

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 CDA 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 the Prime Ministers of India visited the Maldives. Former President Gayoom made a number of visits to India. President Mohamed Nasheed's first visit to abroad after assuming office was to India in December 2008. In October 2009, President Nasheed attended the Delhi High Level Conference on Climate Change and Technology Transfer. In 2010 President Nasheed visited India twice, first in January for the CII-Partnership Summit in Chennai and in October for attending the Opening ceremony of the 19th Commonwealth Games in New Delhi. In the current year, President Nasheed made an official visit in February 2011.

On international issues Maldives had consistently supported India in multilateral fora, such as the UN, the Commonwealth, the NAM and the SAARC. Maldives was one of the first countries to convey its support for the candidature of Shri Kamalesh Sharma as the Commonwealth Secretary General.

Maldives also co-sponsored the G-4 draft resolutions on UN reforms. India has extended support to Maldives candidature for a non-permanent seat in the UN Security Council for the term 2019-20.

Bilateral Assistance

Wherever possible, India has been offering assistance to Maldives in its developmental process. The major projects executed by India are:

(i) **Indira Gandhi Memorial Hospital: (IGMH)**

During former Prime Minister Shri Rajiv Gandhi's visit to Male' in 1986, it was agreed to establish a medical complex in Male' with Indian assistance. Accordingly, the 200-bed hospital was established at an estimated cost of Rs.42.5 crores and inaugurated in April 1995. IGMH, Male now serves as the most advanced tertiary care hospital in Maldives and is easily the most visible symbol of India's assistance to the Maldives. Though at present, the Government of Maldives is responsible for managing/running the hospital, Government of India continues to offer substantial assistance to the institution. During the visit of Hon'ble Prime Minister of India Dr. Manmohan Singh to Maldives in November 2011, Government of India signed an agreement to undertake major renovation of IGMH at a total cost of Rs.37.24 crores.

(ii) **Faculty of Engineering Technology (FET):**

Maldives Institute of Technical Education (MITE) was set up as a grant-in-aid project of Government of India in 1996. Having a capacity to train at least 200 students a year in various technical/vocational disciplines, MITE was renamed as Faculty of Engineering Technology (FET) in order to better reflect the academic programmes conducted by it, is functioning well.

Tsunami Related Assistance

Following the tsunami waves that hit Maldives on the morning of 26 December 2004, India was the first country to rush relief and aid to the Maldives. A Coast Guard Dornier aircraft

arrived on the morning of 27th December followed by two Indian Air Force Avros carrying relief materials on the same day. All the aircraft stayed back to continue their relief operations in the Maldives. INS *Mysore* carrying relief material, facilities for a 20-bed hospital and 2 helicopters arrived on December 28. She was joined by INS *Udaygiri* and INS *Aditya* on December 29. The ships operated in the most affected Southern Atolls. The ships delivered foodstuff & medicines, treated patients in a field hospital set up by their medics, undertook repair of electricity generators & communication equipments and also evacuated patients in the ship-borne helicopters when required. The total cost of India's relief operations has been estimated at Rs. 36.39 crores. Government of India also sanctioned a budget support aid of Rs.10 crores to Maldives in 2005 in response to President Gayoom's request for financial help in view of the serious financial difficulties Maldives was facing on account of the tsunami and related factors. Again in 2007, following President Gayoom's appeal in the aftermath of tidal surges in Maldives, Government of India gave a cash assistance of Rs.10 crores.

Credit Facility

During the visit of President Nasheed to India in December 2008, Government of India extended a Standby Credit Facility of US\$100 million to Maldives. Again a new Standby Credit Facility of US\$ 100 million was extended to Government of Maldives during the November 2011 visit of Hon'ble Prime Minister of India Dr. Manmohan Singh to Maldives.

Subscription to the Dollar denominated Treasury bills

Due to the severe foreign exchange crisis in Maldives last year, the Maldivian Monetary Authority (MMA) issued treasury bonds denominated in US dollars for the first time 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 500 housing units. The LOC on a 2% concessional interest rate with a repayment period of 20 years is to be facilitated through EXIM Bank of India. An agreement on the LOC was signed between the EXIM BANK and the Government of Maldives in August 2011 and actual construction work is expected to commence shortly.

Bilateral Trade

India and Maldives signed a trade agreement in 1981, which provides for export of essential commodities. Bilateral trade is not commensurate with their potential. In 2009-10, the official figures for the bilateral trade stood at Rs.395.57 crores and heavily in favor of India. The Indian exports were worth Rs.378.49 crores and the imports little over Rs. 17 crores. However, the bilateral trade had declined substantially from the previous year due to the impact of global recession on the country's tourism industry.

Bilateral trade figures-

(in Rupees Crore)

Year	Total Exports to Maldives	Total Imports from Maldives	Total Trade
2005-06	299.19	8.76	307.95
2006-07	310.96	13.83	324.79
2007-08	360.55	16.69	377.24
2008-09	590.28	17.93	608.21
2009-10	378.49	17.07	395.57

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.

Indian Investment

The 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 in Maldives. In November 2010, GMR Infrastructure (India) and KLIA (Malaysia) consortium took over the Male International Airport on a 25 -year BOT contract to renovate and expand the largest and most important airport in the country. Earlier, in November 2009, Suzlon Energy of India signed an MoU to set up a 25 MW wind farm at an investment of US\$40 million in the Southern Province of Maldives and Shri Educare of Delhi signed an MoU to take over the management of Ghiyassudin School, the first such initiative under the privatization policy of the Government of Maldives. In July 2010, Bommidala Infrastructure of India signed an agreement for 25-MW solar energy project in the Upper Southern province. Other proposals in the area of education, renewable energy, health and waste management are also under active consideration.

Cultural

Both the countries share long cultural links and continuous efforts are underway to further strengthen these links. Recently three historical mosques in Maldives were successfully restored by Indian experts from NRLCCP, Lucknow (Friday Mosque, Male', Fenfushi Mosque in South Ari Atoll and the Dharumavantha Rasgefaanu Mosque in Male'). Exchange of cultural troupes takes place regularly between the two countries. In December 2009, a Maldivian Rock Band participated in the South Asian Bands Festival in New Delhi in March 2010. A Maldivian Theatre group travelled to India under the sponsorship of ICCR to perform at the South Asian Theatre Festival, New Delhi. From July to September 2010, the High Commission of India in cooperation with the Ministry of Tourism and Culture [GOM] and India Club organized the India-Maldives Friendship Festival [INMAFF] and the inaugural ceremony in Male' was attended by President Nasheed and senior members of his cabinet. Bollywood star Salman Khan was the Special Guest in the ceremony. The Indian Cultural Center in Male inaugurated in July 2011 is expected to give a further boost to the cultural activities between the two countries.

Indian Community

Indians are the second largest expatriate community in the Maldives with a total strength of around 28000. The Indian expatriate community consists of doctors, nurses and technicians, teachers, construction workers, tailors, etc. spread all over the country. 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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