

National Day speech

Friday 18 June 2004 Unity Stadium, Mahé, Seychelles

People of Seychelles,

Our National Day is a joyful occasion when we should put aside our differences and rally behind our flag to celebrate our Seychellois nationality. It is a fitting occasion for me to renew the pledges I made when I was sworn in as your President. Our National Day gives me the opportunity to thank you for your support. This has gone a long way to ensuring a peaceful transition and it has greatly contributed to the atmosphere and spirit of optimism in the country. I thank you for the confidence you have placed in me, and I wish to share with you the pride I feel in charting the new way ahead for the Seychellois nation. I am honoured that the responsibility befalls me to rally all the human resources in our country in order to create more progress and happiness.

The thrust of the national mission that I have chosen has been endorsed by what I have heard, gauged and analysed over the past two months. It consists in working on two parallel strategies: the development of our human capacity and welfare on the one hand, and the development of our economic and productive capacity on the other hand. Those two strategies will allow the Seychellois people to create new wealth for the country; they will provide for a flourishing of ideas and initiatives, a rebirth – be it in our work ethos or in the expression of our artistic talents.

As we progress, it is important that we continue to inculcate in our people the moral and human values to ensure that Seychelles evolves in the direction of a model society based on our greatest wealth: our human resources. Last week, during celebration of Corpus Christi, Bishop Denis Wiehe reminded us of the importance of moral and spiritual renaissance in our country and in our lives. In the same context, during the consecration of St Paul's Cathedral, Bishop French Chang-Him emphasised the importance of learning to live together as a community in spite of our differences, and of learning to forgive. I reiterate their message today, and I ask every Seychellois to rally behind our flag, to heed the message of our national anthem and to move ahead in harmony and unity.

Our strength as a nation resides in our unity. Our efforts to build a modern and prosperous society will be in vain unless we foster national unity. We are, first and foremost, Seychellois and we should work together for the progress of our country. Although our political transition has been peaceful we have recently experienced certain difficult moments when our peace of mind has been threatened, our neighbours attacked and some of our children traumatised.

With the cooperation of the public, the police and the defence forces are dealing with the situation effectively. We shall continue to ensure that peace and security prevail in the country. There will be absolutely no tolerance of those who seek to profit from the sweat of others through theft, banditry and crime. We must combat those destructive elements in our society. And we shall do so by ensuring that the police force becomes more dynamic, professional and efficient.

We each have a personal responsibility to ensure the moral health of our society,

and that we inculcate good values in our youth and children. A nation that is sound of mind and spirit and in good health has a greater capacity for self-development and consequently can better participate in the development of the country. It is for this reason that human development is an integral part of our strategy. Our people must be prepared to overcome the new challenges of these modern times. And we have to teach our youth that work is a noble way to contribute to the progress of the country.

We have reached a phase in our development where government is gradually relinquishing its role in business and trading to the private sector. As we make progress in this process, we shall look to the private sector to support us in our social and moral mission for the people of Seychelles. This is the only way forward, and the only way that we can achieve a real partnership.

With this in mind we shall be setting up very soon a Joint Economic Council whereby the private sector and government will be able to exchange ideas in the interest of economic progress and the continued welfare of the people of Seychelles. In this regard and in the spirit of the commitments I made on my inauguration, we are working on a strategy which aims at bringing more comfort to our daily lives, at creating a better business environment and, above all, at putting in place mechanisms to ensure a gradual reduction in the cost of living. This does not depend only on me or my government. It concerns all stakeholders in the private sector as well as each one of us.

Our achievements so far are due to the efforts of all Seychellois workers. It is right that we should rejoice at the results we have achieved and that we should come together to pledge our commitment for even greater achievements in the future. I have not always seen eye to eye with my interlocutors in the consultations that we have had in the past two months. What is important however is the fact that the core values of mutual respect and tolerance always guided our deliberations. This is vital if we are to achieve the desired results. It was with this in mind that I stated in April that “consultations” would be an integral part of my government.

Consultations, however, require a commitment on all sides to ensure that tangible results are achieved. In exchange for what government has to offer, I expect that the private sector will in return contribute more to the welfare and wellbeing of the Seychellois people, especially for the upcoming generation.

Last year, government introduced a macro-economic reform programme, whose main aims were to redress the economy, limit budget deficit, rationalise expenditure and encourage greater participation of the private sector in the economy.

There is now more fiscal discipline; we have managed to reduce excess liquidity in the system, and there has been less ‘demand pressure’ on the economy. However, during the same period, the economy has slackened especially in key productive sectors like tourism. This has had a negative impact on job creation and the availability of hard currency in the system. Moreover, while the cost of living in Seychelles has increased, our foreign competitors in the tourism industry have brought down their prices in order to attract more visitors.

