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India-Maldives ties

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Why is in news? India-Maldives ties, and why New Delhi is concerned about Male's upcoming presidential elections

External Affairs Minister of India visited Maldives earlier this week, at a fraught time for the country's president, Ibrahim Solih. The presidential election in Maldives is to be held on September 9 this year, with a runoff, if necessary, on September 30.

For Delhi, the feuding in the Maldivian Democratic Party (MDP) is bad news. Relations between India and the Maldives have **improved dramatically since 2018**, when Solih defeated Abdulla Yameen, president from 2013 to 2018.

Yameen had given his country's foreign policy a **pronounced pro-China tilt**, and has, over the last year, **run an anti-India campaign** alleging that the MDP government has sold out to India and permitted Indian troops to be based on Maldivian soil.

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.

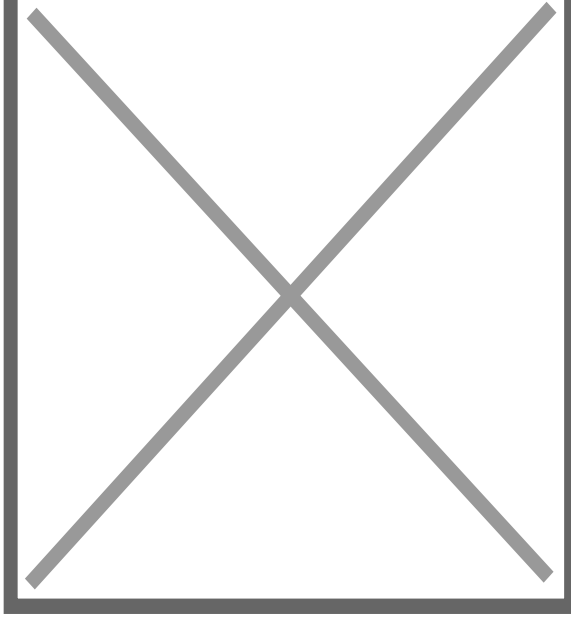
India established its mission at the level of CDA in 1972 and resident High Commissioner in 1980.

Maldives opened a full-fledged High Commission in New Delhi in November 2004, at that time one of its only four diplomatic missions worldwide.

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Areas of Cooperation

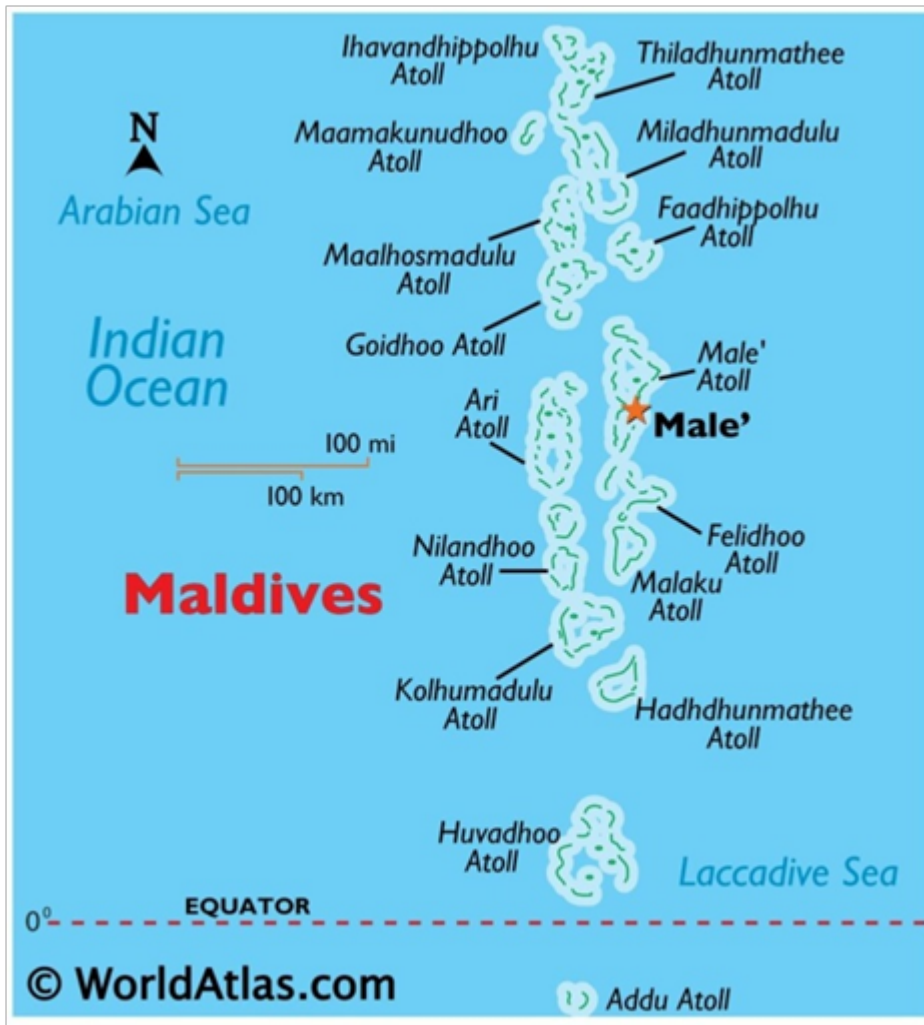
Political:

