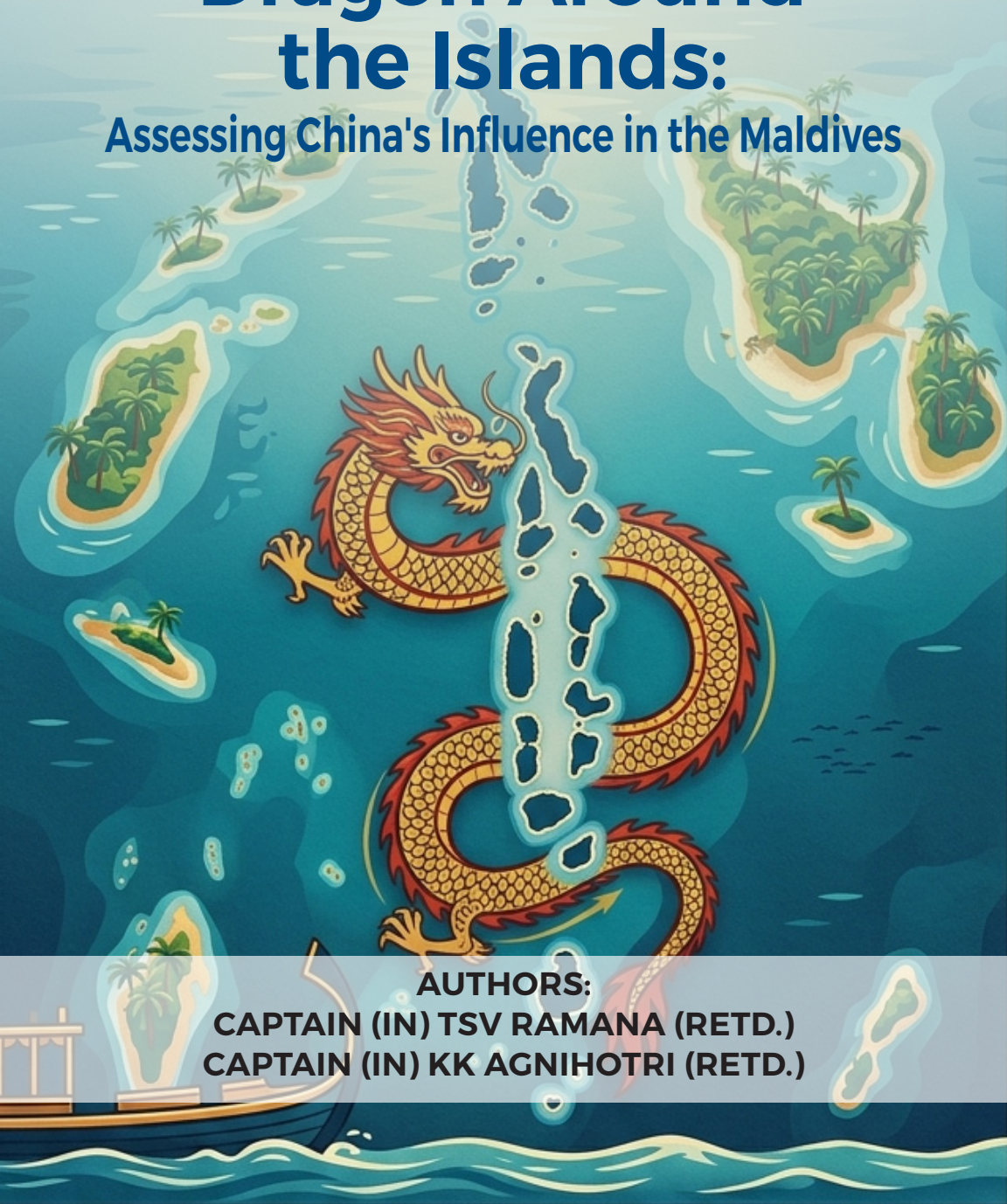




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Dragon Around the Islands:

Assessing China's Influence in the Maldives



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Executive Summary

Chinese activities in countries in India's immediate neighbourhood have always attracted attention, and raised concerns about their implications for India's national security. This is due to the assessment that these activities generate 'influence'. Analysts feel that this 'influence' provides China with leverages, that it utilises to further its interests, and in some cases, it will use it to encash the same at a future date, at an appropriate time.

The need to respond to these Chinese activities could result in certain situations wherein, India's national security establishment would per-force have to adopt a confrontationist posture in its maritime neighbourhood vis-à-vis the China's Comprehensive National Power (CNP). However, considering the wide differential that exists between the CNPs of the two countries, it is not considered practical for India to counter each and every activity of China.

Hence, there is a need to identify the metrics that could be taken as indicators of 'influence.' Further, once a clearer understanding of the nature and extent of China's influence becomes apparent, then it may become easier to chalk out a roadmap for proceeding ahead.

The aim of this Project therefore, is to identify those elements (metrics) that constitute China's 'influence' in a specific country in India's

maritime neighbourhood, and thereafter carry out a statistics-based analysis of open-source data. This will enable an informed assessment about which country (China or India) holds an advantage under the said metric in case of the country in question, what opportunities or threats it generates for India, and what could be the mitigating strategies for India as part of its national preparedness planning?

As far as Maldives is concerned, 24 metrics were identified that have a bearing on China's influence in that country.

The findings indicate that, out of the 24 metrics of influence assessed in this Paper, China is assessed to have advantage in 10 metrics, while India leads in eight. Both, China and India have the advantage in three metrics; but neither China nor India have comparative advantage in two metrics. Finally, there is one metric – namely FDI – in which there is no clarity as to who has the advantage therein. The salient findings in respect of each of the metrics are indicated in subsequent paragraphs.

The geography of Maldives is such that there will be a perpetual need for infrastructure. This gives an advantage to China. It would be difficult for India to completely replace China as a builder of infrastructure.

At least four out of the five political parties comprising Majlis and accounting for 79 out of the 93 seats, may have either a pro-China tilt or at least do not oppose the tilt towards China. As far as the senior military leadership of Maldives is concerned, there are no firm indications of the orientation of the senior leaders. However, they are likely to follow the cue of the present regime's pro-China tilt. If one goes by statistics, in terms of high-level political engagement, India seems to have an advantage. However, this cannot be taken for granted.

The current President of Maldives was elected to power on an 'India-Out' campaign. Although he was forced to eventually reset ties with India owing to realistic circumstances, the kernels of anti-India feelings continue to simmer within the Maldivian polity and are always available for exploitation by China.

China's engagements with Maldives in the military domain appear to be subdued. However, this may change in the future following the signing of an agreement with China for provision of gratis military assistance. Details of the courses and training availed by the MNDF in China could not be ascertained from the material available in the open domain. However, the agreement between Maldives and China for military training indicates clear strengthening of relations between the MNDF and the Chinese PLA, a space where China was not very successful earlier. Till end 2023, China had no role to play in supply of armament to Maldives. However, the donation of a sea ambulance (technically cannot be classified as an armament transfer) to the MNDF appears to be the beginning of China's attempts to infiltrate this space. Further, the signing of an agreement between Maldives and China for provision of gratis military assistance suggests that Maldives seeks to inch closer to China and away from India

China was the top supplier of merchandise to Maldives in 2024 with an 18.74% share of its total imports, and was also the top supplier for 44 out of 97 products imported by Maldives. Dependency of Maldives on China is therefore very high. However, China has no major role as an export destination for merchandise from Maldives. Further, the current regime signed an FTA with China, while the way ahead for FTA with India is not yet certain. While it is difficult to quantify the advantages to Maldives on account of this FTA with China, the fact that this regime signed it can be taken as a clear sign of pro-China tilt.

Presently, neither China nor India has any significant role in the imports of energy products by Maldives. The total requirement of Maldives for all its petroleum imports works out to approximately six VLCCs per year. There is scope for India to step in to meet Maldives' requirement either fully or partially.

Fresh water is a critical commodity for Maldives. Sri Lanka was the top supplier of mineral water to Maldives in 2024 and supplied 531.52 tons of mineral water with an overall share of 28.08%. India was the sixth largest supplier of mineral water and supplied 70.02 tons with a share of 3.71%. China was not a source of mineral water imports by Maldives in 2024. There appears to be ample scope for India to step in and meet this critical requirement of Maldives. Incidentally, PLA Navy Submarine Support Vessel *Changxingdao (861)* had visited Male from 07 to 15 December 2014 and supplied 670 tons of fresh water during that water crisis. Possibilities of recurrence of such activities by China must be watched on priority

While Maldives is a participant in BRI, the official statistics of Maldives do not indicate any of the Chinese projects as part of the BRI. Further, the absence of President of Maldives from both, the first and second Belt and Road Forums, is indicative of the fact that Maldives is hedging on this metric between China and India.

China was the largest source of tourists for Maldives in 2024, with a figure of 263340 (12.87%) and India was the sixth largest source with 130805 (6.39%). While there is a tendency to see tourism to Maldives as an arena for rivalry between China and India, it is to be borne in mind that the largest number of tourists to Maldives in 2024 were from Europe comprising 58.64% share of total tourist arrivals. Individually, the number of tourists from China and India do matter to Maldives

As per official statistics, EXIM Bank of China, with an amount of US\$ 450.25 million (12.47%) was the fourth highest lender to Maldives. However, after reconciling the figures from other sources, not reflected in the official statistics of Maldives, China emerges as the top lender with a loan amount of US\$ 1959.54 million with a share of 38.28%. Whether this discrepancy validates the 'debt trap' theory is not certain. The maximum outstanding external loan of Maldives is to China (US\$ 1650.85 million) accounting for 38.4% of all the Active External Loans (AELs). China also appears to be the largest provider of grants with a share of 51.17 %. Incidentally, FDI statistics of Maldives appear to be a grey area, where the Chinese involvement cannot be clearly discerned.

China has been trying to engage with Maldives in the marine research sector. The retraction of Maldives from establishing the Joint Ocean Observation Station offers an instance wherein, China faced some form of pushback in the IOR. However, the deployment of Chinese deep-sea research vessel under the current regime in Maldives, juxtaposed against the non-renewal of hydrographic assistance agreement with India has altered the present situation.

It is interesting that despite there being no linguistic, cultural or ethnic commonality between China and Maldives, Male has extensively highlighted its historical ties with China, but seems to be silent on a similar equation with India. China is also attempting to engage with a wider cross section of Maldivian society.

Entire IT and communication infra-structure of Maldives has been provided by China – albeit indirectly – and it gives China a huge advantage.

The above assessment indicates that as far as Maldives is concerned, China presently seems to be having a slight edge over India. However, all the metrics are unlikely to have equal weightage at all times and their impact on the Chinese influence may depend on the extant circumstances at a particular time. Hence, it is important for India to not be swayed by any negative change (as per India's perception) in any one of the metrics. As and when a change that is perceived as being against India's interests in any of the metrics is observed, then, all other metrics must also be seen to get an overall holistic picture. It is also posited that any assessment of influence cannot be permanent or irreversible, and will continue to be dynamic; hence India needs to invest in developing multi-domain expertise on Maldives, including language capability to correctly read the early indicators that may lead to a particular scenario.

List of Abbreviations

Abbreviation	Full Form
ADB	Asian Development Bank
ADFD	Abu Dhabi Fund for Development
AEL	Active External Loan
AFD	Agence Francaise Development
AIIB	Asian Infrastructure Investment Bank
BRF	Belt and Road Forum
BRI	Belt and Road Initiative
CDB	China Development Bank
CDF	Chief of Defence Force
CLC	Chinese Language Center
CMCA	China Maldivian Cultural Association
CNP	Comprehensive National Power
DSSC	Defence Services Staff College
EIB	European Investment Bank
EXIM Bank China	The Export Import Bank of China
FDA	French Development Agency
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
Govt.of Belgium	Government of Belgium
HDC	Housing Development Corporation Ltd.

ICBC	Industrial and Commercial Bank of China
ICT	Information and Communication Technology
IDA	International Development Association
IDB	Islamic Development Bank
IDPA	Infrastructure Development Projects Account
IFAD	International Fund for Agriculture Development
JICA	Japan International Cooperation Agency
JP	Jumhooree Party
KFAED	Kuwait Fund for Arab Economic Development
MDA	Maldives Development Alliance
MDP	Maldivian Democratic Party
MMC	Maldives Media Council
MNDF	Maldivian National Defence Force
MNP	Maldives National Party
MOOTW	Military Operations Other than War
MoU	Memorandum of Understanding
MSC	Maldives Sri Lanka Cable System
NDF	Nordic Development Fund
OBOR	One Belt One Road
OFID	The OPEC Fund for International Development
PNC	People's National Congress
SFD	Saudi Fund for Development
STELCO	State Electric Company Ltd.
USAID	U.S. Agency for International Development
VCDF	Vice Chief of Defence Force

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Dragon Around the Islands: Assessing China's Influence In The Maldives

*Captain (IN) TSV Ramana (Retd.) &
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INTRODUCTION

Chinese activities in countries in India's immediate neighbourhood have always attracted attention, and raised concerns about their implications for India's national security. This is due to the assessment that these activities generate 'influence'. Analysts feel that this 'influence' provides China with leverages, that it utilises to further its interests, and in some cases, it will use it to encash the same at a future date, at an appropriate time. Therefore, it is imperative for India to be wary of such developments in its immediate neighbourhood, and plan for appropriate remedial measures to protect its own interests.

The need to respond to these Chinese activities could result in certain situations wherein, India's national security establishment would per-force have to adopt a confrontationist posture in its maritime neighbourhood vis-à-vis the China's Comprehensive National Power (CNP). However, considering the wide differential that exists between the CNPs of the two countries, it is not considered practical for India to counter each and every activity of China.

Hence, there is a need to identify the metrics that could be taken as indicators of 'influence.' Further, once a clearer understanding of the nature and extent of China's influence becomes apparent, then it may become easier to chalk out a roadmap for proceeding ahead.

The aim of this project therefore, is to identify those elements (metrics) that constitute China's 'influence' in a specific country in India's maritime neighbourhood, and thereafter carry out a statistics-based analysis of open-source data. This will enable an informed assessment about which country (China or India) holds an advantage under the said metric in case of the country in question, what opportunities or threats it generates for India, and what could be the mitigating strategies for India as part of its national preparedness planning?

The Maldives

The first paper in the series carries out a comprehensive assessment of the Chinese influence over Maldives under the specifically identified metrics, and the ways in which such influence-building impacts India's existing relations with Maldives. The maritime proximity of Maldives to India (just 70 NM from Minicoy and 300 NM from the Indian mainland), and its location at the hub of commercial sea-lanes transiting the Indian Ocean (i.e. the eight degree and One-and-half degree channels) makes it of great strategic importance for India.

The importance of India's friendly relations with Maldives is well-recognised, with India being seen as a net-security provider for that country for past many years. 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 the Indian troops when they were no longer required after bringing the situation under control, assuaged fears of any Indian dominance or territorial aspirations.¹

However, the relations took a downward turn when Mohammed Muizzu assumed the Presidentship of Maldives in 2024 after winning the elections on an “India-out” campaign. To aggravate matters further, he displayed a clear proclivity to engage with China in a manner which was considered to be detrimental to the bilateral India-Maldives relations. During his first State visit to China after becoming President in January 2024, he signed 20 agreements on mutual cooperation, and elevated bilateral ties to a ‘comprehensive strategic partnership’.

Even though the relations between India and Maldives are on the mend, India will have to perennially guard against the increasing influence that China is bringing to bear on Maldives, in order to ultimately dilute the geopolitical influence of India in Maldives, in a zero-sum kind of game, being also played out in Bangladesh, Sri Lanka, and Myanmar. This concern is the main driver for undertaking the current research study.

