## PALEMBANG COMMODITIES IN THE GLOBAL TRADE NETWORK

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#### **ABSTRACT**

Palembang has been known as a trading port since the Srivijaya era. Archaeological findings show that at that time spices were one of the traded commodities. These commodities are imported from the interior of the Musi River watershed. During the Sultanate of Palembang Darussalam, pepper, which was included in the spice category, was the main commodity traded by the sultan in the international market. Palembang's existence in the spice trade in the international market lasted until the early twentieth century. This paper aims to provide an overview of the dynamics of commodities in maritime trade in Palembang since the Srivijaya era until the early twentieth century. The method used in this paper is a literature study. The data source in this paper is the result of archaeological and historical research related to spices and other trading commodities in the South Sumatra region. The data collected was then analyzed using the descriptive-comparative method so as to produce a conclusion as a result of the research. The results showed that spices were originally Palembang's leading commodity in international trade. This role then shifted to new commodities, namely coffee, rubber, and mining products. This change was the result of the policy of the Dutch East Indies government which was driven by changes in global market demand.

**Keywords:** maritime trade, commodity, palembang

#### INTRODUCTION

The city of Palembang has a very long history and has been known as a bustling trading city. Archaeological findings show that in Palembang there was a Srivijaya kingdom that developed from the 7th century AD to the 13th century AD. The name Sriwijaya itself was initially mentioned by Kern when researching the Kota Kapur Inscription in 1892. The inscription found on Bangka Island contains about curse to anyone who does not submit to Srivijaya <sup>1–3</sup>.

Since its establishment, the Sriwijaya kingdom has been known to control maritime trade in the Southeast Asian region. The development of maritime trade in the Southeast Asian area is inseparable from the shipping system which is very dependent on the seasons, which causes ships passing through this region to stop at certain places to wait for the change of seasons, one of which is Palembang. As an intermediate port, Palembang is a location for the exchange of commodity goods from various countries and regions in the archipelago <sup>1,4–6</sup>.

The Musi River that divided Palembang City in the past was a medium for connecting the city with its supporting areas in the interior with foreign regions. This river empties into the Bangka Strait, which is one of the most navigable waters in maritime trade. The Bangka Strait is a crossing route for ships sailing from the Malacca Strait to port cities on the north coast of Java to the eastern region of the archipelago <sup>3,6,7</sup>.

In the Middle Ages, maritime trade became very important for countries in Europe, and competition for control of trading centers in the colonies could lead to war. Long-distance shipping does not only go to one port but stops at several ports. Until the early nineteenth century, the journey from one port of departure to another as a trading destination generally took a relatively long time. The invention and development of the steamship became an important event in sea transportation. For the first time, ships did not depend on wind patterns nor did trade routes. The nineteenth century was an era of progress in economic integration throughout the world. At that time most international trade was carried out by the sea. At the end of the 1880s, sailing ships were still used for inter-oceanic voyages, until in 1910 generally sailing ships were no longer used in international trade <sup>8–10</sup>.

The entry of Palembang as part of the maritime trade network is closely related to the spices that are widely produced in this region. Palembang's existence in the spice trade lasted until the early twentieth century. In the course of its history, this condition is inseparable from new discoveries in the field of technology that have an impact on changes in global market demand. This paper aims to provide an overview of the dynamics of Palembang's trading commodities in maritime trade from the Sriwijaya Kingdom until the Dutch East Indies colonial period.

#### **METHOD**

The method used in this paper is a literature study, namely a study that uses collection and analysis methods by reading, recording, and processing data from written sources <sup>11</sup>. The data source in this paper is the results of archaeological and historical research or other library data related to spices and other trading commodities in the South Sumatra region from the Sriwijaya Kingdom to the Dutch East Indies colonial period. The data collected was then analyzed by descriptive-comparative method, namely the data used in this study, and compared with one another. Patterns that emerge from the results of the key analysis as a result of research.

# THE DYNAMICS OF PALEMBANG'S TRADING COMMODITIES IN MARITIME TRADE

Palembang has been known as a trading port since the Srivijaya era. Archaeological findings show that spices were one of the traded commodities at that time. These commodities are imported from the interior of the Musi River watershed. Based on archaeological remains, traces of the Srivijayan trade in the interior of the Musi River were found at Teluk Kijing, Bingin Jungut, Bumiayu, and Lesung Batu sites. The geographical location of these sites at the bend of the river raises the suspicion that these sites are transit ports. Indicators of regional exchange activity are ceramic fragments originating from China, Thailand, and Vietnam <sup>2,4,12</sup>.

