the 1950s. Kuwait was the first country in the region to develop its oil resources and became the largest oil producer by 1953. Oman did not export oil until 1967. Abu Dhabi began exporting offshore oil in 1962 and Dubai in the late

1960s.²⁵ The inequitable distribution, ownership and consumption of crude oil provided the foundation for international competition, alliances and conflicts. World entered in the era of geo-energy where energy security became a major concern for all the countries. A notion started rising that the country who would hold a strong position in Indian Ocean will control the flow of energy throughout the world. The question why it was so important to dominate the Indian Ocean can also be answered by highlighting the fact that oil was shipped from the Persian Gulf to almost entire world via the Indian Ocean, and through the Straits of Malacca to China, Korea, and Japan. If another [power] held the lifeline, oil-importing countries would suffer severe blows. This was the reason why US tried to hold sway over the oil route also.²⁶

The Soviet Union began its penetration in the Indian Ocean in summer of 1967, shortly after Arab-Israel war. Though Persian Gulf oil was not of very much interest to Soviet Russia nevertheless there was an important Soviet interest in the Indian Ocean. To use a standard Soviet phrase, the "Soviet Union cannot remain indifferent to the situation along its southern border." Indeed, several threats — some military and others political -- could be directed to the USSR from the Indian Ocean area. Another and far less direct strategic problem for the USSR in the Indian Ocean region concerned China. In the event of a Sino-Soviet War the Trans-Siberian railroad, the major link between the Soviet European heartland and their Far Eastern Maritime region, could be cut. The Soviets might then had to rely upon cargo shipping through the Indian Ocean waters along the shortest sea route opened year round between the USSR's European and Pacific ports (Remneck, 1980).

The presence of Soviet Union made other big powers like USA and Great Britain more cautious. In 1971, the United States established a military base on the British island of Diego Garcia, located in the middle of the Indian Ocean following a lease

²⁵ <http://voiceofmoorecounty.com/2011/02/11/history-of-oil-in-the-middle-east-implications/>, "Reprinted by permission from The Voice of North Carolina, Ltd. www.voiceofnc.com, a publication of the Voice of North Carolina, Ltd. and Charles Saint James Publishing." >Accessed 2012 Dec, 30

²⁶ <http://www.iranreview.org>>Accessed 2012 Dec, 30

agreement with the United Kingdom. Diego Garcia is home to one of the five ground antennas that comprise the US Global positioning satellite system (De Silva, 1992). Thus to combat the influence of Soviet Union in South Asia U.S. raised its presence in Indian Ocean. The fall of the Shah and the Islamic revolution in Iran and the Soviet invasion of Afghanistan had all threatened in varying degrees vital U.S. interests and stronger military and political commitments to secure those interests were in order. In Afghanistan, the Soviets were closer to the Persian Gulf and the Indian Ocean. Indian Ocean had become a ground of intense rivalry and tension between two major powers.

International alliances during the Cold war era were determined by the requirements of the superpowers and the calculations of the smaller states. In some cases, the superpowers used their military power to bring countries into their respective alliances. Soviet intervention in east Europe provided an example. The Soviet Union used its influence in Eastern Europe backed by the very large presence of its armies in the countries of the region, to ensure that the eastern half of Europe remained within its sphere of influence. In East and South-East Asia and in West Asia (Middle East), the United States built an alliance system called the South East Asian Treaty Organization (SEATO) and the Central Treaty Organization (CENTO). The Soviet Union and communist China responded by having close relations with regional countries such as North Vietnam, North Korea and Iraq (Uppal, 2010).

The western alliance was formalized into an organization (NATO), which came into existence in April 1949. It was an association of twelve states which declared that armed attack on any one of them in Europe or North America would be regarded as an attack on all of them. Each of these states would be obliged to help the other. The eastern alliance, known as the Warsaw Pact, was led by the Soviet Union. It was created in 1955 and its principal function was to counter NATO's forces in Europe (Uppal, 2010).

The smaller states in the alliances used the link to the superpowers for their own purposes. They got the promise of protection, weapons, and economic aid against their local rivals, mostly regional neighbors with whom they had rivalries, The alliance systems led by the two superpowers, therefore, threatened to divide the

entire world into two camps. This division happened first in Europe. Most countries of Western Europe sided with the US and those of Eastern Europe joined the Soviet camp. That is why these were also called the 'western' and the 'eastern' alliances (Uppal, 2010). In south Asia conditions prevailed due to hostility among one another though they were not taking the sides yet got closer to the opposite camps for security and economic protection. The smaller states were helpful for the superpowers in gaining access to:

- (i) vital resources, such as oil and minerals,
- (ii) territory, from where the superpowers could launch their weapons and troops,
- (iii) locations from where they could spy on each other, and
- (iv) Economic support, in that many small allies together could help pay for military expenses (Uppal, 2010).

The Indian Ocean thus turned out to be important for the both super powers and for the South Asia's newly independent countries. Besides saving the world from communism flood the US wanted that no other power should try to dominate the Indian Ocean via South Asia. 'The US virtually assumed responsibility for security management in the region because South Asia was a back door of the Persian Gulf and it acted as shield to protect the core interest of industrialized nations (Kapoor, 1983).

This was the period when most of the South Asian countries had become independent. British control left a lasting impact on South Asian countries, in many ways impeding region's development in some sectors. Development was a major challenge for all the countries and Indian Ocean played very crucial role in the development process. It was/is a pathway to international trade, especially to secure energy supplies, as well as a potential arena for competition with a rising China, and a setting for security cooperation with the United States. For India, the Indian Ocean had huge and growing strategic significance, and it figured importantly in relations with the United States. For Pakistan, it was an arena in their epic rivalry with India. The strategic perspectives of Sri Lanka and Bangladesh were more inward-looking, but the major significance of the Indian Ocean remained economic and strategic.

4.2.1 Strategic importance of Indian Ocean for India

India is the country most concerned with the Indian Ocean as a geostrategic space (as opposed to a regionally significant one). India's traditionally land-oriented strategic vision has expanded in the past two decades to place greater weight on its maritime environment, and the Indian Ocean is now looked on as part of the inner ring of India's security environment. The Indian peninsula (i.e. the Deccan and below) is 1,240 miles into the Indian Ocean. 50% of the Indian Ocean basin lies within a 1,000 mile radius of India, a reality that has strategic implications. India is one of six countries in the world to have developed the technology to extract minerals from the deep sea bed. Under the law of the sea, it has an exclusive economic zone of 772,000 square miles. Writing in the 1940s, K. M. Pannikar argued that "*while to other countries the Indian Ocean is only one of the important oceanic areas, to India it is a vital sea. Her lifelines are concentrated in that area, her freedom is dependent on the freedom of that water surface. No industrial development, no commercial growth, no stable political structure is possible for her unless her shores are protected.*" (Mc Nell, 2005)

It was not until 1919 when the first Indian shipping company of India, Scindia Steam Navigation Company, was established. The industry was seen as a symbol of national pride and sovereignty, with the result that the Government of India often intervened to promote shipbuilding and shipping activities. Nevertheless, the shipping industry is fundamentally global in nature, given that it is mostly engaged in international trade as opposed to coastal trade. Besides, historically, Indian tonnage had not grown in line with the country's trade requirements, a fact that explains the low market share of Indian liners. At the outbreak of Second World War, Indian owned tonnage was merely around 125,000 girt and that too got further reduced due to enemy actions during the war. Realizing the inadequacy of Indian mercantile marine for the requirement of a country of this size, the then government, in 1944, issued a post War Shipping policy emphasizing the need for acquisition of an adequate share in the world's shipping trade. As a part of the post-war reconstruction efforts, the Government of India constituted a post- War Shipping policy reconstruction Sub- Committee in October 1945. The Sub-Committee submitted its report in early 1947 with the following recommendations:

- a. building of an Indian merchant navy of 2 million tons in next 5-7 years;
- b. reservation of 100 % coastal trade for Indian ships,
- c. reservation of 75 % of near and adjacent trade, e .g. trade with Burma (now Myanmar) and Ceylon (now Sri Lanka) for Indian shipping companies,
- d. securing 50% of India's distant and overseas trade for Indian shipping, and
- e. Creation of a National Shipping Board.

The Government of India in their resolution of July 12 1947 endorsed the recommendations of post War Shipping policy reconstruction sub- Committee and recognized the need for adopting a dynamic shipping policy with regard to redevelopment of shipping like other maritime countries.²⁷ Indian maritime services sector not only facilitated the transportation of national and international cargoes but also provided a variety of other services, such as cargo handling services, ship repairing, freight forwarding, lighthouse facilities and training of maritime personnel.

4.2.2 Indian ports

Ports have a vital role in the development of the Indian economy since they are the traditional gateway to international trade. The functioning of major ports is governed by the Indian ports act of 1908 & the major port trust act of 1963; the former has authority to declare a port as major port, define a port limit and levy charges etc. while the latter makes provision for the constitution of port authorities for certain major ports in India and to vest the administration, control and management of such ports in such authorities and for matters connected therewith (India-Indian ports and shipping industries).

The Indian Ocean at its border is accompanied by ports which are connectors to land and sea (figure 13). Indian ports played major role since independence in economy of the country which is observed in (table Nos. 3 & 4). The traffic through Indian ports increased from 20 million tons in 1952 to around 80 million tons in 1980–81 to 287.36 million tons in 1998–99.

²⁷<http://seakingindia.wordpress.com/2013/01/11/shipping-industry-in-india-history-and-development/>>Accessed 2013 Jan, 5

Table 3 Growth in traffic through Indian Ports between 1951 and 1991

Year	Percentage growth per annum (avg)
1951–61	5.2
1961–71	6.8
1971–81	4.4
1981–91	8.9

Source: Rakesh Mohan Committee Report, 1996

Table 4 Growth in the capacity and traffic of Major Ports

Year	Ports Capacity (in million tonnes)	Traffic (in million tonnes)
1952	-	20
1980–81	159	80.61
1994–95	174	197.26

Source: Extracted from RITES, 2000



Fig. 13 Major ports of India

India has 12 major ports: six on the west coast and six (including Ennore) on the east coast and 139 operable minor and intermediate ports. Mumbai port was established as the Bombay port trust on June 26, 1873 (Dilnot, 2012). The Nhava Sheva port with immediate access to Mumbai and its hinterland, as well as most of North India, handles a wide range of exports that include textile-related products like embroidery machines, knitted t-shirts, cotton shirts, carpets, and sporting goods. It imports chemicals, plastics, machinery, aluminum and other non-ferrous metals, and vegetable oils.²⁸

The Kandla port located some 90 kilometers from the mouth of the Gulf of Kachchh on the Kandla Creek was opened as a natural deep-water harbor in the 1930s to serve the hinterland of and beyond the state of Gujarat (Tiwari, 2011). Efforts for its development were made due to the loss Karachi port to Pakistan after the partition. Since, the Indian Ocean has vast resources of oils and natural gas, the crude oil is transported from Kandla port to Koyali, Mathura and Panipat refineries through pipeline (Qureshi, 1999) (figure 14). For the transportation of natural gas pipeline between Hazira – Bijaipur – Jagdishpur has been constructed which is used for producing fertilizers at Bijaipur, Sawai Madhopur, Jagdishpur, Shahjahanpur and Anwala (Qureshi, 2000) (figure 15).

The Mormugao port was declared a major port in 1964 (EIA Study for development of Waterfront West of Breakwater at Mormugao Port, Goa). It handles coal, ammonia and phosphoric acid fertilizer components, steel coil and slab, limestone, petroleum oil lubricants, molasses, and a small volume of containers (Monteriro, 2001). Non-cargo vessel calls include cruise ships, oilfield supply vessels, vessels of Navy, Coast Guard, NIO, Fishries Survey of India etc. In addition, supplies for the Indian Antarctic expeditions are marshaled at Mormugao. The Karnataka ore is unloaded at Sanvordem and transported by barges to river loading points and then barged to Mormugao Port (EIA Study for development of Waterfront West of Breakwater at Mormugao Port, Goa). The Port accounts for about forty percent of India's iron ore export (Monteriro, 2001).

²⁸<http://seakingindia.wordpress.com/2013/01/11/shipping-industry-in-india-history-and-development/>>Accessed 2013 Jan, 5.

