

1. Seychelles Port Authority (SPA)

1.1.Strategic Overview

1.1.1.Mandate

The Seychelles Ports Authority Act amended in 2024 mandates the SPA:

- (a) to regulate, control and administer all matters relating to the safety and security of the port and its facilities;
- (b) to promote the development of the infrastructure relating to the port;
- (c) to maintain port installations and to promote the use, improvement and development of the port;
- (d) to encourage the use of reliable and sufficient equipment in the provision of port services;
- (e) to participate in matters pertaining to search and rescue;
- (f) to collect all harbor dues, rental fees and other moneys payable to the Authority under this Act or any other law;
- (g) to plan, execute, monitor and evaluate training programmes of employees designed to ensure conformity with the standards of the services provided by them;
- (h) to act in collaboration with other public authorities and entities for the prevention of marine source pollution, protection of marine environment and to respond to marine environment incidents;
- (i) to advise the government or any public authority on any matter relating to merchant shipping and the prevention and control of marine pollution;
- (j) to represent Seychelles on maritime matters at both the national and international level;
- (k) to do all such other things as will contribute to the attainment of the objectives of the Authority.

1.1.2.Vision

SPA's vision is *"To continuously transform and sustain Port Victoria as a viable maritime hub."*

1.1.3.Mission

SPA's mission is *"To safeguard the maritime gateway to the Seychelles socio-economy by providing adequate and reliable port infrastructure and efficient services."*

1.1.4.Strategic Priorities for 2025-2027

1. Port Victoria Rehabilitation & Extension Project

During the years spanning this MTFs, SPA will be focusing on delivering the Port Victoria Rehabilitation & Extension Project, which includes:

- Construction of 310m of new quay southwards of the existing quay with a deeper berth to

accommodate vessels of drafts up to 14m. The project is expected to cost around EUR 82m as per latest cost estimate and construction is expected to start from around October 2025 and the new quay is expected to be operational from April 2027; and

- Selection of a new concessionaire to finance and develop all terminal/back of quay infrastructure and facilities such as paving, warehouses and terminal offices, and equipment such as ship to shore mobile harbour cranes, yard cranes, reach stackers, empty handlers, trucks and trailers, then to operate and transfer back to SPA all facilities and equipment at the end of the concession period. The selection process is expected to start by December 2024 and the new Concessionaire appointed by September 2025.

2. Re-organisation of Mahe Quay

To free up terminal space for container operations during the construction period, SPA will be relocating its administrative functions from the Commercial Port to nearby Ex-IDC complex, demolishing the building and paving the yard. This will permit the existing operator Land Marine Ltd (LML) to shift containers currently being stored at the unpaved Ex-Coast Guard area to the north side of the Commercial Port.

The Port and Marine Operations functions will continue to reside on the northern end of the port (Mahe Quay North), until they are relocated to Ile du Port, to make way for the future cruise passenger terminal, which will complement the Victoria Waterfront Project, and refurbishment or reconstruction of the existing quay once the new berth is operational in Mahe Quay South.

SPA and LML, are also in discussion to start constructing some much needed terminal facilities such as staff accommodation and new warehouses.

3. Replacement of Marine Assets

SPA will maintain course on its strategy to improve its marine fleet to be ready to serve the bigger vessels expected to call in Port Victoria once the new berth in Mahe Quay South is operational. This includes the disposal of Tug Boat Alouette, which is the oldest vessel in the fleet, and replacement of Tug Boat Mamelles by a new Azimuth Stern Drive (ASD) 50-60 Ton Bollard Pull (TBP) tug boat to form part of the fleet of vessels capable of handling larger vessels.

With the arrival of the new Pilot Boat Zirondel in the 4th quarter of 2024, replacing Pilot Boat Riga that was disposed by sinking early in 2024, Pilot Boat Marianne and Pilot Boat Merle (both very old and constantly out of operation, under repair, will eventually be disposed to make way for procurement of a second new pilot boat.

4. Port Victoria Access Channel

Also part of making Port Victoria accessible to larger vessels, a feasibility study will be commissioned for the enlargement, deepening and realignment of the Port Victoria entrance channel, to render the channel safer and deeper these bigger vessels. This will require the repositioning of the Light House closer to Ile de Romainville, planned to form part of a larger development to turn the Light House in a

maritime museum and tourist attraction to keep alive this very important part of the country's national heritage, while opening Port Victoria for more traffic.

5. Increasing International Vessel Calls

To drive up traffic, which will in turn drive up revenues, SPA undertakes to attract more shipping lines to lead to more fishing, container and cruise vessel calls. This will be done through networking at relevant events, where these shipping lines gather, and collaboration with the relevant ministries such as Fisheries, Industries and Tourism, to obtain commitments on vessel calls, cargo and passenger throughputs and to build strategic alliances with relevant partners.

6. New Southbound Road

To reduce congestion caused by port traffic over the long term and to reduce safety risks of southbound container carrying vehicles using the current route through the Docklands/SEYPEC/STC Hypermarket area, SPA will also be seeking grant financing to undertake a feasibility study to introduce a new southbound road on the outskirts of the Queenie Bay area leading to Roche Caiman SportsComplex.

7. Inter-Island Quay Domestic Passenger and Cargo Facility

While the major focus will be on delivering this much needed modern Commercial Port, SPA will also be ensuring that domestic port facilities and fish landing facilities are maintained and modernized.

A new passenger terminal at Inter Island Quay is currently in design phase, being done through a Public Private Partnership (PPP) format was tendered in September 2023 and awarded Inter Island Boats. To complement this, SPA has already started implementing a new pay parking facility on V18476 and V18468, which are located opposite the Inter Island Quay port facility. The Ministry of Lands and Housing has granted SPA permission to build and operate the car park for 5 years out of which 2 years has already been used up. SPA has made a request to the MLH to extend the duration of this permit for it to recoup the investment.

8. La Digue Passenger Terminal

A new passenger terminal on La Digue Island to replace the small existing passenger shelter is currently in design phase to be implemented in 2025. The financing format is under consideration with dependency on the total cost of the project. SPA has budgeted SCR 15m for the project.

9. Praslin Passenger Terminal

A new, larger passenger terminal on Praslin on Kato Nwanr Island is also in concept phase. It is expected that the existing terminal will reach capacity in the short to medium term and land has already been allocated for the construction of a larger terminal following the same standards that are now being implemented in the new La Digue Passenger Terminal. A feasibility study will be undertaken to determine when this project can be implemented. The land allocated for it will currently be used as a pay parking facility.

10. Communication with Vessels

The SPA is currently establishing a more effective communication system between Mahe, Praslin, and La Digue, which will enable all vessels to communicate via VHF radio (currently lacking on Praslin and La Digue). Additionally, SPA will be procuring advanced technologies such as radar, AIS, GPS, VHF radios, vessel tracking software, and microwave connectivity to efficiently monitor vessels within the port limits. Such visibility will also significantly enhance navigational safety and improve data collection for invoicing, thereby reducing revenue leakage.

11. Inter-Island Cargo

In line with the strategy to segregate cargo from passenger traffic at Inter Island Quay, as has been implemented on Praslin and now La Digue, a new Inter Island Cargo terminal at Roche Caiman is in concept phase to be implemented in the medium to long term. This new facility will play an important role in reducing congestion on the Victoria by-pass road and improving the safety of passengers at the existing facility, as well as providing more berths for passenger vessels.

