

REPUBLIC OF SEYCHELLES

2027 BUDGET

ASSUMPTIONS AND OBJECTIVES OF THE 2027 BUDGET

PART 2

Ministry of Finance, Economic Planning, Trade & Investment

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SECTION 1

Budget Speech

Ladres Bidze 2027

GOUVERNMAN SESEL

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Dan Lasanble Nasyonal Sesel

Ile Du Port, Victoria, Mahe, Seychelles

Zedi le 12 Novanm 2026

Madanm Spiker,

Lider Lopozisyon,

Lider Zafer Gouvernman,

Manm Onorab Lasanble Nasyonal

Tou dimoun a lekout,

Bonzour.

1. **Lentrodiksyon**

"En Bidze Pou Akseler Krwasans e Protez Nou Aki Sosyal"

Madanm Spiker, senkant an apre lendepandans, Sesel i en legzanp ki en pti leta zil i kapab akonplir atraver vizyon, perseverans ek lenvestisman dan son pep. Nou pei in evolye koman en zenn nasyon ki ti pe konsantre lo satisfer bezwen debaz son pep, pou vin en lekonomi avek en reveni eleve, progre enportan dan domenn sosyal, lenfrastriktir modern, e en langazman anver proteksyon lanvironnman ki ganny rekonnet enternasyonalman.

Me nou listwar i al pli lwen ki senpleman bann endikater ki met nou premye ou parmi bann premye lo kontinan Lafrik. I sa menm listwar ki'n permet annan plis loportinite pour nou pep, bann lenstitisyon modern, e en lekonomi pli solid pour fer fas avek bann sok e sirkonstans ki kontinyen evolye.

Madanm Spiker, ozordi mon prezant bidze pour lannen 2027 anba tenm "**En Bidze pou Akseler Krwasans e Protez Nou Aki Sosyal**", en tenm ki reflekte en krwasans soutenab diran mwayen e lon-term. En krwasans akselere non selman akoz amelyorasyon dan kondisyon lekonomi mondyal, me an rezilta en meyer nivo prodiktivite e efikasite atraver reform enportan dan lanvironnman biznes. Plis krwasans ava tradwir dan plis lanplwa e plis larises pou nou pep. E nou pou kontinyen partaz sa larises dan en fason ekitab ki karakteriz lideolizi nou Gouvernman.

Sa bidze i pran konman son pwen depar bann konsern ki popilasyon e kominote biznes i partaz avek nou toulezour: kou pour pran swen avek en fanmir, trouv en bon travay, akse avek lozman e kalite bann servis piblik e kontrent e kou pou fer biznes.

Pour en zenn ki pe kit lekol, progre ekonomik i vedir en vre loportinite pour travay e devlop son kapasite.

Pour en paran, i vedir plis konfyans dan son kapasite pour reponn bezwen son fanmir.

Pour en dimoun ki annan en biznes, i vedir abilite pou envestir, anploy dimoun e agrandi son biznes.

Pour nou bann pansyonner, i vedir viv dan dignite e sekirite.

Nou responsabilite se konstrir en lekonomi ki kree sa bann loportinite, avek zesyon finans piblik ki kapab soutenir zot.

Madanm Spiker, sa bidze i annan de priyorite: premyerman akseler reform dan klima lenvestisman pour ogmant prodiktivite, lefikasite e anmenn en akselerasyon dan krwasans ekonomik. Dezyenmman mentenir sipor pour nou popilasyon, notaman bann zenn e bann ki pli vilnerab, atraver bann progranm pour met plis dimoun, sirtou zenn dan lanplwa e nou bann progranm sosyal pou siport bann ki pli vilnerab.

Madanm Spiker, atraver bidze 2027 nou Gouvernman pou kontinyen priyoritiz lefikasite depans piblik e disiplin fiskal. I enportan ki nou trouv en bon balans ant devlop nou pei e gard nou finans ek det lo en nivo soutenab.

Osi Madanm Spiker, pri lavi i reste enn nou bann pli gran defi e i bezwen reste en priyorite nou Gouvernman pou kontinyelman adres sa konsern.

Sikse sa bidze pa pou ganny mezire zis par alokasyon resours, me par rezilta ki a ganny akonplir.

2. Performans Ekonomik Sesel

Madanm Spiker, lanvironnman ekonomik mondyal an 2026 in enn ki'n partikilyerman difisil, an gran parti akoz konfli dan Mwayenn Oriyan e son lenpak lo pri karbiran, enteripsyon dan larive tourizm e dan komers e lasenn distribisyon. Krwasans ekonomik mondyal i ekspekte ralanti sorti 3.1 poursan an 2025 pou vin 2.8 poursan an 2026, anmenmtan ki presyon lenflasyon i reste eleve. Menm si krwasans mondyal i prozekte pou rekipere a anviron 3 poursan an 2027, lensertitid i reste.

Malgre sa bann defi, lekonomi Sesel in kontinyen demontre rezilyans. Krwasans dan prodwi domestik brit reel (real GDP) pou 2026 i aprezan estimen a 1.0 poursan, en pti pe par lao sa 0.8 poursan ki ti'n prozekte pandan revi milye lannen. Lakantite viziter i ekspekte redwir par apepre 6 poursan an 2026. Kantmenm sa, reveni tourizm in ariv apepre 924 milyon dolar ameriken pandan premye nef mwan 2026, ki reprezant en logmantasyon 7 poursan konpare avek menm peryod an 2025. Sa i prensipalman an rezilta performans for dan sekter tourizm konpare ek lannen pase.

Pour 2027, nou pe prozekte en rekiperasyon dan aktivite ekonomik, avek en krwasans GDP reel 4.1 poursan, konpare avek 1.0 poursan estimen an 2026. Sa rekiperasyon pou an rezilta en amelyorasyon dan kondisyon ekonomik enternasyonal, en rediksyon modere dan pri karbiran ek transpor, e en rebondisman dan aktivite tourizm. Lakantite viziter i prozekte pou ogmant par 7 poursan an 2027. Toutfwa, sa i pou osi depan lo konteks zeopolitik enternasyonal. Dan mwayen term, lekonomi Sesel i prozekte pou agrandi par 3.1 poursan an mwayenn par an. Rekiperasyon i ekspekte an rezilta performans pozitiv plizyer sekter nou lekonomi.

Sekter konstriksyon i prozekte pou agrandi par 6 poursan, siporte par repriz bann proze ki'n eskperyans retar dan lenplimantasyon an 2026. Lagrikiltir i ekspekte agrandi par 3 poursan, tandis ki sekter finansyel i prozekte pou agrandi par 5 poursan. Sekter teknolozi lenformasyon ek kominikasyon pou reste en kontribiter kle, avek en prozeksyon krwasans 8 poursan an 2027, siporte par logmantasyon dan nimerizasyon e plis konpetisyon dan telekominikasyon, swivan laprouvasyon laysens en trwazyenm operater servis telefonn mobil.

Madanm Spiker, bidze 2027 i met lanfaz partikilye lo reform adisyonnel pou anmenn en klima lenvestisman pli favorab e dinamik. Sa a osi permet nou ogmant prodiktivite e anmenn plis efikasite dan servis piblik. E sa ava ganny konplimante par nou progranm sosyal pou siport bann ki pli vilnerab.

3. Revi lo Performans Fiskal an 2026

Madanm Spiker, malgre lanvironnman ekonomik difisil an 2026, Gouvernman i ekspekte fini lannen avek en sirplis bidzeter SCR 29.3 milyon, konpare avek SCR 17.9 milyon ki ti'n prozekte pandan revi bidze milye lannen. Sa i reflekte nou zefor kontinyel pou mentenir disiplin fiskal, anmenmtan ki nou reponn a bann presyon ekonomik e sosyal.

Reveni total, enkli don, i estimen a SCR 12.1 bilyon pou 2026, ekivalan a 35 poursan GDP. Sa i reprezant en rediksyon SCR 182.6 milyon konpare avek bidze orizinal, menm si krwasans ekonomik i bokou pli ba ki ti'n inisyalman ganny prozekte. Reveni taks i estimen a SCR 10.3 bilyon, ki reprezant 30 poursan GDP. Sa i en logmantasyon SCR 435.1 milyon, oubyen 4.4 poursan, konpare avek koleksyon taks aktyel an 2025.

Depans san lentere lo "lón" pour 2026, i prozekte a SCR 12.1 bilyon, en logmantasyon SCR 483.7 milyon konpare avek bidze orizinal. Sa logmantasyon i reflekte an gran parti sipor finansyel adisyonnel ki Gouvernman in donn Air Seychelles, STC e sekter lagrikiltir pandan revi bidze milye lannen. Sa bann lentervansyon ti neseser pou ede minimiz lenpak kriz Mwayenn Oriyan.

Det piblik a lafen Septanm 2026 ti SCR 17.7 bilyon, ekivalan a 51 poursan GDP. Sa i konpar avek SCR 17.9 bilyon an Septanm 2025 ki ti reprezant 53 poursan GDP.

Madanm Spiker, leksperyans 2026 in demontre lenportans mentenir sifizaman lespas fiskal pou reponn a bann sok ekonomik san ekspekte, tout an sofgardan soutenabilite finans piblik. Anmezir ki nou bouz dan 2027 e dan mwayen term, nou Gouvernman pou mentenir disiplin fiskal, ranforsi koleksyon reveni, e asire ki resours disponib i al ver bann lenvestisman priyoriter ki siport prodiktivite, kreasyon lanplwa e krwasans ekonomik.

4. Bidze 2027 e Performans Fiskal dan Mwayen Term

Madanm Spiker, bidze 2027 e perspektiv fiskal pour peryod 2027-2029 in ganny prepare prenan kont bann priyorite devlopman nasyonal e lanvironnman ekonomik global. Sesel pe fer fas avek en bezwen lenvestisman sibstansyel dan bann lenfrastriktir kritik. Sa bann lenvestisman i esansyel pou amelyor servis piblik, ranforsi konpetitivite ekonomik e siport krwasans soutenab. Sepandan, nou bezwen trouv en bon balans ant nou lanbisyon devlopman avek zesyon fiskal e soutenabilite det a lon-term.

Pou kontinyen envestir dan lenfrastriktir e an menm tan asire ki nou annan ase lespas fiskal pou nou bann programm sosyal, nou Gouvernman pou met lanfaz lo bann laranzman finansyel alternativ e inovativ, enkli plis partisipasyon sekter prive, dan bann gran proze lenvestisman piblik.

An menm-tan Madanm Spiker, nou lapros anver zestyon det piblik i bezwen al pli lwen ki senpleman nivo det piblik limenm. Menm si nou prozeksyon 'debt to GDP ratio' i lo trazektwar pou akonplir nou target 50 poursan dan mwayen term, nou osi santi ki le moman i apropriye pou konsider lezot paramet pou etabli nivo debt ki ganny konsidere soutenab. Fon Monneter Enternasyonal (IMF) i partaz nou pwenn-vi.

Bidze 2027 i fer provizyon pou en sirplis bidzeter SCR 167.9 milyon, ekivalan a 0.5 poursan GDP. Nou lobzektif i pou mentenir en sirplis bidzeter 0.5 poursan GDP pandan peryod 2027-2029. Sa i ava kree lespas fiskal pou siport bann priyorite devlopman nasyonal e mentenir soutenabilite nou kad bidzeter.

4.1. Koleksyon Reveni pour 2027

Madanm Spiker, i enportan pou fer resorti, ki bidze 2027 pa pe propoz lentrodiksyon nouvo taks ou logmantasyon dan to taks ki egziste. An plis ki logmantasyon an rezilta krwasans ekonomik, Gouvernman pou plito konsantre lo ranforsi koleksyon reveni atraver en ladministrasyon taks pli efikas an menm tan ki nou konsolid lenplimantasyon reform dan sistenm taks.

Pour 2027, reveni total enkli don, i prozekte a SCR 12.9 bilyon, en logmantasyon SCR 754.2 milyon, swa 6 poursan konpare avek bidze revize 2026. Reveni taks i ekspekte ariv SCR 10.9 bilyon, ki reprezant 86 poursan total reveni ek don. Sa i osi reprezant en logmantasyon SCR 704.9 milyon, apepre 7 poursan, konpare avek bidze revize 2026.

Taks lo valer azoute (VAT) i reste en sours mazer reveni Gouvernman, avek koleksyon prozekte a SCR 3.8 bilyon an 2027, ekivalan a 10.2 poursan GDP e apepre 35 poursan reveni taks. Sa i reprezant en logmantasyon 8.7 poursan konpare avek estimasyon lafen lannen 2026. Sa logmantasyon ki nou pe prozekte pou prensipalman an rezilta rekiperasyon dan performans nou lekonomi, e lenplimantasyon sistenm ‘E-invoicing’.

Reveni ‘Business’ taks i prozekte a SCR 2.7 bilyon, ekivalan a 7 poursan GDP. Sa i reprezant en logmantasyon SCR 152.5 milyon, swa 6 poursan, konpare avek 2026, siporte partikilyerman par

amelyorasyon kontinyel dan performans ensi ki lagrandisman sekter servis finansyel, notaman ‘securities dealers’.
Reveni sorti dan taks lo saler ek benefis non-monneter i prozekte a apepre SCR 1.7 bilyon, ki reprezant en logmantasyon 8 poursan konpare avek estimasyon lafen lannen 2026. Sa i reflekte rekiperasyon antisipe dan aktivite ekonomik, partikilyerman dan sekter tourizm e amelyorasyon dan bann lezot sekter kle lekonomi.

Madanm Spiker, reveni non-taks pour 2027 i prozekte a SCR 1.6 bilyon, en logmantasyon SCR 246.7 milyon, ou 18 poursan konpare avek bidze revize 2026.

En porsyon enportan sa logmantasyon i atraver ‘dividends' peye par bann lantrepriz piblik ki prozekte pou ogmante par SCR 230.4 milyon konpare avek 2026. Parey mon ti eksplike pandan revi bidze milye lannen, Gouvernman ti fer en desizyon pou SEYPEC retenir sa sonm ki i ti pou pey Gouvernman koman dividend an 2026, pou permet li minimiz lenpak logmantasyon dan pri karbiran.

4.2. Labaz Depans Gouvernman

Madanm Spiker, Gouvernman pe propoz en ‘Appropriation Bill’ avek en depans total SCR 12,855,170,854, pou bidze 2027.

Depans dan bann byen e servis i prozekte pou ariv SCR 4.5 bilyon, e sa i kontinyen reprezant pli gran proporsyon bidze, apepre 35 poursan.

Sepandan, enn bann karakteristik pli enportan dan bidze 2027 i logmantasyon dan depans lenvestisman, ki ganny prozekte pou ariv SCR 1.6 bilyon. Sa i reprezant en logmantasyon SCR 334.9 milyon, oubyen apepre 26 poursan konpare avek bidze revize 2026.

Madanm Spiker, bidze 2027 i osi fer provizyon pou en logmantasyon enportan dan alokasyon reminerasyon ek saler, ensi ki bann benefis e programm ki ganny administre par Lazans pou Proteksyon Sosyal (ASP). Alokasyon pour reminerasyon ek saler pe ogmante par SCR 309.4 milyon, tandis ki benefis e programm aprouve anba ASP pou ogmante par SCR 258.4 milyon konpare avek bidze revize 2026.

Sa bann alokasyon i reflekte langazman kontinyel Gouvernman pou ranforsi servis piblik e siport bann programm proteksyon sosyal, tout an asiran ki depans i reste konsistan avek nou bann lobzektif fiskal a mwayen term.

4.3. Reminerasyon ek Saler

Madanm Spiker, pour 2027, en total SCR 4.2 bilyon, ekivalan 11 poursan GDP, in ganny prozekte pour reminerasyon ek saler.

Aparti, le premye Zanvye 2027, Gouvernman pou donn bann profesyonnel ‘allied cadre’ dan sekter lasante, menm striktir gratwite ki aktyelman aplikab pour bann ners ek dokter. Sa mezir i ekspekte kout apepre SCR 5.9 milyon an 2027 e i an rekonnesans kontribisyon enportan sa bann profesyonnel dan livrezon servis swen lasante.

Gouvernman pou osi reviz 29 kad saler ki pou pran lefe le premye Zilyet 2027, pour en valer SCR 43.3 milyon. Sa bann revizyon pou enkli plizyer kad tel ki ‘office assistants’, drayver, ‘housekeeper’, ‘procurement’ e ‘accounting’, parmi lezot.

5. En Lekonomi pli Prodiktif: Lanplwa ek Loportinite

5.1.Marse Lanplwa

Madanm Spiker, an 2027, Gouvernman in fer provizyon bidzeter SCR 64.1 milyon pour Minister Lanplwa ek Planifikasyon Resours Imen.

Plizyer reform enportan dan domenn lanplwa i ekspekte an 2027. Dan premye kar 2027, en nouvo lalwa lanplwa pou ganny anmennen devan Lasanble ki annan pour bi moderniz bann lankadreman ki gouvern relasyon ant anplwayer ek anplwaye, zot drwa ek zot lobligasyon.

Nouvo polisi nasyonal lo migrasyon travay pou soutenir en sistenm pli byen zere, ekitab e enklizif. I pou ranforsi ranplasman progresif bann travayer etranze par bann Seselwa dan bann pos kot sa i aplikab, avek bann direksyon kler pour devlopman karyer ek preparasyon bann Seselwa pour pran sa bann responsabilite kle. Sa polisi i osi promouvwar bann kondisyon travay pli konvenab pour tou travayer.

Madanm Spiker, revizyon dan sistenm kota pour rekritman bann travayer etranze pou antre an viger an 2027. Dernyen revizyon kota ti ganny fer an 2016. Sa nouvo sistenm kota i met lanfaz lo lefe ki rol bann travayer etranze se pou konplimant lafors travay lokal olye ranplas li. Bann nouvo konponan dan sa revizyon i osi enkli:

- **Kota baze lo proze**, pour bann biznes ki’n ariv lo zot limit kota e ki bezwen bann travayer adisyonnel pour en proze spesifik.
- **Kota permi travay (GOP) baze lo metye**, pour bann sekter ki pe fer fas avek en mank konpetans konsiderab.
- **Kota fleksib**, pour bann biznes ki kalifye.

Progranm Devlopman Konpetans (SDP) pou kontinyen soutenir bann zenn ki napa ase konpetans ek leksperyans travay pour ganny en lanplwa permanan.

Madanm Spiker, nouvo Plan Nasyonal Resours Imen 2027–2031 pe ganny devlope. I pou konmans ganny enplimante dan dezyenm kar 2027, avek bi donn gidans bann lenstitisyon edikasyonnel ek formasyon pour pli byen adapte zot bann progranm avek bann bezwen pei ek bann anplwayer.

Avek bi asire ki bann servis lanplwa i vin pli aksesib, en alokasyon SCR 3.5 milyon in ganny fer pour finans premye faz sistenm lenformasyon ek servis laplikasyon ‘online’. Bann servis pou enkli lanrezistreman dimoun ki pe rod travay ek bann pos ki pa pe ganny okipe, bann legzersis similasyon lantretyen travay, ek lanrezistreman lo bann progranm lanplwa. Sa sistenm pou osi nimeriz bann prosedir entern minister e fasilit swivi ek finalizasyon bann laplikasyon.

5.2. Lendistri, Lenvestisman e Antreprenarya

Madanm Spiker, nou Gouvernman i krwar dan kapasite antreprener Seselwa pour prodwir bann keksoz de kalite ki kapab fer Sesel fyer. Se dan sa lespri ki kanpanny "Aste Lokal" pou kontinyen, e plis zefor pou ganny fer atraver progranm branding "Seychelles Made" pour met an valer nou bann prodwi lokal.

Bidze Portfolyo Lendistri e Lantrepriz an 2027 in fer provizyon pour sa bann proze swivan:

- SCR 12 milyon pour soutenir dezyenm faz devlopman lenfrastriktir lo zil Eve, Praslin,
- SCR 3.5 milyon pour bann travay lenfrastriktir semen dan Perseverance,
- SCR 3.0 milyon pour renovasyon ek modernizasyon Camion Hall,
- SCR 2.8 milyon pou devlopman Vilaz Lantrepriz Anse Royale,
- SCR 2.8 milyon pou renovasyon ek amelyorasyon bann sant lantrepriz,
- SCR 2.8 milyon pour bann travay lenfrastriktir lo semen Daroa, Providans,
- SCR 2.5 milyon pou finans bann travay larpantaz ek preparasyon en plan devlopman pour Lotorite Zón Endistriyel,
- SCR 2.5 milyon pour amelyor drenaz kot 'Marine and Auto Industrial Park',
- SCR 1.2 milyon pou ganny envesti ant STAR Seychelles ek Aqua Glass,
- SCR1.2 milyon dan lezot travay drenaz, enkli dan rezyon Taylor Smith, e
- SCR 759 mil ver renovasyon sant pour bann pti e mwayen lantrepriz lo ansyen sit STC, Grand Anse Praslin

Bidze 2027 i fer en alokasyon SCR 38 milyon anba 'SMEs Scheme'. Avek realite lekonomi, Gouvernman in vwar li neseser pou ogmant akse avek finans pou plis pti biznes anba skim lón SME. Bann propozisyon ki dan staz final e pou byento pas devan Konsey Minis i enkli revwar bann kriter pou kalifikasyon anba sa skim pou ki plis biznes i kapab benefisye, ogmant sonm maksimonm lón pou ariv SCR 5.0 milyon sorti SCR 3.0 milyon.

Madanm Spiker, Gouvernman pou osi redwir to lentere e nou pou ogmant peryod repeyman sa bann lón avek bi pou redwir nivo repeyman ki bann benefisyer sa skim i bezwen fer tou le mwan. Bann benefisyer egzistan pou kapab osi restriktir zot lón pou aplik sa bann nouvo term e osi benefisye en rediksyon dan nivo repeyman.

Bann gran proze lenvestisman

Madanm Spiker, Sesel i kontinyen atir lenvestisman etranze. Pandan 2026 noun vwar realizasyon plizer gran proze lenvestisman tel ki proze 'Villa Michel Reybier' lo Praslin tandis ki bann

lenvestisman tel ki proze 'Melia Resort' i kontinyen progrese. An 2027 nou ekspete vwar lansman travay pou proze 'ex-Reef hotel'. Noun deza ganny plizer kontak avek lenvestiser ki enterese devlop proze lotel e villa odganm lo 'Ile Aurore'. Avek proze konblaz noun deza ganny aprose par plizyer gran lenvestiser ki'n montre lentere pou devlop sa bann later e zil ki nou pe konble.

Entrodiksyon Bord Devlopman Sesel (Seychelles Development Board)

Madanm Spiker, an 2027, Minister Lenvestisman pou entrodwir mezir adisyonnel pou amelyor klima lenvestisman.

Premyerman, pou rann bann letap e prosedir fer biznes vin pli efikas e rapid, en nouvo striktir pou ganny kree ki pou anmenn en nonm antite piblik lye a lenvestisman anba en sel striktir ki nou pou apel 'Seychelles Development Board' (SDB). Konsiltasyon ant Minister Lenvestiman ek lezot Minister e Lazans ki pou tonm anba SDB pou ganny fer boner an 2027 swivi par kad legal e operasyonnalizasyon.

Sa model Bord Devlopman i menm model ki'n ganny adopte dan bann pti pei emerzan tel ki Sengapour, Moris, Rwanda e Estoni e ki'n kontribye pou anmenn amelyorasyon enportan dan lanvironnman biznes.

Sistenm Santralize pour Verifikasyon

Madanm Spiker, enn bann kontrent mazer ozordi ki retard biznes dan bann tranzaksyon finansyel se dele letan souvan long, ki biznes osi ki endividi i fer fas avek. Enn bann rezon pou sa se ki sistenm verifikasyon par bann lenstitisyon i pa entegre e souvan lenformasyon i disperse. Osi diferan lenstitisyon i servi diferan sours lenformasyon. Serten pei, enkli bann pti pei tel ki Sengapour, in sirmont sa defi par entrodwir en sistenm verifikasyon santralize. Konsey Minis in aprouv prensip pou Sesel osi adopte en tel sistenm santralize. Travay pou met sa sistenm an plas pou komanse boner 2027.

Revi Kad Legal Lenvestisman

Madanm Spiker, touzour dan zefor pou moderniz nou lankadreman lenvestisman, an 2027 Gouvernman pou antreprann en revizyon dan kad legal ki kouver lenvestisman. Sa i enkli Seychelles Investment Act (2010) e son bann regilasyon. Serten restriktirasyon dan bann lenstitisyon ki gouvernn lenvestisman in deza konmanse, ki mye defini rol Minister responsab pou Lenvestisman e Bord Lenvestisman pou Sesel (SIB).

5.3. Lekonomi Nimerik

Madanm Spiker, transformasyon nimerik i reprezant en zouti enportan pou diversifye nou lekonomi, amelyor prodiktivite e kree nouvo loportinite pou nou pep, partikilyerman nou zenn zenerasyon.

An 2026, Sesel ti konplet son Stratezi Nasyonal Nimerik e Lentelizans Artifisyel pour peryod 2026-2031. An 2027, Gouvernman pou bouz ver enplimantasyon sa stratezi.

Madanm Spiker, en priyorite kle pou modernizasyon servis piblik se atraver lentrodiksyon bann servis nimerik. Pandan 2027, Gouvernman i ekspekte entrodwir plizyer nouvo servis nimerik tel ki:

- lanrezistreman biznes ek lakonpannyen
- lanrezistreman ek laplikasyon later
- laplikasyon pour permi travay
- servis lapolis e
- student laptop scheme

Travay pou osi kontinyen pou moderniz sistenm 'licensing' trafik, amelyor platform SeyID e entrodwir nouvo sistenm pour zesyon resours imen sekter piblik.

Pou siport sa bann devlopman, Gouvernman pou komans lenplimantasyon proze ‘Cloud and Data Centre’ an 2027, avek finansman Labank Mondyal. Sa lenvestisman pou fourni en lenfrastriktir modern e sekirize pou abrit bann servis nimerik Gouvernman, anmenmtan ki i permet en pli gran lentegrasyon e konsolidasyon bann sistenm teknolozi lenformasyon ki egziste. En montan SCR 59.1 milyon in ganny bidzete an 2027 pour sa proze, ki ekspekte vin konpletman operasyonnel an 2028.

Madanm Spiker, an 2027, DICT pou fer avanse bann linisyativ ki annan pour bi amelyor kalite e abordabilite bann servis 'broadband', ranforsi ‘digital literacy’ e ankouraz plis adopsyon bann teknolozi nimerik par bann pti e mwayen antrepriz.

Anmezir ki nou pei i vin pli depandan lo bann teknolozi nimerik, protez nou sistenm lenformasyon i egalman enportan. Gouvernman ti konplet stratezi nasyonal ‘Cybersecurity’ 2027-2031 an 2026. Pandan 2027, priyorite pou ganny donnen pou ranforsi kapasite sirveyans ‘cybersecurity’ Gouvernman, pe osi ranforsi lekip nasyonal repons dirzans konpiter, antreprann en evalyasyon risk ‘cyber’ nasyonal e komans travay lo en nouvo lalwa ‘cybersecurity’.

Madanm Spiker, nou lobzektif se pou batir en lekonomi nimerik ki enklisiv, sekirize e aksesib pou tou Seselwa.

5.4.Sekter Tourizm

Madanm Spiker, tourizm i reste pilye kle nou lekonomi. Nou lanbisyon se pour sak vizit, Sesel i ofer en leksperyans eksepsyonnel e anmenn plis reveni e benefis pour nou pep.

Pour amelyor kalite nou bann prodwi ek servis, SCR 2.2 milyon in ganny prevwar an 2027 pour lenspeksyon, klasifikasyon ek programm "Sustainable Seychelles". Sa pou enkli lentrodiksyon evalyasyon kalite servis dan nou programm klasifikasyon. Avek en alokasyon SCR 3.2 milyon, programm lospitalite lafyerte Sesel pou ganny revwar apre senk an legzistans, avek bann sesyon formasyon adapte avek bann bezwen lendistri.

Governman pou osi met lanfaz lo devlopman ek retansyon bann travayer kalifye, e ranforsi kolaborasyon ant bann profesyonnel lendistri ek Lakademi Tourizm Sesel pour partaz zot

lekspertiz avek bann etidyan. Pour lannen 2027, SCR 11.4 milyon pou al anver devlopman fasilite lenfrastriktir kot lakademi, pour ofer bann etidyan ek lenstrikter dan lar kiliner bann fasilite modern.

En lot SCR 3.9 milyon in ganny prevwar pour reviz bann polisi ek regilasyon kle, pou ankouraz plis lenvestisman ek inovasyon dan sa sekter.

Madanm Spiker, Bord Tourizm Sesel, STB, ki'n ganny reetabli anba *Seychelles Tourism Board Act 2026*, an 2027 pou antre dan son premye lannen konplet konman en lenstitisyon separe. Pour 2027, STB pou resevwar en alokasyon SCR 117.1 milyon, en logmantasyon SCR 35.8 milyon konpare avek bidze revize 2026.

Madanm Spiker, STB i annan en rol enportan pou konsolid prezans Sesel dan nou bann marse kle, enkli Lerop, e diversifye demann atraver lezot rezyon, segman ek sezon. Sa travay pou swiv direksyon nasyonal "Higher Value, Lower Impact" set a dir plis valer ekonomik avek mwens lenpak lo nou lanvironnman.

Madanm Spiker, dan nou zefor pou diversifye lekonomi, Minister Tourizm, Lenvestisman, Transpor e Later, in komans konsiltasyon avek sekter prive pou develop aktivite 'super-yacht' dan Sesel. Lendikasyon ki nou'n gannyen a traver sa bann konsiltasyon i ki Sesel i annan gran potansyel pou develop sa aktivite lo en pli gran lanpler.

5.5.Sekter Finansyel

Madanm Spiker, sekter finansyel i kontinyen prezant gran loportinite pou lenvestisman, lanplwa e krwasans ekonomik. Nou lobzektif se pou asir devlopman sa sekter. Pour siport sa zefor, an 2027 Gouvernman pou etablir en Departman Sekter Finansyel dan Minister Finans, Planifikasyon Ekonomik, Komers ek Lenvestisman, avek en alokasyon bidze SCR 12.6 milyon. En priyorite kle sa departman se pou devlop en Stratezi Sekter Finansyel ver lafen 2027, ki pou kouver servis finansyel domestik e enternasyonal, lenvestisman, inovasyon e lenklizyon finansyel.

Madanm Spiker, mentenir konfyans dan Sesel koman en sant finansyel enternasyonal repitab i reste esansyel. An Fevriye 2026, Sesel ti ganny retire lo Annex II Linyon Eropeen pour bann ziridiksyon ki pa korpore lo taks. Sesel in osi komans son evalyasyon mityel anba kad 'Financial Action Task Force', ki evalye bann zirisdiksyon lo bann standar pou konbat blansisaz larzan e pou lit kont finansman terorizm e proliferasyon. Rapor Sesel i ekspekte ganny diskite dan miting Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) an Mars 2028.

An 2027, Gouvernman pou entrodwir en nouvo kad legal ki kouver bann zón ekonomik spesyal ou "Free Zone"pou ranplas lalwa 'International Trade Zone', 1995. Sa kad pou kouver lenvestisman dan bann servis finansyel spesyalize, enkli "Fund Administration", 'wealth management', "Fintech" (teknolozi finansyel, enkli lanmonnen elektronik). Gouvernman pe osi revwar kad sekter lasirans pou siport inovasyon, ogmant varyete prodwi e devlop marse domestik.

Madanm Spiker, pour soutenir krwasans ek diversifikasyon nou sekter finansyel, Gouvernman, pou revwar lankadreman 'Regulatory Sandbox'. Atraver sa linisyativ sandbox, Lotorite Servis Finansyel pou kolabor etwatman avek Labank Santral pou asire ki sa bann nouvo teknolozi finansyel ek model biznes i ganny teste dan en lanvironnman kontrole e kordinen, anba sipervizyon bann regilater, avan zot ganny adopte lo en pli gran lanpler.

Sa lapros ki ozordi pe ganny adopte a traver lemonn pou permet Sesel ankouraz linovasyon dan en fason kontrole, transparan e responsab, tout an prezervan stabilite finansyel nou pei. I pou osi ranforsi lekspertiz nou bann regilater e ed nou devlop bann domenn spesyalize pour soutenir lavenir nou sekter finansyel.

Madanm Spiker, demars Fon Pansyon pou aste sa 22 poursan par 'Standard Chartered Bank' dan labank Nouvobanq in ariv lo son staz final. Nou ekspekte sa tranzaksyon i ganny konplete boner 2027.

5.6.Sekter Lapes e Lekonomi Ble

Madanm Spiker, sekter lapes ek lekonomi ble i reste enn bann pilye enportan nou lekonomi. Pour soutenir sa bann priyorite dan lapes ek lekonomi ble, en seri proze lenvestisman kapital zere par Lotorite Lapes Sesel (SFA) pou ganny enplimante an 2027. Sa bann lenvestisman pou amelyor bann lenfrastriktir ek fasilite pour bann peser, soutenir devlopman akwakiltir e ranforsi kapasite SFA pour deservi sa sekter. Sa bann alokasyon pou al ver sa bann proze swivan.

- SCR 8.0 milyon pour travay konblaz pour amelyor bann fasilite ek akse pour bann bato lapes, Anse Etoile
- SCR 3.7 milyon pou al ver bann travay lo miray ke ek ponton Providence.
- SCR 1.1 milyon pour lenstalasyon en ponton ek en baraz Baie Sainte Anne

Madanm Spiker, pou kontinyen devlop bann fasilite lapes dan nou bann kominote, bidze i prevwar:

- SCR 6.0 milyon pour bann fasilite lapes English River
- SCR 1.6 milyon pour bann fasilite stokaz lekipman lapes Anse Etoile
- SCR 334,000 pour bann fasilite lapes Anse La Mouche.

An liny avek nou priyorite pour devlop akwakiltir konman en nouvo pilye lekonomi ble, SCR 11.3 milyon in ganny prevwar pour dezyenm faz sant pour bann lespes reprodikter, zot adaptasyon ek karantenn. Sa lenvestisman pou ranforsi bann lenfrastriktir neseser pour soutenir devlopman sa sou-sekter ek bann loportinite prodiksyon, lenvestisman ek lanplwa ki i kapab anmennen.

Bidze i osi prevwar SCR 32.3 milyon pour batiman loperasyon SFA ek SCR 4.1 milyon pour batiman SFA pour lapes artizanal.

5.7.Sekter Lagrikiltir

Madanm Spiker, Gouvernman pe osi renouvle son langazman pour redonn en nouvo souf sekter lagrikiltir avek bi ranforsi sekirite alimanter nou pei ek proteksyon biyosekirite.

An 2027, en bidze SCR 69.1 milyon pe ganny mete pou reentrodwir sibvansyon lo manze zannimo e ogmant sibvansyon pour labatwar poul ek koson e pour bann karkas ki pas atraver labatwar. Sa

bann mezir i annan pour bi redwir kou prodiksyon, ankouraz fermye pour ogmant oubyen rekonmans zot aktivite elevaz, atir nouvo lenvestisman e ogmant prodiksyon lokal lavyann poul ek pork.

Gouvernman pou osi ranforsi akse avek finansman atraver en revi Fon Devlopman Lagrikiltir (ADF). Bann lamannman ki pou ganny propoze avek Konsey Minis byento pou adres bann defi egzistan e reponn a bann bezwen ki pe evolye dan sekter lagrikiltir. Sa bann amelyorasyon pou konsantre lo elarzi varyete aktivite lagrikiltir ki kalifye pou finansman, e redwir to lentere e peryod repeyman lo lón. En alokasyon SCR 30 milyon in ganny fer dan bidze 2027. I deza annan SCR 74.3 milyon dan sa fon. Menm revi osi pou ganny fer avek Fon Devlopman Lapes.

Pour lannen 2027, programm lenvestisman dan sa sekter i enkli:

- SCR 15 milyon pou konstriksyon en nouvo bazar Roche Caiman
- SCR 9.5 milyon ver kontinyasyon renovasyon bazar Victoria, ki ti konmanse an 2024
- SCR 6.0 milyon pour konstriksyon en nouvo batiman pour Departman Lagrikiltir Union Vale, pou anmenn bann servis agrikol anba en sel twa
- SCR 5.5 milyon pou lenvestisman dan Lenstiti Lagrikiltir ek Ortikiltir Sesel ki enkli SCR 1.0 milyon pour kontinyasyon konstriksyon en nouvo blok ki pou enkli en lasal pour bann travayer e SCR 4.5 milyon pour moderniz bann fasilite formasyon dan domenn elevaz ek prodiksyon
- SCR 4.0 milyon in osi ganny prevwar pour renovasyon konplet konpleks agrikol Praslin
- SCR 2.6 milyon pou konstriksyon lofis sant 'pig genetic'
- SCR 2.0 milyon pou kontinyasyon bann travay pour retir depo later ek labou dan bann larivyer ek lanmar
- SCR 1.5 milyon pou amelyor bann sistenm irigasyon
- SCR 600,000 pou bann lezot pti proze

An plis en sonm SCR 1.0 milyon in ganny bidzete pou sak sa bann proze swivan:

- Kontinyasyon konstriksyon bann pti bazar dan bann distrik pou donn bann fermye plis lespas pour vann zot prodwi e fasilit akse kominote avek bann prodwi agrikol lokal.
- Mentenans sant 'pig genetic'
- Bann lezot proze 'upgrading'
- Pour met koltar lo bann semen gravye pou fasilit akse pour fermye
- Konstriksyon bann nouvo semen ki deservi bann later agrikol
- Pour aste en lensinerater pour Lazans Nasyonal Biosekirite
- Re-roofing batiman Ex BBC

Madanm Spiker, manda Lenstiti Lagrikiltir ek Ortikiltir Sesel in osi ganny elarzi pour enkli fonksyonnman laboratwar nasyonal pour later, devlopman ek transfer nouvo teknolozi avek bann fermye, ensi ki formasyon bann profesyonnel ek teknisyen dan lagrikiltir. Sa manda i osi enkli

promosyon bann sistenm lagrikiltir ki pli rezilyan fas avek sanzman klima, atraver adaptasyon baze lo lekosistenm ek bann solisyon baze lo lanatir.

Madanm Spiker, sekter lagrikiltir i enn bann sekter ki santi lefe sanzman klimatik ek bann presyon lo lanvironnman pli for. Pour sa rezon Gouvernman pou kontinyen met an plas bann linisyativ ki pour fer sa sekter vin pli rezilyan. Priyorite pou alors ganny mete lo amelyorasyon sekirite ek disponibilite delo lo bann laferm, devlopman bann sistenm irigasyon pli efikas, promosyon bann metod prodiksyon agrikol ki adapte avek sanzman klimatik, ranforsi bann pratik pour zer later dan en fason dirab, ensi ki ankouraz resiklaz ek litilizasyon prodiktif bann "waste" agrikol ek organik.

6. Devlopman Kapital Imen

6.1.Sekter ledikasyon

Madanm Spiker, si nou anvi en lekonomi pli prodiktiv, ki kree plis loportinite lanplwa e ki kapab fer fas avek bann defi lavenir, nou bezwen kontinyen envestir dan nou pep, dan zot ledikasyon.

Depi lendepandans, nou’n fer bokou progre pour donn nou zanfan akse avek ledikasyon konpreansiv e de-kalite . Me ozordi, nou pa kapab kontant nou zis avek fer sir ki zot al lekol. Nou bezwen asire ki zot aprann byen, devlop bann bon valer, ganny konfyans dan zot kapasite e sorti lekol avek bann konpetans ki zot pou bezwen dan lavi. Teknolozi pe sanze, bann nouvo metye pe devlope, e nou sistenm ledikasyon pe evolye ansanm avek sa bann sanzman.

Madanm Spiker, pour 2027, en total apepre SCR 1.6 bilyon in ganny prevwar pour portfolyo Ledikasyon ek Devlopman Resours Imen.

Sa alokasyon i siport plan stratezik Minister Ledikasyon ek Devlopman Resours Imen 2026–2030. Sa plan i met lanfaz lo kalite lansennyman, bon gouvernans, formasyon pour travay, transformasyon nimerik ek amelyorasyon bann lenfrastriktir.

Madanm Spiker, en bon depar dan lavi i konmans dan nou lanfans. Se dan nou bann lakres ek lenstitisyon ki nou zanfan i konmans devlop zot konfyans, zot langaz ek zot lanvi aprann. Pour 2027, IECD pou resevwar SCR 52.6 milyon. Travay pour ranforsi swivi kalite ledikasyon dan bann lakres ek preskoler, form bann edikater e travay pli pros avek bann paran pou ganny entansifye. Nou anvi ki sak zanfan i ganny sa bon fondasyon, kwa ki swa son sirkonstans.

Me kalite ledikasyon i osi depan lo kondisyon dan ki nou zanfan i aprann. En lekol i bezwen en landrwa kot zanfan i santi zot an sekirite, kot ansennyan i kapab fer zot travay byen, e kot bann fasilite i ankouraz laprantisaz. Se pour sa ki Gouvernman pe kontinyen envestir dan renovasyon ek konstriksyon nou bann lekol.

Pour 2027, SCR 155.2 milyon in ganny prevwar pour bann proze kapital Minister Ledikasyon, en logmantasyon SCR 57.6 milyon konpare avek bidze revize 2026. Parmi bann proze prensipal, nou annan:

- SCR 58.5 milyon pour konstriksyon nouvo lekol La Digue, ki pou kontinyen par faz
- SCR 11 milyon pour renovasyon Lekol Segonder Pointe Larue

- SCR 10 milyon pour rekonstriksyon lakres Anse Boileau e SCR 7.5 milyon pour blok P5 ek P6 Lekol Primer Anse Boileau
- SCR 5.6 milyon pour 8 nouvo lasal laklas kot Lekol Primer Perseverance
- SCR 4.2 milyon pour en nouvo blok kot Lekol Primer Pointe Larue, avek en bibliotek, en lasal konpiter ek en lasal miltifonksyonnel
- SCR 4.0 milyon pour rekonstriksyon en blok de letaz kot lekol La Retraite
- SCR 3.0 milyon pour en lespas kouver miltifonksyonnel kot Lekol Segonder Anse Royale
- SCR 2.5 milyon pour en teren zwe kot Lekol Segonder Praslin.

Madanm Spiker, konstrir en lekol i enportan. Me nou bezwen osi fer sir ki sak zanfan i kapab profit loportinite ki sa lekol i ofer. En zanfan ki ariv lekol san manze, oubyen ki annan difikilte pour ganny transpor, pa pe konmans son lazournen avek menm sans ki lezot. Pour sa rezon, bidze 2027 i mentenir bann sipor swivan:

- SCR 22.7 milyon pour alawenns bann etidyan a plen tan dan bann sant profesyonnel;
- SCR 23.3 milyon pour transpor bann zelev atraver SPTC ;
- SCR 11.5 milyon pour pti dezennen e SCR 23.9 milyon pour repa midi dan lekol;
- SCR 7.3 milyon pour alawenns bann ‘mature students’;
- SCR 7.3 milyon pour enternet dan bann lekol; e
- SCR 2.32 milyon pour liniform;

Sa bann provizyon pou ede soulaz bann fanmir e donn plis zanfan ek zenn en sans egal pour kontinny zot ledikasyon.

Madanm Spiker, okenn reform dan ledikasyon pa pou reisi san nou bann ansennyan. Se zot ki, toulezour ankouraz en zanfan ki pe ganny difikilte, dekouver son talan e ed li krwar dan son prop kapasite. Nou bezwen mye rekonnet zot kontribisyon, donn zot sipor e fer lansennyman reste en profesyon ki bann zenn Seselwa i fyer pour swazir.

Dan sa konteks, SCR 53.7 milyon in ganny mete pour peyman revizyon skim bann ansennyan ki ti pran lefe an Zilyet 2026. I osi prevwar SCR 3 milyon pour azisteman saler bann asistan ansennyan apre zot formasyon neseser , e SCR 7.7 milyon pour lezot azisteman saler.

Madanm Spiker, nou osi anvi ki ledikasyon i ouver laport, pa zis ver en diplonm, me ver en travay, en metye, oubyen posibilite pour kree son prop biznes. Pour sa rezon, Gouvernman pe siport devlopman syllabus IGCSE adapte avek konteks Sesel ek zot akreditasyon, avek en provizyon SCR 2.8 milyon lo mwayen term.

Nou bezwen osi pli byen alinny bann labours avek demann marse lanplwa e priyorite nasyonal, espesyalman dan teknolozi, lasante, lagrikiltir, tourizm ek lekonomi ble. Nou pou kontinyen valoriz bann metye teknik ek profesyonnel, ansanm avek devlopman Sant Formasyon Profesyonnel ek Teknik. Lazans Karyer ek Ledikasyon Avanse pou resevwar SCR 248.5 milyon, ki enkli SCR 237.1 milyon pour bann labours. Sa i en lenvestisman enportan, e nou bezwen asire ki i ed nou bann zenn devlop konpetans ki pei i bezwen.

Madanm Spiker, dan sa zefor pour donn tou nou bann zenn en sans, nou pa kapab oubliy bann ki pe fer fas avek difikilte. Pour 2027, SCR 8.8 milyon in ganny prevwar pour loperasyon 'Youth Hope Centre', ki pour enkli rekritman bann enstrikter enkli de sikolog.

Madanm Spiker, a lafen, sikse nou lenvestisman dan ledikasyon pa pou ganny mezire zis par kantite larzan ki nou depanse. I pou ganny mezire par sa zanfan ki aprann avek konfyans, sa ansennyan ki ganny sipor pour fer son travay, e sa zenn ki sorti dan formasyon avek en vre loportinite pour avanse dan lavi. Ler nou envestir dan ledikasyon, nou pe prepar bann travayer, antreprener ek dirizan demen.

6.2.Sekter Lasante

Madanm Spiker, en pei ki anvi devlope, kree plis lanplwa e ogmant son prodiktivite i bezwen, avan tou, en popilasyon an bonn sante. Ler en dimoun i malad, sa i annan en lenpak negativ pa zis lo li, me osi lo son fanmir, son travay e son kominote. Gouvernman i alors konsider lasante konman en lenvestisman esansyel dan byennet nou pep e dan lavenir Sesel.

Nou lobzektif i senp: ki sak Seselwa, nenport kote i reste, i kapab ganny en servis lasante ki aksesib, an sekirite, efikas e avek respe ek dignite. Nou bezwen moderniz nou bann fasilite, ranforsi kapasite nou bann profesyonnel e amelyor lafason ki nou sistenm lasante i fonksyonnen.

Madanm Spiker, pour lannen 2027, Gouvernman in met en total SCR 1.5 bilyon pour sekter lasante, en logmantasyon apepre SCR 70 milyon konpare avek bidze revize 2026.

Sa bann lenvestisman i ganny akonpannyen par en reform pli larz dan sekter lasante, ki ti konmanse an 2026 e ki pou kontinyen par faz ziska 2028. Anba vizyon “New Era of Care: Reform with Heart”, nou pe ranforsi gouvernans, responsabilite, planifikasyon finansyel ek kalite servis, pour ki resours ki ganny bidzete i anmenn bann amelyorasyon konkret pour nou popilasyon.

An 2027, Minister Lasante pou osi devlop en nouvo plan stratezik nasyonal pour lasante, ki pou donn en direksyon kler lo bann priyorite e rezilta ki nou anvi atenn.

Pour ranforsi kad regilasyon ek korperasyon dan lasante, bidze Departman Polisi, Stratezi ek Responsabilite i osi enkli SCR 1.5 milyon pour kontribisyon Sesel kot African Medicines Agency. Sa i en lenvestisman dan en meyer kad regilasyon bann medikaman ek proteksyon lasante piblik.

Madanm Spiker, enn bann pli gran defi nou sistenm lasante se bann fasilite ki pe vyei e bann lespas ki nepli ase pour reponn a demann. Pour sa rezon, dan progranm lenvestisman pour 2027, SCR 82.2 milyon in ganny prevwar pour bann proze kapital Departman Servis Swen Lasante, enkli SCR 18.8 milyon finansman atraver don etranze.

En proze ki annan en lenportans spesyal pour lavenir nou pei se nouvo lopital. An partenarya avek Gouvernman Lenn ek bann lezot akter konsernen, Gouvernman i vize pour finaliz en plan detaye pour sa proze avan lafen premye trimes 2027, avek lobzektif pour konmans travay konstriksyon

dan trwazyenm trimes 2027. Pour 2027, proze kapital i enkli SCR 22.2 milyon pour travay konsiltasyon ek preparasyon lenfrastriktir nouvo lopital.

Madanm Spiker, nou osi pa kapab negliz bann fasilite kot nou bann pasyan pe ganny swen ozordi. Pour sa rezon, bidze 2027 i prevwar;

- SCR 23 milyon pour mentenans ek renovasyon lopital Sesel,
- SCR 6 milyon pour lezot proze lenfrastriktir lasante,
- SCR 2 milyon pour renovasyon lopital North-East Point,
- SCR 2 milyon pour renovasyon ansyen batiman NIHSS.

Nou pe osi met en lanfaz spesyal lo amelyor bann servis lasante dan nou bann kominote. An 2027, sa bann proze swivan in ganny bidzete:

- SCR 10 milyon pour rekonstriksyon sant lasante Anse Boileau,
- SCR 7 milyon pour konmans renovasyon mazer sant lasante Anse Royale,
- SCR 6 milyon pour renovasyon sant lasante English River.

Me lenfrastriktir tousel pa ase. Sa ki fer diferans dan lavi en pasyan se letan ki i bezwen espere, fason ki i ganny akeyir, lenformasyon ki i resevwar ek kalite swen ki i gannyen. Se pour sa ki Departman Servis Swen Lasante pou met lanfaz lo lapros “Patients First/Service Excellence”.

Madanm Spiker, pour lannen 2027, Lotorite Lasante Piblik pou benefisye en alokasyon SCR 95 milyon. Sa alokasyon pou permet Lotorite kontinyen ranforsi son travay dan prevansyon ek kontrol bann maladi, sirveyans lasante piblik, sekirite alimanter e proteksyon lasante nou popilasyon.

Madanm Spiker, Lotorite pou senplifye bann prosedir administratif pour bann biznes ek envestiser, san konpromiz bann standar lasante piblik konm swiwan.

Premyerman, Gouvernman pou finaliz en nouvo regilasyon anba Public Health Authority Act, ki pou permet lanrezistreman bann pratik lasante dan sekter prive. Sa nouvo sistenm pou osi entrodwir en servis "one-stop shop" anba sekter lasante, kot bann biznes pou kapab soumet zot aplikasyon pour lanrezistreman ek renouvleman zot laysens dan en sel landrwa. Sa regilasyon i ekspekte antre an fors boner lannen 2027, e pou ede senplifye bann prosedir.

Dezyenmman, Lotorite pou revwar bann prosedir aplikasyon pour bann biznes dan sekter alimanter, avek bi etablir bann standar minimonm ki tou operater pou bezwen respekte. Sa pou permet bann biznes konpran pli byen bann kondisyon ki zot bezwen ranpli, anmenmtan asir proteksyon lasante piblik.

An plis, boner lannen 2027, Lotorite pou konplet modernizasyon son sitweb, kot tou bann gid, standar ek kondisyon lasante piblik pou ganny met a dispozisyon piblik.

Nou responsabilite se pour fer sa bann lenvestisman dan lasante vin bann rezilta ki nou pep i kapab santi dan zot lavi toulezour. Se koumsa ki nou pou konstrir en Sesel pli an bonn sante, pli rezilyan e pli prodiktiv.

6.3.Sekter Sosyal, Lafanmir ek Egalite

Madanm Spiker, lafanmir i reste fondasyon nou sosyete, e Gouvernman i rekonnet lenportans ranforsi bann valer lafanmir, protez bann endividi ki vilnerab e asire ki sak Seselwa i kapab viv dan dignite e sekirite. Nou langazman se pou donn sipor neseser bann fanmiy ki pe fer fas avek bann defi sosyal, ranforsi servis pou zanfan e group vilnerab, e amelyor kalite swen ki nou donn nou bann sitwayen aze.

Pour lannen 2027, Gouvernman in met SCR 46 milyon anba programn lenvestisman pour Minister Zafer Sosyal, Lafanmir ek Egalite pour amelyor bann fasilite swen sosyal e ranforsi bann servis ki disponib pour bann group pli vilnerab dan nou sosyete. Sa alokasyon pou ganny distribye konm swivan:

- SCR 20 milyon pour kontinyasyon bann travay renovasyon mazer kot bann lakour dimoun aze
- SCR 9.4 milyon pour konstriksyon ‘Crisis Center’ ki pou komanse ver lafen 2026, avek bi ranforsi servis lentervansyon e sipor pour bann endividi e fanmiy ki pe eksperyans bann sirkonstans difisil
- SCR 9 milyon pour konplet Sant Rezidansyel 'Youth Hope' pour ranforsi servis sipor rezidansyel pour bann zenn vilnerab. Sant Youth Hope Rezidansyel pou vin an operasyon ver premye kar 2027
- SCR 5.6 milyon pour konplet lagrandisman residans dimoun aze Anse Royale
- SCR 2 milyon in ganny mete pour renovasyon ‘Domestic Violence Shelter’ pour amelyor bann fasilite ki disponib pour bann endividi ki bezwen proteksyon ek lasistans, an menmtan ki Minister pe fer en revi lo sa lalwa e met an plas en kad operasyonnel pour son lenplimantasyon.

Madanm Spiker, Gouvernman i reste angaze pou promouvwar enklizyon e asire ki bann zanfan avek dezabilite i ganny loportinite pou partisip plennman dan lasosyete. Anliny ek sa, Konsey Nasyonal pour Zanfan (NCC) in entrodwir linisyativ ‘Fun Without Limits’. Sa programn i annan pour bi donn sa bann zanfan loportinite enteraksyon sosyal, aktivite rekreasyonnel, sipor ‘therapeutic’ e devlopman bann konpetans lavi, an menm tan ranforsi sipor pour zot fanmiy.

Bidze 2027 pou sa menm Minister i enkli SCR 7.7 milyon anba skim ‘Neurodivergent’, en skim ki ti lanse an 2026, an antisipasyon en logmantasyon dan lakantite zanfan ki kalifye lasistans anba sa skim. An plis ki sa, alokasyon pour ‘Foster Care Scheme’ in ogmante pour vin SCR 9.9 milyon, ki reprezant en logmantasyon SCR 2.6 milyon, oubyen 35 poursan, konpare avek bidze revize 2026. Sa provizyon adisyonnel pou siport lentrodiksyon en nouvo programn pou donn en alawenns skoler sak zanfan ki pe reste dan bann fwaye.

Madanm Spiker, Gouvernman i rekonnet lenportans pou asire ki bann zenn manman i ganny sipor neseser pou kontinyen zot ledikasyon e bann konpetans neseser pou vin endepandan finansyerman. Dan sa laliny, en nouvo skim lasistans, avek en alokasyon SCR 1.2 milyon dan bidze 2027, pou ganny entrodwir pou siport bann zenn manman ki’n eksperyans lansentman anba laz, permet zot kontiny zot ledikasyon oubyen anrezistre dan bann programn devlopman konpetans e formasyon vokasyonnel.

Madanm Spiker, parey in ganny anonse par Prezidan pandan selebrasyon lazournen enternasyonal bann dimoun aze, Gouvernman pou ogmant benefis retret sekirite sosyal tou le mwan par ankor SCR 800, aparti le 1 Zanvye 2027. Sa i swiv logmantasyon SCR 800 ki ti ganny enplimante an Zanvye 2026, ki pou anmenn logmantasyon kimilatif a SCR 1,600 par mwan zis dan en peryod douz mwan. I enportan pou met sa bann logmantasyon an perspektiv.

Madanm Spiker, mon fer rapel sa Lasanble ki pandan sa peryod senk an depi 2021 ziska 2025 anba ansyen ladministrasyon, selman en logmantasyon maksimonm SCR 900 par mwan ki ti ganny donnen pour nou bann pansyonner pandan zot senk an dan lofis. An konparezon, nou ladministrasyon in deza donn en logmantasyon SCR 1,600 nou bann pansyonner dan mwens ki douz mwan. Nou Gouvernman pou ogmant benefis retret pou ariv ziska SCR 10,000 par mwan par lannen 2029.

Madanm Spiker, Gouvernman i osi rekonnet rol enportan ki bann home carers i zwe pou siport nou bann sitwayen aze e bann dimoun ki bezwen lasistans dan zot lavi toulezour. Dan sa lalinny, Gouvernman, atraver Lazans Swen kot Lakour, pe travay lo en kad konpreansiv ki annan pour bi profesyonnaliz sekter swen kot lakour, enkli en revizyon striktir reminerasyon, kondisyon travay, legzizans formasyon e loportinite pour devlopman profesyonnel.

Sa reform i annan pou bi etablir en sistenm swen kot lakour pli striktire, profesyonnel e soutenab, e ki rekonnet responsabilite bann carer e rol bann fanmiy tout an asiran ki bann benefisyer i kontinyen resevwar swen de kalite. Lazans pe kontinyen konsiltasyon avek bann parti prenan e pour konplete sa lannen menm.

6.4.Swen Lasante Mantal

Madanm Spiker, Gouvernman i rekonnet ki lasante mantal e byennet i fondamantal pou devlopman en sosyete an bonn sante, prodiktiv e rezilyan. Dan sa laliny, alokasyon bidze pour Lazans Swen Lasante Mantal in ogmante sorti SCR 5.5 milyon an 2026 pour vin SCR 8.6 milyon an 2027, ki reprezant en logmantasyon SCR 3.1 milyon, oubyen 56 poursan. Atraver sa alokasyon Gouvernman pou kontinyen siport operasyonnalizasyon sa Lazans, enkli ranforsi son kapasite enstitisyonnel, rekritman bann profesyonnel e devlopman bann kad regilatwar.

6.5.Sport e Devlopman Lazenes

Madanm Spiker, sport i kontinnyen zwe en rol enportan dan promosyon linite nasyonal, kalite lavi an bonn sante, disiplin e devlopman nou bann zenn. Gouvernman i rekonnet kontribisyon nou bann atlet, lantrener e federasyon sportif pou reprezant Sesel enternasyonalman e enspir prosen zenerasyon talan sportif.

Lannen 2027 pou partikilyerman enportan pour Sesel anmezir ki nou bann atlet i prepar zot pour partisip dan Zwe de Zil Losean Endyen. Gouvernman in fer en provizyon SCR 30.1 milyon pour preparasyon e partisipasyon dan sa zwe, enkli vwayaz, alawens atlet, lekipman sportif.

