

**2020 STATE OF THE NATION ADDRESS BY PRESIDENT DANNY FAURE**  
**20 February 2020**

Seychellois brothers and sisters,  
Compatriots,  
Mr Speaker,  
Vice President,  
Leader of the Opposition,  
Leader of Government Business,  
Members of the National Assembly,

It is a real pleasure for me to address you all on the State of our Nation, especially today 20 February, the date set by the United Nations as World Day for Social Justice.

I chose to give my address today because this principle called social justice forms the foundation of our development programme, where the Seychellois people have progressed, developed and shared prosperity. It represents the history of the path that Seychelles has taken and continues to take to keep people at the centre of its transformation.

The state of our nation today is the result of the hard work that we as a people have done together, in unity, in stability and in peace.

Today, a young Seychellois joined the world of work after completing his education, and did his part to reduce the level of unemployment to just 2.54%.

A visitor arrived in Seychelles and went to stay in one of the 659 tourist accommodation establishments owned entirely by Seychellois, the highest ever Seychellois ownership rate.

A farmer woke up at dawn today and did his part to increase local production of pork by 12.6% compared to output in 2018.

A nurse left her family to take the night shift because she knows that people need care only she can provide. Her devotion represents the kind of society based on care and love that we need to reinforce as a small country – and this year we join the rest of the world to honour them – our nurses and midwives.

A father is on his way home, tired after a day of hard work, convinced that his son and his daughter have a bright future ahead of them if they continue to study hard, and seize all the opportunities that Seychelles offers them.

Today, one thing is very clear. It is you – the Seychellois people – that make the state of our nation strong. And I am convinced that the future of Seychelles is strong.

2019 marked the end of a decade that saw Seychelles continue on a path of progress and development. We were classed as a country with a very high level of human development. Our economy is in excellent health. On 27 August this year, Seychelles will celebrate 250 years since the first settlers arrived in Seychelles. This will be a historic and memorable moment.

Development brings a lot of progress but it also brings many challenges. We remain determined to address the social ills that represent a real challenge to progress and inclusive development.

This decade is one where we need to consolidate our progress. The key is that we stay united. Let us continue to make progress together. Let us continue to build our future together.

Over the last 3 years we have concentrated on creating national institutions to reinforce our democracy. As we reinforce our democracy, we also need to reinforce our community.

Social and domestic challenges affect the structure of the family and community, which in turn affects our small country. It is vital that we do not lose the moral values that reinforce the fabric of our nation and the way in which we have always lived together.

I remain convinced that the solutions to the challenges our society is facing depends on the force of the family unit and on the support of the community. A strong community is one where the spirit of caring, sharing and supporting, and solidarity and compassion for one another is ever-present.

Today I declare this new decade a decade for community renewal.

In this process of community renewal, we all need to make an effort to consider appropriate structures for mediation at the community level. This is the way to resolve several disaccords between neighbours and members of the community. Some of these differences of opinion are also an obstacle to developing the required infrastructure to better serve our community.

We should see more programmes in place in districts to support individuals in the community and improve the lives of citizens. More programmes focussed on our elderly, neighbours, children and young people, and programmes for people with disabilities. All of this will be consolidated with the support of civil society.

More programmes and activities that promote and protect our culture, our Creole language and our heritage. Better coordination between the National Sports Council and Seychelles National Youth Council to run more sports, recreational and educational activities for the development and empowerment of our young people. It is important that in the development of our districts we pay careful attention to the needs and desires of young Seychellois.

This year, Government will double its effort to reinforce programmes in the community and to increase participation at the district level. Emphasis will also be placed on educational programmes that will equip citizens with the skills to better manage their lives and homes. Furthermore, we will improve the services available to individuals with disabilities in order to give them a better quality of life.

Today, I call upon all organisations that work with and within our communities to work even more closely together to reinforce social connection and cohesion.

We need to continue this work to appreciate and revitalise our culture, our good moral values as a country, and place emphasis on the active participation of our citizens in their communities. Community renewal necessitates citizens taking responsibility for their community and forming part of the machinery to take decisions on the issues affecting their community.

The time has come for citizens to choose their District Council through free and fair elections.

The District Council plays a key role in providing core local services for local communities. It will establish a vision for the country and will direct development at district-level. The District Council has a great responsibility to bring people together and direct this community renewal.

The law governing District Councils came into force at the beginning of this week. In line with this law, giving responsibility to the President of the Republic to announce the election dates for the first District Council elections, I am pleased to announce that the elections for the District Council will be held on 21, 22 and 23 January 2021.

