Chandrawat & Partners



BILATERAL RELATIONS

INDIA - MALDIVES

www.chandrawatpartners.co

INTRODUCTION

India–Maldives relations refer to the longstanding, multifaceted bilateral ties between the Republic of India and the Republic of Maldives. Connected by shared ethnic, linguistic, cultural, and commercial links steeped in antiquity, the two nations are close maritime neighbours separated by just 70 nautical miles between Minicoy Island and the northern atolls of the Maldives. India was among the first nations to recognize the Maldives following its independence in 1965, and in 2025–2026, both countries commemorated 60 years of formal diplomatic relations.

Positioned at the crossroads of vital commercial sea lanes in the Indian Ocean, the Maldives holds a central place in India's 'Neighbourhood First' policy and its MAHASAGAR (Mutual and Holistic Advancement for Security And Growth Across Regions) vision. Following a diplomatic reset and high-level exchanges between 2024 and 2026, bilateral engagement is guided by a joint Vision for Comprehensive Economic and Maritime Security Partnership.

Today, cooperation spans infrastructure development, financial stabilization, digital public infrastructure, and trade—highlighted by bilateral trade surpassing USD 770 million in 2025–26, the rollout of India's Unified Payments Interface (UPI), and negotiations toward a Bilateral Free Trade Agreement (FTA). Simultaneously, India continues to act as a trusted 'First Responder' during regional crises and collaborates closely with Maldivian institutions—bilaterally and through the Colombo Security Conclave—to safeguard maritime security and stability across the Indian Ocean Region.



HISTORY

Located south of India's Lakshadweep Islands in the Indian Ocean, the Maldives shares deep historical, ethnic, linguistic, and commercial ties with the Indian subcontinent dating back over two millennia. For centuries, maritime trade routes across the Arabian Sea connected the atolls with India's southwestern Malabar Coast and the Lakshadweep archipelago, fostering enduring cultural and people-to-people exchanges.

Modern diplomatic relations began immediately after the Maldives gained independence from British protectorate status on July 26, 1965. India was among the first nations to recognize the newly sovereign state, establishing formal diplomatic ties later that year and opening a resident High Commission in Malé in 1972. In the early decades of independence, the Maldives viewed close ties with India as vital for economic assistance, diplomatic support for its non-aligned foreign policy, and a regional balance alongside Sri Lanka, which was then its primary trading partner.

Bilateral ties were formally institutionalized through landmark agreements, notably the 1976 Maritime Boundary Treaty, which demarcated the maritime border between the two countries, and the 1981 Trade Agreement. A defining watershed in bilateral history occurred in November 1988, when India launched Operation Cactus at the request of President Maumoon Abdul Gayoom, swiftly neutralizing an attempted mercenary coup and restoring constitutional order.



BILATERAL TREATIES AND STRATEGIC PARTNERSHIP

1976 Maritime treaty

In December 1976, India and the Maldives signed a maritime boundary treaty to agree on maritime boundaries. Treaty explicitly places Minicoy on the Indian side of the boundary. India and Maldives officially and amicably decided their maritime boundary in 1976, a minor diplomatic incident occurred in 1982 when the brother of the President of Maldives Maumoon Abdul Gayoom gave a speech that India mistook as a claim that the neighboring Minicoy Island that belonged to India were a part of Maldives; Maldives rapidly officially denied that it was laying claim to the island and explained that President Maumoon's brother had in fact been talking about the cultural connections between Maldives and Minicoy.

1981 Comprehensive trade agreement

In 1981, India and Maldives signed a comprehensive trade agreement. Both nations are founding members of the South Asian Association for Regional Cooperation (SAARC), the South Asian Economic Union and signatories to the South Asia Free Trade Agreement. Indian and Maldivian leaders have maintained high-level contacts and consultations on regional issues.



COMMERCIAL RELATIONS

Since the success of Operation Cactus, the relations between India and Maldives have expanded significantly. India has provided extensive economic aid and has participated in bilateral programmes for the development of infrastructure, health, telecommunications and labour resources. It established the Indira Gandhi Memorial Hospital in Malé, the capital of Maldives, expanded telecommunications and air links and increased scholarships for Maldivian students. While India's exports to Maldives during 2006 were worth ₹384 crore, imports were worth less than ₹6 crore. The State Bank of India has contributed more than US$500 million to aid the economic expansion of Maldives. India and Maldives have announced plans to jointly work to expand fisheries and tuna processing.



INDIA-MALDIVES TRADE FIGURES

(AMOUNT IN MILLION US$)

YEAR	INDIA'S EXPORTS	INDIA'S IMPORTS	TOTAL TRADE	INDIA'S BALANCE OF TRADE
2020	242.82	3.33	246.15	+239.49
2021	317.35	5.94	323.29	+311.41
2022	495.40	6.42	501.82	+488.98
2023	543.83	5.14	548.97	+538.69
2024	513.60	4.18	517.78	+509.42
2025 (JAN-NOV)	469.07	3.78	472.85	+465.29



MILITARY RELATIONS

In April 2006 Indian Navy gifted a Trinkat Class Fast Attack Craft of 46 m length to Maldives National Defence Force's Coast Guard.

India started the process to bring the island country into India's security grid. The move comes after the moderate Islamic nation approached New Delhi earlier in 2009, over fears that one of its island resorts could be taken over by terrorists given its lack of military assets and surveillance capabilities.[8] India has also signed an agreement which includes following:

- India will permanently base two helicopters in the country to enhance its surveillance capabilities and ability to respond swiftly to threats.

- Maldives has coastal radars on only two of its 26 atolls. India will help set up radars on all 26 for seamless coverage of approaching vessels and aircraft.

