



BUDGET 2026
GOVERNMENT OF SEYCHELLES

Delivered by:
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MINISTRY OF FINANCE, ECONOMIC PLANNING, TRADE
AND INVESTMENT

In the Seychelles National Assembly
Ile Du Port, Victoria,
Mahé, Seychelles
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Madame. Speaker,

Honourable Leader of the Opposition,

Honourable Leader of Government Business

Honourable Members,

My fellow Seychellois.

Good morning.

1. Introduction

A budget for the many, not the few.

Madame Speaker, when President Dr. Patrick Herminie made his commitment to the Seychellois people to return to them much of what had been taken away by the past administration many saw it as just a promise. Others argued that his government could not put together a budget that would deliver his promises for a fairer, more equitable social program while doing so within a sustainable budget framework. Today, Mrs. Speaker, I am here to present the 2026 budget, a budget that will do exactly that.

Madame Speaker, during the past five years we heard how our economy was growing, that there was a budget surplus, and external reserves kept growing. However, for the large majority of Seychellois especially the lower income households and the more vulnerable, life simply became harder. The everyday worker increasingly struggled to make ends meet. Livelihoods have increasingly been eroded. Businesses lived in a system where compliance with investment regulations and with tax laws were applied discriminately. At the same time, the quality of public service delivery, from health and education to business-related services, simply deteriorated.

Execution of public infrastructure projects like housing failed miserably with the number of houses built only a fraction of what was promised.

Madame Speaker, the President has already, in his first 100 days achieved much of what he promised, with several actions implemented that have already improved the quality of life of our people. This 2026 budget will build on that, with additional measures which, among other things, will further cushion against the impact of rising cost of living, strengthen and improve the quality of public service delivery, and accelerate public investment.

Madame Speaker, Seychelles has also fallen behind our competitors when it comes to the ease of doing business. For businesses small and large, the investment climate has deteriorated. It has become more difficult to start a business due to heightened bureaucracy, longer waiting times to obtain approvals, heavier business processes. The 2026 budget address will spell out our government's strategy to overcome these bottlenecks, modernize our investment climate, and through digital solutions, put in place systems that will speed up procedures and improve business facilitation.

Madame Speaker, economic growth should be equitable, and the fruits of growth should be shared among the entire population and not only a few. The 2026 budget lays the foundation for a long term sustainable, equitable growth and shared prosperity. A budget for the many, not the few.

2. Global Development

The global economic environment remains challenging and uncertain, shaped by shifting policy priorities in major economies and ongoing geopolitical tensions, trade-policy shocks, and commodity-price volatility. The latest International Monetary Fund World Economic Outlook show that global growth moderated to around 3.1% in 2024 and is projected to slow further (to 2.6% in 2025 and 2.5% in 2026), reflecting tighter financial conditions and renewed trade uncertainty. While global inflation is expected to continue easing, declining towards 4.2% in 2025 and 3.7% in 2026, risks remain elevated, particularly from the same geopolitical instability, trade disruptions, and volatile commodity markets.

Over the medium term, emerging risks such as cybersecurity, related investments and tighter immigration policies in advanced economies could also weigh on global growth. Against this

backdrop of moderate but uneven global expansion, continued vigilance and policies that are more adaptive and more resilient will be remain essential for small open economies like Seychelles.

3. Seychelles Economic Performance

Based on preliminary data, Seychelles' economy is estimated to have grown by 5.1% in real terms in 2025, driven primarily by a strong performance in tourism with visitor arrivals growing by 13.1%. Manufacturing and construction also grew strongly, outperforming national average growth. Other sectors, including fishing and the wholesale and retail trade, also contributed positively, albeit more moderately. Performance of the construction, services, and ICT sectors were also more robust in 2025.

The fisheries sector is estimated to have grown by 2% in 2025, supported by fuel subsidies and ongoing efforts to strengthen infrastructure and value chains. However, growth in agriculture is estimated to have contracted by 10%.

4. Real Sector and Inflation

Madame Speaker, looking ahead, real GDP growth is projected at 3.3% in 2026, based on a more moderate growth forecast in tourism at 3.5%. Over the medium term, real GDP growth is projected to average 3.3%, with tourism, construction, and ICT expected to lead growth.

The National Bureau of Statistics (NBS) reported a year-on-year inflation of *negative* 0.2%, and 0.3% on average over the twelve months. The basket of goods on which the inflation rate is calculated will be updated in 2026 based on the results of the household budget survey.

The monetary Sector remained stable throughout 2025 with the Central Bank of Seychelles' (CBS) monetary policy rate kept at 1.75%, while interest on the standing deposit facility and standing credit facility rates remained unchanged at 0.25% and 3.25%, respectively. In the fourth quarter, CBS injected additional liquidity into the banking system in response to higher demand for credit by productive sectors of the economy by reducing the Minimum Reserve Requirement (MRR) on applicable rupee-denominated deposits from 13% to 10%.

Short-term market interest rates remained relatively stable during 2025, with average savings and fixed-term deposit rates standing at 1.39% and 3.0%, respectively, as at December 2025. While the average lending rate on local currency loans was 10.12%. Treasury bill yields increased modestly in the latter part of the year, reflecting higher issuance volumes.

5. External Sector

Seychelles' external position improved in 2025, with the current account deficit narrowing to 4.4% of GDP, compared to 8.1% in 2024, driven mainly by stronger export of services, particularly tourism, alongside a moderation in the value of imported goods. While the trade deficit widened slightly, reflecting higher import volumes linked to stronger economic activity, the overall external balance benefited from a higher services account surplus owing to reduced import prices for key commodities and delays in some investment-related imports. The services surplus was estimated at USD 841 million, 18% higher than in 2024, supported by a robust recovery in tourism. Tourism receipts were estimated at USD 1.2 billion in 2025.

Gross international reserves rose to USD 878 million by end-2025, equivalent to around four months of imports. The reserve accumulation resulted from a combination of external borrowing from multilateral institutions and central bank purchases from the domestic foreign exchange market.

6. Review of 2025 Fiscal Performance

Madame Speaker, budgetary execution in 2025 failed to live up to the expectations of the 2025 budget address. While it was presented to the Seychellois people by the previous administration as the largest budget ever, in reality the performance of this budget, both in terms of revenue and expenditure was weaker than the original budget. As a result, the primary surplus balance, which refers to the budget surplus excluding interest payments, was higher than had been projected. Also, in view of the higher primary budget surplus, public debt is estimated to have declined to around 54% of GDP at end-2025 compared to 58.3% at end-2024.

Madame Speaker, on paper a higher than budgeted primary surplus may be viewed in a positive light. In this case however, it reflects the under execution of the budget, particularly public investment, which in turn was due to failure to implement a substantial number of projects which would have benefitted the Seychellois people. This includes housing, education, and health infrastructure, as well as a number of climate change mitigation projects.

Total revenue, including grants, for 2025 was estimated at SCR 11.3 billion, equivalent to about 33% of GDP. This is 7% lower compared to the original budget. Tax revenue was estimated at SCR 9.8 billion in 2025, or 28% of GDP, which, although it represents an increase compared to 2024, was 1.5% lower than the original 2025 budget.

. Collections under non-tax revenue amounted to SCR 472.6 million, which is 27% lower than the budgeted level for 2025. The level of grants was also SCR 194.6 million, which is 43% lower than the original budget for 2025. We expect that in the medium term, non-tax revenue will recover mainly through proceeds from the sale of assets, primarily land and dividend income from public enterprises. Together, these revenue developments underscore the resilience of public finances and establish a solid foundation for financing priority expenditures, reducing debt, and supporting inclusive and sustainable economic growth

The original budget approved for 2025, made provision for expenditure and net lending of SCR 12,681,180,000, but actual expenditure for the year was only SCR 11,595,472,000—SCR 1.086 billion, or 8.6%, below the budget. As I noted earlier, this underperformance was primarily the result of under-execution of capital projects and savings across other expenditure categories. The under execution, highlights implementation challenges that the previous Government failed to address. In fact because of the weaker budget execution Seychelles' score for budget execution under the Public Expenditure and Financial Accountability (PEFA) an international framework used to assess how a country manages its public finances, saw Seychelles' rating for budget reliability fall from an A in 2017 to C in 2025.

Madame Speaker, I ask the Seychellois people to place their trust in us. The Vice-President, who is also responsible for the Infrastructure and Housing portfolios, in collaboration with the Ministry of Finance, has already begun implementing certain internal measures to help address these delays. This forms part of our Government's commitment to improve budget execution. Time is of essence Madame Speaker. We are wasting no time to deliver for our people.

7. The 2026 Budget and the Medium-Term Fiscal Outlook

Madame Speaker, fiscal responsibility is a cornerstone of this Government's economic policy. The Government is committed to maintaining the right balance between safeguarding macroeconomic stability and protecting priority spending for the more vulnerable and needy. The 2026 Budget is anchored on a medium-term fiscal framework that places public debt firmly on a downward trajectory, with the objective of reducing the debt-to-GDP ratio to 50% by 2030, notwithstanding our social commitment to our people.

For 2026, the Government is proposing a total appropriation of SR 11,842,682,521, representing an increase of SR 458.2 million, or 4%, compared to the revised mid-year expenditure for 2025. Total revenue, including grants, is projected at SR 12.28 billion, equivalent to 35% of GDP.

. The Government is projecting a primary surplus of SCR 550 million, representing 1.5% of GDP in 2026. Over the medium term, the primary surplus is expected to remain at 1.5% of GDP in 2027 and to increase to 2.0% of GDP in 2028. This fiscal performance will ensure that Seychelles remains firmly on track to achieve its debt-reduction objectives while preserving fiscal sustainability, always putting our people first.

8. Revenue Collection for 2026

The 2026 Budget places strong emphasis on improving revenue compliance and administration. Revenue measures to be introduced in 2026 will focus on strengthening tax administration to reduce leakages through stronger emphasis on digitalisation and enhancing enforcement. These reforms are aimed at ensuring fairness and transparency in the tax system, protecting compliant taxpayers, and safeguarding Government revenues without imposing undue burden on citizens and businesses.

