

# STATE OF THE NATION ADDRESS

*by*

**President James Alix Michel**

25th February, 2011

## *Winning for Seychelles*

Mr Speaker,  
President Mancham,  
Chief Justice,  
President of the Court of Appeal,  
Ministers,  
Leader of Government Business in the National Assembly,  
Leader of the Opposition in the National Assembly,  
Excellencies,  
Distinguished guests,  
Dear people of Seychelles,

### **What is the state of the Seychellois nation today?**

“The world is talking about us!”

These were the words of a woman at a recent meeting. The sentence says it all! Yes, the world is talking about Seychelles’ successes. There are many reasons to talk about our successes. Our economic growth for 2010 was 6.2%. This surpassed the International Monetary Fund forecast of 4%. With 47% of our territory designated as nature reserves, Seychelles is first in the world in conservation and environmental management. We conducted three missions to rescue our brothers who had been taken hostage by Somali bandits. The bravery and tenacity of our soldiers brought victory for Seychelles. Five tankers are flying our flag all over the world. Seychelles, a small country of 89,000 inhabitants, is developing its oil exploration industry. The University of Seychelles has opened its doors to its first group of students. More importantly, the economic reform we undertook two years ago has demonstrated to the world the resilience and renewal of the Seychellois nation.

In my State-of-the-Nation address of 2010, I said we had begun climbing a mountain and were determined to reach the top. The Seychellois nation has today reached the summit and we are looking far ahead, really far, towards victories for Seychelles. If we have been able to reach this distance it is because, when we are united as a people, nothing can stand in our way.

The success of our economic reform is today a victory for Seychelles. The state of our nation is solid – very solid. Our nation is standing strong and is aiming for even more victories. Our harmony, social cohesion, unity, peace and stability, are a victory for our young democracy.

I proclaimed “Winning for Seychelles” as the national theme for 2011. Seychelles deserves it –victory and more.

### **Three major events**

The year 2011 presents us with three very important events. Firstly, in a couple of days there will be the Carnaval de Victoria – a celebration of our exuberance, culture, joie de vivre, which, together with the participation of other countries will strengthen The Seychelles Brand. Through this manifestation we attract the world to Seychelles.

Secondly, there is the presidential election – a living and vibrant expression of our democracy. Our country has gone through several transformations in its history. On 14th April 2004 I laid the foundation stone for the new Seychelles that will enable us to prosper in this competitive world. I’ve started a job. I am not the type of person to walk away from a job halfway through it. Today, we have in place a solid structure and there is work to do to build the edifice that will receive and shelter all Seychellois, without exception. This job, this mission, is my passion, my life, because I believe in my people, and the people of Seychelles have put their trust in me. I am determined to complete what I have started doing together with the Seychellois people. My main wish for the election is that it takes place in peace, tolerance and respect for the opinions of our compatriots. Seychelles will never survive in unrest, discord and violence. Seychelles does not deserve these –never. Seychelles deserves what is good. Seychelles deserves victory! This is what counts for me. And that is victory for Seychelles.

Thirdly, we have the Indian Ocean Island Games. The Indian Ocean Island Games rally us as a nation around a big sporting event. We take on the best athletes from the region. We are going to win. Another victory for Seychelles! Preparations are already underway and I have full confidence in our athletes and organizers. Seychelles will welcome some 2,000 participants for the games. This is the biggest number of participants, including the Seychellois delegation, these games have ever attracted. I take this opportunity to thank all organizations and individuals contributing to bring about this victory for Seychelles, either through financial support or the giving of their time and services freely by over 1000 volunteers. Seychelles says thank you and wishes you courage. I also add my voice to that of every other Seychellois to wish the Seychelles team all the best and tell them that we are proud that they are representing our country in this memorable event. My government will be there at your side.

But, for me, victory for Seychelles encompasses a lot more than these events:

- Every Seychellois child who is born and grows up in an environment that is ideal for his or her physical and moral development, is a victory for Seychelles.
- For the 20,000 Seychellois children and young adults in the primary, secondary and post-secondary schools who are benefiting from free education, it is a victory for Seychelles.
- Every Seychellois who is successful in a professional career, here as well as overseas, represents a victory for Seychelles.
- Every Seychellois family that becomes the owner of a home is a victory for Seychelles.

