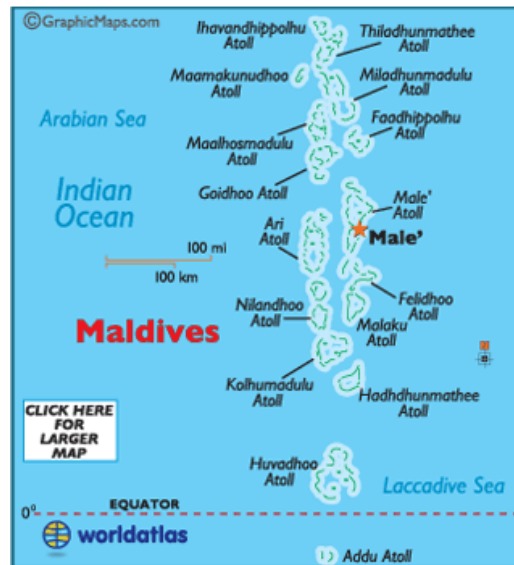


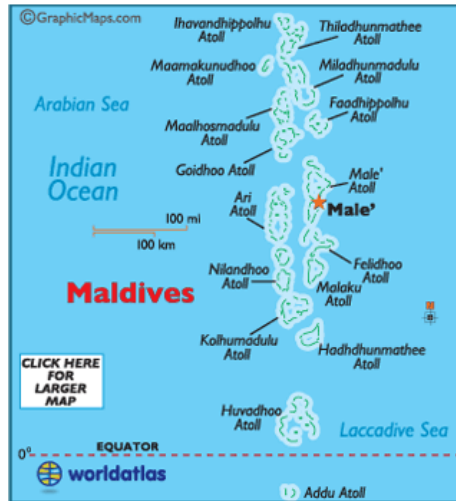


MARKET REPORT – MALDIVES



Prepared by:
Export Development Board (EDB), Sri Lanka
July, 2014

1. Background



Tourism, Maldives' largest economic activity, accounts for nearly 30% of GDP and more than 60% of foreign exchange receipts. Fishing is the second leading sector, but the fish catch has dropped sharply in recent years. Agriculture and manufacturing continue to play a lesser role in the economy, constrained by the limited availability of cultivable land and the shortage of domestic labor.

Population – 393,595

GDP (PPP) - USD 3.073 billion (2013 est.)

Exports – USD 283 Mn

Exports - commodities: Fish

Exports - partners: France 18.9%, Thailand 15.8%, UK 11.4%, US 9.4%, Sri Lanka 8.6%, Italy 8.1%, Germany 6.4% (2012)

Imports: USD 1.4 billion (2012.)

Import commodities - Petroleum products, clothing, intermediate and capital goods

Imports - partners: Singapore 21.7%, UAE 20.9%, India 9.6%, Malaysia 7.6%, China 6%, Thailand 5.6%, Sri Lanka 4% (2012)

2. Bilateral Trade between Sri Lanka and Maldives (2009-2013), Value in US \$ Mn

Year	Exports from Sri Lanka	Imports from Maldives	Trade Balance	Total Trade
2009	33.63	17.22	16.41	50.85
2010	43.78	12.19	31.59	55.97
2011	55.24	20.35	34.89	75.59
2012	52.38	16.1	36.28	68.48
2013	58.8	13.15	45.65	71.95

3. Sri Lanka's major export products to Maldives (2009-2013), Value in US \$ '000

Code	Description	2009	2010	2011	2012	2013
H.21069019	Other Yeast based preparations		91	2935	2759	2873
H.070999	Other vegetables, fresh or chilled.				199	2651
H.11010010	Wheat flour	3	1741	4401	699	2312
H.27101940	Gas oil including Diesel					1962
H.07095990	Mushroom other than genus Agaricus	12	26	8	265	1685
H.39233090	Other Carboys, bottles, flasks nes		105	737	589	1534
H.85444920	Conducted, other upto 4 cored unarmed wire and cables =< 16 mm2	765	734	1129	3222	1418
H.19053110	Sweet biscuits, in retail packaging 1 Kg or less	620	566	938	880	1326
H.08109090	Fruits, fresh not elsewhere classified	648	1335	1286	910	1304
H.09023012	Certified by Sri Lanka Tea Board as wholly of Sri Lankan origin, other		516	3210	1114	1167

4. Sri Lanka's major import products from Maldives (2009-2013), Value in US \$ '000

Code	Description	2009	2010	2011	2012	2013
H.03055910	Other - Maldive fish and substitutes thereof	11895	8740	9911	6459	5078
H.030239	Other Tuna (excl. HS 030231, 030232, 030233,030234,030235 & 030236) fresh or chilled			2065	4708	3860
H.03055990	Dreid fish excl. Maldivefish, sprats, shark fins & fish maws	515	672	3632	1634	1707
H.230120	Flours, meals & pellets of fish or other aquatic invertebr, unfit for human consumption	755	731	605	455	866
H.030342	Frozen yellowfin tunas	961	298	687	360	237
H.220830	Whiskeys					174
H.030232	Fresh or chilled yellowfin tunas	356	28	438	506	169
H.03011990	Other				9	129
H.030389	Other					97
H.731100	Cylinder tank	53	19	64	48	78
H.851829	Loudspeakers, not mounted in encloseurs	2		2	70	58

5. Import products of Maldives from the world and Sri Lanka's exports in USD '000

Product Code	Product Label	Maldives' Imports from Sri Lanka	Sri Lanka's Exports to World	Maldives' Imports from World
'85	Electrical, electronic equipment	8,605	212,976	94,706
'07	Edible vegetables and certain roots and tubers	6,577	21,418	33,024
'08	Edible fruit, nuts, peel of citrus fruit, melons	5,223	99,705	33,197

