

EXECUTIVE SUMMARY

The Maldives has recorded remarkable economic growth over the past two decades, especially compared with the rest of the South Asian countries, and is on the threshold of graduating from Less Developed Country (LDC) status to the middle-income group. It reached an impressive per capita income of \$2,514 in 2004 — from \$771 in 1984 — and has sustained an annual GDP growth of 7.9 percent in the past 15 years. A country that was not even on the economic radar in the 1980s has become a phenomenal success due to a continued stable political environment and strong leadership and commitment to liberalization policies, all of which have attracted a significant level of foreign direct investments (FDI). The homogeneity of race and religion have also partly contributed to the country's long-term social stability. However, due to the combination of the adverse impact of the Tsunami and the expansionary expenditure policies of the government, for the first time in its history, the country has recorded a negative growth rate — 5.5 percent in 2005.

Ironically, although the Maldives lacks the resource endowments, the scale of economies, and the geographical diversity enjoyed by its South Asian neighbors, it has surpassed all of them to achieve the highest per capita GDP levels in the region. What is more remarkable in this island state is the achievement of economic upsurge without compromising human development. *The economic achievements were complemented by high literacy, low maternal and child mortality, declining poverty levels, and improvements in service delivery during the past decade.* Poverty levels have dramatically declined in the Maldives from 23 percent to 8 percent during the period 1997-2004. This has been further reinforced by the significant achievement of the Millennium Development Goals (MDGs) as reflected in box E.1. However, it has also been revealed that income inequality has not undergone much change between 1997 and 2004, reflecting that the economic gains achieved during this period have been more beneficial for the upper echelons of the population. An increasing regional disparity in poverty has also been observed. It is notable that the economic development and poverty reduction were accompanied by rising unemployment (14 percent in 2004) especially among youth (33 percent). This is mainly due to the mismatch in the labor market and the existing skills profile.

The Maldives belongs to a special category of countries called "Small Island Economies," of which a large number are dependent primarily on tourism and or on a narrow product or service range. These countries are characterized by major economic disadvantages, including restricted comparative advantages; diseconomies of scale; dysfunctional market structures; high transport costs; high levels of openness to international trade; tendencies to be price takers not price makers; limited natural resources; and small labor markets with deficiencies in professional and institutional knowledge and experience. Like all countries in this category, the Maldives is also vulnerable to external events, including natural disasters that cause high volatility in national incomes. Many of them are currently facing an uncertain and difficult economic transition to a changing world-trade regime, exacerbated by their limited capacity in the public and private sectors.

Despite the Maldives' phenomenon achievements in economic and social spheres, the extent of their vulnerability was recently brought home with the devastating destruction caused by the Tsunami tidal waves. The combined impact of recent international incidents and natural disasters has temporarily forestalled the upward economic trends enjoyed by the country.