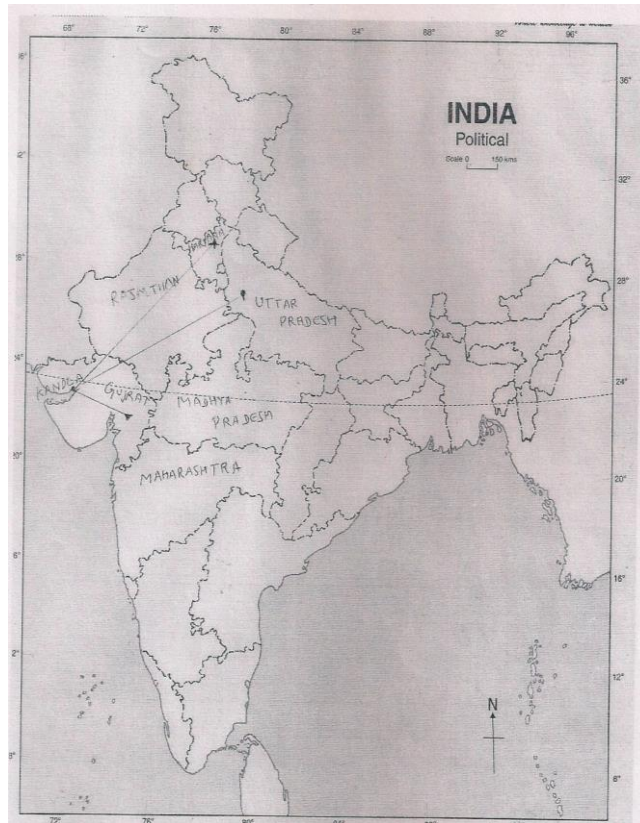


Fig. 14 Transportation of crude oil from kandla

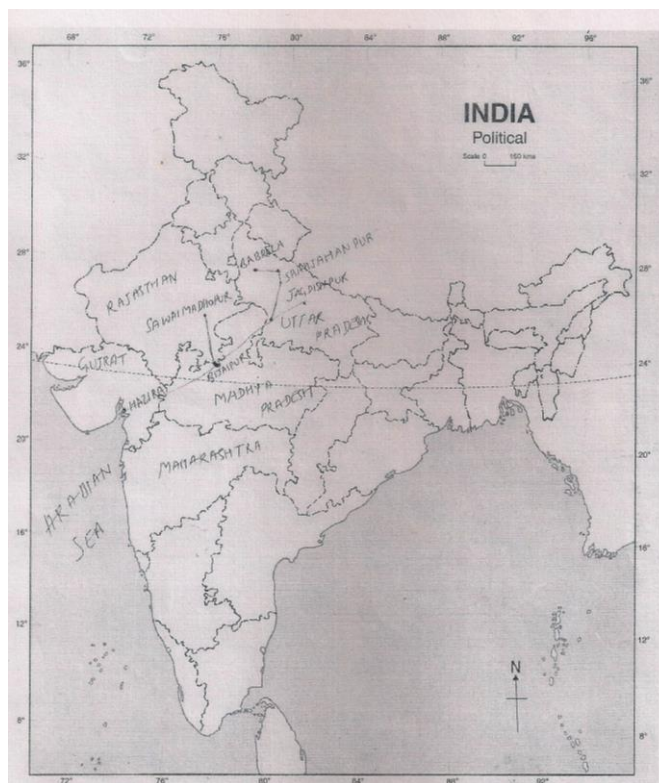


Fig. 15 Transportation of natural gas

Kolkata port is riverine port of all the ports of India and has two docks namely Kolkata dock & Haldia dock. Kolkata dock system is situated on the left bank of the river Hooghly is largest day dock of all two major ports of India (Chakraborty, 2004). Kolkata dock system was established in 1870, whereas Haldia in 1977. The ports have served eastern India.²⁹ It exports Jute products, tea, marine products, imports of metals and machinery.

New Mangalore port is a major port of Karnataka came into existence on 11th Jan 1975 to export iron ore from kudrmukh mines. The major commodities exported through the port are iron ore concentrates and Pellets, iron ore granite stones, containerized cargo etc. The major imports are petroleum, oil & lubricants products LPG, wood pulp, timber logs, finished fertilizers, liquid ammonia, phosphoric acid, other liquid chemicals, containerized Cargo etc (Trade policy review report, 2002). Kudrmukh Iron Ore Company Ltd. took step to export primarily to Japan, China, Iran and Bahrain.³⁰

Visakhapatnam Port is the deepest land locked and protected port in India.³⁰ It is one of the largest port of India in terms of Cargo handled. It is home to eastern Naval Command of the Indian Navy.³⁰ Its strategic importance lie as it may be used as another gateway to the world for the land-locked countries such as Nepal and Bhutan. It exports to Japan and China the iron ore in the form of raw and pellets from Bailadila mines Chhattisgarh for export to Ongole mines of Andhra Pradesh (Kuo, 2002). Almost 40% of total coking coal imported in India is handled at this port for catering the needs of SAIL at Bhilai & RINL at Visakhapatnam, which in turn make finished products & steel to export to USA, Middle East. There is also the coast movement of iron ore from this port to the minor port in Gujarat & Maharashtra for catering the requirement of some of the steel plant located nearby ex. Essar Steel, Ispat Industries, Vikram Ispat, NALCO exports Alumina to USA through this port. Crude oil is imported at this port to cater the need of HPCL Visakhapatnam. There is also the costal movement of crude from here to Orissa (India Port Report, 2003).

²⁹ www.indiamarks.com>Accessed 2013 Jan, 5.

³⁰ www.facts-about-india.com>Accessed 2013 Jan, 5.

The Chennai or Madras port developed an outer harbor, named Bharathi Dock to cater the rising demand of petroleum industry in 1972 and handling of iron ore in 1974.³¹ It has services to Singapore, Malaysia, Thailand, Myanmar, Sri Lanka, Korea, China, Mediterranean, Europe, Australia and the United States.³² The port handles a variety of cargo including iron ore, coal, granite, fertilizers, petroleum products, containers, automobiles and several other types of general cargo items (Sanjai, 2006). There is tremendous increase in trade volume handle at this port from 1979-80 to 1991-92 is evident from the table 5.

Table 5 Cargo handling tonnage at Chennai port:

Year	Cargo handling
1979-80	10 million tones
1984-85	15 million tones
1991-92	25 million tones

Source: Sanjai, 2006

Tuticorin Port is an artificial deep sea harbor commissioned in 1974 as 10th major port located at southern extreme of India.³³ Its hinterland consist primarily central & southern Tamil Nadu and Kerala. It imports finished fertilizers, rock phosphate, sulphur, raw cotton, paper pulp & waste paper and exports Garments & textiles (India Port Report, 2003). It has services to USA, China, Europe, Sri Lanka and Mediterranean countries.³² It exports marine products, coir products, tea & garments and Imports dry Fruit, Cochin Port handles crude oil & petroleum products paper, metal scarp (The Economic Times, 2006).

Since ports are gateway for international trading in the form of export or imports thus constitute the important means of commerce. Largely the trade activities of India are carried out through the Indian Ocean because of the presence of large numbers of ports around the peninsular coast.

In the initial period of planning India had adopted restrictive trade and import substitution policy till 1970s. During this period public sector had been assigned a

³¹ www.chennaiport.gov.in>Accessed 2013 Jan, 5.

³² shippingbusiness.weekly.com >Accessed 2013 Jan, 8.

³³ www.indiamarks.com>Accessed 2013 Jan, 8.

major role to play in economic development of the country, on the other hand private sector played its role with regulation. However, at the end of 1970s and beginning of 1980s India had changed its foreign trade policy from restrictive trade to liberal trade policy. During 1980s and 1990s the drastic changes took place in the economies of the world. Table 6 shows the volume of export, import and trade balance.

Table 6 Volume of exports, imports, trade balance (Rs.in crores)

Year	Export	Import	Trade Balance
1950-51	606	608	-2
1960-61	642	1122	-480
1965-66	810	1409	-599
1970-71	1535	1634	-99
1975-76	4036	5265	-1229
1980-81	6711	12549	-5835
1985-86	10895	19658	-8763
1990-91	32533	43198	-10645

Source: Economic survey Government of India 2002-2003 Table No.6.3 Page.No.101 2) Annual Report RBI 2003- 2004. Page No.94. 3) Economic and Political Weekly May 15-21. 2003- 2004 Page 1982.

During the period of 1950-51 to 1960-61 industrialization was at its pace and import of food grains was carried out due to shortage and crop failure in 1965-66. In the period of 1970-71 the trade balance was a bit favorable but the hike in oil price during 1973 again caused adverse impact. The trade deficit of 1980-81 compelled the government to take loan from IMF. Further decline in POL imports was more than the non POL imports were kept on going this with the adverse effect on trade balance. During the first phase of international trade policy of India the volume of exports and imports were less, due to the restrictive trade policy was followed by Indian Govt.(i.e. 1950-51 to 1969-70) In the pre-reform period India's trade had increased (figure 16).

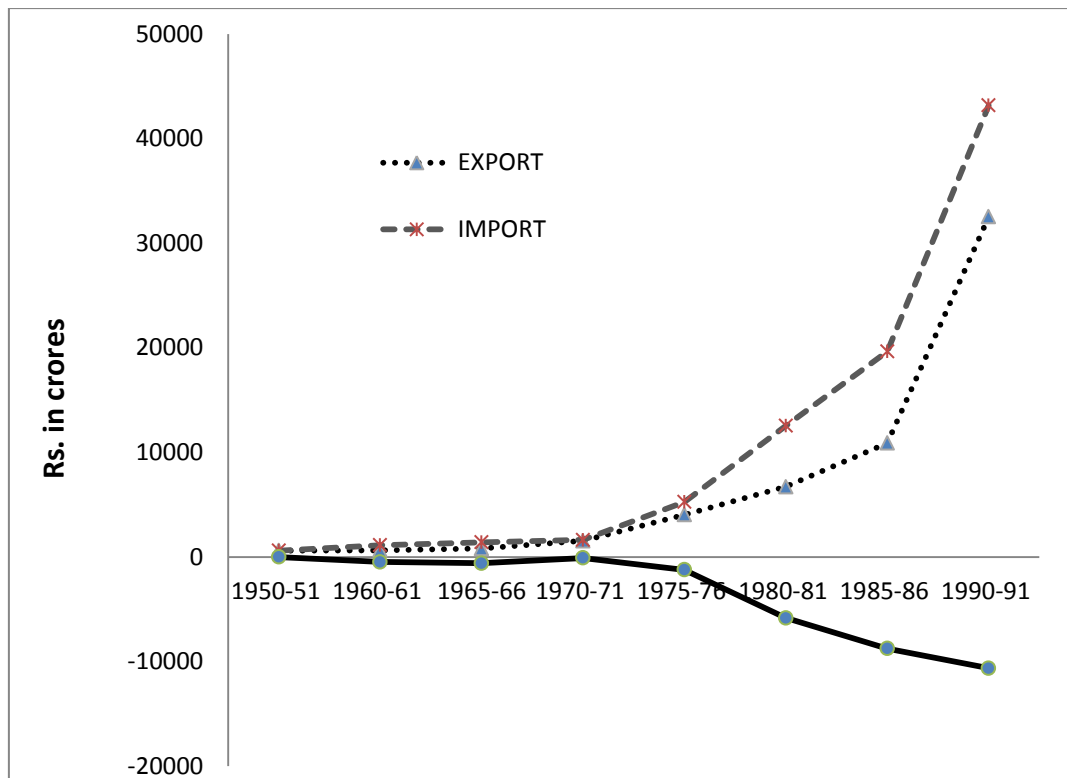


Fig. 16 Graph showing volume of exports, imports and trade balance

Source: Economic survey, Government of India 2002-2003

4.2.3 Maritime transport

Ocean transport or shipping plays an important role in the trade and economic development of nations. In fact, transport, trade and economic development are mutually supportive. Indian shipping companies faced stiff competition from foreign shipping companies before independence due to lack of support by British government. At the time of independence there were only 42 ships with less than 100000 tons of GRT (gross registered tonnage) Indian ships carried only 2% of the volume of India's over sea trade across the Indian Ocean (Datt & Sundharam, 1995). According to the Ministry of Shipping, Government of India today approximately 90% of India's trade by volume and 70% by value are moved through maritime transport.