The political area of cooperation between India and Maldives includes regular high-level visits by leaders of both countries, **support for each other in multilateral fora** such as the UN, the Commonwealth, the NAM, and the SAARC, and discussions on security and law enforcement cooperation.

Both countries have also **reaffirmed their commitment to an India-first policy**, and India has provided developmental assistance to Maldives.

However, after the **deterioration of India's relations with Maldives due to China's cultivation of ties** with former Maldives President Abdulla Yameen, the situation improved after the election of Ibrahim Mohamed Solih as the new president of Maldives in 2018.

The most recent visit of Maldives President to India in August 2022 **aimed to enhance geopolitical, security, and economic ties** between the two countries, **especially in light of the economic and political turmoil faced by their common neighbour, Sri Lanka**.



Economic:

India and Maldives have a **bilateral trade agreement** in place **since 1981**, which allows for the export of essential commodities.

Bilateral trade between India and Maldives has been **steadily growing, crossing the \$300 million** mark for the first time in 2021 and registering a 31% growth over the previous year, despite pandemic-related challenges.

India emerged as Maldives' 3rd largest trade partner in 2021.

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 to the Maldives include a variety of products such as agriculture and poultry produce, sugar, fruits, vegetables, spices, rice, wheat flour, textiles, drugs and medicines, engineering and industrial products, sand and aggregate, cement, etc.

In return, India **provides essential food items** such as rice, wheat flour, sugar, dal, onion, potato, and eggs, as well as construction materials such as sand and stone aggregates to the Maldives on favourable terms.

India has also **expressed its interest in cooperating** with the Maldives in **the petroleum and natural gas sectors**, particularly in oil exploration, as well as in tourism and education.

Defence and Security:

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India and Maldives have a close defence and security relationship that includes a range of activities such as joint combat exercises, maritime surveillance, and supply of military equipment to Maldives.

The **partnership is important for maintaining security in the Indian Ocean region (IOR)** and countering common threats such as radicalism, terrorism, drug trafficking, and financing of terrorism.

India and Maldives have been **conducting joint military training exercises** and **Coast Guard training exercises** since 1991.

India has also provided **security assistance** to Maldives in the past, such as when the **Indian Army's 'Operation Cactus'** foiled a coup in Maldives in 1988, and when India dispatched **relief supplies and aid after the tsunami of December 26, 2004**, and after a **fire destroyed the generator of Maldives' biggest water treatment plant in 2014**.

India has also pledged to provide vehicles, naval boats, and training to Maldives' security forces and to cooperate in building police facilities in Maldives.

India has also **encouraged Maldives to embrace the Quad's Pacific strategy**, which involves India, the US, Japan, and Australia.

Developmental Assistance:

India has been providing development assistance to Maldives in various areas such as health, education, transport, waste management, natural disaster management, and skill and capacity building.

Both countries have signed a **Framework Agreement on Cooperation for Development** in 2011.

India has provided budgetary support of Rs. 100 million to Maldives after the tsunami in 2004.

The Indian government has **extended a \$100 million Standby Credit Facility to Maldives** to stabilize its fiscal position.

India has undertaken **various infrastructure development projects** in Maldives, including the **construction of a Composite Training Centre for Maldives National Defence Force, housing units, and a solar energy project**.