Madame Speaker, tax continues to represent the largest share of revenue, accounting for 84% of total collections, equivalent to SR 10 billion in 2026. This represents an increase of SR 464million, or 5 per cent, compared to the revised 2025 Budget.

The largest contribution to revenue growth is expected to be from Value Added Tax (VAT), with a projected increase of SR 225 million, driven primarily by higher collections from the

construction sector, reflecting ongoing projects. VAT performance is expected to be further strengthened by the introduction of electronic invoicing later in the year, which will also help reduce non-compliance where VAT is collected but not declared and remitted to the Seychelles Revenue Commission (SRC).

Business tax revenues are forecast to increase by SR 126 million, supported in part by the continued expansion of the securities dealers' sector, which is expected to contribute positively in 2026 and over the medium term.

Growth is also projected across other tax categories, including an increase of SR 77 million under income and non-monetary benefits tax, and SR 54 million under excise tax, reflecting higher demand for imported and locally manufactured goods, supported by an increase in domestic income.

Non-tax revenues are forecast at SR 1.6 billion, representing an increase of SR 268 million, or 21%, compared to the 2025 revised budget. This increase is largely attributable to proceeds from the sale of assets, related to the new reclamation project that will create a new island south of Ile Aurore.

In addition, SR 456 million is expected in grants from development partners.

Over the medium term, total revenue including grants is projected to remain at around 33% of GDP, supporting fiscal sustainability and priority spending.

9. The Basis of Government Expenses

Madame Speaker, in 2026, Government will prioritise targeted social protection, ensuring that assistance reach those who genuinely need it, while safeguarding the long-term sustainability of these programmes. This approach will allow Government to support households facing hardship without compromising fiscal stability. At the same time, Government will pursue its public investment programme and strengthen institutional capacity to ensure effective implementation of projects approved under this Budget and over the medium term.

Digital infrastructure is a key sector in which the Government will strengthen investment, with the aim of reducing manual processes and improving efficiency in the public sector.

As part of its fiscal consolidation efforts, Government has introduced targeted expenditure reductions in non-priority areas amounting to SCR 108 million in 2026.

Madame Speaker, the Social Affairs, Family and Equality, Health and Education and Human Resource Development portfolios remain the three sectors with the largest allocations in the 2026 Budget, representing 18.7%, 12.0% and 12.3% of total expenditure respectively. This reflects Government's continued commitment to human capital development, service delivery, and social well-being.

Expenditure on goods and services continues to represent the largest share of the Budget. In 2026, an allocation of SCR 4.2 billion, equivalent to 35% of the appropriation, has been budgeted. Within this category, the Health portfolio has received the largest allocation of SCR 674 million, representing 16% of total expenditure on goods and services. For other ministries and agencies, an amount of SCR 193 million has also been budgeted under this category to support the Government's effort towards adoption of digital solutions in its services throughout 2026

Capital expenditure for 2026 is projected at SR 1.4 billion, an increase of SR 298 million, or 26%, compared to the 2025 revised budget.

10. Wages and Salaries

Madame Speaker, a sum of SR 3.9 billion, equivalent to 11% of GDP, has been allocated for Wages and Salaries in the public sector.

As promised in our manifesto, the Government has delivered on its commitments to public sector employees within the first 100 days in office by restoring the benefits that were withdrawn by the previous Administration. Importantly, we have achieved this while maintaining fiscal discipline, ensuring that the wage bill remains below the 11% threshold of GDP, the level that we consider sustainable. This demonstrates our commitment to support our public sector workers while at the same time safeguarding long-term fiscal sustainability.

Madame Speaker, I will now go over the main increases in the 2026 budget.

10.1. Long Service Allowance

The government remains committed to recognising and rewarding those who dedicate their careers to public service. The reintroduction of the Long Service Allowance, effective since December

2025, clearly demonstrates our appreciation for those who choose to remain and continue serving the people. This measure will cost Government SR 14 million in the 2026 budget.

10.2. Gratuity for employees on continuous Service

As announced by the President in his first address in November 2025, gratuity payments for public sector employees will be increased when they complete each five-year service milestone, as follows:

- Employees with 5 years of service from SR 10,000 to SR 20,000
- Employees with 10 years of service from SR 10,000 to SR 25,000
- Employees with 15 years of service from SR 15,000 to SR 30,000
- Employees with 20 years of Service from SR 20,000 to SR 35,000
- Employees with 25 years of service from SR 20,000 to SR 40,000
- Employees with 30 years of service from SR 25,000 to SR 45,000
- Employees with 35 years of service from SR 25,000 to SR 50,000
- Employees with 40 years of service from SR 30,000 to SR 55,000
- Employees with 45 years of service from SR 30,000 to SR 60,000

Madame Speaker, it is to be noted that gratuity levels had remained unchanged for several years. This measure will cost Government SR 13 million in 2026.

10.3. Thirteenth Month Pay

Madame Speaker, as promised by President the thirteenth month pay has been fully restored. This was not merely a promise, but a commitment fulfilled. The additional cost to Government amounts to SR 42 million, of which SR 5.2 million falls under Goods and Services.

Provision has also been made under social programmes, with SR 5.0 million allocated to support small businesses in meeting this obligation.

10.4. Annual gratuity and Performance Allowance for employees on Public Sector Commission (PSC) contracts.

Madame Speaker, since 2021, employees on PSC contracts have made considerable sacrifices by accepting reductions in certain benefits, including annual gratuity and performance allowances.

Effective 1st January 2026, Government reinstated these benefits for all employees on PSC contracts. This measure will cost Government on average SR 10 million annually and is a clear step towards restoring fairness and recognising the contributions of these officers.

10.5. Revision in schemes of service

Madame Speaker, a total budget of SR 27 million has been allocated under wages and salaries for the revision of the following schemes of service in 2026 as follows:

- Teachers' scheme of Service- SR 23 million;
- Social Workers Cadre- SR 360,500;
- Home of the Elderly Administrators Cadre- SR 193,000;
- National Museum Cadre- SR 108,000; and
- Housing Department Employees Cadre- SR 54,000;
- Registration Division's cadre- SR 919,400
- Land Surveyors Cadre- SR 519,000;

Provision has also been made for the introduction of two new cadres as follows;

- Lifeguard scheme of Services- SR 1.4 million
- Utilities Regulatory Commission (formerly the Seychelles Energy Commission)- SR 348,000

All revised and new schemes will take effect from 1st July, 2026. The increases will cost SR 54 million annually.

Madame Speaker, Government recognises that several schemes of service have not been reviewed for more than five years. Fiscal constraints simply have not allowed us to cover all. We will review these progressively in a responsible and sustainable manner.

Madame Speaker, over the medium term, with continued investment in digital systems and improved human resource management tools, Government will undertake a comprehensive analysis of the size and structure of the public service. The objective is to build a more streamlined, efficient, and responsive public sector. This process will go hand in hand with a broader review of salary structures to ensure that the public service remains fair, competitive, and sustainable. Government has requested technical assistance from the World Bank for this review, which will

also assess the private sector salary structure with a focus on reviewing the Gini coefficient, the conventional measure of inequality.

11. The Labour Market

Madame Speaker, as part of the Government's commitment to inclusive growth and labour market reintegration, the Unemployment Relief Scheme (URS) will be reintroduced in 2026 following proposed enactment of the relevant legislation. The scheme will accommodate up to 250 participants annually on six-month placements, targeting vulnerable but work-ready groups, including welfare recipients, ex-convicts, persons with disabilities, recovering drug users, and individuals who have been unemployed for six months or more. Participants will work up to 36 hours per week and earn up to SR 6,388.20 per month, with 70% subsidised by Government. An allocation of SR 6.7 million has been provided to support this programme, which aims to reduce welfare dependency, promote skills acquisition, and facilitate transition into long-term employment.

Government is also strengthening its Skills Development Programme to better address youth unemployment. From 2026, the eligible age range for this scheme will be expanded from 15–17 years to 15–20 years, increasing annual intake from 250 to 300 participants. Participants aged 15 to 17 will receive a monthly allowance of SR 2,380, while those 18 and above will receive SR 3,280, with 70% subsidised by Government. A sum of SR 6.4 million has been budgeted for allowances.

Participants will have access to Recognition of Prior Learning (RPL) to obtain a certificate that formally recognises the skills they have developed. An allocation of SR 560,000 has been budgeted for this initiative. A budget of SR 200,000 has been allocated for soft-skills training, which will be delivered by professionals from the private sector. These reforms will expand access to skills and help young people gain greater employment opportunities.

To further support young people transitioning into higher education and the labour market, the 'My First Job' Scheme will be enhanced to include a new Internship component for Professional Centre graduates who have secured Government scholarships and are awaiting university placement. Up to 180 graduates annually are expected to benefit, with participants receiving a

monthly allowance of SR 5,800 for up to six months. The 2026 Budget provides SR 5 million which will cover this new internship allowance, alongside SR 200,000 for targeted post-secondary job fairs. Together, these measures will provide young people with early workplace exposure, practical skills, and clearer career pathways, supporting smoother entry into sustainable employment.

Madame Speaker, in 2026, the Ministry of Employment and Human Resource Planning will present new employment legislation to the National Assembly following consultations with the private sector and other key stakeholders. This reform will modernise the labour framework to better reflect current labour market realities, promote fairness and flexibility, and support job creation, while ensuring adequate protection for workers. Government remains committed to a balanced and consultative approach in advancing labour reforms that strengthen productivity and economic resilience.

Madame Speaker, I would like to take this opportunity to also appeal to the private sector to join the Government in taking forward these initiatives, to provide more opportunities for young people, and to help expand these schemes.

12. Education Sector

Madame Speaker, Education remains one of the most powerful forces shaping our future, developing our people, strengthening our values, and building the society we want to pass on to the next generation. The choices and investments we make today will define the quality of life, opportunity, and social cohesion we will inhabit in the years ahead.

Madame Speaker, in recognition of the importance of the Education sector, in 2026 this portfolio will receive a budget allocation of SR 1.45 billion, the largest allocation portfolio wise under the recurrent and capital expenditure which accounts for 12% of the total appropriation bill and 4.1% of GDP.

