

INVEST IN MALDIVES

**BE PART OF OUR
UNIQUE STORY OF
DEVELOPMENT**



**INVEST
MALDIVES**



**Ministry of
Economic Development
Republic of Maldives**



A nation of 1192 islands located in the Indian Ocean, the chain of atolls that make up the Maldives stretches across the equator along a length of 871 kilometres.

The islands are made up entirely of coral reefs. Jewel-like islands rimmed with the whitest of soft sand sit atop the reefs. Only 188 islands are inhabited, and 166 are tourist resorts in operation. While hundreds of islands remain in their pristine natural state, some of the islands are used for industry and agriculture.

Male' is the capital of Maldives and the seat of government. The Greater Male' Region consisting of Male', Hulhumale' and Villingili is home to more than a third of the population and is the hub of the country's economy.

The Maldives enjoys some of the richest marine biodiversity anywhere in the world. The country's coral reefs, representing some 5% of the global reef area, are home to 250 species of coral and over 1,000 species of fish. Several marine species and birds are protected by law. Protected areas have been designated to ensure the conservation of specific ecosystems and the rich biodiversity of the country.

International and domestic connectivity



International

Maldives is just an hour by air from Colombo and Trivandrum, India, and approximately four hours from Singapore, Kuala Lumpur and Dubai. The country is well connected with the world, with several flights being operated daily from the major cities in Europe and Southeast Asia.



Inter-atoll and intra atoll ferries

The inhabited islands of the country are connected by inter-atoll and intra-atoll public ferry services and by privately operated speedboat services. Private speed ferries also operate scheduled trips to islands in Male' Atoll directly from Velana International Airport.



Seaplanes

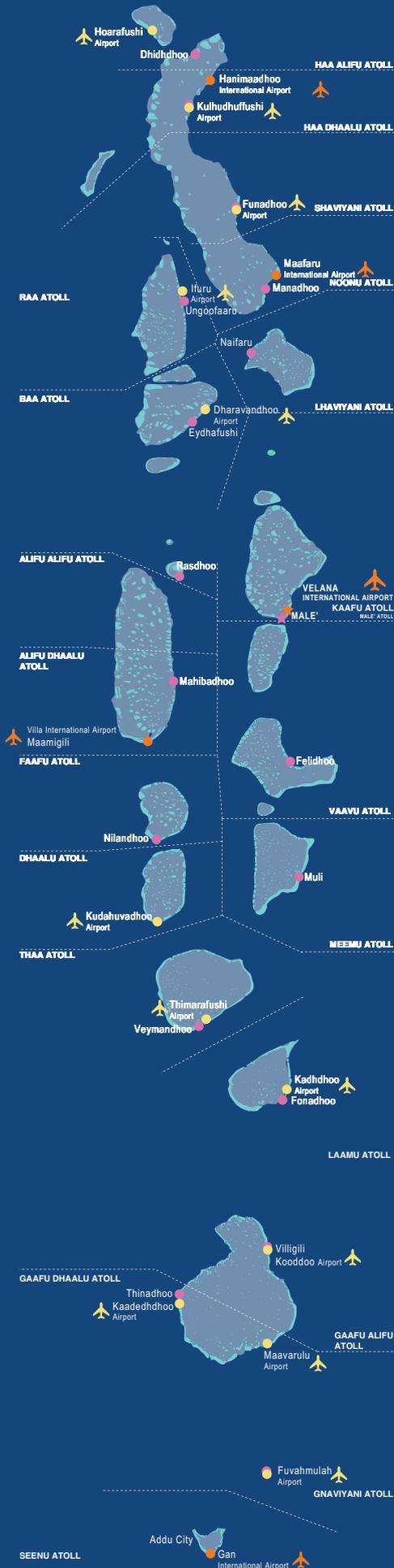
Maldives is home to one of the largest seaplane fleets in the world. Well-organized and scheduled seaplane operations provide efficient and convenient transfers to resort islands outside Male' Atoll.