- Every Seychellois patient regaining good health after medical care, is a victory for Seychelles.
- Our elderly parents who are enjoying comfort in dignity and surrounded by affection, are a victory for Seychelles.
- Every time the world listens to our views on piracy, renewable energy, the environment, our right to exist as a small island state, our tourism industry, fisheries, our blue gold, it is a victory for Seychelles.
- Every athlete, every artiste, who gets our flag raised, here and in the international arena, achieves victory for Seychelles.
- Every Seychellois who is successful in a small business is a victory for Seychelles.
- Every officer of law and the peace, every member of the military, who serves with discipline and brings honour to the uniform is a victory for Seychelles.
- Every time our military succeeds in its mission it is a victory for Seychelles.
- Every time visitors land on our islands it is a victory for Seychelles.
- Every worker who is devoted and is at the service of the Seychellois people is a victory for Seychelles.

## **Towards 2020**

*Dear People of Seychelles,*

All the things we have accomplished together, all the victories we aspire to achieve, began with a vision. Our conviction, confidence and determination made it possible to turn the vision into reality. It is with a clear vision that we are able to bring real benefits to our people.

Today, I would like to share with you my vision for Seychelles in 2020. Next month we will have an exposition which will show all that we can accomplish if we continue to work hard, and work together for the good of our country.

The vision rests on a fundamental principle – a better life and the wellbeing of all Seychellois. And for us to have this better life we have to create more opportunities for our people. Every Seychellois has a share in it. Every Seychellois has to take his or her responsibility. Every Seychellois will be able to see the result of his or her work.

There was a time when, in order to overcome barriers to the development of our people, we needed large foreign investments to create growth and economic space. We depended on big hotels of renowned brands to build a name for Seychelles in tourism, for example. We shall always need investments for job creation, growth, for opportunities in tourism and other sectors that flow from these investments.

But, more than ever, it is our Seychellois businesses, our Seychellois workers who will define the Seychelles that we will see in 2020.

We have already become an entrepreneurial nation. We have seen how Seychellois businesses are contributing to a vibrant economy.

The Seychelles of 2020 answers two questions:

- Where do I, as a Seychellois, situate myself in it?
- Is there an opportunity for me, as Seychellois, to get a share of it?

As we aim for 2020, we are putting our efforts together to overcome another challenge, to enable us to become a nation of investors. We are investing in ourselves. We are investing in our children. We are investing in our victory – the victory of the Seychellois people.

In our vision for 2020, we are using our islands –Aurore, Soleil, Eve, Romainville and Perseverance to create economic space. We will make available opportunities for Seychellois to develop around 1,400 houses of different styles that blend well with our Seychellois creole identity and environment. These houses will be tendered out to Seychellois who aspire to either have their own homes or wish to undertake commercial developments. Our ‘Waterfront’ project which has been re-launched as ‘La Promenade’ is reserved for Seychellois investments. When we combine the new ‘La Promenade’ project to the opportunities on the islands we will have facilities for around 400 units for shops, workshops for small businesses, and new offices. There will be 140 units on Aurore, 100 on Ile Soleil, some 50 on Eve, and some 60 for shops and kiosks under La Promenade. Additionally, we will make available a dozen new sites for hotel projects – three or four on Aurore, one on Soleil, three for La Promenade and Hodoul, and four on Eve. We have not taken into account other possibilities for small guest houses.

Seychelles 2020 offers abundant opportunities for Seychellois. Provisions have already been made for a new school and hospital on Soleil island. We are studying proposals for a wind farm project for Romainville, and eventually also a solar project to enable us to sustain alternative energy development and gradually reduce our dependence on imported fuel.

We have reclaimed land in order to put opportunities in the hands of Seychellois. We are consolidating that vision. With these islands we will be able to create wealth for our country.

