

## KEY FACTS

**Official name:** Divehi Raajjeyge Jumhooriyyaa (Republic of Maldives)

**Head of State:** President Abdulla Yameen (elected 16 Nov 2013)

**Head of government:** President Abdulla Yameen

**Ruling party:** Maldivian People's Party (MPP) (from 9 May 2009)

**Area:** 298 square km (1,190 tiny atoll islands) – Malé: 1.5 square km

**Population:** 331,000 (2012)\*

**Capital:** Malé, on Malé Island

**Official language:** Dhivehi (Maldivian)

**Currency:** Rufiyaa (MRF) = 100 laari

**Exchange rate:** MRF15.40 per US\$ (Jul 2013)

**GDP per capita:** US\$6,675 (2012)\*

**GDP real growth:** 3.50% (2012)\*

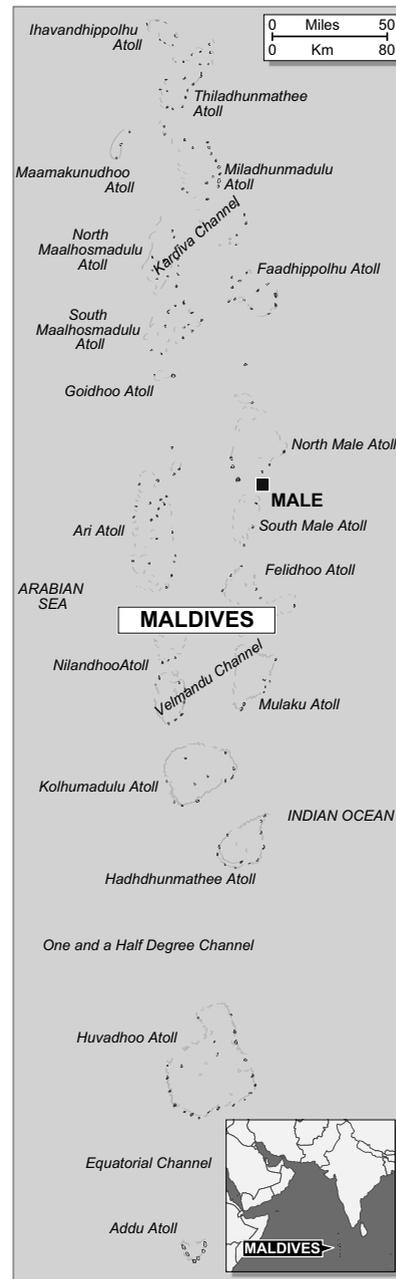
**GDP:** US\$2.21 billion (2012)\*

**Inflation:** 10.89% (2012)\*

**Balance of trade:** -US\$1.45 billion (2012)

\* estimated figure

# Maldives



Abdulla Yameen (Progressive Party of Maldives (PPM)) 25 per cent. The second round was set for 28 September. However, electoral fraud was alleged by the third placed candidate, Qasim Ibrahim, and he requested the Maldives Supreme Court to annul the results. The Court ordered the Elections Commission to postpone the second round while it considered a ruling. On 7 October the Court annulled the results of the first round and called for new elections by 20 October. On 12 October President Mohamed Waheed (National Unity Party (NUP)) withdrew from the race, having received just 5 per cent of the 7 September vote, saying he was doing so for the 'greater interest' of the Maldives. The 20 October election failed to take place after police prevented ballot papers from being distributed.

Mohamed Nasheed called for fresh elections under a caretaker leader. He also called for President Waheed to resign to let the parliamentary speaker oversee the elections; the President stayed in place. On 21 October the electoral commission announced new dates as 9 November (first round) and 16 November (second round if necessary). Under the constitution a new president has to be elected by 11 November; it was not clear what the situation would be if a second round is needed. President Waheed confirmed that he would not be standing. Two members of parliament were ejected by the Supreme Court on 25 October. The main opposition party, the Maldivian Democratic Party (MDP), accused the government of harassment. On 6 November the three presidential candidates announced they had agreed to take part in elections on 9 November. In the second first round, Mr Nasheed polled nearly 47 per cent, just short of the 50 per cent needed to avoid a run-off on 10 November. However, the Supreme Court suspended the run-off for six days, after the runner-up, Abdulla Yameen, sought a delay, saying he needed time to campaign afresh. President Waheed's term as president ended on 10 November; he flew to Singapore on 14 November to be with his wife who was there for medical reasons.

**T**he Maldives finally elected a new president on 16 November 2013. The process had started on 7 September with the first of two first rounds of presidential elections held in 2013. Mohamed Nasheed, of the Maldivian Democratic Party (MDP), won 45 per cent and

The second round was safely held on 16 November, with Abdulla Yameen the winner by a narrow margin of 51.3 per cent to 48.6 per cent for ex-president Mohamed Nasheed. Mr Nasheed said he '... graciously accepted defeat. We lost by a very small margin. Democracy is a process. It is up to us to make it work.' Mr Yameen said that it was time to bring peace to the country and that his priority was now to get the economy going again. Mr Yameen was sworn in as president on 17 November.

