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COMMENTARY

India-Funded Thilamale Bridge Project: A Potential Economic Engine for the Maldives

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The Maldivian government signed an agreement with India-based Afcons Infrastructure Limited to construct the Male-Thilafushi link bridge last week. This bridge would be the link between Male-the capital city and the industrial island of Thilafushi. The BRI would include a 6.7-kilometer sea crossing link from the southwest corner of Male, running to the south shore of Villimale, then along the southern border of the reclaimed island of Gulhifalhu and terminating on the reclaimed island of Thilafushi. The project includes the construction of three navigation bridges, viaducts, and on-grade roads. The project, also known as the Thilamale bridge project, is funded through a US\$ 400 million line of credit (LOC) from Indian EXIM Bank and by a US\$ 100 million grant from the Government of India. The LOC was extended at the rate of 1.76 percent following a grace period of five years, which is to be settled in 20 years.

India is committed to the national progress of the Maldives and is prepared to be a key development partner of the strategically located Indian Ocean island. Maldivian Government requested India for funding the bridge project, which was an election pledge of President Ibrahim Solih, in September 2019. India's support for the bridge project was announced during the virtual meeting between India's External Affairs Minister Dr. S. Jaishankar and Maldivian Foreign Minister Abdulla Shahid in August last year. EXIM Bank of India and the Maldivian government signed the loan agreement in October 2020. The signing of the agreement between the two countries for extending the US\$100 million for the project took place during Indian Foreign Secretary Harsh Vardhan Shringla's visit to the Maldives in November 2020. The project was expected to begin in December 2020 but got delayed due to the Covid-19 situation. The project is expected to be completed by 2023.

The Male-Thilafushi link bridge, once completed, will contribute greatly to the development of the Maldives. This bridge is part of the Greater Male Connectivity Project (GMCP). The GMCP was conceived in 2013 to reduce the commercial and housing burden on Male city. Under this project, the capital city would be connected with Hulhule-where the international airport is located and Hulhumale through the China-funded Sinamale bridge. The India-funded Male-Thilafushi bridge would connect these three islands with three more economically important islands-Villimale, and industrial islands Gulhifalhu and the Thilafushi. Villimale is a fishing village. A port, funded by India is expected to come up at Gulhifalhu to support economic growth. In addition to the industrial zone, there is also a waste dumping zone in Thilafushi for accommodating waste of the entire country. The bridge is expected to become a national economic engine, and a lifeline connecting Male city to the international airport to the other economically important islands.

Currently, boat or ferry services are used as mode of transport between these islands, which is extremely cumbersome during bad weather days particularly during the Monsoons. The bridge would ease the travel between the islands.

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Waste management is an important issue for a country like the Maldives which is vulnerable to Sea-level rise. The government is working to establish waste transfer stations at Male, Villimale, and Hulhumale to transport waste to Thilafushi using containers. In this regard, the connectivity bridge will allow for a better transfer process without the risk of waste leaking into the Ocean. The bridge will make it easier for Waste Management Corporation to provide its 24-hour services much efficiently at a lower cost and without disrupting the services during climate-related emergencies.

Given the importance of the bridge, Maldivian Foreign Minister Abdullah Shahid stated that the signing of the agreement between the two countries as “a defining moment in the development journey of the Maldives”. The Minister said, the bridge would stand as an enduring tribute to the strong partnership between India and the Maldives.

The island-nation is considered a valued partner of India and foremost country in her ‘Neighbourhood First’ policy. Since 2019, India has committed around US\$ 2 billion worth financial assistance in the form of the LOC, grant, and currency swap facility. Indian LOC and the grants are provided for demand-driven big infrastructure projects as well as for the High Impact Community Development Projects.

The Maldivian Government has welcomed Indian financial assistance for its transparency and low-interest rates. India’s ability to complete the developmental projects in the Maldives on time has also been noted and appreciated by the current Solih administration.

The Male-Thilafushi link bridge is not only the largest infrastructure project in the island country; but also India’s largest infrastructure project in the entire neighbourhood. The infrastructure building company therefore, has a big responsibility to finish the project efficiently on time.