In EXPO Seychelles 2020, soon in March, you will be able to experience and appreciate all that I have been talking about. It is an initiative that will demonstrate all that we are able to accomplish. In EXPO 2020 all the plans for these islands will be publicized and you will even be able to start making applications either for houses or businesses such as offices, workshops, hotel facilities or restaurants.

Our Seychelles 2020 will depict all the ambitions of this new Seychellois generation.

## **Public service**

One of our biggest challenges in the realization of our vision for 2020 is a public service that performs well and addresses the concerns of our population. We may lay out the best program, but if the program is not well administered, we will not succeed.

In the new Seychelles let us not wait for the public to come to us, let us go to the public. A good service may not require much. It requires good training and the correct attitude towards our work. Let us not waste our time looking for pretexts and coming up with arguments on why we cannot move something or why a project cannot start. Let us, preferably, look for the ways and means to overcome difficulties and remove obstacles. There is no greater satisfaction than helping one of our compatriots in need of our support.

As part of our effort to improve the public service, government has mandated the Seychelles Institute of Management to offer training programs that will boost the capacity and competence of public sector employees, who in turn will continue to raise the standard of service at their work places. We will also establish a hotline for members of the public who wish to report a complaint and suggestion about the service in different departments.

I take this opportunity to commend the public sector employees who carry out their work with compassion and passion.

### **The housing programme**

All countries of the world have suffered from the consequences of the global economic and financial crises. Seychelles is not an exception. But here in Seychelles no one lost a house, as in Europe, because of the crisis. No one has had a house repossessed by banks, as we saw happened in the United States.

The economic and financial difficulties we faced caused a delay in our plan to build 5,000 houses in five years. Nevertheless, between 2006 and April 2011 we shall have built and allocated 1,404 houses – and this does not include the Ile Perseverance project. As for Ile Perseverance, 1,055 units will be allocated to families between now and 2012. In the period from 2006 to the end of 2011, a total of 2,459 houses will have been handed over to Seychellois. This represents about 50% of what we promised initially.

The Perseverance housing program gives hope to many families who dream of owning a house. Seychelles is one of the rare countries where one project alone – Perseverance – is catering for 70% of the housing needs of its citizens. This in itself is a victory for Seychelles. It also shows that there are plenty of possibilities for the private sector to play a role in building houses for the benefit of our people. We have to continually strive for innovative solutions for the challenge before us.

Actually, there is always some frustration on the part of those who have been waiting for a house for several years. The frustration is there because it is only through government housing programs that people are able to have a home of their own and a plot of land at affordable prices.

House allocation is based on priority. Much of the correspondence I get questions this priority policy. Again, we have to sit down together and look at ways to improve this service. On allocation of housing and land, there is a lot of effort on the part of the two ministries concerned to do their best to deliver. So, let us now improve the service further! The ministries responsible for land and community development have received a directive to identify vacant plots of state land in the districts, and which are not in land bank projects, to sell to people who have applied and been waiting for many years.

### **Reform in the health sector**

Seven months after I appointed a new Minister to oversee the Ministry of Health, which is so important and delicate like the health of a nation, an important work has begun to present to the people of Seychelles the reforms in our health system. The principal aim of this reform is to give greater value to the noble work of the health staff; but more importantly, the reform is to establish the total confidence of all Seychellois in our health service. I have had discussions with people from all walks of society, and I notice that there are a lot of weaknesses with the procedures and performance in hospitals. In many cases this is a perception. But the reality is that a lot of fixing and improvement needs to be done. Figures from January 2010 to February 2011 show that more than 1,000 Seychellois went overseas for medical care. They included patients whose medical costs were paid entirely by government. Another objective of the reform in our health service is to create the platform to ensure that advanced medical treatment can be offered in our country. When we speak of the

new Seychelles, we also talk about the necessity to work to improve and encourage our own health system.