### The economy

The on-off presidential elections had a detrimental effect on the economy. Gross domestic product (GDP) growth in 2012 slowed to 3.4 per cent from 7.0 per cent in 2011 as tourism and related activities, which directly provide 28 per cent of GDP, sharply decelerated. The Asian Development Bank's *Asian Development Outlook 2013* (ADO) reported that other related tertiary sectors such as wholesale and retail trade, transportation, and communications were also affected. Growth in tourist arrivals slumped to 2.9 per cent in 2012 from 17.6 per cent in 2011, as recession in Europe and the slowdown in the global economy combined with uncertainty created by domestic events to stymie the industry. The continued rise of visitors from China, up by 15.6 per cent, was the bright spot in the market, while growth in arrivals from other Asian countries slowed to 1.5 per cent. Tourist arrivals from Europe fell by 3.7 per cent, slashing the European market share to 54 per cent from over 70 per cent only 5 years earlier, as the Asian share nearly doubled to 38 per cent. Tourist spending edged up a minuscule 0.3 per cent in 2012, stalling from 9 per cent growth a year earlier.

There was strong growth in other areas of the economy – manufacturing (4.7 per cent of GDP) up by 17.5 per cent, construction (9.3 per cent) up by 16.1 per cent, and fisheries (the main employer in the atolls) up by 9.7 per cent – was insufficient to offset the fall in tourism and related industries.

Inflation remained high despite falling global commodity and food prices, easing to an average of 10.9 per cent in 2012. Upward pressures on prices included the introduction of a general goods service tax in the first quarter of 2011 and pressures from limited foreign exchange availability and the exchange rate. The rufiyaa, which since April 2011 has been allowed to move within a band 20 per cent above

and below Rf12.8 to US\$1, remained near the upper bound.

The budget deficit in 2012 is estimated to have widened substantially to 12.6 per cent of GDP from 7.5 per cent in 2011. Government revenue fell by 0.7 per cent despite marked increases in goods and service taxes, both general and for tourists, because import duties dropped by nearly half, owing to the decline in imports for tourism and some duty reductions. Total revenue fell to 28.8 per cent of GDP, a drop of 2.7 percentage points from a year earlier. This accounted for just over half of the 5.1 percentage point increase in the deficit in relation to GDP, noted the ADO. Expenditure increased by 2.4 percentage points to 41.4 per cent of GDP, the rise entirely owing to a 15.9 per cent increase in current expenditure to 30.8 per cent of GDP, as there was relatively little increase in capital spending or net lending to public enterprises. The bulk of the deficit was financed through foreign borrowings and grants, with about one-fifth coming from the Maldives Monetary Authority (the central bank). Total public external debt was 38.2 per cent of GDP in 2012.

The current account deficit widened to 26.3 per cent of GDP from 21.4 per cent in 2011. The deterioration reflected an increase in the trade deficit on weaker exports, stagnation in income from tourism, and higher remittances made by expatriate workers. The trade deficit, at 63.6 per cent of GDP in 2012, illustrates the country's substantial reliance on imports, especially for the tourist industry. The bulk of the large current account deficit was financed by unrecorded financial inflows and the

errors and omissions item in balance of payments accounting, indicating weakness in data currently available. The overall balance of payments was in deficit by US\$37.4 million, equivalent to 1.6 per cent of GDP. Gross official reserves at the end of 2012 were US\$304.6 million, enough to cover only 2.1 months of projected imports of goods in 2013.

### Outlook

The economy is forecast to recover modestly to grow by 4.3 per cent in 2013 and 5.5 per cent in 2014, as the anticipated gradual global economic recovery boosts tourism and the country settles in after the presidential elections. Inflation will likely ease to 9.3 per cent in 2013 and 8.5 per cent in 2014 because of base effects and the improved availability of foreign exchange. The modest pickup in tourism may improve the current account balance somewhat, but the deficit is expected to remain wide, even deteriorating slightly to 27.8 per cent of GDP in 2013 before improving to 22.0 per cent in 2014.

### Risk assessment

Politics	Fair
Economy	Fair
Regional stability	Fair

### COUNTRY PROFILE

#### Historical profile

1887 The islands were placed under British protection, with internal self-government.

1932 The first democratic constitution was proclaimed. The sultanate became an elected position.

### KEY INDICATORS

### Maldives

	Unit	2008	2009	2010	2011	2012
Population	m	0.34	*0.34	0.32	0.33	*0.33
Gross domestic minus gold	US\$bn	1.26	1.36	1.87	1.94	*2.21
GDP per capita	US\$	3,651	3,932	5,841	5,973	*6,675
GDP real growth	%	12.2	-4.7	5.7	7.4	*3.5
Inflation	%	11.9	4.0	5.0	12.1	*10.9
Exports (fob) (goods)	US\$m	330.5	169.0	180.0	346.4	329.8
Imports (fob) (goods)	US\$m	1,221.0	851.3	978.0	1,725.3	1,778.8
Balance of trade	US\$m	-890.8	-682.2	-798.0	-1,378.9	-1,449.1
Current account	US\$m	-651.3	-418.7	-462.7	-490.1	*-584.0
Total reserves minus gold	US\$m	240.6	261.0	364.3	362.4	318.3
Foreign exchange	US\$m	237.6	246.4	350.2	348.0	304.6
Exchange rate	per US\$	12.80	12.80	12.80	14.05	15.36
* estimated figure						

## Nations of the World: A Political, Economic and Business Handbook

1953 The Maldives became a republic and a member of the Commonwealth as the sultanate was abolished. However, the sultanate was restored within months.

