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

ocated 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. Sevchelles 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

"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 Sevchelles 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 Sevchelles. "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 properties, 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



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



An exclusive economic zone that



spans over 500,000 square miles



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



Population of about 99,500 people



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



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



Seychelles' time zone is GMT +4 hours

SOURCE: SEYCHELLES INVESTMENT BOARD







A conscious hospitality industry

The government and leading hotel operators are working together to ensure the country's natural beauty is promoted and protected

lessed with pristine waters, mile-uponmile of sandy beaches and exquisite flora and fauna, Seychelles has never struggled to attract visitors. The tourism industry has long been the top contributor to the nation's economy, with the value it added to Seychelles' gross domestic product measuring \$559 million in 2019. This figure more than halved in 2020 due to the COVID-19 pandemic, which was near catastrophic for the country, but with visitor numbers once again on the rise there is reason to be optimistic about the future.

According to the islands' National Bureau of Statistics, visitor numbers reached more than 332,000 last year, marking an 82% increase in arrivals from 2021. With travel restrictions being lifted around the world, Seychelles is expecting these numbers to increase in 2023 thanks to a host of marketing campaigns and new developments in the hospitality industry.

"By early 2025 there will be around 2,000 more beds available to add to the over 14,000 that we already have," explains Sylvestre Radegonde, Minister of Foreign Affairs and Tourism. "Those beds are mostly spread on Mahé, Praslin and La Digue, our three main islands. We are also hoping to improve connectivity as, right now, we don't have direct flights to and from Europe. Most of our visitors have to fly through Turkey or the Middle East and, ideally, we would like to offer direct flights," he notes.

"One of our objectives is also to diversify our market, trying to tap into other source coun-



Country General Manager, Hilton Seychelles

tries in Eastern Europe, Asia and the Middle East. We have been marketing our product in these regions and showing what we offer: much more than just sand and beaches, Seychelles is a beautiful country with a rich culture that we want people to explore."

Highlighting its unique offering Enjoying a warm, tropical climate all year

round. Sevchelles is an all-season destination.

appealing not only to couples on their honey-

moon, but also to families and single travelers. In addition to its picturesque beaches, spotted with granite rocks that give it an unmistakeable look, more than 40 of the 115 islands on the archipelago provide a wealth of unforgettable

Seychelles displays a variety of sought-after scuba-diving spots and a fascinating underwater world to investigate, while those seeking an adventure can follow hiking trails to mountain tops. There are so many natural wonders to explore, from the world's largest coconuts and giant tortoises, to nesting sites for the endangered hawksbill turtle, while the country's Creole cuisine is another major draw.

"Seychelles really is a unique destination thanks to its natural beauty, diverse wildlife and fascinating culture. Those visiting the Indian Ocean paradise can enjoy comfort and luxury with international hotel operators such as Hilton Worldwide. Hilton offers a diverse range of brands that cater to the preferences and needs of every traveler. We have some of the most stunning beaches in the world and an abundance of marine and national parks," states Hilton country general manager, Andre Borg.

A well-established operator with a significant presence in Seychelles, Hilton currently manages more than 230 rooms across four properties: Hilton Seychelles Northolme Resort & Spa; Hilton Seychelles Labriz Resort & Spa; DoubleTree by Hilton Seychelles — Allamanda Resort & Spa; and Mango House Seychelles, LXR Hotels & Resorts. Hilton also has plans to expand its offering in the coming months with the addition of Waldorf Astoria Seychelles Platte Island and Canopy by Hilton Mahé, thus capitalizing on the return of guests to the coun-

"The highly anticipated Waldorf Astoria Seychelles Platte Island will be an eco-frienddestination comprising 50 unique seafront villas, completely powered by solar energy. The

resort will be home to native hawksbill turtles, eagle rays and manta rays to name a few, and the island's garden will provide a large portion of its fruits and vegetables, which will deliver a sustainable farm-to-table culinary experience for guests," says Borg.

"Canopy by Hilton Mahé will mark the introduction of the first lifestyle property for Hilton in Seychelles. The hotel is a 120-room property located in Anse à la Mouche, which is in close proximity to the beach," he adds.

Much like the country itself, Hilton has placed a firm emphasis on sustainability and protecting the destinations where it operates. We focus on local sourcing using indigenous ingredients from local farmers," explains Borg. "At Hilton Sevchelles Northolme Resort & Spa, we collaborate with the Marine Conservation Society of Seychelles to develop coral reef restoration programs."

