



BUDGET 2025

GOVERNMENT OF SEYCHELLES

Delivered by:

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In the Seychelles National Assembly

Ile Du Port, Victoria,

Mahé, Seychelles

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Mr. Speaker,
Honourable Leader of the Opposition,
Honourable Leader of Government Business
Honourable Members,
My fellow Seychellois.

Good morning.

1. Introduction

Mr. Speaker, the 2025 Budget is the fifth budget that this Administration has presented to the National Assembly for approval since coming into government in October 2020.

It is important for me to remind everyone of the principal objectives of this Government when it presented its first budget in 2021. The presentation of that budget marked the launch of this government's programme for the five years of its first term. I began my speech with this declaration, and I quote, "It is good to note that this new government has taken charge of the country at one of the most difficult times in its history. Despite this, we are determined and I am confident, that our country will survive all these challenges. But we will not only survive; we will also position ourselves better to relaunch and prosper."

Mr. Speaker, today is an appropriate time to reflect on that statement. Yes, I can confirm that we have survived, and that we are even doing better than anticipated. In the preceding budgets over these past years, we have been able to improve on the benefits available to our people and we have introduced new initiatives that have contributed to our country's progress and brought yet more benefits to our people.

Our economy has recovered, and with macroeconomic stability having been re-established, this has allowed us to bring more benefits for our people.

Mr. Speaker, I can even say that many of us have forgotten the gravity of the economic situation that this country was facing at the time. This is in itself, proof of our success. The COVID-19 pandemic had brought our economy to its knees. With an economy in recession and the government's financial situation in very poor shape, we were on a precipice.

Today, however, we are in a situation to present the largest budget in the history of Seychelles. Mr. Speaker, this has happened in less than five years. It is a budget whereby our people reaps the benefits of our hard work and provides funding for investing in economic and social infrastructures that will ensure the wellbeing of our country for years and decades to come.

This Mr. Speaker, can only happen when there is a responsible government with a strategic plan. More importantly, a government that firmly believes in the ability of its technicians to deliver.

Mr. Speaker, let me remind everyone of the reality of 2020 with some figures.

- The economy had contracted by 7.7%.
- The Primary Fiscal Deficit was 15.1% of our Gross Domestic Product (GDP).
- The value of the rupee had depreciated compared to other major currencies – for one dollar you needed more than SR22; 1 Euro was more than SR26 and 1 Pound Sterling was almost SR29.
- With the number of tourists having decreased, the direct revenue that the country earned from this industry was only \$221 million, a reduction of 62%.
- In its evaluation at the end of 2020, the Fitch Rating downgraded our country's position from 'BB' at the beginning of the year to 'B', because the country's debt was reaching an unsustainable stage.
- By mid-2021, the inflation rate had reached an average of above 11%.
- The total revenue that the government collected at the end of 2020 was approximately SR 7.6 billion.
- But on the other hand, the total government expenditure, along with 'net lending' excluding interest reached a little more than SR 10.9 billion.
- A total primary deficit of SR 3.3 billion.
- Our total debt based on revised GDP, was 80.8%.

Our official statistics show that just in 2020 alone, the total debt that the government incurred was more than SR 7.5 billion. This includes domestic and external debt.

Mr. Speaker, that was the real economic and financial situation of the country in 2020. It is important for us not to ever forget where we were, where we have come from, and how critical the situation was, when this government came to power. We never hide the reality from the Seychellois people. Those first two years after our victory were really difficult and worrying for the government, because every day, we were looking for ways to deal with the COVID-19 pandemic, and at the same time relaunch our economy.

Bold decisions were taken to vaccinate our population and reopen the country's borders in March 2021. That was the only way to return our economy to the path of productivity.

Mr. Speaker, we have applied a very strict budgeting system. We have remained disciplined and responsible at all times. Were these measures popular? NO! Were these measures necessary and important? YES! What I can reassure all Seychellois is that if these measures had not been taken, our country would have been in a critical situation like we have seen happen in several other countries.

I also want to reassure all Seychellois that over the past four years we have not just controlled spending. When these measures started to bear fruit, we shared it with all group of the society—including the business sector, students, workers and those needing more support through social benefit programs. We have continued our development projects at the district level, and invested in infrastructure. We have distributed this success with different groups in turn.

Mr. Speaker, to achieve all this, we needed to redress our economy and financial situation. Today, our situation is as follows:

- The economy will grow by 3% by the end of 2024.
- The country's budget is no longer in deficit, but rather we are projecting to make a primary fiscal surplus of 1.1% for this year.
- We expect to end the year with a total debt of 61.5% of our GDP.
- The value of the rupee has appreciated against foreign currencies and stabilized.
- The revenue we have collected from the tourism industry by the end of 2023 was US\$ 989 million.
- Today, the Fitch Rating has revised our country's position, and we will end the year with a rating of 'BB- , Outlook Positive'. This is the best position we have ever achieved.
- By the end of 2024, we expect to collect a total revenue, including grants, of SR 10.9 billion. The highest we have ever collected.
- The total government expenditure in 2024, along with 'net lending', excluding interest is expected to reach SR 10.5 billion.

These positive outcomes that I have just mentioned Mr. Speaker, are the results of the everyone's hard work, the dividends of a resilient and mature population, who understood when the government needed to take discipline and responsible actions to return our country to the path of positivity.

Today, in this fifth budget, Mr. Speaker, we will continue to reward our people, based on budget available, because our economy is still doing well, despite the global challenges that always remain a concern for us, because of our vulnerability to external shocks. But this budget Mr. Speaker also lays the foundation for our economy to continue to grow and that means creating more wealth for our citizens.

2. Global Development and Seychelles Economic Performance

Mr. Speaker, when we look at global economic activities for the year 2024, eventhough it remains resilient, compared to past periods, it is still a lower performance. We are still faced with ongoing challenges from political tensions and monetary policy issues. Global growth is expected to stabilize at around 3% for 2024 and 2025. Even though inflation rates are slowing, price pressures remain high. The main risks we must always consider that could negatively impact Seychelles include the global financial situation, the ongoing war between Ukraine and Russia, conflicts in the Middle East, and the effects of trade disruptions.

Mr. Speaker, domestically, we expect our economy to grow by 3% in 2024. This is based on the performance of the tourism sector, which has remained positive with a 2% increase in visitor arrivals compared to 2023, projecting a total of 357,900 visitors. Based on these tourism performance projections, growth is also projected in tourism related sectors such as accommodation and food services, and also transportation and storage. This performance is also supported by strong performances in the information and telecommunications sector and the agriculture and fisheries sectors.

For the year 2025, we are projecting a growth of 4.3%. in the Seychelles economy. This is a direct result of a 3.5% increase in visitor arrivals, considering factors such as the 'FIFA Beach

Soccer World Cup' taking place in May 2025, and the expected re-opening of several hotels next year. For tourism related sectors such as accommodation and food services, administrative and support services, we are projecting a growth of 5% and 3% respectively for the year 2025.

Mr. Speaker, in the agriculture and fisheries sectors, we are projecting a growth of 3% in 2025. In the manufacturing of fishery products sector, we are estimating a growth of 8% in 2025, with an average of 3% in the medium term.

In the manufacturing of beverage and tobacco sector, we are projecting a growth of 4% for the year 2025, compared to 2% in 2024. However, we are estimating a 5% reduction in the manufacturing - other sector, which mainly consists of the production of concrete, rock products, and paints, is projected to contract by about 5 per cent during 2024. The contraction follows the aftermath of the 7th December explosion in the Providence industrial area. Nevertheless, we are forecasting a growth of 3% in this sector for the year 2025.

On the other hand, we continue to see positive growth in the construction sector due to construction activities in the tourism sector. This positive growth is also reflected in the strong year-to-date VAT collections from this industry, already outperforming the total 2023 VAT collections by 37 per cent. This sector is expected to grow by 5% in 2025 and 3% in the medium term.

The wholesale and retail sector is expected to grow by 2% in 2024 and 3% in 2025.

Mr. Speaker, in the information and telecommunications sector, a growth of 10% is projected for the year 2024 and also in 2025. Data traffic statistics for the first six months of 2024 have increased by 54% compared to the same period in 2023. This growth is also supported by government efforts to adopt the use of technology in its services, and the positive growth in the tourism sector. In the medium term, this sector is expected to grow by 8%.

3. The Monetary Sector

Mr. Speaker, given that global inflation has decreased during the year, and domestic inflation rate was very low, the Central Bank of Seychelles has maintained an accommodative monetary policy to help support more economic activity. In this context, the Monetary Policy Rate was reduced in April 2024 from 2.0% to 1.75%.

In general, the amount of credit given in rupees, which went to the private sector, increased during the year. In August 2024, the amount of credit increased by 15%, compared to August 2023. This reflects a more favorable environment for business.

Mr. Speaker, in terms of developments in foreign markets, even though several central banks abroad have lowered their Monetary Policy Interest Rates, there is still much uncertainty related to political tensions and conflicts that could impact the domestic economy next year. Therefore, the Central Bank will continue to take into account domestic and external factors when making decisions, to ensure that its monetary policy is aligned with its objectives.

4. Inflation

Mr. Speaker, the level of inflation remains very low, with the twelve-month inflation rate at 0.7% in September 2024. When compared to December 2021, the general price level on a twelve-month basis was 9.8%. This decrease in inflation since the end of 2021 was mainly due to a reduction in the prices of commodities and fuel on the international market, as well as an appreciation in the value of the rupee during the same period.

In September 2024, the general price level increased by 0.6% compared to September 2023. In terms of projections for December 2024, inflation is expected to be at a rate of 2.5%. According to the International Monetary Fund, the average global inflation rate will be 5.8%, and in developing countries, it will be 2.6%.

5. The External Sector

Mr. Speaker, with regards to the external sector, preliminary estimates show that there has been a deterioration in the current account balance, which records the value of transactions that Seychelles conducts with the rest of the world. Official statistics show that this deficit has increased from 7.2% of our GDP in 2023 to 10.7% in 2024.

However, in line with projections, there is expected to be an improvement in the performance of the tourism and fisheries sectors in 2025, which will cause the deficit level to be reduced to 9.8% of our GDP.

6. Review of 2024 Fiscal Performance

Mr. Speaker, for the year 2024, the government's primary fiscal position remains at 1.1% of our GDP as initially projected and also in the mid-year review. We are estimating that our total revenue, excluding grants, will come up to SR 10.54 billion compared to SR 10.48 billion in the initial budget projection for 2024. This represents SR 58.7 million more than the original sum budgeted. Our total revenue including grants, amounts to SR 10.9 billion, which is equivalent to 35.1% of our GDP.

This SR 10.9 billion includes tax revenue amounting to SR 8.92 billion. This is SR 17.8 million more than what we had forecasted during the mid-year budget review. We are projecting an increase of SR 28.7 million in revenue, primarily in tax collections on income and non-monetary benefits tax, and in business tax, an increase of SR 24 million. However, we are projecting a reduction in revenue in the following tax lines related to tourism, which includes; value-added tax - by SR 30.9 million, environmental sustainable tax on visitors - by SR 15.2 million, and hotel turnover tax - by SR 27.4 million.

Following the exercise during the mid-year review, the Government presented a supplementary budget of SR 473.1 million. This was financed by a reduction in budget expenditures, at a sum of SR 453.3 million and an increase of only SR 19.8 million in government spending.

We expect to end the year 2024 with a debt stock valued at 61.5 percent of our GDP. Our stock is still sustainable, and keeps us on track to achieve our target of reducing our debt to 50% before 2030.