Elements of China's Influence in Maldives

24 elements identified with regard to the Chinese influence-building activities in Maldives — each of which has been individually assessed in subsequent paragraphs — are enumerated below:

- (a) Geography
- (b) Political Leadership
- (c) Senior Military Leadership

- (d) High-Level Political Visits (China-Maldives-India).
- (e) India Out Campaign
- (f) Military Diplomacy
- (g) Military Training
- (h) Arms Transfers
- (i) Trade (Imports)
- (j) Trade (Exports)
- (k) Free Trade Agreements (FTAs)
- (l) Energy Products-Imports
- (m) Fresh Water Issue
- (n) Mineral Water Imports
- (o) Belt and Road Initiative (BRI)
- (p) Tourism
- (q) External Loans and Associated Projects
- (r) External Debt
- (s) External Grants
- (t) Foreign Direct Investment (FDI)
- (u) Marine Cooperation
- (v) Historical and Civilisational Ties
- (w) People to People Contacts
- (x) Information and Communication Technology (ICT)

Geography

The Maldivian Islands are located in the Indian Ocean between 7° 06'N to 00° 45' S latitudes and 72° 13'E to 73° 45' Longitudes about 480 km Southwest of Cape Comorin, India and 650 km Southwest of Sri

Lanka. The Maldives comprises of 22 natural atolls and some 1190 islands. The total length of the chain is 648 km north to south and 130 km east to west forming a double chain in the centre.²

The total population of Maldives as per the 2022 census is 446618. These are spread across 189 locations in 21 Atolls. However, 47% of the population resides at Male. The balance is spread across 188 other locations.³

The geography of Maldives is such that need for infrastructure development will always persist. This would enable China to approach or induce Maldives to seek Chinese help for infrastructure development. It looks difficult for India to completely replace China as provider of infrastructure. Hence, the possibility of Chinese activity for infrastructure development is likely to remain a persistent concern for India. The map of Maldives indicating the **largest to smallest atolls in terms of area in hectares and Population**, (1 being the largest and 21 being the smallest), is as shown below:⁴

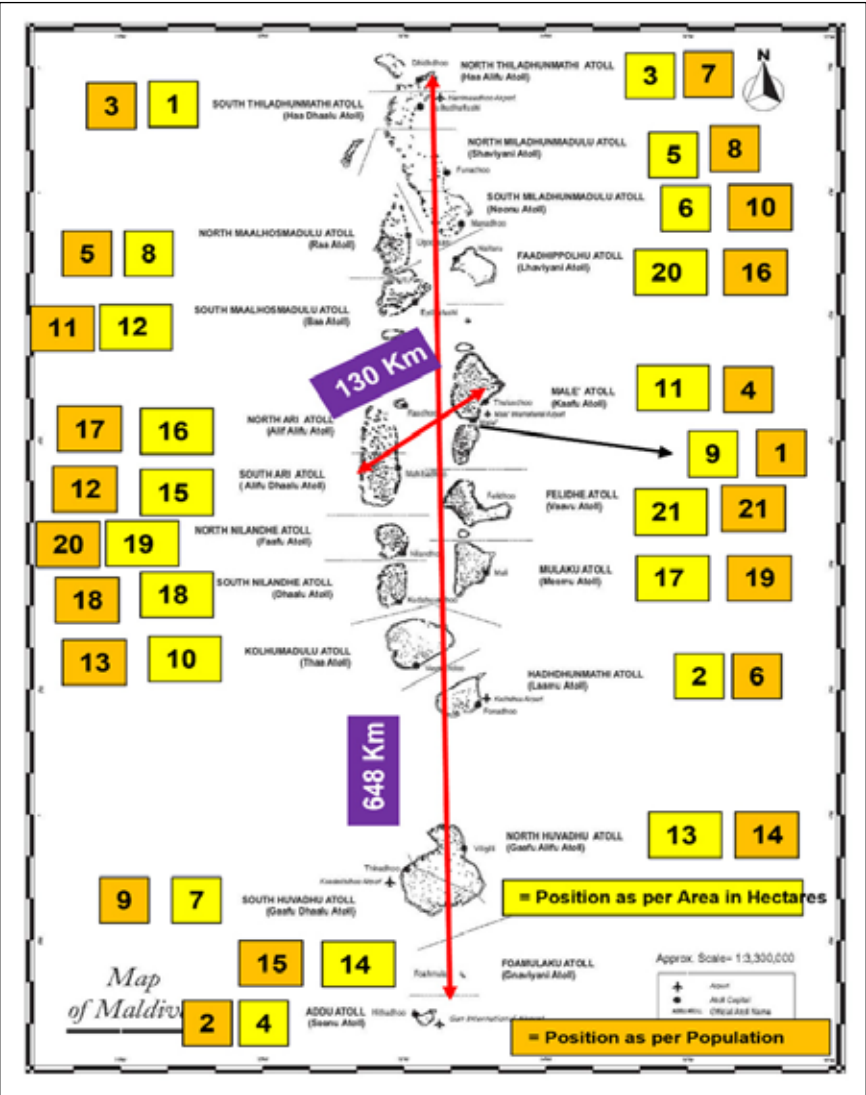
Political Leadership

Political Parties. Maldives has nine registered political parties and another four parties have been de-registered and are currently defunct.⁵ The same are as tabulated below:

Composition of Majlis (Parliament of Maldives). The composition of the Majlis comprising the political parties and the respective number of members is tabulated below:⁶

The People's National Congress (PNC) is the largest party with 75 seats in the Majlis. This is the party of the current President of Maldives

Figure 1- Map of Maldives



Source: Maldives Bureau of Statistics

Mohamed Muizzu. The party leans right, with a nationalist, socially conservative outlook. Foreignpolicy wise, PNC is viewed as strongly pro-China, advocating new Chinesefunded infrastructure projects and signalling a break from the previous “IndiaFirst” orientation.⁷

Table 1- Registered and defunct Political Parties of Maldives

Ser	Political Party	Year of Registration	No. of Members	Chairperson
(a)	Maldives Development Alliance	20-Dec-12	96986	Ahmed Siyam Mohamed
(b)	People's National Congress	31-Jan-19	74048	Abdul Raheem Abdulla
(c)	Maldivian Democratic Party	26-Jun-05	43784	Abdul Gafoor Moosa
(d)	Jumhooree Party	2-Aug-08	12343	Qasim Ibrahim
(e)	Adhaalath Party	18-Aug-05	8267	Imran Abdullah
(f)	Maldives National Party	25-Oct-21	5133	Mohamed Nazim
(g)	People's National Front	25-Apr-24	3012	Abdulla Yammen Abdul Gayoom
(h)	The Democrats	12-Jul-23	2952	?
(i)	Maldives Labour and Social Democratic Party	20-Jan-19	1719	?
	Total		248244	
(j)	Dhivehi Rayyithunge Party	21 July 2005	-	Defunct, Deregistered 15 Mar 2023
(k)	Progressive Party of Maldives	27 Oct 2011	-	Defunct, Deregistered 15 Mar 2023
(l)	Maldives Third-way Democrats	27 Dec 2018	-	Defunct, Deregistered 03 Dec 2023
(m)	Maldives Reform Movement	20 Nov 2019	-	Defunct, Deregistered 29 Jan 2025

Source: Compiled by Authors. Data from Election Commission, Republic of Maldives

Table 2-Composition of Majlis

Ser	Party	No. of Members
(a)	People's National Congress	75
(b)	Maldivian Democratic Party	12
(c)	Maldives Development Alliance	2
(d)	Independents	2
(e)	Jumhooree Party	1
(f)	Maldives National Party	1
	Total	93

Source: Compiled by Authors. Data from People's Majlis, Republic of Maldives

The Maldivian Democratic Party (MDP) was once the dominant political force in Maldives. Today it remains the main opposition, with 12 members. The MDP generally projects a centrist-to-liberal stance, supports democratic governance, civil liberties, and seeks social reforms. On foreign policy, it historically favoured close ties with India and broader engagement with Western partners and democratic institutions. With its loss of parliamentary seats, the MDP's influence is diminished, but it continues to criticise the Government's tilt toward China and argue for balanced diplomacy.⁸

On 09 September 2023, the Maldives Development Alliance (MDA) decided to break its coalition with MDP candidate President Ibrahim Mohamed Solih and support opposition candidate Dr Mohamed Muizzu in the upcoming runoff.⁹ It can therefore be construed that the MDA would likely be supporting, or at least not-opposing the pro-China tilt of the PNC.

The Jumhooree Party (JP) identifies with Islamic democracy, social conservatism and economic pragmatism. It typically avoids strong alignment with major powers — instead advocating a balanced, nonaligned foreign policy. JP supports economic development, private

enterprise, and carefully considered foreign investment, while warning against overdependence on any single foreign power.¹⁰ The Maldives National Party (MNP) joined the alliance with PNC without any major conditions.¹¹ It is once again likely that the MNP may either support the foreign policy of the PNC or at least not oppose it.

Further, there are no credible inputs on the foreign policy orientation of the two independents in the Majlis. It therefore, appears that at least four out of the five political parties comprising Majlis and accounting for 79 out of the 93 seats, may have either a pro-China tilt or at least not oppose the tilt towards China.

Presidents of Maldives. The list of presidents of Maldives is tabulated below:¹²

Table 3 - List of Presidents of Maldives

Ser	President	Period	Political Party
(a)	Al Ameer Mohamed Ameen	01 Jan 1953- 21 Aug 1953	Dhivehi Rayyithunge Muthagaddim Party (Peoples Progress Party)
(b)	Al Ameer Ibrahim Nasir	11 Nov 1968- 10 Nov 1978	Not applicable
(c)	Maumoon Abdul Gayoom	11 Nov 1978- 10 Nov 2008	Independent until 2005, thereafter Dhivehi Rayyithunge Party
(d)	Mohammed Nasheed	11 Nov 2008- 07 Feb 2012	Maldivian Democratic Party
(e)	Mohammed Waheed Hassan	07 Feb 2012-16 Nov 2013	Gaumei Ithihaad
(f)	Abdulla Yameen Abdul Gayoom	17 Nov 2013- 16 Nov 2018	Progressive Party of Maldives
(g)	Mohamed Ibrahim Solih	17 Nov 2018- 16 Nov 2023	Maldivian Democratic Party
(h)	Mohamed Muizzu	17 Nov 2023- Present	People's National Congress

Source: Compiled by Authors. Data from The President's Office, Republic of Maldives

Available inputs on the Maldivian Presidents with respect to their orientation towards China and India are enumerated below: -

- (a) 1965-1978. Immediately, after its independence from Britain, Maldives became a member of the UN in September 1965. Maldives during this period in its foreign policy projected the framework of a third world country and talked of principles of nonalignment and peaceful coexistence. It also remained in favour of disarmament, nuclear non-proliferation, banning of nuclear weapons, declaration of the Indian Ocean as a Zone of Peace and independence of colonial countries. No signs of any tilt towards China were apparent during this period.¹³
- (b) Maumoon Abdul Gayoom. The Maldivian foreign policy during President Maumoon Abdul Gayoom era was indifferent to India though Gayoom successfully managed to create the impression that he was friendly to India. India had saved his regime in 1988 from a coup, still he did not give any special privilege to India. In the later part of his regime, Gayoom tried to play China against India.¹⁴
- (c) Mohammed Nasheed. Under Nasheed there was no damage to the Sino-Maldivian bilateral relationship, and if anything, it continued to develop. The Government of Nasheed, though, claimed to follow an 'India first' foreign policy.¹⁵
- (d) Mohammed Waheed Hassan. Waheed was close to China. So, after taking over, when his government cancelled the contract of GMR ab initio, there were reports of China's involvement; however, Waheed denied that China had nudged him into the act. When Maldivian Defence Minister Mohamed Nazim

visited China in December 2012 he signed a military aid agreement with the Chinese National Defence Minister, General Liang Guanglie. Nazim also assured Guanglie that the Maldives was “willing to cement relations between the two countries and their militaries.”¹⁶

- (e) **Abdulla Yameen Abdul Gayoom**. Maldives relationship with China continued to deepen under Abdulla Yameen.¹⁷
- (f) **Mohamed Ibrahim Solih**. Under Ibrahim Solih, the *‘India First Policy’* had been restored. Solih’s Government had assured India that it would be fully sensitive towards India’s security and strategic concerns.¹⁸
- (g) **Mohamed Muizzu**. The agenda of Mohamed Muizzu’s Presidential election campaign was based on the demands of the “India-Out” campaign launched in August 2020. The main demands of the campaign were the removal of Indian military personnel present in the Maldives to operate the helicopters and Dornier aircraft gifted by India under the command of the Maldivian National Defence Force (MNDF), cancellation of the Indian-funded defence infrastructure projects and hydrographic survey agreement and reviewing of more than 100 agreements signed with India during the Maldivian Democratic Party (MDP)-led administration from 2018 to 2023. Muizzu’s maiden bilateral visit was to Turkey in December 2023. In January 2024, he visited China, during which around 20 agreements were signed between the two countries. On returning from China, Muizzu stated, “Maldives is not any country’s backyard and would not get bullied by anyone.”

Subsequently, Muizzu's five-day state visit to India from 6 October to 10 October 2024 built the foundation of a renewed partnership. The vision document titled 'Comprehensive Economic and Maritime Security Partnership', adopted during the visit, charted out new frontiers of engagement and negated all the uncertainties and concerns about the ongoing developmental, security and defence partnership. It confirmed the continuation of cooperation in hydrographic matters and the continuation of projects opposed previously by the ruling party (while in opposition).¹⁹

Therefore, it must be noted that the pro-India or pro-China orientation of the regime at Maldives, particularly that of the incumbent President is a critical factor, and appears to override all other aspects, as far as Maldives is concerned. In case the President is pro-China, then any amount of effort from India would not bear fruit.

Senior Military Leadership

Hasan Rasheed. He is the current Minister of Defence in the Muizzu with effect from 15 April 2026.²⁰ Prior to this appointment, Hassan Rasheed served as a Minister of State at the Ministry of Housing since 21 November 2023. He has no previous experience of the defence arena.²¹

Major General Ibrahim Hilmy. Major General Ibrahim Hilmy is the incumbent Chief of Defence Force (CDF) of the Maldives National Defence Force (MNDF), with effect from 18 April 2024.²² There are contradictory inputs on his induction into the MNDF. One source states that Ibrahim Hilmy joined the military on 25 April 1988 as

a Private. He later fulfilled the ranks of Lance Corporal, Corporal, Sergeant, Staff Sergeant, and Warrant Officer. After years of service and experience, Hilmy was commissioned as an officer on 21 April 2002.²³ Another source states that he joined the Maldives National Defence Force (MNDF) on 25 April 1988 as a naval executive branch officer.²⁴ Additionally, his training and courses as enumerated below:²⁵

- (a) He received on-job-training aboard Indian Naval Ship INS Beas, French Naval Ship FNS Floréal, and British Royal Navy ship HMS Chatham.
- (b) He attended the Junior Staff Course in Bangladesh.
- (c) Law of Armed Conflict Course in Malaysia.
- (d) Joint Warfare Course in Singapore.
- (e) Marine Accident and Investigation Course in India.
- (f) Defence Services Staff College (DSSC) at Wellington, India.
- (g) He was in service during the 03 November 1988 coup attempt in Maldives against the then President Maumoon Abdul Gayoom.

There are no indications of Hilmy having undergone any training and courses in either China or Pakistan. However, he is currently serving as the CDF under a pro-China and anti-India regime. Also, there are no firm indicators in the open domain to ascertain whether the MNDF CDF is pro-China or pro-India.

Brigadier General Ahmed Ghiyas. He is the current Vice Chief of Defence Force (VCDF) with effect from 18 April 2024. No data on the VCDF is available in the open domain that could be indicative of his orientation towards either India or China.

High-Level Political Visits between Maldives – China, and Maldives-India

Maldives and India established diplomatic relations on 01 November 1965²⁶ and Maldives and China established diplomatic relations on 14 Oct 1972.²⁷ In the context of this Chapter, only visits at the level of Head of the State/Government have been considered with effect from 2001 onwards. Major high level political visits between Maldives and China are tabulated below:²⁸

Table 4-List of High-Level Political Visits between Maldives and China

Ser	Visit by	Visit to	Date	Remarks
(a)	Premier Zhu Ronji	Maldives	May 2001	
(b)	Premier Wen Jiabao	Copenhagen	Dec 2009	Meeting with President of the Maldives Mohammed Nasheed, Ethiopian Prime Minister Meles Zenawi, Bangladeshi Prime Minister Sheikh Hasina, Grenadian Prime Minister Tillman Thomas and Sudanese Presidential Assistant Nafie Ali Nafieon
(c)	President Mohamed Nasheed	PRC	May 2010	
(d)	President Abdulla Yameen	PRC	Aug 2014	
(e)	President Xi Jinping	Maldives	Sep 2014	
(f)	President Abdulla Yameen	PRC	June 2015	
(g)	President Abdulla Yameen	PRC	Dec 2017	
(h)	President Mohamed Muizzu	PRC	Jan 2024	
(i)	President Mohamed Muizzu	PRC	Aug 2025	Shanghai Cooperation Organisation (SCO) Summit

Source: Compiled by Authors. Data from Ministry of Foreign Affairs, People's Republic of China

Major high level political visits between Maldives and India are as tabulated below:²⁹

Table 5 - List of High-Level Political Visits between Maldives and India

Ser	Visit by	Visit to	Date	Remarks
(a)	Prime Minister Shri A.B. Vajpayee	Maldives	Sep 2002	
(b)	Vice President Shri B.S. Shekhawat	Maldives	Sep 2003	
(c)	President Maumoon Abdul Gayoom	India	Mar 2005	International Conference on Satyagraha Movement
(d)	President Maumoon Abdul Gayoom	India	Jan 2007	International Conference on Satyagraha Movement
(e)	President Maumoon Abdul Gayoom	India	Apr 2007	SAARC Summit
(f)	President Maumoon Abdul Gayoom	India	Feb 2008	
(g)	President Mohamed Nasheed	India	Dec 2008	
(h)	President Mohamed Nasheed	India	Oct 2009	
(i)	President Mohamed Nasheed	India	Jan 2010	CII-Partnership Summit
(j)	Vice President Mohamed Waheed	India	Jan 2010	
(k)	President Mohamed Nasheed	India	Oct 2010	Inauguration of 19th Commonwealth Games, New Delhi
(l)	Prime Minister Shri Manmohan Singh	Maldives	Nov 2011	
(m)	President Dr. Mohamed Waheed	India	May 2012	
(n)	President Abdulla Yameen Abdul Gayoom	India	Jan 2014	
(o)	President Abdulla Yameen Abdul Gayoom	India	May 2014	To attend the oath taking ceremony of the new Indian Prime Minister

Ser	Visit by	Visit to	Date	Remarks
(p)	President Abdulla Yameen Abdul Gayoom	India	Apr 2016	
(q)	Prime Minister Shri Narendra Modi	Maldives	Nov 2018	Official swearing-in ceremony of President Ibrahim Mohamed Solih
(r)	President Ibrahim Mohamed Solih	India	Dec 2018	
(s)	Prime Minister Shri Narendra Modi	Maldives	Jun 2019	
(t)	President Ibrahim Mohamed Solih	India	Aug 2022	
(u)	President Dr. Mohamed Muizzu	India	Jun 2024	
(v)	President Dr. Mohamed Muizzu	India	Oct 2024	
(w)	Prime Minister Shri Narendra Modi	Maldives	Jul 2025	

Source: Compiled by Authors. Data from High Commission of India, Male

In aggregate, there were 17 high level visits from Maldives to India during the period 2001 to 2025, as opposed to six from Maldives to China. Similarly, there were six visits from India to Maldives as compared to two from China to Maldives. Further, there was one meeting between leaders from China and Maldives at Copenhagen. The same are summarised in the table below:

Table 6 - Summary of High-Level Political Visits between Maldives-China and Maldives-India

Ser	Description	Number of Visits
(a)	Maldives to India	17
(b)	Maldives to China	6
(c)	India to Maldives	6
(d)	China to Maldives	2
(e)	Maldives and China at Neutral Venue	1
	Total	32

Source: Author(s)

It is thus, pretty obvious that in terms of high-level political engagements, India clearly is well ahead of China.

India Out Campaign³⁰

The roots of anti-India sentiment stretch back to the abrupt termination of the GMR airport modernisation contract in December 2012. The eviction of the Indian infrastructure giant under President Dr Mohamed Waheed — whose spokesman sparked a diplomatic row by attacking the Indian High Commissioner — drew strong protests from India, which retaliated by restricting medical visas and exports of construction materials.

