

STATE OF THE NATION ADDRESS 2006
by President James Alix Michel
Republic of Seychelles
28th February 2006

Mr Speaker, Ministers, Honourable Members of the National Assembly,
Distinguished Guests, People of Seychelles,

It has been almost two years now since I have taken on the responsibility of leading our country and I am delivering this speech today in the spirit of continuity of the vision that I announced on the day of my inauguration.

As we settle in the New Year, we see ourselves standing on the threshold of an important chapter in the history of our country. The year 2006 is one to embrace with optimism and renewed energy, a year to make important decisions, a year to look at the future with confidence and determination to help Seychelles prepare itself to face yet another stepping stone on its path towards success.

It is 250 years since our islands were claimed by the French and when they were given the name of Seychelles. Over the years we have gradually moved to create Our Own Seychelles. *Nou Sesel*. We celebrate this year 30 years of nationhood; 30 years since the Seychellois people became masters of their destiny; 30 years since we started to make our way as a sovereign nation.

It is thus also fitting that in the coming months, we cast a glance at our past, at our beginnings as a society, to appreciate the developments that have taken place, the efforts and sacrifices that have gone into building Seychelles over the years, and to give thanks to God for his benevolence and to our forebears for their contribution to the building of our nation - a heritage that it is our duty to build on and develop for the wellbeing of future generations of Seychellois.

This year is also an appropriate time to look at what we have not yet achieved or where we can still improve.

It is a time for us - as a nation - to consider the challenges that we face. It is a moment, too, for us to renew our pledge to work – together - to consolidate our achievements and progress further.

The state of our nation today

During last year's State of the Nation Address, much emphasis was placed on our values as a nation. Today, I wish to reiterate that such values like unity, solidarity, compassion, honesty, respect, gratitude and hard work are the foundations in the making of a booming economy, an efficient social structure and in fact the core values for the progress and prosperity of our country.

What is the state of our nation today?

Today, every citizen in Seychelles enjoys free primary health care and free hospital treatment. Treatment that cannot be provided locally is done overseas on a needs basis and not on the patient's ability to pay.

Every Seychellois child has access to primary and secondary education and the majority of our children attend two years of free pre-primary education. Every year some 100 Seychellois start university or higher education courses, mainly in overseas institutions. The opportunity to undertake higher studies does not depend on personal financial capacity. We also have a literacy rate of over 91%.

More than 70% of Seychellois households own their own houses (2002 Census) and we are constantly striving to increase these housing opportunities. There are some 21,000 houses in Seychelles, more than half of which have been constructed in the last 15 years.

87% of households have treated water and 96% have electric lighting.

We also benefit from increasing access to technology and communications. 63% of households have fixed line telephones. There are 54,368 subscriptions for mobile phones.

All these contribute to make the standard of living of the average Seychellois one of the highest in the developing world.

Mr Speaker, I may be stating things that we already know. And talking about things that many of us may now take for granted. But in highlighting those facts, I want to make the point that we should not take such achievements for granted because they did not come about just like that.

It is good to have a sense of perspective. It is good, sometimes, to remind ourselves of what we had or did not have not so long ago for us to appreciate what we have today.

The Seychelles Way

It is not at all my intention to boast. But it is also helpful sometimes to look at other countries, other societies, to appreciate what we a small population without the usual exploitable natural resources have accomplished in a relatively short period of time. We have indeed reasons to celebrate!

What are the reasons for our success?

For us to reach where we are as a nation, we have had to work hard to fulfil the vision of development that has inspired us for some three decades, a vision of people-centred development; a vision in which our people are both the agents and the beneficiaries of development.

This has been the Seychelles Way to ensure that development is not just about making more money and accumulating more reserves, but that it is about investing the wealth we create in our people in improving the life of our people through our socio-

economic programmes, in providing opportunities for progress, for all our people, irrespective of background, so that all can live in dignity and fulfil their potential.

Yes, dear Seychellois brothers and sisters, the wealth of our country is invested in us all of us.

This policy has also meant that we have invested substantially in national infrastructure projects - schools, hospitals, clinics, housing, primary and secondary roads, transportation, land reclamation, power stations, the fishing port and so on. Some commentators in the past may have tried to say that the Seychelles' economy could not support the development of such ambitious projects. However, economic progress depends on the right investments in infrastructure. It also requires vision. We had a vision and we are realising it.

This development of our infrastructure and of our human capital provided the backbone for our future economic progress. Despite the difficulties that we may have experienced to fund these capital projects at the time and the pressures that they exerted on our economy, these investments have provided the platform for our economy to take off. Without these investments in the past, we would not see the dynamic economic revival we are seeing today. We are now in a position to allow for a more flexible management of the economy. We can move to the next phase of our development while retaining the fundamental policy of the SPPF Government to place the ownership of the economy in the hands of every Seychellois.

Successful measures

Mr. Speaker,

Allow me now to quote a few other indicators of the state of our nation today that illustrate the increased dynamism of our economy.

In 2003 the Government took a number of measures to address certain imbalances in the economy and to create the conditions for its re-launching for a new phase of development.

I am glad to say that the measures have been to a great extent successful. On the fiscal side, Government has achieved budget surpluses for three consecutive years while at the same time maintaining our key social programmes.

Today there are 6,800 licensed businesses of various kinds, and 562 cottage industry activities. 93 new businesses started in 2005 alone.

In 2005 over 200 private sector projects were approved, with a nominal value of more than SR2 billion and an employment creation potential of over 1500. 86% of the approved projects were for Seychellois investors, although the nominal value of these projects was less than that of the fewer foreign projects.

In tourism, 12 large new hotels have already been built, upgraded or are in the process of being constructed. 37 small hotel projects were also approved.

The increasing dynamism of medium to small industrial enterprises is reflected in the approval in 2005 of 42 new projects representing a total value of SR34 million.

The growth of Seychelles as an offshore jurisdiction in 2005 has been encouraging. Of the nearly 25,000 companies on the IBC register, more than 7,000 were formed in 2005 alone.

The offshore sector, excluding the international trade zone, is estimated to have generated a turnover of US \$20 million through the provision of offshore services.

At the end of 2005 the number of registered licensed companies in the international trade zone was 25, including the Indian Ocean Tuna Ltd (IOT). The zone employs over 2,500 persons of whom some 1,600 or 62% are Seychellois.

The tourism sector experienced significant improvements and the number of visitors grew to 128,654 by the end of the year - the highest level since 2002. Our sustained development policy both in relation to investment in high-end products and small hotels and guest houses as well as linked to the opening of our skies to new airlines is thus showing positive results.

Receipts from tourism for the year are estimated to be just over SR1 billion.