Ministry of Education and Human Resource Development will receive a budget allocation of SR 1.15 billion. Of this, an allocation of SR 642 million is earmarked for Wages and Salaries, representing 56 percent of its total expenditure. For 2026, an increase of SR 64 million is projected

under wages and salaries for the Ministry, compared to the revised 2025 budget, the most part of which is to cater for revision of the teachers' scheme of service as mentioned earlier in my speech. This is aimed at recognising and encouraging Seychellois teachers to remain in the profession and to view teaching as a noble career.

Madame Speaker, Government is restoring the importance of tertiary education through the re-establishment of the Agency for National Human Resource Development. An allocation of SR 241 million has been provided for the Agency, which will come into operation in April this year, to strengthen coordination and support provided to our students pursuing higher education.

Madame Speaker, several initiatives in Education sector will benefit from funding in 2026 as follows:

- SR 5.3 million to equip the Youth Hope Centre to better deliver its Alternative Education Programme and address concerns regarding behavioural issues among children;
- SR 6.5 million has been budgeted this year for the Smart Education project, which has already commenced in four secondary schools and will be fully implemented across other secondary schools, and reflecting our strong emphasis on innovation and technology;
- SR 1.3 million for equipment and basic materials to equip schools with the necessary resources to support the TVET programme to ensure that every student thrive;
- SR 2.7 million to intensify the STAR Academy project—a programme that helps to detect and provide appropriate early intervention for students who exhibit conditions related to autism. This follows the integration of the Autism Centre under the Ministry of Education and the need to continue providing children with special needs the necessary support and specialized therapy.
- A new one-off location allowance of SR 2,000 to support students from Praslin and La Digue who must reside on Mahé to continue their post-secondary education to ease the initial transition phase. This will cost SR 350, 000 per annum;
- SR 9.6 million to cater for increases in stipends for students studying in several countries since 1st January 2026 to help those students deal with increasing financial pressures due to the rising cost of living in host countries.

Madame Speaker, in terms of capital projects, the Education sector will obtain an allocation of SR 125 million in 2026, representing 10% of the total Public Sector Investment Programme. This will be mainly directed towards reconstruction of La Digue School for a sum of SR 77 million, and completion of works on the new classroom block at La Rosière School, and renovation of the same school, which is already at an advanced stage at a cost of SR 11 million.

Other Key Capital Projects for 2026 are as follows;

- Reconstruction of Anse Boileau Crèche – SR 8 million
- Renovation of Port Glaud School hall – SR 3 million
- Reconstruction of P5/P6 block at Anse Boileau – SR 2.5 million
- Continuation of renovation works at Pointe Larue Secondary School – SR 2.1 million
- Renovation of Pointe Larue Crèche – SR 2 million
- Renovation of Au Cap Primary School – SR 2 million
- Construction of new Youth Hostel dormitory – SR 2 million
- Mini Sewage Treatment Plant (STP) (Primary and Secondary Anse Boileau) – SR 1.9 million
- Glacis Playing Field – SR 1.8 million
- Renovation of Anse Royale Secondary School – SR 1.5 million
- Renovation of La Retraite School – SR 1 million
- Renovation of English River Secondary School – SR 1 million
- Renovation of Seychelles Institute for Teacher Education (SITE) School hall – SR 1 million
- Ongoing renovation works at Praslin Secondary School – SR 860,779
- Renovation of Mont Fleuri Secondary School – SR 793,721; and

13. Health Sector

Madame Speaker, the health sector remains another central priority for Government, given its direct impact on the wellbeing of the population, labour productivity, and long-term fiscal sustainability. As demand for healthcare services continues to rise driven by demographic changes,

non-communicable diseases, and advances in medical technology there is an urgent need to modernise service delivery while ensuring value for money.

Madame Speaker, for 2026, SR 1.4 billion is proposed for the health portfolio. This represents 4.0% of the GDP and 12% of the total appropriation bill. This includes a sum of SR 674 million under goods and services, which accounts for 48% total health sector budget.

The main expenditures under goods and services include the following programmes:

- Haemodialysis treatments - SR 87 million
- Medical supplies - SR 69 million
- Specialized treatment abroad - SR 50 million
- Laboratory supplies - SR 30 million
- Vaccine provision - SR 12 million
- Health professional training - SR 6.4 million
- Other medical and laboratory supplies - SR 3.0 million

Madame Speaker, allocations of SR 42 million and SR 5.5 million have been provided for the Prevention of Drug Abuse and Rehabilitation Agency (APDAR) and the Mental Health Care Agency, respectively. The establishment of these entities as stand-alone agencies marks a deliberate and strategic step by Government to give greater and more focused attention to the growing challenges our country faces in relation to substance abuse and mental health.

As emphasised in the President's first address in November 2025 and reaffirmed in the State of the Nation Address, addressing drug abuse and strengthening mental health support remain national priorities that require sustained commitment, targeted interventions, and a coordinated approach across institutions and communities. These allocations will therefore support expansion of prevention programmes, rehabilitation services, and public awareness efforts, while ensuring that those affected receive the care, dignity, and support they deserve.

Madame Speaker, investment in our health facilities remains another priority for Government. In the 2026 budget, SR 61 million is projected for capital projects in the health sector to cater for the following key projects:

- Renovation work at Seychelles Hospital - SR 15 million
- Completion of the construction of Ile Soleil Health Centre- SR 15 million; and
- Construction of the new Central Medical Store- SR 13 million.

Over the past few years, Madame Speaker, much has been said about the construction of a new Seychelles Hospital. Some attempts were made to raise funds. Commitments were made. We know the rest.

Madame Speaker, the Government is determined to move beyond discussions and into action when it comes to improving the state of our health facilities. As announced by the President in his State of the Nation Address, funding has now been secured for the development of a new modern hospital for Seychelles. You would all have followed events from President Herminie's State visit to India this past week and as has been announced the Government of India has agreed to look at options to support Seychelles in this endeavour. An Indian government team will soon begin an analysis of the different options on how India can assist us. In addition, this project has not yet been taken into account in the current Budget, as preparatory work including planning, technical assessments, and finalization of key project details is still ongoing. More information will be shared as part of the Mid-Year Budget Review.

Meanwhile, for individuals and organisations who have contributed towards the hospital fund, Government gives you full assurance that your contributions remain safeguarded and intact and will still be used only for the intended purpose of supporting development of the modern healthcare facility when this goes ahead.

14. The Social Projects and Programmes

Madame Speaker, Social Protection remains critical for ensuring a sound human capital base. It provides an insurance for low income and vulnerable households to have a minimum, dignified quality of life. Hence our Government's determination to extend the social programs available to the more vulnerable pockets of our population.

For 2026, an allocation of SR 1.66 billion is provided under the benefits and approved programmes of the Agency of Social Protection. This represents an increase of SR 355 million, or 27 per cent,

compared to the revised 2025 expenditure. This reflects the Government's decision to reduce the age of eligibility for Social Security retirement benefits from 65 to 63 years, and to increase monthly retirement benefit by SR 800, which both took effect on 1st January 2026. The Government remains unequivocally committed to its medium-term objective of increasing the Social Security retirement benefit to SR 10,000 per month by 2029.

Madame Speaker, over the last five years under the last administration, budget execution under the social safety net budgets has remained below allocation, with expenditure of only SR 36 million in 2024 and SR 35 million in 2025, despite continued demand for assistance from the population. For 2026, an allocation of SR 62 million has therefore been budgeted for social safety net to better respond to identified needs among the people. This provision also anticipates the phased introduction of a national living wage framework in the second half of 2026.

14.1. National Living Wage

Seychelles currently maintains a national minimum wage to protect workers from exploitation and to ensure a basic income floor. However, minimum wage levels do not always reflect the real cost of living, particularly in a small island economy characterized by a high dependence on imports and exposure to global inflation.

The national living wage framework will go further by establishing wage benchmarks based on the cost of a decent standard of living, including food, housing, transport, healthcare, and other essential needs. The technical work is ongoing and is being informed by the household budget survey data and consultations with key stakeholders. The Government's objective is to complete this exercise by June 2026, with phased implementation beginning in July 2026.

Madame Speaker, during 2026 the following additional social programs will benefit from budgetary allocations:

- SCR 40 million for renovation of a number of Homes for the Elderly that have aged and require significant upgrading to meet modern standards of comfort, safety, and efficiency. The renovation works will be implemented during 2026 and 2027 at Homes in Anse Boileau, Plaisance, Grand Anse Praslin, Point Larue, La Retraite, and English River;

- SCR 32 million for the completion of the Youth Hope Residential Centre by August 2026. The Centre will accommodate approximately 50 young persons under a structured residential rehabilitation programme.
- SCR 9.0 million to add a further 16 rooms at Anse Royale Home for the Elderly;
- SR 5.3 million to the Ministry of Social Affairs, Family and Equality to strengthen empowerment and social support programmes, implemented in collaboration with other key Government ministries and non-governmental organisations. These programmes are designed to address pressing social challenges affecting vulnerable families, persons with disabilities, the elderly, and in particular, at-risk youth, in support of the national ‘YouRise’ initiative;
- SR 3.8 million for the Crisis Centre at Perseverance to enable provision of 24-hour social services for child protection and domestic violence cases, to be constructed concurrently with the Perseverance Police Station, given their proximity and the need for coordinated service delivery; and
- An additional SR 3.0 million for assistance with childcare. With effect from 1st February 2026, Government has introduced an additional support of SR 750 per month, targeted at parents earning a net salary of up to SCR 8,555.50. This measure represents the first phase of the programme and the income threshold will be reviewed once the national living wage framework is finalised.

These programs further reflect our commitment to social justice for our more vulnerable groups within the population. However, as the President has highlighted, this social protection assistance will be provided only to those who are seeking employment, unless they have a valid reason for not working.

15. Sports and Youth Development

Madame Speaker, the future of our country rests in the hands of our young people. Through the Youth and Sports portfolio, Government continues to create opportunities that empower, inspire, and guide our youth towards positive choices, while using sports as a powerful tool for unity, discipline, and national identity. For 2026, this Portfolio has been allocated SR 162 million.

