

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

MALDIVES

Asia West

Dialogue | Trust | Partnership

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Male (capital and Greater Male region)	Political, commercial, and financial center, home to most corporate and government activity and the country's main commercial port	Finance, retail, government-linked contracting, port logistics
Velana International Airport (Hulhule)	Main international gateway, undergoing a major new-terminal expansion widely seen as a key near-term growth catalyst for tourism and broader economic activity	Aviation, tourism infrastructure, logistics
North and South Male Atolls	Core resort-development region hosting the highest concentration of Maldives' globally recognized luxury island resorts	Luxury tourism, resort development, hospitality
Addu City (southernmost atoll)	Second-largest urban center and a government priority area for economic diversification and regional development outside the capital	Tourism, regional infrastructure, light industry
Hulhumale	Purpose-built reclaimed-land city adjacent to Male designed to relieve capital overcrowding and host new residential and commercial development	Real estate, urban infrastructure, residential and commercial development
Outer atolls (Laamu, Shaviyani, and others)	Less-developed regions targeted for guesthouse tourism, fisheries, and inter-island connectivity investment as part of the government's tourism-diversification push	Guesthouse tourism, fisheries, inter-island transport
Special Economic Zones (various, government-designated)	Government-designated zones intended to attract diversified investment beyond the core resort-tourism model, with dedicated incentive frameworks	Diversified manufacturing, logistics, free-zone trade activity

INVESTOR ENTRY ROUTES

- Foreign investors generally register through the Ministry of Economic Development and Trade, which administers the Foreign Investment Act and issues foreign investment approvals alongside standard business registration
- Tourism-sector investment, the dominant channel for foreign capital, typically proceeds through long-term island or plot lease arrangements with the Ministry of Tourism, given that virtually all resort development occurs on leased government-owned islands or lagoon plots
- The Maldives Monetary Authority (MMA) administers foreign-exchange matters; investors should confirm current repatriation procedures directly given the country's acute foreign-exchange reserve constraints and managed currency regime
- Special Economic Zones, established under dedicated legislation, offer tax holidays and other incentives for qualifying investment outside the core tourism sector, administered through a distinct SEZ authority
- Given the government's active debt-management and fiscal-reform program under IMF guidance, investors in infrastructure or public-private-partnership-linked projects should expect continued evolution of public-financing terms and conditions

- Large-scale or strategically significant investment, particularly in infrastructure and connectivity, can also be negotiated directly with the relevant ministry or the President's Office, reflecting the government's active courting of diversified foreign capital

MARKET-ENTRY OBSERVATION

The Maldives enters October 2026 having navigated the most acute test of its recent debt-sustainability challenge: the April 2026 maturity of a USD 500 million sovereign sukuk, which, combined with an Abu Dhabi Fund loan repayment due the same month, brought total obligations to roughly USD 625 million against usable foreign reserves of just USD 197 million as of November 2025. The government's 2026 budget envisioned refinancing roughly USD 350 million of the sukuk and repaying the remainder from the Sovereign Development Fund, and while the precise financing mechanism was not fully disclosed in advance, the sukuk traded back up near par by January 2026 (from a record low of 65 cents on the dollar in April 2025), Moody's moved its outlook to stable in November 2025, and the government subsequently returned to international dollar bond markets with a new sukuk issuance - its first such outing in three years - strongly suggesting the April maturity was navigated without a formal default, even as Moody's continues to characterize overall debt levels as very high. The IMF, in its most recent Article IV consultation, urged immediate fiscal reform, including replacing universal subsidies with targeted ones, reforming state-owned enterprises and the Aasandha national health insurance scheme, and reprioritizing public infrastructure spending, while projecting growth of roughly 5% for the year, partly supported by the expected benefit of a major new terminal at Velana International Airport.

Tourism, the backbone of the Maldivian economy, remained resilient but not without headwinds: arrivals reached nearly 971,000 by early June 2026, modestly down (about 4.7%) from the same point in 2025, a dip industry observers partly attributed to Middle East-related disruption to international travel patterns, with China, Russia, and the United Kingdom as the leading source markets.

