

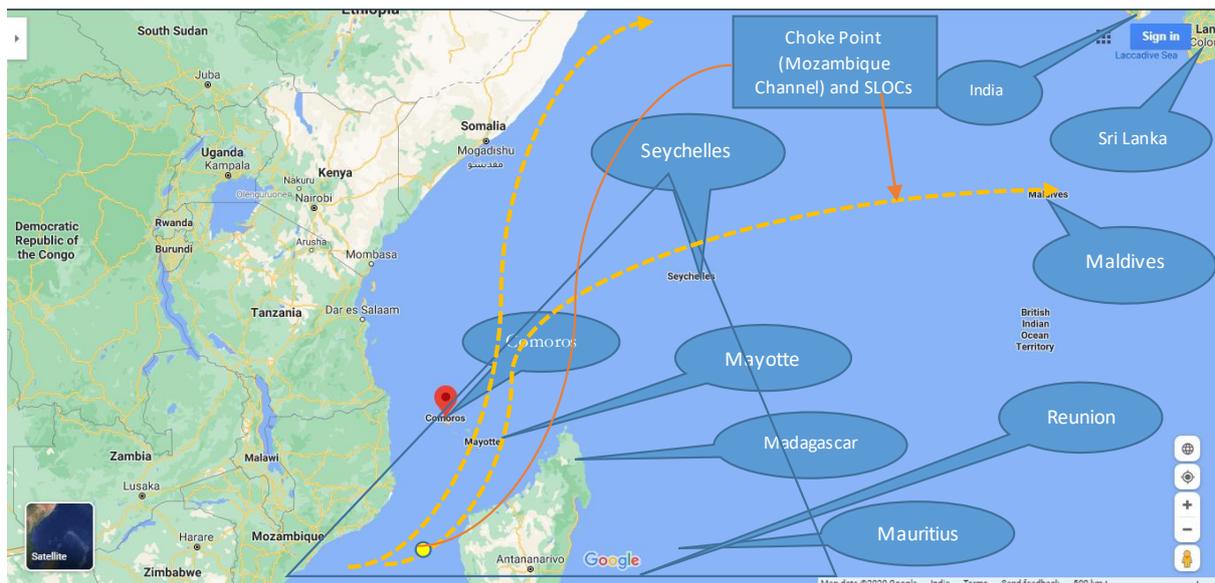
## APPROACH PAPER FOR THE “TWINNING INITIATIVE”

### ROLE OF EU AND INDIA IN NURTURING THE VANILLA ISLANDS AS AN INTERNATIONAL TOURIST DESTINATION

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#### A brief outline

Out of the 54 Small Island Developing States (SIDS) present in the world, six are located in the South-Western Indian Ocean area known as the Vanilla Islands. The significance of the Vanilla Islands, a group of vanilla-growing island states in the South Western Indian Ocean consisting of Comoros, Madagascar, Mauritius, Mayotte (overseas region of France), La Reunion (overseas region of France) and Seychelles, has once again grown in recent years. The strategic importance of these islands is due to the fact that they sit astride vital Sea Lines of Communication (SLOCs) linking Africa and the Southern oceans with the West Asia, the Indian Subcontinent and East Asia (see map 1). The geographical position of these islands along the SLOCs between Europe and the Indian Ocean via south of the Cape of Good Hope places them as the first possible stop for navies seeking an early replenishment and R&R halt for their crew. This aspect also posits these islands as possible power projection points in the IOR.



Map 1: The Vanilla Islands, Choke Point and the SLOCs

Source: Author

After the commissioning of the Suez Canal in 1869 the merchant traffic via the Cape of Good Hope had reduced, and therefore, the strategic importance of these islands diminished over a period of time. However, with the uncertainty which has arisen in the Red Sea and the Bab-el-Mandeb over the actions of states like Iran, Turkey, and piracy off the coast of Somalia etc., the merchant traffic revisited this route as an option for their shipping. Further, the resources from Africa which has become so much important to growing economies like China, India, and Japan

etc. resulted in an increase in traffic the SLOCs running through the Vanilla Islands area and hence revitalised the relevancy of these SLOCs. To add to this is the recent discovery of natural gas in the Rovuma gas field of Mozambique which is quite promising. Expected to be brought on stream in 2025, the LNG project will produce 17,000 tonnes of liquefied petroleum gas (LPG) a year in Mozambique and pave the way for the country to become one of the leading LNG exporters in Africa.<sup>1</sup> On materialisation of commercial exploration of the natural gas, the area could be another West Asia in times to come, if not replacing it.

