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Digital Maldives Economy
2023

Maldives today*

189 islands

inhabited out of the total 1,200 which are geographically dispersed around 20 atolls.

21.4%

contribution to the GDP from Tourism; the main pillars of the economy.

1.8 million

tourists in a year i.e., 3X the population of the country.

USD 2800

receipt per tourist, overall tourism receipts grew 28%.

Haa Alif
Haa Dhaalu
Shaviyani
Noonu
Raa
Lhaviyani
Baa
Kaafu
Alif Alif
Male
Alif Dhaal
Vaavu
Faafu
Meemu
Dhaalu
Thaa
Laamu
Gaafu Dhaalu
Gnaviyani
Seenu
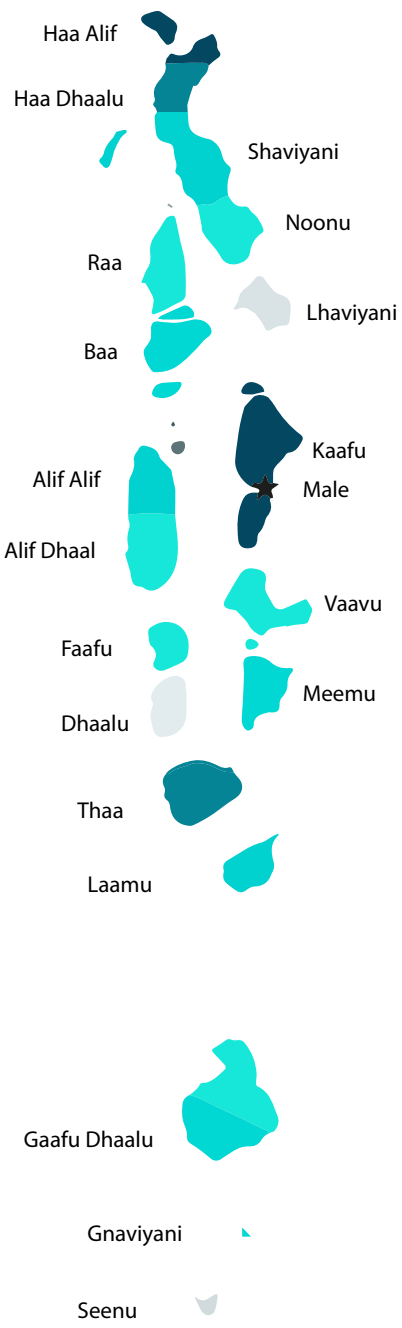
Population
515,122

Gross Domestic Product
USD 6.19 Billion

GDP per capita
USD 10,964.84

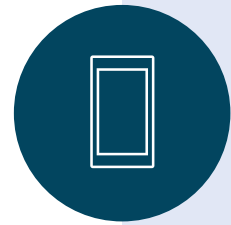* for the calendar year 2022

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Communications and connectivity 2023

100% home broadband coverage of national households

129% mobile broadband penetration

**147%** internet penetration (fixed + mobile)

153% Mobile subscriber penetration

46% (of geographical area) 5G Mobile coverage

100% (of geographical area) 4G Mobile coverage

While the majority of the nation's population resides in Greater Male' region, a whopping 46% of its total population is spread across 186 different administrative islands, with each island having an average of only 1273 inhabitants. Despite the unique geographical challenges presented by the significant dispersion of its population, the Maldives has been performing well according to leading indexes.

