



BUDGET 2023
GOVERNMENT OF SEYCHELLES

Delivered by:

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At the National Assembly

Ile Du Port, Victoria, Mahe, Seychelles

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9.00 a.m.

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

Good morning.

1. Introduction

Mr. Speaker, this is the third budget that I present to the National Assembly for their approval. The 2023 Budget is a sequel to the two previous budgets. Why a sequel?

In my first budget address, I presented the budgetary and economic situation which this administration had inherited from the previous administration, in a frank and honest manner. I explained that our situation was a critical one, and that we were on the verge of a precipice, even. In the face of such a situation, I presented a clear plan that this administration would have to undertake, to extricate our country from this precarious situation and rebuild our economy.

In these two budget speeches, I outlined two fundamental principles.

1. In the first place, we would need to stabilize our budgetary and economic situations.
2. Secondly, we would need to rebuild our economy on a more solid foundation to make it more resilient.

Mr. Speaker, as a responsible government that is not afraid to take difficult decisions in the interest of our country, and even in the face of criticism against this government, we have maintained the necessary discipline – and today, we can see the results of having a clear and responsible plan that is being delivered by strong and decisive leaders.

Our government is looking towards a change of attitude where hard work and responsibility are the values that are inculcated within our society, for our common benefits.

Mr. Speaker, today we are in a position to announce the fact that we have surmounted the biggest economic crisis that the country has ever been faced with in its history. Thus, Mr. Speaker, I want to thank every Seychellois of whom we have asked a lot of sacrifice and patience during these past two years, while we focused on the stabilization and relaunching of our economy. Thank you for the faith that you have put in this government, to lead this country through this difficult period.

Mr. Speaker, before we go further, I would like to present a few statistics to illustrate the transformation which has taken place during these past two years.

In 2020, we had a primary fiscal deficit of 15.1 percent and our debt was 92.2 percent of GDP. Our Rupee had reached SR 21.8 to the dollar and we only had 14.9 million rupees in the government coffers. Our economic growth had contracted by 7.7 percent in 2021, and the inflation rate had reached 9.8 percent.

Mr. Speaker, today in 2022, our primary fiscal deficit is 1.1 percent of GDP, our debt has decreased to 67.9 percent of GDP, the inflation rate has gone down to 3 percent, and at the beginning of November 2022, the rate of the rupee to the dollar had gone down to R 14.32.

Mr. Speaker, these statistics show very clearly, the results that our government has succeeded in achieving, in less than two years. This success has been recognized at an international level, and Seychelles is referred to as a model of economic management in a period of global economic crisis, especially since many other countries have found it difficult to manage this situation.

Mr. Speaker, the 2023 Budget is one that will ensure that our people will enjoy the positive benefits of this hard work, and allow our government to invest more in our infra-structure, for our social well-being and for the growth of our economy.

Later on in this budget address, I will give details of the salary structure revision in the public sector, and other expenditures in Health, Education, Housing, road infra-structure, and other infra-structure in the districts, and other expenditures that have been projected.

This budget will also introduce several initiatives which are aimed at improving the lives of the Seychellois people, and assist the development of business.

However, as I have always emphasized, as a responsible government, we have to ensure that we have a balanced budget and that we maintain our macro-economic stability. We cannot take populist decisions which are not necessarily good ones, and which will plunge us once again into economic precipice we had inherited. With this, I would like, once again, to thank the Seychellois people for putting their faith in a responsible government.

We will see a number of new fiscal measures that will help our government to collect revenue that can be reinvested in our people. We have also ensured that the fiscal measures we have taken to collect revenue will not affect our people.

Mr. Speaker, it is important to note that the global situation is still full of uncertainty and risk. Seychelles is still vulnerable to external shocks. This is all the more reason for us to maintain a responsible and prudent attitude. With Covid still present, the repercussions of the war in Ukraine, and other political tensions around the globe, it is necessary to remain on top of the situation and follow these developments closely, and adjust our policies if necessary.

2. Global Development

The global economy faces a number of turbulent challenges. The outlook is heavily weighed down by high inflation, tightening financial conditions in most regions, the war in Ukraine, and the lingering COVID-19 pandemic.

Monetary and fiscal policies cool demand as policymakers aim to lower inflation back to target however, a growing share of economies are already in a growth slowdown or absolute contraction. IMF's World Economic Outlook of October 2022 forecasts a slowdown in global growth, from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This prognosis for the global economy is far below the average growth of 3.6 percent during 2000 and 2021. The global economy's future health rests critically on the successful calibration of monetary policy, the course of the war in Ukraine, and the possibility of further pandemic-related supply-side disruptions.

3. Economic Performance Review for 2022 and 2023 Economic Context

Mr Speaker, following 2021's strong commencement of recovery, 2022 economic performance projections remain very positive as this year's GDP growth is estimated at 10.6 percent, mainly supported by the rebounding tourism industries. Year-to-date tourism arrivals are more than double that of 2021 while total 2022 growth is estimated at 75 percent, translating into double digit growth for the main tourism sectors and a positive impact on overall economic activity across all productive sectors. Our government's decision to reopen our country is one that was positive and responsible, because in less than two years, our tourism industry has more or less to normal level, before the COVID 19 pandemic.

Information and communication activities have remained buoyant and is estimated to grow by 10 per cent in 2022, while the 'Financial and insurance' activities sector growth remains steady at 2 percent. We are expecting a growth of 1 percent in the agricultural sector. The production of fishery products is estimated to contract by 8 percent following continued challenges.

For the 2023 fiscal year, we are projecting that our GDP will grow by 5.4 percent. This is higher than our initial projections, and this projection for 2023, is in line with a higher growth rate in 2022. Again, tourism remains the sector with the highest volume of activity in our economy, with the continued increase in visitor arrivals. Activities in the tourism sector such as accommodation services and administrative services are projected to increase by 15 percent and 16 percent respectively. Growth in 2023 will also be supported by an improved performance in the information and telecommunication sector with a growth rate of 5 percent, and also an increase in production activities of 3 percent, especially in fisheries products.

Seychelles is expected to be on the road to recovery with a projected 5 percent real GDP growth in the mid-term. During the first six months of this year, the inflation rate went down compared to a really high rate towards the end of 2021. We are expecting that the annual inflation rate will reach 3.8 percent by the end of 2022. In 2022, the stability in the exchange rate has reduced the impact on the inflation rate – compared to 2020 and the beginning of 2021, when the exchange rate had reached up to R 22 to the American Dollar. Today, at the end of October 2022, one dollar is on average, less than R 15. Once again, Mr. Speaker, the cost of living would have been much higher if our government had not taken these responsible actions to stabilize our economy.

However, we are projecting an annual inflation of 4.2 percent for the year 2023, which is an increase, since we are expecting that the price of commodities on the international market will

continue to remain high, due to the persisting global uncertainties – for example, the direct impact high fuel costs has on the price of commodities, internationally, and the conflict between Ukraine and Russia.

With regards to our debts, we remain committed to reduce government debt to 50 percent by 2026, from 92.2 percent of GDP in 2020, and up to now, we are still on target.

Seychelles has with the assistance of our international partners, benefitted from favourable conditions regarding the repayment of our debts – with longer payment plans and lower interest rates. This is part of our government’s strategic plan to ensure that our debt remains sustainable, with better conditions. Amongst its strategies, government has also begun using Treasury Bonds as a domestic debt instrument. A total of R 1.3 billion has been offered in bonds, this year. All this has enabled the government to increase the profile of its debt maturity by about one year, and thus, ensure a national debt that is sustainable. This has placed us on the right track to reducing our debt to about 50 percent of our GDP in 2026.

Mr. Speaker, the good economic performance we are experiencing has impressed many of our international partners. Each time that the IMF undertake its review, it reiterates that our economic relaunch is one that is strong and impressive. Recently, the representatives of the Commercial Development Bank (TDB) have also said the same thing. They have said that compared to many other countries, Seychelles is doing very well indeed. The confidence of the international community in the economy of Seychelles has been demonstrated by the Fitch Review which was completed at the end of October 2022. This review has improved Seychelles’ rating from B+ to BB, with a stable outlook.

Throughout 2022, Central Bank of Seychelles (CBS) maintained an accommodative monetary policy stance aimed at supporting the domestic economy, which faced significant external challenges caused by demand and supply imbalances.

In line with the monetary policy stance, interest rates in the domestic market remained relatively low, with the average savings rate standing at 1.49 percent in September 2022, while the average lending rate was 9.15 percent. As for the yields on T-bills, this was 0.88 percent on the 91-day bills, 1.48 percent on the 182-day bills and 2.18 percent on the 365-day bills.

So far in 2022, there has been a noticeable increase in the disbursement of local currency loans towards the private sector. As at September 2022, this stood at 11.3 per cent in year-on-year terms, which reflected the ongoing economic recovery and less rigid domestic credit environment.

Looking ahead, continued support remains essential to encourage economic activity for a more robust recovery. However, if global commodity prices remain elevated, foreign inflationary pressures are expected to filter into the economy.

Inflationary pressures remained subdued in the first six months of 2022, as a result of the appreciation of the rupee observed throughout 2021. As a consequence of the conflict between Russia and Ukraine which impacted international food and fuel prices, an uptick in the average

prices of goods and services was recorded as of July 2022. As at September 2022, the year-on-year and annualised inflation rate stood at 3.0 percent and 4.1 percent, correspondingly.

Preliminary estimates show an improvement in the country's external position in 2022 compared to 2021. The current account deficit for the year is projected at 7.2 per cent of GDP, relative to a deficit of 11 per cent in 2021. This was due to the robust performance of the tourism sector, which translated into higher tourism earnings relative to the previous year.