The ceramic artifacs are evidence of the exchange of trading commodities from outside the Sriwijaya area with local trade commodities. The existence of rivers in this area also shows that these commodities are transported by ships. This is evidenced by archaeological findings on the Lematang River namely the ship remains using Southeast Asian techniques. In addition to the remains of the ship, the remains of the pier were also found at the Bingin Jungut site. These structure indicate the Musi River in the past also played a role in trading activities <sup>2,4,12</sup>.

Historical data shows that during the Srivijaya era, Palembang produced commodities such as turtles, ivory, gold, silver, benzoin, camphor, resin and pepper. Archaeological research shows that resin is the most commonly found in sites dating from the Srivijaya era. Overall, these archaeological findings are found both in inland areas as well as in downstream areas

of the Musi River. Until now, forest products which are trade commodities can still be found around the sites. These commodities were then exchanged for ceramic goods as well as cotton and silk fabrics. In addition, at that time spices from Maluku were also sold, especially cloves and nutmeg, however archaeological findings that show this has not been found <sup>1,4,6,7</sup>.

At Srivijaya era, like other kingdoms in the archipelago, the holder of the trading power was the king. The king had his own ship and the source of his wealth came from the trade business and taxes levied from foreign traders operating in his territory. Therefore van Leur said that trade at that time had a capitalist nature. This continued until the Palembang Darussalam Sultanate era <sup>13,14</sup>.

During the Palembang Darussalam Sultanate, pepper was the main trading commodity. Historical records show that pepper became one of the prima donna in international trade in the 16th century. In the mid-17th century, the archipelago's pepper commodity began to dominate the European market. The pepper market in Europe was originally imported through India, but at that time pepper was imported directly from the archipelago, one of which was Palembang <sup>15–17</sup>.

Besides pepper, the main export commodity at that time was tin. However, tin is not produced on the mainland of Sumatra but on the islands of Bangka and Belitung. The biggest tin consumer at that time was China. China imports tin for their religious needs, daily equipment, and currency raw materials. At the end of the 18th century, the demand for tin in Europe increased. This happened after the industrial revolution, especially after the invention of food processing technology and the emergence of a new class of people who liked to use their daily tin-based equipment called pewter <sup>15,18,19</sup>.

The trading system during the Palembang Darussalam Sultanate could not be separated from the political situation at that time. The Sultan has unlimited power. The resources in the territory of the sultanate belong to the sultan. Leirisa calls this system capitalism with the Asian model. Sevenhoven noted that the sultan also appointed a person in charge of buying commodities from the community. The person is generally a local ruler in the interior <sup>13,20,21</sup>.

This condition made it easier for the VOC to launch its business to monopolize trade in Palembang. The pepper trading mechanism controlled by the sultan made it easier for the VOC to control the trade of this commodity on the international market. For the market demand, the sultan issued a regulation about an obligation to plant pepper for his people. Archaeological data shows the regulation is in the form of a copper charter called *piagem* that regulates pepper trade and agriculture in the Tanjung Village area, Bandingagung District. The Tanjung Charter was issued in 1764 by Sultan Ratu Akhmad Najamuddin. This charter was given to Prince Mangku Hanom and contains regulations that must be obeyed by local residents. One of the things regulated in the charter is the regulation regarding pepper planting and punishment for residents who do not want to plant it. In addition, there is also a silver charter. This charter is a collection of the National Museum and is codenamed Charter No. 10. This charter was issued by the Sultan of Palembang and given to Prawatin Sungai Keruh. Similar to the Tanjung Charter, one of the contents of this charter regulates the obligation to plant pepper and provides punishment for residents who do not want to plant it. This charter is written in Central Javanese script in the year 1760 <sup>17,22,23</sup>.

In 1824 the Palembang Darussalam Sultanate was dissolved and Palembang became part of the Dutch East Indies known as Palembang Regenschappen. The 19th century was an era of advancing economic integration throughout the world. The opening of the Suez Canal and

the development of steamship technology were very effective in shortening the shipping time from the Netherlands to the Dutch East Indies. This condition also affected trade in the Dutch East Indies. Along with this development, the Dutch East Indies government also made a policy that allowed the private sector to invest. The entry of the private sector in increasing the production of Dutch East Indies export commodities. To support the policy, in 1858 a port was built in Palembang, complete with its facilities, such as a pier, a pool, and a field for loading and unloading goods. During the period 1824-1864, the port became the lifeblood of Palembang's economic development so it was in line with port cities on the island of Java, such as Batavia, Gresik, and Cirebon. Currently, the port is still functioning and is known as the Boom Baru Port <sup>10,17,24</sup>.