1965 Gained full independence as a sultanate and left the Commonwealth.

1968 Following a referendum, the country reverted from a sultanate back to a republic. Ibrahim Nasir became president.

1975 The UK pulled out of its military base on Addu atoll. A proposal from the USSR to take over the base was rejected.

1978 Nasir retired and Maumoon Abdul Gayoom was elected president.

1980s The expansion in the tourist industry resulted in economic growth. An industrial zone was established on Gan.

1982 Rejoined the Commonwealth.

1988 An attempt by Sri Lankan Tamil mercenaries to depose the government was thwarted with the help of Indian army forces.

1994 Non-party elections to the Majlis (parliament) were held.

1997 A new constitution was passed.

1998 President Maumoon Abdul Gayoom was re-elected for a fifth consecutive term in office.

1999 Forty non-partisan members were elected to the Majlis. Over 120 candidates had stood in the November elections.

2002 The Maldivian and Indian governments began working together to implement a plan for poverty reduction in the Maldives.

2003 Amnesty International accused the government of political repression and torture. Riots broke out in Malé when prison inmates protested at alleged torture. President Gayoom won a sixth term with over 90 per cent of the vote.

2004 A special Majlis was formed to consider constitutional changes proposed by the President, including limiting his powers and allowing the formation of political parties. A referendum agreed to a presidential and parliamentary style of government. A state of emergency was declared after violence during a pro-democracy demonstration. An earthquake off the island of Sumatra caused a *tsunami* that devastated coastal areas in the region, including 20 inhabited islands of the Maldives. The final toll in the Maldives was estimated at 108 dead or missing and 29,577 displaced.

2005 In parliamentary elections, all candidates for the 42 seats ran officially as independents; parliament unanimously voted in favour of introducing multiparty politics. Five new political parties were registered: Dhivehi Rayyithunge Party (DRP) (Maldivian Peoples Party); Islamic Democratic Party (IDP); Adhaalath Party (AP) (Justice Party); Maldivian Democratic Party (MDP). Mohamed Nasheed (known

as Anni) returned from exile to register the MDP; he was later arrested for terrorism and sedition.

2006 The South Asia Free Trade Agreement (Safta) between the Maldives, Bhutan, Bangladesh, India, Nepal, Sri Lanka and Pakistan came into effect.

2007 In a referendum, 60 per cent of the vote agreed to a presidential and parliamentary government system, while endorsing President Gayoom's continued administration.

2008 A new constitution that introduced key democratic changes, including multi-party presidential elections, the separation of power and a bill of rights, was ratified. In the first democratic presidential election since 1978, after two rounds Mohamed Nasheed won 54.2 per cent beating incumbent Maumoon Gayoom who won 45.8 per cent.

2009 In parliamentary elections, the DRP won 28 seats (out of 77), and President Nasheed's party, MDP 26, independents 13, the People's Alliance (PA), led by former president Gayoom's brother Abdullah Yameen, 7, the Republican Party 1 and the Dhivehi Qaumei Party 2.

2010 A 25-year lease agreement was signed by the government with the GMR-Malaysia Airport Holdings consortium to develop and manage the Male International Airport. A US\$180 million agreement was signed with the US energy company Merciel to provide electricity for all islands (three atolls) in the upper north province, using bio-fuelled generators.

2011 In April, by presidential decree, the rufiyaa exchange rate was floated against the US dollar (between MRF10.20–15.42). In May police used tear gas and batons to disperse several thousand people who had gathered to protest at the deteriorating economy and demand that President Mohamed Nasheed should quit. In June Bangladesh and the Maldives signed a memorandum of understanding to implement free trade between them. Import taxes on medicines from Bangladesh were removed. In August Sri Lanka gave a US\$10 million import credit to the Maldives, to encourage the import of, particularly, fruit and vegetables for tourist hotels. India granted more credit than Sri Lanka, which felt they would lose out unless they increased their own credit. Sri Lanka also agreed to construct a road to help preparations for the South Asian Association for Regional Cooperation (SAARC) summit held in the Maldives in November.