This includes, SR 27 million for the Seychelles National Youth Council (SNYC) for which new initiatives to be funded in 2026 include:

- SR 76,000 for the “Becoming A Man” programme, for which the objective is to empower around 270 young boys through evidence-based intervention.
- SR 150,000 for the implementation of the “YouRise Campaign”. This campaign will empower youth at risk, a national campaign involving all sections of SNYC by engaging approximately 300 youths through various activities, collaborations, and initiatives.

Madame Speaker, the National Sports Council has been allocated SR 119 million, representing 74% of the Youth and Sports portfolio allocation. This includes:

- SR 3.3 million has been budgeted for assisting sports federations;
- SR 3.3 million for the professional development in sports;
- SR 1.8 million for participation in international club competitions;
- SR 1.7 million for allowances for coaches;
- SR 1.2 million for developing youth sports;
- SR 613,000 for assisting teams when they travel to the islands for competitions; and
- SR 596,000 for talent identification.

In 2026, our athletes will participate in the Commonwealth Games. SR 15 million has been budgeted for the preparation and participation in these games. A further SR 9.0 million has been budgeted for preparation for other major games, including the IOIG, Francophonie, African Games and the Olympic games.

Madame Speaker, the following amounts have also been budgeted in the 2026 in respect of the Youth and Sports Ministry:

- SR 943,000 for Seychelles to host the 17th Executive Bureau meeting of the Conférence des Ministres de la Jeunesse et des Sports de la Francophonie (CONFESJES) ;in March 2026;
- SR 320,000 for review of the national youth policy. This policy will directly address existing obstacles, including youth unemployment, limited access to quality education, and the lack of opportunities to engage young people in national development. .

- SR 295,000 for creation of a Youth Empowerment Council (YEC), a landmark institutional reform aimed at fundamentally transforming youth engagement in governance.

NSC has also been allocated SR 26 to implement infrastructure works which includes the following projects;

- Renovation of the Anse Royale Sports Complex - SR 6.4 million;
- Renovation of the Paradise Arena- SR 3.3 million;
- Construction of an in-door court at Anse Royale - SR 3.0 million;
- Renovation works on Unity Stadium- SR 1.5 million

16. Community Projects and Programmes

Madame Speaker, the Ministry of Local Government and Inner Islands continues to play an important role in strengthening community life, improving service delivery at district level, and ensuring that the needs of residents, both on Mahé and the outer islands, are addressed in a more efficient manner. Total budget allocation for Ministry of Local Government and Inner Island in 2026 is SR 166 million.

One of the priorities of this new administration is to strengthen the decentralisation of services provided by ministries, departments and agencies (MDAs) to the public within communities. Government has recognised the need to establish a new department dedicated to the Inner Islands, with the aim of bringing more direct support to residents. SR 6.0 million has been allocated to finance the operations of this new Department.

The Ministry of Local Government and Outer Islands has also been allocated a capital projects budget of SCR 55.1 million. This is for the following projects::

- SR 26 million for Small Districts Projects;
- SR 10 million for community roads projects which will improve road networks and access for the people;
- SR 3.0 million for construction of the new Port Glaud District Administration office; and

- SR 2.0 million for Construction of the new District Administration’s office and Community Centre for Mont Buxton

Madame Speaker, in 2025, a total of 79 projects were approved under the Housing Repair Scheme, however, only 4 were implemented. This is simply not acceptable and the Ministry of Local Government and Outer Islands will in 2026 accelerate progress on these cases to ensure that assistance reaches those in need in a timely manner. SR 8.5 million will be made available annually under the local government budget to ensure that families are better assisted.

17. The Housing and Land Sector

Madame Speaker, the mandate of the portfolio for Land and Housing, which also encompasses the Planning Authority and the Seychelles Infrastructure Agency (SIA), is to facilitate implementation of social, economic, and environmental development in a sustainable manner, while ensuring the effective and responsible use of the country’s limited resources. The 2026 budget allocation for the portfolio is SR 854 million, representing 7.2% of the total appropriation bill. 80% of this amount will fund capital projects. It is also important to note that the capital expenditure under this portfolio is almost half of the Government’s total capital expenditure allocation, which demonstrates the Government’s commitment to housing and land development.

17.1. Land Sector Programmes

Madame Speaker, by the very nature of our geography as an archipelago, with islands that are scattered and characterised by challenging topography, Seychelles has limited suitable land available for development. As a result, access to land for socio-economic purposes continues to be a significant challenge, which places considerable constraints on integrated development.

The 2026 Budget makes a substantial contribution through various programmes across MDAs to address key infrastructure gaps, particularly in areas such as roads, drainage, energy, and telecommunications, which often delay or restrict the development of residential land and land for businesses and entrepreneurs. Through these critical infrastructure projects, more land will soon become accessible for development.

Madame Speaker, currently, there are just over 430 applicants on the land bank waiting list. To help reduce this backlog, Government has allocated more than SR 126 million under the 2026 capital budget to deliver over 150 plots of land this year. With projects already in the pipeline for 2027, more than 100 additional plots will be made available for Seychellois families to build their homes, and Government aims to clear the remaining balance by 2028–2029.

For new applications that continue to be submitted, the Department of Land and the Department of Housing will, through the 2026 Budget, restructure their operations to better guide and manage new applicants by providing alternative options and solutions for home ownership. This includes self-financing schemes where individuals can contribute towards land or housing development. Government will also encourage increased land and housing development through stronger engagement with the private sector via Public-Private Partnerships (PPPs).

Madame Speaker, also through the 2026 Budget, Government, through SIA, will complete land bank developments at Bambou in Anse Royale, La Retraite Phase 1, Cap Ste Marie in Anse Boileau, Pti Lavil, and Salazie on Praslin. Additionally, works will commence on new land bank projects at La Retraite Phase 2, Mauripa in Au Cap, Barbarons, Caryole Phase 2, Anse Kerlan, Grand Anse Praslin, Fond Azore Phase 2, and preparatory works will begin on La Digue for the Citadelle land bank.

17.2. Sustainable Land Use and Addressing Construction Challenges

Madame Speaker, as mentioned earlier, the limited availability of developable land makes it essential to ensure that land is used in a more sustainable and strategic manner. Government, through the Planning Authority, will move as quickly as possible to review and implement new Land Use Plans and Land Use Regulations, while strengthening existing laws that govern sustainable development.

A provision of SR 2.5 million will be allocated annually to the Planning Authority to ensure that every district in Seychelles has a comprehensive land use plan, supported by expertise from geologists, architects, and urban planners.

These plans will be detailed and will guide all future development across the country. Through this initiative, the Planning Authority will be able to extend the validity of planning approvals from 5 years to up to 10 years, in line with approved district land use plans. This exercise will also

introduce more development category options, reducing the need for land reclassification and change-of-use requests. This will facilitate development and improve the ease of doing business in the country.

17.3. Housing Programme

Madame Speaker, for many families, owning a home remains just a dream. When a family has suitable housing, it creates a greater sense of security and stability; children perform better in school, and adults become more productive at work. For this reason, the construction of affordable housing remains a top priority for our Government and our people.

Currently, more than 3,200 individuals are contributing to housing schemes and are still waiting to be assisted with affordable housing.

This administration has taken a serious and strategic approach to addressing the housing situation. Since assuming office the Government has intervened to accelerate implementation of projects that were previously delayed. We are committed to delivering more than 200 affordable houses and over 120 apartments for professionals in 2026 through a budget allocation of SR 489 million. To note the previous Administration completed only 436 housing units over five years.

Government will begin preparatory works for an additional 428 affordable houses and 410 apartments for professionals across Mahé, Praslin, and La Digue, to be completed by 2027 or early 2028. A further 1,000 to 1,200 housing units are planned on Ile Aurore before the end of 2030, with the support of bilateral partners.

Madame Speaker, the Department of Housing is placing strong emphasis on self-financing schemes to allow individuals who are currently on the waiting list but are able to contribute through loans to fast-track their access to housing by purchasing apartments under approved development plans. I encourage commercial banks to participate in these initiatives and support their clients with financing options to secure their own homes.

Madame Speaker, I will now provide more details on allocations for housing projects in the pipeline for 2026:

- SR 102 million for construction of 64 units at Cap Bonm Zan and SR 102 million for 72 units at Beoliere through Chinese Government funding;

- SR 73 million for social housing projects which includes 32 units at La Plaine, Anse Aux Pins, for a sum of SR 43 million; SR 17 million for 16 units at Le Domaine, Aux Cap; SR 7.2 million for 8 units Pascal and Village
- SR 22 million for 16 units Dan Kan, Les Mamelles phase 2
- SR 14 million for construction of 32 units at Ex-Desaubin
- SR 14 million for Corgat Estate phase 5
- SR 13 million for 16 units at Union Vale, phase 2.
- SR 10 million under the infrastructure development for 128 mid-range condominiums

Madame Speaker, Government has also just secured funding from Abu Dhabi Fund for Development for the construction of 81 housing units at Barbarons. In the 2026 budget, SR 75 million has been allocated towards the project.

Madame Speaker, on the issue of housing, Government will shortly undertake a comprehensive assessment to determine the extent to which families affected by the CCCL explosion remain unable to fully repair their homes. This exercise will allow us to identify outstanding structural, safety, and habitability concerns and to quantify the level of support still required. Based on the findings of this assessment, Government will establish a targeted assistance mechanism, with clear eligibility criteria and transparent guidelines, to support qualifying households in completing the necessary repairs to their homes. I would like to clarify that this does not mean the Government will cover all the necessary costs, but rather that it will support families with a reasonable level of assistance.

Madame Speaker, while this tragic incident occurred prior to this Administration taking office, as a forward-looking and responsible Government we believe it is our duty to ensure that no affected family in real need is left unassisted. Where there remains genuine need, we will act decisively and compassionately to provide the necessary support.