7. The 2025 Budget and the Medium Term Fiscal Performance

Mr. Speaker, for the year 2025, the government is proposing a spending of SR 11,901,621,045. This represents an increase of 11.9%, when compared to the 2024 Appropriation Act, which was SR 10,640,628,966.

Our total revenue, including grants, is projected to reach SR 12.2 billion, equivalent to 36.8% of our GDP. Thus, the government is projecting a primary surplus of SR 379.9 million, representing 1.1% of our GDP. In the medium term, we will continue to consolidate our fiscal position and ensure that we achieve a primary surplus that will help us in our objective to reduce our debt.

8. Revenue Collection for 2025

Mr. Speaker, in the total revenue we are projecting for the year 2025, SR 9.96 billion will be collected from tax revenues, representing 85% of our total revenue collection. However, we are projecting a collection of SR 1.8 billion in non-tax revenue, and SR 453 million in terms of grants. This total represents an increase of SR 1.3 billion or 11.7% when compared to the revised budget for the year 2024.

Tax revenue collection is projected to increase in taxes on income and non-monetary benefits by SR 102 million. This is a result of the re-opening of hotels that will create more employment, and also an increase in salaries for the year 2025. We also expect an increase of SR 161.9 million in revenue collection in Business Tax, attributed to the financial sector with respect to 'securities dealers'. There will be an increase of SR 130.3 million in Excise Tax - and SR 570.4 million in Value Added Tax (VAT), in relation to activities in the tourism sector.

The collection of other non-tax revenues for the year 2025 is expected to increase by SR 134.2 million. This increase will be mainly from the dividend that will be received from IDC, based on the agreement to lease Assumption Island for a value of US\$ 20 million. Thus, we will reflect an increase of SR 301.4 million in dividends from IDC. The government will lend IDC a total of SR 105.7 million under net lending expenses to allow it to construct necessary infrastructure on the island, which will be repaid in the medium term.

Grants that we will receive are expected to increase by approximately SR 98.3 million. In the medium term, total revenue including grants is projected to reach about 33% of our GDP.

9. The Basis of Government Expenses

Mr. Speaker, for the year 2025, the government remains committed to continually invest in our social programs and infrastructure while taking into account our fiscal policies. The Employment and Social Affairs portfolio - which includes expenses under benefits and programmes at the Agency of Social Protection is the largest sum in the 2025 budget - totaling SR 1.57 billion,

representing 13.2% of the total proposed budget. The Health portfolio budget is projected at a total of SR 1.5 billion, representing 12.8% of the total budget. An allocation of SR 1.4 billion is projected for the Education portfolio, representing 11.8% of the total budget.

The budget for goods and services remains the largest sum in the 2025 budget with a total of SR 4.05 billion, representing 12.3% of our GDP, compared to the revised budget in 2024 which represented 12.5% of our GDP.

However, Mr. Speaker, the largest increase is for a total budget of SR 1.86 billion projected for the year 2025, in the capital investment programme, representing 5.6% of our GDP. This represents an increase of SR 473.1 million or 34%, compared to the revised budget in 2024. This reflects the government's priority to consolidate the budget for goods and services that has helped to create more fiscal space to invest in capital projects.

10. Wages and Salaries

Mr. Speaker, our government has always been ready to redistribute our successes when possible, especially after difficult times. This is done based on budget calculations to ensure that this redistribution is equitable and sustainable. It is not worthwhile to redistribute our wealth when we know that in the long term the country cannot sustain such actions, which could damage our economy and financial situation. We have always said that we will always act in a disciplined and responsible manner.

Since the first Budget of this Administration in 2021, we have always looked for ways to give back when the budget allows. For public sector employees, in April 2023, the government granted a salary increase where they guaranteed a minimum increase of SR 1,000 per employee. This followed the exercise to consolidate certain salary allowances, and with this consolidation, workers are also benefiting more from the thirteenth-month payment. Mr. Speaker, this revision in 2023 represented an average increase of 10%, and it cost the government about SR 220 million in total, per year.

But at the same time, we need to be aware of the impact of a salary increase, especially in terms of its long-term sustainability on the country's budget and on inflation.

Mr. Speaker, the government employs about 11,000 workers in the public sector, which represents about 20% of the total population in employment. In the 2025 budget, a budget of SR 3.7 billion is proposed for salaries and wages in the public service, which is an increase of SR 309 million or 9% compared to the revised budget in 2024. This represents 11.3% of our GDP compared to 11% in the revised budget in 2024.

Therefore, Mr. Speaker, for 2025, the Government is proposing a 7% increase on the basic monthly salary for all public sector workers earning below SR 21,368. All workers earning more than SR 21,368 will receive an increase of SR1,500. This increase guarantees a minimum of SR 500 for all full-time workers. This 7% increase also applies to 'home carers'. Mr. Speaker, this SR 1,500 cap is necessary to ensure that the salary increase remains sustainable. It is important to note that this salary increase does not apply to constitutional appointees.

Mr. Speaker, I will give three examples to illustrate this increase;

- A 'House Keeper's' basic salary will increase from SR 7,343 to SR 7,857. in the case of
- A Staff Nurse or a teacher, their basic salary excluding allowances will increase from SR 13,204 to SR 14,128.
- A graduate whose basic salary is SR 16,546 will increase to SR 17,704. This exclude all allowances.

Mr. Speaker, this increase in public service salaries will take effect on April 1, 2025, and will cost SR 115 million, which represents 0.3% of our GDP. This increase will have an annual impact of SR 153 million.

It is also good to note that this is the second increase in 2 years, that our government is giving to public sector workers. I would like to appeal to them to reward the government's investment in them by performing at a level that will enhance the economy's growth, and to provide the high-level service that the public expects from them.

Mr. Speaker, in 2025, the government will begin the implementation of its Human Resource Management System (HRMS), which will cost US\$ 1.7 million. This system will eliminate manual administrative tasks, reduce processing time, reduce paper usage, and improve decision-making capabilities. This transformation will ensure better use of the workforce, improve staff satisfaction, and allow greater precision in resource management.

10.2. Increase in Minimum Wage

Mr. Speaker, with the developments in the economy and considering that the last time there was a minimum wage revision was in January 2020, the government has found it necessary to review the minimum wage.

Based on best practices, a review every 5 years is necessary to ensure that wages are adjusted to reflect changes in prices caused by inflation. The government applauds businesses in the private sector that regularly increase their employees' wages based on their business performance. The government recommends such practices, but we are also aware that there are private sector employers who base their employees' wages on the minimum wage recommended by employment act.

Mr. Speaker, an exercise has been conducted to review the minimum wage, and we propose a 7% increase, as follows:

- from SR 38.27 to SR 40.95 per hour for employed workers. This means for a job based on 40 hours per week, the minimum wage will increase from SR 6,633.47 to SR 7,098 per month.
- The rate for casual (part-time) workers will increase from SR 44.10 to SR 47.19 per hour.

Mr. Speaker, the Department of Employment, together with key partners, will begin consultations on the minimum wage revision in the coming months, and our intention is that this increase will take effect around April 2025.

11. The Employment Sector

Mr. Speaker, with the proposal to increase workers' wages, we expect this initiative to encourage more Seychellois to enter formal employment.

The national unemployment rate has remained below 5% and for the year 2023, it was 3% compared to 3.9% in 2022. We have also observed a reduction in the unemployment rate among youths from 13.7% in 2022 to 9.5% in 2023. This demonstrates the progress that has been made and the government will continue to implement policies and measures to put more people into employment.

Mr. Speaker, a situation that greatly concerns the government in the employment market is the number of people, especially men, who are in informal employment. Our latest estimate is that there are about 8,000 individuals in this sector. This means that they are not making pension contributions and are also not benefiting from certain protections under employment law.

The Department of Employment, with the assistance of the International Labour Organization, has conducted a study on informal employment in Seychelles, and policy decisions will be considered with various partners to address the recommendations of this research. We recognize that many individuals in informal employment are also victims of drug or alcohol abuse, meaning interventions will also include collaboration with other Ministries.

A well-informed population on employment opportunities will help reduce the pressure on the Department of Employment, with regards to the various employment programmes they are currently offering; be it to place people in employment or to provide them with a work skill. From 2021 to 2023, the Department of Employment placed an average of 1,600 individuals in employment per year.

Mr. Speaker, this department administers 3 special programmes that help place people in employment. These programmes are: Skills Development, My First Job, and Re-skilling. For the year 2025, an allocation under these schemes has been made as follows; a sum of SR 5 million under the 'My First Job' Programme. The government is putting an additional SR 1 million under the 'Skills Development' and 're-skilling' programs which will cover free bus tickets for participants. In total, SR 5.6 million has been proposed under the skills development and re-skilling programmes.

On average, more than 100 individuals seeking employment have registered in the re-skilling programme from 2021 to 2023. Also, on average per year, more than 400 students who completed their post-secondary studies were placed in employment through the 'My First Job' programme; and more than 300 youths were placed in the 'Skills Development' programme on average per year.

The Department of Employment has successfully replaced 81 foreigners who were in management and supervisory positions, especially in the tourism industry, with Seychellois, under its localization program, from 2021 to 2023. Mr. Speaker, this ensures that Seychellois have opportunities to move ahead in their professional careers.

Mr. Speaker, with all the evolution and development in the employment market in our country, it is important that we have a modern employment law that reflects the realities of today's employment market and economy. Work to revise this law is quite advanced, and the bill will come before the National Assembly next year.

Mr. Speaker, the national human resources plan is expected to be finalized by the end of 2024. This plan will outline the skills and jobs that are in demand currently, and for the next 5 years. It will guide educational institutions and organizations on the areas that are in demand in the employment market, to ensure that our people are trained according to the needs of the country.

12. The Education Sector

Mr. Speaker, investment in the education sector remains a priority for our government. This sector has a primordial role to play in the transformation our country is undergoing. Our children must understand that we are making significant financial investments in their education; but ultimately, it is up to them to seize the opportunities before them, and take their education seriously to ensure a prosperous future. They must realize that the 'piece of paper' they receive upon completing their studies will determine the kind of job and salary they obtain.

Mr. Speaker, we need to embark on a transformative reform in our education system. Our education system cannot remain as it is, reflecting realities from 20 or 30 years ago. The world has evolved, and Seychelles needs to prepare itself for this new world we are living in.

We have a responsibility to prepare our children for today's society and for the new world of work. We need to move away from a system that focuses solely on academic training and include the development of life skills. In other words, we need to help them become more resilient and better equipped for the new jobs that our economy is producing.

This brings me to a topic I have discussed a lot. That is ensuring our economy produces jobs that pay higher salaries. This is already happening, but we see that we face many problems in filling these positions. How do we ensure our people have jobs that pay higher salaries, allowing them to live more comfortably? Let us all work together to continue helping our economy produce jobs and opportunities that bring greater returns. Let us develop an education system that gives our children the opportunity to acquire the skills needed to prepare them to take on these positions.

For the year 2025, this sector has been allocated a budget of SR 1.4 billion, representing 4.3% of our GDP. An allocation of SR 614.4 million is proposed in the budget for salaries and wages, which represents 44% of total expenditures in this sector. The largest sum in this sector, under goods and services, amounts to SR 667.5 million, representing 47% of the sector's total expenses. And SR 126.9 million is directed towards capital expenditure projects.

Mr. Speaker, to ensure that our children get a better start from an early age, in 2025, the government has allocated SR 27.96 million for the Child Care Scheme. The Institute for Early Childhood Development is also implementing a new digital system for this financial assistance, in line with the government's digital economy agenda. As of October 2024, 2,483 children had been registered in this system and are benefiting from this assistance.

A sum of SR 1.6 million is also budgeted in 2025 for the 'Early Childhood Fund'. It is the child care managers and childminders who are assisted under this fund. They can apply to receive equipment and educational resources to comply with the standards established by IECD and its partners.