Domestic air transport

Several domestic airports distributed along the length of the country offer easy access to all parts of the country

● International Airport ● Domestic Airport ● Atoll capital



An educated tech-savvy workforce

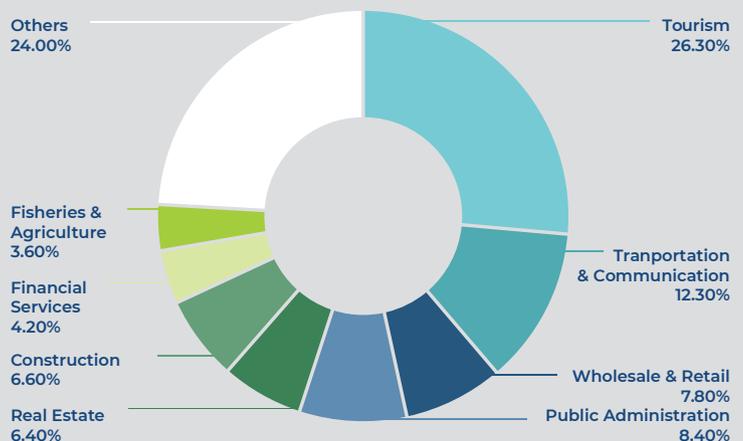
The current resident population of the country is 568,000, of which 32 percent are expatriates working and living in the Maldives. Maldives has sustained an adult literacy rate of over 98% since the late 1990s. Universal primary education was achieved in 2002 with no significant gender disparity. With the highest mobile internet usage in South Asia with 63% of the population and 60% of households having used internet in 2019, Maldives is home to a young tech-savvy population ready to accept new technologies and challenges.

Key economic sectors

The livelihood of Maldivians traditionally depended on the seas, fishery being the main source of sustenance. While fishery still contributes significantly to the economy in terms of employment and income, tourism contributes more than a quarter of the GDP.

GDP growth rate was 8 percent in 2018, and an estimated 7 percent in 2019. The economy is mainly driven by the tourism sector, construction, transport and communication, and real estate sectors. Economic growth is forecasted to reach an impressive 13.5% in 2021 due to the strong recovery from the COVID-19 pandemic.

Key economic sectors 2019



PRO-MARKET INVESTOR FRIENDLY ENVIRONMENT

Pro-market policies embedded within the government’s economic vision contribute to a strong, liberal, and transparent trading and commercial environment.

Incentives for investors



Unified business registration service through Invest Maldives.



Public Private Partnership Program.



Investment Programs for Foreign Portfolio Investors.



Long leases of land for up to 99 years.



Customs duty exemptions for large scale projects.



Easy entry by obtaining Business Visa or Corporate Resident Visa.



Freedom to use foreign managerial, technical and unskilled workers.



No foreign exchange restrictions.



No restrictions on repatriation of profits and capital proceeds.



Allows for the availability of international arbitration in dispute settlement.



Impressive economic performance

Maldives has enjoyed strong economic growth coupled with considerable development of the country’s infrastructure and connectivity. The economy has grown at an annual rate of 6.4 percent during the five years prior to the Covid-19 pandemic. By 2019 the annual GDP has increased to USD 5.6

billion with a per capita GDP of USD 10,541. Although the pandemic has dampened economic growth, early signs in the recovery of key economic sectors indicate that the country can bounce back to its expected economic performance in a relatively short period of time.



✓ Liberal pro-business policies

Pro-market policies embedded within the government's economic vision contribute to a strong, liberal and transparent trading and commercial environment. In its drive to build a strong and stable economy the Government has implemented several policies that open up attractive opportunities and incentives for foreign investors.

✓ Economic diversification

The Maldives is committed to further diversifying its economy by facilitating investment in targeted sectors such as construction, agribusiness, transport, energy and the financial sector. The Maldives has distinct advantages that provide significant economic opportunities. As a unique country there is great opportunity to invest in new technologies and unique solutions in a variety of economic sectors to maximize the economic advantages presented by its location, beauty, infrastructure and human capital.

✓ Ease of doing business

Huge strides have been made to improve the ease of doing business in the country. The formalities and processes for registration and operations of foreign investments have been streamlined through changes in laws and regulations, and well-defined procedures, designed to offer clarity, security, convenience and speed for investors looking at investing in the Maldives.

a bureaucracy-free process that is designed to offer convenience to investors.

INVESTMENT ROUTES

Currently, there are 4 regimes available for foreign investors to establish their business in the Maldives.



Standard foreign investment regime governed under the Foreign Investment Act and FDI policy.



Unsolicited Proposals Policy (USP Policy): Private sector participation in the delivery of government's strategic projects



Government Tenders and Public Private Partnership Projects



Special Economic Zone (SEZ) regime governed under the Special Economic Zones Act: Large-scale investments in excess of USD 150 million which matches projects under the Special Economic Zones Act.



TOURISM

White sandy beaches & crystal-clear waters extending as far as the eyes can see, the Maldives is one of the most desired holiday destinations in the world.