### **Identification of the problem**

Realising the importance of the strategic significance of these Vanilla islands, and proximity to Africa, China has spread its net to engage these islands. Therefore there is a need to contain China in this area. One way to do this is to unite these islands towards common interests, one main area being tourism

The main source of GDP of these six countries come from the development of tourism. As per one estimate, tourism accounts for over 40% of all their exports of goods and services. International tourism is set to reach the figure of 1.8 billion by 2030 and these SIDS are drawing a sizeable number of tourists. This is evidenced by the growing popularity of islands in the tourist maps of the world as they offer unique sightseeing and water sports experiences. Moreover, tourism extols the indigenous culture and the natural heritage of the island nations. However, this sector is subject to a plethora of vulnerabilities like social, economic and environmental.

### **Critical analysis of the issue**

As compared to other tourist attractive islands the Indian Ocean islands in general and the Vanilla islands in particular have been attracting a very small proportion of tourists. For example, in 2011 these islands have attracted a meagre 0.4 percent of the total tourists whereas the Caribbean islands have attracted 2% of international tourist footfall.<sup>2</sup> Out of the six Vanilla islands, only Mauritius has a well-developed tourism industry. There are certain key conditions necessary for the rise in tourism that stem from regional cooperation: (i) domestic peace and security ; (ii) political and civic commitment and mutual trust among countries; (iii) a minimum threshold of macro-economic stability and good financial management; and (iv) sufficiently broad national reforms to open market.<sup>3</sup> In general, and in the tourism sector in particular, all of these do not currently exist across the six Vanilla Islands.

The SIDS generate less than 1% of Greenhouse Gas Emissions but they take the brunt of climate change to a great extent in terms of sea level rise, storm surge, coral bleaching and beach erosion which directly affects the tourism potential of these island nations. The immediate fallout of climate change is that the seaports and airports of the SIDS are at risk from a 1m rise in the sea level. Further, island tourism faces the unique challenges of waste handling and energy provision which warrants investment in green technology and scientific waste management. The Vanilla islands in particular and the islands in general are the storehouse of bio-diversity which

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<sup>1</sup> <https://www.nsenergybusiness.com/projects/rovuma-lng-project-mozambique/>

<sup>2</sup> [https://www.researchgate.net/publication/299579400\\_The\\_Way\\_Forward\\_For\\_Indian\\_Ocean\\_Island\\_Tourism\\_Economies\\_Is\\_There\\_A\\_Role\\_For\\_Regional\\_Integration](https://www.researchgate.net/publication/299579400_The_Way_Forward_For_Indian_Ocean_Island_Tourism_Economies_Is_There_A_Role_For_Regional_Integration)

<sup>3</sup> Kritizinger-van Niekirk, L. (2005) "Regional Integration: Concepts, Advantages, Disadvantages and Lessons of Experience", discussion paper prepared by the World Bank's Senior Republic of South Africa Country Economist.

houses unique species and therefore home to rich cultural heritage. Thus there is a requirement on tourism to support the conservation of cultural heritage and the bio-diversity. The central challenge for tourism in the Vanilla islands is their small size, comparative isolation from the mainstream world, inaccessibility in terms of absence of proper connectivity like air or shipping services and last but not the least is the maritime environment. Because of these factors, the Vanilla islands are extremely vulnerable to the economic and environmental shocks.

Further, in order to achieve progress in the tourism sector, a substantial shift in political economy is desired. Although there is collaboration of the Vanilla islands with the countries of the Indian Ocean region on a bilateral basis, but the progress is not substantial. This is particularly true in two aspects of tourism, namely, air connectivity and product packaging. Some countries perceive that they might lose more than they gain if there is greater regional cooperation. Until there is a collective understanding of all short and long term trade-offs, as well as benefits to be reaped by countries' individually and collectively, regional integration will remain an out-of-reach goal with collaboration initiatives only yielding incremental changes.<sup>4</sup> Therefore, there is a need to foster regional cooperation among the Vanilla islands nations. This could be facilitated by the EU-India collaboration in the region.