Given our current difficulties, there are three key elements that require urgent attention. They are: (a) the cost of living; (b) the cost, and the facilitation, of doing business in the country; and (c) the daily frustrations which tend to complicate life and hinder the activities of, particularly, small and medium entrepreneurs.

I intend to address them in three different phases through the implementation of measures requiring (i) immediate action as from next month; (ii) medium-term measures from September 2004 and January 2005; and (iii) longer-term measures from June 2005. The implementation of those measures will allow us, on the one hand, to offer the necessary incentives to those sectors which contribute to wealth creation and, on the other hand, to start implementing an important component of the economic reform which we announced last year: the gradual liberalisation of the economy.

This is in line with the declaration I made two months ago that government will withdraw from doing business and will become, more and more, a facilitator, leaving the engine of economic growth in the hands of the private sector.

The government has put in place a solid infrastructure and empowered the Seychellois people with the necessary tools so that they can ably participate in wealth creation. For every programme or series of measures to be implemented, we shall see to it that those tools are used for the purposes for which they were meant. There should be no abuse or favouritism and we need to ensure that we achieve the results we are looking for. Likewise, there should be no place for mediocrity, wastage, lethargy and unprofessional conduct.

People of Seychelles, our two most important industries are tourism and fisheries. They depend on foreign partners and customers. Let us not play politics with those two key sectors which are our very lifeline. As far as the tourism industry is concerned, we are introducing a package which will have a bearing on all the stakeholders in the industry. These include the small to the large hotels, the DMCs, the car hire operators, the taxi drivers, the restaurants, the hirers of leisure boats, the dive centres etc. The package will comprise incentives in such areas as social security, work permits and importation of vehicles. It will also include measures concerning the importation of necessities for the industry, and the retention of hard currency.

At the same time we will establish a “tourism standards board”, which will work closely with both the industry and the Ministry of Tourism in order to ensure that the incentives and concessions given are properly utilised so as to enhance the quality of our product and service, and make Seychelles a competitive destination. Stakeholders in the tourism industry should make use of these incentives and concessions to ensure the development of the industry itself, and bring about the desired results. For example, we shall be looking for better training schemes for our young people, more scope in job creation, and a programme for the localisation of posts.

We expect the private sector to play a greater role alongside STMA and Air Seychelles in marketing our destination. Furthermore, it should use these incentives to create a product that will enhance the experience of visitors to Seychelles and encourage them to return. The tourism industry is a serious and

delicate industry where you reap what you sow. Let us therefore put our house in order and polish our reputation in the marketplace. And let us not speak ill of ourselves and our country.

With regard to agriculture and fisheries, these are two sectors that have the potential to contribute more to national food security and to our export capacity. With a view to encouraging productivity in farming and fishing, I shall be reviewing the business tax on farmers and fishermen with the intention of introducing a more advantageous system for them as from 1 January 2005. We are also ensuring that farmers and fishermen have access to various items vital to their work. Trades tax on a number of those essential items is being reduced. We also want to boost local production of livestock, especially of poultry, and generally give impetus to agriculture and fisheries.

However, we need to monitor closely this whole process to ensure that we obtain the desired objectives – that consumers get good products and service and that there is no abuse.

Government recognises that the key to redressing and strengthening the economy is to promote the development of the private sector and to encourage investment. We need to put in place procedures to ensure that all those who wish to do business and contribute to the economy can do so without impediments, and with the maximum of responsibility and discipline.

Government will review the procedures for the allocation of foreign exchange by commercial banks with a view to assisting as much as possible the small entrepreneurs. The new strategy includes promoting the development of cottage industries. The cottage industry policy will be launched on 1 July 2004. It will be of particular benefit to families, especially the female members of the household who are not in formal employment. Government will help them set up their small domestic enterprises – according to a set of criteria (e.g. hygiene) – through the necessary training or the provision of micro-loans. The activities of the cottage industry will contribute to the growth and diversification of our economy, as well as to the reduction of unemployment. In order to assist small businesses better, we will increase their tax-free allowance from R24,000 to R48,000 per year. That means that as from January 2005, businesses that make a profit of under R48,000 will not pay taxes.

As per our reform programme, the process of economic liberalisation will be set in motion as from next month. We shall do so through the adoption of a series of measures, such as the liberalisation of trade, a reduction in the price of goods, privatisation, and certain structural and administrative reforms.

With a view to encouraging the greater participation of the private sector in trade, government will start reducing the list of commodities which are presently under the monopoly of the SMB. As of 1 July 2004, the SMB will retain monopoly on only seven categories of commodities. However, for the time being, the importation of certain commodities will continue to be controlled. Restriction will be lifted on their importation in January 2005, but it will be accompanied by higher import tariffs in order to protect domestic jobs and production.