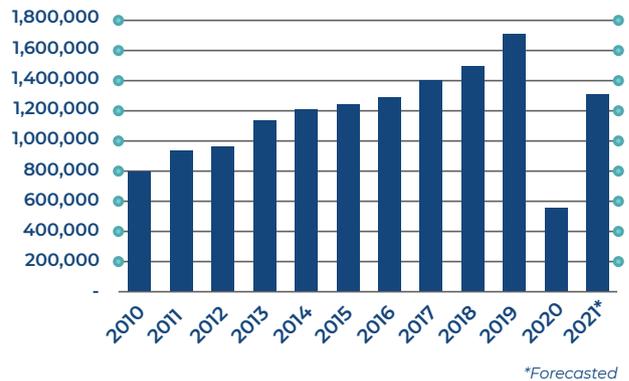
The tourism sector has grown at a rapid pace since the inception of the industry in 1972. By the end of 2019, annual tourist arrivals reached 1.7 million. Although there was a decline in arrivals in 2020 due to the Covid-19 pandemic, arrivals surpassed expectations after the borders were opened in July 2020. Maldives is one of the highest performing tourist destinations in the world since international borders opened for travel in 2020. Tourist arrivals are forecasted to reach pre-pandemic levels in 2022.

Tourism capacity is also expected to grow, dramatically by 2022 when global travel is projected to have recovered, and when the Velana International Airport expansion project is completed as scheduled in 2023.





Tourist Arrivals 2010-2021



Occupancy resorts & marinas 2019



Opportunities for investment

The government has targeted to add 35,000 new beds to the sector by 2023, and the focus of this expansion is on diversification and localization.

Focus on diversification

Investments ranging from high-value developments based on the one-island-one-resort concept, yacht marinas, luxury accommodation and hotels and relatively smaller investments in the guesthouse sector are now open for foreign investors.

Investments that would expand culture and wellness tourism, ecotourism, MICE, and adventure tourism are welcome. Investment in tourism real-estate including the development of integrated tourism development projects and private islands, is also an option for foreign investors seeking opportunities to invest in the Maldives.

Invest with MFMC

Potential investors also have the prospect of investing in the tourism sector with the Maldives Fund Management Corporation (MFMC). MFMC will invest in luxury tourist establishments, city hotels and other real property assets in Maldives, including development projects such as private islands, floating residences, and yacht marinas.

Opportunities are also open, to invest in distressed tourism projects that are in various stages of development.

ENVIRONMENT, RENEWABLE ENERGY, WASTE & COASTAL PROTECTION



Maldives is taking on the challenges of climate change successfully by finding effective solutions for mitigation and adaptation.

Even though the country's own greenhouse gas emissions are insignificant, Maldives is committed to reduce emissions and has embraced low-carbon growth to achieve energy security, reduce pollution and show leadership in tackling the climate crisis. Maldives has embarked on the ambitious goal of

achieving net-zero emissions by 2030. To achieve this bold target, the government has launched several initiatives such as the removal of import duty from renewables and the introduction of net metering and feed in tariff for domestic use of renewable energy.



Opportunities for investment

Waste management

The Maldives aims to establish regional level waste management systems under which waste generated is segregated and the volume of waste is reduced through volume reduction equipment or by the implementation of resource recovery at the source of waste.

Investment and commercial opportunities are open to supply innovative, environment friendly and low-cost waste management solutions to suit the requirements of the country.

Renewable energy

Reversing our dependence on imported fuel and investing in renewable energy is a key priority of the government to improve the energy security of the country. The objective is to achieve 70% peak load energy requirement from renewable energy sources. The demand for energy generation is expected to grow annually by 8.5 per cent.

The government welcomes investments in renewable energy under Independent Power Producer (IPP) licenses and sale of power to utility companies under Power Purchase Agreements. Land based, roof-mounted or floating Solar PV and other viable renewable energy technologies may be proposed.

Potential investors may also partner with private sector entities, including resort operators to transfer to renewable and smart energy solutions. There is considerable appetite for transitioning into renewable energy solutions in the Maldives, with installations growing at double digit rates over the last five years, recording an average annual growth of 45-55%.

Coastal protection technologies

Maldives is one of the lowest lying island nations in the world and most of our islands face coastal erosion because of human induced or climate change related factors. The current hard infrastructure solutions using rock boulders and sea walls are costly and destroys the aesthetics of the islands.

Investment opportunities are open in coastal protection technologies with more environment friendly and sustainable soft and hard engineering solutions.

Water & wastewater treatment technologies

The current wastewater treatment technologies used in the Maldives are costly. Investment opportunities exist in the area of wastewater treatment technologies that provide environment friendly and cost-effective solutions.

