

India-Maldives Relations - Challenges and Cooperation

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Abstract:

India -Maldives Relations have enduring and long-established ethnic, linguistic, cultural, religious, and trade connections. Their relations play a key role in the Maldives' security and development. Cooperation covers defence support, crisis assistance, trade, tourism, and climate action. India has provided support during emergencies, while investments in infrastructure and digital payments have strengthened economic links. India- Maldives relations are strategically important for India's security and trade routes in the Indian Ocean. relations are vital for Indian Ocean security and trade, supporting India's Neighbourhood First policy and SAGAR vision. With increasing trade, investments, and defence cooperation, economic growth and maritime safety are boosted, while tourism strengthens people-to-people links. However, challenges like China's growing influence, political instability, climate risks, and maritime threats require sustained coordination. India Maldives relations are essential for regional stability, economic growth, and maritime security in the Indian Ocean. Cooperation across security, economy, climate, and people-to-people ties can ensure a mutually beneficial partnership.

Keywords: India-Maldives relation, Challenges, Cooperation areas, Security and Development

Introduction:

India and Maldives share ethnic, linguistic, cultural, religious and commercial since antiquity. The relations have been close, cordial and multi-dimensional. India was among the first to recognize Maldives after its independence in 1965 and to establish diplomatic relations with the country. The importance of India's strategic role in Maldives is well-recognized, with India being seen as a security provider. Maldives occupies a special place under "Neighbourhood First" Foreign Policy of India, which aims to bring stability and prosperity in the Indian Ocean Region (IOR). Also, both the nations are key players in maintaining safety and security of the IOR, thus contributing to India-led Security and Growth for All in the Region (SAGAR) vision. India's quick assistance during the 1988 coup attempt (Operation Cactus), led to development of trust and long-term and friendly bilateral relations with the Maldives. Maldives serves as a **maritime cornerstone** in India's Indo-Pacific area and Indian Ocean outreach.

What is the Significance of Maldives for India?

Maldives holds enormous significance for India. The significance of Maldives for India is as follows:

1. **Geo-Economic Significance:** Maldives is strategically located at the crossroads of several important trade routes that run through the Indian Ocean. 50% of India's external trade and 80% of India's energy imports transit through the Sea lanes of communication (SLOCs) in the vicinity of the Maldives.

2. **Geo-Political Significance:** Maldives has been a partner of India in various regional groupings. Maldives is a member of the Colombo Security Conclave (CSC), Indian Ocean Rim Association (IORA), SAARC, SASEC and SAGAR initiative of India. Maldives supports India's permanent membership of UNSC.
3. **Security Significance:** For India, Maldives is the first line of defence against terrorism, piracy on the high seas, drug trafficking, narcotics, and other maritime crime. Maldives geographical location makes it a 'toll gate' between the choke points of the western Indian Ocean (Gulf of Aden and the Strait of Hormuz) and the eastern Indian Ocean (Strait of Malacca).
4. **Indian Diaspora Significance:** There is a sizeable Indian diaspora in Maldives. Numerous Indians are employed in Maldives' education, medical care systems, tourism and hospitality sector.
5. **Tourism:** Tourism is a major contributor to the Maldives' economy, with India being its largest source market.

India Maldives Relations Challenges:

1. **China Factor:** China has enhanced its influence in Maldives. Maldives is an essential 'pearl' in China's 'String of Pearls' initiative in South Asia. The return of pro-Chinese government in Maldives, India's diplomatic space was expected to reduce in the region. The **2017 Maldives-China Free Trade Agreement (FTA)** and recent China-Maldives tourism cooperation signal shifting alliances.
2. **Political Challenges:** In the recently concluded Maldivian Presidential elections, the electoral issue had become a tussle between India First vs India out campaigns. The victory of Mohamed Muizzu was being seen as Victory of India Out Campaign. The present President of Maldives Dr. Mohamed Muizzu and the former president Abdulla Yameen have been the vocal advocates in the 'India Out' Campaign. Both leaders are opposed to India's military presence in Maldives.
3. **Radicalisation:** Rising religious extremism, with some Maldivians joining global terrorist groups, poses a threat of transnational terrorism and coastal security risks for India. It also creates internal instability that can spill over into the wider Indian Ocean region.
4. **Maritime Security Concerns:** Piracy, illegal fishing, and trafficking are growing threats in the Indian Ocean. Coordinated patrols, intelligence sharing, and maritime infrastructure development are essential to ensure regional security. They can be classified as non-traditional security threats
5. **Instability/Volatility:** Frequent changes in government and shifting foreign policy create instability. Pro-India policies often face domestic opposition, making it harder to maintain consistent cooperation.
6. **Drug Trafficking:** The Maldives functions as both a local market and a transit hub for the heroin trade, facilitating its movement from Afghanistan through South Asia and the Arabian Sea. Foreign actors, particularly from Pakistan and Iran, dominate the trade. Despite the country's geography, law enforcement has made significant progress in heroin seizures.

7. **Terrorism:** Renowned for pristine beaches and crystal blue waters, the Maldives is rapidly gaining prominence as a haven for jihadist recruitment. Maldivian men – reportedly 200 of them – have been streaming to Iraq and Syria to join the ranks of the Islamic State (IS) militant group, the al-Qaeda-affiliated Jabhat al-Nusra organization, as well as other radical organizations. Maldives is losing a tourist paradise to terrorism.

8. **Small Island State:** The Maldives' classification as a "small state" exacerbates inherent challenges, primarily extreme vulnerability to climate change, heavy economic reliance on tourism, and debt burdens from major infrastructure projects. Its dispersed geography and limited domestic resources also complicate internal connectivity, governance, and diplomatic positioning.

India–Maldives Relations under President Mohamed Muizzu:

Prime Minister Narendra Modi made his third state visit to Maldives on 25 and 26 July 2025. Modi is the first head of government to be hosted by Muizzu since he assumed power in November 2023. PM Modi was invited as the Guest of honour on the Maldives' 60 Independence Day. Eight memoranda of understanding were signed during the visit across key sectors, under the framework of the vision document 'Comprehensive Economic and Maritime Security Partnership adopted during Muizzu's visit to India in October 2024. Modi announced a US\$ 565 million line of credit, which, according to Muizzu, would be used for "priority projects" of his government.

India and the Maldives strengthen their bilateral relationship by signing pivotal agreements in multiple sectors, including fisheries, meteorology, digital infrastructure, and more. A new Line of Credit worth 4 thousand 850 crore rupees was also announced to support Maldives' infrastructure development, marking a first for India providing such assistance in its own currency. An Amendatory agreement reduced Maldives' annual debt repayment obligations by 40%, decreasing from 51 million dollars to 29 million dollars.

Moreover, both nations-initiated negotiations for a Free Trade Agreement, aiming to strengthen economic ties and bilateral trade. This year also marks 60 years of the establishment of diplomatic relations between the two nations. Both leaders released commemorative stamps to mark this occasion. Both nations have decided to further strengthen defence and maritime security cooperation. Prime Minister Modi thanked President Muizzu for his strong condemnation of the Pahalgam terror attack and the solidarity extended to India in the fight against terrorism.

Cooperation between India -Maldives strengthening Relationship:

1. Security and Defense Cooperation:

Maldives relies heavily on trilateral maritime security cooperation with India and Sri Lanka. Hence securing the maritime borders of Maldives is one of the foremost priorities of Indian Government. The major areas of Military and security cooperation are as follows: a. India and Maldives cooperate in maritime security, maritime domain awareness and Humanitarian Assistance and Disaster Relief

