
India-Maldives Bilateral Relations

India and Maldives share ethnic, linguistic, cultural, religious and commercial links steeped in antiquity. The relations have been close, cordial and multi-dimensional. India was among the first to recognize Maldives after its independence in 1965 and to establish diplomatic relations with the country.

2. Maldives' proximity to the west coast of India (barely 70 nautical miles away from Minicoy and 300 nautical miles away from India's West coast), and its situation at the hub of commercial sea-lanes running through Indian Ocean (particularly the 8° N and 1 ½° N channels) imbues it with significant strategic importance to India.

3. India has a pre-eminent position in the Maldives, with relations extending to virtually most areas. The importance of India's strategic role in Maldives is well-recognized, with India being seen as a net security provider. 'India First' has been a stated policy of the Government of Maldives (GoM).

4. India's relationship with the Maldives is free of any politically contentious issues. The one-time claim of Maldives to Minicoy Island was resolved by the Maritime Boundary Treaty of 1976 between the two countries, whereby Maldives has recognized Minicoy as an integral part of India.

5. India's prompt assistance during the 1988 coup attempt, led to development of trust and long-term and friendly bilateral relations with the Maldives. The immediate withdrawal of our troops when they were no longer required assuaged fears of any Indian dominance or territorial aspirations.

6. India was the first to assist Maldives during the 2004 Tsunami as well as the water crisis in Malé in Dec 2014. These three incidents (in 1988, 2004 and 2014) had established the advantages of India's proximity and capacity to come to Maldives' rescue in distress vis-à-vis any other country and are widely acknowledged by the government and people of Maldives. India's swift dispatch of 30,000 doses of measles vaccine in Jan 2020 to prevent an outbreak in the Maldives, and India's rapid and comprehensive assistance to the Maldives since the COVID-19 pandemic began has further reinforced India's credentials of being the first responder.

Recent high level exchanges

7. Prime Minister Modi attended the inauguration ceremony of President Ibrahim Mohamed Solih on 17 Nov 2018 as the only HoS/HoG. He also held bilateral discussions with President Solih just after his swearing-in ceremony, in which he conveyed India's desire to work closely for the realization of Maldives' developmental priorities, esp in areas of infrastructure, health care, connectivity and human resource development.

8. Foreign Minister Abdulla Shahid paid an Official Visit to India in Nov 2018. He was accompanied by Minister of Finance, Minister of Economic Development, MoS for Foreign Affairs and Foreign Secretary.

9. On his first overseas visit after assuming office, President Solih paid a 'State Visit' to India in Dec 2018, during which India announced a financial assistance package of US\$ 1.4 billion which included US\$ 50 million as budgetary support to GoM, subscription by SBI to the GoM's Treasury bills of US\$ 150 million, the Currency Swap Agreement for US\$ 400 million and 8 infrastructure Projects under the US\$ 800 million Line of Credit (LoC). LoC infrastructure projects have started rolling out with two projects already under execution (Water & Sanitation on 34 islands and Addu Roads projects) while third project i.e. Addu Land Reclamation Project was awarded in March 2022 and the implementation is due to begin soon. India also offered additional 1000 training slots over the next 5 years.

10. Defence Minister Mariya Didi with her delegation visited India in Jan 2019, during which the 2nd Defence Cooperation Dialogue was held. She has since visited India on several occasions including for DEFEXPO in Feb 2020, IOR DM's conclave in Bangalore in Feb 2021 & INA Kochi as Chief Guest at Passing-out-Parade (POP) in Nov 2021.

11. Former EAM Late Smt. Sushma Swaraj visited Maldives in March 2019 and met President Solih, then Speaker Qasim Ibrahim, MDP President Mohamed Nasheed and Ministers. Several agreements including LoC Agreement for US\$ 800 million & MoU for grant assistance for High Impact Community Development Projects (HICDPs) was also signed during the visit. India also gifted 2500 LED street lights and 2 lakh LED bulbs to Malé City Council. EAM also announced the grant of INR 50 crores to Maldives for important bilateral projects related to the socio-economic development, particularly creation of infrastructure in the education, health, etc. Under the grant 18 projects were approved, out of which 15 have been completed and inaugurated.