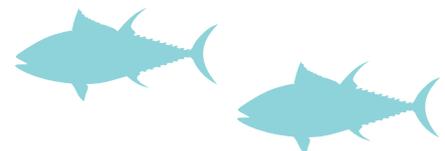


FISHERIES

The Maldivian skipjack pole-and-line fishery is recognized as the cleanest and greenest fishery in the world.

Spread over 90,000 square kilometres of the vast Indian Ocean, the Maldives is a country with 1% land and 99% ocean. Fishing is a primary economic activity in nearly all inhabited islands, the largest source of employment in local communities and the main physical export of the country. More than 20% of the labour force of the Maldives is employed in the fisheries sector and fish and fisheries products account for more than 98% of the physical exports from the Maldives by quantity and value.

Tuna fishery of the Maldives is the most sustainable in the world. All tuna is caught using handline or pole and line, ensuring maximum sustainable yields with zero bycatch. In 2012 Maldives Pole and Line Skipjack Fishery became the first Indian Ocean tuna fishery to receive certification from the Marine Stewardship Council.



Opportunities for investment

Capitalize on the cleanest, greenest fishery in the world

The Maldives has the cleanest and greenest fishery in the world and with the Marine Stewardship Council (MSC) certification Maldivian fish exports carry a special premium. There is space in international markets for Maldivian fish products to take a more influential role in the sustainable retail fish industry. Potential investors can engage with the fisheries industry to purchase, process, and export all forms of tuna products.

Mariculture

Mariculture is a key priority area for expansion in the country's drive to diversify the fisheries sector and foreign investment is welcomed in this sector. Mariculture production of high-value export-oriented species, such as sea cucumbers and hatchery produced aquatic organisms offer an alternative mechanism to alleviate the stress on the natural stock of fisheries, while producing luxury high value products for international markets.

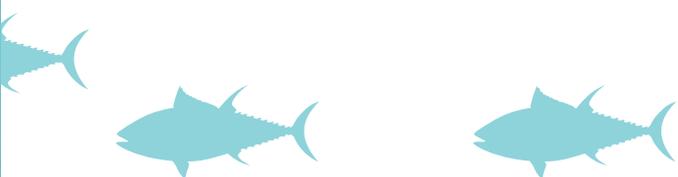
Fish processing & linkages to international markets

The government is keen to create new linkages and expand the international market for fisheries products. About 50 percent of the skipjack catch is at present, exported to Thailand for processing, and most yellowfin tuna exports are currently exported to limited markets.

Investment opportunities are open for the development of fisheries complexes including canneries and cold storage facilities, and yellowfin export processing facilities. Foreign investors are also welcome, to establish trade links for the existing fish processing sector, especially fresh yellowfin tuna and canned tuna which are popular fisheries products in international markets.

Research & development

Maldives also welcomes research and development investments in the cultivation of coral reef organisms either as separate activities or in conjunction with commercial mariculture operations, aquafarming, or related support facilities.



AGRICULTURE

With the strong demand for quality agricultural produce in the tourism sector and a general trend towards healthy consumption, agribusiness has great potential for growth in the Maldives. Several commercial agricultural islands are being operated successfully, catering mainly to the tourism sector. A wide range of local produce is also harvested in farming islands.

The government's strategy to develop the agriculture sector includes strengthening agricultural value chains and productive capacity of farmers, increasing the role of agriculture in achieving food safety and food security, mainstreaming sustainable agricultural practices, strengthening the policy and regulatory framework of the sector and strengthening agricultural research in alternative agricultural technologies.

The objective is to establish medium scale production facilities and identify crops and animals for value addition, development of urban

agricultural models for edible crops and aesthetic plants (flowering, medicinal, and aromatic plants), increasing production of traditional crops to ensure nutrition safety of communities and increasing production of selected crops to achieve self-sufficiency and reduction of imports.

There are multiple investment opportunities in the sector including scaling up production of quality organic produce, value addition through processing, large scale commercial egg production, poultry farming, smart agriculture and vertical farming.





Opportunities for investment

Climate smart and precision farming technologies

Opportunities are open for partnerships, which can bring in technologies to improve harvests, and introduce new and adoptive post-harvest technologies to process local fruits and vegetables such as mango, coconut, papaya, and chili.

Transportation

The geography of Maldives demands a complex transportation mechanism to develop and sustain agriculture as a feasible economic activity. Opportunities exist for investment in the establishment of a mobile marketing and haulage ferry service “Agri-Boat”, to link producers to markets with purpose-built transportation vessels.