On Silhouette Island, where Hilton Seychelles Labriz Resort & Spa property itself covers only around 7% of the land, Hilton works as custodian for the rest of the island as well. "We made sure that the rest is untouched so the natural beauty and endangered species such as the Seychelles sheath-tailed bat and the Aldabra giant tortoise are protected," enthuses Borg.

Alongside the government of Seychelles, Borg believes that private hospitality companies such as Hilton have a strong role to play to minimize their environmental impact. "At Hilton we are passionate about driving

development in Seychelles and we're constantly looking for ways to enhance the guest experience," he adds. "Through our Travel with Purpose commitment and partnerships with local businesses, we've been able to create a sustainable tourism industry that benefits the local community and our guests. Ultimately, our goal is to leave a positive lasting impact in Seychelles and its community, while providing our guests with an unforgettable holiday experience."

Creating a fastgrowing and robust financial sector New regulations and improved transparency are helping the country create an attractive

environment for investors

hile Seychelles remains highly dependent on international tourthe small island nation's financial sector has grown in importance as a viable third economic pillar. This was emphasized during the COVID-19 pandemic, when travel became restricted and the country was deprived of its main traditional sources of revenue.

With a view to boosting economic diversification, the country has increased its international compliance and transparency levels to beef up and transform its financial sector. The Central Bank of Seychelles (CBS) has played a pivotal role in this process. Tasked with implementing the country's monetary policy, which assists in maintaining price stability, the CBS helped numerous businesses during the pandemic and is now targeting the modernization of the entire banking industry.

> **NAZIM MAHMOOD** MANAGING DIRECTOR ABSA BANK SEYCHELLES

"Seychelles has put the right legislation in place and is very well poised to be a competitive financial service center."

"We are working hard to promote financial stability by enhancing our legal framework. Banking is the biggest component of our financial sector, hence we have a greater role to play in regulating and supervising that industry," explains the governor and chairperson of CBS, Caroline Abel. "The other main focus we are pushing toward is the use of technology. This entails additional strengthening of our legal framework and allowing more innovation within our ecosystem, not just from banks but also from non-banks that are now participating in the provision of payment services. We are encouraging the system to offer more innovative services so that other segments of the economy can pursue a digital agenda alongside the government."

New laws have also been enacted that raise the country's international compliance even

higher, while Seychelles has also scrupulously implemented the International Monetary Fund's economic reform program. The CBS now has an advanced transparency framework covering the areas of foreign exchange (FX) management, FX reserve management and financial stability, while much has been done to progress the country's anti-money laundering regulations and to counter the financing of terrorism.

Attracting investment

One company that has witnessed the transformation of the financial sector is Absa Bank Seychelles. The largest bank in the country, with a substantial pan-African network, Absa has worked closely with the financial service regulators to ensure that investment in the country is safe and secure.

"Seychelles has put the right legislation in place and is very well poised to be a competitive financial service center," says Nazim Mahmood, managing director of Absa Bank Seychelles. "A lot of legislation has come in in the last few years, which has further strengthened the framework - particularly for offshore banking and some other things around medium- to large-scale project financing. The country is very resilient and the public and private work in Seychelles is very conducive to business. The financial sector is very robust, very well capitalized and is also poised for significant growth. We are projecting double-digit growth year-on-year every year for

the next five years." All of the work being done by the government to enhance the global reputation of the financial sector in Seychelles is also impacting foreign direct investment, which fell dramatically from 2018 to 2020. With the investment outlook now far more stable, Absa Bank Seychelles is positioning itself as an advisor to foreign investors. "We have an extensive business in Mauritius and we consistently get feedback from those customers who want to expand into the Seychelles. So, we're channeling direct investment from that jurisdiction," says Mahmood.

"Absa Group Limited, listed on the Johannesburg Stock Exchange in South Africa, is one of Africa's largest diversified financial services groups with a presence in 12 countries across the continent. Absa Bank Seychelles is part of this





Governor and Chairpersor Central Bank of Seychelles

network of countries and a lot of groups come to us because of the size of our balance sheet. We're the largest bank in Seychelles so, comparatively speaking, we have a very large balance sheet and, therefore, our ability to lend on the continent and in Seychelles is significant. We are in touch with large and medium-sized groups that want to come in and invest in the tourism sector. We see significant appetite in the tourism sector, the fisheries sector and in the construction sector, which is the lifeline of the island."

As well as attracting investment from neighboring countries, Mahmood is confident Sevchelles will generate a growing interest from the US due to its massive draw as a tourist destina-

"Having lived in the US for many years and having visited the Caribbean on several occasions, I can tell you Seychelles is uniquely different," he says. "Destination management com-



Managing Director, Absa Bank Seychelles

panies are marketing in the US and US investors are coming and specifically building resorts in Seychelles that cater for US travelers. Seychelles is uniquely positioned from that potential tourism perspective. I would say it is in the top 1% in regards to destinations in the world. I think it is underexplored so there is a tremendous amount of business that can be generated from the US."