Mr. Speaker, as you know, the government invests in the education sector at all school levels, from childcare to university. In 2025, an amount of SR 198.4 million is budgeted for the scholarship fund. This covers individuals already in employment as well as students who have completed their studies at professional centers.

Apart from the government scholarship programmes, an allocation of SR 8 million is budgeted for 2025 for an educational loan scheme with commercial banks. This scheme allows students to take out loans to invest in their own education. Since its launch in 2023, about 25 students have already benefited from it, for a total loan amounting to SR 11.6 million.

It is also important to note that as from this year, the government is offering 5 fully funded scholarships in the field of Information, Communication, and Technology (ICT). This is in line with our digital transformation strategy. There are high demands in this field, but we do not have enough qualified Seychellois to satisfy these demands.

Mr. Speaker, the government remains committed to integrating technology into education, which will help ease the lives of teachers and also be more adaptable to the needs of young people who today live in a world where they are exposed to various forms of technology. An allocation of SR 29.2 million has been budgeted to create an environment that facilitates learning and ensures that our youths thrive. For this reason, as from this year, children from grade 5 upwards have access to the laptop scheme. In 2025, the budget provision for this scheme is SR 6 million. Under this scheme, the government contributes SR 3,000 towards the price of a laptop for every child.

The government, in its digital transformation plan, has committed to equipping schools with appropriate resources to facilitate its implementation. In 2024, the government has procured 330 desktops for computer labs and 314 laptops for teachers in the administrative cadre and those in charge of programs. In 2025, the government will procure laptops for all other qualified teachers. Starting in 2026, this program will include teacher assistants. Mr. Speaker, it should be noted that before the introduction of this program this year, teachers had to take out a loan with the Ministry of Education to buy their laptops. Since this year, they have been provided with their working tools.

Mr. Speaker, the government has listened to the challenges that parents of children affected by autism face. It is clear that not enough has been done to assist these parents and help these children, especially to ensure that we have a more inclusive education system. During this year,

the government has engaged in a conversation with the Autism Association to better understand the challenges and what we can do as a government to help. I would like to express my appreciation for the Autism Association, which is truly proactive and determined in their fight for more assistance for their cause.

With this in mind, starting from January 2025, the government is allocating appropriate resources to incorporate an 'Autism' center under the framework of the Ministry of Education. An amount of SR 4.1 million has been set aside in the budget to cover the operational costs of this center. This includes the recruitment of professionals to work with these children, as well as training for teachers and parents to better care for these children. I assure parents that this is only the beginning of the government's efforts to continuously assist children with autism.

Mr. Speaker, a sum of SR 126.9 million is being proposed in the 2025 budget under Capital Projects in the education sector. This sum for the major renovation will be allocated to the following projects:

- The renovation of a new infra-structure for the Ministry of Education's Headquarters - SR 9.7 million
- The renovation of La Rosiere Primary School - SR 2 million
- The renovation of Bel Eau - SR 2 million
- The renovation of Bel Ombre - SR 2 million
- The renovation of Glacis School - SR 2.5 million
- The renovation of Perseverance Primary School - SR 3 million
- The renovation of Belonie School - SR 2 million
- The renovation of La Retraite School - SR 1.5 million
- The renovation of Anse Boileau Secondary School - SR 4 million
- The renovation of Mont Fleuri Secondary School - SR 1.5 million
- The renovation of Anse Royale Secondary School - SR 2.5 million
- The renovation of Praslin Secondary School - SR 3 million
- The demolition and construction of a new classroom block for Praslin Secondary School - SR 4.5 million
- The renovation of the Youth Hostel - SR 2 million
- The renovation of the Seychelles Institute of Technology - SR 3 million
- Major renovation of the Seychelles Institute of Teacher Education - SR 4.5 million

In terms of construction of new projects, the sum will be allocated as follows;

- The construction of a new block at the La Rosiere Primary School - SR 15 million
- The construction of the Glacis School playing field - SR 3 million
- The construction of a new school for La Digue - SR 47.6 million
- The construction of a boundary wall around the School of A Level Studies - SR 2.5 million
- Demolition and construction of new classroom blocks for Praslin Secondary School - SR 4.5 million
- Construction of a 'Mini Sewage Treatment Plant (STP)' for Anse Boileau Primary and Secondary School - SR 4.2 million

- Construction of a classroom for children with special needs - SR 600,000

Mr. Speaker, as we can see, the government continues to invest in the education sector for our children. However, as I have said earlier, it does not depend only on the government, but also on the community, on parents and children, to seize the educational opportunities being put at our disposition.

13. The Health Sector

Mr. Speaker, the health of our people remains one of the most important priorities for the government. For the year 2025, an amount of SR 1.52 billion for the health sector has been proposed. This represents a 9% increase compared to 2024 and a 15% increase compared to 2020, before this administration came into power. Spending on goods and services accounts for 45% of the total budget for the health sector, which amounts to SR 679.9 million."

The expenditures under goods and services include the following programmes:

- Medical supplies - SR 75.3 million
- Vaccine provision - SR 10.2 million
- Laboratory supplies - SR 36.6 million
- Heamodialysis treatments - SR 76.8 million
- Other medical and laboratory supplies - SR 70.4 million
- Specialized treatment abroad - SR 50 million
- Health professional training - SR 9.3 million

Mr. Speaker, investment in our health facilities remains a priority for the government. In the 2025 budget, an allocation of SR 146.6 million is projected for the health sector in terms of capital projects. This represents 7.9% of the government's capital projects. It is important to note that many of our health facilities have deteriorated, making it essential to continue our renovation program for these facilities. Over the past years, our administration has invested a total of SR 136 million in the following facilities:

- Renovation of the male and female medical wards
- Ongoing renovations at Seychelles Hospital
- Work to convert the laboratory into an ICU
- LPG storage facilities at Mahé and Praslin hospitals
- Renovation of the CSSD sterilization center
- Work on the North East Point complex
- Construction of St. Mary's Hospital in La Digue
- Installation of lifts at Seychelles Hospital
- Acquisition of 2 standby generators.

For 2025, work will continue, and we are proposing a budget of SR 34.5 million for the renovation of other health facilities. This includes:

- Renovation work at Seychelles Hospital - SR 15 million

- Renovation of Anse Boileau Health Center - SR 2.6 million
- Procurement and installation of lifts at Anse Royale Hospital - SR 2 million
- Continuation of the project to add new facilities at the NIHSS building - SR 2.5 million
- Provision for renovation of hospitals - SR 4 million and renovation of other health centers - SR 3 million
- Renovation of other health infrastructure - SR 5.4 million

In addition to renovations, investment in new health facilities is also important. Work on the Baie Lazare clinic has already begun, and this will cost SR 8.7 million. The two other main projects for the year 2025 are:

- Construction of a Medical Store - SR 16.98 million
- Construction of a Health Center at Île Soleil, Anse Aux Pins - SR 9 million

The largest project we expect to start in 2025 is a new hospital. This year, Seychelles Hospital is celebrating its 100th anniversary. It is clear that this facility is no longer sustainable today and for the future. It is important for us to invest in a new, modern hospital that will meet the aspirations and needs of our people for the next 100 years. This investment is not just about constructing a new building, but about investing in a future where all Seychellois will have access to more specialized medical services. This investment represents a long-term vision that the government has for a more sustainable, resilient health system that can provide a higher level of service for our population. The government is finalizing a comprehensive feasibility of the new hospital project, taking into account all existing health facilities today. In the budget for the next three years, an amount of SR 661.2 million has been proposed. An allocation of SR 87 million has been set aside in the 2025 budget to start this project.

Mr. Speaker, I also want to thank the committee that is working very hard to secure funding for the construction of the new hospital, in the same spirit that many people contributed to the construction of Seychelles Hospital a century ago. Let us all imagine that one day, our future generations will use this facility. In this spirit, I call on all Seychellois to continue to put in efforts together to make this project a reality.

Another project that we will see the benefits of is the investment in an Integrated Health Information System, which over the past five years has cost the budget SR 53.1 million. This new information system is being implemented at Seychelles Hospital and all other health facilities, which will help any doctor or nurse providing a service to a patient at any time to access medical information about that patient more quickly. Thus, health professionals will be able to provide a more coordinated diagnosis and treatment for the patient, with the aim of improving the quality of healthcare and the effectiveness of health services. This system will also:

- Implement an appointment system in clinics to help minimize the waiting time for patients to receive services.
- Make it easier to collect information, which will help create more targeted policies in the health sector.

- Facilitate the administration of wards to ensure that all necessary equipment is provided based on patient needs.

14. Sports and Youth Development

Mr. Speaker, an active nation is a productive and healthy one, which helps reduce the strain on our healthcare system. It is for this reason that the government is investing heavily in sports development. With a world that presents many challenges to our population in terms of mental and physical health, sports remains a critical element to overcome these obstacles. Investment in sports infrastructure will help our youth thrive, not just locally but also on an international level.

In 2022, I visited sports facilities along with the minister responsible for sports, where I declared that our sports infrastructure has been too neglected and poorly maintained.

During the year 2024, the government has invested SR 42.8 million in maintaining various sports infrastructures, and also SR 19.4 million in 2023. The largest investments are as follows:

- Renovation works at Stade Linite, including a new surface for athletics - SR 5.5 million. Work is also continuing on the renovation of changing rooms for athletes and referees.
- Ongoing renovation of the Palais des Sports - SR 7 million
- The renovation of 5 tennis courts has been completed, including a new comprehensive lighting system to improve visibility for athletes during night-time activities.
- Work will also begin this year on the renovation of the roofing at the ex School Meal Centre.
- Renovation will also start on the dojo facilities.
- The government is also procuring equipment and surfaces for two courts in the districts.
- A kicking gym has been constructed at Roche Caiman Sports Complex to support martial arts athletes.

This intensive renovation work will continue in 2025 with the aim of ensuring our sports facilities are at a level to attract more international sports activities in Seychelles. A projection of SR 88.1 million has been budgeted for this, and the major allocations are as follows:

- The renovation of the Anse Royale Sports Complex - SR 5.6 million
- Additional renovations at Stade Linite, including a new tunnel for athletes and the renovation of the south stands to provide better comfort for spectators - SR 7.7 million
- The construction of a Multi-Purpose Indoor Court at Anse Royale - SR 42.4 million. This project is going into tender procedures by the end of November 2024.
- The renovation of the Sports Complex on La Digue - SR 1.6 million
- The renovation of sports infrastructure facilities at Mont Fleuri, including drainage systems - SR 1.5 million
- The renovation of Amitie Stadium on Praslin - SR 2 million
- Other renovations at the Palais des Sports - SR 1.9 million
- Renovation works at the swimming pool, including changing rooms for athletes - SR 1 million.

An additional allocation of SR 20 million has been budgeted in 2025 to support other renovation works on sports facilities, including:

- Renovations to enclose the multipurpose courts at Mont Buxton and Port Glaud.
- The renovation of the changing rooms at the sports facilities in Point Larue and Baie Lazare.
- The construction of outdoor gyms in the districts of Grand Anse Mahe, Anse Boileau, La Digue, and Takamaka, totaling SR 3.4 million. I hope the residents of these districts will take this opportunity to engage more in physical activities, which will be a long-term benefit to our society.

Mr. Speaker, in 2025, Seychelles will host two international sports events. The first, in May, is the FIFA Beach Soccer World Cup, and the second in July – CJSOI. The government is allocating SR 40.6 million in the budget under goods and services for the organization of these events and our participation in the CJSOI, plus SR 3 million for the FIFA Beach Soccer World Cup.

