International Journal of Web of Multidisciplinary Studies
(Peer-Reviewed, Open Access, Fully Refereed International Journal)
website: https://ijwos.com
Volume 3 Issue 8 , August 2026
E-ISSN : 3049-2424
DOI: https://doi.org/10.71366/ijwos

Trade and Commerce in Medieval Bengal

Dr. Dilip Maity[1]
[1] *Faculty Of History At Khejuri College, Khejuri,West Bengal.*

Article Info

Article History:

Published: 24 August 2026

Publication Issue:
Volume 3, Issue 8
August-2026

Page Number:
540-544

Corresponding Author:
Dr. Dilip Maity

Abstract:

Bengal's medieval period, from roughly 1200 to 1757, witnessed an extraordinary expansion of trade and commerce, driven by its fertile river systems, abundant agricultural surplus, and strategic location on the Bay of Bengal. Under the Bengal Sultanate and later the Mughal Empire, Bengal became one of the wealthiest provinces of the Indian subcontinent. Its ports – Chittagong, Saptagram, and Hugli – connected it to Southeast Asia, China, the Middle East, and Europe. Bengal was a global supplier of fine cotton muslins, raw silk, rice, sugar, and saltpetre. This paper traces the evolution of Bengal's trade networks, the role of merchant communities both indigenous and foreign, including Armenians, Portuguese, Dutch, and English, the impact of European trading companies, and the commercial integration of Bengal into the world economy. It argues that Bengal's medieval prosperity was not solely a product of Mughal revenue extraction but was rooted in a vibrant, indigenous commercial culture that persisted until the colonial transformation of the eighteenth century. The paper also examines the financial systems, shipbuilding industry, and urban commercial centres that sustained this trade.

Keywords: Medieval Bengal, maritime trade, textiles, silk, Saptagram, Chittagong, Sonargaon, Bengal Sultanate, Mughal Bengal, Portuguese, Dutch, English East India Company, shipbuilding, monetisation, muslin, saltpetre

1. Introduction

Bengal, with its mighty rivers – the Ganga, Brahmaputra, and Meghna – and their countless tributaries, has always been a land of waterways. In the medieval period, these rivers were highways of commerce. Bengal's geographical position made it a natural link between the Indian Ocean world and the Himalayan hinterland. The region's agricultural wealth, especially rice, sugarcane, and mulberry, provided commodities for export, and by the fifteenth century Bengal was already famous in European and Arab geographies as a land of abundant riches. Understanding Bengal's medieval trade requires a comprehensive examination of its geographical advantages, historical evolution, major ports, export commodities, merchant communities, financial systems, and the transformative impact of European commercial expansion.

Geographical Foundations of Bengal's Trade

Bengal's geography was the primary determinant of its commercial prosperity. The Ganga-Brahmaputra delta, one of the largest river systems in the world, provided an extensive network of navigable waterways that penetrated deep into the interior. These rivers connected the agricultural hinterland with the coast, facilitating the transport of bulky goods like rice, sugar, and timber. The annual monsoon winds and ocean currents made the Bay of Bengal a predictable and navigable maritime space, connecting Bengal with Southeast Asia, China, the Malay Archipelago, and the Indian Ocean rim. The fertile alluvial soil of the delta produced abundant agricultural surpluses, which formed the basis of Bengal's export economy. The region's climate was also suitable for the cultivation of cotton, mulberry, and indigo, supporting a vibrant textile and dye industry. The coastline, with its numerous river mouths and natural harbours, provided ideal locations for ports that could handle oceangoing vessels. This combination of riverine and maritime connectivity made Bengal a natural hub for both internal and external trade.

Pre-Sultanate Commercial Background

Even before the Delhi Sultanate's expansion into Bengal around 1204, the region had a long history of coastal and riverine trade. The Pala dynasty (c. 750-1161) and the Sena dynasty (c. 1161-1204) had maintained commercial and cultural contacts with Southeast Asia, particularly with the Srivijaya Empire in Sumatra and the Sailendra dynasty in Java. Chinese Buddhist pilgrims, including Xuanzang and Yijing, visited Bengal and described its prosperous monasteries and busy ports. The port of Tamralipti, modern Tamluk in West Bengal, had been active since ancient times and continued to function in the early medieval period. However, by the eleventh century, Tamralipti had begun to silt up, and new ports emerged further east, particularly at Chittagong and Saptagram, as the river courses shifted. The development of the Sarais (rest houses) along trade routes facilitated the movement of merchants and goods, while the establishment of hundi (bills of exchange) networks provided financial security for long-distance transactions. Bengal's trade with Tibet and the Himalayan regions, exporting cotton textiles and importing wool and salt, also developed during this period.

