

**STATE OF THE NATION ADDRESS
BY PRESIDENT JAMES A. MICHEL
TUESDAY 20th MARCH 2007**

Mr Speaker,
Members of the National Assembly,
The People of Seychelles
Excellencies,

It is an honour and privilege for me to deliver the State of the Nation Address before you today in accordance with Article 65 of the Constitution of the Republic of Seychelles.

In my speech today, I would like to share with you our achievements, and also some of the challenges that we are faced with as a nation. It is an opportunity for me to discuss work that we have begun, that which is ongoing and more importantly, I will expound my vision and plan for the new Seychelles to which we all aspire.

It is also an opportunity for us to analyse our accomplishments and identify what can be done to ensure the continued prosperity of Seychelles; what can be done to ensure the continued drive for increased visibility on the international scene; what can be done to ensure that social, economical and political stability continues to inspire the confidence of the Seychellois and foreign investor.

The picture of Seychelles in 2007 is that of a determined nation that has worked hard with dignity and pride and has sacrificed a lot to achieve what it has. It is a new Seychelles, with a new vision, which is rising.

Today, that which our grandparents only dreamt of, has become a reality for us, and in many ways, Seychelles has become a model for what a small island state can accomplish.

Seychelles is a success story. We only need to look around us to see it. However, we should not seek only to take credit for our success, but we should be working constantly to maintain and sustain our accomplishments. Moreover, we must not forget our past as it will guide us in attaining our goals.

Our new vision is full of opportunity. It represents a brighter future for all. The majority of Seychellois are looking beyond their basic needs in life. Today we are talking about enhancing the quality of life for our families, and more facilitating opportunities for wealth creation.

While it is imperative for us to be ambitious, we should also take into consideration that we can only achieve our goals through teamwork and with solidarity amongst our population. In the same way, we should also share the results of our hard work together. We must realise that even when we are in a more comfortable situation, we should not forget where we came from. We need to maintain our moral and spiritual values as a nation. We ought to assist those who are less fortunate to enable them to accomplish

their goals. We need to be proud of who we are. Believing in our country is the key to our success.

It is through this reflection, that I have chosen the theme for 2007, “Together for the love of Seychelles”. We are building our country together, and together we determine its success. It is through this theme, that I would like to rally all members of our society in a collective spirit of patriotism, tolerance, compassion, respect and unity. This spirit begins with each one of us as individuals, in our homes, in our neighbourhoods, our communities, our work..... The success of our new Seychelles depends on our collective contribution. And in all our endeavours we should be guided by our love for our country.

It is my duty and the duty of my Government to engage with wishes and ambitions of the people and make this vision of a new Seychelles a reality.

While we reflect, we must be realistic. We should acknowledge that in many circumstances, it would not be feasible for us to obtain all that we would desire. Our strategy will be based on the realistic expression of the popular will.

While I discuss the Seychelles of today, I will also expound on our vision for the Seychelles of tomorrow.

The new Seychelles

We are speaking of that which is new, because we are progressing in a manner that can bring about a great transformation in our country. All transformations have their benefits and their difficulties. However, with emerging challenges, a country needs to be prepared to undertake a transformation in a manner in which everyone benefits.

In the past our nation has undergone several transformations. One of these transformations occurred as from 1977 when we began to establish a socio-political base to benefit the Seychellois population. Our aim was to have true freedom of the Seychellois people where all had the same opportunities, with a foundation for social justice and harmony.

In 1992, we witnessed the political transformation to a multiparty state. We all may have different views on the nature of these transformations, but together we made those transformations work.

For us to be able to move forward, we need to have lucid aims and objectives for the future.

Another major transformation is currently underway. This transformation is about the economic empowerment of all Seychellois. It is an ambitious transformation which relies on the participation of all. It is also a transformation which maintains our social gains.

One of the significant aims of our strategies is to double our GDP, that is the overall wealth of our country in a 10-year period. This will entail an intensification of productive activity that we have never experienced before. Recent statistics have indicated that our GDP per capita is approximately US\$ 8,722. We do have the ability and the capacity to double this figure. Since the Seychellois people have the will-power to achieve such a goal, the Government will discharge the role of the facilitator to ensure the enhancement of our economic wealth.

This overall growth will be guided by 5 overarching principles in all sectors:-

- Participation– all Seychellois people need to contribute in the making of our country's wealth and benefit from its rewards.
- Human Resources Development – Our first and most important resource
- Good governance
- Partnership – strategic partnership between Government and private sectors /civil societies, and with other countries.
- The standard of our environment – the natural beauty of our environment is one of our strongest points, we should preserve and maintain it at all costs.

Our economic situation in general

Seychellois brothers and sisters,

In most of my recent addresses, I have highlighted the intense economic current driving our country forward. I have provided a number of statistics concerning investments, employment etc.