The higher economic activity in 2022 was supported by an increase in Foreign Direct Investment-related activities, estimated at around USD 230 million. Many projects that had been put on hold or delayed due to the COVID-19 pandemic resumed during the year, in addition to a number of new projects - the majority of which were in the tourism industry.

The robust performance of the tourism industry is expected to continue in 2023. As such, and despite the expected increase in cost of imports, the current account deficit is forecasted to improve to 5.7 per cent of GDP.

4. 2022 Fiscal Performance Review

Mr. Speaker, Government has projected that we will end 2022 with a primary deficit balance of 1.1 percent of GDP. This is comparable to our initial budget for which we projected a primary deficit balance of 0.8 percent of GDP. This small increase is due to the fact that we have been able to negotiate with the IMF for the necessary fiscal space to implement the temporary measures, to help those with lower salaries cope with the high cost of commodities. These measures were introduced in July.

We are predicting an increase of R 107.5 million in the tax and non tax total revenue compared to the initial budget. However, when we look at tax revenue in itself, there is a decrease of R76 million compared to the original 2022 budget. Tax revenue for which we have predicted an increase is principally in the collection of ;

- VAT - an increase of R 99.6 million, which is linked to the growth in the tourism sector.
- The projection for business tax has increased by R 8.2 million, and
- we are also still collecting CSR tax, for which, following the results of the audits which have been made, a sum of R 7.1 million has been projected.

We have also seen a reduction in the collection of certain taxes. These are mainly in income tax and excise tax. Our projection for income tax revenue has decreased by R 62.6 million because of a budget reduction in the vote for government salaries and wages in the 2022 budget revision approved by the National Assembly. The reason for this is that certain ministries were not able to recruit more staff as had been projected. Excise Tax has decreased by R 96.9 million, and this is principally in the collection of tax revenue on petroleum products, and in local production of alcohol and tobacco.

In the collection of non tax revenue, we have seen an improvement by R 184.3 million, and this is because Government has collected more dividends from its public enterprises, compared to the initial projection.

Mr. Speaker, as was presented to the National Assembly during the budget review exercise, we proposed a supplementary budget of R 472.8 million, and a reduction in government expenses amounting to R 887.5 million. Thus, Mr. Speaker, there has been a decrease of R 414.6 million in government expenses in the 2022 Budget.

5. Budget 2023 and Fiscal Performance in the Mid-Term

Mr. Speaker, for the 2023 fiscal year, Government is proposing an expenditure of R 10,495,149,665. This represents an increase of only 4 percent when compared to the 2022 Appropriation Act which was R 10,091,651,146.

We are also projecting a collection of R 10.7 billion in revenues and grants.

In 2023, government is projecting a primary fiscal surplus of R 330.3 million or 1.1 percent of GDP. This will be the first time we have a surplus since 2020 when the Covid 19 pandemic impacted on our fiscal performance. In the mid-term, we are projecting a primary fiscal balance of 2.2 percent of GDP in 2024 and 3.5 percent of GDP in 2025. This will help us to achieve our goal to reduce government debt to about 50 percent of our GDP by 2026.

6. Revenue Collection for 2023

Mr. Speaker, a total of R 10.7 billion in revenues and grants is being projected for 2023. 86 percent of this projection is for tax revenue collection, which is the equivalent of R 9.2 billion. This represents an increase of R 1.4 billion compared to the 2022 revised budget. The forecasted revenue increase is based on the strong economic performance which meant we will collect an additional R 900 million in tax revenue and based on the revised policies which I will announce later, and we will collect an additional revenue of R 499.5 million in 2023.

Compared to a total of R 1.1 billion in 2022, we are projecting an increase of R 124 million in income tax revenue. This is mainly due to the salary increase proposed for 2023. The increased revenue collection of R 233.0 million and R 290 million under Excise tax and VAT respectively is mainly linked to growth in the tourism sector, compared to 2022.

With regards to non-tax revenue for the 2023 fiscal year, a sum of R 1.08 billion has been projected compared to R 1.24 billion in 2022. This has reduced by R 165 million, and this is mainly under dividends from public enterprises, which has decreased from R 747.3 million to R 547.1 million. The dividends we have collected from Nouvobanq during the year 2022 relates for the years 2020 and 2021 and as result the 2023 will not be the same. Government also received an exceptional dividend from the Seychelles Cable System Company and we will not receive any dividend from this company during the year 2023. We have also received dividends which are linked to the IOT financial account for the years 2020 and 2021 in 2022.

Revenue collection in terms of grants represents 1.3 percent of GDP in 2023, which is equivalent to R 402.6 million.

7. 2023 Budget Context

Mr. Speaker, the principal objective of the 2023 budget is to distribute the results of our hard work and disciplined attitude which every Seychellois and the government have witnessed, during these past two years. Secondly, to invest more in the infra-structure and to gain a budgetary surplus in the mid-term, which will help us ensure that Government debt remains sustainable. This very ambitious fiscal consolidation that this government began in 2021 is on the right track, and has contributed towards the reduction of government debt from 92.2% of our GDP towards the end of 2020, to the projection of 64.6% towards the end of 2023.

Government will continue its work to finalize the National Development Strategy to address priority sectors, as follows:

1. A more modern public service
2. Our economic transformation agenda covers five sectors -
 - a. The Tourism Sector
 - b. The Agricultural Sector
 - c. The Fisheries and Blue Economy Sector
 - d. The Digital Economy Sector
 - e. The Financial Sector
3. Modernization and Efficiency in the Health System
4. Promoting Law and Order
5. A more modern Education System which is in line with our future needs
6. Environmental Sustainability and more Resilience to Climate Change

These priority sectors are the key to bringing about a synergy with the mid-term budget and the strategies of the administration portfolios.

In addition to the six priority areas, government will continue to invest in the social programme with the aim of supporting our population.

8. The context of Government Expenditure

Mr. Speaker, the context of government expenditure in 2023 remains one that is responsible, prudent, and disciplined. This time, the emphasis is being placed on expenditures for new infra-structure or the renovation of existing ones, and also salary increases in the public service.

Mr. Speaker, a total of R 3.62 billion is being projected for Goods and Services for 2023. This represents 11.8 percent of GDP compared to 12.0 percent in 2022. This projection also covers an increase of R 293.0 million in the 2022 revised budget, which comes to R 3.33 billion. However, the largest increase is for a total budget of R 1.4 billion being projected for our capital

investment programme in the 2023 fiscal year, which represents 4.6 percent of GDP. This is an increase of R 608.9 million or 76 percent compared to the revised 2022 budget. This reflects our government's priority of installing new infra-structure to help the growth of our economy and also for the general well-being of our people. There is also a significant sum budgeted to repair a number of infra-structure which have been neglected over many years.

8.1. Wages and Salaries

Mr. Speaker, during these past two years during which we have faced considerable difficulties, we have asked our workforce to be patient, to work hard and to prioritize their expenses, because government was not in a position to give a salary increase. We were able however, to guarantee the salaries of the public sector. We recognize the fact that it has not been at all easy, especially in the face of the global crisis whereby the price of commodities was really high. We thank you infinitely for your patience. Now, two years later, the situation has improved, thanks to the responsible, disciplined and decisive decisions taken by our leaders.

Mr. Speaker, for the year 2023, government is proposing a budget of R 3.44 billion which represents 11.3 percent of GDP, compared to R 3.01 billion in 2022. Our objective remains to maintain the wages and salaries budget at 11 percent of GDP in the medium term. For the year 2023, our projection for wages and salaries has increased by R 428.3 million, or 14 percent, in comparison to the 2022 budget.

Mr. Speaker, as announced in the 2022, government has worked on a new salary structure for the public service. For the first phase of this exercise, this new structure has consolidated the following allowances in basic salaries:

1. 5% supplementation allowance which was introduced in 2019
2. Marketable skills allowance
3. Graduate allowance
4. Performance allowance

Inducement and long service allowances have been excluded from the consolidation.

Mr. Speaker, government has decided to keep the 'inducement' allowance outside this consolidation, due to the fact that certain factors are not covered by the performance evaluation system, for example, the lack of competencies on the job market which makes one qualification more marketable than others. Government will also conduct research on the job market to compare positions available in the public sector and the private sector. As for long service allowance, we have noted its complexity and the impact that it may have on the salary structure. Government has seen that if it consolidates the long service allowance in the new salary grid, there could be scenarios whereby employees in lower positions could have a higher salary than those in higher positions. Thus, this could incur more frustration amongst fellow staff.

Mr. Speaker, the second element in this exercise is that government has increased the new consolidated salary by 10 percent, and has ensured that the lowest increase is not less than R

1,000. With this consolidation, the lowest salary in government will increase from R 5,485 to R 7,343.

To ensure that this is clear, I will give two examples of how this consolidation and 10 percent increase of salaries will work.

Currently, a driver with a basic salary of R 6,325 and a 5 percent supplementation allowance of R 316.25, which makes a total of R 6,641.25 when this salary is consolidated, will now have a new basic salary of R 7,641.25.

A graduate who is currently receiving a basic salary of R 9,887 with a 5 percent supplementation allowance of R 494.25, a marketable skills allowance of R 1,400, and a graduate allowance of R 5,000, which comes to a total of R 16,781.35, when consolidated, will now receive, with the new salary increase, a total basic salary of R 18,662.43.

The third element is that government has created a salary grid of not more than twelve bands, and fifteen steps for each band, and each individual salary under the new scheme can be fit within this grid. This new salary grid has been finalized and will be explained to employees in the coming days.

Thus, Mr. Speaker, just to make it clear, under this salary review, firstly, we have consolidated four allowances in basic salaries, and secondly, we have given an average increase of 10 percent on consolidated salaries. I hope that this is clear.