### **A community where all children are our children**

Reforms in education are entering a new phase with a new community-based approach. School councils offer communities the opportunity to contribute in the educational lives of the children. This is a good start. But we want to do more in our undertaking to get our communities moving. Let us aim for a community where all children are considered our children, where social ills are our common concern, where all the opportunities are seized upon fully, and where the sense of “my community” is my concern and is inculcated in the youngest to the oldest.

As we move towards Seychelles 2020, the communities invite the religious organizations and other institutions and organizations to be part of the vibrant and dynamic communities. Your collaboration, along with the cooperation of all parents and children, are of utmost importance in addressing the problems of discipline and delinquency in our educational establishments. It is in these contexts that the Ministry of Education is introducing Civics Education in all schools. The Ministry will also increase the assistance it gives to the Catholic Church for the training of teachers of religion in all schools. The moral and spiritual education of our children is indispensable in the creation of a society that is stable and solid. I take this opportunity to thank all those who are contributing to the promotion of moral, spiritual, cultural, family and volunteering values in our communities. Recently the sisters of St Joseph of Cluny celebrated 150 years of service to the Seychellois people. On behalf of Seychelles and the Seychellois people I say a big Thank You to them.

### **Seychellois Women, the Force of Seychelles**

Seychelles is among the first countries in the world to achieve the Millennium Development Goals, which are also aimed at the empowerment and development of women. Already we are on the way to accomplishing MDG+ in fields that promote Seychellois women in key positions in our country. Seychellois women have always been the force behind the family and our nation. The 8th of March 2011 will mark 100 years since International Women’s Day began to be observed. As we express our gratitude and celebrate the special role of women in our society, Government has decided that the 8th of March this year be a public holiday. I wish all Seychellois women all the very best and say thank you to them for their important contribution in our country.

*Dear people of Seychelles,*

We are small but our vision and determination for a better quality of life for the Seychellois people aims far ahead. We want to do more, better, and earn Seychelles the victory it deserves. I want to see a Seychelles where Seychellois are striving and seizing opportunities instead of just sitting around and waiting for opportunities to come to them. In order for you to earn your own victory, you have to venture out in search of the victory. Working hard, working harder, are what brings victory.

I have talked a lot about victory, our successes and my vision for Seychellois in the coming years, and this is what gives us hope. At the same time, I am not ignoring the challenges that we are facing.

## **The scourge of substance abuse**

The first and most serious of the challenges are drug abuse and drug trafficking in our country. I refuse to accept that we, as a nation, cannot join forces and declare war on this scourge and eliminate it once and for all. Violence, delinquency, prostitution, theft, crime, anti-social behavior and other social ills in our society are often directly linked to substance abuse. This scourge is not only robbing our youth of their energy but it is also robbing our Seychelles of its future. There is serious work to be done by all politicians and the entire nation to eliminate this suffering. There is a need for a sincere and honest commitment.

The fight against consumption and trafficking of drugs is not my fight alone. It is not the fight of the church alone, or the government alone. It is a fight of all of Seychelles. It is a fight to protect our workforce. Drug addicts cannot work, and if we are unable to rescue our youth from drugs we will continually have to look for foreigners to do the work Seychellois can do. Each time a drug trafficker is taken to Montagne Posee, it is for me a victory for the youth of Seychelles. I commend the NDEA and the Police for the good work they are doing in this field. But the judiciary has to be more active in the pursuit of the criminals who are destroying our young people. During 2010 there were 600 arrests linked to abuse and trafficking of drugs. Fourteen traffickers have been convicted. In spite of the successes drug trafficking continues in Seychelles. Our youth continue to become victims of substance abuse. You know very well my position on this issue. It's zero tolerance! There can be no negotiations on the issue of drugs. I want to see our country, our children, kept away from drugs. I wish to see more effort at all levels to help free our youth and country from this scourge.

In our efforts to rehabilitate and re-integrate young people who have become victims of drugs, Government will support the Catholic Church financially in the construction and renovation of two rehabilitation centres – one on Praslin and another on Mahe. Government will also provide an annual budgetary allocation for the functioning of these centres.

