

# info finance

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## A new year; new challenges and responsibilities, A message from Minister Hassan



2022, should have been the year, the world was rid of the most severe impact of COVID-19 pandemic, but as we all saw, at the end of 2021, and beginning of 2022, the virus mutated even further, bringing with it more uncertainty and threats to the world economic recovery. By March, the silver lining started to shine, but this light was short lived. The war between Russia and Ukraine, threw a spanner in the works, bringing major global economic disruptions, and hiking cost of most commodities. Seychelles is feeling the impact.

At this cross road, all we can do is to ensure the Seychelles economy remains on track for recovery, while doing our utmost to mitigate the threats, which can derail us. We are facing numerous challenges and uncertainties, which we have no control over.

So far, our prudent approach, which may not be popular, has been proven to be the right approach, and it will be proven to be the right approach to see us through this storm of uncertainties.

As we navigate 2022, the Ministry's role and responsibility, will be enlarged further, bearing in mind the reforms being undertaken. With this in mind, we have found it necessary to change the name of the ministry, to reflect the broader role of the Economic Planning department, therefore our

ministry is now called Ministry of Finance, National Planning and Trade.

We have also welcomed a new Principal Secretary for Trade, Mr, Ronald Cafrine. Let us wish Mr. Cafrine success in his new position. Former PS, Ms. Cillia Mangroo, will assume the new position of Executive Director, within my office and we also wish her the very best.

On 21<sup>st</sup> March, we saw the full roll out of the Result Based Management Framework. The Ministry in collaboration with the Public Service Bureau is spearheading the implementation of this framework, thus all staff have a role to play in ensuring its successful implementation.

In view of the challenges brought about by the war in Ukraine, we anticipate that the national budget will be under a lot of constraint and revisions of our targets will have to be made to reflect the new variables.

These new variables are being discussed with our international partners, mainly the International Monetary Fund (IMF), as the country is currently under an economic reform programme, which is getting the support of the Fund. We are engaging with the latter, to set these new parameters, to enable the country to absorb the external shocks, link directly with the war.

The Ministry is also committed to honour Seychelles international obligations, in order to stay off the list of non-compliance countries, in regards to the financial sector. The first successful step was taken late last year, when the EU upgraded Seychelles ranking from Annex 1 to Annex 11.

Dear all, we are facing challenges, which are beyond our control, and our ministry will have to be the anchor in these turbulent times. I am counting on all staff to do and give your very best for the people of Seychelles.

*I wish all of you a fruitful and productive year 2022.*

## *A New PS for Trade is appointed, and the name of the Ministry is changed*

**M**r. Ronald Cafrine is the new Principal Secretary for Trade, replacing Ms. Cillia Mangroo, who will assume the post of Executive Director in the Office of the Minister.

Mr. Cafrine's appointment took effect on the 1<sup>st</sup> of March 2022.

The new PS for Trade holds a BA (Hons) in Economics from the University of Essex, UK.

For over 26 years he has worked in both the public and private sector.

His last post in the public sector was Commissioner General of the Seychelles Revenue Commission (SRC), a post he occupied from Seychelles 2017 to May 2019.

For the past two years, Mr. Cafrine has been working in the private sector.

On the day of the announcement of the appointment of the new PS for Trade, State House also announced that the Ministry is now to be called Ministry of Finance, National Planning and Trade. The change from



Economic Planning to National Planning 'reflects the broader role being assigned' to the new department.

We welcome Mr. Cafrine in his new post, and we wish him all the best.

We also wish Ms. Mangroo all the very best in her new position.

## **The invasion of Ukraine by Russia and the subsequent war looks set to derail our economic recovery**

**T**he war between Ukraine and Russia is causing major setbacks to the world economic recovery, from the COVID-19 pandemic, including that of Seychelles,

The war has had catastrophic impact on the price of fuel, food and fertilisers. At the start of the war, the price of fuel had nearly hit the \$140 a barrel on the international market, which in turn has had a domino effect on the price of all commodities.

On Tuesday 08<sup>th</sup> March, Minister Hassan, delivered a statement before the National Assembly, forewarning of the impact of the war and the economic and financial sanctions which most western countries have imposed on Russia.

To note, Russia has been a very strong tourism market during the past year, for Seychelles. Its national airline,

Aeroflot, was flying directly between Moscow and Seychelles four times a week. However, since the 08<sup>th</sup> of March, Aeroflot has suspended all its international flights, thus grounding tourism arrivals from this destination.

A committee, headed by the Ministry is meeting regularly, with the objective to continuously monitor the situation and its impact on the country, and recommend appropriate actions.

Discussions with the International Monetary Fund (IMF), has been initiated, in view of the new variables, with the aim to extend the agreed parameters, under the Economic Reform Programme, to enable the government to mitigate the impact of the war, on the population.

Minister Hassan has appealed to the public to ensure that at this difficult and uncertain time, to prioritise their spending.

## The Ministry was the custodian of over 20 Acts, last year

**I**n 2021, 65 Acts were assented by President Wavel Ramkalawan.

Among the 65 Acts, over 20, were presented before the National Assembly for approval, by the Minister for Finance, National Planning and Trade, Naadir Hassan.

The last Bill to be signed into law in 2021, was in fact one presented before the National Assembly by the Ministry: The Supplementary Appropriation Bill, 2021.

The bill was assented on 17<sup>th</sup> December and published in the Gazette on 20<sup>th</sup> December 2021.

There were over 10 Acts, which were either amended or were new, which were aimed at ensuring Seychelles is conforming to its international obligations in regards to its financial services sector and sharing of information, especially taxes.

