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International Trade Policy Division
Ministry of Economic Development and Trade

COUNTRY BRIEFING PAPER

REPUBLIC OF INDIA

Country Briefing Paper Republic of India

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1. DIPLOMATIC RELATIONS

- Republic of India and the Republic of Maldives established diplomatic ties on 01 November 1965.

Diplomatic representation

The Maldives

His Excellency Mr. Abdul Azeez Yoosuf is presently serving as High Commissioner of the Maldives to India. He presented his Letter of Credence to the President of India, Her Excellency Mrs. Pratibha Devisingh Patil on 12 June 2009.

India

The High Commissioner of India to the Maldives H. E. Mr D. M. Mulay, presented his Letter of Credence to H. E. Mr Mohamed Nasheed on 28 April 2009.

Consular representation

The Maldives

The Maldives established a Consulate in Thiruvananthapuram in India on 12 July 2005, which is the first Consulate opened by the Government of Maldives. Mr Abdul Latheef Gasim is serving as the Consul.

The Honorary Consuls of the Maldives in India are listed below:

1. Mr. Chandra Shekhar Jaiswal - serving as Honorary Consul General in Kolkata since 3 May 1994 and became the Honorary Consul General in 2004.
2. Dr. S. M. Balaji - serving as Honorary Consul in Chennai since 29 April 2007.
3. Dr. V. G. Joseph - started serving as the Hon Consul on 10 July 2008.

2. BILATERAL RELATIONS

Confederation of Indian Industry and Government of Maldives signed 15 Memorandum of Understanding with the aim of promoting Indian Investments particularly in housing, infrastructure and privatization of public sector companies and strengthening economic relations between Maldives and India on 2nd February 2009. Within the 15 MoUs signed between Government of Maldives and Confederation of Indian Industries, following 3 MoUs are signed by the Minister of Economic Development, Hon. Mr Mohamed Rasheed.

- i. MoU between the Government of Maldives and Confederation of Indian Industry on holding a Foreign Investment Conference in the Maldives
- ii. MoU between the Government of Maldives and Feedback Ventures Pvt Ltd on Infrastructure Development
- iii. MoU between the Government of Maldives and TCE Consulting Engineers, India for Cooperation in the Field of Renewable Energy

A bilateral agreement of co-operation in trade between India and Maldives was signed on 31st March 1981, which has facilitated and enhanced trade and investment between the two countries. This agreement is pending to revise because it does not reflect the current realities in both countries. Import of certain products to Maldives from India such as pharmaceuticals that otherwise are banned for exports, is made possible through these bilateral arrangements. The FTA does not provide for any tariff preferences.

In addition, the establishment Indo-Maldives Joint Commission for Economic and Technical Cooperation on 7th February 1986 has also been an important arrangement which has strengthened the trade ties and allowed investors and traders from both the countries to access the markets in both countries.

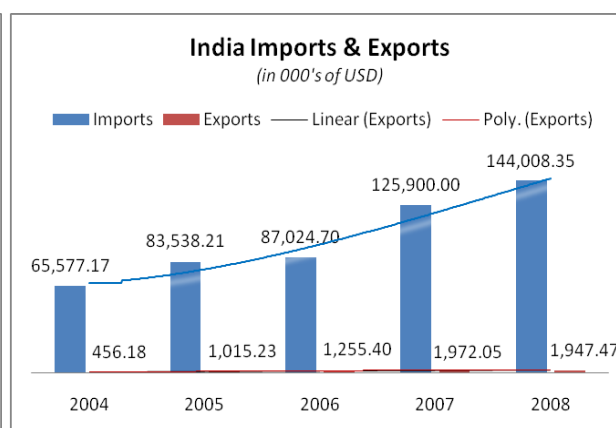
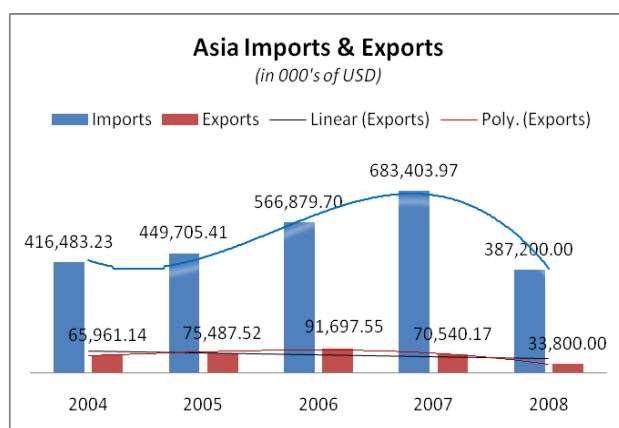
3. TRADE PERFORMANCE¹