17.4. Land Reclamation Projects

Madame Speaker, as part of Government's plan to ensure that housing remains the true foundation for opportunity, dignity, and inclusive communities, the President has announced that dredging

works will return to Seychelles this year to reclaim more than 570,000 square metres of land, equivalent to over 142 acres, and to construct three new reclaimed islands. This will expand investment opportunities and support economic development, bringing greater prosperity to our people. It reflects the Government's commitment to deliver on its promise to the Seychellois people and to sustainably manage our land constraints in support of long-term economic growth.

Madame Speaker, an amount of SR 273 million has already been set aside to finance the first phase of the reclamation project, demonstrating Government's readiness to move this project forward in earnest. To meet the remaining financing requirements, the Government will enter in structured partnerships with the private sector, allowing costs to be financed and repaid over time in a fiscally responsible manner. Provision for this financing will be made under the Public Sector Investment Programme from 2027 onwards. In addition, the 2026 Budget includes SR 54 million for rock armouring, a critical component of the overall project to ensure coastal protection, structural stability, and long-term resilience. The new dredging will provide more than 500,000 cubic metres of offshore sand for use in construction, reducing dependence on rock aggregate.

As dredging works get under way on the three new islands, our Government will accelerate development on Ile Aurore, with major socio-economic and infrastructure developments.

17.5. Removing Barriers to Promote Development

Madame Speaker, this new administration has already begun removing the bottlenecks that were previously causing delays in construction and development projects and contributed to rising construction costs in the country. To improve efficiency in delivering housing and other national projects that benefit communities, SIA is being restructured to enhance its ability to deliver, strengthen coordination, and improve communication. This will allow all departments with projects under implementation by SIA to receive more up-to-date information and to monitor progress more closely.

18. The Transport Sector

For the 2026 Budget, the Transport, Ports and Civil Aviation portfolio has been allocated SR 300 million, reflecting Government's commitment to maintaining safe, reliable, and efficient transport systems. The largest share of this allocation, SR 238 million, representing 79% of the budget, will go to the Seychelles Land Transport Agency (SLTA).

A total SR 70 million has been budgeted under SLTA for its capital investment programs. The main projects are as follows:

- Coastal protection infrastructure projects - SR 30 million
- Third lane Pointe Larue - SR 10 million
- Road improvement and widening on Praslin - SR 4,0 million
- Maintenance of footpaths- SR 3.0 million

In addition to the above Government has allocated SR 1.0 million for each of these projects:

- Widening of road from St Louis to Beau Vallon
- Access road to La Gogue Dam site
- Widening of Curio Road to Bel Air
- Road construction at Port Glaud
- Road improvement in Mont Plaisir Anse Royale
- New road in Copolia Plaisance
- Road enlargement at Val Den Dor
- Road improvement in Pascal Village Beau Vallon
- Construction of pavement and drain at Anse Boileau
- Drainage Maintenance along main road in St Louis
- Road improvement and widening on La Digue
- New lane at Ile Du Port to IOT junction
- Pavement construction at La Retraite
- Construction of footpath in Grand Anse Mahe
- Construction of bus shelters and stands
- Acquisition and maintenance of crash barriers

Madame Speaker, Government will also invest SR 6.4 million for upgrading of the vehicle testing station on Mahe.

The Seychelles Ports Authority (SPA) will continue to play a central role in facilitating trade and safeguarding supply chains. Redevelopment of the port has been held back due to delays in

finalizing funding. Government will soon come out with a clear strategy for the port rehabilitation to support port modernisation and operational improvements aimed at enhancing efficiency, safety, and turnaround times for cargo and passenger vessels. These initiatives are critical to maintaining price stability, supporting exporters and importers, and strengthening Seychelles' position as a reliable maritime gateway in the region. SR 324 million will be invested by SPA in 2026 in its capital projects.

In the aviation sector, Government will continue to strengthen infrastructure development through the Seychelles Airport Authority (SAA), while supporting efforts to enhance connectivity and safety standards. In 2026, SAA will invest SR 150 million on its airport operations, air navigation services, and skills development to ensure compliance with international standards and support tourism growth. Government will also work closely with national and international partners, including Air Seychelles, to improve route connectivity and service reliability, reinforcing Seychelles' links with key markets and supporting long-term economic development.

Madame Speaker, in the 2026 budget, Government will provide the Seychelles Public Transport Corporation (SPTC) with a subvention of SR 63 million, representing an increase of SR 20 million, or 48%, compared to the revised 2025 Budget. This increased support reflects the President's pledge to reduce bus fares and make public transport more affordable. This reduction will be implemented in phases, beginning with a reduction of SR 2 from 1st February 2026, and further reductions to SR 7 in 2027 and SR 6 in 2028. This will help in the reduction of the cost of living and encourage greater use of public transport.

In addition, a provision of SR 36 million has been included in the 2026 Budget for development grants to the SPTC. These resources will support fleet renewal and service improvements, including the planned introduction of electric buses as part of the Government's broader transition to environmentally friendly and more sustainable transport. The Government has already secured funding from India through the financing package that was announced by President of India this week. Introduction of E-buses will reduce operating costs over time, lower emissions, and improve the reliability and quality of public transport services.

19. The Environment, Energy and Climate Change Sector

Madame Speaker, climate resilience, environmental protection, and sustainable development remain central to the Government's economic and social agenda. In 2026, Seychelles will continue the implementation of a World Bank-supported Solid Waste Management Project. In 2026, an allocation of SR 19 million has been budgeted to address urgent challenges across the waste sector. This initiative is fully aligned with the Solid Waste Master Plan 2020–2035 and our transition towards a circular economy, aimed at reducing waste generation, promoting reuse, and minimising reliance on landfilling. Over the next 12 to 18 months, Government will prioritise decisive interventions at the Providence landfill, while mobilising additional financing where required, to ensure safe, sustainable, and long-term waste management solutions.

Seychelles will also continue to benefit from the Global Environment Facility (GEF) support under the GEF Islands Programme, mobilising US\$2.25 million to strengthen national capacity for the management of hazardous chemicals and waste. This includes updating legislation, enhancing recycling systems, conducting feasibility studies for hazardous waste treatment, and establishing interim storage facilities.

The 2026 Budget also provides for the establishment of the Seychelles Marine Spatial Planning Agency, with an allocation of SR 4.9 million, strengthening governance of our territorial waters and Exclusive Economic Zone and reinforcing Seychelles' leadership in ocean governance and marine conservation.

Madame Speaker, biodiversity protection remains both a national responsibility and an international commitment. Seychelles is developing a new National Biodiversity Strategy and Action Plan, supported by US\$450,000 from the GEF, to guide conservation priorities and unlock sustainable financing for biodiversity.

Climate finance mobilisation remains a priority. The Government will pursue direct accreditation to the Green Climate Fund, enabling Seychelles to access climate financing directly and accelerate implementation of priority mitigation and adaptation projects.

Significant investments are also being made to strengthen coastal resilience and clean energy transition. An allocation under capital budget of SR 17 million in 2026 and SR 71 million in 2027

will support coastal protection works to safeguard infrastructure, communities, and livelihoods from erosion, flooding, and sea-level rise around Mahe, Praslin and La Digue. These interventions will prioritise nature-based solutions where feasible, complemented by engineered solutions where urgent protection is required. Au Cap area, being one of the main problematic areas of the country was taken as a case study. As a result, a report detailing various possible interventions in the area has been drafted. The implementation of the recommendations in the report will commence this year.

Another project contributing to our coastal resilient program is the coastal monitoring project funded under the SEYCCAT Blue Grant Facility 8. For this project, the Ministry aims to build the resilience of Seychelles from climate change impacts through improved long-term coastal monitoring and evidence-based decision making.

In addition, the Renewable Energy Acceleration Programme, supported by US \$35 million from the World Bank and Green Climate Fund, will modernise grid infrastructure, expand battery energy storage systems, and enable higher penetration of renewable energy across Mahé, Praslin, and La Digue, advancing Seychelles' transition to a low-carbon and climate-resilient economy.

Madame Speaker, as part of the Government's commitment to accelerate the transition to clean and affordable energy, provisions of SR 5.7 million in 2026 and SR 10 million in 2027 have been allocated for the installation of rooftop solar photovoltaic systems on Government buildings. This initiative will reduce public sector electricity costs, improve energy efficiency, and demonstrate Government leadership in the adoption of renewable energy, while easing pressure on public finances over the medium term.

In parallel, Government has allocated SR 12 million to the Green Energy Incentive Scheme, aimed at supporting households and small businesses to install grid-connected rooftop solar PV systems. This scheme will lower electricity bills, expand access to clean energy, and contribute to national efforts to reduce reliance on imported fossil fuels. By empowering citizens and enterprises to generate their own electricity, the Government is strengthening energy security, enhancing resilience to external shocks, and supporting a more sustainable and inclusive economic transition.

20. Tourism and Culture

The Tourism and Culture portfolio has been allocated with SR 380 million in the 2026 budget. Given the importance of the Tourism sector, in April 2026 Government will re-establish the Seychelles Tourism Board with the aim of ensuring that the private sector plays a more important role in the promotion of the country as a dream touristic destination.

In addition, a budget allocation of SR 8.0 million has been provided under Seychelles Tourism Academy (STA) to complete the construction of the demo kitchen and restaurant at the STA.

In regards to culture, the 2026 budget will support policy initiatives on several fronts including the area of film industry.

Firstly, we will develop this industry into a modern, competitive, and investment friendly one with introduction of film rebate scheme. This scheme will position Seychelles as a competitive and attractive destination for local and international film productions by offering rebates on qualifying production expenditure incurred in the country. We expect to have this framework in place by July 2026.

The Government is working on ‘The Venn’s Town Mission Ruins Nomination Dossier’ which stands as a flagship heritage-led initiative that demonstrates the powerful role culture plays in driving sustainable community development. The project is designed to safeguard the heritage while supporting carefully planned infrastructure enhancements that respect the site’s historical significance. This initiative will contribute to further position Seychelles as a leading destination for heritage tourism, generate economic opportunities for nearby communities, reinforce national identity and historical awareness, and enhance the country’s international visibility and prestige.

