



# SEYCHELLES

PHOTO: Gerard Larose/STB

## Riding a New Wave

With a growing economy and increasing accessibility, Seychelles is a dream location for investors as well as tourists

**A** beautiful country with a seasoned and determined president, Seychelles is increasing its international profile and creating awareness about its potential as an investment hub. President James Alix Michel, who earlier this year became the first Seychellois head of state to make an official visit to the U.K., has proved that the country's serious financial crisis in 2008 is firmly in the past and that drastic reforms, implemented with supervision from the IMF, are paying off.

"We went through a very critical period back in 2008 and had to rescue our own economy from virtual collapse," President Michel says. "Luckily we were able to turn the situation around in record time."

The activity of pirates from Somalia in the Indian Ocean hit Seychelles' economy hard: in 2009 it cost the country approximately 30% of its port revenue. However, Minister for Home Affairs and Transport Joel Morgan notes, "With the consistent effort that we put forth with our partners, including the U.K., which has been an instrumental ally in this field, things have improved. Pirates now know that if they come to this part of the world, there is a high likelihood of being intercepted and dealt with."

During President Michel's visit to the U.K., he and Prime Minister David Cameron signed an MOU for the creation of the Regional Anti-Piracy Prosecution and Intelligence Centre (RAPPIC), aimed at targeting the financiers of piracy. Fishing, one of the main pillars of the economy, was one of the sectors to suffer the most because of piracy. Insurance prices for fishing boats

and the cost of security on board went sky high, and fishers were obliged to remain within the same grid. "The piracy issue hurt our management of the sustainability of the fishing industry," says Peter Sinon, Minister for Investment, Natural Resources and Industry. "But we believe that the message that this is a problem with consequences for world trade has been understood by the international community."

Meanwhile, a new submarine fiber-optic cable that landed in Seychelles in May is revolutionizing the economic landscape. Bringing faster and cheaper broadband connections, the high-speed link is set to significantly boost business, especially in the financial services sector. Seychelles will finally be able to launch its stock exchange this year, make the banking sector more competitive and upgrade the services and products it has been offering through the Seychelles International Business Authority (SIBA).

Danny Faure, Vice President and Minister for Information Technology and Public Administration, says, "If the country wants to attract high-end investors, this is a real milestone. The cable also positions Seychelles as a stepping stone for Africa, a continent whose growth is currently averaging 6% a year."

Minister of Finance, Trade and Investment Pierre Laporte is also upbeat. "The Seychellois economy has shown tremendous resilience in clearing its debts, and GDP growth is forecast at around 3% this year," he says. "Financial services, as the third pillar of our economy, will grow exponentially with this new communications link."



