

## RSTV

## INDIA-MALDIVES



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### Context

- The President of Maldives **Ibrahim Mohamed Solih** has recently concluded his four-day visit to India at the invitation of Prime Minister **Narendra Modi**.

### India-Maldives Relation

- 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 the Maldives** after its independence in 1965 and to establish diplomatic relations with the country.

- 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 the Indian Ocean (particularly the 8° N and 1 ½° N channels) imbues it with significant strategic importance to India.
- India has a pre-eminent position in the Maldives, with relations extending to virtually most areas. The importance of India's strategic role in the 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).
- 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 the Maldives recognized Minicoy as an integral part of India.
- India's **prompt assistance during the 1988 coup attempt**, led to the development of trust and long-term and friendly bilateral relations with the Maldives. The immediate withdrawal of Indian troops when they were no longer required assuaged fears of any Indian dominance or territorial aspirations.
- India was the first to assist the Maldives during the 2004 Tsunami as well as the water crisis in Malé in Dec 2014. These three incidents (in 1988, 2004 and 2014) 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 have further reinforced India's credentials of being the first responder.

### Highlights of the visit

- The Maldivian President arrived at the **Receptorium Air Force Station** in Palam, New Delhi. He was received by the Indian Minister of State (MoS) **Dr Sanjeev Kumar Balyan** and other senior officials of the Indian Ministry of External Affairs.
- This is President Solih's **third visit to India** since assuming office in 2018. During the visit, President Solih restricted delegation-level talks with Prime Minister Modi in New Delhi. Prime Minister Modi also hosted an official lunch for President Solih and the accompanying delegation.
- President Solih thanked Prime Minister Modi and the Government of India for standing by the Government and the people of the Maldives during the **Covid-19 pandemic**. The medical and financial assistance from India helped the Maldives overcome the health and economic fallouts of the pandemic. India was the first partner to gift Covid-19 vaccines to the Maldives.
- Prime Minister Modi and President Solih agreed to further deepen institutional linkages for cooperation in the areas of defence and security, investment promotion, human resource development, and infrastructure development including climate and energy
- **Economic Cooperation and people-to-People Ties**
  - The leaders acknowledged the role of the **bilateral air travel bubble**, created during the pandemic, in the expansion of tourism ties. The two leaders welcomed the ongoing work to operationalize the **usage of Rupay Cards** in the Maldives and agreed to consider further measures to boost bilateral travel and **tourism and economic** inter-linkages. Both leaders also acknowledged the **valuable contribution** of Indian teachers, nurses, medical workers, doctors, workers, and professionals in the Maldives. They welcomed the recent launch of the **National Knowledge Network** in the Maldives and directed the officials to work towards expanding its reach within the country.

- The two leaders welcomed the **engagement among business leaders** from both countries during the visit, noting that fisheries, infrastructure, renewable energy, tourism, health, and IT among others were key sectors for greater economic linkages between the two countries through cross-border investments and partnerships. Both leaders acknowledged India's potential as a frontier market for **Maldivian tuna products** under the SAFTA. Overall, both leaders expressed satisfaction with the growth in bilateral trade since 2019. Prime Minister Modi and President Solih noted the operations of the **direct cargo vessel service** between India and Maldives since September 2020 and desired that the service become an enabler of increased bilateral trade.
- **Development Partnership**
  - Both leaders participated in the virtual "pouring of the first concrete" ceremony of the USD 500 mn **Greater Male Connectivity Project** being built under the grant and concessional loan support from India. The two leaders directed the officials to ensure the timely completion of this largest landmark infrastructure project in the Maldives - which will enhance mobility between Male', Villingili, Gulhifalhu and Thilafushi islands cut down logistics costs and drive people-centric economic growth- which will be a symbol of the enduring friendship between the two countries.
  - Prime Minister Modi announced the offer of a new Government of India **Line of Credit of USD 100 mn** to finance infrastructure projects in the Maldives.
  - The two leaders welcomed the **MoU signed** between the Local Government Authority of the Maldives and the National Institute for Rural Development and Panchayati Raj of India which would strengthen the capacities of local government institutions in the Maldives.
- **Defence and Security**
  - Recognizing that the security of India and the Maldives are inter-linked, the two leaders reiterated their assurance to be mindful of each other's concerns on the **security and stability of the region**; and to not allow their respective territories to be used for any activity inimical to the other.
  - Prime Minister Modi reaffirmed India's commitment to strengthen cooperation in line with India's **Security and Growth for All in the Region (SAGAR)** vision.
  - Both leaders expressed satisfaction with the speedy progress made in the pre-construction phase of the **Coast Guard Harbour at SIFAVARU**. This project would assist the Government of Maldives in enhancing the capability of the Maldives National Defence Force (MNDF) in exercising jurisdiction and undertaking maritime surveillance of its EEZ and atolls.
  - Prime Minister Modi announced the supply of the second **Landing Assault Craft (LCA)** and a replacement ship for the earlier provided CGS Huravee from the Government of India for Maldives National Defence Force to the Government of Maldives. Prime Minister Modi also announced the **gifting of 24 utility vehicles** from the Government of India to the Maldives National Defence Force.
  - The two leaders welcomed the exchange of MoUs on **strengthening cooperation** in the field of disaster management, and on cyber security.
  - The leaders **condemned terrorism** in all its forms and called for enhanced coordination between the security agencies of the two countries to thwart radicalisation, violent extremism, terrorism and narco-trafficking.
- **Energy Frontiers of Cooperation**
  - The leaders recognized the growing challenges emanating from **climate change** and agreed to strengthen cooperation towards **mitigation and adaptation** bilaterally as well as in the framework of multilateral initiatives – International Solar Alliance and Coalition for Disaster Resilient Infrastructure.