Government has included a budget of SR 10 million for the new Performing Arts Centre at Mont Fleuri. This is to be developed on the site of the former Théâtre des Palmes and marks a transformative step forward for the creative sector. A provision of SR 8.0 million has been budgeted for the construction of the new National Archives which represents a critical national investment in preserving Seychelles’ documentary heritage. Other key projects that have been included are the construction of an administration block SR 5.0 million and renovation of Grand Kaz SR 3.0 million.

21. The Fisheries and Blue Economy Sectors

Madame Speaker, the fisheries sector remains a key pillar of our economy, alongside tourism. It is also a critical contributor to food security and food sovereignty. The 2026 Budget provides for the continued development of policies and strategies to sustain the fisheries sector across the artisanal, semi-industrial, and industrial segments. The Government is convinced that Seychelles can and must derive greater and fairer economic returns from its marine resources, particularly from the industrial tuna sector, and this is a priority of the current administration.

In this regard, negotiations are underway for a new fisheries access agreement, expected to be finalized in the first half of 2026, aimed at securing improved economic returns, stronger safeguards, and fair compensation for the use of our resources. At the same time, the Government will continue to promote value addition and diversification, transitioning from a predominantly primary fishing economy to a more processing-based and diversified fisheries industry. This includes support for aquaculture development, while ensuring that the artisanal and semi-industrial sub-sectors remain economically viable, competitive, and sustainable.

These economic objectives will be supported by strengthened governance and sustainability frameworks. The Department of Fisheries will review the Fisheries and Aquaculture Regulations to align fully with the Act and modernise the legal framework. In addition, key strategic instruments will be developed for this sector.

Capacity-building efforts will be expanded to support fishers, processors, and other industry participants, with the objective of positioning Seychelles as a regional centre for maritime and fisheries training, anchored by the Seychelles Maritime Academy. This will ensure that Seychellois are equipped with the skills required to fully participate in, and benefit from, a modern and sustainable fisheries economy.

Madame Speaker, complementing fisheries development, the broader Blue Economy remains a strategic priority, guided by the vision of managing our ocean and its resources sustainably for present and future generations. Through this Budget, the Department responsible for the Blue Economy will strengthen coordination of projects that support economic diversification, entrepreneurship, and innovation, promote value-added services within established sectors, and improve access to affordable financing for small businesses. Clearer policy coordination, targeted

financial initiatives, and continued support for sustainability will ensure that the Blue Economy becomes a practical driver of growth, resilience, and inclusive development.

In 2026 SFA will be implementing the following main projects:

- SR 18 million- SFA Artisanal Building
- SR 5.0 million. Anse la Mouche Fisheries facilities
- SR 5.0 million- English River Fisherman Facilities
- SR 4.7 million- Providence Pontoon
- SR 2 million- Glacis Gear Store

22. The Agricultural Sector

Madame Speaker, as the Government strengthens its efforts to enhance food security and build a resilient, sustainable, and locally driven food system, a central focus remains the transformation of the agricultural sector through technology, innovation, and improved access to finance.

In this context, Government is finalising a comprehensive review of the Agriculture Development Fund (ADF) Agreement, to better position the Fund to provide more responsive and effective financial solutions. The revised Agreement will streamline access to credit by simplifying and accelerating loan application processes, while expanding support to a wider range of agricultural activities, including hi-tech farming, value-added production, and specialised farming equipment and vehicles. This work is being undertaken in close partnership with the Development Bank of Seychelles, to ensure that ADF resources are optimally deployed to meet farmers' needs, overcome structural barriers, and accelerate growth in the sector. There are SR 76 million available at DBS for the ADF scheme. In addition, Government has provided an additional SR 30 million in the 2026 budget, which brings available resources under the ADF for the year 2026 to SR 106 million.

Madame Speaker we note, however, that the default rate on ADF loans is on the high side, which is a cause for concern. Ministry of Finance, Ministry of Agriculture and Fisheries, and DBS are in discussion to address this issue, possibly by supplementing this facility with other financing instruments.

Sustainability and cost reduction remain essential to the long-term viability of agriculture. The Government will therefore actively promote the adoption of renewable energy solutions on farms,

enabling producers to reduce operating costs while contributing to environmental protection and climate resilience. In this regard, three solar water pumps and a solar chiller are expected to arrive in the country this month under a joint cooperation project. These initiatives demonstrate the Government's commitment to integrating climate-smart solutions into agricultural production, ensuring that farmers are better equipped to respond to rising input costs and climate variability.

In addition, Government has included the following projects in the 2026 budget:

- SR 5 million to begin construction of the Union Vale Building
- SR 3 million for renovation of Praslin Offices and store
- SR 2.15 million for re-roofing at the Ex-BBC
- SR 2 million for upgrading of Irrigation Systems
- SR 2 million for construction of Abbatoir
- SR 1.8 million for renovation of the Victoria Market
- SR 1.15 million for a new block at the Seychelles Institute of Agriculture and Horticulture
- SR 1 million for construction of small market in the community
- SR 1 million for construction of new roads

Madame Speaker, in 2026 the Government will reinforce the role of the Seychelles Institute of Agriculture and Horticulture (SIAH) as a centre for practical training, innovation, and skills development. This will ensure that a new generation of Seychellois farmers is equipped with modern techniques, business skills, and technological know-how. Together, these reforms represent a decisive step towards a Seychelles that has food security, fully aligned with national development objectives.

23. Law and Order

Madame Speaker, security remains a fundamental priority for Government, as we carry the responsibility of safeguarding our citizens, the thousands of visitors who cross our shores and borders each year, and the critical infrastructure that supports our economy and national stability. For the year 2026, the Ministry of Homeland Security and Civil affairs has been allocated a budget of SR 762 million representing 7.4% of the total appropriation bill.

Madame Speaker, SR 9.2 million has been provided to support the establishment of a National Cybersecurity Council, reflecting Government's recognition of the growing importance of safeguarding our digital space. This initiative is essential to ensuring the security of government data, protecting businesses and citizens, and building national resilience in an increasingly interconnected and technology-driven environment.

The Civil Affairs Department will be upgrading the Biometric passport systems with additional functionalities. This will cost SR 1.7 million. The upgrade will enable the Department to collect and generate additional statistics which will strengthen information gathering capabilities as well as to enrolment of citizens in the diaspora.

Madame Speaker another important initiative Government is advancing is the modernisation of the birth registration process. Under this new arrangement, registration of newborn children will be facilitated directly at the hospital, making it more convenient, efficient, and accessible for families during an already important and delicate time. This initiative is expected to kick-start in second half of 2026 and is part of Government's broader efforts to improve service delivery and bring essential services closer to the people.

In 2026, the Government will invest SR 100 million in the following projects to strengthen law and orders;

- SR 44 million for construction of the Marine Police facilities which is ongoing.
- SR 18 million for construction of the new headquarters for the regional maritime security bodies;
- SR 16 million for construction of the new police station at Perseverance.
- SR 12 million for the second phase of the remand centre at Ile Perseverance;
- SR 3.0 million for construction of a new perimeter fencing at Seychelles prison to improve and increase security measures at the prison facility; and
- SR 2.6 million to cater for renovation works at the SFRSA headquarters.

24. Industry and Enterprise

Madame Speaker, the portfolio for Industry and Enterprise has received a budget allocation of SR 130 million for 2026. This includes SR 38 million for capital investment projects.

In the budget of Enterprise Seychelles Agency (ESA's), the government has made provisions of SR 5.0 million for the infrastructure development at the ex-playground site and SR 3.0 million for the road and pavement infrastructure at the Beau Vallon regatta site.

In terms of infrastructure to support Industry and SMEs Government has provided budget allocations for the following capital projects under Industrial Estate Authority;

- SR 13 million for infrastructure development on Eve Island
- SR 5.9 million for renovation of Micro Enterprise Centre Grand Anse Praslin
- SR 5.8 million for infrastructure development at Ile Perseverance Industrial Zone
- SR 1.7 million for renovation of pavement at Providence
- SR 1.4 million for other upgrades, reparation and construction of drains
- SR 1.4 million for redevelopment of other Micro Enterprise Centres; and
- SR 1 million for upgrading of road buffer in Zone 6

Madame Speaker, similar to the case with families affected by the CCCL explosion, Government will conduct an assessment of businesses that have not been able to fully recover from the impact of the explosion with a view to providing some form of assistance using the same mechanism as with homeowners.

As part of its support to SMEs, during the course of 2026, Government through the Ministry of Industry and Enterprises will beef up investment in the incubator program with specific support to youth and women entrepreneurs, and the financing schemes for youth including dedicating a share of the R5.0 million Seed Capital Grant to young entrepreneurs.

Madame Speaker, in a key endeavor to better support business development, a Government Business Service Centre (GBSC) will be built with funding from the UAE government. The GBSC is designed as a one-stop service hub to provide essential business-related services, support

entrepreneurship, and facilitate ease of doing business in Seychelles. The centre will compliment the Investment Portal which I will be mentioned later in my address.

25. Digital Economy

Madame Speaker, by 2028, digital resilience and technological capability will become central to national security, economic competitiveness, and public service delivery. The Government will treat cybersecurity and artificial intelligence not as optional innovations, but as strategic enablers of a modern State. Government has begun to move from fragmented digital systems towards a more secure and coordinated architecture, recognising that resilience in cyberspace is now inseparable from resilience in the real economy.

Looking ahead, we will accelerate the secure adoption of artificial intelligence and data-driven solutions across the public sector to improve decision-making, service delivery, and regulatory effectiveness. Priority will be given to the development of clear AI and data governance frameworks, the deployment of a secure Government Cloud, and the responsible use of emerging technologies in areas such as revenue administration, social protection, health, and public safety.

With a target of 75% digitalisation of Government services by 2028, an overall budget of SR 325 million has been included for the years 2026 to 2028. Government is also targeting support for local ICT firms to build domestic capacity, ensuring that digitalisation also creates opportunities for Seychellois enterprises and talent. A number of major systems are expected to start coming into service in 2026 budget.

The implementation of the Integrated Financial Management Information System (IFMIS) is progressing well and the system is currently in the User Acceptance Testing (UAT) phase. The pilot implementation of IFMIS is scheduled to commence on 1st April 2026 and will run through December 2026.