Government has also decided to remove constitutional appointment salaries from public service salaries. The Public Service Office will manage public service salaries through a framework that will be put into place.

Government will also appoint an independent committee to review the salaries of constitutional appointments, bearing in mind all the benefits that these appointees are currently receiving. This exercise will be done in an independent, transparent and objective way.

Mr. Speaker, this increase in public service salaries will become effective as from 1st April 2023 and is costing R 171.9 million which represents 0.6 percent of GDP.

For the 2023 financial year, the Public Service Office and human resource officers in government will also work on reviewing the public service scheme.

Mr. Speaker, we recognize the fact that this salary review is targeting only public service employees – with regards to private sector employees, I would like to appeal to their employers to evaluate and analyse the situation and look into the possibility of offering their staff a salary increase as well. Since the reopening of the country in 2021, Seychelles' economy has been relaunched and economic activities have continued to expand – thus I do hope that you will be able to accordingly compensate your employees, in view of our current favourable economic experience.

8.2. Thirteenth Month Pay

Mr. Speaker, in view of our good economic performance, we have also made provisions for the payment of a thirteenth month salary, depending of course, on each employee's good performance.

Government has allocated a sum of R 114.19 million for the 13th Month Salary which will be paid in mid-January 2023. A sum of R 143.4 million has been projected for the 13th month Salary in 2024 in view of the salary increase in 2022.

Mr. Speaker, individuals working in 'non-core services' such as 'Sensitive Security' who are employed under the Police department, 'Vessel Protection' and employees who work with members of the National Assembly and who have a contract with the National Assembly, will also be paid a thirteenth month salary in January 2023, and a sum of R 1.7 million has been projected for this. They will also benefit from the salary as from 1st Avril 2023, for which a sum of R 2.1 million has been projected.

Government has also made a provision of R 21.0 million for the thirteenth month salary payments for the home carers in January 2023. Home Carers will continue to benefit from the R 500 monthly supplementation which they have been receiving since July 2022, and this will cost R 15.75 million in 2023.

For the employees of the Cleaners Corporative, a sum of R 5.9 million and R 4 million has been projected for the payment of thirteenth month salary in January 2023 and salary increase at the beginning of April 2023.

9. Contingency

Mr. Speaker, in the 2023 budget, we are allocating R 50 million for contingency. Government is finalizing the necessary documents with the Attorney General's office for compensation payments in connection with the pollution case at the Baie Ste Anne Praslin electricity station. We expect the payment to be completed early in 2023. We have also made a provision for the compensation payments for the health ministry and the education ministry in connection with fungus issues.

The second phase of compensation for the La Misère water pollution case will be catered for in the 2024 budget. For those who have been affected by this situation, I take this opportunity to thank you for your patience. I want to reassure you that had we been able to pay you earlier, we would have done so. Unfortunately, our economic situation during these past two years has not permitted this. As for the residents of La Misère, I would like to appeal to you to be patient a little further.

10. Spending in Priority Sectors

Mr. Speaker, government is prioritizing its expenditures in the key sectors which I have mentioned, according to our National Strategic Development Plan. It is important that

government expenditure is well targeted, which will result in more benefits for our people, encourage more economic growth, and ensure a good future for all of us.

10.1. Health Sector

Mr. Speaker, our people's health remains a priority of this government. A healthy nation is a productive one. Our health system is facing many challenges, in large part, due to our lifestyle. In 2023, government is conducting a detailed research with the aim of reforming our health system, to ensure that it becomes more efficient and offers a higher standard of service to our population. We are proposing two new functions in this ministry; firstly, a structure to ensure quality control in the services offered by the Health Agency to its patients, and secondly, a public relations service that will ensure direct contact with the public and that their concerns with regards to the services offered to them are addressed.

Mr Speaker, the health sector is costing the government R 1.38 billion which represent 13 percent total appropriation of the 2023 budget. In the 2023 budget the largest spending from the Health Care Agency are the following;

- Medicine - R 70.4 million
- Haemodialysis - R 76 million
- Medical Supplies - R 98.1 million
- Food Supplies - R 27.2 million
- Overseas Medical Treatment - R 70 million

A sum of R 10 million is also being budgeted under the Public Health Authority to procure equipment and laboratory supplies related to the Covid 19 pandemic.

Mr. Speaker, apart from the largest expenditures which are directly related to treatment, in 2023 there will also be a lot of investment in the infra-structure of our health system, a total budget of R 118.8 million has been projected for the health sector to finance a number of big projects, including:

- i. The continuation of the Health Information System project- R 27.13 million
- ii. The continuation of the La Digue Hospital – R 40 million which is being financed from a grant from UAE.
- iii. The construction of a new health centre at Baie Lazare – R 8.5 million
- iv. The renovation of various health infra-structure – R 25.2 million

In addition to the renovation projects of the health infra-structure which have been neglected in the past, government also recognizes the fact that the state of certain infra-structure means that it is not financially viable to put more funds into their renovation. In view of this, government has also projected a sum of R 540.1 million for the construction of a new hospital facility. This new facility will be a modern one that will undertake specialized treatments such as ICU, Accident & Emergency and operating rooms.

Mr. Speaker, let me just remind the house that in July this year, government removed the R 25 fee that patients were paying for prescribed medicine, and also that during the mid-year review, government committed another R 50 million to the purchasing of a new MRI machine.

Mr. Speaker, as can be seen, our government is making a lot of financial investment into our health system – but is financial input the only thing that will improve the kind of service that patients expect? This is an important question, because we need to ensure that health workers also offer a good service to patients, and we must also ensure that we spend effectively and efficiently, to avoid wastage, without of course compromising the health of our patients.

With the help of the World Bank, government is undertaking a review of the health sector's expenditure, which will be completed by the end of the first quarter of 2023. This review will help government to address the weaknesses in the expenditure procedures and make the procurement structure of goods and services more efficient in this sector.

It is for this reason that in 2023, we will start evaluating this ministry's operations, with the aim of improving its service, make it more efficient, reducing wastage and consequently, increase public satisfaction in that respect.

10.2. Education Sector

Mr. Speaker, education is one sector that is key on the socio-economic transformation of our country. The reforms in education are necessary, because through education we could guarantee a future as an individual, society and as a nation. Investment in our people education represent an investment for the future of our country.

In 2023, the education sector has received a sum of R 1.34 billion, which represents 4 percent of GDP.

Ministry of Education is receiving an increase of R 218.5 million which covers the transfer of funds for tertiary education from the Agency for National Human Resource Development.

As announced in the 2022 budget, the government has completed negotiation with the private sector to offer Wi-Fi services in schools. This will cost R 6.8 million in the 2023 budget.

Mr. Speaker, government will continue to provide breakfast services for all students in state schools, both primary and secondary, to ensure that all children start their day with a meal, that will allow them to concentrate and give their best in their studies. In 2023, this will cost of R 17.9 million. The structure that we have put in place to ensure that our pupils receive an appropriate lunch as from the third term of 2022 will cost R 20.1 million in the 2023 budget.

Government is still putting a lot of importance on encouraging our population to undertake advanced studies. In 2023, a sum of R 205.1 million has been projected to ensure that our students can continue their tertiary education. Mr. Speaker, in spite of the economic difficulties that we have faced, this government is continuing to invest in its youth, to guarantee our future.

Mr. Speaker, to ensure that when our Seychellois students go abroad to study, they are comfortable, and in view of the increased cost of living, government has proposed an increase of

10 percent in the stipends of students studying in 17 countries, in 2023. This increase is based on an assessment of the cost of living in the countries concerned. Students studying at the University of Seychelles will also benefit from this 10 percent increase in their stipends. A sum of R 2.5 million has been budgeted for this increase.

To complement the government program on tertiary education, government has also finalized its discussions with the Seychelles Commercial Bank regarding a framework for an educational loan scheme. This scheme will offer another option to individuals who wish to develop other skills, based on the country's needs. The parameters for this scheme are as follows:

1. Maximum Loan of SR 800,000.
2. An interest subsidy of 4 percent will be applicable on the education loans.
3. Repayment will be for a maximum of 10 years.
4. There will be a government guarantee.
5. No personal contribution will be required.
6. The students would not need to commence repayments on their loans until they have graduated and are in receipt of their degree, certificate or diploma. In the grace period, the government will cover and disburse to the lending institution its interest rate subsidy, however, the balance student borne interest would be capitalized.

Mr. Speaker, I would thus like to appeal to our citizens to avail themselves of these financing opportunities. This will be another option apart from the existing ones with the Ministry of Education. A provision of R 8 million has been budgeted in 2023 for this educational loan scheme.

To ensure that we are spending more effectively, and with a long-term strategy, we expect to finalize a human resource strategy in the first half of 2023.

A total of R 89.9 million is being budgeted in 2023 under the Ministry of Education, which will also include the financing of certain projects in that ministry which have experienced considerable arrears in their implementation, even if these projects were catered for in the past few years. This will include;

- i. The construction of a new classroom block and the renovation of an existing classroom block at the La Rosière Primary School – R 19.3 million
- ii. The construction of a new primary and secondary school on La Digue – R 31.2 million
- iii. The renovation of the SIAH infra-structure – R 8.3 million
- iv. The construction of the Les Mamelles Day Care Centre – R 4 million

Mr. Speaker, when we speak of reform in education, we must also think of reform in the curriculum. With government's ambition of developing a digital economy, we are relying on the education to adopt, adapt and teach the relevant subject of Information, Communication and Technology in school. Government has already begun discussing with its partners regarding putting in place a training framework for ICT professionals in the education sector.

Along the same line, in 2023, we are continuing with the student laptop scheme, which is costing us R 5 million.