Madanm Spiker, koman parti son programm pli larz pour siport partisipasyon Sesel dan bann gran levennman sportif enternasyonal, Gouvernman an 2027 in prevwar en bidze SCR 4.9 milyon pour Zwe Lafrankofoni, SCR 6.1 milyon pour Zwe Lafrik e SCR 433,500 pour Zwe Olenpik.

Lezot alokasyon bidzeter in osi gann prevwar pour Minister Lazenes e Spor konm swivan:

- SCR 3.4 milyon pou siport bann atlet ki pe partisip dan bann konpetisyon lokal e enternasyonal, kan lantrennman e plasman aletranze
- SCR 3.2 milyon pou bann federasyon ek lasosyasyon sportif pour ranforsi zot loperasyon e siport devlopman zot bann disiplin sportif respektiv

Madanm Spiker, akote devlopman nou bann atlet, Gouvernman pou kontinyen envestir dan amelyorasyon lenfrastriktir sportif atraver pei an 2027 atraver en alokasyon bidze SCR 48.1 milyon. Bann proze mazer i konm swivan:

- SCR10.1 milyon in ganny bidzete pou renovasyon lenfrastriktir sportif lo Praslin. Sa i enkli :
  - SCR 2.5 milyon pour renovasyon Stad Amitié
  - SCR 2.5 milyon pour devlopman en batiman pour ‘combat Sports’ lo Praslin
  - SCR 2 milyon pour renovasyon lenfrastriktir basen naze kot ‘Eve island’
  - SCR 1.6 milyon pour renovasyon kort basketball Baie Ste Anne Praslin ;
  - SCR 1.5 milyon pour renovasyon lasal Judo ;

Dan sa SCR 48.1 milyon:

- SCR 25.7 milyon pour kontiny konstriksyon Multi-Purpose Indoor Court Anse Royale ki ekpekte konplete avan lafen 2027
- SCR 4.5 milyon pour konstriksyon en nouvo fasilite pour ‘Sports Medicine and Performance Health’ lo Mahé. Sa lenvestisman i annan lentansyon ranforsi sipor ki disponib pour nou bann atlet, partikilyerman dan prevansyon blesir, reabilitasyon e performans sportif.
- SCR 2 milyon pour konstriksyon bann fasilite modern e konvenab pour lasal ki atlet i servi pour sanze kot Gordon Square
- SCR 1.5 milyon pour renovasyon batiman ‘judo and table tennis’
- SCR 1.5 milyon pour renovasyon laplenn Mont Fleuri
- SCR 1.5 milyon pour bann travay renovasyon Stad Linite e
- SCR 1 milyon pour upgrade bann lezot fasilite lenfrastriktir sportif

Madanm Spiker, Gouvernman pou kontinyen ankouraz nou bann zenn atraver bann loportinite byen striktire ki anliny avek nou stratezi devlopman nasyonal. Pour lannen 2027, Konsey Nasyonal Lazenes (SNYC) in ganny en alokasyon SCR 30.4 milyon. Sa sonm i enkli bidze pou fer rekritman sis asistan zofisye programm pou ogmant lefikasite dan loperasyon lo nivo bann konmite rezyonal ki’n ganny kree par bann zenn e pou asir mobilizasyon aktiv ek "leadership” lo nivo kominoter.

En lot priyorite i lankourazman bann zenn ek enklizyon ekonomik pou kapab soutenir en azanda ekonomik transformatif, gouvernman pe double loportinite finansman atraver Local Grant

Scheme, pou ede finans bann nouvo biznes (sa ki nou apel “start-up”) ki pe demare. En alokasyon SCR 2 milyon in ganny mete dan bidze 2027.

En lot priyorite se kontinyasyon desantralizasyon servis o nivo rezyonnal e dan distrik kot Gouvernman pe planifye pou annan plis Youth Hubs e anmenn nou servis pli pre avek bann zenn. Bidze i fer provizyon pou donn plis vizibilite servis pou bann zenn atraver bann Youth Hubs lo Mahe, Praslin, ek La Digue avek en target plis ki 10,000 zenn lo nivo nasyonal.

7. Programm Lozman e Later

Madanm Spiker, pour lannen 2027, en sonm SCR 416.1 milyon pe ganny propoze pour programm lozman e later dan proze lenvestisman. Sa i reprezant 26 poursan bidze lenvestisman pour lannen 2027. Sa bidze i kontinyen reflekte determinasyon sa Gouvernman pour akseler konstriksyon lakaz, elarzi akse avek lozman abordab, redevlop nou bann 'housing estates' e fer pli bon litilizasyon nou later limite pour benefis bann fanmir Seselwa e aktivite sosyo-ekonomik pei.

7.1. Redevlopman bann housing estates ek programm relokasyon

Madanm Spiker, En sonm SCR 30 milyon pe ganny bidzete pour relokasyon bann rezidan ki pe reste dan bann vye 'housing estate' ki dan bann move leta, pour permet redevlopman sa bann sit.

Sa i enkli Société du Logement Pascal Village, Société du Logement Belvédère, Dolphin Court Au Cap, bann ansyen lakaz ansennyan Turtle Bay, redevlopman Corgate Estate e Les Mamelles. Sa bann relokasyon pe ganny fer avek swen, an konsiltasyon avek bann fanmir konsernen e avek sipor neseser pour akonpanny zot pandan sa tranzisyon.

Sa bidze relokasyon i osi fer provizyon pour konstriksyon 13 a 14 lakaz, pour konplet relokasyon bann rezidan Baie Sainte Anne kin ganny afekte avek lenpak stasyon elektrisite PUC. Gouvernman i reste angaze ki bann fanmir afekte i ganny tou sipor neseser e reste determinen pour anmenn en solisyon definitif pour sa sityasyon ki’n dire depi tro lontan.

7.2. Programm lozman sosyal abordab

Madanm Spiker, pour nou programm lozman sosyal abordab, bidze 2027 i prevwar SCR 78.6 milyon pour finansman 244 lozman anba bann proze ki deza an kour finanse par bidze Gouvernman.

Sa bidze pe osi soutenir travay administratif ek kordinasyon pour 216 lozman anba bann proze finanse par nou bann partener etranze. Sa i konpri 136 lozman anba led Repiblik Lasin ek 80 lozman finanse par Emirat Arab Ini, Barbarons.

An tou, sa i reprezant 460 lozman sosyal abordab ki deza an kour ansemoman.

7.3. Nouvo proze lakaz abordab an 2027

An 2027 Gouvernman i annan lentansyon komans konstriksyon 1,170 nouvo lozman abordab. Apepre 1,000 ladan pe ganny finanse atraver en laliny kredi avek Gouvernman Lenn. Larestan pou ganny finanse anba bidze lenvestisman 2027.

Parmi sa bann proze i enkli 8 unit koman ekstansyon proze Amitié (Praslin), 40-unit Au Canbar (Glacis), 24-unit Société du Logement (Belvédère), 16 unit redevlopman Les Mamelles, 24 unit redevlopman (Pascal Village), 24 unit Cascade lo sit Ex-PSSW, 16 unit Marie-Jeanne Estate (Praslin) ek 18 unit lo sit Ex-Morel (St Louis).

Sa bann proze i reprezant en lagrandisman konsiderab nou programn lozman. I pou demann en planifikasyon bidzeter rigoure, prosedir "tender" ki ganny konplete e fasilite atan, ek en sipervizyon pros pour transform sa bann langazman bidzeter an lakaz pour nou bann fanmir.

7.4. Programn kondominyonm ek kondominyonm a mwayen pri

Madanm Spiker, nou polisi lozman i bezwen osi reponn a bezwen bann zenn profesyonnel, an tenan kont zot diferan kapasite finansyel.

Anba programn 'mid range condo' (kondominyonm a pri mwayen), bidze 2027 i fer provizyon pour kontinyasyon 84 apartman ki deza an konstriksyon. Sa i Bel Air, Cascade, Ex-SACOS Anse Royale, ek Lale Kersley lo La Digue.

An menm tan, konstriksyon 276 nouvo apartman pe al demare avan lafen lannen 2026. Sa i osi enkli 96 unit lo Praslin ki pou premye fwa li osi pou ganny li 3 proze "mid-range condos". Sa programn pou elarzi loportinite pour plis Seselwa vin propriyeter zot lakaz, avek bann opsyon ki pli byen adapte avek zot mwayen.

7.5. 'Full' Kondominyonm

An se moman, en lapel pour lekspresyon lentere pe ganny fer pour bann partener dan sekter prive ki anvi travay avek Gouvernman anba en model partenarya piblik-prive, oubyen PPP, pour kontribye dan realizasyon bann proze lozman ek "land bank".

Nou antisip en lentere konsiderab dan sa demars, ki pou permet nou mobiliz plis resours ek kapasite pour akseler nou bann proze.

Travay devan nou i konsiderab e Gouvernman i reste determinen pour avans son programn lakaz san ses.

7.6. Portfey Later

Madanm Spiker, Gouvernman i reste angaze pour donn plis Seselwa loportinite pour ganny en bout later e konstri zot lakaz.

Nou pou kontinyen avek progranm 'Land Bank', atraver preparasyon ek alokasyon bann kare later avek lenfrastriktir neseser. Pour lannen 2027 en bidze SCR 41.6 milyon in ganny mete pour bann proze 'Land bank'. An plis, Gouvernman pe propoze SCR 30 milyon roupi pour lakizisyon later avek bann propriyeter prive.

7.7. Proze konblaz

Gouvernman pou kontinyen avek proze konblaz pour kree plis later pour devlopman ekonomik e sosyal. En sonm SCR 54 milyon pe ganny prevwar pour bann travay konblaz. Sa bann travay pou met a dispozisyon pei plis ki 60 ektar later. Sa lenvestisman pou ogmant nou kapasite pour planifye e reponn a bann bezwen devlopman nou pei dan bann lannen ki pe vini. Gouvernman pe ankouraz partisipasyon sekter prive ki bezwen later pou fer biznes e ki zot finansman in pare.

7.8. Mizazour Limaz Aeryen pour nou sistenm GIS

Madanm Spiker, en bon ladministrasyon later i osi depan lo lenformasyon ki presi e azour.

Nou pe aktyelman antreprann bann demars pour met azour nou bann zimaz aeryen ortofoto, pour nou sistenm lenformasyon zeografik, 'GIS'. SCR 3 milyon pe ganny propoze dan bidze lannen 2027 pou sa. Sa bann zimaz pou servi koman en baz lenformasyon enportan pour ladministrasyon later, planifikasyon devlopman, koordinasyon bann lenfrastriktir, swivi lanvironnman ek preparasyon kont bann dezas.

7.9. Skim pou Sibvansyonn Lakaz

Gouvernman pe travay lo revizyon skim pou sibvansyonn lakaz, pou pli byen asiste bann endividi vin propriyeter zot prop lakaz pou la premye fwa. Anba sa skim, bann aplikan ki kalifye i ganny en sonm sibvansyon, ki pa bezwen ganny repeye, ki azout lón lakaz sa aplikan, pou asiste li konplet son proze lakaz. Revi ki pe ganny fer i annan pou bi asire ki sa skim i reste azour avek bezwen nou pep, lanvironnman konstriksyon, e bann stratezi Gouvernman dan sekter lakaz, e asir plis langazman avek bann labank komersyal pou benefisye en pli gran popilasyon. En provizyon bidzeter SCR 13.5 milyon pour lannen 2027 in ganny mete.

Madanm Spiker, nou langazman i kler an sa ki konsern nou polisi lo lozman: akseler konstriksyon, elarzi loportinite e fer sak lenvestisman konte pour lavenir nou bann fanmir ek nou pei.

8. Gouvernman Lokal e Zil Pros

Madanm Spiker, nou bann distrik i zwe en rol enportan dan promouvwar koezyon sosyal, partisipasyon kominoter e amelyor kalite lavi nou sitwayen. Dan sa laliny, Gouvernman pou kontinyen ranforsi gouvernans lokal e envestir dan lenfrastriktir kominoter pou asire ki devlopman i ariv dan tou distrik atraver Mahé, Praslin ek La Digue.

Pour lannen 2027, progranm lenvestisman pour Minister Gouvernman Lokal e Zil Pros i fer provizyon pour en alokasyon SCR 77.8 milyon anver devlopman e amelyorasyon lenfrastriktir

distrik e fasilite kominoter. Sa alokasyon i enkli en bidze SCR 26 milyon ki ganny dedye spesifikman pour realizasyon bann pti proze distrik, avek bi amelyor lenfrastriktir kominoter, adres bann bezwen priyoriter e annan en lenpak pozitif lo kalite lavi bann zabitan dan nou bann kominote.

An plis, SCR 15 milyon in ganny bidzete pour proze semen kominoter ki reprezant SCR 5 milyon oubyen 50 poursan an plis ki alokasyon revize an 2026. Sa alokasyon i pour amelyor aksesibilite ek konektivite dan nou bann kominote, partikilyerman pour bann rezidan ki kontinyen fer fas avek difikilte pour ganny akse avek zot lakour.

Gouvernman in osi met SCR 10 milyon anba 'Skim Reparasyon Lakaz' pou ede avek bann reparasyon esansyel lo bann propriyete rezidansyel, partikilyerman pou bann lakour ki bezwen sipor pou amelyor zot kondisyon lavi.

Madanm Spiker, Gouvernman i rekonnet lenportans donn lasistans atan bann fanmiy ki ganny afekte par dezas natirel e lezot ka irzan. Dan sa laliny, bidze 2027 i prevwar bann alokasyon swivan:

- SCR 4.5 milyon pou fasilit lasistans imedya pou bann lakour ki'n ganny afekte.
- SCR 3 milyon anba progranm soulazman lapovrete pou asiste bann lakour vilnerab ki pe fer fas avek bezwen reparasyon lakaz irzan
- SCR 2 milyon adisyonnel pou donn akomodasyon tanporer pou bann fanmiy ki kapab ganny deplase dan zot lakaz an rezilta bann tel lensidan

Sa bann alokasyon, i reflekte langazman Gouvernman pou ranforsi son 'social safety net' e asire ki bann fanmiy ki pe fer fas avek difikilte i kapab ganny akse avek lasistans atan e apropriye.

An 2027, Minister Gouvernman Lokal e Zil Pros pou osi benefisye sa bann alokasyon adisyonel:

- SCR 10.8 milyon pou konstriksyon lofis pou manm Lasanble Nasyonal, biro ladministrasyon distrik e sant kominoter pour distrik Mont Buxton
- SCR 5.4 milyon pou konstriksyon en nouvo day care centre Grand Anse Mahé
- SCR 4.5 milyon pour konstriksyon en nouvo biro ladministrasyon distrik Port Glaud
- SCR 2.3 milyon pour renovasyon bann fasilite kominoter dan distrik Bel Air, Pointe Larue ek Anse Louis

9. Kiltir, Lar e Leritaz

Madanm Spiker, Sesel in selebre en letap istorik, 50-an Lendepandans an 2026, e in fer nou rapel lenportans pou prezerv nou leritaz kiltirel, lidantite nasyonal e bann valer ki inifye nou koman en pep.

Pandan 2027, Gouvernman pou met en lanfaz partikilye lo ranforsman sekter kiltir, lar ek patrimwann nasyonal, avek lobzektif pour prezerv nou lidantite, protez nou leritaz e devlop bann nouvo loportinite ekonomik pour bann Seselwa.

Atraver Lazans Kreativ Sesel ek Lazans Lar ek Lartizana Sesel, bann programm pou konsantre lo formasyon, lantreprenarya, devlopman biznes, akse avek bann marse e promosyon bann prodwi ek servis kreatif Seselwa. En latansyon partikilye pou osi ganny donnen avek stati profesyonnel bann artis ek proteksyon zot bann drwa, pour ki zot kapab benefisye pli byen avek zot travay ek zot talan.

Bann zefor pou konsantre lo konservasyon, zesyon, lenterpretasyon istorik ek amelyorasyon bann fasilite pour viziter, pour asire ki sa sit i ganny proteze e byen prepare pour son lavenir. Lazans Patrimwann Sesel pou osi kontinyen son travay lo konservasyon bann moniman nasyonal, lenvanter patrimwann ek amelyorasyon zesyon nou bann sit istorik.

Festival Kreol pou kontinyen zwe son rol konman enn bann pli gran levennman kiltirel nasyonal, me nou lobzektif se osi pour ankouraz bann aktivite ki permet nou lanmizik, ladans, nou lalang kreol ek lezot tradisyon reste vivan dan nou bann kominote. Lenstiti Kreol Sesel pou kontinyen ranforsi resers, dokimantasyon ek promosyon nou lalang Kreol, la ki i pe al selebre 40 an son legzistans an 2027, pandan ki bann lezot lenstitisyon pou travay ansanm pour fer kiltir vin en parti pli entegral dan ledikasyon ek lavi toulezour.

Pandan lannen 2027, Gouvernman pou travay lo bann preparasyon neseser pour met an operasyon "Film Rebate" skim, ki annan pour bi atir bann prodiksyon film enternasyonal Sesel. Sa pou enkli devlopman bann mekanizm regilasyon, finansyel ek fasilitasyon, ansanm avek bann loportinite formasyon pour bann profesyonnel. Sa linisyativ i annan potansyel pour kree nouvo loportinite pour bann zenn Seselwa dan sinematografi, prodiksyon, teknolozi, servis kreatif ek lezot sekter ki siport lendistri film.

Madanm Spiker, sa bann depans swivan in ganny prevwar dan bidze 2027 pour portfolyo kiltir:

- SCR 17 milyon pour domenn lar ek devlopman bann lenfrastriktir kreatif pour konstriksyon nouvo 'Théâtre des Palmes'.
- SCR16 milyon pour restorasyon 'Maison St. Joseph' konman parti bann zefor pour prezerv nou bann batiman istorik e asir zot proteksyon pour bann zenerasyon fitir e devlop li konman en prodwi ki relye ek 'Cultural Tourism'
- SCR 10 milyon pour konstriksyon nouvo Larsiv Nasyonal
- SCR 1.4 milyon pour konstriksyon moniman pour komemor labolisyon lesklavaz.
- SCR 1.1 milyon pour renovasyon 'records centre'

Sa bann proze pou permet amelyorasyon dan kondisyon e prezervasyon nou bann koleksyon ek dokiman istorik, moderniz bann servis e ofer en lanvironnman pli apropriye pour bann etidyan, serser ek piblik an zeneral.

10. Envestir dan nou Lenfrastriktir e batir nou rezilyans

10.1. Transpor lo Later

Madanm Spiker, envestir dan nou bann kominote i vedir asire ki nou pep i ganny akse avek bann lenfrastriktir ki siport zot lavi toulezour e aktivite ekonomik. Nou rezo semen i zwe en rol fondamantal pou konekte bann kominote, fasilit mouvman dimoun ek marsandiz, e siport krwasans biznes atraver nou bann zil.
Bidze 2027 i fer provizyon pou en serten nonm lenvestisman enportan, ki enkli:

- SCR 114.4 milyon pour bann proze lenvestisman kapital anba Lazans Transpor lo Later (SLTA). Sa i reprezant en logmantasyon SCR 44.5 milyon, oubyen 64 poursan lo 2026. Dan sa alokasyon, SCR 95.9 milyon pou al ver bann proze lenfrastriktir semen e mentenans, tandis ki SCR 18.5 milyon pou siport sekirite lo semen e lezot amelyorasyon transpor lo later
- SCR 20 milyon ki pou reprezant lenvestisman kontinyel dan lenfrastriktir proteksyon lakot. Sesel i reste partikilyerman vilnerab anver lerozyon lakot, linondasyon e bann lenpakt sanzman klima.
- SCR 12 milyon pour konstriksyon semen segonder, amelyor aksesibilite dan kominote rezidansyel

Madanm Spiker, nou programn lenvestisman pou osi adres bann bezwen lenfrastriktir enportan atraver sa 3 zil prensipal. Pour lannen 2027 SCR 21 milyon in ganny mete pour amelyorasyon lenfrastriktir semen lo Praslin ek La Digue, ki konpri SCR 13 milyon pour Praslin e SCR 8 milyon pour La Digue.

Lo Praslin, sa alokasyon pou siport kontinyasyon proze semen Pasquere, amelyorasyon semen Grand Anse ek Baie Sainte Anne, amelyorasyon obor semen La Réserve ziska Anse Posession, e semen Anse Citron ziska Consolation. Lenvestisman pou osi ganny fer dan lenfrastriktir pyeton, enkli santye kot St Matthew e tou dilon koridor Baie Sainte Anne a Côte d'Or.

Lo La Digue, sa alokasyon i enkli SCR 1 milyon pou amelyorasyon e elarzisman semen tel ki semen Pension Michel, met bann sinny trafik e laglas dan bann diferan landrwa e Gouvernman in met en sonm SCR 2 milyon pou sirfas semen kot Coco Ibrid, semen highway e lezot ankor.

An plis ki sa bann lenvestisman mazer, Gouvernman i rekonnet ki bann pli pti proze lenfrastriktir i kapab fer en gran diferans dan lavi toulezour nou pep. Atraver programn kapital SLTA, i annan 35 pti proze ki pe kout SCR 2 milyon ou mwens, e ki reprezant en lenvestisman apepre SCR 48.9 milyon. Sa bann lenvestisman pou adres bann bezwen kominoter enportan, enkli amelyorasyon semen akse, elarzisman semen, fasilite drenaz, santye, pyeton e lezot lenfrastriktir semen esansyel.

Lo Mahé, Gouvernman pou kontiny proze trwazyenm lane Pointe Larue, avek en alokasyon SCR 5 milyon. Gouvernman pou osi envestir SCR 4 milyon dan bann nouvo lane semen ant Île du Port ek krwaze IOT, avek bi amelyor sirkilasyon trafik e siport mouvman pli efikas lo sa koridor transpor enportan.

Madanm Spiker, amelyor sekirite lo semen i reste en priyorite egalman enportan. Gouvernman pou envestir dan lakizisyon e mentenans "crash barriers", amelyorasyon fasilite pyeton e mezir pou amelyor sirkilasyon trafik.

Osi, SCR 3 milyon in ganny mete pou mentenans drenaz, tandis ki SCR 2.5 milyon pou siport bann mezir mitigasyon dezas.

Gouvernman in osi met SCR 3.7 milyon dan bidze 2027 pour amelyorasyon servis kot stasyon teste veikil lo Mahé.

Madanm Spiker an plis ki programn lenvestisman kapital, en total SCR 88.9 milyon in ganny bidzete pour bann aktivite mentenans semen, konpare avek SCR 75.5 milyon dan bidze aprouve 2026. Sa i enkli SCR 49.4 milyon pour mentenans semen, ki kouver reparasyon drenaz, lenstalasyon balizaz, mentenans ‘bus stop’ e ranplasman gril drenaz. An plis ki sa, SCR 21.5 milyon in ganny bidzete pour akizisyon koltar, SCR 8 milyon pour bann lekipman sekirite lo semen, SCR 3 milyon pour mark lo semen e SCR 7 milyon pour karbiran pour siport bann travay mentenans ek ‘resurfacing’ semen, enkli lo Mahé ek Praslin.

Gouvernman pou osi kontinyen envestir dan lenstalasyon e amelyorasyon lalimyer lo semen atraver nou bann kominote, avek en alokasyon SCR 8.2 milyon an 2027 pou siport bann lenstalasyon kontinyel enkli akizisyon bann poto ek kab elektrisite.

Madanm Spiker, Gouvernman i reste angaze pou donn transpor piblik abordab e soutenab pou nou pep. Dan sa lalinny, sibvansyon pour Korporasyon Transpor Piblik (SPTC) pou ogmante sorti SCR 62.7 milyon an 2026 pour vin SCR 72.7 milyon an 2027, ki reprezant en logmantasyon SCR 10 milyon, oubyen 16 poursan. Sa alokasyon adisyonnel pou siport en lot rediksyon SCR 1 dan pri bis aparti le 1 Zanvye 2027, swivan rediksyon inisyal SCR 2 ki ti ganny entrodwir le 1 Fevriye 2026. Sa bann mezir pou anmenn rediksyon kimilatif dan pri bis ziska SCR 3, e donn en soulazman finansyel direk bann pasaze, partikilyerman bann travayer e fanmir ki depan lo transport piblik pou zot deplasman toulezour.

Dan kad nou langazman pou anmenn en sistenm transpor ki polye mwens e pli soutenab, Gouvernman pou osi donn SCR 50 milyon an sibvansyon kapital an 2027, swivi par SCR 186.6 milyon an 2028, pou siport SPTC dan akizisyon 100 bis elektrik. Sa lenvestisman i reprezant en pa enportan ver modernizasyon nou sistenm transport piblik. A lonterm, tranzisyon ver bis elektrik i osi ekspekte kontribye anver rediksyon kou loperasyon e amelyorasyon soutenabilite transpor piblik dan Sesel.

Madanm Spiker, sa i en komitman ki nou parti ti donnen dan son manifesto e deza nou pe war sa transformasyon devan nou lizye.

Atraver sa bann lenvestisman, Gouvernman pa pe zis fer transpor piblik vin pli abordab pour nou pep, me osi met fondasyon pour en sistenm transpor pli prop, pli efikas e rezilyan avek sanzman klima pour zenerasyon fitir.

Madanm Spiker, nou Gouvernman pe osi akseler demars pou lans proze re-abilitasyon Por Victoria, e konstriksyon en nouvo Erport.

An se ki konsern Por, en "tender" ti ganny lanse resaman e kat operater ti soumet propozisyon. Malerezman okenn ant sa kat operater pa ti satisfer kriter minimonm pou kalifye dan sa "tender". Gouvernman in deside alor pou fer en "tender" enternasyonal a traver en 'selective bidding process' set a dir Gouvernman pou idantifye serten lakonpanyen enternasyonal ki i konsidere kalifye pour antreprann sa proze, baze lo bann kriter ki ava ganny etabli, Lororite Por Sesel ava envit sa bann lakonpannyen pou bid pou sa proze.

Konsernan erport, sa i en proze priyorite. Apre ki nou ti evalye propozisyon ki ansyen Gouvernman ti negosye avek en konpannyen UAE, nou ti konsider ki sa pa ti reprezant valer pou larzan. Noun ganny sipor Labank Arab pou Developman an Afrik (BADEA) pou fer en nouvo letid fezabilite ki pou komanse boner 2027 e answit nou pou antre an negosyasyon pou konkretiz modalite finansman e answit selekte en partner pour enplimant sa proze. Swe nou Gouvernman se inogir nouvo erport o pli tar 2030. Osi Madanm Spiker, nou’n fer demann finansman avek BADEA pou en letid fezabilite pou konekte Cap Ternay avek Bel Ombre. Baze lo sa letid fezabilite Gouvernman a pran en desizyon lo sa semen.

10.2. Lanvironnman, Lenerzi ek Sanzman Klima

Anba Minister Lanvironnman, Sanzman Klima, Lenerzi ek Resours Natirel, Gouvernman in met en sonm SCR 42.1 milyon pour lenvestisman kapital an 2027, konpare avek selman SCR 22.6 milyon an 2026. Sa i reprezant en logmantasyon anviron SCR 19.5 milyon, oubyen 86 poursan. En latansyon partikilye pou ganny mete lo ranforsman proteksyon lakot, amelyor lenfrastriktir drenaz e redwir vilnerabilite nou bann kominote anver linondasyon e lerozyon lakot.

Madanm Spiker, bidze Minister Lanvironnman, Lenerzi e Sanzman Klima pou ganny distribye konm swivan:

- SCR 12 milyon pour skim 'Green Energy Incentive' pour ankouraz plis lakaz rezidansyel e osi biznes pou enstal bann pano soler (PV) lo zot twatir. Sa skim i donn endividi ek pti e mwayen biznes ki enstal en sistenm PV en rediksyon lo zot kou total ki pou ganny peye par gouvernman. Sa sonm i osi enkli programm SEEREP ki Gouvernman pou sibvansyonn sa to lentere ki labank komersyal pou sarze lo sa lõn. Atraver programm SEEREP, bann lakour i kapab benefisye avek en pret SCR 150,000 a en to lentere 5 poursan, peyab lo set an, tandis ki bann pti biznes i kapab benefisye avek en pret SCR 250,000 a menm to lentere, peyab lo senk an. Sa programm i viz fasilit lenvestisman dan bann solisyon pli efikas e redwir depans lenerzi.
- SCR 10 milyon pou lenstalasyon sistenm fotovoltaik soler lo twa lo bann batiman Gouvernman, anba sa programm Gouvernman pou osi akseler tranzisyon ver lenerzi prop e abordab, avek lobzektif pou atenn omwen 15 poursan elektrisite sorti dan bann sours renouvlab an 2030.
- SCR 6.3 milyon pour proze proteksyon lakot e drenaz lo Praslin, enkli SCR 2.7 milyon pour reabilitasyon lakot kot Anse Consolation Grand Anse, SCR 2.7 milyon pour

amelyorasyon drenaz kot Côte d'Or, e SCR 900,000 pour reabilitasyon lakot kot Anse Lazio.

- SCR 5.5 milyon lo La Digue, ki konpri SCR 3 milyon pour rezo drenaz entern La Passe e SCR 2.5 milyon pour reabilitasyon lakot Anse Sévère.

Pour lannen 2027, Gouvernman in met SCR 84.8 milyon dan lenvestisman kapital pour Lazans Zesyon Lanvironnman ek Salte (LWMA), konpare avek SCR 24.7 milyon an 2026. Sa i reprezant en logmantasyon sibstansyel SCR 60.1 milyon e i reflekte nou langazman pour amelyor zesyon salte e promouvwar en lenfrastriktir pli prop e Sesel pli an bonn sante.

Madanm Spiker, en lenvestisman mazer anba sa alokasyon se proze zesyon salte, avek en provizyon SCR 62.9 milyon dan bidze 2027. Sa lenvestisman pou siport lagrandisman 'landfill' ki egziste, avek premye faz ki ekspekte konplete an 2027. Dezyenm faz pou ganny konsevwar e enplimante lo mwayen term pou asir disponibilite kontinyel bann fasilite zet salte adekwat.

Plis latansyon pou osi ganny mete pou amelyor koleksyon, tretman e zesyon salte an gro e salte elektronik. Sa bann linisyativ pou osi kree nouvo loportinite biznes pour sekter prive, partikilyerman bann pti e mwayen lantrepriz, dan koleksyon salte, resiklaz, konpostaz e rekiperasyon resours, tout an promouvwar devlopman en lekonomi sirkiler dan Sesel.

Lezot lenvestisman i enkli:

- SCR 6 milyon pour konverti sa shed kot 'Providence Landfill' an en fasilite zesyon salte
- SCR 5 milyon pour ekstansyon batiman STAR e amelyorasyon bann fasilite,
- SCR 3.5 milyon pour reparasyon e amelyorasyon 'leachate pre-treatment plant'.
- SCR 2 milyon pour konstriksyon en batiman annex lo Praslin, ki pou amelyor fasilite operasyonnel LWMA e delivrezon servis lo sa zil.

Gouvernman i reste angaze pou asire ki Sesel i mentenir en lanvironnman prop, an bonn sante e atiran pou nou pep e viziter. Pour lannen 2027, SCR 280.8 milyon in ganny mete pour servis netwayaz ek mentenans, konpare avek SCR 252.7 milyon dan bidze aprouve 2026, ki reprezant en logmantasyon SCR 28.1 milyon. Sa pou siport netwayaz ek mentenans semen e lans, larivyer, drenaz, "bin site", "bus shelter" ek lespas piblik, osi byen ki koleksyon salte minisipal e bann aktivite amenazman.

10.3. Lord ek Lape

Madanm Spiker, asir sekirite e byennet nou pep i reste en priyorite fondamantal nou Gouvernman. Pour lannen 2027, Gouvernman in prevwar en alokasyon SCR 466.4 milyon pour Departman Lapolis pour ranforsi lalwa, amelyor sekirite piblik e ranforsi kapasite lafors lapolis pour reponn a bezwen nou bann kominote. Dan kad sa alokasyon, SCR 10 milyon in ganny prevwar pour konplet konstriksyon kordgard Île Perseverance, e SCR 6.6 milyon pour barak lapolis kot Perseverance.

Madanm Spiker, lalit kont trafik drog e labi sibstans i reste en gran priyorite nasyonal. Dan sa laliny, SCR 26.6 milyon in ganny bidzete anba 'Drug Enforcement Agency', pou ranforsi zefor

pou konbat trafik drog e distribisyon sibstans ilegal dan nou bann kominote. Anmenmtan, Gouvernman i rekonnet ki adres sa problenm drog i demann plis ki anforsman tousel. Nou bezwen osi envestir dan prevansyon, tretman, reabilitasyon e reentegrasyon. An konsekans, SCR 53 milyon in ganny bidzete avek Lazans Prevansyon Labi Drog e Reabilitasyon, pou siport bann programm vize ver anpes labi sibstans, asiste bann dimoun ki ganny afekte par depandans lo drog e fasilit zot reentegrasyon dan lasosyete.

Atraver sa bann lenvestisman, Gouvernman pe adopte en lapros balanse ki enkli ranforsi lalwa avek prevansyon e reabilitasyon. Nou lobzektif se pou protez nou kominote, siport bann fanmiy ki'n ganny afekte e donn loportinite bann endividi pou rekonstrir zot lavi, anmenmtan kree en Sesel pli an sekirite e pli rezilyan pou zenerasyon prezan e fitir.

11. Pri Lavi

Madanm Spiker, Gouvernman pou entansifye son zefor pou fer desann pri lavi. An 2026, nivo pri lavi ti ganny negativman enpakte par lager Mwayenn Oriyan avek logmantasyon pri karbiran, manze e elektrisite. Osito ki sityasyon i stabilize e i fezab nou pou aziste pri karbiran e elektrisite pou soulaz popilasyon.

An se ki konsern pri marsandiz, avek lapwentman en nouvo Sek Ekzekitiv (CEO) kot STC, nou pe fer en legzersis pou revwar pri bann marsandiz ensi ki sours kot STC i aste son bann prodwi avek bi pou redwir pri komodite esansyel. Nou pou osi entansifye lenspeksyon pou met an aplikasyon regilasyon pri kontrol ki nou ti entrodwir an 2026.

Madanm Spiker, pri lavi pa zis konsern manze, karbiran e elektrisite. Nou'n deza vwar rediksyon dan to lentere Nouvobanq par egzanp, e nou pou kontinyen travay pros avek nou bann labank pour vwar posibilite ankor rediksyon, dan to lentere sitour pou biznes e pour lozman. Monn demann labank santral pou akseler zot demars pou annan en kad pou regilariz bann sarz ki labank i aplike. Dan plizyer pei i annan bann kad regilatwar ki kontrol serten sarz banker e i napa rezon akoz nou pa kapab fer li Sesel. Madanm Spiker, nou pou osi an 2027 eksplor posibilite anmenn regilasyon pou annan serten kontrol lo bann sarz par bann lakonpannyen ki zer bann tranzaksyon dan por. Ozordi enn bann fakter enportan ki pe afekte pri lavi se sarz eksesiv dan por e nou bezwen rod en solisyon pou sa. Nou pou travay avek bann konpanyen pou nou ansanm ariv lo en konklizyon ki mannyer nou kapab kontribye pou redwir pri lavi atraver bann kou dan por.

Nou bezwen dil avek pri lavi dan en fason global e non pa an izolasyon, si nou pou siksede dan sa demars.

12. Nouvo Mezir pour 2027

Madanm Spiker, dernyen parti sa ladres i konsern bann nouvo reform e polisi ki pou ganny entrodwir and 2027.

12.1. Revizyon Dan Lalwa ki gouvern 'Stamp Duty'

Madanm Spiker, pou fasilit tranzaskyon ki relye avek “stamp duty”, nou pe al reviz serten provizyon dan son lalwa.

Premyerman, bann lamannman pou fasilit prosedir pou egzanpsyon “stamp duty” dan kad bann propriyete ki paran pe transfer lo zanfan ou ant de konzwen.

Dezyenmman, ekzanpsyon pe ganny propoze pou bann propriyete ki ganny transfer ant en endividi e en biznes kot i annan omwen 90 poursan par ladan, e kot menm parsel pe ganny aste an diferan porsyon pour vi tou transfer i ganny konplete dan en peryod 3 mwan.

Trwazyenmman, pour ankouraz plis latransparans dan evalyasyon “stamp duty”, nou osi annan lentansyon permet bann evalyasyon endepandan pou ganny konsidere.

12.2. Prolonzman Egzanpsyon Taks Pour Sekter Lapes ek Lagrikiltir

Sekter lagrikiltir ek lapes i reste de sekter kle pour devlopman nou pei. Zot asir sekirite alimanter, donn lanplwa nou pep e i osi asire ki nou pep i reste an bonn sante. I enportan ki nou kontinyen siport sa de sekter pour ed zot devlope. Pour sa rezon nou pou prolonz sa egzanpsyon taks biznes lo bann reveni ki ganny zenere par bann endividi dan sekter lapes ek biznes lagrikiltir atraver prodiksyon lokal e aktivite lapes, pou en peryod trwa zan, depi le premye Zanvye 2027 ziska 31 Desanm 2029.

12.3. Lentrodiksyon Global Minimum Tax

Dan konteks nou reform sistenm taks, mon pou anmenn en propozisyon devan Konsey Minis boner 2027 pour demande ki Sesel i adopte "Global Minimum Tax", en sistenm taks ki egziz bann antite miltinasyonal ki annan en reveni anyel ki'n ganny konsolide pour ariv en nivo omwen 750 milyon Ero, pour bezwen annan en minimonm to taks efektiv 15 poursan dan bann zirisdiksyon ki zot opere irespektiv kot zot profi i ganny anrezistre.

Sa linisyativ pou ede pour annan en sistenm taks enternasyonal ki pli zis, ekitab e dekouraz konpetisyon fiskal defavorab ki afekte koleksyon reveni dan sa pei.

12.4. Tax Identification Number (TIN) pou Sole Trader

Swivan konsiltasyon avek sekter prive an partikilyerman bann "Sole Traders", konsernan bann defi ki en TIN ki kouver diferan aktivite i poze, an 2027 Gouvernman pou fer en analiz avek bi pou vwar vyabilite lo bann sistenm dan lezot pei ki kapab ede sirmont sa bann defi.

12.5. Plan Amnesty anba Lalwa Lakonpannyen

Madanm Spiker, anba 'Companies Act', tou lakonpannyen anrezistre dan Sesel i oblize soumet zot deklarasyon anyel e dokiman finansyel avek Rezistrar Zeneral. Pou plizyer rezon bokou lakonpannyen pann soumet zot deklarasyon pou plizyer lannen e aprezan pe fer fas avek penalti ki dan serten ka i eleve.

Pou regilariz sa sityasyon, Gouvernman pou entrodwir en ‘amnesty’ pou donn bann lakonpannyen en loportinite pou met zot rikord azour san bezwen pey bann penalti administratif ki aplikab. Bann lakonpannyen pou ganny en peryod sis mwan, depi Zanvye ziska Zen 2027, pou soumet zot bann deklarasyon anyel ek dokiman finansyel san pey penalti administratif. A la fen Zen 2027, sa ki pann regilariz zot rikord, penalti pou aplikab parey lalwa i prevwar.

12.6. Kondisyon Laysens pour bann Magazen ki vann lalkol ek sigaret

Madanm Spiker, nou tou nou pou dakor ki konsomasyon lalkol ek sigaret i en fleo dan nou sosyete. Sa ki pli enkyetan se ki de pli zanpli nou bann zanfan i ekspoze avek sa bann prodwi. Pou minimiz sa, Gouvernman pou entrodwir kondisyon laysenns bann magazen ki vann lalkol ek sigaret, pour egzize ki zot vann lalkol ek sigaret dan en landrwa separe avek larestan zot bann prodwi. En peryod tranzisyon pou ganny entrodwir pour permet bann magazen prepar pou sa nouvo pratik.

12.7. Rediksyon dan Laz Pansyon anba Fon Pansyon

Madanm Spiker parey Gouvernman in deza anonse, apartir le premye Zanvye 2027, laz pansyon anba Fon Pansyon Sesel pour desann pour ariv 63 pou armoniz li avek laz peyman benefis sekirite sosyal.

12.8. Koleksyon kontribisyon par travayer etranze e rezidan permanan

Osi, a partir le 1 Zanvye, skim pou travayer etranze komans kontribye dan Fon Pansyon Sesel pou pran lefe. Sa kontribisyon ki pou 5 poursan pou ganny tire lo saler travayer etranze tou le mwan. Pou le moman anplwayer pa pou kontribye. Plis detay lo mekanizm sa nouvo mezir pou ganny kominike par Minister Finans konzwentman avek Fon Pansyon Sesel.

12.9. Nouvo polisi lo dat ekspirasyon

Madanm Spiker, resaman in annan en logmantasyon enportan dan lakantite prodwi ki ganny enporte avek bann dat ekspirasyon tre kourt. Sa i reprezant en risk pour lasante piblik e pou biznes. Pour rezourd sa, nou pou entrodwir nouvo regilasyon pou fer ki prodwir enporte i annan bann dat ekspirasyon minimonm ki ganny konsidere akseptab an liny avek norm enternasyonal.

12.10. Permi rezidansyel pour Envistiser Etranze

Konsey Minis in aprouv en propozisyon pou entrodwir en sistenm permi rezidansyel pour bann endividi ki anvi swa envestir dan Sesel, ou ki Gouvernman i konsidere bann kandida i posed serten kalite, konpetans, kalifikasyon ou serten lakonplisman ki kapab dan benefis Sesel. Sa skim i similer avek sa ki ganny pratike dan lezot pei tel ki 'golden visa' UAE. En propozisyon pou en kad legal in ganny soumet avek prokirer zeneral.

13. Konklizyon

Madanm Spiker, mon prezant en bidze dan ki Gouvernman i fer sa bann langazman:

- Akseler lenvestisman pour ogmant krwasans ekonomik
- Protez nou bann aki sosyal
- Devlop nou kapital imen
- Envestir dan nou lenfrastriktir e batir nou rezilyans

Nou rekonnet ki defi pou touzour la. Alors sa bidze i prezant bann mezir ki nou kapab pran dan en fason responsab pandan lannen ki devan nou.

Nou responsabilite se realiz sa bann langazman, eksplik nou bann desizyon e rann kont lo bann rezilta.

Nou en pti nasyon, me nou pa'n zanmen en nasyon feb. Nou lafors in toultan nou linite, nou kapasite pou vin ansanm, sorti lo sak zil e dan sak lorizin, pour byennet tou dimoun. En bidze i kapab donn bann mwayen me se lepep Seselwa ki pou fer sa bann mwayen vin progre.

En Sesel prodiktif i depan lo nou tou. Alor mon demann sak Seselwa, tou travayer, nou bann biznes, nou kominote ek nou bann lenstitisyon piblik pou zwe zot rol. En prosperite partaze i vedir donn plis dimoun loportinite pour kontribye e benefisye. Ansanm annou batir en Sesel kot personn pa ganny kit deryer.

Avan mon terminen, mon oule eksprim mon lapresyasyon pour nou Prezidan, Vis-Prezidan, Minis Prensipal ek tou mon bann koleg minis ek zot bann staff pour zot sipor.

Mon osi ti a kontan pran en moman pou rekonnet travay, dedikasyon e sakrifis bann zofisye dan mon Minister ek Portfolyo. Mersi pour zot sipor kontinyel.

Avek sa, Madanm Spiker, mon remersye tou bann manm lasanble nasyonal pou zot lekout e sipor kontinyel e mon rekomann laprouvasyon Lasanble Nasyonal pour sa *Appropriation Bill 2027* pour en total bidze SCR 12,855,170,854 e pour otoriz depans sorti dan *Consolidated Fund* pour lannen 2027.

Mersi Madanm Spiker



Budget Address 2027

GOVERNMENT OF SEYCHELLES

Delivered by

MINISTER PIERRE LAPORTE

MINISTER FOR FINANCE, ECONOMIC PLANNING, TRADE AND INVESTMENT

In the National Assembly of Seychelles

Ile du Port, Victoria, Mahé, Seychelles

Thursday 12 November 2026

Madame Speaker,
Leader of the Opposition,
Leader of Government Business,
Honourable Members of the National Assembly,
Everyone listening,
Good morning.

1. Introduction

"A Budget to Accelerate Growth and Protect Our Social Gains"

Madame Speaker, fifty years after independence, Seychelles is an example of what a small island state can achieve through vision, perseverance and investment in its people. Our country has evolved from a young nation focused on meeting its people's basic needs into a high-income economy, with significant social progress, modern infrastructure and an internationally recognised commitment to environmental protection.

But our story goes beyond the indicators that rank us first, or among the leading countries, on the African continent. It is a story that has brought our people more opportunities, modern institutions and an economy better able to withstand shocks and continually changing circumstances.

Madame Speaker, today I present the 2027 Budget under the theme "A Budget to Accelerate Growth and Protect Our Social Gains", reflecting sustainable growth over the medium and long term. An accelerated growth driven not only by improving global economic conditions, but also by greater productivity and efficiency through significant reforms to the business environment. Stronger growth will translate into

more jobs and greater prosperity for our people. We will continue to share this prosperity equitably, in keeping with our Government's ideology.

This Budget takes as its starting point the concerns that the public and business community share with us every day: the cost of supporting a family, finding a good job, access to housing, the quality of public services, and the constraints and costs of doing business.

For a young person leaving school, economic progress means a real opportunity to work and develop their abilities.

For a parent, it means greater confidence in their ability to meet their family's needs.

For a business owner, it means the ability to invest, employ people and grow their business.

For our pensioners, it means living in dignity and security.

Our responsibility is to build an economy that creates these opportunities, supported by public financial management capable of sustaining them.

Madame Speaker, this Budget has two priorities. First, to accelerate investment climate reforms that increase productivity and efficiency and bring faster economic growth. Second, to maintain support for our population, particularly young people and the most vulnerable, through programmes that bring more people, especially young people, into employment, and through our social programmes supporting the most vulnerable.

Madame Speaker, through the 2027 Budget, our Government will continue to prioritise efficient public spending and fiscal discipline. We must strike the right balance between developing our country and keeping our finances and debt at sustainable levels.

Madame Speaker, the cost of living also remains one of our greatest challenges, and continually addressing this concern must remain a Government priority.

The success of this budget will be measured not only by the allocation of resources, but also by the results achieved.

2. Seychelles Economic Performance

Madame Speaker, the global economic environment in 2026 has been particularly difficult, largely because of the conflict in the Middle East and its effects on fuel prices, tourist arrivals, trade and supply chains. Global economic growth is expected to slow from 3.1 per cent in 2025 to 2.8 per cent in 2026, while inflationary pressures remain high. Although global growth is projected to recover to around 3 per cent in 2027, uncertainty remains.

Despite these challenges, the Seychelles economy has continued to demonstrate resilience. Real gross domestic product (GDP) growth for 2026 is now estimated at 1.0 per cent, slightly above the 0.8 per cent projected at the mid-year review. Visitor numbers are expected to fall by approximately 6 per cent in 2026. Nevertheless, tourism receipts reached approximately USD 924 million in the first nine months of 2026, an increase of 7 per cent compared with the same period in 2025. This is mainly due to the strong performance of the tourism sector compared with last year.

For 2027, we project a recovery in economic activity, with real GDP growth of 4.1 per cent, compared with the estimated 1.0 per cent in 2026. This recovery will result from improved international economic conditions, a moderate reduction in fuel and transport prices, and a rebound in tourism activity. Visitor numbers are projected to increase by 7 per cent in 2027. However, this will also depend on the international geopolitical situation. Over the medium term, the Seychelles economy is projected

to grow by an annual average of 3.1 per cent. The recovery is expected to reflect positive performance across several sectors of our economy.

Construction is projected to grow by 6 per cent, supported by the resumption of projects delayed during 2026. Agricultural sector is expected to grow by 3 per cent, while the financial sector is projected to grow by 5 per cent. Information and communications technology will remain a key contributor, with projected growth of 8 per cent in 2027, supported by increased digitalisation and greater competition in telecommunications following approval of a licence for a third mobile telephone service operator.

Madame Speaker, the 2027 Budget places particular emphasis on further reforms to create a more favourable and dynamic investment climate. These will also enable us to increase productivity and improve public service efficiency. They will be complemented by our social programmes supporting the most vulnerable.

3. Review of Fiscal Performance in 2026

Madame Speaker, despite the challenging economic environment in 2026, the Government expects to end the year with a budget surplus of SCR 29.3 million, compared with SCR 17.9 million projected at the mid-year budget review. This reflects our continuing efforts to maintain fiscal discipline while responding to economic and social pressures.

Total revenue, including grants, is estimated at SCR 12.1 billion for 2026, equivalent to 35 per cent of GDP. This represents a reduction of SCR 182.6 million compared with the original budget, even though economic growth is considerably lower than initially projected. Tax revenue is estimated at SCR 10.3 billion, representing 30 per cent of GDP. This is an increase of SCR 435.1 million, or 4.4 per cent, compared with actual tax collections in 2025.

Expenditure excluding loan interest for 2026 is projected at SCR 12.1 billion, an increase of SCR 483.7 million compared with the original budget. This increase largely reflects additional financial support provided to Air Seychelles, STC and the agricultural sector during the mid-year budget review. These interventions were necessary to help minimise the effects of the Middle East crisis.

Public debt stood at SCR 17.7 billion at the end of September 2026, equivalent to 51 per cent of GDP, compared with SCR 17.9 billion, or 53 per cent of GDP, at the end of September 2025.

Madame Speaker, our experience in 2026 demonstrated the importance of maintaining sufficient fiscal space to respond to unexpected economic shocks while safeguarding public finance sustainability. As we move into 2027 and the medium term, our Government will maintain fiscal discipline, strengthen revenue collection and ensure that available resources go towards priority investments supporting productivity, job creation and economic growth.

4. The 2027 Budget and Medium Term Fiscal Performance

Madame Speaker, the 2027 Budget and the fiscal outlook for 2027–2029 have been prepared with national development priorities and the global economic environment in mind. Seychelles faces substantial investment needs in critical infrastructure. These investments are essential to improve public services, strengthen economic competitiveness and support sustainable growth. However, we must balance our development ambitions with sound fiscal management and long-term debt sustainability.

To continue investing in infrastructure while ensuring adequate fiscal space for our social programmes, our Government will emphasise alternative and innovative

financing arrangements, including greater private sector participation in major public investment projects.

At the same time, Madame Speaker, our approach to public debt management must look beyond the level of public debt itself. Although our projected debt-to-GDP ratio is on course to meet our medium-term target of 50 per cent, we also believe that the time is right to consider other parameters for determining a sustainable debt level. The International Monetary Fund (IMF) shares our view.

The 2027 Budget provides for a budget surplus of SCR 167.9 million, equivalent to 0.5 per cent of GDP. Our objective is to maintain a budget surplus of 0.5 per cent of GDP throughout 2027–2029. This will create necessary fiscal space to support national development priorities and maintain the sustainability of our budget framework.

4.1. Revenue Collection for 2027

Madame Speaker, it is important to emphasise that the 2027 Budget proposes no new taxes or increases in existing tax rates. In addition to revenue increases resulting from economic growth, the Government will focus instead on strengthening revenue collection through more effective tax administration while consolidating the implementation of tax system reforms.

For 2027, total revenue, including grants, is projected at SCR 12.9 billion, an increase of SCR 754.2 million, or 6 per cent, compared with the revised 2026 Budget. Tax revenue is expected to reach SCR 10.9 billion, representing 86 per cent of total revenue and grants. This also represents an increase of SCR 704.9 million, approximately 7 per cent, compared with the revised 2026 Budget.

Value Added Tax (VAT) remains a major source of Government revenue, with collections projected at SCR 3.8 billion in 2027, equivalent to 10.2 per cent of GDP and approximately 35 per cent of tax revenue. This represents an increase of 8.7 per cent compared with the end-of-year estimate for 2026. This projected increase will mainly result from the recovery in our economic performance and the implementation of e-invoicing.

Business tax revenue is projected at SCR 2.7 billion, equivalent to 7 per cent of GDP. This represents an increase of SCR 152.5 million, or 6 per cent, compared with 2026, supported particularly by continued improvements in performance and expansion of the financial services sector, notably securities dealers.

Revenue from income tax and non-monetary benefits tax is projected at approximately SCR 1.7 billion, an increase of 8 per cent compared with the end-of-year estimate for 2026. This reflects the anticipated recovery in economic activity, particularly in tourism, and improvements in other key sectors of the economy.

Madame Speaker, non-tax revenue for 2027 is projected at SCR 1.6 billion, an increase of SCR 246.7 million, or 18 per cent, compared with the revised 2026 Budget.

A significant portion of this increase will come from dividends paid by public enterprises, projected to rise by SCR 230.4 million compared with 2026. As I explained during the mid-year budget review, the Government decided to allow SEYPEC to retain the sum it would have paid to the Government as a dividend in 2026, enabling it to minimise the impact of fuel price increases.

4.2. Government Expenditure Framework

Madame Speaker, the Government is proposing an Appropriation Bill with total expenditure of SCR 12,855,170,854 for the 2027 Budget.

Expenditure on goods and services is projected to reach SCR 4.5 billion and continues to represent the largest share of the Budget, at approximately 35 per cent.

However, one of the most important features of the 2027 Budget is the increase in capital expenditure, projected to reach SCR 1.6 billion. This represents an increase of SCR 334.9 million, or approximately 26 per cent, compared with the revised 2026 Budget.

Madame Speaker, the 2027 Budget also provides for a significant increase in wages and salaries allocations, as well as benefits and programmes administered by the Agency for Social Protection (ASP). The wages and salaries allocation is increasing by SCR 309.4 million, while approved ASP benefits and programmes will increase by SCR 258.4 million compared with the revised 2026 Budget.

These allocations reflect the Government's continued commitment to strengthening public services and supporting social protection programmes while ensuring that expenditure remains consistent with our medium-term fiscal objectives.

4.3. Wages and Salaries

Madame Speaker, for 2027, a total of SCR 4.2 billion, equivalent to 11 per cent of GDP, has been projected for wages and salaries.

From 1st January 2027, the Government will extend to allied health professionals the same gratuity structure currently applicable to nurses and doctors. This measure is expected to cost approximately SCR 5.9 million in 2027 and recognises these professionals' important contribution to healthcare delivery.

The Government will also revise 29 salary schemes, effective from 1st July 2027, at a cost of SCR 43.3 million. These revisions will cover several cadres, including office assistants, drivers, housekeepers, procurement and accounting staff, among others.

5. A More Productive Economy Employment and Opportunities

5.1. The Labour Market

Madame Speaker, in 2027, the Government has made a budgetary provision of SCR 64.1 million for the Ministry of Employment and Human Resource Planning.

Several important employment reforms are expected in 2027. In the first quarter of 2027, a new employment law will be brought before the Assembly to modernise the framework governing employer–employee relations, their rights and obligations.

The new national labour migration policy will support a better-managed, fair and inclusive system. It will strengthen the progressive replacement of foreign workers by Seychellois in positions where this is appropriate, with clear directions for career development and preparing Seychellois to assume these key responsibilities. The policy also promotes decent work for all workers.

Madame Speaker, revisions to the quota system for recruiting foreign workers will take effect in 2027. The last quota revision was in 2016. The new system emphasises that foreign workers should complement the local workforce. New elements in this revision also include:

- Project-based quotas for businesses that have reached their quota limits and require additional workers for a specific project.

- Occupation-based Gainful Occupation Permit (GOP) quotas for sectors facing substantial skills shortages.
- Flexible quotas for qualifying businesses.

The Skills Development Programme (SDP) will continue supporting young people who lack sufficient skills and work experience to obtain permanent employment.

Madame Speaker, the new National Human Resource Plan 2027–2031 is being developed. Implementation will begin in the second quarter of 2027, to guide education and training institutions in better aligning their programmes with the needs of the country and employers.

To make employment services more accessible, SCR 3.5 million has been allocated to fund the first phase of an information system and online application services. Services will include registering jobseekers and vacancies, job interview simulation, and registration for employment programmes. The system will also digitalise the Ministry's internal procedures and facilitate the monitoring and finalisation of applications.

5.2. Industry Investment and Entrepreneurship

Madame Speaker, our Government believes in the ability of Seychellois entrepreneurs to produce quality goods that make Seychelles proud. In this spirit, the “Buy Local” campaign will continue, with further efforts through the “Seychelles Made” branding programme to showcase our local products.

The Industry and Enterprise portfolio's 2027 Budget provides for the following projects:

- SCR 12 million to support the second phase of infrastructure development on Eve Island, Praslin;

- SCR 3.5 million for road infrastructure works at Perseverance;
- SCR 3.0 million for the renovation and modernisation of Camion Hall;
- SCR 2.8 million for the development of the Anse Royale Enterprise Village;
- SCR 2.8 million for the renovation and improvement of enterprise centres;
- SCR 2.8 million for infrastructure works on Daroa Road, Providence;
- SCR 2.5 million to fund surveying and the preparation of a development plan for the Industrial Estates Authority;
- SCR 2.5 million to improve drainage at the Marine and Auto Industrial Park;
- SCR 1.2 million for investment in the area between STAR Seychelles and Aqua Glass;
- SCR 1.2 million for other drainage works, including in the Taylor Smith area; and
- SCR 759,000 towards renovating the small and medium enterprise centre on the former STC site at Grand Anse Praslin.

The 2027 Budget allocates SCR 38 million under the SME Scheme. Given economic realities, the Government considers it necessary to widen access to finance for more small businesses under the SME loan scheme. Proposals at the final stage, to be presented shortly to the Cabinet, include reviewing eligibility criteria to allow more businesses to benefit and increasing the maximum loan amount from SCR 3.0 million to SCR 5.0 million.

Madame Speaker, the Government will also review interest rates with a view to reducing them, and we will extend loan repayment periods to reduce beneficiaries' monthly repayments. Existing beneficiaries will also be able to restructure their loans to apply the new terms and benefit from lower repayments.

Major Investment Projects

Madame Speaker, Seychelles continues to attract foreign investment. During 2026, we saw the completion of several major investment projects, such as Villa Michel Reybier on Praslin, while investments such as the Melia Resort project continue to progress. In 2027, we expect work to begin on the former Reef Hotel project. Several investors have already contacted us about developing luxury hotel and villa projects on Ile Aurore. With the reclamation project, several major investors have already approached us to express interest in developing the land and islands being reclaimed.

Establishment of the Seychelles Development Board

Madame Speaker, in 2027, the Ministry of Investment will introduce further measures to improve the investment climate.

First, to make the steps and procedures for doing business faster and more efficient, a new structure will bring several investment-related public entities together under a single body called the Seychelles Development Board (SDB). Consultations between the Ministry responsible for Investment and the other ministries and agencies to fall under the SDB will take place early in 2027, followed by the legal framework and operationalisation.