Infrastructure development investment in agriculture

The government welcomes investments in the development of market infrastructure such as modern storage facilities which would address issues of food safety and hygiene, reduce wastage, and improve profitability along the agricultural value chain.

Commercial poultry and animal farming

Opportunities are open for investors to develop commercial poultry and animal farming in selected islands, to cater to the lucrative tourism sector and the rapidly growing domestic market, currently catered to by imports.

REAL ESTATE & INFRASTRUCTURE

The construction sector in the Maldives has been booming with the increase in output stemming mainly from investments in large-scale infrastructure projects made through the government's public sector investment program. The boom in the construction sector has also been aided by the growth in residential housing projects by both public and private sector undertakings.

The total resident population of the Maldives is 568,000. By 2028 the population is expected to increase to almost 650,000 with a need for 30,000 more homes, assuming an average of four per household.

Key policy priorities in the housing and real estate sector include creating greater access to housing by increasing the housing supply and provision of social housing in addition to making housing more affordable through access to finance and facilitating decentralized housing in the atolls.



Opportunities for investment

Housing projects

Prospective projects for investors include development of mixed housing projects—social housing, affordable housing, and luxury housing—in addition to ancillary services attached to housing development projects.

Transshipment port and free zone

The national development plan includes the establishment of a transshipment port and free zone in the north of the country under a long-term public-private partnership. The planned integrated development includes facilities for bunkering, maritime security, warehousing, packaging, processing, manufacturing, and real estate opportunities.



Urban regional development

Urban regional development is a key component of the national development agenda. Regional development programs incorporate a variety of projects open for investment which include land reclamation, development of road networks, housing projects, residential areas, business districts, ports, utility services, youth centres and nature reserves among others.

Investment Opportunities in Hulhumale'

Hulhumale', offers a range of investment opportunities for the international investor. While it is open for investment in real estate development, schools, hospitals, shopping malls, recreation and entertainment facilities and an array of other commercial activities, it also offers the opportunity to invest in the country's urban tourism sector in the form of high-end luxury hotels.

Other investments in real estate

Other areas open for foreign investments include large scale retail, leisure and recreational facilities, condominiums, business complexes, world class health and educational establishments.