## **The cost of living**

The world is once again being subjected to increases in the prices of fuel, food and basic commodities. The Food and Agriculture Organisation (FAO) and the World Bank are predicting even further increases.

If there is a wish that is dear to my heart, it is to have a better quality of life for this people who have chosen me to serve them. All the work of government, all my decisions are based on this. A wage increase every time commodity prices go up, sounds like the easiest solution. The politician who is not in government and is desperate to form a new government, may offer the electorate this “wishful” solution. But let me tell you, dear Seychellois people, that there is a big difference between what is ideal and what is realistic. There is a big distinction between responsible politics and cheap politics. If it was possible, even yesterday I would have announced a wage increase for all workers.

But let us look at the reality.

There are 30,860 workers in the private sector. The private sector is the motor of the economy of our country. The law on minimum wage also applies to the private sector. We say let us free the hands of our small Seychellois, let them create wealth and contribute to the prosperity of our country. Therefore, how can we force the small Seychellois to increase the wage of workers, especially if the business is not making a profit? The small Seychellois will

have to be declared bankrupt even before his hands are untied. We will kill the business and create a lot of unemployment.

Another argument we hear is that government has to remove tax on certain services and commodities. But who were those who wanted a level playing field? Who was arguing for a “fair deal”. Today we have a taxation system that is applicable to all. It forms part of our economic reform which we undertook in 2008. Taxes collected are what guarantee us a free education system, universal primary health care, and allow us to continually improve our social infrastructure. We shall preserve our social gains at all costs. Our taxation system is an important means to achieve this.

However, in our continuing efforts to bring about a better quality of life for Seychellois, from 1st March there will be no income tax on gratuities below SR10,000. This will apply for all Seychellois workers.

If we are honest with ourselves we will appreciate that there is continual effort to stabilize the cost of living, and render it more affordable for all Seychellois. For those who are working and earning a salary but cannot make ends meet, the Social Welfare Agency is there for them. There are about 3,600 people in employment who are actually benefiting from the Agency’s assistance. The costs of electricity and public transport have been reduced following the grant of two generators and buses from Abu Dhabi. All post secondary students, without exception, get an allowance. Primary schoolchildren, as well as secondary school students, can get assistance from the dedicated fund set up to help those in need. The government this year allocated R2M to the fund, and the Children’s Fund also gives R25,000 to each school to assist children in need. Additionally, the Children’s Fund contributes R337,000 towards the child-minding service after school hours, to assist parents who finish work late.

The Social Welfare Agency is there as an option for assistance to Seychellois who are facing financial difficulties. But its mandate is much wider. It must ensure that there is no abuse, and those who can work should go to work. Since the creation of the agency, it has placed 230 people in employment. The agency supports people who are in employment. When their salary is inadequate to meet the financial needs, the Agency should be able to provide them with rapid, timely assistance. It is true that there are still complaints about the agency and its performance in general. Monitoring and counselling everyone in need of this service are not easy tasks. But what is important to remember is that a person truly in need cannot wait more than three days to get assistance.

We have to look far ahead. We have to look at the whole interest of our country. And the interest of our country lies in stability – political, economic and social.

## **Food Security**

Food security is a matter that we should not treat lightly. For this reason, Government has continued to collaborate very closely with the Farmer’s Cooperative even after responsibility for key agricultural infrastructure had been passed from Government to the Cooperative.

Our objective is to boost productivity and enhance sustainability in the agriculture sector.

Our livestock sector has faced stiff competition as a result of meat imports. Actually, many farms had either reduced or almost stopped production as a result of this competition.

The import levy of SR5 on each kilogram of imported chicken enabled the Livestock Trust Fund to provide much needed relief to local livestock farmers. This had an immediate impact



on the price of local chicken, and over 150 tonnes of chicken which had been kept in cold storage were sold. It is reassuring to see that livestock farming is returning to normal levels.

With the aim of guaranteeing sustainability in meat production, Government, with the support of the African Development Bank (ADB), is embarking on a study on the efficiency of our systems of production, in order to improve productivity at each stage, to ensure better profitability and access in the local market.

