

## **State of the Nation Address 2014 by President James Michel**

*Mr Speaker,*

*Vice-President*

*Chief Justice*

*President of the Court of Appeal*

*Designated Minister*

*Ministers*

*Hon Leader of Government Business*

*Hon Leader of the Opposition*

*Excellencies*

*Distinguished Guests*

*Dear Fellow Seychellois*

The State of the Nation Address is a global picture of our nation, where we review our accomplishments, where we are today, and where we look at the future. It is also an occasion where we analyse the challenges before us, and consider solutions. I address you today with pride, hope and optimism. Seychelles in on the right path.

The choice of our national theme for 2014 is not just a coincidence. The International Year of Small Island States – Seychelles a Determined Island Nation – resonates, in a unique way, with us. And we are determined to live out its full significance and scope. We are determined to march forward with full confidence. For the New Seychelles.

Today is the occasion for me to once again reaffirm my strong commitment to the New Seychelles. To a nation united and proud. A Seychelles which always hold its head high. A Seychelles which is rich in diversity, and maintains a spirit of harmony and unity, despite certain negative tendencies. A New Seychelles which has high expectations, and which is respected throughout the world. A New Seychelles which wants the world we live in to be one in which humanity can blossom and prosper, without hatred and conflict, but in fraternity.

Today, Seychelles is a country totally engaged on the road of progress. It is a country which takes into account many aspects of development – including new technology – which often brings important

changes for individuals and society in general. We are a country with a growing economy, a deeply rooted Creole culture, and policies that place its people first and above all else; policies aimed at continuously promoting peace, unity, stability and harmony in society.

Despite the negative effects of the world crisis which affects all countries and which is still continuing, we have persevered with to reform our economy and ensure that no sector of our economy is left behind. We have not been afraid to take on challenges in order to achieve our objectives, despite the prevailing unfavourable international climate which makes it difficult for us given the vulnerability of our economy.

*Dear fellow Seychellois,*

The progress of the New Seychelles rests on a solid economy. In 2013, we recorded economic growth of 3.5%. Never in our history, have our foreign exchange reserves been so high and so strong. Today, the Central Bank of Seychelles has a reserve of USD 435M. This represents over 4 months of importation. This is the result of prudent and vigilant economic, monetary and fiscal policies which we consolidated in 2013, and which shall pursue this year.

Our IMF programme which ended late last year has brought us much progress, and has enabled us today to have a solid and sustainable economy. Government believes that a new mode of cooperation with the International Monetary Fund will allow us to consolidate our economic gains, and strengthen the confidence of our development partners. We expect that this initiative will be approved by the Board of the IMF during the first half of this year.

The year 2013 has brought good results in many other domains. The rate of inflation fell to 3.4% in December.

Our tourism industry has recorded considerable progress. Seychelles welcomed more than 230,000 visitors in 2013, an increase of 11% over 2012. At the same time, we have continued to attract investment, both local and foreign, in the tourism sector. The number of guesthouses and hotels increased from 417 to 438, and room capacity increased from 4,200 to 4,500. Over 60% of these establishments are owned or managed entirely by Seychellois. Two large hotels are currently under construction at Beau Vallon and Bel Ombre. They will help to increase our room capacity by 300 rooms, and create 600 new jobs. The number of restaurants has also grown; with 80% held entirely by Seychellois. The numbers of car hires, boat charters and diving centres have also increased.

Our national airline, Air Seychelles, not only made a profit last year, but it also overtook many airlines to become the first 4-star airline in the region, and was counted amongst the best airlines in the world.

My Government's objective is for Seychellois to derive the maximum benefit from the tourism industry, in all its dimensions.

*Mr Speaker,*

I had said that we would increase the salaries of workers. The great majority of Seychellois workers have already received their increases. For the remainder, salaries will be increased in phases during the course of the year.

I had also said that my Government would increase pensions for the elderly. I have done so.

I had said I would create more jobs. We have done so. We have created over 3,200 new jobs in various sectors. There is work for all Seychellois. There is no reason for anyone who can work to refuse work. And we have to work, work hard.

We are putting in place even more infrastructure to improve the environment for doing business. As a result, we have registered over 1,200 businesses. I believe firmly in the spirit of entrepreneurship which we must constantly encourage and develop. In this context, the construction of workshops in the Microenterprise Centre in the Providence Industrial Zone is at an advanced stage. In June this year, 59 small entrepreneurs will be allocated their workshops. At the same time, we are finalizing procedures for the allocation of 12 plots of land at Providence, and a further 23 plots at Île Perseverance, for small industries. Also in the context of enhancing the environment for doing business, the Small Business Finance Agency (SBFA) will increase the ceiling for the loans it provides to SR300,000. It will also offer loans for the training of small entrepreneurs.