- Ranked 30th in the world out of 146 countries ranked by the Ookla speed test directory, indicating good internet speed and connectivity.
- Additionally, the country has received a score of 95.1 in Network Coverage by GSMA mobile connectivity index 2022.
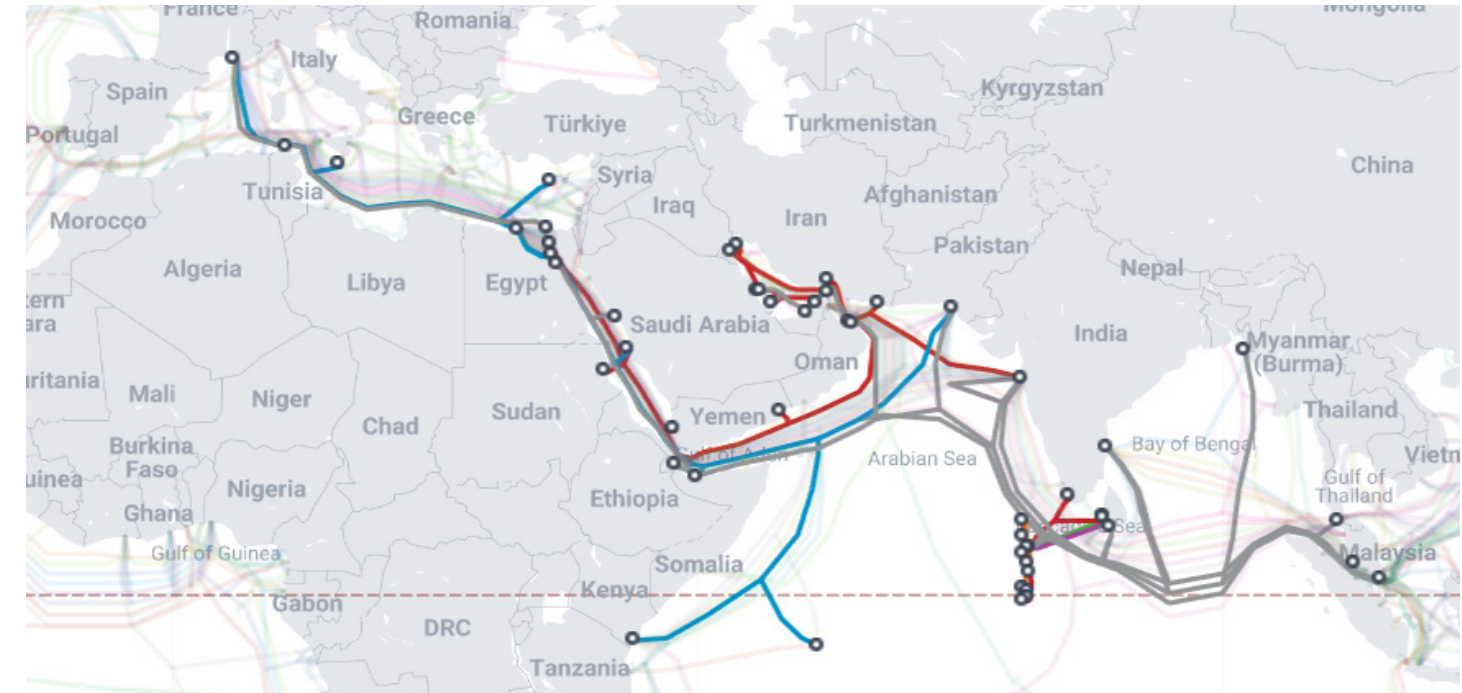
Ooredoo Maldives in 2022 signed an agreement to invest in the PEACE cable, connecting Maldives to Singapore in the east and Marseille in France in the west via a trunk route that will also connect more than 15 additional nations, including East Africa.

Dhiraagu in 2022 also made a contract to connect Maldives to the global super high-way SEA-ME-WE 6 (SMW6) submarine cable system.
SMW6 a 19,200 km long submarine cable system that would connect South-East Asia, Middle East, and Western Europe, and is expected to be completed by early 2025.

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5 strategic development pillars

Digital payments

Gaming & Content

Digital Tourism

Digital Education

Digital Government

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Connectivity has made internet banking and mobile payments applications accessible nationwide

More than 70% of the population
365,000+ use internet and mobile banking

The central bank of Maldives recently introduced instant payments system Favara, which would allow transfer of money between the local banks instantly.

Maldives faced significant barriers in transferring money due to delay of funds between banks. The monetary authority thus introduced a multi-phase initiative to address these challenges .

Banks and telecom operators introduced digital wallet applications in 2022, as the country marches to contactless payments.