| Box E.1 : Achievement of Millennium Development Goals (MDGS) | | | | | | | | | | | |
|--|--|---|------|------|------|-------|-----|----|-------|-----|-----|
| Goal | Target | Status | | | | | | | | | |
| 1. Eradicate extreme poverty and hunger | 1. Halve, between 1990 and 2015, the proportion of the population whose income is less than one dollar a day. | Under two levels of income, poverty levels have been more than halved: <table border="1"> <tr> <td></td> <td>1997</td> <td>2004</td> </tr> <tr> <td>Rf 10</td> <td>23%</td> <td>8%</td> </tr> <tr> <td>Rf 15</td> <td>44%</td> <td>21%</td> </tr> </table> | | 1997 | 2004 | Rf 10 | 23% | 8% | Rf 15 | 44% | 21% |
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| Rf 10 | 23% | 8% | | | | | | | | | |
| Rf 15 | 44% | 21% | | | | | | | | | |
| | 2. Halve, between 1990 and 2015, the proportion of people who suffer from hunger. | The proportion of underweight children was reduced from 46-52% in 1990 to 27% in 2004 and can achieve the target of 23-26% by 2015. | | | | | | | | | |
| 2. Achieve universal primary education | 3. Ensure that by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling. | 100% net enrollment for both girls and boys. Literary rate of 15-24 age cohorts was 98% in 2000. | | | | | | | | | |
| 3. Promote gender equality and empower women | 4. Eliminate gender disparity in primary and secondary education, preferably by 2015, and at all levels of education no later than 2015. | No gender disparity in primary and lower secondary education, but still there is a disparity in the upper secondary levels. | | | | | | | | | |
| 4. Reduce child mortality | 5. Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate. | Under-five mortality rate, which was 48 per 1000 live births in 1990, has been reduced to 18 per 1000 in 2003, and can reach 16 per 1000 in 2015. No gender difference. | | | | | | | | | |
| 5. Improve maternal health | 6. Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio. | The maternal mortality rate has declined from 500 per 100,000 live births in 1990 to 78 per 100,000 in 2003. | | | | | | | | | |
| 6. Combat HIV/AIDS, malaria, and other diseases | 7. Have halted by 2015, and begun to reverse, the spread of HIV/AIDS. | Only 13 local cases of HIV have been reported since 1991-2003, while 100 foreign cases have been reported during that time. Malaria had been completely eradicated by 1984. | | | | | | | | | |
| | 8. Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases. | Malaria is eradicated and all communicable diseases are under control. | | | | | | | | | |
| 7. Ensure environmental sustainability | 9. Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources. | Government of Maldives has mainstreamed environmental sustainability as a priority. | | | | | | | | | |
| | 10. Halve by 2016 the proportion of people without sustainable access to safe drinking water and basic sanitation. | 90% of the people have access to rainwater in the atolls. In Male, 100% of the population has access to high-quality desalinated pipe-borne water. | | | | | | | | | |
| | 11. Have achieved by 2020 a significant improvement in the lives of at least 100 million slum dwellers. | Not applicable. | | | | | | | | | |

Source : Millennium Development Goals - Maldives Country Report, 2005

What are the most severe obstacles in the Maldives's investment climate? To answer this query, in 2005, an enterprise survey was conducted in three major sectors-tourism, transport-logistics, and manufacturing-covering 148 enterprises. The three sectors jointly accounted for about 50 percent of the GDP and 60 percent of the labor force.

The industrial base is very small and narrow in the Maldives and the enterprises varied in character and size. In addition, neither the government nor industry associations had a comprehensive database of enterprises, only lists of names. There was lack of enterprise data on employment, output, turnover, etc. at the disaggregate level. At the outset of the Investment Climate Assessment (ICA) Survey, the World Bank team worked closely with both the government agencies and the industry associations, but the quality of data shared was relatively poor compared to the rest of the South Asian countries. Given these inadequacies, the ICA team also carried out selected interviews with a large number of public and private enterprises and drew extensively on a plethora of studies conducted in related areas by various international and local agencies. It was interesting to note that

the preliminary findings were corroborated by the enterprise survey data. The survey was supplemented by two major sector studies on tourism and fisheries. In addition, a few case studies were carried out in areas that the government and the ICA team considered important, namely, the construction industry, the handicraft industry, and agriculture (see annexes 2-4).

Most of the enterprises covered were in *Male* Atoll. As is the case of most of the resorts, the head offices are located in *Male*. Given that Maldives does not require an annual registration fee or has a corporate taxation system, the culture of providing data especially on financial performance is relatively new for the enterprises and they were hesitant to engage in this activity.

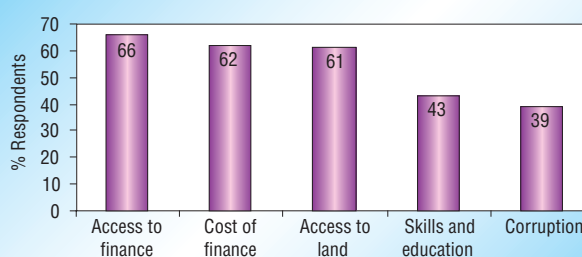
The ICA revealed that, given the poor resource endowments in the country, most of the material inputs —over 50 percent— are imported from abroad, thus limiting linkages to the rest of the economy. However, the capacity utilization of the enterprises was more than 75 percent and they expect that it will reach 100 percent in 2006. The majority of the enterprises are private limited companies and more than 90 percent of them are owned by Maldivian nationals. The enterprises surveyed have been in business for a relatively long period of time—the majority more than 10 years—reflecting stability in the industries. In order to overcome the size and diseconomies of scale, there is a tendency for the entrepreneurs to move into horizontal integration, thus making the industrialists less vulnerable to external shocks and capable of achieving efficiency gains.