I must emphasise that Government is a facilitator. Wherever possible we make loans and infrastructure available to entrepreneurs. And they too must show proof of good management, creativity and innovation. We cannot write-off loans when entrepreneurs encounter difficulties. They must manage their businesses well, and take their responsibilities. I must also insist on the importance of partnership between Government and the private sector. Government is not in the business of doing business! It is the private sector which is the engine of the economy. We must all discharge our roles properly, and take our responsibilities.

It is clear that my Government's initiative to improve access to financing for small to medium businesses has borne fruit. Within the first 6 months of launching this initiative, a total of SR50M had been approved by commercial banks. Small businesses taking loans under this scheme can have a 6 month moratorium before commencement of loan repayment. We want to go further than this, and we are in discussion with the two State commercial banks – the Seychelles Commercial Bank and Nouvobanq – to study the modalities for an extended moratorium.

In the agriculture sector, we must without fail boost our capacity for food security. In 2013, Government approved a plan for Food Security and Nutritious Food. The implementation of this plan will involve a campaign to promote the cultivation of these products and public education on their benefits to our health. Cooperation and technical collaboration with international partners, such as IFAD, the ADB and the IAEA, are continuing and taking on an encouraging pace. Furthermore, Government has injected a further SR3M into the agriculture development fund managed by the DBS. State land allocated for agriculture is a scarce resource. It must be well managed and utilized productively, otherwise

Government will have no option but to repossess the land and allocate it to more serious persons who want to work.

We are observing considerable investment in the industrial fishing sector. A port and an industrial quay has been completed at Île du Port. It will allow tuna vessels to berth there, thus relieving congestion at Port Victoria. Among other activities, this will provide refrigeration facilities, and facilities for assembling and repairing fishing nets. Semi-industrial fishing will receive a new boost this year with a significant increase in the number of boats engaged in this sector. We are expecting 12 new vessels this year. We are also expecting the opening of a fish processing plant by May, with the entry of Seychellois entrepreneurs into this activity. I wish these businesses every success which they deserve. Our traditional fishermen are getting together as a group that can better represent their interests. Bel Ombre and Praslin are leading this initiative. We shall continue to make infrastructure available to fishermen. For example, we shall very shortly see the opening of the Roche Caiman market, and later the renovation of Victoria Market.

In the domain of maritime training, a vessel with all necessary equipment has been built in Sri Lanka, and will arrive within a few weeks. It will provide practical experience at sea for students of the Maritime Training Centre.

Climate change is here to stay. We must remain vigilant and take mitigating measures. In 2013, I announced the creation of a special insurance scheme for farmers and traditional fishermen who wanted protection against the risk of this phenomena. This scheme is a reality today. The Agriculture Disaster and Fisheries Insurance Scheme (ADFIS) has been operational since 1st February this year. I would encourage all farmers and fishermen to take out this insurance in their best interests.

*Mr Speaker,*

*Dear Fellow Seychellois,*

Housing will remain a priority for my Government, for the Lelep Government. In my 2013 National Day Address, I announced an initiative to provide Government subsidy for low-income families wishing to buy or build their own houses. I am happy to note that this scheme is already operational. Once more, we have shown that when we promise, we deliver, even when there are budgetary constraints.

In 2013, more than 200 housing units – mainly on Île Perseverance, were allocated, and over 80 applicants were assisted with plots of land. In 2014, we expect to complete a little over 360 housing units, mainly on Mahé, but some also on Praslin and La Digue.

Housing construction comes at a cost, which is progressively on the rise. This again is a shared responsibility between Government and citizens. Government can build as many houses as it can, but the demand for housing will always be there, and will continuously increase. Housing applicants must therefore take their responsibility. They must decide clearly on their responsibilities and priorities. Some cannot just enjoy themselves to their hearts' content, have children without thinking of the

consequences, and then expect – if not demand – that Government gives them a house straight away, as if it were an unqualified right. Owning one's own house is a right that is earned through work, through savings and through contributions towards one's housing. I repeat: you have to work to get your house.

