



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."



PHOTO: Riccardo Roccardi



James Alix Michel
President of Seychelles



Pierre Laporte
Minister of Finance,
Trade and Investment



Alain St. Ange
Minister of Tourism and Culture

Although it faces strong competition in offshore banking, Seychelles boasts one of the most transparent offshore jurisdictions in the region and beyond. “Sometimes we have been labeled as too strict in the way we apply our regulations,” says Laporte. “However, I’d rather lose potential business than compromise the amendments and laws that we have introduced to comply with OECD standards. To be a clean offshore jurisdiction is capital for us.” Wendy Pierre is managing director and CEO of SIBA, a one-stop shop that covers both the licensing and regulation of the primary offshore business activities. International Business Companies (IBCs) have been SIBA’s most sought-after product so far with 100,000 IBCs registered. The Company Special License has also been an attractive investment vehicle. “The IBC is a product that we are traditionally comfortable with, but we have a new set of laws that allows us to set up other kinds of products,” says Pierre. “These include mutual funds, international trusts, limited partnerships and ship/yacht registrations, among others. As the competition grows, we need to become more dynamic, build an active dialogue with the industry, identify the niche markets for our products and target them.”

Something for Everyone

As a leisure destination, Seychelles has exhausted every synonym for paradise. Scattered in 115 islands in the Indian Ocean, many of Seychelles’ pristine, sugar-white beaches, such as the famed Source d’Argent in La Digue, Anse Lazio in Praslin, and Anse Soleil in Mahé, are framed by dramatic granite boulders that create a unique landscape. Beach after beach lures the traveler to submerge in crystalline waters teeming with life while palm trees and the local takamaka trees provide shade for rest. Seychelles has preserved more than 50% of its territory as national parks, and trekking yields delightful

sights for the nature lover that include the national symbol, the coco de mer. Add to these natural wonders a friendly, English-speaking population and delicious creole cuisine with African, Indian and European influences and it is no wonder the Duke and Duchess of Cambridge chose to spend their honeymoon amidst the peace, privacy and beauty of these islands. However, officials are keen to point out that Seychelles does not cater only to royalty and the wealthy jet set, but instead has something for everyone.

Alain St. Ange, Minister of Tourism and Culture, explains, “Of course, we have very exclusive resorts, but Seychelles boasts all range of accommodations. Plenty of small guest houses have been licensed this year, offering not only accommodation at very reasonable prices but also a cultural experience.” Accessibility has improved dramatically as well. Air Seychelles now boasts a partnership with Etihad that allows flights from many destinations in Europe and the rest of the world to connect through Abu Dhabi to Seychelles every day of the week. Qatar Airways and Emirates also offer daily flights to and from their hubs in Doha and Dubai, respectively.

“Even if some direct connections have been lost in Europe, we still have the connectivity through three hubs, and there is even more frequency of flights now,” says Elsia Grandcourt, CEO of the Seychelles Tourism Board. “People can even hop over for short holidays because there is that accessibility by air to reach us.” With year-round temperatures of between 28°C and 34°C and no hurricanes or cyclones, this archipelago is guaranteed to provide the stunning backdrop for unforgettable holidays.

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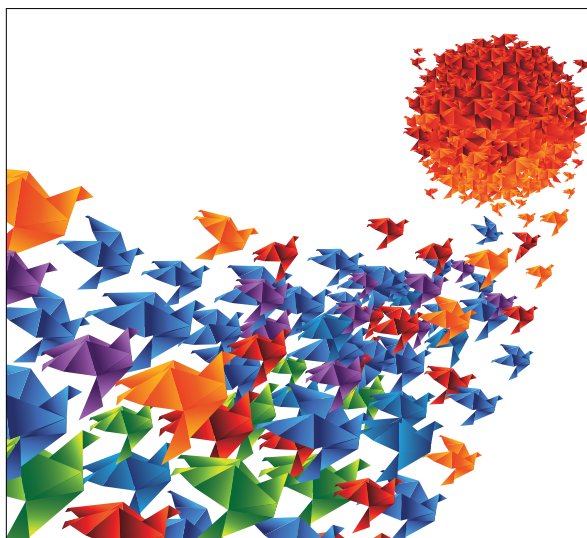


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Bright prospects

At the Ministry of Finance, Trade and Investment we are working towards a bright future for Seychelles.

We are committed to the growth and development of the financial sector of our country, bringing transparency to our offshore market and strong legislation protecting investors and their capital.

We seek prosperity for our people with responsibility and good governance, within a business climate that is competitive and dynamic.



Ministry of Finance, Trade & Investment

Liberty House, Victoria, Seychelles | Tel: +248 438 2000 | Fax: +248 432 5161