Though during the cold war period there was lack of adequate infrastructure support like ship repair facilities, dry docking and cargo handling, world was on its verge towards containerization Indian container fleet was almost negligible, Indian fleet was over raged which resulted in high operative cost which was responsible for reducing competitive strength in shipping. India's geographical position is such foreign vessels are able to use Indian ports as way side ports when returning from

Gulf countries or sailing towards the Far East. Thus in absence of proper protectionist policies Indian shipping companies faced stiff competition and discrimination from international shipping companies (Datt & Sundharam, 1995).

In 1947, with the introduction of shipping policy committee which recommended a national shipping policy, there was a tremendous increase in share of Indian shipping in transportation of cargo in India's oversea trade (Datt & Sundharam, 1995) (table 7).

Table 7 Growth of Indian shipping since 1951

Year	Total GRT (million)	Traffic carried (in tones)
1950-1951	0.2	1.2
1960-1961	0.5	2.2
1970-1971	2.2	10.0
1984-1985	6.0	31.4
1991-1992	5.9	-

Source: Export- Import Bank of India, October 2010, Indian Shipping Industry a Catalyst for Growth

Exports of India are classified into four categories (I) agriculture and allied products include tea, oil cakes, spices, sugar, tobacco, raw cotton, fish and fish preparations, meat and meat preparations, vegetable oils, fruits, vegetables and pulses (ii) ores and minerals include mica ore, iron ore (iii) manufactured goods include textiles and readymade garments, jute manufactures, leather and footwear handicrafts including precious pearls and stones, chemical ,engineering goods and iron steel (iv) mineral fuel and lubricants (Datt & Sundharam, 1995).

Traditional exports dependent upon agriculture and mineral wealth constituting 42% of total exports in 1970-71, declined to about 22% in 1992-93 whereas manufactured and petroleum products rose in their share. Manufactured products accounted 50% in 1970-71 gone up about 76% in 1992-93. There was almost double share in rise of petroleum products (table 8). During this period India begun to show significant rise in terms of industrialization, the finished products now

constituted the leading export items in the form of engineering goods, readymade garments, fish & fish preparations and chemical

Table 8 Indian exports during 1970-71 to 1992-93 (Rs.crores)

	1970-71	1980-81	1992-93
Agriculture & allied products	487	2,057	8,791
	31.7	30.6	16.5
Ores & minerals	164	413	2,146
	10.7	6.2	4
Manufactured products	772	3,747	40,375
	50.3	55.8	75.7
Petroleum products	13	28	1,379
	0.8	0.4	2.6
Others	99	465	659
TOTAL	6.5	6.9	1
	1,535	6,710	53,351
	(100,0)	-100	-100
# Figures in brackets are percentages of total			
<i>Source:</i> compiled from RBI, Report on currency and Finance (1992-93)			

4.2.4 Exclusive Economic Zone of India

The period of cold war was very important for the South Asian countries because this was the period when maritime boundary demarcation started and South Asian countries got Exclusive Economic Zones. In view of the prospective changes in the International Law of the Sea (the United Nations Convention on the Law of the Sea [UNCLOS] III), which was to provide vastly extended maritime zones to coastal and island states, India began the difficult task of demarcating boundaries with its maritime neighbors in the early 1970s. This was necessary in order to peacefully resolve disputed and overlapping claims of maritime jurisdiction, arising from the new 200 nautical miles of Exclusive Economic Zones (EEZ) and 200-350

Table 9 India's Bilateral Agreements on Maritime Boundary Delimitation

Name of Country	Date of Signature	Nature of Agreement	Entry into Force
Indonesia	August 8, 1974	Relating to the Delimitation of the Continental Shelf Boundary between the Two Countries	December 17, 1974
	January 14, 1977	On the Extension of the 1974 Continental Shelf Boundary between the Two Countries in the Andaman Sea and the Indian Ocean	August 15, 1997
Maldives	December 28, 1976	On the Maritime Boundary in the Arabian Sea and Related Matters	June 8, 1978
Myanmar	December 23, 1986	On the Delimitation of the Maritime Boundary in the Andaman Sea, in the Coco Channel, and in the Bay of Bengal	September 14, 1987
Sri Lanka	June 26/28, 1974	On the Boundary in Historic Waters between the Two Countries and Related Matters	July 8, 1974
	March 23, 1976	On the Maritime Boundary between the Two Countries in the Gulf of Manaar and the Bay of Bengal and Related Matters	May 10, 1976
	November 22, 1976	Supplementary Agreement on the Extension of the Maritime Boundary between the Two Countries in the Gulf of Manaar from position 13m to the Tri junction point between India, Sri Lanka, and Maldives (Point T)	February 5, 1977
Thailand	June 22, 1978	On the Delimitation of the Seabed Boundary between the Two Countries in the Andaman Sea	December 15, 1978
Source: http://www.idsa-india.org/an-jan9-5.html Trends in the Delimitation of India's Maritime Boundaries, Rahul Roy-Chaudhury, Research Fellow, IDSA			

Table 10 India's Trilateral Agreements on Maritime Boundary Delimitation			
Name of Countries	Date of Signature	Nature of Agreement	Entry into Force
Sri Lanka and Maldives	July 24, 1976	Concerning the Determination of the Trijunction Point between the Three Countries in the Gulf of Manaar	July 31, 1976
Indonesia and Thailand	June 22, 1978	Concerning the Determination of the Trijunction Point and the Delimitation of the Related Boundaries of the Three Countries in the Andaman Sea	March 2, 1979

Source: <http://www.idsa-india.org/an-jan9-5.html>

Trends in the Delimitation of India's Maritime Boundaries, Rahul Roy-Chaudhury, Research Fellow, IDSA

India, to date, has signed 12 maritime agreements with all five of its neighbors on opposite coasts—nine bilateral agreements with Maldives (1976), Sri Lanka (1974 and 1976 (2)), Indonesia (1974 and 1977), Thailand (1978 and 1993), and Myanmar (1986) (table 9) and three trilateral agreements with Sri Lanka and Maldives (1976), and Indonesia and Thailand (1978) (table 10). As a result, the delimitation of India's maritime boundaries with four of these five states is complete; the only exception, Myanmar, requires a trilateral agreement to determine its tri junction point with India and Bangladesh. However, this necessitates the prior resolution of the maritime boundary dispute between India and Bangladesh.

4.2.5 Mineral Resources

India received exclusive rights to explore polymetallic nodules in the Central Indian Ocean basin in 1987. Since then, it has explored four million square miles and established two mine sites.³⁵ On one hand Ocean itself possesses huge mineral

³⁵http://www.stimson.org/images/uploads/research-pdfs/IOR_chapter7.pdf>Accessed 2013 Jan, 8.

and power resources and with delimitation of EEZ littoral nations had opportunities to explore those resources. On the other hand wherever energy resources were not available Ocean facilitated the trade. In India and other South Asian countries oil consumption increased in due course of time (Markussen, 1994).

4.3 FISHERY

Fishing has been a main occupation in the Indian Ocean since time immemorial. From 1950 to 1991 a tremendous increase has been observed in the fish production of three countries namely India, Pakistan and Maldives. Fishing generated revenues and provided food security and employment to many people living in the coastal areas.

Commercial and artisanal fisheries sustain the livelihoods of more than 38 million people worldwide. In the Indian Ocean, fish production increased drastically from 861,000 tons in 1950 to 8 million tons in 1991 (figure 18). But while other world oceans are nearing their fisheries limit, the United Nations Food and Agriculture Organization (FAO) judges that, in certain areas, the Indian Ocean's resources have the potential to sustain increased production. Reported catches for the eastern Arabian Sea reached a peak of 2.4 million tons in 1990 and have been roughly stable at this level since. India was the greatest contributor, producing about 1.8 million tons a year, and Pakistan and Maldives landed 400 000 and 100 000 tones, respectively (figure 19) (Young, 2006).

Fisheries are next to agriculture in terms of providing employment and food supply. Its consumption per capita is 9.8 kg against the recommended intake of 13 kg (Government of India, Ministry of Statics and Program Implementation, 2011). In 1991-92 marine fish production was 24.47 Lakh tons whereas inland accounted for 17.10 Lakh tons making the total production of 41.57 Lakh tons. Today India is third largest producer of fish in the world.³⁶

³⁶ www.dahd.nic.in

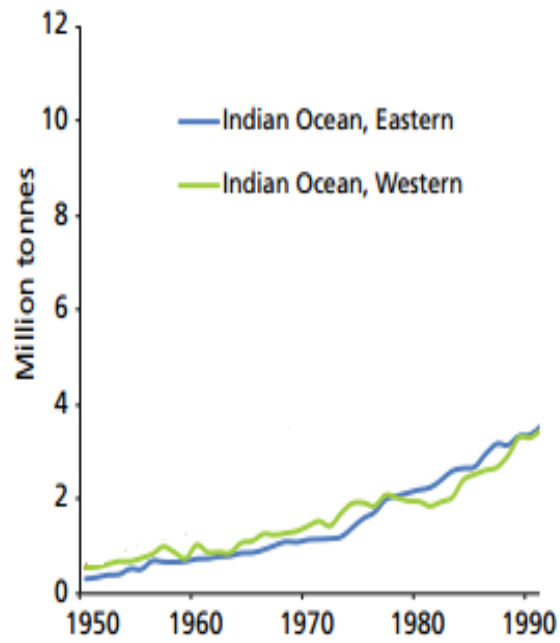


Fig. 18 Increasing trends in fish production

Source: FAO, 2011

Annual nominal catches of selected countries in Western Indian Ocean

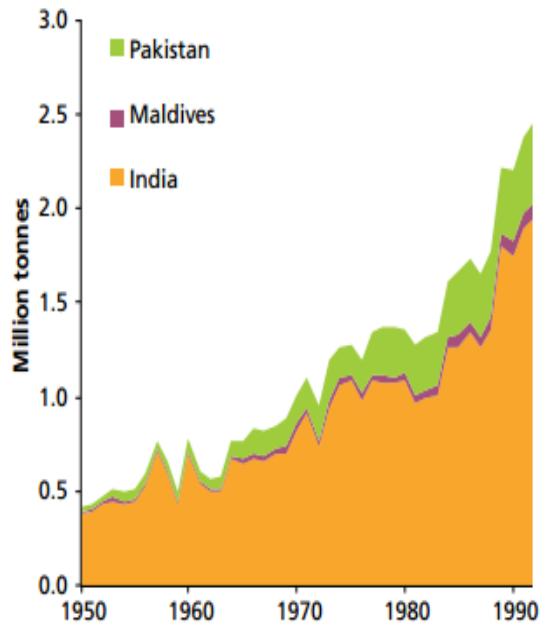


Fig. 19 Catches of fish in Indian Ocean

Source: FAO, 2011 <http://www.fao.org/docrep/015/i2389e/i2389e.pdf>

Government provides subsidies to poor fishermen so that they can motorize their traditional craft in the 1980s led to a quantum jump in marine fish production in the late 1980s. The export of marine products rose from 97,179 tons in FY 1987 to 210800 tons in FY 1992 making India one of the world's leading sea food exporting nations. It was largely due to the advancement in India's freezing facilities since the 1960s advancement that enabled India's seafood products to meet international standards.³⁷ Four main fishing harbors during this period along the coast of Indian Ocean were Kochi, Vishakhapatnam; Roychowk in Calcutta came in to existence by 1980 whereas the Madras fishing harbor came in to being in 1980s. During this period 23 minor fishing harbors & 95 fish landing centers were available to provide landing and berthing facilities to fishing crafting.³⁸

4.4 OIL & NATURAL GAS

None of the South Asian countries produce enough oil for its own consumption except India and Pakistan who also have to import it. India, Pakistan and Bangladesh have reserves of natural gas. It is of no doubt the Indian Ocean rich resources fisheries, off shore oil & gas, and undersea mineral are of interest to the world's major and upcoming powers. In the cold war era too this was clearly visible that Indian Ocean had made the region of South Asia worth its economic and strategic importance.