In the spirit of hard work and taking responsibility, we have established rigorous criteria for applicants to get house. This includes principally the financial contribution that the applicant makes towards housing, the applicant's social circumstances, how long the applicant has been on the waiting list, and so on. Strict procedures have been established, and all agencies and authorities must follow and respect them. But for those in genuine difficulties to make the full financial contribution, a mechanism will be established by the HFC to assist them.

*Dear compatriots,*

We all know that our country cannot prosper without law, order and security. It is for this reason that we must intensify our struggle against criminality. The fight is hard, the road is long, but we are meeting with some success. According to statistics, the general crime rate has reduced by 18%. But what worries us is the cases of attacks and thefts against tourists. Do these delinquents and bandits realise that when they attack tourists they also attack the image of our country? Do they realise that they are acting against their own livelihood? Do they realise the consequences for Seychelles? Those who continue with such crimes will be punished severely.

The same principle will apply to drug traffickers. There are actually 70 drug traffickers who are serving their sentence on Marie-Louise, out of a total of 92 hardened criminals over there. Recently, we have noticed that drug traffickers are using a legal loophole to avoid the maximum sentence by ensuring that the impurities they get arrested with contains less than 2 grams of a Schedule 1 drug. Their game is over! With new legislation that will reach the National Assembly soon, no matter what quantity of pure drug is present in their dirty powder, they will go straight to Marie-Louise. The new law will also provide for the Police or the NDEA – in consultation with the Attorney General – to arrest a person who is a drug addict, bring the person to a psychiatrist, and upon whose professional recommendation, require the addict to undergo a programme of rehabilitation for his own good, and for the good of society. We must encourage and support the services that ensure order, peace and security. They are doing a good job, especially in the fight against drugs. I repeat once again: those who corrupt our youth, and ruin the lives of our children, will be shown no pity.

Again, in the context of law and order, I wish to speak about the freedom of assembly and public order. The right to free speech and assembly is guaranteed by our Constitution but, as in all democratic societies, we also have a duty to protect public order and security. The Public Order Act, which was recently passed, ensures a legal framework for this. This law, which represents a considerable improvement on the previous law, is there to ensure, amongst other objectives, that citizens' lives and security are not endangered during public gatherings. It forbids the setting up of any paramilitary organisations, it protects officers upholding order, peace and security and from being exposed to unnecessary risks in the course of their work. It also makes it illegal to make speeches inciting hatred during public gatherings. This law is not intended in any way to restrict public gatherings or

demonstrations. Proof of this is that there have been many public gatherings – including political gatherings – without any problem, since this law came into operation.

*Mr Speaker,*

In the health sector, we have introduced essential reforms which we hope will revitalize this sector and allow it to provide a better service.

On the international scene, we have continued to strengthen the image of Seychelles. We have attained practically all of the eight Millennium Development Goals. With a high human development index, Seychelles ranks 46th out of 186 countries. In the domain of telecommunications and access to information technology, Seychelles is first in Africa. We continue to make progress in good governance and transparency. But sometimes we see false reports about our country, reports made by bureaucrats sitting in offices thousands of kilometers from us, often without any concrete evidence about what they are writing, and without knowing the realities of Seychelles. We do not teach anyone, and neither do we need lectures from anyone. But we are not afraid of criticism. When we feel that a particular report is false or misleading about Seychelles, we invite the authors to come here and evaluate what goes on here, talk to anyone they want to talk to. In this context, we are seriously studying a Bill which takes into consideration the recommendations made by the UN Rapporteur on Human Trafficking following her recent visit to Seychelles. This is democracy in action, this is transparency!

The image of Seychelles has benefited from our proactive diplomacy on the international scene. We are advocates in the cause of small island states, for the defence and protection of the environment, and – more recently – for the blue economy, which is a pillar of Seychelles diplomacy. Our commitment and our principles have earned us international respect.

Our advocacy for small island states is anchored by insurmountable realities: We are the most vulnerable, we are the first to be affected by climate change. The recent stormy weather which struck us once again underlines our vulnerability. Fortunately, the damage has not been as severe as it was in 2013 because we had already taken certain mitigation measures, and we were better prepared. We cannot fight nature, but we must always remain vigilant. We must be better prepared to withstand all natural disasters. And this involves a shared responsibility, a responsibility shared by Government and citizens.