In 2005 alone, 42 new small tourism businesses started operation. These include self-catering establishments, restaurants, boat charters, diving and car hire operations.

The employment situation improved in 2005, with a growth of 3.5% over 2004. At the end of 2005 there were 40,128 persons in formal employment. Our economy is creating jobs.

As a result of these positive developments, the reserves held at the Central Bank have risen consistently and now stand at SR280 million.

Clearly our economy is improving. With continued hard work on the part of all of us, with continued stability in the country and the promotion of a true image of Seychelles and its potential, our economy is set to do even better in the few years ahead of us.

Taking Seychelles to greater heights

The efforts of the last thirty years have brought us where we are today. Our continued efforts will take us to greater heights in the short and medium term.

It is the aim of my Government in partnership with the private sector and all stakeholders in society to work hard to:

- Consolidate the conditions for a dynamic economy for Seychelles
- Safeguard our values and improve on our social programmes for the wellbeing of the Seychellois people
- Ensure the proper management of our natural and cultural heritage and resources
- Promote a culture of preparedness in our population
- Promote stability, law and order and good governance

- Strengthen the place of Seychelles in the World.

These are all elements of a vision that I call on all Seychellois to share and to work towards. It is a vision which builds on my pledge for a politically and socially stable as well as economically dynamic Seychelles which I made at my inauguration. The 2005 and 2006 Budgets are also strategies for the realisation of that vision.

Fellow Seychellois, even more economic progress is well within our grasp. To be able to achieve it nevertheless, the country also needs to continue to enjoy stability and peace. For its part, the government's role will be to facilitate a good business climate that will nurture an entrepreneurial environment. The government has already since mid-2004 implemented policies in that direction and we have started to see results through an increase in new businesses and renewed investor confidence.

I have sought to promote a business climate which will enable existing businesses to expand while also offering new opportunities for a new generation of entrepreneurs. In the course of my last two budgets, trades taxes have been reduced substantially and in many cases are now non-existent. We have also reduced Social Security contributions by employers.

For existing businesses and prospective ones, the government will continue to streamline the processes that they have to undertake such that their operations can become more efficient. The Department of Finance is currently reviewing existing legislation, and licensable activities, to cater for emerging businesses. A legislative framework for competition is being worked on.

The Tourism Incentives Act introduced in 2003 will be reviewed to take into account developments since then. For the tourism incentives to be successful other supporting policies would also come to the fore to make the whole economy more dynamic such that it can respond to any shocks.

Following incentives that had previously been provided to the agricultural, fisheries and tourism sectors, we are now in a better position to further extend these benefits to every sector of the economy.

In consultation with the business community, the Government has decided to provide further tax relief to businesses. The relief will be in terms of further trades tax reduction on through-puts, semi-finished goods and certain capital items for small businesses to be effective from July 2006.

Furthermore, from 1st January, 2007, all businesses that earn less than SR250,000 profit per annum will be exempt from business tax.

These measures further demonstrate my Government's commitment to the development of small businesses. We will continue to support them in their efforts to create wealth and employment in the country. We will continue to provide support through start up loans and training.

Partnership between government and the private sector

Government believes in a partnership with the private sector for the sound development of Seychelles in the present and the future. This partnership is based on a Government which positions itself as a facilitator and a regulator. As the amount of foreign investment increases, we also aim to develop appropriate synergies with local companies and expertise to truly ensure that benefits are shared by the whole nation. I congratulate traditional as well as new investors who have been quick to see the potential of the Seychellois economy and the Seychellois people.

My Speaker,

In relation to the two main sectors of our economy, tourism and fisheries, my Government aims to multiply the different means by which our people can continue to generate wealth for the country.

Fisheries has for many years been a very important economic activity, contributing some 40% of the foreign exchange inflows into our economy and providing direct and indirect employment to some 10,000 persons. In 2005, an estimated 87% of all tuna caught in the South Western Indian Ocean was transhipped through Port Victoria. The total expenditure of fishing vessels visiting Port Victoria has risen by 46%; from SR344 million in 2004 to SR503 million in 2005.

There is consensus amongst the stakeholders that Seychelles is yet to tap the full potential of its fisheries resources. There is also consensus that whilst we should strive to maintain our position as the most important tuna transshipment port in the region, we should equally devise policies and strategies that will facilitate value added activities to a larger share of the fisheries resources caught in our waters.

If we can succeed as a country to develop and put in place smart strategies, fishing has the potential of increasing further its contribution to the national economy. We have the competitive advantages, in terms of resources; we have the people. What we need is development finance and expertise to exploit the resources and maximize their value-added potential to the fullest.

Let us not be complacent, as competition in this sector is becoming increasingly intense, and many neighbouring countries are vying to compete for a larger share of Indian Ocean fishing market.

The objective of my Government is to ensure that Seychelles continues to be the leading fishing nation in the South West Indian Ocean, exploiting its comparative advantages to the fullest to maximize the socio-economic returns from its rich fishing ground.

To fully realize this objective, a Special Fisheries Development committee has been set up with the mandate of coordinating the inputs of all stakeholders in the preparation of a fisheries development plan for Seychelles.

Seychelles is a proud seafaring nation

We will also be taking a more proactive and leading role in the Economic Partnership Agreement process with the European Union to ensure continued market access and competitiveness of Seychelles fisheries export to the European Union.

Our new Maritime Training Centre will seek to develop a talented workforce to support the anticipated growth of the fisheries industry and the maritime sector generally.

Seychelles has a proud seafaring tradition. It is our earnest hope that more young Seychellois will take up a career in the maritime sector. I am happy to note that already 38 young Seychellois are employed in our tanker programme.

To encourage local investment initiative in the fisheries sector, new policies will be introduced whereby export of demersal fisheries products will be restricted to Seychellois-owned companies and individuals.

We have reached advanced negotiations for the setting of a dry dock to service the fleet of purse seiners and long liners fishing in our EEZ, in addition to net repair and warehousing facilities - all important support services required by the industry.

We will strengthen our capacity for the surveillance of our economic zone in order to ensure the protection and properly managed exploitation of our marine resources.

We want to increase the contribution of our outer islands to the national economy. The Economic Planning Department will complete the study on the potential of the islands and the strategy for their development in the coming months.

Mr. Speaker, I would now like to touch on a subject which has been a topical issue, and that is the sale of Heinz Seafood which includes IOT.

When we sold 60% of the COI to Heinz we knew that we did not have the distribution strength or the resources to realise the full potential of the factory. At the time of the sale I stated then that this plant should build its production to ensure that Seychelles becomes a household name in tuna quality.

Today, as a consequence of domestic stability, government support and a dedicated and efficient workforce, this aim has become a reality.