2012 President Nasheed ordered the arrest of the Chief Justice of the criminal court (in January), accusing him of political bias and corruption. The arrest of the Chief Justice resulted in mass protests and the downfall of Nasheed who was forced

to resign on 7 February during a televised press conference. This followed weeks of demonstrations and a mutiny by police who seized control of the state broadcaster in Male and broadcast support for former president, Maumoon Abdul Gayoom. Vice President Mohamed Waheed Hassan was sworn in as president within hours, while Nasheed was held under detention by security forces in the presidential palace. The vice president denied that Nasheed's replacement was a coup. An arrest warrant was issued for Nasheed on 10 February, as supporters surrounded his former house. The charges were unclear and President Hassan said that the warrant was not to be served unless it became necessary for Mr Nasheed's personal safety. The revised date for the next presidential election was set for July 2013. On 15 July former president Nasheed was charged with illegally arresting the Chief Justice. On 25 September, a travel ban was imposed on Nasheed, preventing him from leaving the capital to campaign ahead of presidential elections. On 1 October, the court case against Nasheed, for abuse of power while in office, began. Nasheed believed the charges against him were politically motivated, as any conviction would ban him from participating in any elections. Nasheed refused to appear before the special court, questioning its legitimacy and saying that he had appealed his case before the High Court and awaited its decision; an arrest warrant was issued by the special court on 8 October, which Nasheed defied. On 5 November, the High Court suspended the trial of the special court.

2013 The Puntland government has signed piracy-transfer agreements with the governments of Seychelles, Mauritius and the Maldives, to bring convicted Somali pirates to complete their prison sentences in Puntland prisons, Puntland Counter-Piracy Director Abdirizak Mohamed Dirir has said. The United Nations Office on Drugs and Crime has overseen a prison construction project in Bosaso and Garowe for the purpose of housing convicted pirates. In the first round of the presidential election held on 7 September Mohamed Nasheed won 45 per cent and Abdulla Yameen 25 per cent. The second round was set for 28 September. However, electoral fraud was alleged by the third placed candidate, Qasim Ibrahim, and he requested the Maldives Supreme Court to annul the results. The Court ordered the Elections Commission to postpone the second round while it considered a ruling. On 7 October the Court annulled the results of the first round and called for new elections by 20 October. On 12 October President

Mohamed Waheed withdrew from the race, having received just 5 per cent of the vote, saying he was doing so for the 'greater interest' of the Maldives. The 20 October election failed to take place after police prevented ballot papers from being distributed. Mohamed Nasheed called for fresh elections under a caretaker leader. He called for President Waheed to resign to let the parliamentary speaker oversee the elections. On 21 October the electoral commission announced new dates as 9 November (first round) and 16 November (second round if necessary). Under the constitution a new president has to be elected by 11 November; it is not clear what the situation would be if a second round is needed. President Waheed confirmed that he would not be standing. Two members of parliament were ejected by the Supreme Court on 25 October. The main opposition party, the Maldivian Democratic Party (MDP), accused the government of harassment. On 6 November the three presidential candidates announced they had agreed to take part in elections on 9 November. Mr Nasheed polled nearly 47 per cent, just short of the 50 per cent needed to avoid a run-off on 10 November. However, the Supreme Court suspended the run-off for six days, after the runner-up, Abdulla Yameen, sought a delay, saying he needed time to campaign afresh. The second round, held on 16 November, was won by Abdulla Yameen with 51.3 per cent, Mohamed Nasheed 48.6 per cent.

### Political structure

#### Constitution

The constitution dates from 1997, which provides power to the executive, the legislature and the judiciary, while these powers are vested from the people. The president also derives influence from the constitutional role as 'supreme authority to propagate the tenets of Islam'. However critics argue that supreme power under the constitution is held by the president, who can appoint and dismiss the top posts in all branches of the administration. The constitution, it is argued, does not provide a guarantee that individuals' rights are not subject to subordinate laws and government practices.

In 2007 constitutional changes included the introduction of a US-style presidential form of government, where the president can only hold office for two terms and the introduction of a multiparty parliament. In January 2008 the gender bar that allowed women to serve in the Majlis but not become a presidential candidate, was removed. A new constitution was ratified on 7 August which introduced key democratic changes, including multi-party

presidential elections, the separation of power and a bill of rights.

Voting: universal suffrage over 21 years. Local authority is vested in atoll chiefs and island headmen appointed by the president.

#### Independence date

26 July 1965

#### The executive

Executive power is held by the president, who is head of state and head of government, commander-in-chief of the armed forces, minister of defence and national security, and minister of finance and treasury.

Since 2008 the president has been elected for a renewable five-year term. The winner must achieve a vote of over 50 per cent, failing which a run-off must be held within three weeks.

#### National legislature

The unicameral Majlis (parliament) has 50 members; each atoll (20) directly elects two representatives, as does the capital, Malé; a further eight members are appointed by the president. All members serve for five-year terms. The Majlis must ratify all legislation introduced by the government or parliamentary members (MP).

#### Legal system

The legal system is based on Islamic law with admixtures of English common law, primarily in commercial matters.