Irrespective of intersectoral differences in investor perceptions, there are a number of areas that represent major obstacles to all three sectors, including: (i) access to finance; (ii) the cost of finance; (iii) access to land; (iv) skilled labor; and (v) corruption (see figures E.1- E.4). The entrepreneurs in all three sectors have identified access to finance as one of the most important and most severe constraints affecting enterprise performance. There is, however, a high degree of diversity across the three sectors with respect to the

relative significance and severity of other constraints affecting enterprise performance. For example, entrepreneurs in tourism and transport-logistics have identified the cost of finance as the second major problem, while their counterparts in manufacturing ranked it at third. Similarly, the transport-logistics sector identified access to land as the most severe constraint, while their counterparts in manufacturing and tourism ranked it second and sixth, respectively. Interestingly, entrepreneurs in the tourism sectors identified the relative significance of the lack of skilled labor as the third-highest constraint on investment decisions, while their counterparts in manufacturing and transport-logistics ranked it at the fourth-highest position.

The Maldives is strong in tax administration and has fewer entry barriers. Registering a business is simple, efficient, and not costly, according to the 2006 Doing Business Indicators (DBI-2006). In terms of tax administration, Maldives features a simple and administratively efficient tax system and the country has no corporate taxation system. Even the industries that are subject to some form of taxation, such as tourism and banking, are required to pay taxes only once a year. The Maldives has

Figure E.1
Overall Top Five Constraints



Source: World Bank, Maldives, ICA, 2005

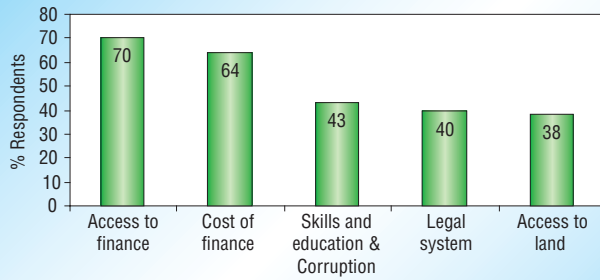
been rated "global best" in terms of taxation, along with Hong Kong.

Telecommunications also does not appear to be a major constraint to the Maldives entrepreneurs. In the recent past, with the increasing educational achievements telecommunications has emerged as an industry with high growth potential. It has also opened up new avenues for the industrialists and has contributed to the growth and expansion of industries. The penetration of the telecommunications industry in the Maldives is very high compared to other South Asian countries. The use of modern communications technology is significantly high among the business community and is expected to pave the way for mobile phone banking, a modern concept that has been found cost effective and important for improving access to financial services in the recent past in countries like Brazil and Philippines.

The perception of corruption in the Maldives is better than in other South Asian countries. The Maldives has scored 4.2 according to the Corruption Index of the Transparency International 2005,¹ but there is significant scope for improvement compared with Singapore (9.2). In the World Bank Governance Indicators (GI) of 2005, the Maldives ranked second best in control of corruption in South Asia, just behind Bhutan and ahead of all others. However, the overall Governance Indicators for 2004 for Maldives have deteriorated compared with those of 2002 (refer to chapter 3). This perception has been supported by increasing print and electronic media exposure on perceived conflict of interest, which will affect the business environment in the medium term. In addition, in the ICA enterprise survey, corruption featured as a relatively important obstacle to business; the informal payment for obtaining licenses was reported as high as 6 percent of sales, much higher than in other South Asian countries (2%). It also revealed that investor confidence in the judicial system is low at 38 percent, compared with Sri Lanka (69%) and India (71%). Another concern raised by investors is the unclear demarcation between the roles of the public and private sectors. This is an emerging concern for most of the small countries, including Bhutan and Sri Lanka. The Maldives was rated 31 out of 155 countries in DBI 2006 for ease of doing business, ahead of all South Asian countries; however, to consolidate its position, it should continue to improve public disclosure, transparency, and accountability in its public policy matters and better manage conflict of interest (refer to annex 1).