However, it is more important that we LIVE our success than look at statistics. There are a number of indicators all around us that bear witness to our increasing prosperity- the construction of new houses, the emergence of new businesses, the latest models of vehicles on our roads..... A drive around Mahé on a Sunday will show you a number of Seychellois families enjoying the fruit of their work.

Our economy is showing all the signs of a continuing upward spiral. Statistics provided by Central Bank, show that our Growth Rate in 2005 was 3.3%, it rose to 7.6% in 2006 and for 2007 to 2008, a rise of more than 5% has been predicted even according to conservative estimates. The IMF has also made an extremely positive analysis of our economic performance in the last few years.

Liberalisation of Foreign Exchange

Liberalisation of foreign exchange is a fundamental element of our reform agenda that was initiated in October 2006.

This reform will facilitate economic growth as businesses get more access to financial resources. Our economy has benefited considerably in the last two years with the

implementation of these liberalisation policies. There is a rise in local investments and FDI and there has been increasing growth in tourism and fishing.

In line with the increase in tourism and fisheries industries, as well as other investments, we are indeed anticipating an increase in the incoming flows of foreign exchange. Exports of goods and services have risen by 20% from 2005 to 2006. Flows linked to investments have also increased by more than SR400 million in that same period, indicating an increase of almost 50%.

Debt Restructuring

Seychelles' credibility was enhanced last year when we managed to mobilize a 200 million US\$ bond with a positive rating on international financial markets.

The Government has introduced a rational strategy for the next decade regarding our international debt as well as our national debt. We are experiencing a considerable reduction of our debt, which is now only 60% of our GDP. However, we are ensuring that this strategy does not hamper our programme to redress the economy in the short term. We are achieving this objective through our effective fiscal policies by which the surplus goes toward reimbursement of our debts and our growth rate. Following the launching of the bond last year, the government has cleared a substantial amount of our arrears especially with the African Development Bank, World Bank, European Investment Bank and with Paris Club Creditors. We are also continuing to pay off our existing debts as FDI enters the country. We are continuing our negotiations with our remaining international creditors.

We have also made progress with regards to our national debt. Government has been able to reduce its short-term loans; consequently, more financial resources are available for private sector. Our fiscal budget situation will continue to improve as we continue on our reform programme and consequently the need for Government to borrow will be reduced considerably.

Spreading the wealth in our economy

We are moving in a direction in which our economy is increasingly competitive on the international arena, but in a manner which also allows us to live in dignity. Not all countries have been able to do this.

Reforms that we have undertaken, as well as the impressive rate of investment has permitted this rapid development. Many entrepreneurs are seizing the various opportunities that our economy is offering. But despite these positive developments, I am very conscious of the fact that not all Seychellois at present are able to fully benefit from the reforms and the opportunities on offer. I am very conscious of the situation of many of our brothers and sisters who are working hard to try and ensure a good life for their families but who are struggling on the lowest rungs of the salary ladder.

Government has undertaken a number of initiatives to improve the situation such as through government salary rises, reduction in the costs of social security for employers, reductions in housing costs, transportation costs, the cost of LPG and many others.

I note that unfortunately, in the majority of cases, our own measures and efforts have not been accompanied by similar developments in the private sector. Salaries have not progressed much and in other cases have not progressed at all. I cannot force the private sector to pay their workers more. Nonetheless, I launch an appeal to private employers to pass on some of the benefits of the savings achieved through concessions granted by the Government recently.

Our long-term strategy places the wealth creating potential in the hands of every Seychellois. We have to maximize the opportunities for every Seychellois. We have to have the right motivation for all members of our population to be able to work, use their abilities, their competencies, to get a better reward for their personal investment. This should be the standard for our society and it is through these values that our standard of living will rise.

But we are fully aware that not everyone can benefit from such opportunities at the same pace. As our economy grows, we have to ensure that no one is left behind, that everyone has the opportunity to progress and prosper. My government has assisted in many ways in the past, but I realize that we need to have a more systematic way to do it in the future.

In the course of the year, we will develop a means to give those on the lowest rung of the salary ladder the support that they need.

This measure will encourage people to look for employment, remain in employment and also make savings. This measure which will relate to private and public sectors, will be implemented primarily through reviews of the tax structure.

Revenue Authority

In many countries around the world, revenue is centralized in a special authority. In Seychelles our general 'Office of Tax' is currently operating under the Ministry of Finance. Further restructuring will be undertaken to create a 'Revenue Authority' with the power to collect all dues on behalf of Government including registration fees, licenses etc. This will create a 'one-stop shop' which is advantageous to businesses and Government alike.

This authority will enable Government to use its revenue more effectively and help those in need more rapidly and more efficiently.

A good business environment

In its positioning as a facilitator for business, Government is set to continue the liberalization process. As of January 2007, all businesses will not be required to pay any

business tax on profits less than SR 250,000. In addition to this, measures need to be taken to ensure full participation of Seychellois businesses in wealth creation. The Investment Code makes certain provisions for reserving certain activities for Seychellois businesses only, and the list will be updated to take into account further areas that Seychellois are entering into and may develop in the future. This will include businesses such as travel agencies, water-sports, dive centres, boat charters, small hotels, internet and others.