Relations nosedived during Abdulla Yameen's (successor to Mohamed Waheed) final year in office as he accused India of interfering in domestic affairs, and tried to send back helicopters and a Dornier aircraft donated by India for medical evacuations. According to Yameen, Indian soldiers stationed to operate the military aircraft refused to leave even when the Maldives government let their visas expire. After defeating Yameen in September 2018, President Ibrahim Mohamed Solih restored defence and development ties, cementing the polarisation along pro-India and pro-China lines.

'India-Out' campaign was/is primarily a demand for the expulsion of Indian military personnel. Other specific grievances included the alleged lack of transparency in bilateral agreements, including one for hydrographic surveys, and the development of a coastguard harbour and dockyard in Uthuru Thila Falhu. Removal of the Indian soldiers was the central pledge of the current President Muizzu's eleventh-hour candidacy as Yameen's backup. After assuming office in November

2023, Muizzu broke with tradition by not making Delhi his first port of call. Pacts with Türkiye to import staples were framed as part of attempts to reduce dependence on India.

A full-blown crisis soon erupted when three Maldivian deputy ministers made derogatory comments about the Indian Prime Minister on social media after his visit to promote tourism in the Lakshadweep islands. The inflammatory language used against the Indian Prime Minister triggered massive outrage in India as celebrities and social media users launched a *#BoycottMaldives* campaign. Tourist bookings plummeted. Indian arrivals dropped 42 percent in the first four months of 2024 compared to 2023, causing an estimated US\$ 150 million in revenue losses. In the meantime, despite Muizzu's repeated assurances of a "green signal" from China or the Middle East, no help was forthcoming. Massive debt service obligations loomed.

On his maiden trip to New Delhi in May 2024 following overtures to mend fences, Foreign Minister Moosa Zameer sought to reset ties and requested postponing repayment of a US\$ 150 million bond owed to India. He dismissed previous allegations of Indian bullying and meddling in domestic affairs as campaign rhetoric. A day after Zameer's talks with his counterpart on 09 May 2024, the Maldives government celebrated the replacement of 76 Indian service personnel with civilian technicians as fulfilling Muizzu's main campaign pledge. Defense Minister Ghassan Maumoon claimed this restored "full sovereign command and control" as civilian staff of the Hindustan Aeronautics – an Indian government-owned company under the control of the defence ministry – replaced the much-maligned military personnel.

When External Affairs Minister S. Jaishankar visited Malé in August 2024, Muizzu effusively praised India as “one of our closest allies and invaluable partners,” and promised “full commitment to strengthening historic relations.” He expressed gratitude for India’s “generous” quota for staple food imports and restructuring of debt payments.

On his belated official visit to India in October 2024, Muizzu secured a US\$ 400 million currency swap, which he said “will be instrumental in addressing the foreign exchange issues we are currently facing,” lauding India as the “first responder” that has “stood by the Maldives during our times of need.” Further, ahead of the Indian Prime Minister’s state visit in July 2025, Indian Foreign Secretary Vikram Misri told the press that “their term of the Indian aircraft and personnel has been extended here and they continue to be used as per the request of the Maldivian authorities.” Though the agreements reportedly expired in February 2025, the Muizzu administration is yet to publicly confirm its renewal.

However, notwithstanding the eventual reset in ties with India by the Muizzu administration, forced by circumstances, the kernels of anti-India feelings continue to simmer within Maldivian polity and are always vulnerable for exploitation by China.

Military Diplomacy

High Level Defence Engagements. There have been at least six high level defence engagements between China and Maldives. The details of the same are as tabulated below:

Table 7- High Level Defence Engagements-Maldives and China

Ser	Timeline	Visit by	Visit to	Met with
(a)	2009 / Feb	Maldivian Defence Minister	China	Chinese Defence Minister
(b)	2012/Dec	Maldivian Defence Minister	China	Chinese Defence Minister
(c)	2014/Nov	Not Clear	China	Not Clear
(d)	2015/Nov	PLA Navy Commander	Maldives	Maldivian Defence Minister and MNDF CDF
(e)	2024/March	Deputy Director of the Office for International Military Co-operation	Maldives	
(f)	2024/Sep	Meeting between Chinese and Maldivian Defence Ministers on the side-lines of 11 th Xiangshan Forum at Beijing		

Source: Compiled by Authors. Data from various websites and reports

Port Calls by PLA Navy. PLA Navy units made three port calls to Maldives from 2013 to 2018, which seems to indicate a rather low level of engagement between the two countries. The details are as enumerated below:

- (a) PLA Navy Hospital Ship ‘*Peace Ark*’ visited Male from 29 June to 05 July 2013.³¹
- (b) PLA Navy Submarine Support Vessel *Changxingdao* (861) was at Male from 07 to 15 December 2014 and supplied 670 tons of fresh water during the then water crisis.³²
- (c) Three PLA Navy ships visited Maldives in August 2017.³³

China-Maldives Bilateral Military Exercises. Maldives and China seem to have conducted only one bilateral exercise on Military

Operations Other than War (MOOTW) in August 2017.³⁴ Thus, the engagement for the purpose of bilateral military exercises between Maldives and China also appears to be muted.

PLA Navy Deployment During Maldives Constitutional Crisis in February 2018. Following the arrest of two Supreme Court Judges by the then President Abdulla Yameen, in February 2018, Maldives had plunged into a constitutional crisis. India's Foreign Ministry had issued a statement criticising this move and had sought a return to the path of democracy and rule of the law. China probably anticipated a possible military intervention by India, and the Chinese news outlet 'Global Times' reportedly issued a statement that "*If India one-sidedly sends troops to the Maldives, China will take action to stop New Delhi.*"³⁵ Another Chinese news agency Sina.com.cn reported that there were 11 PLA(N) surface warships in the Indian Ocean: a training group that had just entered the East Indian Ocean had two Type 052C destroyers, one Type 054A frigates, one Type 071 LPD and three supply ships; and a convoy escort detachment had recently passed into the Southern Indian ocean with one Type 052C destroyer, one Type 054A frigate and one supply ship.³⁶

While the possible intent of China in deploying a task force of PLA Navy units to the Indian Ocean during the constitutional crisis in Maldives is not known., Beijing however, seems to have utilised this opportunity for strategic signalling in trying to challenge India.

Military Training

On 05 March 2024, President Dr Mohamed Muizzu revealed that the military assistance agreement between Maldives and China concerns the

import of non-lethal military equipment and getting military training from China. **“To obtain the different forms of training required by the Maldives’ military, and to be granted various non-lethal military equipment free of charge, that is what this agreement is about. This will increase the technical capacity of the defence forces,” the President explained.**³⁷ Incidentally, the MNDF website states that it does avail the offered Staff College training slots in China.³⁸

While the details of the courses and training availed by the MNDF in China are not ascertainable from the material available in the open domain. However, the agreement between Maldives and China for military training is a clear strengthening of relations between the MNDF and the Chinese PLA, a space where China was not very successful earlier.

Arms Transfers

Import of military hardware from India, Türkiye, Sri Lanka, and UAE by Maldives is tabulated below:³⁹

Table 8 - Maldives-Arms Imports -1992-2025

Ser	Supplier	Designation	Description	Numbers delivered	Delivery year	Remarks
(a)	India	BMP-2	Infantry Fighting Vehicle	2	1992	New
(b)	India	Pig	Armoured Personnel Carrier	2	1992	Second hand
(c)	Türkiye	Cobra APV	Armoured Personnel Carrier	3	1997	New
(d)	Sri Lanka	Ghazee	Patrol Boat	2	1998	New
(e)	India	SDB-5	Patrol Boat	1	2006	New

Ser	Supplier	Designation	Description	Numbers delivered	Delivery year	Remarks
(f)	India	Dhruv	Helicopter	1	2010	New
(g)	India	Dhruv	Helicopter	1	2013	New
(h)	India	Dhruv	Helicopter	1	2019	Second hand
(i)	India	Do-228MP	Maritime Patrol Aircraft	1	2020	Second hand
(j)	India	Dhruv	Helicopter	1	2021	Second hand
(k)	Türkiye	Bayraktar TB-2	Armed Drone	3	2024	New
(l)	Türkiye	FPB-57 Patrol	Patrol Boat	1	2025	Second hand
(m)	UAE	Ajban Mk-2	Armoured Personnel Carrier	5	2025	New

Source: Compiled by Authors. Data from SIPRI Arms Transfer Database

Incidentally, on 12 July 2018, China donated a sea ambulance to the MNDF. The 26-meter-long vessel is equipped with a mini-medical theatre, including facilities for scans, electrocardiography tests, intravenous therapy and oxygen delivery.⁴⁰

The Maldivian Defence Ministry stated that it signed an agreement with Beijing on 04 March 2024, “on China’s provision of military assistance” and that the deal would foster “stronger bilateral ties.” Details of the assistance were not released, but the ministry said the deal was ‘gratis’ — or given for free. The move is part of a push by President Muizzu since taking office in November 2023 to develop closer relations with China, following his ‘India Out’ election campaign.⁴¹

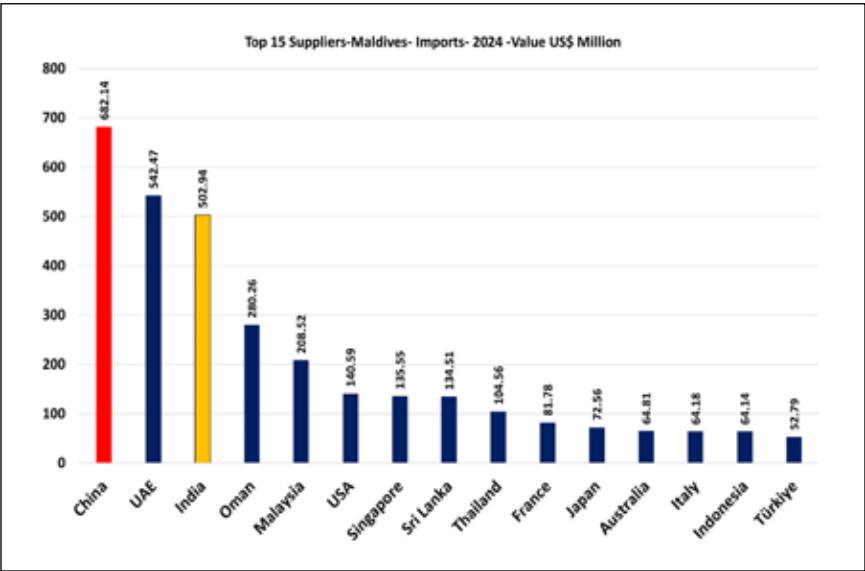
Conclusion. Till end 2023, China had no role to play in supply of armament to Maldives. However, the donation of a sea ambulance

(technically cannot be classified as an armament transfer) to the MNDF appears to be the beginning of China’s attempts to infiltrate this space. Further, the signing of an agreement between Maldives and China for provision of gratis military assistance appears to be a move on the part of Maldives to inch closer to China, and consequently, away from India.

Trade (Imports)⁴²

Imports (by Value). Maldives imported commodities worth US\$ 387.89 million in 2001 and this grew to US\$ 3642.64 million in 2024, a near ten-fold jump in about 25 years. The top 15 suppliers of merchandise to Maldives in 2024 are as shown below: -

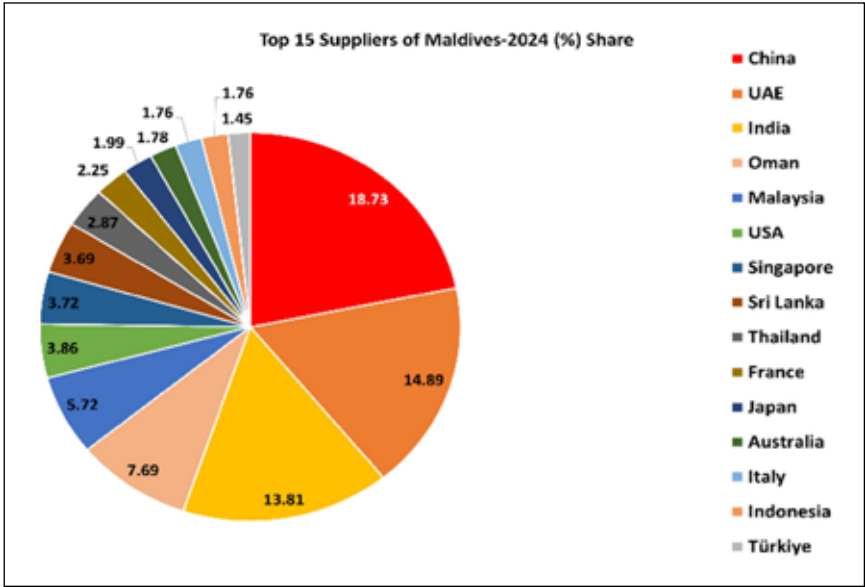
Figure 2 - Top 15 suppliers of Maldives-2024



Source: Prepared by Authors. Data from International Trade Centre (INTRACEN)

Imports (% Share). The top 15 suppliers of commodities to Maldives in 2024 in terms of percentage share, is shown below:

Figure 3 -Top 15 suppliers of Maldives in terms of % Share -2024



Source: Prepared by Authors. Data from International Trade Centre (INTRACEN)

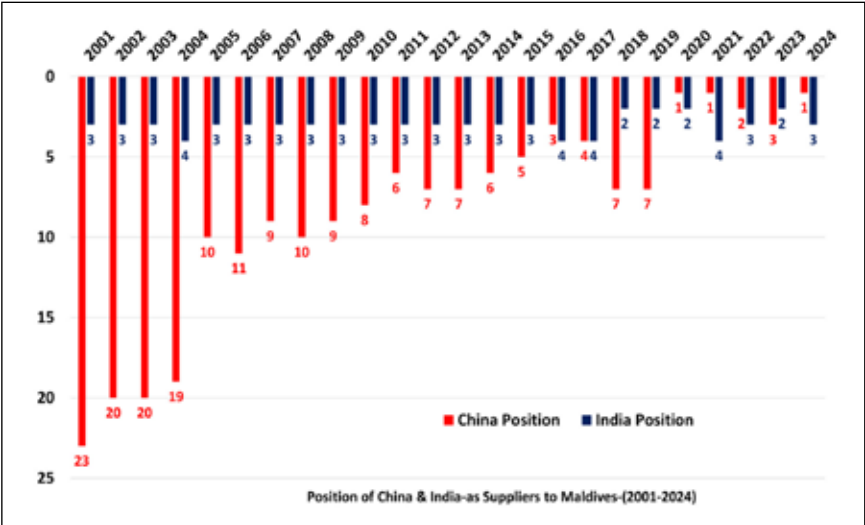
China’s Position as Supplier to Maldives vis-à-vis India (2001-2024).

The position of China in the hierarchy of suppliers to Maldives from 2001 to 2024, along with that of India, is shown in the graph below:

Percentage (%) Share of China in Maldives’ Imports vis-à-vis India (2001-2024)

The % share of China and India in Maldives’ imports for the period 2001-2024 is as shown below:

Figure 4 - China's and India's Position as Suppliers to Maldives –2001-2024



Source: Prepared by Authors. Data from International Trade Centre (INTRACEN)

Figure 5 - % Share of China and India in Maldives' imports –2001-2024

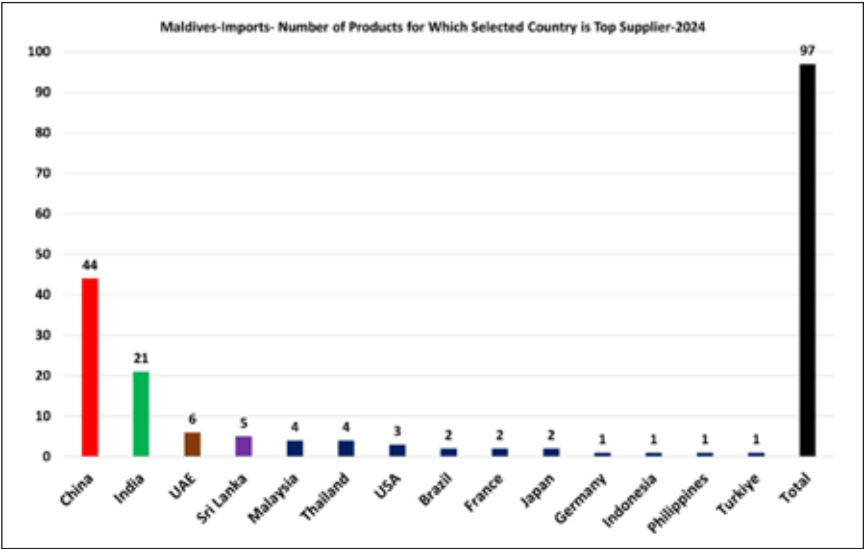


Source: Prepared by Authors. Data from International Trade Centre (INTRACEN)

The following salient issues emerge from the analysis of the merchandise import data of Maldives:

- (a) Maldives imports nearly grew ten times, from US\$ 387.89 million to US\$ 3642.64 million over a duration of about 25 years.
- (b) China was the top supplier of goods to Maldives in 2024 with a 18.73% share of the overall imports of Maldives.
- (c) The percentage (%) share of China in Maldives' imports grew from 0.4% in 2001 to 18.73% in 2024.
- (d) In 2001, China was at 23rd position as a supplier to Maldives and became the top supplier in 2020 and has maintained this position since then.
- (e) While China may be the top supplier to Maldives, the position of Maldives is 143 on the list of China's export destinations, with an overall share of 0.017%.
- (f) Maldives imported 97 types of products (based on HS4 classification). Of these China is the top supplier for 44 products and India for 21 products. There are other countries which are the top suppliers of certain products to Maldives. The countries and the number of products for which they are the top suppliers is as shown below:
- (g) Incidentally, Turkiye is the top supplier of HS 4 product code 93, namely, arms and ammunition; parts and accessories thereof.