Adoption rate to increase in the coming years as companies have started focusing on the necessary steps towards security and customers data protection.

Banks are the most digitally advance and progressive, with the leading bank highᵥ lighting its customers logging onto its digital channels over 800 million times in 2022

To improve customer journey and experience in online banking, it has introduced two-factor authentication, AI chatbots, cashless payments for local travel, etc.

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Digital financial services a catalyst to the digital economy

60% of the transactions are through mobile and internet banking

Maldivians still prefer to make payment with internet and mobile banking, both combined hold the biggest share of e-payment transaction value, as the financial infrastructure of Maldives is well developed and supported by high internet penetration.

Figure: Percentage breakdown of e-payments by value (2022)

- 10%
- 60%
- 28%

Legend:
- Internet and mobile banking
- ATM
- POS
- E-wallet
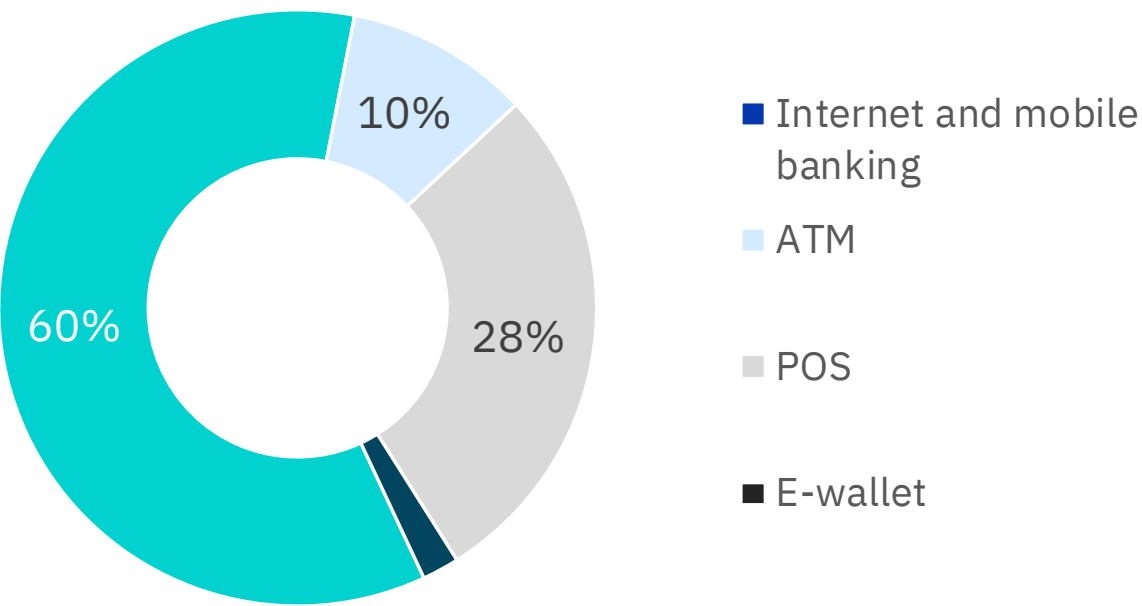
Digital-wallets to grow exponentially in the coming years

Although e-wallet transactions currently account for less than 2% of e-payment transactions, they are expected to growing exponentially in the coming years as the banks and operators take major steps in improving the infrastructure..

Figure: Number of registered and active mobile money accounts (as a % of population), 2022 – 2028

