Country Profile

Republic of MALDIVES

ICDT 2022

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General data

General info

- Capital: Male
- Type of State: Presidential Republic
- Location: South Asia - Area: 300 km²
- Time zone: GMT + 5

Demography

- Population: 543,620 - 2021
- Natural increase: 1.8% - 2020
- Official language: Divehi or Maldivian
- Business language: English

Currency

- Maldivian Rupee or Rufiyaa (MVR)
- 1 USD = 15.37 MVR October 2022

macro economy

- GDP: 4.89 MM USD Growth: 31.0% - 2021
- GDP per capita: 8,994.6 USD - 2021
- Employment rate of people aged 15 and over: 53 %

International trade

- Imports – 2021: 2,581 USD million
- Exports – 2021: 152 M USD

FDI

- FDI stocks in 2020: USD 5.6 MM
- Inward FDI flows in 2020: 348 M USD

Strong facts

- **Good relations with the two regional powers: China and India**
- **Development of tourism potential in uninhabited islands**
- **Better transport infrastructure**
- **Better relations with the West, reliable support from multilateral institutions**

GDP growth (annual %)

The Maldives has witnessed a strong growth in 2020 paired with considerable infrastructure and connectivity development.

Due to the COVID-19 pandemic, the country recorded negative GDP growth in 2020 dropping from 6.9% in 2019 to -33.5% in 2020 and back to 31% in 2021.

The Maldives is one of the most prosperous countries in South Asia in terms of GDP per capita (USD 12,464 in 2020), and its unemployment rate remains relatively low with 6.1% in 2019 and 6.4% in 2020 (World Bank, 2021).

Rankings of Doing Business 2020 by Domain

The country ranks 147th in the Doing Business 2020 ranking.

Start a business	Maldives	South Asia
Procedures (number)	6	7.1
Time (days)	12	14.5

The formalities and processes for registering and operating foreign investments have been streamlined through changes in laws and regulations, along with well-defined procedures, designed to provide clarity, security, convenience and speed for investors wishing to invest in the Maldives.

Main sectors of activity

3%	Share of agriculture in GDP It employs 15% of the population
16 %	Share of industry in GDP It employs 15% of the population
81 %	Share of services in GDP They employ 70% of the population

Sector Strategies

The economic strategic plan of the Maldives is based on four pillars:

- **Blue Economy**: The country's economy is primarily dependent on the ocean. The tourism and fishing sectors, which are the largest contributors to the economy, are highly dependent on the health of the ocean, coral reefs, beaches and marine life.
- **Decentralization:** Focuses on creating regional and sub-regional hubs, empowering local governance, and improving connectivity between islands to ensure equity and sustainability.
- **Resilience:** The economic policy framework advocates diversification to strengthen the resilience of the economy. The development of strategic infrastructure such as airports, ports and logistics hubs to stimulate economic activity and measures to tap into new economic sectors are part of the diversification drive.
- **Pro-market strategy:** The country's economic objectives are accomplished through the establishment of an improved pro-market environment with multiple investment opportunities. This includes legislative reform, continuous review and improvement of processes for investors, and increased partnerships for investment and trade promotion.

Infrastructure

Airport

The Maldives is only an hour's flight from Colombo and Trivandrum, India, and about four hours from Singapore, Kuala Lumpur and Dubai. The country is well connected to the world, with daily flights from major cities in Europe and Southeast Asia.

The Maldives is home to one of the largest seaplane fleets in the world. Well-organized and scheduled seaplane operations allow for efficient and convenient transfers to resort islands outside the Malé Atoll.

Maritime

The country's inhabited islands are connected by public inter-atoll and intra-atoll ferry services and by private speedboat services. Private high-speed ferries also provide regular service to the islands of Male Atoll directly from Velana International Airport.

Road

The road and highway network covers a total length of 93 km. Road traffic in the Maldives is considered to be very safe.

Promising Sectors

01 **Tourism :** The government has set a target of adding 35,000 new beds to the sector by 2023, and it is focusing on diversification with new tourism products (island and resort concepts, marinas, luxury accommodation and the hotel and guesthouse sector) and ecotourism and research-based tourism.