Though this is impossible to quantify the exact amount of oil reserves but according to geological estimates it is 6,070,250,000 barrels of oil present in oil fields of India, Bangladesh and Pakistan (table 11).

Table 11 Oil reserves in oil producing nations of South Asia

Country	Oil reserves
India	5,70,00,00,000
Pakistan	34,18,00,000
Bangladesh	2,84,50,000

Source: www.nationmaster.com/graph/ene.oil.re

³⁷ www.mongbay.com/reference/country_studies/indiaeconomy.html

³⁸ http://mofpi.nic.in/images/dpr_nfpdb.pdf

All the South Asian countries after independence promoted the policy of import substitution and promoted their domestic industries is clearly evident from the (table 12) till they followed the path of liberalization. This also shows the merchandise that was being exported in the form of manufactured products gradually increased in each of the country with decline of primary commodities exports by the year 1993.

Table 12 Structure of merchandise exports from South Asia littoral nations during 1970 to 1993 (% of total exports)

Countries	Fuel, minerals, metals	Other primary commodities	Machinery & transport equipment	Other manufactures	Textile fibers & textile clothing
	1970-1993	1970-1993	1970-1993	1970-1993	1970-1993
India	13 – 7	35 – 18	5 – 7	47 – 68	27– 30
Pakistan	2 – 1	41 – 14	0 – 0	57 – 85	75 – 78
Sri Lanka	1 – 1	98 – 27	0 – 2	1 – 71	2 – 52
Bangladesh	- – 0	- – 18	0 – -	81 – -	-- 78

Source: World Development Report, 1995

Table 13 Structure of merchandise import from South Asia littoral nations during 1970 to 1993 (% of total imports)

Countries	Food	Fuels	Other primary commodities	Machinery Transport equipment	Other manufactures
	1970-93	1970-93	1970-93	1970-93	1970-93
India	21 – 4	8 – 30	19 – 10	23 – 14	29 – 42
Pakistan	21– 14	7 – 17	7 – 6	31 – 35	35 – 27
Sri Lanka	47– 16	3 –9	4 – 3	18 – 21	29 – 51
Bangladesh	_ 15	_ – 14	_ – 30	_ – 13	_ – 28

Source: World Development Report, 1995

With the departure of British rule there was acute shortage of food that was being imported in the initial years of independence, in the later years of cold war almost reduced to a great extent with the move towards self-reliance measures sought by the government of South Asian countries. Machinery and transport equipment were still being imported whereas fuel consumption rose to cater need of domestic units the means of which was Indian Ocean itself (table 13).

4.5 PAKISTAN

Around the Indian Ocean location of Pakistan makes it an important channel to reach western region of Asia and South-East Asia thus has had strategic importance since its existence. The trade activities that are being carried out through Indian Ocean catered need of its economy. In south is the Arabian Sea which is the north-west extension of the strategically important Indian Ocean and washes Pakistan's coastal shores. The vitality of Indian Ocean remained unquestionable throughout the known history as it provided not only a commercial and trade link between Europe and the Far East but also remained a key to the seven seas. Pakistan's only coastline is on the Indian Ocean, which is therefore a vital access point for trade and specifically for energy supply. Pakistan's major interests in the Indian Ocean are preventing India from dominating the areas closest to Pakistan itself, and protecting its vital import and export routes. Pakistan's economic stake in Indian Ocean security, like India's, is considerable. Its fragile balance of payments is dependent on sea trade; 95% of its trade and 100% of its oil import is transported through the Indian Ocean.

4.5.1 Economic importance of Indian Ocean for Pakistan

At the periphery of Indian Ocean two major seaports situated in vicinity of Pakistan are port of Karachi and port of Muhammed Bin Qasim in Arabian Sea branch and Karachi is the busiest transshipment sea port. Being the primary port, Karachi is very close to India's base along the Gujarat coast and possesses very shallow approaches and long channel that could be easily mined, India used this to its advantage during the 1971 war with Pakistan by blocking Karachi (Indian ocean Geostrategic environment). No merchant shipping could dare approach Karachi which itself was engulfed in black smoke. In addition to more than \$ 3 billion worth of damage, most of oil reserves & ammunition had been lost, ware houses and

workshops destroyed making Karachi the greatest victim of 1971 war (Harry, 2004). This depicts that cutting supply to the border at Indian Ocean causes drastic impact on the countries thriving at its shore (figure 20).

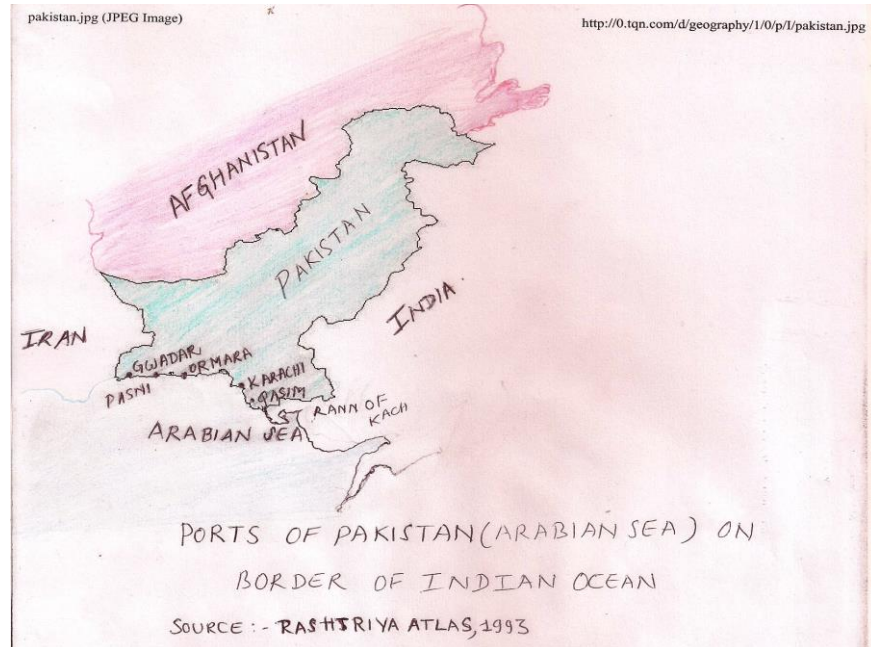


Fig. 20 Ports of Pakistan

During the cold war period Karachi was main export grounds with the commodities included were the raw cotton, wool, hides & skin, salt, bones, cement, oil seeds along with food grains if in surplus. Chief imports were textiles and yarn machinery iron and steel fuels vehicles and large variety of consumer goods (figure 21).

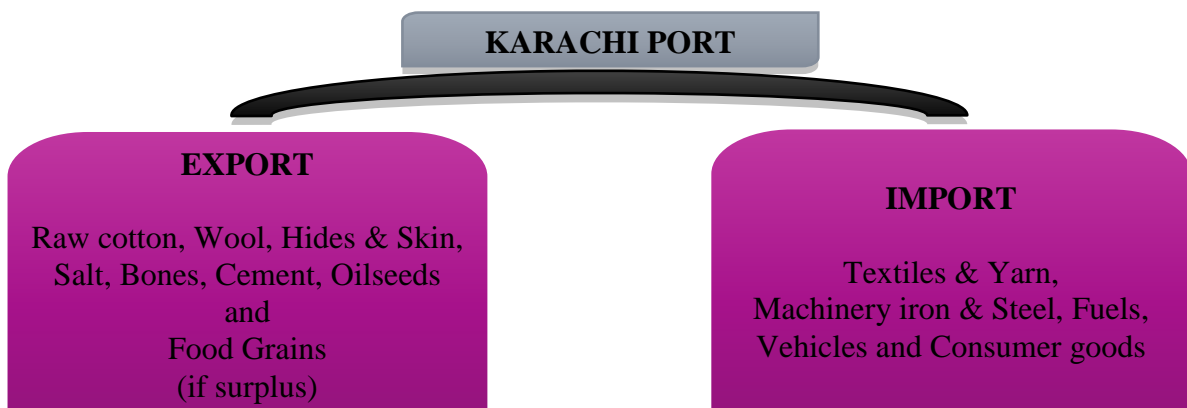


Fig. 21 Commodities exported and imported from Karachi port

During that time there was no other port in West Pakistan except Karachi yet Pasni coast to be developed that was destroyed by the fire in 1937. Pasni could be the connector to East Iran and being the natural harbor may develop in to modernized port since it is largely connected to the hinterland by well-developed roads and rails. Pasni's hinterland produces wool, hides & skin, dates, fish and minerals that may be exported from here (Andrus & Mohammed, 1958). Thus Pasni may constitute the important destination for the import and export at the border of Indian Ocean.

Port Qasim is Pakistan's second deep sea port and meeting more than 40% of the country. Commodities like furnace oil, chemicals, edible oil, coal, wheat, fertilizers, and molasses are handled at this port (Economic Survey of Pakistan 2004-2005).

Pakistan's major trade partners during the cold war period were U.S.A, Japan and Germany. Towards the fag end of cold war Japan turned out to be the largest trading partner of the country the mode of trade through which could only was Indian Ocean (table 14).

Table 14 Main trading partners of Pakistan during 1974-75 to 1993-94 (Rs. in Millions)

Countries	1974-75	1984-85	1993-94
	Export Import	Export Import	Export Import
USA	384	3965	29502
	3097	11289	27367
Japan	699	4573	111272
	2633	12002	119251
Germany	462	2163	16428
	1558	5163	19971

Source: Pakistan economic survey 1994 – 1995

The exports of Pakistan include textiles, raw cotton, carpets, rice, leather, vegetables, fruits, fish, sports goods, sugar, and raw material. Imports include textile, machinery, electric machinery, and agricultural machinery, fiber, silk yarn, insecticides, plastics, medical products, iron, steel, aluminum, rubber. Merchandise exports which averaged 9.8% of GDP during the 80s picked up to

13% during the 90s during the same period and import declined from 18.7% to 17.4% (Fatima, 2010).

Sindh province has the second largest economy of Pakistan which has largely contributed to manufacturing sector. Since 1972 Sindh's GDP has expanded by 3.6 times (Provincial accounts of Pakistan: methodology and estimates 1973-2000). Towards its south is Arabian Sea branch of Indian Ocean which is a contributing factor for the development of the province. It is Pakistan's most natural gas producing province.

4.5.2 Fishery

As the result of EEZ in 1976 Pakistan's fishing limits were extended to 200 nautical miles from the shore providing the country with a fishing area of 196,600 sq. km. Shrimps constitute a major source of foreign exchange in fishery sector exploited from Indus delta. In 1985 the total value of fish and its product was approximately Rs. 4 billion or 0.8% of the country's total GDP of this about Rs. 1 billion was contributed by shrimp fishery, processing and export subsector. In 1987 about 250,000 full time and part time fishers were employed (Ahmed & Qureshi, 1995).

The Government of Pakistan constituted a National Commission on Agriculture (NCA) in 1986 which aimed at self-sufficiency in fishery sector also. As the result of which fish production in 1986-87 increased to 419,000 tons which earlier was 343,000 tons in 1982-83 which further rose to 520,000 tons in 1992-93 (Ahmed & Qureshi, 1995). Table 15 clearly depicts that measures introduced by government brought about positive results for uplifting of the sector during the cold war period.

Table 15 Marine Fish Production in Pakistan 1982-1993

Year	Production
1982-83	343,000 tons
1986-87	419,000 tons
1992-93	520,000 tons

Source: Ahmed and Quershi, 1995

Since Pakistan is the country of which per capita consumption per day of protein is 5.4gm (Ahmed & Qureshi, 1995) thus the alternative source of protein demand

may be met from the marine products obtained from the Indian Ocean up to certain extent.

The Gwadar deep sea port presently under construction is at a distance of about 460km. from Karachi. Gwadar is located in the Gulf of Oman; close to the entrance of Persian Gulf till 1958 it belonged to Oman, which gave this land to Pakistan (Jaffrelot, 2011). Pakistan identified Gwadar as port site in 1964 (Anwar, 2011).