This initiative will offer many opportunities for Seychellois to create businesses and participate fully in wealth creation. To ensure that businesses are able to make full use of this, options for ensuring the provision of capital to finance dynamic and sustainable projects will be enhanced.

We want all businesses to participate fully in the new Seychelles, in the opportunities emerging. In some instances the larger operators should also consider how they can help in re-distributing a share of the cake. An example being certain hotels that have buses ostensibly to transport their staff but who also using them to transport clients to the detriment of local taxi drivers. We should all have a social conscience- even in business! The authorities concerned will be taking the necessary steps to ensure that such practices are not continued.

In 2006, Government through SEnPA has also done a lot to develop and promote small businesses through the cottage industries project or other initiatives. It is good to note that 70% of cottage industries are currently managed by women.

The situation in relation to small business is very encouraging and demonstrates once again government's commitment to ensure participation of small businesses. In line with these developments, government has found it necessary to develop further sites for use by small enterprises to be rented at subsidized rates. Two new sites are planned this year: one at providence with 12 workshops and another at Port Glaud with 6. Work is to commence shortly on three other sites- Eve Island on Praslin, La Digue and Anse Royale. Existing sites at Plaisance at Anse Boileau are to be renovated and improved.

Tourism

Our tourism industry has been growing at a sustainable rate for the past few years. In 2006, we received a record of 140,000 visitors in our country. Tourism alone has contributed 57% of foreign exchange revenue in 2006. From 2001 to 2005, there was also an average of 6% increase in the spending of each tourist.

Our national airline, Air Seychelles, has successfully managed to overcome many obstacles and has secured a remarkable performance last year. It is a privileged partner in the tourism industry and my government will continue to provide support as and when there is a need. On the other hand, Air Seychelles has its constraints, notably in relation to new equipment. It is currently undertaking to source out means of increasing its capacity while it waits for the delivery of the Dreamliner in 2010.

In order for our Tourism Industry to continue to grow, we have to overcome certain difficulties and challenges in the next ten years: for example: the employment package in the sector is not always attractive for many Seychellois employees. A recent study reveals that workers in the tourism industry are earning 10% less than the average national income earner. My government is not comfortable with this and it is for this reason that SHTA and STB have been discussing a new scheme of service for the industry. This scheme seeks to provide a guide to the industry in regards to salary bands and basic conditions of employment in the industry. The intention is not to impose a scheme on the industry but to provide a baseline for them to attract and retain good and productive workers in the industry.

Our vision to improve our performance in the tourism Industry is centered around three main points:

- **Participation and Partnership**

We are working on a framework to ensure the interest of Seychellois investors, promote participation of the private sector in all aspects of the industry and broaden our management capacity.

The Seychelles Hospitality and training centre is a key factor in this process. Already the stakeholders are finalizing plans to give this school a new structure, a new approach in its operations. This will see the participation of well established operators in the industry. SHTTC will therefore eventually fall under the auspices of STB. In this new dynamism, SHTTC will be able to provide more advanced training. It will also enhance its affiliation with similar training centers overseas.

- **Upgrading our products**

We need to offer more to our visitors through the diversification of our products. We want to bring a new dimension in our product such as making our islands more accessible to our visitors and also by offering more leisure activities.

- **Refocalsing our product**

We need to attract new clientele, interest new markets with what we have on offer. To achieve this, we will have to look at our air access with regards to new airlines.

Fisheries

We need to improve Seychellois participation as well in the fisheries sector. We already have around 4,600 Seychellois earning a living from this industry.

We have continued to see the value of our exports rise in recent years. Our revenue in foreign exchange from the sector reached SR 1.6 billion in 2006, an increase of 6.1% on 2005.

The majority of our exports have been towards Europe. In 2007, one of the major challenges we must face is in relation to the expected end of the preferential tariff system under which ACP countries such as Seychelles are currently benefiting. This means more competition for our tuna exports.

Our fisheries strategy thus takes into account the need to increase our ability to add value to fisheries products, reinforce our competitiveness and increase local stakeholding in this key sector. Another important aspect of the strategy revolves around training and in this context the structure and functioning of the Maritime Training centre will be reviewed.

Our partnership with MW Brands in the development of IOT reflects our ambition. The factory is making provision to increase its production considerably and also bring in new products to diversify our export base. Our fisheries development plan in the port area has also generated a significant amount of interest and with interested partners we will be developing a dry dock facility which will permit more revenue from boats while they are in Port Victoria.

We will also be offering our artisanal fishermen more opportunities to increase their income through improvements in capacities to undertake processing of fresh fish either for export or for the tourism industry.

