

Maldives Plunges Deeper into Financial Crisis, as it Swings Between China and India

News:

On 26 October 2024, the Deccan Herald reported, “Maldives discusses tourism sector prospects with India. The development comes days after Maldives President Mohamed Muizzu, during his first bilateral visit to New Delhi, termed India as ‘one of the largest tourism source markets’ for his country and hoped that more Indian tourists would visit the archipelagic nation.” [Deccan Herald]

Comment:

Muizzu’s Peoples National Congress (PNC) and its alliance saw a landslide victory in parliamentary elections as a result of ‘India Out’ campaign. Muizzu attacked his opposing candidate Solih for an agreement with India that allowed Indian armed military presence in the name of the Uthuru Thila Falhu (UTF) island harbor project. The agreement was extendible up to sixty years.

Successive governments in Maldives have swung between ‘India First’ and ‘India Out.’ The governments of 2009 and 2018 pursued ‘India First’ as their foreign policy. The rulers allowed Indian military presence and accepted loans on interest from India. In contrast, the government of 2012 swung towards China and received loans on interest from China. Unlike his predecessors, Muizzu’s first foreign visit as president was not to India. He visited China and his government entered several agreements with China.

Just before Muizzu’s visit to China, Modi had a photoshoot at the Indian tourist site, the Lakshadweep Islands, which competes with the Maldives Islands for tourism. Maldives needs Indian tourists for its struggling economy. The economy of Maldives has limited industry. Tourism and fishing are the two largest sources of revenues. Some 90% of state revenues are generated through taxes from tourism.

As it swings between India and China, Maldives is falling deeper into debt based on interest. The Maldives’ foreign debt exceeded \$4 billion in 2023, official data shows, representing about 118% of the nation’s gross domestic product and up nearly \$250 million from 2022. As of June 2023, the Export-Import Bank of China owned 25.2% of the Maldives’ external debt and was the country’s biggest single lender, according to the Maldives Finance Ministry.

The solution to the economic crises of Maldives does not lie in swinging between the two states that fight Muslims and Islam. The current world order secures harm for the Muslims, economically and militarily. It makes the Muslim states arenas for exploitation by the colonialists, and their proxies, India and the Jewish entity. The solution for Maldives is to become part a vast Khilafah, as it was in the past. Maldives is a Muslim country and 99% of its population are Muslims. Islam came to authority and ruling in the Maldives in 1153 (548 AH). After strong contact with the Khilafah of the Khaleefah Al-Muqtafi (المقتفي لأمر الله), the ruler Dhovemi embraced Islam and became Sultan Muhammad al-Adil, whilst the people of Maldives converted to Islam in droves. As part of a vast Khilafah, the Maldives prospered until the arrival of the Western colonialists, and the establishment of a kufr regional order.

O Muslims of South Asia! It is not allowed to make alliances with states that fight us because of our Deen and assist others in fighting us. Allah (swt) said, **﴿إِنَّمَا يَنْهَاكُمْ اللَّهُ عَنِ الَّذِينَ قَاتَلُوكُمْ فِي الدِّينِ وَأَخْرَجُوكُمْ مِنْ دِيَارِكُمْ وَظَاهَرُوا عَلَىٰ إِخْرَاجِكُمْ أَنْ تَوَلَّوهُمْ وَمَنْ يَتَوَلَّهُمْ فَأُولَٰئِكَ هُمُ الظَّالِمُونَ﴾** “Allah forbids your alliance with those who fight you because of your Deen, and drive you from your homelands, or aid others to do so: and as for those who turn to them in alliance, they are truly oppressors.” [Surah al-Mumtahina 60:9]. The Khilafah Rashidah will sever all ties with the states that fight Islam and Muslims. It will unify all the Muslims as the world’s most powerful and wealthy state. The Khilafah will have access to all the major sea routes of the world, allowing it to dominate international trade, as it did for centuries before. The Khilafah will become the world’s strongest maritime power again, allowing its navy to play its role in opening new lands to Islam.

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