A sum of SR 3.2 million has been budgeted for assisting sports federations. An amount of SR 745,000 has also been allocated for assisting teams when they travel to the islands for competitions. An amount of SR 1.58 million has been budgeted for developing youth sports, and SR 723,740 for talent identification. An amount of SR 1.71 million has also been budgeted for allowances for coaches.

We are also allocating SR 3.1 million in the 2025 budget for the professional development in sports. In 2025, a sum of SR 5.75 million has been allocated to prepare athletes for the Olympics, African Games, Indian Ocean Games, and Commonwealth Games in the coming years.

The government has also finalized discussions with the motor racing association for the use of the Ile Du Port road section, currently under construction, to organize activities for their members. This association will need to invest in safety and security measures before the government gives its final approval.

Government will continue to empower the youth through different activities. The National Youth Council has been allocated with a total budget of SR 26.6 million to expand activities and support youth-led initiatives at the district and regional level. The priority will be on increasing the number of youth clubs involved in diverse areas such as coding, app development, and digital innovation, fostering skills that are crucial for the 21st century economy. In addition, investment in new programs, including boot camps and digital entrepreneurship training, targeting tech-savvy youth and promoting innovation at the grassroots level. Promotion of arts, sports, and community service initiatives within the Clubs of Interest to ensure a broad spectrum of opportunities for youth across the country. Government will collaborate more with regional partners to provide exposure for Seychellois youth in the broader African, European and American market. These will open doors for international experiences and opportunities, further enriching their personal and professional growth.

15. Community Projects and Programmes

Mr. Speaker, as you have observed, the government is making significant investments in sports facilities at district level, with the aim of encouraging our population to become more active and participate more in their communities. This investment is part of a larger strategy the government is implementing in the districts, to benefit more of our residents. Improving facilities and activities within the community is part of the government's plan to also combat issues such as substance abuse and crime.

In 2025, the Ministry responsible for Community Affairs and Local Government, in collaboration with its partners, will develop a national policy on community well-being and development, with the aim of:

- Ensuring that all government services are coordinated and reach all segments of our population;
- Ensuring that infrastructure development moves in tandem with human development;
- Ensure that social scourges are reduced and that good community values, including moral and spiritual values, are reinforced.

Mr. Speaker, the transformation that Seychelles has been undergoing since 2020 is not just targeting our economy, but also our communities. There has been a lot of emphasis placed on community programmes to help bring people together in various types of after-hours activities - whether in the arts, education, culture, spirituality, and others. Holiday camps at the district level have been organized to ensure that children have something to do during vacations.

The government is working on installing CCTV camera systems in certain districts to improve the security system in district offices and facilities. In 2025, a sum of SR 600,000 has been budgeted for this project.

Mr. Speaker, from 2021 to 2023, the Government completed 356 district projects totaling SR 58.1 million. In 2024, we expect to complete 184 projects for a sum of SR 35 million. For 2025, the Government is allocating SR 26 million for small projects in the districts. A sum of SR 15 million has also been allocated for secondary roads in the districts, which will facilitate the movement of our residents. This sum is an increase compared to an allocation of SR 10 million in 2024.

The government has a total of 15 Day Care centers, and 10 among them underwent major renovations during 2023 and 2024. In 2021, 5 new Day Care centers were built and handed over to operators through a tender process. These are Grand Anse Praslin, Baie St Anne Praslin, Takamaka, Anse Aux Pins, and Glacis. The Mont Fleuri Day Care centre is in the repair stage, and the new Les Mamelles Day Care centre is in the tender process. This year, the government expects to spend SR 2.8 million and we will increase this amount to SR 4.4 million in 2025 for the construction and renovation of day care centres.

Most community offices or centres date back to the 1980s and are not in a suitable state. From 2021 to 2024, renovation work has been carried out on 14 of the 26 offices, including the district administration offices and community centres in Grand Anse and Baie Ste Anne Praslin. Major repair work has been done on twelve Community Centres.

A total budget of SR 15.8 million has been budgeted in 2025 to complete the Bel Ombre District Administration Office; the Cascade and Perversance Community Centres and District Administration offices. An allocation of SR 1.5 million has been budgeted for roof renovations at the Anse Royale community centre and SR 1 million for renovations at the Beau Vallon community centre.

Mr. Speaker, we need to encourage more volunteering in the community to instill good values in our society. There are many residents who provide volunteer services, especially during emergencies. One such group is the Emergency Brigades under the District Administration's responsibility. We salute the efforts of these individuals, and for this reason, the government is increasing the incentive from SR 1,000 per year to SR 3,000. This will take effect in 2025.

16. The Social Sector

Mr. Speaker, despite significant investments to help our population thrive and become self-reliant, some people are unfortunately very vulnerable and fall victim to various social ills. We all wish that one day, we could live in a Seychelles where all social ills are under control or completely eradicated. However, this remains a dream. Today, we must continue to support our brothers and sisters who have fallen, with the hope that they will stand up again and become more resilient to contribute to their families, homes, and country.

Mr. Speaker, with the support of the World Bank, a detailed and in-depth analysis and research were conducted to examine risk factors among our youth. After several studies, interviews, meetings, and consultations, the World Bank has presented the results of this report. Mr. Speaker, the results of this research are alarming, and if as a nation we do not take greater responsibility to educate, equip, and guide our children, we will not move forward.

Mr. Speaker, the government along with all key partners will need to work together to address the challenges ahead; interventions will need to come at three levels; firstly, how to better integrate social services in schools, secondly, how the community can help and provide support through cultural, sports, spiritual, and educational activities, and thirdly, how we can equip our youth to see the importance of having a career and what kind of opportunities can be provided to them at an early enough to facilitate this transition.

Mr. Speaker, meanwhile, we must face today's reality, whereby many of our youths have already fallen. The government remains committed in the fight against these social ills that affect our society. By the end of this year, we expect the new Youth Hope Centre project to start. This project is expected to cost a total of SR 41.7 million. An allocation of SR 30 million has been made in the 2025 budget. Mr. Speaker, this centre will give hope to our youth. It will be a residential place for children who need specialized services in terms of their behaviour and alternative education. The project will have two components, the first is a Residential component and the second an educational component. This will ensure that when youths enter the programme, it touches their integral development which will help reform their character for re-entry into society. The project is expected to be completed by the fourth quarter of next year, and an amount of SR 3.7 million has been budgeted to cover its operational costs next year. Mr. Speaker, this centre will cost the Government SR 9.2 million per year to manage.

Mr. Speaker, while the Government is spending several million rupees to combat drug trafficking, it is unfortunate that certain groups are enriching their pockets with millions of dirty rupees, tainted with the suffering of all drug victims and their families.

Since we came to power, the fight against drugs has been one of our priorities. From January 2021 to August 2024, a total of 1.2 million grams of drugs have been seized. This includes heroin, cocaine, cannabis, ecstasy, and in the last two years, drugs like crystal meth and methamphetamine. Mr. Speaker, these drugs have a total market value of SR 439 million.

Just imagine, our poor brothers and sisters would have spent SR 439 million on substances that destroy their lives, the lives of their families, and the community in general. Mr. Speaker, these achievements are the result of the sincere work that the police department is doing. During the same period, they made a total of 2,118 arrests, of which 508 cases were prosecuted, and as of August 2024 – there has been 221 convictions.

Prevention and rehabilitation work must go hand in hand. To help support the rehabilitation of victims with addiction, the necessary support system must be put in place:

- The renovation of the Anse Boudin centre on Praslin, for patients with addiction - SR 3 million.
- Funding to support the Catholic Diocese with a new rehabilitation programme under the umbrella of ‘La ferme de L’espoir’ to help young Seychellois affected by alcohol and drug addiction. Mr. Speaker, this project will be based in the district of Port Glaud on a property belonging to the Catholic Diocese. In 2025, the government will contribute SR 4.1 million mainly to cover renovations on two buildings that will serve as this centre. The government is also covering the operating costs of this centre for 3 months in 2025, and in 2026 the Government will provide an assistance of 390,000 rupees which will cover the operating costs of this centre for 9 months.
- The government together with “Care”, will start a special programme on a pilot basis in 6 primary schools, one in each region, starting January 2025. This programme will target all children in P1 and it will last for a period of 3 years. The government will support Care with a budget of SR 1.8 million for this project. The government's goal is to eventually implement this programme in all schools, so we are calling on the private sector to come forward and give their support. Mr. Speaker, I also implore parents to encourage their children to actively participate in this programme.

Mr. Speaker, starting January 2025, all state schools in Seychelles will need to play a greater role in after-school activities. The Ministry of Education together with the schools and other partners such as SNYC, the Institute of Culture, Local Government, and Civil Society will become more active and use the school environment for their activities. The school environment is one of the safest places for our children, instead of them going home after school while parents are still working, which increases their risks of engaging in antisocial activities. The following support will be put in place starting January 2025:

- SR 1.9 million towards interest clubs, under SNYC, for the development of projects and programmes.

- SR 1.9 million per year to support payments for animators in the districts; the programme will touch all social groups including the youths. Animators will be paid SR 3,000 per month. This programme is administered by the Ministry of Local Government.
- SR 1.7 million additional support under the Institute of Culture for support of cultural and traditional activities in schools and in the community.

Mr. Speaker, an allocation of SR 4.7 million has been made in the budget for the construction of a crisis centre, which will begin in 2025. This centre will be equipped with a Call Center that will operate 24/24 with a team that will work with cases reported after 4 pm when all offices are closed. This team will also provide helpline services and refer cases to social workers for intervention. Mr. Speaker, this shows the government's commitment to respond to the needs of its people at any time and at any moment.

Mr. Speaker, SR 4 million has been allocated in the budget to cover the renovation of a property that will offer services for victims of domestic violence.

Mr. Speaker, to move forward as a nation, it will depend on a collective effort where each individual takes responsibility. The government is putting in place various programmes and services, but it remains the responsibility of each individual to use all the opportunities at their disposal to improve their personal lives, their families, their communities, and in turn, Seychelles as a prosperous nation.

17. Allocation for the Social Programmes

Mr. Speaker, in the 2025 budget, the Government will continue to honour its commitment to financing social programmes targeting the most vulnerable in our society. These programmes ensure that these groups and their families do not fall into poverty, whereby the government provides support to help them make ends meet. The budget for 2025 for these major programmes is as follows:

Benefits administered by the Social Protection Agency:

- SR 61.8 million for the Social Safety Net
- SR 23.4 million for benefits to children who have lost one or both parents
- SR 7.7 million for foster parents benefits
- SR 3.1 million for multiple births benefits
- SR 6.6 million for sickness benefits
- SR 1.3 million for maternity and paternity benefits

It is to be recalled that these benefits were increased in January 2024 and the government added Multiple Births as new benefit. Some had not been reviewed since 2016.

Benefits administered by the Ministry of Education:

- SR 24.3 million to cover student bus fees
- SR 3 million towards the Dedicated Fund

- SR 35 million to cover the breakfast and lunch programme in schools.

Benefits directed towards housing programmes:

- SR 10 million for the Vulnerable House Repair Scheme, administered by the Department of Housing
- SR 10 million for special housing
- SR 5 million for the Home Improvement/Re-roofing scheme for pensioners through HFC
- SR 24 million for the housing loan subsidy scheme, administered by HFC

Other benefits include:

- An allocation of SR 31.7 million has been made as a travel concession. Mr. Speaker, this covers bus tickets for the elderly, people with disabilities, and a large sum goes towards people who take two buses to work—the government subsidizes the second part of the journey, what we call 'workers special'.