This development board model has also been adopted by small emerging countries such as Singapore, Mauritius, Rwanda and Estonia, where it has helped bring significant improvements to the business environment.

Centralised Verification System

Madame Speaker, a major constraint delaying businesses' financial transactions today is the often lengthy processing time faced by businesses and individuals. One reason is that institutions' verification systems are not integrated and information is

often scattered. Different institutions also use different information sources. Some countries, including small countries such as Singapore, have overcome this challenge by introducing a centralised verification system. The Cabinet has approved in principle the adoption of such a system in Seychelles. Work to establish it will begin early in 2027.

Review of the Investment Legal Framework

Madame Speaker, as part of our continuing efforts to modernise the investment framework, in 2027 the Government will review the legal framework covering investment. This includes the Seychelles Investment Act 2010 and its regulations. Some restructuring of investment institutions has already begun, to define more clearly the roles of the Ministry responsible for Investment and the Seychelles Investment Board (SIB).

5.3. The Digital Economy

Madame Speaker, digital transformation is an important tool for diversifying our economy, improving productivity and creating new opportunities for our people, particularly the younger generation.

In 2026, Seychelles completed its National Digital and Artificial Intelligence Strategy for 2026–2031. In 2027, the Government will move towards implementing this strategy.

Madame Speaker, a key priority in modernising public services is the introduction of digital services. During 2027, the Government expects to introduce several new digital services, such as:

- Business and company registration;
- Land registration and applications;

- Work permit applications;
- Police services; and
- The student laptop scheme.

Work will also continue to modernise the Traffic Licensing System, improve the SeyID platform and introduce a new public sector human resource management system.

To support these developments, the Government will begin implementing the Cloud and Data Centre project in 2027, with World Bank financing. This investment will provide modern, secure infrastructure to host Government digital services while enabling greater integration and consolidation of existing information technology systems. SCR 59.1 million has been budgeted in 2027 for this project, which is expected to become fully operational in 2028.

Madame Speaker, in 2027, DICT will advance initiatives to improve the quality and affordability of broadband services, strengthen digital literacy and encourage greater adoption of digital technologies by small and medium enterprises.

As our country becomes more dependent on digital technologies, protecting our information systems is equally important. The Government completed the National Cybersecurity Strategy 2027–2031 in 2026. During 2027, priority will be given to strengthening Government cybersecurity monitoring capacity, strengthening the National Computer Emergency Response Team, undertaking a National Cyber Risk Assessment and beginning work on a new Cybersecurity Act.

Madame Speaker, our objective is to build a digital economy that is inclusive, secure and accessible to all Seychellois.

5.4. The Tourism Sector

Madame Speaker, tourism remains a key pillar of our economy. Our ambition is for Seychelles to offer an exceptional experience on every visit and generate greater revenue and benefits for our people.

To improve the quality of our products and services, SCR 2.2 million has been provided in 2027 for inspections, classification and the Sustainable Seychelles programme. This will include introducing service quality assessments into our classification programme. With an allocation of SCR 3.2 million, the Lafyerte Sesel hospitality programme will be reviewed after five years of operation, with training sessions adapted to industry needs.

The Government will also emphasise the development and retention of skilled workers and strengthen collaboration between industry professionals and the Seychelles Tourism Academy so they can share their expertise with students. For 2027, SCR 11.4 million will go towards developing the Academy's infrastructure to offer culinary arts students and instructors modern facilities.

A further SCR 3.9 million has been provided to review key policies and regulations, encouraging greater investment and innovation in the sector.

Madame Speaker, the Seychelles Tourism Board (STB), re-established under the Seychelles Tourism Board Act 2026, will enter its first full year as a separate institution in 2027. For 2027, STB will receive SCR 117.1 million, an increase of SCR 35.8 million compared with the revised 2026 Budget.

Madame Speaker, STB has an important role in consolidating Seychelles' presence in our key markets, including Europe, and diversifying demand across other regions, segments and seasons. This work will follow the national direction of “Higher Value,

Lower Impact", meaning greater economic value with less impact on our environment.

Madame Speaker, in our efforts to diversify the economy, the Ministries responsible for Tourism; Investment; Transport and Land has begun consultations with the private sector to develop superyacht activities in Seychelles. These consultations indicate that Seychelles has considerable potential to develop this activity on a larger scale.

5.5. The Financial Sector

Madame Speaker, the financial sector continues to offer substantial opportunities for investment, employment and economic growth. Our objective is to ensure its development. To support this effort, in 2027 the Government will establish a Financial Sector Department in the Ministry of Finance, Economic Planning, Trade and Investment, with a budget allocation of SCR 12.6 million. A key priority will be developing a Financial Sector Strategy by the end of 2027, covering domestic and international financial services, investment, innovation and financial inclusion.

Madame Speaker, maintaining confidence in Seychelles as a reputable international financial centre remains essential. In February 2026, Seychelles was removed from Annex II of the European Union's list of non-cooperative tax jurisdictions. Seychelles has also begun its Mutual Evaluation under the Financial Action Task Force framework, which assesses jurisdictions against standards for combating money laundering and the financing of terrorism and proliferation. Seychelles' report is expected to be discussed at the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) meeting in March 2028.

In 2027, the Government will introduce a new legal framework covering Special Economic Zones, or Free Zones, to replace the International Trade Zone Act 1995.

The framework will cover investment in specialised financial services, including fund administration, wealth management and fintech, including electronic money. The Government is also reviewing the insurance sector framework to support innovation, broaden the range of products and develop the domestic market.

Madame Speaker, to support the growth and diversification of our financial sector, the Government will review the Regulatory Sandbox framework. Through this initiative, the Financial Services Authority will work closely with the Central Bank to ensure that new financial technologies and business models are tested in a controlled and coordinated environment under regulatory supervision before wider adoption.

This approach, now being adopted worldwide, will enable Seychelles to encourage innovation in a controlled, transparent and responsible manner while preserving our country's financial stability. It will also strengthen our regulators' expertise and help us develop specialised areas to support the financial sector's future.

Madame Speaker, the Pension Fund's acquisition of Standard Chartered Bank's 22 per cent shareholding in Nouvobanq has reached its final stage. We expect the transaction to be completed early in 2027.

5.6. **Fisheries and the Blue Economy**

Madame Speaker, fisheries and the blue economy remain important pillars of our economy. To support these priorities, a series of capital investment projects managed by the Seychelles Fishing Authority (SFA) will be implemented in 2027. These investments will improve infrastructure and facilities for fishers, support aquaculture development and strengthen SFA's capacity to serve the sector. Allocations will go towards the following projects:

- SCR 8.0 million for reclamation works to improve fishing vessel facilities and access at Anse Etoile;
- SCR 3.7 million for quay wall and pontoon works at Providence;
- SCR 1.1 million for the installation of a pontoon and a barrier at Baie Sainte Anne.

Madame Speaker, to continue developing fishing facilities in our communities, the Budget provides:

- SCR 6.0 million for fishing facilities at English River;
- SCR 1.6 million for fishing equipment stores at Anse Etoile;
- SCR 334,000 for fishing facilities at Anse La Mouche.

In line with our priority of developing aquaculture as a new pillar of the blue economy, SCR 11.3 million has been provided for the second phase of the Broodstock, Acclimatisation and Quarantine Centre. This investment will strengthen the infrastructure needed to support this subsector's development and the production, investment and employment opportunities it can bring.

The Budget also provides SCR 32.3 million for the SFA operations building and SCR 4.1 million for SFA's artisanal fisheries building.

5.7. The Agricultural Sector

Madame Speaker, the Government is also renewing its commitment to revitalising the agricultural to strengthen our country's food security and biosecurity protection.

In 2027, SCR 69.1 million is being provided to reintroduce animal feed subsidies and increase subsidies for poultry and pig abattoirs and for carcasses processed through them. These measures aim to reduce production costs, encourage farmers to

expand or restart livestock activities, attract new investment and increase local chicken and pork production.

The Government will also strengthen access to finance through a review of the Agricultural Development Fund (ADF). Amendments to be proposed shortly to the Cabinet will address existing challenges and respond to the agricultural sector's evolving needs. Improvements will focus on widening the range of agricultural activities eligible for financing and reducing interest rates and loan repayment periods. SCR 30 million has been allocated in the 2027 Budget. The Fund already holds SCR 74.3 million. A similar review will also be undertaken for the Fisheries Development Fund.

For 2027, the sector's investment programme includes:

- SCR 15 million to construct a new market at Roche Caiman;
- SCR 9.5 million to continue renovating Victoria Market, work that began in 2024;
- SCR 6.0 million to construct a new Agriculture Department building at Union Vale, bringing agricultural services under one roof;
- SCR 5.5 million for investment in the Seychelles Institute of Agriculture and Horticulture, including SCR 1.0 million to continue constructing a new block with a staff room and SCR 4.5 million to modernise livestock and production training facilities;
- SCR 4.0 million for the complete renovation of the Praslin agricultural complex;
- SCR 2.6 million to construct an office for the pig genetics centre;
- SCR 2.0 million to continue removing soil and silt deposits from rivers and wetlands;

- SCR 1.5 million to improve irrigation systems;
- SCR 600,000 for other small projects.

In addition, SCR 1.0 million has been budgeted for each of the following projects:

- Continuing the construction of small district markets to give farmers more space to sell their produce and facilitate community access to local agricultural products;
- Maintenance of the pig genetics centre;
- Other upgrading projects;
- Surfacing gravel roads with tarmac to facilitate farmers' access;
- Constructing new roads serving agricultural land;
- Purchasing an incinerator for the National Biosecurity Agency;
- Re-roofing the former BBC building.

Madame Speaker, the mandate of the Seychelles Institute of Agriculture and Horticulture has also been expanded to include operating the national soil laboratory, developing and transferring new technologies to farmers, and training agricultural professionals and technicians. Its mandate also includes promoting more climate-resilient agricultural systems through ecosystem-based adaptation and nature-based solutions.

Madame Speaker, agriculture is among the sectors most strongly affected by climate change and environmental pressures. The Government will therefore continue introducing initiatives to make the sector more resilient. Priorities will include improving water security and availability on farms, developing more efficient irrigation systems, promoting climate-adapted agricultural production methods, strengthening sustainable land management practices, and encouraging the recycling and productive use of agricultural and organic waste.

6. Human Capital Development

6.1. The Education Sector

Madame Speaker, if we want a more productive economy that creates more employment opportunities and can meet future challenges, we must continue investing in our people and their education.

Since independence, we have made considerable progress in giving our children access to comprehensive, quality education. Today, however, we cannot be satisfied simply with ensuring that they attend school. We must ensure that they learn well, develop sound values, gain confidence in their abilities and leave school with the skills they need in life. Technology is changing, new occupations are emerging, and our education system is evolving alongside these changes.

Madame Speaker, for 2027, approximately SCR 1.6 billion has been provided for the Education and Human Resource Development portfolio.

This allocation supports the Ministry of Education and Human Resource Development's Strategic Plan 2026–2030. The plan emphasises teaching quality, good governance, training for employment, digital transformation and improved infrastructure.

Madame Speaker, a good start in life begins in early childhood. It is in our crèches and institutions that our children begin developing their confidence, language and desire to learn. For 2027, IECD will receive SCR 52.6 million. Efforts to strengthen educational quality monitoring in crèches and preschools, train educators and work more closely with parents will intensify. We want every child to have this strong foundation, whatever their circumstances.

But educational quality also depends on the conditions in which our children learn. A school must be a place where children feel safe, teachers can do their work well and facilities encourage learning. That is why the Government continues investing in renovating and building our schools.

For 2027, SCR 155.2 million has been provided for the Ministry of Education's capital projects, an increase of SCR 57.6 million compared with the revised 2026 Budget. Major projects include:

- SCR 58.5 million for the phased construction of the new La Digue school;
- SCR 11 million to renovate Pointe Larue Secondary School;
- SCR 10 million to rebuild Anse Boileau Crèche and SCR 7.5 million for the P5 and P6 block at Anse Boileau Primary School;
- SCR 5.6 million for eight new classrooms at Perseverance Primary School;
- SCR 4.2 million for a new block at Pointe Larue Primary School, with a library, computer room and multipurpose room;
- SCR 4.0 million to rebuild a two-storey block at La Retraite School;
- SCR 3.0 million for a covered multipurpose space at Anse Royale Secondary School;
- SCR 2.5 million for a playing field at Praslin Secondary School.

Madame Speaker, building a school is important. But we must also ensure that every child can benefit from the opportunities it offers. A child arriving at school without food, or struggling to obtain transport, does not begin the day with the same opportunities as others. For this reason, the 2027 Budget maintains the following support:

- SCR 22.7 million for allowances for full-time students at professional centres;
- SCR 23.3 million for pupil transport through SPTC;

- SCR 11.5 million for school breakfasts and SCR 23.9 million for school lunches;
- SCR 7.3 million for mature student allowances;
- SCR 7.3 million for internet access in schools;
- SCR 2.32 million for uniform material.

These provisions will help ease the burden on families and give more children and young people an equal chance to continue their education.

Madame Speaker, no education reform will succeed without our teachers. Every day, they encourage children who are struggling, discover their talents and help them believe in their own abilities. We must better recognise their contribution, support them and ensure that teaching remains a profession young Seychellois are proud to choose.

In this context, SCR 53.7 million has been allocated to pay for revisions to the teachers' scheme that took effect in July 2026. The Budget also provides SCR 3 million for teaching assistants' salary adjustments following the required training, and SCR 7.7 million for other salary adjustments.

Madame Speaker, we also want education to open doors to employment, a trade or the possibility of starting a business, as well as to a diploma. The Government is therefore supporting the development and accreditation of IGCSE syllabuses adapted to Seychelles' context, with SCR 2.8 million provided over the medium term.

We must also align scholarships more closely with labour market demand and national priorities, especially in technology, health, agriculture, tourism and the blue economy. We will continue valuing technical and vocational occupations alongside the development of Technical and Vocational Education and Training Centres. The

Agency for Careers and Advanced Education will receive SCR 248.5 million, including SCR 237.1 million for scholarships. This is a significant investment, and we must ensure it helps young people develop the skills our country needs.

Madame Speaker, in our effort to give every young person a chance, we must remember those facing difficulties. For 2027, SCR 8.8 million has been provided for the operation of the Youth Hope Centre, including the recruitment of instructors and two psychologists.

Madame Speaker, ultimately, the success of our investment in education will be measured by more than the money we spend. It will be measured by children learning confidently, teachers supported in their work, and young people leaving training with a real opportunity to move forward in life. When we invest in education, we prepare tomorrow's workers, entrepreneurs and leaders.

6.2. The Health Sector

Madame Speaker, a country seeking to develop, create more jobs and increase productivity needs, above all, a healthy population. When someone is ill, the effects reach their family, workplace and community as well as the individual. The Government therefore considers health an essential investment in our people's wellbeing and Seychelles' future.

Our objective is simple: every Seychellois, wherever they live, should have access to safe, effective healthcare delivered with respect and dignity. We must modernise facilities, strengthen our professionals' capacity and improve the way our health system operates.

Madame Speaker, for 2027, the Government has allocated a total of SCR 1.5 billion to the health sector, an increase of approximately SCR 70 million compared with the revised 2026 Budget.

These investments accompany a broader health sector reform that began in 2026 and will continue in phases until 2028. Under the vision “New Era of Care: Reform with Heart”, we are strengthening governance, accountability, financial planning and service quality so that budgeted resources bring tangible improvements for our population.

In 2027, the Ministry of Health will also develop a new National Health Strategic Plan, giving clear direction on priorities and the results we want to achieve.

To strengthen health regulation and cooperation, the Policy, Strategy and Accountability Department's Budget also includes SCR 1.5 million for Seychelles' contribution to the African Medicines Agency. This is an investment in better medicines regulation and public health protection.

Madame Speaker, among our health system's greatest challenges are ageing facilities and insufficient space to meet growing demand. The 2027 Investment Programme therefore provides SCR 82.2 million for capital projects under the Department of Healthcare Services, including SCR 18.8 million financed through foreign grants.

A project of special importance to our country's future is the new hospital. In partnership with the Government of India and other stakeholders, the Government aims to finalise a detailed project plan before the end of the first quarter of 2027, with construction targeted to begin in the third quarter of 2027. Capital projects for 2027 include SCR 22.2 million for consultancy work and infrastructure preparation for the new hospital.

Madame Speaker, we must also look after the facilities where our patients receive care today. The 2027 Budget therefore provides:

- SCR 23 million for maintenance and renovation of Seychelles Hospital;
- SCR 6 million for other health infrastructure projects;
- SCR 2 million to renovate North-East Point Hospital; and
- SCR 2 million to renovate the former NIHSS building.

We are also placing special emphasis on improving healthcare in our communities. The following projects have been budgeted for 2027:

- SCR 10 million to rebuild Anse Boileau Health Centre;
- SCR 7 million to begin major renovations at Anse Royale Health Centre;
- SCR 6 million to renovate English River Health Centre.

But infrastructure alone is insufficient. What makes a difference in a patient's life is the waiting time, how they are welcomed, the information they receive and the quality of their care. That is why the Department of Healthcare Services will emphasise the “Patients First/Service Excellence” approach.

Madame Speaker, for 2027, the Public Health Authority will receive SCR 95 million. This allocation will enable the Authority to continue strengthening disease prevention and control, public health surveillance, food safety and protection of our population's health.

Madame Speaker, the Authority will simplify administrative procedures for businesses and investors, without compromising public health standards, as follows.

First, the Government will finalise new regulations under the Public Health Authority Act to allow the registration of private health practices. The new system will also introduce a health sector One-Stop Shop, where businesses can submit

registration and licence renewal applications in one place. The regulations are expected to take effect early in 2027 and will help simplify procedures.

Second, the Authority will review application procedures for food sector businesses to establish minimum standards that all operators must meet. This will help businesses understand their obligations more clearly while ensuring public health protection.

In addition, early in 2027, the Authority will complete the modernisation of its website, making all public health guidelines, standards and requirements publicly available.

Our responsibility is to turn these health investments into results that our people can feel in their daily lives. This is how we will build a healthier, more resilient and more productive Seychelles.

6.3. Social Affairs Family and Equality

Madame Speaker, the family remains the foundation of our society. The Government recognises the importance of strengthening family values, protecting vulnerable individuals and ensuring that every Seychellois can live in dignity and security. We are committed to providing the necessary support to families facing social challenges, strengthening services for children and vulnerable groups, and improving the quality of care for our elderly citizens.

For 2027, the Government has allocated SCR 46 million under the Ministry of Social Affairs, Family and Equality's Investment Programme to improve social care facilities and strengthen services available to the most vulnerable groups in our society. This allocation will be distributed as follows:

- SCR 20 million to continue major renovations at elderly people's homes;

- SCR 9.4 million to construct the Crisis Centre, with work to begin towards the end of 2026, to strengthen intervention and support services for individuals and families experiencing difficult circumstances;
- SCR 9 million to complete the Youth Hope Residential Centre and strengthen residential support for vulnerable young people. The Centre will become operational around the first quarter of 2027;
- SCR 5.6 million to complete the extension of the Anse Royale Home for the Elderly;
- SCR 2 million to renovate the Domestic Violence Shelter and improve facilities for those needing protection and assistance, while the Ministry reviews the legislation and establishes an operational framework for its implementation.

Madame Speaker, the Government remains committed to promoting inclusion and ensuring that children with disabilities have opportunities to participate fully in society. Accordingly, the National Council for Children (NCC) has introduced the "Fun Without Limits" initiative. This programme aims to provide these children with social interaction, recreational activities, therapeutic support and life skills development, while strengthening support for their families.

The Ministry's 2027 Budget includes SCR 7.7 million under the Neurodivergent Scheme, launched in 2026, in anticipation of more children qualifying for assistance. In addition, the Foster Care Scheme allocation has increased to SCR 9.9 million, an increase of SCR 2.6 million, or 35 per cent, compared with the revised 2026 Budget. This additional provision will support a new programme providing a school allowance for every child living in residential homes.

Madame Speaker, the Government recognises the importance of ensuring that young mothers receive the support needed to continue their education and acquire the skills

to become financially independent. A new assistance scheme, with SCR 1.2 million allocated in the 2027 Budget, will be introduced to support teenage mothers, enabling them to continue their education or enrol in skills development and vocational training programmes.

Madame Speaker, as announced by the President during the International Day of Older Persons celebrations, the Government will increase the monthly social security retirement benefit by a further SCR 800 from 1 January 2027. This follows the SCR 800 increase implemented in January 2026, bringing the cumulative monthly increase to SCR 1,600 within just twelve months. It is important to put these increases into perspective.

Madame Speaker, I remind this Assembly that during the five-year period from 2021 to 2025 under the previous administration, our pensioners received a maximum monthly increase of only SCR 900 over the five years. In comparison, our administration has already given pensioners an increase of SCR 1,600 in less than twelve months. Our Government will increase the retirement benefit to SCR 10,000 per month by 2029.

Madame Speaker, the Government also recognises the important role of home carers in supporting our elderly citizens and those who need help with their daily lives. Through the Home Care Agency, the Government is developing a comprehensive framework to professionalise the home care sector, including a review of remuneration structures, working conditions, training requirements and professional development opportunities.

This reform aims to establish a more structured, professional and sustainable home care system that recognises carers' responsibilities and families' roles, while ensuring

that beneficiaries continue receiving quality care. The Agency is continuing stakeholder consultations, which will be completed this year.

6.4. Mental Healthcare

Madame Speaker, the Government recognises that mental health and wellbeing are fundamental to a healthy, productive and resilient society. Accordingly, the Mental Healthcare Agency's budget allocation has increased from SCR 5.5 million in 2026 to SCR 8.6 million in 2027, an increase of SCR 3.1 million, or 56 per cent. Through this allocation, the Government will continue supporting the Agency's operationalisation, including strengthening institutional capacity, recruiting professionals and developing regulatory frameworks.

6.5. Sport and Youth Development

Madame Speaker, sport continues to play an important role in promoting national unity, healthy lifestyles, discipline and youth development. The Government recognises the contribution of our athletes, coaches and sporting federations in representing Seychelles internationally and inspiring the next generation of sporting talent.

The year 2027 will be particularly important for Seychelles as our athletes prepare to participate in the Indian Ocean Island Games. The Government has provided SCR 30.1 million for preparation and participation, including travel, athletes' allowances and sports equipment.

Madame Speaker, as part of its broader programme supporting Seychelles' participation in major international sporting events, the Government has budgeted SCR 4.9 million in 2027 for the Francophonie Games, SCR 6.1 million for the African Games and SCR 433,500 for the Olympic Games.

Other budget allocations for the Ministry of Youth and Sports include:

- SCR 3.4 million to support athletes participating in local and international competitions, training camps and overseas placements;
- SCR 3.2 million for sporting federations and associations to strengthen operations and support the development of their respective disciplines.

Madame Speaker, alongside developing our athletes, the Government will continue investing in sports infrastructure across the country in 2027 through a budget allocation of SCR 48.1 million. Major projects are as follows:

- SCR 10.1 million has been budgeted to renovate sports infrastructure on Praslin. This includes:
- SCR 2.5 million to renovate Amitié Stadium;
- SCR 2.5 million to develop a combat sports building on Praslin;
- SCR 2 million to renovate swimming pool infrastructure on Eve Island;
- SCR 1.6 million to renovate the Baie Sainte Anne basketball court on Praslin;
- SCR 1.5 million to renovate the judo hall.

Within the SCR 48.1 million allocation:

- SCR 25.7 million to continue constructing the Anse Royale Multipurpose Indoor Court, expected to be completed before the end of 2027;
- SCR 4.5 million to construct a new Sports Medicine and Performance Health facility on Mahé. This investment aims to strengthen support for athletes, particularly in injury prevention, rehabilitation and sporting performance;
- SCR 2 million to construct modern, suitable changing facilities for athletes at Gordon Square;
- SCR 1.5 million to renovate the Judo and Table Tennis building;
- SCR 1.5 million to renovate the Mont Fleuri playing field;

- SCR 1.5 million for renovation works at Stad Linite; and
- SCR 1 million to upgrade other sports infrastructure facilities.

Madame Speaker, the Government will continue supporting young people through well-structured opportunities aligned with our national development strategy. For 2027, the Seychelles National Youth Council (SNYC) has been allocated SCR 30.4 million. This includes funding to recruit six assistant programme officers to improve operations at the regional committees established by young people and ensure active mobilisation and community leadership.

Another priority is youth empowerment and economic inclusion to support a transformative economic agenda. The Government is doubling funding opportunities through the Local Grant Scheme to help finance new businesses, or start-ups. SCR 2 million has been allocated in the 2027 Budget.

Another priority is the continued decentralisation of services to regional and district levels. The Government plans to establish more Youth Hubs and bring services closer to young people. The Budget provides for making youth services more visible through Youth Hubs on Mahé, Praslin and La Digue, targeting more than 10,000 young people nationally.

7. Housing and Land Programme

Madame Speaker, for 2027, SCR 416.1 million is proposed for the housing and land investment programme. This represents 26 per cent of the 2027 investment budget. It continues to reflect this Government's determination to accelerate housing construction, widen access to affordable housing, redevelop our housing estates and make better use of our limited land for Seychellois families and the country's socioeconomic activities.

7.1. Housing Estate Redevelopment and Relocation Programme

Madame Speaker, SCR 30 million is being budgeted to relocate residents from housing estates in poor condition, enabling the redevelopment of these sites.

These include Société du Logement at Pascal Village, Société du Logement at Belvédère, Dolphin Court at Au Cap, the former teachers' houses at Turtle Bay, and the redevelopment of Corgate Estate and Les Mamelles. Relocations are being undertaken carefully, in consultation with affected families and with appropriate support throughout the transition.

The relocation Budget also provides for the construction of 13 to 14 houses to complete the relocation of Baie Sainte Anne residents affected by the PUC power station. The Government remains committed to ensuring appropriate support for affected families and is determined to deliver a definitive solution to this long-standing situation.

7.2. Affordable Social Housing Programme

Madame Speaker, for our affordable social housing programme, the 2027 Budget provides SCR 78.6 million to finance 244 homes under ongoing projects funded by the Government Budget.

The Budget also supports administration and coordination for 216 homes under projects financed by our foreign partners. These comprise of 136 homes supported by China and 80 homes financed by the United Arab Emirates at Barbarons.

Together, this represents 460 affordable social homes currently under development.

7.3. New Affordable Housing Projects in 2027

In 2027, the Government intends to begin construction of 1,170 new affordable homes. Approximately 1,000 will be financed through a line of credit from the Government of India. The remainder will be financed under the 2027 investment Budget.

Projects include eight units extending the Amitié project on Praslin, 40 units at Au Canbar in Glacis, 24 units at Société du Logement in Belvédère, 16 units in the Les Mamelles redevelopment, 24 units in the Pascal Village redevelopment, 24 units at Cascade on the former PSSW site, 16 units at Marie-Jeanne Estate on Praslin, and 18 units on the former Morel site at St Louis.

These projects represent a considerable expansion of our housing programme. They will require rigorous budget planning, timely completion and facilitation of tender procedures, and close supervision to turn these budgetary commitments into homes for our families.

7.4. Condominium and Mid Range Condominium Programmes

Madame Speaker, our housing policy must also meet young professionals' needs, taking account of their differing financial capacities.

Under the Mid Range Condominium Programme, the 2027 Budget provides for continuing 84 apartments already under construction at Bel Air, Cascade, the former SACOS site at Anse Royale, and Lale Kersley on La Digue.

Meanwhile, construction of 276 new apartments will begin before the end of 2026. These include 96 units on Praslin, which will receive three Mid Range Condominium projects for the first time. This programme will widen opportunities for more Seychellois to own their homes, with options better suited to their means.

7.5. Full Condominium Programme

A call for expressions of interest is currently being made for private sector partners wishing to work with the Government under a public–private partnership, or PPP model to help deliver housing and Land Bank projects.

We anticipate considerable interest in this initiative, which will enable us to mobilise additional resources and capacity to accelerate our projects.

The work ahead is substantial, and the Government remains committed to making steady progress on its housing programme.

7.6. Land Portfolio

Madame Speaker, the Government remains committed to giving more Seychellois the opportunity to obtain a plot of land and build their home.

We will continue the Land Bank programme by preparing and allocating plots with the necessary infrastructure. For 2027, SCR 41.6 million has been allocated for Land Bank projects. In addition, the Government proposes SCR 30 million to acquire land from private owners.

7.7. Land Reclamation Project

The Government will continue land reclamation to create more land for economic and social development. SCR 54 million is being provided for reclamation works, which will make more than 60 hectares of land available to the country. This investment will increase our capacity to plan for and meet development needs in the years ahead. The Government encourages participation by private sector businesses that need land and have financing ready.

7.8. Updating Aerial Imagery for Our GIS

Madame Speaker, good land administration also depends on accurate, up-to-date information.

We are currently taking steps to update our orthophoto aerial imagery for the Geographic Information System (GIS). SCR 3 million is proposed in the 2027 Budget for this purpose. The imagery will provide an important information base for land administration, development planning, infrastructure coordination, environmental monitoring and disaster preparedness.

7.9. Housing Subsidy Scheme

The Government is reviewing the housing subsidy scheme to better assist first-time homeowners. Under the scheme, eligible applicants receive a non-repayable subsidy in addition to their housing loan to help complete their housing project. The review aims to ensure that the scheme reflects our people's needs, conditions in the construction sector and the Government's housing strategies. It also seeks to strengthen participation by commercial banks so that more people can benefit. An allocation of SCR 13.5 million has been made for 2027.

Madame Speaker, our housing policy commitment is clear: accelerate construction, widen opportunities and make every investment count for the future of our families and country.

8. Local Government and the Inner Islands

Madame Speaker, our districts play an important role in promoting social cohesion, community participation and improved quality of life. The Government will therefore continue strengthening local governance and investing in community

infrastructure so development reaches every district across Mahé, Praslin and La Digue.

For 2027, the Ministry of Local Government and the Inner Islands' investment programme provides SCR 77.8 million to develop and improve district infrastructure and community facilities. This includes SCR 26 million dedicated specifically to small district projects that improve community infrastructure, address priority needs and positively affect residents' quality of life.

In addition, SCR 15 million has been budgeted for community road projects, SCR 5 million, or 50 per cent, more than the revised 2026 allocation. This will improve accessibility and connectivity, particularly for residents still facing difficulties accessing their homes.

The Government has also allocated SCR 10 million under the Home Repair Scheme to help with essential repairs to residential properties, particularly households needing support to improve their living conditions.

Madame Speaker, the Government recognises the importance of timely assistance for families affected by natural disasters and other emergencies. The 2027 Budget therefore provides:

- SCR 4.5 million to facilitate immediate assistance to affected households;
- SCR 3 million under the Poverty Alleviation Programme to assist vulnerable households facing urgent home repairs;
- A further SCR 2 million for temporary accommodation for families displaced from their homes by such incidents.

These allocations reflect the Government's commitment to strengthening its social safety net and ensuring that families facing difficulties can obtain timely and appropriate assistance.

In 2027, the Ministry of Local Government and the Inner Islands will also receive the following additional allocations:

- SCR 10.8 million to construct offices for the Member of the National Assembly, the district administration office and a community centre for Mont Buxton;
- SCR 5.4 million to construct a new day care centre at Grand Anse Mahé;
- SCR 4.5 million to construct a new district administration office at Port Glaud;
- SCR 2.3 million to renovate community facilities in Bel Air, Pointe Larue and Anse Louis.

9. Culture Arts and Heritage

Madame Speaker, in 2026 Seychelles celebrated a historic milestone, 50 years of independence, reminding us of the importance of preserving our cultural heritage, national identity and the values that unite us as a people.

During 2027, the Government will place particular emphasis on strengthening culture, the arts and national heritage to preserve our identity, protect our heritage and develop new economic opportunities for Seychellois.

Through the Creative Seychelles Agency and the Seychelles Arts and Crafts Agency, programmes will focus on training, entrepreneurship, business development, market access and promotion of Seychellois creative products and services. Particular attention will also be given to artists' professional status and the protection of their rights so they can benefit more fully from their work and talent.

Efforts will focus on conservation, management, historical interpretation and improved visitor facilities to ensure that the site is protected and well prepared for its future. The Seychelles Heritage Agency will also continue conserving national

monuments, maintaining the heritage inventory and improving the management of historic sites.

Festival Kreol will continue its role as one of our largest national cultural events. Our objective is also to encourage activities that keep our music, dance, Creole language and other traditions alive in our communities. As it approaches its 40th anniversary in 2027, the Creole Institute of Seychelles will continue strengthening research, documentation and promotion of our Creole language, while other institutions work together to make culture a more integral part of education and everyday life.

During 2027, the Government will undertake the preparations needed to operationalise the Film Rebate Scheme, which aims to attract international film productions to Seychelles. This will include developing regulatory, financial and facilitation mechanisms, alongside training opportunities for professionals. The initiative can create new opportunities for young Seychellois in cinematography, production, technology, creative services and other sectors supporting the film industry.

Madame Speaker, the following expenditure has been provided in the 2027 Budget for the culture portfolio:

- SCR 17 million for the arts and creative infrastructure development, to construct the new Théâtre des Palmes;
- SCR 16 million to restore Maison St Joseph as part of efforts to preserve our historic buildings, protect them for future generations and develop the site as a cultural tourism product;
- SCR 10 million to construct the new National Archives;

- SCR 1.4 million to construct a monument commemorating the abolition of slavery;
- SCR 1.1 million to renovate the Records Centre.

These projects will improve the condition and preservation of our historic collections and documents, modernise services and provide a more suitable environment for students, researchers and the general public.

10. Investing in Our Infrastructure and Building Our Resilience

10.1. Land Transport

Madame Speaker, investing in our communities means ensuring our people have access to infrastructure supporting daily life and economic activity. Our road network plays a fundamental role in connecting communities, facilitating the movement of people and goods, and supporting business growth across our islands.

The 2027 Budget provides for several important investments, including:

- SCR 114.4 million for capital investment projects under the Seychelles Land Transport Agency (SLTA). This is an increase of SCR 44.5 million, or 64 per cent, over 2026. Within this allocation, SCR 95.9 million will go towards road infrastructure projects and maintenance, while SCR 18.5 million will support road safety and other land transport improvements;
- SCR 20 million for continued investment in coastal protection infrastructure. Seychelles remains particularly vulnerable to coastal erosion, flooding and the effects of climate change;
- SCR 12 million to construct secondary roads, improving accessibility in residential communities.

Madame Speaker, our investment programme will also address important infrastructure needs across the three main islands. For 2027, SCR 21 million has been allocated to improve road infrastructure on Praslin and La Digue, comprising SCR 13 million for Praslin and SCR 8 million for La Digue.

On Praslin, this allocation will support the continuation of the Pasquere road project, improvements to roads at Grand Anse and Baie Sainte Anne, roadside improvements from La Réserve to Anse Possession, and the road from Anse Citron to Consolation. Investment will also be made in pedestrian facilities, including footpaths at St Matthew and along the Baie Sainte Anne to Côte d'Or corridor.

On La Digue, the allocation includes SCR 1 million for road improvements and widening, including Pension Michel Road, and installing traffic signs and mirrors at various locations. The Government has also allocated SCR 2 million to surface roads at Coco Ibrid, the highway and other locations.

In addition to these major investments, the Government recognises that smaller infrastructure projects can make a substantial difference to daily life. SLTA's capital programme includes 35 small projects costing SCR 2 million or less, representing investment of approximately SCR 48.9 million. They will address important community needs, including improvements to access road, road widening, drainage, footpaths, pedestrian facilities and other essential road infrastructure.

On Mahé, the Government will continue the Pointe Larue third-lane project, with SCR 5 million allocated. It will also invest SCR 4 million in new lanes between Ile du Port and the IOT junction to improve traffic flow and support more efficient movement along this important transport corridor.

Madame Speaker, improving road safety remains an equally important priority. The Government will invest in purchasing and maintaining crash barriers, improving pedestrian facilities and measures to improve traffic flow.

SCR 3 million has also been allocated for drainage maintenance, while SCR 2.5 million will support disaster mitigation measures.

The Government has also allocated SCR 3.7 million in the 2027 Budget to improve services at the vehicle testing station on Mahé.

Madame Speaker, in addition to the capital investment programme, a total of SCR 88.9 million has been budgeted for road maintenance activities, compared with SCR 75.5 million in the approved 2026 Budget. This includes SCR 49.4 million for road maintenance, covering drainage repairs, installation of road delineators, bus stop maintenance and replacement of drainage grilles. In addition, SCR 21.5 million has been budgeted for purchasing asphalt, SCR 8 million for road safety equipment, SCR 3 million for road markings and SCR 7 million for fuel supporting road maintenance and resurfacing, including on Mahé and Praslin.

The Government will also continue investing in installing and improving street lighting across our communities, with SCR 8.2 million allocated in 2027 for ongoing installations, including the purchase of poles and electricity cables.

Madame Speaker, the Government remains committed to providing affordable, sustainable public transport. Accordingly, the subsidy to the Seychelles Public Transport Corporation (SPTC) will increase from SCR 62.7 million in 2026 to SCR 72.7 million in 2027, an increase of SCR 10 million, or 16 per cent. This additional allocation will support a further SCR 1 reduction in bus fares from 1 January 2027, following the initial SCR 2 reduction introduced on 1 February 2026. These measures will bring the cumulative reduction in bus fares to SCR 3 and provide

direct financial relief to passengers, particularly workers and families relying on public transport for daily commute.

As part of our commitment to a cleaner, more sustainable transport system, the Government will also provide a capital subsidy of SCR 50 million in 2027, followed by SCR 186.6 million in 2028, to support SPTC's acquisition of 100 electric buses. This investment represents an important step towards modernising public transport. Over the long term, the transition to electric buses is also expected to lower operating costs and improve the sustainability of public transport in Seychelles.

Madame Speaker, this is a commitment our party made in its manifesto, and we are already seeing this transformation.

Through these investments, the Government is making public transport more affordable while laying the foundations for a cleaner, more efficient and climate-resilient transport system for future generations.

Madame Speaker, our Government is also accelerating preparations to launch the Port Victoria rehabilitation project and the construction of a new airport.

Regarding the port, a tender was recently launched, and four operators submitted proposals. Unfortunately, none met the minimum qualifying criteria. Government has therefore decided to launch an international tender through a selective bidding process. Under this process, Government will identify international companies considered qualified to undertake the project, based on established criteria, and the Seychelles Ports Authority will invite them to submit bids.

The airport is a priority project. After evaluating the proposal negotiated by the previous Government with a UAE company, we considered that it did not represent value for money. We have obtained support from the Arab Bank for Economic Development in Africa (BADEA) for a new feasibility study beginning early in

2027. We will then negotiate financing arrangements and select a partner to implement the project. Our Government's ambition is to inaugurate the new airport no later than 2030. Madame Speaker, we have also requested funding from BADEA for a feasibility study on a road linking Cap Ternay and Bel Ombre. Government will decide whether to proceed with the road based on the study's findings.

10.2. Environment Energy and Climate Change

Under the Ministry of Environment, Climate Change, Energy and Natural Resources, the Government has allocated SCR 42.1 million for capital investment in 2027, compared with only SCR 22.6 million in 2026. This is an increase of approximately SCR 19.5 million, or 86 per cent. Particular attention will be given to strengthening coastal protection, improving drainage infrastructure and reducing our communities' vulnerability to flooding and coastal erosion.

Madame Speaker, the Ministry of Environment, Energy and Climate Change's Budget will be distributed as follows:

- SCR 12 million for the Green Energy Incentive Scheme to encourage more households and businesses to install rooftop photovoltaic (PV) panels. This scheme gives individuals and small and medium businesses installing PV systems a reduction in their total costs, paid by the Government. The sum also includes the SEEREP programme, under which the Government will subsidise the interest rate charged by commercial banks on these loans. Through SEEREP, households can obtain loans of SCR 150,000 at 5 per cent interest, repayable over seven years, while small businesses can obtain SCR 250,000 at the same interest rate, repayable over five years. The programme aims to facilitate investment in more efficient solutions and reduce energy expenditure.

- SCR 10 million to install rooftop solar photovoltaic systems on Government buildings. Through this programme, the Government will also accelerate the transition to clean, affordable energy, with the objective of generating at least 15 per cent of electricity from renewable sources by 2030.
- SCR 6.3 million for coastal protection and drainage projects on Praslin, including SCR 2.7 million for coastal rehabilitation at Anse Consolation, Grand Anse, SCR 2.7 million for drainage improvements at Côte d'Or and SCR 900,000 for coastal rehabilitation at Anse Lazio.
- SCR 5.5 million on La Digue, comprising SCR 3 million for La Passe's internal drainage network and SCR 2.5 million for coastal rehabilitation at Anse Sévère.

For 2027, the Government has allocated SCR 84.8 million in capital investment for the Landscape and Waste Management Agency (LWMA), compared with SCR 24.7 million in 2026. This substantial increase of SCR 60.1 million reflects our commitment to improving waste management and promoting cleaner infrastructure and a healthier Seychelles.

Madame Speaker, a major investment under this allocation is the waste management project, with SCR 62.9 million provided in the 2027 Budget. This will support expansion of the existing landfill, with the first phase expected to be completed in 2027. The second phase will be designed and implemented over the medium term to ensure the continued availability of adequate waste disposal facilities.

Greater attention will also be given to improving the collection, treatment and management of bulky and electronic waste. These initiatives will create new business opportunities for the private sector, particularly small and medium enterprises, in waste collection, recycling, composting and resource recovery, while promoting the development of a circular economy in Seychelles.

Other investments include:

- SCR 6 million to convert the shed at Providence Landfill into a waste management facility;
- SCR 5 million to extend the STAR building and improve facilities;
- SCR 3.5 million to repair and improve the leachate pre-treatment plant;
- SCR 2 million to construct an annex building on Praslin, improving LWMA's operational facilities and service delivery on the island.

The Government remains committed to ensuring that Seychelles maintains a clean, healthy and attractive environment for our people and visitors. For 2027, SCR 280.8 million has been allocated for cleaning and maintenance services, compared with SCR 252.7 million in the approved 2026 budget, an increase of SCR 28.1 million. This will support cleaning and maintenance of roads, beaches, rivers, drains, bin sites, bus shelters and public spaces, as well as municipal waste collection and landscaping activities.

10.3. Law and Order

Madame Speaker, ensuring the safety and wellbeing of our people remains a fundamental priority for the Government. For 2027, the Government has provided SCR 466.4 million for the Police Department to strengthen law enforcement, improve public safety and enhance the force's ability to respond to community needs. Within this allocation, SCR 10 million has been provided to complete the Ile Perseverance police station and SCR 6.6 million for police barracks at Perseverance.

Madame Speaker, combating drug trafficking and substance abuse remains a major national priority. Accordingly, SCR 26.6 million has been budgeted for the Drug Enforcement Agency to strengthen efforts against drug trafficking and the distribution of illegal substances in our communities. At the same time, the

Government recognises that addressing the drug problem requires more than enforcement alone. We must also invest in prevention, treatment, rehabilitation and reintegration. Consequently, SCR 53 million has been budgeted for the Agency for the Prevention of Drug Abuse and Rehabilitation, supporting programmes that prevent substance abuse, assist people affected by drug dependence and facilitate their reintegration into society.

Through these investments, the Government is taking a balanced approach combining stronger law enforcement with prevention and rehabilitation. Our objective is to protect communities, support affected families and give individuals opportunities to rebuild their lives, while creating a safer and more resilient Seychelles for present and future generations.

11. The Cost of Living

Madame Speaker, the Government will intensify its efforts to reduce the cost of living. In 2026, the cost of living was adversely affected by the conflict in the Middle East, with increases in fuel, food and electricity prices. As soon as the situation stabilises and it is feasible, we will adjust fuel and electricity prices to provide relief to the population.

Regarding the prices of goods, following the appointment of a new CEO at STC, we are reviewing prices and procurement sources to reduce the cost of essential commodities. We will also intensify inspections to enforce the price control regulations introduced in 2026.

Madame Speaker, the cost of living is not just about food, fuel and electricity. We have already seen reductions in interest rates at Nouvobanq, for example, and we will continue to work closely with our banks to explore further reductions, particularly on business and housing loans.

I have asked the Central Bank to accelerate its work on a framework to regulate bank charges. Several countries have regulatory frameworks that control certain bank charges, and there is no reason why we cannot do the same in Seychelles.

Madame Speaker, in 2027, we will also explore the possibility of introducing regulations to exercise some control over the charges imposed by companies handling port transactions. Excessive port charges are currently a significant factor contributing to the cost of living, and we must find a solution. We will work with these companies to agree on how we can reduce port costs and help lower the cost of living.

We must address the cost of living comprehensively if we are to succeed.

12. New Measures for 2027

Madame Speaker, the final part of this address concerns the new reforms and policies to be introduced in 2027.

12.1. Revision of Stamp Duty Legislation

Madame Speaker, to facilitate transactions involving stamp duty, we will revise certain provisions of the Stamp Duty Act.

First, the amendments will simplify procedures for stamp duty exemptions on property transfers from parents to children or between spouses.

Second, exemptions are proposed for property transfers between an individual and a business in which that individual holds at least a 90 per cent stake, and for purchases of the same parcel of land in separate portions, provided all transfers are completed within three months.

Third, to promote greater transparency in stamp duty valuations, we also intend to allow independent valuations to be considered.

12.2. Extension of Tax Exemptions for Fisheries and Agriculture

Agriculture and fisheries remain two key sectors for our country's development. They ensure food security, provide jobs and help keep our people healthy. We must continue to support their development. We will therefore extend the business tax exemption on income earned by individuals from local agricultural production and fishing activities for three years, from 1st January 2027 to 31st December 2029.

12.3. Introduction of a Global Minimum Tax

As part of our tax reforms, I will submit a proposal to the Cabinet in early 2027 for Seychelles to adopt the Global Minimum Tax. This system requires multinational groups with consolidated annual revenue of at least EUR 750 million to pay a minimum effective tax rate of 15 per cent in each jurisdiction where they operate, regardless of where their profits are recorded.

This initiative will help promote a fairer and more equitable international tax system and discourage harmful tax competition that undermines revenue collection in our country.

12.4. Tax Identification Numbers for Sole Traders

Following consultations with the private sector, particularly sole traders, on the challenges posed by using a single Tax Identification Number (TIN) for different business activities, Government will conduct a review in 2027 to assess whether systems used in other countries could help address these challenges.

12.5. Amnesty Programme under the Companies Act

Madame Speaker, under the Companies Act, all companies registered in Seychelles are required to submit annual returns and financial documents to the Registrar General. For various reasons, many companies have not submitted these documents for several years and now face penalties that, in some cases, are substantial.

To address this situation, Government will introduce an amnesty allowing companies to bring their records up to date without paying the applicable administrative penalties. Companies will have six months, from January to June 2027, to submit their outstanding annual returns and financial documents without incurring these penalties. After June 2027, companies that have not brought their records up to date will be subject to penalties as provided by law.

12.6. Licensing Conditions for Shops Selling Alcohol and Cigarettes

Madame Speaker, we can all agree that alcohol and cigarette consumption is a scourge in our society. More concerning still is the increasing exposure of our children to these products. To reduce this exposure, Government will introduce licensing conditions requiring shops selling alcohol and cigarettes to sell these products in an area separate from other goods. A transition period will allow shops to prepare for these new requirements.

12.7. Reduction in the Pension Fund Retirement Age

Madame Speaker, as Government has already announced, from 1 January 2027, the retirement age under the Seychelles Pension Fund will be lowered to 63 to align it with the age of eligibility for social security benefits.

12.8. Collection of Contributions from Foreign Workers and Permanent Residents

Also, from 1 January, the scheme requiring foreign workers to contribute to the Seychelles Pension Fund will take effect. A contribution of 5 per cent will be deducted from their salaries each month. Employers will not be required to contribute at this stage. Further details on how this measure will operate will be communicated jointly by the Ministry of Finance and the Seychelles Pension Fund.

12.9. New Policy on Expiry Dates

Madame Speaker, there has recently been a significant increase in imports of products with very little remaining shelf life. This poses risks to public health and businesses. To address this, we will introduce regulations requiring imported products to have a minimum remaining shelf life in line with international standards.

12.10. Residence Permits for Foreign Investors

The Cabinet has approved a proposal to introduce a residence permit scheme for individuals who wish to invest in Seychelles, or whom Government considers to possess qualities, skills, qualifications or achievements that could benefit the country. The scheme is similar to those in other countries, such as the UAE's Golden Visa programme. A proposal for a legal framework has been submitted to the Attorney General.

13. Conclusion

Madame Speaker, I present a budget through which Government makes the following commitments:

- Accelerate investment to boost economic growth;

- Protect our social gains;
- Develop our human capital;
- Invest in our infrastructure and build our resilience.

We recognise that challenges will always remain. This budget therefore sets out measures we can responsibly undertake in the year ahead.

Our responsibility is to deliver on these commitments, explain our decisions and account for the results.

We are a small nation, but we have never been a weak one. Our strength has always been our unity, our ability to come together, from every island and every background, for the wellbeing of all. A budget can provide the means, but it is the Seychellois people who will turn those means into progress.

A productive Seychelles depends on us all. I therefore call on every Seychellois, every worker, our businesses, our communities and our public institutions to play their part. Shared prosperity means giving more people the opportunity to contribute and benefit. Together, let us build a Seychelles where no one is left behind.

Before I conclude, I wish to express my appreciation to our President, Vice-President, Principal Minister and all my fellow ministers and their staff for their support.

I would also like to express my appreciation for the work, dedication and sacrifices of the officers in my Ministry and portfolio. Thank you for your continued support.

With that, Madame Speaker, I thank all Members of the National Assembly for their attention and continued support. I commend the Appropriation Bill 2027 to the National Assembly for approval, providing for a total budget of SCR 12,855,170,854 and authorising expenditure from the Consolidated Fund for 2027.

Thank you, Madame Speaker.

SECTION 2

Budget Strategy & Outlook

Budget Strategy And Outlook 2027

Estimates of Revenue and Expenditure and Appropriation Bill November 2026

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Acronyms and Abbreviations

AfDB	African Development Bank
AI	Artificial Intelligence
ANHRD	Agency for National Human Resource Development
ASYCUDA	Automated System for Customs Data
ASP	Agency for Social Protection
ATT	Accommodation Turnover Tax
BADEA	Arab Bank for Economic Development in Africa
BoE	Bank of England
BT	Business Tax
CBS	Central Bank of Seychelles
CIF	Cost, Insurance, and Freight
CPI	Consumer Price Index
CSRT	Corporate Social Responsibility Tax
DTA	Double Taxation Agreement
ECB	European Central bank
EFF	Extended Fund Facility
EUR	Euro
eHIS	Electronic Health Information System
e-HRMS	Electronic Human Resource Management System
EITI	Extractive Industries Transparency Initiative
EOY	End of Year
ERGRSP	Economic Recovery and Governance Reform Support Programme
ET	Excise Tax
EUR	Euro
FDI	Foreign Direct Investment
GBP	Great Britain Pound
GDP	Gross Domestic Product
GEF	Global Environment Facility
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communications Technology
IECD	Institute of Early Childhood Development
IEEPA	International Emergency Economic Powers Act
IFMIS	Integrated Financial Management Information System
IMC	Inter-Ministerial Committee
IMF	International Monetary Fund
IOTC	Indian Ocean Tuna Commission
IPT	Immovable Property Tax
LMG	Locally Manufactured Goods
MDAs	Ministries, Departments, and Agencies
MEFP	Memorandum of Economic & Financial Policies
MFAD	Macroeconomic Forecasting & Analysis Division
MoEECC	Ministry of Environment, Energy and Climate Change
MoFEPTI	Ministry of Finance, Economic Planning, Trade and Investment
MPR	Monetary Policy Rate
MSME	Micro, Small and Medium Enterprises
MYEFO	Mid-Year Economic and Fiscal Outlook

NBS	National Bureau of Statistics
ODC	Other Depository Corporations
OT	Other Tax
ODC	Other Depository Corporations
PAYG	Pay As You Go
PFM	Public Finance Management
PIT	Personal Income Tax
PMC	Property Management Corporation
PSIP	Public Sector Investment Programme
PUC	Public Utilities Corporation
RBM	Results-Based Management
SADC	Southern African Development Community
SCF	Standing Credit Facility
SDF	Standing Deposit Facility
SR	Seychelles Rupee
SDF	Standing Deposit Facility
SEACJ	Southern and Eastern Africa Chief Justices
SEAS	Seychelles East-Africa Submarine cable
SIDS	Small Island Developing States
SPTC	Seychelles Public Transport Corporation
SRC	Seychelles Revenue Commission
SSF	Social Security Fund
TESL	Tourism Environmental Sustainability Levy
TMS	Tax Management System
TMT	Tourism Marketing Tax
TVETE	Technical Vocational Education Training and Entrepreneurship
UAE	United Arab Emirates
UK	United Kingdom
UNDP	United Nations Development Programme
US	United States
US Fed	Federal Reserve
VAT	Value Added Tax
WEO	World Economic Outlook
WTO	World Trade Organisation

About this document

This document sets out the economic and fiscal context for the 2027 Budget. It presents an overview of Seychelles economy, provides revenue and expenditure estimates for 2027 and the medium term. It briefly covers key measures and strategies influencing the Budget and gives a brief overview of the main economic reforms being undertaken by Government.

The Budgeted revenue and expenditure numbers have been prepared in consideration of the outlook for the real, monetary and external sector using the best information available at the time of publication. The estimates are based on a range of economic and other parameters.

Economic Outlook

Overview

The global economic landscape remains masked by the energy price shock stemming from the ongoing conflict in the Middle East. While the shock has weighed on growth and added to inflationary pressures, most of the world has weathered its effects better than initially anticipated. The resilience mainly came from the strategic drawdown of domestic oil reserves by some economies, additional oil supply from outside the Gulf, government support cushioning the impact on the economy and strong Artificial Intelligence (AI) related boost to investment, production and trade. The subsequent sections provide a brief highlight of international trends and an overview of the domestic economic outlook.

Table 1: World Output Forecasts from Various Financial Organisations and Bodies

	World GDP Growth (%)		
	2025	2026	2027
World Bank	2.9	2.5	2.8
OECD	3.4	2.9	3.0
IMF	3.5	3.1	3.4
Fitch Ratings[1]	2.7	2.6	2.5
Average	**3.1**	**2.8**	**2.9**
Seychelles	**5.8**	**1.0**	**4.1**

Source: IMF; OECD; WB; Fitch Ratings, and MoFEPTI MFAD[2]

International developments

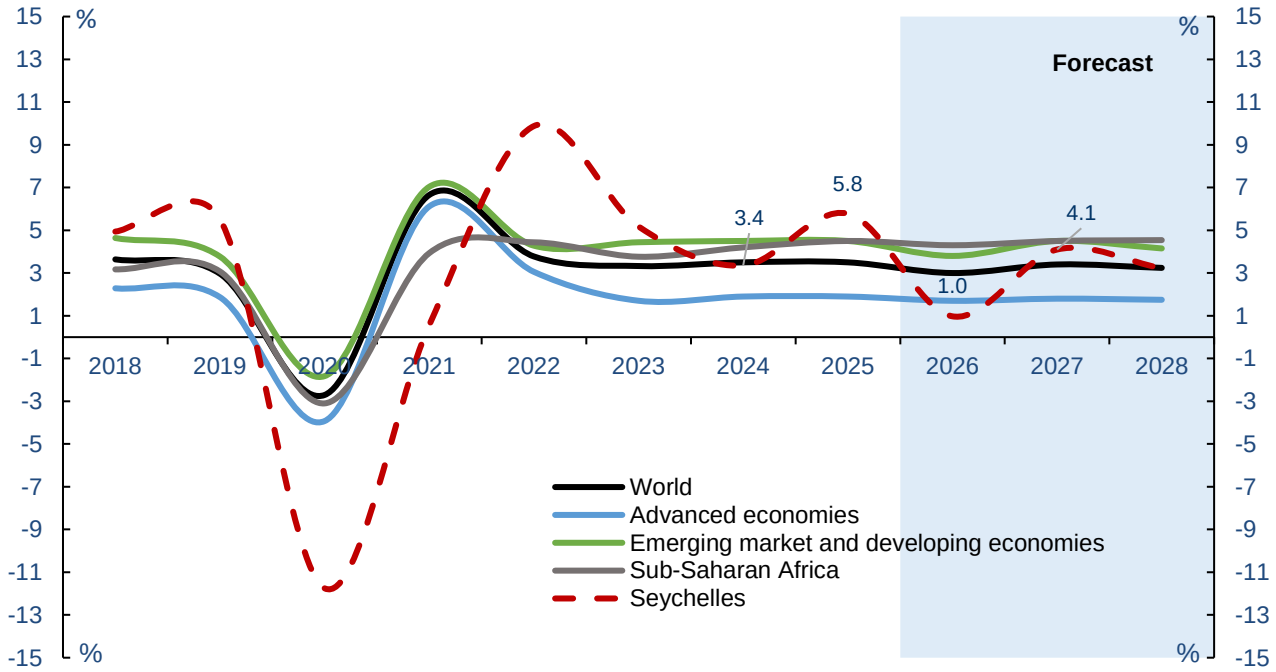
With reference to published data from major international financial institutions and economic organisations, the global growth averaged 3.1 per cent in 2025, and is forecast to slow to about 2.8 per cent in 2026 (see Table 1). The slowdown primarily reflects the universal fallout from the ongoing energy price shock which is particularly constraining for fiscally vulnerable energy importers. Beyond the conflict in the Middle East, ongoing conflicts elsewhere continue to pose significant humanitarian and economic risks, with persistent loss of life, destruction of physical capital and infrastructure. Amid the disruptions this year, rapid advances in AI offer a potential source of cautious optimism, especially amongst economies deeply embedded in the value chain.

In terms of the inflation outlook, the global economy is faced with both a negative supply shock stemming from the Middle East conflict and a positive demand and productivity shock associated with

[1] The projection is for the 'Fitch 20' countries weighted by nominal GDP in US dollars at market exchange rates (3-year average).
[2] IMF World Economic Outlook Update October 2026; OECD Economic Outlook September 2026; World Bank Global Economic Prospects June 2026; Fitch Ratings Global Economic Outlook September 2026; and MoFEPTI Macroeconomic Forecasting and Analysis Division

rapid investment in AI. The IMF's October World Economic Outlook (WEO) estimated global headline inflation at 4.7 per cent in 2026, an upward revision of around 0.3 percentage points relative to the April WEO's reference forecast. For 2027, headline inflation was revised upwards to 4.1 per cent, reflecting expectations of a more prolonged impact from elevated energy and food prices.