12. Industrial Fishing Port

The heavily utilized Industrial Fishing Port is currently in a very dilapidated state and also need refurbishment to meet the needs of the fisheries sector. The re-development of the Industrial Fishing Port facilities currently in concept phase.

SPA will also be initiating consultations to put in place a new masterplan for the development of Port Victoria as a thriving maritime hub for the next 30 years. This will require synergies with and involvement of port stakeholders and relevant Ministries, agencies and authorities. SPA aims to create more hinterland facilities for development of the fishing industry as well as other upcoming export oriented industries. This requires for SPA to take stock of all land leased to it for port development and to start preparing concepts for development, either by SPA, private parties or SPA and private parties as a PPP.

13. Developments on SPA land

SPA as a landlord port authority has been allocated many parcels of land for development of port facilities as well as creating opportunities for the development of back of quay facilities as well as blue economies by private parties.

On Kato Nwanr Island on Praslin, land has been allocated based on a sublease agreement to investors for commercial developments such as retail outlets, offices and services to complement Ero Passenger Terminal. Not far from it, on Eve Island at the cargo terminal, land has been and continues to be subleased to investors for storage of frozen and dry goods in transit to complement the cargo activities. On Mahe, around the fishing ports, land continues to be allocated to interested parties undertaking developments to complement and service the fishing industry.

14. Sustainable (Green) Port

All new developments will be undertaken under an umbrella of sustainability, in line with the newly adopted Sustainable (Green) Port approach, aligned with the Green Port Policy being developed at national level. The sustainability agenda will drive initiatives such as:

- Improving governance by giving sustainability due importance in all relevant and applicable policies and SOPs;
- Driving financial sustainability by improving revenue generation and cost efficiency, leading to a healthier bottom line for the SPA. This will permit SPA to accumulate the necessary reserves to finance the maintenance and redevelopment of its port facilities and premises, and managing its operational risks;
- Digitalization of operations to reduce paper consumption while improving efficiency and transparency. Such digitalization includes the Port Victoria Management Information System (PVMIS), which is a platform for declaration of vessels and clearing of international cargo, and the Domestic Voyages Management Information System (DVMIS), which is a platform for declaration of domestic voyages bound for SPA terminals on other islands. The implementation of these systems will lead to more control and speedier invoicing and collection of revenues [already embarked and 60% completed, talk about HRIS as well];
- Emphasizing on the continuous improvement of SPA's employees' performance through their ongoing training and development, and catering for their welfare and well-being;
- Energy efficiency in operations ultimately to reduce SPA's carbon footprint and cost of operating its assets such as premises and vessels. Under this theme, SPA will be over the long term replacing assets with those that are more energy efficient and installing Photo Voltaic (PV) panels on its buildings, wherever possible and permitted;
- Reduction of waste from SPA activities, which eventually end up at the landfill. Initiatives such as segregation of waste, reuse and recycling of those wastes that can be reused and recycled and reduction of largely paper waste by the formerly described digitalization;
- Creating more green spaces in and around port facilities and reducing/preventing pollution from port activities; and
- More engagement with Victoria as a port city and with the local community that is impacted by the ports that SPA operates.

15. Support for Developments

Given the pivotal role of ports in the socio-economic development of the country and the extensive social benefits derived from their existence, SPA undertakes to continue investing in the development of Port Victoria and all port facilities under the management of the Authority. While SPA will continue to identify new avenues to generate revenues, while controlling its costs and maintaining its tariffs at a competitive level, it is necessary that the Government considers how to support SPA in this endeavor through concessions and tax exemptions. The latter would make a significant effect on the Authority's

cash flow during the extension of Mahe Quay.

1.1.5.Key Challenges

1. Finance vs the Need to Develop

SPA's extensive mandate requires it to provide adequate port facilities to serve many industries, primarily the fishing and tourism sectors of the economy, while also meeting the needs of the general economy and a population that are highly dependent on imports to continually enjoy the high standard of living that we aspire for all Seychellois.

On the opposite side of the same coin, SPA competes with other ports existing and new in the region, which are luring the fishing vessels that drive the very engine of port business, requiring SPA to charge competitive tariffs while providing a better service than its competitors. It is important to note that SPA's tariffs are regulated by law and subject to the approval of the Cabinet of the Minister.

The specific challenge faced by SPA now is how to finance the capital intensive development of international port facilities (access channel, berths, tug and pilot boats) in light of the numerous risks that it faces, to improve maritime connectivity while keeping its tariffs at a competitive level.

2. Constraints of Existing Facilities

Port facilities play a key role in connecting a country to others to facilitate trade and plays a key role in determining the cost of freighting goods, whether by containers or in bulk. The existing port facilities for international cargo vessels restrict the size of vessels that can call in Port Victoria. The depth and width of the access channel, basin and berths permit vessels of maximum draft of 11.5m to call into port. Furthermore, a lack of ship to shore cranes further restrict container freighting to older geared vessels carrying a maximum of 2,000 TEU of containers. This results in a cost of freight that is higher than other countries that can accommodate bigger, new, more cost efficient, ungeared vessels.

2. Economic Reliance on Tourism and Fisheries

The high dependency of the SPA and the country on the fisheries sector is an on-going concern for SPA amid decreasing fish stock and increase in quotas, which SPA has very little control over. It is imperative that the Government identifies and grows other industries in a bid to diversify the economy, to ensure a steady stream of exports over the long term. In the interim, fishing vessels are abandoning Seychelles for more lucrative opportunities in neighboring countries such as Madagascar, Oman, Tanzania, Mombasa in Kenya, and the Maldives.

3. Working in Partnership with Government

There is a very real need for entities such as the Seychelles Fishing Authority (SFA), Ministry of Fisheries, Ministry of Industries, Ministry of Finance, Ministry of Lands, Seychelles Maritime Safety Administration (SMSA), and the Ministry of Tourism to work in synergy with the SPA, where all parties can leverage their collective expertise and resources for better coordination when planning for port developments and negotiating agreements that have an impact on the economics of the port. In the past, PVREP has encountered many roadblocks, when other Ministries, agencies and departments have misjudged the importance of this project and not given due priority to SPA's requests. One such example is the delay in the relocation of the Police and Prison related activities at the Ex-Coast Guard Area, which is the area that will be first to develop in this project.

4. Legislation Related Challenges

The slow speed at which legislations are drafted and approved has proven to be a hindrance to both SPA and its regulator, Seychelles Maritime Safety Authority. International conventions such as the MARPOL Convention and IMDG Code have both been ratified by Seychelles but not yet domesticated through regulation.

SPA has now amended the SPA Act to give it greater flexibility in its commercial undertaking, however, the Port Regulations have yet to be updated to give SPA enforcement for many issues concerning pollution, safety and security. SPA still heavily relies on the Police and other entities with enforcement powers e.g. Department of Environment. However, their presence is very Ltd at ports.

Being a public enterprise, SPA is required by law to follow the Public Procurement Act. While SPA recognizes the rationale behind this, the waiting periods during the process of making requests and review of evaluations, can sometime create delays in the implementation of projects and procurement of much needed parts or services for marine assets, which leads to downtime (tugs and pilot boats) and loss of revenues and projects not meeting their deadlines.