55 %

17%

21%

5%

2022   2028

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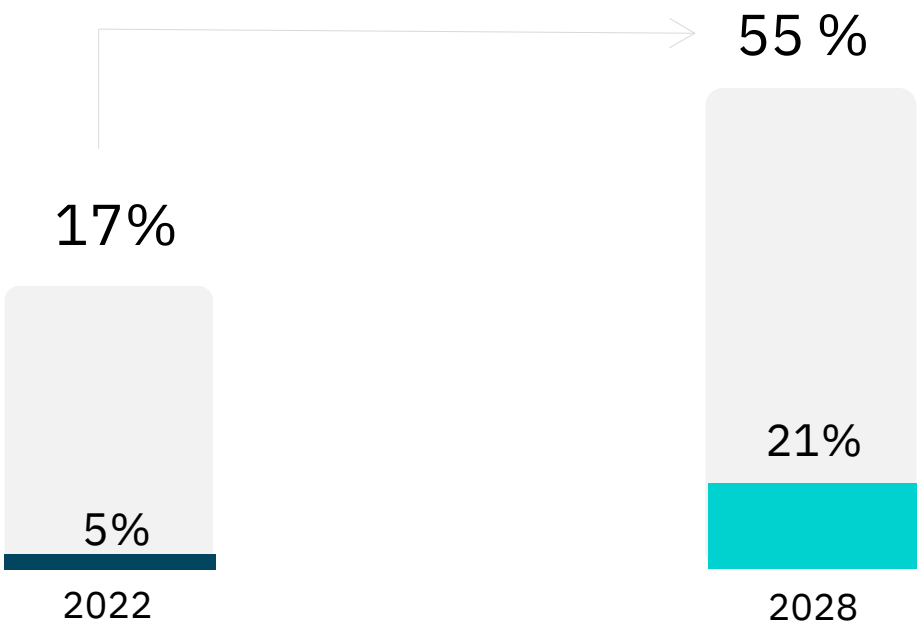
Gaming and OTT drive the digital economy

85,000+

Gamers in Maldives
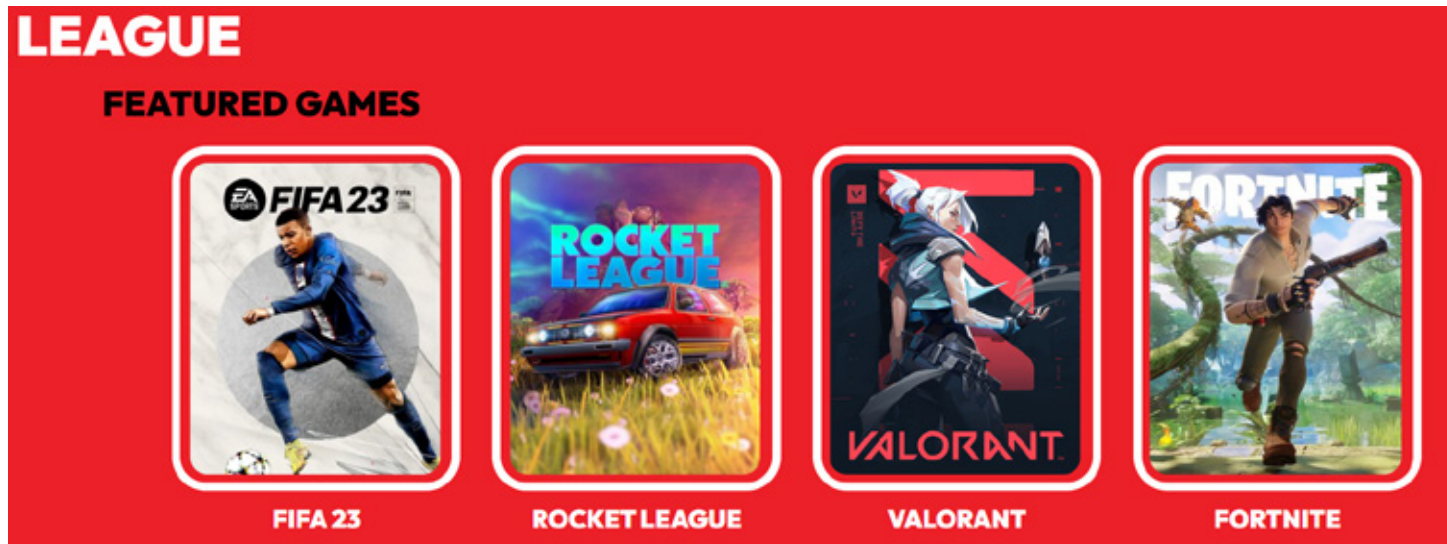
Gaming in Maldives is still in its early stages, but it is growing rapidly due to the country hosting major online tournaments and the rise of esports gaming.