Access to finance emerged as the major obstacle to business in the ICA survey. In all major sectors, as well as the construction, handicraft, and agriculture sectors, access to and cost of finance featured high

Figure E.2
Top 5 Constraints in Tourism Compared with Other Sectors



| | Access to finance | Cost of finance | Skills and education & Corruption | Legal system | Access to land |
|---------------|-------------------|-----------------|-----------------------------------|--------------|----------------|
| Tourism | 1 | 2 | 3 | 4 | 5 |
| Manufacturing | 1 | 3 | 4 & 5 | 6 | 2 |
| T&L | 3 | 2 | 4 & 6 | 9 | 1 |

Source: World Bank, Maldives ICA, 2005

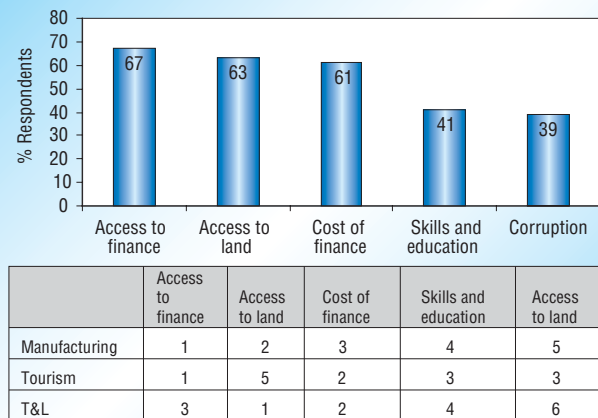
1 Transparency International 2005 and University of Passau. Since the Maldives' CPI is based on one survey, it is not listed in the general CPI ranking list but available in the extended list.

on the list, with a leading margin. The financial sector is shallow and the banks have been following a very conservative approach — a far cry from the modern and competitive banking that is emerging elsewhere in the region. The minimum reserve requirement is 30 percent, which restrains the ability of the banks to lend. There is high sector exposure to tourism and, except for the only domestic bank in the Maldives, others have been serving primarily the corporate sector. The commercial banks are still focused on collateral rather than on cash-based lending and there are no venture capital companies in the country to support the emerging industrialists in the nontraditional and SME sectors. In addition, there is no credit information system and the government and the Maldivian Monetary Authority should consider promoting the establishment of a private Credit Information Bureau that would facilitate lending, especially to new investors.

The entry of new players such as Maldivian Leasing Company and the Housing Development Finance Corporation (HDFC) into the financial market has spurred some level of competition in the minds of the traditional bankers. The leasing company has been quite active in equipment financing, especially in the tourism sector and the fisheries. In addition, the development role played by the Bank of Maldives also has instigated the other banks to look beyond the Male Island, thus reflecting a deepening of the market. The geophysical structure of the archipelago imposes a high cost of operations, which discourages the banks from lending outside of Male. This has been overcome in other countries like the Philippines and Brazil by introducing mobile-phone banking, especially for micro-enterprises. This strategy provides great potential, given the high penetration of telecommunications. Unlike the rest of the region, Maldives lacks an entrenched culture of savings, which also poses a problem for banks in mobilizing long-term domestic resources in the country. The negative rate of return on savings due to increasing inflationary trends and the attractive investment opportunities for the Maldivian Diaspora in the region also discourage domestic savings. The Maldivian companies could also consider listing in emerging stock markets like Colombo and Mumbai.

The reluctance of the bankers to be more proactive to the market demand is also restrained by the absence of a strong legal framework and weak enforcement capacity. The Maldivian judicial system is based on a combination of Islamic Shari'ah law and common law in the commercial sector. The exit barriers are quite prohibitive since there are no insolvency or bankruptcy laws and the average time taken to close a business is 6.7 years compared to the regional average of 4.2 years. The banks complained that the recovery of bad debt, despite court orders, has been quite time consuming and costly, thus leading to relatively high nonperforming levels in the past. This situation has improved in the recent past, with the banks currently recording less than 10 percent

Figure E.3
Top 5 Constraints in Manufacturing Compared with Other Sectors



Source: World Bank, Maldives ICA, 2005

nonperforming loans. The banks also complain of a mismatch of maturities between deposits and lending portfolios. There is adequate empirical evidence to reflect that the micro and small enterprises have difficulty in access to finance and that the cost is also a major concern for them.