Figure 6 - Top Suppliers vs Number of Products-Maldives' Imports-2024



Source: Prepared by Authors. Data from International Trade Centre (INTRACEN)

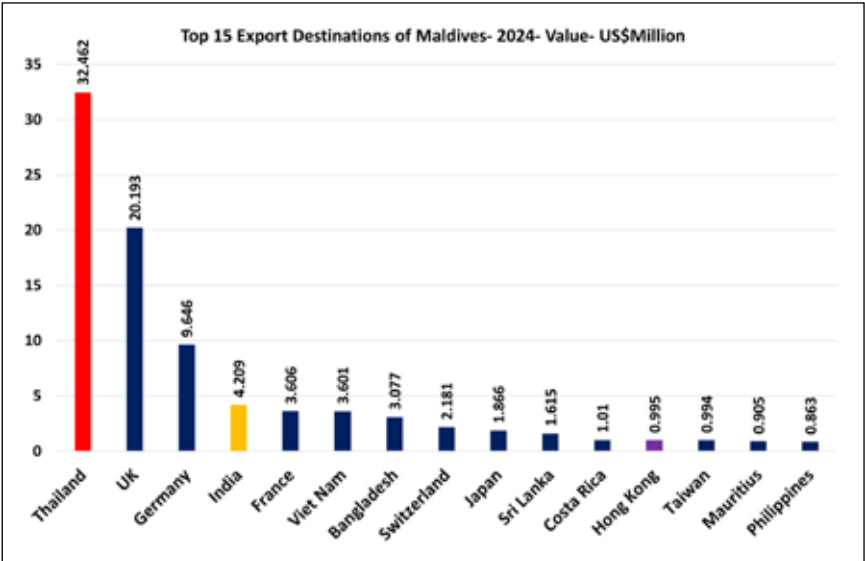
Trade (Exports)⁴³

Exports (by Value). Maldives exported commodities worth US\$ 76.69 million in 2001. This value kept fluctuating and finally in 2024, the total value of exported goods was 93.16 million. The top 15 export destinations of Maldives in 2024 are as shown below:

Exports (% Share). The top 15 export destinations of Maldives in 2024, in terms of % share, are shown below: -

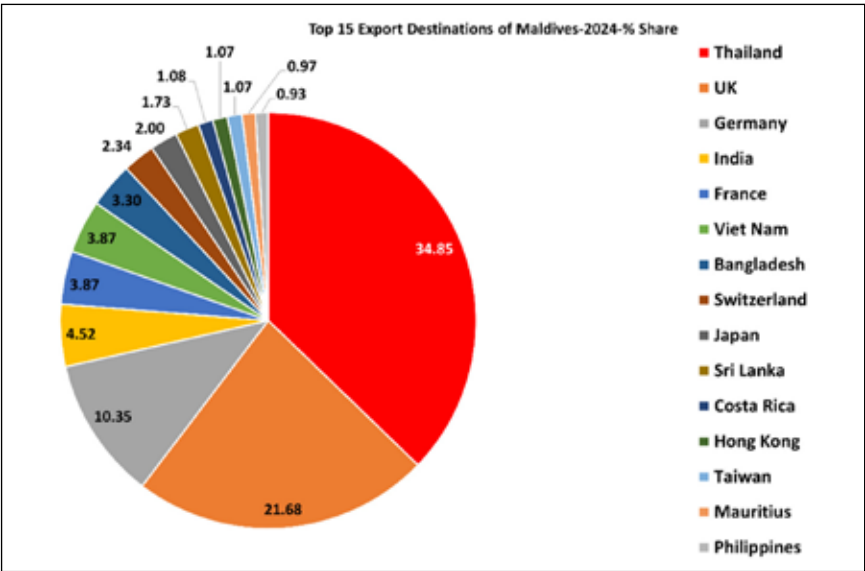
China's Position vis-à-vis India as Export Destination of Maldives (2001-2024). The position of China in the hierarchy of export destinations of Maldives, along with that of India, from 2001 to 2024 is shown in the graph below:

Figure 7 - Top 15 Export Destinations of Maldives -2024



Source: Prepared by Authors. Data from International Trade Centre (INTRACEN)

Figure 8 - Top 15 Export Destinations of Maldives (% Share) -2024



Source: Prepared by Authors. Data from International Trade Centre (INTRACEN)

Figure 9- China's Position as Export Destination of Maldives- 2001-2024



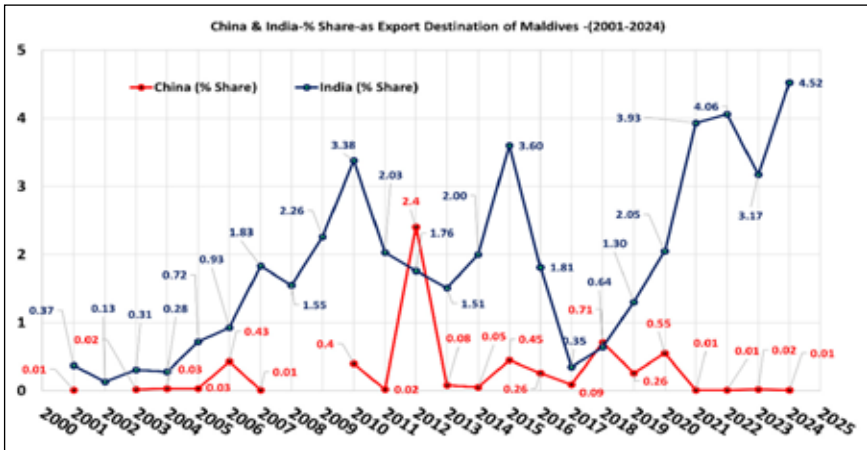
Source: Prepared by Authors. Data from International Trade Centre (INTRACEN)

Percentage (%) Share of China vis-à-vis India in Maldives' Exports (2001-2024). The % share of China and India in Maldives' exports for the period 2001-2024 is as shown below:

The following inferences are made on the analysis of Maldives' commodity export data:

- (a) Exports of Maldives were worth US\$ 76.69 million in 2001; this rose to an all-time high of US\$ 199.33 million in 2017 and eventually was valued at US\$ 93.16 million in 2024.
- (b) China was at the 36th position as an export destination of Maldives in 2024, having received goods worth US\$ 0.01 million from Maldives in 2024.
- (c) In 2001, China was at 21st position as an export destination of Maldives and fell to 36th position by 2024.

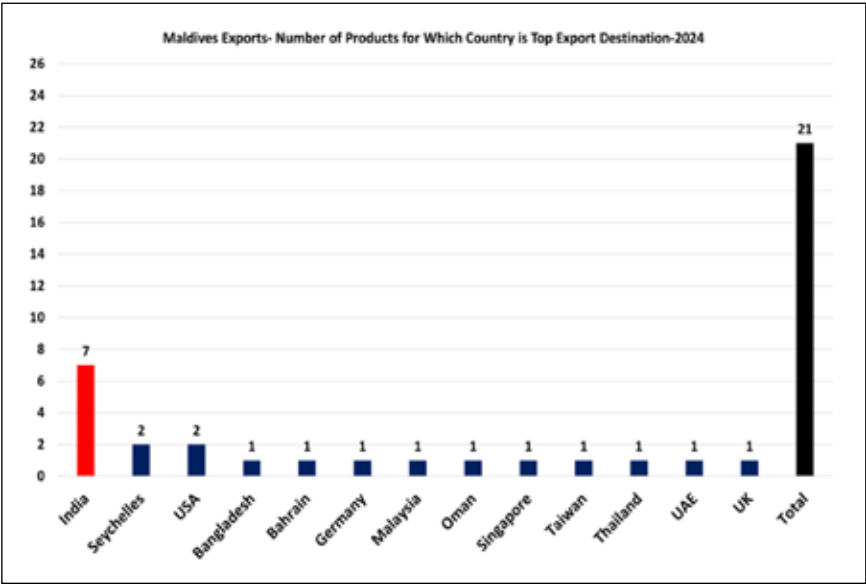
Figure 10 - Percentage Share of China's as Export Destination of Maldives- 2001-2024)



Source: Prepared by Authors. Data from International Trade Centre (INTRACEN)

- (d) The percentage (%) share of China as an export destination of Maldives was 0.01% in 2001. This rose to an all-time high of 2.4% in 2012 and eventually fell to 0.01% in 2024.
- (e) While China was at the 36th position as an export destination of Maldives in 2024, Maldives' position as a supplier to China was 198 with practically negligible value.
- (f) India was the fourth largest export destination for Maldives with a 4.52% share.
- (g) Maldives exported 21 types of products (based on HS4 classification). Whereas India is the top export destination for 7 out of these 21 products, China does not figure as the top export destination for any type of product. The countries, and the number of products for which they are the top export destinations for Maldives, are marked in the graph below:

Figure 11 - Top Export Destinations vs Number of Products-Maldives' Exports -2024



Source: Prepared by Authors. Data from International Trade Centre (INTRACEN)

Free Trade Agreement (FTA)

The China-Maldives FTA is the Maldives’ first bilateral free trade agreement. This agreement fulfils President Dr. Mohamed Muizzu’s vision for diversification of the Maldivian economy and seeking new market opportunities for Maldivian products and businesses.⁴⁴

On 30 December 2024, China’s Minister of Commerce Wang Wentao held a video meeting with Mohamed Saeed, Minister of Economic Development & Trade of the Maldives. The two sides jointly announced that the China-Maldives FTA will enter into force on January 1, 2025. Most of the industrial products such as ships, electrical equipment, furniture and agricultural products such as vegetables and fruits exported by China to the Maldives will benefit from the entry

into force of the agreement. Most of the aquatic products originating in the Maldives exported to China will also enjoy zero tariff treatment.⁴⁵

Incidentally, on 17 March 2026, Maldives and India signed the ‘Terms of Reference (TORs)’ so as to establish a Free Trade Agreement (FTA). Indian Prime Minister Narendra Modi signed the agreement to hold official discussions in moving forward with an FTA between Maldives and India during his diplomatic visit to Maldives in July 2025.⁴⁶ FTA with China seems to be a sign of clear tilt towards China.

Energy Products-Imports⁴⁷

Maldives imports all its energy needs from abroad. Maldives imports petrol, diesel and aviation fuel. The details of the petroleum products imported by value (US\$ million) and quantity (million tons), for the year 2024, is as tabulated below:

Table 9 - Maldives-Energy Products-Imports-2024

Ser	Product	By Value (US\$ million)	By Quantity (Million Tons)	% Share of Top Suppliers by Quantity (Million Tons)
(a)	Petrol	741.08	0.84	UAE (50.4%), Oman (38.7%), Malaysia (10.3%)
(b)	Diesel	575.10	0.76	UAE (48.4%), Oman (32.2%), Malaysia (9.3%), Singapore (9.2%), Sri Lanka (0.68%)
(c)	Aviation Fuel	51.13	0.06	Oman (86.9%), UAE (16.2%)
	Total	1367.31	1.66	

Source: Compiled by Authors. Data from International Trade Centre (INTRACEN)

It can be seen from the above that neither China nor India has any significant role in the imports of energy products by Maldives. The

total requirement of Maldives for all its petroleum imports would be approximately **six VLCCs per year**. Hence, there is great scope for India — having large refining capacity — to step in to meet Maldives' requirement either fully or partially.

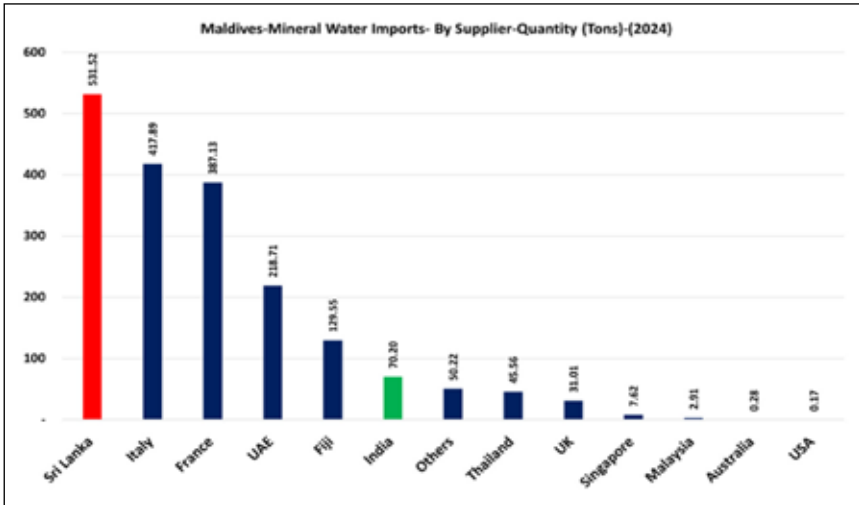
Fresh Water

Fresh water is a critical commodity for Maldives. The availability of the fresh water stocks is governed by seasonal rainfall. The main natural fresh water resources available are in the form of rain-fed shallow groundwater lenses, small fresh water or brackish water ponds in few islands, and rainwater. Due to the poor state of groundwater, rainwater, desalinated water and bottled water are the most important alternative sources of potable water used in the administrative islands. The lack of land for water storage is a major hindrance to achieve water security. Storage capacity in Male' is only sufficient for 24 hours and the unavailability of land does not allow for storage expansion. The situation in other islands is slightly different, as the water supply systems established in the islands provide for up to seven days of storage capacity.⁴⁸

Imports of Mineral Water. In year 2024, Maldives imported 1892.79 tons of mineral water. The top suppliers of mineral water (in tons) are as shown in the graph below:⁴⁹

Sri Lanka was the top supplier of mineral water to Maldives in 2024 and supplied 531.52 tons, with an overall share of 28.08%. India was the sixth largest supplier, and supplied 70.02 tons with a share of 3.71%. China was not a source of mineral water imports by Maldives in 2024. Thus, there appears to be ample scope for India to easily step in and meet this critical requirement of Maldives.

Figure 12 - Maldives- Imports of Mineral Water-2024



Source: Prepared by Authors. Data from Maldives Ministry of Finance and Planning, Bureau of Statistics

Belt and Road Initiative (BRI)

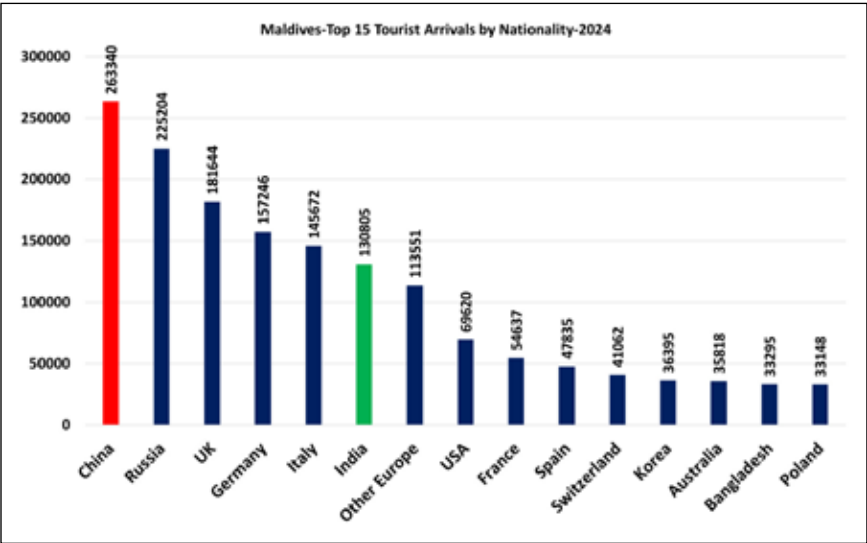
The Belt and Road Initiative (BRI) is China's main international cooperation and economic expansion strategy, and its construction is now anchored in the Chinese constitution.⁵⁰ The BRI is also known as the 'One Belt One Road' (OBOR), the 'Silk Road Economic Belt and the 21st-century Maritime Silk Road' or just the 'New Silk Road'. It was announced by Chinese President Xi Jinping in Kazakhstan in October 2013. Maldives signed the Memorandum of Understanding (MoU) with China on joining the Maritime Silk Route on 16 December 2014.⁵¹ Further, on 07 December 2017, Maldives also signed an agreement with China to cooperate with the OBOR initiative. The Memorandum of Understanding was signed by the Maldives' economic minister Mohamed Saeed and China's foreign minister Wang Yi in Beijing. The ceremony was attended by president Abdulla Yameen, who was on his first state visit to China, and Chinese president Xi Jinping.⁵²

Maldives was represented by its Economic Development Minister Mohamed Saeed at the first Belt and Road Forum (BRF) for international cooperation, held at Beijing from 14 to 15 May 2017.⁵³ Maldives also participated in the Second Belt and Road Form held at Beijing from 25 to 27 April 2019.⁵⁴ However, the President of Maldives was not present in both — the first and the second Belt and Road — Forums. Further, the Official statistics of Maldives do not indicate any of the ongoing Chinese projects being part of BRI.