02 **Energy** : The country offers several opportunities in the sector of Renewable Energy, Waste Management, Ecotourism and Research Based Tourism, Wastewater Treatment Technologies, Coastal Protection Technologies

03 **Fishing:** the country seeks to become the cleanest and greenest fishery in the world. Several opportunities exist in the fish processing sector with links to international markets, mariculture, research and development

04 **Agriculture:** Together with the high demand for quality agricultural products in the tourism sector and a general shift towards healthy consumption, agribusiness has a great potential for growth with opportunities in post-harvest technologies and smart farming, transportation of agricultural products, commercial poultry and animal breeding.

05 **Real Estate & Infrastructure:** with opportunities for housing projects, a regional urban development project, a transshipment port and free zone, and tourism facilities. Hulhumale Island is also slated to have a Knowledge Park, an IT Park, a Tourism Island, high-end villas and a Commercial District.

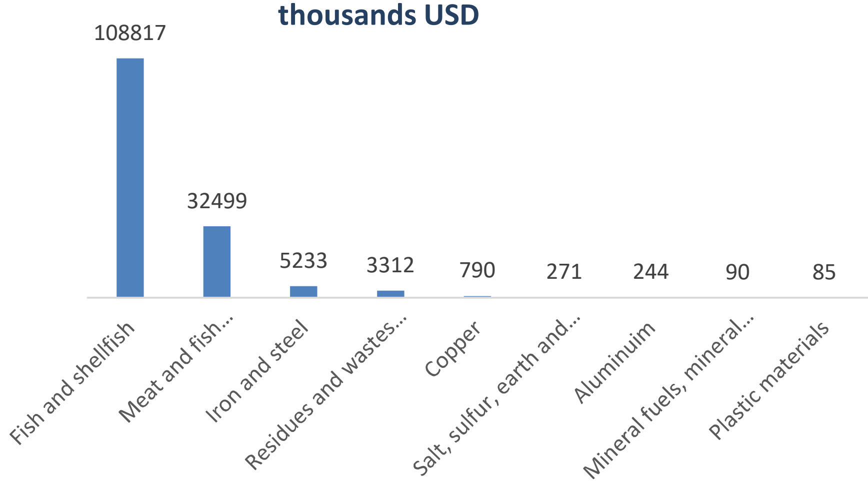
06 **Banking & finance:** The country offers opportunities to establish branches of banks and other financial institutions, but also to participate in the Maldives Fund Management Corporation. The Maldives is an ideal place to establish an Islamic finance center by channeling savings from Gulf Cooperation Council (GCC) countries and Muslim populations in South Asia.

07 **Transportation & Logistics :** There are several opportunities in sustainable low-emission transportation systems, cruise terminals, international and regional shipbuilding facilities and dry docks, air transport facilities, seaplane platform development.

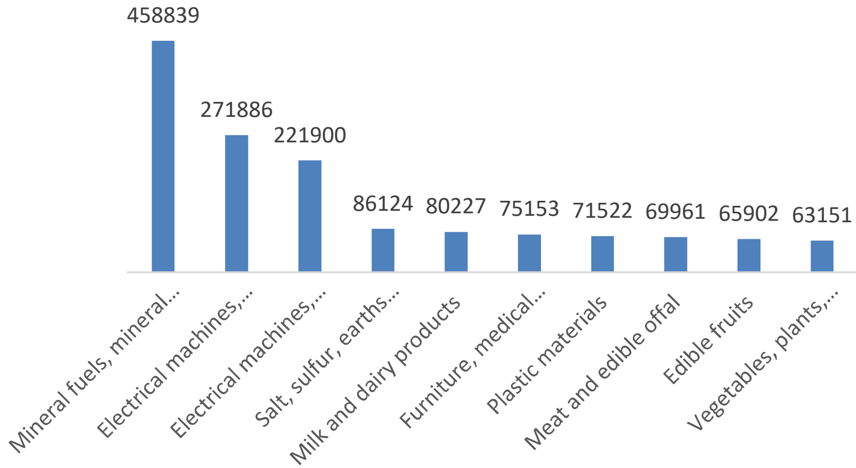
08 **ICT :** The Maldives has the highest Internet penetration rate in South Asia. Given the rapid transition to modern technology solutions in both the private and public sectors as well as the country's young, tech-savvy population, a very promising area for investment is in training institutes and IT service centers.