12. President Solih paid an unofficial visit to Bengaluru in April 2019 to witness the IPL match between Chennai Super Kings and Royal Challengers Bangalore as well as to discuss broad contours of capacity building of cricket in the Maldives and training of the Maldivian cricket team. He also toured the National Cricket Academy in Bengaluru.

13. PM Modi, on his first overseas visit after taking oath of the office for his second term, visited Maldives on a State Visit in June 2019. PM also addressed a session of the newly constituted People's Majlis. Various MoUs were also signed viz. (i) MoU on cooperation in the field of Hydrography, (ii) MoU on cooperation in the field of Health, (iii) MoU on establishment of Passenger-cum-Cargo service by sea, (iv) MoU for cooperation in Customs' capacity building, (v) MoU between Maldives Civil Service Commission (CSC) and National Centre for Good Governance (NCGG) and (vi) Technical Agreement on exchange of White Shipping Information between IN & Maldivian National Defence Force (MNDF). Both the leaders jointly inaugurated MNDF's

Composite Training Centre (CTC) facility in Maafilafushi and Coastal Radar System (CRS) by remote links. Both sides agreed for resumption of the Colombo Security Conclave (CSC), an NSA level trilateral mechanism (India-Maldives-Sri Lanka) on marine security and constitution of a JWG on Counter Terrorism. PM also announced supporting restoration of Hukuru Miskiiy in Malé.

14. Follow up of PM's June 2019 visit. The first meeting of the Joint Commission on Hydrography was held in Maldives from 24-26 Sept 2019. Two joint hydrographic survey have been undertaken in 2021 and 2022. As of July 2022, 14 batches comprising over 400 Maldivian civil servants have been trained under the CSC-NCGG MoU. Over 140 Maldives Customs Service officials have being trained in India under the MoU on cooperation in Customs. A Cargo Vessel service was launched in Sept 2020 connecting the ports of Tuticorin, Kochi, Kulhudhufushi and Male. The NSA-level trilateral mechanism on marine security resumed in Nov 2020 in Colombo. First meeting of the JWG on Counter-Terrorism was held in New Delhi in April 2021. Restoration of Hukuru Miskiiy in Malé is undergoing.

15. An inter-ministerial delegation led by Minister of Economic Development Fayyaz Ismail visited New Delhi in July 2019. During the sidelines of this visit, CII also organized networking and business development sessions for the delegation to raise Indian investment for newly formed 100% state body - Maldives Fund Management Company.

16. Chief of Defence Force of MNDF Major General Abdulla Shamaal visited India from in July 2019. During his visit he met Raksha Mantri, NSA, CAS, COAS and CNS and delivered speeches at IDSA (now MPIDSA) and NDC.

17. The 6th Joint Commission Meeting (JCM) was held in New Delhi in Dec 2019. EAM Dr S Jaishankar and Foreign Minister Shahid co-chaired the JCM which undertook a comprehensive review of the bilateral agenda and charted a way forward. The two Ministers also witnessed the exchange of Instrument of Ratification of Treaty on Mutual Legal Assistance in Criminal Matters and signing of the MoUs between the Financial Intelligence Units (FIUs) of Maldives and India, and between the Elections Commission of Maldives and the Election Commission of India. Foreign Minister Shahid also visited India in April 2021 and July 2021 (as UNGA President). The revised MoU for HICDPs increasing the outlay to MVR 155 million was signed during the latter visit. Earlier, EAM visited Maldives in Sept 2019 to participate in 4th Indian Ocean Conference. During the visit, an Agreement on Mutual Legal Assistance in Criminal Matters was signed.

18. At a Video Conference held between PM and President Solih on Dec 4, 2019, 4 projects were highlighted viz. gifting of street lights to Male; operationalising of RuPay Card in the Maldives; gigning of MoUs for Indian grant assistance to set up 3 fish plants in Addu under HICDP scheme & gifting of CGS Kaamyab to the MNDF

19. PM Modi and President Solih had telephonic conversations in April 2020 and July 2021 to discuss the pandemic situation and India's developmental assistance to the Maldives.