IOT is producing in excess of 300 tons a day and is processing more than one third of the tuna caught in our waters. The factory is producing more than 28% of Europe's import of canned tuna and contributes to almost 50% of consumption in UK. Today Seychelles has become a major force in tuna and a major equation in Heinz Seafood.

When Heinz announced the sale of its Seafood division I had an understanding that the buyer needs to understand the business and would be prepared to invest to realize the full potential of our natural resources.

I shared the concern of every Seychellois that the plant should not go into the hands of our competitors who would use it as a backdoor to gain access to our fish.

The future of IOT

Mr Speaker,

Heinz has now confirmed that out of six buyers which were shortlisted, they have decided to sell the business to Lehman Brothers Merchant Banking and the current management staff of Heinz Seafood. It is expected that the transaction will be completed towards the end of March.

I am pleased to inform the people of Seychelles that I have seen the business plan of the new buyers and I am confident that they are in line with our vision of how the industry should be developed.

The objective of the new buyers is to “bring more of our fish for processing in Seychelles” and “to concentrate on building up the industrial value-added base”.

They presented to Government last week their vision, operational objectives and investment plans for the Seychelles factory for 5 years starting in April 2006.

I am happy to announce that Government has approved the investment plan of Lehman Brothers which includes:

- The construction of cold storage facilities with a capacity of 10,000 tonnes of tuna. Cold storage facilities will also be made available to other boat operators.
- Construction of a loin plant, capable of producing initially 10,000 tonnes of tuna loins per annum, and 30 tonnes per day for export
- Improving the present production line with a view to increasing tuna canned production from 85,000 tonnes per annum to 110,000 per annum, that is to say, 500 tonnes per day in the next three years.

The additional investments in the canning factory will broaden the base of value added fishing activities, resulting in significant benefits accruing to the economy in terms of foreign currency earnings, new employment opportunities for Seychellois, and other fiscal benefits etc.

As a first step to achieving our national dream of owning a fleet of purse seiners, they have invited us to join them in the immediate acquisition of two vessels. My Government will be studying the proposals and will make a decision in the immediate future.

At my request, Lehman Brothers have also agreed that the employment conditions of Seychellois employees of the cannery will remain the same. They have, in addition, agreed to introduce and put in place a compensation scheme for long service which will bring the conditions of IOT workers in line with other workers in Seychelles. The workers will be given the option of drawing their compensation for length of service on a monthly basis as is the present case, or at such other intervals to be agreed jointly between management and the worker.

As per the commitment I made last year, all Seychellois workers at IOT will receive an ex-gratia payment, which is to be calculated on the basis of the worker’s basic pay and allowances at the rate of one day’s pay for each month of completed service until the date of sale, and in accordance with the Employment Act. This ex-gratia payment

which will be effected early in April 2006 will be made by Government, even if the workers do not qualify for compensation given that IOT has SITZ status.

I should like to clarify that upon workers receiving the compensation that Government is paying, IOT could re-employ workers on their basic pay as if they were starting afresh. However, they have agreed with my proposal that Seychellois workers continue to have the same benefits as before as if there had been no change of ownership.

I call on each and every worker of the factory to avail themselves of the new opportunities and incentives offered by the new management of the factory to improve productivity and to give the best of themselves for their benefit and that of their families. In doing so, they will equally be contributing to the economic prosperity of Seychelles and their fellow citizens.

The changing tourism landscape

Mr. Speaker,

In tourism, as mentioned earlier, the increase in arrivals has been very positive for our economy. This is not just a matter of chance but due to the combined efforts of Government and the private sector. When tourism does well, all Seychellois benefit.

The new investments in major hotels will also feed into our improved performance. Small locally owned hotels, guest houses and restaurants have also played an important role and will benefit greatly from the reduction in business tax already mentioned. This tax reduction will allow them to reinvest some of their earnings in improving their product and further enhancing those Creole characteristics of our tourism establishments that provide added value to Seychelles as a destination.

The tourism landscape is changing worldwide, and Seychelles must strive to both adapt to this landscape and provide something which is specifically Seychellois. This is why Government will continue to support small locally-owned hotels.

Support for Air Seychelles

Government will also continue to fully support Air Seychelles. We have opened our market to other airlines, and Air Seychelles has continued to fly the Creole Spirit and continued to bring increased numbers of visitors to our shores. It has shown that it can flourish in a competitive environment. Air Seychelles last year brought more visitors to our shores than any other airline. It has posted profits for the 7th year running and recorded a 7% growth in 2005.

Air Seychelles is also in active negotiations with aircraft manufacturers and leasing companies with a view of renewing the international fleet with newer state of the art aircraft, such as the new Boeing Dreamliner and the Airbus A350. This Government intends to continue to assist Air Seychelles in increasing its long-haul fleet to meet increasing demand. Increasing the capacity on the domestic fleet is also a priority and a new aircraft will be operational shortly.

Subcontracting of major projects to Seychellois

We will also strive to improve the multiplier effects of major projects developed by foreign investors. Our policy will be to ensure, to the extent possible, that all major project contractors subcontract to Seychellois owned businesses for jobs related to plumbing, air conditioning, wiring and so on. The companies chosen for these jobs will also receive the same concessions as the overseas contractor responsible and as provided for by SIB. I call on all Seychellois businesses involved in this type of work to also provide an efficient service with competitive prices.

Our investment forecasts are already extremely positive for 2006 and 2007. Total new investment for 2006 is estimated at USD 350 million. Investment in the tourism sector will continue to be strong and the employment creation potential is estimated to be over 3000 jobs once the projects are fully implemented. Substantial new investment is also projected in the fisheries industry with several proposals centring on the improvement of our port facilities, cold storage, and fish processing.

The recent investment of 60 million Euros by KFW Bank in the further expansion of our tanker programme is also a key indicator of the confidence in the expected performance of our economy as a whole and particularly in this emerging pillar.

We also need Seychellois to invest in our economy; and as our economy continues to improve, I call on all Seychellois to reinvest in our development.

The Investment Code which came into law late last year will provide a sound platform for investment. In the coming months, new and revised legislation concerning the Licensing Act, Companies Act, Employment Act and the Competition Act will be introduced to enhance our legal framework for investment. The updating of the Anti-Money Laundering Act of 1996 will also strengthen the regulatory framework of the Central Bank and increase confidence in our economy.

Mr. Speaker,

Investment from overseas is a key contributor to the growth of our economy. In the absence of foreign direct investment, our economy will stagnate. We need FDI to create more wealth and prosperity, to generate more foreign exchange and to sustain the socio-economic development of our nation.

One of the key factors in attracting FDI is the availability of infrastructure. We need to create the infrastructure to attract FDI in our country. That is the reason why we have to lease or sell land to foreign investors on which such projects as hotels, factories, dry docks etc. can be implemented.

