

India and Maldives: Ties must be Consolidated

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Summary

President Yameen decision to visit India soon after his election in November 2013, is an indication that he wants to put India-Maldives relations on a positive track which had received a setback since President Nasheed was deposed in 2011. A notable feature of the visit was a joint declaration recognising India-Maldivian cooperation not only in the context of South Asia but also in the context of the Indian Ocean.

Mr Abdulla Yameen Abdul Gayoom, the President of Maldives, visited India from January 1-4, 2014. His decision to visit India first, after his election in November 2013, is an indication that he wants to repair India-Maldives relations which had received a setback since President Nasheed was deposed in 2011.

Political Turbulence and Strain in Bilateral Relations

Maldives has undergone considerable political turbulence in 2012-13. The presidential election held on September 7, 2013 was suspended. In the first round of election held on November 9, the former President Mohamed Nasheed of Maldivian Democratic Party had won about 47 per cent of votes leaving behind his nearest rival Abdulla Yameen at 30 per cent. However, in the second round of election, Abdulla Yameen, getting the support of other opposition parties, managed to get 51.39 per cent, compared to 48.61 percent for Ex-President Mohamed Nasheed. The turnaround in Yameen's fortunes happened as all opponents of Nasheed joined hands to isolate and defeat him. It is interesting that Nasheed accepted his defeat graciously despite the narrow margin of his loss. Hopefully, this will help bring political stability in the country. Soon after his election the new President said that his priority was to stabilize rupiah and create jobs.

During 2012-13, India-Maldives relations suffered considerably. The Maldivian Government terminated the Indian company GMR contract of the Male airport on allegations of irregularity in awarding the project. The former President Nasheed had to take shelter in the Indian embassy in 2013 due to violent protests on the streets of Male. The bilateral relations touched a new low in 2013. It is in this context that Mr Yameen's visit to India becomes important.

President Yameen's Visit

During the visit, Mr Yameen was effusive in praising India. He said, "In every hour of national distress, be it a foreign terrorist coup attempt as with the 1988 mercenary attack or a natural catastrophe such as the 2004 Asian Tsunami, India helped us wholeheartedly and generously in restoring normalcy to the lives of our people." For India, Maldives' location in the Indian Ocean and close to its southern tip makes it a strategically significant country. The report of increasing Chinese presence in the Maldives is a matter of anxiety for India. Mr Yameen's visit was aimed at reassuring India that his country recognises India's importance for Maldivian stability and would take India's security concerns on board.

During the visit, Mr Yameen sought India's help in putting the Maldivian economy on track. He specifically asked for India's assistance in skill building and training of personnel.

Key Agreements to Boost Cooperation

Trade and Investment, Connectivity

The 1981 trade agreement between the two countries provides for export of essential commodities and bilateral trade has grown to Rs.700 crores (See Table-1 below). India imports scrap metals from Maldives while its exports include agriculture and poultry produce, sugar, fruits, vegetables, spices, rice, flour (atta), textiles, drugs and medicines, a variety of engineering and industrial products, sand and aggregate, cement for building, etc. In June 2011, India released three-year quota for export of essential commodities like Stone Aggregates, Rice, Wheat Flour, Sugar, Dal, Onion, Potato and Eggs from India to Maldives.

Table-1*: India-Maldives Trade Figures (in Rupees Crore)

Year	Total Exports to Maldives	Total Imports from Maldives	Total Trade
2007-08	360.55	16.69	377.24
2008-09	590.28	17.93	608.21
2009-10	378.49	17.07	395.57
2010-11	455.54	145.43	600.97
2011-12	597.78	92.04	689.82
2012-13	666.21	40.48	706.69

* Figures taken from MEA website at <http://www.mea.gov.in/maldives-in.htm>.

During President Yameen's visit, further attention was paid to strengthen bilateral trade and investment. The Indian Prime Minister highlighted the key agreements and decisions based on the joint statement. These include the facilitation of trade credit to the Maldives to the amount of 25 million dollars, the relaxation of restriction on export of stone aggregates, the favourable disposition of India for the Maldives request to import petroleum from India, and the supply of other essential commodities.

India and Maldives have also agreed to enhance connectivity, set up a joint consultative commission, promote investments, and step up security cooperation between the two countries. President Yameen acknowledged that Indian supplies of petroleum product would help Maldives to reduce its debt burden and the visa regime would be simplified to promote people to people contacts.

Security

Security cooperation is a highly significant dimension of bilateral cooperation. The joint statement recognises that “security interests of both the countries are interlinked”. Within the institutional framework of security cooperation, India and Maldives have agreed to enhance anti-terrorism cooperation and intensify cooperation in the areas of training and capacity building of the Maldives National Defence Force and the Maldives Police Service.

Cooperation in Indian Ocean

A notable feature of the joint declaration is that it recognises India-Maldivian cooperation not only in the context of South Asia but also in the context of the Indian Ocean. Importantly, Maldives is willing to acknowledge India’s role in regional integration. The Maldivian President urged India to play a leadership role in strengthening SACRC. The declaration says, “The two leaders shared the confidence that cooperation at the bilateral, sub-regional and regional levels will enable the two countries to realise their developmental aspirations, and contribute to peace, prosperity and security in the Indian Ocean Region and South Asia”. Further, they agreed to “strengthen cooperation to enhance maritime safety and security in the Indian Ocean Region through joint patrolling and aerial and maritime surveillance, exchange of information, capacity building and the development of an effective legal framework against piracy.” This is a welcome framework for bilateral cooperation but should also be seen in the context of the ongoing trilateral India-Sri Lanka-Maldives talks on regional security. Interestingly this is a first trilateral security cooperation of its kind for India. The security dialogue at sub-regional cooperation, which was agreed to in an earlier IDSA commentary (http://www.idsa.in/idsacomments/TheImperativeofDeepEngagementwithMaldives_agupta_130212), must continue.

New Opportunities for Consolidation of Relations

The visit has opened up an opportunity for the consolidation of relationship. The two leaderships must take the process forward and address each other’s concerns. The Maldivian President should walk the talk and try to resolve the contentious GMR issue quickly to help restore investors’ confidence in his country. He should also reassure India of the reports of growing Chinese presence in the country.

India on its part should help Maldives in building its economy and addressing the needs of its manpower development. India should also provide developmental assistance to Maldives the way it has done for Bhutan. The Framework agreement of November 2011 and 2014 joint declaration provide the ground for deepening of the ties. The two sides should work out a comprehensive plan of developmental partnerships.

No doubt there are many factors of instability operating in Maldives. Internal politics in Maldives has been volatile lately. A stable democracy in Maldives is in India’s interest. It is

fortunate that the results of the November 2013 elections were accepted by all concerned. India needs to remain engaged with all sections of the society and its approach should be people-centric. India should share its democratic experiences to strengthen Maldives fledgling institutions of democracy. People-to-people contacts must be strengthened. A regular bilateral security dialogue amongst the officials of both sides should be instituted to expand the scope of security cooperation. This should be supplemented by Track-II and Track-1.5 dialogues. India can help build think tanks in the country.

A deeper and comprehensive engagement with Maldives as with the other neighbours is vital for India. Any hesitation in dealing with its neighbours will only invite external powers to step in making a difficult situation even more complex. With the visit of the newly elected president, India has made a good beginning in its relations with Maldives and this should be truly sustained.