

INDIA ANNOUNCES USD 500 MILLION ASSISTANCE FOR MAJOR CONNECTIVITY PROJECT IN MALDIVES

Relevant for: International Relations | Topic: India - Indian Ocean Island nations

NEW DELHI: India will fund the implementation of a major connectivity project in Maldives through a USD 400 million line of credit and USD 100 million grant, External Affairs Minister S Jaishankar said on Thursday after holding wide-ranging talks with his Maldivian counterpart Abdulla Shahid. The 6.7 km [Greater Male Connectivity Project \(GMCP\)](#) will be the largest civilian infrastructure project in Maldives, connecting Male with three neighbouring islands - Villingili, Gulhifahu and Thilafushi, officials said.

People familiar with the GMCP said it was a key election promise of the ruling [MDP](#) for which the President of Maldives Ibrahim Mohamed Solih sought India's assistance during his meeting with Jaishankar in September last year.

"India will fund the implementation of Greater Male Connectivity Project through a USD 400 mn LOC & USD 100 mn grant. This 6.7 km bridge project connecting Male with Gulhifalhu Port & Thilafushi industrial zone will help revitalise and transform Maldivian economy," Jaishankar tweeted.

He also announced the start of regular cargo ferry service between India and Maldives to boost trade and commerce between the two countries.

"We're also starting an air travel bubble with Maldives to sustain and promote the dynamic people-to-people ties between the two countries," he added.

The GMCP project will include construction of a bridge-and-causeway link spanning 6.7 kms.

"Once completed, this landmark project will streamline connectivity between the four islands, thereby boosting economic activity, generating employment and promoting holistic urban development in the Male region," [the Ministry of External Affairs \(MEA\)](#) said.

India is also extending financial support for construction of a port in Gulhifahu.

On the ferry service, Jaishankar underscored its significance in enhancing bilateral trade and connectivity and in further boosting the economic partnership between the two countries.

"The cargo ferry service will enhance sea connectivity and provide predictability in supplies for importers in Maldives and exporters in India. It will also reduce logistics costs and times for traders," the MEA said.

Referring to creation of an air bubble, it said Maldives is the first neighboring country with which an air bubble is being operationalized.

"The air bubble symbolises India's support to shore up tourism arrivals and revenues in the Maldives. Health protocols in both countries will be strictly followed. The first flight under the Air Bubble is expected to commence on August 18," the MEA said.

In the meeting, Jaishankar also conveyed to Shahid India's decision to renew quotas for supply of essential commodities to Maldives for the year 2020-21.

"The commodities include food items like potatoes, onions, rice, wheat, flour, sugar, dal and eggs as well as river sand and stone aggregates. The quotas assure food security, and the supply of essential construction items, and thereby provide certainty and price stability for such essential items in the Maldives," the MEA said.

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