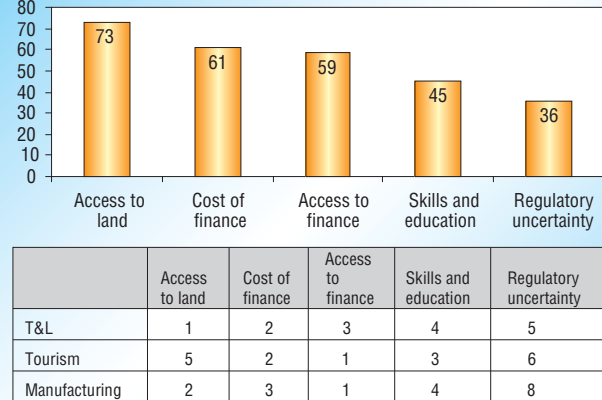
Relating to the financial constraint, access to land is also a major obstacle identified by a large number of the enterprises interviewed during the ICA survey. Most of the enterprises (between 48 and 75 percent) carry out their businesses in rented or leased land. Given the traditional allocation of land by government at request, there is no proper land market in the Maldives. However, with the commencement of the Hulhumale Development Project, adjacent to the Male Capital Island, there is an emerging land market. There is also a need for a paradigm shift for the government from being a provider to a facilitator and a regulator. One of the major bottlenecks in recent years has been eliminated with the entry of the new housing finance company, the HDFC. However, at the initial stages, financial assistance from external sources may be needed. This need is more pronounced at present, given the fiscal constraints faced by the Maldivian economy due to the Tsunami and to some of the expansionary policies adopted by the government to contain rising social and political tensions. The absence of a vibrant private land market aggravates the access-to-finance issue, especially since banks are still focused on collateral-based lending rather than cash flows. The government should promote the establishment of a modern movable assets registry to encourage using such assets as collateral. This exercise could be combined with a Credit Information Bureau.

Another major obstacle that has been highlighted is the emerging skills mismatch in the Maldivian labor force and the high proportion of foreign labor. As indicated by the achievement of MDGs given in box E-1, the Maldives has been able to achieve high educational attainments in terms of literacy, enrollment, etc. However, the quality of education and work ethics demanded by the market have not been adequately developed. This has led to a dysfunctional labor market that creates high reliance on migrant labor. There is no easy and immediate solution to this emerging problem, given the Maldives' proximity to a large, cheap labor market in India, Sri Lanka, and Bangladesh. From the perspective of the industrialists, it is a positive development, but from a long-term economic and social perspective, it poses a major threat that needs to be addressed without affecting industry performance.

Tourism Sector

The Maldives has been very successful in developing its tourism industry and enjoys an enviable image in the marketplace. The Maldivians' entrepreneurial flair and the liberal investment climate have resulted in 30 years of continuous growth. While the Tsunami was a major setback, the country has shown great resilience. The Maldives enjoys the support of the travel industry, for it offers a superior

Figure E.4
Top 5 Constraints in T&L Compared with Other Sectors



Source: World Bank, Maldives ICA, 2005

beach product, and tour operators have continued to treat the country as a favored destination. The country has 87 resorts with about 30 more planned and a fleet of more than 100 sailing safari vessels, all contributing to a capacity of about 20,000 beds. In 2004, the country hosted 618,000 tourists, a record number. Its hotel occupancy (more than 80%), average length of stay (more than 8 days), and daily expenditures (approaching \$200/day) are all high by international standards.