International Trade

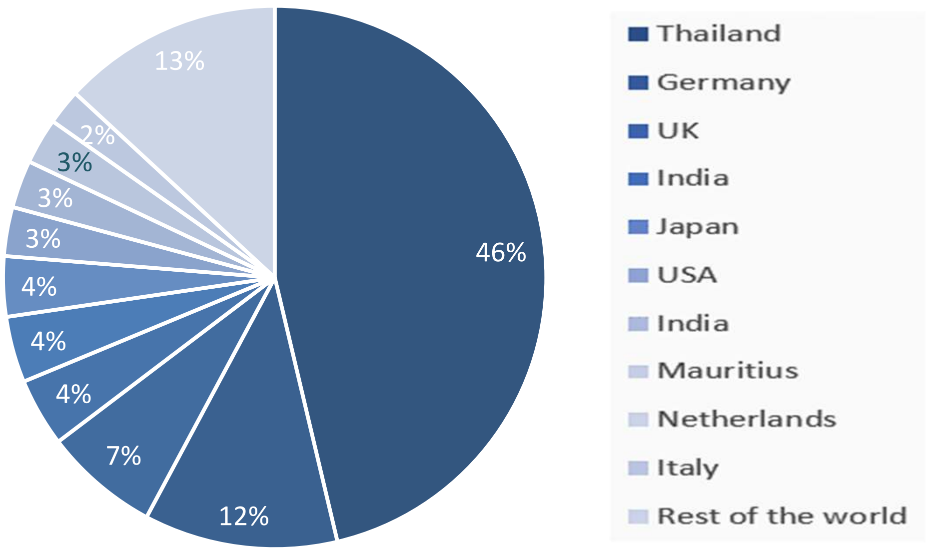
Main Products Exported by Maldives in 2021- thousands USD



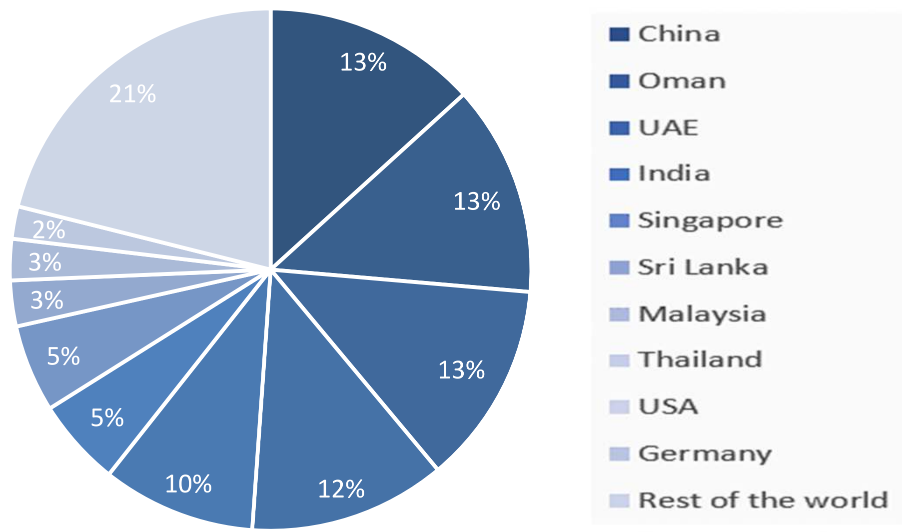
Main Products Imported by Maldives in 2021 – thousands USD