Investment and employment

We are going about it in the right way as can be attested to by the level of investment in the last year, in tourism or in integrated projects such as Eden Island. These investments are being made in the right framework that will maximise investment for the benefit of every Seychellois. Our economy needs this investment to develop, and it is up to us all to provide the right conditions for this investment while safeguarding our natural heritage. Government's policy for the lease or sale of land takes this into account. To pretend otherwise would be dishonest!

As already noted, formal employment is on the increase. In the course of 2005, the Employment Department registered 2446 vacancies to which job seekers were referred. From these referrals 1,951 applicants were employed. In fact, the number of registered job seekers in relation to the number of vacancies would seem to indicate that unemployment should not be an issue. The main constraints identified from the Department's analysis are related to a lack of specific skills on the part of the applicants in some cases as well as a continued problem of perception with regards to certain forms of employment. Training and support schemes have played a key part in reducing unemployment including the 600 places made available under the apprenticeship scheme, the 300 places under the skills acquisition scheme and the 625 places under small business development projects.

Given the need expressed by tourism establishments for qualified beauticians, hairdressers etc., we aim to offer training in those areas. This will be provided under the aegis of the Ministry of Education and Youth, and will start in the second half of the year.

All these schemes aim to lead beneficiaries to full employment where they can provide a good livelihood for themselves and their families.

Government recognises the importance of localising posts as much as possible. Government will be working in close collaboration with employing organisations on their localisation plans. In particular, the Ministry of Economic Planning and Employment is working with hotels to improve career prospects for Seychellois.

The graduates and improving working conditions

Our graduates are key to the success of our localisation strategy. We are a small country. We invest tremendously in every graduate, and every graduate can contribute to our development. I am proud to state that our country is not afraid to give responsibility to our youth - many of our Government offices are headed by dynamic young professionals who have directly benefited from Government-sponsored training. The private sector also is making maximum use of our young and qualified resource pool, including a number of international investors. We will continue to provide an enabling environment for our young professionals to progress in the workplace and to retain their services in Seychelles. Our Budget for 2006 is bringing in a new Graduate Scheme of Service which provides a substantially improved package for our graduates. I call on the private sector to follow suit.

We are continually looking at ways of improving working conditions. The review of the Employment Act is being undertaken to that end. It will provide all workers, both in the public and private sector, with 21 working days leave as opposed to 21 calendar days. This means that Seychellois workers can benefit from a month of leave in a year. This new legal provision will be submitted to the National Assembly in mid-March and, if approved, will take effect from 1st January 2006.

Reducing the cost of doing business

In my budget address two months ago, I sought to reduce the cost of doing business through a reduction in companies' SSF contributions. I urge employers to use this reduction where possible to improve workers' wages in the private sector. I am pleased that some companies have heeded this call and would like to once again ask those who have not done so to consider this.

The 2006 budget also introduced a series of measures to reduce the cost of living further, and we have already seen positive results. These measures will be reinforced during the course of this year.

An efficient, ethical and loyal civil service

A dynamic economy depends on an efficient and dependable civil service. Our civil service must be efficient, ethical and loyal and serve the people in a timely manner. We need to improve further on the progress we have made so far. I call on every civil servant to act in a manner which is respectful to the members of the public and of the role of Government.

The effectiveness of the civil service also rests on good working relations in all its units and on mutual respect between management and staff. While management must ensure good work discipline and productivity it must also manage with tact and understanding. Management at all levels should be concerned with professional development and career planning.

As announced in my budget address, Government has reviewed the payment of gratuities to civil servants. The qualifying period for gratuity payment is currently 15 years. From January 2007 gratuity payment will be made every five years for workers in the public sector.

To encourage them to develop a culture of savings and to invest for the future, Government is providing a number of mechanisms. They can, for instance, invest in high interest Treasury Bonds or purchase shares in privatised companies. In addition, they can also contribute to the Pension Fund.

The Pension Fund, it is to be noted, has come into operation in January 2006 and is paying a monthly retirement pension and other benefits to workers who have retired since 2005. To date a total of 120 retirees are benefiting from the Pension Fund. 190 retired public sector workers are receiving the monthly special public sector pension.

The privatisation programme

We are proceeding with our privatisation plan at a cautious pace, in accordance with the recommendations of the World Bank. The privatisation of the former State Assurance Company, currently under way, will also allow for a new savings culture and diversification of savings and investment by individuals and businesses.

In designating 60,000 individual shares in the new State Assurance Company to be reserved for purchase by the Seychellois public, we are creating opportunities for a share ownership culture. To enable this, a share has to be affordable to every Seychellois. Government has thus decided to offer the shares at a fixed price of R150.

Every Seychellois will have the opportunity to buy a share. This is also why the first wave of shares will be offered on the basis of one share for every adult over the age of 18 years. Any remaining shares will also be offered to members of the Seychellois public who wish to buy more shares.

I would also like to encourage private companies to also take this initiative in making shares available to the general public. I note, with satisfaction, that a few companies have already done so in the past. Recently, Constance Hotels and Corvina Investment have created 'Le Refuge du Pêcheur', a joint management company for the Lémuria Hotel on Praslin and the upcoming Ephelia Resort at Port Launay. Shares to a total value of R55 million will be made available for purchase by Seychellois. At current market valuation, this will allow Seychellois to own over 11 percent in both resorts, in addition to those held by Corvina Investment.

These developments indicate that the time is right for a stock-brokering company to be set up. Government is looking into the possibilities of facilitating such an initiative with the private sector.

The search for petroleum in Seychelles

International petroleum exploration companies have begun to show greater interest in Seychelles' hydrocarbon potentials. In 2005 we signed an agreement with a US-based company. Drilling is expected to start within the next two years.

Several companies visited Seychelles during 2005 to discuss opportunities with SEPEC. The publication in international symposiums in the coming months of results of new geochemical studies is likely to attract more exploration interest.

Great progress has been made and in the light of the new data we are very optimistic of the possible discovery of hydrocarbons in very large commercial quantities.

Telecommunications

Seychelles is today totally dependent on satellites for its communications with the rest of the world. Our economic development depends to a large extent on our telecommunication capabilities. We are well positioned in that sector thanks to investment into GSM networks, Voice over IP, wireless broadband, ADSL, cable broadband and so on. But we need to move even further. Government will hold discussions with telecommunications providers and other stakeholders on the strengthening of our telecommunications capacity and the possibility of direct access to the world wide network of cable systems through a submarine cable link.

Foreign exchange

Mr. Speaker,

Foreign exchange availability remains one of our major challenges. As I have said before, there is no quick-fix solution. The availability of foreign currency in our system depends on our ability to earn more of it. This is the approach I have advocated all along. And events and developments are proving that we are in the right direction, that this is the way forward.