Issues are emerging on the horizon and it is time for the growth strategy to be reviewed. It is a long-haul destination, more than ten hours from originating markets with only one major airport, which is likely to be a severe constraint to market expansion. Newer investments seem to be pitched at nontraditional markets without adjustment to the new realities in other parts of the supply chain. Although there is still great scope for market development, the country's product line appears vulnerable if there is no differentiation and segmentation. Tourists are looking for more active pursuits. While the country has adopted a sound environmental stance, some aspects-like coastal zone management-need attention. There is also a need for increased linkage with the local communities.

Maldives has long relied on a public sector role limited to creating the environment for sound investment in tourism and managing the leasing process, with private sector companies bidding on individual islands. The decision to increase the speed of issuing new resort leases represents a fundamental change in Maldives' policy of expanding the sector gradually. A number of current operators are known to be very concerned at this change in policy. As part of the proposed expansion, the government has decided to create a public enterprise that would hold leases at low, preferential rates in a number of islands, and sell these to new operators. It would also sell some shares to the Maldivians on the stock market. This concept is still evolving, but advantages it would have for the country are not clear. The public enterprise would have a fixed stream of income (a share of island rents) that would not increase over time unless indexed to the rise in profits of the resorts themselves; a public sector company might in fact discourage investments in a sector so long dominated by the private sector. It might be possible to structure a public company to buy shares in approved resorts, which it would then hold and sell on the open market to Maldivians —with a clear timetable and exit strategy. A more market-oriented way of encouraging broader Maldivian participation would be to promote employee stock option plans (ESOPs), encourage tourism companies to list on the stock market, and provide incentives for senior managers in the industry and young entrepreneurs to become investors.

A public company could play a useful role, provided it has autonomy of action. One weakness in the Maldivian tourism system is regulation and inspection. A public company could become a regulatory agency with a small earmarked tax to fund its operations. Although most firms in Maldives are conscious of regulatory issues, such an agency could strengthen the emphasis on quality and address licensing and standards issues (including physical and human resources), an essential part of improving the islands' image in international markets.

Fisheries

The fishing sector is a fundamental pillar of the national economy in terms of GDP, employment, and exports. Growth in the fishing industry has increased since 2002 based mainly on increased catches and

firming up of export prices. The Tsunami had only a moderate and short-term impact on fishing efforts. The primary Maldives fish product is frozen skipjack tuna, exported mainly to large markets in Thailand and Japan. Commercial "pole and line fishing" methods for tuna in Maldives are unique and offer a niche marketing advantage for environmentally friendly tuna.

The sector is in transition, with a shift to larger mechanized vessels having greater capacity within a rapidly changing global trading environment and structural changes in the domestic market. Further private investment is needed for modernization to remain competitive in global markets. The positive side of the investment climate includes large skipjack tuna stocks, a highly educated labor force, expeditious procedures in importing and exporting goods, and excellent communications systems. The negative side of the investment climate is led by poor access to finance. In addition, significant public investment is needed in selected activities of public infrastructure; MIFCO (Maldives Industrial Fisheries Company Limited); monitoring, control, and surveillance systems; and research, training, and quality control.

Despite a reasonably positive business outlook, this sector still faces difficult challenges. In a nutshell, growth can continue to be based on rapidly expanding production and exports in markets in which Maldives' fishing industry has traditionally operated, facing high risks of strong future pressures on prices and margins while remaining a modest producer in global markets. Or it can target fresh fish markets with new products, optimizing net national benefits rather than production. Future sector development will require a very different public role, focused on enabling and supporting private sector initiatives and investments.

A long-term strategy is urgently required to guide longer-term sector development, including a more aggressive approach to actively pursuing foreign and local investment. In this regard, the World Bank and the Food and Agriculture Organization (FAO) are currently assisting the Government of Maldives to prepare comprehensive analytical work and policy studies to underpin the development of a long-term Fisheries Master Plan.

