Defence and economic cooperation are two important areas in bilateral ties

Cooperation to counter piracy and terrorism is on the rise

In 1988, India thwarted an attempt by Sri Lanka’s Tamil militants to overthrow the Gayoom government in Maldives

Economic Cooperation

* Tourism and fishing are major industry in Maldives. It has to import everything else.
* Hence, bilateral trade largely comprises exports by India
* Investments by India companies have been increasing in sectors such as education, hospitality, renewable energy , health and waste management and marine products
* India recently announced a package including
  + **Renovation** of the Indira Gandhi Memorial Hospital
  + Construction of the Faculty of Hospitality and Tourism by 2015
  + Establishment of a development finance institution
  + Setting up an IT Village in Male
  + P**romotion of Maldives as a film shooting destination**
  + Enhance connectivity through the launch of a passenger-cum-cargo ferry service between Kochi and Male by November 2011
* India would provide $40 million line of credit for the housing sector and $100 million as soft loan for a comprehensive economic development package.

Cultural bonds

* **ICCR to set up the Indian Cultural Centre in Male**
* India’s music, dances, films and cuisine are popular with the people
* Maldives will host the next SAARC summit in November, for which India is extending all necessary assistance
* These efforts can perhaps be broadened by involving our youth

India must invest in raising awareness and interest within India about relations with our smaller neighbours

India’s assistance to Maldives

* Extended assistance in the form of equipment and training
* Measures designed to enhance cooperation between Coast Guards
* Help in undertaking Hydrographical surveys in Maldivian waters

Without a friendly, peaceful and prosperous South Asia, India’s ambition to be a great power may remain unfulfilled.

Diaspora in Maldives

## Nov 2011

* India Maldives sign a framework agreement of cooperation and development and a MoU, which will serve as the bedrock for joint cooperation in safeguarding each other’s security interests.
  + Security and development are the focus of the agreement
* India announced $100 mn in credit to the island nation for stabilising its fiscal position
  + Maldives faces a serious credit crunch. It has allowed its currency to float in a limited band