

MP-IDSA *Issue Brief*

Charting India–Maldives Relations under Muizzu

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Summary

Mohamed Muizzu's policy towards India aligns with his “pro-Maldives” or “Maldives-first” policies, prioritising the country's needs and national interests. Muizzu's willingness and commitment to cooperate closely with India on security and defence matters will enhance regional security.

Prime Minister Narendra Modi made his third state visit to the Maldives on 25 and 26 July 2025, on the invitation of Maldivian President Mohamed Muizzu. Modi is the first head of government to be hosted by Muizzu since he assumed power in November 2023. PM Modi was invited as the guest of honour on the Maldives’ 60th Independence Day. Eight memoranda of understanding were signed during the visit across key sectors, under the framework of the vision document ‘Comprehensive Economic and Maritime Security Partnership’ adopted during Muizzu’s visit to India in October 2024. Modi announced a US\$ 565 million line of credit, which, according to Muizzu, would be used for “priority projects” of his government.¹

President Muizzu described Prime Minister Modi's visit as “a reaffirmation of shared priorities and the foundation for a forward-looking strategic agenda”.² Muizzu, whose Presidential election campaign in 2023 was primarily based on the “India Out” campaign launched by the Progressive Party of Maldives (PPM) and People’s National Congress (PNC) in August 2020, has shown his willingness and commitment to reset ties with India. The Brief accounts for the factors that led to a change in Muizzu’s approach towards India, and how Modi’s recent visit will reset the bilateral ties.

From “India-Out” to Strategic Reset

The agenda of Mohamed Muizzu’s presidential election campaign was based on the demands of the “India-Out” campaign launched in August 2020. The main demands of the campaign were the removal of Indian military personnel present in the Maldives to operate the helicopters and Dornier aircraft gifted by India under the command of the Maldivian National Defence Force (MNDF), cancellation of the Indian-funded defence infrastructure projects and hydrographic survey agreement and reviewing of more than 100 agreements signed with India during the Maldivian Democratic Party (MDP)-led administration from 2018 to 2023.

Accordingly, President-elect Muizzu, the day after winning the election in September 2023, raised the issue of the withdrawal of Indian military personnel and the restructuring of debt with the Indian High Commissioner to the Maldives. An official request for the same was made to the Government of India after assuming the presidency in November 2023. Subsequently, President Muizzu discussed the issue during his first meeting with PM Modi on the sidelines of the COP28 meeting in Dubai in December 2023, where both leaders decided to form a high-level core group (HLCG) to find mutually workable solutions to address the Maldivian requests. Meanwhile, Muizzu suspended all the medical evacuations and humanitarian

¹ [“Press Statement by His Excellency Dr. Mohamed Muizzu, President of the Republic of Maldives during the State Visit of Prime Minister of India to the Maldives”](#), The President’s Office, Republic of Maldives, 25 July 2025.

² [“President Hails Landmark Cooperation Pact with India as Ties Enter Sixth Decade”](#), *PSM News*, 25 July 2025.

operations by the two helicopters and the Dornier Aircraft. The Muizzu administration decided not to renew the hydrographic survey agreement signed with India in 2019, which expired in June 2024.³

The Muizzu presidency changed the Maldives' “India first policy” to a “Maldives first” policy under which he pledged to diversify the Maldives’ foreign policy.⁴ The primary purpose of this change was to reduce the Maldives’ dependency on India. Accordingly, Muizzu visited Turkey and China and engaged with countries like Japan, Thailand, Singapore and the United Arab Emirates (UAE).

Muizzu’s maiden bilateral visit was to Turkey in December 2023. In January 2024, he visited China, during which around 20 agreements were signed between the two countries. On returning from China, Muizzu stated, “Maldives is not any country’s backyard and would not get bullied by anyone.”⁵ Muizzu also informed the Maldivian media that he would stop bringing medicines from India to reduce the Maldives’ dependency on the neighbour in the health sector.⁶