The policy recommendations for critical and short term reforms are presented in Box E.2.

| Box E.2 : Recommendations for Critical and Short Term Reforms (Details in Chapter 7) | | |
|--|---|---|
| Sector | Issues | Recommendations |
| Finance | <ul style="list-style-type: none"> o High cost of finance o Lack of a credit information system o Inadequate SME financing o Lack of collateral o Lack of long-term finance | <ul style="list-style-type: none"> o Introduce new products for equity and guarantee funds and provide training for bank staff on development finance o Access external finance for SME, housing finance with external help o Establish a modern Credit Information Bureau and a Movable Asset Registry o Introduce a contributory pension fund for new recruits and separate the retirement savings from the redistributive function o Conduct a financial sector study to develop a sector strategy focusing on development |
| Land and Housing | <ul style="list-style-type: none"> o Role of the government o Lack of a housing finance policy o Land law land administration o Lack of capacity | <ul style="list-style-type: none"> o Change the role from being a provider to a facilitator and build public-private partnerships o Divest shares in HDFC to improve mortgage financing o Develop Hulhumale of mixed land uses and public agencies to pay market rates o Conduct local research and training, possibly with international funding |
| Skill Development | <ul style="list-style-type: none"> o Inadequate training and skills development o Mismatch in skills mix | <ul style="list-style-type: none"> o Increase intake at graduate level for relevant subjects o Encourage in-house and external training at firm level o Further strengthen public-private partnerships in the delivery of training services o Explore the possibility of conducting joint programs with neighboring countries o Establish close linkages and partnerships with private sector industry/organizations for mutual benefit and for the improvement of the quality and relevance of training programs o Design labor-market policies to promote private sector development while increasing opportunities for youth |
| Legal and Regulatory Framework | <ul style="list-style-type: none"> o Lack of more advanced legal and regulatory framework o Weak law enforcement capacity | <ul style="list-style-type: none"> o Enhance human-resource development for legal and judicial services in commercial law o Draft new laws in the areas of commercial law o Introduce Alternate Dispute Resolution mechanisms through mediation o Set up a high-level steering committee with all stakeholders-legal finance, and judicial-to better coordinate for proposed reforms |
| Good Governance | <ul style="list-style-type: none"> o Weak regulatory framework o Insufficient transparency in public policy | <ul style="list-style-type: none"> o Improve and build a strong and independent judiciary and audit agency with enhanced capacity o Establish and enhance a Public Procurement Bureau with Web-based information disclosure on tender procedures, contract awards o Delineate public and private sector roles to avoid conflict of interest o Increase participation of business associations, including small-scale businesses, in the policy dialogue |
| Tourism | <ul style="list-style-type: none"> o Increasing rent on land leases o Employment and training o Lack of a culture-based tourism o Lack of a comprehensive taxation system | <ul style="list-style-type: none"> o Separate technical and financial proposals o Establish land indices to be applied across the board o Possibly introduce a second price auction o Better supervise construction standards o Carry out a needs assessment on training requirements o Continue to respect cultural diversity and create awareness among the communities o Carry out a tourism taxation study |
| Fisheries | <ul style="list-style-type: none"> o Absence of a comprehensive sector strategy to guide policy development, investment, and management o Requirement for stronger and more effective institutions within the sector o Need to increase private investment in the sector o Defining the role of Maldives' fisheries sector in a rapidly changing global market o Improving offshore and inshore fisheries management systems | <ul style="list-style-type: none"> o Prepare a comprehensive, long-term Fisheries Master Plan that encompasses evaluation of policy options, identifies investment and development strategies, and sets out new approaches for fisheries management o Complete revised regulatory framework to help implement new fisheries legislation o Conduct strategic planning for MoFAMR [Ministry of Fisheries, Agriculture and Marine Resources] to facilitate restructuring and focus on key business functions o Strengthen local institutions involving key stakeholders o Actively promote foreign and local investment in the sector through information dissemination o Engage IFC and multilateral agencies and local financial institutions in sector dialogue and information sharing on how to improve access to capital o Clarify the future role of the MIFCO and prepare a timeframe for the remaining privatization process o Strengthen information programs to position Maldives' tuna as ecologically friendly in western markets o Involve local communities in tuna long-line fishing for fresh fish exports o Develop logistics models and information systems to rationalize fish harvesting, processing, and marketing o Test new technologies to strengthen monitoring effectiveness in Exclusive Economic Zones (EEZ) o Pilot programs to test co-management of inshore resources with local communities o Develop a strategic plan for fisheries-sector research and options for new partnerships with external institutions |