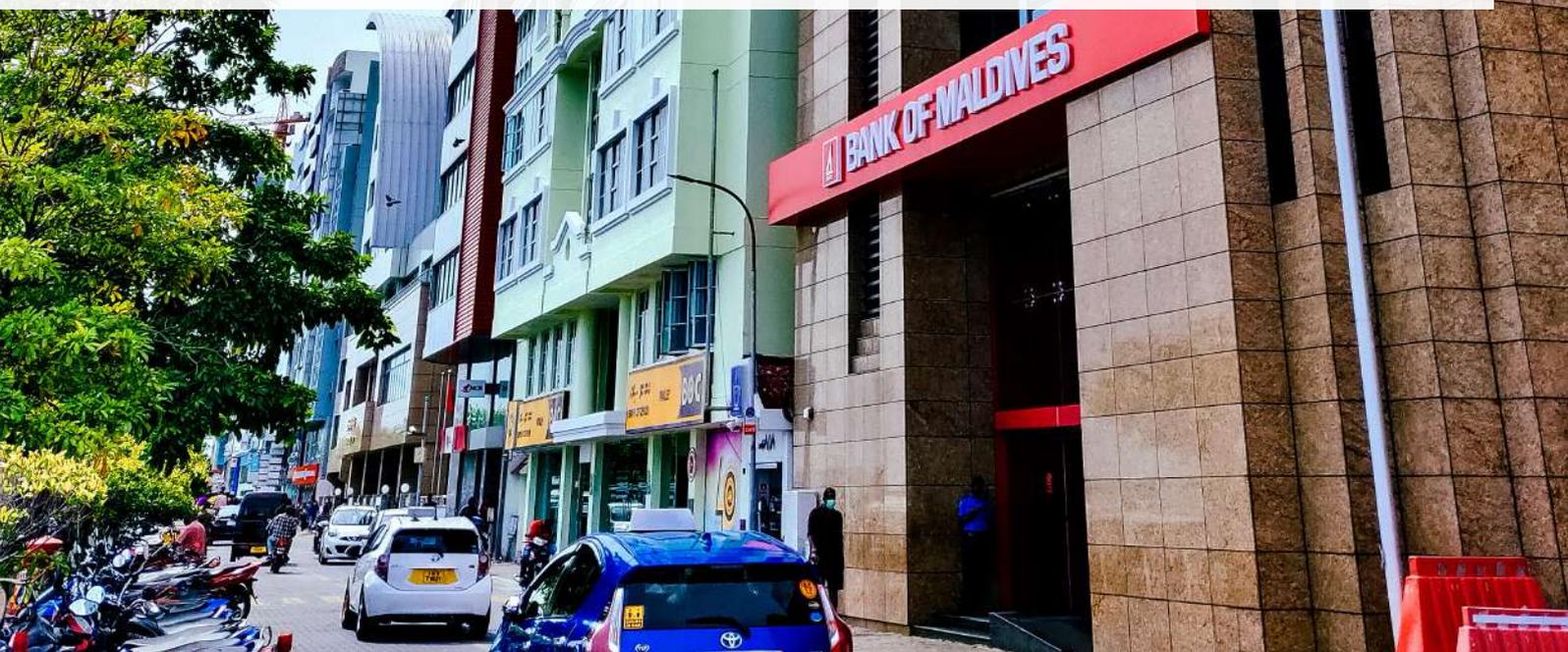




BANKING & FINANCE

Broadening and strengthening banking services and infrastructure is an important element in the government's drive to facilitate equitable development across the country as well as to facilitate financial mechanisms that can effectively stimulate private and foreign investments in various sectors of the economy.

The expansion of the banking and finance sector is also aimed at filling the gap in areas such as SME and housing finance. Given the commitment for economic decentralization, there are tremendous opportunities for investment banks and credit agencies.





Openings to set-up branches of banks and other financial institutions

Maldives welcomes new reputable conventional and Islamic banks and other financial institutions with good calibre to expand and create more competition in the market.

A comprehensive guideline on applying for financial institution license, with information on the application and evaluation process, and the preparation of the business plan, is available on the Maldives Monetary Authority website www.mma.gov.mv.

Opportunities for investment

Maldives Fund Management Corporation

Investors can seek to participate in the newly formed Maldives Fund Management Corporation (MFMC)—a 100% state-owned company established by Presidential Decree with the objective of increasing strategic national investments.

The MFMC's main objective is to seek capital market solutions for strategic investments, while creating opportunities for local and foreign investors to benefit from investments in various sectors of the Maldivian economy.

The main funds to be launched by the MFMC include the Maldives Tourism Development Fund, Maldives Renewable Energy Fund and the Maldives Infrastructure Fund. Additional funds planned to be launched include Maldives Private Equity Fund, Maldives Islamic Venture Capital Fund, Maldives Art and Culture Development Fund and the Maldives SME Development Fund.

Development of an Islamic Finance Hub

Investors in the banking and finance sector can also capitalize on the country's location in the Indian Ocean, where Islamic Financing is still in the early stages of development.

Maldives is an ideal location to establish the leading Islamic Finance Hub in South Asia, which can channel savings from the Gulf Cooperation Council (GCC) countries and the Muslim populations in South Asia.



TRANSPORT & LOGISTICS

As a nation of islands, efficient marine and air transport is essential for the country's internal and international connectivity to facilitate labour mobility, equitable access to services and to achieve the government's objectives of regional development, decentralization, and economic diversification.

The government plans to connect the islands with a comprehensive sea and air transport network for both passenger and cargo transport, create regional hubs for trade through the development of international and regional ports. This is also aimed to help achieve the objective of economic diversification through the expansion of industries related to the marine transport sector, such as boat building and drydocking services.



Opportunities for investment



Sustainable low-emission transport systems

While pursuing the strategic priorities of connectivity, the government is committed to seeking sustainable and low-emission transportation systems. With the country's focus on reducing the carbon footprint in the transport sector, there is potential to introduce an integrated, sustainable, and low emissions transport system and reduce fossil fuel consumption.

International & regional boatbuilding facilities and drydocking facilities

Opportunities are open for international boat builders to invest in boat building facilities to cater to the growing domestic demand and international markets. Dry-docking is another area of great promise open to foreign investors. Being strategically located in the Indian Ocean dry-docking facilities will be able to serve regional fleets in addition to domestic vessels.