People of Seychelles,

When we stay united, we move our country forward, and progress is inevitable. In order for Seychelles to move into the next stage of inclusive development, we need to make sure our children are well looked after.

Research on Early Childhood has proven that from birth to approximately the age of 5 to 7, a child's brain develops more than at any other time in life. And early brain development has a lasting impact on a child's ability to learn and succeed in school and life. Therefore, it is critical that parents and child-minders stay committed to ensuring children grow up in the best environment possible.

Today, the Agency for Social Protection has a scheme in place for parents who require financial assistance for Child Minding or Day Care. Parents need to make an application with the Agency for Social Protection to get this assistance. If they qualify, payment is made directly to the Child Minder or Day Care Operator.

From April this year, this assistance will be offered for all children. The registered Child Minder or Day Care Operator will inform IECD the details of the child that has been enrolled, and a payment of SR 750 per child per month will be made automatically. This means that it will no longer be necessary for a parent to submit an application to the Agency for Social Protection. We encourage parents to take their children to a Child Minder that has been registered with IECD where we know children are being cared for to high standards. This will also help reduce the cost of Child Minding for parents before children enrol in nursery.

This year represents the first decade since Seychelles embraced an active role in the Early Childhood domain. After 10 years of hard work and progress, in November 2019, the Institute for Early Childhood Development (IECD) was recognised as a UNESCO Global Category II Institute for Early Childhood Care and Development. The

geographical scope of the UNESCO Category II Institute means that Seychelles is globally recognised as a leader in this field.

As a result, Government is in discussions with UNESCO to establish a Category II Centre in Seychelles for the region. The Government of UAE has agreed to give Seychelles a grant to build this centre. Construction is expected to start later this year.

Education is a dynamic sector. Educational skills required evolve and needs of the employer also evolve.

In my address 2 years ago, I spoke on the importance of school autonomy and accountability as key components to maintain the quality of the education system. I am happy to see parents support this new concept. School autonomy gives power to the school administration, School Council and teachers to organise their school and prioritise their specific plans to support the needs of students in their community.

Following a great deal of analysis and preparation, from Term 2 this year all primary and secondary schools will have more autonomy and authority to make their own decisions. The system of school governance and management will continue to be strengthened to improve the quality of public education and better respond to the needs of their increased autonomy.

As I have said, there is a need for every partner in education to take their responsibility. A lot of consultation and work has been done to design a structure that will ensure this.

From May this year, parents, students, teachers and school administrators will sign a social contract to ensure that all 4 partners in education honour their obligations. This new approach to education will ensure that students and teachers work in an environment that supports learning, has high standards, and will improve results in the education system.

The education system that we have today needs to reflect the new skills that the world of work needs today and tomorrow. The Technical and Vocational School that will be built on Ile Soleil will offer this service. Preparation of this project is going well and we expect to start construction of the school this year. This school is being financed by a grant from the Chinese Government.

Our national university, University of Seychelles, is playing a big role in the development of our human resources. Over the last 10 years of its existence, the university has given diplomas to more than 2000 students contributing to the development of our country.

A university also has an important role in research and supporting evidence-based decision-making. From 2021, University of Seychelles will receive an annual grant from the National Budget to support the next stage of its development.

The Guy Morel Institute also plays an important role to play by providing employees from both the public and private sector with further training. Government has decided

that from January 2021, the Guy Morel Institute will also be supported by an annual grant for its development from the National Budget.

The development of a people, in all aspects from well-being to happiness, depends a great deal on health.

We continue to modernise our health system, invest in medical staff and introduce specialised healthcare. Since 2018, we have 25 Seychellois doctors, 2 dentists and 18 dental therapists that have received their medical degree. At this moment we have 56 students that are training to be doctors and dentists in 12 different countries.

We also continue to invest in the professional development of our nurses. Last year, 33 nurses received their degree. This year, 5 Seychellois doctors will complete their specialisation and next year, another 5 doctors will complete their specialisation. The presence of these young Seychellois doctors enable our health services to continually improve.

For example, today in the Maxillofacial Surgery Unit, that is, face and neck surgery, there are 10 new procedures being done locally that in the past were administered abroad.

This major investment allows us to improve our services and improve the quality of care offered to our population. We are confident that with the number of young people currently enrolled in medical studies, we will be able to achieve even more in the coming decade.

Government will also place more specialised equipment in health centres this year. This equipment will alleviate pressure on the Seychelles Hospital and also allow the Healthcare Agency to do more in terms of detection and prevention. I take this opportunity to thank the Seychellois people for their active engagement and taking their responsibility to maintain a healthy lifestyle.