The Maldivian government’s universal healthcare insurance scheme, Aasandha, was expanded to the UAE and Thailand to diminish the reliance on the Indian healthcare system.⁷ Nonetheless, executing the new foreign policy approach in the first 100 days was not free from challenges and criticisms. The first public criticism came when a young boy lost his life due to the delay of treatment in the absence of emergency medical evacuation facilities provided by the MNDF, as the medical evacuation operation of Indian helicopters was stopped.⁸ To reduce food dependency on India, the Muizzu administration entered into a bilateral agreement with Turkey for food supply in December 2023. However, the shipment was delayed due to the Red Sea crisis, causing panic in the Maldives on the eve of Ramadan in March 2024.⁹

Spreading derogatory remarks against the Indian PM and India by three deputy ministers of the Muizzu administration caused a stir on social media in both countries, which led Indian tour and travel agents to call for “boycott Maldives tourism”. According to a Maldives media report, the call caused Maldivian tourism to lose MVR 2 billion when the Maldivian tourism sector tried to restore revenue to

³ [“Maldives Drops Hydrography Agreement with India”](#), *SunOnline*, 14 December 2023.

⁴ [“Inaugural Address by His Excellency Dr. Mohamed Muizz, President of the Republic of Maldives”](#), The President’s Office, Republic of Maldives, 17 November 2023.

⁵ [“President: Maldives May be Small, But it Cannot be Bullied”](#), *SunOnline*, 13 January 2024.

⁶ [“Maldives Will Not Allow Other Countries to ‘Bully’ Muizzu”](#), *Adhadhu*, 13 January 2024.

⁷ [“The President Announces Improvements to Aasandha and the Expansion of Coverage to the UAE and Thailand”](#), The President’s Office, 13 January 2024.

⁸ Mizna Mohamed, [“Death of Viligilli Boy: Transportation Delay Issue Submitted to Parliament”](#), *The Press*, 21 January 2024.

⁹ Aishath Fareeha Abdulla, [“Staple Food Shipment from Turkey Delayed Due to Red Sea Conflict”](#), *Atoll Times*, 27 February 2024.

pre-COVID levels.¹⁰ The Government of India, however, did not give any knee-jerk reaction to the social-media spat or to comments by ruling party members.

Despite a “India-first” policy change, the Maldives holds a special place in India’s “neighbourhood first policy”. Showing a complete understanding of the Maldives’ sensitivities, India decided to withdraw the military personnel by the deadline set by President Muizzu, which helped him fulfil his first 100-day goals before the parliamentary election. India continued to export essential food items under the 1981 economic cooperation agreement.¹¹ Despite the worldwide ban on exporting those items from India, an uninterrupted supply of basic items is ensured at a time when international conflicts caused uncertainty in the global supply chain.¹²

The Muizzu administration faced a severe economic challenge as the country faced dollar shortages amidst a high debt burden and fiscal spending. Official Reserves declined from US\$ 590.5 million at the end of 2023 to US\$ 443.9 million in August 2024, enough to cover only 1.5 months’ imports.¹³ With public debt rising to 116.5 per cent of GDP in the first quarter of 2024, there was a severe risk of debt default. Additionally, the government faced protests from the fishermen community in the first quarter of 2024 for its failure to make regular payments for fish purchases.¹⁴ It is noteworthy to mention that in addition to the economic challenges, Muizzu faced political challenges, as the opposition party, MDP, was planning to introduce an impeachment motion in January 2024.

To deal with the economic challenge, the government initiated several measures in 2024 to save the country from bankruptcy, including cost-cutting measures, increased income compared to expenditure, and injecting US dollars into the Maldives Monetary Authority (MMA) under the foreign currency regulation. It required a debt restructuring commitment from the creditors and budgetary support from partners. In such an emergency, India once again emerged as a first responder, with the State Bank of India subscribing to a US\$ 50 million Government Treasury Bill, issued by the Ministry of Finance of the Maldives, for one more year in May 2024, upon the maturity of the previous subscription at the special request of the Government of the Maldives to secure budgetary support from India.¹⁵

¹⁰ [**“Statements from Top Officials Caused Loss of MVR 2 Billion: Ameer”**](#), *Adhadhu*, 1 July 2024.

¹¹ See the full text of the [**“Trade Agreement between the Government of the Republic of India and the Government of the Republic of Maldives”**](#), available at the Department of Commerce, Ministry of Commerce and Industry, Government of India.