- The coastal radar chain in Maldives will be networked with the Indian coastal radar system. India has already undertaken a project to install radars along its entire coastline. The radar chains of the two countries will be interlinked and a central control room in India's Coastal Command will get a seamless radar picture.

- The Indian Coast Guard (ICG) will carry out regular Dornier sorties over the island nation to look out for suspicious movements or vessels. The Southern Naval Command will overlook the inclusion of Maldives into the Indian security grid.

- Military teams from Maldives will visit the tri-services Andaman Nicobar Command (ANC) to observe how India manages security and surveillance of the critical island chain.

- Ekuverin, an annual joint military exercise is held every year since 2009 between India and Maldives. The exercise aims to enhance the interoperability between the Indian Army and Maldives National Defense Force in order to effectively undertake counter-terrorism operations in urban or semi-urban environments.

OPERATIONS AND EVENTS

2014 Malé drinking-water crisis

In the wake of a drinking water crisis in Malé on 4 December 2014, following collapse of the island's only water treatment plant, Maldives urged India for immediate help. India came to rescue by sending its heavy lift transporters like C-17 Globemaster III, Il-76 carrying bottled water. The navy also sent her ships like INS Sukanya, INS Deepak and others which can produce fresh water using their onboard desalination plants. The humanitarian relief efforts by the Indian side was widely appreciated in Malé across all sections of people even the Vice-President of Maldives thanked the Indian ambassador for swift action.

2011-2015 Maldives political crisis

Maldives' first democratically elected president from 2008 to 2012 Mohammed Nasheed, was arrested on 22 February 2015 on terror charges. India and US expressed concern over Nasheed's arrest and manhandling. Indian PM Modi was to also visit Maldives in the second week of March as a part four nation visit to Indian Ocean neighbours. But, he later omitted Maldives from his tour.

2020 Covid-19 crisis

During the COVID-19 crisis of 2020, India extended help to Maldives in the form of financial, material and logistical support.

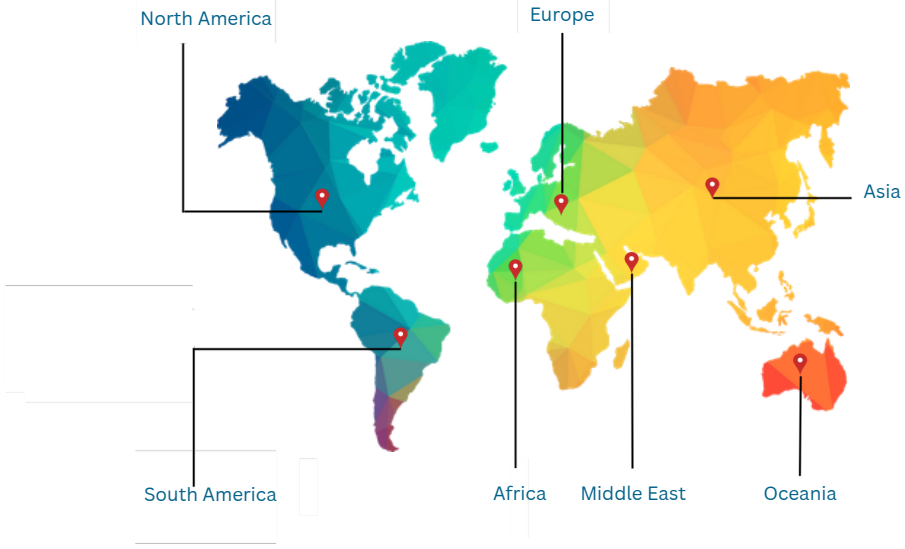
In April 2020, India provided $150 million currency swap support to help Maldives mitigate the financial impact of COVID-19. Also in April, at the request of the Maldivian government, the Indian Air Force airlifted 6.2 tonnes of essential medicines and hospital consumables to Maldives, as part of 'Operation Sanjeevani'. These supplies had been procured by Maldive's State Trading Organisation from suppliers in India, but could not be transported due to the COVID-19 lockdown. India had also earlier despatched a medical team with essential medicines to help Maldives fight the COVID outbreak as well as supplied essential food grains and edibles despite logistical challenges in wake of lockdown. This operation was called Operation Sanjeevani.

CIVIL SOCIETY PERCEPTION OF INDIA

Maldivians generally regard Indians and India as a threat. Readers' comments in online newspapers, blogs and other websites provide ample proof of this. India's military conquests of the Portuguese province of Goa, Damão e Diu in 1961 and the independent Himalayan Kingdom of Sikkim in 1975 are viewed with deep suspicion in the Maldives civil society.



SERVING CLIENTS WORLDWIDE



Chandrawat & Partners

The information contained herein is of a general nature. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. The information is not offered as an advice on any matter, and no one should act or fail to act based on such information without appropriate legal advice after a thorough examination of the particular situation. The information does not make us responsible or liable for any errors and/or omissions, whether it is now or in the future. We do not assume any responsibility and/or liability for any consequences.

Key Contact



Surendra Singh Chandrawat
Global Managing Partner

surendra@chandrawatpartners.com

Connect Surendra on

LinkedIn WhatsApp

Chandrawat & Partners is a leading and rapidly growing full-service firm providing high quality professional and corporate services to foreign and local clients, representing companies and individuals in a wide range of sectors through separate entities established in various countries worldwide.

Copyright © 2027 I All rights reserved I Chandrawat & Partners I Email: enquiries@chandrawatpartners.com I Website: www.chandrawatpartners.com

Follow us on: LinkedIn twitter facebook Instagram