Torism

Tourism comprised 19.2% of Maldives’ GDP (nominal) in 2024.⁵⁵ Maldives received 2,056,615 tourists (2.05 million) from 55 nations in 2024.⁵⁶ The top 15 sources of tourists by nationality to Maldives in 2024 are as shown in the graph below (Figure 13):

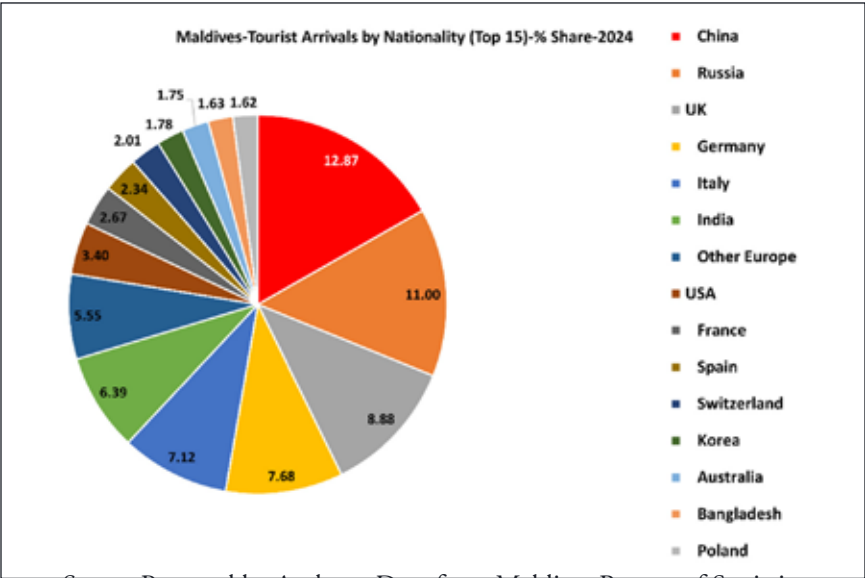
Figure 13 - Maldives- Top 15 Sources of Tourists-2024



Source: Prepared by Authors. Data from Maldives Bureau of Statistics

The top 15 sources of tourists by nationality to Maldives in 2024, in terms of percentage (%) share, are as shown in the graph below (Figure 14):⁵⁷

Figure 14 - Maldives- Top 15 Sources of Tourists- % Share-2024)



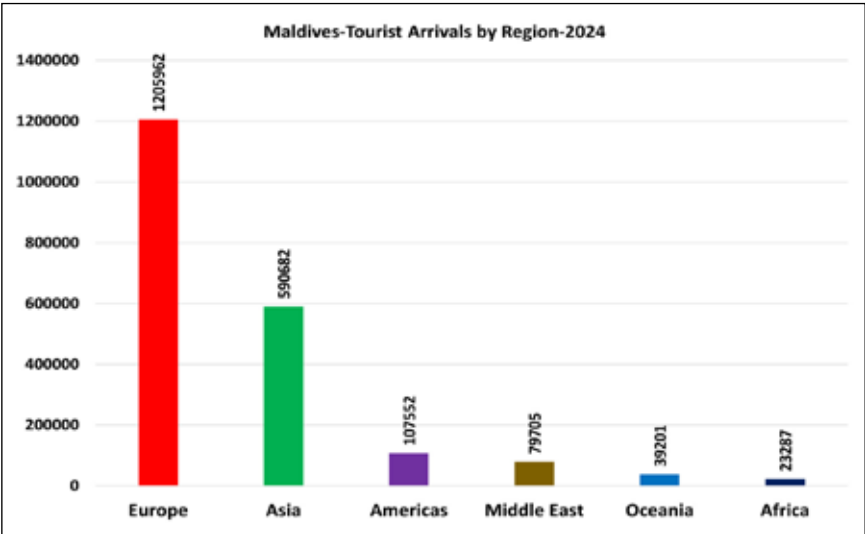
Source: Prepared by Authors. Data from Maldives Bureau of Statistics

China was the largest source of tourists for Maldives with a figure of 263340 (12.87%) and India was the sixth largest source with 130805 (6.39%). However, the highest number of 1205962 tourists were from Europe as a whole, comprising 58.64% of the tourists to Maldives in 2024.⁵⁸ The breakdown of the tourists by region is as shown below:

The breakdown of the tourists by region, in terms of percentage (%) share for 2024, is shown below (Table 15):⁵⁹

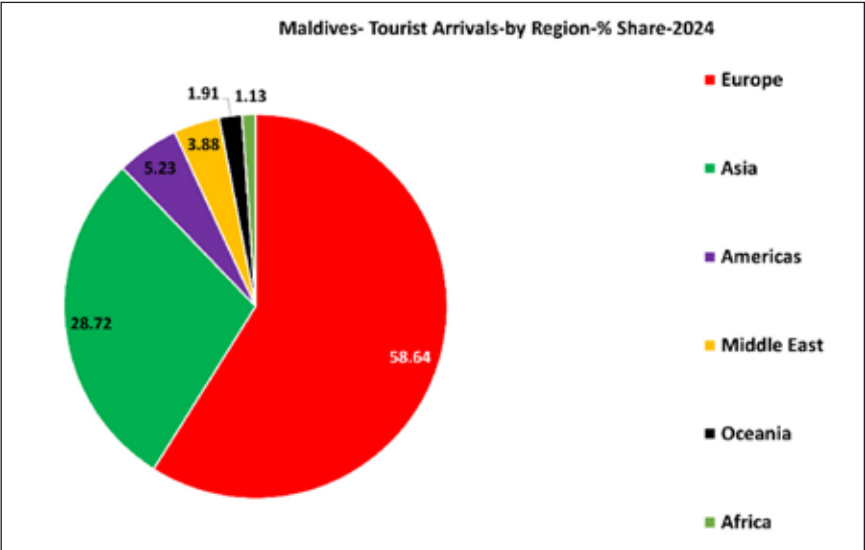
A comparison between the number of tourists from China and India that visited Maldives, from 2019 to 2024 is shown below (Figure 16):⁶⁰

Figure 15 - Maldives- Sources of Tourists-by region -2024



Source: Prepared by Authors. Data from Maldives Bureau of Statistics

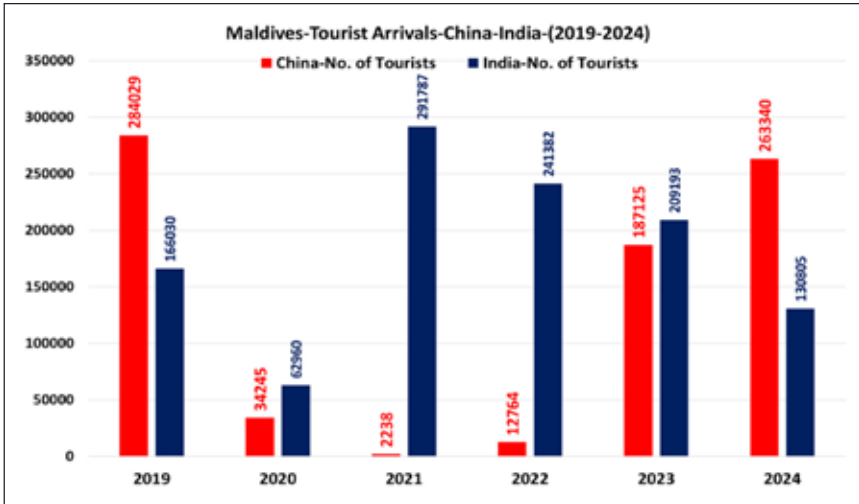
Figure 16 - Maldives- Sources of Tourists-by region- % Share-2024



Source: Prepared by Authors. Data from Maldives Bureau of Statistics

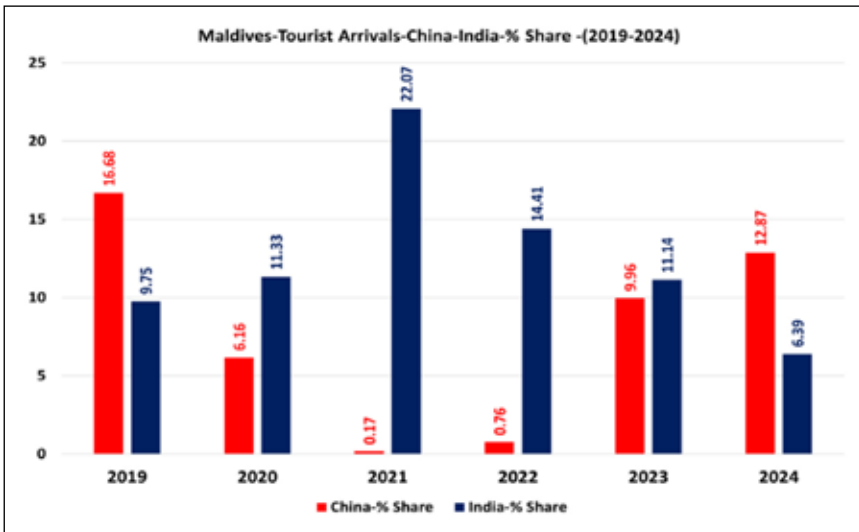
A comparison of the percentage (%) share of tourists visiting Maldives from China and India, out of the total number of tourists from 2019 to 2024, is shown below (Figure 17):⁶¹

Figure 17 - Maldives- Tourists-From China and India – 2019-2024



Source: Prepared by Authors. Data from Maldives Bureau of Statistics

Figure 18 - Maldives- Tourists-From China and India 2019-2024



Source: Prepared by Authors. Data from Maldives Bureau of Statistics

An analysis of the above figures and data offers following relevant insights:

- (a) Tourism is an important source of revenue for Maldives and comprised 19.2% of the GDP (nominal) in 2024.
- (b) China was the largest source of tourists for Maldives in 2024, with a figure of 263340 (12.87%) and India was the sixth largest source with 130805 (6.39%).
- (c) While there is a tendency to see tourism to Maldives as an arena for rivalry between China and India, it is to be borne in mind that the largest source of tourists to Maldives in 2024 were from Europe with a total of 1205962 tourists comprising 58.64% of the tourists.
- (d) Individually, the number of tourists from China and India do matter to Maldives, however, the tourists from Europe as a whole have a far more significant impact.
- (e) India was the top source of tourists in 2020 to 2023, whereas China was the top source in 2019 and again regained that position in 2024. The drastic dip in tourists from China in 2021 and 2022 can be attributed to the impact of the aftermath of COVID-19.
- (f) A row between Maldives and India was kicked up following the release of a video by the Indian Prime Minister Narendra Modi to Lakshadweep in January 2024. This resulted in abusive posts on social media directed at the Indian Prime Minister by three Maldivian lawmakers. The video was seen as a threat

to tourism in Maldives and likely resulted in the subsequent diplomatic incident. Maldives suspended the three lawmakers involved in this avoidable episode. Indian tour operators and celebrities also issued statements asking for boycott of Maldives by Indian tourists.⁶² As a result, India's position as a source of tourists fell from the top spot to sixth in 2024.

- (g) Whether the drop in India's position as a source of tourists to Maldives in 2024 is directly attributable to the above-mentioned row between the two countries, is not certain. The 2025 figures, when they come in, will offer some clarity on this aspect.

External Loans and Associated Projects⁶³

From 2005 to 2024, Maldives received external loans amounting to a total of US\$ 3610.08 million. The year wise receipt of external loans is shown below (Figure 19):

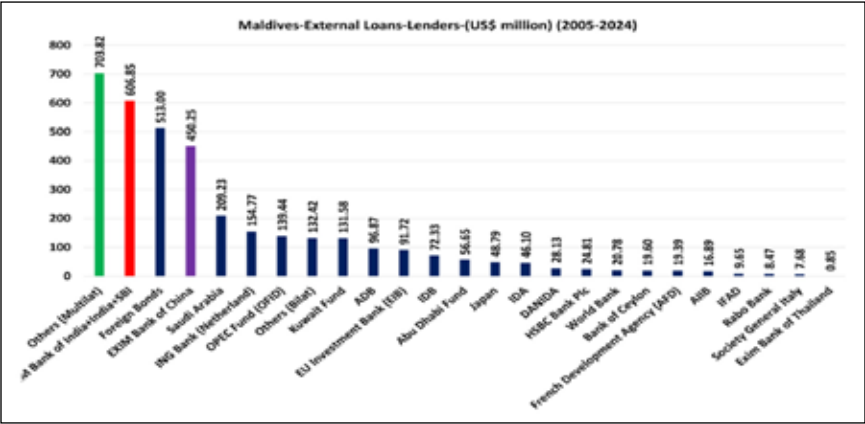
Figure 19 -Year wise Receipt of External Loans by Maldives (2005-2024)



Source: Prepared by Authors. Data from Maldives Bureau of Statistics

The 26 foreign entities which provided this loan of US\$ 3610.08 million from 2005 to 2024, are plotted in hierarchal order in the graph below (Figure 20):

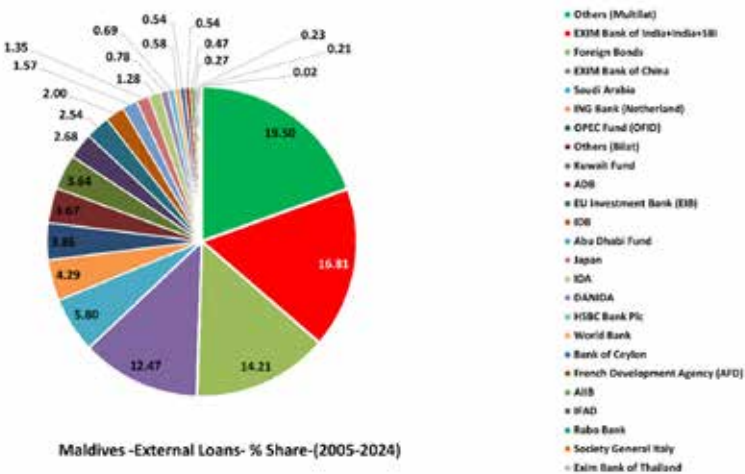
Figure 20 - External Loans-Maldives from 26 Lenders (2005-2024)



Source: Prepared by Authors. Data from Maldives Bureau of Statistics

Their share of loans to Maldives in terms of percentage (%) is shown below (Figure 21):

Figure 21 - External Loans-Maldives- (%) Share of Lenders (2005-2024)



Source: Prepared by Authors. Data from Maldives Bureau of Statistics

It can be discerned from the above graphs that the highest amount of loan, amounting to US\$ 703.82 million (19.5%) has been attributed to an entity called 'others' in the official statistics of Maldives. The second highest loan amount of US\$ 606.85 million (16.81%) was collectively disbursed by India, with entities comprising EXIM Bank of India, Government of India and State Bank of India. EXIM Bank of China, with an amount of US\$ 450.25 million (12.47%) was the fourth highest lender during this period.

Projects Undertaken with External Loans. A total of 164 projects amounting to US\$ 2833.83 million were executed by Maldives during 2005-2024. A summary of the same is tabulated below:

Table 10- Summary of Projects Executed with External Loans-Maldives (2005-2024)

Ser	Lender	Abbreviation	No. of Projects	Total Amount Spent (US\$ million) (2005-2024)
(a)	EXIM Bank/China	EXIM Bank/China	5	668.22
(b)	EXIM Bank of India+ Govt. of India	EXIM Bank of India+ India	14	584.91
(c)	Others	Others	14	236.45
(d)	Saudi Fund	Saudi Fund	7	231.69
(e)	Not Known	Not Known	33	194.60
(f)	ING Bank/Netherland	ING Bank	5	175.81
(g)	OPEC Fund for International Development	OFID	11	131.66
(h)	Kuwait Fund	Kuwait Fund	5	130.28
(i)	Islamic Development Bank (IDB)	IDB	24	82.22
(j)	Commercial Loans	Commercial	1	64.31
(k)	Asian Development Bank	ADB	10	56.60
(l)	Govt. of Abu Dhabi	Govt. of Abu Dhabi	2	49.84

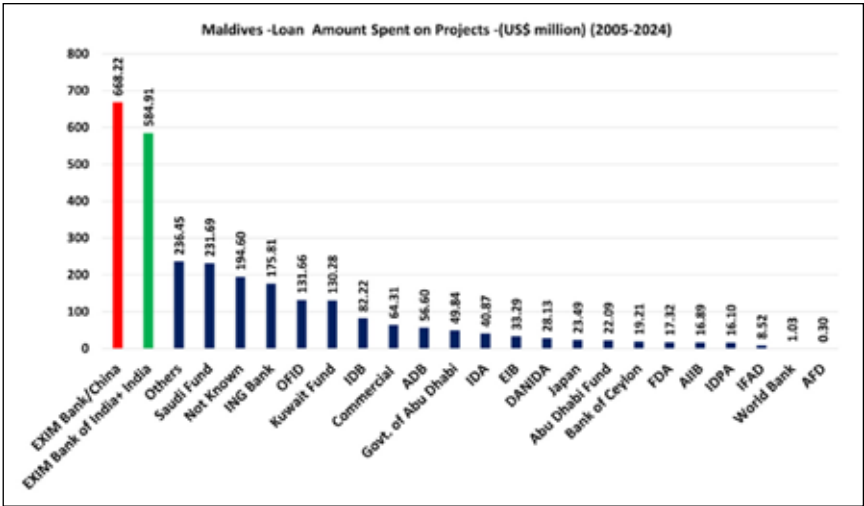
Ser	Lender	Abbreviation	No. of Projects	Total Amount Spent (US\$ million) (2005-2024)
(m)	International Development Association (IDA)	IDA	12	40.87
(n)	European Investment Bank	EIB	1	33.29
(o)	Danish Commercial Loan	DANIDA	3	28.13
(p)	Japan	Japan	1	23.49
(q)	Abu Dhabi Fund	Abu Dhabi Fund	3	22.09
(r)	Bank of Ceylon	Bank of Ceylon	3	19.21
(s)	French Development Agency	FDA	1	17.32
(t)	Asian Infrastructure Investment Bank (AIIB)	AIIB	2	16.89
(u)	Infrastructure Development Projects Account	IDPA	2	16.10
(v)	International Fund for Agriculture Development	IFAD	3	8.52
(w)	World Bank	World Bank	1	1.03
(x)	Agence Francaise Development	AFD	1	0.30
	Total		164	2833.83

Source: Compiled by Authors. Data from Maldives Bureau of Statistics

Expenditure on Projects Undertaken with External Loans vis-a-vis-Lender (2005-2024). Expenditure on projects (US\$2838.23 million) at Maldives, vis-a-vis the lenders, is shown below (Figure 22):

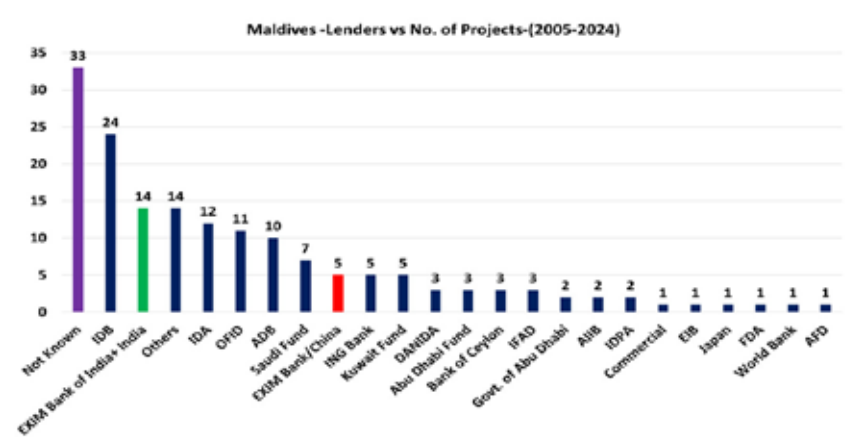
Number of Projects Undertaken with External Loans vis-a-vis-Lender (2005-2024). The number of projects undertaken at Maldives, vis-a-vis the lender, are as shown below (Figure 23): -

Figure 22 – Expenses-Maldives’ Projects with External Loans, Lender-wise (2005-2024)



Source: Prepared by Authors. Data from Maldives Bureau of Statistics

Figure 23 - Number of Projects Undertaken with External Loans-vis-a-vis-Lenders (2005-2024)



Source: Prepared by Authors. Data from Maldives Bureau of Statistics

Project with Chinese Loans. Four projects have been undertaken between 2005-2024, with loans from China EXIM Bank amounting to US\$ 668.22 million. The same are tabulated below:

Table 11 - Projects Undertaken with Chinese Loans (2005-2024)

Ser	Project	Amount (US\$ Million)
(a)	Ibrahim Nasir/Velana International Airport	381.33
(b)	1500 Housing units in Maldives Phase 2	146.72
(c)	1000 housing units in Hulhumale	71.51
(d)	Male Hulhule Bridge Project	68.65
	Total	668.22

Source: Compiled by Authors. Data from Maldives Bureau of Statistics

Incidentally, Velana International Airport project, with an overall cost of US\$ 782.2 million, is the most expensive of all Maldives' projects undertaken with external loans. China is one of the contributors in this project with a 48.75% share. There are six other entities who have provided loans for this project. The details are tabulated below:

Table 12 - Velana International Project -Lenders List and Contributions (2005-2024)

Ser	Lender	Abbreviation	Amount (US\$ million)	% Share
(a)	EXIM Bank China	EXBC	381.33	48.75
(b)	Saudi Fund	SF	140.96	18.02
(c)	Kuwait Fund	KF	105.18	13.45
(d)	Commercial Loans	CL	64.31	8.22
(e)	Govt. of Abu Dhabi	GABD	47.41	6.06
(f)	OPEC Fund for International Development	OFID	34.45	4.40
(g)	Abu Dhabi Fund	ABDF	8.56	1.09
	Total		782.2	

Source: Compiled by Authors. Data from Maldives Bureau of Statistics

Projects with Indian Loans. 14 projects, as tabulated below, have been undertaken between 2005-2024, with loans from Indian entities amounting to US\$ 584.91 million. The most expensive project with

Indian loans is the Greater Male Connectivity Project (Male-Thilafushi Bridge), with an expenditure of US\$ 200.26 million. Indian entities are the sole contributors to this project.