In 1833 the Dutch East Indies government began to introduce coffee cultivation in Palembang Regenschappen. Coffee grows so well in this region that until the early 20th century, Palembang Regenschappen together with the West Sumatra region accounted for 11% of the Dutch East Indies coffee production. In 1906, rubber plantations were also opened in the Banyuasin area, which was then followed by oil palm plantations in the same area in 1911. Wellan noted that coffee products were the most important agricultural product of Palembang Regenschappen with an average annual export value of f 17,000,000; followed by rubber with an export value of f 12,000,000; rattan which is actually a forest product worth f 1,000,000. Pepper occupies the fourth position in export products, which is worth f 790,000. Especially for rubber commodities, the increasing demand in the world market is influenced by new innovations in industrial technology <sup>25,26</sup>.

In 1840, a road network began to be built connecting Palembang with the interior areas which were producers of export commodities. Like the road network, the construction of the railway network in South Sumatra, which began in 1914, was primarily intended for the transportation of goods, especially mining and plantation products. The construction of the first rail is carried out from Kertapati, Palembang to Prabumulih along 78 km then from Prabumulih to the south until it meets the rail built from Tanjungkarang. In this case, Prabumulih is the intersection point to the south and west. The train line from Prabumulih to the south to Baturaja and Martapura; while to the west towards Muaraenim, Lahat, Tebingtinggi, and Lubuklinggau. Overall the southbound route was completed in 1924 and the westbound route was completed in 1933 27-29.

Currently, archaeological remains related to the railway network can be seen at train stations in several districts/cities in South Sumatra, such as Ogan Ilir, Prabumulih, Muaraenim, OKU, East OKU, Lahat, Empat Lawang, Lubuklinggau and Musirawas. Archaeological research has recorded 35 stations, one workshop, and two tunnels dating from the early days of the construction of the railway network in the Palembang Regenschappen area. Based on field observations, the components in all stations that can still be identified are stations, water towers, offices, signal houses, and official residences <sup>28</sup>.

The Dutch East Indies government policy which allowed the private sector to invest then penetrated into the mining sector. This condition is supported by new innovations in technology which also increase the world's demand for oil. Mining activities in the Palembang Regenschappen region began with oil exploration in Banyuasin in 1885, then in Lematang Ilir and Muara Enim in 1897. In addition, coal mining was also discovered in Bukit Asam and exploration began in 1919. Construction of an oil refinery in Plaju and Pendopo as well as the opening of coal mines in Bukit Asam have further increased export commodities produced by

South Sumatra. Until now, the oil refineries are still operating as well as coal mining in Bukit Asam <sup>25,27</sup>.

The increased trade in the Dutch East Indies also provided opportunities for European and American companies to establish trading offices in this region. The export and import trade of the Dutch East Indies was centered on five main markets, namely Batavia, Semarang, Surabaya, and Makassar. Meanwhile, there are several port cities that are secondary markets, namely Cilacap, Medan, Padang, Palembang, Pontianak, Banjarmasin, and Manado. Until 1930, large trading companies began to expand to cities outside Java, such as Palembang, Makassar, Medan, Banjarmasin, and Pontianak. These companies not only carry out export trade but also bring in imported goods <sup>24,25,27</sup>.

During the Dutch East Indies colonial period, there were five trading companies that monopolized the economy of the Dutch East Indies, namely Borneo-Sumatra Handel-Maatschappij (Borsumij), NV Jacobson van den Berg, Internationale Crediten Handelvereeniging, NV Lindeteves Stokvis & Fa and Geo Wehry & Co. Representatives for these five companies were also appointed at Regenschappen Palembang. Archaeological remains related to the existence of these companies can still be found, namely warehouse buildings in the Sekanak area belonging to NV Jacobson Van Den Berg & Co and in the 13 Ilir area belonging to Borneo-Sumatra Handel-Maatschappij (Borsumij). Architecturally these warehouse buildings characterize the architectural style that was commonly built in the middle of the XX century.

#### **CONCLUSION**

Based on this description, it can be concluded that the existence of Palembang's trade commodities is influenced by world market demand. This condition lasted from the Srivijaya to the Dutch East Indies colonial era. Initially, Palembang's commodities were in the form of forest products collected by the community, in subsequent they turned into cultivated plants.

The trading system also changes. if during the Srivijaya and Sultanate times, the king or sultan was in control, then during the Dutch East Indies colonial period this role was replaced by multinational companies. The development of trade in Palembang, caused many multinational companies to build representative offices. This representative agent has a dual role, namely in addition as a manager of buying and selling merchandise, it is also obliged to look for products in the area around Palembang.

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