¹² [**“Extension of Quota of Essential Commodities to the Maldives for 2025-26 \(2 April 2025\)”**](#), Press Release, High Commission of India to Maldives, 12 June 2025.

¹³ [**“Maldives Needs Urgent, Comprehensive Economic Reforms to Maintain Development Progress”**](#), World Bank Group, 10 October 2024.

¹⁴ Mohamed A. Haleem, [**“Parliamentary Motion Calls for Prompt Settlement of Fishermen’s Dues as Protest Continues in Kooddoo”**](#), *Maldives Republic*, 19 February 2024.

¹⁵ [**“Subscription by SBI of Maldives Government Treasury Bill of USD 50 Mn on 13 May 2024”**](#), Press Release, High Commission of India to Maldives, 13 May 2024.

Amidst all these challenges, Muizzu perhaps realised that a hostile attitude and alienation of an established economic and security partner like India in the name of foreign policy diversification will not benefit the ruling party or the country. There was pressure from the Maldivian tourism industry and opposition leaders to mend relations with India. The only opposition to the Maldives’ placatory approach came from former President Abdulla Yameen, under whom India–Maldives ties were at an all-time low.

Since Yameen split from the ruling party, PNC, and his newly formed political party, People’s National Front, has a limited support base, his views have little influence. Thus, after the PNC winning a majority in the Parliamentary elections held in March 2024, and India completely withdrew its military personnel from the Maldives by May 2024,¹⁶ as well as positively responding to the Maldivian request for expanding the swap agreement, the ground was set for Muizzu to take a reconciliatory approach towards India.

Calibrating Bilateral Relations

“Fruitful engagements” between the representatives of the two governments, four rounds of core group meetings during January–May 2024,¹⁷ and the approach of the political leaders at the highest levels resulted in a win-win situation for both countries when civilians from India replaced Indian military personnel to operate the India-gifted aviation platforms. Muizzu, as promised to his fellow citizens, made the foreign military personnel leave the country within 100 days of his Presidency. On the other hand, it was a diplomatic win for India that, despite its vehement objection while in opposition, the PNC-ruled Maldivian administration decided to continue the medical evacuation and maritime surveillance operation by the Indian aircraft, assisted by Indian civilians. The sense of diplomatic victory on both sides facilitated the two sides to start their engagement with a fresh perspective.

Following the withdrawal of the Indian military personnel, high-level bilateral visits between the two countries began. The first visit was by Maldivian Foreign Minister Moosa Zameer to India from 8 May to 10 May 2024, during which he conveyed the eagerness of the Maldivian government to mend the bilateral relations. Emphasising the great value of close partnerships with neighbours, External Affairs Minister

¹⁶ Indian military personnel stationed in Gan district Kadhdhoo island and Hanimaadhoo island, left the island in different groups during March–May 2024. Zunana Zalif, [“India-Gifted Dornier, Helicopters Back in Use”](#), *Rajje*, 27 July 2024.

¹⁷ The first meeting of the India–Maldives High Level Core Group was held in Male on 14 January. Subsequently, three more rounds were held on 27 January, 17 March and 3 May 2024. [“First Meeting of the India-Maldives High Level Core Group”](#), Ministry of External Affairs, Government of India, 14 January 2024; [“Third Meeting of the India-Maldives High Level Core Group”](#), Ministry of External Affairs, Government of India, 17 March 2024; [“Fourth Meeting of the India-Maldives High Level Core Group”](#), Ministry of External Affairs, Government of India, 3 May 2024.

(EAM) S. Jaishankar said to Minister Zameer, “It is in our common interest that we reach an understanding of how best to take our relationship forward.”¹⁸

Muizzu reiterated the Maldivian government’s willingness to reset ties with India during his first visit to India to participate in the oath-taking ceremony of the PM Modi government in June 2024. From the Indian side, EAM Jaishankar visited the Maldives from 9 August to 11 August 2024 to “chart out an aspirational blueprint” for a multifaceted partnership.¹⁹ MoUs on capacity-building of an additional 1,000 Maldivian civil servants in India and the introduction of UPI in the Maldives were exchanged during the visit.