A sum of R 27.6 million has been budgeted in 2023, for the Day care Scheme and for the ECCE Trust Fund, a sum of R 1.6 million has been budgeted. Day care centres and childminders are assisted from this fund, and they may apply for funding for equipment which will put them on the standard required by IECD.

Mr. Speaker, government is investing a lot in our education system, for the emancipation of our youths. We appeal to them to take these study opportunities, so that they may become responsible adults who take life seriously. Just to give an idea of the amount spent by government on each child in state schools and post-secondary institutions, our calculations are as follows:

Those engaged in formal schooling in 2022 were costing us R 42,242.71 per student annually (for primary schools), and in 2023, we expect this sum to increase to R 42,914.08. For a secondary student, each were costing us R 57,290.16 per year in 2022, and in 2023, this sum will increase to R 61,264.91. In 2022, each post-secondary student is costing R 57,240.37 per year, and this will increase to R 57,878.44 in 2023.

Mr. Speaker, these are significant sums, so I am again appealing to all students to take their studies seriously as the education they are receiving is not without a cost. Taxpayers are contributing a lot towards ensuring that they receive an education, and thus, guaranteeing a future for them.

10.3. Housing Sector

Mr. Speaker, the housing sector remains one of the biggest challenges for any government. The list of applications for government housing keeps on growing longer. With the economic problems we have faced in the past two years, we did not have a lot of options for financing affordable housing projects on a large scale. However, we succeeded in completing various housing projects which have benefitted many families. Altogether, there are 82 housing units which have been completed in 2022, which includes:

- 24 units at PSSW Cascade, for a sum of R 40.6 million
- 18 units at the Ex Onezime estate in Anse Aux Pins, for a sum of R 24.6 million
- 16 units in Dan Zil, Bel Ombre, for a sum of R 21.9 million
- 24 units at the Ex Sacos Remiz, Anse Royale for a sum of R 25.7 million

With the aim of diversifying our housing products, government is exploring other innovative ways of encouraging those who are able, to finance their own building project. However, they need access to affordable financing in order to do this.

10.3.1. Affordable Financing in the Housing Sector

Mr. Speaker, the scheme for housing subsidy was established to improve access to affordable homes and to encourage a specific segment of the population to become the proprietors of their own homes. Applicants also need to be first-time owners. This subsidy is added to the applicant's house loan, thus he/she will not need to repay this. In the past few years, constant rises in construction costs and other factors have impeded most Seychellois from benefitting from this scheme. There is thus a need for a review. The rates will be revised from January 2023, as follows:

- Mahé: From R 8, 500 per square metres to R 9, 500 per square metres
- Praslin: From R 9, 500 per square metres to R 11, 500 per square metres
- La Digue: From R 12, 500 per square metres to R 13, 500 per square metres

Government will also reduce personal contributions under this scheme to 5 percent from 7.5 percent currently.

Mr. Speaker, government is also introducing a new limit that applicants of this scheme can benefit from. Currently, applicants are building larger homes that they are unable to complete with the funding available under this scheme, even with the subsidy. Thus, government is introducing a maximum limit of 125 per square metre for an applicant to qualify for the scheme.

A sum of R18 million has been projected in the 2023 for the housing subvention scheme.

Mr. Speaker, government is also concerned by the price of mortgage protection insurance, which is on average 6 percent on the total loan. That means, if an individual takes a loan of R 1.5 million, he/she will pay R 90,000. Government is exploring all options to reduce that cost. We shall begin discussions with insurance companies as well as the regulators, to see what options we have, to make the costs more affordable. Another option that might be considered if the cost is not lowered is the creation of a 'Policy Protection Fund' that will cover all claims in case of death or permanent disable.

10.3.2. Reviewing the Stamp Duty Order

Another measure that government has reviewed, Mr. Speaker, to assist individuals to acquire their own properties, is that the stamp duty order for individuals who buy a house or a plot of land for the first time. Currently, any individual purchasing a residential property, whether a house or land, is exempted 5% of the stamp duty on the first R 2 million. If the house or land is worth more than R 2 million, they pay a stamp duty on the balance only. Mr. Speaker, we have seen many cases whereby an individual buying land worth over R 5 million and has also benefitted from the exemption on the first simply because it is the first time that they have bought a property. We have noted that this policy is also applicable to individuals who are able to pay stamp duty. Government has thus reviewed this policy and the exemption is now applicable only to those individuals who are buying a plot of land or house for the first time, and

that costs less than R 3 million. Any individual who buys a property of over R 3 million will not be entitled to any exemption.

10.3.3. Investment in Housing by the Government

Mr. Speaker, apart from the measures to facilitate access to affordable financing for those individuals who can fund their own homes, government is also continuing its social housing project.

Currently, there are 127 units in the implementation phase, and these include:

- 16 units at Corgate Estate
- 16 units on Ile Perseverance
- 8 units in Roche Caiman
- 6 units at Corsair Bel Ombre
- 6 units in St Louis
- 4 units in Bel Air (Ex SPDF)
- 25 units in Foret Noire Port Glaud
- 22 units at Kan Gard Plaisance
- 24 units in Union Vale

Mr. Speaker, in the medium term ahead of us, a total sum of R 1.18 billion has been projected towards the development of new housing projects, and R 137 million towards land bank projects.

Mr. Speaker, a sum of R389.4 million, which represents 27.6% of the total investment budget, is being invested in the housing and land sector in the 2023 budget. This capital budget is for the financing of different housing projects, including;

- new project to build 342 units of social housing.
- the necessary infra-structure for the building of 128 mid-range condos that will be self-financed by applicants.
- catering for the continuation of a 56-unit housing project which started in 2022. Apart from the housing projects,
- financing various land bank projects at a cost of R 42.35 million.

It is to be noted that together with these new measures, the part rental scheme for houses and the Home Improvement/Re-roofing scheme for pensioners are still in place, and a sum of R 11.8 million and R 5 million for each, respectively, in 2023.

Mr. Speaker, as can be seen, government is putting different housing products at the disposal of our population, where those who can, will have access to favourable financing conditions to undertake their own individual projects, and those who cannot, will be assisted by government.

10.4. Sports

Mr. Speaker, if there is one thing that brings our population together, it is sports. Sports is inclusive because we all have a certain sports discipline that we enjoy. Sports has the power to bring families and communities together. What can be more inspiring than when we see our population come together in our sports facilities to support our teams or family members in action, or engaging in physical exercise that is beneficial to our health.

It is precisely because of the positive benefits of sports to all of us, and our country in general, that we are putting more effort into the renovation of the sports facilities in our country.

Mr. Speaker, earlier this year, I joined the Minister for Sports in a visit to several sports facilities – and it must be said that they are in a regrettable state of repair. Most are in total disrepair because they have been neglected for many years. It is clear that in previous years, there had been no maintenance plan for these facilities.

The development of sports infra-structure remains a government priority. During 2022, we have already begun implementing a number of projects such as the re-roofing of the Palais des Sports and also the review the lighting and sound system, and the shutters which will ensure that sports are not affected during the raising seasons. The total renovation will cost of R 3.3 million.

The other projects include the re-roofing of the sports infra-structure on La Digue at a cost of R 1.4 million, and also the renovation of the fitness trail at Roche Caiman at a cost of R 450,000.

The renovation of the Stad Linite structure is also being targeted, which includes the rectifying of the water leakage problem at the medical unit. Work will continue in 2023, with the Football Federation, to install a new Astro turf surface on the field and athletics tracks, also installing a new lighting system. These projects at the Stad Linite are expected to cost R 6.9 million upon completion.

Government is also targeting the renovation of other sports infra-structure in 2023. A total of R 11 million is being projected in the 2023 for the following projects:

1. The renovation of the sports complex at Anse Royale – R 3.75 million
2. The construction of an indoor court at Anse Royale – R 4 million
3. The renovation of the sports complex on La Digue – R 1.75 million
4. The improvement of sports infra-structure and facilities- R 1.5 million

Mr. Speaker, government has made an allocation of R 37 million for the Indian Ocean Island Games and the Africa Games which will take place in 2023.

A sum of R 15 million has been projected in the 2024 budget for sports development on a professional basis.

Mr. Speaker, government will need to invest a considerable sum of money in order to bring the majority of our sports infra-structure to an acceptable level. We are however, determined to do it, because we recognize the positive benefits of sports in our country.

10.5. Social Sector

Mr. Speaker, as has been the case during these past two years, government has continued to invest in the benefits and programmes under the Agency for Social Protection. This remains a priority for government. We recognize the fact that we can all face certain difficulties in life, and occasionally, we can all have a setback. Government's commitment to giving the necessary assistance in this sector is necessary and has merit. It will help those in need to overcome their challenges and stand on their own two feet, to look after their families and contribute towards society. Government has made clear its position that dependence on benefits must be reduced – and the only way to do this is to put able-bodied Seychellois in employment.

In view of the rising costs of commodities due to the war between the Ukraine and Russia, government began taking measures quite early on, to support those with lower salaries.

However, this year, we have revised the weights of social benefits by 32%, and in July, some other temporary measures were taken:

1. Workers in either the public or private sector with a salary which is lower than R 8,500 are receiving a temporary financial assistance of R500.
2. Workers in either the public or private sector with a monthly salary of between R 8,500 and R 9,000 are receiving a temporary assistance to ensure that they get R 9,000 monthly.
3. Those with a revenue of less than R9,000, and who have an electricity bill in their name, are receiving an additional support of R 300, on their bills.
4. Those receiving assistance from the Agency for Social Protection are getting a temporary financial assistance on a monthly basis. This includes pensioners, Home Carers, and those on invalidity and disability benefits.
5. In October, government introduced an MRP on 14 basic commodities imported by STC to ensure that the price of these commodities remain the same on Mahe, Praslin and La Digue
6. In October, we also gave a 25 percent exemption on Excise Tax for fuel for the transportation of goods between Mahe, Praslin and La Digue.