IMPORTS & EXPORTS BY INDIA AND ITS REGION (ASIA)

Table 1: Imports & Exports from India to Maldives and its Region 2004 to 2008 (in 000's of USD)

Year	Asia				India			
	Imports	%	Exports	%	Imports	%	Exports	%
2004	416,483.23	65.1	65,961.14	53.9	65,577.17	10.3	456.18	0.4
2005	449,705.41	60.6	75,487.52	72.7	83,538.21	11.3	1,015.23	1.0
2006	566,879.70	61.4	91,697.55	67.9	87,024.70	09.4	1,255.40	0.9
2007	683,403.97	62.6	70,540.17	65.5	125,900.00	11.5	1,972.05	1.8
2008	387,200.00	62.6	33,800.00	59.6	144,008.35	10.4	1,947.47	1.5

Source: Maldives Customs Service



Main Exports to India

- Live Ornamental Fish
- Frozen / Fresh or Chilled Yellowfin Tunas, Fillets, and Loins,
- Fresh or Chilled Bigeye Tunas and Loins
- Fresh or Chilled Grouper, fillets and Loins
- Frozen / Fresh or Chilled Marlin and Loins
- Shells & Battery Waste, Shark-Liver oil
- Aluminium, Copper, Tin, Alloy Steel Waste & Scrap

Main Imports from China

- Riversand & Aggregates
- Groceries like Onions, Potatoes, Egg
- Wheat Flour, Rice & Sugar
- Cement
- Household & food stuffs including fruits and vegetables
- Garments
- Medical & Surgical Equipments

EXPATRIATES OF INDIA & ITS REGION (ASIA)

Table 5: Expatriates of India and its Region (Asia) in Maldives from 2004 to 2008

	2004	2005	2006	2007	2008
India	16,657	19,430	20,582	23,496	23,873
Asia	36,741	43,331	52,350	68,438	79,061

Source: Ministry of Human Resources, Youth & Sports

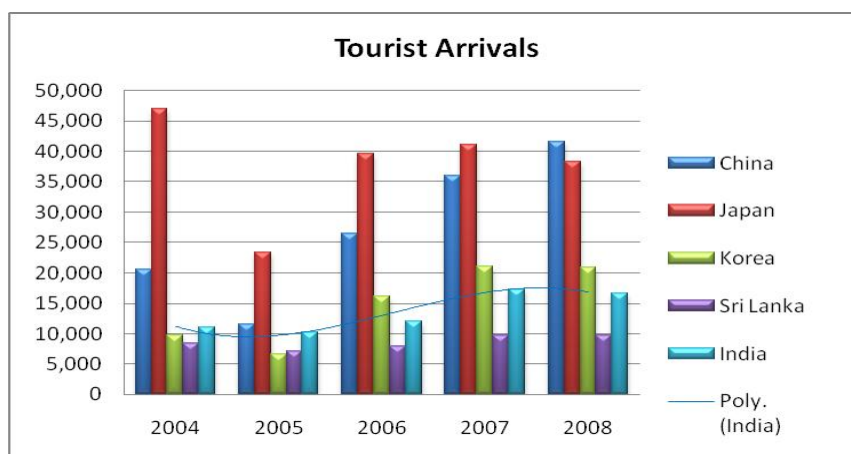
¹ No particular product in goods
No particular pattern in commodity