Figure 1: Real GDP Growth Estimates (2018-2028)



Source: IMF World Economic Outlook, NBS and MFAD.

Global growth is expected to recover in 2027, reaching an average of around 3 per cent. This recovery is supported by an expected easing of energy prices, with crude oil and gas prices expected to decline, alongside continued strong investment in AI and related technologies. However, the recovery is expected to remain relatively moderate and slightly below the growth rates seen in 2024 and 2025.

One of the key downside risks to the outlook is the possibility that energy supply disruptions persist for longer than expected, keeping energy prices elevated and prolonging inflationary pressures. Food commodity prices also present a significant risk, particularly given increasingly extreme weather events and the potential for a strong El Niño, which could reduce agricultural output and place further upward pressure on global food prices.

Growing fiscal pressures across many countries also pose a risk, as governments cushion households and businesses from the energy shock, potentially increasing fiscal deficits and debt vulnerabilities. Another concern is the possibility that returns on AI-related investment fall short of the currently high expectations. A sharp reassessment of the profitability and productivity gains associated with AI

could trigger a significant adjustment in investment and asset prices, with potential spill overs to global growth.

Finally, continued shifts in U.S. trade policy remain a source of uncertainty for the global trade and economic outlook. Further changes in tariffs and trade restrictions could disrupt supply chains, increase costs and weigh on global trade, thereby limiting the extent of global recovery.

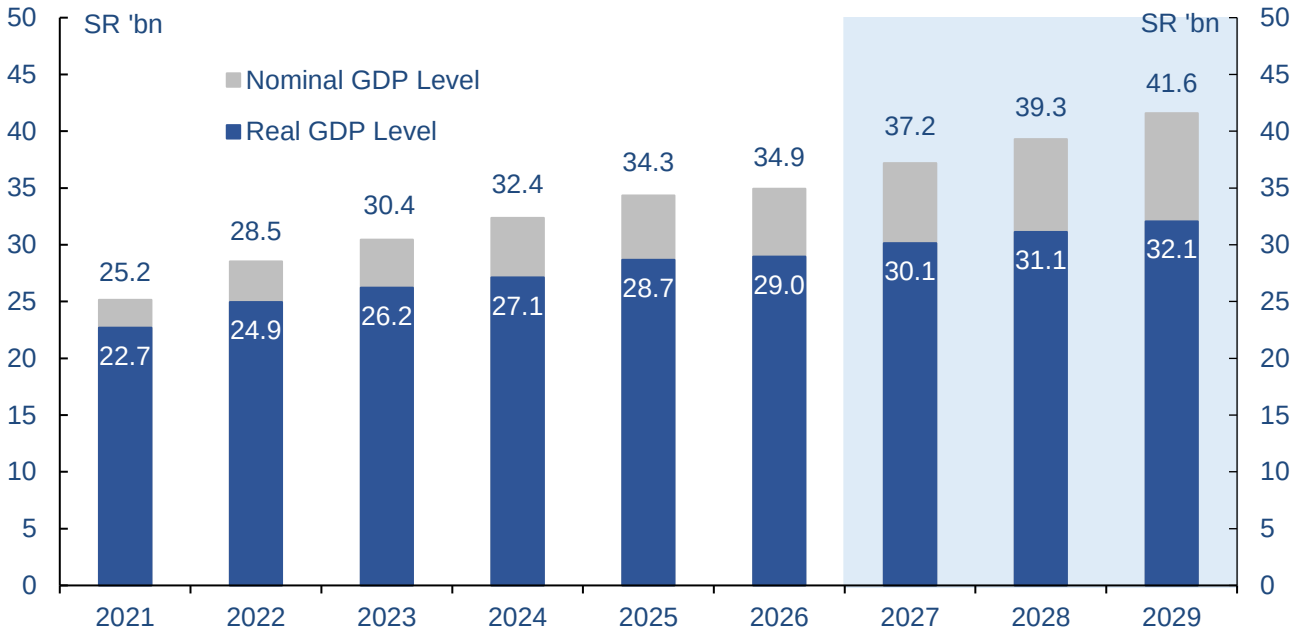
Domestic Outlook

2026 context

Seychelles real GDP growth estimate for 2026 has been revised upwards to 1 per cent, from 0.8 per cent projected during the mid-year revision. The revision primarily mainly reflects the revised assumptions regarding disruptions to the domestic tourism sector due to the Middle East conflict.

The effect of the disruptions to the tourism sector is reflected in the estimated year-on-year contractions in the 'Accommodation and food service activities' and 'Administrative and support service activities' sectors, as well as other sectors closely tied with tourism activity including the trade sector and the transportation sector. Moreover, the impact of shipping delays and increased import costs is directly reflected in the manufacturing and construction sectors which are expected to either contract or remain relatively flat this year. However, the 'ICT' sector maintains a strong growth consistent with strong year-to-date data-traffic indicators and the recent entry of a new telecommunications operator into the market.

Figure 2: Seychelles Nominal GDP Level and Real GDP Level (2021-2029)



Source: MoFEPTI, Macroeconomic Forecasting & Analysis Division estimates.

Meanwhile, sectors such as 'Fishing', 'Electricity Supply', 'Water Supply', 'Financial and Insurance Services' and selected public-sector activities are expected to continue expanding.

2027 Projection and the Medium term

For 2027, real GDP growth is projected at 4.1 per cent, indicating an acceleration relative to the estimated growth in 2026. This projection is mainly on the back of assumptions of a global recovery from the ongoing energy price shock, contributing to a reduction in local business expenses and allowing a recovery in tourist arrivals, back towards 2025 levels.

As tourist arrivals recover, this is expected to translate into renewed growth in the 'Accommodation and food service activities' and 'Administrative and support service activities' sectors, as well as within the trade and transportation sectors. In terms of industrial activities, the manufacturing sectors are expected to recover following contractions in 2026 as supply disruptions ease. The public sector is expected to continue its solid growth from 2026 and the 'ICT' sector is also expected to continue expanding, with a projected growth rate of 8 per cent in 2027 and 5.3 per cent over the medium term. Over the medium term, overall real GDP growth is projected to average 3.1 per cent.

Real Sector

Tourism

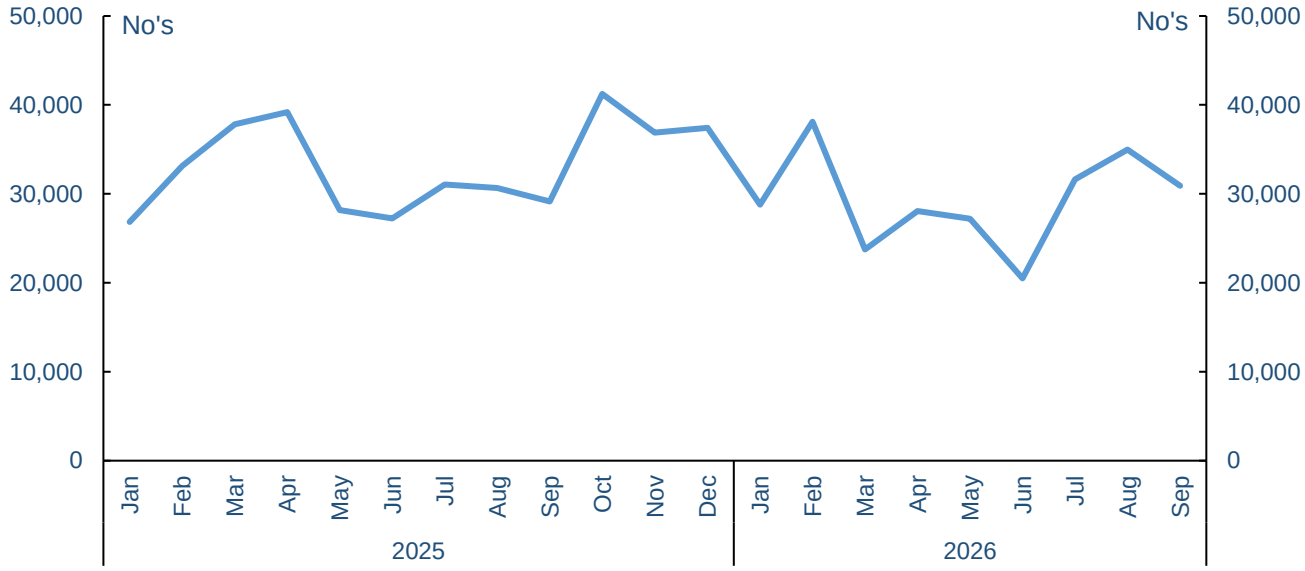
According to the most recent World Tourism Outlook, international tourist arrivals were forecasted to grow by between 3 and 4 per cent in 2026. However, in light of the current geopolitical volatility, international tourist arrivals are now expected to grow by between 1 and 2 per cent[3]. In the context of Seychelles, visitor arrivals data reflects the revised global outlook with a total arrival of 263,927 visitors as at September 2026, representing a decline of about 7 per cent over the same period in 2025. In contrast, 2025 was a strong year for tourism where total visitor arrivals reached 398,841, representing a strong growth of 13 per cent over 2024.

The first quarter of 2026 recorded a 7 per cent decline compared to the same period in 2025, while the second quarter recorded a greater contraction of 20 per cent year-on-year. The deterioration primarily reflects disruptions associated with the ongoing Middle East conflict, particularly reduced aviation connectivity through key regional hubs and weaker traveller confidence. The third quarter of 2026, however, recorded a growth of 7 per cent over 2025. This reflects the stronger connectivity where Aeroflot and Turkish Airlines resumed flights to Seychelles earlier in the season, followed by a full third quarter of Discover Airlines operations, which was not the case last year.

[3] United Nations World Tourism Outlook September 2026

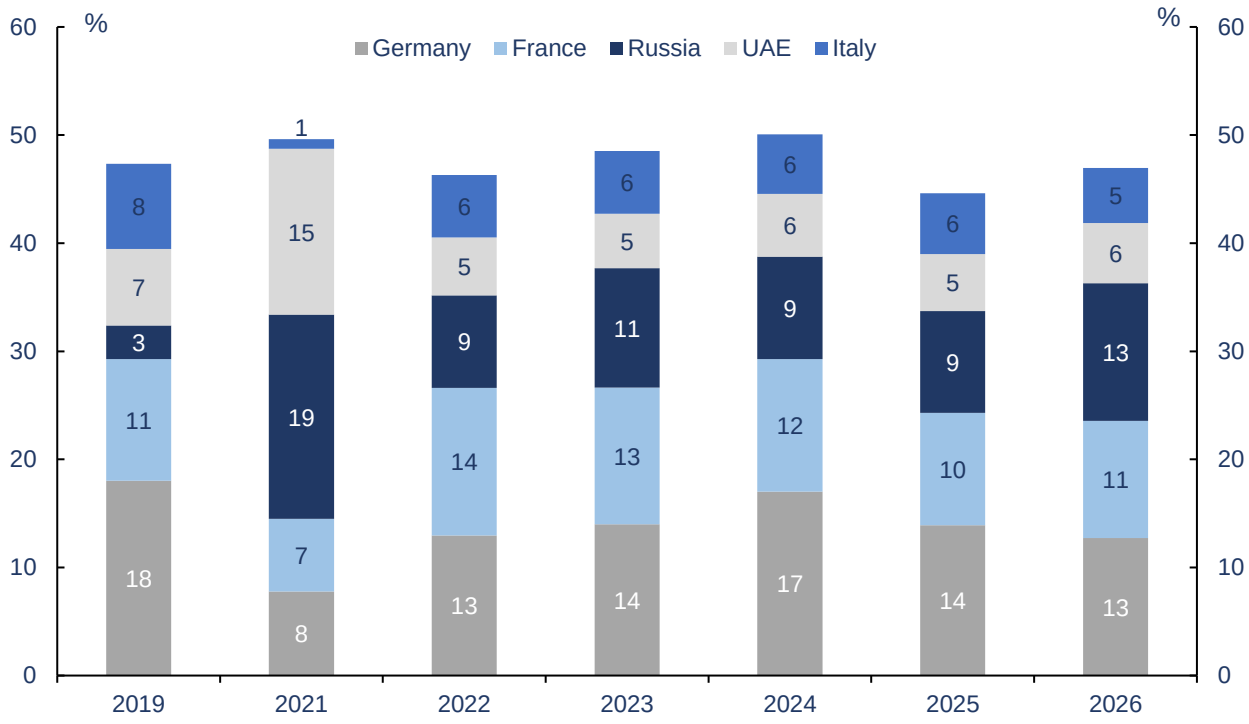
Europe continues to account for the largest share of total year-to-date arrivals at 69 per cent, followed by Asia at 18 per cent and Africa at 8 per cent. Year-to-date contractions have been recorded across most of the main European and Asian markets, with the exception of Russia which stands as the strongest performing market, growing 32 per cent over 2025.

Figure 3: Monthly Arrivals (2025-Sep 2026)



Source: NBS

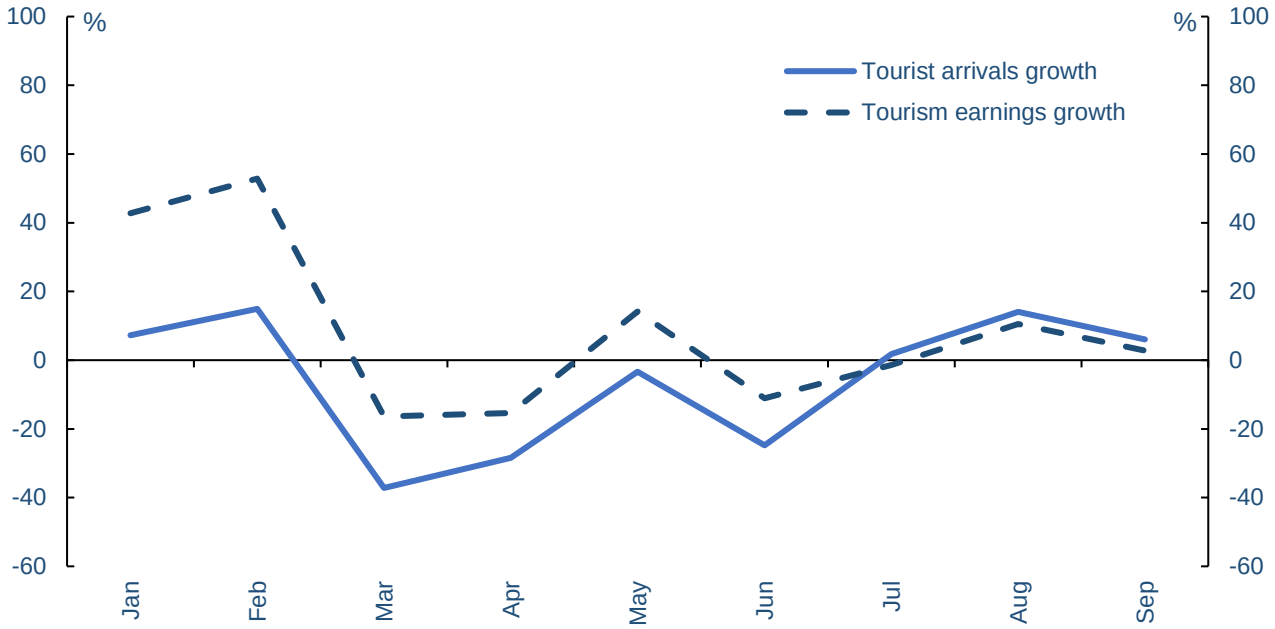
Figure 4: Comparison of Main Market Arrival Shares (Jan-Sep 2019-2026)



Source: NBS

As at September 2026, total tourism earnings amounted to USD 924m, which is about 7 per cent higher than what was recorded in the same period in 2025. This growth, despite the contraction in tourist arrivals, is largely attributed to higher-yielding visitors and higher accommodation room rates. Figure 5 shows the year-on-year comparison of tourism earnings and arrivals from January to September.

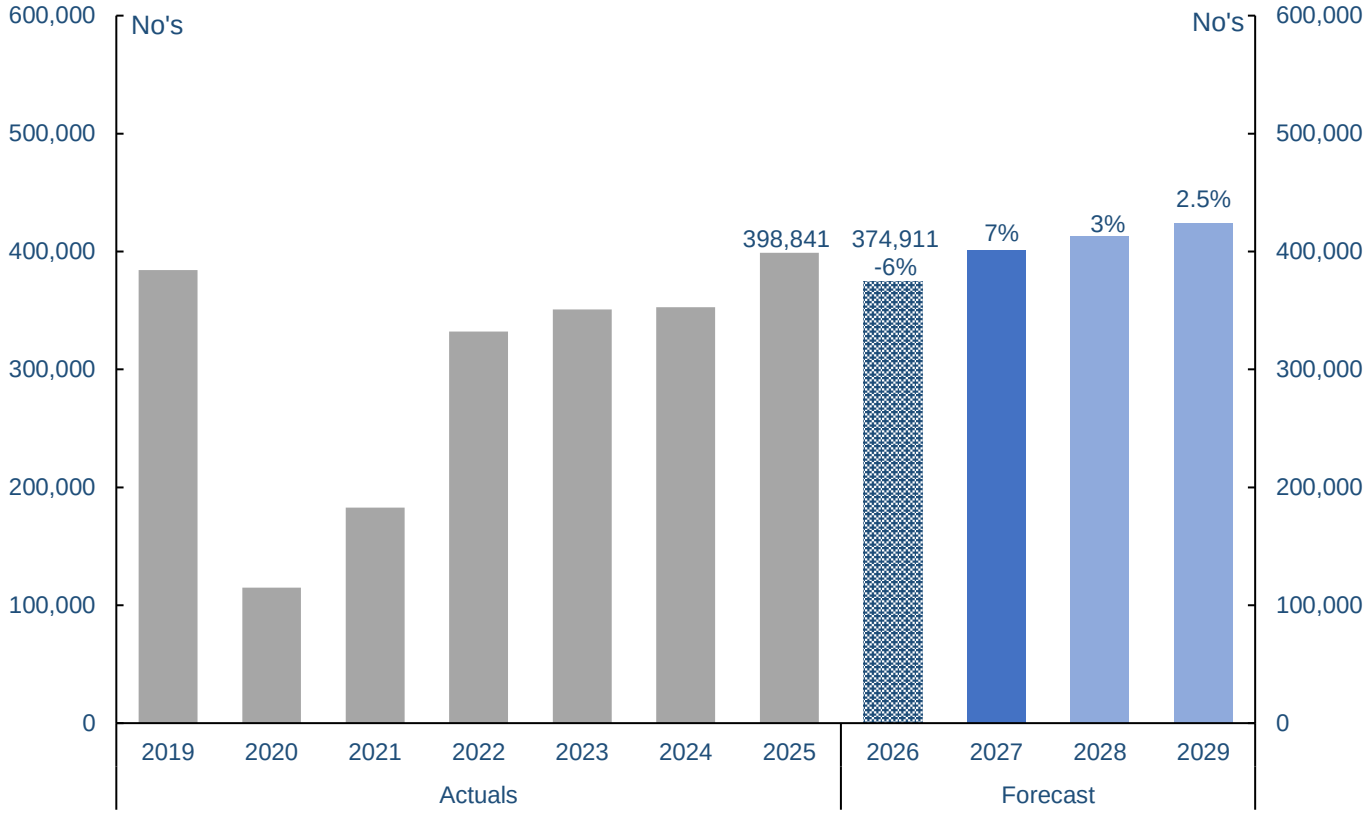
Figure 5: Year-on-Year Tourism Earnings and Tourism Arrivals Growth (2026 Vs 2025)



Source: Central Bank of Seychelles and NBS.

In 2026, the total tourism arrivals are forecasted to contract by 6 per cent over 2025, reaching 374,911 visitors. This represents an upward revision from the mid-year estimate and reflects the gradual improvement in the year-to-date contraction in arrivals. Air connectivity is expected to be relatively strong for the remainder of the year with Discover Airlines operating for the full fourth quarter and potential increases in frequencies from Ethiopian Airlines and Kenya Airways. Arrivals are forecast to recover with a growth of 7 per cent in 2027 assuming the further de-escalation of the conflict and restoration of traveller confidence. Over the medium term, arrivals are projected to grow by 3 per cent in 2028 and 2.5 per cent in 2029.

Figure 6: Medium-term Tourist Arrivals Estimates



Source: NBS and MFAD estimates

Note - Percentages indicate growth rates

Agriculture and Fisheries

The agriculture sector is expected to remain flat in 2026 reflecting weak quarterly national accounts performance up to the second quarter and contraction in tourism arrivals, which has dampened demand for produce. Growth is forecast to recover to 3 per cent in 2027, supported by a rebound in tourism and continued Government efforts to promote food production, and is projected to remain at this rate over the medium term. The fisheries sector is forecast to grow by 1 per cent in 2026, reflecting weak first-half performance in the quarterly national accounts, driven by lower fish catch according to preliminary data. A recovery is expected in 2027 and over the medium term, underpinned by the Government's continued efforts to improve fisheries related infrastructure and strengthen value chains.

Manufacturing

The manufacturing sector consists of four components, Manufacturing of ‘fishery products’; ‘other food’; ‘beverages and tobacco’; and ‘other products’. These sectors are forecasted to contract by an average of 3.3 per cent in 2026, mainly as a consequence of disruptions caused by the Middle East conflict, particularly through blocked trade routes, airspace restrictions, and the subsequent rise in costs.

The 'Manufacturing of fishery products' sector is forecasted to contract by 8.0 per cent in 2026. Manufacturers have had to reduce their production targets amid rising energy costs, as well as higher costs of other inputs such as raw tuna, edible oils and packaging materials. While input prices are expected to normalise over the next year, and concerns over yellowfin tuna stock status have eased following the recovery of the Indian Ocean stock to 'Kobe Green' status, the sector continues to face demand-side challenges. The United Kingdom's (UK) temporary suspension of tariffs on selected food products, including tuna, is expected to increase competition in the UK market by reducing the tariff advantage previously enjoyed by preferential suppliers, including Seychelles. Consequently, the 'Manufacturing of fishery products' sector is forecasted to moderately grow by 1.0 per cent in 2027, while medium-term growth projections average about 2.0 per cent per year.

The 'Manufacturing of beverage and tobacco' sector is also forecasted to contract 3 per cent in 2026. As at the end of June 2026, production statistics indicate a reduction in the manufacturing of beverages such as stouts, spirits and soft drinks in comparison to the same period last year, despite buoyant beer production. Furthermore, cigarette production volumes are 35.9 per cent lower than the same period in 2025. These lower production volumes are reflected in the quarterly national accounts estimates which indicate an 11.9 per cent contraction of output in the first half of the year for this sector. This slump in performance is attributed to a fall in demand due to the relatively lower visitor arrivals, coupled with rising input costs and supply chain issues stemming from the disruptive Middle East conflict. The sector is forecasted to grow by 4.0 per cent in 2027, in line with the tourism sector rebound and supply-side adaptation efforts, while maintaining an average annual growth projection of 3.0 per cent in the medium term.

The 'Manufacturing - other' sector, which mainly consists of the production of concrete, rock products, and paints, is forecasted to remain stagnant in 2026. Performance during the first half of the year was mixed with block production volume growth at 23 per cent, while volume of rock aggregates declined by 40 per cent in comparison to the same period in 2025. Despite the progress of ongoing construction activities, increased energy costs and disruptions in the supply of imported inputs, such as cement and explosives, have impacted manufacturing operations. The sector is forecasted to grow by 3.5 per cent in 2027 as supply chain issues subside and construction activities resurge. This momentum is projected to be maintained in the medium term, as annual growth averages at 3.8 per cent.

Construction

The construction sector is expected to remain relatively flat by the end of 2026. The industry remains under pressure with ongoing disruptions to shipping and higher costs of importing through established supply chains. Year-to-date credit to the sector remains low in comparison to the same period in 2025, whilst VAT receipts as at August indicated a contraction of about 5 per cent relative to the same period last year. The sector is expected to recover in 2027, growing at about 6 per cent, as the gradual easing

of on-going disruptions is expected to allow the completion of new and delayed projects. Over the medium-term, the sector is expected to grow at about 5 per cent on average.

Financial and Insurance

The Financial and Insurance sector is expected to grow by about 4 per cent in 2026. As at August, the total year-to-date growth in credit flow to 'Individuals & Households' and 'Other Private Sector' were 17 per cent and 6 per cent, respectively. Of the large sectors, the 'Tourism', 'Real Estate' and 'Transport' sectors saw double digit growth in credit flows whilst the 'Building and Construction' sector saw a contraction. This sector is expected to continue its current momentum into 2027, growing at about 5 per cent. Over the medium term, the sector is expected to grow at 4 per cent on average.

Wholesale and retail

The 'Wholesale and retail trade' sector is expected to contract by 3 per cent in 2026. This is underpinned by the expected contraction in the estimates of re-exports of fuel which is in line with the year-to-date decline in tourism arrivals. For 2027, the sector is forecasted to grow by 3.5 per cent. Over the medium term, this sector is projected to maintain a growth of 3 per cent.

Information and Communication Technology

The Seychelles ICT sector is expected to expand by 10 per cent in 2026. This is supported by the Government's continuous efforts to digitalise most of its transactions followed by the entry of a new internet service provider which is expected to drive more growth. In addition, the first half of the year recorded strong positive growth in data traffic. In 2027, the forecasted growth stands at 8 per cent as positive growth is expected to be driven as the new entrant establishes and the move towards digitalisation progress. ICT sector is estimated to maintain an average growth of 5.3 per cent over the medium term.

Public Sector

The 'Public Sector' mainly comprises three components: 'Public Administration and Defence; Compulsory Social Security', 'Education', and 'Human Health and Social Work Activities'.

Current 2026 'Public Sector' sectoral growth estimates stand at 2 per cent across the 'Public Administration and Defence; Compulsory Social Security', 'Education', and 'Human Health and Social Work Activities' sectoral lines. This is broadly aligned with Government's goal to expand the Public Sector, with the aim of improving the efficiency and provision of public services.

For 2027, real GDP growth across all 'Public Sector' lines is forecast at 3 per cent. This forecast reflects the anticipated increases in 'Public Sector' investment, staffing and overall expenditure, in line with the continued implementation of Government plans and policies aimed at developing a more efficient and expanded 'Public Sector'. Over the medium term, 'Public Sector' lines are projected to grow by an annual average of 3 per cent.

Box 1: 50 Years of National Development

Overview

Seychelles marked 50 years of independence on 29th June 2026. Over this period, the country has evolved from a small economy reliant on a narrow agricultural and fisheries base into a high-income, services-led economy. GDP per capita, measured in constant 2015 US dollars, has risen from USD 5,689 in 1976 to 17,379 in 2025, while life expectancy, educational attainment and access to basic services have improved markedly.

This progress has not been linear. The economy's small size and openness have left it consistently exposed to external shocks, and periods of rapid growth have at times been accompanied by significant macroeconomic imbalances. This box traces the main phases of Seychelles' economic development since independence, summarises key outcomes and draws lessons for the decades ahead.

Laying the foundations (1976 to mid-1980s)

When Seychelles became independent in 1976, development challenges were both practical and urgent. The country had a small and geographically dispersed population, limited infrastructure and a narrow economic base reliant on copra, cinnamon and artisanal fisheries. Access to housing, water, electricity, transport, health care and education remained uneven, while shortages of skilled labour constrained growth.

The opening of the international airport in 1971 had started to change this picture and early national development plans focused on building the foundations of a modern state while supporting the tourism expansion. The State assumed a central role in economic activity, and public investment was directed towards roads, ports, water and electricity networks, housing, schools and health facilities. Universal access to education and health care became a defining feature of the country’s development model.

Tourism, meanwhile, became the principal source of foreign exchange earnings and a major source of employment within a decade of independence. Visitor arrivals rose from 49,498 in 1976 to 66,782 in 1986, notwithstanding a marked downturn in the early 1980s.

Growth, diversification and emerging imbalances (mid-1980s to 2008)

From the mid-1980s, the economy broadened beyond tourism, which was by then firmly established. Industrial fisheries expanded significantly. Port Victoria became a regional hub, and the establishment of a tuna cannery in 1987 made canned tuna the country's main merchandise export. In the mid-1990s, Government sought further diversification through offshore financial services and an international trade zone.

Living standards rose steadily, supported by sustained public investment in housing, utilities and social services. However, growth was increasingly underpinned by public spending and external borrowing. Persistent fiscal deficits, a fixed exchange rate and administrative controls on foreign exchange contributed to recurrent foreign currency shortages, the emergence of a parallel market and a steady accumulation of public debt.

By the mid-2000s, these imbalances had become difficult to sustain. By 2008, public debt had reached 192.1 per cent of GDP, official reserves covered less than 1 month of imports, and the economy remained highly exposed to movements in global commodity prices and tourism demand.

Crisis and reform (2008 to 2019)

The global financial crisis exposed these vulnerabilities. In 2008, with official reserves close to depletion, Seychelles defaulted on its external commercial debt.

In November 2008, Government launched a comprehensive macroeconomic reform programme supported by the International Monetary Fund. The rupee was floated and the foreign exchange market liberalised, while fiscal policy was tightened to generate sustained primary surpluses. Public debt was restructured with official bilateral creditors in 2009 and with commercial creditors in 2010, alongside reforms to the public sector and Public Enterprises.

The reforms helped restore macroeconomic stability. Inflation, which surged following the float, stabilised by 2009. Reserves were rebuilt and public debt fell from 192.1 per cent of GDP in 2008 to 48.9 per cent in 2019. Structural reforms continued over the following decade, including a modernised tax system and a strengthened monetary policy framework.

These achievements culminated in Seychelles' classification as a high-income country by the World Bank in 2015. While a mark of progress, this status also reduced access to concessional financing. Government responded with innovative instruments, including a debt-for-nature swap concluded in 2016 and the world's first sovereign blue bond in 2018.

Shocks and resilience (2020 to present)

The COVID-19 pandemic was the most severe economic shock since independence and highlighted the continuing vulnerability of a small and highly open economy. With international travel largely suspended, tourist arrivals fell by 70 per cent in 2020 and real GDP contracted by 11.8 per cent. Government introduced extensive measures to protect jobs and incomes, and public debt rose.

The buffers built since 2008 supported a relatively swift recovery. Under a new IMF-supported programme in 2021, fiscal consolidation resumed as tourism rebounded strongly, and public debt declined.

Recent events have reinforced the economy's exposure to external developments. Heightened tensions in the Middle East earlier this year disrupted global transport and energy markets, raising fuel, shipping and logistics costs and creating uncertainty for international travel. For an economy heavily reliant on tourism and imports, such episodes underline the continued importance of resilience.

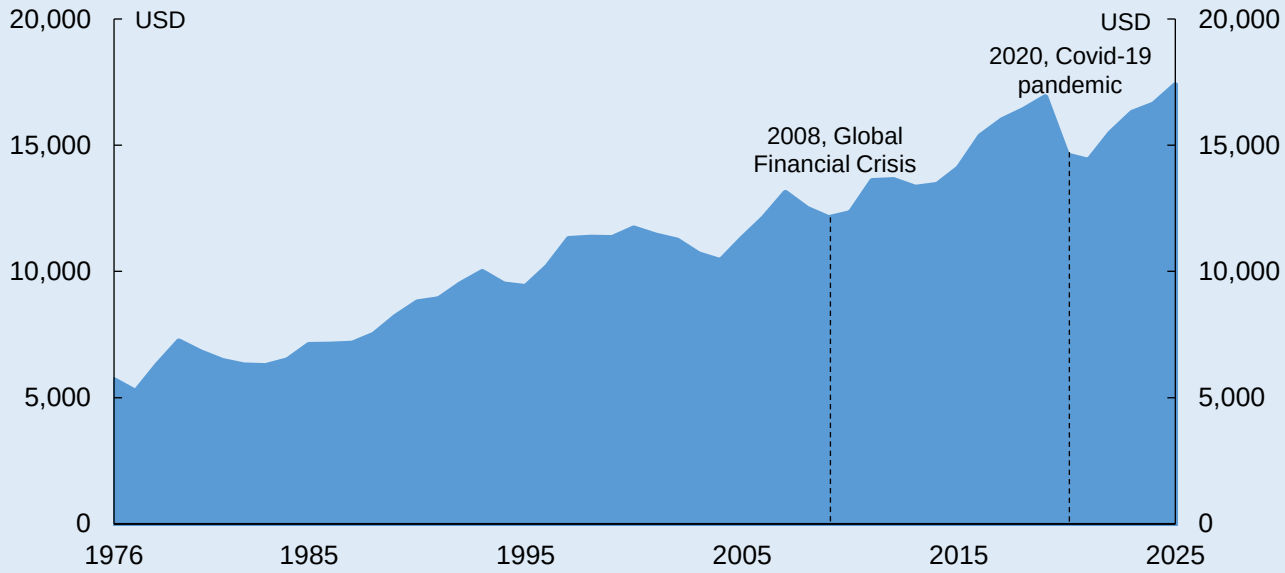
Selected indicators since independence

The indicators below summarise the scale of change since independence.

Table 2: Development Indicators (1976 to 2025)

Indicator	1976	2025	Source
GDP per capita (constant 2015 USD)	5,689	17,379	World Bank WDI & MFAD[a]
Population (numbers)	60,504	122,730	World Bank WDI and NBS
Life expectancy at birth (years)	66.1[b]	77.0	NBS
Adult literacy rate (per cent)[c]	57.3	95.2	NBS
Tourist arrivals (numbers)	49,498	398,841	NBS

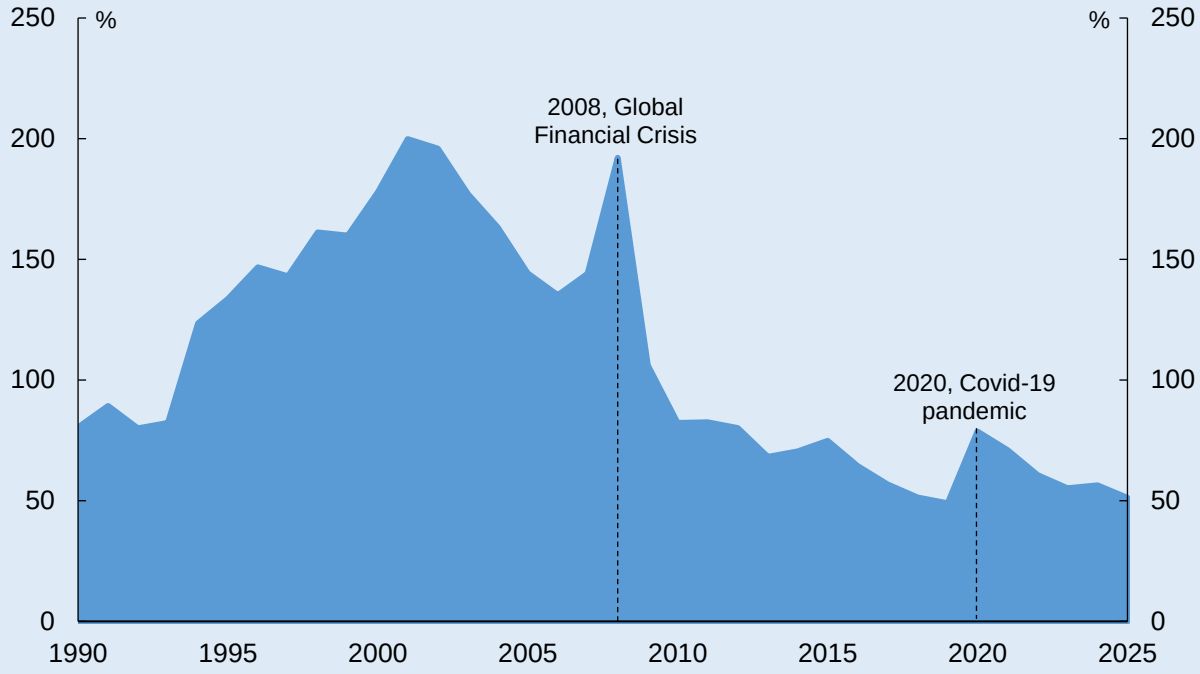
Figure 7: Real GDP per Capita, 1976 to 2025 (constant 2015 USD)



Source: World Bank WDI (constant 2015 USD); MFAD calculations.

(a) Figures for 2011 to 2021 are MFAD estimates, adjusted to reflect the upward revision of the population by NBS following the 2022 Population and Housing Census. These figures are indicative.
(b) Weighted average of male (62.5) and female (69.9) life expectancy at birth, weighted by registered live births by sex, 1971–75.
(c) Over 15 years old.

Figure 8: Public Debt to GDP, 1990 to 2025



Source: IMF[(d)]

Lessons from fifty years of development

Five lessons stand out from Seychelles' first fifty years of development. First, investment in people matters. Sustained investment in health, education and social protection underpins the country's strong human development outcomes, and human capital remains its most important asset. Secondly, plans deliver only through implementation. Capable institutions, clear accountability and stronger links between planning, budgeting and delivery are essential. Third, sustainability matters. Seychelles' natural environment is not simply a national treasure; it is also an economic asset that supports tourism, fisheries and community wellbeing. Long-term prosperity depends on balancing development needs with environmental stewardship. Fourth, resilience must be treated as a development objective in its own right. Economic crises, pandemics and climate-related events have repeatedly demonstrated the risks associated with dependence on a narrow set of economic activities and imported goods. Building resilience means strengthening public finances, investing in preparedness and creating systems capable of withstanding shocks. Finally, development requires partnership. Government can provide leadership and create an enabling environment, but progress also depends on businesses, communities, civil society and citizens working towards shared goals.

Looking ahead

The challenges of the next fifty years will differ from those of the first. With basic infrastructure largely in place, future progress will depend less on expanding coverage and more on raising productivity, improving skills and learning outcomes, strengthening climate resilience and maintaining sound public finances. An ageing population and continued reliance on foreign labour add to the importance of productivity-led growth.

These priorities will continue to guide and inform the National Development Strategy and guide medium-term fiscal and development planning, contributing to the achievement of Vision 2033. Their success will ultimately be measured by whether future generations of Seychellois enjoy secure livelihoods, trusted institutions and a healthy natural environment.

(d) Public debt ratios in this box are IMF estimates, which differ slightly from the Debt Management Division estimates in Figure 10.

Monetary Sector

Overview

The primary objective of the Central Bank of Seychelles (CBS) is to promote domestic price stability. The current interest rate-based framework focuses on steering short-term interest rates, whereby the Monetary Policy Rate (MPR) serves as the key policy instrument to signal the monetary policy stance.

The initial forecast for 2026 indicated an increase in domestic inflation, primarily anchored by robust domestic economic growth. However, with the onset of the Middle East war in February 2026, global uncertainty heightened in view of trade and energy supply chains disruptions, and potential geopolitical implications. Domestically, downside risks were exacerbated following disruptions in the Middle East aviation hubs. As such and consistent with most central banks globally, CBS adopted a cautious approach and maintained an unchanged MPR and increased monitoring of market dynamics. As at September 2026, inflation remained below the initial forecast made at the onset of the Middle East war. This was mainly supported by a recovery in the number of tourist arrivals as of July 2026, robust earnings generated by the tourism sector, moderation in foreign exchange demand as well as certain fiscal policy measures which partially mitigated the effects of higher global commodity prices. The evolving geopolitical conditions warranted CBS to maintain the MPR in its September 2026 decision, albeit cognisant of the downside risks.

As at October 2026, the MPR remained unchanged at 1.75 per cent while the interest rate on the Standing Credit Facility (SCF) and Standing Deposit Facility (SDF) were maintained at 3.25 per cent and 0.25 per cent, respectively. Furthermore, the Minimum Reserve Requirement on applicable rupee-denominated deposits was kept at 10 per cent.

As for the short-term market interest rates, the average return on rupee-denominated savings deposits stood at 1.40 per cent in August 2026, while that on local currency fixed-term deposits was 3.16 per cent. With regard to the average lending rate, this stood at 9.64 per cent, which was 19 basis points below the rate recorded at the end of 2025. In terms of the yield on Treasury bills, there was a general decline observed since May 2026, consistent with the lower volume of issuance. In September 2026, the return on the 91-day, 182-day and 365-day maturities stood at 2.30 per cent, 2.48 per cent and 2.50 per cent, respectively.

Moving forward, the Bank remains committed to its mandate and remains cautious of evolving geopolitical dynamics and potential spill overs. Moreover, CBS remains vigilant and stands ready to adjust its policies, if necessary, in line with its objectives.

Inflation

The Consumer Price Index (CPI) which is compiled and published by the National Bureau of Statistics (NBS) showed an uptick in domestic prices in year-on-year terms as of May 2026. This outcome mainly reflected the pass-through from higher international fuel prices to the domestic market. In August 2026, the year-on-year inflation rate was 0.9 per cent, whilst the 12-month average inflation rate stood at 0.3 per cent.

The price dynamics in the domestic economy continued to remain highly susceptible to developments in global commodity markets. International fuel prices rose sharply as of February 28, 2026, primarily driven by supply constraints associated with shipping disruptions in the Strait of Hormuz as a result of the geopolitical tensions in the Middle East. Notably, global fuel prices peaked at USD 117 per barrel in April 2026 and although there was some moderation thereafter, oil prices increased to USD 114 per barrel in September 2026. Looking ahead, fuel prices are anticipated to remain elevated in view of the prolonged conflict in the Middle East.

International food prices rose in year-on-year terms as of March 2026, mainly on account of higher fertiliser costs, uptick in demand as well as lower agricultural output for certain commodities. As for the outlook, supply chain challenges owing to the disruptions in the Strait of Hormuz, as well as lower production prospects associated with the El Niño phenomenon are expected to underpin increases in food prices.

The domestic economy will continue to be supported by the tourism, fisheries and information and communication sectors. Supply of foreign exchange will be dependent on the performance in the tourism sector. Demand for foreign exchange is likely to increase, taking into account the elevated international commodity prices as well as the uptick in domestic economic activity. If demand for foreign exchange exceeds that of supply, this will result in a depreciation of the local currency. Therefore, average prices of domestic goods and services are anticipated to increase in 2027, although this outlook remains highly sensitive to prolonged geopolitical risks and its impact on international commodity markets and trade disruptions.

Credit

Credit extended to the private sector continued to expand in 2026, notwithstanding the moderation in economic activity following the strong rebound recorded in 2025. This outcome reflected resilient demand for credit and the willingness of banks to extend lending to households and businesses. The expansion in private sector credit remained predominantly driven by lending in local currency, which highlighted the continued preference for domestic-currency borrowing. This was facilitated by the accommodative monetary policy stance of the CBS, which helped maintain favourable domestic credit conditions and ample liquidity within the banking system. Foreign-currency lending recovered from

the subdued growth recorded in previous periods, which reflected improved demand for external-currency borrowing. This development coincided with the gradual easing in global monetary conditions that had been underway since 2024 up until mid-2026, as major central banks progressed with monetary policy normalisation at varying paces and reduced the restrictiveness of policy settings. In addition, relatively stable exchange rate conditions helped contain currency risk, which contributed to a more favourable environment for foreign-currency borrowing.

In August 2026, the total stock of outstanding domestic credit rose by 6.8 per cent (SR 1.19bn) relative to the same month in 2025. This growth was mainly driven by a 9.8 per cent (SR 1.15bn) expansion in claims on the private sector and further supported by a 50 per cent (SR 581m) rise in claims on public entities. These developments were partially offset by a contraction of 12 per cent (SR 532m) in claims on Government. The reduction reflected a moderation in Other Depository Corporations' (ODCs) holdings of Government securities, with the aggregate stock of Treasury bills, Treasury bonds and Government stocks falling by 11 per cent (SR 450m) relative to August 2025. Nevertheless, ODCs continued to hold 58 per cent of the total stock of securities, advances and Treasury deposits in August 2026, broadly unchanged from a year earlier, indicating that their participation in the domestic securities market remained stable. This suggests that the decline in ODCs' holdings of Government securities was primarily driven by lower domestic financing needs by the Government, rather than a material change in banks' asset allocation preferences. As for the expansion in the outstanding stock of credit to the private sector, this was primarily driven by an increase of 10 per cent (SR 1,058m) in local currency loans, whilst foreign-currency denominated loans in rupee terms expanded by 6.1 per cent (SR 91m). In USD terms, the balance of foreign currency loans disbursed to the private sector rose by 6.6 per cent (USD 6.7m).

As compared to the same period in 2025, the distribution of private sector credit in August 2026 expanded in the categories of 'Individuals & Households' by 17 per cent (SR 413m), 'Housing Loans' by 15 per cent (SR 385m), 'Tourism Facilities' by 13 per cent (SR 201m), 'Real Estate' by 22 per cent (SR 201m) and 'Transportation' by 22 per cent (SR 87m). Conversely, the most notable contractions were in the categories of 'Telecommunications' by 21 per cent (SR 130m) and 'Building and construction' by 9.0 per cent (SR 105m).

The two Private Sector Relief Schemes - the Micro, Small and Medium Enterprises (MSMEs) and Large Enterprises - closed in March 2022. As at August 2026, there were year-on-year reductions of SR 8.8m and SR 12m in the stock of outstanding credit under the MSMEs and Large Enterprises schemes, respectively. This was attributed to ongoing repayments towards the facilities. Consequently, the outstanding balance at the end of August 2026 was SR 7.3m and SR 12m, correspondingly.

External Sector

Balance of Payments

Preliminary estimates suggest a deterioration in the country's external position in 2026 compared to the previous year, with the current account deficit projected to widen to 7.2 per cent of GDP, from 5.8 per cent in 2025. This largely reflects an increase in the value of imports of goods and services. Furthermore, services exports are anticipated to expand by a smaller magnitude on account of the moderate rise in tourism sector earnings when compared to the preceding years.

Current Account

The trade deficit is estimated to narrow from USD 921m in 2025 to USD 909m in 2026. The overall value of imported goods is projected at USD 1.55bn, an increase of USD 104m compared with the previous year. This rise has been predominantly attributed to higher international fuel and food prices, following an escalation in the Middle East conflict as of February 28, 2026. Notably, these tensions significantly impacted oil export flows from this region, in addition to shipping disruptions through the Strait of Hormuz, one of the world's most critical waterways that accounts for more than 20 per cent of global oil shipments. As a result, Brent crude oil prices rose sharply from an average of USD 71 per barrel in February to USD 103 per barrel and USD 117 per barrel in March and April, respectively. Whilst oil prices subsequently moderated to below USD 90 per barrel from June, they rebounded to USD 114 per barrel in September, following attacks on Saudi Arabia's oil pipelines which led to a reduction in its oil shipments. Hence, oil prices are forecasted to average USD 96 per barrel in 2026, compared to USD 69 per barrel in 2025. In this regard, the value of oil imports is projected to rise from USD 276m in 2025 to USD 283m in 2026. International food prices have faced upward pressures from higher shipping, freight and insurance costs as well as negative supply shocks from adverse weather events, which are anticipated to result in overall higher food import costs for the year. In contrast, imports related to Foreign Direct Investment (FDI) are projected to be lower due to delays in the implementation of some projects. As for total exports of goods, it is estimated to be higher by USD 116m to reach USD 635m in 2026. This is primarily driven by growth in revenue from oil re-exports, in line with higher international oil prices, whilst the value of canned tuna exports is projected to decline compared to 2025.

The country's services account is anticipated to remain in surplus in 2026 with services exports estimated to be higher by 4.1 per cent. Visitor arrivals fell between March and June 2026, following an escalation of the conflict in the Middle East. This resulted in disruptions to regional airspace and the closure of several major airports that serve as important transit hubs for visitors travelling to Seychelles. However, following the resumption of flights by several airlines as of mid-June, tourist arrivals recovered from July 2026 in year-on-year terms, as a result of the improved air connectivity to the destination. Nonetheless, total visitor arrivals are projected to be lower by 6.0 per cent for the

year. Regarding the revenue generated by the sector, it is estimated at USD 1.29bn, an increase of 0.9 per cent when compared to the previous year. This mainly reflects overall higher room rates during the year, as well as the change in the composition of tourists. As for imports of services, it is estimated to increase by 7.1 per cent, predominantly linked to higher freight, insurance and other transportation costs.

In light of the impact of the Middle East conflict on domestic economic activity in 2026, the Central Bank's ability to accumulate reserves through opportunistic purchases from the domestic foreign exchange market has been constrained. Nevertheless, the country's reserves position has remained relatively strong as a result of Budget support received from multilateral partners throughout the year. As such, gross international reserves are projected to reach USD 902m in December 2026, equivalent to 3.8 months of imports cover. This signifies an increase of USD 24m in the stock of reserves when compared to the outcome for 2025.

Exchange Rates

The increase in foreign inflationary pressures attributed to the rise in energy prices, led to a reversal in the monetary policy easing cycle of several central banks globally. Notably, a number of central banks raised their key policy rates during the second half of the year, albeit by different magnitudes. Consequently, the varied pace of monetary policy tightening across economies influenced movements in international currency markets. Additionally, exchange rate developments were influenced by trade policies, persistent geopolitical tensions and heightened uncertainty.

The surge in healthcare spending and pension costs coupled with a cut in taxes in the United States (US) led to concerns over debt levels. During the first half of 2026, lower investor confidence mainly contributed to the weakening of the US dollar. In its June 2026 meeting, the Federal Reserve (US Fed) maintained the federal fund rate at 3.5 per cent -3.75 per cent, which reflected a cautionary approach to the uptick in inflation. Subsequently, investor confidence was restored which supported the rebound in the value of the USD. In September 2026, the US Fed tightened its policy rate by 25 basis points for the first time since 2023, in a bid to contain inflationary pressures. These policy measures coupled with an expected moderation in oil prices are expected to gradually return inflation to the US Fed's target of 2.0 per cent. As for economic activity in the US, it is expected to grow by 2.1 per cent in 2026, supported by AI-related investment and robust consumer spending. Nevertheless, uncertainty remains elevated, partly due to geopolitical tensions.

Economic activity in the Euro area remained relatively robust in response to energy price shocks and uncertainty associated with the Middle East conflict. The negative impact on economic growth was partially offset by AI and defence-related spending. In terms of outlook, it is anticipated that the Euro area will expand by 1.5 per cent in 2026. With regard to currency movements, although the Euro

(EUR) strengthened against the USD at the beginning of 2026, it depreciated throughout the rest of the year. This was primarily attributed to lower growth prospects in the Euro area relative to the US, as well as a potential tightening in monetary policy by the US Fed. As for the inflation in the region, it has remained above the European Central Bank's (ECB) 2.0 per cent target. Hence, the tightening cycle was marked by two 25 basis point rate hikes in June 2026 and September 2026.

In the United Kingdom (UK), economic activity is anticipated to expand by 1.2 per cent. With regard to the value of the Great British Pound (GBP), there were mixed movements against the other currencies in the first half of this year. From July 2026 however, the GBP weakened against most major currencies. This outcome reflected lower demand for the GBP as investors cautiously ventured towards traditional safe-haven currencies such as the USD. Whilst major central banks tightened monetary policy, the Bank of England (BoE) kept its policy rate steady amidst subdued growth, despite inflation exceeding its target of 2.0 per cent. As for the value of the GBP, this broadly reflected the strength of the USD, UK fiscal policy, as well as possibilities of further rate hikes by the US Fed relative to the BoE's monetary policy decision.

Looking ahead, movements in interest rates, varied inflation paths and monetary policy decisions are expected to influence fluctuations in global currency markets. Nevertheless, risks such as persistent geopolitical tensions and policy uncertainty may heighten exchange rate volatility internationally, hindering investor confidence.

On the domestic front, the Seychelles rupee (SR) weakened against the major traded currencies during the year. As at October 06, 2026, the annual average of the SR/USD stood at 14.7293, which was a year-on-year depreciation of 4.0 cents relative to the same period in 2025. Over the same period, the local currency weakened by 66 cents vis-à-vis the EUR and by 56 cents against the GBP.

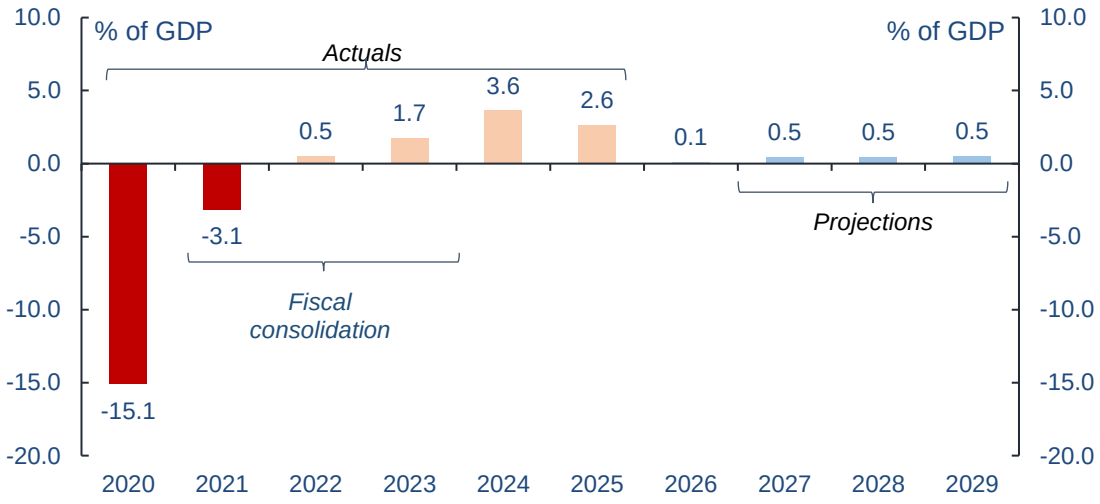
Going forward, exchange rate developments are expected to remain subject to dynamics in the foreign exchange market. Notably, developments externally, particularly persistent geopolitical tensions and trade fragmentation could alter the exchange rate outlook.

Budget Outlook

The Seychelles economy was adversely affected by the Middle East conflict in 2026, which weighed on growth across several sectors. Despite these challenges, a review and reprioritisation of Government expenditure, together with continued fiscal discipline, is expected to support a primary fiscal surplus of 0.1 per cent of GDP in 2026. This nevertheless represents a downward revision from the original Budget forecast of 1.5 per cent of GDP, reflecting the impact of weaker economic activity on the fiscal outlook. Both revenue and expenditure are expected to increase relative to 2025, reflecting developments in revenue collections and continued Government spending commitments.

For 2027, the primary fiscal surplus is projected to improve to 0.5 per cent of GDP, equivalent to about SR 168m. This improvement is expected to be supported by stronger tax revenue collections, including measures to improve compliance with Personal Income Tax (PIT) and Value Added Tax (VAT), as outlined in the tax revenue section. Meanwhile, primary expenditure is projected to increase by 5.1 per cent, driven mainly by double-digit increases in capital expenditure and benefits and approved programmes under the Agency for Social Protection (ASP).

Figure 9: Primary Balance 2020 to 2029 (% of GDP)



Source: MoFEPTI

Table 3: Government Revenue and Expenditure, SR' 000s

Description	2025 Actual	2026 MYEFO	2026 EOY	2027 Budget	2028	2029
Revenue & Grants	11,221,758	12,049,311	12,099,240	12,853,445	13,471,716	14,026,786
Primary Expenditure	10,322,112	12,031,367	12,069,985	12,685,542	13,294,437	13,808,276
Primary Balance:	**899,647**	**17,944**	**29,255**	**167,903**	**177,279**	**218,511**
% of GDP:	**2.6**	**0.1**	**0.1**	**0.5**	**0.5**	**0.5**

Source: MoFEPTI

Key highlights of the 2027 Budget include:

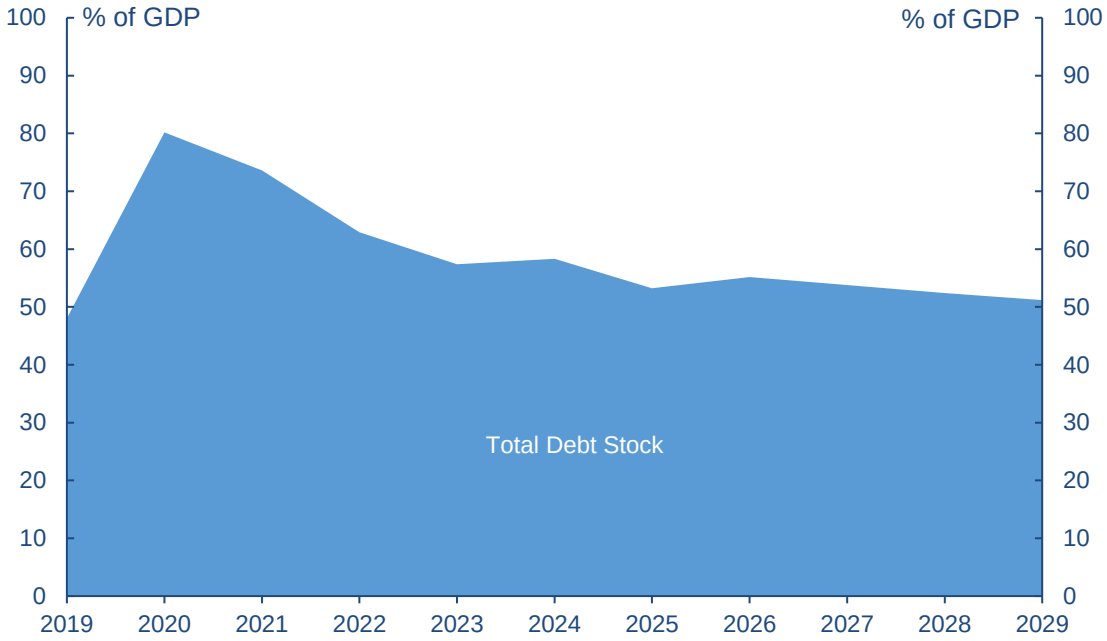
- **Strengthening public service capacity and improving employee benefits**
    - Implementation of new and revised schemes of service effective 1st July 2027, with a provision of SR 43.3m aimed at improving remuneration packages and supporting the attraction and retention of qualified personnel across the public service.
    - Provision of SR 53.9m for the creation and filling of 211 priority posts across Ministries, Departments and Agencies, particularly in areas critical to public service delivery.
    - Introduction of the Government Matching Pension Scheme Personal Contribution, with an initial allocation of SR 8m in 2027, aimed at encouraging increased personal retirement savings.

- **Supporting priority economic sectors and strengthening essential services**
    - Continuation of the newly re-introduced livestock support subsidy, with an allocation of SR 50m, as part of Government's efforts to support the agricultural sector.
    - Provision of SR 10.8m towards the operationalisation of the Youth Hope Centre, alongside continued funding for essential healthcare services and medical supplies.
    - Increased financial support towards the preparation, training and participation of Seychellois athletes in the 2027 Indian Ocean Island Games.