Top Maldives Customers in 2021

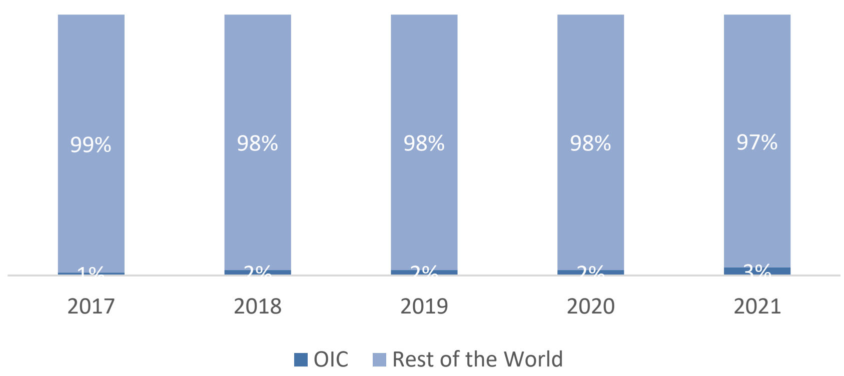


Top Suppliers to the Maldives in 2021

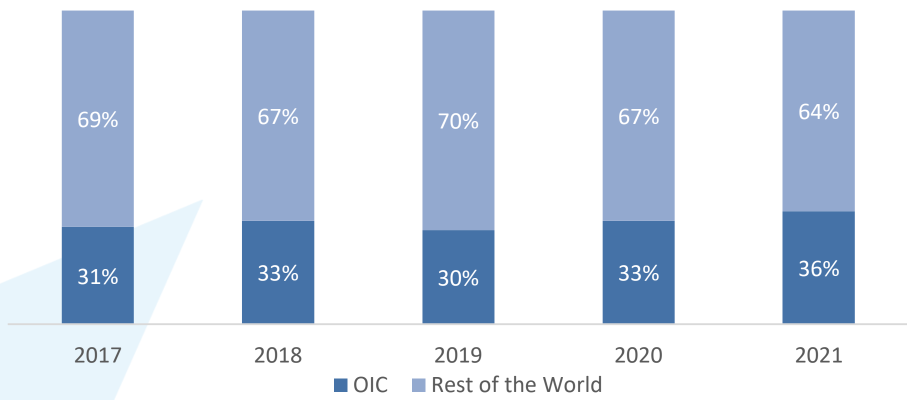


Intra-OIC Trade

Share of OIC in Maldives's Exports



Share of OIC in Maldives's Imports



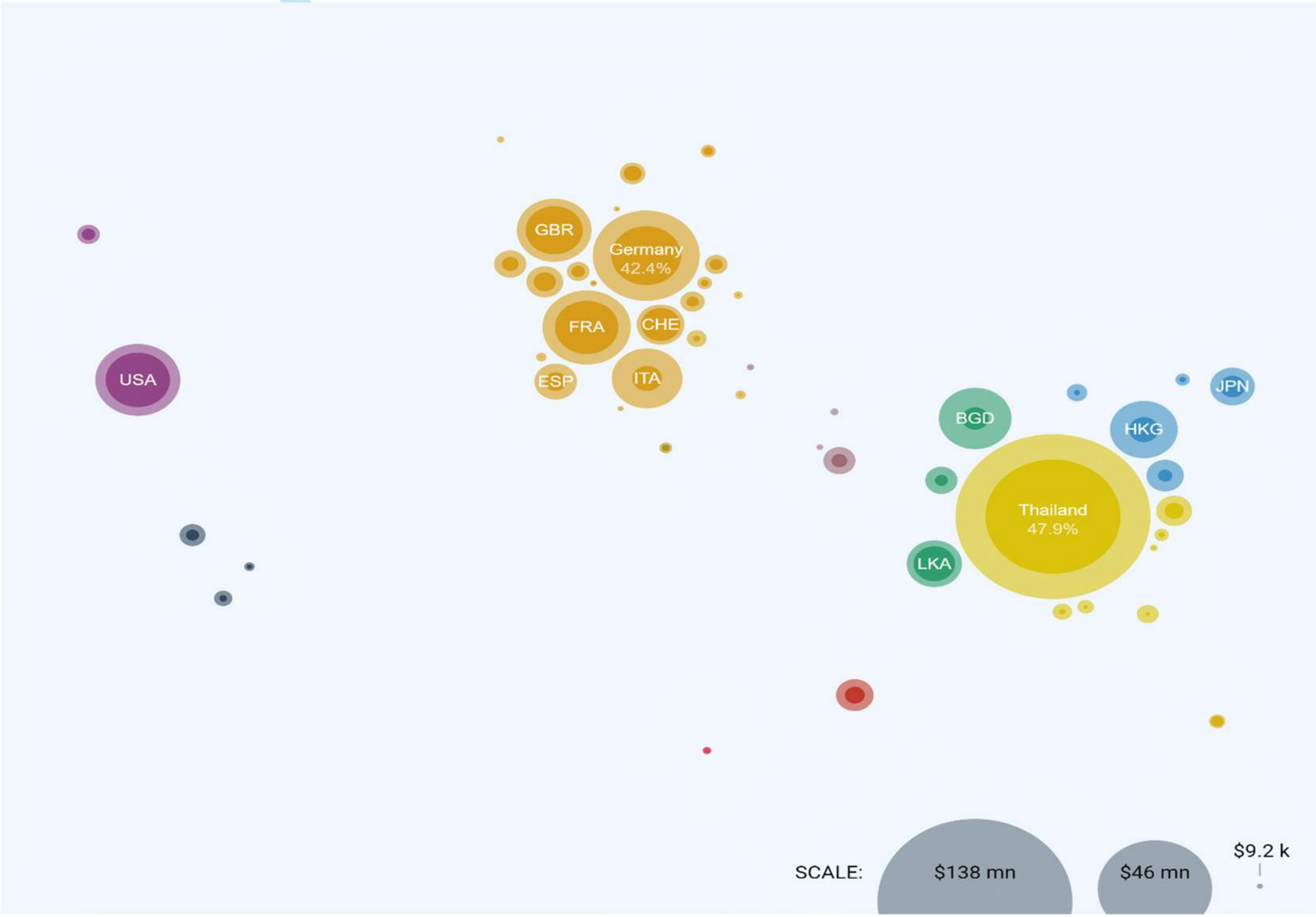
The main customers, members of the OIC in 2021