TOURIST ARRIVALS BY INDIA & ITS REGION (ASIA)

Table 3: Tourist Arrivals to Maldives from India & Other Asian Countries, 2004 to 2008

Year	Total Tourist arrivals	Main Markets within the Region				India	
		China	Japan	Korea	Sri Lanka	Tourist Arrivals	% of Tourist Arrivals
2005	395,320	11,609	23,269	6,543	7,165	10,260	1.50
2006	601,923	26,396	39,528	16,157	7,954	12,071	1.80
2007	675,889	35,976	41,121	20,976	9,654	17,327	2.60
2008	683,012	41,511	38,193	20,934	9,752	16,663	2.44

Source: Ministry of Tourism and Civil Aviation



TOURIST ARRIVALS BY MAJOR MARKETS

Table 4: Tourist Arrivals to Maldives from major Markets, 2004 to 2008

Country	2004		2005		2006		2007		2008		Ranking
	Tourist Arrivals	%	Tourist Arrivals	%	Tourist Arrivals	%	Tourist Arrivals	%	Tourist Arrivals	%	
United Kingdom	113,991	16.9	87,264	12.9	107,995	16.0	125,158	18.5	116,821	17.1	1
Italy	131,044	19.4	70,112	10.4	118,929	17.6	117,246	17.4	103,823	15.2	2
Germany	72,967	10.8	55,782	8.3	70,830	10.5	72,269	10.7	69,240	10.1	3
France	46,156	6.8	21,640	3.2	43,627	6.5	45,301	6.7	48,100	7.0	5
Japan	46,939	6.9	23,269	3.4	39,528	5.8	41,121	6.1	38,193	5.6	7
China	20,599	3.3	11,609	2.9	26,396	4.4	35,976	5.3	41,511	6.1	6
Russia	18,075	2.7	14,582	2.2	21,955	3.2	31,845	4.7	48,978	7.2	4
Switzerland	29,252	4.3	19,321	2.9	26,251	3.9	26,183	3.9	26,983	4.0	8
Korea	9,672	1.4	6,543	1.0	16,157	2.4	20,976	3.1	20,934	3.1	9
India	10,999	1.6	10,260	1.5	12,071	1.8	17,327	2.6	16,663	2.4	10

Source: Ministry of Tourism and Civil Aviation

- With a total of 683,012 tourists, it has been recorded that 2008 has been a record year for tourist arrivals in the Maldives.
- Among the top ten markets of 2008 include, United Kingdom, Italy, Germany, France, Japan, China, Russia, Switzerland, Korea and **India**.
- The month of December is recorded as the peak season for visitors from India to the Maldives.

INVESTMENTS MADE BY INDIA IN MALDIVES

- A number of investments from India have been flourishing in the country.
- These include areas such as banking, finance, hotels and wholesale/retail.

- The State Bank of India has a 30 per cent share of the market. Established in 1974, its loan portfolio comprises 60 per cent for tourism sector investments, 15 per cent fishing sector investments, 10 per cent for import-export trade, and 10 per cent housing and education. In 2005, the bank had over US\$ 100m invested in the Maldives and was anticipating a major increase in 2006 with the commencement of a new tourism resort development.

Inward FDI: geographical breakdown, by source
(Millions of dollars)

Region/economy	Inflows	Year	Inward stock	Year
Belgium / Luxembourg	0.03	1994
France	-0.4	1996
India	15.0 ^a	2001	21.0 ^a	2004
Japan	3.4 ^b	1995
Malaysia	0.4	1993	0.3	2002

^a Approval data.

^b Approval/notified data.