#### Last elections

9 May 2009 (parliamentary); 9 September 2013 (presidential) first round, 16 November second round.

**Results:** Parliamentary: the Dhivehi Rayyithunge Party (DRP) (Maldivian Peoples Party) won 27.5 per cent of the vote (28 seats out of 77), the Maldives Democratic Party (MDP) 35.3 per cent (26), independents 24.9 per cent (13), the People's Alliance (PA) 5.3 per cent (7), the Republican Party (RP) 4.2 per cent (1), and the Dhivehi Qaumee Party (DQP) 2.7 per cent (2).

Presidential: 1st round 9 November 2013 Mohamed Nasheed 46.93 per cent, Abdulla Yameen 29.73 per cent, Gasim Ibrahim 23.34 per cent; 2nd round 16 November Abdulla Yameen 51.3 per cent, Mohamed Nasheed 48.6 per cent.

#### Next elections

28 September 2nd round (presidential); 2014 (parliamentary)

On 7 October the Supreme Court annulled the results of the first round held on 7 September and ordered a new election to be held by 20 October. After police prevented the 20 October election new dates of 9 and 16 November 2013 were set.

### Political parties

#### Ruling party

Maldivian People's Party (MPP) (from 9 May 2009)

#### Main opposition party

Maldivian Democratic Party (MDP)

#### Population

331,000 (2012)\*

**Last census:** 21 March 2006: 298,968

**Population density:** 1,066 inhabitants per square km (2010). Urban population 40 per cent (2010 Unicef).

**Annual growth rate:** 1.8 per cent, 1990–2010 (Unicef).

#### Ethnic make-up

The majority of the population are Sinhalese or Dravidian, with significant Arab and smaller African minorities.

#### Religions

Islam (Sunni majority)

#### Education

Primary education is provided through either private or state schools; lessons are given in English, Arabic and Dhivehi.

The curriculum, for segregated (by gender) secondary education, is based on the British system and many schools prepare students to sit the General Certificate of Education at 'O' level and a few for 'A' level examinations. Students have to travel abroad for higher education.

President Gayoom has made improving education levels his top priority. There is an ongoing teacher training programme due to the shortage of qualified teachers. Typically 2.4 per cent of the GNP is spent on primary education.

**Literacy rate:** 97.2 per cent total; adult rates (World Bank).

**Enrolment rate:** 98 per cent net primary enrolment (Unicef).

**Pupils per teacher:** 24 in primary schools.

#### Health

The Maldives has significantly improved health services and severe diseases such as malaria, childhood tuberculosis and leprosy have been eradicated.

There are two hospitals on the main island and six regional hospitals serving all the remaining islands. In addition, there are 45 health centres and 36 health posts serving the islands.

#### HIV/Aids

The first Maldivian with HIV was identified in 1991. There have been six deaths as a result of Aids. Although the HIV rate is very small, the Maldives is particularly vulnerable to the spread of the virus due to the high number of migrant workers that pass through the islands. Drug usage among young people is also on the rise.

**Life expectancy:** 67 years, 2004 (WHO 2006)

### **Fertility rate/Maternal mortality rate:**

1.8 births per woman, 2010 (Unicef)

### **Child (under 5 years) mortality rate**

(per 1,000): 11 per 1,000 live births (WHO 2012); 45 per cent of children aged under five are malnourished (World Bank).

**Head of population per physician:** 0.92 physicians per 1,000 people, 2004 (WHO 2006)

### **Welfare**

Due to the highly dispersed character of the country, it is difficult for the government to ensure that everyone receives benefits. The ministry of women's affairs and social welfare has responsibility for administering the welfare programme that covers women, children, the disabled and unemployed.

### **Main cities**

Malé (capital, estimated population 134,232 in 2012); Hiithadhoo (9,394), Fuvammulah (7,674), Kulhudhuffushi (7,434).

### **Languages spoken**

The Maldivian language is Indo-Aryan.

### **Official language/s**

Dhivehi (Maldivian)

### **Media**

The government retains the power to close media outlets critical to its regime which has resulted in media self-regulation.

### **Press**

There are several newspapers publishing in the Divehi language, and some with English online editions, including *Haveeru* ([www.haveeru.com.mv](http://www.haveeru.com.mv)) and *Miadhu* ([www.miadhu.com.mv](http://www.miadhu.com.mv)), *Aafathis Daily News* ([www.aafathisnews.com.mv](http://www.aafathisnews.com.mv)), is one of the oldest local newspapers and *Haama Daily* ([www.haamadaily.com](http://www.haamadaily.com)).

### **Broadcasting**

**Radio:** There are only four radio stations broadcasting, two government owned, Voice of Maldives ([www.vom.gov.mv](http://www.vom.gov.mv)) and Radio Eke and two private DhiFM (<http://dhifm95.com>) and Capital Radio (<http://capital956.fm>). An overseas radio operated by expatriates opposed to the government of President Gayoom broadcasts over the internet, Radio Minivan ([www.minivannews.com](http://www.minivannews.com)).

