

Maldives

Background: A sultanate since the 12th century, the Maldives became a British protectorate in 1887. It became a republic in 1968, three years after independence. President Maumoon Abdul GAYOOM dominated the islands' political scene for 30 years, elected to six successive terms by single-party referendums. Following political demonstrations in the capital Male in August 2003, the president and his government pledged to embark upon a process of liberalization and democratic reforms, including a more representative political system and expanded political freedoms. Progress was sluggish, however, and many promised reforms were slow to be realized. Nonetheless, political parties were legalized in 2005. In June 2008, a constituent assembly - termed the "Special Majlis" - finalized a new constitution, which was ratified by the president in August. The first-ever presidential elections under a multi-candidate, multi-party system were held in October 2008. GAYOOM was defeated in a runoff poll by Mohamed NASHEED, a political activist who had been jailed several years earlier by the former regime. President NASHEED faced a number of challenges including strengthening democracy and combating poverty and drug abuse. In early February 2012, after several weeks of street protests following his sacking of a top judge, NASHEED resigned the presidency and handed over power to Vice President Mohammed WAHEED Hassan Maniku. In mid-2012, a Commission of National Inquiry was set by the government to probe events leading up to NASHEED's resignation. Though the commission found no evidence of a coup, the report recommended the need to strengthen the country's democratic institutions to avert similar events in the future, and to further investigate alleged police misconduct during the crisis. Maldivian officials have played a prominent role in international climate change discussions (due to the islands' vulnerability to rising sea-level) on the UN Human Rights Council and in other international forums, as well as in encouraging regional cooperation, especially between India and Pakistan.



Basic Facts

Population	393,253 ^[81] (175th)
Area	298 ^[71] km ² (206th)
currency	Maldivian rufiyaa (MVR)
GDP (Nominal)	\$3.228 billion
Export Volume	\$ 144,209
Import Volume	\$1,913,824
Export to OIC Member States	\$ 1,246
Import from OIC Member States	\$ 640,172

Economy - overview: Maldives has rapidly grown into a middle-income country, driven by tourism development. In 2015, the economy's growth slowed to 4.8%, mainly due to lower tourism sector growth as tourist arrivals from China declined. However, the slowdown is expected to reverse in 2016. Tourism, construction, transport, and the communications sector accounted for 50% of the output on average. Tourism-related tax receipts increased by 13% in 2015 due to higher tax rates. This increase in dollar tax receipts directly led to higher usable reserves in 2015. The current account deficit widened to \$400 million in 2015 due to increases in construction related imports. A large and growing fiscal deficit remains an ongoing economic challenge.

In July 2015, Maldives' Parliament passed a constitutional amendment legalizing foreign ownership of land; foreign land-buyers must reclaim at least 70% of the desired land from the ocean and invest at least \$1 billion in a construction project approved by Parliament.

Diversifying the economy beyond tourism and fishing, reforming public finance, increasing employment opportunities, and combating corruption, cronyism, and a growing drug problem are near-term challenges facing the government. Over the longer term Maldivian authorities worry about the impact of erosion and possible global warming on their low-lying country; 80% of the area is 1 meter or less above sea level.