



ORIGINAL RESEARCH PAPER

Economics

NEPAL'S TRADE LINK WITH INDIA IN ANCIENT TIMES

KEY WORDS: External trade, Nepal-India trade routes, Major Exports, Status of Roads, Delivery Means, Customs Tariff.

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ABSTRACT

Nepal's external trade was introduced before pre Christian era during the Kirata period as indicated by Mulsarwasitbad Binayabastu and Kautilya's Arthashastra. Mulsarwasitbad Binayabastu has mentioned about the trade during the time of Gautama Buddha where his followers and disciples entered in the premises of Nepal along with Indian business persons. The fact that the ancient copper coin Karshaparna Mudra used in India during 5th and 6th century BC and Kushana coins circulated in 1st century AD in India were available in Nepal shows Nepal's trade relation with India in ancient times. Nepal used to export goods like wool, woolen clothes, blankets, musk, pure gold, silver, silver ornaments, iron, and weapons like iron-sword, copper and copper made utensils, clothes, Yak's tail, and medical herbs to India during the ancient period. Nepal was able to take a lot of benefits from the business due to the state's special focus and Nepal's trade transit between Tibet and India. This facility continued to be beneficial for Nepal till later phase as well.

1. Introduction

It is found that Nepal's external trade was introduced centuries back even before 2500 years during the Kirata period. Kiratas ruled in Nepal in pre-Christian eras and while Kiratas were ruling in Nepal, Magadh Empire was a noted regime in India. Rulers from Nanda, Mourya and Sunga Dynasty of Magadha were contemporary hosts to Nepal's Kirata dynasty's ruler in that time. External trade was developed vigorously during this era as indicated by the ancient texts *Mulsarwasitbad Binayabastu* and Kautilya's *Arthashastra*. *Mulsarwasitbad Binayabastu* has mentioned about the trade during the time of Gautama Buddha where his followers and disciples entered in the premises of Nepal along with Indian business persons (Bakchi, 1970/ P: 178). The fact that the ancient copper coin *Karshaparna Mudra* used in India during 5th and 6th century BC and Kushana coins circulated in 1st century AD in India were available in Nepal shows Nepal's trade relation with India in ancient times.

The ancient Nepalese inscriptions from the 5th century AD present important information regarding the external trade of the period. Those traders, who engaged in large scale of external trades, have been eulogized and well mentioned in those inscriptions. The business leaders called *Sarthwaha* established temples/shrines and offered land as the trust for its operation thus it could be understood that the business person were fairly rich and wealthy.

2. Nepal-India Trade Routes in ancient period

It can be assumed that there were many roadways and subways in use between Nepal and India from BCE period itself. The most popular route from Kathmandu to India of the period was the roadway Kathmandu-Thankot- Chandragiri - Tistung/Chitlang towards Hetauda and entering to India. The businessmen of ancient Indian states, like Karnatak, Maharastra, Gujarat, Kashi, Koshal, Shrabasti, Kanyakubja, Kushinagar, along with Kapilvastu of Nepal used to enter the Kathmandu valley through the route across Lumbini/ Ramgram, Devghat and Tistung/Chitlang. There was also an alternative way to enter India through the route of Kathmandu, Pharping to Bhainse - Bhimfedi - Hetauda and towards India through Parsa. A fast track to reach to India was a bypass from Chapagaun to Hariharpur, through the banks of Bagmati, and finally to Simrangadh. A customs office was established at Chapagaun in ancient times. (Bajracharya, 2030: 557).

Another famous route was from east of Kathmandu stepping down from Dolakha to Simraungad across the beach-side of Tamakoshi river further connecting to Sindhuli then heading towards India via Darbhanga. Especially Indian traders began using this route for Tibet-Nepal-India trade after the

commencement of Nepal's trade with Tibet in the seventh century.

3. Major Exports of Nepal

From the stone inscriptions and other documents it is learnt that Nepal used to export goods like wool, woolen clothes, blankets, musk, pure gold, silver, silver ornaments, iron, and weapons like iron-sword, copper and copper made utensils, clothes, Yak's tail, and medical herbs to India during the ancient period.

As Kautilya has mentioned in his *Arthashastra* Nepali wool and woolen clothes had much importance and high values in India at that time.. This statement is proved by *Mulsarwasitbad Binayabastu* which mentions that Indian traders used to come to Nepal to purchase wool and woolen products. Inscriptions from Lichchhavi periods infallibly justify this fact. (Nepal, 2040/ P:248).

Another important export from Nepal was musk, which was being largely and popularly traded to India since BC era. As an Arabian document *Hudul-ul-Alam*, of 8th century AD mentions musk from Nepal were not only exported to different part of India but also to the states of Arab (Regmi, 2026/ P: 150). That is why the then Nepal government had declared musk as a valuable item and not to be sold without the prior permission of the government.