India has also provided financial assistance, such as a **currency swap facility of US\$150mn** in 2020, and is the largest tourist source market for Maldives.

Other India-assisted projects in the region include water and sewerage projects, reclamation projects, port development, airport redevelopment etc.

At present, India-assisted projects in the region include **water and sewerage projects on 34 islands**, reclamation projects for the Addl island, a port on Gulhifalhu, airport redevelopment at Hanimaadhoo, and a hospital and a cricket stadium in Hulhumale.

Afcons, an Indian company, has signed a contract for the largest-ever infrastructure project in Maldives which is the **Greater Male Connectivity Project (GMCP)**.

The project is the result of bilateral consultation between India and the Maldives and has been under discussion since the visit of India's External Affairs Minister to Male in September 2019.

Greater Male Connectivity Project will consist of a **6.74 km-long bridge and causeway link between Male and nearby islands of Villingli, Gulhifalhu and Thilafushi**. It will use renewable energy.

Indian Community:

Indians are the **second largest expatriate community** in the Maldives with approximate strength of around 26,000.

Indian expatriate community consists of workers as well as 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.

Challenges in India-Maldives relations:

Political Instability: For instance, the arrest of Maldives' opposition leader Mohamed Nasheed in 2015 and the subsequent political crisis strained India's relationship with Maldives.

Radicalisation: The increasing number of Maldivians being drawn towards terrorist groups like the Islamic State (IS) and Pakistan-based jihadist groups is a concern for India.

China's Strategic Presence: China's increasing strategic presence in Maldives is a challenge for India. The Maldives has emerged as an important 'pearl' in China's "String of Pearls" construct in South Asia, which is a concern for India's security.

China's dominance: In 2018, Maldives cancelled an agreement with India to develop a key naval base on the island of Marao. The move was seen as a result of China's growing influence in the Maldives.

Political actions: Maldives cancelled a \$511 million contract awarded to Indian company GMR to develop Male International Airport in 2012, which strained the relationship between the two countries.

Domestic Politics: The India Out campaign in Maldives, which seeks to create anti-India sentiments among the people of Maldives.

10 REASONS WHY MALDIVES IS IMPORTANT FOR INDIA



- 1** Strategically located in the Indian Ocean, Maldives archipelago comprising 1,200 coral islands lies next to key shipping lanes which ensure uninterrupted energy supplies to countries like China, Japan and India
- 2** Since China started to send naval ships to Indian Ocean roughly 10 years ago —and right up to Gulf of Aden in the name of anti-piracy operations — Maldives' significance has steadily grown and now it's at the heart of international geopolitics
- 3** As the pre-eminent South Asian power and a 'net security provider' in the Indian Ocean region, India needs to cooperate with Maldives in security and defence sectors
- 4** China's massive economic presence in Maldives is a major concern for India. With the country now said to owe 70% of its external aid to China, many believe that Yameen has done to Maldives what Rajapaksa did to Sri Lanka. India had to push back at some stage and the current political crisis might just have offered India the right opportunity
- 5** A large section of population which supports the opposition parties like Nasheed's MDP wants India to act against Yameen
- 6** Maldives is also a member of Saarc. It is important for India to have Maldives on board to maintain its leadership in the region. Maldives was the only Saarc country which seemed reluctant to follow India's call for boycott of Saarc summit in Pakistan after the Uri attack
- 7** Under Yameen, radicalisation grew rapidly and it was often said that archipelago accounted for one of the highest numbers of foreign fighters in Syria in terms of per capita. India can ill-afford a neighbour which fails to check Islamic radicalisation
- 8** India and Maldives share ethnic, linguistic, cultural, religious and commercial links. India was among the first to recognise Maldives after its independence in 1965 and later established its mission at Malé in 1972
- 9** There are 25,000 Indian nationals living in Maldives (second largest expatriate community). Indian tourists also account for close to 6% of tourists Maldives receives every year
- 10** India is also a preferred destination for Maldivians for education, medical treatment, recreation and business. According to MEA, more and more Maldivians are seeking long term visa for pursuing higher studies/ medical treatment in India

Conclusion:

India needs to play a crucial role in ensuring regional security in South Asia and surrounding maritime boundaries by actively participating in the Indo-Pacific security space. Effective communication and convincing Maldivians about India's intentions behind its projects on the island nation are essential to avoid any changes in the domestic political situation in Maldives.