Government will implement support mechanisms for the industry particularly in relation to exports to Europe. Several incentives will be implemented in an equitable and competitive manner. SFA's capacity will also be reinforced to take into account the stock situation of different species and ensure that the way in which they are exploited is sustainable and brings in good revenue for the fishermen.

Financial Markets

The offshore sector has already shown its potential for our country's development. We are seeing even more opportunities coming up in the general context of financial markets. Expected growth in our tourism and fisheries sectors will allow us to initiate several means of attracting further capital from around the world. We are going to widen services that are already in operation. New services to be offered include mutual funds, special license companies, a stock exchange and new products and services in the insurance sector.

Petroleum Sector

Several developments in 2006 have enabled us to take further steps towards an industry that can potentially create a lot of wealth for our country. Advanced exploration is continuing in our EEZ; the data collated indicating the correct geological picture for oil extraction.

The potential is there, but any resource means nothing unless you have the means to ensure efficient management. I am proud that our national petroleum company- SEPEC-

has already proved its credentials as a key actor in our country's development. Its annual turnover has tripled in the last 10 years from SCR 428 million in 1997 to more than SCR 1.6 billion in 2006.

Our tanker programme is progressing well and bringing benefits to the country. Currently, 46 young Seychellois are flying the flag aboard the Seychelles Pride, Seychelles Pioneer and Seychelles Progress at various ports around the world. The training of these young Seychellois has in the large part been ensured through Government and SEPEC.

Our fourth ship, Seychelles Prelude will be delivered in December 2007, and the Seychelles Patriot, fifth member of the fleet will be delivered in March 2008.

In the next ten years, in addition to our potential of striking oil, Government in collaboration with SEPEC will continue to develop the necessary infrastructure to optimize the potential of the sector including storage services, bunkering, distribution of petroleum in the region and re-exportation around the world.

Public Service

In the new Seychelles that we envisage, the way in which we conceive the public service needs to change.

Most public servants are committed in their work. But, a good number are still causing a lot of frustration for their fellow citizens. They are not delivering the standard of service expected or providing solutions to problems presented by the public. Many of them do not have a sense of pride or love for their job. Many, regretfully, are also bringing politics into the work place. All of this is equivalent to a lack of professionalism and a lack of professional ethics.

In certain other cases poor performance is linked to certain constraints in the work place. In some cases the training they have received is insufficient. In others the resources at their disposal are insufficient. Regretfully also in many cases the expectations of the public can sometimes be unreasonable.

In all of these cases, a better public service can be promoted through a more decentralized monitoring system. Several ministries will benefit in the future from 'policy monitoring cells' which will be able to bring more objective decisions in relation to the functioning of key services.

Training, and where necessary, re-training, is central to the re-focalisation of the public service which will be undertaken.

In this context, Government is repositioning itself as a facilitator for business. In the coming months, Government will re-focalise its departments in a radical manner. All

agencies implicated in regulation and service facilitation will be regrouped under the same umbrella.

Defense Forces

Our defense forces are to continue playing a key role in the defense of our sovereignty and territorial integrity. It is at the vanguard of protection of our natural resources against those that may seek to profit illegally from the natural abundance of our seas.

In addition, I would like to underline the importance of our armed forces in the interception and fight against illegal substances entering our shores, often through boats visiting our outer islands.

The new structure for our defense forces which is being finalized recognizes the central role that our men and women in uniform play in our national development. Many young men and women have made a career in the forces and we will continue to provide the necessary resources to ensure that they can continue to serve their nation with devotion, pride and courage.

We have also strengthened our ties with partners such as France to assist with extra resources for a more efficient surveillance of our economic zone and training.

Law and order

Peace, security and respect for law and order are absolutely necessary for the progress of our country.

Events that are not done in conformity with the law -- be it strikes or protests -- are a threat to public order. They create anxiety and confusion among the population. As you are all aware, I have ordered an inquiry into the event of 03rd October 2006. I have entrusted the inquiry in the hands of an Irish judge. He is currently in Seychelles conducting his work. I will assume my responsibility when he hands over his report to me.

Parallel to the inquiry, the committee on law and order which I also set up is doing a good job in reviewing certain laws and promoting a culture of respect for the law. The recommendations will be presented soon. The committee has also demonstrated that people of different opinions are able to put ideas together to promote actions that are beneficial for all Seychellois.

Concerning the security of our citizens, the Police are conscious of their weaknesses. They are taking measures to improve their performances, to become more efficient, and for them to earn more respect from our citizens. Our Police force is also taking several steps forward to improve its presence in our communities and deliver the type of service

that is required for the security of all Seychellois. The Police force has adopted its strategic plan for the next five years and is implementing it. This plan involves, among other measures, a restructuring which puts a lot of emphasis on the development of human resources and training for officers at different levels. The plan also provides for the future introduction of a Special Constable project in the communities, whereby certain residents would undertake the role of part-time police officers after undergoing specially designed training. We all need to work with the Police to take our country forward.