From May this year, English River Health Centre will also function as a night clinic. This will improve the service for people who fall ill during the night, and allow the Accidents and Emergency Unit, based at the Seychelles Hospital, to look after urgent cases.

Seychellois brothers and sisters,

In 2017, there was an outbreak of the plague in the region. In 2018, there was the Ebola epidemic in Africa. This year, there is a new epidemic, the Coronavirus. In view of the frequency of global epidemics and the risk this poses to public health, Government has decided to accelerate the construction of an Isolation Centre.

I am pleased to announce that construction of this centre will start in March this year, at the Seychelles Hospital.

The housing situation remains critical. Although we have done a lot, it remains a challenge.

This year, with stronger preparation and support, our plan is to deliver 434 plots of land in 13 districts.

Statistics from the Central Bank of Seychelles show that the value of housing loans from banks increased by 20% in 2019 to reach 1.77 billion Rupees. This number demonstrates the investment that families are making in the construction of their homes.

Government bought 42 apartments from Seychelles Pension Fund on Perseverance. 18 apartments will be rented to young professionals, especially those from Praslin and La Digue who work on Mahe and experience difficulties in finding housing. 24 apartments will be sold to people without land or housing.

From June this year, Seychelles Pension Fund will start a new housing project with 87 units in the district of Au Cap that will benefit those who do not have land or housing.

In 2017, I announced an ambitious programme to do 24 houses in 24 districts in 24 months. Until now, under this project we have allocated 234 houses; 108 houses have been completed and are pending allocation; and 225 houses are in construction phase. On top of this project, we also constructed and delivered 110 houses. The 24-24-24 project enabled us to identify certain weaknesses in our management of housing projects. Our recent experience will allow us to improve project management of future housing projects.

Following the work of the Ministry of Family Affairs in the districts, we have identified 624 cases where houses are in a critical state. Last year, we resolved 177 cases. At the moment, we are working to resolve the 447 outstanding cases.

I am pleased to announce that as a result of negotiations with the Government of India, we will embark on a programme to construct 2500 houses over the next 4 years. 40% of this programme is being financed through a grant and the remaining 60% will be financed by a loan that will be repaid by the Government of Seychelles.

The 2500 houses will make a great difference to the housing situation.

In 2017, accompanied by Members of the National Assembly and District Administrators, I had the chance to visit many families living in housing estates managed by PMC. In 2018 and 2019, PMC was using its own revenue to finance renovations to these properties.

Government has been working with PMC to accelerate renovation works on these housing estates. Financing of this work is possible today because of proceeds from the bond PMC launched last month. Renovation works will include the construction of a new drainage system, flat repairs, and repairs to roofing.

HFC plays an important role in financing housing. I thank all of their clients who repay their loans. Following my discussions with HFC, we have decided that from March 2020, the following measures will enter into force:

- i. Housing loan will increase from 850,000 Rupees today to 1.2 million Rupees.
- ii. Second housing loan will increase from 400,000 Rupees to 550,000 Rupees.

- iii. Loans for major renovations to homes more than 15 years old will increase from 250,000 Rupees to 350,000 Rupees.
- iv. For residents of Perseverance, Home Improvement Loan (HIL) will double from 25,000 Rupees to 50,000 Rupees.
- v. A new scheme will also be introduced in April this year to allow children to build on top of their parents' house in cases where parents do not have enough land.

The private sector is also helping the housing sector through the supply of houses for rent. Since January this year, tax on residential rentals decreased from 15% to 3%. I ask landlords to pass this benefit on to their tenants.

Fellow Seychellois,

The cost of living is a concern for everyone and Government has taken many steps to alleviate the issue. During my visits to Praslin and La Digue, residents have expressed their concern with the cost of living being higher. Today, I would like to highlight certain points:

- i. SEYPEC sells fuel at the same price on Mahé, Praslin and La Digue.
- ii. PUC sells electricity at the same price on Mahé, Praslin and La Digue.
- iii. STC sells 15 basic commodities at the same price on Mahé, Praslin and La Digue.
- iv. Despite these collective efforts, residents on Praslin and La Digue feel that the difference in the price of commodities and construction materials is more than the cost of sea transportation.

In order to address this, from 16 March this year, all commodities in STC will be sold at the same price on Praslin and La Digue as Mahe. This also includes the new STC store at Grand Anse Praslin that sells certain products and construction materials.

A second company will start brick production on Praslin very soon. I hope that this will help reduce the cost of construction materials on Praslin and La Digue.

In 2012, Government introduced VAT to replace GST. Gradually, as the economy performed stronger and the means allowed, we continued to remove VAT from food products. Today, I am pleased to announce that from 16 March this year, VAT will be removed from all food products.