Mr. Speaker, post-secondary student allowances were last reviewed in 2014. This year, the government increased the allowances for students from the inner islands by SR 600 per month to cover additional expenses, that will allow them to continue their post-secondary studies on Mahé. By April 2025, post-secondary student allowances will increase as follows - guaranteeing a minimum increase of 10%:

- For students who go directly from secondary to a post-secondary programme, the allowance for the first year will increase from SR 850 to SR 1,000, for the second year from SR 950 to SR 1,100, and for the third year from SR 1,050 to SR 1,200.
- Allowances for students on apprenticeship programmes will increase as follows; from SR 1,400 to SR 1,550 for first-year students and from SR 1,600 to SR 1,800 for second-year students.
- For students pursuing a Diploma in Primary Education, there will be an increase for the first year from SR 1,500 to SR 1,700, for the second year from SR 2,000 to SR 2,200, and for the third year from SR 2,500 to SR 2,700.
- For students pursuing a Diploma in Secondary Education, there will be an increase for the first year, from SR 2,000 to SR 2,200, and for the second year from SR 2,500 to SR 2,700.
- For students following the ADHM course at the Tourism Academy, their allowance will increase from SR 3,000 to SR 3,200.
- A special review was done for mature students. We noticed that many students in this category already have a family and that their expenses are much higher than a normal student. Today, the Allowance for mature students is SR 1,800 in all professional centres - except for the Teacher where it is SR 6,000, if you were employed - and SR 3,000 if you were not employed.
- Starting in April 2025, the mature student allowance in all professional centres will be increased to SR 6,250 and for students at the Institute of Teachers it will be increased to SR 7,343. Those who were not employed before qualifying to enter a professional centre will receive 50% of this allowance. All those in the public sector who were sent by their

employers to study full-time in a professional centre, will receive their salary according to the PSO.

Mr. Speaker, these changes in post-secondary allowances will cost the Government SR 7.6 million in 2025 and SR 10.1 million annually thereafter.

Benefits of Retirement/Disability and Invalidity

Mr. Speaker, I will now discuss the benefits of disability, invalidity, and retirement. Today, we have approximately 14,550 people receiving these three benefits. In 2022, the government provided temporary assistance of up to a maximum of SR 500 for individuals under these three benefits. This assistance is still being given.

However, starting in April 2025, this temporary assistance program will no longer exist, and the government will review these three benefits as follows:

- Retirement Benefit: If you qualify for a pension with a benefit greater than SR 3,250, your retirement benefit will increase from SR 5,750 to SR 6,150. If you qualify for a pension with a benefit less than SR 3,250, your retirement benefit will increase from SR 5,750 to SR 6,400. If you do not qualify for a pension, your retirement benefit will increase from SR 5,750 to SR 6,650. Furthermore, all beneficiaries who were receiving social security before the creation of the Pension Fund, whose current retirement benefit is SR 6,250, will have their benefit increased to SR 7,150.
- Invalidity Benefit: If you qualify for a pension, your benefit will increase from SR 5,750 to SR 6,150. If you do not qualify for an invalidity benefit with Pension Fund, your benefit will increase from SR 5,750 to SR 6,650.
- Disability Benefit will increase from SR 5,750 to SR 6,650.

This review will cost the government SR 121 million in 2025 and SR 162 million each year thereafter. Mr. Speaker, these three benefits alone will cost the government a total of SR 1.3 billion in 2025, representing 11% of the total national budget.

Mr. Speaker, besides the increase in retirement benefits for the elderly starting in April 2025, there are also additional benefits through the national budget as follows:

- They will be able to benefit from free bus tickets worth a maximum of SR 1,680 per person, per month.
- If qualifying for a full-time carer, it will cost SR 7,633 starting in April 2025.

These are benefits with a direct monetary implication costing a total of SR 15,963 per pensioner.

Mr. Speaker, I would like to take this opportunity to appeal to all children and young people who have their mothers/fathers and grandparents in retirement age to support them, but not to continuously abuse them. Mr. Speaker, in many cases, we see today that elderly people are still taking primary responsibility in households where they should not be. Every working adult

should take responsibility for their expenses and not depend on the retirement funds of the pensioners.

18. The Housing and Land Sector

Mr. Speaker, during these four years that our administration has been in power, the housing sector has remained one of our priorities, and remarkable efforts have been made to help our population own their homes. The government has allocated a total of 287 affordable housing units from January 2021 to date, at a total cost of SR 317.2 million, and also 29 temporary accommodation units, valued at SR 22 million.

In this budget, the government will implement measures and policies to support our citizens in building their own homes, while continuing to invest in housing and land projects.

Mr. Speaker, for 2025, an allocation of SR 527.2 million has been made for new housing projects as follows:

- 30 units, Ex-Desaubin Estate (Phase 2) Takamaka – SR 10.4 million
- 80 units, Ile Aurore (Phase 1) – SR 54 million
- 40 units, Orchid Village (Phase 2) – SR 29.3 million
- 24 units, Corgate Estate (Phase 5) – SR 13.5 million
- 16 units, Union Vale (Phase 2) – SR 3.6 million
- 3 Emergency housing units on Praslin – SR 3 million
- 16 units, Hangard Street, Mont Buxton - SR 13.9 million
- 4 Emergency housing units on La Digue – SR 3.5 million
- 16 Mid Range Condos in Bel Air – SR 14 million

Additionally, Mr. Speaker, we are anticipating the completion of a total of 156 housing units, which have already begun, in 2025. The projects include:

- Ex-Zelia Estate, Anse Boileau – 24 units
- Anse Etoile (La Gogue) – 24 units
- Amitie, Grand Anse Praslin - 16 units
- Anse Francois, Pointe Laure - 16 units
- Waterloo, St. Louis- 16 units
- Anse Poules Bleus (Phase 2) Baie Lazare -16 units
- Zanblon Village (Phase 2) Cascade -24 units
- Lower Les Mamelles (Phase 2) - 8 units

- Ex-St Ange Estate, La Digue -12 units, and
- a total of 56 ‘Mid-Range Condos’ in Perseverance, which are expected to be completed and allocated in 2025.

Mr. Speaker, an allocation of SR 128.2 million has been budgeted for the ‘land bank’ project in 2025,. The new land bank development projects financed under the 2025 budget are as follows:

- Port Glaud/Port Launay – SR 8.5 million
- Caryole Estate, Phase 3 – SR 2.4 million
- Grand Anse Praslin – SR 3.8 million
- Anse Kerlan Praslin – SR 4.3 million
- Pti Laval, Praslin– SR 2.6 million

There is also an allocation of SR 20 million to continue other ‘land bank’ projects that have already started and to complete the following projects:

- Fond Azore Land Bank Extension- Baie Ste Anne
- Ex Deltel Estate, ‘Dan Banbou’ Anse Royale
- Cape St Marie Land Bank- Anse Boileau
- Barbarons Land Bank
- La Retraite Land Bank

Mr. Speaker, the government is also introducing financial initiatives with the objective of facilitating our population to either repair or build their own homes. A key partner in this endeavour is the HFC. The government has reviewed the facilities that HFC already offers and introduced new ones to make its products more accessible and affordable.

I will generally mention the revisions and new products and HFC will provide more details later: Considering the increase in construction costs affecting the overall cost of building a home, HFC will increase the ‘maximum loan’ amount it offers for the following loan categories:

- First Home Loan: Will increase from SR 1.2 million to SR 1.5 million
- Second Housing loan: Will increase from SR 550,000 to SR 850,000
- Loan for complete re-roofing: Will increase from SR 100,000 to SR 150,000
- House Extension Scheme: Will increase from SR 100,000 to SR 300,000
- Pensioner Home Improvement Loan for complete re-roofing: Will increase from SR 100,000 to SR 150,000

Mr. Speaker, the maximum income to qualify for certain loan categories will also increase as follows:

- Major renovation loan; Income will increase from SCR 20,000 to SCR 25,000 (net) per month.
- Home Improvement Loan: Income will increase from SCR 15,000 to SR 20,000 (net) per month
- Complete Re-Roofing Loan; Income will increase from SCR 15,000 to SCR 20,000 (net) per month
- Survey Loan; Income will increase from SCR 20,000 to SR 30,000 (net) per month

We are also increasing the debt service ratio, which is currently 30% to 40%, to 30% to 45%, for the first and second home construction loans, and also loans for home expansion.

Another change in the HFC policy is that starting as January 2025, HFC will begin accepting ‘second line charge’ as collateral for certain facilities - but this will depend on certain conditions that HFC will elaborate on later.

Another consideration regarding collateral for home improvement and complete re-roofing loans, is that HFC will consider placing a mortgage on the property as security instead of requiring the applicant to come with a guarantor. This will be applicable in cases where an applicant owns a property and is in stable employment; arrangements will be made with their employers for their loan repayment to be deducted from their salary every month.

Mr. Speaker, currently the maximum age at which a client can repay their loan is 65 years based on the retirement age. From 2025, HFC will consider repayment periods beyond 65 years. In cases where there are two applicants, the age of the older person will be considered if they meet other conditions. This will apply only to the first and second home loans.

Mr. Speaker, other revisions in the facilities offered by HFC include:

- Major renovation loan: Construction of boundary walls and minor repairs will be added to the list of projects that qualify under this facility.
- Pensioner housing renovation scheme: A pensioner who has already applied for a loan under this scheme will now be able to reapply for another one, if they have repaid the previous loan. However, it is important to note that they will not benefit from the 25% subsidy, and their deduction will be made directly from their pension. Another revision under this scheme is that pensioners over the age of 75 will be able to apply for a housing renovation loan, but there will be conditions attached, of which HFC will provide more details later.
- House Expansion Scheme: Applicants will now be able to expand other parts of their houses instead of just one room. The construction of a ‘bedsitter’ will also be considered.

Mr. Speaker, HFC will also introduce the following new products and schemes in 2025:

- Vertical Extension Scheme: This scheme will encourage parents to give permission for their children to construct above their house. After the parents have given their child

permission, they can apply under this scheme. The maximum loan amount will be SR 950,000.

- Emergency Loan Scheme for pensioners; This new scheme will assist this vulnerable group in disaster circumstances where they can access a loan to replace or repair basic equipment and systems such as electrical facilities, drainage systems, and other such things that have been damaged. The maximum loan amount will be SR10,000.
- Home Carer, Disability and Invalidity Home Renovation/Improvement Loan: Considering the nature of their work, it is difficult for home carers to qualify for a bank loan. This loan will help Home Carers access more funding to renovate their homes, demolish rocks, beautify their homes, and also re-roof their homes. It will not include the construction of or the purchasing of new homes. The maximum loan amount for renovation is SR 50,000 and for re-roofing is SR 150,000.

Mr. Speaker, today HFC applies two different interest rates for first and second home loans, depending on the amount of the loan the applicant qualifies for. For a loan up to SR 500,000, the interest rate is 7% and an interest rate of 8% is applicable for a loan of above SR 500,000, up to SR 1.2 million. These two rates are high compared to the same type of loans offered by commercial banks, which makes it unaffordable especially for applicants whose salaries are lower than SR 20,000.

To ensure that HFC is playing its role in offering affordable loans, starting January 1, 2025 - the interest rate on loans for construction and also for vertical development will be 6% for applicants whose salaries are less than SR 20, 000. The government will subsidize the difference that HFC charges, and this is estimated to cost about SR 1 million.

19. The Transport Sector

Mr. Speaker, the Government remains committed to continuous investment in the transportation sector to improve road conditions, connectivity, traffic circulation, and road safety, and to support the expansion of the economy. A sum of SR 161.6 million has been budgeted in 2025 for capital investment in this sector.