'84	Machinery, nuclear reactors, boilers, etc	6,495	144,719	124,192
'21	Miscellaneous edible preparations	3,519	57,452	17,749
'22	Beverages, spirits and vinegar	5,710	6,271	28,606
'39	Plastics and articles thereof	3,979	61,242	34,492
'27	Mineral fuels, oils, distillation products, etc	1,628	33,222	487,068
'30	Pharmaceutical products	2,730	4,070	11,699
'04	Dairy products, eggs, honey, edible animal product	3,027	2,145	40,893
'48	Paper and paperboard, articles of pulp, paper and board	3,007	33,730	13,274
'19	Cereal, flour, starch, milk preparations and products	2,482	20,433	19,352
'94	Furniture, lighting, signs, prefabricated buildings	958	26,877	37,256
'03	Fish, crustaceans, molluscs, aquatic invertebrates	1,855	204,745	16,093
'18	Cocoa and cocoa preparations	1,745	17,104	7,377
'09	Coffee, tea, mate and spices	2,245	1,646,335	7,797
'61	Articles of apparel, accessories, knit or crochet	1,703	1,968,580	14,557
'73	Articles of iron or steel	1,840	11,767	24,598

6. Sri Lanka's leading exporters to Maldives – 2013

No	Company	Product
1.	Acl cables plc	Insulated Wires and Cables, Other Textile Articles, Other Electrical & Electronic Products
2.	Nestle lanka plc	Processed Food, Coconut Milk Powder, Confectionary & Bakery Products, Other Manufactures
3.	Eastern and allied agencies ltd	Mushroom, Other Fruits, Processed Food, Confectionary & Bakery Products, Animal Feed, Other Paper Products, Sacs & Bags of Plastics, Soap, Washing Preparations, Waxes, Candles etc.
4.	Nidro supply pvt ltd	Other Vegetables, Processed Food, Other Fruits, Prawns, Crabs, Processed Vegetables, Fruits & Juices, Confectionary & Bakery Products, Other Edible Fish,
5.	Serendib flour mills pvt ltd	Rice & Cereals
6.	Lanka maritime services ltd	Petroleum Products
7.	Chevron lubricants lanka plc	Petroleum Products, Other Chemical Products
8.	Promowatch pvt ltd	Other Products of Plastics ,Furniture & Seats, Metal Furniture & Seats, Other Products of Base Metal,
9.	Ceylon biscuits ltd	Confectionary & Bakery Products, Processed Food
10.	Snackings pvt ltd	Other Products of Plastics
11.	Aitken spence hotel managements pvt ltd	Processed Food, Other Fruits, Other Vegetables , Furniture & Seats, Other Products of Plastics ,
12.	K i k lanka pvt ltd	Switches, Lamp Holders Boards & Panels, Discharge Lamps, Other Electrical & Electronic Products
13.	Lion brewery ceylon plc	Beverages, Other Transport Equipments , Glass & Glassware, Furniture & Seats, Travel Goods, Bags etc.
14.	Ceylon cold stores plc	Processed Food, Beverages, Other Products of Base Metal
15.	Macksons paint industries pvt ltd	Paints, Varnishes and Dyeing Extracts, Other Chemical Products
16.	Ceylon tobacco company ltd	Manufactured Tobacco, Metal Furniture & Seats

7. Potential products to be explored from Sri Lanka

Apparel, Tea, Gems & jewellery, Fruit & vegetables, Ayurveda and spa products, coconut related products, handicrafts, rubber products, confectionery products, food & beverages, education services, Tourism

8. Trade Issues

1. Serendib Flour Mills (Pvt) Ltd.

Issues:

- Wheat Flour is not included in the Credit Line offered by Bank of Ceylon to the Government of Maldives.
- Due to STO insisting on payment in MRF, STO is unable to take the price advance as we require payments in USD.
- Unavailability of efficient sea transport facilities.

2. Amana Takaful (Maldives) PLC.

Issues:

- Issues in investing in Maldivian Capital Market •
Withholding Tax (WHT)
The withheld amount cannot be claimed by the vendor as there is no 'Double Tax Agreement'. Due to this every invoice is paid up to 110% of its value.
- Mandatory enrolment of expatriates under Retirement Pension Scheme (RPS) No flexibilities in withdrawal clauses (Section 25 and 26)
- USD currency supply by the banks
- Applying Business Profit Tax as a standard rate for all entities.

3. Suren Cooke Agencies (Pvt) Ltd

Issues:

- Difficulty in obtaining work permits for Sri Lankan technicians who are trained and licensed to handle insecticides and fumigants.
- Inability to recruit Maldivian personnel due to their inadequate knowledge on the subject and the reluctance to handle insecticides.
- Delays in obtaining approvals and clearing of insecticides, fumigants and other related items.

4. Dimo (Pvt) Ltd

Issues:

- Delay in obtaining business visa for service engineers to visit Male.

- Obtaining business visa on holidays (Friday/ Saturday) for emergency travel. • Long customs procedure to carry tools for repairs.

5. Aitken Spence Travels

Issue:

- Organizing consumer exhibitions/fairs in Male

6. Aitken Spence Hotel Holdings PLS

Issue:

- Inconvenience in getting Business visa.

7. Senoc Tea Ceylon (Pvt Ltd)

Product: Tea

Issue:

- Default payment by M/s Najaah Art Place, No. 3, M H A Building, No. 1, Male 20-02 from 16/03/2012. Amount is US \$ 168,202.

9. Trade promotional programs carried out by Export Development Board

- Hotel Asia Exhibition - Male
- Eduvision Exhibition - Male
- Sri Lanka Trade Centre in Male

10. Proposed Trade Promotional Activities

International Educational Exhibition 2014, Male – 13-16 June