5. Land and Development Planning

As mentioned in the previous section, SPA makes available land leased to it to private developers to invest in facilities that are complementary to port facilities and the port business. However, it oftentimes encounters delays in obtaining the head leases for these properties or registration of sub- leases, delaying entry into concession agreements. The most recent and pertinent example is the registration of the sub-lease and commercial agreement of Land Marine Ltd for it to undertake the role of container and general cargo terminal operator at Mahe Quay. These two agreements were signed in 2022 and have yet to be registered due to delay in the subdivision of the quay to remove it from the demised premises.

The SPA Act makes provision for SPA to give approval for development of marinas, slipways and landing places throughout the Harbour, which is 10 nautical miles from any coast of any island in the archipelago. Yet SPA is not consulted when such developments are submitted to the Planning Authority. SPA thus finds it difficult to control the standard of such developments.

6. Stakeholder Perceptions and Cooperation

SPA has a large number of stakeholders, which includes port operators and the general public. There is an omnipresent perception by many stakeholder groups that SPA generates excessive revenue and can thus achieve much more than its cash flow would otherwise allow. SPA spends significant energy to manage the challenges that comes with this, such as but not Ltd to high bids in procurements, customers not taking their responsibility to settle their debts, and obtaining information from operators even when such information submission is regulated by law.

7. Human Resource Challenges

Port Operations being a very specialized domain requires a specific skillset to be developed through training and experience. Oftentimes SPA finds it challenging to attract people with these skills from the local market. As much as SPA would like to maintain a 100% Seychellois workforce, it may sometimes have to resort to expatriate staff to fulfil certain keyroles.

8. Technological Challenges

As SPA forges ahead on its digitalization journey, it faces the same problem currently affecting individuals and businesses alike – internet connectivity. SPA's systems will all be cloud-based on servers overseas, necessitating for users to have a reliable internet connection. Should the country lose international connectivity, systems such as PVMIS and DVMIS will not be accessible to users, which may lead to slowdown in the operations as users revert to the old manual process.

Introduction of technology also brings about data protection and cybersecurity challenges that must be met with regulations, policies and systems.

9. Reporting Challenges

As a reporting entity, SPA must always meet the deadlines set by PEMC. With records having been manual for more than a decade now, ad-hoc requests cannot always be met within the specified deadlines. Oftentimes the information being requested requires accessing records for many reporting periods kept manually, compilation and analysis of such records prior to submission. Tight deadlines are therefore a significant challenge for the SPA Finance Department, who, thanks to the manual system, spend a large amount of time on invoicing for port services. SPA would like to request flexibility to provide the required information when it comes to ad-hoc requests.

1.1.6. Outlook of Financial Strategy

1.1.6.1. Projected Financial Position of Seychelles Port Authority

SCR ('000)

	Actual figures			Provisional	Forecast		
	2021	2022	2023	2024	2025	2026	2027
ASSETS							
Non-Current Assets							
Property and equipment	266,200	283,657	311,576	452,263	864,606	1,624,873	1,885,383
Investment property	17,200	16,071	32,536	31,634	31,181	31,181	31,181
Intangible assets	400	246	144	-	4,197	4,766	4,766
Deferred Tax Assets	6,000	4,340	-	-	-	-	-
Total Non-Current Assets	289,800	304,315	344,256	483,898	899,984	1,660,819	1,921,330
Current Assets							
Inventories	3,300	2,985	4,387	7,167	8,076	8,076	8,076
Investment in financial asset at amortised cost	-	25,043	30,727	53,681	53,681	53,681	53,681
Trade and other receivables	31,400	39,801	49,603	31,765	37,122	53,599	55,891
Cash and cash equivalents	190,100	196,199	228,287	232,576	156,696	184,287	47,057
Total Current assets	224,800	264,028	313,004	325,189	255,575	299,643	164,704
	-						
TOTAL ASSETS	514,600	568,342	657,260	809,087	1,155,559	1,960,462	2,086,034
	-						
EQUITY AND LIABILITIES	-						
Equity and reserves	-	-					
Capital reserve	8,400	7,486	6,662	6,662	6,662	6,662	6,662
Retained earnings	475,100	519,863	576,878	675,572	784,216	911,513	1,043,678
Total Equity	483,500	527,349	583,540	682,234	790,878	918,176	1,050,340
LIABILITIES							
Non-Current Liabilities							
Borrowings	8,200	7,470	44,338	75,662	297,211	977,126	970,942
Deffered Tax Liabilities	-	-	11,045	11,045	11,045	11,045	11,045
Retirement benefit obligations	4,600	8,960	8,516	6,929	4,577	825	(172)
Total Non-Current Liabilities	12,800	16,430	63,899	93,635	312,833	988,997	981,816
Current Liabilities							
Retirement benefit obligations-Current	4,700	1,312	1,799	472	-	-	-
Tax liability	5,100	12,956	(5,976)	17,788	37,827	38,326	38,461
Trade and other payables	8,400	10,296	13,997	14,957	14,020	14,964	15,418
Total Current Liabilities	18,200	24,564	9,820	33,217	51,847	53,290	53,878
Total liabilities	31,000	40,994	73,720	126,852	364,680	1,042,286	1,035,694
TOTAL EQUITY & LIABILITIES	514,500	568,342	657,260	809,087	1,155,559	1,960,462	2,086,034

1.1.6.2. Projected Statement of Comprehensive Income of Seychelles Port Authority

SCR ('000)

	Actual figures			Provisional	Forecast		
	2021	2022	2023	2024	2025	2026	2027
INCOME							
Port related services	150,300	168,703	179,399	252,045	299,537	322,293	335,741
Hire of boats	800	1,002	757	527	743	767	790
Rental income	14,300	35,025	36,361	38,550	35,062	36,815	40,172
Other income	200	531	2,347	25,113	1,002	1,052	1,104
Gross income	165,600	205,260	218,864	316,235	336,343	360,927	377,807
Cost of services	(18,600)	(19,368)	(21,817)	(20,860)	(26,780)	(27,545)	(28,384)
Net Income	147,000	185,891	197,047	295,375	309,563	333,382	349,423
EXPENSE							
Employee costs	(70,000)	(73,471)	(84,228)	(108,063)	(109,680)	(111,337)	(117,400)
Premises costs	(3,000)	(2,753)	(3,873)	(1,767)	(1,309)	(1,374)	(1,443)
Operating overheads	(9,600)	(9,967)	(16,711)	(20,688)	(23,994)	(21,981)	(22,519)
Depreciation	(21,600)	(22,930)	(24,137)	(29,452)	(25,399)	(24,216)	(27,477)
Expected Credit Loss		463	2,435	-	-	-	-
Operating Expenses	(104,200)	(108,657)	(126,515)	(159,970)	(160,381)	(158,908)	(168,839)
Operating Profit	42,800	77,234	70,532	135,405	149,181	174,473	180,584
Foreign exchange gain/(Loss)	(74,000)	(13,373)	13,077	(311)	(1,500)	(1,500)	(1,500)
Finance Cost	(100)	-	-	(3,763)	(3,256)	(2,877)	(2,498)
Profit/(Loss) before tax	(31,300)	63,862	83,610	131,331	144,425	170,096	176,586
Taxation charge	(2,100)	(19,073)	(30,903)	(32,636)	(35,781)	(42,799)	(44,421)
Profit/(Loss) for the year and other comprehensive income	(33,400)	44,789	52,707	98,695	108,644	127,297	132,164