Seychellois brothers and sisters,

A lot has been said on the price of Internet which does not necessarily reflect reality. Here are the facts: Internet is used in 2 principal ways today. One is through a fixed connection at home or in the workplace, known as Fixed Broadband. The other is through a mobile, known as Mobile Broadband or more informally, 'mobile data'.

Let us explore Fixed Broadband.

- i. In terms of affordability of the price of Fixed Broadband, Seychelles was placed 41<sup>st</sup> among 181 countries in 2018. This is according to a report by the International Telecommunication Union, a branch of the United Nations. We are the cheapest providers of Fixed Broadband in Africa.
- ii. Consumption of Fixed Broadband, meaning the amount of gigabytes of data we use, in the period from October to December 2019, is 23% higher than the same period in 2018.

- iii. The price for Fixed Broadband has decreased by 37% for each gigabyte of data, going down from 22.50 Rupees in January 2018 to 14.14 Rupees per GB in December 2018.
- iv. Recent statistics indicate there were 26, 979 Fixed Broadband connections at the end of 2019.
- v. There are 4 companies offering Fixed Broadband services in Seychelles.

On the side of Mobile Broadband, the situation is different.

- i. Seychelles is ranked 81<sup>st</sup> in the world in terms of the price of mobile broadband and 75<sup>th</sup> in terms of the price of post-paid mobile broadband in 2018, according to the same report by the International Telecommunication Union.
- ii. The amount of gigabytes used on mobile broadband has increased by more than 95% in the fourth quarter of 2019 compared to the same period in 2018.
- iii. The price of the cheapest mobile data package has remained the same from 2015 until the end of December 2019.
- iv. In the last 5 years, the only reduction in the cost of mobile data has been the charge to data used over and above the allowance in post-paid packages.
- v. Recent statistics show that there were 89, 896 mobile broadband accounts at the end of 2019.
- vi. Today, there are 2 companies offering Mobile Broadband services in Seychelles.

On this subject, certain things are clear:

- i. Firstly, competition is the most efficient way to reduce the price of Internet. This is clear when you look at the evolution of prices in the telecommunication sector. The price of Fixed Broadband fell rapidly after a new provider entered the market.
- ii. Secondly, despite the price of mobile broadband being high, people continue to increase their levels of mobile data consumption. The increase in the amount of mobile broadband we are using as a population is extraordinary. This is very positive when we are using the Internet to increase our knowledge and improve interpersonal communication.
- iii. Thirdly, we have a free market and Government cannot fix the price of Internet. However, to help reduce the price of mobile data, I am pleased to announce that Government will reduce the License Fees for Mobile Broadband operators by 20% from 1 March this year. This benefit should go to consumers and I ask the 2 companies offering mobile data services to pass this benefit on to their clients.

I asked SPTC to offer free Wi-Fi in all their buses from 1 June this year. This will allow commuters to use the Internet whilst they are on the bus.

In the last 40 years, our public transportation has used diesel as the main source of energy. The time has come for SPTC to move toward cleaner energy. Following our discussions with the Government of China, next year we will receive 22 new electric busses.

These busses will offer a direct service between Ile Aurore and Pointe Larue – near the primary school. There will be only a dozen or so bus stops on this route that will



allow faster movement between regions of Mahé that have many residents, a lot of businesses, and many people are employed.

Seychellois brothers and sisters,

Over the last 4 months, sea levels have been extremely high. Beau Vallon, Au Cap, Anse Kerlan, Amitié, Anse Severe, Anse Gaulette and many others have been severely affected by high tides and coastal erosion. We have all seen the damage caused.

Climate change is a real challenge for the world, and we are particularly vulnerable as a Small Island Developing State. We are being affected faster than predicted and on a far greater scale.

Last year, Government finalised a plan to protect our coastline based on predictions from international scientists and predictions on global temperature rise and sea level rise. Project implementation was estimated to cost 15 million US Dollars.

Given the alarming rate at which sea level rise and erosion is damaging our coasts, we need to implement projects immediately.

I engaged international partners to access the necessary expertise to develop solutions – immediate solutions that we can implement on our coastlines.

This work to minimise the risk of flooding and erosion will be financed by a 5 million Euro grant from the French Development Agency (Agence française de développement [AFD]). Work will start soon on Beau Vallon, followed by Anse Kerlan; Anse la Blague; North East Point and Au Cap.

