



By: TA | AP Brief

Modi signals easing tensions with the Maldives amid China rivalry



Indian Prime Minister Narendra Modi participated in the 60th Independence Day celebrations of the Maldives, concluding a two-day visit to the island nation.

During the trip, Modi also announced financial assistance and formally launched talks on a proposed free trade agreement.

The two-day visit was seen as crucial to India's ambition to control the seas and shipping routes of the Indian Ocean in a race with its regional rival China.

It signaled a thaw in diplomatic tensions that followed the **election** of pro-China Maldivian President Mohamed Muizzu in 2023.

Modi joined a distinguished gathering at Republic Square in the capital, Malé, where a military parade and cultural performances marked the anniversary of the Maldives gaining independence from British rule in 1965.

On Friday, following talks with Maldivian President Mohamed Muizzu, Modi **announced** a credit line of \$565 million to support development projects in the Maldives.

The visit coincided with the anniversary of the establishment of diplomatic ties between the two nations in 1965. It also saw the start of talks on a free trade agreement. The two leaders oversaw the exchange of signed agreements to cooperate in sectors such as fisheries, health, tourism and digital development.

Modi also handed over dozens of heavy vehicles donated by India to strengthen the Maldives' defense forces.

The Maldives — an archipelago nation strategically located in the Indian Ocean — is a focal point in the growing geopolitical **rivalry** between India and China.

India's financial support to the Maldives

Tensions grew when Muizzu, who favored closer ties with China, was elected in 2023 after defeating the India-friendly incumbent Ibrahim Mohamed Solih.

Leading up to the election, Muizzu had promised to **expel** Indian soldiers deployed in the Maldives to help with humanitarian assistance. Last year New Delhi replaced dozens of its soldiers in the Maldives with civilian experts.

Measures by Modi to promote tourism in India's Lakshadweep archipelago, off the southwestern coast of the Indian mainland, also sparked anger from Maldivians, who saw it as a move to lure Indian tourists away from their country. Indian celebrities then called for a tourism boycott of the Maldives.

India pledged financial support to the Maldives, which has been struggling with debt

Tensions escalated last year when President Muizzu **visited** China before India, a move widely interpreted in New Delhi as a diplomatic snub.

On his return, Muizzu outlined plans to reduce the Maldives' reliance on India for medical services, pharmaceuticals, and essential imports such as food staples.

Relations started to improve after Muizzu attended Modi's swearing-in ceremony for a third five-year term last year. Muizzu has since toned down his anti-Indian rhetoric, and official contacts with New Delhi have intensified amid growing concern about the Maldives' economy.

During a **visit** by Muizzu to India last October, India pledged financial support to the Maldives, which has been struggling with debt. This included \$100 million in short-term government loans and agreeing to a \$400 million currency swap to help stabilize the Maldivian economy.

India has long been a key development partner

for the Maldives. However, the island nation has also deepened ties with China, joining its Belt and Road Initiative in 2013 to build infrastructure and expand trade — part of Beijing's broader effort to increase its global influence.