With regard to fisheries, work is in progress to improve infrastructure to enable fishermen to have better access to resources and facilities. Improvement works have been made to the artisanal fishing port in Victoria, and work is continuing on the development of fishing ports at Bel Ombre and Providence. Other works concerning artisanal and semi-industrial fishing are currently either being implemented, or at the stage of tender preparation, for implementation later this year.

### **Climate Change**

During my overseas missions, I always emphasise the necessity for the world to find long-term sustainable solutions to the global phenomenon which is affecting the whole of humanity: climate change. Small island states are bearing its consequences in a dramatic way. Here, in Seychelles, we have not been spared. We can feel it through the changes in our weather patterns. Last year's drought was one of the worst that we have suffered.

What measures are we taking to resolve the problem of providing drinking water during periods of drought? Government is finalizing a national water storage and distribution plan for the next 20 years, taking into account our capacity to collect and store more water during the rainy season. The following measures will be taken immediately:

- Water transfer from Mount Simpson to La Gogue.
- Increase the storage capacity of La Gogue Dam by raising its height.
- Increase the capacity of desalination plants.
- Encourage developers of large projects, such as hotels, to invest in their own desalination plants.
- Reinforce the scheme, already in place through PUC, under which every house can have its own water storage tank.
- Make it mandatory for all new commercial and Government buildings to have their own water storage facilities.

### **Cheap Politics**

When there is nothing to criticise, when victory is for Seychelles, cheap politics attacks whatever is closest to our hearts. That is, our identity as Seychellois. That is our patriotism. There are those who say that foreigners are taking the place of Seychellois. But are foreigners really taking the place of Seychellois? Statistics show that in 2005 there were 319 expatriates working in Government. Today, that number is 191, with the majority of expatriates in the Ministries of Health and Education. This is objective proof that there has been an effort to localize posts in Government.

There are today some 30,860 workers in the private sector. Of these, some 21,030 are Seychellois, and 9,830 are expatriates. The majority of foreign labour is in the tourism and

construction industries. Should we ask all these expatriates in the construction and tourism industries to leave? Should we stop building houses? Should we close our hotels? Should we sack all the foreign teachers and doctors? Is this what some people want to see?

In every country in the world there are expatriate workers. There are many of us, Seychellois, who are also working abroad. Would we like that our own brother or sister is dismissed simply because he or she is a “foreigner”.

Foreign investment creates businesses and provides jobs for Seychellois. It contributes to our well-being. It is good for Seychelles. The mentality of some people and their campaigns of cheap politics are sowing the seeds of xenophobia in our country. It is hurting Seychelles. It is denigrating us.

We should welcome expatriates who live amongst us with respect. However, we also expect that they will respect our laws, culture and customs. From time to time we receive reports that our Seychellois workers are ill-treated in their workplaces by their expatriate supervisors. I totally condemn such practices, and we shall not allow anyone to come and ill-treat Seychellois. The Ministry of Employment is there to ensure that this does not happen. Where there has been evidence of such bad practices, Government has never hesitated to expel the expatriate concerned.

There is this perception that Government is selling Seychelles land to foreigners. Seychelles has 45,539 hectares of land. Of this, 2,800 hectares have been sold to foreigners. This represents 6.15% of our territory. What we must explain clearly is that 95.5% of this 6.5% has been sold privately to foreigners. Yes, Government has sold land. Go and have a look around, and see who has benefited from the distribution of land in Seychelles. They are Seychellois citizens who had dreamed of one day having their own houses, and to whom Government has sold them land at subsidised and affordable prices.

Other than for exceptional reasons – in the national interest – Government does not sell land to foreigners. But in cases where it is in the national interest, Government does lease land to foreigners for development projects, such as hotels, which bring huge benefits for Seychelles.

Let us remember : It is Government that has made sure that the ordinary Seychellois gets his or her plot of land.