Several India-funded projects were jointly inaugurated, including the water and sewerage network in 28 islands and six High-Impact Community Development Projects (HICDPs) in mental health, special education, speech therapy and street lighting.²⁰ The EAM also raised the issue of challenges for Indian expatriates in sending remittances home in dollars to the Maldivian authorities.²¹

Muizzu’s five-day state visit to India from 6 October to 10 October 2024 built the foundation of a renewed partnership. The vision document titled ‘Comprehensive Economic and Maritime Security Partnership’, adopted during the visit, charted out new frontiers of engagement and negated all the uncertainties and concerns about the ongoing developmental, security and defence partnership. It confirmed the continuation of cooperation in hydrographic matters and the continuation of projects opposed previously by the ruling party (while in opposition), such as the Ekatha harbour. India expanded further financial assistance in the form of US\$ 400 million and INR 30 billion swap facility and budgetary support, and enhanced the digital payment capability by launching the Rupay card. As announced, during the visit, India completed the repairs and refit of the Maldives Coast Guard ship Huravee at Mumbai’s Naval Dockyard on a gratis basis to improve the capabilities of the MNDF.

Follow-up visits by the Foreign Minister of the Maldives in January, March and May 2025, in addition to the visits by the Maldivian Defence Minister in January 2025 and the Speaker of *Majlis* in February 2025, exhibited the Maldivian government’s commitment to implement the provisions mentioned in the Joint document.²² The

¹⁸ [“Remarks by EAM, Dr. S. Jaishankar during Meeting with Foreign Minister of Maldives”](#), Ministry of External Affairs, Government of India, 9 May 2024.

¹⁹ [“Press Statement by EAM, Dr. S. Jaishankar in Maldives”](#), Ministry of External Affairs, Government of India, 9 August 2024.

²⁰ [“Visit of External Affairs Minister to Maldives \(August 09-11, 2024\)”](#), Ministry of External Affairs, Government of India, 11 August 2024.

²¹ [“Remarks by EAM, Dr. S. Jaishankar at the Interaction with Indian Community in Maldives”](#), Ministry of External Affairs, Government of India, 10 August 2024.

²² Foreign Minister Abdulla Khaleel visited India in January, March and May 2025. During January visit, both sides signed a MoU for the implementation of the HICDPs under Phase-III in Maldives. On 26 May 2025, Khaleel led Maldives at the 2nd India–Maldives HLCG meeting to monitor the progress in the implementation of the India–Maldives Vision Document on Comprehensive Economic and Maritime

HLCG, formed in October 2024 to implement the “vision of a Comprehensive Economic and Maritime Security Partnership”, has been regularly meeting since January 2025 and discussing issues related to development cooperation, trade and commerce, digital and financial cooperation, health cooperation, defence and maritime security cooperation, capacity-building and training, people-to-people linkages, and cooperation at regional and multilateral fora.

PM Modi’s visit to the Maldives further cemented the bilateral relationship as measures were initiated to implement some of the provisions of the Joint Vision including signing of the Terms of Reference of the India–Maldives Free Trade Agreement (FTA), MoU on cooperation in Fisheries and Aquaculture, MoU between the Indian Institute of Tropical Meteorology (IITM), Ministry of Earth Sciences and the Maldives Meteorological Services (MMS), Ministry of Tourism and Environment, MoU on cooperation in the field of Digital Transformation between Ministry of Electronics and IT of India and Ministry of Homeland Security and Technology of Maldives; Network-to-Network Agreement between India’s NPCI International Payment Limited (NIPL) and MMA on UPI in Maldives, and MoU on recognition of Indian Pharmacopoeia (IP) by Maldives.²³

PM Modi also announced a LoC of INR 4,850 crores and signed an Amendatory Agreement on reducing the Maldives’ annual debt repayment obligations on GoI-funded LoCs. PM Modi handed over 3,300 houses built in Hulhumale under the Indian Buyer’s Credit Scheme and over 72 vehicles and other equipment for the MNDF’s various purposes. During the visit, the leaders jointly inaugurated the India-funded Roads and Drainage System Project in Addu City and the Ministry of Defence building in Malé.²⁴

Reset in Ties and Maldives’ Gain

As EAM Jaishankar said

India’s development partnership is driven by the needs and priorities of the people and the Government of Maldives and is a judicious mix of grants, loans, budgetary support, capacity building and training assistance.²⁵

Security Partnership. Defence Minister Mohamed Ghassan Maumoon visited India from 7 January to 11 January 2025. Speaker Abdul Raheem Abdulla visited India from 10 February to 14 February 2025.

