India-Maldives Relations

India and Maldives share ethnic, linguistic, cultural, religious and commercial links steeped in antiquity and enjoy close, cordial and multi-dimensional relations. India was among the first to recognise Maldives after its independence in 1965 and to establish diplomatic relations with the country. India established its mission at the level of Cd’A in 1972 and resident High Commissioner in 1980. Maldives opened a full fledged High Commission in New Delhi in November 2004, at that time one of its only four diplomatic missions worldwide.

Political relations

Bilateral relations have been nurtured and strengthened by regular contacts at the highest levels. Since establishment of diplomatic relations, almost all Prime Ministers of India visited the Maldives. From the Maldivian side, President Maumoon Abdul Gayoom and President Mohamed Nasheed made a number of visits to India during their respective Presidency. The incumbent President Dr. Mohamed Waheed made his first official visit abroad to India in April 2012.

Recent visits from Maldives include a multi-party Parliamentary delegation from the People’s Majlis of Maldives led by Speaker of People’s Majlis Abdulla Shahid (May 2013), a seven-member senior delegation from the Elections Commission of Maldives led by President of ECM, Fuad Thaufeeg (May 2013), a delegation of judges Chief Justice Ahmed Faiz (June 2013), former President Maumoon Abdul Gayoom (June 2013) and former President Mohamed Nasheed (August 1-3, 2013).

India and Maldives have consistently supported each other in multilateral fora such as the UN, the Commonwealth, the NAM and the SAARC.

Bilateral Assistance

Wherever possible, India has been offering assistance to Maldives in its developmental process. The major projects executed by India are:
- Indira Gandhi Memorial Hospital
- Faculty of Engineering Technology
- Technology Adoption Programme in Education Sector in Maldives
- Faculty of Hospitality & Tourism Studies (nearing completion)

Capacity building and skills development is one of the key components of Government of India’s assistance to Maldives. India offers several scholarships to Maldivian students under the following schemes:

<table>
<thead>
<tr>
<th>Scholarship scheme</th>
<th>Slots offered</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICCR scholarships</td>
<td>37</td>
</tr>
<tr>
<td>SAARC Chair Fellowship</td>
<td>3</td>
</tr>
<tr>
<td>ITEC training &amp; scholarships</td>
<td>25</td>
</tr>
<tr>
<td>Technical Cooperation Scheme of Colombo Plan</td>
<td>5</td>
</tr>
</tbody>
</table>
Medical scholarships

5 (including 1 PG slot)

Several Maldivian diplomats have received training in India under the Indian Foreign Service Institute’s Professional Course for Foreign Diplomats (PCFD) program.

Economic and Commercial relations

India and Maldives signed a trade agreement in 1981, which provides for export of essential commodities. Growing from modest beginnings, India-Maldives bilateral trade now stands at Rs.700 crores. Indian imports from the Maldives primarily comprise scrap metals while Indian exports to the Maldives include agriculture and poultry produce, sugar, fruits, vegetables, spices, rice, atta, textiles, drugs and medicines, a variety of engineering and industrial products, sand and aggregate, cement for building etc. In a major development, India announced in June 2011, the release of three year quota for export of essential commodities like Stone Aggregates, Rice, Wheat Flour, Sugar, Dal, Onion, Potato and Eggs from India to Maldives.

Bilateral trade figures (in Rupees Crore)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Exports to Maldives</th>
<th>Total Imports from Maldives</th>
<th>Total Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>360.55</td>
<td>16.69</td>
<td>377.24</td>
</tr>
<tr>
<td>2008-09</td>
<td>590.28</td>
<td>17.93</td>
<td>608.21</td>
</tr>
<tr>
<td>2009-10</td>
<td>378.49</td>
<td>17.07</td>
<td>395.57</td>
</tr>
<tr>
<td>2010-11</td>
<td>455.54</td>
<td>145.43</td>
<td>600.97</td>
</tr>
<tr>
<td>2011-12</td>
<td>597.78</td>
<td>92.04</td>
<td>689.82</td>
</tr>
<tr>
<td>2012-13</td>
<td>666.21</td>
<td>40.48</td>
<td>706.69</td>
</tr>
</tbody>
</table>

Participation of Indian Business in Maldives

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. Taj Group of India runs Taj Exotica Resort & Spa and Vivanta Coral Reef Resort.