We have also heard much talk about the relations that Seychelles enjoys with its privileged partners. It bothers them that these countries or organisations are giving us grants or loans. Some people ask why Seychelles is receiving all these grants. I am even accused of selling Seychelles to foreign countries. They asked why India has recently offered an aircraft for our Coast Guard, and an IT Centre. Why is China building schools, hospitals and houses, the National Assembly building, and soon the Judiciary building? Why is the European Union continuing to help us in the fisheries sector, and more recently in the battle against piracy? Why has Abu Dhabi so generously offered us assistance worth over US\$150M – for housing projects, a naval base, radar system, diagnostic centre, 40 buses, facilities for information technology education, electricity generators, wind farms, and others? Does this mean I am selling Seychelles to foreign countries? Are these donations for me personally, or for all the people of Seychelles?

Why would these partners not help Seychelles? Is it because Seychelles does not deserve to have friendly countries who appreciate it and want to help it? Why should we be left behind? For as long as I lead this country, for as long as I exhort Seychellois to get up and strive for themselves, I shall also get up and strive for Seychelles. I shall continue to look for what’s best for our people. Under my leadership, Seychelles will never be left behind. Under my direction, we shall ensure victory for Seychelles.

## **A Lesson for Us All**

One year after the incident of water pollution by ASCON at La Misère, steps are being taken to finalise the payment of compensation to the inhabitants who had been affected. There are several lessons we should draw from this incident of pollution:

- There is a need for Government agencies concerned to remain vigilant and closely monitor the implementation of large projects, and ensure that regulations are followed and respected.
- Disorder and demonstrations never yield results. They complicate and delay things. It is in peace and in a civilized manner that problems are resolved.
- We should always be attentive towards our people.

The residents of La Misère have had a clear indication that when cheap politics interfere in legal work and negotiations, justice takes longer.

Today, I would like to take the opportunity to sincerely reassure the residents of La Misère that my Government stands by their side. We are doing everything to ensure you receive your compensation. This incident of pollution by ASCON is regrettable. I hope that never again will any Seychellois family have to bear such suffering.

## **Empowerment of Seychellois**

The future, prosperity and progress of our country depend on hard work. My wish is that each Seychellois assumes his or her responsibility, that each Seychellois works hard for the welfare of his or her family, and country. And through our productivity, we shall all reap the fruits of our work. This is another victory for Seychelles.

My Government will continue to provide all means possible so that Seychellois can assume our destiny, fulfil our obligations, our rights and our responsibilities. We shall continue to put in place policies that ensure that Seychellois become responsible workers, entrepreneurs, managers, and owners of their own businesses and enterprises. And that they participate in wealth creation and the prosperity of our country. This is what we mean by ownership and empowerment, and we shall always look for ways of applying these principles.

There are about 1,150 Seychellois working in the Indian Ocean Tuna company (IOT). Their conditions of service do not include such employment benefits as long service gratuity enjoyed by Seychellois in the public sector. For this reason, Government has decided to put aside a portion of the dividends that it earns from IOT in a special fund which can be used to pay Seychellois workers of IOT the benefits that they were not being paid before. This will encourage more Seychellois to work in the IOT factory, and help to localize posts. It would also ensure that they will receive benefits upon retirement, and will have contributed to their pension fund. I am pleased to announce that all Seychellois workers of IOT who will receive compensation upon completing five years' service this year will also receive a gratuity under this scheme, as do other employees of the public sector. Payments of gratuity will be made in April this year.

Also in the context of ownership and empowerment, Government has decided to sell 40% of its shares in the Seychelles Savings Bank to its clients and employees of the Bank who wish to buy shares. This will be effective from 15th April of this year. Government will announce shortly the details of an affordable mechanism through which interested persons can participate in this project.

## **Economic and Financial Sectors**

*Dear People of Seychelles,*

The success of the economic policies that we have been implementing over the last two years have brought many benefits for us, much more than we had expected. Only this month, Seychelles economic rating by Fitch was raised from B to B+, with a stable outlook. This has happened at a time when some developing countries as well as large banks were being downgraded. All Seychellois should be proud of our achievement.