**Television:** The only local television service, TVM Maldives, is government-run. Satellite TV is available.

### **Economy**

The economy is based on tourism and commercial fishing. The service sector in 2010 constituted 82.3 per cent of GDP, of which, the tourist industry is typically the largest single component at around 35 per cent of GDP. Industry accounted for 14.5 per cent of GDP, of which

manufacturing was 3.8 per cent and agriculture contributed 3.1 per cent of GDP.

The global economic crisis impacted on the economy as visitor numbers dropped. GDP growth was 12.2 per cent 2008, but with a fall in foreign earnings from tourism, it plummeted into recession at -4.7 per cent in 2009. Positive GDP growth returned in 2010 at 5.7 per cent, as promotional programmes stimulated tourism, and the economies of the host countries recovered and tourists had more time and money to spend. Growth continued in 2011 at an estimated 7.4 per cent.

There was a change of government in 2008, when long-term President Gayoom retired and a new political regime took over the direction of the economy. The new government implemented reforms that included, in particular, a cut of around 9,000 public workers with a reduction in the public service wage bill, which had increased fourfold and grown to represent 28 per cent of GDP. These measures were welcomed by the International Monetary Fund (IMF), which extended to Maldives a loan of US\$93.5 million in 2009, allowing the government to manage its large external debt and shore up its foreign reserves. However, by 2010, the IMF reported that tax reforms had been delayed and public wages had increased, which had resulted in 'significant fiscal slippages', which would need adjustments to the exchange rate and fiscal strategy to achieve a reduction in public debt. On 8 February 2012, President Mohamed Nasheed was forced to step down in favour of Vice President Hassan. The largest project undertaken by the Maldives has been the Hulhumalé infrastructure project, which has reclaimed land close to the capital Malé, on Kafuul Atoll, for domestic, commercial and industrial expansion. By 2012, many housing units, mosques, roads and waste management for the development had been completed. Final completion of the project, which will include such facilities as a hospital, sports buildings and more housing is due by 2020.

### **External trade**

The Maldives is a member of the South Asia Association for Regional Co-operation (SAARC), which operates a preferential trading arrangement that covers 6,000 products. It is also a member of the South Asia Free Trade Area (Safat) along with seven other member states (India, Pakistan, Bhutan, Nepal, Bangladesh and Sri Lanka), that by 2012 intends to have a customs union.

Fishing is a major industrial sector, which provides foreign exchange, as well as revenue from licensing fishing rights to foreign fleets. Manufactured garments and

boat building are important sectors. The agriculture sector is unable to feed the population and staple foods must be imported.

### **Imports**

Main imports are petroleum, commodities and foodstuffs, intermediate and consumer goods, capital machinery and vehicles.

**Main sources:** UAE (29.9 per cent of total in 2012), Singapore (18.1 per cent), India (9.5 per cent).

### **Exports**

Main exports include fish, garments and boats.

**Main destinations:** Thailand (27.4 per cent of total in 2012), France (16.5 per cent), Italy (7.7 per cent).

### **Agriculture**

Agriculture, including fishing, accounts for around 15 per cent of GDP and employs 40 per cent of the labour force. Farming is at subsistence level on small-holdings, confined to field crops and fruit trees, with no livestock. Main crops are coconuts, bananas, watermelon, sweet potato, cucumber, cassava, pumpkin, cabbage and yam. Approximately 6 per cent of the total land area is under cultivation. The soil is shallow and highly alkaline, with poor water-retaining properties.

The fishing sector, providing 11 per cent of GDP, is second to tourism in importance in the economy. Fish provide the main source of protein for the population with a 126,000mt annual catch. Fishing employs over 20 per cent of the workforce.

The *tsunami* caused US\$14 million worth of damage or destruction to boats, harbours and jetties.

### **Tourism**

The service sector is the most important component of the economy, constituting over 70 per cent of GDP, of which the tourist industry constitutes around 35 per cent, while providing over 60 per cent of all employment. The Maldives has promoted its tropical beauty to tourists from around the world with the islands receiving over 500,000 visitors each year. The global economic crisis of 2008 had a detrimental impact on the tourist industry as it cut visitor numbers, which fell from 455,423 (January–August) in 2008, to 415,443 for the same period in 2009, the corresponding fall in foreign earnings impacted on GDP growth and employment. Following a promotional programme that reduced prices, or extended a package stay from two weeks to three for the same price, tourism recovered. Over 70 per cent of all visitors come from Europe, with visitors from UK, Italy and Germany pre-eminent.

The government is attempting to balance the interests and the long-term requirements of the people of the Maldives with the needs and expectations of visitors. However, sustainable tourism may not be possible as fragile environments and natural resources, particularly water, are being overwhelmingly consumed by many tourists.

The reputation of Maldives was damaged in 2010 following an incident when a hotel staff member, in the local language, abused a tourist couple renewing their wedding vows. The president of Maldives personally apologised to the couple, but not before the event was posted worldwide on YouTube.