The new road projects to be financed in the 2025 budget include:

- Access Road to the La Gogue Dam site- SR 2.5 million
- Improvement of Kan Per road, Praslin – SR 2 million
- Expansion of Val d'en Dor road (phase 2) - SR 1 million
- Second phase of Gran Rivière, Anse Royale- SR 5 million
- Improvement of Pascal Village road - Beau Vallon – SR 1.5 million
- Improvement of the link road to Ma Joie (Phase 2)- SR 1.5 million

Major projects in this sector expected to be completed in 2025 include the Praslin Transport Testing Station, with a budgeted sum of SR 1.9 million.

A provision of SR 32.5 million has also been budgeted to complete the west Mahe road project.

Mr. Speaker, the problem of traffic congestion, especially in the morning before work and in the afternoon after work, remains a source of frustration for our motorists. The solution to the problem is very complicated, in view of the limited space for building additional roads. In spite of these challenges, our government continues with its efforts to improve the traffic situation in the country. With this in mind, the first phase of the project for a 3rd Lane at Pointe Larue has already started and is expected to be completed towards 2027. The project starts at the airport and will end at Anse Faure, which will connect to Ile Soleil.

The first phase of the project is expected to cost SR 7 million. The second phase starts at the cargo terminal and ends at Amalgamated Tobacco Company, and is currently undergoing the tender process to start this year. A sum of SR 13.6 million has been budgeted in 2025 for phases 2 and 3 of this project. The third phase will start at Amalgamated Tobacco Company up to Anse Faure and connect with Ile Soleil.

Another project financed in this budget to help improve traffic circulation is the improvement of the Providence roundabout going towards CCCL and the expansion of the standby lane towards zone 18. A sum of SR 1 million has been budgeted in 2025 for this project.

It is in the plan of the SLTA to resurface 30 kilometres of primary and secondary roads, and a sum of SR 71 million has been provisioned in the 2025 budget.

Regarding road safety, and also to improve traffic circulation, a sum of SR 1 million has been allocated for a study to be made on the most suitable sites to build overhead bridges. A sum of SR 1.5 million has also been included in the budget to reconstruct and maintain bridges whose structures are getting damaged.

Still considering road safety, we have allocated SR 7.9 million in the 2025 budget to finance another 50 lights in each district on Mahe, Praslin, and La Digue. It is worth noting that from January 2021 to date - a total of 3,450 new lights have been installed, and approximately SR 22 million has been spent to install and maintain these lights.

We are also allocating SR 5.5 million for the construction and maintenance of drainage systems and sidewalks in several districts.

Mr. Speaker, the government will continue to support SPTC's capital development. In the medium term, a sum of SR 42.7 million will be allocated for the acquisition of new buses, which will include two electric buses, with the aim of studying the feasibility of running such buses. SR40 million is also being budgeted for infrastructure projects.

Mr. Speaker, concerning our port facilities, the Seychelles Ports Authority has in recent years engaged in the redevelopment and construction of new facilities. The objective is to provide better service to all those who use these facilities. Seychelles is developing rapidly and the Ports Authority finds itself in a position where it needs to accelerate the development of its facilities.

In 2023, Praslin received a new passenger terminal, called ERO, whose construction began in 2021 on Eve Island. It is in the Ports Authority's plan to continue improving this terminal to add

essential services for the unloading and storage of cargo. In 2024, an expression of interest for land development on Black Parrot Island, which is also managed by the Ports Authority, was made by the Seychelles Investment Board. We have seen the participation of 3 investors who were given the opportunity to develop commercial and marina developments. We expect that more private developers on Praslin will take these opportunities that are being made available to them, to contribute to the development of this island.

Mr. Speaker, the Ports Authority has plans to build a new passenger terminal at the La Digue port next year, which will provide passengers with better comfort while they wait for their boats. In the plan for this new terminal, there is commercial space for La Digue people to rent for their businesses.

Just a small reminder that the La Digue port has just undergone work to expand and deepen this facility. The objective of this project is to separate passengers and cargo areas, to make it more convenient for all those who use this small port.

Mr. Speaker, since 2018, the Ports Authority has been managing land and port facilities at Bel Ombre. This authority is in the phase of looking for investors to bring about commercial developments on this land. There is currently an investor who is about to be given a piece of land to develop a commercial and tourist facility.

Mr. Speaker, the biggest project of the Ports Authority is of course the expansion of the Commercial Port that serves container ships, tankers, and cement transport ships. Essentially, this port facilitates our country's commercial transactions with the rest of the world, through exports and imports. This port, which celebrated its 50th anniversary in 2023, is critical to our country's economy. We are seeing an increase in the number of containers that enter the country. For the past two years, we have seen more than 80,000 (TEU), equivalent to 20 feet, pass through the Commercial Port. We expect this year that more than 90,000 TEUs will pass through our Port. This port is in a somewhat degraded state and it is more than time for this extension to be made.

The expression of interest for the construction of the quay was launched in March this year and we expect that the tender will be launched next month. This will mean that the preferred contractor will be announced in April next year and construction will start in November 2025. This project, which is expected to be completed in two years, is expected to finish in May 2027.

The expression of interest for the container operator will be launched at the end of this year, and we expect that by the end of 2025 the contract will have been signed with this operator who will invest in the infrastructure behind the quay (what we call 'back of quay facilities'). These includes yards, warehouses, administrative offices for this operator and facilities for customs and other border control agencies. We also expect investments in such equipment as mobile harbour cranes to serve the larger and more modern ships that do not have cranes on board. According to the project programme, operations at the new terminal are expected to start in January 2028.

20. The Environment, Energy and Climate Change Sector

Mr. Speaker, the effects of climate change and its impact on our environment, and our society in general, remains our country's greatest in current times. In the case of Seychelles, climate change effects are no longer something that we refer to in the future, but have become a reality. We see the effects of climate change every day on our coasts, with rising sea levels. We witness more climactic incidents that are increasingly more severe, such as heavy rains that cause inundations and landslides. We are also seeing increased temperature changes and abnormal weather patterns such as heavy rains at unexpected times and prolonged dry periods. We are witnessing the destruction of our coral reefs because of increased ocean temperatures.

My fellow Seychellois, we are facing something really serious. Our country's existence is on the line. It is high time that we got together to protect our country and equip it to adapt to climate change.

As we are aware, the effort to minimize and adapt to climate change effects will cost a lot. Studies undertaken by the government, with the assistance of international experts under the aegis of 'Nationally Determined Contributions', have estimated that it could cost as much as US\$670 million to implement the proposed measures. This is a sum that Seychelles cannot afford on its own.

The government has already started procedures to mobilize the necessary financing for the implementation of various measures. Before the end of this year, we will adopt a strategy to mobilize climate change related financing for 2025-2030. It is to be noted that the government has already started mobilizing domestic resources by introducing a Tourism Environmental Sustainability Levy on visitors.

In February 2025, the government is organizing an international round table in collaboration with the IMF, to bring together different local and international partners to discuss what kind of assistance can be made available to Seychelles to enable us to mobilize financial and technical resources to implement our projects and initiatives to combat the effects of climate change and implement adaptation projects.

On the international scene, Seychelles is still fighting to ensure that we can also benefit from the promises made, such as the 'loss and damage fund'. Seychelles is represented in these forums, and we always use these opportunities to make our stance clear, but as you all know, progress is very slow and equitability is not always assured.

Mr. Speaker, in my budget address last year, I announced that it had become critical for our country to transition towards renewable energy. This is not only because of the negative impact of fossil energy production on the environment, but also as a strategic move to ensure that Seychelles is not affected by geopolitical tensions that inevitably affect the price of fuel.

With this, Mr. Speaker, the government is accelerating its efforts to put in place specific measures to enable an increase in our electricity production through renewable sources. With regards to this, work has begun on a new PV floating lagoon, which is expected to produce 5 MGW of energy. The government and PUC are in advanced discussions with another renewable energy company, regarding a project that has the potential to produce about 2.5 MGW of energy

on La Digue, and a battery system that stores 4.5 MWH of energy, as well as 6 MGW on Mahe, which is equivalent to 1.5% of our consumption.

One of our most debilitating constraints in our endeavours to produce renewable energy is the lack of land to install solar panels. We need to make maximum use of our roofs for solar panels, to address this problem. To make this happen, the government is creating a new scheme to encourage more residential homes and businesses to move in that direction. This will replace the previous scheme which was no longer working.

For the year 2025, the government is reviewing the 'PV Rebate' scheme in its entirety with the aim of relaunching it to encourage more investment by residential consumers and small businesses.

This new scheme will provide individuals who install a PV system with a reduction on their total costs, which will be paid by the government as follows:

- For a system with a capacity of 1KW – SR 10,500
- For a system with a capacity of 2KW – SR 21,000 and
- For a system with a capacity of 3KW – SR 31,500

For small businesses with an income lower than SR 6 million, the benefits will be as follows:

- For a system with a capacity of 5KW – SR 36,000
- For a system with a capacity of 10KW – SR 72,000 and
- For a system with a capacity of 15KW – SR 108,000

Additionally, under this scheme, residential consumers will be able to borrow money from commercial banks for a loan of up to SR 150,000 at an interest rate of 5%, with repayment to be made over a maximum period of 7 years. This will help more individuals meet the bank's criteria to access this loan. For small businesses, they will be able to borrow money from commercial banks for a loan of up to SR 250,000 at an interest rate of 5%, with repayment to be made over a maximum period of 5 years.

In the 2025 budget, the government has allocated a sum of SR 5 million for this contribution towards subsidizing this solar panel initiative, and SR 2 million to subsidize the interest rate charged by commercial banks. Therefore, I urge residential consumers and this category of businesses to take these opportunities to make investments that will allow them to see a reduction in their electricity costs.

Mr. Speaker, the government also needs to do its part. Today we spend about SR 160 million on average per year on electricity payments. Therefore, in 2025, a sum of SR 10 million has been budgeted to invest in the installation of PV solar panels on the rooftops of Government buildings.

To encourage businesses in the renewable energy sector, this year the government has provided an additional five years as benefit for companies in terms of 'loss carry forward.'

Mr. Speaker, the government also recognizes the importance of renewable energy production. However, for this to become a reality, we also need to ensure that our energy distribution grid can support the elevated production we anticipate in this sector. We will need to reposition PUC

so that it can participate in this transformation. For this to happen, significant investments in the distribution grid will need to be made. This will also be supported by assessments and other technical assistance.

The government is in advanced discussions with the World Bank and other partners to support this initiative through a technical and financial plan. This will amount to nearly US\$37.3 million, which we will borrow under very concessional long-term conditions.

We are also finalizing an integrated resource plan for the energy sector, which will establish a coordinated approach in the transition to renewable energy sources. This plan is expected to be completed by the end of March 2025. This plan will help us to identify other investments that we need to make in the energy sector.

In terms of climate change impact adaptation projects, the government is also allocating SR 18.1 million to the following projects:

- Coastal rehabilitation project at Anse Consolation - SR 2.5 million
- Coastal rehabilitation project at Aux Cap - SR 2.7 million
- Carana Drainage Construction - SR 2.7 million
- Improvement in the capacity to remove water in the La Digue Plateau - SR 1.4 million
- Management and integration of the coastal system at Anse Royale Beach Park - SR 2.7 million

Mr. Speaker, we are increasingly seeing climate change impacts on our coastal infrastructures, including roads. Our country needs to become more proactive on the protection and rehabilitation of our infrastructures against climate change impacts. In line with this, a sum of SR 115 million has been provided in the budget for the next 3 years to allow SLTA to implement protection and rehabilitation projects on coastal roads.

A lot of resources and investments have been put into this sector, but we will need to do even more in the future to finance this strategy. With the fiscal space, we are projecting SR 37 million in 2026 and SR 62 million in 2027 for new climate change-related projects.