(HADR)operations. India has donated **Landing Assault Craft** and 24 Utility Vehicles to Maldives in order to bolster maritime security. India has signed a **Comprehensive Action Plan for Defence** in April 2016 to consolidate India-Maldives defence partnership. India provides the largest number of training opportunities for Maldivian National Defence Force (MNDF), meeting their defence training requirements. India and Maldives conduct many security Joint Exercises like “**Ekuverin**”, “**Dosti**”, “**Ekatha**” and “**Operation Shield**”. India launched the **Operation Cactus** in 1988 to help the government of Maldives in the neutralizing the coup attempt. India and the Maldives have collaborated extensively on defense and security since 1988 due to common issues they face in the IOR. India has been a crucial supporter of the Maldives in various ways to make sure they have a good security plan. The collaboration started in 1988 when India stepped in to stop a coup against President Gayoom's government. Since then, India has given defence training and equipment to the Maldives, covering about 70 percent of their defence training needs. To foster cooperation and keep peace in the region, both countries have signed several defence agreements. In 2006, India gave a Trinkat Class Fast Attack Craft to the Maldives National Defence Force. India intended to include the Maldives in its security plans following the 2008 Mumbai terrorist attack to prevent potential terrorist attacks on Maldivian resorts

2. Economic and Developmental Cooperation:

Tourism and Trade: India was the largest source of tourists for Maldives from 2020-2023, contributing significantly to its economy. Bilateral trade has also grown, with India emerging as Maldives’ second-largest trade partner in 2023. The **Greater Male Connectivity Project (GMCP)** is the largest infrastructure project in Maldives, funded by India. Other projects include the Hanimaadhoo International Airport development. India is undertaking the development of strategic harbour projects like Uthuru Thila Falhu Project (UTF). It will act as a harbour for the coast guard of the Maldives National Defence Force

3. Humanitarian Assistance Cooperation:

India has always lent a helping hand to Maldives in humanitarian assistance. Mentioned below are some of the examples of humanitarian assistance: a. India has signed an MoU with Maldives for High Impact Community Development Projects (HICDPs) in 2019. A number of socio-economic development projects are planned to be implemented in Maldives through these projects. India has provided Covishield vaccines to Maldives in January 2021 during the peak of the pandemic. Through **Operation Sanjeevani** (2020) India supplied 6.2 tonnes of essential medicines to Maldives in the fight against COVID 19. India has handed over two sea ambulances to the Ministry of Defence of Maldives. India provided assistance to Maldives during recovery efforts after the 2004 Tsunami. India also helped address the shortage of drinking water in Maldives in 2014 through **Operation Neer**.

4. Comprehensive Maritime and economic Security Partnership:

A high-level strategic framework established between India and the Maldives in October 2024 during Maldivian President Muizzu’s visit to India. It aims to deepen bilateral cooperation across economic development, infrastructure, trade, and maritime security, rooted in shared democratic values and regional stability.

5. **Countering China's Influence:** Providing alternative financing to help Maldives reduce its dependence on Chinese loans. Encouraging Maldives' participation in *Indian Ocean Rim Association (IORA)* and other multilateral forums.

Conclusion:

India Maldives relations are essential for regional stability, economic growth, and maritime security in the Indian Ocean. Cooperation across security, economy, climate, and people-to-people ties can ensure a mutually beneficial partnership. India and the Maldives should speed up the Free Trade Agreement (FTA), encourage Indian investments, and use local currency trade to make business easier. Important projects like the GMCP and undersea cables should be completed quickly to improve transport and digital connectivity and reduce reliance on other countries. Maritime security should be strengthened with joint naval patrols, EEZ monitoring, sharing intelligence, and providing patrol vessels and drones. India should also use regional platforms like the Colombo Security Conclave to improve security in the Indian Ocean. Regular high-level visits, joint meetings, and Track-II diplomacy (through think tanks and academic exchanges) will build trust. India should handle sovereignty concerns carefully and avoid public disputes to maintain stable political relations. India should engage Maldivian youth, support independent media, and encourage cultural exchanges such as films, education, and skill development programs to strengthen trust and friendship. the Maldives is proving that size does not dictate influence. With just over half a million people and limited hard power, the island nation is not merely weathering great-power competition—it is actively shaping it.

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