

**High Commission of India  
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**Press Release**

India has activated the currency swap arrangement to help Maldives mitigate the impact of COVID-19 pandemic on the country's financial system and to help stabilize the exchange rate and ease liquidity. A foreign currency swap facility of USD 150 million will be given to the MMA under the USD 400 million currency swap agreement signed in July 2019 between the two countries. The decision to activate the currency swap arrangement comes a week after the telephone conversation between President Solih and PM Modi whereupon, India reiterated its commitment to stand by the Maldives in these challenging times.

2. The USD 400 million currency swap facility is a part of the USD 1.4 billion economic package announced by India for the Maldives in December 2018 during the State Visit of President Ibrahim Mohamed Solih.

Other components of the USD 1.4 billion economic assistance package include:

- i. USD 50 million direct budget support which was extended in 2019
- ii. Subscription of Maldivian Treasury Bills worth USD 150 million by the State Bank of India which was completed in 2019
- iii. USD 800 million Line of Credit under which 8 large infrastructure projects have been identified and are in various stages of implementation.

In addition to the elements under the USD 1.4 billion economic package, India is also funding socio-economic development projects on various islands for approx. USD 12.6 million dollars under the Grants Schemes and the High Impact Community Development Projects Scheme (HICDPs).

3. India stands shoulder-to-shoulder with the Maldives in tackling the COVID-19 global pandemic and providing financial stability. Government of India is also considering extending the validity of the currency swap facility by one year – Maldives is the only SAARC country other than Bhutan, which has been extended USD 400 million currency swap facility.

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