²³ [“List of Outcomes: State Visit of Prime Minister to Maldives \(25 - 26 July 2025\)”](#), Ministry of External Affairs, Government of India, 25 July 2025.

²⁴ Ibid.

²⁵ [“Remarks by EAM, Dr. S. Jaishankar at the Inauguration of Water & Sanitation Project in Maldives”](#), Ministry of External Affairs, Government of India, 10 August 2024.

Therefore, Indian financial and developmental assistance enables the Maldives to overcome its economic challenges and empowers President Muizzu to fulfil his manifesto and vision for the country.

The Maldives’ public debt burden is 119 billion Maldivian Rufiya (approximately US\$ 7.7 billion).²⁶ According to the World Bank, the Maldives’ external debt servicing will reach around US\$ 1.1 billion by 2026.²⁷ IMF has already warned the Maldives of “debt distress”. Muizzu, though, announced as part of his manifesto that he would achieve total state debt recovery. Still, he faced a significant dollar shortage and was about to default on debt servicing. The emergency financial assistance, including the rolling over of the two T-bills worth US\$ 100 million in May and September 2024 for a further period of one year, provided relief to the Maldivian government during the foreign exchange crisis in 2024.²⁸

There is a unique arrangement between the two governments that SBI will subscribe to the Treasury Bills at zero cost to reduce the financial burden of the Government of the Maldives. Further, a US\$ 400 million and INR 30 billion currency swap agreement signed in October 2024 boosts the foreign reserve. The swap agreement allows the Maldives “to enter into deals or discussions where they require this enhanced foreign exchange that they can draw”.²⁹

The Amendatory Agreement on reducing the Maldives’ annual debt repayment obligations on GoI-funded LoCs signed during PM Modi’s visit will significantly lessen the Maldives’ debt burden. According to the Ministry of External Affairs press briefing, the annual debt repayment obligations of the Maldives will be reduced by a sharp 40 per cent, from nearly US\$ 51 million annually to about US\$ 29 million.³⁰

Muizzu presented an ambitious economic goal for the next five years during his election campaign and inaugural speech. Some of the significant economic goals include, an increase of the Maldives’ Gross Domestic Product (GDP) to around US\$ 9.74 billion, reduction of budget’s deficit to a single digit, increasing the country’s reserve within the next five years; improving new SEZ opportunities across Maldives, bringing foreign investments to finance economic sectors and their growth; improvement of housing and urbanisation sector, establishment of a trans-shipment hub in Addu, Fuvahmulah and Huvadhu atolls; expansion of tourism, developing a seaplane hub, increment of salary of the public servant, improvement of the

²⁶ [“Inaugural Address by His Excellency Dr. Mohamed Muizz, President of the Republic of Maldives”](#), The President’s Office, Republic of Maldives, 17 November 2023.

²⁷ [“Maldives Development Update”](#), The World Bank, April 2025.

²⁸ [“India and Maldives: A Vision for Comprehensive Economic and Maritime Security Partnership”](#), Ministry of External Affairs, Government of India, 7 October 2024.

²⁹ [“Transcript of Special Briefing by Foreign Secretary on the State visit of President of Maldives to India”](#), Ministry of External Affairs, Government of India, 7 October 2024.