As the economy becomes more buoyant, the foreign earnings potential will grow along with it. There has been an increase in the foreign exchange flows, especially in 2005 through new investments and direct flows from tourism related activities, the fishing sector and the tanker business of SEPEC.

With this rise, the Central Bank has started to implement new measures vis-à-vis foreign exchange payments. The Bank has been encouraging the commercial banks to offer the Letter of Credit facility which is helping a number of importers, and this in turn has helped them to diversify their import base.

The Central Bank is currently reviewing the pipeline system in a bid to implement more flexibility, especially in allowing more clients to benefit. There will be, for example, a provision for airlines. This review will also allow more flexibility in how much is paid per request.

The overriding aim of the government in collaboration with the Central Bank is to see a foreign exchange market that is buoyant and able to meet the needs of clients to the maximum.

I am also having consultations with the Central Bank with the view of removing exchange controls. This will be done in a phased manner such that the payment system is not affected in a negative way, that the financial system remains safe and sound, and that all banks adhere to best and prudential practices for the benefit of their clients.

Monitoring the debt situation

Mr. Speaker,

In parallel with our efforts to address the issue of foreign exchange, we are also closely monitoring our debt situation. Our current situation regarding debt is being managed comfortably. There is no need for us to take any drastic decision which may affect the welfare of our people.

Between the end of the year 2004 and today, Government has reduced its domestic debt by 15%. At the same time we have negotiated agreements with a number of our international partners for reducing our debt. We have also restructured our debt with most of our bilateral partners. We have reduced our multilateral debt, and this year as our economy continues to perform well, we will make strong efforts to address our multilateral loans. I am confident that if our economy continues to progress in the same way, in January 2007, we will be able to significantly address our bilateral arrears.

New potential areas of development

Mr. Speaker,

A dynamic economy has been and is one of the key objectives of my presidency: We have established fiscal discipline, streamlined investment, improved the operating conditions in the two motors of our economy - tourism and fisheries, provided new incentives for the private sector including small businesses as well as consolidated

potential new pillars of our economy in the offshore sector and our tanker programme operated by SEPEC.

We are now moving towards further diversification both within our core industries and in identifying new potential areas of development. Our development plan over the next five years will provide a platform to maximize our foreign exchange earnings and reinvest in productive sectors. Continued fiscal discipline, and reinvestment in the social sectors will also ensure that our social development is not challenged. Our dynamic economy will provide for the continuation of the “Seychelles Way”.

Our vision of the Seychelles

Our vision of the Seychellois is that of a people that is well-educated, healthy and hard-working and responsible; a caring and compassionate people; resilient and capable of facing and overcoming difficulties; patriotic and proud of their identity, their traditions and their values, and, at the same time, open to the world and to positive change.

For the last three decades we have been guided and inspired by a model that places people at the centre of development. We hold dear the principle that people are both the agents and the beneficiaries of development.

My Government will continue to put the interests of the Seychellois people foremost in all our policies and programmes.

Education and health

The health and education systems that we have are among the great achievements of our young nation and they will remain among our top priorities. The contribution of teachers and health workers to the development of a nation is inestimable. I have great admiration for teachers and nurses who devote themselves selflessly to their students or patients. Like everybody else in our country, I wish to see our teachers, nurses and other health professionals provide the best education and health services possible. We also wish to see them have the best working conditions possible.

That is why we have recently revised the Teachers’ Scheme of Service. That is also why we have revised the 22 schemes of service in the health system. I am pleased to announce that the exercise has been completed and that the effective commencement date of the schemes is 1st January 2006.

Mr. Speaker,

Over the last two years we have increased spending on education infrastructure and resources. We are taking measures to ensure that pupils can study and teachers can work in a conducive and secure environment.

The Ministry of Education recognises that some pupils need additional support and is introducing an after-school-hours programme for teachers to help children who require such assistance with their homework.

At the same time the Ministry will further promote the involvement of parents in their children's education and links between parents, the schools and the community through the Parents Educators Council and other initiatives.

The development of human resources is the cornerstone of social and economic development. Following the adoption, last year, of the National Human Resources Development Policy which was formulated after wide consultation, Government will present legislation for a Human Resources Development Council and update the national HRD plan for the period 2006-2010.

Post secondary education is playing a key role in our future human resource development. I am pleased to note that 90% of students finishing secondary schools in 2005 have been accepted in a post-secondary institution in 2006.

In the area of higher education we will continue to send our young people to recognised overseas institutions that provide cost-effective courses relevant to our needs. At the same time we will continue our efforts to provide courses locally through twinning programmes and increased use of distance learning in co-operation with overseas institutions. The Seychelles Institute of Management will strengthen its major role in human resource development.

Mr. Speaker,

In the last two years we have paid increased attention to improving health facilities. A new clinical laboratory has been built. Improvements have been made to the health centres at Corgat Estate in Mont Fleuri, Glacis and Beolière. The construction of the new health centre at Beau Vallon has experienced delays, but is now being undertaken. At Victoria Hospital, the Accident and Emergency unit is being upgraded to provide better facilities and more privacy, and new equipment for several services has been acquired.

The Health Department will, during the course of this year, set up new diagnostic facilities including a new MRI. It will also introduce a scheme whereby foreign consultants will be in the country for a few months at a time to work alongside our Seychellois professionals on more complex medical cases. These visits will take place on a regular basis. While this will reduce the number of patients who have to go overseas for certain diagnosis and treatment and thus reduce costs and foreign exchange outflows, it will also provide greater opportunities for the development of our health system and its staff.

In spite of the great strides made, we do acknowledge that there are more improvements needed. I am confident that the measures and facilities being put in place will help us to meet the expected standards.

I take the opportunity today to call on all our teachers and education staff, all our nurses and health staff to uphold the honour of your noble professions and to act, at all times, with conscience, with professional ethics and with the wellbeing of those in your charge always in your mind and heart. I ask you to work in a spirit of co-operation and in synergy with colleagues and management. I want the Seychellois people to appreciate their health and education services because they are good services. I count on your support.

The housing programme

Mr. Speaker,

Our housing programme is an ambitious and costly one. But it shall remain a major component in our programme to promote social justice and a good standard of living for all our people.

In 2002, 13,900 families or 69% of all families owned their own homes. Between 2002 to date, Government has delivered a further 850 houses under its social housing programme and has granted over 1,000 housing loans. With the introduction of the first Home Ownership Scheme in 2003 and the New Home Ownership Scheme which I presented in my Budget address at the end of last year, the number of families now owning their own homes has risen to 16,500, or representing 75%. Between 2004 and 2005, 1,474 families have also been assisted with loans under the House Extension and Home Improvement schemes.