Today, many countries, including certain European countries such as Greece and Ireland, are experiencing increasing levels of debt. Seychelles is heading towards a sustainable debt level. We are enjoying an economic environment in which growth levels are high, whilst inflation remains low. In 2010, we recorded 6.2% economic growth in real terms, with inflation at almost zero.

Our other economic indicators are very encouraging. In 2010 we saw a record number of tourists who visited Seychelles, totaling 174,529. Already, since the start of 2011, we are seeing an increase in the number of tourists over the corresponding period of 2010. The year 2010 was also an exceptionally good year for Foreign Direct Investment, when US\$290M entered the economy. In 2011, we expect this figure to be around US\$120M. The performance of the domestic economy remains very solid.

There are economic indicators that are even more revealing: a fiscal surplus, fundamental to the continued reduction of our national debt; a stable exchange rate; foreign exchange reserves which had reached almost US\$250M at the end of January 2011, which is the equivalent of 2.4 months of imports.

In the financial sector, the initiatives of Government-owned banks to reduce interest rates have begun to pay off. On average, interest rates in commercial banks had declined to 11.5% in December 2010, from 16% in the first quarter of 2009. Even if we acknowledge the efforts made by other financial institutions in this direction, we feel that what they have done so far is not enough.

Through our public sector banks, Government will do all it can to continue reducing interest rates and other costs that borrowers and businesses pay on loans. I therefore appeal to the private banks to follow the example of the public sector banks. It is time for banks to understand that credit plays a key role in economic development. Bank should not only consider their own profits! Offer more favourable terms, whether this means reducing interest rates, lowering commissions and charges on guarantees, or offering easier repayment periods.

## **Piracy**

The phenomenon of piracy is with us, and will remain with us for as long as the problem of Somalia as a viable state is not resolved. And we have to face this problem with realism, firmness and determination. Seychelles has a small military force which protects our territorial integrity, our livelihood and our economic activities. Our defence forces may be small, but with their determination and courage, have achieved much success in the fight against modern piracy. And that is a victory for Seychelles. For this, I congratulate our military forces. Today there can be no Seychellois who questions the *raison d'être* of our defence forces. The international community has promised us much assistance, but this is

taking a long time to materialise. That is why I expressed my disappointment at the ACP conference which was held late last year. Nevertheless, there are certain positive developments. The European Union has announced that it will support us with financial assistance of €1M per year for three years to partially cover the costs of protecting our territorial waters. India, China and Abu Dhabi have also supported us with significant resources in this task. But we need still more resources, for patrol, for prisons, for the Judiciary, and for our security forces in general. The threat of piracy does not concern Seychelles alone, but the entire world.

However, I repeat, that piracy cannot be resolved at sea alone. The international community must consider the problem of Somalia in all its dimensions.

## **Conclusion**

Dear People of Seychelles

With a population of some 7 billion, the challenges which the world faces have no limit. Science sometimes allows us to find solutions to some challenges that a world undergoing exponential growth must face. But Science alone cannot resolve all the problems of the world. Working together, across frontiers, across countries, across governments, across communities, remains one of the most realistic responses.

Some of us do not realize what a blessed people we are. The social cohesion and harmony which makes this Creole nation exists nowhere else in the world. We have our place in the world, we have our friends – faithful friends – who are ready to help us. Let us protect this friendship. Let us get rid of cheap politics. Let us act in the interests of Seychelles.

We are a mere 89,000 in the 7,000,000,000,000 inhabitants of the world. We are not alone. We cannot live in isolation. More than 90% of what we consume comes from all over the world. The state of our nation is largely linked to what is happening in the world. Our ability to adapt, to become more innovative and more resilient, is linked to the fate of the global village which we share. Above all, it is also determined by our hard work and our sense of responsibility to ourselves, to our families, to our communities, to our country and to the world we live in.

In the new Seychelles that we live in, there is no place for division, there is no place for mediocrity, there is no place for xenophobia, there is no place for those who do not love Seychelles. From now on, all our successes are victories for Seychelles. And victory is for all Seychellois first.

Thank you.

May God continue to bless our small country and the people of Seychelles!