

Maldives introduces sustainable townships to drive economic diversification

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Dhaka: The Maldives is proposing large-scale Sustainable Townships under amendments to its Special Economic Zones (SEZ) Act to diversify tourism and attract long-term investment, officials said.

The developments would combine residential and premium hospitality real estate with commercial, education, and health and wellness facilities, aimed at creating jobs and expanding the country's tourism offerings beyond exclusive island resorts.

Projects must exceed USD 500 million in value to qualify, with developers benefiting from a 5pc income tax rate for the first 10 years and 10pc for the next decade.

A real estate transfer tax will apply progressively, starting at 1% and rising to 4pc by the third transaction, while other taxes remain

unchanged.

Tourism and Environment Minister Thoriq Ibrahim said all projects must undergo Environmental Impact Assessments to ensure minimal ecological harm.

The scheme promotes environmental self-sufficiency through independent waste, water, and renewable energy systems, supporting Vision 2040 goals for one-third of electricity to come from renewables by 2028.

Officials said the initiative would complement, not replace, the Maldives' luxury resort model. Hospitality.net called it a signal that the Maldives is "preserving its premium resort legacy while adapting to global lifestyle and wellness tourism demand."

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