The cost of living is a matter of preoccupation for all of us. The reduction in trades tax, which will come in effect in January 2005, will help to bring it down. Nevertheless the government has already instructed the Seychelles Marketing Board to review the price of goods it imports. Prices will be revised downwards in two phases: next month and in September. It is the intention for SMB to revert to its original role of anchoring prices and ensuring the availability of essential commodities. The existing system of import permits will be phased out over the next 12 months. As of 1 July 2004, import permits will no longer be required for the majority of imported goods. However, they will be maintained for goods which are imported for sale. As of the same date, individuals will not need an import permit to import or receive items from abroad destined for their personal usage, provided that such items do not fall in the category of offensive, restricted or illegal goods.

On a separate but related note, we are putting in place a more professional and customerfriendly system at the airport to encourage inbound travellers to be more responsible and honest. The majority of people who travel are aware of the legal limits of their allowances on entry to Seychelles. We rely on them not to abuse the system. However, strong action will be taken against those who make false declarations to the customs authorities. Privatisation is a fundamental component of our liberalisation programme. In the next 12 months, we are going to put in place a programme which will involve, *inter alia*, a number of production units of the SMB, as well as certain other parastatals. We shall proceed in a transparent and well-organised manner, through the creation of a National Tender Board, allowing every Seychellois to participate in the exercise. We will avoid a situation where everything is taken by a few. We will also ensure that Seychellois workers do not lose their jobs as a result and we will continue to empower all our people to participate in the economy of their country.

We will continue to seek solutions to improve our welfare, to make life easier and happier, including in retirement. As previously announced, we shall be setting up a new pension scheme. It should cover all Seychellois workers in the country – both in the public and in the private sector.

Between July and December of this year we shall be carrying out consultations with all stakeholders with a view to implementing this scheme as soon as feasible. As part of the process of liberalisation and administrative and structural reforms, we are considering a number of options for making Port Victoria more efficient and productive. We envisage, for instance, the creation of a new Port Authority which will make Port Victoria more competitive and provide better service. We can expect more revenue and the creation of jobs as a result of those changes. Government is also presently considering options to allow Seychellois to open foreign exchange accounts in local banks. As we progress in our discussions with the commercial banks, we shall announce the procedures for this. In fiscal policy there will be reforms concerning trades tax. In July 2004 trades tax on a number of items used in the artisanal sector, in agriculture, fisheries and in small enterprises, will be reduced.

And as announced within the framework of the economic reforms last year, there

will be reductions in trades tax on the majority of goods from January 2005, according to the schedules published in the Trades Tax Regulations, 2003. Regarding monetary policy, a bill to make the Central Bank an independent institution is to be presented to the National Assembly soon. The Central Bank has a key role to play in stabilising the economy and guaranteeing long-term growth.

will amend our legislation on financial institutions, as well as legislation concerning money laundering. We will introduce legislation against the financing of terrorism, in line with international norms. Our efforts to put in place the requisite instruments and institutions to encourage progress and prosperity continue.

I am restructuring certain government ministries and departments to strengthen economic planning and the development and promotion of industries and business.

We have instituted the Small Enterprise Promotion Agency (SENPA) to enhance the promotion of small enterprises locally. SIBA, for its part, has made much progress in the promotion of international business. As part of the reforms I am undertaking, the Ministry of Industry and International Business will be abolished on 1 July 2004. At the same time, the Department of Economic Planning, which already exists in the President's Office, will be restructured and transformed into a ministry. One of the key roles of this ministry is the economic planning of Seychelles in the medium and long term. It will also be responsible for industries, information technology, telecommunications and statistics. I intend to set up, under the aegis of the new Ministry of Economic Planning, an Economic Commission. It will include economists from government and the private sector, and, if need be, one or two international experts. This commission will work on a plan and strategy of economic development for the next 10 years. Its preliminary report will be submitted to me before the end of the year.

It is also my intention to create in the President's Office a Seychelles Bureau of Investment. The role of this bureau is to promote investor confidence in our economy, as well as facilitate procedures for doing business. By "investors", I should stress that I mean Seychellois as well as foreigners! One of the major tasks of the Seychelles Bureau of Investment will be the preparation of a new Investment Code. This new code should prove to be a key instrument for the promotion of business in Seychelles and make us more "investor-friendly".

It is in government's interest to improve its method of functioning so that we can give a better service to the people. We have adopted a Code of Conduct and Ethics for public sector employees. It is a project that we started in 2001 when we promised the people of Seychelles a better customer service in the public sector. We shall be introducing a mechanism which will provide for the declaration of assets by all senior government officials. I shall also institute in the President's Office an Audit Committee, the role of which will be to ensure that there is no abuse of state resources and assets.

People of Seychelles, all this forms part of our plans for our country and for our people. It is a plan which enables each and every one of us to visualise our role in and our contribution to the construction of the future of our nation. Where are we headed to with those new measures? Which direction do we want to take with those

new economic empowerment tools?

