

Multi-year Expert Meeting  
on Transport, Trade Logistics and Trade  
Facilitation

**Third Session:  
Small Island Developing States:  
Transport and Trade Logistics  
Challenges**

24 – 26 November 2014

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Transport and Trade Logistics  
Challenges**

Presentation by

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# Small Island Developing States: Transport and Trade Logistics Challenges

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## The Maldives

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## Key Characteristics of SIDS

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- Insularity, geographic remoteness, smallness of economies, population and area
- Highly dependent on key industries such as tourism, fisheries
- Extensive territorial waters and exclusive economic zones, high export concentration, deep openness to trade, are heavily reliant on imports
- Significantly exposed to environment related shocks, and climate change and associated threats, compared to other states
- Due to dispersion of population as well as the needs of tourism, transportation links need to be well established
- Food security is dependent on transport links
- High cost of internal and international transportation

## National Context

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### Transport Resources:

- Traditional mode of transport within the islands has been by foot.
- By 1992, a total of 45,236 vehicles were registered in the Maldives (85% bicycles).
- By 2010, one in six residents in the capital Malé owned a motorbike.
- Registered cars increased from 623 to 3,488.
- Walking is NOT popular.
- Bus services are operated city wide within Malé City and HulhuMalé.
- The only roads of significant expanse in the Maldives are located in Addu City and in Laamu Atoll, interconnected via causeways. Both have approximately 14 kilometres of roads



## National Context

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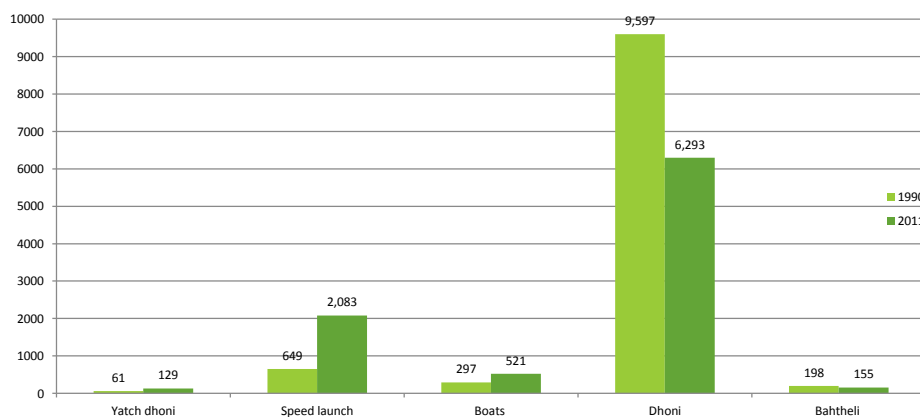
- ❑ Transport between the islands is by sea – traditional dhoni
- ❑ All inhabited islands and tourist resorts have infrastructure developed in the form of harbours or jetties
- ❑ An integrated ferry network covering all the islands and atolls of the Maldives was initiated in 2008
- ❑ Actual implementation, efficiency of the system in many regions remains an issue
- ❑ Interconnection of the islands is expected to bring economic benefits and development of other sectors
  - Health
  - education
  - utilities

## Sea transport

- Dhonis (local boats) and speed boats are the most popular forms of inter-island transport
- Three international ports have been established,
  - One in the capital Malé
  - Two regional ports Haa Dhaalu Kulhudhuffushi in the north, and Addu City in the south



