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India approves ₹30 billion first withdrawal for Maldives under SAARC Currency Swap Framework

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India has approved the first withdrawal of ₹30 billion (₹3,000 crore) for Maldives under the SAARC Currency Swap Framework (2024–27), reinforcing financial support and regional cooperation. The facility, extended through the Reserve Bank of India (RBI), aims to help Maldives manage foreign exchange liquidity, stabilize its economy, and address balance-of-payments pressures amid global uncertainties.



Swap Facility Details: ?

₹30 billion released under INR Swap Window of SAARC framework (2024–2027).

Agreement between RBI and Maldives Monetary Authority (MMA).

First withdrawal under the renewed framework.

Purpose of the Facility:

Provides foreign exchange liquidity during economic stress.

Helps manage balance-of-payments (BoP) pressures.

Supports macroeconomic stability and investor confidence.

Recent Developments:

Maldives simultaneously repaid \$400 million swap facility (2024).

Reflects commitment to financial obligations.

Kamaraj IAS Academy

Plot A P.127, AF block, 6 th street, 11th Main Rd, Shanthi Colony, Anna Nagar, Chennai, Tamil Nadu 600040

Phone: 044 4353 9988 / 98403 94477 / Whatsapp : 09710729833

Strategic Importance:

Strengthens India–Maldives economic partnership.

Part of India’s Neighbourhood First Policy and Vision MAHASAGAR.

Enhances India’s role as a regional financial stabilizer.

SAARC Currency Swap Framework:

Launched: 2012

Objective: Provide short-term foreign exchange support to SAARC countries

Managed by Reserve Bank of India (RBI)

INR Swap Window:

Allows partner countries to access funds in Indian Rupees

Reduces dependency on global currencies like USD

India–Maldives Relations:

Maldives is a key maritime neighbor in the Indian Ocean Region (IOR)

Important for India’s SAGAR (Security and Growth for All in the Region) vision

India has extended about \$1.1 billion swap support to Maldives since 2012.