- **Expanding investment in strategic infrastructure and enhancing climate resilience**
    - Increase in the Public Sector Investment Programme allocation to SR 1.61bn in 2027, representing an increase of approximately 26 per cent compared to the 2026 end-of-year estimates.
    - Allocation of SR 18.5m through grant financing for the initiation of the project entitled 'Seychelles Transformative and Resilient Inclusive Digital Economy'. The project aims at increasing inclusive access to the Internet, allowing for increased use of digitally enabled services, and strengthening digital skills and innovation in Seychelles.
    - Continued investment in housing development, including new housing projects at Ile Aurore and other supporting housing infrastructure.
    - Strengthening environmental sustainability and climate resilience through investment in the Seychelles Solid Waste Management Project, coastal protection infrastructure and other climate-related projects.

The Seychelles Government remains committed to achieving sustainable fiscal surpluses over the medium term to strengthen public debt sustainability. Given the current positive outlook, debt vulnerabilities are expected to decline reaching a total public debt-to-GDP ratio of about 51.2 per cent by 2029.

Figure 10: Total Debt Stock as a percentage to GDP, 2019-2029



Source: Debt Management Division, MoFEPTI

Revenue & Grants

Total revenue and grants receipts for 2026 are estimated at SR 12.1bn, which is about 35 per cent of GDP. This represents an increase of SR 50m or 0.4 per cent when compared to the mid-year Budget. Compared to 2025, the end-of-year 2026 Budget represents an increase of about SR 877.5m or 8 per cent, which is mainly attributed to a rise in expected tax receipts for the year.

Table 4: Breakdown of Medium-Term Revenue, SR' 000s

REVENUE & GRANTS	2025 Actual	2026 MYEFO	2026 EOY	2027 Budget	2028	2029
Tax Revenue	9,855,208	10,207,291	10,290,340	10,995,311	11,570,466	12,182,463
Non-Tax Revenue	1,197,226	1,377,047	1,343,927	1,590,641	1,696,894	1,628,813
Grants	169,324	464,973	464,973	267,493	204,357	215,510
Total Revenue & Grants:	**11,221,758**	**12,049,311**	**12,099,240**	**12,853,445**	**13,471,716**	**14,026,786**
% of GDP:	**32.7**	**34.6**	**34.6**	**34.6**	**34.3**	**33.7**

Source: MoFEPTI, Financial Planning and Control Division

For 2027, the total revenue envelope is projected to reach SR 12.85bn, and this represents an increase of SR 754m or 6 per cent in comparison to the 2026 end-of-year estimate. Tax revenue collections are expected to contribute about 86 per cent of total revenue, with main increases coming from Income tax, Excise tax, Value Added tax, and Business tax. Non-tax revenue is expected to increase by about SR 246.7m or 18 per cent, and this is mainly due to increases in dividend income and other non-tax

revenues. Grant receipts are expected to decrease by about SR 197m. Over the medium term, total revenue and grants receipts are projected to average around 34 per cent of GDP.

Tax Revenue

The end-of-year tax revenue estimate for 2026 stands at SR 10.3 bn, reflecting a revision of about SR 83.1m or 0.8 per cent from the mid-year estimate. The upward revision is mainly driven by Value Added Tax, Custom Duties, Tourism Environmental Sustainability Levy and Other Tax. Compared to the mid-year estimate, Value Added Tax has been revised upwards by about SR 68.1m or 2 per cent mainly attributed to increases under 'Tourism' and 'Others' lines. The Custom Duties revenue estimate stands at SR 356m which is an upward revision of about SR 13.5m or 4 per cent. This is mainly driven by an increase under 'Others' line. The Tourism Environmental Sustainability Levy was revised upwards by SR 11.5m or 9 per cent, this is in line with the improved tourism arrivals forecast for the end-of-year revision. Other Tax revenue estimates were also revised upwards by SR 12m or 3 per cent, this is mainly attributed to increases under the 'Road tax and other licences', 'Telecommunications licences' and 'Vehicle testing' lines.

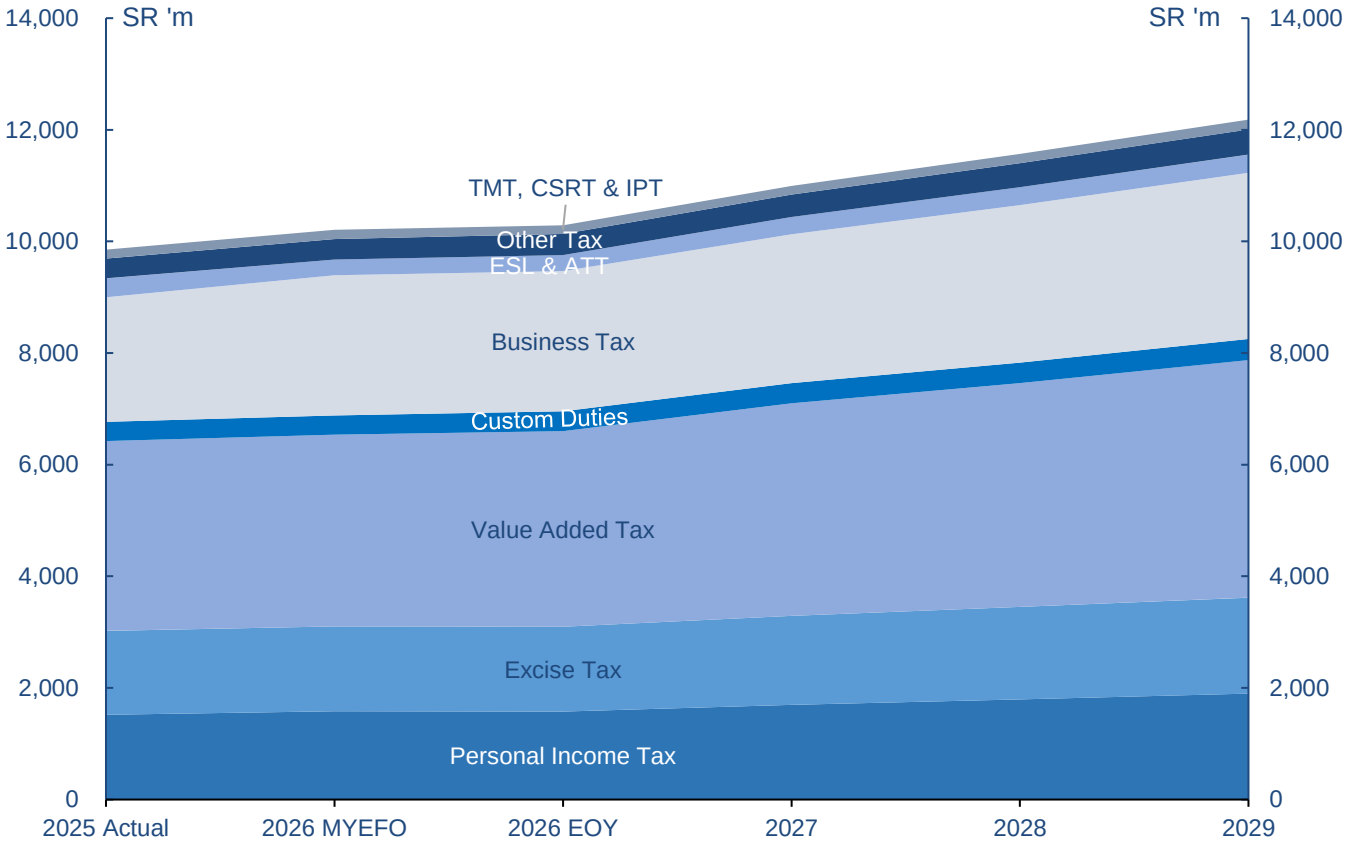
Conversely, Personal Income Tax was revised downwards by SR 7.7m or 0.5 per cent, driven by reduction made under the 'Central Government' and 'Private sectors' lines. Business tax also recorded a downward revision of about SR 5.6m or 0.2 per cent, mainly attributed to a decrease under the 'Companies' and 'Partnerships' lines.

Table 5: Medium-term Tax Revenue, SR' 000s

DESCRIPTION	2025 Actual	2026 MYEFO	2026 EOY	2027 Budget	2028	2029
Personal Income Tax	1,518,982	1,584,927	1,577,274	1,698,477	1,794,911	1,898,783
Social Security Tax Arrears	3,342	0	0	0	0	0
Custom Duties	344,597	342,726	356,265	363,881	370,496	376,491
Excise Tax	1,504,354	1,517,078	1,518,735	1,592,153	1,654,477	1,717,515
Goods and Services Tax	161	0	0	0	0	0
Value Added Tax	3,399,892	3,435,780	3,503,860	3,808,919	4,009,941	4,259,313
Business tax	2,231,624	2,515,885	2,510,243	2,662,762	2,821,847	2,975,944
Corporate Social Responsibility	2,453	1,160	1,850	1,604	1,500	1,403
Tourism Marketing Tax	111,698	115,122	111,953	119,228	125,998	133,289
Tourism Environmental Sustainability Levy	186,200	129,214	140,744	150,596	155,114	158,992
Accommodation Turnover Tax	153,601	151,970	148,143	158,513	163,268	167,350
Other Tax	354,341	366,358	378,620	401,829	434,387	451,393
Immovable Property tax	43,964	47,068	42,654	37,349	38,527	41,991
TOTAL TAX REVENUE:	**9,855,208**	**10,207,290**	**10,290,340**	**10,995,311**	**11,570,466**	**12,182,463**
% of GDP	28.7	29.3	29.5	29.6	29.4	29.3

Source: MoFEPTI, Macroeconomic Forecasting & Analysis Division estimates

Figure 11: Tax Revenue 2025-2029



Source: MoFEPTI, Macroeconomic Forecasting & Analysis Division estimates

Personal Income Tax

Background

Personal Income tax (PIT) is a withholding-based tax on wage income for nationals and resident expatriates. Also levied on non-Monetary employee benefits, this tax was introduced on the 1st of July 2010 and replaced the previous Social Security Contribution system. The Income tax rate was harmonised to 15 per cent for all workers in January 2011. As of the 1st of June 2018, the flat tax regime was replaced by a progressive system with different rates applicable at different income brackets. This enables more vertical equity and ensures that the tax burden is lessened on the low-income earners.

2026 Context

The PIT collection estimate has been revised slightly downwards from the mid-year estimate by about SR 7.7m or -0.5 per cent, now standing at about SR 1.58bn, as shown in Table 6 below. The revision mainly reflects the assumption of slightly lower collections in the final quarter of the year under the 'Private Sectors' subline.

As at August 2026, year-to-date collections from the 'Central Government' subline were about 12 per cent higher than the same period last year. The increase is reflective of the number of new job posts

created in Government since the start of the year, as reflected in the increased Government expenditure within 'Wages and salaries' relative to the same period last year. However, the end-of-year estimate was revised slightly downwards given a slight under-performance against the mid-year estimate of about -0.3 per cent.

The 'Other Public Sectors' subline showed the strongest year-to-date performance, with collections up by about 39 per cent over last year which is partly reflective of the strong year-on-year increase in net labour flow observed amongst the larger public enterprises. For the end-of-year estimate, based on the subline's slight over-performance of about 1.3 per cent relative to the mid-year estimate, the end of year estimate was revised upwards.

The 'Private Sector' subline saw a milder year-to-date performance, with collections up by only about 3 per cent, reflecting the generally subdued level of economic activity linked to the tourism sector slowdown this year and supply chain constraints affecting the private sector. Although the mid-year estimate was mostly on target up to August, the end-of-year estimate was revised slightly downwards relative to the mid-year anticipating a relatively weaker quarter 4 partly due to an expected moderation in tourist arrivals.

Table 6: Personal Income Tax 2025-2029, SR' 000s

PERSONAL INCOME TAX	2025 Actual	2026 MYEFO	2026 EOY	2027 Budget	2028	2029
Central Government	328,934	366,359	365,218	388,953	411,036	434,823
Other Public Sectors	143,970	154,463	156,421	166,586	176,044	186,232
Private Sector	1,046,078	1,064,105	1,055,635	1,142,938	1,207,830	1,277,728
TOTAL PERSONAL INCOME TAX:	**1,518,982**	**1,584,927**	**1,577,274**	**1,698,477**	**1,794,911**	**1,898,783**
% of GDP:	**4.4**	**4.5**	**4.5**	**4.6**	**4.6**	**4.6**

Source: MoFEPTI, Macroeconomic Forecasting & Analysis Division estimates

Policy Changes

A previously announced policy aimed at improving the tax compliance among the expatriate workforce is still in its preparation stage, with its full implementation expected in early 2027. No new policy changes have been proposed for PIT for 2027.

2027 Projection and the Medium term

For the 2027 Budget, PIT is forecasted at about SR 1.70bn, representing a 7.7 per cent growth against the 2026 end-of-year estimate. The main driver of this growth is the strong nominal GDP growth expected for the year as the tourism sector rebounds and supply chain constraints ease. Over the medium-term, PIT is projected to maintain a steady and consistent growth of about 5.8 per cent on average, whilst also maintaining a steady ratio to GDP of about 4.6 per cent.

Custom Duties

Background

Custom Duties are levied on specified goods that are imported to Seychelles based on their CIF (Cost, Insurance and Freight) value. The applicable tax rate depends on the nature of the Custom Duty component, whether it is specific or ad valorem. Tax collections on ad valorem rate items tend to grow in tandem with nominal GDP whereas, tax collections on specific rate items grow in tandem with real GDP only. Following WTO policies and regulations certain Custom Duty rates have been significantly reduced and specific sublines such as petroleum and motor vehicles have been or are expected to be transferred out of Custom Duties.

2026 Context

The Custom Duties revenue estimate for 2026 has been revised upwards against the mid-year estimate by about SR 13.5m, or 4 per cent, from SR 342.7m to SR 356.3m. This upward adjustment is primarily driven by continued over-performance under the 'Others' subline, a trend that is anticipated to persist throughout the remainder of 2026. Accordingly, the 2026 estimate for the 'Others' subline has been revised upwards by about SR 20.5m, or 11.4 per cent, against the mid-year estimate.

The upward revision was, however, moderated by under-performance across the majority of the remaining sublines. The most notable of these were the 'Alcohol' and 'SLA Levy' sublines, for which the 2026 estimates have been revised downwards by SR 3m, or 3.9 per cent, and SR 1.9m, or 7.4 per cent, respectively.

As of August 2026, year-to-date Custom Duties collections exceeded the corresponding 2025 period by about SR 23.7m, or 11.4 per cent. Initial comparisons with Merchandise Trade data also indicated import value growth of about SR 1.63bn, or 12.1 per cent. However, this increase was significantly influenced by the importation of a large vessel, which is not subject to Custom Duties. Accordingly, the 'Ships, boats and floating structures' category was excluded from the comparison, together with re-exports, which are also not subject to Custom Duties. Following these adjustments, 2026 year-to-date merchandise trade import values indicated a contraction of about SR 496.8m, or 4.4 per cent.

The divergence may reflect a shift in the composition of imports towards goods that attract duty, or attract higher rates, and away from exempt or lower-rated goods. However, further analysis is required to determine the extent to which changes in import composition and other factors explain this divergence.

Table 7: Custom Duties Projections 2025-2029, SR' 000s

CUSTOM DUTIES	2025 Actual	2026 MYEFO	2026 EOY	2027 Budget	2028	2029
Custom Duties Direct Imports	**344,597**	**347,726**	**361,265**	**368,881**	**375,496**	**381,491**
Alcohol	78,263	78,877	75,839	77,394	78,741	79,945
Textiles and textile articles	7,215	7,320	6,717	6,936	7,132	7,339
Tobacco	2,027	3,018	2,047	2,089	2,125	2,158
Prepared Food	10,596	10,750	10,778	11,128	11,444	11,775
Others	173,408	180,012	200,523	204,634	208,194	211,377
SRC Levy	7,828	7,906	7,921	8,084	8,224	8,350
SLA Levy	34,854	25,969	24,057	24,551	24,978	25,360
Documentary Charges	4,993	5,023	5,032	5,136	5,225	5,305
Livestock Trust Fund	25,412	28,850	28,349	28,930	29,433	29,883
Custom Duties Exemptions	**0**	**-5,000**	**-5,000**	**-5,000**	**-5,000**	**-5,000**
TOTAL CUSTOM DUTIES:	**344,597**	**342,726**	**356,265**	**363,881**	**370,496**	**376,491**
% of GDP:	**1.0**	**1.0**	**1.0**	**1.0**	**0.9**	**0.9**

Source: MoFEPTI, Macroeconomic Forecasting & Analysis Division estimates

Policy Changes

No policy changes have been proposed for Custom Duties for 2027.

2027 Projection and the Medium term

For 2027, Custom Duties collections are forecast to total about SR 363.9m, representing revenue growth of about SR 7.6m, or 2.1 per cent, against the end-of-year 2026 estimate. This forecasted growth is based on an anticipated increase in tourism-driven importation as transport links and tourism arrivals begin to recover from the impacts of the conflict in the Middle East. Improved regional stability is expected to support the restoration of flight connectivity and increased regional tourist demand, which in turn is anticipated to support higher import activity and Custom Duties collections.

Over the medium term, Custom Duties revenue is expected to grow by an average of about 1.7 per cent annually, with growth moderated by assumptions regarding the future removal of tariffs on specific goods and the introduction of more favourable tariff rates under trade agreements. These developments are expected to form part of ongoing efforts to reduce trade barriers and further liberalise international trade.

Excise Tax

Background

Excise Tax applies to specific imported and locally manufactured goods that generate negative externalities, with the primary aim of discouraging their consumption and production. Five categories of goods are currently subject to Excise Tax, namely alcoholic beverages, petroleum products, tobacco, motor vehicles, and sugar-sweetened beverages. With the exception of motor vehicles and certain tobacco products, excise tax on these goods is imposed on a specific basis; that is, per unit of volume or quantity. In contrast, excise tax on motor vehicles and specific tobacco products is levied on an ad valorem basis, meaning it is calculated as a proportion of the good's value.

The demand for excisable goods tends to be relatively unresponsive to price changes (i.e., price inelastic), particularly in the case of tobacco and alcohol, which are often considered addictive goods. This characteristic limits the extent to which higher tax rates reduce consumption, thereby ensuring a stable revenue stream for the Government.

2026 Context

The revised end-of-year estimate for Excise Tax stands at SR 1.52bn, representing a 1.0 per cent increase over 2025 receipts and about 4.3 per cent of GDP. Compared to the mid-year estimate, this figure represents an upward revision of SR 1.7m, or 0.1 per cent. The revision reflects more favourable GDP growth assumptions and adjustments to specific sub-lines to align with year-to-date performance.

Table 8: Excise Tax Projections 2025-2029, SR' 000s

EXCISE TAX	2025 Actual	2026 MYEFO	2026 EOY	2027 Budget	2028	2029
Excise Tax - Imports	**1,100,949**	**1,112,529**	**1,102,314**	**1,151,678**	**1,193,297**	**1,235,112**
Alcohol (Beverages Spirits and Vinegar)	211,209	212,866	213,264	222,009	229,157	236,165
Petroleum (Mineral Products)	705,862	725,092	712,183	741,407	765,298	788,719
Motor Vehicles (incl. Aircraft, Vessels)	179,816	170,659	172,765	183,993	194,439	205,691
Tobacco Imported	4,062	3,912	4,102	4,270	4,402	4,536
Excise Tax - Locally Manufactured Goods	**346,980**	**349,121**	**359,145**	**373,871**	**385,910**	**397,711**
Alcohol	200,039	183,857	189,571	197,344	203,699	209,928
Tobacco	146,941	165,264	169,574	176,527	182,211	187,783
Sugar Tax	**56,425**	**55,428**	**57,276**	**66,603**	**75,271**	**84,692**
Imported Beverages	27,394	28,548	28,825	35,168	41,245	48,013
LMG - Beverages	29,030	26,880	28,451	31,436	34,026	36,679
TOTAL EXCISE TAX:	**1,504,354**	**1,517,078**	**1,518,735**	**1,592,153**	**1,654,477**	**1,717,515**
% of GDP:	**4.4**	**4.4**	**4.3**	**4.3**	**4.2**	**4.1**

Source: MoFEPTI, Macroeconomic Forecasting & Analysis Division estimates

'Locally Manufactured Goods (LMG) – Alcohol' and 'Locally Manufactured Goods (LMG) – Tobacco' have been revised upwards by SR 5.7m and SR 4.3m, respectively. The revision in alcohol reflects a stronger-than-expected recovery in collections: at mid-year, the estimate was lowered to account for a shortfall in collections. However, collections have since recovered more quickly than assumed, prompting an upward revision. The revision in tobacco reflects stronger-than-expected collections on account of higher domestic cigarette sales, which up to end-July were 8.6 per cent higher than in the same period of 2025. 'LMG – Beverages' has also been revised upwards, by SR 1.6m. At mid-year, the sub-line was revised downwards on the expectation that weak collections, weighed down by a decline in soft drink sales, would persist through the year. Collections have since picked up, and the estimate has been raised accordingly.

Offsetting these increases is a downward revision of SR 12.9m to 'Petroleum'. At mid-year, the sub-line was revised upwards on the expectation that strong first-half collections, driven by lower fuel refunds, would be sustained through the year. Collections have since moderated, and the estimate has been revised downwards to reflect underlying growth.

Policy Changes

No policy changes have been proposed for Excise Tax in 2027 or over the medium term.

2027 Projection and the Medium term

In 2027, receipts are expected to grow by SR 73.4m, or 4.8 per cent, to reach SR 1.59bn, equivalent to 4.3 per cent of GDP. The growth is underpinned by an anticipated increase in demand for both imported and locally manufactured excisable goods, as the weaker growth assumptions that constrained the 2026 estimate ease and incomes and consumer sentiment recover. Over the medium term, receipts are projected to grow at an annual average rate of 3.9 per cent, averaging 4.1 per cent of GDP.

Value Added Tax

Background

Value Added Tax (VAT) is imposed on the value added of all taxable products that are produced and consumed domestically through VAT registered companies, with the current rate being a flat 15 per cent of taxable goods and services. VAT is charged on all taxable imports but not on exports, also known as the 'destination principle'. Registered businesses charge VAT on their sales (output tax) and deduct the VAT paid on their business inputs, including imports (input tax), remitting only the net amount to the Seychelles Revenue Commission (SRC). This ensures that only the value added at each stage of production is taxed. Businesses with annual taxable supplies exceeding SR 2m are required to be VAT registered. VAT collections tend to grow in tandem with nominal GDP, and it accounted for an average of 35 per cent of the total tax revenue in the past two years, making it the single largest tax line.

2026 Context

The revised end-of-year estimate for VAT stands at SR 3.50bn, representing growth of 3.1 per cent over 2025 collections and an upward revision of SR 68.1m, or 2.0 per cent, from the mid-year estimate. This revision was driven primarily by VAT on 'Tourism', which was revised upwards by SR 76.1m or 9.2 per cent, mainly due to lower-than-expected tourism-related refunds. The lower refunds reflect delays in processing refunds for one large project, while refunds for other projects have not yet been claimed. VAT on 'Others' was also revised upwards, by SR 19.2m or 6.5 per cent, on account of strong year-to-date performance.

Conversely, VAT on 'Imported Goods' experienced the most significant downwards revision, at SR 14.0m or -1.0 per cent due to weak year to date collection. Although merchandise imports grew over the period, the taxable base contracted once re-exports were netted out and the importation of a large vessel, which benefits from deferred payment arrangements, was excluded. Revisions to the remaining sub-lines were minor, mainly reflecting year-to-date performance and, in some cases, minor policy changes.

Table 9: VAT Projections 2025-2029, SR' 000s

VALUE ADDED TAX	2025 Actual	2026 MYEFO	2026 EOY	2027 Budget	2028	2029
VAT - Domestic	**1,995,738**	**2,048,642**	**2,130,759**	**2,312,821**	**2,424,755**	**2,582,103**
LMG - Alcohol	65,689	87,492	91,283	99,930	105,815	112,014
LMG - Tobacco	29,039	31,332	32,887	35,987	38,123	40,329
Construction	230,929	233,207	227,611	247,029	222,972	223,496
Tourism	832,278	825,483	901,551	968,566	1,038,337	1,126,382
Financial and Insurance	100,399	108,419	105,752	116,883	124,968	133,574
ICT and Telecommunication	152,207	160,832	153,435	167,900	177,864	188,157
Real Estate	53,249	56,054	53,879	58,959	62,458	66,073
Wholesale Retail	248,721	250,197	249,491	273,012	289,214	305,951
Others	283,227	295,626	314,871	344,555	365,004	386,127
VAT - Imported Goods	**1,405,597**	**1,392,139**	**1,378,101**	**1,501,098**	**1,590,185**	**1,682,210**
VAT - Exemptions	**-1,442**	**-5,000**	**-5,000**	**-5,000**	**-5,000**	**-5,000**
TOTAL VALUE ADDED TAX:	**3,399,892**	**3,435,780**	**3,503,860**	**3,808,919**	**4,009,941**	**4,259,313**
% of GDP:	**9.9**	**9.9**	**10.0**	**10.2**	**10.2**	**10.2**

Source: MoFEPTI, Macroeconomic Forecasting & Analysis Division estimates

Policy Changes

The most significant reform is the introduction of e-invoicing which links taxpayers' billing systems to SRC's platform in real time, and is expected to improve transparency and VAT compliance. Implementation, initially planned for 2026, has been deferred to 2027 owing to technical delays. In addition, two new exemptions have been included, namely exemption on imported goods for use in the

aquaculture sector, and on construction services related to the assembly of exempt imported goods, such as agricultural equipment imported in disassembled form.

No further measures under the VAT reform programme initiated in 2024 have been included for 2027, as the extensive consultations required remain ongoing.

2027 Projection and the Medium term

For 2027, VAT is forecasted at SR 3.81bn, accounting for 10.2 per cent of GDP, and about 34.6 per cent of tax revenue. In comparison to the 2026 end-of-year estimate, this represents a growth of 8.7 per cent. The strong growth is underpinned by the expected economic recovery in 2027 and the introduction of e-invoicing. The start of the East Coast Land Reclamation Programme (ECP4) is also expected to provide a further boost to the 'Construction' sub-line. Over the medium term, VAT revenue is projected to grow at an average rate of 5.8 per cent, in line with forecasted nominal GDP growth. Over this period, VAT is expected to account for an average of 34.8 per cent of tax revenue and 10.2 per cent of GDP.

Business Tax

Background

The Business tax revenue consists of provisional payments (called Pay As You Go – PAYG) made by businesses in monthly instalments towards their tax liability for the current year. Businesses are also assessed on their profits for the previous year, which they are required to disclose in their annual Business tax return submissions. Based on this assessment, a business may either have an additional tax liability (PAYG paid is less than actual tax payable), or be entitled to a refund (PAYG paid exceeds actual tax payable). Although businesses are required to lodge their annual returns by the 31st March, extensions to the annual lodgement date may be granted under the Seychelles Revenue Commission (SRC) lodgement programme.

2026 Context

The 2026 Business tax forecast stands at SR 2.51bn, which is equivalent to about 7.2 per cent of GDP. This indicates a downward revision of SR 5.6m or 0.2 per cent, in comparison to the mid-year Budget forecast. This reduction is mainly as a result of downward adjustments made to the forecast to account for minor shortfalls of Business tax collections throughout the first 8 months of 2026. Total Business tax collections for 2026 are forecast to be SR 278.6m, or 12.5 per cent, higher than collections in 2025.

Table 10: Business Tax 2025-2029, SR' 000s

BUSINESS TAX	2025 Actual	2026 MYEFO	2026 EOY	2027 Budget	2028	2029
Companies	1,852,516	2,148,875	2,141,657	2,287,840	2,422,560	2,553,987
Sole traders	94,332	104,059	105,348	107,159	114,123	120,602
Partnerships	35,216	42,975	40,961	41,665	44,373	46,892
Trusts	15	15	10	10	11	11
Withholding Tax	150,731	157,606	159,438	162,179	172,718	182,524
Others	52,007	24,770	23,983	24,395	25,980	27,455
Residential Dwelling	46,807	37,584	38,846	39,514	42,082	44,471
TOTAL BUSINESS TAX:	**2,231,624**	**2,515,885**	**2,510,243**	**2,662,762**	**2,821,847**	**2,975,944**
% of GDP:	6.5	7.2	7.2	7.2	7.2	7.2

Source: MoFEPTI, Macroeconomic Forecasting & Analysis Division estimates

Policy Changes

No Business tax related policy changes have been proposed for 2027 and the medium term.

2027 Projection and the Medium term

For 2027, Business tax is forecast at SR 2.66bn or 7.2 per cent of GDP, indicating an increase of SR 152.5m or 6.2 per cent over 2026. The forecasted growth in Business tax revenue is relatively moderate as a consequence of low nominal economic growth in 2026 following the disruptions in multiple key industries caused by the Middle-East conflict throughout the year (Business tax is typically applied on a business's previous year's profits, which tend to align with economic growth). Nevertheless, tax revenues from the steadily expanding financial securities sector remain robust, accounting for 77.4 per cent of the forecasted growth in Business tax revenue for 2027. Over the medium-term, the combination of economic growth and financial sector development are anticipated to drive Business tax collections growth, with average year-on-year growth projected 6.1 per cent, sustaining overall Business tax collections at 7.2 per cent of GDP.

Corporate Social Responsibility Tax

Background

Corporate Social Responsibility tax (CSRT) was introduced in January 2013, and was abolished in April 2021. It was applicable to all businesses with a turnover of SR 1m and over, and was levied on monthly company turnover at a 0.5 per cent rate. Half of this tax could be offset against any donations or sponsorships a company chose to make. CSRT was established to encourage compliance with ethical and regulatory standards, as well as promote accountability for businesses' actions.

2026 Context

The CSRT estimate for 2026 has been revised upwards against the mid-year estimate by about SR 0.7m, or 59.5 per cent, from SR 1.2m to SR 1.9m. This upward adjustment reflects a recent increase in monthly collection levels at the commencement of the third quarter, following significant under-performance against profiled monthly collections during the first half of the year.

Table 11: Corporate Social Responsibility Tax 2025-2029, SR' 000s

CORPORATE SOCIAL RESPONSIBILITY TAX	2025 Actual	2026 MYEFO	2026 EOY	2027 Budget	2028	2029
Corporate Social Responsibility Tax	2,453	1,160	1,850	1,604	1,500	1,403
TOTAL CORPORATE SOCIAL RESPONSIBILITY TAX:	**2,453**	**1,160**	**1,850**	**1,604**	**1,500**	**1,403**
% of GDP:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Source: MoFEPTI, Macroeconomic Forecasting & Analysis Division estimates

Policy Changes

No direct policy changes have been proposed for CSRT for 2027.

2027 Projection and the Medium term

For 2027, CSRT arrears collections are anticipated to decline by about SR 0.2m, or 13.3 per cent, against the end-of-year 2026 estimate. This reflects the expectation that, as arrears are progressively collected and the remaining pool of outstanding CSRT arrears declines, future collections will also reduce. In line with this assumption, medium-term growth is forecast to contract by an average of 7.9 per cent per annum.

Tourism Marketing Tax

Background

Tourism Marketing tax (TMT) was introduced in January 2013 and is applicable to all tourism operators, banks, insurance, and telecom companies with turnovers of SR 1m and above. Casino operators and contractors Class I were also included from 2017. It is a 0.5 per cent tax levied on company turnover with the aim of having greater private sector contribution to the Tourism Marketing Fund.

2026 Context

The Tourism Marketing tax for 2026 has been revised downwards by SR 3m or 3 per cent against the mid-year estimate, from SR 115m to SR 112m. This is mainly attributed to amendments made to cater for the year-to-date collection under-performance, possibly stemming from the year-to-date contraction in the tourism arrivals thus impacting the tourism-related businesses which TMT is levied on. When compared to 2025 outturn, the end-of-year 2026 estimate for TMT is higher by about SR 0.2m or 0.2 per cent.

Table 12: Tourism Marketing Tax 2025-2029, SR' 000s

TOURISM MARKETING TAX	2025 Actual	2026 MYEFO	2026 EOY	2027 Budget	2028	2029
Tourism Marketing Tax	111,698	115,122	111,953	119,228	125,998	133,289
TOTAL TOURISM MARKETING TAX:	**111,698**	**115,122**	**111,953**	**119,228**	**125,998**	**133,289**
% of GDP:	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**

Source: MoFEPTI, Macroeconomic Forecasting & Analysis Division estimates

Policy Changes

No new policies under this tax line for the year 2027.

2027 Projection and the Medium term

For the year 2027, TMT revenue is forecasted at SR 119m, representing a growth of SR 7m or 6.5 per cent. This is mainly driven by strong GDP growth assumptions as a recovery in tourism arrivals is expected. Over the medium term, TMT revenue is forecasted to grow at an average of 6 per cent and maintain around 0.3 per cent of GDP.

Tourism Environmental Sustainability Levy

Background

Tourism Environmental Sustainability Levy (TESL) was introduced in August 2023, to be collected per tourist per night and is applicable to all tourism establishments such as self-caterings, hotels and guesthouses. The applicable rates are differentiated by the size of the establishment; a rate of SR 25 for small establishments (up to 24 rooms), SR 75 for medium sized (25-50 rooms), and SR 100 for large establishments (more than 50 rooms). Effective on 1st January 2026, a policy change exempted small accommodation establishments from the TESL. Consequently, the levy is now only charged to medium and large accommodation establishments.

2026 Context

By the end of 2026, Tourism Environmental Sustainability Levy (TESL) collections are expected to reach SR 141m, representing an upward revision of SR 11.5m or 9 per cent compared to the mid-year Budget estimate. This is mainly attributed to the upward revision in tourism arrivals forecast following the gradual pick-up observed in July onwards following the Middle East conflict in March 2026. Adjustments were also made to cater for the year-to-date performance. Compared to 2025 outturn, the end-of year Budget estimate is lower by about SR 45m or 24.4 per cent. This reduction is attributed to the removal of the levy on small tourism establishments which took effect 1st January 2026.

Policy Changes

There are no policy changes for TESL in 2027.

2027 Projection and the Medium term

For 2027, TESL revenue is expected to amount to SR 150.6m, representing an increase of about SR 9.8m or 7 per cent vis-a-vis the estimated 2026 TESL revenue. This is in line with the expected recovery in tourism arrivals for 2027. Over the medium term, TESL is expected to grow by about 2.5 per cent on average while maintaining a ratio-to-GDP of about 0.4 per cent.

Table 13: Tourism Environmental Sustainability Levy 2025-2029, SR' 000s

TOURISM ENVIRONMENTAL SUSTAINABILITY LEVY	2025 Actual	2026 MYEFO	2026 EOY	2027 Budget	2028	2029
Tourism Environmental Sustainability Levy	186,200	129,214	140,744	150,596	155,114	158,992
TOTAL TOURISM ENVIRONMENTAL SUSTAINABILITY LEVY:	**186,200**	**129,124**	**140,744**	**150,596**	**155,114**	**158,992**
% of GDP:	**0.5**	**0.3**	**0.4**	**0.4**	**0.4**	**0.4**

Source: MoFEPTI, Macroeconomic Forecasting & Analysis Division estimates

Box 2: Tourism Environmental Sustainability Levy – Supporting Environmental Protection and Resilience

Overview

Seychelles' natural environment is central to its tourism industry and the wider economy. However, as a Small Island Developing State (SIDS), the country remains highly vulnerable to climate change, coastal erosion, flooding and other environmental pressures. Protecting its natural assets requires continued investment in environmental conservation, rehabilitation and climate resilience.

Introduced on 1st August 2023, the Tourism Environmental Sustainability Levy (TESL) provides an additional source of domestic revenue to support these efforts. The levy reflects the principle that visitors should contribute towards preserving the natural environment that underpins Seychelles' attractiveness as a tourism destination.

This box provides an overview of the levy, its revenue performance since introduction, Government expenditure on selected environmental programmes and the main environmental priorities for 2027.

How does the levy work?

The TESL is collected by tourism accommodation establishments on a per-person, per-night basis, with applicable rates determined by the classification of the establishment.

Effective 1st January 2026, visitors staying in small accommodation establishments with 1–24 rooms are exempt from the levy. The rates applicable to medium and large accommodation establishments, yachts and island resorts remain unchanged as presented in Table 13. Seychellois citizens and residents, airline and yacht crew members, and children aged 12 years and below also remain exempt.

Table 14: TESL Rates by Accommodation Classification

Classification	Rate per Person per Night (SR)
Medium accommodation establishments	75.00
Large accommodation establishments, yacht, island resorts	100.00

Source: SRC

Revenue collected from the levy

Since its introduction, the TESL has contributed to domestic revenue mobilisation in support of Seychelles' environmental sustainability objectives. In 2025, collections amounted to SR 186.2m, while revenue for 2026 is estimated at SR 140.7m reflecting the impact of changes to the levy and developments in tourism activity following the Middle East conflict.

For 2027, collections are estimated at SR 150.6m, based on expected visitor arrivals, accommodation patterns and compliance with the levy.

Supporting environmental protection and resilience

Revenue mobilisation through the TESL complements Government's broader expenditure on environmental conservation, rehabilitation and climate resilience. These investments are essential not only for protecting Seychelles' natural environment, but also for sustaining the tourism industry and other economic activities that depend on the country's natural assets.

Government expenditure in these areas covers a range of interventions, including coastal protection, drainage improvements, waste management, environmental rehabilitation and renewable energy initiatives.

To strengthen transparency, Table 14 presents the main environmental programmes and projects supported through the Budget, together with their associated expenditure.

Table 15: Government expenditure on selected environmental programmes and projects (SR' m)

Institution	Environment Focus Area	2025 Actual	2026 Budget	2026 YTD	2026 EOY	2027 Budget
Department of Energy and Climate Affairs	Construction of culvert across road Sorento	-	1.1	-	0.5	1.2
	Internal drainage network La Passe (La Digue)	-	2.7	-	2.7	3.0
	Opening of river channel and construction of side wall behind sacos housing estate Quincy	-	1.4	-	-	1.5
	New Climate projects	-	10.9	-	0.6	-
	Causeway reclamation for floating PV - Providence	0.7	-	7.0	7.0	-
	Drainage project Quatre Bornes - Takamaka	0.6	-	0.4	0.3	-
	Coastal Rehabilitation Project Au Cap	-	-	1.6	2.9	-
Seychelles Land Transport Agency	Coastal protection infrastructure projects	11.4	30.0	0.6	20.0	20.0
Landscape & Waste Management Agency	Cleaning of roads	91.9	76.1	78.7	79.4	82.6
	Cleaning of rivers/ channels and marshes	24.5	27.0	21.0	27.8	28.7
	Cleaning of public beaches	19.7	19.5	17.2	20.9	20.8
	Cleaning of bin sites and bus shelters	17.2	16.1	14.5	19.6	17.3
	Disposal of waste/ used oil	0.1	1.5	0.4	1.5	1.5
	Collection of municipal waste	38.9	44.8	31.5	46.4	44.8
	Maintenance of landfills on Mahe, Praslin and La Digue	27.3	36.7	27.4	39.5	55.0
	Landscape and beautification services	33.1	28.3	27.2	29.9	30.2
Department of Environment & Natural Resources	Green Energy Incentive Scheme	1.8	12.0	0.9	10.5	-
TOTAL		**267.2**	**308.2**	**228.3**	**309.1**	**306.6**

Source: MoFEPTI

As shown in Table 14, actual expenditure on selected environmental programmes and projects amounted to SR 267.2m in 2025. For 2026, expenditure reached SR 228.3m as at the reporting period, representing 74.1 per cent of the original Budget allocation of SR 308.2m. By the end of 2026, expenditure is expected to reach SR 309.1m, broadly in line with the original Budget. For 2027, allocations for these programmes are projected at SR 306.6m, reflecting the continued prioritisation of environmental protection and climate resilience.

A significant share of the 2027 allocation relates to recurrent activities undertaken by the Landscape and Waste Management Agency, particularly waste management, environmental maintenance and conservation. Allocations for these activities have generally been maintained or increased, reflecting their importance in preserving Seychelles' natural environment.

With regard to capital expenditure, several projects are expected to be completed in 2026, while allocations for ongoing initiatives, including coastal protection infrastructure projects undertaken by the Seychelles Land Transport Agency, have been maintained in 2027. For the Department of Energy and Climate Affairs, the initial allocation of SR 11m for various climate-related projects has been revised to reflect specific interventions, namely the causeway reclamation for floating photovoltaic (PV) infrastructure at Providence, the drainage project at Quatre Bornes, Takamaka, and the coastal rehabilitation project at Au Cap.

In addition, the Green Energy Incentive Scheme, previously provided for under the Social Programmes of Government, has been transferred to the Department of Environment and Natural Resources. While the scheme is not reflected under the continuing programmes in Table 14 for 2027, an allocation of SR 12.0m has been provided under the new environmental priorities presented in Table 15.

Environment focus areas for 2027

In addition to the ongoing programmes outlined above, the 2027 Budget makes provision for new environmental initiatives aimed at strengthening disaster preparedness, climate resilience, waste management and the transition towards renewable energy.

As presented in Table 15, an additional SR 44.8m has been allocated to these priorities, bringing the total provision for the environmental programmes and projects identified in this box to SR 351.4m.

Table 16: New Environment Focus Areas in 2027 (SR' m)

Institution	Environment Focus Area	2027 Budget
Seychelles Infrastructure Agency	Disaster Emergency	15.0
Department of Environment & Natural Resources	Green Energy Incentive Scheme	12.0
Seychelles Land Transport Agency	Disaster mitigation in relation to roads	2.5
Department of Energy and Climate Affairs	Setting up of roof top Photovoltaic (PV) for Government Buildings	10.0
	Reinstatement of drain, culvert and lining of river channel at Pascal Village	1.5
Landscape & Waste Management Agency	Seychelles Solid Waste Management Project	3.8
Total		**44.8**

Source: MoFEPTI

The new allocations include investments in disaster emergency response and mitigation, renewable energy initiatives for Government buildings, drainage and flood prevention works, and improvements in solid waste management.

Together, these interventions reflect Government's continued efforts to address immediate environmental challenges while strengthening the country's resilience to climate-related risks over the medium term.

Strengthening transparency and accountability

The TESL forms part of Government's broader efforts to mobilise domestic resources to support environmental protection and climate resilience. While the levy provides an important contribution, addressing Seychelles' environmental challenges requires sustained investment beyond the resources generated through the levy alone.

As highlighted in Tables 14 and 15, the combined Budget allocations for the selected environmental programmes and projects amount to SR 351.4m in 2027, significantly exceeding the revenue projected from the TESL. This highlights the importance of the levy as a supplementary source of revenue, alongside Government's continued commitment to financing environmental protection and climate resilience through the national Budget.

Accommodation Turnover Tax

Background

Introduced in 2023, Accommodation Turnover Tax (ATT) applies to accommodation operators with at least SR 100m in turnover in the previous year. Liable operators are subject to a 2 per cent tax on their monthly turnover in the current year.

2026 Context

Compared to the mid-year Budget, the ATT estimate has been revised downwards by SR 3.8m, or 2.5 per cent, to SR 148.1m. The revised estimate represents a 3.6 per cent decrease relative to the 2025 outturn and 0.4 per cent of GDP. The revision reflects a slowdown in collections. At mid-year, ATT collections were performing better than expected and this was factored into the mid-year estimate. However, collections have since grown more slowly than assumed, resulting in a downward revision.

Table 17: Accommodation Turnover Tax 2025-2029, SR' 000s

ACCOMMODATION TURNOVER TAX	2025 Actual	2026 MYEFO	2026 EOY	2027 Budget	2028	2029
Accommodation Turnover Tax	153,601	151,970	148,143	158,513	163,268	167,350
TOTAL ACCOMMODATION TURNOVER TAX:	**153,601**	**151,970**	**148,143**	**158,513**	**163,268**	**167,350**
% of GDP:	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**

Source: MoFEPTI, Macroeconomic Forecasting & Analysis Division estimates

Policy Changes

No policy changes have been proposed for ATT in 2027.

2027 projections and Medium Term

In 2027, receipts are expected to rebound, growing by SR 10.4m, or 7.0 per cent, to reach SR 158.5m, equivalent to 0.4 per cent of GDP. The rebound is supported by an anticipated improvement in tourist arrivals and visitor spending. Over the medium term, receipts are expected to grow at an annual average rate of 2.5 per cent, averaging 0.4 per cent of GDP.

Other Tax

Background

Other Tax comprise of a set of licence fees and smaller tax lines that covers a variety of sectors in the economy. The main constituents are 'Road Tax', 'Telecommunications Licences' and 'Stamp Duty'. These three components account for about 90 per cent of the Other Tax Revenue.

2026 Context

For the year 2026, Other tax revenue is expected to reach SR 379m, this represents an increase from the mid-year Budget by about SR 12m or 3 per cent. The increase is mainly attributed to adjustments made to cater for the higher GDP assumptions, and adjustments to account for some over-performances in some sub-lines namely under 'Road tax and other licences' line. However, this was slightly offset by adjustments to cater for some under-performances in other sublines, namely in the 'Stamp duty' line as receipts under this line are relatively sporadic, making it difficult to accurately forecast the timing of payments. Compared to 2025 outturn, OT end-of-year Budget estimate is higher by about SR 24.3m or 6.9 per cent.

Table 18: Other Tax 2025-2029, SR' 000s

OTHER TAX	2025 Actual	2026 MYEFO	2026 EOY	2027 Budget	2028	2029
MoFEPTI						
Trade/Ind Licences	7,624	7,414	7,428	7,733	7,982	8,226
Licences and Other Licence Registration	4,534	4,525	4,533	4,719	4,871	5,020
Road Tax and Other Licences	147,950	146,557	152,713	158,975	164,094	169,112
Telecommunications Licences	45,223	60,850	72,578	80,302	87,295	89,598
Hotel Licences	319	319	319	333	343	354
Liquor and Toddy Licences	330	332	333	346	357	368
Radio Broadcasting Licences	15,889	865	1,020	1,062	1,096	1,130
Sub Total	**221,868**	**220,862**	**238,925**	**253,469**	**266,039**	**273,808**
MoEECC						
Environment Trust Fund	28,898	10,180	9,406	9,792	10,107	10,416
Department Of Legal Affairs						
Stamp Duty	94,539	127,781	122,463	130,421	149,832	158,503
Department Of Transport						
Vehicle Testing	9,036	7,536	7,826	8,147	8,409	8,666
TOTAL OTHER TAX:	**354,341**	**366,358**	**378,620**	**401,829**	**434,387**	**451,393**
% of GDP:	**1.0**	**1.1**	**1.1**	**1.1**	**1.1**	**1.1**

Source: MoFEPTI, Macroeconomic Forecasting & Analysis Division estimates

Policy Changes

There are no policy changes for other tax in 2027.

2027 projections and Medium Term

For the year 2027, OT revenue is expected to reach SR 402m, representing an increase of SR 23m or 6 per cent which is mainly attributed to higher GDP assumptions. Over the medium term, OT revenue is expected to grow by an average of 5 per cent and maintain a share of about 1 per cent of GDP.

Immovable Property Tax

Background

Immovable Property Tax (IPT) came into effect in January 2020, and is applicable to non-Seychellois owners of immovable property for residential purposes. The tax rate is 0.50 per cent of the market value of the property paid per annum.

2026 Context

The 2026 IPT revenue estimate stands at about SR 42.7m, representing a downward revision of SR 4.4m, or 9.4 per cent, against the mid-year estimate of SR 47.1m. This adjustment is mainly attributed to a recent policy amendment exempting South African nationals from IPT payments, together with potential tax refunds to be processed during the year in accordance with these exemptions. The amendment follows concerns regarding the compatibility of IPT with the provisions of the Double Taxation Avoidance Agreement (DTAA) between South Africa and Seychelles.

Table 19: Immovable Property Tax 2025-2029, SR' 000s

IMMOVABLE PROPERTY TAX	2025 Actual	2026 MYEFO	2026 EOY	2027 Budget	2028	2029
Immovable Property Tax	43,964	47,068	42,654	37,349	38,527	41,991
TOTAL IMMOVABLE PROPERTY TAX:	**43,964**	**47,068**	**42,654**	**37,349**	**38,527**	**41,991**
% of GDP:	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**

Source: MoFEPTI, Macroeconomic Forecasting & Analysis Division estimates

Policy Changes

From August 2026, South African nationals are no longer required to pay IPT. In addition, refunds are due to be processed for historical IPT payments made by South African nationals between 2020 and 2026.

2027 projections and Medium Term

For 2027, IPT revenue collections are projected at about SR 37.3m, representing a contraction of SR 5.3m or 12.4 per cent against the 2026 end-of-year revenue estimate. The projected revenue decline is mainly driven by expectations of substantial processing and payment of refunds arising from the South African DTAA issues previously highlighted. IPT refund payments are currently projected to amount to about SR 6.6m in 2027, thus offsetting IPT revenue collections over the year.

Into the medium-term, annual IPT collections are forecast to grow by an average of about 1.3 per cent per annum, with the medium-term growth rate moderated by the significant annual contraction projected for 2027, resulting from substantial IPT refund payments.

Non-Tax Revenue & Grants

Non-tax revenue comprises receipts other than taxes, including fees and charges, dividends from public enterprises, rent and royalties, interest income, and proceeds from the sale of assets. The following tables present the 2025 actuals, 2026 end-of-year estimates and 2027–2029 Budget forecasts.

Non-tax revenue is projected at SR 1.59bn in the 2027 Budget, an increase of SR 246.7m (18.4 per cent) relative to the 2026 end-of-year estimate of SR 1.34bn. The largest upward contribution comes from 'Dividends Income', which are forecast to increase by SR 230.4m, while 'Other Non-Tax' receipts are forecast to rise by SR 21.9m. Conversely, 'Proceeds from the sale of assets' are forecast to decline slightly by SR 8.9m.

Table 20: Non-Tax Revenue and Grants, SR' 000s

NON-TAX & GRANTS	2025 Actual	2026 MYEFO	2026 EOY	2027 Budget	2028	2029
Non-Tax	**1,197,226**	**1,377,047**	**1,343,927**	**1,590,641**	**1,696,894**	**1,628,813**
Fees and Charges	436,567	524,209	532,987	536,301	546,674	558,991
Dividends Income	601,479	477,127	447,087	677,503	751,975	868,425
Other Non-Tax	55,939	42,575	30,715	52,585	38,713	39,449
Proceeds from sale of assets	103,241	333,137	333,137	324,252	359,532	161,948
Grants	**169,324**	**464,973**	**464,973**	**267,493**	**204,357**	**215,510**
TOTAL NON-TAX & GRANTS:	**1,366,550**	**1,842,020**	**1,808,899**	**1,858,134**	**1,901,250**	**1,844,323**
% of GDP:	**4.0**	**5.3**	**5.2**	**5.0**	**4.8**	**4.4**

Source: MoFEPTI, Financial Planning and Control Division estimates

Fees and Charges

Fees and charges are projected at SR 536.3m for 2027, an increase of SR 3.3m (0.6 per cent) from the 2026 end-of-year estimate of SR 533m. Collections are forecasted to reach SR 546.7m in 2028 and SR 559m in 2029. Main contributors to the increase in the Budget year 2027 include collection from the Department of Immigration for 'Immigration fees' which is expected to increase by SR 8.6m, in line with forecasted increase in tourism arrival figures as compared to the end of year forecast for 2026. An increase of SR 3m is also forecasted from the Ministry of Finance, Economic Planning, Trade & Investment for 'Sanctions from Beneficial Ownership' based on expected trend. In addition, an increase of SR 3m has also been forecasted to be collected from the Utilities Regulatory Commission for 'Supervisory fees' as compared to the 2026 end of year estimate.

Dividend Income

Dividend income is projected to represent 42.6 per cent of non-tax revenue in 2027. Major contributors include Seychelles International Mercantile Banking Corporation (SR 160.0m), Seychelles Petroleum Company (SR 92.2m), Seychelles Ports Authority (SR 75.0m), Financial Services Authority (SR 60.0m), and Seychelles Sovereign Investment Fund (SR 60.0m). Total dividend receipts are projected at SR 677.5m for 2027, representing an increase of SR 230.4m (51.5 per cent) compared with the 2026 end-of-year estimate of SR 447.1m. Receipts are expected to continue increasing over the medium term, reaching SR 752.0m in 2028 and SR 868.4m in 2029.

Table 21: Dividend Income, SR' 000s

DESCRIPTION	2025 Actual	2026 MYEFO	2026 EOY	2027 Budget	2028	2029
Seychelles International Mercantile Banking Corporation Limited	150,000	150,000	150,000	160,000	175,000	175,000
Seychelles Port Authority	-	75,000	50,000	75,000	50,000	50,000
Seychelles Petroleum Company	250,000	-	-	92,220	106,348	250,000
Land Marine Ltd	9,800	6,300	6,300	10,000	10,000	10,000
Indian Ocean Tuna Limited	28,201	23,302	23,302	26,542	26,807	27,075
Seychelles Airport Authority	50,000	35,000	35,000	50,000	50,000	50,000
Island Development Company	-	20,000	20,000	40,000	50,000	50,000
Seychelles Commercial Bank	-	9,000	3,960	9,040	-	-
Financial Services Authority	52,048	50,000	50,000	60,000	100,883	112,117
Seychelles Fishing Authority	35,000	35,000	35,000	30,000	37,000	37,000
Ile Du Port Handling Services	20,974	23,525	23,525	24,701	25,936	27,233
Seychelles Sovereign Investment Fund	-	50,000	50,000	60,000	80,000	50,000
Property Management Corporation	-		-	40,000	40,000	30,000
Afrexim Bank	5,457		-	-	-	-
TOTAL DIVIDEND:	**601,479**	**477,127**	**447,087**	**677,503**	**751,975**	**868,425**
% of GDP:	**1.8**	**1.4**	**1.3**	**1.8**	**1.9**	**2.1**

Source: MoFEPTI, Financial Planning and Control Division estimates

The increase in 2027 is driven largely by the resumption of dividend payments by the Seychelles Petroleum Company, which is projected to contribute SR 92.2m after paying no dividend in 2026 owing to its investment plans. The medium-term projections make no provision for dividends from the Seychelles Commercial Bank in 2028 and 2029, in view of the Government's plan to privatise the bank.

Other Non-Tax

Background

Other non-tax revenue includes rents and royalties, interest income and miscellaneous receipts. Total other non-tax collection is forecasted at about SR 52.6m in 2027, an increase of about SR 21.9m or 71.2 per cent relative to 2026. This increase is the result of higher interest receipts projected for 2027,

including from the Public Utilities Corporation as part of the current net lending agreement between the company and Government.

Proceeds from sale of assets

Proceeds from the sale of assets are estimated at about SR 324.3m for 2027, a decrease of about SR 8.9m or 2.7 per cent compared to 2026. The 2027 proposal includes SR 162.5m expected from the sale of Government shares held at the Seychelles Commercial Bank, SR 75m from anti-money-laundering proceeds and SR 55m from long-term leases of land and buildings.

Grants

Grants receipts are estimated at about SR 267.5m for 2027 representing a decrease of about SR 197.5m or 42.5 per cent compared to 2026. The significant decrease is mainly attributed to the timing of cashflows for several projects including two large housing infrastructure projects with Budgeted costs of about SR 205.5m allocated in 2026. For the medium term, a total of SR 687.4m worth of projects and programmes from various Ministries, Departments, and Agencies (MDAs) is expected to be funded through foreign grant financing.

Table 22: Grants Receipts for 2025-2029, SR' 000s

GRANTS	2025 Actual	2026 MYEFO	2026 EOY	2027 Budget	2028	2029
Cash Grants	**55,419**	**429,450**	**429,450**	**191,176**	**96,905**	**51,296**
o/w recurrent	43,249	60,940	60,940	135,737	48,996	26,901
o/w capital	12,170	368,510	368,510	55,439	47,909	24,396
Benefits in Kind	**113,905**	**35,523**	**35,523**	**76,316**	**107,452**	**164,213**
o/w recurrent	22,921	30,270	30,270	–	–	–
o/w capital	90,984	5,253	5,253	76,316	107,452	164,213
TOTAL GRANTS:	**169,324**	**464,973**	**464,973**	**267,493**	**204,357**	**215,510**
% of GDP:	**0.5**	**1.3**	**1.3**	**0.7**	**0.5**	**0.5**

Source: MoFEPTI, Financial Planning and Control Division estimates

Various projects are expected to be funded through grant financing in 2027 as per below:

- **President Office Portfolio**

A total of SR 14.7m is Budgeted for 2027 from the Government of India to continue financing the ongoing 'Coastal Surveillance Radar System' project.

- **Social Affairs, Family and Equality Portfolio**

A total of SR 8m is Budgeted for 2027 for the project 'Major renovation to Old People's Home', which is part of a larger plan for renovation works across several elderly homes, totalling up to SR 34m.

- **Department of Risk and Disaster Management**

A total of SR 18.5m is Budgeted for the year 2027 for the 'Tailored Intelligence for Actionable Early Warning Systems' project.

- **Environment, Climate, Energy and Natural Resources Portfolio**

Under this portfolio various environmental protection and climate related projects are included:

- Ridge to Reef – Integrated Management of Marine, Coastal & Terrestrial Ecosystems – SR 6.6m (UNDP / GEF).
- Restoring Marine Ecosystem – SR 38.2m (UNDP / GEF).
- Enabling the transition to a Blue and Green Economy (GEF 8) – SR 25.6m
- Prioritising Biodiversity Conservation and Nature Based Solutions (GEF) – SR 8.9m
- Chemicals and Waste (Islands project) GEF – SR 8m

- **Ministry of Education:**

A total of SR 11m is Budgeted for 2027 from the Government of India for renovation works at primary schools across Port Glaud, Takamaka, Au Cap and Pointe Larue as part of the 'High Impact Community Development' programme.

- **National Sports Council**

A total of SR 16.25m is Budgeted for the completion of an indoor court at Anse Royale, financed through the Government of the United Arab Emirates (UAE).

Expenditure

For 2027, expenditure and net lending are projected at SR 13.5bn, an increase of SR 583.9m or 4.5 per cent relative to the 2026 end-of-year estimate of SR 12.9bn. Excluding interest due, primary expenditure is estimated at SR 12.7bn, compared to the SR 12.1bn in 2026. The resulting primary balance, including grants, is SR 167.9m which is equivalent to 0.5 per cent of GDP.