This is a remarkable achievement and we should be proud of it. It reflects the importance that my Government attaches to the ordinary person. Let us appreciate and celebrate this great success of ours. Let us also take good care of what we have.

Government will continue with its programme to assist our people in obtaining a decent house. 46 projects for a total of 3,257 housing units are in various stages of construction. We have experienced unfortunate delays with a major project, that of Ile Persévérance. This project - one of the largest housing projects ever undertaken - is expected to deliver over 2,000 houses to people in need. I am pleased to note that work has now started on both phases of the programme, with five local contractors involved. I expect rapid progress on site to ensure timely delivery.

During the course of this year, it is expected that 800 houses will be delivered from ongoing housing programmes for allocation to families. It is expected that 850 loans will be disbursed by the Housing Finance Company. Thus this year alone, some 1,650 families will be assisted in the housing sector.

Government will continue to invest in the Land Bank programme as part of its overall housing programme. Over the next 5 years, Government will invest around SR50m in the Land Bank to make available an additional 400 plots at the rate of 80 to 120 plots per year. Currently, 140 new plots on Mahé are being developed with two main projects at Baie Lazare and Anse Etoile. Infrastructural works to existing estates are being completed across Mahé, Praslin and La Digue.

The Home Ownership Scheme that I announced in the 2006 Budget address has been well-appreciated. As at 23rd February 2006, 2,660 out of a total of 3,814 families have registered on the scheme and will become the owners of houses they occupy. This represents 69% of those eligible to register under the scheme – an indication that people have realised the benefits of the scheme and have become more conscious of the importance of becoming homeowners.

I am pleased to announce that Government is now extending the scheme to benefit persons who were legally occupying Property Management Corporation (PMC) flats

before 31st December 2003. Families who have been legally staying in a PMC flat for 15 years or more and who are up to date with their rent payments will have their flats transferred to them without any further amount to pay.

Families who have occupied their flats for a period less than 15 years will be able to buy their flats at substantially discounted prices. The scheme will take retrospective effect as from 1st January 2006 and will be open for two years from 1st March 2006. A total of 537 families stand to further benefit under the scheme and become homeowners. This will bring the total number of families who stand to benefit under the new Home Ownership Scheme to over 4,352.

I also wish to announce that Government has also taken into consideration those families who have been assisted with a PMC house after 31st December 2003. Effective 1st January 2006, all families legally occupying PMC flats and bed-sitters between 1st January 2004 and 31st December 2005 will also benefit from a 10% reduction in rent. This is in line with my Government's drive to further help families with a reduction in the cost of living.

We know that in the case of several families currently occupying bed-sitters that these may no longer be appropriate to their needs. These bed-sitters will therefore not be sold. It is Government policy to assist these families to find permanent housing and we will endeavour to do so as soon as possible.

Helping our population to obtain decent housing is part of my Government's overall programme to promote the well-being of the Seychellois. We have done much in the past years. There is more to do and we remain committed to our objective. I avail of this opportunity to reassure all families that are still awaiting housing that my Government remains committed to assisting them.

The welfare of particular groups in society

Mr. Speaker,

The Government will continue to promote the welfare of particular groups in our society - our children and youth, our brothers and sisters with mental or physical disabilities, the elderly and those in need of special attention.

The Social Services Department will strengthen co-operation with other ministries, organisations and NGOs working to address social problems and to promote good parenting and strong families.

Together with the Local Government Department, this Department will intensify efforts to work with disadvantaged families to empower them to improve their situation. We are in the process of setting up structures in the districts to help them to live a better life.

The Social Services Department will play a lead role in the implementation and monitoring of the National Plan of Action for Social Development 2005-2009 and the National Programme of Action for Children and related activities arising from the 2005 national theme.

Mr. Speaker, our children can unite our society in a way that nobody or nothing else can. The national theme for last year – “Our Children, Our Treasure, Our Future - focused society”’s attention on our children. During this year, as we Celebrate Seychelles, we should continue to promote the health and well-being and wholesome development of our children.

Drugs and alcohol problems

Illegal drugs and alcohol abuse are problems that we must, as a society, address.

Drugs destroy lives. Drugs destroy dreams. They destroy our aspirations for progress. They benefit nobody but the traffickers.

Together with its partners, DAC (Drug and Alcohol Council) will pursue its campaign of sensitisation to help children and youth, the most vulnerable section of society, to the dangers of using and abusing drugs. Intervention programmes in schools involving students, parents and teachers, first introduced in Beau Vallon Secondary school, will be extended to other schools. DAC will also strengthen co-operation with international partners.

The Centre Mont Royal is doing commendable work in helping the victims of drugs and alcohol to kick the habit and regain control of their lives. In 2005 they worked with over 150 patients.

Last year the Psychiatry services at Victoria Hospital had 250 patients with alcohol-related problems and 176 with drug-related problems.

Government will give every support possible to the agencies working to address the problems of drugs and alcohol abuse.

But success depends on the combined efforts of all, not just the agencies, the police or the law courts. Parents and family members, friends and neighbours, religious organisations, political leaders, all who really care about the good of society, about law and order, about our future as a people, have a role to play in this important campaign. Let us join forces now.

Community development

Mr. Speaker,

Community Development is at the heart of my vision for our people and our society. Government has over the years established a system of decentralised provision of important services, including in health and education. Sports facilities have been built in several districts. We have recently introduced a system of environmental health officers in districts and we are doing the same for social workers. A business advisory centre has just been opened on Praslin.

It is Government’s intention to continue bringing services and facilities closer to communities with due regard to the size of our country and cost-effectiveness.

The Local Government Department will strengthen existing programmes in the communities such as those for senior citizens and for the disabled, Neighbourhood Recreational Activities, Family Affairs and emergency brigades. New initiatives will

be introduced and the District Administrations will seek to involve inhabitants in matters of importance to their communities and promote more consultation.

But all these rely on the participation of the inhabitants. Let us be involved in the life of our communities and our district.

It is important that we preserve the values of good neighbourliness and mutual help that characterised our communities and that, I am glad to say still exists but needs to be promoted. In these modern times, when we have the possibility of hopping on a plane to fly to a foreign city, let it not be too great an effort to cross the road to greet a neighbour or to come to assist him or her in a case of need.

Let us strengthen the spirit of solidarity that exists in our society. Let us look out for each other. Let us continue to live the *Seychelles Way*.

I recall that recently some basketball players organised a game to raise funds to assist a fellow player who was ill. I was touched by this small but eloquent gesture of solidarity that shows that we care for each other and do take initiatives to come to the assistance of our fellow citizens. I congratulate the organisers of such gestures of solidarity which strengthen our society.