20. A virtual meeting between EAM and Foreign Minister Shahid was held on Aug 13, 2020. The launch of cargo vessel service between India and the Maldives, the setting up of the air travel bubble, India's support for the Greater Male Connectivity Project (GMCP) with a USD 400 million LoC & USD 100 million grant, renewal of essential commodities trade agreement, and, financial assistance of USD 250 million for budget support to the GoM were announced.

21. Foreign Secretary Harsh Vardhan Shringla visited the Maldives in Nov 2020. During his visit, FS called on President Solih, Speaker Nasheed, Foreign Minister Shahid, Defence Minister Mariya Didi and other political leaders in the Maldives. An MoU on Sports & Youth Affairs was signed during the visit along with two MoUs for HICDPs. FS handed over equipment to set up 67 children's parks across the Maldives. FS also announced India's support to Foreign Minister Shahid for the latter's candidacy for the post of UNGA President in 2022.

22. EAM visited the Maldives in Feb 2021. He called on President Solih and Speaker Nasheed, and held meetings with Foreign Minister, Ministers of Defence, Economic Development, Planning & Infrastructure and Finance. The UTF Agreement to develop a harbour for the MNDF, and a USD 50 million LoC for the MNDF were also signed. EAM donated 100,000 doses of COVISHIELD vaccines to the Maldives. EAM also announced a USD 40 million LoC for sports infrastructure for the Maldives. AFCONS signed the contract for the EXIM Bank of India supported Addu Roads LoC project during the visit. An MoU between Prasar Bharati and PSM, and an MoU to support a fish processing plant in Kendhikulhudhoo under the HICDP scheme also signed.

23. EAM visited Addu City in Maldives in March 2022. Several agreements were signed viz. (i) Peering agreement between High Education Network of Maldives (HNM) and National Knowledge Network of India (NKN), (ii) MoU between Maldives Police Services (MPS) and SVPNPA, Hyderabad for capacity building & cooperation, (iii) MoU on reciprocal recognition of Covid vaccination certificate, (iv) Signing of Contract for Addu Reclamation Project, etc. During the visit few projects were launched/ inaugurated viz. (i) Inauguration of National College for Police and Law Enforcement (NCPL), (ii) Ground-breaking of the Addu Roads Project, (iii) Handing-Over of the CRS to the MNDF, (iv) Inauguration of the Drug Detoxification and Rehabilitation Centre, Hulhudhoo, (v) Inauguration of the Eco-Tourism Zone, Meedhoo. EAM also announced 7 new HICDPs. MoUs for these 7 new HICDPs were signed on 18 April 2022. With this, a total of 27 HICDPs are underway.

Security & Defence Cooperation:

24. Since 1988, defence and security has been a major area of cooperation between India and Maldives. India has adopted a very flexible and accommodating approach in meeting Maldivian requirements of defence training and equipment. A comprehensive Action Plan for Defence was also signed in April 2016 to consolidate defence partnership.

25. **Capacity Building/Training.** India provides the largest number of training opportunities for Maldivian National Defence Force (MNDF), meeting around 70% of their defence training requirements. India has trained over 1400 MNDF trainees over the past 10 years and have offered 300 (Including SPG, NSG and MIO training) training vacancies in 2021-22. MNDF has also been participating in various mil-to-mil activities such as joint EEZ patrols, anti-narcotic ops, SAR, sea-rider programme, HADR exercises, adventure camps, sailing regatta, etc. India has also offered to depute Mobile Training Teams (MTT) based on MNDF requirements and to train MNDF personnel for UN peace-keeping operation at CUNPK. Indian Navy has deployed 10-member Marine Commando MTT to Maldives in 2017, 2018, 2019 and 2021 and also provided MNDF with air assets for air surveillance, MEDEVAC, SAR, Helo-borne vertical insertion capability.

26. Our defence cooperation also extends to the areas of Joint Exercises [“Ekuverin”, “Dosti”, “Ekatha” & “Operation Shield” (begun in 2021)], Maritime Domain Awareness, Joint Hydrography, gifting of hardware, infrastructure development, etc. Key projects in the defence sector include Composite Training Centre (CTC) for MNDF, Coastal Radar System (CRS) and construction of new Ministry of Defence Headquarters.