With offices in New York, across Africa and in the UK, Absa Bank Seychelles is well geared to help international clients that are looking to explore the many benefits of establishing a presence in the African nation.

"What we bring to the table is that we have exceptionally strong capability in terms of trade and lending. We are embedded in the fabric of Seychelles' development and we are intertwined to such an extent that we hold the largest market share," adds Mahmood. "This means that we are able to do things much faster."



SEYCHELLES TRADING COMPANY Ltd





An attractive all-yearround destination

Luxury hospitality brands are helping to entice visitors from the US, the Middle East and Asia

he tourism industry in Seychelles has traditionally flourished thanks to an influx of visitors from across Europe. Last year alone, almost 45,000 visitors flocked in from Germany and a similar number from France. Last year also saw a significant rise in the number of tourists from countries such as Israel, India and the United Arab Emirates.

These three countries combined brought in 51,668 visitors in 2022, while the US registered 12,000 visitors - a significant rise of 104% compared to the figures for 2021.

"The US remains a key market for us and we like to promote the fact that not only does Seychelles have some of the most beautiful beaches in the world, but the country offers an amazing culture that is influenced by Asia, France and Africa, making it truly unique," reveals Andre Borg, country general manager

While connectivity has been pinpointed as a challenge, Seychelles' proximity to the African continent is definitely an advantage for remote visitors, including from the US. There is a lot of demand in the US for twin or combined destinations. We are close to Kenya and Ethiopia so you can do a safari in those countries and then have a beach holiday in Seychelles. This makes it a very enticing desination," Borg states.

In addition to Hilton, luxury hospitality brands based in the archipelago include Le Méridien Hotels and Resorts, Kempinski, Raffles and Four Seasons. The latter currenty operates two properties in the country the Four Seasons Resort Seychelles hotel and a private island retreat on Desroches Island

- both of which regularly host visitors from North America.

"The US traveler who comes to Seychelles is well traveled and appreciates the finer things in life, which is why our two properties are always popular," says Renan Astolpho, general manager of the Four Seasons Resort Seychelles.

"The Four Seasons Resort Seychelles was established in 2009 and offers 76 luxurious villas, suites and private homes, each with a private infinity pool and stunning views of the Indian Ocean. It is located on the western coast of Mahé and offers the most mesmerizing sunsets plus access to one of the prettiest beaches in the world, Petite Anse. Meanwhile

> ANDRE BORG COUNTRY GENERAL MANAGER HILTON SEYCHELLES

"Our goal is to leave a positive lasting impact in Seychelles, while providing our guests with an unforgettable holiday experience.'

our retreat on Desroches Island is a secluded paradise that has nearly 9 miles of private beaches and luxurious accommodation options that include homes and suites that all come with their own plunge pool or a fullsized pool, as well as direct beach access. It's the perfect place to come for a beach holiday and is great when combined with a safari holiday in Africa," concludes Astolpho.

Past the sandy beaches: A thriving financial center

Close cooperation between regulators and the private sector gives the country an edge

n recent years Seychelles' financial services sector has enjoyed rapid growth, fostered by a robust regulatory and compliance framework that is overseen by the Financial Services Authority Seychelles (FSA). This has allowed the country to strike the right balance between global best practices and international requirements. With the industry continually developing, the country is aiming to upskill, train and attract the talented workforce that can continue to drive the sector on an upward trajectory. This has led to a number of private consulting firms opening in recent years, such as C&J Qapital, which provides a variety of corporate services and has quickly amassed a strong client base.

Formed in 2021 and quickly obtaining a license from the FSA, the company saw the potential of the sector in Seychelles and now offers bespoke services such as offshore company formation, private foundations, mutual hedge funds, digital exchanges, licensing for forex trading and crypto-related activities.

"The financial services industry is a very good sector to be in. It's a very important industry that Seychelles counts as the third pillar of its economy after tourism and fishing," says the CEO and co-founder of C&J Qapital, Alexander Chang-Sam. "There is always demand in this sector and we have evolved away from the traditional offshore service to include a variety of offerings. The country has also become a very trustworthy and compliant jurisdiction and that is always one of the selling points to our clients. When clients meet with us and understand how robust and stable the economy is, and how strong our jurisdiction is, then a lot of them restructure their businesses in Seychelles or start up a new

Committed to good tax governance

One factor that has significantly helped grow the financial services sector was the European Union's decision in 2021 to remove Seychelles from Annex I of the list of non-cooperative jurisdictions for tax purposes, commonly referred to as the EU Blacklist. This move, coupled with the work being done by the FSA, has helped the country to prove that it is a compliant jurisdiction. "We continue to have strong dialogue and frequent meetings with the FSA, legislative leaders, the governor of the central bank and Minister of Finance. These open discussions have helped us to prove to potential clients that there is an ease to doing business in Seychelles, and provides confidence to international watchdogs," says Chang-Sam.

