

A New President in the Maldives: Muizzu Faces Domestic and External Challenges

Amit Ranjan

Summary

Mohamed Muizzu, the joint candidate of the Progressive Party of Maldives and People's National Congress, has been elected the president of the Maldives. It will be interesting to see how he deals with the internal political and economic challenges and manages the country's ties with the major powers.

The joint candidate of the Progressive Party of Maldives (PPM) and People's National Congress (PNC), Mohamed Muizzu, has won the 2023 presidential election in the Maldives. According to the Maldives' Election Commission (EC), over 86 per cent of the 282,804 eligible voters voted in the run-off held on 30 September 2023. In the run-off, Muizzu received [52.19 per cent](#) of the total votes cast. Until the new government assumes office on 17 November 2023, the incumbent, Ibrahim Mohamed Solih, will serve as caretaker president. The president-elect will have to face some complex political, economic and foreign policy challenges.

Domestic Challenges

One of the key political challenges for the president-elect would be to deal with former president, Abdulla Yameen. During his first press conference, Muizzu appealed to Solih to use his executive power to shift Yameen from jail to home confinement to protect [“national interest”](#). On 1 October 2023, Yameen was transferred from his cell in Maafushi Prison to his home [in Malé](#). Known as a ‘pro-China’ leader, Yameen had led the ‘India Out’ campaign in the Maldives and built political momentum against Solih's government. Yameen was set to contest the presidential election. However, he was legally barred because of conviction in a [money laundering and bribery case](#). Yameen reluctantly endorsed Muizzu's [candidature](#). Now, Muizzu's challenge is to politically manage Yameen and his populism.

The second leader with political ambitions to lead the Maldives again is former president and Speaker of the Parliament, Mohamed Nasheed. Between the first round and run-off to the presidential election, Nasheed was seen by many as the [new kingmaker](#) of the country, a role that businessman-politician Qasim Ibrahim played in earlier elections. Before the 2023 election, Nasheed also patched up with his bitter political rival, Yameen, and praised him for his dedicated service to the cause of the [island nation](#). Nasheed does not enjoy the same popularity as he used to be in past. However, if his political outfit – The Democrats – manages to win good number of seats in next year's parliamentary election, he may pose a challenge to the PNC leadership.

Besides political issues, Muizzu will have to address the country's economic woes. As per the 2023 annual budget, the Maldives has a budget deficit of MVR8.6 billion (S\$76 million),

amounting to 8.3 per cent of the country's [gross domestic product](#) (GDP). In 2022, public debt and external debt increased by 12 per cent and 3.5 per cent respectively. Slightly more than 49 per cent of the country's GDP was allotted mainly to external borrowing to cover the budget deficit and augment [foreign exchange reserves](#). [Domestic debt](#) expanded by 19.9 per cent or amounted to 61.8 per cent of the country's GDP.

External Actors

Amid the growing power rivalry in the Indo-Pacific region, the Maldives has become a contested marine space. India and the Maldives share a longstanding friendship; however, the former's role was marginalised during Yameen's presidency. New Delhi was back in favour after Solih won the 2018 presidential election. However, during his election campaign, Muizzu questioned the close India-Maldives ties and security-related cooperation.

During Yameen's tenure, Muizzu played a pivotal role in bringing Chinese money to the Maldives for infrastructure development projects under the [Belt and Road Initiative](#). In 2022, in a meeting with Chinese Communist Party members, Muizzu said his party's return to power would ["script a further chapter of strong ties between \[their\] two countries"](#). With Muizzu now in power, China is likely to return as a favourite country of the Maldives.

The United States (US) is also an important actor in the region. Washington considers the Maldives a ["critical partner in the Indo-Pacific region"](#). In 2020, the US and the Maldives signed a defence deal. Since 2021, the Maldives National Defence Force and the US military have been carrying out joint military training exercise called 'Black Marlin'. In April 2022, the Maldives signed a State Partnership Programme with the US which is aimed at building "capacity" and "readiness" of the Maldives' [defence sector](#). In June 2023, the Maldives re-opened its embassy in Washington. Malé had opened its embassy in Washington in 2007 but shut it the following year due to [budget constraints](#). In September 2023, a few days before the first round of the presidential election, [Hugo Yon](#) took up his position as the "first fully dedicated" US Ambassador to the Maldives.

Just before Yon took up his position, David Jessup became Australia's [first resident](#) High Commissioner to the Maldives. Canberra is keen to engage Malé on issues such as maritime security, including search and rescue and maritime strategy, with plans for cooperation in [maritime surveillance](#).

Conclusion

The parliamentary election in the Maldives next year is an important test for Muizzu. The PNC's success in the parliamentary election will strengthen his position as the country's president. At present, the Maldivian Democratic Party has the majority in the parliament. Beyond politics, the country's economy will also require Muizzu's immediate attention.

On the external front, even with Muizzu in power, China may not be able to enjoy a similar favoured position as it had during Yameen's term. Muizzu's policies may not entirely suit New Delhi's interests but the presence of the US and Australia may make it tough for Malé

to adopt a strong 'pro-China' policy. It will be interesting to see how Muizzu manages the country's ties with the major rival powers in the Indo-Pacific region.

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Dr Amit Ranjan is a Research Fellow at the Institute of South Asian Studies (ISAS), an autonomous research institute in the National University of Singapore (NUS). He can be contacted at isasar@nus.edu.sg. The author bears full responsibility for the facts cited and opinions expressed in this paper.