Financing sustainable tourism development
About Maldives

- 1192 islands; 188 inhabited islands
- spread over roughly 90,000 square kilometers
- One of the most dispersed countries in the world
- Land area is only 300 square kilometers
- Population 402,000
Tourism development in the Maldives

• Began in 1971 with just 2 resorts
• 2017 - 135 resorts and 455 guest houses and 133 safari vessels
• 1.4 million tourists
Sustainable Tourism development

Environmental sustainability

• **Positive factors**

• **Strict government regulations**
  • Initially one-island-one resort
  • Restricted the number of rooms in a resort
  • Banned fishing within the lagoon of the resort island
  • Banned coral mining and introduced strict laws to preserve the corals.
  • More than fifty-percent of the resort island had to be left untouched to preserve the natural vegetation.

• Resort owners protects the environment in an around the resort
Sustainable Tourism development

- Environmental sustainability: *Negative factors*
  - Waste management
  - High dependence on oil
Sustainable Tourism development

• Economic sustainability
  • Positive factors
    • Tourism receipts: $2.7 billion US dollars
    • Tourism direct contribution: over 25% of GDP; indirect: 70% of GDP
    • Nearly 30% of total government revenues tourism good & services tax
    • Indirectly about 60% through green taxes, airport service charges and import duties.
Sustainable Tourism development

• Economic sustainability
  • *Negative factors*
  • High leakages: imports; workers and profit remittances;
  • High dependence on tourism
  • Lack of inclusive growth
  • Limited linkages to agriculture and fishing
Sustainable Tourism development

• Socio-cultural sustainability
  • Positive factors
    • Promote local traditions, food and heritage
  • Negative factors
    • Lack of respect for local ways and norms
Financing Sustainable Tourism

• Overcoming sustainable tourism development challenges requires innovative means of financing and efficient approaches
  • Accessing climate finance for environmental projects
Financing Sustainable Tourism

• Overcoming sustainable tourism development challenges requires innovative means of financing and efficient approaches.
  • Accessing affordable infrastructure financing
Financing Sustainable Tourism

• Overcoming sustainable tourism development challenges requires innovative means of financing and efficient approaches.
  • Accessing low interest rate collateral free financing for SMEs
Thank you