



MALDIVES

COUNTRY REPORT 2024

Spotlight on tourism,
construction and real estate



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construction and real estate

Research Intelligence Unit (Pvt) Ltd

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ABOUT RIUNIT

The Research Intelligence Unit (RIUNIT) is a pioneering research firm that values creativity, innovation, integrity, and market intelligence. We offer research-based consulting focused on several key sectors of the economy. Our research and advisory services include market and financial feasibility, environmental and social impact studies, as well as traditional market research and investment appraisal for our clients.

RIUNIT is a UK-based company with offices in London and St. Albans. In 2003, RIUNIT established its Asia regional office in Colombo, where the company continues to grow and serves an international client base. Over the years, RIUNIT has established itself as the premier research and consultancy firm for many top corporations and development institutions both in the UK and across the globe. In 2015, RIUNIT started operations in the Maldives, and currently, we have a presence in key Asian markets, including Bangladesh, India, Maldives, Nepal, Singapore, as well as Australia.

Our work has been recognised for its originality and quality with award-winning kudos as we endeavour to provide timely market intelligence and promote sustainable practices to all our clients.

- Market Intelligence
- Surveillance and surveys
- Market, site, and financial feasibility studies
- Social and environmental impact assessments
- Investor forums and investment intermediation
- Publications

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EXECUTIVE SUMMARY

The Republic of Maldives in the Indian Ocean, made up of more than 1,100 coral islands, is blessed with a spectacular geography which has resulted in its evolution as a paradise for tourism. The country is at an advantage in terms of attracting visitors, including celebrities and billionaires, from all corners of the world. Since the industry's beginning in 1972, the natural splendour of the Maldives has spurred tourism growth as the primary driver of the economy. The cross-pollinating nature of tourism and the role it plays in the economy becomes apparent when we note that this sector contributes a large percentage to many economic indicators.

The country has also evolved a rich social and business culture and continues to attract much talent as it leads the region with sustained economic growth. Despite being one of the most tourism dependent economies in the world, the archipelago has managed to swiftly shrug off recent external shocks and make great strides in its GDP growth rates in recent years.

According to the World Bank, real GDP is expected to grow by 6.5% in 2023. A total of 1,878,537 arrivals were recorded in 2023 which represents the highest number of tourist visits in the island's history. This remarkable achievement is made despite a notable decline in arrivals from several European markets. The latter has been compensated for by a resurgent Russian market as well as from China reopening for outward travel. However, risks to global travel remain given the evolving geo-political landscape. Moreover, as the world emerges from a period of inflation, further volatility greets 2024 as conflicts and trade disruptions loom on the horizon. Hence it is more important than ever to have a deep and timely understanding of both local and global developments.

This report, which highlights three key areas; tourism, construction and real estate, has been compiled with the use of both primary and secondary research and data gathering. Our research team has also drawn on our real estate databases that date back to 2014 when our team conducted a baseline survey with boots on the ground going from building to building in order to count the stock of residential, commercial and retail real estate stock in Male and Hulhumale.

In compiling this extensive report we have examined the current and future health of the country's economy and included a very detailed look at hospitality, construction and real estate as these three sectors are closely entwined and interdependent. They are also the primary driver of FDI into the Maldives. For example, ongoing mega-infrastructure projects like the Greater Male Connectivity project and the Velana airport expansion have a direct and tangible impact on all three sectors.

Where real estate is concerned, there have been recent concerns on the impact of recent government policies such as the Binveriya scheme as well as a sharp rise in apartment stock in Hulhumale. More specifically, investors and property owners have aired concerns on the potential impact this could have on apartment values and rental yields. Using our property databases that span ten years, we take an insightful look at the potential impact of these developments on the current and future property market.

This, our latest report of the RIUNIT Maldives publications is aimed at quenching the thirst for reliable and timely economic analysis and market intelligence on the part of local and international business leaders, investors, resort developers and property developers. The contents will also be of value to policymakers, the corporate world, academia and generally anyone interested in learning more about the past, present and future of this fascinating economy that is unique in so many ways.

A big thank you to all who supported our efforts.

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