The main changes in the 2027 Budget relative to the 2026 end-of-year estimates are as follows:

- Wages and Salaries: increase of SR 306.3m or 7.9 per cent.
- Goods and Services: increase of SR 129.6m or 3.0 per cent.
- Capital Expenditure: increase of SR 334.9m or 26.2 per cent.
- Benefits and Approved Programmes of ASP: increase of SR 258.4m or 15.4 per cent.
- Social Programmes of Government: decrease of SR 25.1m or 14.4 per cent.
- Other Government Support Programmes: decrease of SR 15.1m or 11.7 per cent.
- Interest due: decrease of SR 31.7m or 3.7 per cent.
- Net lending: decrease of SR 235.1m (from SR 100.5m in 2026 to -SR 134.6m in 2027).

Table 23 sets out the updated expenditure and net lending allocations for the period 2025-2029.

Table 23: Summary of Expenditure, SR' 000s

DESCRIPTION	2025 Actual	2026 MYEFO	2026 EOY	2027 Budget	2028	2029
Expenditure and net lending	**11,218,203**	**12,887,355**	**12,919,420**	**13,503,279**	**13,982,080**	**14,397,238**
Current expenditure	**10,049,619**	**11,330,366**	**11,323,813**	**11,757,091**	**11,834,577**	**11,890,032**
Primary Current Expenditure	**9,153,528**	**10,474,378**	**10,474,378**	**10,939,354**	**11,146,934**	**11,301,070**
Wages and salaries	3,509,295	3,893,005	3,893,005	4,199,327	4,307,458	4,351,827
Goods and services	4,042,157	4,324,542	4,324,542	4,454,120	4,374,619	4,336,339
Capital expenditure	1,036,546	1,277,601	1,277,601	1,612,503	1,853,029	2,281,206
Social programme of Government	142,057	173,839	173,839	148,763	148,313	152,646
Other Government Support Programmes	101,659	129,209	129,209	114,078	113,990	125,498
Transfers to Public Enterprises	60,941	274,706	274,706	85,601	95,001	94,570
Benefits and approved progs.	1,281,827	1,678,926	1,678,926	1,937,314	2,107,399	2,240,190
Others	**15,591**	**152**	**152**	**152**	**152**	**–**
Interest due	**896,091**	**855,988**	**849,435**	**817,737**	**687,643**	**588,963**
External	471,106	444,037	442,711	520,873	493,128	460,208
Domestic	424,985	411,951	406,724	296,864	194,515	128,755
Development Grant	**161,999**	**157,491**	**157,491**	**208,313**	**324,867**	**160,000**
Net lending	**-60,060**	**61,898**	**100,516**	**-134,629**	**-90,393**	**6,000**
Contingency	**30,099**	**60,000**	**60,000**	**60,000**	**60,000**	**60,000**
PRIMARY BALANCE:	**899,647**	**17,944**	**29,255**	**167,903**	**177,279**	**218,511**
% of GDP:	**2.6**	**0.1**	**0.1**	**0.5**	**0.5**	**0.5**

Source: MoFEPTI, Financial Planning and Control Division estimates

In addition to the expenditure allocations outlined above, the 2027 Budget makes provision for the establishment of three new entities, namely the Procurement Oversight Unit, the Drug Enforcement Agency and the Truth, Reconciliation and National Unity Commission (TRNUC) Enforcement Commission.

Furthermore, as part of Government's ongoing institutional restructuring aimed at strengthening the governance, management and development of the cultural sector, the mandate of the Department of Culture has been streamlined to separate policy formulation and oversight from operational and service delivery functions. This restructuring has resulted in the establishment of four new entities:

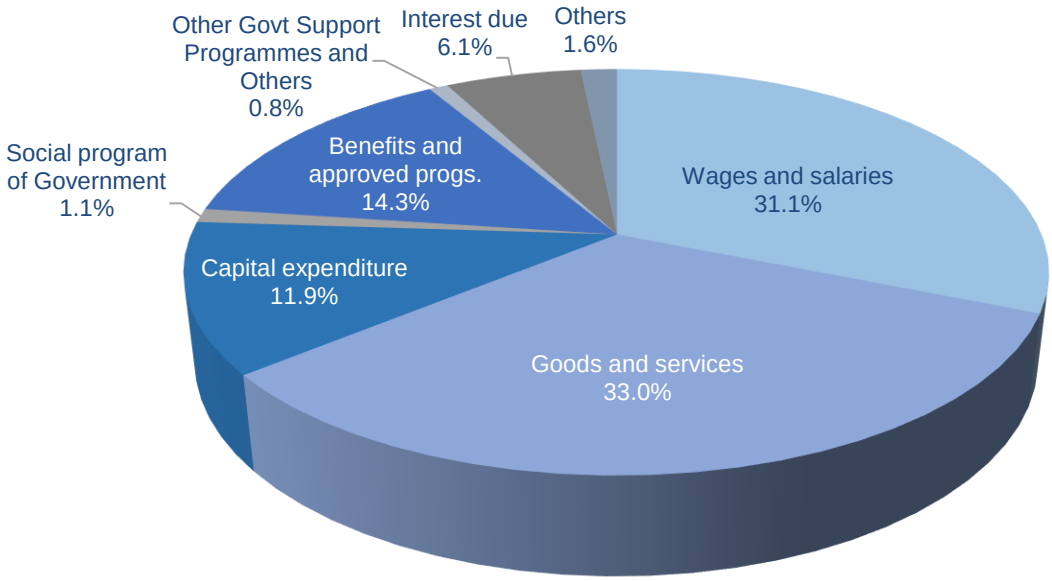
- Seychelles Museum, Archives and Library Authority
- Seychelles Arts and Crafts Agency
- Seychelles Creative Agency
- Creole Institute of Seychelles

Expenditure distribution by main Budget allocation

As illustrated in Figure 12 overleaf, 'Wages and Salaries' and 'Goods and Services' account for the largest shares of total Budget expenditure, at 31.1 per cent and 33.0 per cent, respectively. Benefits and

Approved Programmes of ASP account for a further 14.3 per cent of the total Budget allocation, while Capital Expenditure represents 11.9 per cent.

Figure 12: 2027 Budget Allocation



Source: MoFEPTI, Financial Planning and Control Division estimates

Interest payment

Interest due is projected at SR 817.7m in 2027, a decrease of SR 31.7m (3.7 per cent) compared with the 2026 end-of-year estimate of SR 849.4m. The 2027 allocation includes external interest of SR 520.9m and domestic interest of SR 296.9m.

Distribution by Portfolio

The expenditure of Government MDAs' is grouped under eighteen Portfolios. The 2027 Budget allocation across these Portfolios reflects an overall increase of 6 per cent compared to the 2026 end-of-year estimates. This increase partly reflects the reallocation of funding for selected Government social programmes to the respective MDAs mandated to oversee and administer the implementation of these programmes and schemes. This approach is intended to strengthen institutional accountability, improve expenditure alignment with organisational mandates and enhance the efficiency of programme implementation.

The share of recurrent expenditure by portfolio, expressed as a percentage of the total recurrent expenditure is presented in the table overleaf.

Table 24: Share of Recurrent Expenditure by Portfolio (%)

PORTFOLIOS	2026 EOY	2027 Budget
President's Office	8.6	8.9
Vice-President's Office	6.1	5.9
Fisheries, Agriculture and Blue Economy	2.4	2.8
Constitutionally Appointed Authorities	2.7	2.8
Other Statutory Bodies	0.9	0.8
Finance, Economic Planning, Trade and Investments	7.3	6.4
Youth and Sport	1.7	1.9
Homeland Security and Civil Affairs	10.1	9.8
Education and Human Resource Development	17.1	17.0
Local Government and Inner Islands	1.4	1.5
Health	17.9	17.4
Foreign Affairs and the Diaspora	2.2	2.4
Transport, Ports and Civil Aviation	2.8	3.1
Environment, Climate, Energy and Natural Resources	6.0	6.8
Employment and Human Resource Planning	0.6	0.8
Industry and Enterprise Portfolio	1.2	1.1
Tourism and Culture Portfolio	4.4	4.3
Social Affairs, Family and Equality Portfolio	6.8	6.3

Source: MoFEPTI, Financial Planning and Control Division estimates

The Education and Health Portfolios remain key priorities of Government, accounting for 17.0 per cent and 17.4 per cent of total expenditure allocated to MDAs in 2027, respectively. These allocations are equivalent to 3.8 per cent and 3.9 per cent of GDP, respectively. The Homeland Security and Civil Affairs Portfolio also accounts for a significant share of total MDA expenditure, at 9.8 per cent. The reduction in the allocation to this Portfolio is primarily attributable to the transfer of personnel from the Department of Police to the newly established Drug Enforcement Agency.

The reduction in the allocation to the Finance, Economic Planning, Trade and Investment Portfolio is largely associated with the completion of some particular digitalisation projects being implemented by the Seychelles Revenue Commission, including the upgrading of the Automated System for Customs Data (ASYCUDA) and the Data Warehouse projects.

Meanwhile, the increase in the allocation to the Environment, Climate, Energy and Natural Resources Portfolio reflects the provision of additional budgetary resources for newly introduced grant-funded projects earmarked for the environment, climate and energy sectors.

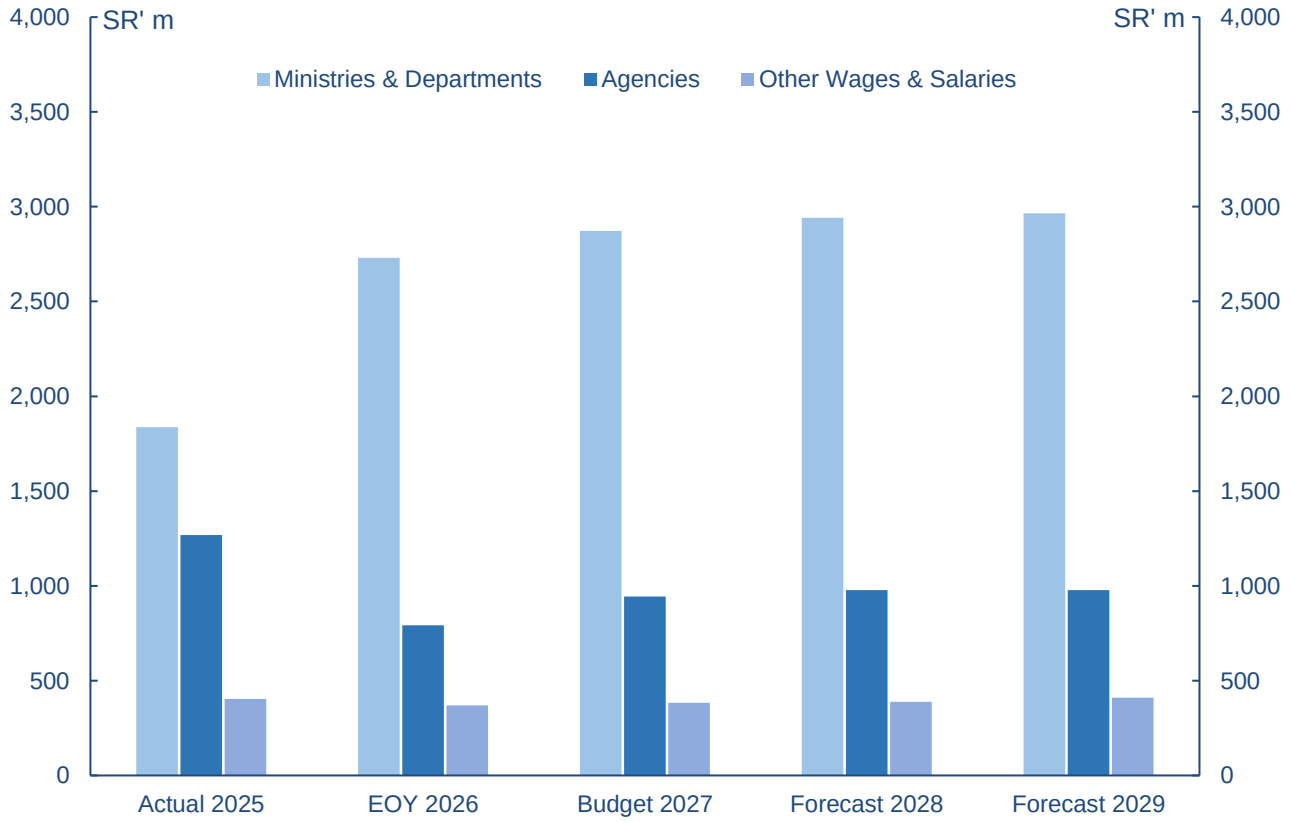
The detailed Budget allocations for MDAs over the 2027–2029 medium-term period is presented in the Programme Performance-Based Budgeting (PPBB) statements contained in Section 3 of the Estimates of Revenue and Expenditure. These statements outline the respective MDAs' medium-term strategic objectives, priority programmes, performance indicators and targets, together with their corresponding Budget allocations.

Wages and Salaries

The 2027 Budget provides for a total allocation of SR 4.2bn for wages and salaries. This represents an increase of SR 306.3m, or 7.9 per cent, compared to the 2026 end-of-year estimates. Compensation of employees continues to constitute a significant component of Government expenditure. Notwithstanding the increase in the nominal allocation, expenditure on wages and salaries is maintained at approximately 11 per cent of GDP.

The increase in the 2027 allocation is primarily attributable to provisions for the revision of schemes of service, the creation and filling of priority posts across MDAs, and the full-year fiscal impact of the Long Service Allowance, alongside the reinstatement and revision of employment benefits for public service employees.

Figure 13: 2025-2029 Wage Budget Allocation



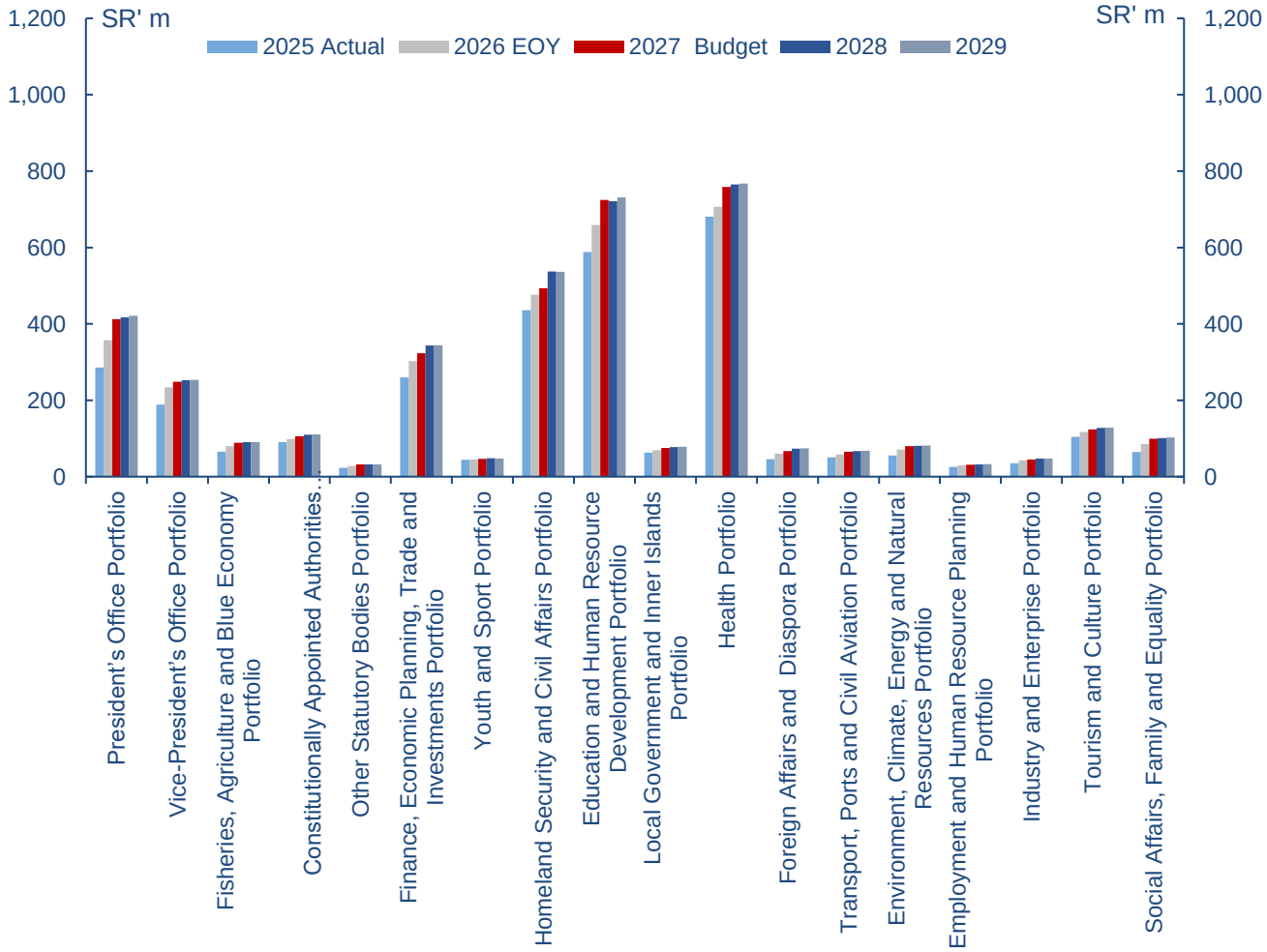
Source: MoFEPTI, Financial Planning and Control Division

Figure 13 illustrates the actual and projected allocation for wages and salaries across Ministries, Departments and Agencies (MDAs), as well as Other Wages and Salaries. The wage bill for Ministries and Departments is projected to increase by 8.7 per cent over the medium-term period compared to the 2026 end-of-year estimates. Similarly, the allocation for Agencies is projected to increase by 23.5 per cent over the same comparison period.

The increases in both categories largely reflect the full-year fiscal implications of Government's institutional restructuring. The resulting changes to the Government structure, including the establishment of new Agencies, have created additional staffing requirements to support the effective discharge of their respective mandates and service delivery responsibilities.

Meanwhile, the marginal increase in the allocation for other wages and salaries is primarily associated with the increase in pension scheme contribution reflective of the increase in wages and salaries across Ministries, Departments and Agencies.

Figure 14: Evolution of Portfolio Shares Actual and Budgeted Wages & Salaries (2025-2029), SR' m



Source: MoFEPTI, Financial Planning and Control Division

Figure 14 illustrates the evolution and projected distribution of wages and salaries across Government Portfolios over the 2025–2029 medium-term period.

A total of SR 1.98bn, representing 51.8 per cent of the overall MDA wages and salaries allocation for 2027, is allocated to the three largest portfolios namely Health, Education and Human Resource Development, and Homeland Security and Civil Affairs Portfolios.

The Health Portfolio accounts for the largest share, at 19.9 per cent, followed by the Education and Human Resource Development Portfolio at 19.0 per cent. These allocations reflect the continued prioritisation of essential public services, notwithstanding the persistent human resource challenges associated with an ageing workforce and critical staffing shortages in these sectors.

Recruitment

For 2027, a total allocation of SR 53.9m has been allocated for the creation of new posts and the unfreezing of previously approved positions, covering 211 priority posts. The positions approved for funding were identified and prioritised by the respective MDAs based on their operational requirements, institutional capacity needs and critical service delivery priorities.

Government recognises the implementation challenges faced by MDAs in filling approved positions, particularly those arising from limited availability of suitably qualified candidates within the domestic labour market and lengthy recruitment processes.

In view of these constraints, and to ensure that additional staffing requirements remain fiscally sustainable, Government has adopted a selective approach to funding priority posts. Accordingly, a total provision of SR 175.8m has been allocated over the medium-term period to support the recruitment and filling of these critical positions.

The main MDAs receiving significant allocations for the creation and filling of new positions include the Public Health Authority, Ministry of Education and Human Resource Development, Legislature, Department of Agriculture, Department of Public Administration and National Sports Council.

Improved schemes of service

A total provision of SR 43.3m has been allocated for 2027, with further amount of SR 86.3m allocated in each year 2028 and 2029, to finance the implementation of revised schemes of service over the medium-term period, effective 1st July 2027. In addition, a total of SR 17.5m is included in the 2027 allocation to cater for the full year impact of new schemes of service that took effect from July 2026. These include schemes primarily for the Ministry of Education, Seychelles Fire and Rescue Services Agency and the Landscape and Waste Management Agency. The revision has also taken into account a revision for 'Allied Professionals' within the Health Sector at a total of SR 6.3m in 2027 in view of revision in gratuity and long service allowance.

The revisions are intended to improve remuneration packages across various work-related cadres, enhance the competitiveness of public service employment and support the attraction and retention of qualified personnel. The proposed increase in revision of work-related cadres have also taken into consideration their fiscal affordability and medium-term sustainability, including the potential implications for other sectors.

New Schemes of service to be implemented from 1st July 2027:

- Institute of Early Childhood Development.

Revised Scheme of Service to be implemented from 1st July 2027:

- Attorney General's Office;
- The Judiciary;
- Seychelles Prison Services;
- Department of Internal Affairs and Immigration and Civil Identity System;
- Ministry of Foreign Affairs and the Diaspora;
- Ministry of Employment and Human Resource Planning;
- Ministry of Industry and Enterprise;
- Department of Land and Housing – Surveying Cadre
- Department of Social Affairs – Residential Service Cadre
- Department of Family Affairs – Vocational Training Centre and Home Administrator's cadre
- Ministry of Finance, Economic Planning, Trade & Investment – All technical Cadre in the Ministry;
- The Office of the Curator;
- National Council for Children – Residential Service Cadre for President Village
- Seychelles Home Care Agency;
- Seychelles Fire and Rescue Services Agency;
- Seychelles Revenue Commission
- Public Enterprise Monitoring Commission;
- Financial Intelligence Unit;
- National Bureau of Statistics;
- Seychelles Licensing Authority;
- Seychelles Investment Board;
- Planning Authority;
- Seychelles Nurses and Midwives Council;
- Seychelles Museum, Archives & Library Authority.

Furthermore, the Government has approved budgetary provisions to review and harmonise common cadre structures for personnel delivering common services across Ministries, Departments and Agencies. The common cadres approved for review and revision are as follows:

- Accounting Cadre
- Procurement Cadre
- Office Assistant Cadre
- Public Relation and Information and Communication Officer Cadre
- Project and Programme Development Officer Cadre

- Policy, Planning and Research Cadre
- Monitoring and Evaluation Cadre
- Driver and Transport Officer Cadre
- Housekeeping Cadre

Other factors

In addition to the above-mentioned expenditure drivers, the following factors have contributed to the overall allocation for wages and salaries:

- *Compensation for Continuous Service:* An additional SR 4.8m has been allocated in 2027 to cater for payments relating to Compensation for Continuous Service, following the revision of the retirement age from 65 to 63 years.

- *Pension Scheme Contributions:* The provision for Pension Scheme Contribution has been increased by SR 17.7m compared to the 2026 end-of-year estimates. This adjustment reflects the corresponding increase in the projected wage bill arising from the funding of priority posts and the implementation of revised schemes of service.

Goods and Services

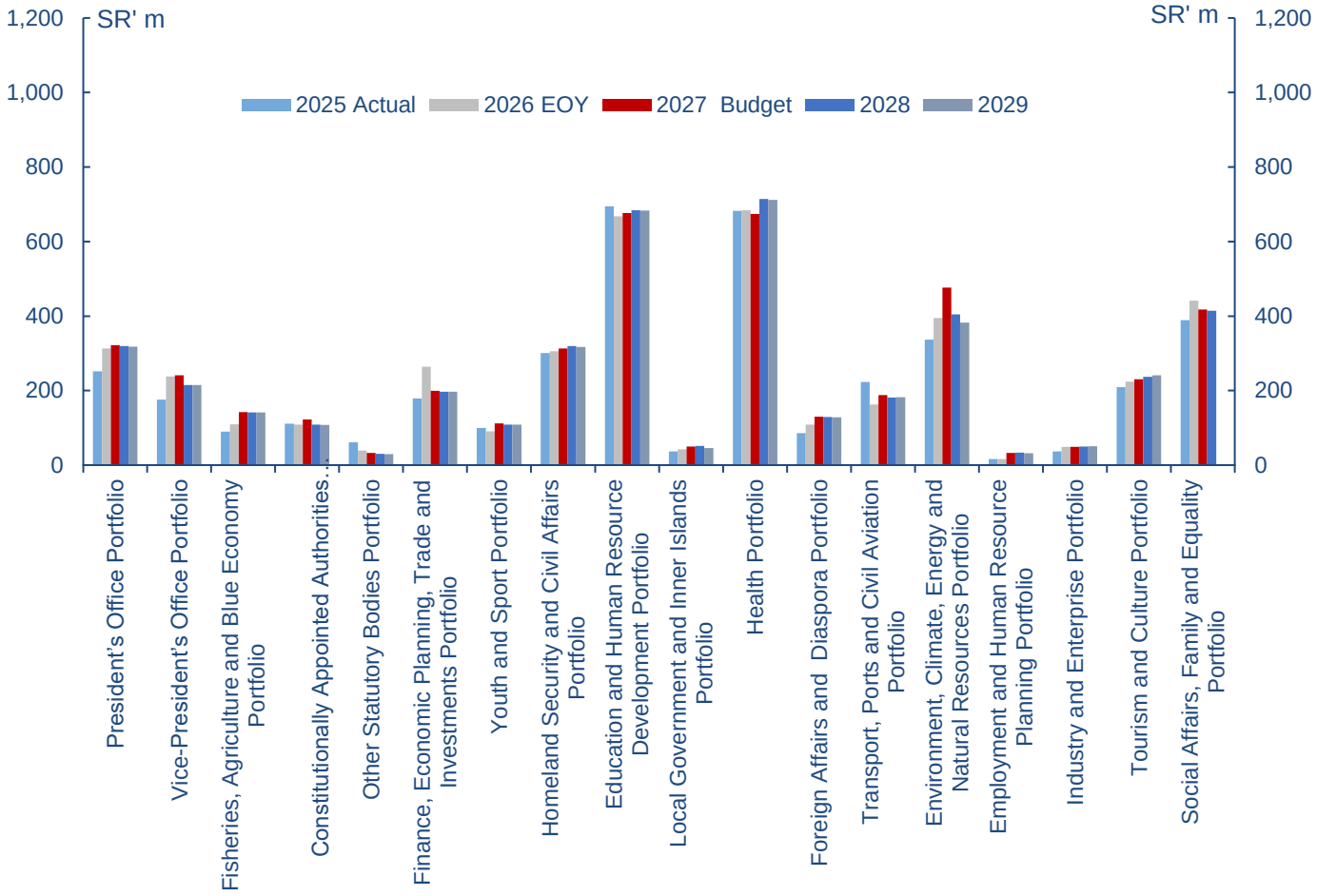
A total allocation of SR 4.45bn has been provided for Goods and Services expenditure in the 2027 Budget. This represents 33 per cent of total expenditure and net lending, equivalent to approximately 12 per cent of GDP. The allocation for Goods and Services in 2027 represents an increase of SR 129.6m compared to the 2026 end-of-year estimates. At the institutional level, the allocation for Ministries and Departments has decreased by SR 27.1m, while the allocation for Agencies has increased by SR 179.9m. The increase in Goods and Services allocation under Agencies is primarily attributable to the reallocation of funding for selected Government programmes and financial schemes to the respective Agencies mandated to oversee and administer their implementation. This reflects the realignment of Budgetary resources with institutional responsibilities following Government's restructuring.

Furthermore, the establishment of three new entities has contributed to the increase in the Agencies Goods and Services Budget allocation, reflecting the additional operational and administrative resources required to support their respective mandates and functions.

For the 2027 fiscal year, the Education and Human Resource Development Portfolio and the Health Portfolio each account for 15.3 per cent of the total Goods and Services allocation to Ministries, Departments and Agencies (MDAs). These are followed by the Environment, Climate, Energy and Natural Resources Portfolio, which accounts for 10.8 per cent of the total allocation.

The Other Goods and Services category reflects a downward revision of SR 23.2m compared to the 2026 end-of-year estimates. This reduction is primarily attributable to lower projected expenditure on the organisation of National Day celebrations.

Figure 15: Evolution of Portfolio shares Actual and Budgeted Goods and Services (2025-2029), SR' m



Source: MoFEPTI, Financial Planning and Control Division

The following section provides an overview of the MDAs with the most significant variances in their respective Goods and Services allocations for 2027 compared to the 2026 end-of-year estimates:

President's Office Portfolio

- *Department of Defence*

The Department of Defence's Goods and Services allocation for 2027 is projected to decrease by SR 4.9m, from SR 173.5m in the 2026 end-of-year estimates to SR 168.6m.

The reduction is primarily attributable to lower projected expenditure on the maintenance of defence vessels, following the implementation of a more structured and effective vessel maintenance schedule. This has enabled improved expenditure planning and more efficient allocation of maintenance resources.

- *Department of Legal Affairs*

The Department's Goods and Services allocation has increased by SR 5m in 2027. The additional provision primarily caters for operational and administrative costs associated with the relocation of the Registration Division's services to new office premises.

- *Prevention of Drugs Abuse and Rehabilitation Agency*

The Agency's medium-term Goods and Services allocation includes additional provisions to meet essential operational overheads and existing contractual commitments. The provision amounts to SR 7.6m in 2027 and SR 6.6m in each of 2028 and 2029.

- *Drug Enforcement Agency*

An allocation of SR 6.8m has been provided in the 2027 Budget to meet the operational and administrative requirements of the newly established Drug Enforcement Agency.

Vice-President's Office Portfolio

- *Department of Information Communications Technology*

The Department's 2027 Goods and Services allocation includes provisions for the following expenditure requirements:

- SR 18.5m for the grant-funded Seychelles Transformative Resilience Inclusive Digital Economy Project, financed through support from the World Bank.
- SR 2.1m to strengthen national cyber incident preparedness and response capabilities, including measures to manage and mitigate disruptions arising from cybersecurity threats.
- SR 2.2m in additional funding to meet contractual obligations relating to the e-Services Information System, which supports MDAs in modernising and improving the delivery of public services.
- SR 1.5 m to accommodate additional office space requirements associated with the expansion of the Department's server room.

- *Department of Risk and Disaster Management*

The Department's 2027 Goods and Services allocation reflects a reduction of SR 32.8m compared to the 2026 end-of-year estimates. This decrease is primarily attributable to the completion of the Tailored Intelligence for Actionable Early Warning System project, resulting in lower project-related expenditure requirements.

- *Department of Land and Housing*

The Department's 2027 Goods and Services allocation includes provisions for the following:

- SR 6m in additional funding for part rental, reflecting the increased demand for financial support towards housing rental costs.

- SR 1.5m for outsourced services relating to file maintenance, archival storage through Pro-Archives, cleaning and treatment of survey documents, and the management of outstanding documentation backlogs.

- *Department of Poverty Alleviation*

The Department's annual Goods and Services allocation has increased by SR 3m, primarily reflecting the reclassification and transfer of the Poverty Alleviation Scheme from the Capital Expenditure Budget to the Goods and Services Budget.

- *Information Commission*

An allocation of SR 1.1m has been provided under Goods and Services to meet additional operational requirements arising from the relocation of the Commission's offices and for the replacement of a vehicle.

Fisheries, Agriculture and Blue Economy Portfolio

- *Department of Agriculture*

The Department's 2027 Goods and Services allocation has decreased by SR 10.8m compared to the 2026 end-of-year estimates. This reduction is primarily attributable to the reallocation of budgetary resources following the establishment of two new Agencies under the Portfolio, namely the Seychelles Agricultural Development Agency and the Biosecurity Agency of Seychelles.

- *Biosecurity Agency Seychelles*

The Agency's 2027 Goods and Services allocation has increased by SR 4.2m, primarily to finance its operational and administrative requirements following its establishment. The additional provision is being met through the reallocation of Budgetary resources from the Department of Agriculture.

- *Seychelles Agricultural Development Agency*

The Agency's 2027 Goods and Services allocation includes provisions for the following:

- SR 50m in additional funding to meet the annual fiscal cost associated with the reintroduction of the livestock support subsidy.
- SR 3.2m transferred from the Department of Agriculture to finance the operational and administrative requirements of the newly established Agency.

Constitutionally Appointed Authorities Portfolio

- *Judiciary*

The Judiciary's Goods and Services allocation includes additional provisions for key operational and institutional requirements, including:

- SR 3m in 2027 for the replacement of five Sports Utility Vehicles (SUVs) assigned to Judges, with further provisions of SR 1.2m in each of 2028 and 2029 for vehicle replacement requirements.
- SR 1.5m for the replacement of five outdoor air-conditioning units at the Magistrates' Courts in 2027.
- SR 1.7m for upgrading the Judiciary's Information and Communications Technology (ICT) infrastructure in preparation for the implementation of the Judiciary Case Management digitalisation project.
- SR 1m for the procurement of additional security equipment, comprising walk-through metal detectors and X-ray baggage scanners.

- *Legislature*

The Legislature's Goods and Services allocation has increased by SR 2.7m in 2027. The increase is primarily associated with the hosting of the Southern African Development Community Organisation of Public Accounts Committees (SADCOPAC) Conference, scheduled to take place in 2027 and an additional provision for the replacement of vehicles.

- *Electoral Commission*

An allocation of SR 8.4m has been provided under the 2027 Goods and Services Budget to finance expenditure associated with conducting the Voters' Census and the delimitation of electoral boundaries.

Finance, Economic Planning, Trade, and Investment Portfolio

- *Department of Finance*

The Department's 2027 Goods and Services allocation includes additional provisions to support the ongoing implementation of the Integrated Financial Management Information System (IFMIS) project, as follows:

- SR 7.5m for the procurement of ICT equipment, including computer hardware and servers.
- SR 2.7m to finance the expansion of the project scope through the incorporation of a special payroll module.
- SR 2.5m for the payment of the annual maintenance fee, which is expected to commence in 2028.

- *Department of Financial Sector*

An annual provision of SR 5.8m has been allocated over the medium-term period to meet the operational and administrative costs of the newly established Department.

- *Seychelles Revenue Commission*

The Commission's Goods and Services allocation reflects a significant reduction of SR 55.5m in 2027, with the lower expenditure profile extending over the medium-term period. This reduction is primarily attributable to changes in the implementation schedules, project scope and completion status of key digitalisation initiatives, as outlined below:

- *Electronic Invoicing Project*: Implementation has been delayed due to an extended procurement and tendering process, resulting in the postponement of the project's commencement and implementation timelines.
- *Tax Management System (TMS):* The initial project proposal and implementation concept have been reviewed and reassessed, resulting in changes to the projected project costs and a postponement of its implementation.

In addition, two major digitalisation projects are expected to be completed by the first quarter of 2027, the Data Warehouse Project and the ASYCUDA Upgrade Project.

- *Seychelles Licensing Authority*

The Authority's Goods and Services allocation has increased by SR 5.3m compared to the 2026 end-of-year estimates. The additional provision primarily caters for office rental expenditure arising from the relocation of its premises.

- *Procurement Oversight Unit*

An annual provision of SR 5.3 m has been allocated to meet the operational and administrative requirements of the newly established Procurement Oversight Unit.

Youth and Sport Portfolio

- *Ministry of Youth & Sports*

An allocation of SR 0.4m has been provided under the Ministry's Goods and Services Budget to finance the Sports Trust Fund. This provision reflects the transfer of funding from the Government's Social Programmes Budget.

- *Seychelles National Youth Council*

An allocation of SR 2m has been provided under Goods and Services to finance the Youth Entrepreneurship Scheme, following the transfer of the programme's funding from the Government's Social Programmes Budget.

- *National Sports Council*

The National Sports Council's Goods and Services allocation has increased by SR 18.4m in 2027. The increase is primarily attributable to expenditure associated with the preparation, training and participation of Seychellois athletes in the 2027 Indian Ocean Island Games (IOIG).

Homeland Security and Civil Affairs Portfolio

- *Seychelles Prison Services*

The Seychelles Prison Services' 2027 Goods and Services allocation has increased by SR 4.8m compared to the 2026 end-of-year estimates. The increase is primarily driven by higher operational costs associated with the management and maintenance of prison facilities, particularly electricity bills. The additional provision also includes funding for the procurement of a server and the upgrading of the CCTV surveillance system at the Montagne Posée prison facility.

- *Department of Police*

The Department of Police's Goods and Services allocation has increased by SR 4.3m compared to the 2026 end-of-year estimates. This increase reflects the following additional expenditure requirements:

- SR 1.8m for upgrading the Seychelles Police ICT network to establish a secure private network, and strengthen information security and surveillance capabilities.
- SR 2.5m in additional funding to meet increased operational costs and the financial implications of the revised remuneration structure for security officers within the Sensitive Security Unit (SSU).

Education and Human Resources Development Portfolio

- *Ministry of Education and Human Resource Development*

The Ministry's total Goods and Services allocation for 2027 amounts to SR 384m, representing a decrease of SR 50.7m, or 12 per cent, compared to the 2026 end-of-year estimates.

The reduction is primarily attributable to the transfer of budgetary resources to the Careers and Further Education Agency (CAFEA), following the Agency's actual establishment in April 2026, rather than the initially anticipated date of January 2026.

In addition, the Ministry's 2027 Goods and Services allocation includes provisions for the following expenditure requirements:

- SR 3.5 m in 2027, SR 2.5 m in 2028 and SR 1.9 m in 2029 to finance teaching and learning-related operational expenditures associated with the newly established Youth Hope Centre.
- SR 2.5m for the procurement of furniture for primary and secondary schools. The revised procurement approach involves sourcing from overseas suppliers through a selective tendering process, with the objective of achieving more competitive pricing while maintaining the required quality and specifications.
- SR 1m for the replacement of wooden shelving with metal shelving and the replacement of whiteboards in primary and secondary schools.

- *Careers and Further Education Agency (CAFEA)*

The Agency's 2027 Goods and Services allocation has increased by SR 58 m compared to the 2026 end-of-year estimates. The increase is primarily attributable to the transfer of budgetary resources from the Ministry of Education and Human Resource Development following the Agency's actual establishment in April 2026, as opposed to the initially planned commencement date of January 2026.

Local Government and Inner Islands Portfolio

The Ministry's 2027 Goods and Services allocation has increased by SR 7.4m compared to the 2026 end-of-year estimates. The increase is primarily associated with additional expenditure requirements for the National Addressing System (NAS), including:

- SR 6.4m for increased operational expenditure associated with the implementation and maintenance of the National Addressing System.
- SR 2.3m in 2027 and 2028 for the acquisition of software for the National Addressing Information System, with an estimated total project cost of USD 300,000.

Health Portfolio

- *Department of Health Care Services*

The Department's 2027 Goods and Services allocation has been maintained broadly at the level of the 2026 allocation, ensuring continued provision for essential healthcare services and critical medical supplies. The Budget provides for the following key expenditure requirements:

- SR 2.5m for the procurement of medical equipment and surgical instruments for the Operating Theatre.
- SR 86.8m for haemodialysis treatment services.
- SR 50m for specialised medical treatment overseas.
- SR 37.5m for the procurement of medicines.
- SR 12.1m for the procurement of vaccines.
- SR 30m for laboratory supplies.
- SR 3m for other medical and laboratory supplies.

- *Department of Policy, Strategy and Accountability*

An annual provision of SR 1.6m has been allocated to meet subscription fees payable to the African Medicines Agency, supporting Seychelles' continued engagement with regional and continental regulatory cooperation initiatives in the pharmaceutical and medicines sector.

Foreign Affairs and the Diaspora Portfolio

The Ministry's 2027 Goods and Services allocation has increased by SR 21m compared to the 2026 end-of-year estimates. The increase is primarily attributable to additional operational and

administrative expenditure associated with the expansion and maintenance of Seychelles' diplomatic representation abroad, including:

- SR 4.9m for the establishment and operationalisation of the Embassy of Seychelles in Egypt.
- SR 1m for tuition fees and related educational expenses associated with the Ambassador posted to the Geneva Embassy and the Second Diplomatic Officer posted to India and the UAE.
- SR 5.5m to meet the full-year operational costs of the Embassies in Cuba and Mauritius, including expenditure classified under Minor Capital Outlays.

Transport, Ports & Civil Aviation Portfolio

- *Ministry of Transport, Ports and Civil Aviation*

The Ministry's 2027 Goods and Services allocation has increased by SR 4.5m compared to the 2026 end-of-year estimates. The increase reflects additional funding requirements for the following:

- SR 1m for the procurement of equipment to strengthen road transport management operations.
- SR 1m for the development and implementation of a modern digitalised parking payment system.
- SR 1.3m to meet additional office rental costs arising from the relocation of the Ministry's premises.
- SR 1.2m to accommodate increased costs associated with particular operational activities of the Ministry.

- *Seychelles Land Transport Agency*

The Agency's 2027 Goods and Services allocation has increased by SR 18.1m compared to the 2026 end-of-year estimates. This increase primarily reflects the reclassification and transfer of SR 18.5m from the Capital Expenditure Budget to Goods and Services over the medium-term period.

The reallocation is intended to align budgetary resources with the operational road-related expenditure and to support essential road infrastructure maintenance and other related costs, including:

- Procurement of bitumen.
- Road maintenance works.
- Fuel for machinery and equipment.
- Road marking.
- Acquisition and maintenance of streetlighting infrastructure.

Environment, Climate, Energy and Natural Resources Portfolio

- *Ministry of Environment, Climate, Energy and Natural Resources*

The Ministry's 2027 Goods and Services allocation has increased by SR 73m compared to the 2026 end-of-year estimates. The increase is primarily attributable to the following additional budgetary provisions:

- SR 58.8m for the implementation of grant-funded projects.
- SR 12m arising from the transfer of funding for the Green Energy Initiatives Scheme from the Government's Social Programmes Budget.

- *Landscape and Waste Management Agency*

An additional provision of SR 10m has been allocated to meet increased operational expenditure associated with the maintenance and management of the landfill, reflecting the higher costs of maintaining waste management infrastructure and related services.

Industry and Enterprise Portfolio

- *Ministry of Industry and Enterprise*

The Ministry's 2027 Goods and Services allocation has decreased by SR 11.5m compared to the 2026 end-of-year estimates. The reduction is primarily attributable to the discontinuation of contractual services with the foreign company engaged in the development of the new Investment Portal (E-Portal) digitalisation project.

- *Enterprise Seychelles Agency*

The Agency's Goods and Services allocation includes a provision of SR 7m for the SME Seed Capital Scheme. This funding reflects the transfer of the programme from the Government's Social Programmes Budget to the Agency Goods and Services Budget.

Employment and Human Resource Planning Portfolio

- *Ministry of Employment and Human Resource Planning*

The Ministry's 2027 Goods and Services allocation has increased by SR 16m compared to the 2026 end-of-year estimates. The increase is primarily attributable to the transfer of funding for selected employment support programmes from the Government's Social Programmes Budget, as follows:

- SR 5m annually for the Youth Unemployment Relief Scheme.
- SR 6.7m annually for the Unemployment Relief Scheme.

In addition, an allocation of SR 3.5m has been provided for the automation and digitalisation of the Ministry's online service platforms. This includes the development and upgrading of the Gainful Occupation Permit (GOP) application platform, the digitalisation of job-seeker registration and matching services, and the upgrading of the Ministry's personal computers in accordance with the technical recommendations of the Department of Information Communications Technology (DICT).

Tourism and Culture Portfolio

- *Department of Tourism*

The Department's 2027 Goods and Services allocation has decreased by SR 18.4m compared to the 2026 end-of-year estimates. The reduction is primarily attributable to the transfer of budgetary resources following the establishment of the Seychelles Tourism Board, which was formally established in April 2026 rather than the initially anticipated date of January 2026.

- *Seychelles Tourism Board*

The Seychelles Tourism Board's Goods and Services allocation has increased by SR 29.9m compared to the 2026 end-of-year estimates. The increase is primarily attributable to the transfer of budgetary resources from the Department of Tourism, together with an increase in funding for tourism marketing and promotional activities.

- *Department of Culture, Arts and National Heritage*

The Department's 2027 Goods and Services allocation has decreased by SR 65.3m compared to the 2026 end-of-year estimates. The reduction primarily reflects the transfer and redistribution of budgetary resources following the institutional restructuring of the cultural sector and the establishment of five new entities under the Portfolio, namely:

- Seychelles Arts and Crafts Agency.
- Seychelles Creative Agency.
- Creole Institute of Seychelles.
- Seychelles Heritage Agency.
- Seychelles Museum, Archives and Library Authority

Social Affairs, Family and Equality Portfolio

- *Department of Family and Equality*

The Department's 2027 Goods and Services allocation includes an additional provision of SR 4.4m to meet increased office rental expenditure arising from the relocation of the Department's premises.

Transfers

Transfers to Social Programmes of Government

The proposed 2027 Budget allocation for Government Social Programmes amounts to SR 148.8m, representing a decrease of 14.4 per cent compared to the 2026 end-of-year estimates. The reduction is primarily attributable to changes in the Budget classification and institutional allocation of selected Government support programmes and financial schemes, as outlined below:

- **Reclassification of expenditure:** Selected Government financial schemes and support initiatives programmes have been reclassified under a separate expenditure subcategory, namely *Other*

Government Support Programmes, to improve Budget classification and reporting transparency.

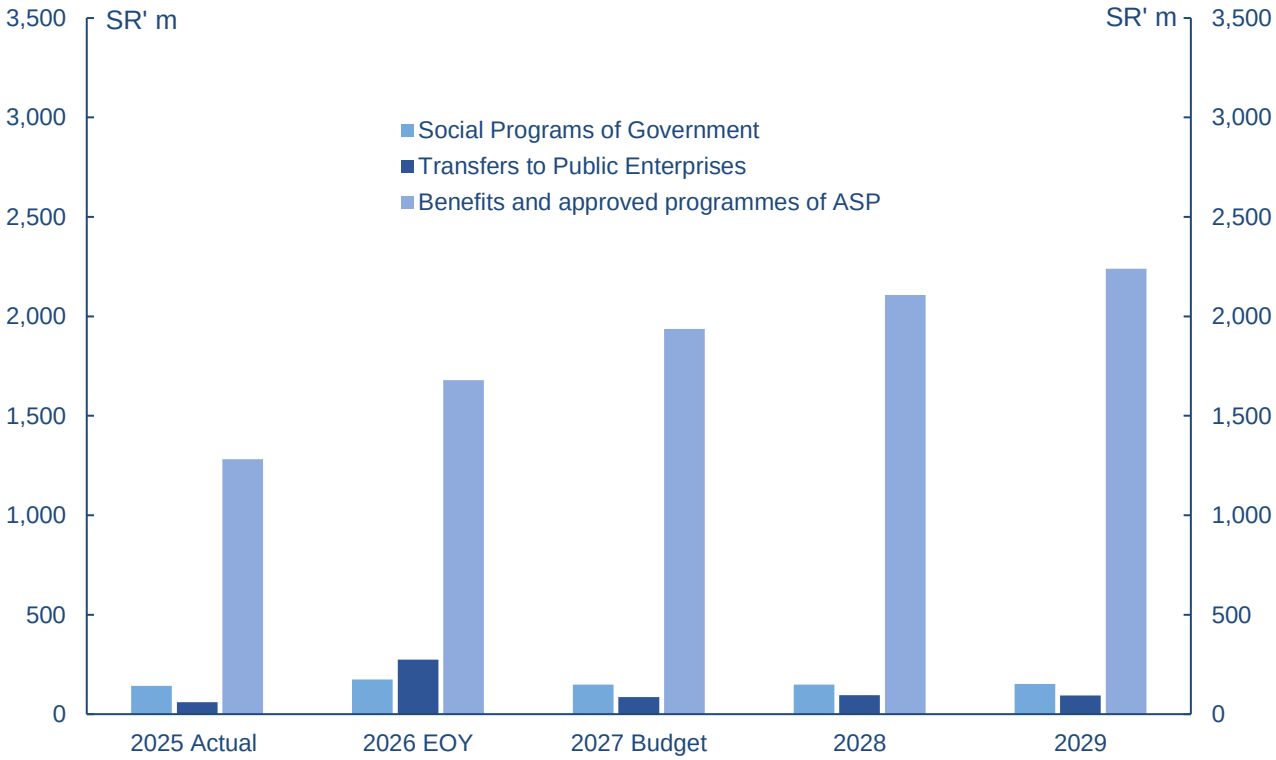
- **Reallocation of budgetary resources:** Funding for specific Government social programmes and financial schemes has been transferred to the respective MDAs mandated to oversee and administer their implementation. This realignment is intended to strengthen institutional accountability and ensure that Budgetary resources are appropriately aligned with the respective MDAs' functional responsibilities.

Table 25: Summary of Total Transfers by Different Categories, SR' 000s

TRANSFER TYPE	2025 Actual	2026 MYEFO	2026 EOY	2027 Budget	2028	2029
Social Programmes of Government	142,057	173,839	173,839	148,763	148,313	152,646
Other Government Support Programmes	101,659	129,209	129,209	114,078	113,990	125,498
Transfers to Public Enterprises	60,941	274,706	274,706	85,601	95,001	94,570
Benefits and approved programmes of ASP	1,281,827	1,678,926	1,678,926	1,937,314	2,107,399	2,240,190
TOTAL TRANSFERS:	**1,586,485**	**2,256,679**	**2,256,679**	**2,285,755**	**2,464,704**	**2,612,904**
% of GDP:	4.6	6.5	6.5	6.1	6.3	6.3

Source: MoFEPTI, Financial Planning and Control Division

Figure 16: Transfers of Social Government



Source: MoFEPTI, Financial Planning and Control Division

The Government programmes and financial schemes affected by these reallocations are presented in the table below.

Table 26. Reallocation of Budgetary Resources (SR'000)

Social Programmes of Government	2027 Budget	Re-allocate to Ministries, Departments, Agencies (MDAs):
Children's Special Fund	7,000	Department of Social Affairs
Youth Employment Scheme	5,000	Ministry of Employment and Human Resource Planning
Youth Entrepreneurship Scheme	2,000	Seychelles National Youth Council
Seychelles Heritage Scheme	1,000	Seychelles Heritage Agency
Culture and Arts Trust Fund	1,000	Department of Culture
Disabled Trust Fund	1,000	Department of Family
Sports Trust Fund	400	Ministry of Youth and Sports
Innovation Trust Fund	400	National Institute of Technology, Science & Innovation
Laptop Scheme	7,000	Department of Information Communications Technology
SME seed capital	7,000	Enterprise Seychelles Agency
Unemployment Relief Scheme	6,708	Ministry of Employment and Human Resource Planning
Green Energy Incentive Scheme	12,000	Ministry of Environment, Climate, Energy and Natural Resources
Construction Professional Council	1,500	Planning Authority
Total Re-allocate to Goods & Services	**52,008**	

Source: MoFEPTI, Financial Planning and Control Division

Aside from the reallocations outlined above, the principal change to the proposed 2027 Budget as compared to the 2026 end of year estimates, relates to an increase in Budgetary allocation for the Housing Finance Scheme. The provision has been increased from SR 8m to SR 13.5m to accommodate an anticipated rise in applications, driven by enhanced public awareness and sensitisation initiatives aimed at promoting the products available under the scheme.

Other Government Support Programmes:

The 2027 Budget provision features a number of Budget lines previously classified under 'social programmes of Government' now under a new classification entitled 'other Government Support Programmes'. The change is intended to provide a clearer distinction between programmes that are primarily social in nature and other forms of Government support, thereby improving the transparency and consistency of Budgetary reporting. The total for the programmes for the year 2027 is lower than the end of year 2026 estimates by SR 15.1m (11.7 per cent) again as a result of reclassification of a number of line items to their respective MDAs.

Outside of the reclassification, the main differences to the 2027 Budget as compared to the 2026 end of year estimates are featured under the 'SME (Small Medium Enterprise) scheme', 'Education Loan Scheme' and 'Financial Assistance to 13th month to the private sector' with increases of SR 3.8m, SR 2m and SR 4m respectively in line with assessed expenditure trends within the lines.

Subvention to Public Enterprises

The total Budgeted figure for 'Subvention to Public Enterprises' for the year 2027 stands at SR 85.6m, representing a decrease of SR 189.1m or 68.8 per cent compared to 2026 end of year estimates. The details of main differences are as follows:

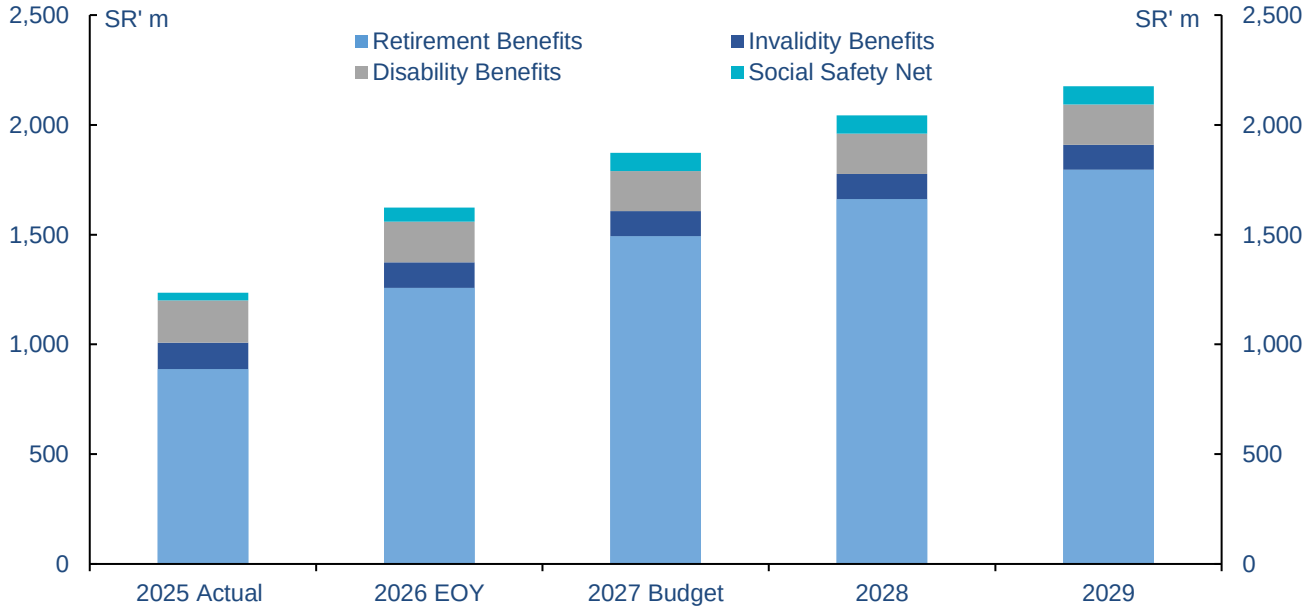
- Air Seychelles Ltd
    - No provision has been made for the 2027 Budget as compared to the allocation of SR 195m for the end of year 2026 related to the financial assistance provided to the company. This assistance was intended to mitigate the financial impact on the company's performance arising from the Government's decision to maintain flights to Europe amid the disruptions caused by the conflicts in the Middle East during 2026.

- Seychelles Public Transport Corporation (SPTC) – Increase of SR 10m
    - The increase primarily caters for the increase in costs for 'travel concession', following the reduction of bus fares from SR 10 to SR 8 in 2026 and a further reduction to SR 6 in January 2027.

Benefits and Approved Programmes

The Agency for Social Protection (ASP) is mandated to provide social security coverage and protection against poverty through financial assistance, as established under the Agency for Social Protection and the Social Security Benefit Act. The Agency primarily administers payments on behalf of the Government for all 'Benefits and Approved Programmes' under ASP. For 2027, the Budget for 'Benefits and Approved Programmes of ASP' totals SR 1.94bn, equivalent to 5.2 per cent of GDP. This represents an increase of SR 258.4m, or 15.4 per cent, compared to the end-of-year 2026 allocation.

Figure 17: Main Benefits and Scheme under ASP



Source: MoFEPTI, Financial Planning and Control Division estimates

- **Retirement Benefits**

The largest contributor to the overall increase in 'benefits and approved programmes of ASP' is seen to be from retirement benefits where, compared to 2026, an increase of SR 235m, or 18.7 per cent, is being Budgeted for 2027. The increase reflects the Government's policy decision to reduce the retirement age from 65 to 63 years and to increase the monthly social security payment made to retirees. Additionally, the increase in the budget allocation reflects the financial impact of the Government's decision to increase monthly retirement benefits by SR 800 effective 1 January 2026, followed by a further increase of SR 800 effective 1 January 2027. This brings the cumulative increase to **SR 1,600 per month within twelve months**, in line with the Government's commitment to progressively raise monthly retirement benefits to SR 10,000 by 2029.

- **Social Safety Net**

The Social Safety Net is a discretionary assistance programme. A total of SR 83.3m is being forecasted under this category for 2027, which represents a SR 19.1m, or 29.8 per cent increase relative to 2026 end of year estimates. Over recent years, actual spending from this category has consistently seen significant declines. However, in line with the Government's efforts to broaden the programme's scope, ensuring that it reaches all those who require assistance, higher spending on this category is expected.

- **Young Parenthood Support Scheme**

The 2027 Budget features a new expenditure line for 'Young Parenthood Scheme' with an allocation of SR 1.2m. The scheme is part of a new initiative by Government to provide financial assistance to targeted young mothers with the aim of easing the financial challenges associated with early parenthood and supporting their overall well-being and that of their children.

Public Sector Investment Programme

The Central Government Investment Programme for the period 2027 to 2029 is Budgeted at SR 5.75bn. For the fiscal year 2027, SR 1.61bn will be allocated for projects, representing 28 per cent of this medium-term investment plan.

Table 27: Public Sector Investment 2025-2029, SR' 000s

DESCRIPTION	2025 Actual	2026 MYEFO	2026 EOY	2027 Budget	2028	2029
Central Government Projects	1,036,546	1,277,601	1,277,601	1,612,503	1,853,029	2,281,206
Net Lending	-60,060	61,898	100,516	-134,629	-90,393	6,000
Development Grants	161,999	157,491	157,491	208,313	324,867	160,000
Total Allocation:	**1,138,485**	**1,496,989**	**1,535,608**	**1,686,188**	**2,087,503**	**2,447,206**
% of GDP:	3.3	4.3	4.4	4.5	5.3	5.9

Source: MoFEPTI, Financial Planning and Control Division estimates

In addition to the Public Sector Investment Programme (PSIP) allocations, the Government provides funding through Net lending and Development grants to some Public Enterprises for their development projects. Public Enterprises receiving development funding from the Central Government in the year 2027 are the PUC, for which a total of SR 125m has been Budgeted, of which SR 100m is a development grant and SR 25m is on-lending for infrastructure development, SPTC, for which a total of SR 60m has been Budgeted, and the PMC, for which a total of SR 48.3m has been Budgeted. The table below shows the total PSIP allocations made across the medium term.