As the some of the Nepali inscriptions and the Chinese travelers to Nepal at that time have frequently mentioned, Nepal would produce highly qualitative huge amount of copper vessel (Levy 2005/ P: 114). There was a cottage industry named Tamrakuttushala to produce copper utensils. These vessels were famous items to be exported to foreign countries in ancient era. The business of copper vessels increased so much during the Lichchhavi period that nation itself started feeling an in-house scarcity of its products. Thus the government brought a new rule for regulating its business hence categorized it as valuable item not to be sold without the prior permission of the government.

Iron and iron-made swords of Nepal were also in much demand in the market of India. These were valued and admired in Indian market. The swords of Nepal are praised in the text *Yuktikalpataru*, (Regmi, 2026/ P: 148). As there was a provision of restricting even on selling of iron items without the prior permission of government; due to which, it can be understood that the sale of those goods were better outside the country as well. According to *Boudhayan Dharmasutra* Nepalese people used to go to India to sell the arms and weapons.

It is learnt from some of the documents that Nepal used to dominantly export paper as a major trading object to India in ancient time. However, Nepal was not the first nation to produce paper. It was first ever made in China in about 105 AD and that was followed in Arab and over the world continuously (Regmi, 2026/ P: 28). Nepal learnt crafts to make paper from China in around 7th century. According to some scholars, India is believed to have learnt to produce paper from Nepal after the 10th century (Regmi, 2026/P: 152). Even though India had learnt to make paper, the quality was not good enough hence Nepal used to initially export China made paper to India after importing them here in.

Silk is also mentioned in the documents as one of the Nepal's key export to India in ancient time. In fact, China was the biggest and almost a monopoly silk seller in and before from that time and had an appreciatively citable selling of it up to many European countries. At that time, silk from China was exported throughout the world hence the path, which was excessively used for trading huge volume of silk, is still recognized as the Silk Road.. We can easily explain that Chinese silk was on huge demand to India through the saying 'Kaushyeam Chin Pattascha Chin Bhumija' mentioned in Kautilya's *Arthashastra* (*Arthashastra* 2.11).

Another important export from Nepal was various kinds medicinal herbs available in hilly reason and forests of Nepal from which Nepal used to earn a good amount of money in those days. The then India rapidly progressed in the sector of *Ayurved*; and Nepal had capaciously contributed to the very mission of India by exporting medicinal herbs. Many of ancient literature and texts from India have mentioned about the medicinal herbs found in Nepal. *Chiraito*, *Chiraito Kitattita*, and *Manashila* has been listed as Nepali product in the literatures. (Nepal, 2040/P: 5-6). Besides, there was an explosive demand of items like *Modeni*, *Neem*, *Radish*, *Nawamallika*, various species of flowers, and sugarcane in India. Different spices of sugarcane were famous at that same period; and among which, one species of sugarcane was called 'Nepalee' in *Baidyasastra*. (Nepal, 2040/ P: 5). There are information about Sugarcane in Lichchhavi inscriptions also (Bajracharya, 2030/ P: 381).

As the Lichchhavi inscriptions have references Deer's skin, Yak's skin and tail were also popularly exported to Indian market in ancient period. These things were not allowed to export to without permission from government.

Horse rearing was fairly advanced enterprise in ancient Nepal. It was popularly practiced in Western and Himalayan Region of Nepal. Since ancient time, various species of horses were taken from Nepal to India for the purpose of trade. The horses from Nepal's Himalayan region and from Tibet were mostly traded in Bengal's market. (Gopal, 1965/ P: 11).

Besides these, chiefly exported goods and animals towards India, practiced since pre-Christian period, were *Hastihad*, medicinal herbs, religious and architectural things, sandalwood, *Agrakh* wood/skin, precious stones, gold, perfumes, many kinds of animals and birds too. There was tariff system even on onion and garlic as well. It can be fairly estimated that Nepal's agricultural products were highly exported to external market and this country had earned a lavish wealth since a Chinese source explains Nepal as a prosperous country backed with good earning from agriculture. (Levi, 2007/ P: 113).

4. Status of Roads and Delivery Means

Lichchhavi inscriptions provide information regarding the status of the then roads and bypasses. *Marga* (common road or way), *Mahamarga* (analogous to highway), *Path* (lane), *Brihatpath* (larger lanes), *Mahapath* (major connecting roads), *Rathya* (roads where chariots were ridden), *Maharathya* (major

roads where heavy and big chariots were ridden), *Hastimarga* (medium scale roads on which elephant could walk) etc are mentioned in Lichchhavi inscriptions. Observing the records generates a fact that the width of the roads were categorically varied as 8 handful length for *Hastimarga*, not less than 16 handful length for *Rathyamarga* whereas *Maharathya*, *Brihatpath*, *Mahapath* were even supposed to be wider than those.

In this way, apart from small, tough and narrow passages as roadways, there were wide and comfortable lanes as well where even chariot, Gada could be used in order to go from one village to another within the settlement area. But there was no appreciatively proper management of roads outside the settlement areas. One had to make a long trip coming across sloppy hills, jungles, rivers, hillocks and mountains, steep and narrowed tracks in order to go far for business and other purposes. There was an equally dreadful threat from thieves and burglars.