I made it my mission to participate in various international forums to focus the world's attention on the damage inflicted by climate change, particularly on Small Island Developing States. I even went 124 metres below sea level to tell the world about the urgent need for ocean protection and demand urgent global action that is coordinated and decisive.

The natural beauty of our country and conservation of our environment is important for a country that depends on tourism. Even if we are a population of 96,800 people among a global population that is more than 7 billion, our actions in this domain are important. To fight climate change, it is essential that global carbon emissions are reduced. As inhabitants of this planet, we also need to take our responsibility.

In 2019, more than 95,199 tonnes of rubbish were deposited in the landfill, only on Mahé. More than 40 acres of land on Mahé, Praslin and La Digue is reserved for landfill. This year we are finalising our Waste Management Masterplan with the support of the European Union. This will allow us to implement new policies and strategies required to address waste management more sustainably and preserve our truly fragile environment.

Drainage on La Digue is a problem, and Government has increased its resources through the National Budget to help solve this problem. I have the pleasure to

announce that in addition to this, 10 million Rupees from the Environment Trust Fund (ETF) has been dedicated to accelerate and complete drainage projects on La Digue.

On 26 March this year, as a champion of environment conservation and blue economy, our country will complete its marine spatial plan. We will attain our target of committing 30% of our Economic Exclusive Zone to conservation and protection of the environment.

We succeeded in doing this, fellow Seychellois, 10 years before the international target. Marine areas have been committed to protection based on their importance in maintaining the biodiversity of our ocean and enhancing climate resilience. Work will follow to focus on the implementation of this plan that is essential to support the two biggest pillars of our economy: tourism and fisheries.

We were able to do this thanks to the work started in 2014 and with the consultation of all partners. Today I would like to thank you. We are a model for other countries to follow.

As a country we are doing a great deal to preserve our environment and increase our resilience against climate change.

- i. We banned plastic bags, plastic straws, polystyrene take-away boxes, and others to reduce the amount of plastic pollution generated.
- ii. We are in the process of implementing a policy for glass bottle recycling to reduce the amount of bottles that end up in the landfill.
- iii. With regards to energy:
  - a. The wind turbines on Ile Romainville and Ile du Port have a production capacity of 6 Megawatts;
  - b. 2 solar panel projects on Ile Romainville, managed by PUC, also have a production capacity of 6 Megawatts and will start producing electricity before May this year;
  - c. Solar panels on numerous private buildings, by families and businesses, are responsible for producing 4 Megawatts of electricity;
  - d. Once more, Seychelles will be a pioneer as the Le Rocher project is the first utility-scale floating solar panel project in Africa. A company has already received the tender to do the project which has a capacity of 4 Megawatts and will start producing electricity towards the end of December this year.
- iv. In 2018, I announced that the country will be moving toward electricity production from LNG, a cleaner energy source. The move toward LNG is in line with our vision for a cleaner and more sustainable country. Technical work on this transition is underway.

Together as a country, all of this investment in renewable energy will help us achieve our 5% target of energy production through renewable sources before the end of 2020. This target was placed in our National Energy Policy in 2010.

Today, I am pleased to announce that our next national renewable energy target is rising from 15% to 30% by 2030. This will help us continue to reduce our dependence on fossil fuels. It is a very ambitious target.

Food security is vital for the country. We continue to support local production and this sector is improving, despite challenges.

- i. Statistics from the Ministry of Agriculture and Fisheries show that in 2019 there were 440 active farmers in 17 districts.
- ii. Projects to improve irrigation systems continue.
- iii. Last year, 21 additional greenhouses were constructed to support local vegetable production.
- iv. In October 2018, Government introduced a new subsidy policy to support the production of chicken and pork. In 2019, this subsidy totalled 5.94 million Rupees.
- v. It is encouraging to see that local production of chicken and pork increased last year by 11.5% to reach 1194 tonnes. The agriculture sector also produced 36.9 million chicken eggs last year, an increase of more than 13% compared to 2018.
- vi. Statistics from Central Bank show an increase of more than 7% in the value of loans issued to the agriculture sector.

Output of artisanal fishing has also increased, and Government is putting in place measures to ensure the sustainability of fish stock.

Red Snapper (*bourzwa*) is a Creole delicacy. Today, Red Snapper is being fished a lot. On 15 April this year, Government will ban the commercial exportation of Red Snapper. This measure will make Red Snapper more affordable for all Seychellois.

Following the results of economic growth over the last decade, we have seen an increase in salaries. Salaries have increased higher than inflation rates. This means that for the majority of people, there has been an improvement in the quality of life.

