

INDIA – MALDIVES RELATIONS – INTERNATIONAL RELATIONS

NEWS: Maldivian Foreign Minister has arrived in New Delhi to lead the Maldivian delegation at the **2nd High Level Core Group (HLCG) meeting**.

WHAT'S IN THE NEWS?

Overview of the India–Maldives Strategic Review

- Both countries' **Foreign Ministers** are reviewing the progress of the **India–Maldives Comprehensive Economic and Maritime Security Partnership**, based on a **vision document** adopted by PM Modi and the Maldivian President in 2023.
- The review reflects continued high-level engagement to enhance bilateral cooperation across economic, digital, health, energy, and security domains.

Key Highlights of the Vision Document

1. Bilateral Commitment and Financial Support

- India reaffirmed its commitment to the Maldives under its '**Neighbourhood First**' policy and **Vision SAGAR (Security and Growth for All in the Region)**.
- As emergency financial assistance, India:
 - Rolled over **\$100 million in Treasury bills**.
 - Activated a **currency swap arrangement worth \$400 million** and an additional **₹30 billion line of credit** to stabilize the Maldivian economy.

2. Framework for a Comprehensive Partnership

- A new, **strategic framework** for bilateral relations was established with a **people-centric and future-oriented vision**.
- The framework aims to make India and Maldives a **stabilizing force in the Indian Ocean Region (IOR)**.

3. Development Cooperation

- India is actively supporting **large-scale infrastructure development** in the Maldives, including:
 - **Ports, airports, housing complexes, schools, roads, and hospitals**.
- These projects aim to improve Maldivian living standards and regional connectivity.

4. Trade and Economic Cooperation

- Both sides are exploring the possibility of a **Bilateral Free Trade Agreement (FTA)**.
- Emphasis is being placed on:
 - **Enabling local currency settlement** to reduce dependency on the US dollar.
 - Enhancing **ease of doing business** and **promoting Indian investment** in diverse sectors of the Maldivian economy.

- Supporting **economic diversification** in areas like the **blue economy**, **fisheries**, and **oceanographic research**.

5. Collaboration on Digital Public Infrastructure

- India is extending its successful models in digital governance to the Maldives:
 - Integration of **UPI (Unified Payments Interface)**, **Digital ID systems**, and **Gati Shakti infrastructure tools**.
 - Expansion of **RuPay card services** and digital payments.
 - Cooperation in **fintech**, **cybersecurity**, and **digital governance**.

6. Energy Cooperation

- Focus is on **renewable energy collaboration**, particularly **solar power** and **energy efficiency**.
- Maldives has joined India's **One Sun, One World, One Grid (OSOWOG)** initiative.
- Cooperation includes:
 - **Joint research, training programs**, and **institutional collaboration** in the energy sector.

7. Health Cooperation

- India is promoting access to **affordable healthcare services** and **generic medicines** for Maldivians through:
 - Setting up **Jan Aushadhi Kendras**.
 - Recognition of the **Indian Pharmacopoeia** to facilitate seamless pharmaceutical trade and regulation.

8. Regional and Multilateral Cooperation

- Both nations reaffirm commitment to regional security through:
 - Engagement in the **Colombo Security Conclave (CSC)** and other multilateral forums.
 - Cooperation on **maritime safety**, **disaster response**, and **mutual representation in international platforms**.

9. Implementation Mechanism

- A **High-Level Core Group (HLCG)** with senior government officials from both nations has been formed.
- This body will **monitor**, **coordinate**, and **ensure timely execution** of all cooperative initiatives outlined in the vision document.

Significance of the Comprehensive Partnership

1. Strengthening Regional Stability

- As China expands its strategic influence in the Indian Ocean, this partnership serves as a **counterbalancing force** to promote regional stability and maritime security.

2. Diplomatic Maturity

- Despite political turbulence in bilateral ties in recent years, both countries are demonstrating **maturity and foresight** by focusing on **long-term strategic interests**.

3. People-Centric Focus

- Initiatives in **healthcare, education, housing, and livelihood support** signify a commitment to **inclusive and sustainable development** in the Maldives.

4. Economic Sovereignty for Maldives

- Enabling **local currency trade** and supporting **economic diversification** empowers Maldives to reduce external economic vulnerabilities and build self-reliance.

5. Balanced Security Partnership

- India remains a **trusted security partner** while adapting its assistance to suit **Maldivian national interests and sovereignty**, avoiding coercive influence.

Highlights of Broader India–Maldives Relations

1. Participation in Regional Forums

- Both countries are:
 - **Founding members of SAARC and the South Asian Economic Union.**
 - **Signatories to the South Asia Free Trade Agreement (SAFTA).**

2. Economic Partnership

- In 2023, India became the **largest trade partner** of the Maldives.
- India is also:
 - Among the **largest foreign investors** in the country.
 - A **top source market for Maldivian tourism** and infrastructure development.

3. Defence and Security Cooperation

- Since 1988, India has supported Maldives in security matters, including:
 - Signing a **Comprehensive Action Plan for Defence** in 2016.
 - Providing around **70% of Maldivian defence training**.
 - Assisting in **capacity-building, surveillance, and maritime patrolling**.

4. Tourism and Connectivity

- In 2023, India contributed **11.8% of tourist arrivals** in Maldives—the highest among all countries.
- The **India–Maldives Open Skies Agreement** (March 2022) has improved flight connectivity.

- The **Greater Male Connectivity Project (GMCP)** is India's largest development project in the Maldives:
 - Worth **\$530 million**, it links **Male with Villingili, Gulhifalhu, and Thilafushi**.
 - It plays a crucial role in **port development** and enhancing **economic integration**.

Way Forward

- Maldives is a **key maritime neighbor** and a central pillar of India's:
 - **Neighbourhood First policy**.
 - **Vision MAHASAGAR** (Mutual and Holistic Advancement for Security and Growth Across Regions).
- By addressing challenges and sustaining high-level engagement, **India and Maldives can build a resilient, future-ready strategic partnership**.

Source: <https://www.thehindu.com/news/national/india-maldives-to-review-implementation-of-economic-maritime-security-partnership/article69618139.ece>