

Press Release

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OPEC Fund extends loan to Bank of Maldives to help revive businesses in tourism and related sectors

June 7, 2021: The OPEC Fund for International Development has signed a US\$10 million private sector loan agreement with the Bank of Maldives. The loan will be used for on-lending to small- and medium-sized enterprises (SMEs) engaged in tourism and related services in the Maldives that have been severely impacted by the COVID-19 pandemic.

Tourism - the mainstay of the Maldivian economy – directly accounts for nearly one-quarter of GDP and provides livelihoods for around one-half of the population. The sector has experienced unprecedented challenges as a result of the COVID-19 pandemic, with a steep decline in tourism revenues that has had a profound impact on livelihoods and small businesses. According to a recent World Bank report, the Maldivian economy contracted by nearly 30 percent in 2020 and poverty rates climbed from 2.1 percent in 2019 to 7.2 in 2020.

The Bank of Maldives, as a leading lender to the tourism industry and the largest financial institution in the Maldives, will provide much-needed working capital to benefit businesses in the tourism and related industries.

Bank of Maldives CEO and Managing Director Tim Sawyer commented “The funding comes at an opportune time as we reinforce resources for our Covid-19 response for the tourism and business sectors severely affected by the pandemic. Early on, we took the lead in mitigating the impact of Covid-19 for businesses and this support from the OPEC Fund will aid our efforts as the country continues on its road to recovery.”

OPEC Fund Director-General Dr. Abdulhamid Alkhalifa said: “We are pleased to have the opportunity to support the post-pandemic economic recovery in the Maldives. This private sector lending further builds upon our established framework of cooperation with Maldives, which dates back to 1977 and has allowed the OPEC Fund to provide public and private

sector financing to support critical development projects in the country for decades. Bank of Maldives is in a strong position to support the tourism industry and local businesses, who are facing unprecedented challenges due to the COVID-19 pandemic. Our loan will help to revive businesses and sustain jobs that are critical for the stability of the local economy.”

The OPEC Fund’s loan forms part of a syndication led by IFC, a member of the World Bank Group. “Helping Maldives revive tourism is critical for the resilient recovery of the economy hampered by COVID-19,” said Rosy Khanna, Regional Director for Financial Institutions Group for IFC Asia and the Pacific. “IFC plays a leading role around the world to mobilize financing from partner development institutions. The OPEC Fund’s support to Bank of Maldives, at a time when it’s needed most, will help to open up new opportunities for the country’s tourism related small and medium sized businesses to build back better.”

The OPEC Fund has provided public and private sector lending to the Maldives for decades, financing projects in transportation, multi-sectoral, water and sanitation, and financial sectors. This latest loan is aligned with the OPEC Fund’s COVID-19 Response Package approved last year to assist its partner countries in their impact and recovery efforts.

About the OPEC Fund

The OPEC Fund for International Development (the OPEC Fund) is the only globally mandated development institution that provides financing from member countries to non-member countries exclusively. The organization works in cooperation with developing country partners and the international development community to stimulate economic growth and social progress in low- and middle-income countries around the world. The OPEC Fund was established by the member countries of OPEC in 1976 with a distinct purpose: to drive development, strengthen communities and empower people. Our work is people-centered, focusing on financing projects that meet essential needs, such as food, energy, infrastructure, employment (particularly relating to MSMEs), clean water and sanitation, healthcare and education. To date, the OPEC Fund has committed more than US\$22 billion to development projects in over 125 countries with an estimated total project cost of US\$187 billion. Our vision is a world where sustainable development is a reality for all.