Mr. Speaker, government announced that the temporary support was going to be until the 31st of December 2022. This temporary support will continue up to March 2023, bearing in mind the proposed salary review from April 2023.

However, the individuals receiving benefits from ASP and have qualified for the temporary support from July 2022, that means the pensioners, home carers, disability and invalidity benefits, will continue to receive this support.

Mr. Speaker, an allocation of R 1.2 billion for programmes and benefits under the Agency for Social Protection (ASP) has been budgeted. Compared to the 2022 budget, this is a reduction of R 241 million. This reduction is due to the fact that the funds for Home Carers will be removed

from this agency in 2023, in view of the creation of the new Home Care Agency. The bill for the creation of this agency will be put before the National Assembly very soon.

Mr. Speaker, the highest sums under programmes and benefits for ASP are as follows:

- R 840.3 million for retirement benefits compared to R 820.6 million in 2022
- R 116.0 million for invalidity benefits compared to R 109.4 million in 2022
- R 150.6 million for disability benefits compared to R 141.8 million in 2022
- R 61.8 million as 'Safety Net' compared to R 40.7 million in 2022

Mr. Speaker, we are also working towards a framework for evaluating the needs of the more vulnerable individuals of our society, through a socio-economic approach that takes into consideration, other factors apart from incomes, as part of the evaluation criteria for people to qualify for welfare assistance.

With the aim of ensuring the efficiency of the social protection system, a sum of R 2.5 million has been budgeted for the installation of a new digital system for the Social Protection Agency. This system will ensure that the ASP will be better placed to face its challenges, and move on with its modernization programme. The key objectives of this system are to reduce the risk of fraud, and ensure that benefits are paid to individuals and homes that qualify for them.

Through the 'P for R' programme which is being implemented with the support of the World Bank, government will in the course of 2023, do the work necessary eventually introducing a '*Social Register*'.

Mr. Speaker, a '*Social Register*' has two main roles: first, the role of a social policy such as an inclusive system, and second, an operational role such as a digital system.

It is essentially a digital system that supports sensitization, admission, registration and determines admissibility for the different programmes and social benefits.

Apart from supporting registration and admission, the data produced by a social register is also used to calculate benefits, and helps in the planification, monitoring and evaluation.

Such a system will also bring about better coordination amongst the different agencies, reduce the amount of registration procedures, and make it easier for people who are in need of these services to access them faster.

As in previous years, the Ministry of Local Government and Community Affairs is receiving an allocation of R 20 million for small community projects. This year, the budget allows for a considerable amount of other small projects, for which government is making the necessary allocations in the following ministries:

1. The construction of the Cascade Community Centre – R 3 million
2. The construction of the Perseverans District Administration – R 1.5 million
3. The construction of the Bodamier road at Anse Aux Pins - R 1 million
4. The construction of the Adela road - R 803,000
5. The renovation of the Baie Ste Anne Community Centre – R 2.3 million

6. The construction of the Bel Ombre District Administration – R 2 million
7. The renovation of the La Digue Community Centre and District Administration – R 500,000
8. Re-roofing of the Anse Royale Community Centre - R 2.5 million
9. The renovation of day care centre facilities - R 4 million
10. The renovation of the Grand Anse Praslin Community Centre and District Administration – R 750,000
11. The renovation of the St Louis Community Centre – R 750,000
12. The renovation of the Cascade District Administration - R 1 million
13. The renovation of the Port Glaud District Administration - R 1.1 million

Mr. Speaker, in order for our country to move forward, we need strong, responsible and serious citizens who are able and willing to work hard for the good of their families and their country. We are aware that a segment of our population is facing many social ills, especially drug addiction. Our government believes that every individual who falls down must be given a chance to rebuild their lives – and it is for this reason that we are investing in rehabilitation facilities. For the 2023 financial year, government is budgeting a sum of:

- R 6.9 million to begin the ‘MAT’ (Medically Assisted Treatment) clinic building project.
- R 9 million to begin the ‘Youth Hope Residential Centre’ on Praslin, which is used for assisting children with attitude problems.

Mr. Speaker, the investment we are making in order to give our youths who have fallen to the wayside, a second chance to rebuild their lives, is very important because without this, the consequences will be catastrophic for all of us in future. When our youths are dependent on drugs, are jobless, do not contribute, and are engaged in illegal activities, we all feel the impact as a society. This is why our government is investing in these projects that will support and give direct assistance to our population.

Mr. Speaker, in view of our aging population, it remains government’s priority to ensure that our elders receive the care they need and that they live comfortably. It is for this reason that in 2023, all Home Carers will be employed by an agency, meaning that they will no longer be employed by an agency. The bill for the creation of a Home Care Agency will be brought before the National Assembly very soon. In 2023, we are projecting a budget of R 321.74 million for this agency. Government’s intention behind the creation of this agency is that we want this service to become more professional, in view of the specific care that our elderlies need. This new structure for Home Carers will ensure that its employees work within a legal framework which has more certainty, and which will also enable them to have access to loans.

Bearing in mind the importance that government is putting on social well-being, the budget of the Social Affairs Department for 2023 will increase, to allow this department to recruit nine more workers. This increase will allow the Social Affairs Department to continue the remarkable work they have been doing in the protection of our children, our families, and our more vulnerable adults in our society.

10.6. Law and Order

Mr. Speaker, law and order is a priority sector on which our government is placing a lot of emphasis. In 2023, Ministry for Internal Affairs will be receiving a budget allocation of R 95.9 million for various projects under the portfolio. This includes;

- i. R 8 million – for the renovation of the Central Police Station
- ii. R 21.7 million – for the construction of a new police station on Praslin
- iii. R 5 million – for the construction of a new police station on Ile Perseverance
- iv. R 7.9 million – for the construction of a new remand centre
- v. R 2.4 million – for the renovation of the Youth Offenders Facility.

A sum of R 9.5 million has been budgeted under Department of Prison for additional employees and operational costs.

Mr. Speaker, the battle against drugs being undertaken by our government is a difficult and complex one. However, our government is determined that this scourge will be destroyed. As President Ramkalawan has always said, his government will continue to maintain a determined battle against drug trafficking, because its consequences are devastating, for our small population.

This war must be fought on different fronts, whereby we do not only target drug importation and other illegal activities on land, but also at sea. It is for this reason that our government is installing a coastguard facility on Praslin. In 2023, R 3.1 million has been budgeted for this project.

Mr. Speaker, maintaining order and security is a costly business. Government is always seeking new ways of doing things, where efficiency is primordial – but what is most important is that our government will always guarantee order and peace in our country, so that our population can live in security.

11. Economic Transformation

Mr. Speaker, we remain committed to our Economic Transformation Agenda in these five sectors which I have listed at the beginning of my speech, and which are in line with national development strategy. It is for this reason that we will continue to invest in infra-structure that will allow our economy to grow.

11.1. The Tourism Sector

Mr. Speaker, with the assistance of the World Tourism Organization (WTO), Seychelles has developed its first tourism satellite account which will measure the impact of the tourism sector on our economy, and evaluate this sector's contribution to our GDP.

A study will be conducted in 2023 to better understand the tourism sector and the benefits that it contributes to our economy.

Mr. Speaker, government will also work towards consolidating the supply chain in local industries, and their links to the tourism industry, especially those industries that can supply local products to the tourism industry, to replace imported products.

Local businesses must engage in activities that will encourage visitors to spend more, for example activities in nature, or restaurants that special in Creole food.

11.2. The Agricultural Sector

Mr. Speaker, we are also placing a lot of emphasis on extending the services our officers can offer to farmers, to bring about the transformation we want in the agricultural sector, whereby our farmers will have better access to information, technology and research results, with the aim of continuously increasing local produce. There has been some restructuring in this section to improve the services offered to our farmers, and this also includes more training and capacity building, and the collection and diffusion of information.

The Department of Agriculture is also continuously adjusting the functions of the Agricultural Store to make it more consistent with the needs of our farmers. The Agricultural Store is also being modernized so that it can deliver an improved and more efficient service, and there has been a lot of efforts put into establishing better contact with new suppliers so as to improve on the quality, quantity and consistency of basic products in storage, as well as a constant supply.

The Department of Agriculture is also reviewing the farmers' production plans and analysing the difficulties they are faced with. We are also encouraging sustainable production through the use of modern technology, for example, growing crops under cover using 'High tech Crop Production' system.

A key strategy maintained by the Agricultural Department for the past two years is to support the subventions which are being revised to ensure that the scheme becomes more targeted, efficient and sustainable. A sum of R 30 million has been budgeted under this scheme for the 2023 fiscal year, compared to R 98.9 million in 2022.

An allocation of R 40.5 million has been budgeted under capital projects in 2023 for the Agriculture Department to finance various projects at district level, which will have a direct impact of local farmers, such as road projects and the renovation of the Victoria market. A total of R 10.2 million has also been budgeted for the project to build a new abattoir.

Among the projects identified for implementation in 2023 are:

- The construction of the Anse Boileau and La Retraite markets
- The improvement of the irrigation system
- The cleaning of rivers and marshes that border with agricultural land
- The renovation of the Victoria Market
- The renovation of the extension service building
- The improvement of the Bulk Store on Praslin and Mahe, and also the Requisition Store on La Digue – R 4 million

Government has also made a provision of R 3 million under the Agricultural Development Fund. This will be increased to R 10 million and R 15 million in 2024 and 2025 respectively.