140,000+

OTT subscribers in Maldives

Netflix is one of the leading OTT providers in Maldives even with the advent of Disney+, Hulu, and Amazon Prime Video.

Capitalizing on the trend: Gaming and OTT's impact on the digital economy growth

100% 4G network coverage and increased penetration of 5G to allow stable and high-speed internet access across Maldives, with could potentially double the online gaming market size by 2025.

Personalized content, increasing demand for foreign content and ease of access to technology, drives the OTT market of Maldives.

Figure: Online gaming market size (USD Million), 2022 - 2028

2.3

0.73

2022

2028

Figure: Content * market size (USD Million), 2022 - 2028

50.7

45.6

2022

2028

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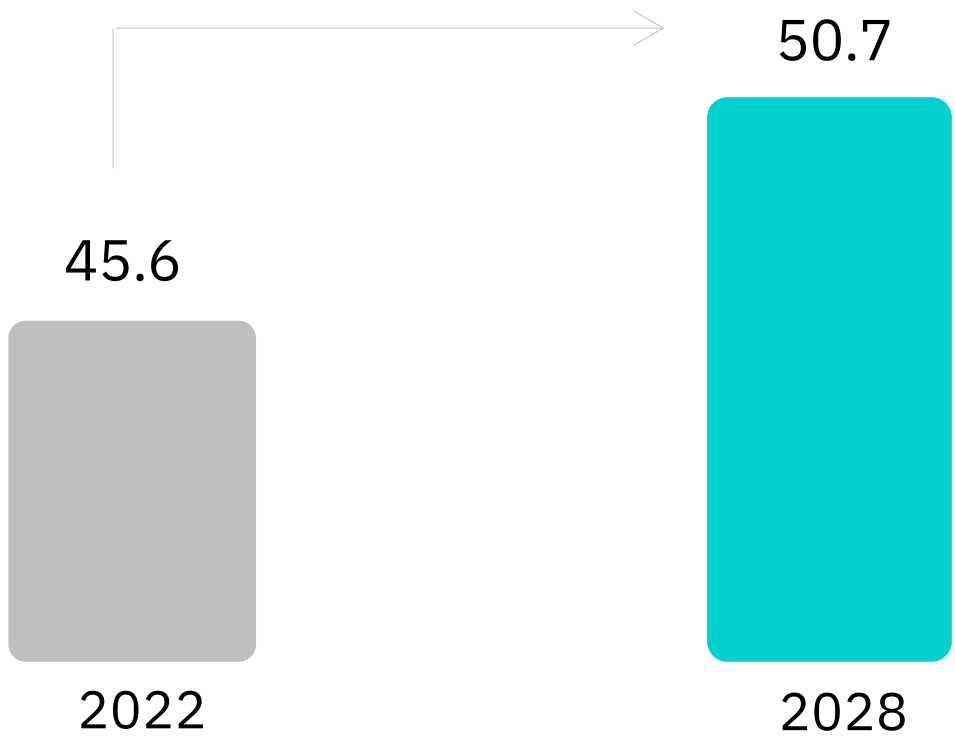
Government focusses on digitalisation in tourism as it contributes 22% to the overall GDP

USD 4.5 Billion

Maldives tourism receipts grew to $4.5 billion in 2022, with a growth of 28% YoY.
Significant investments are being made to achieve USD 6 billion target in the next few years.

MALDIVES FIFTH TOURISM MASTER PLAN 2023–2027
GOALS AND STRATEGIES

Accelerate 360- degree digitalisation

To bolster its tourism sector, the Maldives government has prioritized digital transformation and outlined the following key strategies for the coming years:

- Increase high-speed fibre internet access across island communities.

- Expand digital payment adoption in visitor transactions across businesses.

- Develop and implement mobile-optimized visitor journeys in resorts.

- Empower SMEs to leverage digital tools for enhanced business operations.