### Environment

It has been reported that the beaches of one-third of the Maldives' 200 inhabited islands could be swept away by rising sea levels, as global warming melts the fringes of polar ice caps. Another issue affecting the Maldives is the depletion of fresh water aquifers which threatens water supply. There are no known hydrocarbon reserves and all domestic energy requirements are met by imports. Oil consumption was 6,000 barrels per day in 2008. Any natural gas or coal imports are commercially negligible.

### Energy

Total installed generating capacity was 106MW, produced by imported oil, of which around half the capacity is concentrated in tourist resort areas. The State Electricity Company (Stelco) generates a third of the supply; the rest is supplied by Island Development Committees and private generators.

### Financial markets

#### Stock exchange

Maldives Stock Exchange (MSE)

### Banking and insurance

#### Central bank

Maldives Monetary Authority

### Time

GMT plus five hours

### Geography

The Republic of Maldives is one of the smallest countries in the world. Situated in the Indian Ocean, it lies about 675km (420 miles) south-west of Sri Lanka. The northern tip of the Maldives is about 600km south of India. Over 99 per cent of the territory is sea.

The Maldives consists of around 1,190 small islands grouped into 26 atolls, running north to south in a double chain 823km long and 129km wide. The total land area is around 298 square km. Most of the islands are coral outcrops perched on a submarine mountain range, although some are only sandbars. They are

low-lying, reaching no higher than two metres above sea level. They are at risk of flooding from natural causes, most recently the *tsunami* of December 2004.

The geography of the country can be affected in that islands can disappear as a result of flooding, as well as from erosion. The potential effects of global warming on sea levels puts the continued physical existence of the archipelago at risk.

Around 200 islands are inhabited. Many of these are covered by tropical vegetation, including coconut palms and breadfruit trees, while the uninhabited islands are given over to scrub. Few islands in the archipelago are longer than 2km, the longest being Hiithadhoo, which is 8km long. While most form atolls enclosing shallow lagoons, several are single islands with coral beaches.

### Hemisphere

Northern

### Climate

There is year-round sunshine, with temperatures ranging 26–30 degrees Celsius. Most rainfall occurs during the south-west monsoon season from April–October.

### Entry requirements

#### Passports

Required by all, valid for six months.

#### Visa

Visas are issued free to all visitors on arrival at the airport in Malé for visits of up to 30 days (visas may be extended for a minimum of three months on payment of a fee). Proof of return/onward passage is necessary.

#### Currency advice/regulations

There are no restrictions on the import and export of local and foreign currencies.

#### Customs

Personal effects are allowed duty-free. Tortoise and articles produced using tortoise shells may not be exported.

#### Prohibited imports

Alcohol, pork, pharmaceuticals and goods at variance with Islamic culture are prohibited or subject to restrictions. Pornographic material may not be imported.

### Health (for visitors)

#### Mandatory precautions

Vaccination certificate required for yellow fever if travelling from an infected area.

#### Advisable precautions

Anti-malarial precautions, outside Malé. Hepatitis A and B, tetanus and typhoid. There is a rabies risk.

Visitors are advised to use mosquito repellent, a mosquito net at night, and wear clothing covering as much skin as possible.

### Hotels

The Maldives are a popular tourist destination. There are numerous first class hotels and island resorts.

### Credit cards

All major credit cards, including American Express, Visa and MasterCard, are widely accepted on the islands.

### Public holidays (national)

#### Fixed dates

1 Jan (New Year's Day), 26–27 Jul (Independence Days), 3 Nov (Victory Day), 11–12 Nov (Republic Day).

#### Variable dates

Haji Day (Jan), Eid al Adha, Islamic New Year, National Day, Birth of the Prophet, Start of Ramadan, Eid al Fitr (End of Ramadan), Huravee Day (Jul), Martyrs' Day (Sep).

#### Islamic year 1435 (5 Nov 2013–24 Oct 2014):

The Islamic year contains 354 or 355 days, with the result that Muslim feasts advance by 10–12 days against the Gregorian calendar. Dates of feasts vary according to the sighting of the new moon, so cannot be forecast exactly.

### Working hours

#### Banking

Sun–Thu: 0800–1330.

#### Business

Sun–Thu: 0730–1430. During the month of Ramadan 0900–1300.

#### Government

Sun–Thu: 0730–1430.

#### Shops

Sat–Thu: 0930–2300; Fri: 1400–2300.

### Weights and measures

Metric system

### Social customs/useful tips

Alcohol can only be consumed in holiday resorts.

### Getting there

#### Air

**National airline:** Island Aviation Services

**International airport/s:** Malé International Airport (MLE), (renamed Ibrahim Nasir International Airport ) on Hulule Island, 2km north-east of Malé; post office, bank, restaurants, duty-free shop.

**Airport tax:** US\$12, usually included in price of ticket.

#### Surface

**Main port/s:** Gan, Uligamu and Malé.

### Getting about

#### National transport

**Air:** Island Aviation Services operates regular domestic flights between Malé and island airports at Gan, Kaadedhdhoo, Kadhdhoo and Hanimaadhoo. Charter planes are also available.