2026 Context

A total Budget of SR 1.45bn was allocated for Central Government capital projects in the approved Budget for 2026. The end-of-year estimate for the year stands at SR 1.28bn, SR 171.3m (11.8 per cent) lower. Twelve projects with a combined SR 41.9m in the 2026 Budget have no allocation in the revised Budget and will not be undertaken in 2026. The largest is the construction of a new building for the Regional Maritime Security Bodies (Department of Internal Security), Budgeted at SR 18m in 2026 and now allocated SR 10m in 2027, SR 18m in 2028 and SR 1.4m in 2029. The others are the major renovation of Liberty House (Department of Finance), the new Port Glaud DA's Office (Local Government), the completion of the Copolia sewerage works (Seychelles Infrastructure Agency), the Port Glaud Primary renovation works (Ministry of Education), the river channel and side wall behind the SACOS housing estate at Quincy (Ministry of Environment), the vehicle testing station on Praslin (Ministry of Transport), the Ile Du Port infrastructure Phase II (Seychelles Infrastructure Agency), the medium to low risk accommodation Phase 2 (Prison Service), the Anse La Mouche land bank (Department of Land and Housing), the renovation of the Seychelles Licensing Authority building and the drain at Carana (Ministry of Environment).

Two projects, budgeted at SR 5.7m in 2026, have been removed from the medium-term expenditure forecast and have no allocation in 2027 to 2029: the completion of the ex-playground site project (Enterprise Seychelles Agency) at SR 5m, and the resurfacing and road marking of the main entrance at the Ministry of Foreign Affairs and Diaspora at SR 0.71m. The table below lists the twelve projects.

Other ongoing projects were slowed during the year. The reconstruction of the New La Digue School (Ministry of Education) was revised from SR 76.8m to SR 48m, the Land Reclamation project (Department of Land and Housing) from SR 54m to SR 33m, the Construction of the SRC Building (Seychelles Revenue Commission) from SR 29m to SR 8m, and the Coastal Protection Infrastructure Projects (Seychelles Land Transport Agency) from SR 30m to SR 20m. The allocation for new climate change projects was reduced from SR 10.9m to SR 0.6m and the Construction of the National Archives from SR 8m to SR 0.7m.

Table 28: Projects Budgeted for 2026 and not undertaken, (SR' m)

Project	MDA	Budget 2026	2027-2029	Outcome
Deferred to 2027-2029				
Construction of New Building for Regional Maritime Security Bodies	Dept of Internal Security	18.00	29.40	Deferred
Major renovation - Liberty House	Department of Finance	4.00	5.84	Deferred
Completion of Copolia sewerage works	Seychelles Infrastructure Agency	3.00	5.00	Deferred
Port Glaud Primary - Renovation works	Ministry of Education	3.00	2.50	Deferred
Construction of new Port Glaud DA's Office	Local Government	3.00	6.40	Deferred
Renovation of current building (fire safety, electrical & plumbing)	Seychelles Licensing Authority	1.80	0.00	Deferred
Opening of River Channel and Construction of Side Wall behind Sacos Housing Estate Quincy	Ministry of Environment	1.35	1.65	Deferred
Anse La Mouche C11384 land bank	Department of Land and Housing	1.00	0.00	Deferred
Construction of Vehicle Testing Station- Praslin	Ministry of Transport	0.75	0.65	Deferred
Construction of drain, Carana	Ministry of Environment	0.30	1.32	Deferred
Removed from the medium-term forecast				
Completion of ex-playground site project	Enterprise Seychelles Agency	5.00	0.00	Removed
Resurfacing and Road Marking of Main Entrance	Foreign Affairs	0.71	0.00	Removed
Total:		**41.91**	**52.76**	

Source: MoFEPTI, Financial Planning and Control Division estimates

In housing, 16 Units Dan Kan, Les Mamelles Phase II was revised from SR 22m to SR 5.9m and the Social Housing Project from SR 73m to SR 65.1m (Department of Land and Housing). The Construction of Remand Centre Phase 2 at Ile Perseverance (Prison Service) was revised from SR 11.8m to SR 6.1m.

The Lease of Independence House (Seychelles Infrastructure Agency) was revised from SR 14.9m to SR 5m, and Other Health Infrastructure Projects (Health Care Services) from SR 15m to SR 8.6m.

Several projects receive their last allocation in 2026, with nothing proposed for 2027 to 2029. The largest is the Construction of Marine Police facilities (Department of Police) at SR 44.5m in the revised Budget, mostly grant financed. In housing, 40 Housing Units Vilaz Orkid Phase II and Phase III carry SR 32.5m each, financed by grant from the UAE, followed by 24 Housing Units Amitie, GAP at SR 14m and 24 Housing Units Ex-Zelia, Anse Boileau at SR 7.9m.

In the health sector, the New Central Medical Store at Providence is allocated SR 10.4m in 2026. Other projects ending in 2026 include the causeway reclamation for the floating PV at Providence (Ministry

of Environment, Climate, Energy and Natural Resources) at SR 7m and the retaining wall at the La Digue landfill (Landscape and Waste Management Agency) at SR 5.9m.

Three projects are recorded as completed in the PSIP: the renovation of the La Digue Community Centre and DA's Office (Local Government), the English River Health Centre (Health Care Services) and the car park at Rochon (Seychelles Land Transport Agency).

2027 Outlook

The total Budget allocated for Central Government investment projects for the year 2027 amounts to SR 1.61bn. This represents a 26 per cent increase compared to the end-of-year Budget for 2026, which stands at SR 1.28bn.

The SR 1.61bn is allocated as follows: 80.8 per cent from local sources, 11.0 per cent from loans and 8.2 per cent from grants. The portfolios contributing most to the increase are the Ministry of Finance, Economic Planning, Trade & Investment Portfolio, up SR 77.1m, mainly for the grant-financed Digital Transformation Initiative (SR 47.3m); the Ministry of Environment, Climate, Energy and Natural Resources Portfolio, up SR 73.9m (139 per cent); and the Ministry of Education & Human Resource Development Portfolio, up SR 57.6m (59 per cent).

The increase in the Environment portfolio is mainly due to the Seychelles Solid Waste Management Project at SR 62.9m, of which SR 59.1m is financed by an International Bank for Reconstruction and Development (IBRD) loan. The increase in Education is for the reconstruction of the New La Digue School (SR 58.5m), renovation works at Pointe Larue Secondary (SR 11m) and headquarter upgrading works (SR 9m). The Vice-President's Office Portfolio remains the largest at SR 589m, 0.9 per cent above its 2026 revised Budget. It includes the first loan-financed allocations for the new housing projects on Ile Aurore (SR 53.4m) and for the National Digital and AI Strategic Plan under the Department of Information Communications Technology (SR 59.1m).

Listed below are some of the main ongoing projects that form part of the PSIP Budget for 2027:

- Seychelles Solid Waste Management Project with a 2027 allocation of SR 62.9m
- New La Digue School - Reconstruction with a 2027 allocation of SR 58.5m
- Land Reclamation Project with a 2027 allocation of SR 54m
- Infrastructure for 128 Mid-Range Condo Units with a 2027 allocation of SR 50m
- Construction of SRC Building with a 2027 allocation of SR 34.8m
- Land Acquisition with a 2027 allocation of SR 30m
- District Small Projects with a 2027 allocation of SR 26m
- Construction of Multi-Purpose Indoor Court, Anse Royale with a 2027 allocation of SR 25.7m

- Maintenance Works - Seychelles Hospital with a 2027 allocation of SR 23m
- Coastal Protection Infrastructure Projects with a 2027 allocation of SR 20m
- Renovation of National Library with a 2027 allocation of SR 16.4m
- Special Housing Projects with a 2027 allocation of SR 15m
- Community Roads Projects with a 2027 allocation of SR 15m
- Disaster Emergency Works with a 2027 allocation of SR 15m
- Lease of Independence House with a 2027 allocation of SR 14.9m
- Coastal Surveillance Radar System with a 2027 allocation of SR 14.8m
- Infrastructure Development, Eve Island - Phase 2 with a 2027 allocation of SR 12m
- Pointe Larue Secondary - Renovation Works with a 2027 allocation of SR 11m

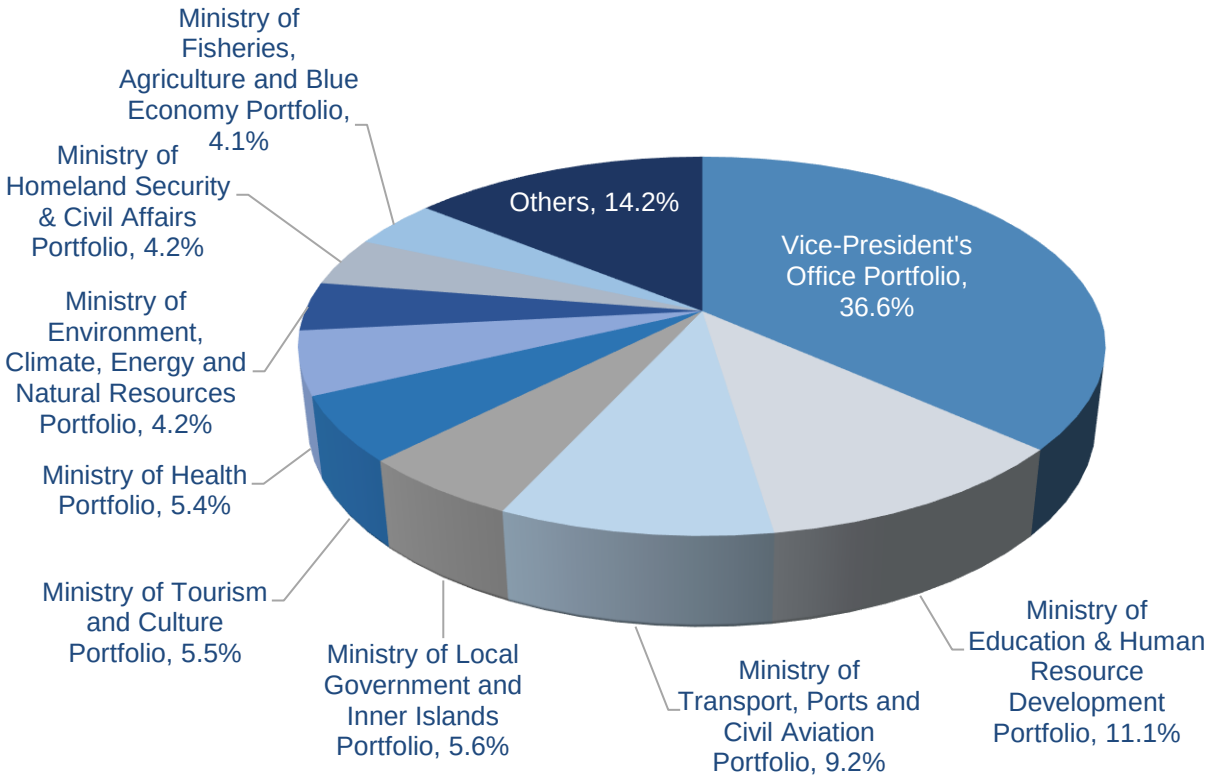
The largest new projects for 2027 are the National Digital and AI Strategic Plan at SR 59.1m (loan financed), the New Housing Projects on Ile Aurore at SR 53.4m (loan financed), the Digital Transformation Initiative at SR 47.3m (grant financed), Relocation Projects at SR 30m, 40 Affordable Housing Units Ex-SACOS, Glacis at SR 30m, Ile Aurore Infrastructure at SR 26.3m and New Hospital Infrastructure at SR 22.2m.

Domestic Financing

The total allocation in the 2027 Budget under local financing amounts to SR 1.3bn. The Vice-President's Office Portfolio makes up the largest portion (36.6 per cent) of the total local financing at SR 476.6m, through the Department of Land and Housing (SR 362.7m) and the Seychelles Infrastructure Agency (SR 113.9m). This is followed by the Ministry of Education & Human Resource Development Portfolio with 11.1 per cent and the Ministry of Transport, Ports and Civil Aviation Portfolio with 9.2 per cent. Figure 18 shows the domestic financing allocation across the portfolios.

Projects financed through local funding in 2027 span various sectors and encompass both new and ongoing projects. These include the Land Reclamation project, land acquisition, infrastructure for 128 mid-range condo units and new social housing projects under the Department of Land and Housing, and the Ile Aurore infrastructure and grading works under the Seychelles Infrastructure Agency, all within the Vice-President's Portfolio. Other projects financed under local funding include the reconstruction of the New La Digue School within the Ministry of Education Portfolio, coastal protection works and secondary roads under the Ministry of Transport, Ports and Civil Aviation Portfolio, the Construction of the SRC Building, and the Construction of the Perseverance Police Station and Phase 2 of the Remand Centre at Ile Perseverance under the Ministry of Homeland Security & Civil Affairs Portfolio.

Figure 18: Domestic Financing allocations



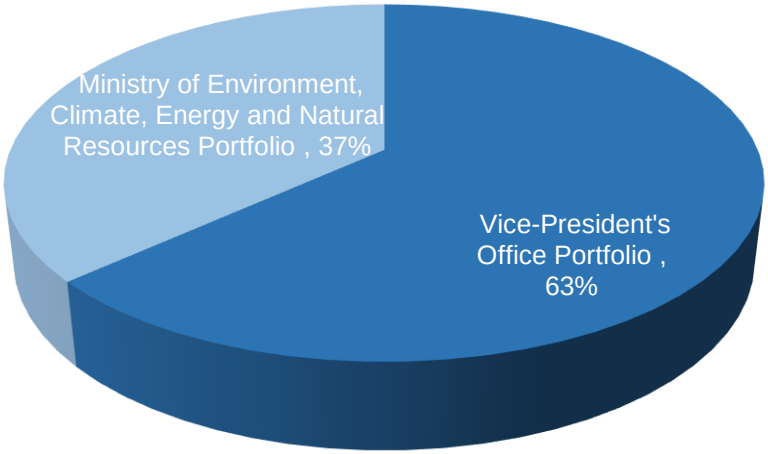
Source: MoFEPTI, Financial Planning and Control Division estimates

Loan Financing

A total of SR 177.6m in capital projects for 2027 is expected to be financed through foreign loans. Of this, SR 59.1m is for the National Digital and AI Strategic Plan (Department of Information Communications Technology), SR 59.1m for the Seychelles Solid Waste Management Project financed by IBRD (Landscape and Waste Management Agency), SR 53m for the New Housing Projects on Ile Aurore (Department of Land and Housing) and SR 6.1m for climate change projects, including coastal rehabilitation at Anse Consolation-Grand Anse, Praslin and Anse Severe, La Digue (SR 5.2m). Loan financing rises to SR 499.9m in 2028 and SR 820.8m in 2029, mainly for the Ile Aurore housing projects (SR 412.1m and SR 615m) and the National Digital and AI Strategic Plan (SR 60m and SR 186.5m).

Figure 19 shows the distribution of foreign loan per portfolio:

Figure 19: Foreign Loan by Portfolio



Source: MoFEPTI, Financial Planning and Control Division estimates

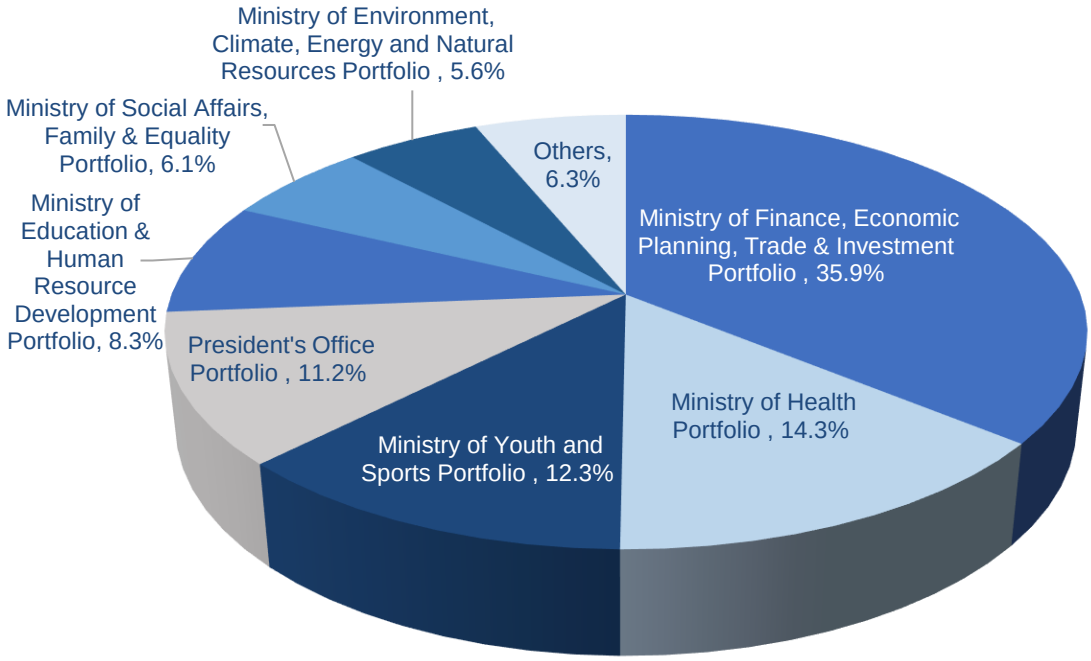
Grants financing

Grant financing accounts for the smallest proportion of financing for the Government's public sector investment programme in 2027, at 8.2 per cent or SR 131.8m. The Ministry of Finance, Economic Planning, Trade & Investment Portfolio has the largest share of grant-financed projects (35.9 per cent), followed by the Ministry of Health Portfolio (14.3 per cent) and the Ministry of Youth and Sports Portfolio (12.3 per cent).

The main projects expected to be financed through foreign grants for the year are the Digital Transformation Initiative (UPI) at SR 47.3m under the Department of Finance, the Consultancy by NBCC for New Hospital Infrastructure at SR 18.8m under the Department of Health Care Services, the Multi-Purpose Indoor Court at Anse Royale at SR 16.3m (UAE) under the National Sports Council, the Coastal Surveillance Radar System at SR 14.8m under the Department of Defence, and SR 11m for renovation and classroom works at Au Cap, Port Glaud, Pointe Larue and Takamaka primary schools under the Ministry of Education. Smaller grants cover the Major Renovation of Elderly Homes (SR 8m), the Seychelles Resilient Infrastructure Programme (SR 7.4m), the New Grand Anse Mahe Children Day Care Centre (SR 5.4m) and the Amitie development on Praslin (SR 2.8m).

Figure 20 overleaf shows the distribution of the grant finance to the respective MDAs.

Figure 20: Grant Financing by Portfolio



Source: MoFEPTI, Financial Planning and Control Division estimates

Cash Grant financing

Cash grants account for SR 55.4m, or 42 per cent, of the SR 131.8m in grant financing for capital projects in 2027. The largest are the Multi-Purpose Indoor Court at Anse Royale under the National Sports Council (SR 16.25m, UAE) and the Coastal Surveillance Radar System under the Department of Defence (SR 14.8m, Government of India). The rest covers renovation and classroom works at Au Cap, Port Glaud, Pointe Larue and Takamaka primary schools (SR 11m), the Major Renovation of Elderly Homes (SR 8m) and the New Grand Anse Mahe Children Day Care Centre (SR 5.4m).

Benefits in Kind

The balance of SR 76.3m (58 per cent) is provided as benefits in kind. It comprises the Digital Transformation Initiative (UPI) under the Department of Finance (SR 47.3m), the new hospital project financed by the Government of India (SR 18.8m), the Seychelles Resilient Infrastructure Programme under the Ministry of Environment, Climate, Energy and Natural Resources (SR 7.4m) and the Amitie development on Praslin (SR 2.8m). Benefits in kind rise to SR 107.5m in 2028 and SR 164.2m in 2029, mainly for the Technical and Vocational Education Training Centre financed by the Government of China (SR 61.7m and SR 125.3m) and the New Hospital project (SR 38.3m and SR 38.9m).

Planned Investment by Sector

The table below shows the total allocation of the capital expenditure Budget across portfolios.

Table 29: Financing allocation for 2026-2029, SR' m

Portfolio	2026 EOY	2027 Budget	2028	2029
President's Office Portfolio	39.8	40.5	47.4	38.1
Vice-President's Office Portfolio	584.0	589.0	984.5	1,296.6
Ministry of Fisheries, Agriculture and Blue Economy Portfolio	24.1	54.0	47.6	59.2
Constitutionally Appointed Authorities Portfolio	17.4	16.4	7.0	16.2
Other Statutory Bodies Portfolio	0.0	0.7	0.0	0.0
Ministry of Finance, Economic Planning, Trade & Investment Portfolio	9.0	86.1	42.3	37.8
Ministry of Youth and Sports Portfolio	30.2	48.1	26.0	24.0
Ministry of Homeland Security & Civil Affairs Portfolio	76.6	54.3	64.0	67.6
Ministry of Education & Human Resource Development Portfolio	97.6	155.2	179.9	249.7
Ministry of Local Government and Inner Islands Portfolio	51.1	77.8	49.3	51.1
Ministry of Health Portfolio	61.5	89.0	138.1	163.9
Ministry of Foreign Affairs and Diaspora Portfolio	1.8	0.0	0.0	0.0
Ministry of Tourism and Culture Portfolio	40.1	72.2	39.1	31.6
Ministry of Transport, Ports and Civil Aviation Portfolio	82.9	120.2	114.0	124.2
Ministry of Environment, Climate, Energy and Natural Resources Portfolio	53.0	126.9	79.7	60.1
Ministry of Social Affairs, Family & Equality Portfolio	77.0	46.6	13.1	23.1
Ministry of Industry and Enterprise Portfolio	31.6	35.5	21.0	38.0
Total	**1,277**	**1,612**	**1,853**	**2,281**

Source: MoFEPTI, Financial Planning and Control Division estimates

The largest allocation for the 2027 Budget is in the Vice-President's Office Portfolio at SR 589m, for the Department of Land and Housing's land reclamation, land acquisition and housing projects, including the New Housing Projects on Ile Aurore, and for the Seychelles Infrastructure Agency's Ile Aurore infrastructure and grading works, and for the Department of Information Communications Technology's National Digital and AI Strategic Plan. The second-largest allocation is the Ministry of Education & Human Resource Development Portfolio at SR 155.2m, mainly for the reconstruction of the New La Digue School. The third-largest is the Ministry of Environment, Climate, Energy and Natural Resources Portfolio at SR 126.9m, mainly for the Seychelles Solid Waste Management Project.

Development Grants to Public Enterprises

A total sum of SR 208.3m is being allocated towards development grants to state owned enterprises in 2027, up from SR 157.5m in 2026. This relates to the financing of their capital projects.

- SPTC is being allocated a total of SR 60m, of which SR 10m is domestic financing and SR 50m Foreign Financing.
- Property Management Corporation (PMC) is to be allocated a Budget of SR 48.3m in 2027.
- The Government's contribution towards the Public Utilities Corporation (PUC) for 2027 has increased to SR 100m, from SR 66.8m in 2026. The allocation is Government support towards infrastructure projects.

Net Lending

A net reduction of SR 134.6m is being Budgeted under Net Lending in 2027. This is the balance of repayments by public enterprises and new on-lending. Repayments comprise SR 128.3m from PUC, SR 24m from the Seychelles Trading Company and SR 7.3m from DBS. New on-lending comprises SR 25m to PUC for infrastructure development. Net Lending is Budgeted at a net reduction of SR 90.4m in 2028 and a net outlay of SR 6m in 2029 (SR 30m on-lending to PUC less SR 24m repaid by the Seychelles Trading Company).

Contingency

A provision of SR 60m is being allocated under the contingency fund for 2027. The sum will cater for normal contingency expenses.

Debt Outlook

As at the end of September 2026, the total public debt stock stands at SR 17.74bn, equivalent to 50.9 per cent of GDP. External debt remains the largest component, amounting to approximately SR 10.2 bn or 57.4 per cent of the total debt stock. Domestic debt stood at SR 7.55bn, representing the remaining 42.6 per cent.

Table 30: Provisional Total Debt Stock as at end September 2026

DESCRIPTION	Domestic	External		Total
	SR' m	SR' m	USD' m	SR' m
Total Debt Stock	**7,550**	**10,192**	**694**	**17,742**
DEBT TO GDP (%)	21.7	29.3		50.9

Source: MoFEPTI, Debt Management Division

Table 31 illustrates the composition of total debt stock across domestic and external sources. Year-on-year comparisons indicate a substantial reduction of SR 816m in domestic debt, resulting from repayments and security maturities. Meanwhile, external debt increased by SR 584m, largely driven by the acquisition of new loan facilities and ongoing disbursements. Overall, these movements in domestic and external debt stocks support a reduced reliance on domestic securities issuance, as higher external disbursements are helping to meet current Budgetary requirements.

Table 31: Total debt by residency of creditors.

DESCRIPTION	Sept 2026 (SR' m)	%
Domestic	**7,550**	**42.6**
o.w. Government	6,850	38.6
o.w. Guarantees	700	3.9
External	**10,192**	**57.4**
o.w. Government	10,010	56.4
o.w. Guarantees	182	1.0
TOTAL DEBT:	**17,742**	**100.0**

Source : MoFEPTI, Debt Management Division

The debt guarantee status outlined in the table below is dominated by Government debt, amounting to SR 16.9bn, while Government guaranteed debt amounts to SR 882m. This represents a debt composition of 95.0 per cent and 5.0 per cent of the total, respectively.

Table 32: Total debt by Guarantee Status

DESCRIPTION	Sept 2026 (SR' m)	%
Government	16,860	95.0
Guarantees	882	5.0
TOTAL DEBT:	**17,742**	**100.0**

Source: MoFEPTI, Debt Management Division

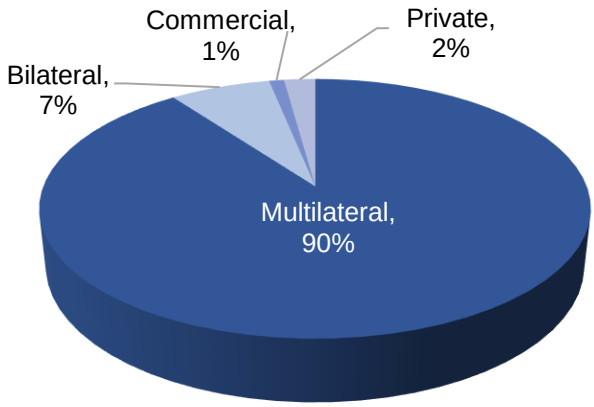
2026 External Debt Stock

This section examines the external debt stock in greater detail. At the end of September 2026, the total external debt stock amounted to SR 10.19bn or 29.3 per cent of GDP, as previously highlighted in Table 33. Figure 21 illustrates, that the largest component is debt owed to multilateral creditors, which constitutes 90 per cent of the total external debt stock. Private and Bilateral debt each account for 2 per cent and 7 per cent respectively, while debt owed to Commercial banks accounts for the smallest share at 1 per cent only.

Table 33: External Debt Stock Composition

Creditor Category	External Debt Stock (SR' m)
Multilateral	**9,159**
Bilateral, (of which);	**709**
- Paris Club	286
- Others	423
Commercial	**104**
Private	**220**
TOTAL:	**10,192**

Figure 21: Percentage distribution by Creditor Category



Source: MoFEPTI, Debt Management Division

The breakdown of external debt by instrument type in Table 34 shows that loans account for 97.6 per cent of the total external debt stock, with securities making up the remaining 2.4 per cent. As at the end of September 2026, the securities balance consists primarily of the Blue Bond and Habib Bank Bonds. Following the final Eurobond repayment late last year, the Blue Bond, which is scheduled to mature in 2028, will be the sole remaining external security once the Habib Bank Bond matures in October this year.

Table 34: External debt by instrument type (SR' m)

DESCRIPTION	2026	%
Loans	9,949	97.6
Securities	243	2.4
TOTAL DEBT:	**10,192**	**100.0**

Source : MoFEPTI, Debt Management Division

Table 35 overleaf shows the comparison of external debt stock between September 2025 and September 2026. The external debt stock increased by approximately SR 584m, or 6.1 per cent. The increase was principally driven by multilateral borrowing, which expanded by 12.1 per cent. This indicates the higher disbursements related to Budget support loans from key multilateral partners. During the period, AfDB disbursed USD 25m under the Economic Resilience and Green Recovery Support Programme Phase 2 (ERGRSP 2). The IBRD disbursed a total of USD 31.1m, of which USD 30m relates to a new Budget support under the Seychelles Second Sustainable and Inclusive Growth Development Policy Financing. Additionally, there were also allocation under the existing Solid Waste Project- USD 0.21m and USD 0.9m Social Protection Programme. In addition, the International Monetary Fund (IMF) disbursed USD 40.8m under the Extended Arrangement under the Extended Fund Facility (EFF) and the Resilience and Sustainability Facility (RSF), further contributing to the increase in multilateral external debt. Alternatively, Bilateral, Commercial, and Private debt recorded a decline, reflecting continued repayments to these creditors.

Table 35: Comparison in External Debt stock-Sept 2025 vs Sept 2026 (SR' m)

DESCRIPTION	Sep-25	Sep-26	Diff (%)
Multilateral	**8,171**	**9,159**	**12.1**
Bilateral of which;	**927**	**709**	**-23.6**
- Paris Club	422	286	-32.3
- Non-Paris Club	505	423	-16.3
Commercial Banks	**162**	**104**	**-35.6**
Private	**348**	**220**	**-36.7**
TOTAL EXTERNAL DEBT:	**9,608**	**10,192**	**6.1**

Source : MoFEPTI, Debt Management Division

External debt repayments

Table 36 below presents the actual external debt repayments for 2025 and the projected repayments for the period 2026–2029. Total repayments, comprising both principal and interest, are projected to average approximately SR 1.26bn annually over the forecast period.

Table 36: External Debt Service Forecast (SR' m)

EXTERNAL DEBT (SR)	2025 Actual	2026	2027	2028	2029
Total Interest	471	443	521	493	460
Total Principal	782	743	690	690	753
TOTAL: DEBT FORECAST	**1,253**	**1,264**	**1,183**	**1,183**	**1,213**

Source: MoFEPTI, Debt Management Division

Foreign Financing 2027-2029

The table below presents projected external borrowings for the period 2027–2029. These borrowings are expected to support the Government's Budgetary requirements and priority development projects. Multilateral financing amounts to USD 60m, comprising USD 30m in IBRD Budget Support, USD 10m under the Youth at Risk Budget Support programme and USD 20m from the African Development Bank (AfDB). Disbursements are projected for 2027 and 2028. Bilateral financing comprises a USD 75m Indian Line of Credit for the Ile Aurore Housing Project, with projected disbursements of SR 62m in 2027, SR 412.7m in 2028 and SR 614.5m in 2029. Project loans comprise USD 50m for the National Digital AI Strategy and USD 6.6m for the Seychelles Resilient Infrastructure Programme. These projects are expected to support digital transformation and infrastructure resilience, with disbursements projected over the three-year period. Overall, the projected borrowings will support key Government priorities, while prudent debt management and close monitoring of disbursements will remain important to safeguarding debt sustainability.

Table 37: Foreign Financing

FINANCING SOURCES	Loan amount USD' m	2027 EST			2028 EST			2029 EST		
		SR' m	USD' m	% Of GDP	SR' m	USD' m	% Of GDP	SR' m	USD' m	% Of GDP
Multilateral Financing										
IBRD – Budget Support	**30.0**	221.6	15.0	0.6	225.1	15.0	0.6	–	–	–
IBRD – Youth at Risk Budget Support	**10.0**	73.9	5.0	0.2	75.0	5.0	0.2	–	–	–
African Development Bank (AfDB)	**20.0**	147.7	10.0	0.4	150.1	10.0	0.4	–	–	–
Bilateral Financing										
Ile Aurore Housing Project – Indian LOC	**75.0**	62.0	4.2	0.2	412.7	27.5	1.0	614.5	40.3	1.5
Project Loans										
National Digital AI Strategy	**50.0**	59.1	4.0	0.2	60.0	4.0	0.2	186.0	12.2	0.4
Seychelles Resilient Infrastructure Programme	**6.6**	25.1	1.7	0.1	27.0	1.8	0.1	19.8	1.3	–

Source: MoFEPTI, Debt Management Division

2026 Domestic Debt Stock

Table 38 below summarises the total domestic debt stock as at September 2026. Securities represent the largest share of the total domestic debt stock, at approximately 84.6 per cent, consisting of T-bills and T-bonds at SR 1.92 bn and SR 4.5bn respectively. Loans stand at SR 801m which accounts for 10.6 per cent, whereas DBS Bonds, Deposits, Notes and Other Debt Liabilities accounts for the remaining 3.5 per cent, 0.6 per cent, 0.4 per cent and 0.2 per cent respectively.

Table 38: Composition of Domestic Debt (SR' m)

DESCRIPTION	2026 (SR' m)	%
Loans	**801**	**10.6**
Securities *of which;*	**6,389**	**84.6**
Treasury Bills	1,923	25.5
Treasury Bonds	4,466	59.2
DBS Bonds	**267**	**3.5**
Deposits	**47**	**0.6**
Notes	**30**	**0.4**
Other Debt Liabilities	**15**	**0.2**
TOTAL DOMESTIC DEBT:	**7,550**	**100.0**

Source: MoFEPTI, Debt Management Division

As shown in Table 39, the total domestic debt stock stood at SR 7.55bn at the end of September 2026, down from SR 8.37bn at the end of September 2025. This year-on-year contraction of SR 816m, or 9.8 per cent was primarily driven by several T-bonds maturing during the period, as proceeds from new issuance fell short of repayments. Additionally, the Other Debt Liabilities category declined by 49.5 per cent due to ongoing repayments under the CBS Private Sector Relief Schemes by SMEs and Large Enterprises. Meanwhile, the Other Debt Securities category remained unchanged. The only increase was recorded in the loans category, stemming from Government-guaranteed loans to DBS in line with the Annual Borrowing Plan.

Table 39: Comparison in Domestic Debt Stock- Sept 2025 vs Sept 2026 (SR' m)

DOMESTIC DEBT	Sept-25	Sept-26	% Diff
Government Securities	7,246	6,436	-11.2
Other Securities	297	298	0.0
Loans	793	801	1.0
Other Debt Liabilities	30	15	-49.5
TOTAL DOMESTIC DEBT:	**8,366**	**7,550**	**-9.8**

Source: MoFEPTI, Debt Management Division

Interest Rates

As illustrated in Table 40, interest rates across all three tenors declined over the period between September 2025 and September 2026. The average interest rate across the three tenors decreased from approximately 2.55 per cent in September 2025 to 2.43 per cent in September 2026.

Table 40: Interest Rates on T-bills

T-bills	Interest Rates (%)		% Change
	Sept-25	Sept-26	
91 Days	2.48	2.30	-7.3
182 Days	2.54	2.48	-2.4
365 Days	2.63	2.50	-4.9

Source: MoFEPTI, Debt Management Division

As per Table 41 below, the Government successfully issued three T-bonds during the period of January to September 2026, with a total allotted of SR 440m. All three bonds were oversubscribed, despite offering lower yields compared with the previous year. As at the end of the third quarter of 2026, the T-Bonds issued represents 1.3 per cent of GDP.

Table 41: Summary of T-bonds Issuance as at the end of September 2026

DESCRIPTION		Targeted Amount	Allotted Amount	% Of GDP
		(SR' m)		
Treasury Bond Q1	7-yr 4.80% Bond	100	153.3	0.4
	Sub-total	**100**	**153.3**	**0.4**
Treasury Bond Q2	5-yr 3.8% Bond	100	165.2	0.5
	Sub-total	**100**	**165.2**	**0.5**
Treasury Bond Q3	5-yr 3.8% Bond	100	121.5	0.4
	Sub-total	**100**	**121.5**	**0.4**
TOTAL:		**300**	**440.0**	**1.3**

Source: MoFEPTI, Debt Management Division

Selected Economic Indicators

	2025	2026	2027	2028	2029
National income and prices					
Nominal GDP (millions of Seychelles rupees)	34,341	34,932	37,202	39,314	41,589
Real GDP growth	5.8	1.0	4.1	3.2	3.1
GDP deflator growth	0.3	0.7	2.3	2.4	2.7
CPI (annual average)	0.3	0.8	2.3	2.5	3.0
Government Budget (% of GDP)					
Total revenue, including grants	32.7	34.6	34.6	34.3	33.7
Total revenue, excluding grants	32.2	33.3	33.8	33.7	33.2
Grants	0.5	1.3	0.7	0.5	0.5
Expenditure and net lending	32.7	37.0	36.3	35.6	34.6
Current expenditure	29.3	32.4	31.6	30.1	28.6
Of which: interest payments	2.6	2.4	2.2	1.7	1.4
Capital expenditure	3.0	3.7	4.3	4.7	5.5
Net Lending	-0.2	0.3	-0.4	-0.2	0.0
Primary balance, including grants	2.6	0.1	0.5	0.5	0.5
Primary balance, excluding grants	2.1	-1.2	-0.3	-0.1	0.0
Overall balance (cash basis), including grants	0.2	-2.3	-1.7	-1.3	-0.9
Overall balance (accrual basis), including grants	0.0	-2.3	-1.7	-1.3	-0.9
Domestic bank financing (net)	-0.8	0.3	1.9	0.2	0.7
External sector					
Current account balance including official transfers (% of GDP)	-5.8	-7.2	-7.2	-6.4	-5.8
Current account balance including official transfers (in USD' m, unless otherwise indicated)	-135	-170	-154	-164	-159
Imports of goods	1,440	1,545	1,595	1,628	1,678
Imports of services	1,148	1,230	1,186	1,255	1,295
Exports of goods	519	635	653	649	665
Exports of services	2,008	2,091	2,102	2,200	2,285
Primary Income, net	-61	-105	-109	-111	-114
Secondary Income, net	-12	-16	-18	-20	-21
Foreign Direct Investment	239	194	265	269	285
Gross official reserves (USD' m)	878	902	958	964	994
In months of imports, c.i.f.	3.7	3.8	3.8	3.7	3.7
Total debt outstanding (% of GDP)	**53.3**	**55.2**	**53.8**	**52.4**	**51.2**
Total Government and Government-guaranteed debt (millions of Seychelles rupees)	18,288	19,274	20,008	20,597	21,290
Domestic	24.5	24.8	25.2	24.1	24.8
External	28.7	30.4	28.6	28.3	26.4

Source. Macroeconomic Forecasting Working Group

SECTION 3

Tax Expenditure Statement

Tax Expenditure Statement

November 2026

Preface

This edition of the Tax Expenditure Statement (TES) largely reproduces the content of the TES published in February 2026, with three additions: the inventory of Excise Tax (ET) tax expenditures has been expanded to include rebates of excise tax on fuel; data provided by the Seychelles Revenue Commission (SRC) on fuel excise refunds are presented for the first time; and the report notes Business Tax (BT) incentives introduced since 2022.

Data constraints have otherwise persisted throughout this reporting cycle. Consequently, Personal Income Tax (PIT) tax expenditures and the remaining ET tax expenditures are unquantified, and the Value Added Tax (VAT) and BT estimates continue to be based on 2023 and 2022 data, respectively. Apart from these additions, the methodologies, the inventories of potential tax expenditures and the findings presented in this report are unchanged from the previous edition.

The Ministry of Finance, Economic Planning, Trade and Investment (MoFEPTI) continues to work with the SRC to resolve these constraints. Subject to the availability of the necessary data, future editions are expected to quantify PIT tax expenditures and the remaining ET tax expenditures, and to update the VAT and BT estimates.

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Acronyms and Abbreviations

BT	Business Tax
BTA	Business Tax Act
ET	Excise Tax
FAD	Fiscal Affairs Department
GDP	Gross Domestic Product
IMF	International Monetary Fund
INMBTA	Income and Non-Monetary Benefits Tax Act
MoFEPTI	Ministry of Finance, Economic Planning, Trade and Investment
PIT	Personal Income Tax
SADC	Southern African Development Community
SR	Seychelles Rupees
SRC	Seychelles Revenue Commission
TE	Tax Expenditure
TES	Tax Expenditure Statement
VAT	Value Added Tax

Introduction

Within tax legislation and administrative practices, certain exemptions, deductions, and credits are provided to support socioeconomic objectives. These measures, referred to as tax expenditures (TEs), serve as indirect tools of public policy and function as alternatives to direct government spending. However, unlike explicit expenditure programmes, TEs often receive less visibility and oversight. This underscores the importance of systematically identifying and quantifying them to strengthen transparency and accountability in public finances. Once measured, TEs can be assessed for their effectiveness in achieving intended policy goals, allowing governments to determine whether alternative mechanisms, including direct expenditure, may deliver better outcomes.

Seychelles maintains a relatively high tax-to-GDP ratio, at 28.7 per cent in 2025. Despite this strong performance, there remains a need to deepen understanding of potential inefficiencies and revenue leakages within the tax system. Enhancing tax analysis, particularly through the structured reporting of tax expenditures, has therefore become a national priority. Following technical assistance from the IMF's Fiscal Affairs Department (FAD) and the Southern African Development Community (SADC), Seychelles published its first Tax Expenditure Statement (TES) in October 2024. That report focused on Value Added Tax (VAT) and Business Tax (BT) and built on the analytical foundations established during the FAD mission in June 2024.

The TES published in February 2026 expanded on this work by establishing methodologies and identifying tax expenditures under Personal Income Tax (PIT) and Excise Tax (ET), following a second FAD mission in August 2025. However, data constraints prevented the quantification of these tax expenditures. The same limitations also restricted the scope for updating VAT and BT estimates.

Likewise, owing to continued data constraints, the current TES does not present new estimates for most tax expenditures. PIT tax expenditures and the rate-based ET tax expenditures remain unquantified, and the VAT and BT estimates continue to be based on 2023 and 2022 data respectively. The current edition does, however, expand the inventory of ET tax expenditures to include rebates of excise tax on fuel granted to selected users and, using data provided by the SRC, presents the value of these rebates from 2018 to 2025. It also notes BT incentives introduced since 2022.

Methodology

The value of a TE in this report is measured by estimating revenue forgone relative to an established benchmark tax system. In other words, TE estimates represent the additional tax revenue that would be collected in the absence of the measure, assuming that its removal does not affect taxpayer behaviour. The sections below briefly outline the methodologies per tax line.

Personal Income Tax

The PIT benchmark retains the schedular structure of the existing system, under which labour and capital income are taxed separately, but excludes provisions that favour particular types of income or groups of taxpayers. It is defined as follows:

- Labour income: the statutory progressive rate schedule applies to all employment income, including bonuses, gratuities and non-monetary benefits, combined across all employers. Income of unincorporated businesses, such as sole traders and partners, is taxed under the same schedule.
- Capital income: dividends and capital gains are taxed so that the combined burden of BT and personal-level tax matches the top marginal PIT rate of 30 per cent. With a top BT rate of 25 per cent, the benchmark applies a personal-level rate of 6 per cent, giving a combined rate of about 30 per cent.

Any provision that taxes income below this benchmark is treated as a tax expenditure.

Excise Tax

In establishing an ET benchmark, the stated purpose of the excises is important, since this type of tax can be used for both correcting externalities (Pigouvian) and for raising revenue with minimal efficiency loss (Ramsey).

As the Seychelles excise regime is primarily corrective in nature, a social-cost-based benchmark would be conceptually ideal. However, due to data limitations regarding the actual social costs in Seychelles, a fully comprehensive framework is not feasible at this stage. A practical middle-ground approach can therefore be used whereby the benchmark is the legislated rate applied to the most widely consumed product in each excise category (for example, cigarettes for tobacco products). This rate is converted into a specific amount per unit of harm or risk, such as per gram of tobacco or per litre of pure alcohol, and then applied across all products in the category. This ensures neutrality by taxing equivalent units of harm consistently. A different benchmark product may be selected only where the most widely consumed item benefits from a preferential rate that constitutes an excise tax expenditure.

An excise TE arises when the legislated rate per unit of harm for a good is lower than the benchmark rate. This creates non-neutral treatment within a category of excisable goods, effectively providing a tax benefit to the producer and consumer of the lower-taxed good. Revenue forgone for each good is calculated as the difference between the tax that would have been collected under the benchmark rate and the tax due at the statutory rate, before any refunds.

Tax expenditures may also arise where the legislated rate is consistent with the benchmark but the excise tax is fully or partially refunded to particular users or for particular uses. Such rebates lower the effective rate per unit of harm borne by those users below the benchmark and are therefore also treated as tax expenditures. The revenue forgone is measured as the value of the excise refunded.

Value Added Tax

As in the previous report, the VAT benchmark is defined as the value added on all goods and services consumed domestically at a single positive rate of 15 per cent.

Certain zero-rated supplies and exemptions are included in the benchmark in line with established international practice, reflecting both the structural features of VAT and practical considerations in revenue collection. These include the zero-rating of exports, exemption of residential accommodation and margin-based financial services, and the registration threshold.

Business Tax

As in the previous TES, the BT benchmark assumes entities operate as separate legal persons and are subject to a progressive rate structure. Under the standard regime, the benchmark rate is 15 per cent on the first SR 1m of taxable income and 25 per cent on taxable income above SR 1m.

The benchmark also incorporates higher BT rates applied to sectors that are deemed to earn above-normal profits, such as telecommunications service providers, banks, insurance companies, and manufacturers of alcohol and tobacco products. These sectors are taxed at 25 per cent on the first SR 1m of taxable income and 33 per cent on income above SR 1m. In addition, the presumptive tax regime for small businesses, which are subject to 1.5 per cent on annual turnover, is also treated as part of the benchmark.

Results and Findings

This section presents the potential TEs identified for PIT and ET, together with the first estimate of the cost of fuel excise rebates and the previously published quantification of VAT and BT TEs. The remaining PIT and ET TEs will be quantified once data become available.

Personal Income Tax

Preliminary analysis identifies several categories of tax expenditures within the PIT system. First, a range of employee payments that are economically similar to wage income, such as gratuities, service charges, and bonuses, are exempt from taxation under Schedule Two of the Income and Non-Monetary Benefits Tax Act (INMBTA). In addition, employment income earned from multiple employers is taxed separately, allowing the standard deduction to be applied more than once.

Second, tax expenditures arise from the preferential treatment of non-monetary benefits. Non-exempt benefits are taxed at a flat rate of 15 per cent under Schedule Three of the INMBTA, which is below the marginal tax rates applied to higher levels of wage income. Moreover, several non-monetary benefits are fully or partially exempt, as set out in the Fourth Schedule.

A third category relates to income from unincorporated businesses, which is taxed at preferential rates aligned with the BT regime while still benefiting from the standard deduction, with some activities, such as taxi services, fully exempt. Finally, the exemption of dividend and capital gains income constitutes a TE, as it results in a lower effective tax burden on capital income relative to employment income.

Excise Tax

Preliminary analysis identifies several potential tax expenditures within the excise tax system based on a social-cost-based rate framework. For alcoholic beverages, the benchmark rate is proxied by beer, the most widely consumed product, at SR 385 per litre of pure alcohol. Alcoholic products taxed below this benchmark are therefore identified as tax expenditures, notably rum and vodka (SR 368 per litre) and liqueurs with an alcohol content of 16-30 per cent (SR 317 per litre).

For fossil fuels, diesel is used as the benchmark fuel, with a social-cost-based rate of SR 3.22 per kilogram of CO2-equivalent emissions. Fuels taxed below this benchmark include aviation gasoline (SR 0.88), jet fuel (SR 2.73), fuel oils (SR 1.25), and petroleum gases (SR 0.17).

In addition, fuel excise rebates granted to selected users, including electricity producers, ferry operators and commercial fishing vessel owners, constitute potential tax expenditures, as they reduce the effective rate borne by these users below the benchmark. Refunds paid under these rebates amounted to SR 144.3m in 2025.

Lubricating oils and greases are not assessed, as they do not generate combustion emissions and therefore have no social-cost base under this framework. Tax expenditures for tobacco products and motor vehicles, which are largely subject to ad valorem rates, have not yet been assessed, as converting these rates to a rate per unit of harm requires data that are not currently available.

Value Added Tax and Business Tax

The results remain consistent with the first TES published in 2024, which showed that VAT TEs are significantly larger than BT TEs. VAT TEs totalled SR 1.1bn in 2023, while BT TEs amounted to SR 0.1bn in 2022.[1] In 2023, VAT TEs accounted for approximately one-third of total VAT collections, representing 13.4 per cent of total tax revenue. By comparison, BT TEs constituted 11 per cent of BT collections in 2022, equivalent to 1.4 per cent of total tax revenue in that year.

[1] Note that for BT, the analysis relies on 2022 data because complete 2023 data was not yet available.

Personal Income Tax (PIT)

The INMBTA came into force in July 2010, providing the framework for the taxation of income and non-monetary benefits. In 2018, significant amendments were introduced to the rate and calculation of PIT, including the adoption of a progressive tax regime and an increase in the tax-free threshold.

Seychelles operates a schedular PIT system. Labour income is subject to a progressive wage tax in addition to mandatory pension contributions, while investment income remains untaxed. Unincorporated businesses are taxed under the BT regime and face the same top marginal rate as incorporated businesses (25 per cent on taxable income exceeding SR 1m), while also benefiting from the basic deductions (zero-tax bracket) available to wage earners. Overall, the PIT system in Seychelles generates relatively high revenues compared to peer countries.[2]

1.1. PIT TEs in the Legislation

The PIT system incorporates multiple provisions that qualify as tax expenditures. These are summarised in Table 1 based on legislation as of 2026. Due to data limitations, the associated revenue forgone could not be quantified at this stage.

Table 1: Summary of PIT TEs in the Legislation, 2026

Legislation	Tax Expenditure[3]	Description	Objective
Part II, 4(1) of INMBTA	Separate taxation of wage income from different employers	When an employee receives income from more than one employer, they benefit from the zero-tax bracket multiple times	This approach is intended to simplify administration by treating withholding tax as a final tax
Schedule Two of INMBTA [1(f), 1(h), 1(i), 1(j), 1(k), 1(l), 1(m), 1(n), 1(o)]	Exemption of monetary payments, which includes: • Any compensation payment due to an employee under the Employment Act (Cap 69) and the International Trade Zone (Employment) Regulations • A gratuity payment • A bonus paid, provided that the bonus paid is under a bonus scheme • Thirteenth month pay • Exemption of one-off payments at the end of the contract • Exemption of income in the form of service charges. • Exemption of overtime pay • Exemption of allowance for long term service	Several types of monetary payments to employees are either exempt from income tax or benefit from reduced tax rate	

[2] International Monetary Fund, Fiscal Affairs Department (2025), Seychelles: Tax Reform for Simplicity, Equity, and Efficiency, Technical Assistance Report (unpublished)
[3] See also the Seychelles Revenue Commission website for further details on conditions regarding the exemptions for these emoluments, available at: https://src.gov.sc/income-and-non-monetary-benefits-tax/

Schedule Three of INMBTA	Reduced rate on non-monetary benefits	The taxable value is subject to a flat 15% tax, regardless of the employee's other employment income	
Schedule Four of INMBTA [1,2,4,5,8, 9,10,11,1 3,14]	Exemption of non-monetary benefits, which includes: • Partial exemption of provision of accommodation to employees • Full exemption of utilities benefits provided to tourism employees. • Partial exemption of in-house benefits provided to employees. • Full exemption of meals provided to employees. • Full exemption of life insurance premiums. • Full exemption of health insurance premiums. • Full exemption of insurance payments by employers on behalf of employees. • Full exemption of transportation service benefits • Full exemption of tuition and training cost paid by employers for employees • Full exemption of employer contribution to private pension	Several non-monetary benefits are either fully or partially exempt	To encourage the development of the tourism and construction sector, to encourage employers to insure the house, motor vehicles and other content of their employees in case of burglary or fire disasters, amongst others
Schedule One, 1(b) of BTA; Schedule Two, items 4 and 25 of BTA	Reduced marginal tax rate on income from unincorporated businesses, which includes: • Exemption of income from taxi services • Exemption of income of fishermen and farmers	The tax rate applied to income from unincorporated businesses is lower than that on wage income, while still allowing deductions available for wage earners	Due to unincorporated businesses being taxed under the BT regime rather than the PIT system
None in INMBTA. Schedule One of BTA; Section 11(1) of BTA	The exemption of capital income. Provisions include: • Exemption of dividend income • Partial exemption of interest income • Full exemption of capital gains income • Partial exemption of income from royalties	All types of capital income are either fully or partially exempt	

Source: INMBTA and IMF Tax Policy Assessment, 2025

Excise Tax (ET)

Seychelles' ET regime comprises a combination of ad valorem and specific rates and generated revenues equivalent to 4.4 per cent of GDP in 2025. ET applies across a broad range of goods including tobacco and nicotine products, alcoholic beverages, fossil fuels, motor vehicles, and sugar.

2.1. Social Cost Based Rate Framework

The ET regime incorporates multiple implicit incentives, which can be identified through the social-cost-based rate analysis presented in Table 2. The social-cost-based rate expresses the current excise on each product per unit of its harmful element (for example, per litre of pure alcohol or per kilogram of CO2-equivalent emissions). It is intended to provide a consistent basis for identifying preferential tax treatment within product categories and should not be interpreted as estimates of the actual social costs associated with consumption. It should be noted that other excisable goods, most notably tobacco products and motor vehicles, are not included in this analysis, as they are currently subject to ad valorem rather than specific excise rates, though the authorities are currently reforming the ad valorem rates into specific rates to ensure the excise regime functions primarily as a corrective tax.

Table 2: ET Regime with Social Cost Based Rate, selected TEs 2026

Good or service	Current rate	Social-cost-based rate (SR)	Social-cost base
Alcohol			
Popsicles	SR 46.45/l	2,323	Litre of pure alcohol
Non-spirits (<8%)	SR 23.08/l	385	Litre of pure alcohol
Non-spirits (8-16%)	SR 48.40/l	403	Litre of pure alcohol
Non-spirits (>16%)	SR 105.60/l	621	Litre of pure alcohol
Undenatured ethyl[4]	SR 0	0	Litre of pure alcohol
Spirits (grape distillates)	SR 224.40/l	499	Litre of pure alcohol
Whiskey, gin	SR 268.40/l	596	Litre of pure alcohol
Rum, vodka	SR 158.40/l	368	Litre of pure alcohol
Liqueurs (<16%)	SR 66.00/l	471	Litre of pure alcohol
Liqueurs (16-30%)	SR 79.20/l	317	Litre of pure alcohol
Liqueurs (>30%)	SR 158.40/l	453	Litre of pure alcohol
Alcopops	SR 26.95/l	490	Litre of pure alcohol
Fossil fuels			
Aviation gasoline	SR 2/l	0.88	Kg CO2-equivalent emissions
Motor gasoline	SR 8.5/l	3.71	Kg CO2-equivalent emissions
Jet fuel	SR 8/l	2.73	Kg CO2-equivalent emissions
Diesel	SR 8.5/l	3.22	Kg CO2-equivalent emissions
Fuel oils	SR 4/l	1.25	Kg CO2-equivalent emissions
Lubricating oils/greases	5%	-	-
Petroleum gases (liquid/gas)	SR 0.5/kg	0.17	Kg CO2-equivalent emissions

Source: IMF Tax Policy Assessment, 2025

[4] Undenatured ethyl alcohol is not treated as a tax expenditure, as it is used as an input in the domestic production of alcoholic beverages, on which excise is collected.

Based on the framework in Table 2, TEs can be identified as follows:

1. **Alcohol** – Beer, classified as a non-spirit beverage with an alcohol content below 8 per cent, represents the most consumed alcoholic product and is therefore used as the reference category. Alcoholic beverages subject to a social-cost-based rate lower than that applied to beer are considered to constitute tax expenditures. On this basis, tax expenditures are identified for:
    - Rum and vodka, taxed at SR 368 per litre of pure alcohol; and
    - Liqueurs with an alcohol content of 16–30 per cent, taxed at SR 317 per litre of pure alcohol.

2. **Fossil fuels** – Diesel is the most widely consumed fossil fuel and is therefore used as the benchmark for comparison. Fossil fuels taxed at a rate below the diesel-equivalent social-cost-based rate are classified as tax expenditures. Accordingly, tax expenditures are identified for:

    - Aviation gasoline, at SR 0.88 per kg of CO2-equivalent emissions
    - Jet fuel, at SR 2.73 per kg of CO2-equivalent emissions
    - Fuel oils, at SR 1.25 per kg of CO2-equivalent emissions
    - Petroleum gases, at SR 0.17 per kg of CO2-equivalent emissions

2.2. Fuel rebates

In addition to the rate-based TEs identified above, the ET regime provides explicit incentives in the form of rebates of excise tax on fuel. Full or partial rebates are available to the following users:

- producers of electricity;
- operators of public bus services;
- public bodies engaged in island development;
- licensed domestic airlines;
- licensed accommodation operators using off-grid generators;
- licensed ferry operators; and
- the Seychelles Fishing Authority and registered owners of commercial fishing vessels, excluding vessels engaged in shark fishing.

Rebate rates vary by user. Commercial fishing receives a full rebate, while cargo ferry services and certain island development activities receive a rebate of 50 per cent. Inner island ferry services receive a rebate of 37 per cent, revised from 25 per cent in June 2026.

Under the social-cost-based benchmark, fuel is taxed at a uniform rate per kilogram of CO2-equivalent emissions, regardless of the user. By lowering the effective rate below the benchmark for the users concerned, these rebates constitute tax expenditures.

Table 3 presents the fuel excise refunds paid by the SRC between 2018 and 2025. Refunds rose from SR 84.4m in 2018 to SR 144.3m in 2025, when they were equivalent to about 0.4 per cent of GDP. As the rebate for inner island ferry services was increased only in June 2026, these figures reflect the earlier rate of 25 per cent.

Table 3: Fuel excise refunds paid, 2018-2025

	2018	2019	2020	2021	2022	2023	2024	2025
Fuel excise refunds (SR'm)	84.4	141.1	127.2	91.0	125.2	128.1	135.1	144.3
% of GDP	*0.3*	*0.5*	*0.5*	*0.4*	*0.4*	*0.4*	*0.4*	*0.4*

Source: Seychelles Revenue Commission (recorded as 'Petroleum refunds')

2.3. ET TEs in the Legislation

As discussed above, ET tax expenditures arise through two mechanisms: preferential statutory rates applied to certain excisable products, and rebates granted to specific users of fuel. While the former results in a lower tax liability at the product level, the latter reduces the effective tax burden for eligible users. Table 4 below outlines the corresponding legislative references for both mechanisms.

