

**Board of Investments** Special Economic Zones Ministry of Economic Development and Trade Male', Republic of Maldives



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Ref: (PR)101-IM/PRIV/2025/1

## Government Issues the First Permit Under the Special Economic Zones Act for Project Solar City

**Male', Maldives – 13<sup>th</sup> February 2025** – The Government, through the Board of Investments established under the SEZ Act has issued the first Special Economic Zones (SEZ) Permit under the Act. The Permit, issued to Special Purpose Vehicle incorporated in the Maldives by a Canadian company Abraxas Power Corp, paves the way for the development of *Project Solar City*, a landmark initiative aimed at enhancing the country's energy security and advancing its renewable energy goal. Abraxas Power Corp is a company with extensive experience in renewable energy space.

The Permit grants the Developer the right to develop and operate a 100MW floating solar photovoltaic (PV) project at a lagoon located approximately 4 – 5 km from Hulhumale'. The project also includes investments in battery storage, and submarine cable interconnection to the main grid in Hulhumale'. This initiative aligns with President Dr. Mohamed Muizzu's ambitious target of achieving 33 percent of the country's electricity demand from renewable sources.

In 2023, fuel imports accounted for 22 percent of the total imports, with approximately 80 percent on account of diesel for electricity generation and marine transport. *Project Solar City* will play a crucial role in reducing reliance on fossil fuels, leading to estimated savings of USD 42 million annually from the national fuel bill.

The Permit also allows for complementary developments, including commercial real estate and an industrial hub, with the condition that investments into the renewable energy components must take priority. With a committed investment of over USD 100 million for the renewable energy component, the total estimated investment for the project amounts to USD 187 million, in compliance with the requirements of the Presidential Decree issued under the Act.

The Developer plans to mobilize the project by the end of April this year, with a target to achieve operational status by 2027.

The issuance of this Permit marks a significant milestone in the Government's efforts to incentivize sustainable energy solutions and attract private capital for strategic projects under the SEZ framework. The Government remains committed to fostering an enabling environment for innovative and sustainable economic development initiatives.

13<sup>th</sup> February 2025

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