Development of seaplane hubs

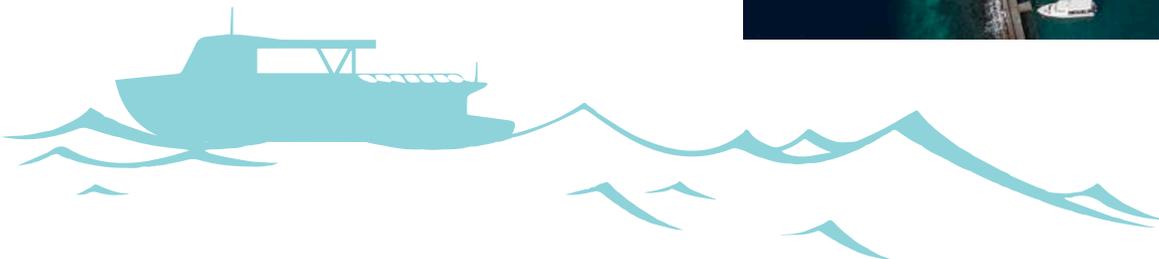
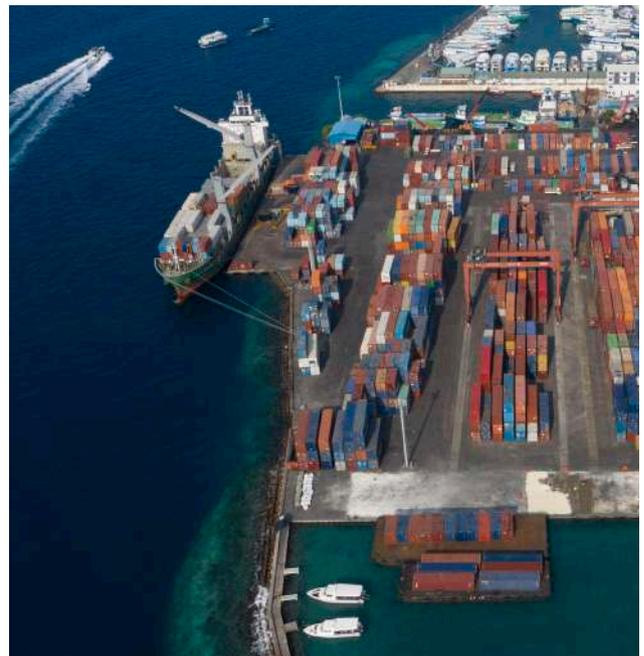
While more and more investments are being made in the development of upmarket resorts, investment opportunities are open for the establishment of seaplane hubs to cater to resorts in various regions of the country.

Cruise terminals

As one of the most established tourist destinations in the region, the Maldives has huge potential to establish itself as a port of call for cruise liners traversing the Indian Ocean. Opportunities to invest in the development of cruise terminals are open for foreign investors.

Development of air-transportation facilities

Presently there are 17 airports, in the country. The government is open to engage with investors to develop the air transport infrastructure of the country with the development of new domestic airports and upgrading selected domestic airports to establish new international airports.



HEALTH & WELLNESS

The Government of Maldives invites private sector participation in the development of the health sector. In addition to the development of specialised health facilities, the government also seeks to build and develop fully functional tertiary hospitals in the Regional Urban Centres, national ambulance services, smart, digitally connected health services and the proliferation of alternative forms of medical practices.

Opportunities for investment

- Investment opportunities in the health sector includes the establishment of wellness centres to provide traditional medicine and treatments, development of mental health facilities for the treatment and inpatient care of acute mental conditions and nursing homes for the provision of old-age care.
- Investment opportunities are also open for the establishment of developmental disorder treatment facilities, treatment centres for physical disabilities and the establishment of drug rehabilitation centres to help locals and foreigners to recover from substance abuse and addiction.
- Plastic surgery and dive medicine are also areas in the health sector open for foreign investment.



INFORMATION & COMMUNICATION TECHNOLOGIES



The Maldives has seen rapid growth in the ICT sector over the past twenty years mainly due to the investments made in the sector, and the adaptability of the population to the rapid advances in technology. Over the past twenty years, mobile phone services has transformed the telecommunications sector in its entirety, allowing unprecedented improvements in connectivity that has helped bridge the geographical disparity between the people. In 2018, there were over 850,000 mobile subscriptions with a mobile teledensity of 246.9, the highest in South Asia.

Increased acceptance and usage of mobile data, together with the available ICT infrastructure in the country, has redefined the social and economic landscape of the country, and presents an avenue to address the development challenges imposed by the country's unique spatial profile.