11.3. The Fisheries and Blue Economy Sectors

As has been announced in the previous budget, government's intention is to increase value additions in our fisheries and blue economy sectors. To support this strategy, government is making an allocation of R 25.3 million in 2023 and R 50 million in 2024 for the development of Ile Du Port infra-structure. We need to invest in the infra-structure of this sector to ensure more growth in the mid-term.

The last 'Blue Bond' transfer which is equivalent to R 30.1 million, will be made to the Blue Investment Fund with DBS. The first project, amounting to a total of US\$ 3 million, has been approved under this fund in 2022. The balance of this fund at the beginning of 2023 will thus stand at US\$ 9 million. We are thus encouraging investors to seek their financing under this fund because of the following preferential conditions:

1. A 4 percent interest rate
2. A 15 year repayment term
3. A personal contribution of only 10 percent

Mr. Speaker, The Seychelles Fishing Authority (SFA) expects to begin the construction of a building for its 240 employees. During 2023, SFA will also begin its projects that will benefit this sector:

1. A gear store at Glacis
2. The resurfacing and improvement of irrigation facilities
3. A market and gear store at Anse La Mouche
4. A container platform at Bel Ombre
5. A holding chiller at the airport
6. A container platform and a mini warehouse at Providence for a sum of R 1.7 million and R 6 million respectively.

To enable growth and diversification in this sector, a new tax measure that will benefit the actors in fish processing and aquaculture will be announced later.

11.4. The Digital Economy Sector

Mr. Speaker, in this economic transformation, the development of the digital economy remains a key one, because with technology, everything becomes easier, more efficient, more accessible, transparent, and most important, it allows you to deploy your resources where they are really necessary. The adoption of technology in our everyday transactions allows our population better access to services and more opportunities.

Mr. Speaker, government is continuing its investments in projects that support the improvement of technology infra-structure in the country. Government has made an allocation of R 424.6 million over the medium term and this represent 1.4 percent of GDP. This allocation include a sum of R 145.1 million in the 2023 budget. The implementation of the electronic ID system became operational towards the end of October 2022. This system is the key to our development agenda in the Digital Economy project.

In 2023, the emphasis will be on interfacing government systems and the private sector, to use the Sey-ID platform. Services which are already accessible online are the registration of businesses and associations, and applications.

It is in that respect that my ministry has just launched it digital platform so that the auction sale of government goods which have been approved, can be made on this platform. The first auction sale was made in October, and the technology adopted really improved this service and gave the public better access to it.

Nest year, we are going to adopt a register of all individuals or businesses that participates in government tenders. Having such a register will help to reduce the procedures that the bidders have to undergo in order to participate in government tenders.

We expect that the health information system will come into operation towards the end of 2022. Government will open the tender for the new Information System to integrate with the Integrated Financial Management Information System in 2023. This project is expected to be completed by 2025.

Mr. Speaker, the biometric passport project will be completed before the end of 2022. This new passport system will help to improve Seychelles' security details according to the standards of the International Civil Aviation Organization (ICAO). This includes R 29 million which has contributed to the new system itself, and R 8.4 million which has gone towards the digital signature system for biometric passports to be compatible to the ICAO standards. The implementation details will be communicated to the public by the Ministry for Internal Affairs.

Mr. Speaker, in our endeavour to develop our digital economy sector, it is necessary that we put in place, a legal framework to ensure its protection and operation.

To that effect, a new data protection bill will be proposed to the National Assembly during the first six months of 2023. This new bill will protect the individual's personal data. We will need to do a lot of sensitization to educate the public on the provisions of this law. This law will help to make investors more confident about the protection of their personal data, as in other countries.

A new Communications Regulations Authority will be created under the Communications Bill which is before the National Assembly. A sum of R 9.3 million has been projected for this new authority. This bill will address a new legal framework for the telecommunications sector, and to address anti-competitive practices. A new initiative that this new authority will work on in 2023 concerns the implementation of the 'number portability' procedure, which we expect will put

clients in a better position to change their operators, which will also help to create more competition.

We need to work on the development of as many government services as possible to make use of information technology as a platform for their procedures. We recognize the fact that the Department of Information Technology and Communication will not be able to take this up by themselves. Thus, government has made a provision of R 6.5 million to put in place a structure for outsourcing the development of these projects.

11.5. The Financial Sector

Mr. Speaker, government continues in its commitment to improve the structure of the anti money laundering jurisdiction, and to combat the financing of terrorism (AML/CFT). At the end of September, this year, the committee responsible for improving the national coordination and ensuring that weaknesses that were identified in the ‘Mutual Evaluation Report’, are addressed in a timely manner, submitted another report to ESAAMLG to propose improvements in another 8 ratings among the remaining 11 weaknesses. This proposal will be discussed in the ESAAMLG meeting in April 2023. During 2023, the frameworks to address the other three weaknesses will be worked on and the committee will submit its report to ESAAMLG to propose an improvement on those three ratings in 2024.

Mr. Speaker, as we know, Seychelles is in ‘Annex II’, known as the ‘grey list’ of the European Union list of jurisdictions which do not cooperate on tax issues. This is because the European Union is waiting for the OECD to visit Seychelles, in order to evaluate the efficiency of our framework for the exchange of tax information. This evaluation, which is called a supplementary review, has already begun, and OECD will visit Seychelles in December 2022 to discuss with government and the private sector, the progress made after the relevant laws have come into effect. This procedure will be completed when Seychelles’ report is discussed in the OECD’s ‘Peer Review Group’ in June 2023. We expect that the European Union will consider this report in its review in October 2023.

The Central Bank will ensure that the national legal framework for payments is based on international standards and best practices. The national law system for payments and its regulations have been reviewed to ensure that the new policy addresses the weaknesses that were identified, and that they are covered by a legal framework. The propositions in this policy will be discussed with the relevant partners before the end of 2022.

Mr. Speaker, the Central Bank will also assist this sector with new bills such as the e-money bill which will increase financial inclusion by promoting access to affordable financial services and products. The Central Bank will also improve the infra-structure of the payment system and the central securities depository, which will offer better security reduce risks. The Central Bank remains committed in its efforts to modernize the national payment system, to bring about more efficient payment facilities which are more convenient, reliable and affordable. The Central Bank aims to remove the cheque as a payment method from the market. Furthermore, with the aim of increasing the use of electronic services and products in the country, the Central Bank, with the

help of a consultant, will undertake a study to assess the affordability and reliability of the internet connection and network in Seychelles. This study is expected to start in 2023.

The Central Bank is also working on a framework for formulating a Regulatory Sandbox on new technology. Its employees are also exchanging knowledge with other countries in preparation for the implementation of this new technology. The Central Bank is also working with other partners on the creation of an innovation hub to get the involvement of companies and the relevant competent authorities in addressing regulation problems and seek guidance on service conformities and innovative financial products.

Mr. Speaker, the Central Bank is also working on the implementation of a new Credit Information System (CIS) and its accompanying legal framework for better cover for this sector. This will help businesses to get information about their clients' credit, and help them to decide whether it is worth giving credit to a client based on the existing risks. This new system is expected to be completed in December 2022 and its legal framework will be ready in the first quarter of 2023.

Mr. Speaker, government will also initiate reforms to develop capital markets which follow international norms. This will be another option for money lending entities. We are analysing our legal framework and will propose amendments during 2023.

Mr. Speaker, we have said a lot about the financial sector. However, we are still faced with a serious challenge, and this is the availability of qualified Seychellois in this sector. With a very packed agenda, this sector will create many opportunities for Seychellois employees, besides which it also pays well, compared to other sectors. I would thus like to appeal to our students to choose studies related to finance and a career in the financial sector.

12. Investment, Entrepreneurship, Industry and Trade Facilitation

Mr. Speaker, government has included certain projects in the 2023 budget that will bring direct benefits to the expansion of our economy. A budgetary allocation of R47.8 million has been provided in the 2023 budget for the Industrial Estates Authority (IEA). This allocation will be used for the continuation of the infra-structure projects on 'zone 20', the new phase of the infra-structure project on 'île Eve' and also the new infra-structure project on 'zone 6' and the industrial marine park.

Mr. Speaker, the facilitation of commerce and promotion of best policies is really important for our economy. In 2022, government will complete its first Trade Policy Review. In 2022, the Department of Commerce also developed a new platform to keep the private sector informed, through the necessary Trade Portal. It is important to mention the fact that the Department of Commerce's new strategy for 2023 is to be better connected with the private sector, and to be more visible through keeping the public informed on the work that it is doing. We recognize the fact the the participation of the private sector in policy making is really important, and key to the economic transformation that we want to see.

Mr. Speaker, in February 2023, the permit procedures for imports and exports will become fully digital. We expect that with this new development, we will be able to offer a better service to the private sector. Government is also working towards finalizing the Industry Property Act, the Copyright Act, and the Trade Remedies, before the end of 2023.

The Ministry of Investment, Entrepreneurship and Industry will continue to prioritize its efforts to improve the business environment and to create a national framework for entrepreneurship. Since July this year, businesses have the option of applying for a license or renewing an old one, online. The first phase of the project to create an investment portal through which investors can submit their digital projects, is in the testing stage. Government is evaluating the option of a 'one stop service centre' with the aim of simplifying the procedures that businesses have to go through.

Mr. Speaker, improvements in the Customs system (ASYCUDA World) are progressing. This system is being embellished to include new modules.

The development of the module for digital payments has begun, and we expect that it will be completed by the third quarter of 2023. The Excise Warehouse module is expected to be ready for the testing phase in the first quarter of 2023. The development of the single window platform is expected to be completed in the first quarter of 2024.

The Revenue Commission continues to work on modernizing its operations system, so as to make revenue collection more efficient. It is expected that this system will be completed by the end of 2023. The registration module is currently being tested. The core modules are expected to go live by mid-2023. This modernization of the system will increase revenue collection, make available more digital services and reduce the compliance cost of businesses.