- i. Statistics from the National Bureau of Statistics show that between January and March 2010, the average salary was 6178 Rupees. Recent statistics from 2019 show that average salary has gone up to 14,290 Rupees.
- ii. In 2010, there were 48, 467 foreign travels by residents. In 2019, this number was 75, 654, almost double.
- iii. In January 2010, loans from the bank totalled 2.4 billion Rupees. At the end of December 2019, this figure was 8.2 billion Rupees.

These are a few examples that show the level of progress we have achieved together in this last decade. These are the facts, this is the reality. However, aside from measuring our progress in terms of statistics, each of us has noticed an increase in consumption and improvement in quality of life for the majority of people. This is a strong base from which to continue working together to improve the lives of all Seychellois.

This rapid increase in salaries over the last 10 years indicate that workers have better financial recognition. This circumstance has also created a certain disadvantage in terms of pensions for certain workers who took their retirement several years ago.

To address this, the minimum pension from Seychelles Pension Fund will increase from 1000 Rupees per month to 3000 Rupees per month from 1 June this year. This will be financed by Seychelles Pension Fund.

In December last year, Seychelles was put in the very high human development category by the Human Development Index, measured by the United Nations. Seychelles was placed 62<sup>nd</sup> among 189 countries in the world, and first in Africa. We are the first in Africa to achieve this classification and it is an accomplishment we should be very proud of as the smallest country in Africa.

Over the last decade we have consistently performed well on this index thanks to our hard work together, supported by strong progressive policies and relevant programmes.

The performance of our economy is positive, and our economy is becoming increasingly integrated into the global economy. I announced in 2017 that we are working towards a reform to simplify the administration of Business Tax. Business Tax is the tax that a business pays on its profits. In 2019, this tax constituted 19% of tax revenues. Following multiple consultations, Government worked with OECD to develop a series of reforms. These reforms will make our system fairer, increase the level of participation of entities with a turnover of more than 50 million Rupees, and give them the opportunity to take their responsibility and contribute to the development of the country. It will also facilitate the payment of tax. The Minister of Finance will present details on this reform in April this year.

This year marks 12 years since the law on tender, or public procurement, was introduced. This law is being used to administer over 1 billion Rupees a year. This year, we will amend the regulations in this law in order for us to use it to help develop small local businesses and businesses that employ Seychellois.

Regulations will also be introduced to make it easier for Praslinois and Diguois to participate and win tenders for projects on Praslin and La Digue.

These two measures on public procurement laws gives Government the opportunity – through the national Budget – to develop Seychellois businesses and encourage them to employ more Seychellois workers.

It is important that workers enjoy the benefits of economic growth. In the last few years, a series of measures have been introduced to ensure that our workers are benefitting:

- i. In January 2017, private sector workers received a 13<sup>th</sup> month salary for the first time, in line with a law that I signed on 29 December 2016.
- ii. In 2018, Government published the necessary regulations to increase maternity leave by 2 weeks to total 4 months. Paternity leave was doubled to 10 days.
- iii. In 2019, Government published regulations to legalise the working conditions of 2 groups of workers that previously received no protection. These are domestic workers and stevedores. This regulation, in force today, gives more protection and more rights to these 2 categories of workers. It remains for us to work together to resolve the issue of compensation for stevedores.
- iv. In 2019, Government published regulations to reduce the amount of sick leave that workers can take in 1 year to 21 days.
- v. Government will continue to fight for what is best for all workers. Through a new Employment Bill that covers many aspects of the interactions between employers and employees, there will also be provisions to increase annual leave from 21 days to 24 days a year.

- vi. Minimum salary was increased in April 2016 to 33.30 Rupees per hour for continuous employment. In January 2019, this was increased to 34.97 Rupees per hour. Last month, this was increased again to 38.27 Rupees per hour. This represents progress.

Through the *My First Job* scheme, that helps young people who have completed post-secondary education find employment, in the last 3 years, 1483 young people have been placed in employment. The Skills Development Programme, aimed at young people who have completed S5, helped 390 individuals in 2019. 206 individuals are completing training, and 60 young people are already in employment. These two programmes are helping our young people find employment and make their contribution to move the country forward. According to recent statistics published by the National Bureau of Statistics, the youth unemployment rate for July to September 2019 was 6.3%. This is a considerable reduction compared to the same period in 2018, when this figure was 14.5%. We are making progress.

In last year's Budget address, it was announced that GOP rates for foreign workers working in Seychelles for more than 10 years would be increased. The private sector expressed their concerns with this increase they felt was too high. We listened, and we have decided that GOP rates for foreign workers working in Seychelles for less than 12 years will stay 500 Rupees. The GOP rate for foreign workers employed in Seychelles for more than 12 years will be 2000 Rupees a month from 1 March this year. The GOP rate for live-in carers and domestic workers will remain 500 Rupees a month irrespective of the number of years.