Since China is interested in Pakistan trade & energy corridor from the Gwadar (in Balochistan) port of Pakistan to western region of China, which would connect China with oil routes in western Pakistan. Pakistan karakoram highway provides the shortest possible routes from Gwadar to western region of China (Sahoo & Tanjea, 2010). This would provide China access to Indian Ocean oil fields and the entrance through Karakoram to western (Xinxiang Sichuan Provinces) region shall provide it a shortest route too where as the Strait of Malacca is full of pirate activities which could be avoided eventually.

Pakistan wanted to use it as alternative to Karachi port in the wake of drastic situation it faced when Karachi was sacked by India in 1971 war and was interested to take it for its commercial purposes also (Schaffer, 2011).

Since Gwadar is about 70 km. from the border with Iran & about 320 Km from Cake-al-hadd in Oman. It is situated along Side Sea lanes near the Strait of Homouz through which about 40% of world's Oil Tankers pass (Mills, 2006). Its location makes it too convenient access of energy resources supply not only to China but Pakistan itself.

4.6 SRI LANKA

Sri Lanka is situated at a prime location in the middle of Indian Ocean. Sri Lanka plays important role in East - West maritime movement. It has deep water ports for the vessels boarding. Sri Lanka's foreign trade and the international sea borne commerce in the Indian Ocean underwent many changes with the advent of the European powers in the Indian Ocean. The Portuguese in the 16th century and subsequently the Dutch, the French and the British dominated sea-borne commercial activity in the Indian Ocean.

During 1950s 90% of Sri Lanka's export was tea, rubber, coconut while rice accounted for 25% of imports which was a necessary step to handle the situation

of food shortage, followed by introduction of food subsidy scheme by government. In later years the export over import reduced and Sri Lanka adapted protectionist policies to combat the situation and more relied on to promote the domestic industries (Apergis et al, 2000).

Until 1977, Sri Lanka was a relatively closed economy. Domestic production was protected by quantitative restrictions on imports and foreign investment was subjected to direct barriers. Import substitution was encouraged to reduce imports and to achieve self-sufficiency in rice and other essential commodities. Import tariffs gradually increased all goods except food, petroleum, fertilizer and pharmaceuticals were subject to quantitative restrictions. In 1977, the United National Party government of Sri Lanka introduced a series of trade policy reforms. Thus, market liberalization policies were introduced, and Sri Lanka was actually the first country to implement free trade among the South Asian countries. This trade liberalization attempt focused on cutting tariffs and non-tariff barriers, introducing a six band tariff structure, limiting quantitative restrictions, and avoiding the entry barriers to foreign investment (Silva et al, 2013).

The open market economic policies led to rise in import - export of Sri Lanka. In the period 1985-1990 transshipment traffic averaged 66.3% of total traffic with the port briefly taking some traffic from regional hubs such as Singapore and Dubai (Galhena, 2003). In 1986 textiles became leading export commodity and the traditional items of tea and rubber left behind. Textile exports were worth around Rs. 9.6 billion compare to under Rs. 9.3 billion for tea. Rice imports declined in late 1970s and early 1980s by 1985 Sri Lanka was close of self-sufficiency, in the year 1986 rice accounted for only 1.9% of imports.³⁹

United States accounted for 26% of Sri Lanka's exports in 1986, mostly in the form of textiles and tea whereas federal republic of Germany (FRG), Britain and Japan took 8% of its exports for the same period. In the 1960s & 70s about 50% of rubber exports were to China in return of rice on favorable terms but after around 1980 Sri Lanka no longer needed to import large quantities of rice.³²

³⁹ http://www.mongabay.com/history/sri_lanka/sri_lanka-external_trade.html>Accessed 2013 March ,6 .

4.6.1 Trade activities through Indian Ocean from Sri Lanka

Transportation of commodities through Indian Ocean made Sri Lankan economy grow at the faster pace and was carried out by the harbors lie at the border of Indian Ocean. It was first country of South Asia which followed the policy of liberalization promptly for its import-export policies. At the periphery of Indian Ocean in the vicinity of Sri Lanka lie the ports of Trincommalee, Colombo and Galle bearing economic and strategic importance of par excellence (figure 22).



Fig. 22 Major ports of Sri Lanka

Source: CIA World Fact book

Main export items of the country includes textiles and apparel, diamond, coconut products, petroleum products while the imports from here include mineral products, textiles, food stuff, machinery and equipment.⁴⁰

Trincomalee is stated as one of the best natural ports in the world due to its location and extra ordinary depth in the inner harbor. It constitutes the important

⁴⁰ <http://www.units.muohio.edu/ath175/student/vollmega/index.html>>Accessed 2012 Sept ,6 .

strategic point in India Ocean because of its being nearer to Bay of Bengal. Since Trincomalle is bore with oil tank farm, a collection of 101 oil storage tank built by the British during World War II. They fell into unused after the war and in early 1980s Sri Lanka considered leasing them to any country that could pay the most. Civil strife affected Trincomalle as it is the port that Tamil Tigers had identified as being the one they would like as their premier port if they were to achieve any sense of autonomy or independence (Mason-Jones, 2005).

Colombo Port lies directly on the trade routes between Europe and east, efforts were made for its development. The Sri Lankan government under took in 1977 and which is proving worthy (Galhena, 2003). During the 1950s & the 1960s, the Colombo port was basically lighter age port which could be linked to a port like the Kakinada port in Andhra Pradesh on the east coast.⁴¹

Colombo has the advantage of its ideal location on the international sea trade route between Europe and South - East Asia. Since the commencement of operations in 1985 and 1987, the fully equipped multi berth terminal at this port enabled Colombo to serve the port growing demand for container traffic, handling transshipment in the region.⁴² With the available facilities at Colombo port large vessels from major exporting countries such as the US and Japan used the port to off load their Cargo meant for several ports in the region such as Mumbai, Kolkata & Chennai and sent them to these ports through smaller vessels with several other facilities such as flexible rates and low labor charges offered at the port, thus Colombo had been able to attract an enormous amount of business.⁴³

Since other countries board their ships here for the shipment of their goods to be destined for other nearby countries through smaller vessels routing Indian Ocean helps in generation of employment to the people and income to the port authority of Sri Lanka.

⁴¹<http://11sethusamudram.info/content/view/26/30/> >Accessed 2012 Sept ,6 .

⁴²<http://11sethusamudram.info /content/view/26/30/>>Accessed 2012 Sept ,6 .

⁴³<http://11sethusamudram.info/content/view/26/30//>>Accessed 2012 Sept ,6 .

A unique feature of this port is strategic geographical location on the main east-west shipping lanes running from Europe to the East and the Far East, Europe to Australasia through Singapore and from India's west coast to east coast. The deviation of a vessel is only 8 hrs from the main sea route therefore the Colombo sea port could be considered as the South Asian Gateway to Europe, the Far East, the Middle East, Africa's, Australia & Pacific rim countries (Galhena, 2003).

Galle port lies on the south coast of Sri Lanka, maritime service business operates from this port to service ships transmitting to and from the Malacca Strait. A short distance from Galle is Dondra head and this is a rounding point for between 200 to 300 ships per day passing between the Suez Canal, India and the Middle East and the northern end of the Malacca strait (Mason-Jones, 2005). Since location of Sri Lanka in Indian ocean is such that the ships passing through it board here for servicing and helps in generation of capital for port authority of Sri Lanka.

The ports of Sri Lanka are well connected to roads and railways according to World Bank Reports; Sri Lanka has a well-developed transport system that includes a road network of approximately 100,000 Km. (62,140 miles). Sri Lanka also has rail network consisting of about 1944 Km. (1208 miles) of tracks which links Colombo with the rest of the country (Wijeyesekera, 1997).

A sizable amount of transshipment cargo to / from Pakistan (Karachi) and Bangladesh (Chittagong) was handled in Colombo. In addition to this Colombo handled a certain volumes to / from the Middle East, East Africa & Australia (Galhena, 2003). This clearly depicts Indian Ocean paved the way for the movement of goods to fulfill the needs of newly independent countries.

The Palk strait remained the source of livelihood for communities of India and Sri Lanka on both sides of International Maritime boundary line which was demarcated in 1974 after the ceding of the Kachchative Island while fishery remain a major vocational activity. The narrow strait has served the cause of smugglers who routinely indulge in transferring goods to either coast driven by profit as the motive (De Silva, 2009). Though the region serves the livelihood of fishing communities of both the countries yet the menace of unlawful activities should be curbed.

Sri Lanka does not produce any oil or gas, imports all its crude oil since cold war period. The countries from which it imports crude oil requirements include Saudi Arabia and Iran (Katakey & Ondaatje, 2013). Oil accounts for about 25% of the value of imports in early and mid-1980s but reduced to 11.5 in 1986 when its price fell sharply and additional hydroelectric power became available from the accelerated Mahaweli project.⁴⁴ Since the nation is entirely surrounded by Indian Ocean marine products constitute an ample resource. It claims sovereign rights over 223,000sq.km Exclusive Economic Zone.

4.6.2 Fishery

In Sri Lanka fishery industry department was established in 1940 (Sivasubramaniam, 1997). After independence the emphasis was laid on the industry to generate employment, food security and foreign exchange. The fish production in 1950s was approximately 40,000 tones, the growth took momentum in 1960s and with the introduction of new technology the catch volume further raised in 1980s. The coastal fish production increased from 38760 tons in 1957 to 114870 tons in 1975 (Wijyaratne, 2001).

Table 16 Marine Fish Production in Sri Lanka 1960-1990

Year	Marine Fish Production(tons)	
	Coastal	Off shore
1960	68600	—
1964	84400	—
1972	90717	2557
1983	184049	689
1984	136642	823
1990	134130	11670

Source: Ministry of fishery and aquatic resources, Sri Lanka, 2001

Fisheries provide 65% of the animal protein consumed in Sri Lanka, provides full time employment for around 120,000 persons and accounts for 26% of Gross National Product (GNP). Exports of fish and aquatic products were valued at

⁴⁴ http://www.mongabay.com/history/sri_lanka/sri_lanka-external_trade.html>Accessed 2012 Sept ,6 .

around US\$ 84 million in 1988. Fish production in Sri Lanka during the cold war period gradually gained the pace is clearly evident from the (table 16).

The inclination towards this industry is clearly visible from the fact that there were 969 fishing village sheltering home land for 58,514 active fishers in 1972, accounting 245,062 fishing population that considerably rose in 1996 as fishing villages and population by 1269 and 344,497 respectively. The government enacted Coast Conservation Act in 1981 and in 1990 fishermen's pension and security benefit scheme was introduced (Wijayaratne, 2001). It cannot be denied that the government of ocean bound countries take keen interest in promotion of industries directly relies on its waters to support the demand of its coastal communities and Sri Lanka is no exception to that.

4.6.3 Strategic importance of Indian Ocean for Sri Lanka

During the cold war both Super powers vied to make use of Sri Lanka's location to control Indian Ocean, Indian pressure and the non-aligned political stance of the government prevented the super powers from getting that vital advantage (Bajpai 1983).

During the LTTE struggle and the Eelam wars the seas have continued to play a vital role in enabling the LTTE to obtain military hardware and essential supplies in a clandestine manner by operatives operating around the world. The Palk Strait became the access route between India and Sri Lanka in the late 1970s & early 1980s. Different insurgent & terrorist groups of northern and eastern Sri Lanka sent their cadres to South India for training. This development led to deterioration of Indo Sri Lanka relations for most of the 1980s (de Silva, 2009). During the period of insurgency in Sri Lanka terrorist, militant groups were using Indian Ocean maritime routes to spread terror in the region is clearly evident in cold war times in context with Sri Lanka faced ethnic violence for over 26 years brought weapons from South East Asia and transported them by ship to LTTE and Controlled areas in northern Sri Lanka.

When Sri Lanka decided to seek help from any other nation outside the region, made India concerned about its own security. This propelled an Indo Sri Lanka accord signed in 1987, sought to establish peace and normalcy on the island while

developing powers to the provinces of Sri Lanka to meet aspiration of the minority communities, particularly the Tamils. The accord also required the LTTE to lay down its arms. One significant provision was that Trincomalle port or any other port in Sri Lanka could not be used for military purpose by any country in a manner prejudicial to India's interest. Several of the oil storage tanks were leased to the Indian Oil Company.