In an uncertain world, our future depends on diversification of our economy. And the blue economy presents the best chance for this. Our determination to lead the development of Seychelles towards a blue economy is bearing fruit. We have succeeded in getting this concept onto the world agenda. Today, the islands of the Indian Ocean, the Pacific and the Caribbean support all our efforts. Recently in the Blue Economy Conference which we organised jointly with Abu Dhabi, there were also large countries which supported the blue economy approach. Our efforts to have a sustainable development programme based on the blue economy will continue this year, with a national strategy being developed with the assistance of the Commonwealth. Later this year, Seychelles will participate in an international summit of small states, where I expect there will be major decisions on this subject. I would like to encourage all

Seychellois, including this Assembly, to reflect deeply on the concept of the blue economy, and to make their contributions.

*Mr Speaker,*

Earlier, I mentioned transparency and democracy in action. One of the major preoccupations of my Government has been the reinforcement of institutions of democracy and the promotion of the rule of law in our country. Where there are weaknesses and deficiencies, we are ready, and do not hesitate, to correct them. It is in this context that this year we will make certain amendments to our Constitution. Amongst others, consideration will be given to recommendations of the Constitutional Review Committee following its deliberations. In the same context, we shall shortly be amending the Elections Act so that it better reflects the realities of Seychelles, allows elections to be held under the best possible conditions, and give all the necessary tools to the Electoral Commission, within a reinforced legal framework, to enable it to discharge its responsibilities under optimal conditions. The law will also take into consideration certain recommendations of the Electoral Commission which saw the participation of several political parties. There are other laws that need amending. Some are archaic and hinder our progress. Some others cause frustration, such as the Town & Country Planning Act; we need to amend it urgently, while other laws will be amended more progressively.

*Dear Fellow Seychellois*

I have always said that our successes have not come by accident or by a magic wand. They are the outcome of a well calculated process with much reflection. They are the result of a firm and bold political willingness. A policy of investing in our people and our country. A deliberate policy that takes into account our needs of today as well as of future generations. This is a responsible Government! A determined Government!

At this stage of our development, we cannot yet say that have overcome all our obstacles. We need to remain vigilant and prudent. It is enough for us to see what is happening in some industrialized countries, for us to understand reality. Unemployment, poverty, inadequate housing, inflation. It is the markets and financial institutions that rule! And we are too small to fight against these currents.

In a world full of change, we need to not only consolidate, but also improve, our gains. We can do so provided we remain a united and harmonious nation. That we have no rancour in our nation. That we have the interests of our country at heart. That we work together towards a well defined objective. That we accept change. That we are ready to transform certain bad habits and mentalities. And especially that we are determined, and each one of us take our responsibilities. If we are all determined to work for the New Seychelles.

Our accomplishments are a source of motivation and inspiration for us and many other countries. But does that mean that everything is going well in our country? No! No, there are still many deficiencies. There is even a voice that says that there is a deficit of moral and spiritual values in our society. There

are still problems that we must resolve in order to take the New Seychelles even further. Even further on the road to prosperity. Greater happiness for our people.

Let us join our efforts. Let us remain determined. Let us take our responsibilities!

I insist on this principle of responsibility. The time has come for us to do a frank and critical assessment.

Let us consider the case of teenage pregnancies, and let us ask ourselves the question: Is it acceptable for a child to bring another child into the world? Where is the responsibility of the parents of the child? Where is the result of the education that we give? Can we close our eyes to this? Young people in this situation cannot neglect the child or ask that Government takes over responsibility in their place. No. this is not acceptable. It is the responsibility of parents, and not Government, to raise their children.

In 2013, we created more than 3,200 new jobs. According to the latest statistics, 602 persons, including 344 young persons, were seeking employment. Why? There are enough jobs for those who want to work. And then there are those who have the nerve to say that when foreigners are recruited to do the jobs that we Seychellois can do. Our economy needs to grow, and for it to grow we need workers. Seychellois workers. I have always said – and I repeat – there is enough work in Seychelles for those who want to work. Let us stop depending on Government for welfare. And precisely on the subject of welfare, we are making it even more difficult for abuse to take place, whilst ensuring that Seychellois who are genuinely in need will never be refused welfare assistance. Work is a responsibility, a right and a duty. It earns you respect in society. It enriches our families and our society. It is not acceptable for a person who can work to depend on welfare.

Let us take this reflection further from two specific angles: health and education

For the last 37 years, we have been used to getting free health care. In 2014, Government allocated a budget of SR707M for the Ministry of Health. This represents 12.9% of the national budget. This is a considerable amount, represents one of the highest per capita expenditure on health in the world. We have recruited more medical personnel, put in new health infrastructure, and undertaken reforms in the health service. It is true that there remain certain problems in the Ministry of Health. But let us not look just at the Ministry. Let us look at ourselves. Our life styles. Our behaviour. The way we look after our own health.