Opportunities for investment

IT Parks and Training Centres

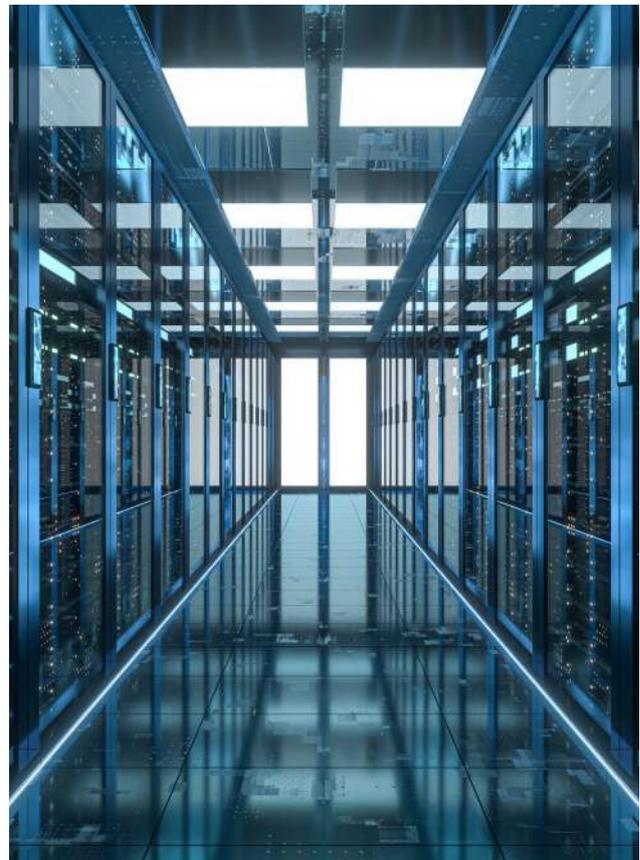
The Maldives has the highest internet penetration in South Asia. Given the fast transition to modern technology-based solutions in private and public sector and the young tech-savvy population of the country, an area that holds great promise for investments is training institutes and hubs for IT services.

Opportunities in the sector include the establishment of modern technology-education providers, STEM education centres and the development of modern IT parks with a mix of infrastructure, support services, office spaces and innovation hubs.

The Maldives is keen to keep pace with the rest of the world as we witness the Fourth Industrial Revolution which is rapidly transforming the way we work, interact and live our lives. Making inroads in areas such as Big Data, Data Centres, Artificial Intelligence and the Internet of Things (IOT) is a key strategic priority of the government to mould the Maldivian economy for the future. Investments in these areas are welcome.

Other opportunities

The government also welcomes strategic partnerships with global leaders in the field of technology with areas of expertise that suits the development requirements of the country.





EDUCATION & SKILLS DEVELOPMENT

Approximately 31% of the population of the Maldives is between 18-34 years and 18% is between 15-24 years. The Higher Education sector has seen an increase in the number of private higher education providers entering the sector to meet this demand. The increasing number of institutions coupled with high student aspirations for higher education has resulted in a steady increase in student enrolment over the years. Developing tertiary education, including Technical and Vocational Education and Training (TVET) and higher education avenues in the Maldives is a priority for the government.

Policy priorities of the sector include expanding higher education opportunities, increasing access to student finance, fostering a culture of academic research, delivering quality vocational education, and aligning such opportunities to industry needs.



Opportunities for investment



Higher education as an exportable commodity

While there is great opportunity for investors to benefit from the increasing demand for higher education and skills development from the young Maldivian population, the government's aim is to develop higher education and skills training as an exportable commodity that can cater to international and regional markets.

Unique opportunities for higher education and skills training exist in the Maldives due to the country's geography as well as its well-established hospitality sector.

Technical and vocational education

Technical and vocational training that aligns with the diversification objectives of the government is an area that holds great opportunity for private investors. The government is seeking to establish links with leading countries in the area of TVET and invite investors to establish state-of-the-art TVET training institutes with links to international organizations to realise the latest innovations in TVET provision.

Higher education institutions

The government welcomes local and foreign investors to establish institutions of higher education. This includes the establishment of Junior Colleges, establishment of local campuses and affiliates of well-established foreign universities that can cater to the demand for higher education in the Maldives.

Research centres in academic institutions

Opportunities are open for foreign universities to set-up research outposts in local academic institutions in the country. The unique geography and natural environment of the Maldives offer opportunities for research, especially in the areas of marine and reef ecosystems and mariculture.

Other areas of education and skills development

The education sector of Maldives also holds promising prospects for investments at all levels of education from early childhood to university education. There are opportunities for investment in nurseries and day care centres as well as in specialized sectors such as medical and hospitality schools, world class fishing and mariculture training institutes, flying schools and training institutes for clean and renewable energy.

INVEST MALDIVES

Invest Maldives is the lead government agency responsible for investment promotion, facilitation, and registration. Invest Maldives offers a one-stop shop that takes investors through the A-Z of investing in the Maldives.

investmaldives.gov.mv

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