

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ



**MINISTRY OF FINANCE
MALE'
REPUBLIC OF MALDIVES**

Reference: (PR)13-N1/13/2020/15

Press Release

Regarding credit rating downgrade of Maldives by Fitch Ratings

On Thursday, 5th of November 2020, Fitch Ratings has downgraded the Maldives' Long Term Foreign Currency Issuer Default Rating from 'B' to 'CCC'. Since the economic outlook projects a more promising recovery with recent policies, the Government of Maldives disagrees with this downgrade and the assessments of Fitch Ratings for this decision. Maldives, has never defaulted on our debt obligations so far, and this is a distinction that we plan to hold into the future. We are fully committed to ensure that principal and interest for our sovereign bonds are paid fully and in a timely manner.

Seven months into the Covid-19 crisis, Maldives has been successful in controlling the spread of Covid-19, as we have firmly moved past the peak of the wave of Covid-19 infections in the country. Furthermore, the tourism industry was restarted in July 15th, 2020, and though slow by pre-pandemic standards the tourism numbers has been improving month by month. From under 2,000 arrivals in July, the arrivals have increased to 21,000 visitors in October. We are adding additional flights and the government has been successful in easing travel restrictions for a number of important tourism markets. Over 100 resorts are currently operational. We are confident that this momentum can be continued as we enter our traditional peak season and beyond. The government is proactively working to re-invigorate the tourism sector, within the context of the economic realities of the times we are living in. Maldives is one of the main tourism economies to reopen after the lockdowns, with the proper guidelines in place to reopen the tourism sector while controlling the virus. The nature of tourism in the country with tourist resort islands, separated from general population has also proved to be a great advantage for the country in terms of reopening tourism safely. The government has committed to maintain the tourism marketing budget for 2021, and we are working with our tourism industry to facilitate resorts and tourism facilities to reopen. We are working with our partner countries to re-establish flights and ease travel restrictions for our visitors.



financegovmv



www.finance.gov.mv



+960 3349200



dmd@finance.gov.mv

Early in the Covid-19 crisis there were great uncertainty on the trajectory of the pandemic and the economic impact. As Fitch notes, the economic outlook has been downgraded in the months since their latest rating action in March. These changes are reflected in the government's own assessment of the economic impact, as updated throughout the year. However, it has to be acknowledged that the uncertainty regarding liquidity management and budget financing has come down to a great extent since March. The government has been immensely successful in narrowing the financing gap, through bilateral and multilateral sources including the Government of India, Government of Japan, Asian Development Bank, World Bank Group, Islamic Development Bank Group, European Investment Bank, Asian Infrastructure Investment Bank, OPEC Fund for International Development, International Monetary Fund, among others, with others yet in the pipeline.

The Government will have an investor call on Tuesday 10th November 2020, 3PM Hong Kong Time/12PM Maldives Time/7AM GMT. The details will follow shortly.

For further information on Covid-19 financial assistance please see [link](#). For details of debt statistics see [link](#).

05th November 2020



financegovmv



www.finance.gov.mv



+960 3349200



dmd@finance.gov.mv