Sri Lanka is situated in close proximity to one of the busiest and most important sea lanes that reach through the Indian Ocean. All the oil supplies to South East and East Asia that originate in the Middle East are shipped from ports in the Red Sea, the Persian Gulf. The sea lanes from here converge in the Arabian Sea and then pass through the Gulf of Mannar and curve off the western, southern & south eastern coast of Sri Lanka (Sivaram, 2004). Thus it is important for the country to have strong hold over the area so that the other power may not wither and create the tension in Indian Ocean.

The distance from Sri Lanka to the Strait of Hormuz and the Strait of Malacca is approximately 2000 miles; this means Sri Lank is located in the west central maritime route between the Persian Gulf and Indonesia (Singh, 1983). It is the appropriate location for operations; in Middle East at one end while South-East Asia at the other, either for trade purposes or as means to choke the points of the Indian Ocean.

4.7 MALDIVES

Maldives was a British protectorate until 1963, when the sultanate was suspended and the first republic was declared under short lived presidency of Muhammad Amin Didi. Maldives gained total independence from the British in 1965. In a national referendum in March 1968, Maldives abolished the Sultanate and established a Republic.⁴⁵ Of all the Maldivian islands only 200 are inhabited. The population is scattered throughout the country, the largest concentration is on Capital Island Male.

4.7.1 Role of Indian Ocean in economic importance of Maldives

⁴⁵ Sentinellassam.com>Accessed 2013 Feb ,2.

Maldives lacks viable agricultural land and vast mineral resources to support country's life system. The Indian Ocean provides the best source to generate economy in the form of fishery and tourism industry which got attention of government also who formulated various organizations, undertook major projects etc. for the survival of its people and generation of economy.

4.7.2 Fishery

Fishery has played a major role for survival of Maldivian economy since ancient times. After departure of British Maldivian Economy suffered when the export of dried fish to Sri Lanka collapsed in the 1970s, & Great Britain left the Gan air base in 1976. However the International tourist industry in the island began to develop from 1972, making a small number of people, allegedly including Nasir, Wealthy (Bose et al., 2008).

When Sri Lanka cut back imports of dried tuna fish in 1979, Maldives joined with the Japanese Marubeni Corporation to form the Maldives Nippon Corporation that canned and processed fresh fish also in 1979 the Maldives Government created the Maldives fisheries corporation to exploit fisheries resources.⁴⁶

India provided a grant of Rs. 40 lacs for setting up a fish canning plant in 1977 (Singh, 2012). Progress had also been made as a result of fisheries development project undertaken by the World Bank, harbor & refrigeration facilities have been improved, leading to a fore fold increase in earnings from canned fish between 1983 & 1985. Further Construction of fisheries refrigeration in installation & related facilities such as collector vessels were under way in 1994 with funding both from Japan and the World Bank.⁴¹ The involvement of modern techniques resulted in doubling the fishing catch between 1982- 1985 and by the end of cold war in 1992 it employed 22% of labor force. In 1992 the fishing industry provided approximately 15% of total GDP. As Government has played major role in the development of fishery sector the fishermen are adapting mechanized system whereby income from fishery has increased tremendously (table 17).

⁴⁶ www.mongbay.com>Accessed 2013 Feb ,2.

Table 17 Fish export from Maldives during 1982-1991

Year	Thousand Metric tons
1982	16.4
1983	15.1
1984	19.9
1985	31.1
1986	32.6
1987	36.0
1988	35.2
1989	44.3
1990	52.9
1991	55.2

Source: Ministry of fisheries, Agriculture and marine resources, Maldives
(www.planning.gov.mv/publication/25years.stats)

4.7.3 Tourism

Because of its clear and pollution free environment around the Indian Ocean led to the basis for tourism and by 1989 had become the country's major source of foreign exchange surpassing fishery. As the tourism flourished by 1985 the islands had 120,000 (mainly European) visitors and the industry quickly became the country's chief source of wealth. Revenues from tourism in 1991, contributed approximately 17% of GDP, agriculture employed a little more than 7% of labor force in 1990 in the limited production of coconuts, cassava, taro, corn, sweet potatoes and fruit & accounted for almost 10% GDP. These basic food stuffs represented only 10% domestic food needs and the remainder being imported. The number of tourist (mainly from Europe) visiting the Maldives increased from 1,100 in 1972 to 280,000 in 1994, which is many fold increase.⁴⁷ Tourism has catered in other sectors like transport, construction of roads-rail links. Taxes levied on the tourist industry have been utilized into infrastructure and to improve technology in the agricultural sector.

Since tourism constitutes 33% of Maldives GDP, one million tourists visit here each year, which is almost three times the population of the country. This has made it from lower income to middle income country (Singh, 2012).

⁴⁷ en.goldenmap.com>Accessed 2013 Feb ,2.

India and Maldives signed trade agreement on 31st March 1981, which shall remain in force until is modified or terminated by either country on giving three months' notice to the other. The Agreement provides for most favoured nation (MFN) treatment to each other in trade & merchant vessels, promotion of commercial & technical cooperation through exchange of delegations & participation in trade fair & exhibition & supply of essential commodities by Government of India to Government of Maldives on annual Quota. As per the provision of Articles VIII & IX of the Agreement India supplies essential commodities annually as per the request of Maldives. These commodities usually consist of eggs, potatoes, onion, rice, wheat flour, sugar, river sand & aggregate (figure 23). All payment between India & Maldives are in freely convertible currency, Subject to their foreign exchange regulation.⁴⁸

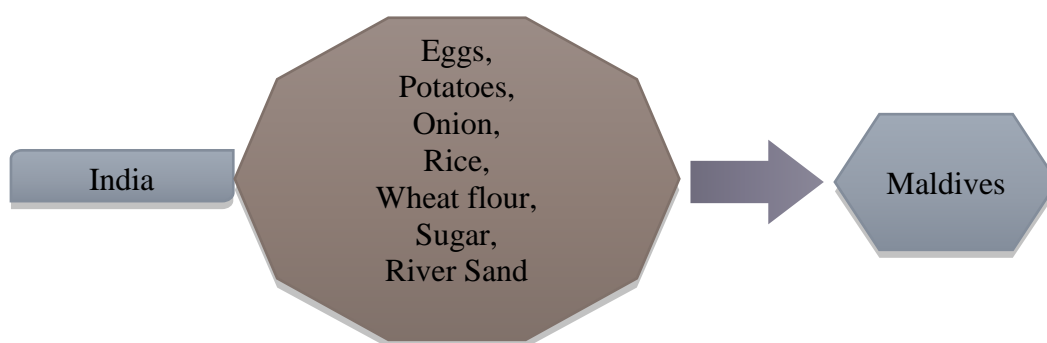


Fig. 23 Export of commodities from India to Maldives via Indian Ocean

4.7.4 Cottage industry

The cottage industry flourish on goods produced from material obtained from the plants grown in tropical climate of the region. Cottage industries involved coir rope making from coconut husks women are mainly employed in this sector. Cadjan or thatch weaving from dried coconut palm leaves mat weaving from indigenous reeds. The cowrie shell collecting for export is another occupation in which only women participate. In early 1990s a small number of modern industries were operating mostly fish canning and garment making the largest garment factories are Hong Kong owned occupy a bandand hangars & other and maintain ace Buildings at the former British air Station on Gan.⁴¹ Since Maldives lacks enough

⁴⁸ http://commerce.nic.in/india_rta.htm>Accessed 2013 Feb ,2.

arable land to cater the needs of its population even to fulfill its daily requirements it largely relied on the Indian Ocean.

4.7.5 Strategic importance of Indian Ocean for Maldives

India helped avert a military coup in Maldives in 1988 (Gupta, 2010). India launched operation Sandhya and foiled the attempted coup (ideas Strategy) since country is situated in middle of the Indian Ocean along east west trade route. This made the country the important port of call for ships transmitting goods between Europe Middle East Far East.

The coup was attempted with the help of about 150 Sri Lanka Tamil separatists People's Liberation of Tamil Eelam (PLOTE) who were led by two Maldives descendents and Colombo based businessman Abdullah Luthufi & Sagar Nasir (Singh, 2012). To liberate Maldives from the clutches of few Maldives coup personnel who joint with PLOTE mercenaries of Sri Lanka (Hilmy, 2012). Indian helped Maldives to maintain peace and thus gain favor because of its strategic significance to tender the Indo Maldives relation and that Maldives may not turn elsewhere for help.

In 1956 to counter possible Russian expansion in the area Great Britain secured permission to reconstruct an air base used during World War II (1939-1945) on the southern atoll of Gan in the Addu group. The British were granted a 100 year lease for a nominal annual payment. In 1975 a new Maldivian prime minister, Ibrahim Nasir renewed in 1960 for a 30 years period and a payment of \$1.4 million over a five year period by the late 1950s (Bose et al., 1950). The inhabitants of the southern atolls were benefitting economically from the Gan air base.

Since Diego Garcia base was setup by U.S. and Britain, with the movement of British from Gan made USSR, to acquire it and offered a monthly rental of US \$ 1 million to set up a station for their fishing fleet, which was actually to countervail the US presence at Diego Garcia which the president Gyaoom vehemently opposed (Singh, 2012). This was the action to avert any extra regional power to make presence in Maldives and thus may hamper the autonomy of the state and may be a blow to the nonaligned status of Maldives.

Since Maldives lie on the major sea route of Indian Ocean it is threatened by illegal drug trafficking this could impinge the contribution of youth for country's development as they may fall in its clutches, further can raise the crime rate. World's densest maritime trade route from east to west passes through territorial waters of Maldives controlling more than 65% of maritime trade thus this makes it one of the important strategic points in the Indian Ocean high way if choked will disrupt the sea lines of communication.

4.8 BANGLADESH

Bangladesh appeared on world map as an independent and sovereign state on Dec. 16, 1971, following the victory at the war of liberation from March, 25, 1971 to Dec. 16, 1971. The location of Bangladesh makes economically and strategically important link to North East of India with the Indian Ocean (Berlin, 1999). Bangladesh entered into international trade since 1972. In the early years of independence the gap between import & export was very wide. This gap started to decrease from 1980s when Bangladesh adopted liberal trade policy consistent with the emerging trend of the market economy. For export promotion & development Bangladesh pursued periodic export policy from 1980. Bilateral trade agreement was signed between India & Bangladesh on 4.10.80 which included following factors

1. Expansion of trade & economies operation
2. Making mutually beneficial arrangement for the use of water ways, railway & roadway.
3. Passage of goods between two places in one country through the territory of the other.
4. Exchange of business & trade delegations and consultations to review the working of the agreement at least once a year etc.⁴⁹

⁴⁹ http://commerce.nic.in/india_rta.htm>Accessed 2013 Jan, 25.

China and Bangladesh have granted each other with most favoured nation status since 1986 China provides duty free excess to the list of Bangladeshi Products under the Asia Pacific trade agreement.

Being a least developed country the trade volume of Bangladesh is not very large i.e. because of relatively small volume of cargo handled and the distance between Chittagong and the major shipping routes, the main mother shipping vessels do not come to the Chittagong port (figure 24). Goods are carried from the port in feeder vessels to either Singapore (mostly) or Colombo to load into the mother vessels (Kumar & Mukherjee, 2006).