- Improve user experience through smart regulatory and management platforms.

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Unlocking New Frontiers: Digital Transformation in Tourism

1.1 Million

More than 1.6 million tourist arrived in Maldives in 2022, 70% of tourists made digitally through the resorts/hotel websites and OTAs.

Top 10% of the 180+ resorts/hotels in Maldives

have launched applications in the last 2 years, for providing a personalized and smartphone based digital visitor journey.

Few resorts in Maldives now offer virtual reality tours of their properties and an application for all the services while in the resort thereby improving the digital experience.

300,000+ e-tickets

have been issued in the last year for passengers to travel locally though speedboats/vessels.

The surge is being driven by a wave of start-ups focused on providing digital solutions for the tourism sector. We expect these applications to continue to grow in popularity, transforming the Maldives' tourism industry for the better.

2028

100% online bookings

More than 70% hotels/resorts with online applications

1 Million+ e-tickets booked for travelling locally

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Bringing access to education in the remote areas of Maldives

70%

Smart devices are used for teaching in over 70% of schools and colꞮ leges out of the 360+ located on the 200 islands.

1000+ resources

The Ministry of Education in Maldives, had launched an online platform Filaa, to share learning resources for schools across Maldives(including videos of previously televised lessons, and digital resources produced by National Institute of Education, etc.) to make education accessible

45% +

Teachers (of 11,000+) have been certified as Google Certified Educators under the training program by Ministry of Education for delivering online lessons using different applications of G Suite for Education

3 remote islands

have successfully launched satellite education. The initiative was done in 2022 in islands that had inadequate facilities and are now provided with latest technology including chrome books and high-speed internet.

40+ schools

Have been using Hologo (a digital education startup) application that develops digital resources for teachers and students that are proven to improve learning outcomes. The app has augmented reality (AR) capabilities and a website with a 3D lesson player.

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ICT infrastructure to enhance digital education

4 step initiative till 2024 to improve access to technology and education:

Connectivity:

Providing a feasible bandwidth to schools, expand the existing Wi-Fi coverage area in schools and develop ICT standards required for the schools.
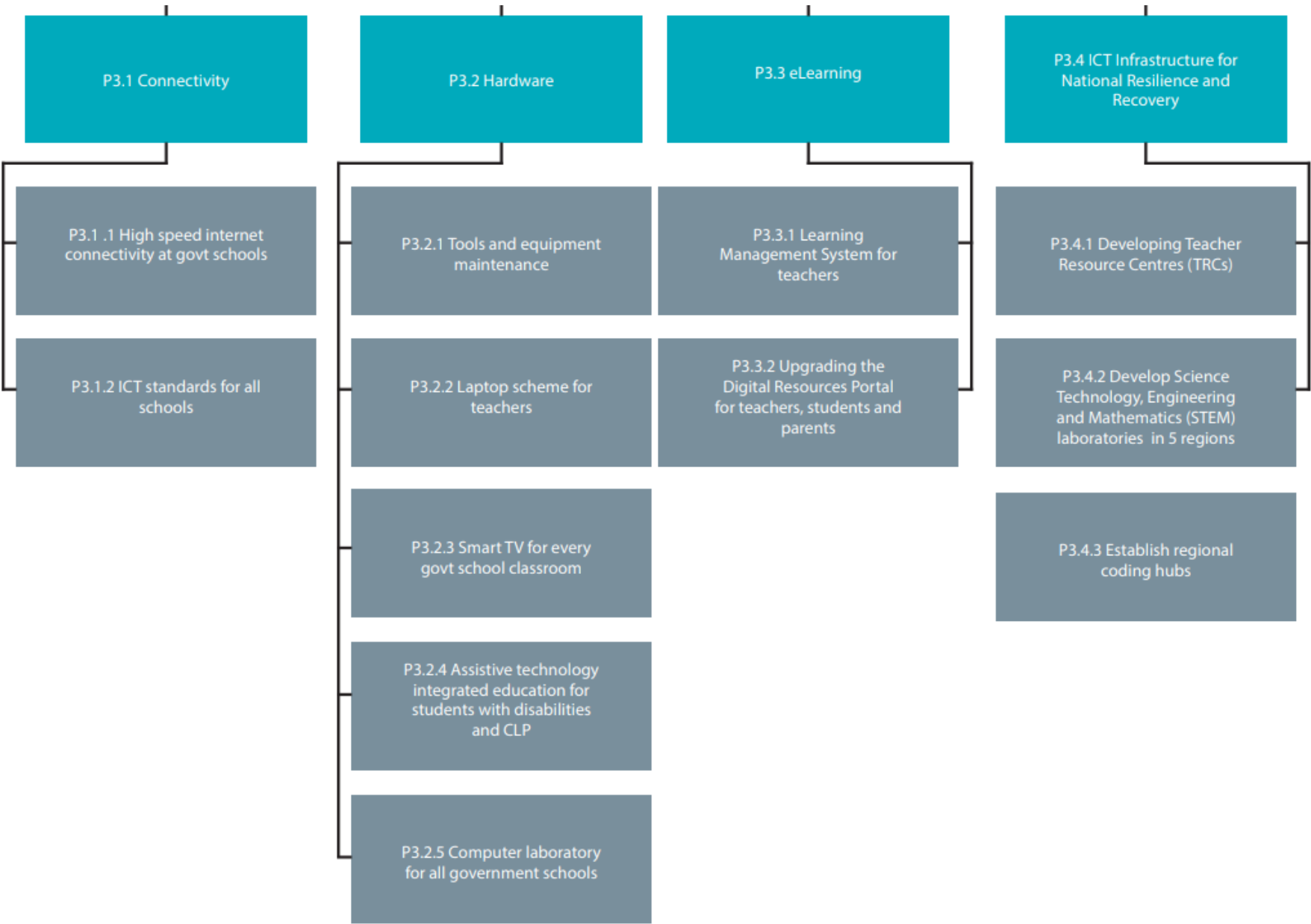
Hardware:

Providing ICT equipment to cater for the needs of all government schools.

E-learning:

Provide access to eLearning for teachers and students in government schools.

ICT Infrastructure for National Resilience and Recovery:

Ensure the continuity of quality education for all children using Information and Communication Technologies by decentralizing education.

P3.1 Connectivity	P3.2 Hardware	P3.3 eLearning	P3.4 ICT Infrastructure for National Resilience and Recovery
P3.1 .1 High speed internet connectivity at govt schools	P3.2.1 Tools and equipment maintenance	P3.3.1 Learning Management System for teachers	P3.4.1 Developing Teacher Resource Centres (TRCs)
P3.1.2 ICT standards for all schools	P3.2.2 Laptop scheme for teachers	P3.3.2 Upgrading the Digital Resources Portal for teachers, students and parents	P3.4.2 Develop Science Technology, Engineering and Mathematics (STEM) laboratories in 5 regions
	P3.2.3 Smart TV for every govt school classroom		P3.4.3 Establish regional coding hubs
	P3.2.4 Assistive technology integrated education for students with disabilities and CLP		
	P3.2.5 Computer laboratory for all government schools		

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Seizing the Digital Opportunity: Government Drives Growth with Strategic Digitization

Modernize the governance mechanism of ICT sector	Establish digital infrastructure	Modernize government services through digitalisation	Encourage digital innovation and create a conducive environment for businesses	Develop a digital-ready workforce
Reform the institutional framework for implementing national ICT policies	Enhance National Computer Network to improve service delivery from and within public sector	Establish a National Help Desk as a single point of contact for citizens to seek services from the Government	Establish technology centres and hubs across the nation as incubators for start-ups, makers space	STEM subjects are mainstreamed in national education and higher education curriculum
Improve the legal and regulatory framework of the ICT sector Establish institutional frameworks and capabilities to facilitate cybersecurity for everyone in the Maldives	Strengthen National Data Centre to drive digital service delivery and data-driven policy making	Initiate and transform high impact public services through digitization	Faster online businesses and cost-effective online payment gateways	Increase women participation in ICT sector
	Develop universal technology stack for the interoperability between public and private sector and information system		Promote investment in emerging technologies in the country	Increase public service personnel to implement technologically driven solutions
	Promote open data governance and foster the culture of R&D in ICT sector		Ensure affordable high quality internet services nationwide	
	Develop decentralized tech parks that serves as incubators		Establish infrastructure and tools to enable a mobile workforce	