Judiciary

Mr Speaker,

I cannot speak on law and order without commenting on the judiciary. We have a lot of respect for this important institution which is one of the three pillars of our Republic and our democracy. But I share the frustration of people who have to put up with a wheel of justice that is heavy and turning slowly. Law and order in our country depends on a judiciary that is equitable, and which serves people and the law in a prompt and efficient manner. All Seychellois are accountable before the law. All judges and lawyers are accountable before the same law.

We believe that all judges must use the law to administer justice in a honorable way and which also allows people to benefit from their legal representation in a worthy manner. We are aware that there are many cases pending. The judges have to do all they can to ensure that all cases are dealt with in a reasonable length of time.

At the same time, I appeal to the Seychellois people not to link respect for the law with political opinions. Everybody is accountable before the law. Our Constitution has provisions for competent institutions to ensure respect and application of the law whenever there are problems.

On this note I think I should also emphasise the need to educate our youth on the significance of our supreme law. Government will soon undertake the distribution of copies of our Constitution to our young people with the aim of sensitizing them on the laws of our motherland.

Transport

Our public transport system is offering a service at a fare that is affordable to all Seychellois. But we have to continue looking for ways to extend this service to more destinations and on a more regular basis.

In order to improve our public transport network we will in the near future allow individual operators to come in and complement the service offered by SPTC. Sixty new buses of different capacities have also already been ordered by SPTC to serve Mahe and Praslin.

A new plan on the circulation of vehicular traffic, and which will benefit areas in and around Victoria, will be implemented soon. We will build a new bridge across the yacht basin to link Bois de Rose and English River and beyond. Work on the bridge will start before the end of the year.

As I mentioned before, a lot of vehicles are entering the country. More than 1,300 vehicles were imported in 2006, which represent an average of 100 additional vehicles a month or four a day! The new traffic circulation project takes into account this big increase of vehicles on our roads.

Water and electricity

Water and electricity are essential for our socio-economic development. We have over the years succeeded in maintaining the charges for these services at affordable levels although the price of fuel increased everywhere in the world. We recognize the importance to ensure that all Seychellois have access to treated water and electricity at prices that are acceptable. Our plan for the next 10 years takes this into account.

We will install new generators on Mahé and Praslin to meet the needs of new developments such as housing and businesses. We will also improve supply to the south and west of Mahe by installing a 33 KVA line. We will also increase the capacity of the submarine cable which supplies electricity to La Digue from Praslin.

Concerning water supply, there will be a distribution network for the more efficient exploitation of this resource. We will have to build new reservoirs in the next 10 years to increase our water storage capacity. Modern technology will be used for the transfer of water amongst the different reservoirs in operation.

Construction

In order to meet the demands of increasing development, we need more construction materials. More companies and contractors are needed in that sector. Existing companies are not able to cope with actual demands, and this is causing delays in our development. We see this sector doing very well with the number of new hotels in the pipeline and also the demand for housing.

Government will work with the private sector to ensure that we are able to overcome this challenge, that as many people as possible who are involved in the sector benefit from it, and also to open the door to new operators.

Environment

The beauty and vulnerability of our environment are key elements which we have to consider, and which in a way form, together with our people, the basis on which to build our new strategy.

50% of Seychelles' land has been set aside as nature reserves. With two world heritage sites we are one of the small countries in the world that is often cited as a model for environment protection.

Seychelles is benefiting from \$12 million (US) from the Global Environment Facility for the next 10 years. This represents the biggest grant we have received so far for the environment sector. It is also a form of recognition for our success in managing our environment.

At the international level Seychelles continues to maintain its leadership in governance and diplomacy in the environment field.

Environmental education at a very young age is extremely important. We need to continue to encourage our young people to take a greater interest in the environment, in the global as well as local context.

Agriculture

Agriculture remains a core feature of our society despite the fact that our economy is gradually becoming more service-based.

The different incentives which we made available to the farmers have helped them to cope with competition from the increase in imported agricultural products.

Our strategy for agriculture is generally to maintain our food security and to give our farming community the possibility to, as much as possible, opportunity to add value to their produce.

Farmers continue to offer produce of quality for the Seychellois. We all know that our local produce tastes better! We are aware that a boom in the tourism industry will create a lot of demand for local produce and the farming community will participate fully in the creation of wealth in the next 10 years.

Telecommunications and Information Technology

Seychelles is one of the countries with the most modern telecommunication infrastructure in the world.

Presently, 80% of the population subscribes to the mobile telephone services. We are also making great progress in internet technology with undertakings to finalize broadband access through ADSL, Wi-Fi hotspots and voice over internet protocol.

Our aim eventually is to facilitate Wi-Fi accessibility everywhere on all the main islands of Seychelles. Victoria is already partially Wi-Fi equipped. Another project will begin soon to make the same connectivity available on Praslin and La Digue.