1.1.6.3. Projected Cash flow Statement of Seychelles Port Authority

SCR ('000)

	Actual Figures			Provisional	Forecast		
	2021	2022	2023	2024	2025	2026	2027
Cash flows from operating activities							
Profit before taxation	131,200	63,862	83,610	131,458	144,425	170,096	176,586
<i>Adjustments for:</i>							
Depreciation of property and equipment	14,700	22,930	24,137	29,452	25,399	24,216	27,477
Expected Credit Loss	13,600	(463)	(2,435)	-	-	-	-
Retirement benefit obligation charge	7,500	7,263	6,710	6,728	8,139	6,946	10,150
Loss on disposal	-	20	-	-	-	-	-
Bad Debts written off	200	-	-	-	-	-	-
Prior year adjustment	4,500	-	4,308	-	-	-	-
Interest accrued	(900)	(218)	(989)	3,070	2,203	1,772	1,338
VAT Credit Refund	(8,500)	-	-	-	-	-	-
Prior year adjustment - Others	(300)	-	-	(22,789)	-	-	-
Currency translation differences on borrowings	5,200	(771)	-	-	-	-	-
Currency translation differences	(90,900)	12,685	(12,229)	-	-	-	-
	76,300	105,306	103,113	147,919	180,167	203,030	215,551
<i>Changes in working capital:</i>							
- (Increase)/Decrease in inventories	100	363	(1,402)	(2,780)	(909)	-	-
- Decrease/(Increase) in trade and other receivables	1,700	(7,973)	(7,616)	14,142	(5,357)	(16,477)	(2,292)
- Increase/(Decrease) in trade and other payables	2,400	1,863	3,700	1,783	(464)	891	517
	4,200	99,559	97,795	161,064	173,436	187,444	213,776
Tax paid	(22,100)	(9,556)	(34,453)	(18,597)	(23,707)	(42,300)	(44,286)
Gratuity and compensation paid	(5,100)	(6,346)	(6,666)	(9,136)	(10,963)	(10,645)	(11,211)
Net cash inflow/(outflow) from operating activities	53,300	83,657	56,676	133,331	138,767	134,498	158,279
Cash flows from investing activities							
Purchase of property and equipment	(143,300)	(40,048)	(51,216)	(153,006)	(424,284)	(748,608)	(475,644)
Sale of property & Equipment		-	-	23,097	-	-	-
Purchase of investment property		-	(18,026)	-	-	-	-
Purchase of intangible assets	100	-	-	-	-	-	-
Purchase of investment in financial assets	(23,500)	(25,043)	(25,774)	(28,000)	-	-	-
Proceeds from redemption of investment in financial asset		-	20,090	-	-	-	-
Net cash inflow/(outflow) from investing activities	(166,700,000)	(65,090)	(74,927)	(157,909)	(424,284)	(748,608)	(475,644)
Cash flows from financing activity							
Interest Received		218	989	28	1,002	1,052	1,104
Borrowings received		-	38,163	38,108	227,733	693,000	231,000
Borrowings Repaid		-	(1,892)	(6,604)	(6,184)	(6,184)	(6,184)
Interest Payment		-	-	(7,711)	(12,914)	(46,167)	(45,786)
Net Cashflow from financing activities		218	37,260	23,821	209,637	641,700	180,134
Increase/(Decrease) in cash and cash equivalents		18,785	19,010	(756)	(75,881)	27,591	(137,230)

1 January,	227,000	190,099	196,199	228,287	232,576	156,696	184,287
Increase/(Decrease)	(113,600)	18,785	19,010	(756)	(75,881)	27,591	(137,230)
Currency translation differences	90,900	(12,685)	13,077	5,046	-	-	-
31 December,	204,300	196,199	228,287	232,576	156,696	184,287	47,057

1.1.6.4. Projected Capital Investment Plan of Seychelles Port Authority

SCR ('000,000)

Project Name/Location	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Forecast				Anticipated Risks
							2024	2025	2026	2027	
Major Capital Investments			SCR Mn				SCR Mn	SCR Mn	SCR Mn	SCR Mn	
Dry Docking of Tug Ste Anne	Dry Docking for classification requirements	Uninterrupted service with regulatory compliance	20.1	Equity	2025	Sep-25	20.1				
Dry Docking of Tug Mamelles	Dry Docking for classification requirements	Uninterrupted service with regulatory compliance	14	Equity	2026	Dec-26		14			
Dry Docking of Tug Alouette	Dry Docking for classification requirements	Uninterrupted service with regulatory compliance	22	Equity	2026	Dec-26	6.5	22			
Acquisition of New Pilot Boat	Faciliate efficiency of the Port by replacing aged fleet	Faster reliable response to ship calls, securing interruptions, minimizing risks to human life	18.2	Equity	2025	Dec-25	4.8	18.2			
Tug Boat	Dredging works for New Finger Jetty		2	Equity	2024	Dec-24	2				
Acquisition of New Tug Boat			85.24	Equity	2024	Dec-24	85.24				
PVREP	Extension of Quay Length by 300 Mtrs and renovation of Existing Quay with limited dredging	Extra Space for Container Handling, Facilitation of modern vessels with bigger draught.	1,173	EIB/AFD	2025	Dec-27	12.65	250.2	750.7	125.1	
Mahe Quay	Sanitary Facilities for Stevedores	Improved facility for Stevedores	0.5	Equity	2025	Dec-25	0.5				
Mahe Quay	Fencing & Surfacing		1.5	Equity	2025	Dec-25	1.5				
Mahe Quay	Development of Inter Island Cargo Terminal		75.0	Equity	2026	Dec-28		5	10		
Fishing Port	Installation of Seypec Pipe Duct		1.0	Equity	2024	Dec-24	1				
Mahe Quay	Surfacing Work at Mahe & Fishing Port		0.8	Equity	2024	Dec-24	0.8				
Mahe Quay	Relocation to IDC		3.5	Equity	2024	Dec-24	3.5				
Bel Ombre	Bel Ombre Development		1.5	Equity	2025	Dec-25	1.5				
La Digue	Passenger Terminal Building		40.0	Equity	2025	Dec-26	32	8			

La Digue	Phase 1 - Sea Wall Alignment/Dredging		4.4	Equity	2024	Dec-24	4.4			
La Digue	Phase 2 - Final Settlement		2.6	Equity	2024	Dec-24	2.6			
La Digue	Phase 1 & 2 Consulatncy Fee		0.5	Equity	2024	Dec-24	0.5			
La Digue			0.65	Equity	2024	Dec-26	0.65			
Praslin	New Passenger Terminal at Ero (Retention Fee)			Equity		Dec-24	1.4			
Praslin	Yard Lighting, Road Surfacing & Pay Parking System		3.0	Equity	2024	Dec-24	3			
Praslin	Ero Terminal (Improvement to existing sewage system)		0.1	Equity	2024	Dec-24	0.1			
Praslin	Ero Terminal (Installation of PVC Curtains)	To prevent water splashing under seating area	0.3	Equity	2024	Dec-24	0.3			
Praslin	Ero Passenger (Supply & Fixing of Tabular Piles)	To secure New Pontoons	0.5	Equity	2024	Dec-24	0.5			
Praslin	Improvement at Eve Island Cargo Yard		1.0	Equity	2024	Dec-24	1			
Inter Island Quay	Car Park Project		5.0	Equity	2024	Dec-24	5			
Acquisition of New Pilot Boat incl. of mobilisation	Faciliate efficiency of the Port by replacing aged fleet	Faster reliable response to ship calls, securing interruptions, minimizing risks to human life	14.8	Equity	2024	Dec-24	16.4			
							152.34	324	799.7	135.1
Replacements and upkeep of Assets (PPE)										
Nav Aids & Equipment							3.18	1.86		
Software							0.59	2.78	0.75	
Office Equip & Computer Accessories							2.29	0.64		
Furnitures & Fittings							0.08	0.06	0.03	
Building Improvements							0.14			
Plant & Machinery								0.07	0.15	
Other Assets							4.46	2.08	0.59	2
Vehicles							1.99	0.80		
Total							12.73	8.29	1.52	2
Grand Total							165.07	332.29	801.22	137.10