Today, all Seychellois workers contribute 3% of their salary to Seychelles Pension Fund, and employers contribute 3% of every employee's salary. Today, there is no obligation for foreign workers to contribute.

From 1 June this year, foreign workers will also contribute 3% of their salary to Seychelles Pension Fund. These foreign workers will receive 25% of their contribution when they stop working in Seychelles.

Government introduced a plan to localise certain posts occupied by foreign workers by Seychellois many years ago, but we have encountered many challenges in its implementation.

Following many years of investment by Government in human resource development, today we still see certain categories of Seychellois professionals with the required skillset and experience not occupying key positions in big companies.

As a result, Government has decided that from 1 May this year, for certain key posts in big companies, the GOP rate will increase to 5000 Rupees a month.

This measure will apply only to big companies with a revenue over 50 million Rupees a year.

Our economy is growing:

- i. The number of people in formal employment has risen to 54,259.

- ii. Recent statistics from the National Bureau of Statistics for July to September 2019 show that the average salary has also risen by 6.8% compared to the same period in 2018.
- iii. Inflation, which measures the increase in prices, is published by the National Bureau of Statistics. Recent data shows that in 2019 inflation was 1.69%. In 2018, inflation was 3.38%.
- iv. The tourism sector remains strong. In 2019 we saw an increase of 19% in the number of small touristic establishments registered with less than 15 rooms. These 659 establishments and 3709 rooms represent more than half of the total hotel rooms in Seychelles.
- v. Last year, 721 million Dollars entered our banking system and 675 million Dollars left our banking system. This means that more Dollars flowed into our banking system than left, leaving us with a surplus of 45.7 million Dollars. This is the first time in the past ten years that we have seen a surplus for this metric.

Despite economic growth here in Seychelles, global economic uncertainty remains a concern. The world is becoming increasingly interconnected and the economic situation in one part of the world can quickly affect all countries.

Trade deal negotiations between major economic powers are also impacting the global economy. As a result, it is essential we stay alert.

Another challenge that our economy is facing is access to correspondent banks. Towards the end of last year, the French Government said that we did not assist them as much as we should have done with regards to Exchange of Information. Last month, a company registered in the international financial services sector in Seychelles was sanctioned by the United States. These developments have impacted our financial sector.

Following these events, we have been engaging closely with these two countries in addition to other international organisations to reform our legislation.

Two days ago, following a meeting of the Ministers of Finance of the European Union, Seychelles was added to the EU's list of countries classified as "non-cooperative" because "Seychelles has harmful preferential tax regimes and has not resolved these issues yet", as per the official EU statement. So Seychelles needs to take the necessary steps to fight and resolve this issue.

The report on the preferential tax system of Seychelles was discussed by the OECD in early 2019 to determine the necessary steps we needed to take. In February 2019, the EU asked us to commit to review our tax regime to eliminate the possibility of double non-taxation by companies.

The Minister of Finance received a letter from OECD which detailed the amendments we were required to make. Following consultation between the Ministry of Finance and partners in Seychelles, we requested further clarification.

However, while awaiting clarification from the OECD, in September 2019 the European Union published the guidelines that we were required to follow. The EU then revised these guidelines and a new version was published in December 2019.

Following the publication of the new guidelines in December 2019, we wrote to the European Union to inform them that it would not be possible to take all the necessary steps within the three weeks before the 31 December deadline. We also asked for an extension so that the necessary legal amendments could be made before the end of March 2020. We did not receive a reply confirming whether this would be acceptable or not.

Regardless, Government continued to meet with all stakeholders in this sector over the last few months and worked on the necessary amendments.

A Bill published last month is specifically targeted at anti-money laundering and countering the financing of terrorism. Another Bill allowing for greater transparency in beneficial ownership of these companies has also been published.

The National Assembly will soon debate and consider these two Bills.

Furthermore, Government will also present further legislative amendments to the National Assembly on areas such as international companies, business tax, and others in March 2020 to minimise the existing risk to our financial sector.

All of this will enable us to conform to all demands from the OECD and EU before the end of March 2020.

We remain committed to working together with the EU, the American Government, the Financial Action Task Force (FATF) and all multilateral organisations in this sector to eliminate the financing of terrorism and money laundering.

We maintain our commitment to follow the continuously evolving standards for the sector as laid out by developed countries.