As the inscriptions of the period shed light on the means of exporting the goods, horses, donkeys, hilly elephants, porter, etc were used for the purpose. Chariot, ox, etc were also used on the thoroughfares within the settlement areas. The goods used to be transported inside the settlement area with the help of chariot, ox up to the place where they could be used. After coming out of settlement area, along with human porters, goods were transported up to far plain areas being carried by horse, donkey, elephant, etc. But no means other than human porter could be used in most of the places due to the condition of road.

Since there would be a need of horse, donkey and porter and other delivery means, etc in huge quantity for big business purposes and dealing, it could be difficult in most cases for an individual to manage such means. Therefore, state would itself unleash its attention in supplying and availing such mediums.

5. Merchants

The Lichchhavi inscriptions have disseminated key information about the then merchant class engaged in import-export business. Words like *Sarth*, *Sarthwaha* (leader), *Banija*, *Banija Sarthwaha* and so on are used for the traders. (Bajracharya, 2030/ P: 52-56). The group of businessmen traveling from one country to another country was considered *Sarth* in ancient time. There used to be group of *Sarth* and the leader of the group was called *Sarthwaha*. The then legendary texts from Kautilya, Kalidas, Dronacharya, Vishma and Narad etc. have also discussed about those *Sarth* and *Sarthwaha* people as traders and chief trader or head of them.

As there was good money and profit on business, royal family members too involved in external and trans-border trade and the fact is further confirmed in an evidence of 7th century (Bajracharya, 2030/ P: 527).

6. The Customs Offices and other Security Stations on the Roadside and Border Area

Customs offices were located in many other major thoroughfares besides major trade areas in central level. Such offices were usually found in country's border area or other entry and exit points. Such offices were primarily set at the border while entering to foreign country. The offices at these places used to look after the import and export of materials and monitor their quality. The record while moving to outside for selling the country's material and returning after selling them used to be kept intact. The whole amount of customs duty was not initially levied while the business person left in order to do his/her business in foreign land. Firstly, partial amount was only taken, and the remaining was asked on the basis of items sold by the business person on his/her return. The business person were neither able nor permitted to import and export goods or trans-change materials unless the

customs offices at various borders would examine the stuff minutely (Bajracharya, 2030/ P: 313).

Apart from this arrangement, there were small customs and security checkpoints in place to place across the road. Such customs offices across the road would not check the goods which were exported outside from the country and which were imported inside from abroad, but those would make an observation if those were accurate and intact as sealed at the most beginning customs point. If any kind of defect was noted, all the goods would be again examined and punished on portion of unfairness or foulness.

Security was the biggest problem of external trade in ancient time. The external business was not easy due to the excess of thieves, dacoits and robberies throughout the trade lanes and bypasses. Therefore, security checkpoints were arranged by government at every border side.

7. Customs Tariff

Due to the lack of evident sources regarding Lichchhavi era, there is no clear information about how was the customs tariff at that time. Some of the sources found can offer general information about customs duties. The tariff on every item was then decided by the receptive offices of customs themselves. Some key principles were made to set the tariffs on goods such as: the status of goods received as it was a simple or difficult to bring up to the checkpoint, the cost of purchasing the goods, the cost of the sale or purchase, the situation of the sale, the amount spent in lodging and fooding during the time, the cost of transporting the goods and the condition of other expenditures on the road, damage during carrying the goods, and cost on efforts to save them and so on. If someone was not satisfied with the decision regarding duty determined by the *Shaulik*, they could complaint in senior authority, high level officers or to the king as well.

When the customs duty was collected in Lichchhavi period, based to the ancient Hindu tradition, it would be collected in both the cash and kind. In case customs duty was decided in cash, there was provision of collecting cash worth and equivalent to the amount quite at the beginning. In case of collecting custom duty in kind, there was system of taking 1 of six parts, 1 on 12, 1 of 18, 2 of 20 and 1 of 25 in some special cases complying with the tradition and nature of goods (Dhungel, 2044/ P: 69). Thus, the application for different practices on levying different tariff on different goods were based on the calculated loss during import and export and the forecasting on the prospective sale of the goods

8. Conclusion

External trade of Nepal was introduced centuries back even before 2500 years during the Kirata period. Kiratas ruled in Nepal in pre-Christian eras. External trade was developed vigorously during this era as indicated by the ancient texts *Mulsarwasitbad Binayabastu* and Kautilya's *Artashastra*. *Mulsarwasitbad Binayabastu* had mentioned about the trade during the time of Gautama Buddha where his followers and disciples entered in the premises of Nepal along with Indian business persons (Bakchi, 1970/ P: 178). The fact that the ancient copper coin *Karshaparna Mudra* used in India during 5th and 6th century BC and *Kushana* coins circulated in 1st century AD in India were available in Nepal shows Nepal's trade relation with India in ancient times. From the above paragraphs, it is clear that Nepal's external trade and customs system was very organized during Lichchhavi era. Nepal was able to take a lot of benefits from the business due to the state's special focus and Nepal's trade transit between Tibet and India. This facility continued to be beneficial for Nepal till later phase as well.

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