*Details not provided on Actual Figures 2021-2023 & anticipated risks

1.1.7. Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

1.1.7.1. Tax Implications by the Operations of Seychelles Port Authority

SCR ('000)

TAX IMPLICATION						
Type of Tax	Actual Figures		Provisional	Forecast		
	2022	2023	2024	2025	2026	2027
Business Tax	16,700	17,700	32,600	35,800	42,800	44,400
PIT	5,100	6,500	7,200	7,900	8,700	9,600
VAT	(870)	(1,490)	(1,490)	(1,490)	(1,490)	(1,490)
Total	20,930	22,710	38,310	42,210	50,010	52,510

1.1.7.2. Anticipated Dividend Declarations By of Seychelles Port Authority

With the large capital outflow during the years 2025-2027 as SPA reinvests in aged infrastructure and forges forward with its transformation SPA does not anticipate to be declaring any dividend in cash. To show Government how SPA contributes to the socio-economic development of the country, a methodology is being developed for Dividend in Lieu of Cash to recognize the Social Responsibility incurred by SPA.

1.1.7.3. Debt Payments Forecasts By Seychelles Port Authority

Lending Organization	Description	Purpose of Borrowings	Total Debt	Total Borrowings and Debt Servicing						
n			Amount (Capital)	Actual Figures			Provisio nal	Forecast		
				2021	2022	2023	2024	2025	2026	2027
Loan 01 From European Investment Bank	Borrowings	Port Victoria Rehabilitation & Extension Project	EUR 40.5m	-	-	-	-	-	EUR 40.5m	EUR 40.5m
	Interest for the Year		-	-	-	-	-	-	EUR 2m	EUR 2m
	Repayment of Capital		-	-	-	-	-	-	-	-
	Balance carried forward		-	-	-	-	-	-	-	-
Loan 02 From Agence Française de Développement	Borrowings	Port Victoria Rehabilitation & Extension Project	EUR 16.5m	EUR 500k	EUR 500k	EUR 500k	EUR 500k	EUR 15.9m	EUR 16.5m	EUR 16.5m
	Interest for the Year			EUR 2.6k	EUR 2.7k	EUR 21k	EUR 25k	EUR 642k	EUR 836k	EUR 836k
	Repayment of Capital		-	-	-	-	-	-	-	-
	Balance carried forward		-	-	-	-	-	-	-	-
TOTAL			EUR 57m	-	-	-	-	-	-	-

1.1.7.4. Anticipated Subventions and Grants By Seychelles Port Authority

Nature of Funding	Funding Agency	Purpose	Total Agreed Amount (Forex)	Total Receipts of Subventions and Grants						
				Actual Figures			Provisional	Forecast		
				2021	2022	2023		2024	2025	2026
Subventions	Government	-	-	-	-	-	-	SPA does not anticipate any subventions within the medium term		
	IMF	-	-	-	-	-	-			
	ADB	-	-	-	-	-	-			
	EU, etc.	-	-	-	-	-	-			
Grants	Government	-	-	-	-	-	-	-	-	-
	IMF	-	-	-	-	-	-	-	-	-
	ADB	-	-	-	-	-	-	-	-	-
	EU, etc.	Port Victoria Rehabilitation & Extension Project	Not Provided	-	-	-	-	-	EUR 4.6m	EUR 15.4m
TOTAL			-	-	-	-	-	-	EUR 4.6m	EUR 15.4m

1.1.7.5. Contingencies of Seychelles Port Authority

Nature of Contingencies	Funding Agency	Purpose	Total Liability Amount	Realized Guarantees						
				Actual Figures			Provisional	Forecast		
				2021	2022	2023		2024	2025	2026
Guarantees	Government	Port Victoria Rehabilitation & Extension Project	EUR 70m*	EUR 614k	EUR 614k	EUR 614k	EUR 614k	EUR 18.9m	EUR 70m	EUR 70m
	Guaranteed for other PEs	-	-	-	-	-	-	-	-	-
Potential Payments Due to Legal Actions by 3 rd Parties	Government	-	-	-	-	-	-	-	-	-
	Case 01	-	-	-	-	-	-	-	-	-
	Case 01	-	-	-	-	-	-	-	-	-
	etc.	-	-	-	-	-	-	-	-	-
TOTAL			EUR 70m*	EUR 614k	EUR 614k	EUR 614k	EUR 614k	EUR 18.9m	EUR 70m	EUR 70m

*Please note that the guarantees for the loans are higher than the loan amount: EIB Loan EUR 12.5m, Guarantee EUR 15m, EIB Loan EUR 28m, Guarantee EUR 35m, AFD Loan EUR 16.5m, Guarantee EUR 20m. The loan to guarantee ratio is on average 1:1.228

1.1.7.6. Assumptions used for the Financial Projections of Seychelles Port Authority

- a. Inflation and Exchange rate is as per information prescribed by PEMC below:

	2025	2026	2027
Inflation Rate	2%	3.5%	3.5%
Exchange Rate:			
SCR/US\$	14.69	14.92	15.16
SCR/EURO	16.51	16.82	17.13

- b. All Revenues were projected using the actuals of current year (Jan-Jul) and actuals of previous years (Aug-Dec), except for container forecast. However, change in the maritime industry is highly dependent on the global economy, cost of freight, domestic consumption of goods, development in fishing industry, actions of nearby competitor ports and internal socio-political climate.
- c. The above assumption basis will impact all Harbour Dues Income except Rental Income and Concessionaire.
- d. The full implementation of the Tariff Review has been factored in the Financial Projection, which is the 2nd phase of the 75% increase in the tariffs as approved in the Harbour Dues Regulation 2023.
- e. The Loan Facility of EUR 4.86m from Nouvobanq is repayable over a period of 10 years. This loan was taken to partly finance the acquisition of Tug Boat Mamelles (delivered), Tug Boat Silwet (delivery date September 2024) and Pilot Boat Zirondel (delivery date October 2024) at the variable interest rate of EURIBOR 3 Months + a margin of 4% (currently 6.17%). Any variation in EURIBOR will have an effect on this facility and projected cash flows and interest costs. However, loan agreement includes a clause to convert the facility to SCR during the tenor of the loan to mitigate foreign exchange risks. Any conversion utilizing such option will have an impact on cash flows projected.
- f. Direct operational costs were projected based on maintenance and fuel requirements needed to operate the tugboats and pilot boats. Furthermore, the quays and jetty maintenance is estimated based on the technical requirements assessed by the project team.
- g. Gratuity and retirement benefits payments for budgetary purposes is based on the manpower requirement of the authority for the next 3 years as they fall due.