Those who insist on destroying their own health – especially through substance abuse, will have to face the consequences of their action. We must sensitise our children and our youth more on the dangers that threaten their health, starting in primary school.

In Education too, we have introduced many reforms and achieved much – especially with our very high literacy rate which is recognised worldwide. But sometimes results can be disappointing, even very deceptive. We invest a lot of money to prepare our children for higher studies and for the world of work. But do the children take full advantage of the opportunities at their disposal? Is it because education is free that some couldn't care less? Where is their responsibility. Where is the responsibility of their

parents? They must reflect seriously about these questions. Unfortunately, experience has shown us that sometimes, when everything is free, there is no appreciation.

*Mr Speaker,*

*Dear compatriots,*

Earlier, I mentioned change. Progress can bring prosperity, but it can also bring challenges and problems. We must find solutions to these problems, or we shall be left behind.

On many occasions, I have spoken about major changes in terms of the transformation of Seychelles into a knowledge based economy, where well educated and trained Seychellois officers occupy the best and highest jobs. I still believe in this vision. And this change is coming about, although not as fast as I would like it to. And here, too, we must review our system of education and training to determine whether or not we are preparing our youth adequately for the future. Meanwhile, I have decided to give added impetus to this vision. We shall bring an additional support for our children through a subsidy for a laptop which today we make available today to students in post-secondary education. I have asked the Ministry of Finance to find the additional resources for this scheme which will cover all S5 students from January 2015. This will cost approximately SR3.6M and benefit about 1,200 students. And you, students, must realise that a laptop is a tool for knowledge, learning and work.

Another change is in our work ethics. I insisted on this in my New Year's Day Message. We must adopt a more professional approach. Irrespective of the level at which we work, we have an important duty to discharge in the work place. Every job comes with responsibilities that must be filled. What are some of the qualities that every office worker must possess, whether they are in the public or private sector?

- *Respect*
- *Politeness*
- *Efficiency*
- *Honesty*
- *Rapid action*
- *Responsibility*

*Dear Compatriots*

June is always an eventful month. And this year will not be an exception. In June this year, we celebrate the 50 anniversary of the creation of the political party which is the origin of the party which forms the

Government which I lead today. We shall celebrate it with joy, but also in serenity. And with respect for all political beliefs and allegiances.

June this year will also witness a new symbol. A powerful symbol with the aim of removing certain rancour, which may still linger in our nation, and of consolidating national unity. You all know the importance that I attach to national unity and to harmony within our people. It reminds me of the words of that great 19th century American poet, Longfellow:

*"All our strength is in our union,*

*All our danger is in discord;*

*Therefore let us be at peace henceforward,*

*And as brothers live together."*

Without unity, without tolerance, without respect for each other, all the progress that we have achieved will be undone. Our country will be torn by violence, hatred and distrust. We have enough bad examples today in many parts of the world. In a turbulent world it is our unity and harmony that will guarantee our survival. That is the guarantee of our wellbeing and happiness. We must all contribute to further our national unity. I am determined to do so, and I know I can count on the support of all Seychellois of goodwill. Let us never forget that it is the unity of our people that is our wealth and our strength. The past is history. Let us focus on the future. The future of our children. The future of our country. In the diversity of our opinions, let us all work for one Seychelles. For the New Seychelles.

*Dear Seychellois Brothers and Sisters,*

We Seychellois, we are a people proud of our sense of belonging, our culture, our accomplishments, our place in the world. Our vision is clear. We realise that whatever is durable can be built only if we have a firm commitment to work hard. Only if we are determined to combat all that can have a negative effect on us or that can stop our people progressing. And only if we accept and take our responsibility.

*Mr Speaker,*

*Dear Seychellois Brothers and Sisters,*

Seychelles is on the right path. We must keep our country on this right path. Our journey continues, with determination.

Once again I ask you to join me in accepting responsibility for the future of our country. Join me in continuing to safeguard the wellbeing and happiness of our children. Join me in continuing to create a solid economy where hard work will be rewarded. Join me in combating the scourges that afflict our society. Join me in strengthening our institutions of democracy. Join me in continuing, together, to create

a better Seychelles, and make it shine in the world. A united and harmonious nation. A Seychelles that is the pride of all our children.

May God bless our motherland. Thank you.