Our biggest challenge is connection to a submarine fibre optic cable for faster internet and telecommunication access and to allow for the development of new businesses in that field. This is a very big project which will require a partnership between government and the private sector. A specific study on the project will start soon.

The Social Sectors

Mr Speaker,

I will now speak about the social sector.

There are many rich countries, but not all those that are rich have a good quality of life.

The good quality of life we are promoting means that despite the fact that government is repositioning itself into the role of a facilitator, it will always have a part to play where it concerns housing, the health of our people, and education for our children.

Housing

Currently 76% of families are owners of their homes. Furthermore, Government has started the construction of more than 5,000 houses to be completed before 2011. We are on the right track towards accomplishing that objective. In other words, all people who have applied for a house before 18th June 2006, and are in need, will receive assistance. The different schemes that are in place to enable people to become owners of their homes are doing well. The discounts on offer have reduced the cost of the houses for many families, but we are also implementing the schemes in a responsible way, which means that Government is re-investing the money in its programmes.

A sustainable policy on housing construction also involves the participation of the private sector and individuals in partnership with Government. With the increase in the wealth of our nation, housing projects will become even more viable as long-term investments. Government will remain the key partner to ensure that housing remains affordable for families that are in need.

Where necessary, Government will also give the support necessary for families that do not have the means to build, buy or maintain their houses. Our Special Housing Scheme is actually providing assistance to more than 800 needy families. We will maintain this scheme for the families in need and to ensure that in our society we always promote a spirit of solidarity whereby no one is left behind.

Seventy land bank projects were proposed to the public by Government in 2006. In order to sustain our socio-economic development 1,100 acres of land were reclaimed during the

past 15 years. These areas are today being used for housing estates, industrial infrastructure and also small businesses.

Education and Human Resource

Our human resource is our most valuable resource. We have invested a lot in the development of that resource. In the past five years we have seen the return of 564 professionals from studies overseas and we sent another 661 for further studies during the same period. We have to develop that resource further still and utilise it in a more efficient manner.

Another success in the field of training is the more than 40 school administrators who have achieved an MBA in Educational Leadership, a programme initiated by the Ministry of Education in partnership with the University of Lincoln and as of this year the University of Warwick. The qualified professionals are now discharging their responsibilities in our schools. I take the occasion today to congratulate them and wish good success to all those who have just started their studies.

The development of our economy will open up new opportunities in the service sector and we have to increase our management capacity in that context. We will form strategic partnerships with the private sector and also strengthen our association with overseas institutions in order to ensure that we are able to provide the training and also, where necessary, the re-training, in harmony with the development of our economy.

Concerning schools, we will undertake renovation works on several schools and will also build several schools. I have commended the Ministry of Education for the steps it is taking to give the schools greater autonomy as part of efforts to reduce bureaucracy and promote the complementary ties which exist between the schools and our communities.

We have to appreciate the hard work of our teachers and today I praise them for their devotion and noble contribution. All Seychellois teachers in State schools will soon have the possibility of benefiting from a special programme to buy computers at a price subsidized by Government.

In parallel to this, we will boost the capacity of all secondary and post-secondary schools to have access to information technology. Primary schools will be equipped with all the necessary means to enable all children to have access to information technology at a young age.

Although we are able to ascertain that the international examination results of our children continue to be better, we have to redouble our efforts to rid our schools of negative and unacceptable elements.

I am here referring to the difficulties our teachers have to cope with daily. It is meaningless to have the most beautiful schools and most qualified teachers, but also have

to face disciplinary problems. This type of environment will not encourage learning and productivity.

The Ministry of Education is facing a big challenge and will need the support of our entire society. It has to develop the strategies to instill in the children the sense that rights go together with responsibilities.

A child cannot show lack of respect for the teacher or even a colleague under the pretext of his or her right. We have to educate our children that their rights end where the rights of another individual start.

It is also sad that drugs, alcohol, teenage pregnancy, bullying, violence and anti-social behaviour have infiltrated into our schools. Teachers alone will not be able to deal with all of these. I appeal to all parents and organizations concerned, especially the Police, to join together to fight the ills that are destroying the lives of our children. It is high time that we all embark on a more aggressive campaign against social ills.

Let us give our teachers a helping hand to enable them to deliver even better. Let us help the child who has become the victim of an irresponsible adult, those abusing the innocence of that child. The Police, Department of Social Affairs, NCC, CARE, the churches, district authorities, and the community in general, all should give our teachers a helping hand.

Our schools are the second homes of our children. Let us make our schools the ideal places of learning and training for our children.

Health

Government has invested enormously in our health services so that better health care is delivered to all. We have achieved a lot and our achievements have not gone unnoticed by the world. According to WHO, our health system is one of the best in the region. However, we still have a long way to go in order to achieve the level of excellence we would all like to see.

