

Trade pact with India soon, says Maldives Minister

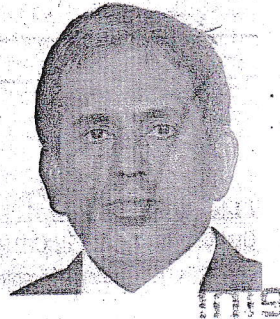
Meera Srinivasan
Colombo

The Maldives will soon finalise a trade pact with India, a senior Maldivian Minister has said, barely two weeks after New Delhi appeared to caution the island-nation over possible “revenue loss” from similar deals inked with other countries, including China.

According to Maldivian media, Minister of Economic Development and Trade Mohamed Saeed confirmed the move Monday night in an interview to a local television channel. Saeed had said that President Mohamed Muizzu — during his State visit to India in October — and Prime Minister Narendra Modi had “expressed keen interest” in signing the Free Trade Agreement (FTA).

Official sources in Male, familiar with the developments, told *The Hindu* that bilateral negotiations on the FTA are scheduled to begin soon.

Muizzu is focused on securing trade agreements with major global markets, Saeed noted, pointing to the preferential trade agreement signed with Turkey in November 2024 and the FTA with China that came into ef-



Maldivian Minister of Economic Development and Trade Mohamed Saeed's announcement comes after India cautioned it over possible “revenue loss” from similar deals

fect on January 1, 2025. “Most of the aquatic products” originating in the Maldives exported to China will enjoy zero tariff treatment, China’s Ministry of Commerce said following the signing of the agreement.

MALDIVES-INDIA TIES
Saeed’s announcement as-

sumes significance, coming soon after New Delhi’s rare comment on a neighbour’s trade partnership choices. Addressing the weekly media briefing of the Ministry of External Affairs on January 31, 2025, spokesperson Randhir Jaiswal said: “Recent agreements that are likely to result in revenue loss for the Maldives government are obviously a matter of concern and do not bode well for the long-term fiscal stability of the country.”

While he didn’t name the two countries, he flagged possible implication to India’s Maldives policy and noted: “We would, obviously, need to take that into account while framing our own policies.”

Meanwhile, Saeed said that such trade pacts would help the Maldives boost its exports and become less reliant on imports. Maldives is currently negotiating a foreign currency crisis and high public debt.

In its October update, the World Bank said the Maldives faces “heightened external and fiscal vulnerabilities” that require urgent implementation of comprehensive economic reforms.

Meera Srinivasan is the *The Hindu* Correspondent in Colombo