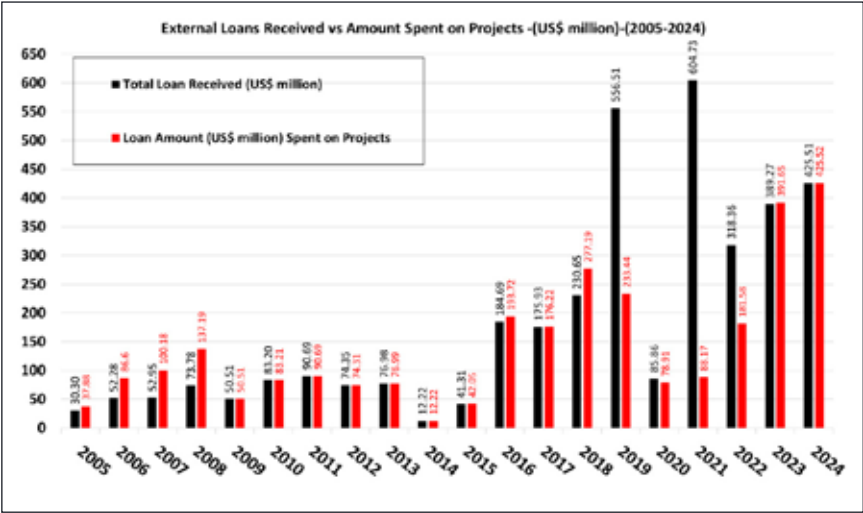
Table 13 - List of Projects with Indian Loans (2005-2024)

Ser	Project	Lender	Amount (US\$ Million)
(a)	Greater Male Connectivity Project (Male - Thilafushi Bridge)	EXIM Bank/India	200.26
(b)	Provision of Water Supply & Sewerage Project	EXIM Bank/India	102.52
(c)	Upgrading of Airport - Hdh. Hanimaadhoo	EXIM Bank/India	80.60
(d)	Addu City Reclamation and Shore Protection	EXIM Bank/India	71.25
(e)	Addu City Road Development	EXIM Bank/India	56.06
(f)	Standby Credit Facilities	EXIM Bank/India	31.00
(g)	Construction of 485 Housing units in Maldives (Phase 3)	EXIM Bank/India	14.31
(h)	Hulhumale Project	Govt. of India	9.15
(j)	Upgrading of Airport - S.Gan	EXIM Bank/India	7.23
(k)	Expansion of Mifco Facility- Lh.Felivaru, GA. Gemanafushi	EXIM Bank/India	4.37
(l)	Expansion Of MIFCO Facility - Kooddoo & Kaduohgiri	EXIM Bank/India	3.29
(m)	MNDF Nine Story Building	Govt. of India	2.06
(n)	Police Nine Story Building	Govt. of India	1.78
(p)	Developing Roads - GDh.Thinadhoo	EXIM Bank/India	1.04
	Total		584.91

Source: Compiled by Authors. Data from Maldives Bureau of Statistics

Loans Received Versus Expenditure on Projects. From 2005-2024, Maldives received a cumulative loan of US\$ 3610.08 million and spent US\$ 2838.23 million on projects. Yearly breakdown of the loan received and expenditure on projects is as shown below (Figure 24):

Figure 24 - External Loans Received vs Expenditure on Projects (2005-2024)



Source: Prepared by Authors. Data from Maldives Bureau of Statistics

An analysis of the above figures and data reveals the following salient points:

- (a) Cumulative loan received by Maldives from 2005-2024 was US\$ 3610.08 million and the total amount spent on the projects was US\$ 2838.23 million. There is no indication, in the official statistics of Maldives, as to how the balance amount of US\$ 771.85 million was spent.
- (b) For the same period, total loan by China was US\$ 450.25 million. However, the expenditure on Chinese projects was US\$ 782.2 million. There is no account of the source of the excess amount of US\$ 331.95 million that was spent on Chinese projects.
- (c) Incidentally, India provided a cumulative loan of US\$ 606.85 million. However, US\$ 584.91 million was spent on projects.

The balance amount of US\$ 21.94 million includes a loan by the State Bank of India for an amount of US\$ 12.16, that was not spent on any project. There is no indication in the official statistics as to how this amount was spent.

- (d) India has provided a cumulative loan of US\$ 606.85 million, whereas the Chinese loans amount to US\$ 450.25 million. Indian loan exceeds the Chinese one by US\$ 156.6 million. The yearly breakdown of the loans provided by China and India are as shown below (Figure 25):

Figure 25 - Loans to Maldives by China and India (2005-2024)



Source: Prepared by Authors. Data from Maldives Bureau of Statistics

Discrepancies on Loans Received from China⁶⁴

Analysis of dataset available at AID DATA indicates that the loan amount from China may be far in excess of what has been indicated in the official statistics of Maldives, assuming that the figures in AID DATA are correct.

Maldives’ official statistics reflect only loans received from EXIM Bank China. However, two other Chinese entities, viz; Industrial and Commercial Bank of China (ICBC) and China Development Bank (CDB) may also have provided loans to Maldives. Further, eight additional projects undertaken with loans from China EXIM Bank (as shown in Table 14 below) are also not reflected in the official statistics.

The 11 additional projects worth US\$ 1509.29 million — including 8 projects undertaken with loans from China EXIM Bank as mentioned in the above para — not reflected in the official statistics of Maldives are tabulated below:

Table 14 - List of Projects with Chinese Loans not reflected in official Statistics (2005-2024)

Ser	Year	Lender	Receiving Agency	Amount (US\$ million)	Project
(a)	2006	EXIM Bank/ China	Government of the Maldives	56.48	China Exim bank provides 41 million MVR loan for Garbage Disposal Efficiency Project
(b)	2011	EXIM Bank/ China	Government of the Maldives	85.88	China Exim bank provides RMB 481 million loan for 1,000 Unit Housing Development Project in Hulhumalé
(c)	2012	EXIM Bank/ China	Government of the Maldives	58.05	China Exim bank offers \$57 million loan for SMART Maldives Project
(d)	2014	EXIM Bank/ China	Government of the Maldives	158.62	China Exim bank provides RMB 982.5 million buyer's credit loan for Phase 2 of Development of 1500 Housing Units Project
(e)	2015	EXIM Bank/ China	Government of the Maldives	70.28	China Exim bank provides RMB 455.6 million Government Concessional Loan for the Sinamalé Bridge (China-Maldives Friendship Bridge) Construction Project

Ser	Year	Lender	Receiving Agency	Amount (US\$ million)	Project
(f)	2016	EXIM Bank/ China	State Electric Company Ltd. (STELCO)	77.28	China Eximbank and Bank of China provide 75.3 million USD buyer's credit loan for STELCO's 5th Power Development Project
(g)	2017	China Development Bank (CDB)	Housing Development Corporation Ltd. (HDC)	159.00	CDB provides \$159 million USD loan for Housing Development Project Phase III - Development of 1530 Housing Units in Hulhumalé
(h)	2017	EXIM Bank/ China	Government of the Maldives/ Maldives Airports Company Limited	316.34	China Eximbank provides 373.8 million USD loan for Velana International Airport Upgrade and Expansion Project
(j)	2017	Industrial and Commercial Bank of China (ICBC)	Housing Development Corporation Ltd. (HDC)	368.90	ICBC provides 368.9 million USD loan for HDC Hulhumalé Development Phase II - 7000 Housing Units Project
(k)	2017	Industrial and Commercial Bank of China (ICBC)	Government of the Maldives	30.95	ICBC of China loans 30,951,638 USD for the Design and Construction of the Link Road Connecting Hulhulé and Hulhumalé
(l)	2019	EXIM Bank/ China	Sun Siyam Pvt. Ltd.	127.50	China Eximbank provides 127.5 million USD export buyer's credit loan for Irufen Island Resort Project
		Total		1509.29	

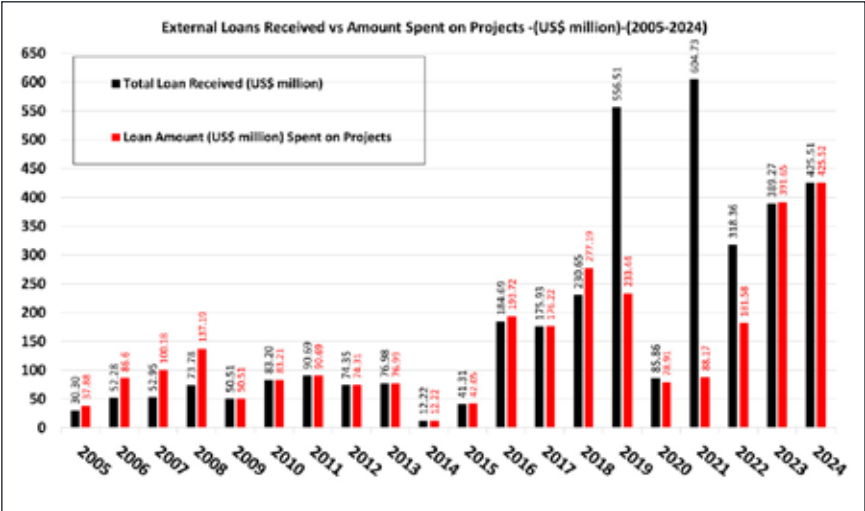
Source: Compiled by Authors. Data from AID DATA, “Chinese-Financed Ports Overseas and Related Terminals (CPORTS) Dataset”

Revised Estimate of Overall Loans Received by Maldives (2005-2024).

Official statistics indicate that Maldives that received a cumulative loan amount of US\$ 3610.08 million between 2005-2024. However, if the amount indicated in Table 14 above is included, then, the total loan

received by Maldives increase to US\$ 5119.36 million. The revised list of lenders is as shown below (Figure 26):

Figure 26 - Revised List of Lenders to Maldives (2005-2024)



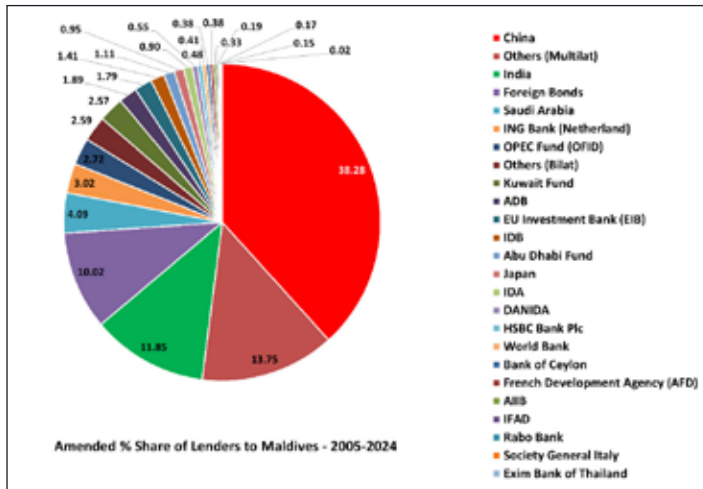
Source: Prepared by Authors. Data from AID DATA, “Chinese-Financed Ports Overseas and Related Terminals (CPORTS) Dataset”

The revised list of lenders in terms of percentage (%) share is shown below (Figure 27):

Conclusion. An aggregation of the data from the official statistics of Maldives and the figures taken from AID DATA presents an altogether different picture with regard to the Chinese loans. This fact is depicted in the Table below (Table 15):

External Debt⁶⁵

Maldives has an outstanding external debt of US\$ 4440.7 million as of end 2025. Further, the active external loans (AELs) amount to US\$ 4299.53 million. These AELs cover the period 1979-2025.

Figure 27 - Revised List of Lenders (% Share) to Maldives (2005-2024)

Source: Prepared by Authors. Data from AID DATA, “Chinese-Financed Ports Overseas and Related Terminals (CPORTS) Dataset”

Table 15 - Reconciliation of Discrepancies observed in loan Statistics of Maldives (2005-2024)

Ser	Parameter	Official Statistics	Post Inclusion of Figures from AID DATA	Remarks
(a)	Cumulative Loan amount received by Maldives (2005-2024)	US\$ 3610.08 million	US\$ 5119.36 million	US\$ 1509.28 million excess to official statistics may have been received
(b)	Cumulative Loan provided by China (2005-2024)	US\$ 450.25 million	US\$ 1959.54 million	US\$ 1509.28 million of Chinese loans not reflected in official statistics
(c)	Number of projects undertaken with Chinese loans (2005-2024)	04	15	11 additional projects not reflected in official statistics
(d)	Total amount spent on projects with Chinese loans (2005-2024)	US\$ 668.22 million	US\$ 2177.51 million	US\$ 1509.28 excess expenditure
(e)	Position of China as a lender (2005-2024)	4 th largest with (12.47%) share	Top lender with 38.8% share	China is the top lender to Maldives

Source: Compiled by Authors. Data from Maldives Bureau of Statistics and AID DATA

The difference between the outstanding external debt and AELs is US\$141.17 million. However, the available data in the open domain is not sufficient to enable the reconciliation of this discrepancy. This could be because of the varying time periods of the various datasets in the official statistics, and also lack of data on the repayment of loans or any other financial adjustments or agreements between the contracting parties, that are not known.