27. **Institutional Mechanisms.** Annual Defence Cooperation Dialogue at level of Defence Secretary was initiated in July 2016 with 2nd edition held in Nov 2017. After a brief hiatus due to COVID19 pandemic, the 3rd edition of DCD was conducted at Male on 14 Feb 2022. Annual Joint Mil-to-Mil Staff Talks were started in Feb 2016 and 5th edition was conducted in Sept 2021. MNDF continues to participate in various fora such as IONS, Goa Maritime Conclave and Goa Symposium.

28. **Disaster Management.** MNDF regularly participates in Humanitarian Assistance & Disaster Relief, Search & Rescue (SAR), Pollution Control, other exercises organised by India. India previously provided pollution dispersant to MNDF Coast Guard in 2016. India is also undertaking customised trainings for MNDF Fire and Rescue Service in India.

Development Cooperation

29. The major completed development assistance projects executed by India are:
- **Indira Gandhi Memorial Hospital:** The hospital was built with Indian Grant Assistance in 1995. Major renovation of IGMH was completed in June 2017 with Gol’s grant of INR 52 Cr.

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- **Maldives Institute of Technical Education (now called the Maldives Polytechnic):** MoU for setting up institute was signed in March 1992. MITE was completed at a cost of INR 12 Cr and handed over to GoM in Sept 1996.
 - **India-Maldives Faculty of Hospitality & Tourism Studies:** Foundation stone for the Faculty was jointly laid by PM Vajpayee and President Gayoom during his visit to Maldives in Sept 2002. Faculty was officially handed over to GoM in Feb 2014.
 - **National Centre for Police and Law Enforcement (NCPLE):** With GoI grant funding of \$ 30 million, NCPLE is the largest grant project executed by India in Maldives. The project was inaugurated by EAM during his visit in March 2022.

30. Economic package of US\$ 1.4 billion: During State Visit of President Solih to New Delhi on 17-18 Dec 2018, GoI announced US\$ 1.4 billion financial package in the form of budgetary support (US\$50 million), buying of treasury bills (US\$ 150 million), currency swap (US\$ 400 million) and concessional LoC (US\$ 800 million) to fulfill the socio-economic development programme of the Maldives.

- **Budgetary Support (US\$ 50 million) and Treasury Bills for US\$ 150 million**
Under budgetary support, total US\$ 50 million grant was transferred in two installments of US\$ 25 million each to GoM. US\$ 150 million T-Bills purchased by SBI in 03 tranches of US\$ 50 million each.
- **Currency Swap:** A Bilateral USD Currency Swap Agreement between RBI and Maldives Monetary Authority was signed on 22 July 2019. On the request of GoM, validity of the bilateral swap agreement was extended by one year until July 21, 2021. This agreement allowed MMA to draw a swap facility to a max limit of US\$ 400 million, within the existing 'Framework on Currency Swap Arrangement for SAARC Countries', and its 'Standby Swap Arrangement'.
- **Projects under Exim Bank Line of Credit of US\$ 800 million:** A US\$ 800 million Credit Line Agreement between Ministry of Finance, GoM and EXIM Bank of India was signed on 18 March 2019. The following projects have been included under the LoC:
 - **Water and Sanitation Project in 34 Islands:** The project seeks to improve water supply and sewerage facilities in 34 identified islands by installing proper water supply distribution network, ensuring protection of ground water aquifer and sustainable water source management. The project was awarded as 6 packages to 4 Indian contractors after a tendering process. Work is progressing well on all 34 islands.
 - **Addu Development Project (Roads and Reclamation):** This is a key infrastructure project required for Addu to establish itself as the southern regional hub of Maldives. The scope includes roads, street lighting, storm water drainage, shore protection and land reclamation for the development of tourism infrastructure. The contract for roads component

was awarded in Feb 2021 to AFCONS and was jointly launched by President Solih and EAM in March, 2022. Also, in March 2022, GoM awarded contract for the Land Reclamation portion of the project to a Dutch company “Van Oord’ to carry out a total reclamation of 194.3 hectares of land. Mobilization work for the project is underway.

