The Strait of Malacca as a corridor of trade

Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland and Germany),
Solicitor (England & Wales and Hong Kong)
Of Counsel, KGP Legal LLC
alexander.ressos@kgplegal.com.sg
www.ressos.com.sg

The monsoon system and the rhythm of trade

The Strait of Malacca owes its importance to the winds. In the age of sail, shipping between the Indian Ocean and the South China Sea was governed by the monsoons: the north-east monsoon, which blows roughly from November to March, and the south-west monsoon, which blows roughly from May to September.[1] A ship from India or the Persian Gulf could not complete the voyage to China on a single monsoon. It sailed east with the south-west monsoon, waited in a port of the Strait for the wind to change and continued with the next season. Alternatively, it exchanged its cargo in the Strait with merchants coming from the east.

The consequence was structural. The Strait became a place of waiting, which created a market. Merchants from the west and merchants from the east met in its ports, exchanged goods, settled accounts and extended credit to one another for the next voyage. A port in the Strait did not need to produce anything of value. It needed to offer a safe anchorage, water and provisions, warehouses, a market with reliable

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rules and a ruler who protected the ships in his harbour and taxed them with restraint. The ports of the Strait were, in this sense, service economies from the beginning. They sold security, information and the opportunity to trade.

The rhythm of the monsoons also explains the concentration of trade. Because every ship needed a port at the right point on the route, the ports competed for a limited number of positions. A ruler who could attract the monsoon traffic gained customs revenue, prestige and the resources to maintain a fleet. A port that lost the traffic declined quickly. The history of the Strait is therefore a history of succession: one dominant port after another, each replacing its predecessor when it offered better protection or better terms.

The narrow gate: the Singapore Strait

At its southern end, the Strait of Malacca narrows into the Singapore Strait, a channel between the island of Singapore and the Riau archipelago. At its narrowest point, in the Phillips Channel, the passage is only about 1.7 miles wide.[2] Every ship sailing between the Indian Ocean and the South China Sea by the Strait passes within sight of the island. The same geography that made the Strait a corridor made the island a gate.

The significance of this position has survived every change of technology. The sailing ships of the fourteenth century, the steamships of the nineteenth and the tankers of the twenty-first century all pass through the same narrow water. The US Energy Information Administration reported that petroleum and other liquids transiting the Strait of Malacca reached 16 million barrels per day in 2016.[3] The figure belongs to Part G of this book, which examines Singapore as a centre of the oil trade and of bunkering. It is recorded here because it shows the continuity of the underlying fact: the island stands at one of the principal chokepoints of world trade.

A gate, however, is also a place of danger. Because narrow waters with many islands and inlets offered ideal conditions for piracy, the ports of the Strait were never far from the raiders who preyed on passing ships. Whether a port on the Singapore Strait served as a market or as a base for raiders depended on the political order

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around it. The Chinese traveller Wang Dayuan, discussed below, recorded both faces of the island in the fourteenth century: an orderly trading community on the hill and a channel where pirates lay in wait.

Srivijaya and the first maritime state of the Strait

The first great power of the Strait was Srivijaya, a maritime kingdom centred on Palembang in southern Sumatra. The Chinese Buddhist monk Yijing visited Srivijaya for six months in 671 on his way to India. The earliest inscription naming Srivijaya, the Kedukan Bukit inscription, is dated 16 June 682.[4] Between the late seventh and the early eleventh centuries, Srivijaya controlled the two passages between India and China: the Sunda Strait and the Strait of Malacca.[5]

Srivijaya was a new kind of state. Its power rested on the control of sea lanes and on relationships with the peoples of the coasts and the sea, among them the sea-nomadic communities known in later sources as orang laut, who crewed its fleets and policed its waters. Its wealth came from the transit trade and from the privileged relationship with China. Srivijaya maintained lucrative trade relations with the Chinese court from the Tang to the Song dynasty.[6] Its rulers sent tribute missions to the Chinese court, which recognised them as the legitimate intermediaries of the southern trade. Access to the Chinese market was the most valuable privilege a port of the Strait could hold.

Srivijaya's decline illustrates the vulnerability of such a system. In 1025, the Chola ruler Rajendra I of southern India launched naval raids on the ports of Srivijaya, after which no Srivijayan envoys reached China between 1028 and 1077.[7] The raids did not end maritime trade in the Strait. They broke the monopoly of a single port and opened the way for a multiplicity of smaller ports, each seeking its own share of the traffic. The settlement on the island of Singapore, which appears in the sources in the thirteenth and fourteenth centuries, belongs to this post-Srivijayan world.

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The Chinese market and the tribute system

The demand that drove the trade of the Strait came, above all, from China. Chinese markets absorbed the spices, aromatic woods, resins, tin, ivory and exotic products of Southeast Asia and the Indian Ocean, while Chinese ceramics, silks and copper coins flowed in the other direction. Under the Song and Yuan dynasties, private Chinese merchants, many of them from the port of Quanzhou in Fujian, traded directly in the ports of the Nanyang, the "Southern Ocean".[8]

The political framework of this trade was the tribute system. Rulers of Southeast Asian ports sent envoys with gifts to the Chinese emperor, acknowledged his superiority and received in return recognition, gifts of greater value and, in periods when private trade was restricted, the right to trade. Recognition by the Chinese court conferred legitimacy and protection. It also connected the port to the largest market of the age. The pattern survived into the fifteenth century, when the founders of Malacca used Ming recognition to secure their new port against their neighbours.

For a financial centre, the lesson is familiar. The value of a port depended on its access to the largest market, an access that rested on political recognition by the power that controlled the market. The relationship between Singapore and China, examined in Part I of this book, has deep roots in this pattern.

Notes

1. On the monsoon system and its effect on the rhythm of trade in the Strait, see Anthony Reid, *Southeast Asia in the Age of Commerce 1450–1680*, vol. 1, New Haven, Yale University Press, 1988, chapter 1; the months given are approximate and vary with the source. ↩
2. US Energy Information Administration, "The Strait of Malacca, a key oil trade chokepoint, links the Indian and Pacific Oceans", *Today in Energy*, 11 August 2017 ("At its narrowest point in the Phillips Channel of the Singapore Strait, the Strait of Malacca is only about 1.7 miles wide"). ↩

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3. US Energy Information Administration, *Today in Energy*, 11 August 2017 ("Petroleum and other liquids transiting the Strait of Malacca … reaching 16 million barrels per day"). ↩
4. Wikipedia, "Srivijaya" (accessed September 2026), citing Yijing's account of his stay in 671 and the Kedukan Bukit inscription dated 16 June 682. ↩
5. Wikipedia, "Srivijaya" (accessed September 2026): the kingdom "controlled the two passages between India and China, namely the Sunda Strait from Palembang and the Malacca Strait from Kedah". ↩
6. Wikipedia, "Srivijaya" (accessed September 2026): "their main foreign interest was nurturing lucrative trade agreements with China which lasted from the Tang to the Song dynasty". ↩
7. Wikipedia, "Srivijaya" (accessed September 2026), on the Chola raids of 1025 and the absence of Srivijayan missions to China between 1028 and 1077. ↩
8. On Quanzhou as the principal port of the Song and Yuan maritime trade and on private Chinese trade in the Nanyang, see Derek Heng, *Sino-Malay Trade and Diplomacy from the Tenth through the Fourteenth Century*, Athens (Ohio), Ohio University Press, 2009. ↩

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