Our destination is clear: we should work harder, we should be more productive in order to live a happier life in the beautiful little country that is ours. The essential objective of the programme we are putting in place is to orientate us on the path our youth have defined in “Aspiration 2013”.

It is a programme which is being constructed on the foundation we have laid for our country and on the success we have achieved up to now, so that we can bequeath to the new generation a better Seychelles.

A reinvigorated economy will bring more benefits and opportunities to our young people so that they can go even further. However, to have any real meaning, such a programme has to be closely linked with the wellbeing of all our people. Measures and strategies divorced from the human element have no real sense.

I cannot do it alone. I need the support of every one of you to make this programme work and to achieve the results that we all hope for. I shall continue to meet and discuss with as many people as I can so that we can identify solutions to our problems and take our country to greater heights. As our economy improves, we shall accord even more attention to such crucial sectors as health, education, social services and housing.

Recently we signed an agreement for a new housing project on the new reclaimed land. I would like today to reiterate my government’s commitment to our housing policy. We must, however, be realistic and reasonable. We should understand that the state cannot do everything. Each one of us must assume his or her responsibilities.

People of Seychelles, many things are happening in our country but we cannot do everything at once. Our priorities can only be addressed through patience and our collective efforts. Change for the sake of change is easy to talk about; but a programme of real change which will have a bearing on the lot of every Seychellois requires planning, time and resources.

It is for this reason that we are offering incentives and concessions to the productive sectors of our economy so that they may, in turn, contribute to the creation of more wealth, employment and productivity. This will allow us to put in place better training programmes in different fields for our young people so that they can contribute to the progress of the country. Our country has everything to gain by empowering our youth. Let us not look upon them as a problem, but as a solution. Let us involve them more in our efforts to better our economy and our society.

Earlier today, in Germany, two young Seychellois participated in the keel-laying ceremony of our second tanker – the Seychelles Pioneer. Those two young people – Helena Sims and Ron Nicette – respectively best Polytechnic student and best student of the School of Maritime Studies for 2003 were the representatives of the youth of Seychelles to wish Seychelles Pioneer well at the start of her mission to bring more prosperity to our country.

The Seychelles Pioneer will be launched on 13 November 2004 and delivered officially to the government of Seychelles on 7 April 2005. That is not all. The keel

of our third tanker, the Seychelles Progress, will be laid on 18 November 2004. She will be launched on 16 April 2005 and delivered to the government of Seychelles on 27 August of the same year. We will have acquired in three years three of the most modern tankers in the world. It is a fantastic achievement for Seychelles. And we are all proud of this. Their construction has been financed partly by our own financial resources, partly by a soft loan from Germany, and partly by the profits generated by the Seychelles Pride after repaying its loan. The operation of Seychelles Pride is such that we can repay our loans without difficulty and make a profit. Indications are that the two sister tankers will follow suit. Those three tankers represent a new industry for Seychelles. In the years ahead they will contribute substantially to the national budget. They will also be a potential source of employment. In this context, government will offer scholarships in the maritime field to our young people desirous of pursuing a career on our tankers. I am convinced that, as a result of this, in a few years' time the crew on our tankers will be almost wholly Seychellois, as is now the case with Air Seychelles.

People of Seychelles, in spite of the progress we have made, we still have a lot to accomplish to bring more happiness to our country. There are some among us who would inflict pain on our children. There are those who would abuse our youths. Some families are living in discord. In a small community such as ours, such afflictions assume greater proportions. There are still divisions in our country. A petty disagreement can disrupt the prevailing harmony.

The more we progress and the more we make our mark in the world, the more we need to educate our children and put them on the right track at a very early age. The first years of a child are the most important in its life. Government will devote more attention to the care and education of children from birth onwards. Parents as well as the community should do likewise. We shall allocate more resources to "early learning programmes" for our children in nurseries as in day-care centres. The care and education of our children from birth is the key to the next phase of our development.

It is for this reason that I would like to dedicate the year 2005 to the children of Seychelles under the theme *Our Children: our Treasure, our Future*. In so doing, on the occasion of this, my first National Day as President of our country, I call on my government as well as all institutions and agencies concerned to start reflecting on what more we can do to make the year 2005 one that will make the difference for our children.

Our children are the future of Seychelles. And it is to them that I dedicate my service to the people of Seychelles and to the unity of our country. Our country needs our support to defend its interests and to lead it on the road to progress. In all that we do, let us think of Seychelles first. Let us always be proud of our country. Love for our motherland should always guide us in whatever we do, and should always be the inspiration for our progress. "Koste zepol pour nou lev Sesel".

I wish all Seychellois, here and everywhere in the world, a happy National Day.
Thank you.