Active External Loans. The details of the AELs in respect of Maldives for the period 1979-2025 are tabulated below: -

Table 16 - Active External Loans of Maldives (1979-2025)

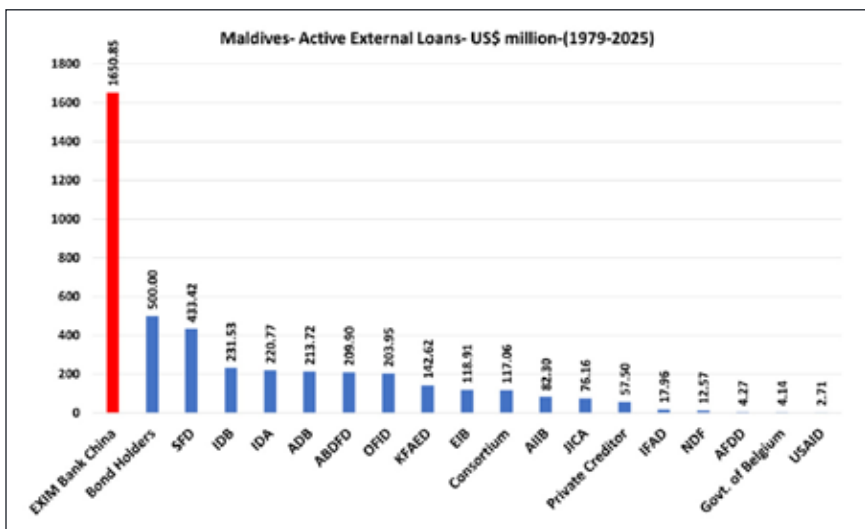
Ser	Lender	Abbreviation	AEL (US\$ million) (1979-2025)	% Share
(a)	The Export Import Bank of China	EXIM Bank China	1650.85	38.40
(b)	Bond Holders	Bond Holders	500.00	11.63
(c)	Saudi Fund for Development	SFD	433.42	10.08
(d)	Islamic Development Bank	IDB	231.53	5.39
(e)	International Development Association	IDA	220.77	5.13
(f)	Asian Development Bank	ADB	213.72	4.97
(g)	Abu Dhabi Fund for Development	ABDFD	209.90	4.88
(h)	The OPEC Fund for International Development	OFID	203.95	4.74
(j)	Kuwait Fund for Arab Economic Development	KFAED	142.62	3.32
(k)	European Investment Bank	EIB	118.91	2.77
(l)	AKA Ausfuhrkredit-Gesellschaft mbH, ABN AMRO Bank N.V. and ING Bank N.V.	Consortium	117.06	2.72
(m)	Asian Infrastructure Investment Bank	AIIB	82.30	1.91
(n)	Japan International Cooperation Agency	JICA	76.16	1.77

Ser	Lender	Abbreviation	AEL (US\$ million) (1979-2025)	% Share
(p)	Private Creditor	Private Creditor	57.50	1.34
(q)	International Fund for Agricultural Development	IFAD	17.96	0.42
(r)	Nordic Development Fund	NDF	12.57	0.29
(s)	Agence Française de Développement	AFDD	4.27	0.10
(t)	Government of Belgium	Govt. of Belgium	4.14	0.10
(u)	U.S. Agency for International Development	USAID	2.71	0.06
	Total		4299.53	

Source: Compiled by Authors. Data from Maldives Ministry of Finance and Planning

Active External Loans of Maldives (pending since 1979 till 2025) as per lender, is shown in the graph below (Figure 28):

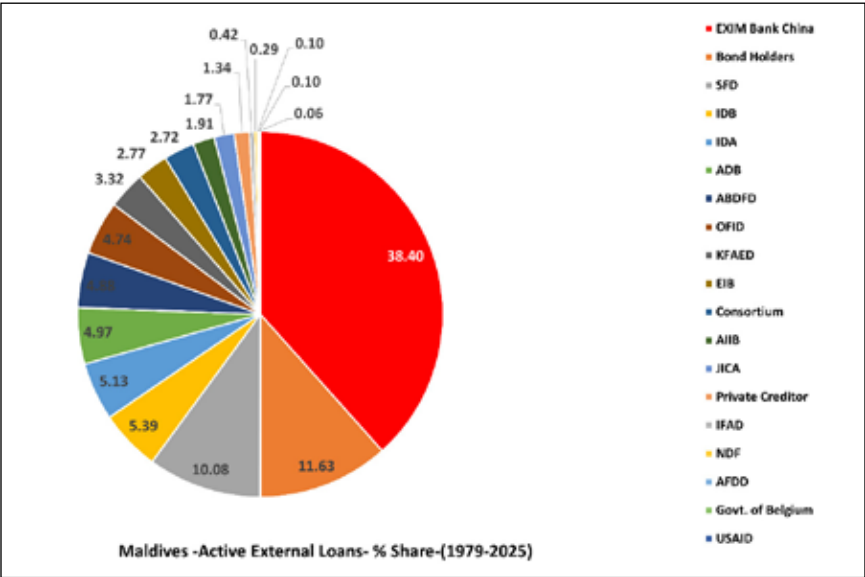
Figure 28 - Active External Loans of Maldives – By Lender (1979-2025)



Source: Prepared by Authors. Data from Maldives Ministry of Finance and Planning

Active External Loans of Maldives (pending since 1979 till 2025) in terms of percentage (%) share of each lender is shown in the graph below (Figure 29):

Figure 29 - Active External Loans of Maldives – % Share of Each Lender (1979-2025)



Source: Prepared by Authors. Data from Maldives Ministry of Finance and Planning

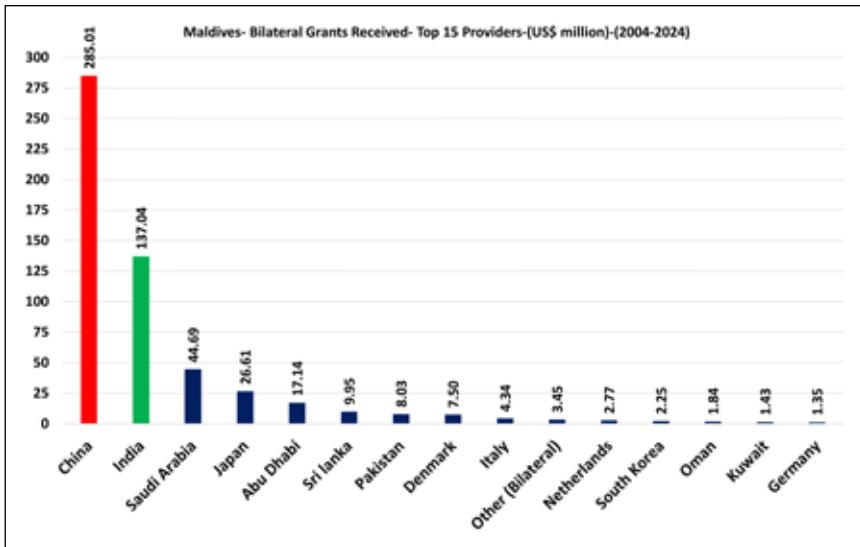
External Grants. It is seen from the above graphs that maximum external loan outstanding is to China (US\$ 1650.85 million) accounting for 38.4% of all the AELs. Interestingly, the available data does not indicate any outstanding loan to India

Official statistics of Maldives indicate that India was the top provider of grants to Maldives for the period 2004-2024 with a cumulative grant of US\$ 137.04 million, and China was the second largest, with an amount of US\$ 29.57 million. However, dataset available at AID DATA indicates that China has likely provided an additional grant

of US\$ 255.44 million. Hence, the total grant provided by China could be about US\$ 285.01 million. Further, there are 24 transactions wherein China has provided grants to Maldives; but the amount of the grant is not available in open domain. Hence it is highly likely, that the overall grant provided by China from 2004-2024 may be in excess of US\$ 285.01 million. This would make China, the largest provider of grants to Maldives.

Bilateral Grants. Accounting for a figure of US\$ 285.01 million grant by China, Maldives possibly received a total bilateral one-to-one grant of US\$ 556.97 million from 33 entities between 2004 to 2024. The details of the bilateral grants provided by top 15 entities is shown below (Figure 30): -

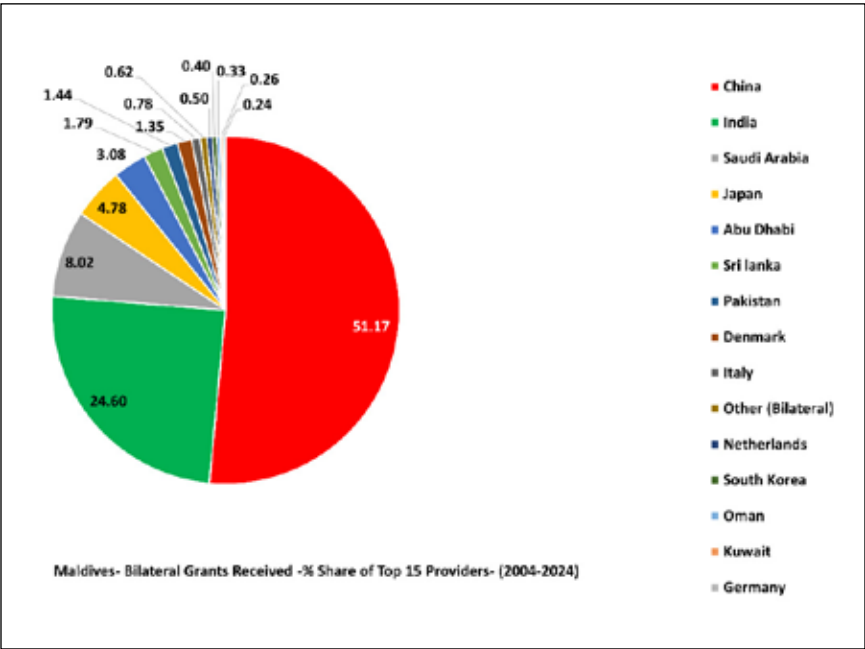
Figure 30 - Bilateral Grants Received by Maldives from top 15 entities (2004-2024)



Source: Prepared by Authors. Data from Maldives Bureau of Statistics, Ministry of Finance and Planning

Bilateral Grants (% Share). The details of the bilateral grants provided by top 15 entities in terms of % share is as shown below (Figure 31):

Figure 31-Bilateral Grants Received from top 15 entities by Maldives – (% Share) (2004-2024)

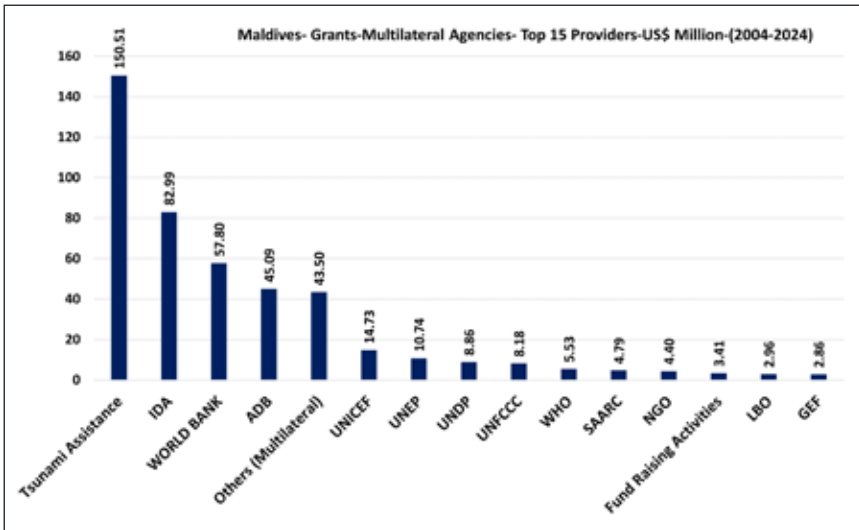


Source: Prepared by Authors. Data from Maldives Bureau of Statistics, Ministry of Finance and Planning

Thus, it is clear from the above graphs that China seems to be the largest provider of bilateral grants with a share of 51.17 %, while India is the second largest provider with a share of 24.6%.

Grants from Multilateral Agencies. Maldives received a total of US\$ 461.22 million as grants from 47 multilateral agencies, between 2004 to 2024. The details of top 15 donors are depicted in the graph below (Figure 32):

Figure 32 - Maldives-Grants from top 15 Multilateral Agencies (2004-2024)



Source: Prepared by Authors. Data from Maldives Bureau of Statistics, Ministry of Finance and Planning

Foreign Direct Investment (FDI)

The Maldives Ministry of Economic Development and Trade website has a Foreign Investment Registry. This registry has a list of 1064 entities. Against each entity, an FDI in US dollars is indicated. This amount is stated to be the amount that has been committed by the foreign investor. However, there is no certainty that the committed amounts have been realised.⁶⁶

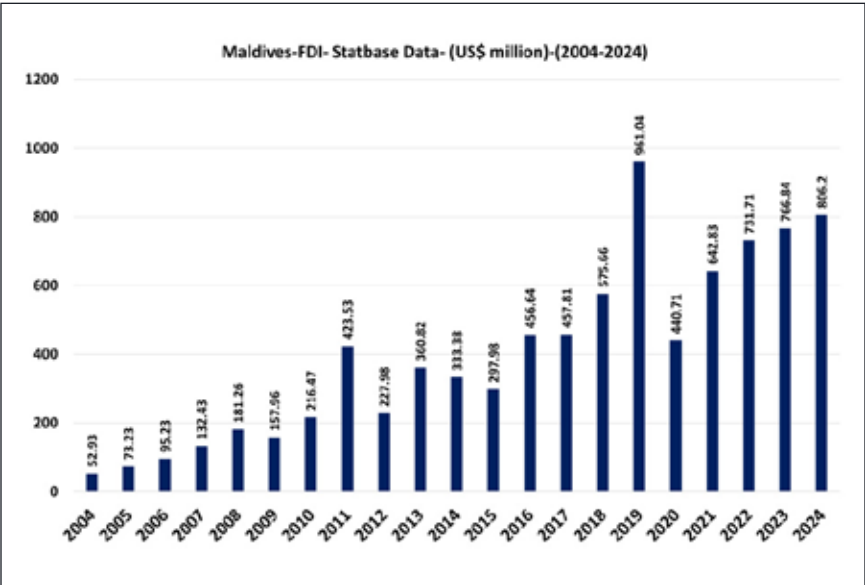
Incidentally, no amount has been posted against 522 entities, and the relevant column is blank. But some amount is indicated in the case of balance 542 entities.⁶⁷ Thus, for the period 2004 to 2025, there are 540 entities with a cumulative indicated FDI of US\$ 66.679 billion.⁶⁸

However, the GDP of Maldives in 2024 was only 6.5 billion.⁶⁹ Thus,

considering the GDP figure of Maldives vis-a-vis FDI figure of 66.679 billion, it appears that many of the indicated FDI figures could be only be commitments but not their actual realisation. Further, there is only one Chinese entity, namely, ‘*China National Heavy Machinery Corporation*’ that appears in this list with a commitment of US\$ 10 million for the year 2025, for developing and operating renewable energy projects for private sector. It can thus, be inferred that the FDI statistics of Maldives appear to be a grey area, where the Chinese involvement cannot be clearly discerned.

The available data on FDI sourced from ‘*Statbase*’ indicates that from 2004 to 2024, Maldives received an FDI of US\$ 8.3 billion. The Yearly inflow of FDI is shown below:⁷⁰

Figure 33 - Maldives-FDI in US\$ million (2004-2024)



Source: Prepared by Authors. Data from Statbase

Marine Cooperation

China has been trying to engage with Maldives in the marine research sector. An MoU on marine cooperation was signed between China and Maldives in September 2014.⁷¹ It incorporated, *inter alia*, the building of a Joint Observation Station on Makunudhoo Island in the north of the Maldives. Makunudhoo is the westernmost inhabited island in the Maldives.⁷² The upward trajectory of bilateral relations between China and Maldives however, faced its biggest hurdles in 2018, when Ibrahim Solih was elected as President. The Solih regime adopted a pro-India approach built on a 'multifaceted, mutually beneficial partnership.' Consequently, Maldives retracted from the Joint Ocean Observation Station to be built by China at Makunudhoo in North Western Maldives.⁷³ This retraction of Maldives from establishing a Joint Ocean Observation Station was a rare instance wherein, China faced some form of pushback in the IOR.

Notwithstanding the above setback, the situation turned around decisively in favour of China after Mohamed Muizzu became the President of Maldives in November 2023. His administration decided not to renew the hydrographic survey agreement that Maldives had signed with India in 2019 after it expired in June 2024. An indication that something like this may happen came in earlier in that year when the Chinese deep-sea research vessel *Xiangyanghong-3* called at Male port on 23 January 2024 at exactly the same time when the Maldivian President was on a state visit to China.

The ship thereafter carried out unknown types of survey and research activities in the Indian Ocean in close proximity of the Maldivian EEZ for a month, before returning again to Male and anchoring in

Figure 34 - Xiang Yang Hong -3 Chinese Deep-sea Research Vessel



Source: The Hindu

the harbour on 22 February 2024.⁷⁴ This Chinese research ship's deployment to Maldivian waters was undoubtedly used for joint Maldives-China strategic messaging, the symbolism of which was certainly not lost on India.

Historical Civilisational Ties

India's position on its historical and civilisational connect with Maldives has been stated quite clearly by the Indian Ministry of External Affairs in these terms: "*India and the Maldives share ethnic, linguistic, cultural, religious and commercial links steeped in antiquity.*"⁷⁵ However, it is hard to find any official articulation of the Maldivian government that reveals any reciprocal sentiment to this effect. However, the website of Embassy of Maldives in Beijing states thus:

"The foundation of the enduring relationship between China and the Maldives can be traced back to ancient times, fostering a sense

of kinship between the two peoples. Records from the Tang Dynasty (618-907AD) reveal the presence of Maldivian delegations in China as early as 658 AD carrying gifts from King Baladitiya to Emperor Kao-Tsung. The Maldives, then referred to as “Mo-lai” served as a stop-over for sailors traversing the Indian Ocean trade routes. Ancient Chinese travelers (sic) documented trade with Maldives involving dried fish, coconuts, and cowry shells, used as a currency until the 16th century. Historical records show that Maldivian King Yusof sent an ambassador to Nanjing, then the capital of China, in 1417 AD, fostering diplomatic exchanges. It is believed that the King sent an envoy to China two times during this period. Archaeological discoveries, such as 10th-century Chinese porcelain found in Malé, and literary accounts like Francois Pyrard’s writings from 1611, offer glimpses into material exchanges between the Maldives and China.”⁷⁶

Thus, it is interesting to note that that Maldives has extensively highlighted its historical ties with China, but seems to be silent on a similar equation with India. In reality, there is no linguistic, cultural or ethnic commonality between China and Maldives.

People to People Contacts

It is quite evident that there is very little cultural, linguistic, religious or social commonality between Maldives and China. Despite this obvious handicap, China has been proactively attempting to engage with a wider cross section of Maldivian society through a number of people-centric measures.