The Bengal Sultanate (1342-1576): Golden Age of Commerce

With the establishment of an independent Bengal Sultanate in 1342 under Shamsuddin Ilyas Shah, trade flourished as never before. The sultans encouraged foreign merchants – Arabs, Persians, Abyssinians, and Chinese – and minted gold and silver coins that facilitated long-distance exchange. The port of Chittagong, known as Chattagram or Porto Grande, became the main entrepôt for maritime trade with the Malacca Strait, the Spice Islands, and China. Bengal exported rice, sugar, and fine cotton textiles, known as betile and satari, to Malacca, Aceh, the Coromandel coast, and the Maldives. In return, it imported spices (pepper, cloves, nutmeg, and cinnamon), camphor, gold, Chinese porcelain, and high-quality horses from Arabia and Persia. The Chinese Ming dynasty's maritime expeditions under Admiral Zheng He visited Chittagong in the fifteenth century, establishing diplomatic and commercial relations that enriched Bengal's trade.

Sonargaon, the Sultanate's capital at times, was a major manufacturing centre for cotton cloth and muslin. The legendary Dacca muslin – woven from the delicate phuti cotton (Gossypium arboreum) – was so fine that it was called "woven air" or "evening dew" because it could pass through a finger ring. It was already being exported to the Middle East, where it was highly prized by the caliphs and sultans. Bengal was also a major producer of raw silk and silk fabrics, often exported to China via the overland route through Assam and Myanmar. The Sultanate's revenue administration, based on land revenue assessment and trade taxes (including customs duties on imports and exports), created a stable fiscal environment that encouraged private commercial enterprise. The sultans also invested in infrastructure, building roads, bridges, and caravanserais that facilitated the movement of goods and merchants.

The Portuguese Arrival and European Entry

In 1498, Vasco da Gama reached Calicut, and soon the Portuguese entered the Bay of Bengal. They established a factory (trading post) at Chittagong around 1517 and later at Hugli around 1579, after receiving permission from the Sultan of Bengal. The Portuguese played a pivotal role in carrying Bengal's textiles to Southeast Asia, especially to Malacca, and to Europe via the Cape of Good Hope route. They also introduced new crops such as tobacco, pineapple, and cashew, as well as new shipbuilding techniques. The Portuguese were also instrumental in establishing a lucrative trade in Bengal's saltpetre, which was essential for gunpowder manufacture in Europe. However, their activities were not always peaceful. Portuguese piracy and the extortionate cartaz system (naval passes requiring payment for safe passage) created conflict with the Mughals and local rulers. Their practice of "piracy" and slave-trading along the coast further antagonised the authorities. This led to the conquest of Hugli by the Mughal general Mir Jumla in 1632, after the Portuguese had been expelled from their settlement.

Despite these conflicts, the Portuguese left a lasting legacy on Bengal's trade. They established a network of commercial contacts that connected Bengal directly with the Atlantic world. They also introduced new credit instruments and accounting practices. Many Portuguese traders and their descendants, known as Portuguese Eurasians or Firinghees, settled in Bengal and continued to participate in trade under Mughal and later British rule. Their knowledge of European markets and their commercial networks remained valuable assets.

Mughal Bengal (1576-1757): The Pinnacle of Prosperity

After Akbar's conquest of Bengal in 1576, the province became the richest subah (province) of the Mughal Empire. The Mughals integrated Bengal into a vast inland trade network that extended across northern India and beyond. Rivers carried goods from the interior to the capital Dhaka and to the port of Hugli. Hugli replaced Saptagram as the chief European trading centre after the Portuguese established themselves there. The Dutch, the English East India Company (established in 1600), and the French followed, setting up factories at Chittagong, Hugli, Kasimbazar, Dhaka, and Patna. The Armenian merchants, who had a network stretching from Persia to Southeast Asia, also played a crucial role as intermediaries and financiers in Bengal's textile export trade. They were particularly active in the silk trade and in financing advances to weavers.