### **Policy recommendations**

There is a need to appreciate the importance of tourism to the economy and sustainable development of the Vanilla islands. For promotion of tourism a joint EU-India partnership could aid the islands in the following: -

- (a) Preparation of a policy framework for sustainable development, with tourism as the priority area. This could include measures for public-private partnership with the participation of the local communities in the island nations for promotion of tourism.
- (b) Provision of scientific data on the impacts of climate change on tourism and the measures to be undertaken to address the repercussions of climate change. It is estimated that the global average sea surface temperature is expected to rise by 1.4 to 5.8°C between 1990 and 2100, with the incidents of drought and flood increasing significantly.<sup>5</sup> Between 1987 and 2002, Japan had implemented a system against storm surge in Malé, the capital city of Maldives, which included a 6 km long seawall. This seawall hugely protected Malé Island from the 2004 Indian Ocean Tsunami.<sup>6</sup> India and EU have become the harbingers of global action plan to counter climate change. Both have shown unanimity on the International Solar Alliance<sup>7</sup> as a platform to promote renewable energy and to explore best practices for use and deployment of solar initiatives like solar parks, smart grids demonstrations, etc. to further India-EU partnership. The Vanilla islands are

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<sup>4</sup> "The Way Forward For Indian Ocean Island Tourism Economies: Is There A Role For Regional Integration?" Working Paper, Research Gate, January 2013

<sup>5</sup> MEEW, "National Adaptation Program of Action (NAPA)," Ministry of Environment, Energy and Water, Republic of Maldives, 2007. <https://unfccc.int/resource/docs/napa/mdv01.pdf>

<sup>6</sup> Ministry of Foreign Affairs of Japan, "Outline of Japan's ODA to Maldives", Ministry of Foreign Affairs of Japan, Japan, September 2009. [https://www.mofa.go.jp/policy/oda/region/sw\\_asia/maldives\\_o.pdf](https://www.mofa.go.jp/policy/oda/region/sw_asia/maldives_o.pdf)

<sup>7</sup> EU-India Joint Statement on Clean Energy and Climate Change, 2017, European Council, <https://www.consilium.europa.eu/media/23517/eu-india-joint-declaration-dim-ate-and-energy.pdf>

also members of the International Solar Alliance and there exists ample opportunities to tap this renewable source of energy. Further, the EU and India could assist these island nations in methods to pursue low carbon strategies for tourism development. EU and India could also assist the Vanilla islands with financial and human resources for the promotion of sustainable tourism keeping in mind the peculiar needs of each island nations.

(c) Undertaking a joint effort to protect the cultural and natural heritage and biodiversity of these islands and their marine environments. This can be facilitated by formulation of policies including training by which the local communities can derive maximum benefits out of tourism.

(d) Promote air connectivity and shipping for meeting the tourism needs, and invest on infrastructural development for promotion of tourism.

(e) The concept of regional integration in the tourism sector has promising economic benefits. In West Europe the countries share history and are developed economies, which increases the tourism quotient. The best examples of regional tourism integration can be seen in the Caribbean and South Pacific islands. ASEAN too tried for the development of an ASEAN Tourism Strategic Plan 2011, but the result was not encouraging. Resistance to such regional tourism cooperation can be attributed to country initiatives in tourism development taking precedence over regional initiatives, differing levels of commitment to regional tourism integration among different countries, and threats to vested interests that translate into the jockeying of perceived winners and losers in regional tourism integration efforts.<sup>8</sup> Taking cognisance of all the impediments to the formation of “Regional Integration in Tourism Sector” cited above, the EU and India partnership in facilitating Regional Integration in Tourism Sector in the Vanilla Islands’ could be examined.

**Total word count excluding footnotes - 1662**

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<sup>8</sup> “The Way Forward For Indian Ocean Island Tourism Economies: Is There A Role For Regional Integration?” Working Paper, Research Gate, January 2013, p-15.