- The development of **drinking water and sanitation infrastructure** on 34 islands under the Government of India's concessional Line of Credit is the largest climate adaptation project being undertaken in the Maldives with international assistance.
- **Sports and Youth Development**
  - Took forward the projects for the development of sports infrastructure in the Maldives through the concessional USD40 million Line of Credit facility for sports infrastructure development.
- **Reform in World Bodies**
  - The leaders agreed on the need for urgent **reforms of the UN bodies**, particularly the Security Council. In this regard, Prime Minister Modi appreciated Maldives' support for India's candidature for permanent membership of an expanded and reformed UN Security Council.
- **Agreements/MOUs**
  - Collaboration on potential fishing zone forecast capacity building
  - Cooperation in the area of cyber security
  - Capacity building of women development committees and local government authorities of Maldives
  - Cooperation in disaster management
  - USD 41 Mn Buyer's Credit Agreement to construct police infrastructure
  - Letter of Intent for Buyer's Credit financing of 2,000 social housing units

#### How strategically important is this visit for India?

- With over almost 1000 **islands in the archipelago** which cover the entire North Central Indian Ocean are strategically very important for India.
- India has announced a series of MoUs and a Line of Credit to help develop infrastructure in the Maldives. One key reason for this is to **counter the Chinese influence** over the region.
- The Indian Ocean as a whole is strategically important for India. India is not seeking to establish its dominance but to become a part of the **consultation process** on any major decisions the countries make in the region.
- The biggest concern for India is China using its money power to increase its influence over small countries or in India's neighbourhood. Hence, India is aiming to secure its interest like 'supply chain' on trade and so on in the Indian Ocean.
- By taking account of India-Maldives history, the current President in the Maldives (Solih) is well disposed towards India which was not in the past and may not be in the future.
- Hence, India is aiming to invest in two ways i.e., **defence** and **social** which will be independent of who is the President. Like:
  - Frequent meetings between **National Security Advisors (NSA)** of India, Sri Lanka and the Maldives.
  - At present, 70% of Maldives' defence training requirement is made from India other than defence equipment.
  - With the recent visit of Indian External Affairs Minister **Dr Jaishankar**, India delivered Coastal Radar System, which is used by the Maldives to provide surveillance in the coastal area. Also, **White Shipping Agreement** for maritime domain awareness and the joint maritime exercise **EKUVÉRIN**.
- PM Modi's visit to the Maldivian Parliament in 2019 stated that 'among all the neighbours, Maldives is our primacy'. Along with the Maldives, India considers Mauritius, Seychelles and the East Coast of Africa as the central pillar of maintaining its neighbourhood secure.
- Maldives' **tourism sector** is composed of 30% of the total economy, with India being the major recipient for the Maldives.

- The cause of concern for India is to keep a check on radical Islamist elements in the country. The Maldives is a Muslim majority country, and India wants to ensure that it should not become a hub of such radical ideology.

**It would be really important to understand the historical perspective of the India-Maldives relationship from 1965 onwards but significantly after 1998 and then in the 21<sup>st</sup> century.**

### **Describe India's stand for the Maldives**

- The strategic relationship between the two countries started when India's late Prime Minister **Rajiv Gandhi** decided to intervene in the Maldives after Sri Lanka. India at that moment made it clear that it will not allow an illegal overthrow of a democratically elected leader in the neighbourhood.
- However, the real uptick in the relationship between the two was since 2018 i.e., the election of **Ibrahim Solih** as the President. His administration started **India First** policy which then coincided with **India's Neighbourhood First** policy.
- Since then, several MoUs and Line of Credit have been signed in the last four years.

### **The last few years have witnessed a lot of momentum in the relationship between both the countries**

- Prime Minister Narendra Modi made it clear after visiting the Maldives as the **first foreign visit** after his re-election as Prime Minister in 2019, that India's primary focus would be to watch over its neighbourhood.
- President Solih carries along with him a vision. A vision for Maldives **socio-economic development** and India is very keen to enable the vision to come to fruition.
- These two factors have led to the momentum of building a robust and healthy relationship.

### **In terms of cooperation in various sectors between both the countries what the Maldives is looking forward to?**

- India in the past has been criticised by its neighbouring countries that India taking a bit longer in executing projects in other countries compared to the Chinese.
- Whereas, **Maldives is looking for investment** to be made in its country. Hence, India is trying to fill the void and announced a large amount of money to be invested in the Maldives.
  - For example, renovation of **Rajiv Gandhi hospital** that was built 25 years ago.
- India is considering this an opportunity to rebuild its image as a foreign investor.

### **In such aspect, it is not just the Maldives that India wants developing countries to view as a net security provider but also wants to extend the help to give a push to the economy and society to upgrade the lifestyle.**

- India has announced an extensive programme now to at least 45 separate projects ranging from building bridges, education, tourism development, public health and so on.
- The Maldives is very concerned about rising sea levels due to climate change. So, just like in the 12<sup>th</sup> Ministerial Conference of the WTO, India is looking to act on behalf of developing and under-developed countries or to give them a voice to raise their concerns at the international level.

**Various aspects of India-Maldives relations have stepped in history and have stood the test of times as well but with change, in times the needs are changing as well and the Maldives is looking up to India for support on various aspects such as economic development and climate change. Even India as the net security provider aspiring to increase its roots in the Maldivian society as it is strategically important for India.**



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