

# SEYCHELLES

## The beating blue heart of the planet

A tourism hotspot thanks to its pristine beaches and natural wonders, Seychelles is leading the way when it comes to preserving and protecting its environment

Located within the glass-clear waters of the Indian Ocean, off the east coast of Kenya and northeast of Madagascar, Seychelles stands out as not only one of the most picturesque countries, but also as one of the most prosperous nations in sub-Saharan Africa. Renowned for its exceptional marine life, breathtaking views and luxury resorts, the 115-island archipelago boasts a thriving tourism industry and stable economy, thanks in part to the incredible work that has been done to preserve the country's unique biodiversity.

The only place in the world where the gargantuan coco de mer palm grows and where you can see giant tortoises roam wild outside the Galapagos, entire islands have been set aside as nature reserves, including the Aldabra Islands and Vallée de Mai National Park, both UNESCO World Heritage sites.

Combine this stunning natural beauty with an enviable mix of first-class facilities and it is no surprise that the tourism industry in Seychelles has shown remarkable resilience despite the COVID-19 pandemic and ongoing global tensions. The country's National Bureau of Statistics has revealed that the islands welcomed around 332,000 visitors in 2022, exceeding all expectations, and there is growing confidence that 2023 will see another substantial rise in tourist numbers.

"2022 was an excellent year for our tourism industry and was better than we expected for various reasons: Seychelles was one of the first countries to reopen its borders after COVID-19, which put us on the map for many travelers, and people also saw Seychelles as a safe destination. We want to build on that success going forward this year," says Sylvestre Radegonde, Minister of Foreign Affairs and Tourism.

"A big challenge we have as a tourism destination is connectivity, due to the distances flights have to travel to reach us in the Indian Ocean. For 2023, we have conservatively targeted a 5% increase in tourist arrivals — however, rather than the number of visitors, our focus now is on yield. We want a low quantity of tourists, but we want them to be high-spending visitors who provide value to our local economy. So far, 2023 is looking good and, provided no more unforeseen events occur, we should have another very good year, both in terms of arrivals and yield. The sector ended last year with \$931 million in revenues and this year we hope to exceed the \$1 billion mark."

One of the ways the government hopes to attract additional guests to the country is by showcasing the unique offering of Seychelles within the region and by increasing the number of activities that highlight the nation's culture.

"We want to make it possible for tourists to leave their hotel, leave the beach and go into our local communities to enjoy beautiful experiences," says Radegonde. "We're pushing for cultural tourism and community tourism that give visitors experiences that are different from our competitors in the region and which enable the local population to directly benefit from the industry. That is important for the country."

### A sustainable approach

The government is also acutely aware of the dangers that come with overtourism, such as overcrowding and the potential destruction of natural habitats. "As an island nation, Seychelles has its own constraints in terms of resources, electricity, water and manpower. It's a big challenge for us and we don't want an industry that grows so big it spoils the environment. I believe there will come a point where we will have to set a ceiling on tourism," explains the minister.

"People come to Seychelles for its natural environment, biodiversity, wonderful climate and friendly people, so we don't want to destroy those things. We want tourism to remain the main industry and income earner of the country but, at the same time, we need to be mindful that we do not overdo it. Ultimately, if you want people to be able to come in and enjoy our nature, it needs to be in small numbers so that



Seychelles was named the most romantic destination worldwide at the World Travel Awards 2022



Sylvestre Radegonde  
Minister of Foreign Affairs and Tourism

people can experience peace and tranquility. We also want to make sure Seychelles remains unpolluted and that guests can fully enjoy their trip to paradise."

Discovered only in the early 17th century and formally annexed to France before becoming a British colony in 1814, Seychelles gained its independence in 1976, and has remained a cradle of diversity ever since. "Though it is small, Seychelles is culturally very rich. We have been blessed by the influence of Asia, Africa and Europe, which is an excellent blend that is visible in our way of life, languages and gastronomy. We want to encourage tourists to visit our farms and taste our delicious produce or to take part in cooking classes," he states. "Other activities we would really like to push include pottery and traditional dance classes. These are all great ways to sample our culture."