Mr. Speaker, another major environmental issue we are facing is waste management. In 2025, various measures are being financed in this area. We have allocated SR 17.9 million for the Solid Waste Management project. Important components of this project are to review waste management at the landfill. We will need to reorganize the use of space at the landfill, which will help us to increase the length of time that we can use it. Another component of this project is to introduce measures to promote circularity and also reduce waste that reaches the landfill. Analysis has shown that more than 40% of waste can be composted. These measures could create new business opportunities for our private sector.

In our approach to better manage waste in our country, we are also studying waste-to-energy solutions and analyzing technologies that better manage waste in our landfill.

Mr. Speaker, Seychelles continues to face the impacts of climate change, where we are currently experiencing more periods of heavy rainfall, rising seas, and flooding. December 6, 2023, showed us how vulnerable we are to these natural elements. Therefore, to try to reduce the impact of these natural disasters, the government is making an allocation of SR 14.7 million under the Disaster Risk Management Division budget. This allocation comes after an analysis was conducted and identified several critical areas that need stabilization to reduce the impacts of disasters such as landslides and falling rocks. An allocation has been made in the 2025 budget for this project to start. The second phase of this project will be carried out in 2026.

Mr. Speaker, given the costs that come with the negative impacts of climate change, the government is also reviewing the Public Fund Management framework to explore the possibility of setting up a more long-term structure for a disaster fund. A provision in the constitution and the legislation that governs Public Fund Management already establishes a ‘Contingency Fund’. But we need to review this framework to make sure we are up to date with today's realities.

21. Economic Transformation

Mr. Speaker, economic transformation remains the foundation for our economy to continue growing, creating more wealth, and improving the lives of our people. The diversification of our economy remains a priority, though we do have a lot of challenges ahead of us, before we can realise this ambition. This is because of the small size of our country, and thus we lack sufficient land and other natural resources. This means that we can only focus on certain sectors where we have a competitive advantage.

We have seen that our financial sector, along with digital initiatives, continues to expand with the measures that the government is implementing.

In 2025, the government will continue its agenda to transform our economy through investments in economic sectors and policies and measures to facilitate business operations in the country.

A total of SR 49.7 million will be invested in infrastructure to support small and medium enterprises next year. These include:

- A new micro-enterprise centre at Anse Aux Pins – for which SR 5 million has been budgeted in 2025 to begin construction of this centre which will cost a total of SR 23 million.
- A new Marine and Auto Industrial Park enterprise centre – SR 3 million
- Perseverance Bulk Infrastructures – SR 5.8 million
- Renovation of the Grand Anse Praslin micro-enterprise centre – SR 2.9 million
- Infrastructure development phase 2 on Eve Island – SR 25.5 million
- Drainage, road infrastructure, and sidewalk projects in the Providence industrial zone – SR 6.2 million

- Beau Vallon development project - A sum of SR 7.5 million has been placed in the 2025 budget for this project expected to be completed in February 2025. Activities and facilities will start around June 2025 as it will take some time for the allocators to install their equipment. These kiosks will provide opportunities for 40 small and medium businesses to showcase and sell their products.

Mr. Speaker, Victoria Waterfront has an important role to play in transforming our capital into a more attractive and dynamic spot for residents and tourists alike. The government is committed to transforming the Victoria Waterfront into a lively cultural and commercial centre. This redevelopment will be done in stages. Phase 1 will be located at the ex-Children's Playground. The area will be divided into the following zones:

- a) Zone A – A Creole Village to offer a cultural and gastronomic experience that celebrates the authentic Seychellois culture, and will include a Creole restaurant.
- b) Zone B will be an entertainment zone, with all sorts of activities for all ages.
- c) Zone C will be a waterpark, and
- d) Zone D will hold a Boardwalk/Marina with the aim of having a promenade at the waterfront, and a 30-room hotel.

We hope that the tender procedures will have been completed by the first quarter of 2025, so that the investors can begin the development. The plan for Phase 2 is being discussed, and the government will share the concept in 2025.

Mr. Speaker, as I mentioned in my speech for 2024, what we need to move to the next stage of our economic development is more land. Therefore, the government plans to reclaim more land, and a provision of SR 51.6 million has been made in the 2025 budget for this. This is over and above the SR 279 million that was budgeted in 2024. This project will include;

- Increasing the stock of coral fill used for construction, which will be the equivalent of 500,000 to 800,000 sq m.
- The expansion of Ile Aurore by 180,000 sq m.
- The expansion of Zone 20 by 110,000 sq m.
- The development of Zone 5 by 240,000 sq m.

Mr. Speaker, the Minister of Investment, Entrepreneurship, and Industry has been working for more than three years with various ministries and departments to review procedures and standards to improve the business environment. This is aimed at making procedures easier and more transparent for businesses.

The government is establishing a unit that will fall directly under the Ministry of Investment, Entrepreneurship, and Industry, to assist businesses by providing guidance and coordinating with other ministries. This unit will act as an agent for businesses that will take a direct look at each problem presented in relation to government services—even before they reach the point of submitting their licensing application at the Licensing Authority.

This unit will eventually be expanded to become a permanent business facilitation center. The project is in the design stage and is set to start next year. This center will be dedicated as a point where businesses can access the majority of government services. The same concept will be adopted, where we will place great emphasis on customer service, allowing a business to receive advice and conduct transactions in one place instead of having to go to multiple locations, as is currently the case.

In the meantime, the government is continuing its work to improve the Ease of Doing Business in a faster and more direct manner. This aligns with our efforts to digitize most of our services. Work is ongoing to develop our Investment Portal. This is a digital platform that will allow investors and businesses to carry out their processes virtually. This project has entered the evaluation stage and is expected to be completed in 2025. This system will bring greater efficiency to many of the procedures that a business needs, such as business registration, GOP applications, licensing applications, import permits, and others.

Mr. Speaker, as everyone is aware, for any digital system to work, the procedures that underpin these services also need to be modernized. Therefore, to support our efforts, the Ministry of Investment is placing significant emphasis on modernizing our licensing laws that fall under the Licensing Authority. Work is being done on all necessary regulations. The idea is to eliminate cumbersome bureaucratic procedures and consultations that create barriers for a business to obtain a license. This will facilitate procedures that will make it faster for businesses to obtain a license. However, in doing so, much more responsibility will need to fall on the businesses themselves to ensure that all their standards are in place. Similarly, provisions will be made to penalize those who do not comply with the standards.

As you can see, Mr. Speaker, this government is taking serious action in the relevant areas. Our interest is to do more to eliminate frustrations since this way of doing things has been ingrained for several years. There will need to be a change in attitude and the way of doing and thinking among several entities. The government is committed to making this happen.

In this same vein, soon the government will introduce an initiative called zero bureaucracy. Under this program, all ministries and agencies will be asked to identify bureaucratic procedures and propose new ways to remove these obstacles. This will be done over a four-month period next year. This exercise will be conducted in full consultation with the public, businesses, and civil society

Mr. Speaker, another initiative the government is taking to improve the business environment is the introduction of a commercial court. This court will hear only cases that have a commercial aspect - such as insurance, financial transactions, and loans including contracts, intellectual property, among others. This will allow such cases to be dealt with more quickly and a resolution reached sooner. This court will form part of the Supreme Court and will have a full-time judge. This judge will have no more than 6 months to render a judgment or a resolution in a case. A sum of SR 4.9 million has been budgeted in 2025 for the operations costs of this court.

22. The Fisheries and Blue Economy Sectors

Mr. Speaker, we have also invested significantly in facilities across the country and have kept our promise to improve the quality of life of our fishermen. Projects for ports , markets, and gear stores will continue next year with new modern facilities in the following districts:

- Fishing Facility – Anse La Mouche
- Fishing Facility - English River
- Fishing Facility - Glacis - to be completed in 2025

Mr. Speaker, the dredging project that the Ports Authority is undertaking in the Bel Ombre district will assist fishermen in that district.

Work is expected to start later this year on the development of the infrastructure on Ile Du Port, and next year a budget allocation of SR 42 million has been set aside for this project. This will include new roads, infrastructure for waste disposal, water, electricity, and telecommunications. Ile du Port has been designated as a hub for the fish processing sector.

Mr. Speaker, starting from January 2025, the Seychelles Fishing Authority (SFA), in partnership with the European Union, will introduce a new pension scheme to encourage fishers to contribute towards their pensions on a voluntary basis. All fishermen interested in participating in this scheme will need to contribute 5%, and the SFA will contribute the other 5%. An amount of SR 500,000 will be budgeted annually by the SFA. In this scheme, the contribution will be based on the minimum salary.

The government is also facilitating negotiations between stevedores and the agencies that employ them to review their benefits.

23. The Agricultural Sector

Mr. Speaker, the budget for the agriculture sector for the year 2025 is SR 142 million. The government's priority remains to increase agricultural production, enhance added value, make the sector more sustainable, and introduce new technologies into the sector. The government continues to study the best ways to support this sector and therefore we will also improve the allocation of credit for investment in the agricultural sector and improve the knowledge of farmers and businesses.

Mr. Speaker, to facilitate access to financing for farmers, there will be certain amendments to the Agricultural Development Fund (ADF) scheme for the year 2025. Under this scheme, currently, agricultural land on a leasehold can be used as security for a loan up to the value of SR 350,000. We recognize that there is significant value in agricultural land, and such land is in demand. At the same time, we acknowledge that many farmers have limitations in other securities they can offer against a loan. Therefore, we are increasing the value of loans that can be secured with leasehold agricultural land to SR 850,000, provided that this represents no more than 70% of the value of the land. We are also encouraging transformation in the agricultural sector, and in line with this, we are ensuring that terms such as 'agro-tourism' and 'agro-forestry' are included in this scheme and well-defined to allow such projects to be financed under the ADF. Specialized

vehicles—meaning vehicles that require specific training to operate and that are used for agriculture—will also be covered.

Mr. Speaker, as I mentioned in the 2024 budget, we are revising the development fund for the agricultural sector. Major changes under this scheme include adding SR 5 million to this fund in the 2025 budget to add to the SR 63 million that the Government provided in 2024. Starting in 2026, the budget allocation under this fund will increase to SR 30 million per year.

This financial assistance will help support our farmers, given its preferential conditions. For example, a loan of up to SR 3 million will have an interest rate of 2.5% and for a loan above SR 3 million, the interest rate is just 5%. The maximum repayment period is 12 years. We expect that this financing facility will help farmers develop their projects and continue to increase local production.

Mr. Speaker, it is good to note that the budget includes subsidies for farmers producing:

- Chicken meat at SR 2.30 per kilo.
- Pork meat at SR 6.50 per kilo.

At the same time, there are also subsidies for slaughterhouse costs, where it currently costs SR 500 to slaughter a pig at the slaughterhouse. A farmer pays SR 200, and the government subsidizes SR 300. For chicken, the slaughterhouse fee is SR 7 today, where the government subsidizes SR 4 and the farmer pays SR 3.

In addition to this, the government also subsidizes transportation costs for animal feed and layer chicks from Mahé to the farmers on Praslin and La Digue.

A new research building has been constructed at a cost of SR 9.2 million. The genetic center for animal breeding has undergone a renovation at the cost of SR 3 million. Improvements have been made to the veterinary laboratory and clinic services, costing SR 2 million, and the construction of roads at certain farms has cost us about SR 10.7 million.

To continue investing in this sector, a budget allocation of SR 32.6 million is also being made for various agricultural projects for the year 2025. These include:

- SR 6.5 million for the construction of the Union Vale agricultural office;
- SR 3.5 million towards road projects;
- SR 3 million budgeted for irrigation systems;
- SR 8 million for the construction of a new slaughterhouse on Mahe, which will be located in zone 18 at Providence;
- The renovation of the Victoria Market began in 2023 and a budget allocation of SR 3.2 million has been set for 2025.