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Maldives government is estimated to spend USD 34 mil in ICT to support their digitization and digitalization initiatives

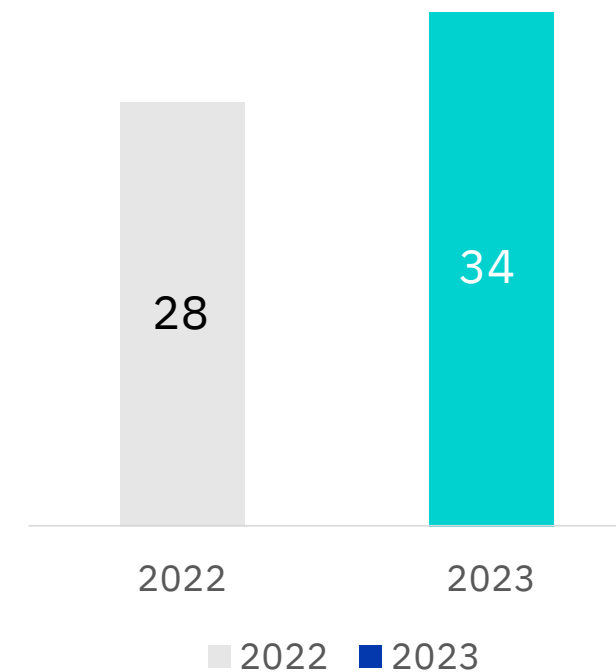## Government of Maldives launched eFaas & one.gov.mv in 2023

In 2023, the government launched eFaas, Maldives National Digital Identity to enable the citizens establish and verify their identity digitally both in-person and online.

Besides, the government also digitize the government services by launching one.gov.my which aim to house all public service under one digital roof to offer fast, easy and efficient service to the citizens
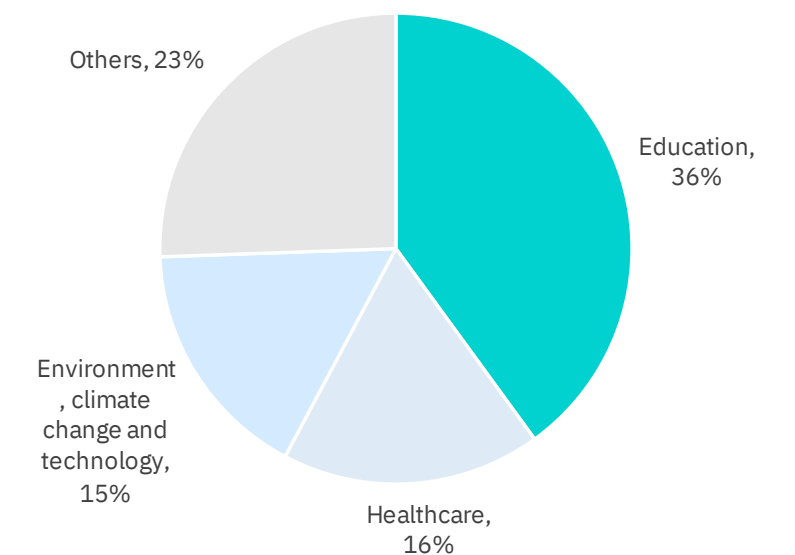
Government of Maldives spend 0.5% of GDP on ICT, the amount jump 22% in 2023

ICT spend (USD million)

2022: 28
2023: 34

■ 2022 ■ 2023

ICT Spending by Ministry

Others, 23%
Education, 36%
Environment, climate change and technology, 15%
Healthcare, 16%

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We help build and grow
purpose-driven businesses