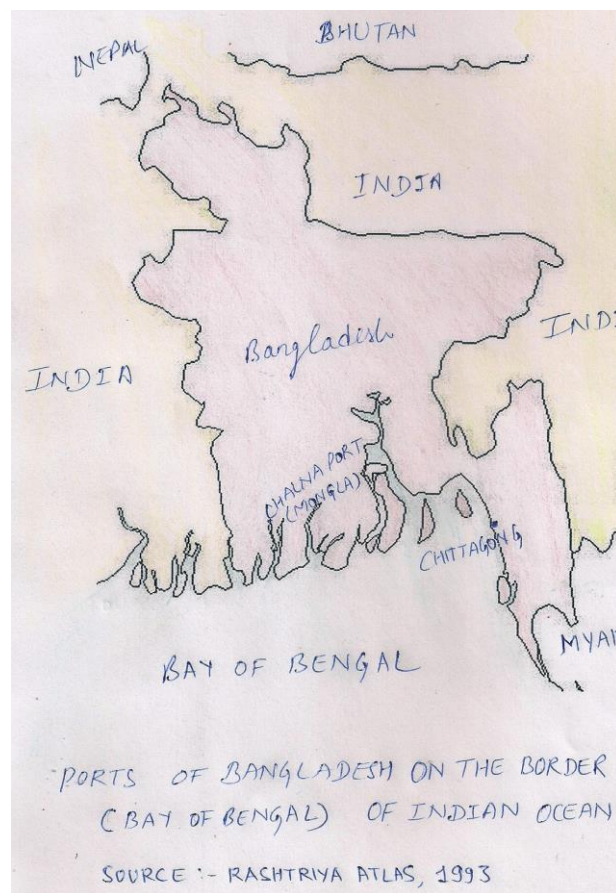


Fig. 24 ports of Bangladesh

The structural adjustment program initiated by Bangladesh in 1987 led in the form of trade liberalization which initiated the trade activities at faster pace led to nine times increase in exports between the decades of 1990/91 to 2008/2009 (Chowdhary, 2009)

4.8.1 Trade activities through Indian Ocean from Bangladesh

Export from the nation includes primary commodities and industrial goods. Frozen food, tea, agricultural products, raw jute, readymade garments, leather, jute goods, fertilizer & chemical products, footwear, ceramics products, engineering products, petroleum byproducts and handicraft are the major industrial export goods.⁵⁰ The principal import are petroleum items, food grain, oil seeds, petroleum products, raw cotton, fertilizer, stable fibers, yarn, capital machinery industrial raw material, different type of motor vehicle. (Ullah & Kazuo, 2011)

Industries in Bangladesh are largely based on agricultural commodities example jute, cotton, sugar cane, tea & hides it also has some heavy industries for examplae Steel, Pharmaceuticals, chemicals machines, tools diesel plants. The industrial sector accounted for 8.74% of GDP in 1989-90 (Ericksen et al., 1993).

Chittagong and Mongla are the principal seaports in Bangladesh. Mongla sea port is situated on the south western part of the country at the confluence of Pussur River & Mongla Nullah approximately 71 nautical miles upstream of Bay of Bengal.⁵¹ On average 300-350 ships anchor at the port annually, less than half the no. of vessels anchoring at the port during 1980s & early 1990s.⁵²It exports jute, leather, tobacco, frozen fish and shrimp & imports grain, cement, fertilizer, coal and wood pulp

Chittangong Port is the principal sea port of Bangladesh handling about 92% of import - export trade of country.⁴⁷ It is on the Ganges delta region and is 9 nautical miles from the shore line of the Bay of Bengal.

Chittagong was the principal port of East Pakistan from 1947 effort was made to exploit its full potential. Since 1986 it has come under the management of Chittagong port authority. This port has a yard which is 45,539 square meters and a container holding capacity of 1,000 TEU. It has a dry dock which repairs ship of

⁵⁰ <http://www.banglapedia.org/>>Accessed 2013 Jan, 25.

⁵¹ Bangladesh/ports of 20 of % 20 Monogla % 20-% 20 second % 20 second % 20 sea / 20 port % 20 in % 20 Bangladesh web archive>Accessed 2013 Feb,12.

⁵² <http://cpa.gov.bd/portal/> >Accessed 2013 Feb,12.

up to 16,500 dwt. The cargo handling at this port rose from 2, 43,084 tons in 1946-47 to 1, 02, 82,874 tons in 1994-95 (table 18).

Table 18 cargo handled at the port of Chittagong 1946-47 to 1994-95 (in tones)

Year	Import	Export
1946-47	1,55,907	87,177
1950-51	4,26,431	12,68,600
1963-64	5,63,483	32,97,790
1970-71	37,55,100	4,11,844
1974-75	42,40,616	2,57,924
1980-81	49,35,936	5,38,933
1994-95	89,28,514	13,54,360

Source: Banglapedia

From the ports of Mongla and Chittagong the Shrimps are shipped via Singapore to Northern Europe & East coast of United States. Potatoes are shipped via ocean freight to Singapore & Malaysia French beans, betel roots, long beans, Chilies & some traditional vegetables are sold to whole seller & buyers for super market in Europe, the Middle East and south East Asia (figure 25).

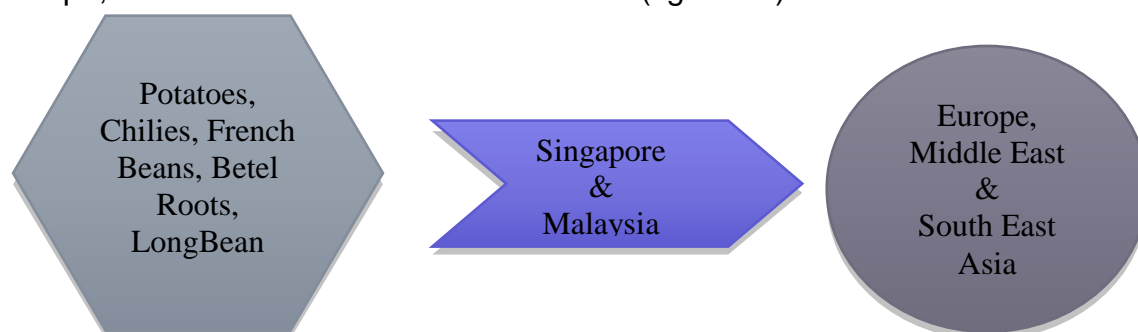


Fig. 25 Movement of commodities from Bangladesh through Indian Ocean

Total export in 1991 from Bangladesh was 1.7 billion US\$ which included readymade garments jute goods leather frozen fish (shrimps) raw jute tea. Out of

which share of USA was 515 million US \$. Bangladesh in the initial years of independence had trade deficit which rose to about 1.5 billion US \$ annually during the late 1980s. The increased exports of garments and depressed domestic demands for imports led balance of payment swung to surplus in 1991 (Brooks, 1992).

Since Indian Ocean is important factor contributing to the trade activities of Bangladesh its major industry, the garment suffers from the lack of proper transportation via sea route. 90% of garment exported are shipped by sea, but a substantial & increasing share are shipped by air freight. Since the air freight is 5 times higher than the Ocean Freight it causes much distress for the manufacturer due to less profit. Waters of Indian ocean are main factors to carry the commodities i.e. it is demanding that its borders are well developed in the form of trading points as is evident from the new port Sonadia (Arnold, 2004). Only 18% of the ships can enter the Chittagong port as the Karnaphuli River is of low depth (Hossain, 2009).

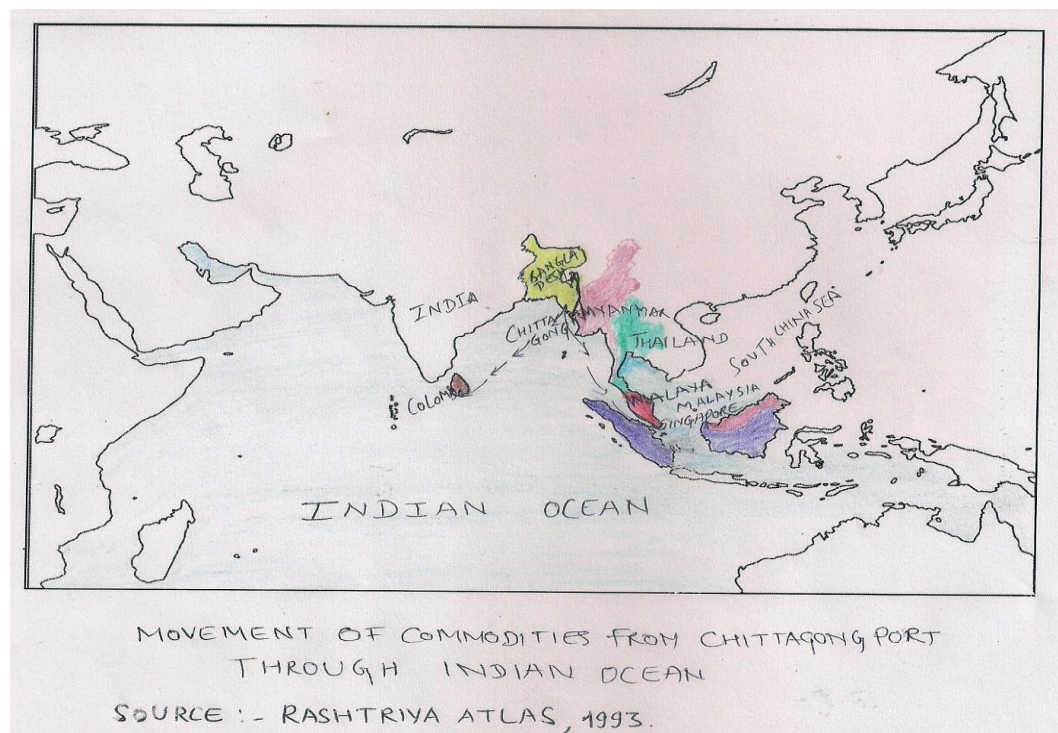


Fig. 26 Movement of commodities from Chittagong port through Indian Ocean

Chittagong, Mongla, Khulna, are riverine ports and suffer from lack to deep sea silting this make it difficult for the cargo to land here, i.e. the Singapore ,Colombo or Klang port of Malaysia play major role in bringing about the transportation of goods to Bangladesh via the waters of Indian Ocean through the feeder vessels. This results into economic burden on the nation and further the time involved is much more (figure 26).

Since Bangladesh is located in close proximity with India on one end and at other it is connected in South East with Myanmar makes it the link with South-East Asia. The North East of India is more closer to the seas in Bangladesh makes an important point at the Northern end of the Indian Ocean to reach out for transportation corridor for North East India.

After the independence US supplied it with commodity aid and food aid, the Bangladesh at the same time had decided to export jute bags to Cuba in 1974 the U.S. suspended its food aid as the result of which Bangladesh was compelled to cancel its trade agreement with Cuba (Ruttan, 1990). This depicts the trade activities carried out in India Ocean were the means of threaten to gain favours in cold war period.

4.8.2 Indian Ocean as source of energy generation in Bangladesh

After the liberation Bangladesh oil and Mineral Corporation (Petro Bangla) was formed. Bangladesh petroleum Act was enacted in 1974 in 1980s Petro Bangla accelerated its exploration activities.⁵³ The production of natural gas in Bangladesh started in 1961, with Chatak field production started to supply gas to Chatak cement factory. During the cold war period 10 on shore oil fields were discovered. The Union Oil Company discovered Kutubdia gas field in 1976 (Ahlbrandt, 2000).

The production of off shore exploitation still waits to be carried out the energy requirement was partially fulfilled by the on shore exploitation in Bangladesh in the cold war period.

⁵³ www.mbendi.com/indy/oilg/as/bd/p0005.htm

Today there are 24 gas fields of which two are off shore this has helped to cut off oil import to some foreign exchange .National gas has accounted for 65% of commercial energy use about 90% of electricity generation (Islam & Raihan, 2007).

4.8.3 Fisheries sector in Bangladesh

The export value of fish gradually increased during the cold war period in average. During the cold war period the borders of Indian Ocean i.e. Chittagong, Mongla played important role in Bangladesh trade (Mahmud, 2009).

Bangladesh contributes around 5% of the total global cultured shrimp production (BBS, 2000). The foreign currency earnings from shrimp export were only US\$ 221.8 million in 1993-94 & US\$ 326 million in 1994-95(BBS, 2000) (table 19).

Table 19 Export value of fish from Bangladesh 1976-77 to 1990-91 million (US\$)

Year	Total export value	Value of fish export	Fish export as % of total export
1976-77	454	18.91	4.16
1980-81	706	37.04	5.25
1985-86	917	268	13.06
1990-91	1682	160	9.47

Source: Department of fisheries, Fisheries statistical year book of Bangladesh, Different issues, Dhaka, 1995-96

4.8.4 Role of Indian Ocean in strategic importance of Bangladesh during cold war period

During the cold war period the borders of Indian Ocean i.e. Chittagong, Mongla played important role in Bangladesh liberation war in 1971, when under the operation jack pot Indian Navy blocked the Eastern wing of Pakistan navy, the operation that sabotaged Pakistan navy & her assets in Chittagong, Chandpur, Mongla & Naryanganj on Aug. 15 is known as operation jack pot (Mahmud, 2009). Thus thereby cutting the escape route for Pakistan soldiers led to the surrender of 90,000 Pakistan troops.