The Local Government Department will pursue its programme of community projects such as access roads, small bridges and minor drainage works. Wherever possible an element of self-help and mutual assistance by residents will be included in these.

Over the years, Government has built secondary roads in every district to improve the accessibility of residents to essential facilities and amenities. Public transport is increasingly able to access these roads.

The value of our natural and cultural heritage

Mr. Speaker,

In this year when we are collectively celebrating all the good things about our country, it is fitting that we remind ourselves of the value of our natural and cultural heritage.

Our physical environment, our land and sea and what they hold, provide the natural resources we depend on for our livelihood. Our natural environment is also intrinsically linked to our identity as a people and our culture.

The issue of littering, waste management and public health is of great concern. A healthy nation also depends on a clean nation. Our economy also depends on a clean and healthy environment. Significant steps have been taken in the management of public waste over the years.

This year, the Environment Department will review the country's waste management programme. The Department has recently launched the "Celebrate a Cleaner Seychelles" campaign to further sensitise the public on proper waste disposal and avoiding littering.

I appeal to all Seychellois and residents to join in this campaign. We are all aware of the health hazards posed by dumping and improper disposal of waste. We, Seychellois, have a proud tradition of keeping our homes clean. We need to improve where waste disposal is concerned.

Our streets and public areas should reflect the cleanliness of our homes. The streets, the public areas of our islands, the hillsides and the ravines, the beaches, the rivers and marshes, the sea, belong to all of us collectively. It is our duty and it should be our pride to keep them clean. Nature has done its part in giving us a beautiful country; let's play our part in keeping it beautiful.

I should also like to set ourselves a challenge regarding Victoria. As our national capital, Victoria is of interest and is frequented by all Seychellois, residents and visitors. I am sure that it has a special place in the hearts of all of us, and that we would all wish to have reason to be proud of it. In the next few years we must work to ensure that Victoria is clean and beautiful, well-organised and, within the possibilities of our resources, a lively and interesting place for our people and visitors alike. Victoria should reflect what the people of Seychelles stand for: Pride and Simplicity.

Culture and sports

Mr. Speaker,

In relation to culture, the Sports and Culture Department launched the national culture policy last year. The policy covers several domains and aspects of culture and the arts and it is hoped that it will be a useful guide for all stakeholders in the formulation and implementation of cultural programmes this year and in the years ahead.

The Sports and Culture Department will continue to work with the various federations and other partners in the development of sports and physical recreation. Ethics, fairness and good governance in sports will be promoted. It is intended that Seychelles ratifies the International Convention against Doping in Sports. The National Anti-Doping Policy and Strategic Plan will be implemented this year.

The Ministry of Local Government, Sports and Culture in liaison with the Ministry for Education and Youth, will in the first half of this year take the first steps towards the setting up of a 'Sports Etude' project. This project will help our young athletes to learn how to balance the pressures of training and competing in their respective sports with their schoolwork.

The project will facilitate the transportation of young athletes between their homes, their training venues and their places of study. Academic support will be provided in the form of one on one tutoring where necessary.

In the last two years, Government has provided artistes in our cultural industries with better access to materials and improved infrastructures. We will continue to support them in any way we can.

The preparedness culture

Mr. Speaker,

The sustainability of the “Seychelles’ Way” and our continued development as a nation will depend on our ability to manage some of the more unpredictable and volatile aspects linked to natural phenomena as well as to globalization. My Government is committed to further developing a ‘preparedness culture’ in our country.

A preparedness culture does not depend only, nor primarily on Government initiatives. It depends on every member of the Seychellois population contributing. Government has set up mechanisms for example to develop a savings culture including the R1,000 grant for newborns to start a savings account and the setting up of the Pension Fund, but it depends on the contributions of individual Seychellois to make these mechanisms work in the long run.

One of the first new initiatives which we will be launching in the course of this year is an insurance scheme for farmers and for fishermen. The tsunami of 2004 and flooding following heavy rains has shown us that very few of our farmers and fishermen benefit from insurance on the materials and infrastructure on which they depend for their income.

The Scheme has already been discussed extensively with our two local insurance providers - SACL and HSI - and a special board will be set up to implement it. In research undertaken, the cost of insurance has been one of the main prohibitive factors, and we have already budgeted a Government subsidy of SR1 million to ensure that the scheme will be affordable for every farmer and fisherman who is interested.

The scheme will also facilitate the procurement of loans by reducing the risk to banks and other financial institutions.

A preparedness culture also means that we should constantly be on our guard and take preventative measures to deal with increasingly global diseases that may threaten our public health. The prevalence of HIV/AIDS is unfortunately on the increase in our society and we must all make more prevention efforts while also providing support and understanding to those who are afflicted. My Government has made a long-term commitment to providing anti-retroviral drugs to those in need. Government and NGOs have also worked in tandem on prevention campaigns and I call on every Seychellois to play their part.

The recent cases of the spread of chikungunya fever in Seychelles emphasizes once again, the importance of us all working together to ensure the health of our nation. I congratulate the Health Services, all other organisations and individuals involved for their efforts to contain the spread of this disease. We have to be vigilant: be it against chikungunya or avian flu or any other disease that may find its way to our shores.

Preparedness is also about conservation: conservation of our natural resources that feed our industries, conservation of water and electricity. As a small country, we cannot afford to be wasteful. The development of our economy coupled with increases in housing means that the demand for treated water has doubled in ten years. We have put in place different strategies to meet our water needs, and we will

continue to develop new and innovative ways to ensure that our water needs are met. Every Seychellois also needs to be mindful of not wasting water. As a nation we need to develop habits that maximise the development potential of our resources.

Our use of energy

Similarly we should be careful in our use of energy. Electricity requires imported oil to run the generators.

Our imports of petroleum products in 2002 totalled US \$22.8 million. Our forecast for 2006 US \$ 49.3 million. Seychelles is one of the few countries in the world which has not raised the prices of petrol, electricity or gas in response to the recent price hikes. We have been able to do this thanks to the commendable efforts made by SEPEC and its strong performance in exports. SEPEC's outlook is strong and no price rise is currently foreseen, but every Seychellois also needs to participate in the effort to ensure that we use electricity and petrol in a responsible manner which will make us stronger as a nation.

Including more actors in decision-making

Mr. Speaker,

I firmly believe in as wide consultation as possible and in a Government that is close to the people. Government's policies should be grounded in the people's needs and aspirations. Consulting is an element of my work and I intend to continue doing so.

In the process of Government as a whole we are including more actors in decision-making and the process by which decisions are implemented. This is promoting the culture of good governance in our country.

Professionals and the private sector are represented on various national boards and committees. People directly involved in the operation of tourism businesses are represented on the Seychelles Tourism Board (STB), for example. Small businesses have a member on the Joint Economic Council.