Mr. Speaker, government will review the revenue administrative law to increase the number of days that businesses have to register with the Revenue Commission, after they have started operating, from 14 to 28 days. Government will also increase the penalty against businesses that do not honour their obligations as per the law. However, we do recognize the fact that tax laws are not the easiest to understand. Government will work on a structure to assist small businesses in understanding their tax obligations. The Revenue Commission will also assess its sensitization programmes to see if they are effective in helping businesses to conform to the tax laws.

Government is also making an allocation of R 5 million for the 'seeds capital' scheme, to support start-up projects with innovative ideas among priority sectors. Mr. Speaker, new parameters for the SME are being introduced, to ensure that it is in line with government's vision, and to put more emphasis on key sectors in our economic transformation. An allocation of R 50 million has been made for the subvention of interest rates on SME loans of up to R 3 million. The new parameters which have been introduced for this scheme will ensure that it is in line with government's vision, and put emphasis on the key sectors that will contribute towards our economic transformation. All businesses with a revenue of less than R 10 million will qualify for this scheme, depending on their projects, compared to the previous rate which was R 7 million. I am thus appealing to the private sector to take this opportunity and come forward with

innovative projects that will contribute towards this transformation and thus create more wealth for our country.

13. The Environment, Energy and Climate Change Sectors

Government remains committed to putting more emphasis on energy transition. Renewable energy remains at the centre of our economic strategy, and also our economic and social priorities, as well as climate change, so that we may recuperate in a sustainable manner after the pandemic, and maintain our resilience. Our long-term commitment is to attain a decarbonized economy by the year 2050, and to increase electricity generation through the use of renewable energy sources. We are also reviewing the legal framework, policy and institutions to create a favourable environment for this transition in the energy sector.

Investment priorities for climate change adaptation have been identified in the infra-structure of the tourism sector, coastal management, food security, bio diversification and the Blue Economy. An exercise has begun to assess the project priorities in the climate change sector. Erosion, inundation and climate risks in our coastal areas have shown us how vulnerable our environment, economic resources, and even our social lives are, and how important it is to take these problems seriously and address them.

The key projects in this sector are as follows:

1. The Anse Gaulette coastal project : R 3 million
2. The coastal rehabilitation at Anse Consolation : R 1.5 million
3. Improving the capacity to drain the La Digue plains: R 1 million
4. The management and integration of the coastal system: R 8.8 million
5. Coral reefs project: R 19.3 million
6. The installation of solar PV panels on the roofs of government buildings: R 27.5 million
7. The low carbon project to address climate change: R 7 million

14. The Transport Sector

Mr. Speaker, the Seychelles Land Transport Authority is receiving an allocation of 46.2 million under capital projects. This sum includes R 3.9 million funds for the improvement of the road from English River to Ile Du Port. It also includes a provision of R 3.5 million for the third phase of the third lane project at Pointe Larue. Government has also received a donation of R 38.9 million to improve the western coast road from the Anse La Mouche crossroad to Baie Lazare. This project is expected to begin before the end of the year.

Mr. Speaker, work on the expansion of Port Victoria is continuing in 2023. The Seychelles Ports Authority has projected an expenditure of R 86 million for this project in 2023. The Ports Authority also expects to complete the construction of the infra-structure on Zil Eve in 2023, which will include an office building. The total expenditure expected is R 4.2 million. A sum of

R 9.7 million has also been projected in the 2023 budget for the continuation of work on the La Digue jetty.

As had already been announced in the previous budget address, renovation work is ongoing on the airport terminal, to raise it to a higher standard that will reflect the five-star destination that Seychelles is. A total expenditure of R 9.1 million has been projected in the 2023 budget for this renovation project by the SCAA.

A sum of R 8 million has been budgeted for the year 2023 for the vehicle testing station project on Praslin.

Mr. Speaker, to be noted that the Commission for Road Transport now falls under the ministry responsible for Transport.

15. The Employment Sector

Mr. Speaker, the statistics which were published in the second quarter of 2022 have shown that there are 4.5 percent more workers on the job market, which represents 51,214 workers, compared to 49,002 workers at the end of June 2021. During the period from January to September 2022, 927 individuals have been placed in an employment by the employment service section in the Ministry.

Mr. Speaker, government is finalizing Human Resource Development strategy. This strategy will be in line with our National Development Plan. The strategy will also help our students in making their career decisions and thus, studies relevant to these careers, whilst bearing in mind our human resource needs in the medium and long term.

A provision of R 6.5 million and R 5 million has been in the 2023 budget for the Skills Development Programme and a youth employment scheme respectively.

Mr. Speaker, we have spoken a lot about employment law during these past few years. We need to finalize this law during 2023.

16. Fiscal Measures

16.1. Introducing an Environment Levy for Visitors

Mr. Speaker, currently government is spending R 436.5 million in the environment and climate change sector, which includes cleaning and other environment projects. We have noted that tourists are becoming more conscious of the need for better management of the environment. We have also noted that the continued increase in visitor arrivals means that the tourist population often surpasses our local population. We are conscious that this could have an impact on our environment. We are thus looking into alternative ways that visitors can contribute towards our environment sustainability.

Mr. Speaker, we will implement a new levy under the environment protection law which will be charged to visitors to our country. The following rates will be charged to each visitor per the number of nights they stay in Seychelles:

1. Small hotels with 24 rooms or less, at a rate of R25 per night per room
2. Medium sized hotels of between 25-50 rooms at a rate of R75 per night per room
3. Big hotels of over 50 rooms, at a rate of R100 per night per room.

This levy will come into effect as from 1st April 2023, to give enough notice to operators in the tourism sector. The Revenue Commission will be responsible for the collection of this revenue. This new levy will also be applicable to yacht charters. The rate we have decided on does not bear any significance to a visitor's decision to visit Seychelles.

We are expecting to collect R 162 million from this new levy in 2023.

16.2. The introduction of a new turnover tax on medium and large hotels

Mr. Speaker, even if the tourism industry is the first pillar of our economy, it's percentage of contribution to tax, especially business tax that must be filed each year with the Revenue Commission, nevertheless remains problematic.

Mr. Speaker, in exploring the different options for business tax reform, which we did with the assistance of the OECD, we found out that the tourism sector contributes only 8% of the business tax revenue compared to 47% under the VAT collected. Among the 11 hotels that fall under the big business category, meaning, of revenues above R50 million, a revenue of about R4.75 billion is amassed, but only R60.1 million of that is paid as business tax revenue, which represents only 1.3% of their total revenue. Among these 11 big hotels, only 4 have paid business tax in 2021. Mr. Speaker, this shows us that government must collect more revenue from this sector. Even if the law is being amended to minimize the transfer pricing in this sector, we have noted that a lot of revenue from this sector is not being collected.

Thus, government will put a tax of 2% on the turnover of medium and large hotels as from January 2023. This will be a new tax regime in itself. The projected revenue from this tax as from 2023 is R118 million.

16.3. Revisions in rate for Immovable Property Tax on Foreigners

Mr. Speaker, in January 2020, government introduced a 0.25 percent tax rate on Immovable Property belonging to foreign residents. There are 819 properties of this type registered at the Registrar's Office. The Revenue Commission has collected R 56.2 million in this respect from 2020 to September 2022 under the Immovable Property tax regime. Government will increase this tax rate to 0.5 percent as from January 2024. With this amendment, we expect to collect an additional R 19.6 million in revenues in 2024.

16.4. Revisions on tax rates charged to securities dealers under Business Tax

Mr. Speaker, one business category in the financial sector in which we are experiencing more growth is the securities dealers' category. Currently under the securities act, the tax rate is applicable at 1.5 percent of assessable income if the company has 'substance' in Seychelles, based on established criteria. Government is finalizing the framework regarding the 'substance' criterion, to ensure that everything is clear, and that this will contribute towards the development of this sector. We have noted that there are more than 116 securities dealers in Seychelles, and that 15 of these have paid about R71.5 million. Thus, Government will increase the applicable tax rate in that sector, from 1.5 percent to 3 percent as from January 2023.

With the 3 percent change in the tax rate, government will collect an additional R 219.5 million in revenue in 2023.

16.5. The introduction of a new, special regime under Business Tax for the fish processing and aquaculture sector.

Mr. Speaker, since this government has come to power, we have been talking about the transformation and diversification of our economy. We are very happy that the tourism sector has contributed for so long and that it has developed to its present level. However, the COVID 19 pandemic has shown us how fragile this industry is, and how dependent we have been on it for so long – which has resulted in our other economic sectors being neglected. It is for this reason that we are installing the foundations for other priority sectors to gain some fiscal space to develop, by giving them certain concessions similar to those concessions that the tourism industry has benefitted from.

One of these priority sectors is the development and evolution of the fishing industry, especially in the context of added value and aquaculture.

Therefore, Mr. Speaker, government will introduce a business tax rate of 15% on all profits made by these two sectors as from 1st January 2023. This will help both sectors to invest more and thus stimulate more growth in our economy. This preferential tax for these two sectors is for a ten-year duration.

Mr. Speaker, a new business tax regime came into application on 1st January 2022 as follows:

- 15 percent on profits of up to R 1 million,
- and after that, 25 percent on profits of above R 1 million.

During 2023, we will also evaluate other sectors and decide which ones will need this preferential rate. We will announce this in the 2024 budget.

