



Maldives

Economic overview

Maldives is located in Southern Asia, southwest of India. It has an area of 298 square kilometres and a population of 0.39 million. Maldives has a vibrant economy that is generally open to foreign trade. Tourism remains Maldives' largest economic activity and the major source of government revenue followed by construction and fisheries. Its economic structure relies mainly on services which almost holds 70% of total GDP.

As of September 8, 2023, Moody's rating for Maldives stands at Caa1 (Stable); and Fitch has a reported rating of B- (Negative).



Maldives has been a member of the WTO since May 1995. Maldives has trade agreements with Afghanistan, Bangladesh, Bhutan, Nepal, Pakistan, Sri Lanka and India. Maldives and India are signatories to South Asian Free Trade Agreement (SAFTA) and South Asian Preferential Trade Arrangement (SAPTA).

Economic indicators		2020	2021	2022
Nominal GDP	USD Billion	3.7	5.3	6.2
Nominal GDP per capita	USD	9,883	14,013	15,883
Real GDP growth	%	-33.3	41.7	12.3
Total population	Million	0.38	0.38	0.39
Average inflation	%	-1.6	0.2	2.6
Total merchandise exports	USD Billion	163	152	158
Total merchandise imports	USD Billion	1,837	2,581	3,523

Source: IMF, TradeMap

Trade overview

India and Maldives engaged in bilateral trade worth USD 1,017 million in 2022. During the year, India's exports to Maldives were valued at USD 497 million while India's imports from Maldives were valued at USD 518 million.

The major items of export (2-digit HS) from India to Maldives are diesel fuel (USD 61 million), other machinery and mechanical appliances (USD 58 million), other iron and steel (USD 48 million), pharmaceutical products (USD 30 million) and plastic pipes and hoses of PVC (USD 28 million). Likewise, major items of export (2-digit HS) from Maldives to India are aircrafts (USD 417 million), diesel fuel (USD 81 million) and other waste and scrap of iron and steel (USD 10 million). The import of aircraft by India from Maldives was quite unusual and took place only in the year 2022.



For products that come under the purview of PLEXCONCIL, the trade is in favour of India with exports of USD 33.5 million to Maldives and India's import from Maldives is valued at USD 0.21 million. The major items of export to Maldives being:

- Plastic pipes & fittings (34.1%),
- Plastic raw materials (21.7%), and

- Consumer & houseware products (9.9%).

Maldives's annual plastics imports are valued at USD 151 million approx. Its plastic imports are largely catered to, by India (29.4%), China (25.2%) and Thailand (7.9%). India has a good standing for all the plastic products, some of the plastic product imports by Maldives where India holds first rank were:

- Plastic raw materials – Market share of 44.1%,
- Plastic pipes and Fittings – Market share of 41.2%, and
- Medical items of plastic – Market share of 35.2%.



Export potential for India

Our internal research indicates that India's export of PLEXCONCIL member products to Maldives has the potential to grow by USD 112 million. Details of product panels and their export potential to Maldives is provided below:

Product panel	Maldives's import from India	Maldives's import from world	India's export to world	Export potential for India
	USD Million	USD Million	USD Million	USD Million
Consumer & houseware products	4.0	35.8	1,623.6	31.4
Plastic pipes & fittings	11.5	36.1	304.0	24.6
Medical items of plastics	6.3	17.7	1,041.6	11.4
Plastic raw materials	7.3	17.1	3,602.4	9.7
Plastic films and sheets	1.1	9.7	1,936.2	8.5
Packaging items - flexible, rigid	2.7	8.0	647.6	5.3
Floorcoverings, leathercloth & laminates	0.3	4.6	775.8	4.3
FIBC, Woven sacks, Woven fabrics, Tarpaulin	2.8	5.8	1,512.6	2.9
Cordage, fishnets & monofilaments	0.7	2.3	282.8	1.6
Writing instruments & stationery	0.4	1.5	260.9	1.1

Source: TradeMap, Plexconcil Research