Politically, President Mohamed Muizzu's government, which took office in late 2023 on an initially China-leaning, India-skeptical platform, has visibly worked to reset its relationship with New Delhi, culminating in Indian Prime Minister Narendra Modi's visit to Male in July 2026 to join Maldives' Independence Day celebrations - a notable symbolic and substantive thaw from the diplomatic friction of 2023-24, and a signal that the country continues to balance its relationships with India, China, and other partners pragmatically rather than committing decisively to either sphere.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Very high public debt and ongoing fiscal fragility	Despite navigating the April 2026 sukuk maturity without apparent default, Moody's and the IMF both continue to characterize Maldives' debt levels as very high, with foreign reserves remaining thin relative to near-term external obligations	Treat government fiscal capacity and any state co-financing arrangement as a genuine ongoing risk; monitor IMF program compliance and reserve-adequacy trends closely before committing capital to government-linked projects
Pending and politically sensitive fiscal reforms	The IMF has urged immediate replacement of universal subsidies with targeted ones and reform of loss-making state-owned enterprises and the national health insurance scheme, reforms that carry real domestic political sensitivity and implementation risk	Monitor the pace and credibility of fiscal-reform implementation as a leading indicator of medium-term macroeconomic stability
Heavy dependence on tourism and external demand conditions	With tourism the dominant economic driver and recent arrivals softening amid global travel disruption, the broader economy remains highly exposed to shifts in source-market demand, particularly from China, Russia, and the UK	Diversify investment exposure beyond core resort tourism where feasible, including through government-backed diversification programs in guesthouse tourism, fisheries, and SEZ-linked activity
Extreme geographic dispersion and climate exposure	The Maldives' roughly 1,200 small, low-lying coral islands spread across a vast ocean area create genuine logistics complexity and long-term climate-change exposure (sea-level rise) relevant to any long-horizon infrastructure or resort investment	Factor inter-island logistics costs and long-term climate-resilience planning into any physical infrastructure or resort-development investment case
Managed currency regime and FX reserve constraints	The Maldivian rufiyaa operates under a managed exchange-rate regime, and the country's historically thin foreign-exchange reserves can constrain capital repatriation timelines for foreign investors	Confirm current FX and repatriation procedures with the Maldives Monetary Authority before finalizing capital-structuring plans
Land scarcity and lease-based (not freehold) investment structure	Virtually all foreign tourism investment operates through long-term government leases on islands or lagoon plots rather than freehold ownership,	Engage specialized local legal counsel to review lease terms, renewal rights, and any government reversion or renegotiation risk before committing to island-based development

Issue	Potential Impact	Possible Mitigation
	requiring careful attention to lease terms, renewal conditions, and reversion risk	
Geopolitical balancing between India and China	While the mid-2026 thaw with India reduces near-term diplomatic friction, the Maldives continues to balance relationships with India, China, and other partners, and shifts in this balance can affect specific bilateral financing, infrastructure, or defense-linked arrangements	Monitor bilateral diplomatic developments for any investment with India- or China-linked financing, infrastructure, or defense-adjacent exposure

INVESTOR RISK NOTE

The Maldives is a stable, peaceful democracy with no meaningful political-violence or expropriation risk, and its principal risk for investors is fiscal and macroeconomic rather than political or security-related: a very high public-debt burden, thin foreign-exchange reserves, and dependence on successful, continued implementation of IMF-recommended fiscal reforms. The country's successful navigation of its most acute 2026 debt test and subsequent return to international bond markets is a genuinely positive signal, but investors should treat the underlying debt sustainability question as an ongoing, actively managed risk rather than a fully resolved one.

MARKET ACCESS

The Maldives is a member of the South Asian Association for Regional Cooperation (SAARC) and the South Asian Free Trade Area (SAFTA), and maintains close economic and development relationships with India, China, and Gulf partners including the United Arab Emirates and Saudi Arabia, reflected in its sukuk financing structure and bilateral support arrangements. As a small island economy heavily reliant on imports and tourism-driven foreign-exchange earnings, the Maldives' practical market access for most investors centers on its globally recognized luxury tourism brand rather than broad goods-trade market access.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Ministry of Economic Development and Trade	Primary foreign-investment approval body administering the Foreign Investment Act	First point of contact for most new foreign-investment entities
Ministry of Tourism	Administers island and lagoon-plot leasing for resort development, the dominant channel for foreign tourism investment	Essential counterpart for any resort or tourism-linked investment
Maldives Monetary Authority (MMA)	Central bank overseeing monetary policy, the managed rufiyaa exchange-rate regime, and foreign-exchange administration	Key relationship for understanding current FX and repatriation procedures amid reserve constraints
Ministry of Finance	Manages public debt, the Sovereign Development Fund, and the government's IMF-guided fiscal-reform program	Relevant for understanding the broader fiscal environment and any public co-financing arrangement
IMF / international development partners	Provide fiscal-reform guidance and monitor debt-sustainability progress through regular Article IV consultations	Useful external benchmark for tracking the Maldives' fiscal-reform and debt-sustainability trajectory
Office of the President (Mohamed Muizzu, since November 2023)	Sets overall national economic and foreign-policy direction, including the ongoing India-China balancing approach	Relevant for understanding the broader diplomatic and policy environment following the 2026 thaw with India
Maldives National Chamber of Commerce and Industry	Leading business association connecting foreign investors with the domestic business community	Practical entry point for networking and market intelligence

