

# Maldives Investment Forum, Singapore

## Friday, 25th April 2014

### MEGA PROJECTS

#### I. Ihavandhippolhu Integrated Development Project (iHavan)

iHavan is an integrated project designed for the Ihavandhippolhu atoll, the north most atoll of Maldives. The design of the project seeks to capitalize on the location of the atoll, which lies on the seven degree channel through which the main East - West shipping route, connecting South-East Asia and China to the Mid-east and Europe presently runs. The project components include investments in transshipment port facility, airport development, a cruise hub, yacht marina, bunkering services, dock yard, real estate and conventional tourism developments.

More than US\$ 18 trillion worth of goods is transported across the seven degree channel annually, with over 70,000 ships crossing the Indian Ocean every year. A transshipment port in Ihavandhippolhu stands ready to benefit from the growing trade volumes passing through the region in the wake of strong growth in India and China.

iHavan's central location in the Indian Ocean will access more than 30 large cities within a radius of 4000 km. Furthermore, India, accessible in less than an hour from iHavan is projected to house the world's largest middle class consumer market by 2030, surpassing both China and USA. This presents immense opportunity for online trading businesses and mass warehousing for large scale retailers.

Export processing zones established in iHavan can enjoy duty free access to the South Asian region with a population base of approximately 1.7 billion people, through the South Asian Free Trade Arrangement (SAFTA).

Furthermore, the unrivalled natural beauty of the island geography in the region has huge potential for high end real estate and tourism development.

The Special Economic Zones Law that will be enacted by the Government will provide tax holidays, duty free benefits, long term land lease options of up to 99 years and a relatively freer regulatory environment for the iHavan integrated development.

#### II. Expansion of Ibrahim Nasir International Airport (INIA)

Ibrahim Nasir International Airport (INIA) is the main international gateway into the Maldives with a large number of tourist resorts located in close proximity to the airport. The

Government has major plans to increase the number of annual tourist arrivals to over 5 million by 2018, almost a five-fold increase from one million arrivals in 2013. As such, the need to expand the airport's capacity to cater to this additional demand and to provide value added commercial and high end retail services of highest international standards, is a key priority of the Government.

The Government of Maldives is currently finalizing the master plan for the airport expansion and is seeking investors and financiers to partner with the Government to successfully deliver this important initiative with very lucrative returns.

### **III. Hulhumale' Phase II Development**

Hulhumale' Phase I is the first fully reclaimed, pre-planned city of the country located within 3 kilometers from Male', the capital city. Hulhumale' Phase I is connected to the International Airport by road and provides for a wide range of land uses from residential, mixed residential, industrial, institutional, commercial, sports and recreation and Government properties; and currently houses a population of over 20,000.

Hulhumale' Phase II involves the reclamation of the adjoining shallow lagoon to the north of Phase I, approximating an area of close to 200 hectares. The Government intends Phase II of Hulhumale' to be developed as a youth city inclusive of an information technology hub, together with other integrated components including housing, entertainment, institutional, tourism and commercial developments.

### **IV. Relocation and expansion of the existing central port**

The current Maldives Port situated in Male', the capital city, is the main international maritime gateway into Maldives. It has already reached its physical capacity and is a limiting factor for the growth of the Maldives economy, which is largely dependent on trade, particularly imports. Considering the growing trade volumes and projections for growth in businesses in the future, a new expanded Port for the Maldives is a necessary piece of infrastructure, to deliver the Government's economic vision..Given the limited space in Male, the capital of Maldives, the Government is seeking port development and management partners to relocate the main international gateway to the adjacent island of Thilafushi.

The port relocation and expansion project will include the following components:

Reclamation: The proposed site at Thilafushi will need to undergo reclamation of up to approximately 70 hectares, to adequately provide space for the new development.

International Port Facilities: The expanded port shall be equipped with state of the art equipment and technology to deliver a superior service.

Superior Warehousing and Distribution: The existing port is unable to cater to the warehousing and distribution needs of the business community. The new development has the opportunity to cater to the significant warehousing needs of the trading sector.

Large Production Facilities: Industrial space and production facilities are in great demand and such processing zones shall be facilitated within the overall development.

Marine Harbour and Support Functions: The project has the opportunity to cater to the current lack of temporary parking for large ships, safe anchoring for small boats and personal yachts, along with dry docking and repair facilities.

The Special Economic Zones Law that will be enacted by the Government will facilitate the necessary tax and economic incentives for establishment of a free port and export processing zones within the overall port development project.

#### **V. Exploration for Oil and Gas**

In 2012, petroleum products accounted for 31 percent of total imports and represented the largest category of imports. Maldives plans to embark on an ambitious oil and gas exploration project with the support of leading oil exploration companies in the world.

Previous studies have been encouraging and the technological advancement in the area of oil and gas exploration has renewed hope for Maldives. The Government wishes to open the opportunity to undertake a more extensive survey to explore the potential of oil and gas reserves in the country.