We should acknowledge the fact that a large number of our health workers are devoted professionals who work hard; against all odds, to give their patients the best care possible. However, we are also aware that our health system harbours not only negative but also destructive elements. This is something I cannot continue to tolerate. I cannot tolerate lack of discipline and professional ethics in the Ministry of Health. I cannot allow politics to interfere with this primordial service. We cannot toy with lives of people and get away with it. I give my guarantee to the Seychellois people that such negative attitudes and actions will not be allowed to continue.

It is within this perspective that I intend to radically reform the administration of the public health service. My intentions are to:

- Reinforce high level primary health care and preventive measures at community level.
- Reinforce high level secondary health care at the Victoria Hospital
- Encourage and support the development of tertiary medical care locally with the participation of the private sector.

One of the major reforms is redefining and repositioning the Ministry of Health. I believe its role should focus more on care in the community. It should also be more involved in the formulation of policies rather than managing the hospital. It should serve as a facilitator in a dynamic partnership between government and private health care providers. Reforms to be undertaken will take these points and others into consideration.

Let us also remember our responsibility to lead healthy lifestyles. God has blessed us with good health, let us avoid adopting lifestyles that can be destructive to such a precious gift. We should avoid substance abuse for it destroys our health.

Let us be more responsible. Government spends enormously on our health services. 19% of the budget allocated goes to the Ministry of Health. Let us appreciate the free health care; consultations, medication, advance treatment and the overseas treatment programme. They do not come cheap, therefore, let us appreciate these services, and avoid wastage and abuse.

Employment

The employment situation is very positive. With less than 3% unemployment, our economy is showing that we can give opportunities to all to share the prosperity we are creating.

Every Seychellois worker should seize the opportunities at hand to increase our productivity.

Challenges do exist such as workers who find themselves in a field that they did not necessarily get trained for. There is also a need to curb bureaucracy. We will work closely with the private sector so that our country can create employment to suit demands.

We need multi-skilled workers who can adapt to new challenges that emerge as our economy grows. An effective training programme is the way forward in attaining our objectives.

It is evident that a lot has been done recently to encourage a better working climate for workers to produce and deliver. Our endeavours do not end there. The Ministry of Employment has plans to set up a productivity unit which aims at revising the policies which take into account productivity in work places and also come up with new initiatives to encourage productivity and efficiency.

It is also the Ministry's plan to establish a Labour tribunal to settle disputes between employers and employees in a more fair, efficient and less time consuming manner.

Government is also planning to introduce the Workmen's Compensation Legislation. This will ensure that workers who suffer injury or disease at work are adequately compensated. The burden on social security will be alleviated.

Our fight against Social ills

Mr. Speaker

Drug abuse, excessive alcohol consumption, domestic violence are amongst the social ills facing our nation. They are not just social problems faced by individuals but in effect are social development problems threatening our security and prosperity as a nation.

Family

The family is the foundation of all societies. Far too often, parents are unable to cope, giving up too easily and looking up to the State for support.

Today, we have too many children in care - most of whom are social orphans. That is an indication that many parents are neglecting or abusing their children. I call on all family members to help out if a parent cannot cope.

As we all know the first seven years of a child's life are the most crucial. This is the best time for a child to learn about social and spiritual values. It is our responsibility as parents and educators to nurture these values in our children so that they grow up to become responsible adults.

Government will continue to ensure that laws and support exist for the protection of our children. The Half-way home will become operational in the near future to provide temporary therapeutic support to abused children so that they can be re-integrated with their families.

We are also setting up a full time Family Tribunal this year for improved service in family and children related matters. A sub secretariat of the Tribunal will be set up on Praslin to provide the services to residents of Praslin and La-Digue.

We are also giving close attention to domestic violence. New initiatives will include proposals for-Domestic Violence Act and a national strategy on the matter.

Substance Abuse

With clear evidence of increases in drug and alcohol abuse, the need to strengthen efforts at all levels for prevention, treatment and rehabilitation is clear. It is heartbreaking to see a teenager at the Mont Royal Centre or a young girl or man who is roaming the streets at night because of drug and alcohol abuse. We need to intensify our efforts in fighting

such ills and once again let us remind ourselves that it is not only the government's business. These are matters that concern us all.

Arts, Culture and Sports

We boast a rich, vibrant and colourful Creole tradition.

It is in fact our Seychellois Creole culture that characterizes our identity, enriches our lives and lures many other nationalities to share our island way of life.

Our local artists have proven themselves on various occasions internationally be it in the field of music, dance or painting. Through their talents, our culture is getting more and more exposure worldwide. We have established different mechanisms to help and encourage our local artists during the past years and we are beginning to see a cultural industry which is rising, which is also contributing in our economy. Indeed we have the potential to further develop cultural tourism.

Along the same lines, the sporting infrastructure already in place and our environment's natural beauty are already strong basis for the development of sports tourism.

This aspect of our economy will allow us to invest further more in our athletes and artists. We are all proud when our athletes stand tall on a medal podium, as our national flag is raised. We are equally proud when our artists dazzle the world with their ability. We congratulate them for their achievements and for upholding our country's good name.