CURRENT INTERNATIONAL BUSINESS CHANNELS

Foreign investors commonly engage through the Maldives National Chamber of Commerce and Industry and sector-specific bodies linked to the tourism industry, including resort-operator and dive-tourism associations. Government-organized investor forums, particularly those tied to infrastructure and SEZ promotion, provide an additional channel for new entrants, as do bilateral development partnerships with India, China, and Gulf-based financiers.

INVESTOR PROFILE BEST SUITED

The Maldives suits investors with genuine experience in luxury tourism and resort development, comfort with lease-based (rather than freehold) investment structures, and an interest in a globally recognized high-end tourism brand. It is also a reasonable fit for infrastructure and connectivity investors able to engage through government-backed diversification programs, SEZ frameworks, or multilateral development financing. It is a weaker fit for investors seeking exposure to a large domestic consumer market, straightforward freehold property rights, or complete near-term certainty on the country's fiscal and debt-sustainability trajectory, which remains under active, IMF-guided management.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Confirm registration and sector pathway

Engage the Ministry of Economic Development and Trade for standard foreign-investment registration, or the Ministry of Tourism for island or resort-lease-based investment.

STEP 2: Assess lease terms and reversion risk

For any island- or plot-based tourism investment, review lease duration, renewal conditions, and government reversion rights with specialized local legal counsel.

STEP 3: Confirm FX and repatriation mechanics

Engage the Maldives Monetary Authority and a local banking partner to confirm current foreign-exchange and capital-repatriation procedures given ongoing reserve constraints.

STEP 4: Monitor fiscal-reform and debt-sustainability developments

Track IMF program compliance and government debt-management announcements as a leading indicator of the broader macroeconomic environment before finalizing any government-linked investment.

STEP 5: Finalize structure and complete registration

Complete registration with the relevant ministry, confirm any required SEZ or sector-specific incentive eligibility, and finalize the investment structure with realistic timelines.

WAVERLEY'S ROLE

- Independent assessment of Ministry of Economic Development and Trade and Ministry of Tourism registration and leasing pathways for specific transactions
- Coordination with the Maldives Monetary Authority and Ministry of Finance on FX, repatriation, and fiscal-reform-linked matters
- Ongoing monitoring of the Maldives' debt-sustainability trajectory, IMF program compliance, and India-China diplomatic balance relevant to investment timing
- Introductions to the Maldives National Chamber of Commerce and Industry and tourism-sector investor networks

INVESTOR CALL TO ACTION

Engage Waverley for a structured tourism-lease or SEZ entry assessment before committing capital to the Maldives.

Contact Waverley for an independent fiscal-sustainability and debt-trajectory briefing ahead of any government-linked or infrastructure investment.

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Waverley is tracking opportunities across three tiers: (1) luxury resort and hospitality investment benefiting from the Maldives' enduring global tourism brand and the Velana International Airport expansion; (2) tourism-diversification investment in guesthouse tourism, fisheries, and outer-atoll connectivity aligned with government diversification priorities; and (3) longer-horizon infrastructure and SEZ-linked investment for investors comfortable engaging alongside the country's ongoing IMF-guided fiscal-reform program.

POSITIONING

Waverley views the Maldives as a genuine luxury-tourism and connectivity opportunity that has just navigated its most acute debt-sustainability test of the past several years, with the country's return to international bond markets a meaningfully positive, though not yet conclusive, signal.

Waverley's approach is to help clients capture the Maldives' resort-tourism and diversification opportunities while maintaining close, continuously updated monitoring of the government's fiscal-reform program and debt trajectory, so that investment timing and structuring reflect the country's real fiscal position rather than either its tourism-brand strength alone or an overly cautious reading of its past debt-sustainability headlines.

SELECTED SOURCES

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