16.6. Reviewing the VAT structure

In September 2022, government was assisted by the IMF to evaluate our existing VAT structure in Seychelles. The IMF delegation joined with the private sector for this exercise. The results of the evaluation show that VAT performed well in terms of revenue collection. According to the analysis, 35 percent of the registered medium to large taxpayers are contributing more than 70 percent of the VAT collection. Based on this report, government will continue to work with IMF so that:

1. A forum is created to bring together different partners representing different ministries and the private sector, with the aim of adopting a strategy to address the weaknesses in the existing law and bringing better clarity the procedures.
2. The ministry responsible for Finance will prepare a report on revenues lost through current exemptions. This report will be presented together with the 2024 budget report.

16.7. Tax rate reductions and the structure of benefits given by employers under the income tax act

The fourth schedule of the income and non-monetary benefits tax act will continue to cover certain non-monetary benefits that an employee may be entitled to in their specific cadre, or that an associate may get in relation to work performance. For example, benefits like lodgings, meals at work, transportation and others. Employers should pay a tax equivalent to 20 percent on the value of the non-monetary benefits they give to their workers, to the Revenue Commission.

As from 1st January 2023, the tax rate on this will be reduced from 20 percent to 15 percent. Government has also reviewed the list under the fourth schedule of the tax law regarding salaries and non-monetary benefits, to include some additional benefits for exemption as follows:

- Provision of food for employees
- Any medical expenses made by employers on behalf of employees. This will encourage employers to support their employees when they are in need of overseas medical care.
- Any expenses incurred by an employer for the education of their employees.
- Transportation expenses to take employees to and from work.

Mr. Speaker, government has reviewed especially those benefits that will have a positive outcome for workers. We recognize the fact that many employers are already giving these benefits, and we hope that others will follow suit.

Mr. Speaker, we shall review the act for Income and Non-Monetary Benefits, to ensure that none of the ‘back pay’ earned by workers is taxed. This will take effect as from 1st January 2023. This will address workers’ concern that a higher tax is applied to their salary, since quite often, the reason for the ‘back pay’ is not through the fault of the worker.

17. National Heritage and Culture

Mr. Speaker, investment in our heritage and culture remains a priority for our government. During the year 2022, we have started the renovation of the National Cultural Centre (National Library) which will serve, not only as a learning centre for our population, but also as offices for the Culture sector, which is currently spending at least R 15 million in office rental costs.

Another important project with national importance which is expected to begin in 2023 is the construction of a new national archive. Currently, many documents of great historical value are not being conserved in an optimal way in view of the challenges posed by the lack of a proper national archive. A sum of R5 million has been budgeted in 2023 to begin this project.

Mr. Speaker, in 2023, there will also be renovation work on other culture infra-structure:

- Teat de Palmes – R 3 million
- The Carnegie building – R 4.1 million, and
- An administration Block for the Culture Department – R 6.4 million

18. Public Service

Mr. Speaker, another significant priority for this administration is to develop a public service that is effective and performing. This reform is one that will take time, but we are determined to attain this because the Seychellois public deserves a performing public service that delivers. To go on as before is not an option. This mission to transform the public service into a more efficient and effective entity is important and necessary. Our Result Based Management (RBM) program is the basis of the work being done to improve the public service, and this needs to be inculcated in every public service employee, from the lowest to the highest positions.

As a government, we are conscious that the level of public satisfaction is not high with regards to the public service. How do we encourage hard work and efficiency if employees are confident that their remunerations are guaranteed, whether they perform or not? We should be rewarding good performance as a result of hard work, and even performance beyond what is expected. These are the good attitudes that we should be encouraging in the public sector, instead of procrastinating and still feeling entitled to being recompensed.

Thus, Mr. Speaker, in this reform, apart from performance-based recompense, we are also putting in the necessary framework for training.

Government has once again made an allocation of R2.5 million in the 2023 budget for the Public Service Bureau to work jointly with the Guy Morel Institute, to provide the necessary training for the public sector.

Mr. Speaker, government is getting a lot of support from the government of the United Arab Emirates for reforms in our public service. This support is a result of the MOU signed between our two governments, earlier this year.

Under this agreement, government will introduce a leadership programme for its officials in senior positions. Another programme is the identification of future leaders and training them.

The function of the Public Service Bureau (PSB) will change in 2023, so that it may give more guidance, monitoring, evaluation and auditing. MDAs will take on the role of human resource management and administrative functions, as per their strategic plans. Principal Secretaries and Chief Executives will need to have better governance and accountability. This will bring about better efficiency, effectiveness and transparency in the public sector. In the 2023 budget, a sum of R 11.5 million has been allocated for the implementation of a new management system for human resources. This system will help to incorporate human resource procedures in the digital system, and also help in performance implementation in the public sector.

Mr. Speaker, like I mentioned previously, government spending on renting accommodation is too high. In view of the complication of constructing the government house, government will explore other alternatives of reducing the amount of money being spend on rent.

Government will continue to explore different options for the construction of offices for different government entities. Work has already begun on the National Cultural Centre which will save us about R15 million in rent, annually, since the Culture Department is scattered in different locations.

Work has also begun on the construction of the new headquarters of the SRC.

Mr. Speaker, during 2022, government has also reviewed the structure of the Cleaners' Corporative. All employees currently employed by the Cleaners' Corporative will be employed by their respective MDAs, as from January 2024. Government has also made an allocation of R 24.7 million for the payment of their compensation towards the end of 2023.

This year, government is also completing an independent evaluation on the security service in the Ministry of Local Government and Community Affairs. A sum of R 22.9 million is being spent annually on security services. Based on this report, government has decided to employ 84 security officers for an annual sum of R 9.6 million, and also to invest in security equipment.

Government will also undertake an evaluation on the public investment management system, with the help of the IMF. This will cover good governance practices at all levels, and economic development. This exercise will help in the planning of capital projects, and will also ensure that investment allocations are made in priority sectors, and that the projects are implemented in an efficient and sustainable way.

Mr. Speaker, I need to put emphasis on the new model of payment for the thirteenth month salary. Previously, all workers were paid a thirteenth month salary without being evaluated, whereas in the model, they be paid a thirteenth month salary based on their evaluated performance. This is the fundamental change that we are bringing about. We need to realize that those who work hard need to be compensated accordingly. How are we to encourage good performance if those who work hard are given the same recompense as those who drag their feet? Mr. Speaker, there must be justice in the way we recompense our workers. Once again, this administration will not take a populist approach which is against the principle of justice.

Mr. Speaker, I want to take this opportunity to appeal to all public service workers, to become more professional, more conscientious and more efficient in their work, especially now that they are about to receive a salary increase in 2023 – because when they undergo their performance evaluation, if they are not up to standard, there will be no place for them in this service.

19. Governance in Public Enterprises

Mr. Speaker, we are already seeing the results of the structures that we have established in public enterprises. In 2021, government made an allocation of R 240.1 million for the subvention of public enterprises, and in 2022, R 272.8 million. However, in 2023, we are only projecting R 44.9 million for the following entities:

- a. The Postal Services: R 6 million
- b. SPTC: R 36.9 million
- c. The Guy Morel Institute R 2 million

Mr. Speaker, during 2023, we will conduct an operational and governance audit on five public enterprises. In the first phase, which we expect to complete by the end of June 2023, we will focus on PUC and SEYPEC. In the second phase, which is expected to be completed by December 2023, the focus will be on Air Seychelles, Island Development Company Limited, and Seychelles Trading Company Ltd (STC).

Mr. Speaker, a sum of R 148.7 million is being projected under development grants for public enterprises as follows:

- a. SPTC : R 35.9 million
- b. PUC : R 60 million
- c. PMC : R 52.8 million

A sum of R 275.2 million has also been budgeted for PUC under ‘Net Lending’. Mr. Speaker, we also expect to see the completion of the La Gogue Dam extension project in 2023. This project has cost more than R 300 million and has been financed by the African Development Bank. The project has experienced some considerable delay due to a number of additional work that needed to be done. PUC is implementing the sewerage project on La Digue in 2023, which is also being financed through a loan from the European Investment Bank (EIB) and Agence France de Développement (AFD). A total of more than R 42.8 million has been projected in 2013 for this project.

20. Conclusion

Mr. Speaker, I would like to thank President Ramkalawan for his guidance and support in the transformation that we are envisaging for our country, Seychelles.

I also thank the Vice-President, and my colleague ministers, departments and agencies and their teams for their support in the implementation of the 2022 budget, and also in the preparation of the 2023 budget.

I thank all the employees of the Ministry of Finance, National Planning and Trade, and all agencies under my portfolio, for the devotion, professionalism and contribution. We are transformation the economy of Seychelles as a team.

I thank also, all members of the National Assembly, and yourself, Mr. Speaker, for the support that you have given my ministry during the 2022 financial year.

I also recognize the support and contribution of the public and private sectors, and civil society, in the preparation of the 2023 budget. Thank you for your commitment in the budgetary process.

My biggest thanks go to the Seychellois people, because during these past two years, you have shown a lot of resilience, perseverance, courage and maturity. You have shown yourselves to be conscientious, and have taken the economic difficulties being faced by our country in your stride. You have demonstrated patience, and the willingness to give a helping hand for the good of Seychelles – you have helped to bolster the country during the most difficult period of its history.

Today, two years later, your show of good character and good attitudes during this period, have borne fruit. As a responsible government, we recognize your positive participation in our economic success story.

Mr. Speaker, my presentation today has shown how this current government is working for its people in a conscientious manner, so that the people may reap all possible benefits. When we all come together and put in a greater effort, when we show greater solidarity, we create more wealth, and it is our people and each of our children who will benefit.

My fellow Seychellois, let us get up and work hard for our own wellbeing, for our families, our communities, our country. Seychelles is counting on us – so let us do it for Seychelles.

With this, Mr. Speaker, I recommend that this 2023 Appropriation Bill, for a budget of R10,495,149,665 to authorize expenditures in the ‘Consolidated Fund for the 2023 financial year, is approved.

Thank you, Mr. Speaker.