1. Bangladesh
2. Malaysia
3. Indonesia
4. United Arab Emirates
5. Libya
6. Oman
7. Saudi Arabia
8. Iran
9. Bahrain
10. Qatar

Top Suppliers, OIC Members in 2021

1. Oman
2. United Arab Emirates
3. Malaysia
4. Indonesia
5. Türkiye
6. Egypt
7. Pakistan
8. Bangladesh
9. Saudi Arabia
10. Qatar

Export potential of the Maldives by country of destination



Markets with potential for Maldives's exports

Legend

Export potential
Realized potential

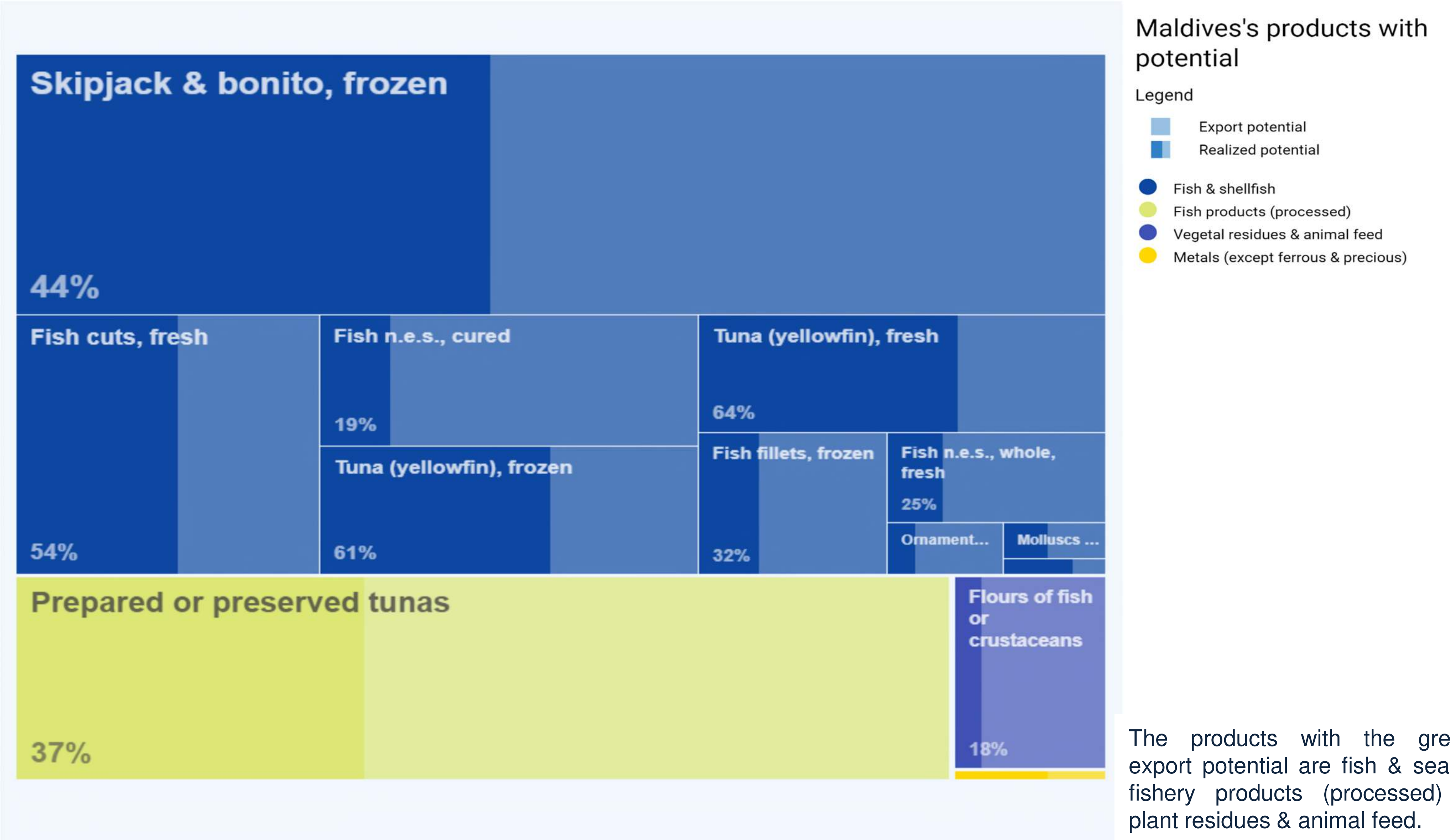
Southeast Asia
EU & West Europe
South Asia
East Asia
North America
Eastern Africa
Middle East
South & Central America
East Europe & Central Asia
Pacific
Northern Africa
Southern Africa