- An Indian investment in the tourism sector of Maldives is also significant. While the Taj Group operates a Taj coral Reef Resort in the Maldives, there are other individuals and companies from India who have also invested in the tourism sector in the Maldives
- The following are the investments made by India in Maldives other than in tourism sector;

Table 5: India Investments in Maldives other than in Tourism Sector

Company	Shareholders From India	Type of activity	Date operation began	Comments
Trans Maldivian Airways Pvt Ltd	Mr. Krishnan Balakrishnan (India) M. Ranfas 1 share	Air transportation Services	8.7.1989	Ongoing
Six Senses Pvt Ltd	Mr. Sahil Panigrahi (Indian)- 1% (Majority Mauritius)	to operate and manage spas	24.12.2002	Ongoing
AYUR SPA INTERNATIONAL PVT LTD	Mr. Shyam Mohan (India) 1% (Majority Switzerland)	To operate Spas in the Maldives	not yet started	not yet started
Warf Telecom International Private Limited	Focus Infocomm Pvt Ltd (Maldives), Wataniya Telecom Maldives Pvt Ltd (U.A.E), Reliance Infocomm Limited (India)	Facilitate the bulk sale of international submarine optical fibred bandwidth in & out of the Maldives to the Licensee's Shareholders and/or authorized third parties, Facilitate the bulk sale of national submarine optical fibred bandwidth to the Licensee's shareholders and/or authorized third parties, Provide transit services to telecom operators outside the Maldives, Construct & operate all the telecommunications apparatus and/or facilities that are required to provide international & national submarine optical fibred bandwidth, Purchase, supply, install, manage and maintain devices and equipments that are required for the provision of international & national submarine optical fibred system, Introduce and/or manage other international telecommunication services which the Telecommunications Authority of Maldives may permit from time to time.	not yet started	not yet started

6. COUNTRY PROFILE

Economy and finance

GDP (2008 est.):	US\$ 3.297 trillion
GDP per capita (2008 est.):	US\$ 2,900
Currency:	Indian rupee (INR)
Exchange rate:	Indian rupees per US dollar - 43.319 (2008 est.),
Imports (2008 est.):	US\$ 305.5 billion
Main Imports:	Crude oil, Machinery, Gems, Fertilizer, Chemicals
Exports (2008 est.):	US\$ 176.4 billion
Main Exports:	Petroleum products, Textile goods, Gems & Jewelry, Engineering goods, Chemicals, Leather manufactures
Industries:	Textiles, Chemicals, Food Processing, Steel, Transportation Equipment, Cement, Mining, Petroleum, Machinery, Software
Agriculture Products:	Rice, Wheat, Oilseed, Jute, Tea, Cattle, Fish, Water, Sugarcane, Potatoes; Sheep, Goats, Cotton, Poultry.

Head of State: President Pratibha PATIL (since 25 July 2007)

Head of Government: Prime Minister Manmohan SINGH (since 22 May 2004)

Minister of External Affairs: H.E. Shri Pranab Mukherjee (since 26 Oct 2006)

Geography:

Area:	3,287,590 sq km
Capital:	New Delhi

People:

Population:	1,166,079,217 (July 2009 est.)
Ethnic groups:	Indo-Aryan 72%, Dravidian 25%, Mongoloid & other 3% (2000)
Languages:	Hindi is the national language and primary tongue of 30% of the people; there are 21 other official languages: <i>Assamese, Bengali, Bodo, Dogri, Gujarati, Kannada, Kashmiri, Konkani, Maithili, Malayalam, Manipuri, Marathi, Nepali, Oriya, Punjabi, Sanscrit, Santhali, Sindhi, Tamil, Telugu, and Urdu</i> ; <i>Hindustani is a popular variant of Hindi/Urdu spoken widely throughout northern India but is not an official language</i>
Religion:	Hindu 80.5%, Muslim 13.4%, Christian 2.3%, Sikh 1.9%, other 1.8%, unspecified 0.1% (2001 census)

Political system

A federal republic, the Republic of India integrates the constitutional system and has a constitution which governs it. The government's power can be divided into three branches: executive, judiciary and parliament. As with the United States, India is comprised of individual states. India's central government has authority over these states and even has the authority to change the boundaries of the states.