Direct Flights between Maldives and China. There are direct flights from Beijing, Shanghai, Guangzhou, and Chengdu to Male.⁷⁷

Maldivian Airlines has placed China at the heart of its long-haul strategy, using newly introduced wide-body aircraft to connect Malé directly with key Chinese cities. Publicly available information shows that the flag carrier brought its first Airbus A330-200 into service in early 2025, enabling nonstop flights from Velana International Airport to Chengdu, Beijing and Shanghai.⁷⁸

Student Scholarships. There are four types of scholarships available for Maldivian students, namely, Youth of Excellence Scheme of China, Chinese Government Scholarship, China Scholarship Council and UNESCO/China-The Great Wall co-sponsored Fellowship Programme.⁷⁹

Mandarin Language Training. A Chinese language teaching center has been opened at Villa College, and was officially inaugurated on 28 September 2022 by the Chinese Ambassador to Maldives Wang Lixin, and Maldives Foreign Secretary Ahmed Lateef. The “Chinese Language Center (CLC)” of Villa College will be operated in collaboration with Chang’an University and Hunan Mass Media Vocational and Technical College.⁸⁰

Journalism Training for Maldivian Journalists. On 12 January 2023, China’s Ambassador to Maldives Wang Lixin stated that China will facilitate trainings and capacity building Programmes for Maldivian journalists. She provided the assurance during a meeting with the Maldives Media Council (MMC) on exploring training and capacity building Programmes for Maldivian journalists through Chinese educational institutions. According to MMC, discussions during the meeting focussed on seeking assistance in sending Maldivian journalists to China for training and capacity building Programmes, and on the

possibility of inviting experts from Chinese educational institution to visit Maldives and conduct training Programmes. Discussions were also held on facilitating short-term and long-term journalism scholarships Programmes from China to Maldives.⁸¹

China Maldivian Cultural Association (CMCA). The China Maldivian Cultural Association (CMCA) was formed in December 2015. The mission of CMCA is to create a platform for youth to foster global awareness, to create opportunities for international collaboration, and to develop skill sets that bridge and cement relationships between the people of China and Maldives through arts and culture. Since its creation, CMCA has forged partnerships with United Artists of Maldives, National Centre for the Arts, Shaanxi Han Tang Cultural Creative Institute, The China Soong Ching Ling Foundation, China Peoples Association for Friendship with Foreign Countries, Beijing People's Association for Friendship with Foreign Countries and Beijing International Peace Cultural Foundation.⁸²

Sister City Agreements. On 16 May 2014, Malé City Mayor Mohamed Shihab signed a “sister city agreement” with China’s Shenzhen City to enhance cooperation and strengthen ties.⁸³ Incidentally, on 10 June 2013, Male had signed a sister city agreement with Kaohsiung (Taiwan). Within a day of signing of this agreement, Maldivian Ministry of Foreign Affairs declared this agreement invalid, under pressure from China.⁸⁴ Further, On 12 November 2024, Addu City Council and Sichuan Province signed a MOU to establish a Sister City relationship, fostering mutual collaboration, economic growth, cultural exchange between Addu City and Sichuan Province. This MOU paves the way for both Addu City and Sichuan Province to benefit from enhanced tourism, educational exchange programs, and economic partnerships.⁸⁵

Information and Communication Technology (ICT)

ICT activities in Maldives provides China with a major leverage and enables it to exploit the infrastructure for information collection and future information operations. In 2012, the Sri Lankan subsidiary of Huawei Technologies signed an MoU with the Maldives' National Centre of Information Technology to develop IT infrastructure in the Maldives under the SMART Maldives project. Further, Chinese entity, Zhejiang Dahua Technology Co., Ltd. (Dahua Technology) has installed 713 CCTV cameras and another Chinese entity, Hangzhou Hikvision Digital Technology Co., Ltd (Hikivision) has installed 148 CCYV cameras in Maldives.⁸⁶

The Maldives Sri Lanka Cable system (MSC) is an 840 km and four-fibre-pairs subsea cable system connecting the Maldives and Sri Lanka, landing at Hulhumalé and Mount Lavinia. The MSC consortium includes Ooredoo Maldives PLC (Ooredoo Maldives), Dhivehi Raajjeyge Gulhun Public Limited Company (Dhiraagu Maldives) and Dialog Axiata PLC (Dialog, Sri Lanka). The MSC is supplied by Huawei Marine Networks, equipped with high-output titanium housing repeaters to achieve span length of over 130 km. The MSC project costs approximately \$22million. The MSC cable system was ready for service in February 2021.⁸⁷ The two terminal points of MSC are marked on the map below (Figure 35):

Concluding Assessment

Geography of Maldives. The geography of Maldives is such that there will be a perpetual need for infrastructure. This gives an advantage to China. It would be difficult for India to completely replace China

Figure 35- Maldives Sri Lanka Cable System (MSC)



Source: Submarine Cable Networks

as a builder of infrastructure. India will have to be realistic on this aspect, and respond as per its capacity as and when it can. However, on the other hand, geographical proximity of Maldives with respect to India also offers an intrinsic advantage to India that cannot be ever overcome by either Maldives or China. Overall, this metric can be seen as balanced between China and India.

Political Leadership. At least four out of the five political parties comprising Majlis and accounting for 79 out of the 93 seats, may have either a pro-China tilt or at least do not oppose the tilt towards China. The current President has a pro-China bias, but has been forced to balance between India and China due to the prevailing circumstances. Currently, China has the advantage under this metric.

Senior Military Leadership. The current The Maldivian Minister has no previous experience of this ministry and there are no indications of his orientation towards either China or India. Hence it is more

likely that he would follow the pro-China orientation of the regime in power. Hence China may have an advantage here. As far as the CDF is concerned, he has been trained in India, and there are no indications of him having undergone any training and courses in either China or Pakistan. Further, since he is currently serving as the CDF under a pro-China and anti-India regime, he would per-force follow the President's pro-China inclinations. Therefore, China is once again likely to have an advantage.

High-level political visits. There were 17 high level visits from Maldives to India for the period 2001 to 2025, as opposed to six from Maldives to China. Similarly, there were six visits from India to Maldives as compared to two from China to Maldives. Further, there was one meeting between leaders from China and Maldives at Copenhagen. If one goes by statistics, in terms of high-level political engagement, India seems to have an advantage. However, this cannot be taken for granted.

India Out Campaign. The current President of Maldives was elected to power on an 'India-Out' campaign. Although he was forced to eventually reset ties with India owing to realistic circumstances, the kernels of anti-India feelings continue to simmer within the Maldivian polity and are always available for exploitation by China. Hence, this campaign will continue to be a source of vulnerability for India. On this metric therefore, China may have a slight advantage.

Military Diplomacy. China's engagements with Maldives in the military domain appear to be subdued. However, this may change in the future following the signing of an agreement with China for provision of gratis military assistance. Presently, India has the advantage.

Military Training. Details of the courses and training availed by the MNDF in China could not be ascertained from the material available in the open domain. However, the agreement between Maldives and China for military training indicates clear strengthening of relations between the MNDF and the Chinese PLA, a space where China was not very successful earlier. Currently, India has the advantage on this metric.

Arms Transfers. Till end 2023, China had no role to play in supply of armament to Maldives. However, the donation of a sea ambulance (technically cannot be classified as an armament transfer) to the MNDF appears to be the beginning of China's attempts to infiltrate this space. Further, the signing of an agreement between Maldives and China for provision of gratis military assistance suggests that Maldives seeks to inch closer to China and away from India. Currently, India seems to have the advantage. But China can catch up, and even surpass India in this metric pretty fast.

Trade (Imports). China was the top supplier of merchandise to Maldives in 2024 with an 18.74% share of its total imports, and was also the top supplier for 44 out of 97 products imported by Maldives. Dependency of Maldives on China is therefore very high and provides distinct advantage to China.

Trade (Exports). China was at the 36th position as an export destination of Maldives (0.01% share) in 2024. India was the 4th largest export destination for Maldives with a 4.52% share of the overall Maldivian exports. Further, India was also the top receiver for 07 out of 21 types of goods exported by Maldives. On this metric, India has the advantage. However, considering the meagre value of Maldivian exports, this advantage may not amount to much leverage.

Free Trade Agreement (FTA). The current regime signed an FTA with China, while the way ahead for FTA with India is not yet certain. While it is difficult to quantify the advantages to Maldives on account of this FTA with China, the fact that this regime signed it can be taken as a clear sign of pro-China tilt. China has the advantage on this metric.

Energy Products-Imports. Presently, neither China nor India has any significant role in the imports of energy products by Maldives. The total requirement of Maldives for all its petroleum imports works out to approximately six VLCCs per year. There is scope for India to step in to meet Maldives' requirement either fully or partially. This metric has presently no advantage for either China or India and can thus, be taken as balanced.

Fresh Water, Mineral Water and its Imports. Fresh water is a critical commodity for Maldives. Sri Lanka was the top supplier of mineral water to Maldives in 2024 and supplied 531.52 tons of mineral water with an overall share of 28.08%. India was the sixth largest supplier of mineral water and supplied 70.02 tons with a share of 3.71%. China was not a source of mineral water imports by Maldives in 2024. There appears to be ample scope for India to step in and meet this critical requirement of Maldives. Incidentally, PLA Navy Submarine Support Vessel *Changxingdao (861)* had visited Male from 07 to 15 December 2014 and supplied 670 tons of fresh water during that water crisis. Possibilities of recurrence of such activities by China must be watched on priority. Presently, India may have a slight advantage on this metric, due to its geographical proximity.

Belt and Road Initiative (BRI). While Maldives is a participant in BRI, the official statistics of Maldives do not indicate any of the Chinese projects as part of the BRI. Further, the absence of President

of Maldives from both, the first and second Belt and Road Forums, is indicative of the fact that Maldives is hedging on this metric between China and India, though, **China may have a slight advantage.**

Tourism. China was the largest source of tourists for Maldives in 2024, with a figure of 263340 (12.87%) and India was the sixth largest source with 130805 (6.39%). While there is a tendency to see tourism to Maldives as an arena for rivalry between China and India, it is to be borne in mind that the largest number of tourists to Maldives in 2024 were from Europe comprising 58.64% share of total tourist arrivals. Individually, the number of tourists from China and India do matter to Maldives. However, any coercive measures taken on this metric, when warranted must be carefully assessed for its overall impact on the bilateral relations between Maldives and India. Presently, as the largest individual source of tourists to Maldives, China has a slight advantage. However, India, with sizeable share of the pie, also continues to have reasonable leverage.

External Loans. As per official statistics, EXIM Bank of China, with an amount of US\$ 450.25 million (12.47%) was the fourth highest lender to Maldives. However, after reconciling the figures from other sources, not reflected in the official statistics of Maldives, China emerges as the top lender with a loan amount of US\$ 1959.54 million with a share of 38.28%. Whether this discrepancy validates the 'debt trap' theory is not certain. Further, Velana International Airport project, with an overall cost of US\$ 782.2 million, is the most expensive of all Maldives' projects undertaken with external loans. China is one of the contributors in this project with a 48.75% share. If China is indeed the top lender to Maldives, then, on this metric China has distinct advantage.

External Debt. The maximum outstanding external loan of Maldives is to China (US\$ 1650.85 million) accounting for 38.4% of all the Active External Loans (AELs). Thus, China has the advantage in this metric.

External Grants. China appears to be the largest provider of grants with a share of 51.17 % and India stands second provider of grant with a share of 24.6%. So, China has the advantage.

Foreign Direct Investment (FDI). FDI statistics of Maldives appear to be a grey area, where the Chinese involvement cannot be clearly discerned. Hence on this metric, it is not clear as to who has the advantage, China or India?

Marine Cooperation. China has been trying to engage with Maldives in the marine research sector. The retraction of Maldives from establishing the Joint Ocean Observation Station offers an instance wherein, China faced some form of pushback in the IOR. However, the deployment of Chinese deep-sea research vessel under the current regime in Maldives, juxtaposed against the non-renewal of hydrographic assistance agreement with India has altered the present situation. Therefore, it can be surmised that both, India and China now have advantage in this metric.

Historical and Civilisational Ties. It is interesting that despite there being no linguistic, cultural or ethnic commonality between China and Maldives, Male has extensively highlighted its historical ties with China, but seems to be silent on a similar equation with India. Maldives' hesitation to acknowledge its historical ties with India does not alter the facts on ground. On this metric India has the advantage, despite the ongoing narrative seeking to push this natural fact away from popular perception.

People to People Contacts. Various measures taken by China on this metric appear to be an attempt on the part of China to engage with a wider cross section of Maldivian society. However, on this metric, India seems to have the advantage.

Information and Communication Technology (ICT). Entire IT and communication infra-structure of Maldives has been provided by China – albeit indirectly – and it gives China a huge advantage.

Summary of Current Advantage Profile Assessment - China versus India

To sum up, out of 24 metrics of influence assessed in this Paper, China is assessed to have advantage in 10 metrics while India leads in eight. Both, China and India have the advantage in three metrics; but neither China nor India have comparative advantage in two metrics. Finally, there is one metric – namely FDI – in which there is no clarity as to who has the advantage therein. A summary of this advantage assessment against each metric, is presented in a tabular form below:

Table 17 - Summary of Assessment of Metrics of Influence

Ser	Metric of Influence	Present advantage Assessment	Remarks
(a)	Geography	China and India	China because of its capacity to build infrastructure; and India due to its geographical proximity
(b)	Political Leadership	China	
(c)	Senior Military Leadership	China	
(d)	High Level Political Visits	India	However, statistics alone cannot guarantee this advantage

Ser	Metric of Influence	Present advantage Assessment	Remarks
(e)	India Out Campaign	China	Issue continues to be a latent threat to India
(f)	Military Diplomacy (Port Calls, Bilateral Military Exercises and High-Level Military Visits)	India	
(g)	Military Training	India	
(h)	Arms Transfers	India	
(i)	Trade (Imports)	China	
(j)	Trade (Exports)	India	
(k)	Free Trade Agreement (FTA)	China	
(l)	Energy Products (Imports)	Neither China nor India	No major role for both countries
(m)	Fresh Water Issue	Neither China nor India	
(n)	Mineral Water Imports	India	
(o)	Belt and Road Initiative (BRI)	China	
(p)	Tourism	China and India	Though, the number of tourists from China are greater, India too has enough leverage
(q)	External Loans and Associated Projects	China	
(r)	External Debt	China	
(s)	External Grants	China	
(t)	Foreign Direct Investment (FDI)	Not clear	
(u)	Marine Cooperation	China and India	
(v)	Historical and Civilisational Ties	India	

Ser	Metric of Influence	Present advantage Assessment	Remarks
(w)	People to People Contacts	India	
(x)	Information & Communication Technology (ICT)	China	

Source: Authors

Portents for Rapid Change of Current Profile under current Maldivian Administration

Maldives and China signed 20 agreements during the State visit of President Muizzu to China in January 2024.⁸⁸ A brief look at these agreements vis-à-vis their congruence with the 24 metrics of influence-building identified in this Paper — and tabulated below for greater appreciation — offers a glimpse into a distinct possibility of the above advantage profile rapidly transitioning in favour of China.

Table 18 – China-Maldives agreements of January 2024 and their congruence vis-à-vis Metrics of Influence

Sl.	Type and title of Agreement	Chinese Min/ Dept	Maldives Min/ Dept	Congruence with Identified Metric
(a)	MOU on Cooperation in The Area of Disaster Risk Reduction	Ministry of Emergency Management	National Disaster Management Authority	Marine Cooperation
(b)	MOU on Deepening Blue Economy Cooperation	Ministry of Commerce	Ministry of Fisheries and Ocean Resources	Loans, grants and FDI
(c)	MOU on Strengthening Investment Cooperation in the Digital Economy	Ministry of Commerce	Ministry of Homeland Security and Technology	Loans, grants, FDI, ICT

Sl.	Type and title of Agreement	Chinese Min/ Dept	Maldives Min/ Dept	Congruence with Identified Metric
(d)	MOU on Promoting Investment Cooperation in Green Development	Ministry of Commerce	Ministry of Economic Development and Trade	Loans, grants and FDI
(e)	MOU on media cooperation	China Media Group	Public Service Media	People to People Contact
(f)	MOU on Jointly Accelerating the Formulation of the Cooperation Plan on the Belt and Road Initiative	National Development and Reform Commission	Ministry of Economic Development and Trade	BRI
(g)	MOU on Strengthening Digital Economy Cooperation	National Data Administration	Ministry of Economic Development and Trade	Loans, grants, FDI, ICT
(h)	MOU on Human Resource Development Cooperation	China International Development Cooperation Agency	Ministry of Higher Education, Labour and Skills Development	People to People contact
(i)	MOU on Exchange and Cooperation in the Field of Economic Development Policy	National Development Reform Commission	Ministry of Economic Development and Trade	Loans, grants and FDI
(j)	MOU on Technical Cooperation of Entry and Exit, Animal and Plant Quarantine	General Administration of Customs	Ministry of Agriculture and Animal Welfare	Trade (Imports) Trade (Exports)
(k)	MOU on Strengthening of Agricultural Cooperation	Ministry of Agriculture and Rural Affairs	Ministry of Agriculture and Animal Welfare	People to People contact
(l)	Action Plan for Building a China-Maldives Comprehensive Strategic Cooperative Partnership (2024-2028)	Government of China	Government of Maldives	Political Leadership
(m)	Grant Assistance Agreement	Government of China	Government of Maldives	Grants

Sl.	Type and title of Agreement	Chinese Min/ Dept	Maldives Min/ Dept	Congruence with Identified Metric
(n)	MOU on Green and Low-Carbon Development	National Development and Reform Commission	Ministry of Climate Change, Environment and Energy	Loans, grants and FDI
(o)	MOU on Social Housing Project on Fushidhiggaru Falhu, Expansion of VIA, Fisheries Products Processing Factories and Redevelopment of Male' and Villimale' Roads Development Projects	China International Development Cooperation Agency	Ministry of Construction and Infrastructure	Loans, grants and FDI, People to People Contact
(p)	MOU on Marine Cooperation Toward Blue Partnership	Ministry of Natural Resources	Ministry of Fisheries and Ocean Resources	Marine Cooperation
(q)	MOU on Tourism Cooperation	Ministry of Culture and Tourism	Ministry of Tourism	Tourism
(r)	Letter of Exchange on Coconut Tree Pest Control Assistance Project	--	--	Loans, grants
(s)	Letter of Exchange on Feasibility Study on Laboratory Equipment for 17 Health Facilities Project	--	--	People to People contact
(t)	MOU on News Cooperation	Xinhua News Agency	Public Service Media	People to People contact

Source: Compiled by Authors. Data from Maldives President Office

Conclusion

The above assessment indicates that as far as Maldives is concerned, China presently seems to be having a slight edge over India. However, all the metrics are unlikely to have equal weightage at all times and their impact on the Chinese influence may depend on the extant circumstances at a particular time.

Hence, it is important for India to not be swayed by any negative change (as per India's perception) in any one of the metrics. As and when a change that is perceived as being against India's interests in any of the metrics is observed, then, all other metrics must also be seen to get an overall holistic picture. India may consequently look to leverage some other metrics to balance out the influence matrix.

It is also posited that any assessment of influence cannot be permanent or irreversible, and will continue to be dynamic; hence India needs to invest in developing multi-domain expertise on Maldives, including language capability to correctly read the early indicators that may lead to a particular scenario. Further, the development of an extensive database covering all these metrics — and additional ones if required — is the key, because quite often, statistics may offer realistic inferences which at times may be contrary to the prevailing narrative.

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