**Water:** There is a public boat service from the airport to Malé city centre, with a journey time of 15 minutes. Resort islands

have regular ferry services. Local boats can be hired; rates are negotiable. Charter vessels are available.

### City transport

Due to the small size of the islands, there is little need for transportation. It is possible to walk to all places within the small area of Malé.

**Taxis:** Taxis are available in Malé.

### BUSINESS DIRECTORY

The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially to telephone numbers and area codes. We would welcome any corrections.

### Telephone area codes

The international direct dialling code (IDD) for the Maldives is +960, followed by subscriber's number.

### Useful telephone numbers

Police: 119

Fire: 118

Ambulance: 102

### Chambers of Commerce

Maldives National Chamber of Commerce and Industry, G Viyafaari Hiya, Ameenee Magu, PO Box 92, Malé 2004 (tel: 332-6634; fax: 331-0233; e-mail: mncci@dhivehinet.net.mv).

### Banking

Bank of Ceylon, 2 Boduthakurufaanu Magu, Malé (tel: 332-3045; fax: 332-0575; e-mail: bcmale@dhivehinet.net.mv).

Bank of Maldives, 11 Boduthakurufaanu Magu, Malé (tel: 333-0100; fax: 332-8233; e-mail: bmla@dhivehinet.net.mv).

Habib Bank Ltd, Ground Floor, Ship Plaza, 1/6 Orchid Magu, Malé (tel:

332-2051; fax: 332-6791; e-mail: hbmale@dhivehinet.net.mv).

State Bank of India, Boduthakurufaanu Magu, Malé (tel: 332-0860; fax: 332-3053; e-mail: sbimale@dhivehinet.net.mv).

### Central bank

Maldives Monetary Authority, 3rd Floor, Umar Shopping Arcade, Chandhane Magu, Malé 20156 (tel: 3312-343; fax: 3323-862; e-mail: mail@mma.gov.mv).

### Stock exchange

Maldives Stock Exchange (MSE)  
www.maldivesstockexchange.com.mv

### Travel information

Island Aviation Services, Malé (tel: 333-5566; fax: 331-4806; e-mail: sales@island.com.mv).

Maldives Tourism Promotion Board, 12 Boduthakurufaanu Magu, Malé (tel: 332-328; fax: 332-3229; e-mail: mtpb@visitmaldives.com).

Malé International Airport, Malé (tel: 332-5511; fax: 333-1515; e-mail: info@macinet.net).

### Ministry of tourism

Ministry of Tourism, 2/F Ghazi Building, Orchid Magu, Henveiru, Malé (tel: 313-461).

### Ministries

Ministry of Atolls Development, Faashanaa Bdg, Boduthakurufaanu Magu, Malé (tel: 332-3070; fax: 332-7750; e-mail: info@atolls.gov.mv).

Ministry of Communication, Science and Technology, 12 Boduthakurufaanu Magu, Malé (tel: 333-1695; fax: 333-1694; e-mail: secretariat@mcst.gov.mv).

Ministry of Economic Development and Trade, Ghazee Bdg, Ameeru Ahmed Magu, Malé (tel: 332-3668; fax: 332-3840; e-mail: contact@trademin.gov.mv).

Ministry of Fisheries, Agriculture and Marine Resources, Ghazee Bdg, Ameeru Ahmed Magu, Malé (tel: 332-2625; fax: 332-6558; e-mail: it@fishagri.gov.mv).

Ministry of Health, Ameenee Magu, Malé (tel: 332-5311; fax: 332-7793; e-mail: moh@dhivehinet.net.mv).

Ministry of Higher Education, Employment and Social Security, Haveeree Hingun, Malé (tel: 331-7172; fax: 333-1578; e-mail: admin@employment.gov.mv).

Ministry of Women's Affairs and Social Security, Umar Shopping Arcade, Chandhane Magu, Malé (tel: 332-5956; fax: 331-6237; e-mail: info@urcmaldives.gov.mv).

### Other useful addresses

Attorney General's Office, Huravee Bdg, Malé (tel: 332-3809; fax: 331-4109).

Maldives National Ship Management Ltd, 2/F, Ship Plaza, Male (tel: 332-3871; fax: 332-4323; e-mail: mnfl@dhivehinet.net.mv).

Maldives Association of Tourism Industry, Gadhamoo Bdg, Boduthakurufaanu Magu, Malé (tel: 332-6640; fax: 332-6641).

Maldives Traders' Association, G Viyafaari Hiyaa, Meeneee Magu, Malé (tel: 332-6634; fax: 332-1889).

State Trading Organisation, Haveeree Higun, Malé (tel: 332-3279; fax: 332-5218; e-mail: sto@dhivehinet.net.mv).

### Internet sites

Maldives Consular Information:  
<http://www.travel.state.gov/maldives.html>

Maldives news online:  
<http://maldivesculture.com>

Maldives Yellow Pages:  
<http://www.maldivesyellowpages.com>