Seychelles is also looking to implement best environmental practices within its tourism industry. Existing hotels and businesses, for example, are encouraged to sign up to the government's sustainable tourism label, while any new initiatives must work with the government to assess and limit their potential environmental impact.

"When it comes to smaller, locally owned properties and businesses, they understand the

need for sustainability in the management and running of their establishment and they follow our guidelines," notes Radegonde. "With new construction projects, we provide an outline of what we believe should feature in their design, from solar panels to the use of resources. We are also looking to produce more of our own vegetables and fruits to supply visitors. Unfortunately, we still import the majority of what we consume in the country, so this is an area where we want to improve and we will get there."

### Keep an eye on the US market

Europe is the largest source market for Seychelles' tourism sector, although the island nation is also increasingly welcoming visitors from the Middle East and Asia, and it recognizes the importance of the huge US market. While connectivity remains a major challenge, the country has engaged in discussions with a number of US airlines to ensure that potential American tourists are sufficiently catered for and that there is a strong network of flights from the US to Seychelles.

Radegonde believes that relations between the two countries will continue to strengthen, even more so following the US-Africa Leaders Summit. Held in Washington at the end of 2022, the landmark event brought together African and the US's heads of state and senior dignitaries — including Seychelles' President Wavel Ramkalawan — to discuss ways of strengthening bilateral ties and cooperation in key areas.

"The Seychelles government is on the same page as the US, be it in terms of human rights or the rule of law, and we see the recent summit as a good sign that the US is coming back to Africa," says Radegonde. "The African continent includes lots of islands that must not be forgotten about in this process, especially when you are talking about trade and upcoming projects. It was important to remind people about our challenges as a Small Island Developing State and that message is now getting through."

In addition to fostering new economic engagements and consolidating political ties between the two countries, America is becoming an increasingly significant tourism market for Seychelles. "The US is a very important partner for us. Last year, it was in our top-ten sources of

visitor arrivals," says Radegonde. "Even though the US offers a wealth of wonderful beaches in its vicinity, including in the Caribbean, many Americans are realizing that you can't find beaches as stunning as those in Seychelles anywhere else. What's more, we believe there are specific US tourism niches we can target going forward, such as fishing expeditions that are already popular among American visitors. Fly and troll fishing are areas we want to expand on, given that in 2022 we had around 10,000 US visitors who came to Seychelles to fish."

US citizens also don't require a visa to enter Seychelles, stresses the minister. "We are a safe and beautiful destination, we want to remain that way and to continue to offer improved value and service."

Radegonde also reiterates that the country will continue to place the conservation of its natural habitats as one of its top priorities, as this is what will keep visitors returning to the archipelago time and again.

**SYLVESTRE RADEGONDE**  
MINISTER OF FOREIGN AFFAIRS  
AND TOURISM

**"We want tourism to remain the main industry and income earner of the country but, at the same time, we need to be mindful that we do not overdo it."**

"People come to Seychelles because they know we take care of the country and protect its natural beauty. We want to maintain that and ensure that once people land on our shores after a long-haul flight, they see and appreciate our magnificent greenery, protected wildlife and turquoise oceans, and they know instantly that we are an environmentally conscious destination," the government official asserts.

"These are the main characteristics of the islands that we will carry on promoting. In my opinion, this is what makes Seychelles so special and it is also why we plan to limit the number of people who come here."

## SEYCHELLES IN NUMBERS



An archipelago of 115 islands



Population of about 99,500 people



GDP per capita of \$13,316 in 2021, the 2nd highest in Africa



Top 4 economic sectors are tourism, fishing and the blue economy, financial services and ICT



An exclusive economic zone that spans over 500,000 square miles



\$1.4 billion in imports and \$320 million in exports last year



332,068 tourists in 2022, 82% up on 2021



Seychelles' time zone is GMT +4 hours

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# A clear roadmap to developing a blue economy

Minister Jean-François Ferrari outlines the country's plans to grow the economy through the sustainable use of ocean resources

Seychelles has played a leading role in promoting the concept of the blue economy, championing the principle of sustainable development and the protection of biodiversity since the 1992 Rio de Janeiro Earth Summit. One of the few countries in the world to have a clear roadmap on how to develop economic activities that directly or indirectly take place in the ocean and coastal areas, the Indian Ocean nation is now seen as a global role model thanks to its efforts.