Bangladesh has strategic importance since it lies at the border of Indian Ocean make the other neighboring nations have interest in its ports. It is in the process of developing its ports for greater commercial activities through Indian Ocean.

After decolonization of South Asia the momentum in trade activities took pace, following the policies of liberalization. Since South Asia heavily relies on Indian Ocean for its livelihood efforts were made to develop its coasts during the cold war period. It was the time when delimitation of boundaries was done and the countries got their own EEZ for excavation as the resources of Indian Ocean are in abundance. Indian Ocean has remained the important geographical feature even in the contemporary era that has brought about the prosperity for South Asia. No doubt it is the Life-Line for South Asia and shall remain in the future till eternity.

CHAPTER 5

CONCLUSION

- The natural harbors of Sri Lanka promoted the trade activities across the Indian Ocean where the ships sailing east ward or west ward board and exchanged their commodities. The coasts of Indian Ocean were developed into trading points and were well connected to the hinterland. e.g. Mahatittha port, located at the mouth of Malavatu River was the medium of transportation of goods to the Sri Lankan the then capital, Anuradhapura.
- The trade activities generated the monetary system. There was the regular usage of coins around 1st A.D. in this region. Merchants used to run banks and gave money on loan which is inscribed in Tongi gala inscription. The revenue generated through custom duty was used for the welfare of people as is depicted from inscription of King Gaja Bahu I.
- The off shore resources of Indian Ocean obtained from Gulf of Mannar were in great demand across the world even the kings were involved in this trade.
- Not only trade activities prevailed through Indian Ocean but also the technologies were transmitted as is clearly evident from the mark of hydraulic civilization in Sri Lanka.
- Since the island is located strategically in the middle of the Indian Ocean it suffered attacks from other countries. Indian traders with the help of Tamil traders who resided across Mahatittha carried out military attacks .During the Chola period Raj Raj I and Rajendra I attacked which resulted it into a weak country.
- Arab monopoly over Oceanic trade was broken in 15th century when navigators found sea routes .Through the strategic point of Cochin Dutch tried to monopolize the region to avert any dominance by their opponents (Portuguese). They tried to control the port of Galle and Negombo for pepper trade through Sri Lanka.
- It was via Sri Lanka the vast territory of East Indies was in the grip of Dutch during the colonial period, till Britain occupied the island. The quest of British for economic gains brought cash crops to grow at mass scale, today these crops are playing major role in the economy of Sri Lanka.

- The two world wars realized the importance of this country for the control of Far East by Britain. The conquest of Singapore, Malacca and Sri Lanka helped British to strengthen their naval power in Indian Ocean. The centrality of Colombo with Singapore made the region of immense importance.
- After the Second World War Singapore lost to Japan threatened with this Britain armed the harbor of Colombo and Trincomallee with naval bases since Britain was now devoid of any base for operation in pacific.
- Transportation of commodities through Indian Ocean made Sri Lankan economy grow at a faster pace. It was first country of South Asia which followed the policy of liberalization promptly for its import export policies in the cold war period.
- Different countries board their ships at Colombo for the shipment of their goods to be destined for other nearby countries through smaller vessels enrouting Indian Ocean; this is clearly evident in case of independent India because its ports were underdeveloped in the initial years of cold war era.
- It cannot be denied that the government of ocean bound countries took keen interest in promotion of industries directly relies on its waters to support the demand of its coastal communities and Sri Lanka is no exception to that. The Palk Strait region serves the livelihood of fishing communities of both the nations but is marred by the menace of unlawful activities which should be curbed.
- The oceanic routes could be the cause of security threats too. During the period of insurgency in Sri Lanka terrorist, militant groups were using Indian Ocean - maritime routes to spread terror in the region, is clearly evident in cold war period in context of Sri Lanka which faced ethnic violence for over 26 years brought weapons from South-East Asia and transported them by ship to LTTE and controlled areas in northern Sri Lanka.
- The Indian Ocean has played major role in shaping the polity of South Asian countries. When Sri Lanka sought the help of any external power to combat LTTE, India was concerned about it and changed its strategy.
- Maldives lie at the major sea routes of Indian Ocean linking South East, East Asia, Far East and east Africa. Due to lack of viable agricultural grounds Maldives since ancient times relied on Indian Ocean completely

not only for trade activities but also for resources generated out of it to export e.g. fish, cowries etc.

- Cowries were the main source obtained from its shores was widely used as currency in Asia and East Africa. It was also largely used in exchange to obtain food items from other countries. During the colonial period the main items exported from here were cowry, tuna fish, coir made from coconut.
- The cottage industry flourished in the form of making qanbar for making cords where the women were largely employed. Maldives exported coir made out of the husks of coconut in lieu of black rice from Malabar. The byproduct of coconut was largely used to produce eatables for export.
- The ship building industry in Maldives was of profound significance. Their ships made out of material obtained from the palm trunks were in great demand.
- Africans were largely involved in slave trade in Maldives who were employed for making export items widely in demand throughout Asia.
- With the beginning of European influence in South Asia when Sri Lanka got under the grip of Dutch the Maldivian cowry trade also got into the circum, though by 19th century some of the coastal countries developed cowry trade but were not able to sustain it due to poor quality .This trade continued till 1921 when the monetary system was introduced in Maldives.
- Maldives faced security threat from other countries owing to its location along major sea routes since ancient times concluded by the conquest of Raj Raj I, Chola ruler. It was a necessary step to make the presence felt in the Indian Ocean region as Srivijaya dominated south East Asia trade routes through the Strait of Malacca and the Sunda Straits.
- With the arrival of Europeans the Portuguese established their rule in Maldives and administered from Goa who were later replaced by Dutch in mid 17th century until British expelled them and included it as their protected area.
- The Maldivian atolls are so naturally located that could be used as secret harbors which were well utilized by British. It is clear that in case of fierce attack from Japan on north east India and Sri Lanka at the other end Gan island was converted in to airport .It is clear that the Maldives location made

the British to realize its importance in terms of any threat posed from outside.

- Since Maldives lacks viable agricultural land and vast mineral resources to support country's life system. The Indian Ocean provided the best source to generate income through fishery and tourism industry which got attention of Government also who formulated various organizations, under took major projects etc. for the survival of its people and generation of economy.
- The involvement of modern techniques resulted in doubling the fishing catch between 1982-1985 and by the end of cold war in 1992 it employed 22% of labor force. In 1992 the fishing industry provided approximately 15% of total GDP.
- India helped Maldives when it faced the drastic situation of coup in 1988 and thus gain favor because of its strategic significance to tender the Indo Maldives relation and that Maldives may not turn elsewhere for help.
- Since country is situated in middle of the Indian Ocean along east-west trade route. This makes the country the important port of call for ships transmitting goods between Europe, Middle East and Far East.
- India has had access by sea as well as land. Indus valley people carried out trade with Mesopotamia via the ports of Persian Gulf. Various trade routes came into existence during the Buddhist period were extended up to the shore of Indian Ocean. Officially foreign trade was given preference during the Mauryan period the trading commodities were carried out from the inland to the coastal parts from where they were exported abroad as is well depicted in case of lapis lazuli exports Arab writers have also mentioned about the movement of commodities from hinterland to ports for export.
- Indian ports had regular maritime relations with Sri Lanka, Persia, Arabia, Ethiopia, the Byzantine Empire, China and the islands of Indian Ocean. China also had the land route connection with India.
- The trade with Roman Empire was widely carried out from peninsular India via Red Sea Arab and Alexandria .to meet the Roman demand of spices India turned towards south East Asia for gaining this commodity to export to Rome and thus they turned the mediators and brought prosperity for India.
- Later the influence of East Africa and Arab on trade routes of Indian Ocean caused adverse effect on Indian trade with Rome; this resulted in decline of

Tamil states too. With the increase in seafaring of Arabs in Indian Ocean India's trade with China began to decline during the 10th century A.D.

- Sometimes countries imposed stern laws to curb the economic loss owing to export of luxurious items is well understood by the action of Chinese government in 1296 A.D. to prevent the flow of precious metals in to India.
- The route in the form of Cape of Good Hope sea route was widely in use by the Europeans till the construction of Suez Canal. This promoted intra regional trade and further globalized the Indian Ocean world with ships of Europeans now also sailing around.
- The Europeans exported mainly cotton from India which was in great demand in South-East Asian countries from whom they used to get spices to import into their own country. The balance of trade was always in India's favour until the situation changed to worsen the economy of India. The promotion of these trade activities was through Indian Ocean.
- The Europeans settled around the coasts to maintain the garrison and defend against any attacks .These sea coasts were the points to move forward in South-East Asia to enhance the trade activities and prohibiting Indians to navigate.
- The rise in seafaring in Indian ocean by Europeans caused the piracy to further rise that compelled Indian ships to escort by the Portuguese is well evident this not only ended the Arab monopoly in Indian ocean but also the free movement of Indian ships was hampered. This paved the way for Europeans to increase their presence in the region.
- The new variety of crops that were introduced by the Europeans not only earned profit to peasants but also still constitute staple food of South Asia. The employment of new techniques in ship building by the Portuguese raised the load of goods to be transported.
- The British strategic point of Surat helped them to control the trade towards Red Sea ports and Persia where as establishing a factory at Masulipattam as their main point was designed especially for South-East trade.
- Industrial revolution severely affected the Indian trade and gave a fatal blow to its economy, since Indians were compelled to sell their manufactured goods at low prices where as raw materials were exported from here to get manufactured products to be drawn in Indian markets .The profit which

British earned from selling their goods in India was used for obtaining opium which they exported to China in lieu of tea to sell in Europe and thus earned huge profit was carried out through Indian Ocean.

- The maritime activities fasten due to introduction of modernized means of transport besides the opening of Suez Canal which reduced the distance between India and England. By 1939 India's elite class begun to show keen interest in industrialization thus promoted the establishment of various industries for the sake of self sufficiency.
- The dissension among powers sometimes used to cause adverse effect on the coastal communities is well defined from the example of thwart of possible attack by Japan in 1942 when the boats of coastal communities were removed for some time.
- Since the First World War had left with it the urgent requirement for building up infrastructure, technological innovation and the capacity for large-scale motor transport and the beginning of the Air transport. This also gave the strong countries a reason viable enough to go for control over such products as Petroleum largely found in the vicinity of Indian Ocean.
- In the Indian Ocean region the delimitation of sea bed boundaries was done to avoid the rising conflicts regarding exploiting its resources among the different countries lie in its preview. In 1974 demarcation was done for the Great channel which divides Nicobar Island and islands of Sumatra. Sea bed boundaries in Laccadive Sea, Gulf of Mannar and Palk Strait have been determined through bilateral or trilateral agreements. In 1974 on Palk Strait issue between India and Sri Lanka was determined. Indian fishermen got the right to visit kachchativu, another agreement was signed between both the countries regarding to Gulf of Mannar. In 1976 a trilateral agreement was signed that established a maritime boundary between India, Maldives and Sri Lanka in Laccadive Sea.
- During this period India begun to show significant rise in terms of industrialization, the finished products now constituted the leading export items in the form of engineering goods, readymade garments, and chemicals, fish and fish preparations.

- During the cold war period the main port of Karachi in Pakistan witnessed a victimized situation being attacked by India and got the economy affected in the form of loss of worth \$ 3 billion.
- The importance of Pasni was also realized for the import and export at the border of Indian Ocean since it has had well connected hinterland facility and Karachi was only the port in west Pakistan in that period to serve.
- The coastal cities of Indian Ocean have shown remarkable expansion of GDP since the independence e.g. Since 1972 Sindh's GDP had increased by 3.6 times.
- The fishery had played major role in raising total GDP of Pakistan during cold war period. The alternative source of protein demand may be met from the marine products obtained from the Indian Ocean up to certain extent.
- Since Indian Ocean is important factor contributing to the trade activities of Bangladesh from the ports of Mangla and Chittagong. The Shrimps are shipped via Singapore to Northern Europe & East coast of United States.
- The Indian Ocean has made Bangladesh worth of its strategic importance since it connects South Asia to South-East Asia.

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