Within the OIC space, the markets with the highest export potential are located in the Middle East

Source: International Trade Center

Maldives Export Potential by Product

Source: International Trade Center



The products with the greatest export potential are fish & seafood, fishery products (processed) and plant residues & animal feed.

Investing in Maldives

Why Maldives

Impressive economic performance (strong economic growth coupled with considerable development of the country's infrastructure and connectivity)
Business-friendly liberal policies (attractive opportunities and incentives for foreign investors)
Economic diversification
A well-educated and technology-savvy workforce

Special Economic Zones

There are 9 types of Special Economic Zones that have been established across the country: Industrial Zones, Export Processing Zones, Free Zones, Enterprise Zones, Free Ports, Single Factory Export Processing Zones, Offshore Banking Units, Service Centers offshore financial institutions, high-tech parks,
Granted incentives : Exemption from import duties on capital goods, Relief from corporate income tax, Exemption from goods and services tax for up to 10 years, Exemption from withholding tax for up to to 10 years, Exemption from sales tax for land purchases by foreign shareholders.

Implemented Measures

Unified business registration service through Invest Maldives.
Public-private partnership program.
Investment programs for foreign portfolio investors.
No restrictions on repatriation of profits and capital income.
Duty exemptions for large-scale projects.
Easy entry by obtaining a business visa or corporate resident visa.
Free employment of managers, technicians and unqualified foreign workers.
Possibility of international arbitration in dispute settlement.
No foreign exchange restrictions.
Long leases up to 99 years.

Market Access

Customs Duties and Taxes

Average rate: 11.4%
Average rate of agricultural products: 11.2%
Average rate of non-agricultural products: 11.4%

Trade agreements

Member of WTO; Trade Agreements: South Asian Free Trade Agreement (SAFTA) and South Asian Preferential Trade Arrangement (SAPTA)

Fairs and Exhibitions

For more information, please visit the website: https://www.eventseye.com/fairs/c0_salons_maldives.html

Public markets

Maldives calls for tenders are published on the website: https://www.finance.gov.mv/tenders

Contacts

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Chambre Nationale de Commerce et d'Industrie des Maldives (MNCCI)

https://mncci.org.mv

Le Portail des Affaires des Maldives

https://business.egov.mv/