"Plenty of progress has been made by the country in the financial services sector. For example, we now have a territorial tax system for



Alexander Chang-Sam

Seychelles International Business Companies, which is exactly the same as Singapore. We have a modern beneficial ownership legislation and we updated our anti-money laundering acts. Developing this sector became a national priority when the COVID-19 pandemic hit and the government became determined to make the inancial services industry more robust and attractive. This has made it easier for us to bring more services to our clients and show them why Sevchelles should be trusted." The FSA is also determined to show that

Sevchelles can become an internationally recognized financial services hub and has been working closely with industry leaders to ensure the best practices are in place and new innovative products are offered. "Things can move quickly here, so if we want to pass new legislation, we can do it. We can bring new products and services to market rapidly," says Patrick Payet, chairman of the FSA. "We are working hard to ensure that the world sees that we are a jurisdiction where we like businesses to be compliant. We want serious businesses to come here and that is why we are putting the necessary framework in position. All the laws are in place to ensure that we remain an effective regulator. We are constantly developing our skills and we have capable staff to help us accomplish our mission and our vision to make Seychelles a modern financial services sector that is extremely well regulated."

With the help of the FSA, C&J Qapital has been able to expand its offering and now helps clients manage offshore trusts, offshore companies and estate planning. Chang-Sam is confident that there will be more international companies looking to establish a foothold in the country.



The Central Bank of Seychelles' headquarters in Victoria on Mahé Island

"Discussions are also ongoing on a Virtual Asset Service Providers License to regulate crypto business, a development we are monitoring closely. Another product the FSA is promoting is the free-zone companies for clients that deal in exports, imports and manufacturing. The Indian Ocean Tuna Limited, which is owned by the Thai Union, for example, is located in the free zone and we're sure more investors will be looking to

ALEXANDER CHANG-SAM CEO AND CO-FOUNDER, C&J QAPITAL "The country has become

a very trustworthy and compliant jurisdiction and that is always one of the selling points to our clients."

register there so we will be able to assist them," he says. "We do need to develop our free zones to bring in more foreign investors and the FSA is looking into doing that. We are also going out there to promote Seychelles and the financial sector. I have participated in FSA roadshows in Dubai and it's good to be proactive as we can highlight the many other licenses available, such as mutual funds, forex broker license or securities dealers, and why companies should look at Seychelles instead of traditional places like the British Virgin Islands and Cayman Islands."

Further growing the sector

While C&J Qapital currently works with numerous business-to-business clients, such as accounting firms, banking institutions and asset management companies, Chang-Sam is keen to onboard startups and entrepreneurs. "I believe there will be foreign investors looking to open

their headquarters or have an office in Sevchelles," he states.

"Tourism has always been a strong industry here and we have a lot of investment coming in this sector with several big hotel chains opening up new properties. It's not just tourism either. We have aquaculture and the blue economy, both of which are areas that foreign investors are looking into. Another one is agriculture, as we still depend a lot on imported food. The potential market here is huge so we hope to grow substantially over the next ten years."

Having previously worked in the financial services industry in Mauritius and the United Arab Emirates, Chang-Sam amassed a wealth of knowledge and chose to return to Seychelles after witnessing the remarkable growth in the

"Although we are a relatively new company, myself and my partner have more than 20 years of experience in the industry," he explains. "Some investors still just see the country as a holiday destination but it has a strong and robust financial services sector. People are now beginning to look past the sandy beaches and I would encourage any entrepreneur or clients who are looking for a stable jurisdiction to set up or to continue their business to seriously consider Seychelles."

The task of attracting overseas clients is helped by the work being done by the FSA, such as in 2021 when the country changed its International Business Companies Act and amended its Beneficial Ownership Act to allow the country to be reassessed.

"One of our key priorities has been to ensure we have proper laws and legislation in place," concludes Payet. "That helped us to prove to the world that we are an effective regulator and that if you invest your money in Seychelles, it will be protected. Because of this, we are certain that we will see more growth throughout the sector."

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

eychelles 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 startups 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 Transpar-



Seychelles operates sustainable management plans for most of its fisheries

ency 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

sland 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-monthsworth 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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