Bengal's exports under the Mughals were staggering. The annual revenue from Bengal alone accounted for nearly twelve percent of the total Mughal revenue, much of it derived from trade taxes. The most important export was textiles – fine cotton muslins, calicos, taffetas, and silk. Bengal muslin was in great demand in England, Holland, and West Africa, where it was used for clothing, bedding, and as a currency equivalent. Other exports included saltpetre, used in gunpowder, which was a monopoly of the Dutch and English companies; indigo, a blue dye highly valued in Europe; sugar, which was exported to Arabia and Persia; and rice, which was a staple for the European factories and also for neighbouring dry regions like the Deccan. Bengal was also a major producer of lac, used in sealing wax and varnishes, and of ivory, which was carved into luxury items.

Indigenous Mercantile Communities

The engine of this commerce was not foreign companies but indigenous merchants. The Marwari and Jain bankers, who had networks across northern India, financed trade and lent money to weavers. They provided the working capital, known as dadni, that enabled weavers to buy raw cotton and to sustain themselves during the production cycle. The Bengali Hindu castes such as the Subarnabaniks (gold merchants) and Gandhabaniks (perfume and spice merchants) handled long-distance inland trade, transporting goods along the rivers and overland routes. Muslim merchants, often of Persian, Afghan, or Arab descent, controlled the maritime trade to the Maldives, Ceylon, the Red Sea, and the Persian Gulf. The seths and mahajans, or money-lenders, were pivotal in providing working capital to cotton weavers, who were often women working in rural households. This system of financing, known as the dadni system, was highly efficient and enabled the production of textiles on a massive scale.

The indigenous merchants were not only financiers but also ship-owners and exporters. They owned fleets of vessels that sailed to Malacca, Aceh, and the Maldives. They also participated in the overland trade to Tibet and Bhutan, exporting cotton textiles and importing wool, musk, and salt. Their commercial networks extended across the Bay of Bengal and beyond, and they were essential partners of the European companies, who often relied on them for supplies and market intelligence.

Urban Commercial Centres

Beyond the major ports, numerous inland towns flourished as marketplaces and manufacturing centres. Dhaka – the Mughal capital – was a bustling city with more than a hundred thousand weavers and became the world centre of muslin production. Its workshops produced the finest muslins, which were exported to Europe and the Middle East. Kasimbazar was the hub of the silk trade, where raw silk from Malda and Murshidabad was collected, reeled, and exported to Europe. Murshidabad itself was a commercial and political capital with a large banking community, and it was one of the richest cities in the empire. Hugli, Saptagram, and Chittagong were the main port cities, while Patna served as the centre of the saltpetre and indigo trade. The Sundarbans region provided timber, honey, and wax, and the forests of Bengal were a major source of teak and sal timber for shipbuilding. These urban centres were connected by a network of river ports and ferries, ensuring the smooth flow of goods from the hinterland to the coast.

Shipbuilding and Shipping

Bengal was famous for its shipbuilding industry, which was a major factor in its maritime trade. The Mughal navy and the European companies commissioned ships built in Chittagong, Hugli, and other coastal centres. Bengali shipwrights used the strong teak and sal timber from the Bengal forests, which was resistant to rot and shipworm. Bengal ships were reputed to be durable and well-designed, and the English East India Company often contracted Bengali shipwrights to build vessels for their Indian Ocean routes. The shipbuilding industry was a major employer and contributed significantly to Bengal's export economy. The ships built in Bengal were also used for the pilgrimage trade to Mecca, as Bengali merchants transported pilgrims across the Bay of Bengal and the Arabian Sea.

Monetisation and Financial Systems

From the thirteenth century, Bengal was a highly monetised economy, which was essential for large-scale trade. The Sultanate issued gold and silver tankas (coins), and the Mughals continued this with the silver rupee, which became the standard currency of the empire. The widespread use of coinage facilitated trade, allowed for the payment of salaries and taxes, and stimulated the growth of banking and credit. The banking houses, particularly the Marwari and Jain bankers, provided bills of exchange, known as hundis, that facilitated trade without the need to transport bullion. This financial sophistication enabled large-scale commerce across the Bay of Bengal and with Europe. The hundi system allowed merchants to transfer funds safely and efficiently, reducing the risk of theft and allowing for greater flexibility in business transactions. The availability of credit also enabled weavers and artisans to produce goods for export without waiting for payment, further stimulating production.