In the interview below, Jean-François Ferrari, Minister of Fisheries and Blue Economy, discusses potential economic growth via the oceans and the importance of the fishing industry in Seychelles.

## How would you summarize Seychelles' vision for its blue economy?

Blue is the new green. Our blue economic vision places a significant focus on the oceans and provides us with a framework under which to undertake our fishing activities. Ocean wealth is what underpins our tourism industry: we have 115 islands where visitors can rent a vessel, explore and spend time at sea. This type of tourism is growing really fast and so we need to be able to manage the impact it has on the environment. We need to make sure it doesn't create adverse effects on our seabed, reefs and corals.

At the same time, we need to be mindful that tourism activities are bringing in revenues and providing jobs to our population — many Seychellois would prefer to be skippers or working on catamarans with visitors, rather than sitting in an office with a tie on. It's in their DNA. The blue economy also encompasses marine biotechnology, as we believe we have lots of potential around, for example, seaweed research, management and cosmetics.

## In 2018, Seychelles issued the first sovereign blue bond in history to finance marine resource sustainability and advance the ocean economy. What has been the impact of this initiative?

We have run educational awareness outreach programs that educate people on the need to protect our oceans and we introduced legislation that allows us to legally protect some ma-



Jean-François Ferrari  
Minister of Fisheries and Blue Economy

rine areas from the impact of humanity. The blue bonds also enabled us to fund small start-ups operating in the blue economy and the environmental sector, which allowed them to start businesses and create more awareness around the need to protect the environment. We are so proud that we were the first country in the world to introduce this type of bond.

## The fishing industry is hugely important for Seychelles, contributing an estimated 20% of its economy and employing 17% of the population. What are you doing to ensure the continued development of this industry?

The fishing industry is the second-most important pillar of the economy but there is a capacity that we cannot go beyond. We are limited by the stocks of fish and the capacity to possess fish in Seychelles. At present, we only process about 30% of the fish caught and shipped in Port Victoria. The other 70% either goes to Mauritius or as far as Ecuador, Spain or Portugal.

We hope that in the years to come we will be doing more with the same number of fish — for instance, we have received an area of approximately 540,000 square feet of land in and around Port Victoria that will be allocated to fish processing and value addition. Seychelles is also a member of the global Fisheries Trans-



Seychelles operates sustainable management plans for most of its fisheries

parency Initiative and we are as transparent as we can be. You know exactly what is taking place in Seychelles' fishing, which we believe is a very important tool to help us in the management of our stock.

## How do you go about striking the right balance between the revenues generated from foreign fishing licenses and protecting local fishermen's stocks and revenues?

We are very advanced in managing our ocean space. There is an international commitment to protect 30% of our marine space by 2030 and we are already at 32%, so we've gone beyond our commitment. We also have areas reserved for artisanal fishermen, like the Mahé Plateau, while our exclusive economic zone where industrial tuna fishing takes place is a huge area of over 500,000 square miles. We limit the number

JEAN-FRANÇOIS FERRARI  
MINISTER OF FISHERIES  
AND BLUE ECONOMY

**"Transparency is a rule that goes throughout everything we do in the fishing industry, in our political sphere and in the management of our environment."**

of fishing vessels or boats that can be registered in Seychelles as well, which we manage in a very strict manner. In addition, we have management plans for most of our fisheries, including ones for lobsters and sea cucumbers, and we are working on one for octopus.

## Seychelles joined the Fisheries Transparency Initiative in 2017. What kind of progress has been made since?

Our mission is to become the most transparent fishery in the Indian Ocean and in the world. We want to be totally open because we believe that transparency will ensure good and effective governance of our sea space.

One of the subjects that is most controversial in the industry is using fish aggregating devices that drift around the ocean via tuna fishing vessels. These were heavily criticized for causing destruction but, over the years, we have improved this method so much and we now use biodegradable devices.

## The US has previously been a major investor in the Seychelles fishing industry. Where do you see the most opportunities for foreign investors today?

Aquaculture is one area where countries like the US have the know-how and expertise that we are looking for. I also hope that we can develop the fresh tuna market in the US — we already have some operators that export to the US, but only with small amounts of yellowfin tuna on ice. This is a product we are exploring more as it is very high value and the US would be an ideal market for it.

