

## #TeamEurope: Faster post-COVID-19 recovery of the Maldives' economy with €20 million loan from the EIB



©Colin Watts/Unsplash

- The [EU bank](#) is to lend €20 million to help sustain SMEs operating in the tourism and industry sectors in the Maldives.
- The loan is a part of Team Europe efforts to speed up the post-COVID-19 economic recovery of the Maldives, improve access to finance and reinforce the local banking sector.
- The first COVID-19 recovery support activity in Asia supports the two sectors contributing up to 40% of the Maldives' GDP.

The European Investment Bank (EIB) has signed a €20 million loan with [the Ministry of Finance of the Republic of Maldives](#) as a part of [Team Europe](#) action to help sustain the local economy, protect jobs and support SMEs operating in the tourism and industry sectors in the wake of the COVID-19 pandemic. This is the first COVID-19-related operation of the EU bank in Asia, and a part of its [€5.2 billion support package](#) for countries outside the EU, announced on 8 April.

The EIB funds will be available to local SMEs at [the Bank of the Maldives](#). With tourism and related sectors contributing as much as 40% to national GDP, the loan will be crucial for the stabilisation of the local economy. It will

also enable the Maldives to recover faster from the economic effects of the pandemic.

In addition to addressing the major social and economic issues, the loan improves access to finance for local SMEs and reinforces the Maldives' banking sector – all key prerequisites for effective economic recovery.

**EIB Vice-President [Andrew McDowell](#)** said: “The EIB is happy for the opportunity to support robust economic growth in the Maldives and help the country improve its macroeconomic outlooks in the wake of the COVID-19 pandemic. This loan will support local SMEs, sustain jobs, and have a positive impact on the stability of the local financial market. As such, it will help the Maldives recover faster and I am very glad the EU bank reacted with unprecedented speed to make sure the Maldives can continue to grow and develop.”

**Denis Chaibi**, the EU [Ambassador to the Maldives](#) said: “I am pleased to see that the EIB is providing quick relief to the SME sector in the Maldives which has been hit hard by the COVID-19 pandemic. Despite an efficient response by the Government, there are many economic challenges because of COVID-19 and the support by the EIB as part of a Team Europe response will help meet these challenges.”

**Ibrahim Ameer**, [Minister of Finance of the Republic of the Maldives](#) said: “The people and the Government of Maldives fully appreciate the swift support provided by the EIB during this time of crisis. This underscores the close relationship between the EU and the people of the Maldives, as was also demonstrated by the support from the EIB after the devastating Indian Ocean tsunami in 2004. The facility approved will contribute immensely to our efforts to support local businesses and protect livelihoods during the COVID-19 pandemic and the ensuing economic downturn. We extend our sincere gratitude to the EIB and all of our development partners who have extended their support to contribute to a recovery focused on building a more resilient Maldives.”

**Bank of Maldives CEO and Managing Director, Tim Sawyer** said “We have been working closely with the government in implementing measures to support businesses affected by the COVID-19 pandemic. The funding from EIB will give us the opportunity to extend this support further as the country progresses in its economic recovery efforts. We are delighted EIB was able to respond so swiftly to the challenges facing the Maldives in this unprecedented global situation. We look forward to continuing our work with the government to support sectors most affected by this crisis, build resilience and promote sustainable development.”

This is the third operation for the EIB in the Maldives since the beginning of operations there in 2005. It is helping the country reach its [United Nations Sustainable Development Goals \(SDG\)](#), and in particular [SDG 3 \(Good health and well-being\)](#), [SDG 8 \(Decent work and economic growth\)](#) and [SDG 11 \(Sustainable cities and communities\)](#). It also supports the European Union priorities in the region and the outcomes and commitments of the 2019 EU-Maldives dialogue, which paves way to a more sustainable and democratic

Maldives.

**Background information:**

**About the EIB in Asia:**

For 25 years, the EIB has supported economic development in the Asia and the Pacific region through projects ranging from cutting travel times for the people of Bangalore with a new metro line, to providing cheaper, cleaner energy to western Nepal.

In Asia, the EIB focus is our lending on climate action across all sectors. Through our financing, we act as a catalyst to attract the funding needed to meet the UN's Sustainable Development Goals for 2030. We also work to include gender equality in our projects, ensuring that women, men, girls and boys can benefit from projects equally and equitably.

**About the EIB in the Maldives:**

To date the European Investment Bank has invested €115 million in the Maldives in three operations supporting the local energy and SME sectors. One of the operations was a €50 million credit line to local SMEs following the 2006 tsunami. In 2016, the Bank invested an additional €45 million in sustainable energy development in the Maldives.