³⁰ [“Transcript of Special Briefing by MEA on Prime Minister’s State Visit to Maldives”](#), Ministry of External Affairs, Government of India, 25 July 2025.

fishermen community, development of modern e-commerce platform, digitalisation, and so on.³¹

The various projects completed and inaugurated over the last year, as well as the new agreements signed between the two countries across sectors, will immensely facilitate the realisation of the vision of President Muizzu in the areas of climate change, renewable energy, disaster risk reduction and meteorology, increasing export revenue and the Economic Gateway project. Muizzu has confirmed that the US\$ 565 million credit line announced during Modi’s visit would be “utilised for priority projects of his government across key sectors including defence, sports, healthcare, education, and housing”.³²

The large connectivity-related India-funded infrastructure projects will improve connectivity within the archipelago, boost investor confidence, and enhance the tourism sector with broader economic gains.³³ The introduction of UPI, the launch of the Rupay card, and a network-to-network agreement will not only fulfil Muizzu's goal of modernising the country's digital payment system but also greatly benefit tourism between the two countries.³⁴

Indian assistance for solar power will help fulfil the Maldives’ aim to “install renewable energy systems that can meet 33 per cent of the country’s electricity demand in the next five years”.³⁵ Completing sewerage projects would supplement the Government of Maldives' endeavours to reach its Sustainable Development Goals by establishing climate-resilient and cost-effective systems.”³⁶

The BHISHM Health Cubes, handed over during Modi’s visit to the Maldives, will be relevant in fulfilling Muizzu’s election promise to improve health facilities across the island.³⁷ The MoU on the recognition of the Indian pharmacopoeia in the Maldives will address the issue of shortages of high-quality medicines in the Maldives.

As President Muizzu prioritises the reduction of the Maldives' dependency on others and developing it as a self-reliant country, the capacity-building programme committed and implemented by India in the field of human resource development,

³¹ [“PPM/PNC Candidate Announces Economic Manifesto”](#), *The Edition*, 26 September 2023.

³² [“Press Statement by His Excellency Dr. Mohamed Muizzu, President of the Republic of Maldives during the State Visit of Prime Minister of India to the Maldives”](#), The President’s Office, Republic of Maldives, 25 July 2025.

³³ [“Remarks of EAM, Dr. S. Jaishankar at the Joint Inauguration of Addu Reclamation Project & Addu Detour Link Bridge”](#), Ministry of External Affairs, Government of India, 11 August 2024.

³⁴ [“Transcript of Special briefing by MEA on Prime Minister’s State Visit to Maldives”](#), no. 30.

³⁵ [“Remarks by His Excellency Dr Mohamed Muizzu, President of the Republic of Maldives at the High-Level Segment of the 28th Conference of the Parties \(COP28\) to the United Nations Framework Convention on Climate Change”](#), The President’s Office, Republic of Maldives, 1 December 2023.

³⁶ [“Remarks by EAM, Dr. S. Jaishankar at the Inauguration of Water & Sanitation Project in Maldives”](#), no. 25.

³⁷ [“Transcript of Special Briefing by MEA on Prime Minister’s State Visit to Maldives”](#), no. 30.

health, security and defence, hydrography, and infrastructure development will contribute significantly towards the goal of a self-reliant nation. The FTA negotiation will help the Maldives increase its export revenue if concluded successfully.

Conclusion

The developments in the India–Maldives relationship are expected to cement the ties further because of Muizzu’s willingness to reach out to India and India’s desire to look into Maldivian concerns and requests with a positive mindset. In a tumultuous environment caused by international conflicts and geo-economic uncertainties, India emerged as a reliable partner for the Maldives. India has substantiated its claim that the Maldives holds a special position in its “neighbourhood first” policy, through its effective engagements with the Muizzu administration. A shift from a partisan to a bipartisan approach is happening in the Maldives’ India policy.

However, the change in the current administration's approach towards India does not mean that President Muizzu will revert to the “India First Policy” of the previous administration. The current approach towards India aligns with Muizzu’s “Pro-Maldives” or “Maldives-first” policy, which prioritises foreign policy as per its needs and national interests. It would be naïve to believe that, as there is a recalibration in India–Maldives relations, Maldives’ engagement with China or other countries like Turkey will reduce.

Yet, it should not be seen as a zero-sum game for India. The recalibration in the bilateral relations has created an atmosphere where the two governments can freely discuss and respect each other’s red lines. The October 2024 Vision Document has laid the foundation for long-term sustainable engagement between the two countries. President Muizzu’s willingness and commitment to cooperate closely with India on security and defence matters, both at the bilateral level and through the Colombo Security Conclave, will enhance regional maritime security.

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