We want foreign investors to know that transparency is a rule that goes throughout everything we do in the fishing industry, in our political sphere and in the management of our environment, we are totally transparent and that is the key to our success. We want the world to see us as good democrats and as good environmental protectors of our oceans, hills and islands. In this, we have much knowledge to offer to the world.

# Keeping Seychelles inflation proof

Despite recent global crises, quality FMCG goods have remained available and affordable

Island nations across the world are dependent on imports for many of the commodities they consume and Seychelles is no exception — currently, 90% of food and other basic goods sold in the archipelago are imported. This dependency makes those countries particularly vulnerable to external crises and their resilience has certainly been tested over the last few years, with the pandemic, energy crisis and war in Ukraine bringing serious disruptions to supply chains and soaring inflation globally.

As a result, numerous island and non-island nations have seen product prices multiplying and empty shelves in grocery stores. In Seychelles, however, retail prices for key basic items have not only remained stable, some have fallen. Credit for that achievement goes to the state-owned Seychelles Trading Company (STC), which is responsible for importing, retailing, wholesaling, distributing, manufacturing and other value-added activities that are mainly connected to essential fast-moving consumer goods.

STC was established 40 years ago specifically to avoid market volatility. "Our role is to help maintain prices, so that citizens can always afford to buy basic commodities, and to guarantee their availability at all times. As part of our mandate, STC contributes to sustaining a decent cost of living for citizens through its anchoring of prices and by importing high-quality, affordable products for the entire population to meet its needs," explains CEO Siana Bistoquet. The ongoing relevance of its mandate is clear, she adds: "If STC didn't exist, Seychelles would have suffered the full-blown impact of the recent crises. Instead, we managed to stabilize prices." The



Siana Bistoquet  
CEO, Seychelles Trading Company

company accomplished this in various ways. Firstly, it has a diverse network of international suppliers, which enabled it to shop around for cost-competitive quality products. Secondly, STC always maintains at least six-months-worth of stock in its extensive warehouses to protect against unforeseen international events that might affect food security. And thirdly, the company took the decision to reduce the price of strategic items in its retail outlets that include the archipelago's only large-scale grocery store: STC Hypermarket. "The government had been subsidizing goods such as rice, oil and sugar through STC, but as well as being bought by citizens, they were being purchased in bulk by big private-sector customers — the subsidy was



STC Hypermarket is the country's only large-scale grocery store

being directed toward the wrong group. We stopped subsidizing those goods and brought down costs of essential items that only ordinary people buy, such as soap, toothpaste, cheese, pasta and baby-care products. That made a big difference and reduced the average shopping-basket price," reveals Bistoquet.

To further bolster the country's food security, STC is investing in expanding its assets. Additional warehouses are being built, as is a substantial cold-storage facility that should be completed this year. The company is currently sourcing energy saving technologies for these and its other properties, including solar panels for their roofs, she states: "This will cut down our utility bills, while enabling us to go green."

STC is reducing import dependency by fostering domestic production as well. It supports local farmers and manufacturers by providing them with a sales platform at its retail and wholesale outlets, and the company also manufactures some goods: for example, its bakery generates Seychelles' most affordable bread. STC's latest endeavor in this area is to encourage poultry farmers to process chicken into

parts, which they — and domestic producers of other goods — will be able to store in its new cold-storage plant.

Bistoquet wants the country to go further: "Increasing local production cuts down on imports, enables us to consume local goods and helps our farmers and businesses. At the very least, we should aim to import more raw materials for local manufacturing and we need to venture into more value-added activities, such as importing milk in bulk and packaging it here."

STC is also looking to expand its import-trading network, which is concentrated on nearby countries to minimize freight fees. High shipping costs make trading with US manufacturers difficult, she notes: "However, we would really like to explore the possibility of forming franchise partnerships with any established international grocery stores that sell affordable goods: having an STC-Walmart or STC-Costco here would be amazing! STC is open for negotiations with all international value stores, so that we can benefit from knowledge transfer and efficiency that would be geared toward lowering the cost of living in Seychelles."

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