Contrary to the normal, the Appropriation Act 2021, was only assented on 16<sup>th</sup> April 2021, thus being numbered as Act 11 of 2021.

The National Assembly approved the Bill on 13<sup>th</sup> April, nearly 2 months, after the



The Ministry was well represented in the National Assembly last year

budget speech was delivered on 16<sup>th</sup> February 2021.

The first law which was the property of the Ministry last year was the Business Tax (Amendment) Act, assented on 28<sup>th</sup> December 2020, and published in the Gazette on 06<sup>th</sup> January 2021. The Act was the second of the new year, thus Act 2 of 2021.

As for the Statutory Instruments, better known as S.Is, out of the 109 issued last year, nearly 40 were from the Ministry of Finance, National Planning and Trade.

## All four debt bulletins for 2021 are available online

**T**he Debt Management Office, within the Ministry has issued and released all the quarterly debt bulletins for the year 2021.

The last bulletin to be issued was for the fourth quarter of 2021, which was released on 09<sup>th</sup> March 2022.

The debt bulletin gives an overview of Seychelles' debt profile, be it domestic or external, on a quarterly basis.

The bulletins are compiled by the Debt Management Office, headed by Chief Debt Analyst, Dick Labonte.

The issuance of the debt bulletin is part of the ministry's obligations under the Economic Reform programme, which is getting the support of the International Monetary Fund (IMF).

"By issuing these quarterly bulletins, the ministry is honouring its obligations, while also ensuring transparency and accountability, as they are public documents."

It is the first time, the Ministry has adopted this process, to publish the debt bulletins.

All four bulletins can be accessed from our website; [www.finance.gov.sc](http://www.finance.gov.sc)



# Government to present its Annual Borrowing Plan

**T**he government will present its Borrowing Plan which will tie in with its debt management strategy.

The Borrowing Plan, which will be revised annually, will present the:

- financing of government's expenditure
- composition of domestic and external borrowings and
- financing instrument to use when borrowing

The Chief Debt Analyst at the Ministry, Mr. Dick Labonte, explained that the new strategy being adopted will allow for more transparency, as it will provide detailed and clear information on the government's annual borrowing plan.

"Additionally, we aim to publish an indicative calendar of issuance for T-Bills and T-bonds. This will benefit the investors as they will be able to better prepare their investment plan moving forward."

In Early March, the government issued two Treasury Bonds, which is part of the overall macro-economic



Labonte, speaking to the media, in mid February, to explain the new strategy being adopted

framework and have been projected in the 2022 budget.

"This means that the issuance of the Treasury Bonds will not have any adverse impact on our projections for the year."

## Important Dates

**24th January 2022:** The first Management meeting for the year was held.

**07th March 2022:** The first Treasury Bonds of the year were issued. There were 3 Bonds, 2 were issued by the government, while the third was issued by the Development Bank of Seychelles (DBS).

**08th March 2022:** A statement was made by Minister Hassan, before the National Assembly on the potential impact on the Seychelles economy, of the war between Ukraine and Russia. Minister was accompanied by SS Patrick Payet and Governor of Central Bank

of Seychelles, Ms. Caroline Abel.

**14th March 2022:** Mr. Ronald Cafrine was appointed the new Principal Secretary for Trade. He replaces Ms. Cillia Mangroo, who has assumed the post of Executive Secretary in the Office of the Minister.

**14th March 2022:** State House announced a change of name for the Ministry, which is now called Ministry of Finance, National Planning and Trade.

**21st March 2022:** The official launching of the Result Based Management Framework took place at the International Conference Center, ICCS.

## DID YOU KNOW?



Ambassador Lalanne (2018—2020)



Dr. Larose (2016-2018)



Adam (2015-2016)



Laporte (2012-2015)



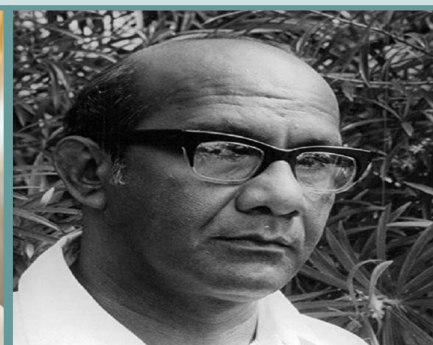
Faure (2006– 2012)



Michel (1989-2006)



Rene (1978-1989)



Chetty (1975-1978)

**D**id you know since independence on 29th June 1976, Seychelles has had only nine Ministers responsible for Finance? Mr. Chamerly Chetty was the first Seychellois to occupy the position. He served from 1975 up to 1978.

From 1978, the Finance portfolio, was transferred under the control of former President France Albert Rene. Mr Rene stayed at the helm of the Ministry of Finance, until 1989.

Former President James Michel took over the portfolio in 1989, thus began the longest reign of any Minister for Finance. Mr. Michel held the position for a total of 17 years, until 2006.

In 2006, former President Danny Faure was appointed to the position, which he occupied for a period of 6 years, up to 2012.

In our history, three former presidents have held the post of Minister of Finance.

In 2012, a non-political figure, Pierre Laporte, was at the helm of the Ministry of Finance. The technocrat, whose educational background is finance and economics, remained Minister for three years. In 2015, he stepped down, and he was replaced by Jean Paul Adam. Adam's reign was short lived, just over a year, as in November 2016, he was succeeded by Dr. Peter Larose.

Dr. Larose, remained at the helm of the ministry for 18 months, as in April 2018, he was replaced by Ambassador Maurice Loustau Lalanne. Ambassador Lalanne's reign came to an end at the end of October 2020, when the current Minister responsible for the finance portfolio, Naadir Hassan, took over on 03rd November 2020.

*The photos of the past ministers of finance.*