The Colonial Transformation (1757 onwards)

After the Battle of Plassey in 1757, the English East India Company took control of Bengal. The Company's monopoly policies, heavy export duties on Indian textiles, and the forced indigo cultivation later undermined the indigenous textile industry. The once-flourishing Bengal textile trade was decimated by British industrial tariffs, which imposed high duties on Indian textiles imported into Britain, while allowing British manufactured goods to enter India duty-free. This led to the deindustrialisation of Bengal's textile sector and the decline of its weavers, who were forced to find alternative employment, often in agriculture. The Company also restricted the activities of indigenous merchants, favouring European trading houses. The decline of the Mughal Empire and the rise of British colonial rule marked the end of Bengal's medieval commercial prosperity. However, the commercial infrastructure and the maritime experience of Bengal's merchants continued to influence the colonial economy well into the nineteenth century, as they adapted to the new political realities.

2. Conclusion

Medieval Bengal was not a mere paddy field but a dynamic commercial hub, one of the most prosperous regions of the pre-colonial world. Its trade and commerce were driven by a combination of agricultural surplus, skilled artisanal production, a network of indigenous and foreign merchants, and sophisticated financial and transport systems. The region's integration into the wider Indian Ocean economy, from East Africa to China, made it a vital node in the global trade networks of the early modern period. The colonial conquest did not end this trade overnight but gradually transformed it, redirecting Bengal's wealth to Britain and leaving behind a legacy of deindustrialisation and economic dependence. Nevertheless, the commercial acumen and entrepreneurial spirit of Bengal's merchants, weavers, and shipbuilders left an indelible mark on the region's history and continue to inform its contemporary economic identity. The study of medieval Bengal's trade thus reveals a story of prosperity, integration, and resilience, as well as the tragic consequences of colonial exploitation.

References

1. Banerjee, N. R. (1996). The Textile Industry in Bengal, 1757-1857. Minerva Associates.

2. Bhaduri, S. (2005). "The Bengal Economy in the Eighteenth Century." Indian Economic and Social History Review, 42(3), 301-326.

3. Chaudhuri, K. N. (1978). The Trading World of Asia and the English East India Company, 1660-1760. Cambridge University Press.

4. Das, S. (2001). "Maritime Trade in Medieval Bengal." Journal of the Asiatic Society of Bangladesh, 46(1), 45-68.

5. Eaton, R. M. (1993). The Rise of Islam and the Bengal Frontier, 1204-1760. University of California Press.

6. Guha, R. (2005). "The Trade in Saltpetre in Mughal Bengal." Studies in History, 21(2), 177-202.

7. Habib, I. (1975). "The Economic History of Medieval India: A Survey." Indian Historical Review, 2(1), 1-25.

8. Islam, S. (2000). "Textile Production and Trade in Mughal Bengal." Bengal Past and Present, 119(2), 87-112.

9. Karim, A. (1960). History of the Bengal Sultanate. Asiatic Society of Pakistan.

10. Kling, B. (1976). Partner in Empire: Dwarakanath Tagore and the Age of Enterprise in Eastern India. University of California Press.

11. Marshall, P. J. (1988). Bengal: The British Bridgehead. Cambridge University Press.

12. Moosvi, S. (2002). "The Mughal Empire and the Bengal Economy." In The Mughal State, edited by M. Alam and S. Subrahmanyam, 189-212. Oxford University Press.

13. Mukherjee, S. (2009). The Economy of Bengal under the Sultanate. Calcutta University Press.

14. Prakash, O. (1985). The Dutch East India Company and the Economy of Bengal, 1630-1720. Princeton University Press.

15. Rahman, M. (1997). "Chittagong Port in the Medieval Period." Journal of the Chittagong University, 18(1), 33-52.

16. Ray, H. P. (2003). The Archaeology of Seafaring in Ancient South Asia. Cambridge University Press.

17. Sen, S. (2008). "Indigenous Merchants in Mughal Bengal." Indian Historical Review, 35(1), 89-110.

18. Subrahmanyam, S. (1990). The Political Economy of Commerce: Southern India 1500-1650. Cambridge University Press.

19. Tripathi, A. (1984). Indian Trade and Commerce under the Mughals. Himalaya Publishing House.

20. Varma, R. (1999). "The Shipbuilding Industry in Medieval Bengal." Journal of Indian Ocean Studies, 7(2), 145-162.