- **Expansion of MIFCO facilities in Felivaru and Gemanafushi:** Maldives Industrial Fisheries Company Limited (MIFCO) currently collects 60 % of tuna caught by the fishermen at a fixed price set by Government. MIFCO has the capacity of adding value to 40% of the collection, while the rest is exported as frozen tuna, resulting in the export of frozen tuna becoming a loss-making operation, affecting the sustainability of the company. The project includes expansion of MIFCO facilities in Felivaru and Gemanafushi. The project is under tendering process.
- **Cancer Hospital:** Proposed hospital will be a model centre and State of Art Cancer Facility in Maldives, connecting their 150+ health centers on various islands. In Oct 2020, GoM requested for change of location of the Hospital from Hulhumale to Laamu. The project will be executed under the supervision of TATA Memorial Centre (TMC). The Feasibility Report funded by India is with GoM for concurrence.
- **Gulhifalhu Port project:** The objective of this project is to relocate the congested Malé Commercial Harbour and warehousing from Malé to Gulhifalhu Island (which is in Greater Malé region). GoM envisages development of Gulhifalhu International Port as a modern, technology-driven, globally competitive port inclusive of warehousing and logistic zones that could serve the requirement of Maldives for next 35 years.
- **Hulhumalé Cricket Stadium:** During EAM’s visit to Maldives in March 2019, GoM requested Indian assistance for the construction of cricket stadium in Hulhumalé. During PM visit in June 2019, it was committed that the Stadium will be built under Indian assistance.
- **Airport Redevelopment Projects:** The EXIM Bank of India will support the redevelopment of airports in Hanimaadhoo and Gan.

31. Greater Male Connectivity Project: The project aims to connect Male to Villingili, Gulhifalhu and Thilafushi islands through a series of bridges, causeways and roads. The project is crucial for the proposed Gulhifalhu Port, and will be a major catalyst for the Maldivian economy in the future through jobs and economic activity. It is funded through a separate \$ 400 million LoC and \$ 100 million grant from India. The project was awarded to AFCONS in August 2021. Work has commenced.

32. Projects under EXIM Bank’s Buyers Credit

- **Social Housing projects in Hulhumale’ Phase II :** On 23 Sept, 2021 EXIM Bank of India concluded two Agreements with Fahi Dhiriulhun Corporation Limited (FDC) of Maldives to extend Buyers Credit of approx. USD 227

million for the construction of 4000 Social Housing Units in Hulhumale' Phase II. The construction is being undertaken by National Buildings Construction Company (NBCC) and JMC Projects (India) Ltd. Work has commenced on both projects.

- **Road projects** : Earlier, EXIM Bank had extended around \$ 53 million in Buyers' Credit to a Mohan Mutha- Ashoka Buildcon JV for development of roads in Hulhumale' Phase I & II.

33. An **USD 50 million Defence Line of Credit** was concluded during EAM's visit to Maldives in Feb 2021.

34. An **USD 40 million Sports Line of Credit** was extended to the Maldives in Sept 2021 to develop the sports infrastructure across the islands.

Bilateral Economic and Trade Relations

30. India and Maldives signed a trade agreement in 1981, which provides for export of essential commodities. In July 2021, India extended the agreement on quotas for restrictions-free export of 9 essential commodities to the Maldives for the next 3 years.

31. India-Maldives bilateral trade crossed the \$ 300 mn mark for the first time in 2021, reaching an impressive \$ 323.29 mn. Trade registered a growth of over 31% over the previous year. Indian imports from the Maldives primarily comprise scrap metals while Indian exports to the Maldives include a variety of engineering and industrial products like drugs and pharmaceuticals, radar apparatus, rock boulders, aggregates, cement and agriculture produce like rice, spices, fruits, vegetables and poultry produce etc. Indian exports are registering a steady rise. This is a direct consequence of the launch of the cargo vessel service between the two countries in Sept 2020 and commencement of work on LoC projects since Feb 2021. MoU on Pre-arrival exchange of information between customs was signed in July 2021 and is under pilot-stage. Efforts are being made to tap the potential of Seafood exports from Maldives to India.