1.1.8. KPIs, Risk Management Strategy and Reporting Obligations

1.1.8.1. Key Performance Indicators of the Seychelles Port Authority

Performance Indicators	Description	Achievements of KPIs						
		Actual Figures			Prov.	Forecast		
		2021	2022	2023	2024	2025	2026	2027
Financial								
Gearing ratio	Total debt divided by equity				10%	27.3%	51.6%	48%
Debt to Capital ratio	Debt divided by Debt + Equity				0.11	0.38	1.06	0.92
Liquidity ratio	Current assets divided by current liabilities				9.5	5.3	5.7	2.9
Business Growth								
Container throughput	TEUs of containers discharged and loaded				88,622	90,815	93,267	95,533
Container vessel calls	Port calls by container vessels	120	128	146	148	141	142	142
General cargo	Tons of general cargo discharged and loaded							
General cargo vessel calls	Port calls by general cargo vessels	15	7	8	10	13	13	13
Bulk Fish	Tons of fish landed, transshipped (in reefer vessels and containers)				431,638	546,333	482,338	491,292
Fishing vessel calls	Port calls by fishing vessels	742	678	669	658	678	710	745
Bulk Petroleum	Tons of petroleum products discharged and loaded				566,055	559,780	587,769	617,157
Petroleum vessel calls	Port calls by petroleum vessels (all products)	34	24	33	44	47	47	47
Bulk Cement	Tons of cement discharged	21,500			18,076	28,896	30,341	31,858
Cement tanker calls	Port calls by cement tankers	6	10	5	5	6	6	6
Cruise passengers	Number of cruise passengers disembarked				66,832	60,788	63,827	67,019
Cruise vessel calls	Port calls cruise vessels	4	12	35	48	48	48	48
Business Efficiency								
Gross margin	Gross profit divided by turnover				90%	91%	91%	92%

1.1.8.2. Risks and Resilience Plan of the Seychelles Port Authority

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	SPA's 5-year strategic plan expired in 2024 and SPA although is aware of its vision, it lacks the necessary strategic objectives that will guide its decision making for the short and medium term. It also lacks a development masterplan that will illustrate the vision for the development of port facilities for the next 50 years. SPA therefore stands the risk of making decisions that are not necessarily aligned to the long term goal or undertake developments that were never envisaged based on political and/or public pressure.	SPA will be engaging a consultancy firm to prepare a 5-year strategic plan as well as a 50-year development plan that will guide SPA over the medium and long term. Strategy Department being custodian of these plans will ensure that they remain relevant and where revisions are required, these are addressed to keep the documents current.
	As has been the case in the past, even if there was a strategy and masterplan in place, the strategic objectives contained therein are oftentimes not considered when decisions were made. A repetition of this may lead the SPA towards making misaligned decisions, which may derail it from achieving its strategic outcomes and vision.	SPA's board and management are committed to making decisions based on SPA's strategic intent. Key Performance Indicators emanating from these documents will be incorporated in departmental and individual performance objectives to ensure complete alignment from strategic to operational level.
	The strategic decision of port operators, users, relevant Ministries and agencies may not always be congruent with SPA's vision. For example, SPA wishes to improve efficiency in the cargo import and export processes to reduce cargo dwelling time and thus need for storage space on terminals. This involves many stakeholders. If these stakeholders decide to not cooperate by changing the way they operate the vision may never material or at best take much longer than planned.	SPA engages its stakeholders through the Port Stakeholders Committee and maintains conversations about port facilities and service delivery. Where necessary to bring strategic changes, SPA engages with relevant Ministries, agencies and departments to gain buy-in and solicit their support.
	Operating within a globalized economy and the country's heavy reliance on tourism and the fisheries sector brings about important economic risks. When there are downturns in the country's main source of foreign visitor and destination for fish export port business suffer from the slowdown in economic activity.	SPA closely monitors economic indicators to detect potential threats to its operations and performance.
Financial Risks	SPA's revenues are currently largely in SCR but has borrowed in EUR for PVREP. Each time SPA converts SCR into foreign currency it stands a chance of doing so at unfavourable rates.	SPA will be structuring the concession agreement to collect revenues in EUR to mitigate these risks. SPA also attempts to match its currency of revenue with the currency in which it makes its expenditures in addition to seeking options to convert its foreign currency loans into SCR if necessary.
	SPA has had to borrow heavily for PVREP and purchase of new marine assets. These loans give rise to interest rate risks. The EUR loans are tied to EURIBOR, which is impacted by the economic environment in the EU. With the recent high EURIBOR rates employed to combat high inflation	To keep the cost of capital low it is important that SPA finances its investments from low cost sources and manages any variability in the rates. The PVREP loans have options to convert the floating rate to fixed, which may provide some comfort when it comes to variability. Finance Department also continually monitors domestic and

	rates, SPA's cost of capital has gone up quite significantly.	international interest rates to advise management and the board if these rates are becoming alarming and actions may need to be taken to curb the increase in WACC.
	Liquidity Risk: SPA will start paying back the capital borrowed for PVREP from 2023. Such large payments have to be met by the project revenues, which is the concession revenues.	The concession revenues will have to exceed the maximum repayment amount and be sufficient to repay the loans as well as provide to the operational expenses for running Mahe Quay. SPA will ensure in its selection of the new concessionaire, get the best deal to avoid having to fall back on other revenue streams to repay the loans.

Operational Risks	Port facilities, particularly the Commercial and Industrial ports, are inherently subject to many safety risks due to dangerous cargoes (e.g. petroleum in bulk, containers containing explosives and other flammable and explosive products), dangerous activities (movement of heavy plant and equipment). Most facilities, particularly Mahe Quay, serve different types of vessels and cargoes in a single location, multiplying many risks of something going wrong, having catastrophic on human life and the port facilities.	SPA has improved its stance on safety by creating a Section whose role is to ensure that SPA and all port operators and users comply to internationally accepted safety norms and the law. Safety officers conduct regular inspections of all SPA premises and port facilities, and will be undertaking regular safety risk assessments at each location. New digitalized systems (PVMIS and DVMIS) are being introduced to ensure that cargos are declared and dealt with according to their type.
	Port facilities are restricted areas that should not be accessed by unauthorized persons. However, there is always the risk of port facilities being accessed by an unauthorized party. SPA does not have law enforcement powers and have to rely on the Police, who has very Ltd presence in ports.	SPA employs a large number of security officers to enforce the Port Facility Security Plan. Officers are stationed at the port facilities where they control entry and undertake patrols to detect any unauthorized access and/or activities.
	The risk of maritime accidents around port facilities is quite significant, particularly in narrow entrance channels into Port Victoria, Baie Ste Anne and La Passe. In Port Victoria, should a vessel be grounded in the entrance channel, international trade would stop entirely until the vessel(s) is (are) dealt with. This will have extensive negative impact on the economy of the country. This risk will increase significantly as the size of vessels calling into Port Victoria increases. [Risk of the light house and one way traffic system, refloating of sunk vessels]	SPA is very cognizant of the risk of paralyzing the economy of the country and is putting in place a vessel traffic management system to monitor vessels within the Port Victoria Limit. International vessels are also required by law to make use of a port pilot to navigate the channel, thereby reducing the risk of grounding. SPA employs and trains pilots to safely guide these vessels into port and makes use of aids to navigation and tugs. To further reduce the risk of grounding by the larger vessels that are expected in future, SPA will be widening, deepening and realigning the entrance channel.
	SPA have specialised human resource needs, particularly in the operations department. This, coupled with SPA's inability to offer the high remunerations offered for such individuals on the private sector may impede its ability to hire high caliber candidates.	SPA continues to enhance the skills and expertise of its employees through its training programs to ensure they attain the required level of performance. SPA collaborates with the Seychelles Maritime Academy and engages employees in internationally recognized training programs. SPA also considers non-monetary benefits in its welfare policy such as rewards and recognitions for good performance. The salary structure is currently under review and may lead to changes that could increase the attractiveness of the salaries offered by SPA. Any increases will be done in consideration of SPA's revenues being able to