The pilot will be undertaken across selected Ministries, Departments and Agencies, Department of Lands and Housing, Department of Police, the Department of Agriculture, the Judiciary, and the Ministry of Finance, Economic Planning, Trade and Investment. Following the pilot phase, the remaining MDAs will be onboarded progressively during 2027, with IFMIS expected to be fully

deployed and operational across Government by January 2028. Allocations of SR 40 million and SR 3.7 million have been provided in the 2026 and 2027 budgets, respectively to support the continued implementation of this critical public financial management reform.

The Government is finalising the procurement requirements for the design, and implementation of a national Government e-procurement system, with the tendering process expected to be launched this year. Once implemented, the e-procurement system will enhance transparency and accountability through improved audit trails and real-time access to procurement information, reduce reliance on manual and paper-based processes, and improve efficiency, consistency, and compliance across procuring entities and ultimately delivering faster, more reliable, and more transparent public procurement outcomes.

The Seychelles Revenue Commission has been allocated SR 14 million in the 2026 budget to continue the enhancement of the Tax Management System. This investment will strengthen tax compliance, improve the accuracy and timeliness of tax administration, and significantly enhance the ease of doing business by simplifying processes and reducing administrative burdens for taxpayers.

Madame Speaker, in his State of the Nation Address President announced that Starlink will soon be coming to Seychelles. The Vice President, as Minister responsible for Telecommunication, will soon bring a paper to Cabinet, to seek approval for the licensing framework. By opening Seychelles to Starlink this will pave the way for a reduction in telecommunication charges which is another Government commitment and to contribute to the broader effort to reduce the cost of living.

26. Financial Sector

The financial services sector continues to play an important role in supporting macroeconomic stability and safeguarding Seychelles' international credibility. In January 2026, Seychelles was rated by the Global Forum on Transparency and Exchange of Information for Tax Purposes as "Largely Compliant" with the Exchange of Information on Request standard. This outcome reflects sustained efforts to address identified deficiencies through comprehensive legislative reform, including in the areas of beneficial ownership, anti-money laundering and countering the financing of terrorism, and tax administration. It also demonstrates measurable improvements in

the availability of information, supervisory effectiveness, and the practical operation of exchange mechanisms.

Building on the improved rating, we will intensify risk-based supervision, strengthen enforcement where needed, and modernise our financial sector to better serve the economy. Our objective is clear: a financial system that is internationally respected, domestically responsive, and aligned with national development priorities. At the same time, we will continue our engagement with international partners to secure Seychelles' removal from the European Union grey list and to ensure that the financial sector can fully deliver on its mandate as a catalyst for investment, enterprise, and sustainable growth under this new administration.

Madame Speaker, Government will bring clarity and focus to the respective roles of institutions supporting the non-bank financial services sector. In this regard, the Government will clearly delineate the role of the Financial Services Authority (FSA) as an independent regulator, ensuring that it remains fully focused on its core supervisory and regulatory mandate.

To strengthen the promotion and development of this sector, the Government will soon establish a Technical Committee to advise the Minister of Finance on the most appropriate structure for Seychelles to market and develop our non-bank financial services, including the offshore products. This approach will support innovation, enhance international positioning, and promote sustainable growth of the non-bank financial services sector, while preserving the integrity and independence of regulation.

In 2026, the Central Bank of Seychelles (CBS) will modernise the foreign exchange framework through amendments to the Foreign Exchange Act, in line with developments in the market since its enactment in 2009. These reforms will expand the range of institutions authorised to buy and sell foreign currency beyond commercial banks and bureaux de change to include credit unions and licensed payment service providers. By introducing greater competition in the foreign exchange market, this reform is expected to improve access, convenience, and pricing for businesses, and consumers, while supporting innovation in digital and payment services. The necessary amendments to related legislation will also be pursued to ensure these changes are implemented in a safe and well-regulated manner.

Madame Speaker, at the same time, the CBS will complete the rollout of a Central Securities Depository and a Real-Time Gross Settlement system during 2026 as part of the ongoing modernisation of the financial market infrastructure. These systems will enable faster, safer, and more reliable settlement of payments and government securities, reducing transaction risks and improving efficiency across the financial system. For businesses and investors, this will mean quicker payments, lower operational risk, and greater confidence in financial transactions, while for Government and the wider economy it will support stronger monetary policy implementation, improved liquidity management, and a more resilient and inclusive payments ecosystem.

Talking of payment settlement, Madame Speaker, I will shortly engage the CBS to begin drafting the legislative framework to introduce crypto currency in Seychelles. In this era of digitalisation, the World is moving increasingly to crypto currency as a means of financial settlement. Our digital infrastructure will also need support this endeavour. We will need to adapt our payment gateway to process numerical transaction data. We recognise that Crypto comes with certain risks, even significant ones, but Seychelles cannot afford to remain behind while the rest of the world moves forward in this field. Where there are risks, we will put in place mechanisms to manage those risks.

Madame Speaker, one of our financial system's major weakness is the lack of adequate institutions that are willing to provide micro loan and other facilities like hire purchase that go a long way to providing small loans for micro businesses or small personal loans, as well as for households seeking to purchase home appliances etc. Government is encouraged by interest shown by private operators to open such institutions and we strongly support this endeavour.

Madame Speaker, banks operating in Seychelles also need to innovate and modernize. I urge banks to move away from old-style, excessive and repeated due diligence requirements that frustrate clients and render various processes to opening an account and to securing a loan so complex. Our banks need to modernize; we need a mind-set change. I call on the Heads of the financial institutions to look beyond Seychelles and bring more modern banking services to our people. I will also engage the CBS and the Seychelles Bankers Association in a discussion around this topic. Again, Seychelles needs to evolve.

27. Trade

Madame Speaker, trade is a catalyst for wealth creation by boosting employment and income. Trade policy is a critical tool for more dynamic business opportunities while also addressing the cost of living, particularly in a small island economy that relies heavily on imports. In this regard, Government is going to engage in a number of initiatives.

Our Government will therefore continue to modernise the customs and trade facilitation framework through targeted amendments to the Customs Management Act and its supporting regulations. These reforms will further simplify procedures, improve predictability, and reduce delays and compliance costs that are ultimately passed on to consumers. These are badly needed Madame speaker, and my recent interaction with clearing agents and SRC confirm that.

In these first three months, we have started discussions with the Customs Department and Clearing Agents to introduce certain changes to customs clearance practices, particularly at the Port, in order to facilitate the clearance of priority goods such as perishables. For example, the fast-track system for perishables, which previously existed only at the airport, will be introduced at the Port this year.

Madame Speaker, speaking of the need for faster and easier clearance of goods for businesses, we should not forget the small, everyday individual or businesses who continue to struggle and get frustrated to clear small personal packages or packages destined for their business. I am pleased to announce that we are going to increase the threshold for not requiring a bill of entry and for clearing of goods received by courier companies and through the post office from SR 3,000 to SR 5,000. However, on packages above SR 3,000, VAT will continue to apply as is currently the case.

Besides the need to modernize our policy framework we also need to further modernize the digital architecture. In this regard, a provision of SR 5.7 million for the upgrade of Asycuda. By making it cheaper and faster to move goods into and through Seychelles, we will enhance, support businesses, and ensure that efficiency gains are translated in more affordable prices for households.

At the regional level, the Government continues to implement its commitments under the African Continental Free Trade Agreement, with tariff liberalisation proceeding in line with agreed schedules. These measures are intended to reduce the cost of imports from African partner states, improve supply options, and strengthen competition in the domestic market. Seychelles is also

preparing to operationalise the issuance of Certificates of Origin, which will allow exporters to benefit fully from preferential access under the Agreement. This will support diversification and regional trade, while helping to stabilise prices and reduce the cost of doing business over time.

In a new development, Madame Speaker, the Government is advancing discussions with the People's Republic of China towards a new initiative, namely the Early Harvest Arrangement, as an initial step in a broader economic partnership. This arrangement is designed to reduce tariffs on selected essential and high-volume goods, lowering input costs for businesses and helping to ease price pressures on consumers. By using trade policy strategically, the Government aims to ensure that international partnerships translate into real and measurable benefits for the population.

28. Investment and Reform to Improve the Business Climate

Improving the ease of doing business remains a priority for the Government, as we recognise that unnecessary delays and complex procedures increase costs for businesses and ultimately affect jobs and prices.

Madame Speaker, this is a line that all of us in this Assembly, hear with almost every budget speech or any investment forum. But it is now far too many times that we hear it without tangible results. Our Government is determined to change this and we will.

Madame Speaker, in a landmark endeavour to further simplify investment procedures, Government is advancing the development of the Seychelles Investment portal. This portal will serve as a one-stop digital platform, integrating key agencies involved in investment processes and approvals as well as being a platform for both domestic and international investors, to enable faster approval processes. This portal will also interface with other government portals to create a hub integrating key government services like business registration, licensing, employment, immigration, and SIB itself. The portal will be initially rolled out during the course of 2026 and a sum of SR 12 million has been included in the budget.

Madame Speaker, as part of our endeavour to attract foreign investment, Seychelles will in 2026 adopt the Global Collateral Accounts System (GCAS). GCAS is a framework that allows collateral

to be held and recognized across borders, improve the efficient use and mobility of collateral, support cross-border financial transactions, and enhance liquidity and financial stability.

The framework facilitates foreign investment as allows assets to be pledged and held in secure, internationally recognized accounts and the collateral to be enforceable across jurisdictions. For domestic financial institutions this system provides comfort to lend to international investors with a much lower degree of risk, and for the investor it gives more confidence and a stronger sense of investor protection.

In addition, the online system for company, business, and association registration is now technically ready and will be brought into operation in the first half of 2026. This system is a critical enabler of the broader investment digital portal as timely and efficient registration is the first step for entrepreneurs and investors seeking to operate in Seychelles. The Government will therefore work closely with the Office of the Registrar to ensure the swift operationalisation of this platform, so that businesses can register, comply, and commence their operations more quickly.