Other commercial projects that are currently being undertaken by Indian companies in Maldives are as follows:

- Setting up of a 25 MW wind farm at an investment of US$40 million in the Southern Province of Maldives by Suzlon Energy of India
- Construction of 1000 low-cost housing units in Malé by TATA Housing Development Co. Ltd (February 2010)
- Setting up for a 24-MW Solar Power Project by Bommidala Infrastructure (India) at an investment of US$ 91 million (agreement signed with the Upper South Utility Limited, July 2010)
- Creation of a Unique Global Knowledge, Medical & Tourist Hub in Gan in Laamu Atoll of South Central Province by Island development Company Pvt. Ltd. (IDC),
a joint venture of Universal Empire Infrastructures Ltd., (UEIL) India, with Works Corporation of Maldives, (WCL) (June 2011)

- Handling of waste management in Malé Area ($49 million project) by Tatva Global Renewable Energy (July 2013)

**Financial Assistance**

After the tsunami that struck Maldives on the morning of 26 December 2004, India was the first country to rush relief and aid to Maldives. India provided a budget support aid of Rs.10 crores in view of the serious financial difficulties being faced by Maldives on account of the tsunami and related factors. Assistance of US Dollars equivalent of Rs.100 million in July 2007 towards assistance was given following tidal surges in May 2007.

**Subscription to the Dollar denominated Treasury bills**

Due to the severe forex crisis in Maldives, the Maldivian Monetary Authority (MMA) for the first time issued treasury bonds denominated in US dollars in December 2009. The entire lot of US $100 million was subscribed to by the State Bank of India to help Maldives recover from the shortage of the currency.

**US$ 40 million Line of Credit for Housing Sector**

In December 2010, Government of India announced a new Line of Credit worth US$40 million to the Government of Maldives for construction of 485 housing units. An agreement on the LOC was signed between the EXIM BANK and the Government of Maldives in August 2011 and contract for the works were awarded to Overseas Infrastructure Alliance (OIA) in November 2011. Preparatory work is currently underway.

**Technology Adoption Programme in Education Sector**

In January 2011, Government of India signed an agreement with the Government of Maldives for a US$5.30 million project fully funded by the GoI towards Technology Adoption Programme in Education Sector in Maldives. The project, currently executed by NIIT and EEEC (India) over a 27 month period (2011-2013), has completed more than 4000 certifications benefitting around 2,300 Maldivian teachers and youth across islands in the country.

**Air connectivity**

Air India operates daily flights to Malé from Thiruvananthapuram, Bangalore and Chennai. Island Aviation Service (Maldivian Aero) is operating daily flights to Thiruvananthapuram, Mumbai and Chennai. In November 2012, Spice Jet of India started daily commercial operations on the Male-Cochin sector.

The proximity of location and improvements in air connectivity in recent years has led to a very substantial increase in the number of Indians visiting Maldives for
tourism (around 30,000) and business purposes. Likewise, the number of Maldivians seeking long term visa for pursuing higher studies/medical treatment in India has also shown a sharp increase over the last two years.

**Cultural relations**

Both the countries share long cultural links and continuous efforts are underway to further strengthen these linkages. Three historical mosques (Friday Mosque and Dharumavantha Rasgefaanu Mosque - Male', Fenfushi Mosque - South Ari Atoll) were successfully restored by Indian experts from NRLCCP, Lucknow. Exchange of cultural troupes takes place regularly between the countries. Hindi commercial films, TV serials and music are immensely popular in Maldives. With the recent introduction of the satellite television, the Hindi serials are also widely watched by the Maldivians.

The India Cultural Center (ICC) in Male was inaugurated in July 2011, which conducts courses in yoga, classical music and dance. Since the inauguration of ICC, its programmes have become immensely popular and further boosted the vibrant cultural relations between the two countries.

**Indian Community**

Indians are the second largest expatriate community in the Maldives with approximate strength of around 26,000. A majority of the Indian expatriate community consists of semi/unskilled workers. In addition, there are a sizeable number of professionals like doctors, teachers, accountants, managers, engineers, nurses and technicians etc. spread over several islands. Of the country's approximately 400 doctors, over 125 are Indians. Similarly around 25% of teachers in Maldives are Indians, mostly at middle and senior levels.

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**September 2013**