		absorb the impact without putting its strategic objectives at risk.
	SPA loses many opportunities for international vessels to call at Port Victoria because of the limitations of its channel, depth of berths, and lack of shore cranes at Mahe Quay, the only quay designated for larger vessels. Furthermore, different classes of such vessels have to compete for berthing space, which is assigned based on a priority system. Importer of cargo that are delayed outside port incur demurrage charges that they normally pass on to their customers, resulting in unnecessary price increases in the economy.	To improve SPA's attractiveness to larger vessels, it is undertaking the Port Victoria Rehabilitation & Extension Project (PVREP) and improving its fleet of tugs and pilot boats. The new concessionaire is also expected to redevelop the port and provide shore cranes to cater for ungereed container and general cargo vessels.
	Materialisation of operational risks often lead to financial losses, oftentimes that could have been avoided if the risks had been correctly managed. SPA does not currently have a formalized system for the management of its risks, operational or otherwise.	SPA will be implementing an enterprise risk management system, which will identify and analyse risks, propose the appropriate risk management strategies and controls. This will quantify requirements for insurance and reserves for risk management.
Compliance and Regulatory Risks	Risk of non-compliance with Seychelles Laws: SPA's role as a landlord port authority is extensive in scope and at times complex. It has to remain compliant to many laws. E.g. as a commercial entity it has to comply to all tax laws, as an employer it has to remain compliant to the Employment Act and as a State Owned Entity it has to comply to the Public Entities Monitoring Commission Act and Public Procurement Act. Non-compliance may lead to prosecution in court, sanctions and penalties, and loss of reputation.	The SPA employs an in-house Legal Team and maintains a Legal Counsel on retainer. The Legal Team keeps track of all the laws that the SPA is required to comply to and provide their input in matters where there may be legal risks. Legal is also represented on the Audit & Risk Committee to alert the Committee of any Legal Risks that may materialize.
	As a result of Seychelles' membership in the International Maritime Organisation (IMO), the SPA is required to comply to IMO conventions such as the International Ship and Port Security (ISPS) Code, FAL and MARPOL Conventions. Failure to keep itself informed may result in inadvertent non-compliance, which may impact Seychelles' membership with the IMO.	The SPA Legal Team also maintains a good relationship with the Seychelles Maritime Safety Authority to keep updated on the conventions and also contributes to the domestication of these international regulations.
	SPA's marine assets are also at risk of non-compliance with the requirements of classification society, which is an international norm. Where such non-compliance occurs, the reputation of SPA as a responsible port authority and provider of marine services may be questioned and the resale value of these assets such as tugs and pilot boats may drop significantly, impacting SPA financially.	The marine operations department ensures that all marine assets are maintained as per the standards of the classification society under which the vessels are built. Vessels are dry-docked as per these requirements to ensure that they are always in their best shape. SPA will be investing in a vessel management system that will keep track of the health of the vessels and maintenance work done on them.
Environmental and Social Risks	As the climate of the earth changes sea level continues to rise and extreme weather conditions become more prevalent, increasing inherent risks such as maritime accidents and flooding at	SPA is cognizant of these risks and their impacts and ensures that in the design of its new quays and port facilities sea level rise and extreme weather conditions is taken into consideration. Mitigants include sufficient

PESTEL	high tides. The latter has been recently noted at the Industrial Fishing Port at equinox tides. Such impacts impede operations, reducing revenues and increases cost of repairs and damages to third parties.	height of the quay deck above the mean sea level, and adequate and effective drainage at the back of quay to quickly move water. Operationally, during extreme weather events, additional precautions are taken such as additional mooring lines for larger vessels at berth and tugs on standby to deal with any incidents.
	Port activities may result in pollution of the nearby bodies of water if care is not taken. As a landlord, SPA may be liable for pollution caused by its own operations and those of port operators and sublessees of SPA land. The impact of such pollution may be far reaching as dangerous substances may impact nearby protected marine areas such as the Sainte Anne Marine Park. This in turn may have an impact on the marine ecosystem, destroy sea life, fishing grounds and the local economy that relies on these areas.	SPA has in place an Environment Section that regularly inspects port facilities and premises to identify environment risks and provide recommendations to the respective entities (whether SPA, port operator, port user, Sublessee or Lessee) and monitors the implementation of the recommendations. The Environment Team also serve as the first response team for environment related incidents, who coordinate with the Department of Environment at national level to deal with such incidents.
	Ports are places of business, where may different organisations operate and employ staff to deliver port related services. The Commercial Port and Industrial Fishing Port are places of work for a large number of dock workers, SPA and border control staff. Ports are not normally isolated but rather exist in a community. The activities of the Commercial Port for example impact the central districts of Mont Fleuri, English River, Saint Louis, Bel Air and Mont Buxton and the capital city of Victoria. Congestion is a particularly big concern in Victoria because of port traffic [contribution of], particularly vehicles carrying containers to and from the fishing ports from and to the Commercial Port.	While social impacts are more nuanced and more difficult to quantify, SPA, through its Sustainability agenda aims to reduce its impact on these communities through various initiatives that reduces road congestion (new southbound road), involves the community (permitting port visits), creating more green spaces, SPA involving in community engagement activities with local schools and elderly homes. Additionally, when undertaking new projects, SPA ensures that an Environment Impact Assessment (EIA) mandated by the Environment Act is undertaken. The EIA process ensures that communities impacted are consulted in the process and where they are impacted, these impacts are managed to the satisfaction of the Department of Environment.
	Political Risks: Being a Government owned entity, SPA regulated tariffs are subject to the approval of the Cabinet of Ministers, which may be challenged by the National Assembly. SPA was only able to raise increase the tariffs contained in the Harbour Dues Regulations 13 years after the last increase. This deprived SPA many years of revenues, which could have gone into essential developments of port facilities and built reserves for PVREP.	To avoid forfeiting future revenues arising out of lack of political will to change the status quo, SPA will be pushing for an automatic increase in its tariffs based on the Consumer Price Index to align the increase with inflation through its Harbour Dues Regulation.
	Economic Risks	The Seychelles is highly reliant on tourism and fisheries, which are vulnerable to global economic downturns. A slowdown in these sectors directly affects port business, leading to reduced economic activity. We have seen during the COVID 19 epidemic how the reduced tourist arrivals impacted the overall economy and resulted in a drop in container throughput and revenues overall. SPA monitors economic indicators to anticipate potential threats to its operations and performance.
	Social Risks	Covered above

	<p>Technology Risks: SPA and most other port stakeholders use technology to operate. SPA recently launched the Port Victoria Management Information System (PVMIS) which will eventually facilitate most port processes. With all activities relying on this system, any failure or unavailability could potentially paralyse all port operations, creating delays and disruption in the general economy.</p>	The PVMIS is a cloud based system with redundancy built in. The system is built on international best practices and standards with the aim of reducing the risk of failure and unavailability.
	<p>Environment Risks</p>	Covered above
	<p>Legal Risks: To conduct its business SPA enters into many contracts whether with employees, consultants, suppliers, contractors, concessionaires, sublessees and lessees, etc. Such contracts if not correctly drafted, present or renewed when expired may not protect SPA from legal risks that may arise from disputes.</p>	The Legal Team is engaged in reviewing and vetting of all contracts into which SPA enters, while the respective departments that manage the contracts ensures that such contracts are present and/or renewed when expired.