Seychellois brothers and sisters,

A challenge affecting our society and families is drugs. The Agency for the Prevention of Drug Abuse and Rehabilitation (APDAR) is making a lot of progress with its programmes. Rehabilitation is going well. Upto now, 2815 young people have registered on their programmes, among which 1700 – more than half – are actively following treatment.

APDAR, in collaboration with the Department of Employment, has successfully placed 80% of the 1700 people following treatment in employment. This means that 1360 fellow citizens following treatment are also working.

In order to move on to the next stage of rehabilitation, it is important that we have a new Rehabilitation Centre operational. Government will start construction of this centre at Bonn Espwar later this year. As has been said before, this centre is being financed by a grant from the Government of UAE.

Our fight against drug traffickers is being intensified. More resources have been placed into the branch in the Seychelles Police Force responsible for investigating financial crime. This branch was established at the end of 2018 and works closely with the Anti-

Narcotics Bureau to investigate money laundering and assets from the proceeds of crime.

Until now, this branch has presented 11 cases to the Supreme Court. In these 11 cases, assets including houses, boats, cars and others with an estimated value of over 38 million Rupees, have been seized.

An Anti-Money Laundering Bill has already been presented for the National Assembly's consideration.

Our territory is vast. We have taken measures to secure control over our borders. We continue to increase the capacity of our Defence Forces to carry out maritime surveillance. We are receiving more support from international partners. We have reinforced cooperation with neighbouring countries in the region.

It has never been my intention and it is not my intention to interfere in the work of the judiciary. However I feel that it is the wish of the majority of Seychellois today that when the police bring drug traffickers before the courts, the sentencing reflects the severity of the crime.

Seychellois brothers and sisters,

The law establishing the Truth, Reconciliation and National Unity Committee is the result of consensus between the two political parties in the National Assembly. As President of the Republic, I signed this law into force on 6 September 2018. I remain convinced that for the country to progress, it is important that we know the truth, that we reconcile, and that we have unity. Therefore, it is important that this commission is not used as a political platform, it is not influenced by anybody and that it is able to discharge its responsibility in line with its mandate.

The fight to increase transparency, good governance and accountability continues.

- i. In the last 3 years, Government has established new institutions to help us progress in this domain. The Anti-Corruption Commission was established and is being financed through the National Budget. Investigation into the cases brought before it continue.
- ii. The Office of the Ombudsman has submitted its report and recommendations to myself and the National Assembly. Government will act on the recommendations. The work of the Office of the Ombudsman is also contributing to the process within government to improve good governance, transparency and accountability.
- iii. The Office of the Attorney General also presents a report and recommendations to the National Assembly. The work done by the National Assembly on these reports is also contributing to reinforcing procedures on accountability in the work of Government.
- iv. Many other institutions are in place to increase transparency, good governance and accountability. These institutions will continue to become stronger and more effective as the country progresses. I will continue my approach of non-interference, in order for these institutions to maintain their independence and serve their mandates. This will help Government continue to improve its service



and protect the interests of the Seychellois people. I call upon the media today to share more information on the work being done by these institutions.

In terms of Ministries, Departments and Agencies in government, I have seen an improvement in transparency, good governance and accountability. The work is more structured. More policies are documented. Service is guided by a legal structure and regulations published in law. We need to become more efficient in project implementation and service delivery. We need to continue to address the deficiencies present and give our people a better service.

A public servant is there to serve all citizens without preference and always with respect and compassion.

At the start of this new decade, I call upon all workers everywhere to renew our efforts to offer a better quality service.

Public Enterprises are managed by their Boards. In the last 3 years, I have made sure that the private sector and civil society are well represented on these Boards. I gave Boards the space to deliver their mandate. I expect more when all Boards are more familiar with this system of governance. It is important that the media fulfils its responsibility to disseminate more information so that the Seychellois people are up-to-date with the work being done by Public Enterprises.

Fellow Seychellois,

This year we will have Presidential elections. Today I call upon all citizens of voting age to register and also verify their name on the voter registration list. This is our civic responsibility as citizens. We live in a free country and we need to have respect at all times. All citizens have the right to support the leader of their choice and the political party of their choice. Nobody should be mistreated by anybody or victimised by anybody.

My wish is that we all participate in this election with respect. We maintain unity, and we complete the process in peace. What is important is that Seychelles comes out the winner.

Seychellois brothers and sisters,

The state of our nation is our achievement. We have a bright future in front of us. Together in unity, in peace, in solidarity, and in stability, we will continue to overcome the challenges of our time and crown our success with the beauty of our hard work.

Today, once more, I claim that Seychelles always remains greater than us all.

I pray that God continues to bless our Seychelles.

Thank you.