24. Law and Order

Mr. Speaker, if we want to keep on enjoying a good life, to thrive and keep on progressing as a nation, we need to ensure that there is law and peace reigning in our country. Without law and peace, all our achievements will amount to nothing. It is for this reason that one of the priority sectors in our National Development Plan 2024/2028 is to promote Law and Peace.

For the year 2025, the Ministry of Internal Affairs has been allocated a budget of SR 743.4 million. The Immigration and Civil Status Department has accomplished a lot this year, especially in using technology to offer their services to their clients. They have launched virtual identity cards on the 'SeyID' platform for all individuals who have permits to stay in Seychelles. They have also introduced 'CertExpress', an electronic platform that helps all Seychellois citizens obtain a birth, marriage, or death certificate without needing to visit the Ministry.

In 2022, Seychelles introduced its biometric passport. In 2024, Seychellois citizens residing in France, Great Britain, and the United Arab Emirates will be able to apply for and collect their passports in those countries. In 2025, this service will be implemented for our citizens in Australia and Canada.

Another project the Government is working on is the registration of births. Instead of parents having to travel to the registration office while the mother is on maternity leave, everything can be done at the hospital.

Mr. Speaker, in 2025, the Government will invest SR 103.9 million in the law and peace sector, through the following projects;

- An amount of SR 9 million is budgeted has been budgeted for the construction of the Perseverance police station, which is in the procurement stage, and will start in 2025;
- SR 2 million has been allocated for the construction of the Baie Ste Anne Praslin police station, which will be completed in the first quarter of 2025;
- SR 3.4 million has been allocated for the construction of accommodation for police department staff, which will start in 2025 -;
- SR 43.9 million has been allocated for the construction of the Marine Police facilities -;
- SR 5.5 million has been allocated for continuing the work on the Maximum Security Prison which we expect to complete in 2025 -;
- The first phase of the remand centre will be completed in November 2024. Construction for the second phase will start in 2025 and a sum of of SR 5 million has been projected for this; and,
- SR 10 million has been allocated for the construction of a new building for a medical section and a kitchen for the Prison Department.

25. Tax Policies

25.1. Revision of the tax structure on income and non-monetary benefits to introduce annual returns by individuals

Mr. Speaker, now let us move on to the new tax policies that the government is going to introduce.

Firstly, there is the tax on salary and non-monetary benefits, which was introduced in July 2010 after the social security deduction on salary was abolished. At present, this progressive tax rate ranges from 0 to 30%.

14 years later, the government is introducing another phase of reform on tax on salary and non-monetary benefits to introduce a tax declaration by individuals. The reason for this is that we recognize that many individuals are investing in their own future and that of their families, reducing dependence on government systems. Therefore, the government is working on a new salary tax structure to introduce deductions such as expenses that these individuals incur on their children's private schooling, healthcare expenses, additional voluntary pension contributions, interest paid on home loans, any insurance taken for medical or housing purposes, and interest paid on educational loans. Mr. Speaker, similar structures exist in other countries. This new structure will be implemented in two phases: In 2026, all individuals will register with the Seychelles Revenue Commission. In 2027, we will start the new tax structure on salary and non-monetary benefits to introduce a tax declaration by individuals and bring deductions into effect.

2025 will be dedicated as a consultation and preparation period with the private sector, so that all workers understand this reform well. Our goal is to simplify and remove any complications, especially using technology systems to facilitate this reform.

25.2. Removal of Withholding Tax on investments in the Digital Economy sector for five years.

Mr. Speaker, the government continues to encourage more companies to use more advanced technology in order to make their services more accessible to our population. This is always in line with our digital transformation strategy.

Therefore, to encourage further investments from other countries in the digital economy sector and also to accelerate investments in technology development, the Government will remove the 15% Withholding Tax currently applicable on technical services provided by foreign companies in the digital economy sector. This exemption will last for 5 years. We urge companies to take advantage of this benefit for the next 5 years and invest in technology.

25.3. Revision in accelerated amortisation for investments in software in the Digital Economy sector to three years.

We will also review the accelerated amortisation for investments in technology development, primarily software. Accelerated amortisation is a business tax method used to deduct a larger portion of its expenses in the initial years of investment. Currently, accelerated amortisation for investments in technology development, primarily software, is over a period of five years.

To add another benefit to the digital economy sector and encourage more investments in this sector, the Government will implement this accelerated amortization for investments in

technology development, primarily software, to just 3 years. This benefit will also last for 5 years.

25.4. Removal of Withholding Tax on interest received by individuals on investments in 'fixed deposits' with financial institutions.

Mr. Speaker, today there are financial instruments where withholding tax of up to 15% applies to this interest. Before a commercial bank pays an individual their interest, the commercial bank deducts this withholding tax and pays it to the Seychelles Revenue Commission and then pays this individual the difference.

Today, individuals who invest in companies and get paid a dividend or invest in treasury bills or bonds, get paid this interest or returns without withholding tax being applicable on these types of investments. Therefore, this individual receives his/her returns on this investment in full without any tax deduction.

Mr. Speaker, to encourage more options for investing in other financial instruments by individuals, we are removing the 5 percent withholding tax on fixed deposits that individuals invest with financial institutions.

25.5. Review of the personal allowance at the airport

Mr. Speaker, the government is revising the personal allowance on goods that a traveller can bring into the country. Currently, this limit is SR 5000 per traveller over 18 years and SR 3000 for those under 18. This no longer reflects the reality today given the changes that have occurred in prices.

Based on international norms and commodity prices, the government is reviewing the 'customs management (passenger allowance)' regulations and other legislation. The new personal allowances for a traveler will be as follows:

- a traveller will now be able to bring one electronic device including either a mobile phone, a electronic device, laptop or tablet into the country;
- other goods at a value of SR 15,000 for travellers over 18 years; and
- other goods for a value of SR 8,000 for travellers under 18 years

25.6. Tax Rate for Entities Offering Virtual Asset Services or Virtual Asset Providers Licensees under the Business Tax

Mr. Speaker, in September 2024, the legislation establishing the licensing framework for entities offering virtual asset services came into effect. These entities have until December 31, 2024, to apply for a license with the Financial Services Authority.

The government will apply a tax rate of 1.5% on the assessable income of all entities offering Virtual Asset Services. This tax rate is the same as the current rate for securities dealers in the financial sector.

25.7. Amendment to the Value Added Tax

Mr. Speaker, following consultations with the private sector, the government is amending the Value Added Tax law to clarify the provisions under this legislation.

The first component addresses concerns, and clarifies that levies remain independent of the evaluation of other taxes. An input tax credit schedule for transactions equal to or above SR 50,000 will also be introduced. We will also review the refund procedure, which includes not accumulating credits for more than three months. The procedures for voluntarily registering a business will be reviewed with the intention of detecting any potential fraud or uncollected revenue. These amendments will also introduce a transitional period allowing businesses to exit the VAT system.

25.8. Strengthening the Revenue Administrative act

i. Legislation for the Board governing tax and customs entities, known as TACAB

Mr. Speaker, we are also strengthening the legislation of the Board that governs tax and customs agencies, known as TACAB. The intention behind these amendments is to review the provisions in place, to enhance the Board's powers further. This will help TACAB conduct investigations when allegations arise from a business or the Seychelles Revenue Commission. Often, a tax service entity may act dishonestly and fail to submit the necessary documents to the SRC for its client, causing the client to incur penalties. A code of conduct for these agencies and penalties will be established. Provisions will also be included for suspending an agency.

ii. Strengthening Other Provisions under the Revenue Administration Law

Mr. Speaker, the government is strengthening other provisions under the Revenue Administration Law. The first component gives the Seychelles Revenue Commission the power to impose administrative sanctions for offenses committed. These sanctions will be monetary and serve as an additional measure for the SRC to use deal with offenses.

The second component of the amendments relates to the process used to recover debt accumulated by a taxpayer. A business can object to a decision if they are not satisfied with it. The responsibility is on the business to prove that the analysis performed by the SRC is unjustified based on concrete documents. However, often additional documents are submitted at the last minute to delay payment based on the analysis conducted. Therefore, amendments are proposed to increase the number of days we give a business to submit an objection. This will change from 60 days to 90 days. We are also introducing the amount of time the Revenue Commission has to work on an objection once they have received it, which is 120 days. Provisions will also be included for a business to pay the portion of the debt that is not disputed

25.9. Strengthening the Business Tax act

Mr. Speaker, in December 2022, a review was conducted on non-monetary benefits under the income and non-monetary benefits tax act. Therefore, since January 2023, these benefits have been taxed based on their actual cost or the taxable value under this law. A business can only deduct these non-monetary benefits under business tax act on the value that has been taxed under

the fourth schedule of the salary and non-monetary tax schedule. We propose amendments to ensure that the actual cost is also covered in the expenses that can be deducted under business tax act. In instances where the actual cost is not clear, the value used under the fourth schedule can be used.

Under the business tax act, there are expenses that cannot be deducted from your business income. This includes the business tax you have paid. However, we need to clarify that other taxes such as tourism marketing tax, value-added tax, and taxes paid on income and non-monetary benefits cannot be added to your expenses either.

In January 2023, new provisions to replace section 54 in the Business Tax Law on Transfer Pricing came into force. In October 2023, regulations under the business tax law for Transfer Pricing documentation were published. Based on these provisions, the Commissioner General at SRC determines the transfer pricing benefit. No obligation is placed on the business to see if an adjustment to their tax declaration needs to be made even though our tax regime is based on self-assessment. Therefore, amendments are proposed to clarify these provisions. An amendment will also be proposed to introduce transfer pricing schedules, a depreciation schedule, and also a schedule to view payments outside Seychelles.

26. Conclusion

Mr. Speaker, in conclusion, I want to return to the beginning of my speech, where I emphasized that all the budgets that our government has worked on till now, have shown that we have a very clear strategy for our country. We remain always responsible and disciplined in our spending. We ask everyone to work hard to continue to keep our economy growing. When fiscal space allows, we will continue to redistribute this success to everyone. We will keep on this same trajectory.

Mr. Speaker, I can tell Seychellois that the 2025 Budget is a positive one, addressing and impacting all sectors of our society. The 2025 Budget is proof that the government has a clear, realistic strategy and knows what it is doing. As a nation, we need to continue on this positive path.

Mr. Speaker, I would like to thank the President of the Republic, Mr. Wavel Ramkalawan, for his guidance and support in formulating this budget, where he has listened attentively and valued the expertise of technicians in his administration.

I also thank the Vice President, Ahmed Afif, all my fellow ministers, the ministries, departments, and agencies that have contributed to the preparation of the 2025 Budget.

I also thank the National Assembly for their support during the year.

To all Seychellois, on behalf of the government, I also say thank you for your hard work during these last years that have helped relaunch our economy, and today you are enjoying this success.

To the staff of my Ministry, I have always said and will continue to repeat that your dedication to your work and your level of professionalism is second to none. On behalf of the President and all members of this Administration, I say a big thank you.

Mr. Speaker, I finish as I started: today we are in a situation where we can present the largest budget in the history of Seychelles. Mr. Speaker, this has happened in less than 5 years. A budget that gives our people the rewards of our hard work and also makes available, funds to invest in economic and social infrastructure that will benefit our country for years and decades to come.

With this, Mr. Speaker, I recommend that the Appropriation Bill 2025 for a budget of SR 11,901,621,045 to authorize spending from the Consolidated Fund for the year 2025, be approved.

Thank you, Mr. Speaker