Figure 1: Number of vessels by type - 1990 and 2011  
Source: transport.gov.mv



## Air travel - Domestic

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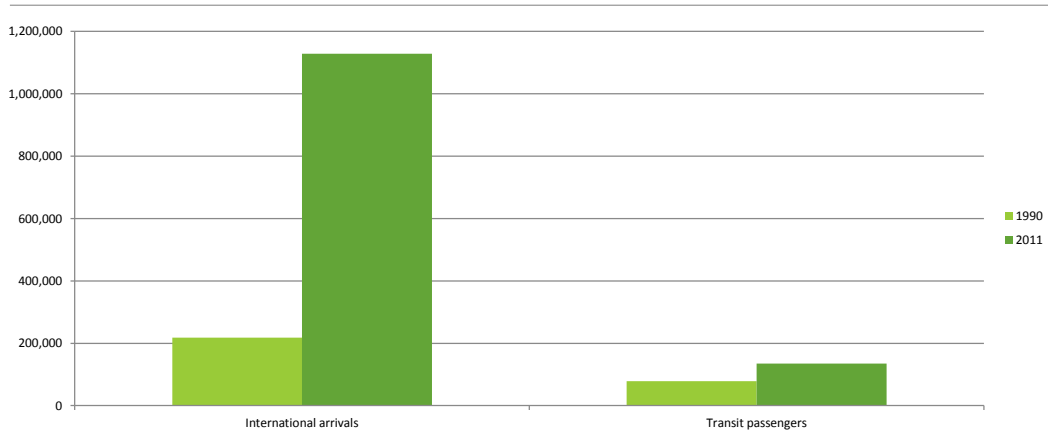
- ❑ Domestic airport facilities exist in nine regions
- ❑ Home to the largest sea plane operations in the world
- ❑ In 2011, a total of 112,847 domestic flights were operated for 737,840 arrivals and 747,424 departures
- ❑ 44 planes operating more than 100,000 flights each year in the country
- ❑ Access facilities for sea planes have been established in 66 locations
- ❑ First International Airport opened in 1966
- ❑ International flights increased from 1,650 in 1990 to 19,435 in 2011
- ❑ Three additional international airports were opened recently



## Air transportation – International

- ❑ Major gateways – Colombo, Doha, Dubai, Singapore
- ❑ International carriers Singapore Airlines, Qatar, Emirates, Sri Lankan, Turkish Airlines
- ❑ Main source markets – Far East (China, Japan etc.), Europe (German and Italian markets are of particular importance)
- ❑ The Far East has displaced Europe and a primary source market for the Maldives
- ❑ Premium airlift have also driven demand for premium hotel brand

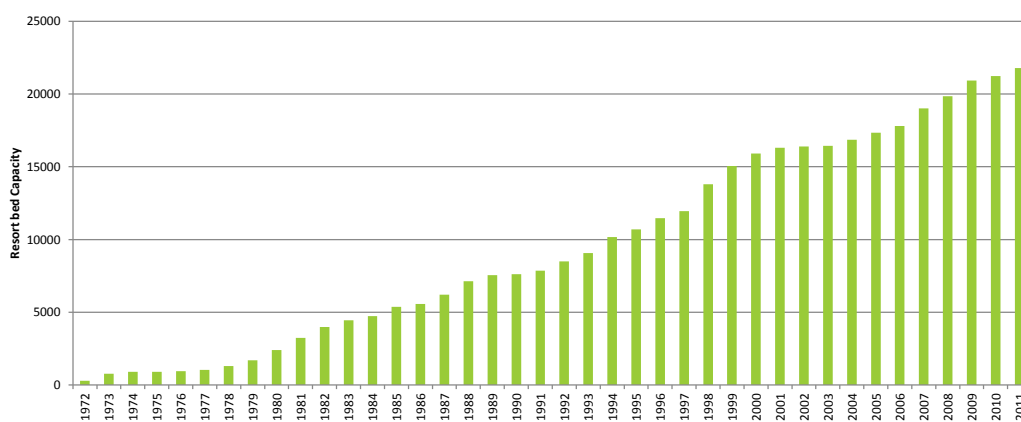
Figure 2: Passenger movements at international airports  
(Source DNP, 2012)



## Tourism resources:

- ❑ Started in 1972 with two resorts having a bed capacity of 280
- ❑ Now, one third of GDP and public revenue
- ❑ Among the biggest employment sources
- ❑ Major source of foreign exchange
- ❑ In 2012, 958,027 tourists arrived
- ❑ 343 registered tourist establishments
  - 105 resorts
  - 20 hotels
  - 60 guest houses
  - 158 safari vessels

Figure 3: Bed occupancy of resorts





## Key Challenges and Way forward

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1. Demand for better transportation services to cater to tourism
2. High Energy intensive Tourism Sector due to transportation costs
3. Transport and Tourism inexplicably linked
4. All activities related to tourism are linked to transport linkages
5. Difficulty in maintaining infrastructure across archipelago
6. Environmental impacts on all transportation modes
7. Regulatory framework and institutional reform
8. Remoteness from major markets

## Overcoming challenges

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- Tourism has been only high-end and luxury
- Recently started allowing “budget” airlines and “guest-house” tourism
- Improving the quality and affordability of transport facilities
- Access to major source markets for tourism
- Catering to local produce to reduce costs
- Regional transport facilities
- Assessing the environmental impact and challenges – sustainable measures

*Maldives seeks to become a “Carbon neutral country” by 2020*

Thank You