Mr. Speaker, I should also mention that Government is only one of the actors in governance.

The private sector also has a role to play, as does civil society.

Good governance and a responsible opposition

Good governance is also about a responsible opposition, a loyal opposition, an opposition that pursues its principles without undermining the welfare of the nation.

The responsible governance of our country also depends on a responsible press. In Seychelles, anyone is free to put forward their opinions in public fora as well as in the various media outlets. It is important that a responsible journalism is practiced which does not seek personal gain nor denigrate the country.

I believe that good governance requires participation. It allows our nation to hear the views of as many of our people as possible. The good governance we are developing in Seychelles will make us more accountable, transparent, responsive, effective and efficient. Good governance is about following the rule of law.

Good governance contributes to the building of an organized society that offers full protection of human rights. A society's well being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all groups, but particularly the most vulnerable, to have opportunities to improve or maintain their well being.

Law and order

Mr. Speaker,

Law and Order has been, and will remain, a priority for my Government. Certain improvements have taken place, evidenced by the reduction in violent crime reported over 2005. Further improvements are still required, nonetheless, and in this context I will undertake further restructuring and reform of the Department of Police this year. This will include the setting up of a National Intelligence Centre to combat serious crimes such as drug trafficking, money laundering, violent crime, and terrorism.

Organised crime knows no boundaries. It can threaten our security and sovereignty as a nation.

The Seychelles People's Defence Forces are providing efficient protection of our Exclusive Economic Zone and of our sovereignty. I wish to commend them for their role in this regard, as well as for their involvement in community development.

Seychelles' visibility in the international arena

Mr. Speaker,

Seychelles is gaining more and more visibility in the international arena. Improvements in our economic outlook coupled with our reputation as an idyllic holiday destination - images actively promoted by our Governmental agencies - have increasingly put Seychelles on the world map.

Our objectives for 2006 and beyond include:

- To continue being a non-intrusive but active consensus builder on the international scene
- To continue playing a constructive role in the United Nations particularly concerning the ongoing reforms
- To further develop regional ties particularly in the IOC, COMESA and SADC
- To further strengthen our ties with our traditional partners as well as emerging powers
- To consolidate and expand Seychelles' image as a unique tourism destination
- To further establish Seychelles as a leader in environmental sector
- To further promote and develop Seychelles as a regional hub in relation to its transport and communication services

- To continue to create a favourable investment climate which will attract developments of benefit to all Seychellois.

We are in the process of re-opening our embassy in Brussels and this will be followed in due course with the re-opening of our representation in Tshwane, South Africa. A candidature for the post of Ambassador in Brussels has already been identified and will be presented shortly to the National Assembly.

Our foreign partners continue to show increased confidence in Seychelles as indicated by our ever-expanding network of Double Taxation Agreements as well as our strong relations with numerous bilateral and multilateral organisations. It is up to all of us to work together to build on this.

Realising the vision we share for Seychelles

Mr. Speaker, dear Seychellois brothers and sisters,
Let us together continue to realise the vision that we share for Seychelles. We already have a solid base for this even better Seychelles, the Seychelles with a strong, dynamic economy and a caring, compassionate society.

It is up to us, all of us, to build on this base - together. Our children and we ourselves are the beneficiaries of development. It is also we who are the agents, the actors, who bring about development; through our hard work, our unity, our solidarity; through taking care of our health, the cleanliness of our neighbourhood, maintaining good relations with our neighbours; through ensuring law and order, peace and stability in our country; through proper use of services; through the love we have for our country and the determination to see it progress.

We must look beyond whatever divisions there may be among us, beyond whatever difficulties we may have, beyond partisan politics, to look at the bigger picture; to look at the interests, now and in the future, of our country and all our people.

I believe passionately in the Seychelles way

Mr. Speaker,
I do not believe in petty politics. I believe in Seychelles. I believe in the Seychellois people. I believe passionately in the Seychellois way.

At the beginning of this year, a great man of our time, Nelson Mandela, when asked what was his resolution for 2006, replied simply: "The only resolution I can make is that I should be of better service to the people".

A statesman such as Nelson Mandela can teach us a remarkable lesson of courage, determination and political ethics. I think that such a resolution is valid for us all, and I would like to take the opportunity to pledge my services to the Seychellois people in this spirit.

I make this pledge in all humility, to continue to work for every Seychellois, and where shortcomings exist to rectify them. I will continue to lead, based on a spirit of

consultation. I will continue to stress the importance of hard work - there is no replacement for it.

In the last thirty years we have travelled a long road together. In spite of difficulties, in spite of some shortcomings, this road has been as a road of progress, of progress that our parents and the older ones among us might not have dreamed of or thought possible for what was this small, isolated and poor country of ours.

The younger generations have not lived the days of the poorer Seychelles of their parents. They have not experienced first hand the immense changes that have taken place in our country over this relatively short period of time.

But that was precisely the aim of those who have worked hard throughout those years to make Seychelles a better place. They worked so that their children and the future generations would not know the hardships that they had lived, to create a fairer and more just society where all - irrespective of background, of origin, of the consequences of our history thus far - would be able to have the same opportunities in life, to live in dignity and realise their potential.

I take the opportunity today to thank all who have contributed to the building of Seychelles over the years, all the women and men who have worked hard and, often selflessly, to create the Seychelles that we know today.

I wish, on behalf of the Seychellois people, to thank also the foreign countries and multilateral organisations that have assisted us in our development efforts.

We have received assistance, assistance that we have used properly and for the purposes they were given and which, together with our hard work, have contributed to our achieving most, if not all, of the Millennium Development Goals that have been set as targets for developing countries to attain by 2015.

Taking up the challenges that we face

Dear people of Seychelles, let us take up the challenges that we face. Let us have confidence in ourselves and in the future. Let us rededicate ourselves to work together for our country. We have succeeded so far; we will continue to succeed and progress if we remain united, if we ensure the peace, stability and harmony that have brought us this far, if we co-operate with each other and work hard.

The first two lines of the preamble of our Constitution read thus:

“We, the People of Seychelles, Grateful to Almighty God that we inhabit one of the most beautiful countries in the world...”

Yes, dear brothers and sisters, our Seychelles is one of the most beautiful countries on God’s earth. We are indeed blessed.

Let us celebrate the Seychelles that God has given us and keep it safe and beautiful.

Let us celebrate the work of those who came before us and work hard to consolidate and build on their achievements.

Let us celebrate the unity and solidarity of the Seychellois people.

Let us work together for more success for Seychelles.

Our work, we dedicate to our children, who will take our Seychelles forward.

God bless Seychelles and the Seychellois people.

I thank you.