1.1.8.3. List of External Reporting's by the Seychelles Port Authority

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report
Audited Financial Statements	Ministry of Finance Ministry of Transport PEMC European Investment Bank Agence Française de Développement	Financial Results, Financial Position and Cash flow for the year	Annually, within 3 months of year end
Annual Report	Ministry of Finance Ministry of Transport PEMC European Investment Bank Agence Française de Développement	Operational performance	Annually, within 3 months of year end
Annual Budget	Ministry of Finance Ministry of Transport PEMC European Investment Bank Agence Française de Développement	Annual budget	Annually
Mid-Term Financial Strategy	Ministry of Finance Ministry of Transport PEMC		
Procurement Plan	Procurement Oversight Unit	Annual procurement plan	Annually
Quarterly Financial Statements	PEMC		

1.1.9. Stakeholder Engagement

1.1.9.1. Statement by CEO

As the CEO of the Seychelles Ports Authority, I am proud to present our Medium-Term Financial Strategy (MTFS) for the period 2025 to 2027. This document outlines our strategic vision, financial outlook, and operational plans to ensure the continued success and growth of our ports.

Our strategic vision is to position Port Victoria as the premier port in the region for fishing vessels and cruise ships, known for its efficiency, sustainability, and customer service excellence. We aim to achieve this by focusing on several key areas. Firstly, we will enhance our digital infrastructure through the implementation of the Port Victoria Management Information System (PVMIS) and the Domestic Voyages Management Information System (DVMIS), which will streamline operations and reduce paper consumption.

Secondly, we are committed to the continuous professional development of our employees, as we believe that our people are our greatest asset. We will invest in their training and well-being to ensure they have the skills and motivation to deliver exceptional service.

Thirdly, we are dedicated to reducing our environmental impact by improving energy efficiency and reducing waste. We will replace assets with more energy-efficient alternatives and install Photo Voltaic (PV) panels on our buildings to harness solar energy, starting with our new passenger terminal on La Digue island.

To drive revenue growth, we aim to attract more shipping lines and increase vessel calls through strategic partnerships and by showcasing our port's capabilities at industry events. We are also committed to sustainability, ensuring that all new developments align with the Green Port approach and contribute to the preservation of our environment.

Financially, we project a comprehensive income statement that reflects our commitment to generating revenue, managing costs effectively, and achieving a healthy bottom line. Our financial strategy will ensure we have the reserves necessary for the maintenance and redevelopment of our port facilities.

This MTFS is a roadmap for the SPA's future, guiding us towards a sustainable, efficient, and profitable operation. We are confident that with the support of our stakeholders and the dedication of our team, we will achieve our strategic objectives and continue to serve as a vital economic hub for the Seychelles and the wider region.

Mr. Sony Payet
Chief Executive Officer

1.1.9.2. Foreword by chairperson

As we embark on the journey to realize the ambitions set forth in this Medium-Term Financial Strategy (MTFS) from 2025 to 2027, it is with a profound sense of purpose and optimism that I present this foreword. The MTFS is not merely a financial document; it is a roadmap for the future of our maritime gateway, a testament to our commitment to excellence, and a beacon of hope for the socio-economic prosperity of the Seychelles.

The strategic priorities outlined in this MTFS are ambitious yet attainable. They reflect our dedication to modernizing our port infrastructure, enhancing our operational efficiency, and embracing sustainable practices that will ensure the longevity of our natural resources and the vitality of our economy. The Port Victoria Rehabilitation & Extension Project, with its new quay and deeper berths, is a cornerstone of our vision, enabling us to accommodate larger, more cost-efficient vessels and reducing the cost of freight for our nation.

We recognize the challenges ahead, including the capital-intensive nature of our developments, the limits of our port facilities and the risks the Authority has to contend with. However, we are confident that through strategic planning, stakeholder engagement, and a relentless pursuit of financial sustainability, we will overcome these obstacles. Our focus on attracting more shipping lines and diversifying our economic base will not only drive up traffic and revenues but also ensure a steady stream of exports and a vibrant maritime sector.

The MTFS is also a call to action for collaboration across government entities and industries. The success of our ports is intrinsically linked to the success of the Seychelles as a whole, and it is imperative that we work together to make our ports a success. By doing so, we will create a resilient and diversified economy that can withstand the challenges of the future.

In closing, I invite all stakeholders to join us in this transformative journey. The MTFS is a living document, a work in progress that will evolve as we implement its strategies and learn from our experiences. Together, we can make the Seychelles Ports Authority a leader in the region, a model of efficiency, sustainability, and customer service excellence.

I am proud to present this MTFS and look forward to the achievements that lie ahead.

Mr. Brain Loveday
Acting Chairperson SPA

1.1.9.3. Statement by the Responsible Minister – Minister for Transport

As the Minister for Transport, I am honored to present the Medium-Term Financial Strategy for the Seychelles Ports Authority. This strategic document is a testament to our commitment to enhancing the maritime infrastructure and services that are vital to the economic prosperity of our nation.

The SPA plays a crucial role in connecting Seychelles to the global economy, facilitating trade, and supporting key sectors such as fisheries and tourism. Our ports are the lifeline of our economy, and it is imperative that we invest in their modernization and expansion to meet the growing demands of international trade and ensure the sustainability of our maritime gateway.

The Port Victoria Rehabilitation & Extension Project is the foundation of our strategy, aimed at attracting and accommodating larger vessels and reducing freight costs. This project, along with the development of new passenger terminals and the introduction of sustainable practices, will position Seychelles as a competitive and environmentally responsible maritime hub.

We recognize the challenges posed by the capital-intensive nature of these developments and the competitive landscape of regional ports. However, through strategic partnerships, stakeholder engagement, and a focus on financial sustainability, we are confident in our ability to overcome these obstacles.

The MTFS also emphasizes the importance of diversifying our economic base to reduce dependency on the fisheries sector. By working collaboratively with various ministries and stakeholders, we aim to create a resilient and diversified economy that can withstand future challenges.

In conclusion, the MTFS is a roadmap for the future of our ports, guiding us towards a sustainable, efficient, and profitable operation. I extend my gratitude to all stakeholders for their support and dedication, and I look forward to the successful implementation of this strategy.

Mr. Antony Derjacques,

Minister for Transport