Community Development and Youth

Mr. Speaker,

The community is at the heart of all development and our greatest motivation will always be the desire to see our children benefiting from it all.

Our Community is our nation's strength.

Active participation is the way forward in our communities' development and this approach has to be promoted. We need to empower everybody in our community. Programme development, infrastructure provision and service delivery will all be based on a spirit of consultation, consensus and teamwork.

As much as possible, important services will be decentralized and made available in the districts. All ministries will have to work with the community to ensure efficiency and excellent service delivery. We call upon the private sector to work in partnership with the government by investing in and supporting our community projects. In addition, civil society such as the churches have an equally important role to play in mobilizing the community to join forces both in the fight against the social ills and in promoting the strengths and values of our villages and parishes.

We want vibrant and active communities where our youth has access to a number of opportunities for their personal development. We want a community whereby there is an understanding and unity amongst all the elders, the children and the youth. The greatest joy is always to see a young person make full use of the opportunities at their disposal.

Our senior Citizens

My government has and always will attach great importance to the welfare of our senior citizens.

Support for our senior citizens does not only come by means of social and financial assistance but also through the encouragement of the setting up of 26 senior citizens clubs all over the country.

Government is planning to build a centre for our senior citizens. The building will be used for social and cultural exchanges between different clubs.

Furthermore, the National Assembly will, in the near future, consider the proposal of certain reforms in the pension laws. One of the reforms will allow workers from the public sector who have retired before the 1st of January 2005 to benefit from the special pension if they have worked for ten consecutive years, retired at the age of 60 or were made redundant due to health reasons or post deletion.

Conclusion

People of Seychelles,

It is said that in every challenge lies an opportunity, just like in every opportunity lies a challenge. It is for this reason that my government's philosophy is one based on constant consultations with the people, while we not only plan our way forward but also anticipate difficulties along the way, so as to better prepare ourselves.

The foundation of our nation has already been established, and construction is in progress. The new Seychelles is taking its shape. It is in the process of a great transformation towards a promising future. The right time is now, or never. The importance of maintaining the peace, stability and harmony that we have enjoyed all these years should always inspire us in whatever we do.

The opposition leaders are often heard saying that my government ignores the 45% of the population who voted for the opposition in the last presidential elections. This statement is absolutely false. As the head of State, I swore to work for all Seychellois and this is what my government and I are doing and will always do.

It is the role of the opposition to engage with the democratically elected government in a constructive manner. Democracy does not mean that the Opposition should use different

ways and means such as encouraging illegal gatherings to incite violence and create disorder so that they can attain what they did not in the democratic electoral process.

Let us not preach division. We should encourage everybody to work together. What we see today in our country is a political renewal represented by a President with a new mandate to implement his vision and development programmes, a President for every Seychellois and strategy for the whole nation!

Soon our population will be called to the ballot boxes again. This time round the people will be choosing their district representatives.

For the sake of our country's progress, it is imperative that we understand the nature of politics in a democracy.

Politics involves diverse opinions and in a democracy, this difference is manifested in the parliament between the majority and the opposition. In order for our country to move forward at a quicker pace, we need an opposition who represent a constructive force, a force which proposes and progresses and is not merely engaged in confrontation. An opposition elected in a democratic election should function within the norms of democracy.

The opposition has to be consistent. It should above all show respect for the people who have elected them as well as the institution of the National Assembly. As politicians, we all know that the parliament is the legal forum for debating and expressing our diversity of opinions. We cannot preach democracy whilst we practice anarchy. This is not at all in the interest of Seychelles and I will not allow this to continue.

It is for this reason, Seychellois brothers and sisters, that I am dissolving the National Assembly. In accordance with Article 110 of the Constitution of the Republic of Seychelles, I have given due notice in writing to the Speaker of the National Assembly on 12th March 2007, my intention to dissolve the Assembly. The proclamation of the dissolution is being published in the Official Gazette today and will take effect as of tomorrow, 21st March. The Electoral Commissioner now has the task of organising the election, including the fixing of the appropriate date as per the legal provisions.

In a democracy, it is the people's voice that counts; it is the people who decide. Today I call upon my people, those who gave me a new mandate to implement the programme of modernization for our country's progress.

I call upon every voter to elect people who are serious to the National Assembly. We need serious representatives who can represent and defend the people who have elected them, who hold the people's and the nation's interests close to their hearts. We need true patriots, who will not incite violence and spread panic. I call upon the people of Seychelles to elect a new assembly which is responsible and consistent in its decisions

and actions. I call upon the people of Seychelles to give me a strong majority in the assembly so that I can keep our country on the good path we have chosen, a path of peace, stability, prosperity and harmony. Let us do it together. Let us do it for the love of Seychelles.

May God continue bestowing his blessings on our beloved country and its people.