Madame Speaker, with the main of modernising the the Seychelles Licensing Authority (SLA), the Government is also investing in institutional capacity and systems to improve processing times and the quality of services at the SLA. In 2026, SLA will roll out the upgraded digital systems for managing vehicle-related and other licences which will reduce manual processes, improve controls, and enhance transparency. These measures are aimed at shortening processing times without compromising regulatory standards or public safety.

SLA will also strengthen service delivery through decentralisation of licensing services with new offices at Anse Royale and the Praslin VTS. This approach brings Government services closer to where people live and work, reduces congestion at central offices, and allows businesses to access essential services more efficiently.

Together with ongoing reviews of licensing legislation, enhanced inter-agency collaboration, and stronger governance frameworks, these reforms demonstrate the Government's commitment to creating a business environment that is efficient, transparent, and supportive of enterprise, investment, and job creation.

29. Policy Measures

Madame Speaker, I will now speak about new policy measures to be introduced in 2026.

29.1. Introduction of the Electronic Invoicing System

Madame Speaker, as part of the Government's commitment to fairness, integrity, and equal tax treatment we will in the second half of 2026 introduce an Electronic Invoicing System that will significantly strengthen compliance with the Value Added Tax (VAT) law. For too long, honest businesses and consumers have borne the cost of non-compliance, through fraudulent invoicing and under-payment of VAT collected from clients. Electronic invoicing will tackle this in a decisive manner and will significantly reduce opportunities for tax evasion, improve transparency, and ensure that monies that clients pay in VAT at counters, actually end up in Government's coffers and not in the pockets of businesses.

This reform, Madame Speaker, will be implemented through a phased and risk-based approach, beginning with larger VAT-registered businesses before being progressively extended to other VAT-registered taxpayers. The introduction of electronic invoicing will be supported by necessary legislative amendments, capacity building, and extensive engagement with the business community to ensure readiness and compliance. The Government will pursue this reform fairly but decisively, combining modern technology with strong enforcement to strengthen domestic revenue mobilisation, safeguard public resources, and reinforce confidence in the tax system.

In implementing this new system strong emphasis will be placed on compliance and empowerment of consumers. While it is already a legal obligation for VAT registered businesses to provide customers with a receipt this often not complied with. Under this initiative, providing a VAT receipt to customers will be a firm legal obligation; it will be enforced decisively and without compromise, and businesses who fail to comply with the requirement to provide receipt will face stiff fines.

To incentivize customers to play their role in this process, the Government will also incorporate a lottery component, for which SRC will provide further details. request receipts, the system will integrate an element of lottery . This will encourage customers to request and retain receipts for

every transaction and place consumers at the centre will place co of enforcement efforts, thereby strengthening a culture of compliance..

An initial sum of SR 38 million is budgeted for this project in 2026, with the balance in 2027 when the system becomes fully operational.

29.2. GOP Holders to Contribute to the Seychelles Pension Fund

Madame Speaker, in 2026 the Seychelles Pension Fund (SPF) will introduce an important reform that will require GOP holders to also contribute to the SPF. This initiative is practiced in many countries including Malaysia as well as several island countries with significant foreign labour force such as in the Caribbean, Cape Verde and Mauritius.

The SPF will undergo a thorough consultation process with the various stakeholders prior to implementation to ensure that inputs of stakeholders are adequately taken on board.

If all goes as planned, implementation of this initiative will begin in the second half of the year.

29.3. GOP Holders to maintain bank accounts in Seychelles

Madame Speaker, in the context of the policy that I just introduced regarding the requirement for GOP holders to contribute to the Seychelles Pension Fund, Government is also going to introduce a legal requirement for all GOP holders in Seychelles to be paid through an account that they have to open with a local bank.

29.4 Tax on Non-domestic suppliers of Digital Services to Residents

Madame Speaker, through digitalization the World has become more globalized than ever before, and global online providers of goods and services are now able to sell their products across the globe through digital gateways. This has allowed these online goods and service providers to significantly increase their client base, boosting e-commerce significantly.

In the process this has also allowed countries to broaden their tax base by taxing online providers of goods and services. During 2026, Government will assess the Seychelles' legal framework and the feasibility and implications of introducing such a tax, as well as what would be the right timing, if and when we could introduce a digital tax on online business with Seychelles.

29.5. Review on Policy covering Super Yachts

Madame Speaker, the super yacht industry has grown significantly in Seychelles in recent years and continues to grow, in the process contributing to a higher revenue and job creation. However, the current policy, does not allow super yachts to re-enter Seychelles before three years have elapsed. This is not aligned with practices in the majority of jurisdictions. There are also certain shortcomings regarding VAT treatment, which differ from practices in other jurisdictions.

Ministry of Finance and the Customs department will engage with the industry to review and where needed propose amendments to the legal frameworks to bring it in line with standard international practices.

29.6. Legislative framework for a Seychelles Sovereign Investment Fund

Madame Speaker, in order to strengthen fiscal resilience, safeguard intergenerational wealth, and support strategic national investments, the Government will establish a Seychelles Sovereign Investment Fund (SSIF). The SSIF will be created as an investment vehicle for Government and will be established under a legal framework, and will operate in accordance with the highest standards of transparency, accountability, and sound governance, aligned with internationally recognised best practices for sovereign investment funds.

The SSIF will serve as a long-term instrument to support investments in priority areas that advance Seychelles' sustainable development objectives for present and future generations, protect national wealth, and contribute to enhance macro-fiscal stability.

My ministry will soon bring a paper for consideration of Cabinet for the creation of this Investment Fund.

29.7. Revision of Legal Framework on Mergers and Acquisitions

Madame Speaker, the current legal framework for treatment of mergers and acquisition under the Fair Trading Act, 2022 in its current form represents a major hindrance and risk for foreign investment in Seychelles. There are several major flaws in this framework that we need to urgently rectify.. The main concern is that any merger above SR 10 million must be approved by FTC, and in the process can take up to four months. Moreover, even if the FTC agrees to the merger, the case must still go before the Fair Trading tribunal for approval which is another lengthy procedure whereas normally a case should go before a tribunal only if there is an appeal. Our laws treat

mergers and acquisition in a very general way, and at a fairly low threshold of SR 10 million. Third, the time provided to approve a merger/acquisition by FTC is excessively long—120 days i.e. 4 months. Fourth, despite FTC providing a recommendation , a case still has to be referred to the Fair Trading Tribunal for approval, another lengthy process, whereas a case is usually referred to a tribunal in the event of an appeal.

Madame Speaker, to rectify this, I will also be bringing proposals to Cabinet to amend this law and modernize our legal framework.

29.8 STC will add 12 New Products to the list of Essential Commodities

Madame Speaker, on February 15, the Seychelles Trading Company will add twelve additional products to its list of essential commodities. STC will soon provide further details.

29.9. Consideration to introduce Maximum Retail Prices on selected Essential Commodities

Madame Speaker, in the context of its macro-economic reform program in 2008, price control was completely abolished in Seychelles. Since then, prices including of essential commodities, have risen year by year and today some pockets of our society continue to struggle daily to afford even the most basic commodities. The same has happened Worldwide and in response some countries like China and India, as well as nearby Mauritius, have re-introduced price control on very selected categories of commodities, depending on the importance of these items in the consumption basket of their population.

Having given consideration to the current context in Seychelles where prices of basic commodities continue to rise despite various efforts, our Government will introduce a Maximum Retail Price (MRP) on a very selected number of essential commodities to bring relief to our people.

Madame Speaker, our Government remains steadfastly committed to a free-market economy. However, we need to put our people first and we will take tough decisions when we need to. The current situation calls for such actions and we will implement them accordingly. Government will provide more details in due course . For now, I will just reassure the trading community that this decision will only apply to a very limited number of the most basic commodities.

29.10. Addressing High Bank Interest Rates

Madame Speaker, as alluded by President Herminie during his first SONA, the Ministry of Finance has entered in discussions with the publicly owned banks with a view to relook at the policy of those banks towards interest rates. We are encouraged by recent decreases by our banks especially on foreign currency loans. However, interest rates on rupee loans—for which the large majority of Seychellois individuals and businesses borrow—remain too high and not conducive to economic growth.

We recognize that as a Government we cannot directly interfere with interest rates as a matter of broader monetary policy. However, we will engage our two banks to review their policy on spreads between deposit and lending rates with a view to making interest rate more affordable.

We will also enter into discussions with the Development Bank of Seychelles (DBS). The current interest rate policy of DBS leads to lending rates that are higher than rates at commercial banks, though it has to be recognized that DBS lend to more risky sectors than commercial banks. Nonetheless, DBS needs to also contribute to the efforts to bring down lending costs.

Madame Speaker, our Government will also engage with the Central Bank and the Seychelles Bankers association on their policies on bank charges. Across various parts of the World from emerging to advanced economies, charges on some types of bank products are subject to some form of regulation. Seychelles should be no exception and we will work with the regulator with a view to have a fairer deal for customers.

30. Conclusion

Madame Speaker, as I hope you, members of the National Assembly and all Seychellois have listened to the 2026 Budget address, I hope that it has lived up to its theme of *A Budget for Many, not the few*. I am confident that this budget as its implemented, will bring about an improvement in the lives of the Seychellois people, and the business community.

Before I proceed, I wish to take a moment to acknowledge the dedication and sacrifice of our public officers, especially the staff of the Ministry of Finance, Economic Planning, Trade and Investment who continue to serve this nation with commitment and resilience.

Every day, Public Officers, work under increasing demands and high expectations from the public, often in challenging circumstances, yet they remain at the forefront of delivering essential services to our people. Their contribution is the backbone of Government's ability to function effectively and to meet the needs of our citizens. It is therefore only right that we recognise, support, and value the role they play in building and sustaining our country.

I also want to convey my appreciation to our President, Vice-President, Principal Minister and all my colleague ministers and their staff for their support.

With this, Madame Speaker, I will like to thank all members for their attention and I recommend the National Assembly's approval of the Appropriation Bill 2026 for a budget of SR 11,842,682,521 and to authorize spending from the Consolidated Fund for the year 2026.

Thank you Madame Speaker