Bilateral trade figures (Jan-Dec, in US\$ million)

Year	Total Exports to Maldives	Total Imports from Maldives	Total Trade
2013	154.0	12.3	156.3
2014	170.6	2.9	173.5
2015	225.82	3.0	228.82
2016	274.55	1.55	276.10
2017	282.04	4.12	286.16
2018	286.13	3.01	288.14
2019	290.27	3.42	293.69

2020	241.9	3.33	245.23
2021	317.35	5.94	323.29
2022 (Jan-May)	173.51	3.39	176.51

32. State Bank of India has been playing a vital role in the economic development of the Maldives since February, 1974 by providing loan assistance for promotion of island resorts, export of marine products and business enterprises.

Education & Capacity Building

33. India has been a traditional partner for the Maldives in human resource development across sectors for decades. Given its small population base, isolated geographical location of islands, and many resource challenges, Maldives suffers from a crunch of good human capital. Several Maldivian youths acquire their higher education in India Universities every year. Indian teachers have been a fixture at Maldivian schools across islands for decades. India has traditionally offered a substantial number of ICCR scholarships to Maldivian youth. For 2021-22 the number of scholarships offered stands at 39. Despite the impact of the pandemic, 6 Maldivians have travelled to India under the scholarship scheme in 2021-22. For 2021-22, the number of scholarships offered stands at 34+. India also offers 10 seats every year to Maldives under Department of Science and Technology (DST), Govt. of India “India Science and Research Fellowship (ISRF) Programme”. Maldives has been a partner of the ITEC programme for several years.

34. India is seeking to initiate/strengthen institutional linkages with all stakeholders in the Government and society of Maldives. In the past 3 years, institutional linkages between counterpart organisations on both sides have increased adding heft to capacity building and training initiatives. Various MoUs focusing on capacity building of Human resources includes (i) MoU on Civil Services between Civil Services Commission (CSC) and National Centre for Good Governance (NCGG), (ii) MoU on Cooperation in Customs Capacity Building, (iii) MoU on Parliamentary Cooperation between Lok Sabha and Majlis, (iv) MoU between the Judicial Services Commission (JSC) of Maldives and the National Judicial Academy of India (NJAI), (v) MoU between Election Commission of India and the Elections Commission of Maldives, (vi) MoU between Public broadcaster Public Service Media (PSM) and Prasar Bharati, (vii) MoU between Auditor General’s Office (AGO) in the Maldives and the CAG, (viii) MoU between Aligarh Muslim University (AMU) and Islamic University of Maldives (IUM), etc. Under these MoUs various physical and virtual training programmes have been conducted. Amid COVID19 pandemic situation, various virtual training were conducted including in the field of online education, electioneering, policing, health, audit, governance, judiciary, etc.

Tourism

35. The Maldivian economy is heavily dependent on its tourism sector, which is the major source of foreign exchange earnings and government revenue and directly accounts for about 75% of GDP of Maldives.

36. In 2018, India was the 5th largest source of tourist arrivals in Maldives with around 6.1 % (90,474) share of the market. However, in 2019, India reached the 2nd spot with almost double the number of arrivals compared to 2018. In a pandemic-hit 2020, India was the largest source market for the Maldives with nearly 63,000 Indians visiting the Maldives. In 2021, India continued as the top market with over 2.91 lakh Indian tourist arrivals and a 23% market share. In 2022, India with 132,151 (till 20 July'22) tourists arrivals ranks 1st as tourists market with 14.7% market share.

Consular Matters

37. Indians are the second largest expatriate community in the Maldives with an approximate strength of 27,000. A large number of doctors, nurses, health professionals and teachers in the Maldives are Indian nationals. Indian nationals also consist of a sizeable number of unskilled workers, besides other professionals and business community.

38. The second round of the Consular dialogue was held in Male' in December, 2018. During the State visit of President Ibrahim Mohamed Solih to India on December 17, 2018, a 'Bilateral Agreement on the facilitation of Visa arrangements' was signed and came into effect on March 11, 2019. Further, during the visit of Indian External Affairs Minister, 'Bilateral Agreement on Exemption from Visa requirement for holders of Diplomatic and Official Passports' was signed on March 17, 2019 and came into effect from August 05, 2019.

39. There is an agreement for transfer of prisoners under the 'Transfer of Sentenced Persons (ToSP)' agreement signed between the Government of Maldives and the Government of India.

July 2022