Table 4: Summary of ET TEs in the Legislation, 2026

Legislation	Tax Expenditure	Description
Excise Tax (Rates) Regulations 2023 (SI 110 2023)	Lower social-cost-based rate applies to: • Rum • Vodka • Liqueurs with an alcohol content of 16–30 per cent • Aviation gasoline • Jet fuel • Fuel oils • Petroleum gases	Identified as subject to a specific rate that is below the social-cost-based benchmark for the respective category, as shown in Table 2
Excise Tax (Remission, Rebate and Refund) Regulations	Full or partial rebate of excise tax on fuel for electricity producers, public bus services, public bodies engaged in island development, licensed domestic airlines, off-grid accommodation operators, licensed ferry operators, and commercial fishing	Excise tax on fuel is refunded in full or in part to specified users, reducing the effective rate below the social-cost-based benchmark

Source: Excise Tax Regulations

Value Added Tax (VAT)

VAT, introduced in 2013, is the largest single source of tax revenue in Seychelles. In 2024, VAT contributed 34.7 per cent of the total tax revenue, equivalent to 9.7 per cent of the country's GDP. The standard rate is 15 per cent, with some zero-rated items, no reduced rate, and a relatively broad base.

3.1 Quantified VAT TEs

Despite the broad base, the VAT legislation provides for numerous exemptions to the statutory rate. In 2023, it is estimated that 40.1 per cent of the VAT base was exempt, and that total TEs amounted to SR 1.1bn. Below is a summary of TEs quantified for 2023. The largest share is attributable to exemption, namely the exemption of supplies and goods under Schedule I (Part II and Part III) of the VAT Act.

Table 5: Summary of VAT TEs, 2023

Legislation	Category	Revenue forgone	
		SR' m	% of GDP
Schedule I – Part I	Exempt imports by final consumers	7	0.02
Schedule I – Part II	Exempt supplies (services)	368	1.3
	Exempt supplies (goods)	357	1.3
Schedule I – Part III	Exempt goods (domestically produced and imported)	333	1.2
Schedule IV	Registration threshold	37	0.1
Total		**1,102**	**3.9**

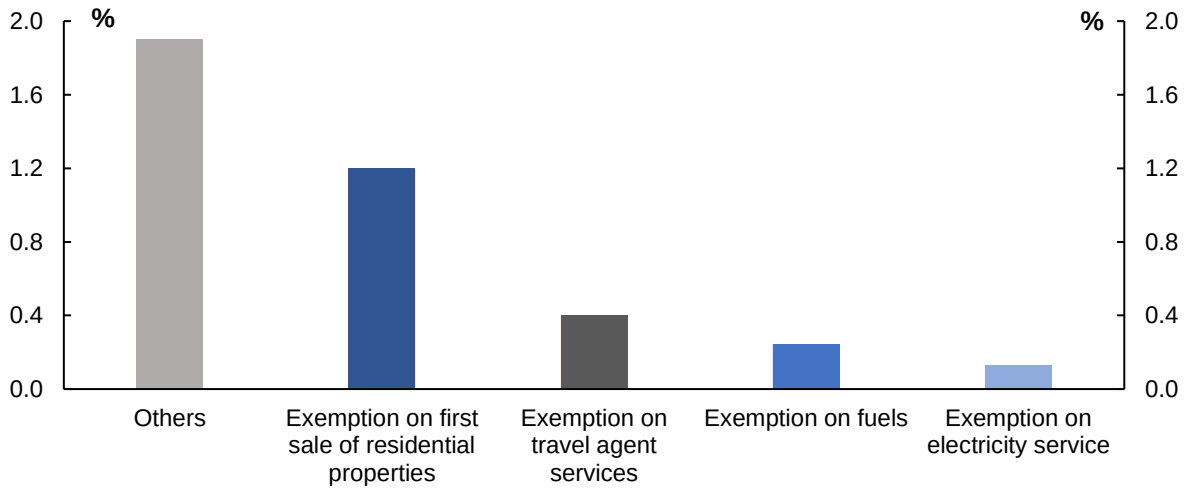
Source: VAT Act and IMF Tax Expenditure Report 2024 (based on 2023 data)

Globally, VAT and other consumption taxes constitute the majority of TEs. Similarly, VAT TEs account for the bulk of Seychelles TEs.

3.2 Largest VAT TEs

Figure 1 highlights the largest individual sources of VAT TEs. The exemption on the first sale of residential properties is the largest, accounting for 31.1 per cent of total VAT TEs, equivalent to 1.2 per cent of GDP. This is followed by exemptions on travel agent services and on fuel. All three of the largest TEs fall under Schedule 1 (Parts II and III) (see Annex for the complete list of VAT TEs by category).

Figure 1: Largest sub-categories of VAT TEs (% of GDP)



Source: IMF Tax Expenditure Report 2024 (based on 2023 data)

Business Tax (BT)

In 2024, BT collections totalled SR 1.9bn, equivalent to 18.9 per cent of tax revenue and 5.7 per cent of GDP. The standard BT rate is 15 per cent on the first SR 1m of taxable income and 25 per cent thereafter, with higher rates of 25 per cent and 33 per cent applying to financial services, telecommunications, and alcohol and tobacco manufacturing. Small businesses are covered by the presumptive tax at 1.5 per cent of turnover.

4.1 Quantified BT TEs

Total BT TEs were estimated at SR 132.7m for 2022. The analysis identified fourteen TEs, however, given data limitations, the analysis estimated revenue loss for only seven of these items. Similar to VAT TEs, the majority of BT TEs take the form of exemptions, as summarised in the table below.

Table 6: Summary of BT TEs, 2022

Description	(SR' m)	% of GDP
Reduced Rates		
Individual entrepreneurs, partnerships and trusts[5]	11.3	0.04
Licensees under the Securities Act	15.5	0.1
Exemptions		
Tax exemption of Seychelles Credit Union	4.1	0.01
Tax exemption of Air Seychelles	91.9	0.3
Tax exemption of the Development Bank of Seychelles	4.8	0.02
Deductions		
Deduction of donations and gifts to public fund, and NGOs	1.5	0.01
The additional deduction for employee training costs	3.5	0.01
Total	**132.7**	**0.5**

Source: IMF Tax Expenditure Report 2024 (based on 2022 data)

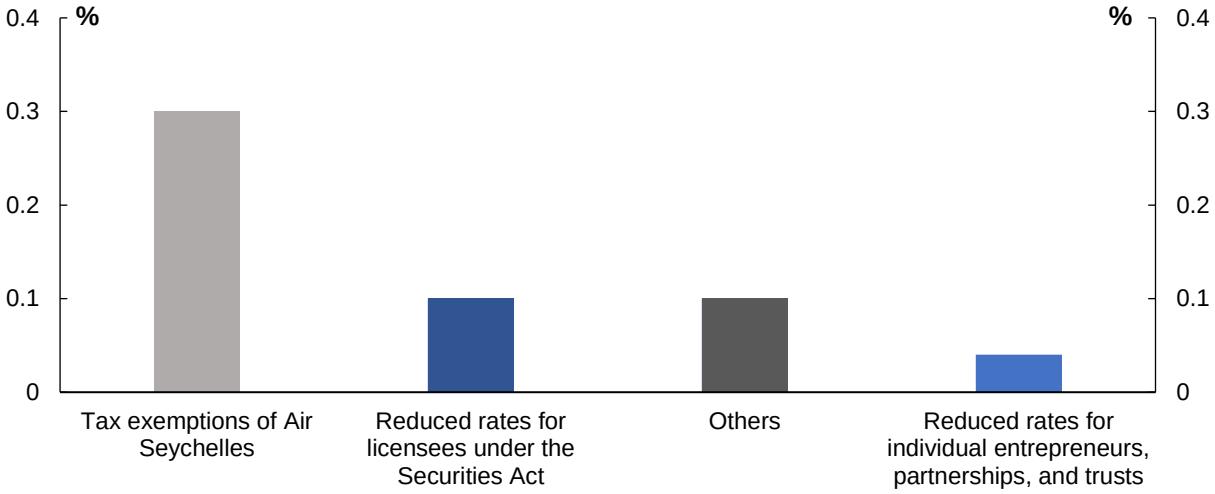
The 2025 IMF review identified a wider set of potential BT tax expenditures than the fourteen identified in 2024. These include measures introduced after the 2022 reference year, notably a five-year tax holiday for new businesses in the Blue Economy, Digital Economy and manufacturing sectors; the removal, from 2025 to 2029, of the final withholding tax on technical service fees for software development services provided by non-resident companies; a zero rate of withholding tax on fixed deposit interest paid to non-resident individuals; and a tax rate of 1.5 per cent of assessable income for licensees under the Virtual Asset Service Providers Act. They also include several longer-standing provisions not captured in 2024, such as turnover-based tax regimes for certain activities and additional deductions for specified expenses. Subject to the availability of the necessary data, the revenue forgone associated with these measures will be assessed and incorporated into future editions of the Tax Expenditure Statement.

4.2 Largest BT TEs

Figure 2 highlights the largest individual sources of BT TEs. The exemption for Air Seychelles represents the single largest TE, at 0.3 per cent of GDP, followed by reduced rates for licensees under the Securities Act, and reduced rates for individual entrepreneurs, partnerships, and trusts.

[5] This reduced rate is also identified as a PIT tax expenditure in Table 1, where it is measured against the PIT rather than the BT rate schedule. The same applies to the exemption of income from taxi services. To avoid double counting, future editions will report these items under PIT only.

Figure 2: Largest sub-categories of BT TEs (% of GDP)



Source: IMF Tax Expenditure Report 2024 (based on 2022 data)

Conclusion

While tax expenditure reporting has expanded globally, transparency around the scale, design, and effectiveness of tax expenditures remains limited in many jurisdictions. Through this report, MoFEPTI seeks to strengthen understanding of tax expenditures and their role within Seychelles' fiscal policy framework. Tax expenditures can be effective policy instruments when they are well-targeted, carefully designed, and aligned with broader development objectives. However, they can also generate adverse outcomes when they weaken revenue mobilisation, distort economic behaviour, or encourage socially or environmentally harmful activities. In such cases, government forgoes revenue and fiscal flexibility without delivering commensurate public benefits.

Building on the first TES published in 2024, which focused on VAT and BT, the February 2026 edition expanded the coverage to include PIT and ET, and this coverage is maintained in the current report, with the ET inventory now extended to include fuel excise rebates. While data limitations prevent the quantification of most PIT and ET TEs at this stage, the identification of these measures represents an important step forward in improving the comprehensiveness of tax expenditure reporting. The PIT analysis highlights the extensive use of tax concessions within the regime, many of which are designed to simplify administration and support specific sectors. At the same time, these provisions raise important questions regarding equity, efficiency, and revenue foregone that warrant further examination once data constraints are addressed. The analysis of ET TEs underscores how lower rates on certain goods, together with fuel excise rebates for selected users, may weaken the neutrality of excise taxation and, in some cases, its corrective role in the context of health and environmental policy. The fuel excise rebates alone cost SR 144.3m in 2025 and, in 2022, were almost as large as all quantified BT TEs combined, which underlines the value of quantifying the remaining ET TEs. Identifying ET TEs provides a foundation for future policy discussions on aligning excise tax design more closely with public health objectives, climate commitments, and environmental sustainability goals.

Looking ahead, MoFEPTI intends to progressively expand coverage across all major tax lines and enhance the quality and depth of analysis as data availability improves. While annual evaluation of every tax expenditure may not be feasible, establishing a structured multi-year evaluation cycle, supported by ex-ante and ex-post assessments, would allow for more systematic review of whether existing tax expenditures should be amended, maintained, expanded, or discontinued.

Annex

Annex 1: VAT TEs – details

Reference	Description	Tax expenditure (% of GDP)	Wealthy-to-poor expenditure ratio	Distributional impact if removed
First Schedule - Part 1				
Imports by final consumers (not valued elsewhere)				
Section 3	Imports valued below SR 3,000	0.023	-	Strongly progressive
Section 4	Imports by foreign dignitary	-	-	Strongly progressive
Section 14	Imports by the President	-	-	Strongly progressive
Total		**0.023**	**-**	
First Schedule - Part 2				
Exempt services				
Section 1(a)	Financial services (fee- based)	0.053	260	Strongly progressive
Section 1(b)	Pre-primary, primary education	0.036	22	Strongly progressive
	Secondary education	0.018	55	Strongly progressive
	Post-secondary education	0.003	60	Strongly progressive
	Tertiary education	0.019	119	Strongly progressive
	Other education	0.002	6	Strongly progressive
Section 1(d)	Health insurance	0.004	127	Strongly progressive
Section 1(e)	General practice	0.030	4	Strongly regressive
	Basic medical services	0.003	2	Strongly regressive
	Medical treatment fees	0.049	254	Strongly progressive
	Dental services	0.009	45	Strongly progressive
	Optician services	0.007	13	Strongly progressive
	Other medical services	0.007	109	Strongly progressive
Section 1(j)	Electricity	0.224	2	Strongly regressive
	Water	0.117	2	Strongly regressive
	Sewage collection	0.001	-1	Strongly regressive
Section 1(l)	Construction services	0.145	17	Strongly progressive
Section 1(n)	Broadcasting services	0.130	5	Progressive
Section 1(q)	Funeral services	0.001	230	Strongly progressive
Section 1(s)	Software	-	-	-

Reference	Description	Tax expenditure (% of GDP)	Wealthy-to-poor expenditure ratio	Distributional impact if removed
Section 2	Travel agent services	0.402	-	Strongly progressive
Not legislated	Gambling services	0.003	23	Strongly progressive
Not legislated	Religious services	0.001	11	Strongly progressive
Total		**1.26**	**65**	
Exempt goods				
Section 1(i)	Bread	0.030	2	Strongly regressive
Section 1(p)	Rethreaded tyres	-	-	-
Not legislated	First sale of residential property	1.198	5	Progressive
Total		**1.23**	**4**	
First Schedule - Part 3				
Exempt meat				
Part 3	Beef	0.011	5	Progressive
Part 3	Fresh fish	0.052	2	Strongly regressive
Part 3	Frozen fish	0.002	7	Progressive
Part 3	Goat	0.045	12	Strongly progressive
Part 3	Other meat	0.045	16	Strongly progressive
Part 3	Pork	0.062	12	Strongly regressive
Part 3	Poultry	0.002	25	Strongly regressive
Part 3	Processed fish	0.020	12	Strongly progressive
Total		**0.24**	**11**	
Exempt dairy and eggs				
Part 3	Baby milk	0.003	3	Strongly regressive
Part 3	Cheese, curd	0.022	4	Strongly regressive
Part 3	Eggs	0.025	0	Strongly regressive
Part 3	Milk (liquid)	0.012	4	Strongly regressive
Part 3	Milk (powder)	0.050	2	Strongly regressive
Total		**0.11**	**2**	
Exempt vegetables, pulses, and tubers				
Part 3	Cabbage	0.004	3	Strongly regressive
Part 3	Carrots	0.005	2	Strongly regressive
Part 3	Cassava, sweet potatoes	0.004	3	Strongly regressive
Part 3	Chillies	0.002	2	Strongly regressive

Reference	Description	Tax expenditure (% of GDP)	Wealthy-to-poor expenditure ratio	Distributional impact if removed
Part 3	Cucumber, chouchoute	0.004	3	Strongly regressive
Part 3	Frozen vegetables	0.005	5	Regressive
Part 3	Garlic	0.003	1	Strongly regressive
Part 3	Ginger	0.003	1	Strongly regressive
Part 3	Lentils, pulses	0.004	1	Strongly regressive
Part 3	Lettuce	0.003	4	Strongly regressive
Part 3	Onions/spring onions	0.007	1	Strongly regressive
Part 3	Other tubers	0.000	16	Strongly progressive
Part 3	Other vegetables	0.007	6	Progressive
Part 3	Patole	0.000	2	Strongly regressive
Part 3	Potatoes	0.005	2	Strongly regressive
Part 3	Processed vegetables	0.001	6	Progressive
Part 3	Spinach	0.003	2	Strongly regressive
Part 3	Tomatoes	0.008	3	Strongly regressive
Part 3	Water cress	0.001	4	Strongly regressive
Total		**0.07**	**3**	
Exempt fruits				
Part 3	Apples	0.007	2	Strongly regressive
Part 3	Aubergine, beans, capsicum	0.007	4	Strongly regressive
Part 3	Bananas	0.004	5	Strongly regressive
Part 3	Citrus	0.015	4	Strongly regressive
Part 3	Golden apple	0.001	5	Strongly regressive
Part 3	Mangoes	0.001	5	Strongly regressive
Part 3	Other fruit	0.020	7	Progressive
Part 3	Passion fruit	0.000	17	Strongly progressive
Part 3	Pawpaw	0.002	5	Strongly regressive
Part 3	Preserved fruit	0.001	6	Progressive
Total		**0.06**	**6**	
Exempt starch				
Part 3	Flours	0.002	4	Strongly regressive
Part 3	Other starch	0.001	22	Strongly progressive

Reference	Description	Tax expenditure (% of GDP)	Wealthy-to-poor expenditure ratio	Distributional impact if removed
Part 3	Rice basmati	0.051	1	Strongly regressive
Part 3	Rice ordinary	0.005	5	Strongly regressive
Total		**0.06**	**8**	
Other exempt foodstuffs				
Part 3	Baby food	0.001	1	Strongly regressive
Part 3	Coconut oil, similar	0.001	1	Strongly regressive
Part 3	Coffee	0.005	5	Strongly regressive
Part 3	Cooking oil	0.035	2	Strongly regressive
Part 3	Margarine	0.008	1	Strongly regressive
Part 3	Salt, pepper, spices	0.013	3	Strongly regressive
Part 3	Sauces, condiments	0.039	2	Strongly regressive
Part 3	Sugar	0.011	1	Strongly regressive
Part 3	Tea	0.013	1	Strongly regressive
Part 3	Juice for infants	-	-	-
Total		**0.13**	**2**	
Exempt fuels				
Part 3	Fuels	0.239	6	Strongly progressive
Total		**0.24**	**6**	
Exempt educational and medical goods				
Part 3	Books	0.108	8	Strongly progressive
Part 3	Educational goods	0.009	11	Strongly progressive
Part 3	Medical appliances	0.065	9	Strongly progressive
Part 3	Medicine	0.040	4	Strongly regressive
Part 3	Other medical products	0.003	9	Progressive
Part 3	Other printed matter	0.013	3	Strongly regressive
Total		**0.24**	**7**	
Other exempt goods				
Part 3	Cleaning products	0.041	2	Strongly regressive
Part 3	Infant clothes	0.059	4	Strongly regressive
Part 3	Musical instruments	0.020	42	Strongly progressive
Part 3	Other baby products	0.005	15	Strongly progressive
Part 3	Table cloths	0.002	100	Strongly progressive

Reference	Description	Tax expenditure (% of GDP)	Wealthy-to-poor expenditure ratio	Distributional impact if removed
Total		**0.13**	**33**	
Fourth Schedule				
Registration threshold				
	Threshold exceeds benchmark	0.129	-	-

SECTION 4

Debt Management Strategy 2026-2028
&
Annual Borrowing Plan

GOVERNMENT OF SEYCHELLES

Debt Management Strategy

2027 – 2029

Ministry of Finance, Economic Planning, Trade and Investment
Republic of Seychelles
November 2026

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List of Acronyms and Abbreviations

ABP	Annual Borrowing Plan
AfDB	African Development Bank
ATM	Average time to Maturity
ATR	Average Time to Re-fixing
BADEA	Arab Bank for Economic Development in Africa
CBS	Central Bank of Seychelles
CNY	Chinese Renminbi
DAA	Deposit Auction Arrangement
DMS	Debt Management Strategy
EFF	Extended Fund Facility
EOY	End of Year
ERGRSP	Economic Resilience and Green Recovery Support Program
EUR	EURO
EURIBOR	Euro Interbank Offered Rate
FEA	Foreign Exchange Auctions
FED	Federal Reserve
GBP	Great British Pounds
GDP	Gross Domestic Product
GERSP	Governance Economic Reforms Support Program
GFN	Gross Financing Needs
GIR	Gross International Reserves
IBRD	International Bank for Reconstruction and Development
IMF	International Monetary Fund
JPY	Japanese Yen
MoFEPTI	Ministry of Finance, Economic Planning, Trade and Investment
MTDS	Medium Term Debt Management Strategy
OFID	OPEC Fund for International Development
RSF	Resilience and Sustainability Facility
SAR	Saudi Riyals
SCF	Standing Credit Facility
SCR	Seychelles Rupees
SDF	Standing Deposit Facility
SDR	Special Drawing Rights
SOFR	Secured Overnight Financing Rate
T-bills	Treasury Bills
T-bonds	Treasury Bonds
AED	UAE Dirham
USD	United States Dollar

Introduction

This document provides details of the Government's plans for managing Government and Government-guaranteed debt over the medium term. It is prepared in compliance with international best practices in debt management and the requirements of the Public Debt Management Act of 2008 (amended in 2009 and 2012).

The aim of the Debt Management Strategy (DMS) is to determine the most effective debt management strategy for achieving the desired future debt structure based on cost and risk implications. It is formulated using an Excel-based analytical tool developed by the IMF/World Bank that takes into account linkages between debt and the key macroeconomic fundamentals such as domestic revenues, expenditures, and Gross Domestic Product (GDP), amongst others. This strategy document is broken down into three parts.

Part I covers the objectives, scope and the legal framework for the DMS. It also describes the role of debt management in the macro-economic framework and provides a historical overview of the debt structure. This section also outlines the evolution of the debt and the goals for the 2027-2029 period.

Part II gives an overview of the performance of debt management in 2026 and the resultant debt profile at the end of the mentioned year. It provides an analysis of possible risks to the portfolio, the volatility of the risk factors and the exposure to these risks. This will provide insights into whether the existing cost and risk structures are satisfactory or what needs to be changed. It will also help to identify which of the risks are more pertinent.

Part III looks at the macroeconomic environment for debt management, followed by the debt management framework and strategy. Part III will conclude with the Debt projection over the medium term.

Part I

1.1. Debt Management Objective

The Government's primary debt management objective is founded on international best practice for debt management. As recommended by the International Monetary Fund (IMF), World Bank and other international institutions, the Government's primary debt management objective is,

> ***"to ensure that the Government's financing needs and payment obligations are met on a timely basis, and at the lowest possible cost, consistent with a prudent degree of risk."***

1.2. The Goals for Debt Management

To help achieve the primary debt management objective, the Government will pursue the following goals over the medium term;

i. Ensure that the fiscal and monetary authorities are aware of the impact of Government's financing requirements and monetary policies on the levels and the rate of growth of public debt.

ii. Work towards an optimum structure for public debt that minimises costs and risks, including currency mismatch, adverse movement in interest rates, refinancing and operational risks.

iii. Assist the Government in achieving its objective of limiting public borrowing to an amount that is consistent with the country's medium term payment capacity assessed from both a fiscal and balance-of-payments perspective.

iv. Assist towards the development of the domestic financial market and the lengthening of the debt maturity profile.

1.3. Scope of the Debt Management Strategy

The Debt Management Strategy will examine the total public debt for years 2027 to 2029, where the total public debt is defined as the total Government and Government guaranteed liabilities that require payment of principal and/or interest to external and domestic creditors. External and domestic debt classifications are based on the residency of the creditors. The debt stock figures for the years 2008-2025 are as at calendar year end.

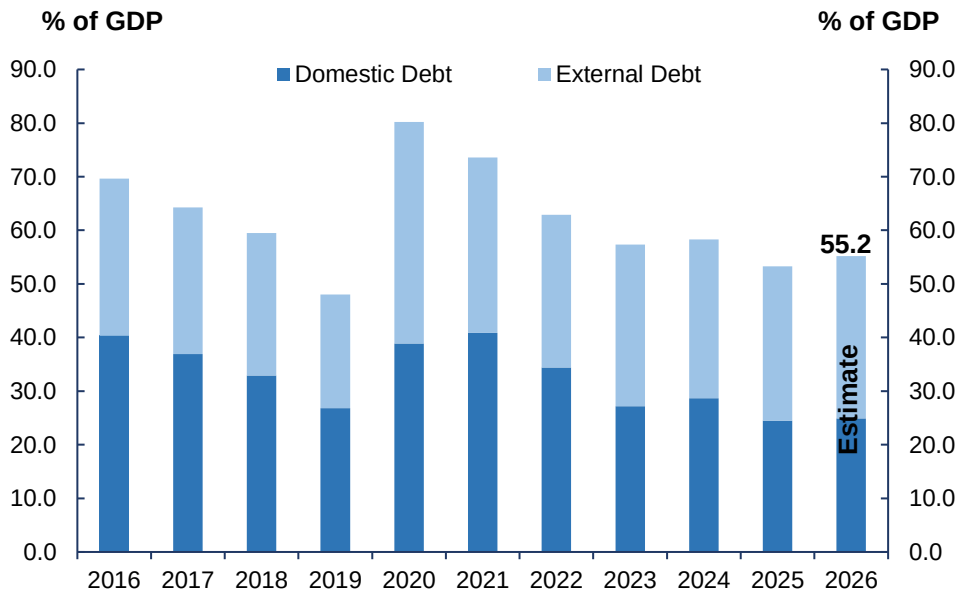
1.4. Legal and Institutional Framework

The primary responsibility of debt management lies with the Debt Management Division of the Ministry of Finance, Economic Planning, Trade and Investment (MoFEPTI). The Division is responsible for managing Government and Government guaranteed debt as well as monitoring all non-guaranteed public enterprise debt. Public debt management in Seychelles is regulated by the Public Debt Management Act of 2008 (amended in 2009 and 2012).

1.5. Evolution of debt

Following the 2008 global financial crisis, Seychelles faced a severe debt crisis and embarked on a comprehensive macroeconomic reform programme, which included a significant debt-restructuring exercise. Since then, the Government has made considerable progress in reducing public debt and improving its composition.

Figure 1: Debt to GDP ratio for selected years



Source: MoFEPTI, Debt Management Division

The figure illustrates the evolution of Seychelles' public debt over the period 2016–2026. From 2016, the debt-to-GDP ratio declined steadily until 2019, reflecting the Government's efforts to reduce public debt following the comprehensive macroeconomic reform and debt restructuring programme. However, this downward trend was reversed in 2020, when the debt ratio increased sharply, reaching its highest level over the period presented.

The ratio remained elevated in 2021, as the COVID-19 pandemic placed significant pressure on the Government's fiscal position through disruptions to economic activity, declining revenue and exchange rate depreciation. To meet the resulting financing needs and support the budget, the Government

resorted to additional borrowing, including budget support loans, contributing to the increase in public debt.

Between 2022 and 2025, the debt-to-GDP ratio generally declined, despite some fluctuations, indicating an improvement in the overall debt position. Over the medium term, the ratio is projected to continue on a gradual downward trajectory, supported by strong fiscal consolidation, prudent debt management and growth in nominal GDP.

Nevertheless, sustained fiscal discipline and careful management of new borrowing, guarantees and other contingent liabilities will remain essential to maintaining debt sustainability and achieving the Government's objective of reducing public debt to 50 per cent of GDP by 2030.

Despite the progress made in reducing debt vulnerabilities, risks remain, particularly those arising from geopolitical uncertainty, exchange rate volatility and changes in global financial conditions.

Part II

2026 Developments

Real GDP growth in 2026 is projected at 1.0 per cent, representing a decline of 4.8 percentage points compared to 2025. This slowdown is largely attributable to weaker tourism performance, reflecting reduced visitor arrivals due to lower flight frequencies to Seychelles following disruptions associated with the conflict in the Middle East. The weaker tourism performance is expected to adversely affect several related sectors, including manufacturing of fishery products, accommodation and food services, transportation and storage, and wholesale and retail trade. In contrast, public sector activities are projected to record solid growth, while the ICT sector is expected to maintain its expansion, growing by approximately 10 per cent in 2026.

The Government is projected to achieve a primary fiscal surplus of 0.1 per cent of GDP in 2026, down from the originally budgeted 1.5 per cent, reflecting lower projected revenue and increased expenditure in response to the economic impact of the Middle East conflict. Despite these pressures, the Government remains committed to maintaining fiscal discipline, with a medium-term target of a primary surplus of approximately 0.5 per cent of GDP. Although the IMF-supported programme concludes in 2026, efforts will continue to strengthen fiscal oversight, explore additional budget support from development partners and maintain public debt on a sustainable downward trajectory towards the 50 per cent of GDP target, while safeguarding economic resilience and essential public services. In that regard, Government remains committed to maintaining sustainable public finances while ensuring that fiscal constraints do not unnecessarily delay investments that are critical to our country's development.

In terms of inflation, there were mixed movements in the average prices of goods and services, primarily due to the pass-through from higher international fuel prices to the domestic market. As at August 2026, the year-on-year inflation rate stood at 0.9 per cent, whereas the 12-month average inflation was recorded at 0.3 per cent. With regard to the inflation outlook, both measures are projected to increase, with the year-on-year inflation expected to reach 1.3 per cent and the 12-month average rate forecast at 2.3 per cent by December 2027.

The Central Bank of Seychelles (CBS) maintained an accommodative monetary policy stance throughout 2026, keeping the Monetary Policy Rate (MPR) unchanged at 1.75 per cent. Similarly, the interest rates on the Standing Deposit Facility (SDF) and Standing Credit Facility (SCF) remained unchanged at 0.25 per cent and 3.25 per cent, respectively. The yield on the 7-day Deposit Auction Arrangement stood at 1.75 per cent as at the end of October 2026, while the Minimum Reserve Requirement (MRR) on applicable rupee-denominated deposits was maintained at 10 per cent throughout the year.

Looking ahead, the external environment remains subject to considerable uncertainty, particularly amid heightened geopolitical tensions and uncertainties surrounding global trade policies. Against this backdrop, the CBS will continue to closely monitor domestic and international economic developments and adjust its monetary policy stance as necessary to achieve its medium-term objectives while safeguarding price and financial stability.

Notwithstanding ongoing fiscal consolidation, the debt-to-GDP ratio is expected to increase from 53.4 per cent in 2025 to 55.2 per cent by the end of 2026. This increase is mainly attributable to external loan disbursements during the year. Over the first three quarters of 2026, a total of USD 71.9 million was disbursed by the IMF and the World Bank under various financing programmes, including the Extended Fund Facility (EFF), the Resilience and Sustainability Facility (RSF), the Seychelles Second Sustainable Inclusive Growth Programme, the Seychelles Social Protection Programme and the Seychelles Solid Waste Management Project.

Table 1 summarises disbursements under existing programmes during the first three quarters of 2026, amounting to approximately 3 per cent of GDP.

Table 1: Disbursement under existing programme during Jan–Sept 2026

DESCRIPTION	Loan Amount	2026 Disbursement	% of GDP
	(USD' M)		
IBRD-Seychelles Second Sustainable Inclusive Growth	30.0	30.0	1.3
IMF-Extended Fund Facility 2 (2023)	42.4	16.2	0.7
IMF-Resilience and Sustainability Facility (RSF)	34.4	24.6	1.0
IBRD-Seychelles Solid Waste Management Project	5.0	0.2	0.0
IBRD-Seychelles Social Protection Program	30.0	0.9	0.0
TOTAL:	**141.7**	**71.9**	**3.0**

Source: MoFEPTI, Debt Management Division

Additionally, towards the end of the fourth quarter, a disbursement of USD 34 million Is expected under the loan AfDB Economic Resilience and Green Recovery Support Programme (ERGRSP) phase 3.

Table 2 below shows the Government's new domestic borrowing through T-Bond issuances during the period of January to September 2026. The total targeted amount for all three T-Bonds was SCR 300 million, of which SCR 440 million was allotted, accounting for 1.26 per cent of GDP. Contrary, to the previous year, T-Bonds issued during all 3 quarters were oversubscribed at SCR 153.3 million, SCR 165.2 million and SCR 121.5 million respectively, despite a decline in the coupon rates from the prior year.

Table 2: New Domestic T-bonds Borrowings during Jan-Sept 2026

DESCRIPTION		Targeted Amount (SCR' m)	Allotted Amount (SCR' m)	% of GDP
T-bond Q1	7-yr 4.80% Bond	100	153.3	0.44
	Sub-total	**100**	**153.3**	**0.44**
T-bond Q2	5-yr 3.8% Bond	100	165.2	0.47
	Sub-total	**100**	**165.2**	**0.47**
T-bond Q3	5-yr 3.8% Bond	100	121.5	0.35
	Sub-total	**100**	**121.5**	**0.35**
TOTAL:		**300**	**440**	**1.26**

Source: MoFEPTI, Debt Management Division

In line with the ABP and the MTDS, total Treasury bond issuance for 2026 was projected at SCR 462 million. By the end of September 2026, actual issuances had reached SCR 440 million.

In general, the Government aims to maintain an indicative 60:40 ratio between T-bills and T-bonds. The higher weighting towards T-bills reflects the need to meet short-term financing requirements and support liquidity management, while T-bonds contribute to the Government's objective of lengthening the maturity profile of domestic debt securities and managing refinancing risks.

Overview of Existing Debt

As at the end of September 2026, the total public debt stock stands at SCR 17.7 billion, equivalent to 50.9 per cent of GDP. External debt remains the largest component, amounting to approximately SCR 10.2 billion, or, 57.4 per cent of the total debt stock. Domestic debt stood at SCR 7.6 billion, representing the remaining 42.6 per cent of the stock.

Table 3: Total debt by residency of creditors as at the end of Sept-2026

DESCRIPTION	Sept 2026 (SCR' m)	% of GDP	% Share
Domestic	**7,550**	**21.7**	**42.6**
o.w. Government	6,850	19.7	38.6
o.w. Guarantees	700	2.0	3.9
External	**10,192**	**29.3**	**57.4**
o.w. Government	10,010	28.7	56.4
o.w. Guarantees	182	0.5	1.0
TOTAL DEBT:	**17,742**	**50.9**	**100.0**

Source: MoFEPTI, Debt Management Division

Table 3 indicates a substantial reduction of SCR 816 million in domestic debt, resulting from repayments and security maturities. Meanwhile, external debt increased by SCR 584 million, largely driven by the acquisition of new loan facilities and ongoing disbursements. Overall, movements in domestic and external debt stocks throughout 2026 supported a reduced reliance on domestic securities issuance, driven by higher external disbursements that met current budgetary requirements.

Table 4: Total debt by Guarantee Status as at the end of Sept-2026

DESCRIPTION	Sept 2026 (SCR' m)	% Share
Government	16,860	95.0
Guarantees	882	5.0
TOTAL DEBT:	**17,742**	**100.0**

Source: MoFEPTI, Debt Management Division

The debt guarantee status outlined in the table 4 is predominated by Government debt, amounting to SCR 16.9 billion, while Government guaranteed debt amounts to SCR 882 million. This represents a debt composition of 95.0 per cent and 5.0 per cent of the total, respectively. Over the medium term, the debt composition by guarantee status is expected to increase in stock value due to the projected PUC - REAP project.

External Debt Profile

As previously highlighted, at the end of September 2026 the total external debt stock amounted to SCR 10.2 billion, or, 29.3 per cent of GDP. Table 5 illustrates the comparison of external debt stock between September 2025 and September 2026, during which it rose by roughly SCR 584 million, representing 6.1 per cent. The increase was principally driven by multilateral borrowings, which expanded by 12.1 per cent. This reflects the higher disbursements related to Budget support loans from key multilateral partners. During the period, AfDB disbursed USD 25 million under the ERGRSP 2. The IBRD disbursed a total of USD 31.1 million, of which USD 30 million relates to a new Budget support under the Seychelles Second Sustainable and Inclusive Growth Development Policy Financing.

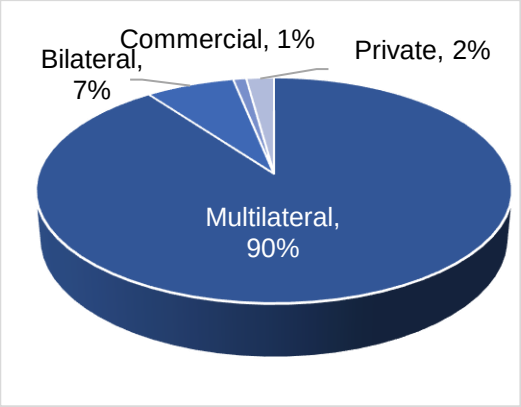
Additionally, disbursements under existing loan agreements included USD 0.9 million for the Social Protection Programme and USD 0.2 million for the Solid Waste Management Project. The IMF disbursed USD 40.8 million over the same period under the EFF 2 and RSF Programmes which accounts for the remaining disbursements received under the Multilateral category. Alternatively, Bilateral, Commercial, and Private debt recorded a decline, reflecting continued repayments to these creditors.

Figure 2 illustrates the distribution of external creditor by category, showing the largest component is debt owed to multilateral creditors, which constitutes 90 per cent of the total external debt stock. Private and Bilateral debt each account for 2 per cent and 7 per cent respectively, while debt owed to Commercial banks accounts for the smallest share at 1 per cent only. The Private creditor category recorded a decline of 36.7 per cent owing to the final repayment made for the EuroBond.

Table 5: Total External debt by Creditor Category (SCR' m)

DESCRIPTION	Sept-2025	Sept-2026	% Diff
Multilateral	**8,171**	**9,159**	**12.1**
Bilateral	**927**	**709**	**-23.6**
- o.w. Paris Club	422	286	-32.3
- o.w. Others	505	423	-16.3
Commercial	**162**	**104**	**-35.6**
Private	**348**	**220**	**-36.7**
TOTAL:	**9,608**	**10,192**	**6.1**

Figure 2: Percentage distribution by Creditor Category



Source: MoFEPTI, Debt Management Division

The breakdown of external debt by instrument type in Table 6 shows that loans account for 97.6 per cent of the total external debt stock, with securities making up the remaining 2.4 per cent. As at the end of September 2026, the securities balance consists primarily of the Blue Bond and Habib Bank Bonds.

The Blue Bond, which is scheduled to mature in 2028, will be the sole remaining external security once the Habib Bank Bond matures in October this year.

Table 6: External Debt by Instrument Type

DESCRIPTION	Sept-2026 (SCR' m)	% Share
Loans	9,949	97.6
Securities	243	2.4
TOTAL:	**10,192**	**100.0**

Source: MoFEPTI, Debt Management Division

2.1. Domestic Debt Profile

Table 7 below summarises the total domestic debt stock as at September 2026. The total domestic debt stock stood at SCR 7.6 billion, compared to SCR 8.4 billion recorded at the end of September 2025, reflecting a decline over the period. This year-on-year contraction of SCR 816 million, or 9.8 per cent was primarily driven by several T-bonds maturing during the period, as proceeds from new issuances fell short of repayments.

Additionally, the Other Debt Liabilities category declined by 49.5 per cent due to ongoing repayments under the CBS Private Sector Relief Schemes by SMEs and Large Enterprises. The only increase was recorded in the loans category, stemming from government-guaranteed loans to DBS in line with the Annual Borrowing Plan 2026.

In terms of percentage distribution, Government securities still dominate the domestic debt stock, at approximately 84.6 per cent, consisting of T-bills and T-bonds at SCR 1.9 billion and SCR 4.5 billion respectively. Loans stand at SCR 801 million which accounts for 10.6 per cent, whereas DBS Bonds, Deposits, Notes and Other Debt Liabilities accounts for the residual shares at 3.5 per cent, 0.6 per cent, 0.4 per cent and 0.2 per cent respectively.

Table 7: Domestic Debt by Instrument Type

DESCRIPTION	Sept-2026 (SCR' m)	% Share
Loans	**801**	**10.6**
Securities *of which;*	**6,389**	**84.6**
T-bills	1,923	25.5
T-bonds	4,466	59.2
DBS Bonds	**267**	**3.5**
Deposits	**47**	**0.6**
Notes	**30**	**0.4**
Other Debt Liabilities	**15**	**0.2**
TOTAL:	**7,550**	**100.0**

Source: MoFEPTI, Debt Management Division

Risk Indicators

Sound risk management, debt and organisational structures are important elements in reducing exposures to risks such as interest risks, currency risks, liquidity risks and operational risks.

3.1. Refinancing Risks

Refinancing risk refers to the risk that the existing debt will have to be refinanced at an unusually high cost or, in extreme circumstances, cannot be refinanced at all. The Average Time to Maturity (ATM), the debt redemption profile of the outstanding debt stock and the percentage of debt maturing within one year, are important measures of the exposure to refinancing risk. These are analysed below.

3.1.1. Average Time to Maturity

The Average Time to Maturity (ATM) quantifies the weighted average duration until the debt within a portfolio matures. Table 8 shows that the ATM of total public debt increased from 5.9 years in 2025 to 6.6 years in 2026, representing an 11.9 per cent increase and indicating a progressive improvement in the overall refinancing risk profile.

The ATM of external debt increased from 7.6 years to 8.3 years or 9.2 per cent in comparison to 2025. The increase can be primarily attributed to new and ongoing external debt with redemptions being spread out over the medium term. This strongly suggests that the ATM remains high, therefore, the refinancing risks remains manageable and gives the Government ample fiscal space in the medium term.

Whereas, ATM of domestic debt remained unchanged over the same period, suggesting that the Government's reliance on longer-term domestic instruments, which increased following the rollover pressures experienced during the post-COVID period, has stabilised. This indicates that the maturity structure of domestic debt is being maintained in line with the Government's debt management strategy, supporting the overall debt maturity profile.

Table 8: Average Time to Maturity (2025 vs 2026)

ATM (Years)	2025	2026	Diff. (%)
External Debt	7.6	8.3	9.2
Domestic Debt	2.6	2.6	0.0
TOTAL DEBT:	**5.9**	**6.6**	**11.9**

Source: MoFEPTI, Debt Management Division

3.1.2. Share of Debt Maturing within one year

The table 8 below illustrates the share of public debt maturing within one year. Overall, the redemption profile decreased from 16.1 per cent in 2025 to 13.4 per cent in 2026, representing a decline of 16.8 per cent. This improvement was largely driven by changes in the external debt portfolio, with the share of external debt maturing within one year declining by 33.0 per cent, from 8.8 per cent in 2025 to 5.9 per cent in 2026. This reduction was primarily attributed to major developments in the external debt portfolio, including the maturity and repayment of the Eurobond in late 2025, which reduced near-term external debt repayment obligations.

In contrast, the share of domestic debt maturing within one year increased from 29.7 per cent to 32.0 per cent, representing a 7.7 per cent increase. This reflects the scheduled repayment profile of existing domestic obligations, with significant contributions from specific issuances such as the 8 per cent 5-year and 7 per cent 5-year Treasury bonds.

Despite the significant movements in external debt, domestic debt remains the primary source of short-term refinancing risk of the overall debt portfolio, reflecting the government's strategic reliance on domestic financing instruments to bridge financing gaps and mitigate risks associated with external borrowings such as exchange rate volatility.

Table 9: Debt maturing within 1year (2025 vs 2026)

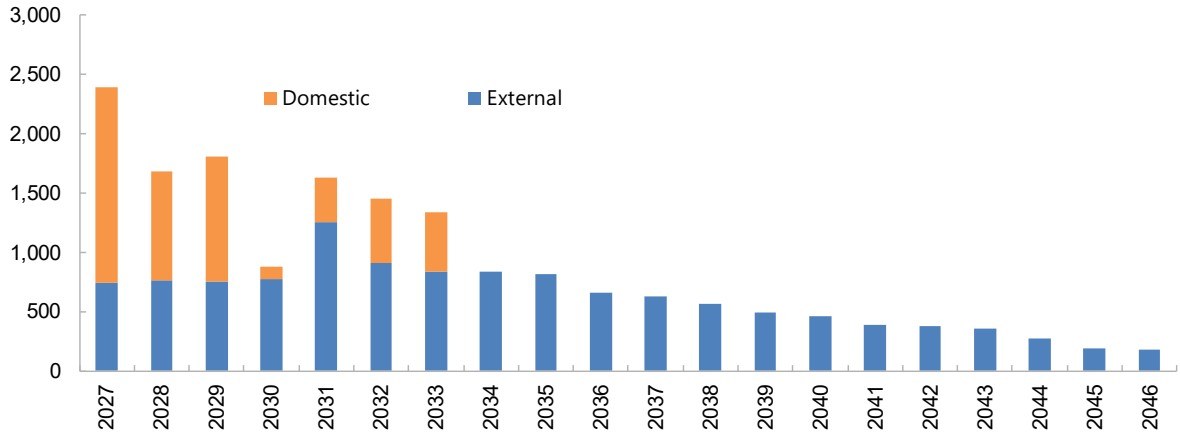
Debt maturing in 1yr (% of total)	2025	2026	Diff. (%)
External Debt	8.8	5.9	-33.0
Domestic Debt	29.7	32.0	7.7
TOTAL DEBT:	**16.1**	**13.4**	**-16.8**

Source: MoFEPTI, Debt Management Division

3.1.3 The Redemption Profile

The debt maturity/ redemption profile shows the total principal payments falling due each year over the life of the portfolio.

Figure 3: Total debt redemption profile



Source: MoFEPTI, Debt Management Division

The total debt redemption profile from 2027 through 2046 shows that debt service obligations remain heavily front-loaded, peaking at approximately SCR 2.4 billion in 2027 due to a substantial concentration of domestic maturities alongside baseline external obligations. While redemptions in 2028 and 2029 is fairly moderate to around SCR 1.7 billion and SCR 1.8 billion respectively, domestic debt continues to represent the predominant share of short-to-medium-term refinancing risks through 2029. Following a temporary dip to below SCR 0.9 billion in 2030, total redemptions rebound in 2031 to over SCR 1.6 billion, driven by a sharp spike in external debt service, which peaks at around SCR 1.3 billion that year.

From 2034 onward, domestic debt maturities fully roll off, leaving the long-term redemption profile composed entirely of external debt obligations. These external repayments follow a smooth, downward trajectory from over SCR 0.8 billion in 2034 to below SCR 0.2 billion by 2046, significantly easing long-term rollover risks. Overall, this profile underscores the strategic imperative to actively manage domestic refinancing risks in the medium term while accommodating the external repayment hump anticipated in 2031.

3.2. Interest Rate Risks

Interest rate risks refers to the risk of increases in the cost of the debt arising from changes in interest rates. This risk can occur when interest rates on floating rate debt are reset and/or maturing fixed rate debt needs to be refinanced. Indicators of Interest rate risks include the Average Time to Re-Fixing

(ATR), the share of debt subject to interest reset within the next year and the share of fixed interest rate debt within the portfolio.

3.2.1. Fixed Rate Debt as a Share of the Total Debt

The share of fixed rate debt within the portfolio is another indicator of interest risks. It indicates the portion of debt that bears fixed interest rate. The higher the share of fixed rate debt, the lower the exposure to interest rate risks.

Table 10: Fixed Rate Debt as a Share of the Total Debt (2025 vs 2026)

Fixed Rate Debt (% of total)	2025	2026	Diff. (%)
External Debt	36.1	33.9	-6.1
Domestic Debt	99.9	100.0	0.1
TOTAL DEBT:	**58.4**	**53.0**	**-9.2**

Source: MoFEPTI, Debt Management Division

As shown in Table 10 above, the share of fixed rate debt in total debt is projected to fall from 58.4 per cent in 2025 to 53.0 per cent in 2026, a decline of 5.4 percentage points. The decline is driven by external debt, where the fixed rate share falls from 36.1 per cent to 33.9 per cent, reflecting higher disbursements on new external borrowing, which remains dominated by variable-rate instruments. Domestic debt remains almost entirely fixed rate, at 99.9 per cent in 2025 and 100.0 per cent in 2026, reflecting continued reliance on T-bills and T-bonds, which are issued predominantly at fixed rates and provide a stable interest cost profile. Interest rate exposure is therefore concentrated in external debt, and the higher weight of external debt in 2026 increases the portfolio's sensitivity to changes in global interest rates. Overall, interest rate risk remains moderate, as the fully fixed-rate domestic portfolio helps to offset the exposure arising from external borrowing.

3.2.2. Average Time to Re-Fixing

The Average Time to Re-fixing (ATR) is a measure of weighted average time until all the principal payments in the debt portfolio become subject to a new interest rate. Assessing the proportion of debt that needs re-fixing shows the extent to which the portfolio is vulnerable to a higher funding cost as a result of higher market interest rate.

Table 11: Average Time to Re-Fixing (2025 vs 2026)

Average Time to Re-fixing (ATR) (years)	2025	2026	Diff. (%)
External Debt	2.0	2.3	15
Domestic Debt	2.6	2.6	0
TOTAL DEBT:	**2.2**	**2.4**	**9.1**

Source: MoFEPTI, Debt Management Division

At the end of 2026, the ATR of the total public debt portfolio is projected at 2.4 years, up from 2.2 years in 2025, an increase of 9.1 per cent. The improvement is driven by external debt, where the ATR rises from 2.0 to 2.3 years equivalent to 15 per cent. Domestic debt remains unchanged at 2.6 years, reflecting continued issuance of fixed-rate domestic securities. The longer external ATR indicates slower repricing of external borrowing, which reduces the near-term exposure from variable-rate loans. Interest rate risk in the debt portfolio therefore remains moderately high.

3.2.3. Percentage of Debt Re-Fixing within one year

The percentage of debt that needs to be rolled-over within one year out of the total debt is another indicator of interest rate risks. Debt is roll-over because either they are maturing or they are debt with variable rate. Table 12 below summarises the change in percentage of debt re-fixing within one year as at the end of 2026 compared with year end 2025.

Table 12: Percentage of Debt Re-Fixing within one year (2025 vs 2026)

Debt re-fixing in 1yr (% of total)	2025	2026	Diff. (%)
External Debt	69.4	69.5	0.1
Domestic Debt	29.7	32.0	7.7
TOTAL DEBT:	**55.5**	**58.7**	**5.8**

Source: MoFEPTI, Debt Management Division

At the end of 2026, about 58.7 per cent of the total public debt portfolio will be subject to a new interest rate within one year, up from 55.5 per cent in 2025 equivalent to 5.8 per cent in relative terms. This indicates a higher degree of exposure to short-term interest rate movements and refinancing risk. The rise is driven by domestic debt, where the share re-fixing within one year increases from 29.7 to 32.0 per cent, reflecting the larger weight of short-dated instruments, particularly T-bills, in the domestic portfolio. External debt is essentially unchanged, at 69.4 per cent in 2025 and 69.5 per cent in 2026. This high and stable share reflects the large proportion of variable-rate loans, which are subject to periodic resets and make the external portfolio sensitive to changes in global interest rates. Despite the increase, domestic debt remains far less exposed than external debt, since a much smaller share of it

re-fixes within one year. Overall, interest rate risk on this indicator remains moderate, but it warrants monitoring given the planned increase in T-bill issuance.

3.3. Exchange Rate Risks

Exchange rate risks relate to the risk of increase in the cost of debt arising from changes in exchange rates. Measures of exchange rate risk include the share of foreign currency denominated debt in the total debt portfolio and the ratio of short-term external debt to international reserves. These are summarised in the table below.

Table 13: Foreign Exchange rate risks indicators (2025 vs 2026)

Risk Indicators	2025	2026	Diff. (%)
FX debt (% of total debt)	**62.6**	**68.7**	**9.7**
ST FX debt (% of reserves)	**7.4**	**5.5**	**-25.7**

Source: MoFEPTI, Debt Management Division

As at September 2026, foreign currency-denominated debt accounted for 68.7 per cent of total public debt. This increase was primarily driven by higher disbursements under multilateral budget support facilities, particularly those provided by the World Bank and IMF. In addition, disbursements initially expected in 2025 were received in 2026, further contributing to the higher share of foreign currency-denominated debt in the total portfolio.

Conversely, year-on-year comparison shows a 26 per cent reduction of external debt as a share of the foreign exchange reserves which signals a lower external liquidity risk. It should be noted that the reserve coverage of short-term foreign currency obligations remains robust and within target thresholds.

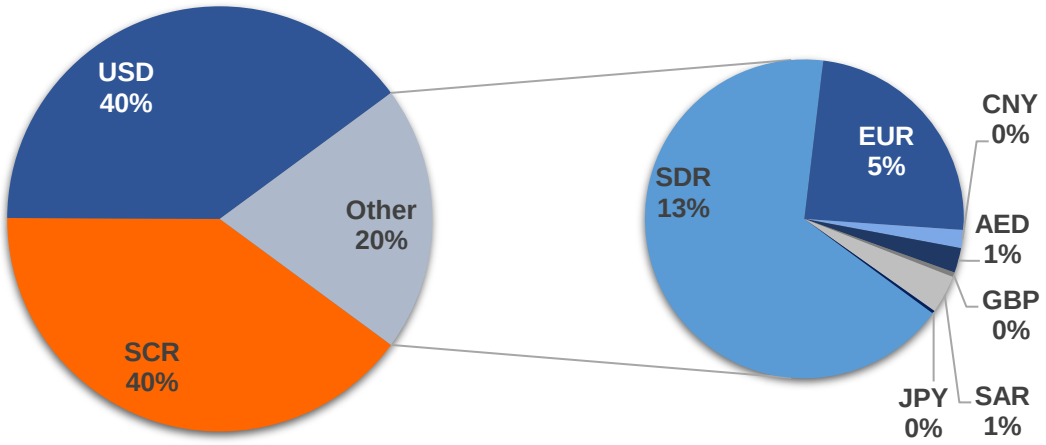
3.3.1. The Currency Composition

The currency composition of the debt portfolio provides valuable insights into the exposure to exchange rate risks. As illustrated in Figure 4, the total debt stock is predominantly composed of four main currencies: the Seychelles Rupee at 40 per cent, the United States Dollar at 40 per cent, Special Drawing Rights at 13 per cent, and the Euro at 5 per cent. The distribution suggests a moderate level of exchange rate risk. Notably, in comparison to the previous year, there has been a 5 per cent increase in the proportion of USD-denominated debt, mainly due to disbursements from existing loans from multilateral creditors such as the International Bank for Reconstruction and Development (IBRD). Additionally, SDR allocation has risen by 1 per cent as a result of further disbursements under the Extended Fund Facility and the Resilience and Sustainability Facility programs.

On the other hand, SCR-denominated debt has decreased by 5 per cent compared to the previous year, mainly influenced by the repayment of T-Bonds, including the 8 per cent 5-Year (2021), 7 per cent 5-Year (2021), as well as T-Bills, which has diminished exposure to SCR-denominated instruments.

Furthermore, five other currencies make up the total debt portfolio composition. These includes the Saudi Riyals (SAR), British Pound, Chinese Renminbi, UAE Dirham and Japanese Yen, which together accounts for 2 per cent of the total debt stock. This minor representation underscores a focused reliance on the main currencies while indicating a diversification strategy that may help mitigate exchange rate risks. Overall, the current composition reflects both the opportunities and vulnerabilities inherent in the portfolio's currency mix.

Figure 4: Currency Composition as at end of Sept-2026



Source: MoFEPTI, Debt Management Division

3.4. Cost of Debt

The weighted average interest rate indicates the cost of debt in the portfolio. As shown in the table, the weighted average interest rate on total debt is projected to fall from 4.5 per cent in 2025 to 4.2 per cent in 2026, a decline of 0.3 percentage points. On the external side, the average rate declines from 3.9 to 3.7 per cent, reflecting a slight decrease in new borrowings undertaken over the period that bears a variable interest rate component. On the domestic side, the average rate declines from 5.4 to 5.0 per cent, which points to easing yields on newly issued Government securities and the larger weight of T-bills, which typically carry lower rates than longer-dated bonds. The domestic rate nevertheless remains well above the external one, by 1.3 percentage points in 2026, so a larger share of domestic debt in the portfolio will tend to raise the average cost over time. Overall, the cost of debt remains moderate and is expected to ease further.

Table 14: Cost of debt (2025 vs 2026)

Weighted Average IR (%)	2025	2026	Diff. (%)
External Debt	3.9	3.7	-5.1
Domestic Debt	5.4	5.0	-7.4
TOTAL DEBT:	**4.5**	**4.2**	**-6.7**

Source: MoFEPTI, Debt Management Division

3.5. Operational Risks

Operational risks relate to various types of risks including transaction errors in the various stages of executing and recording transactions; inadequacies or failures in internal controls, or in systems and services; reputation risk; legal risk; security breaches; or natural disasters that affect the debt management's ability to pursue activities required to meet the debt management objectives. Some of the main operational risks identified are as follows;

3.5.1. IT Support

In line with IT risks, there is a risk of failure of the loan administration database. The debt management system is managed by the Commonwealth Secretariat, which ensures appropriate backups and security measures, including protection against cyberattacks. In 2023, the Debt Management Division migrated to the more user-friendly Meridian Commonwealth system, with ongoing training provided to both IT and debt management staff. However, it remains critical to further train additional IT personnel to ensure timely support and minimize operational disruptions.

Separately, failures in the core banking system may result in delayed domestic and external debt payments, as well as disruptions to the T-bills auction process, which relies on this system. Ongoing upgrades to the core banking system by CBS, along with the planned integration of T-bonds processing and the implementation of the IFMIS platform—designed to integrate with Meridian—are expected to mitigate these risks. Nonetheless, poor system integration remains a potential operational risk to effective debt management.

3.5.2. Paper Based Documentations

Most of the debt management documentations such as loan agreements, bank statements and transactions confirmations are held in paper format. Constraints relating to storage facilities expose these documents to risks of being misplaced or difficulty to locate. Other risks of paper-based documentations include the risks of physical deterioration, risk of total destruction in the event of a fire or natural disaster. The risk of this has been mitigated substantially as the Ministry has adopted longer-term solutions with its push for digitalisation. This will be further enhanced as part of the Ministry's medium-term plan of setting up a proper archive system. Furthermore, the new debt management

software makes provision to upload documents such as invoices, loan agreements, and official gazette amongst others. This will help to minimise the amount of paper-based documents needed. In addition, the Ministry will need to ensure proper back-up systems of all digital form by investing in back-up servers and looking at alternative solutions.

3.5.3. Process and procedural risks

Process and procedural risks in public debt management relate to potential weaknesses or gaps in the procedures governing borrowing, debt servicing, recording and reporting. These risks may arise from inadequate documentation, inconsistencies in operational processes, insufficient segregation of duties or errors in transaction processing and settlement. If not appropriately managed, such risks could result in delays, financial losses, penalties or reputational implications.

To mitigate these risks, the Government will continue to strengthen its debt management processes through clearly documented procedures, appropriate internal controls, effective segregation of duties, regular reconciliation of debt records and timely monitoring of debt servicing obligations. Continued efforts will also focus on improving the accuracy and reliability of debt data, strengthening staff capacity and ensuring compliance with established financial management and reporting requirements.

3.5.4. Foreign exchange risk

The primary source of foreign exchange in the country is from tourism receipts. Any significant impact on the market will decrease the country's foreign exchange earnings and may constrain the Government in settling its debt obligations. This is mitigated by the Central Bank ensuring that the country has adequate reserves to meet all its primary foreign expenditure, which includes debt repayments. Additionally, the Ministry has started discussion on whether there is the need to create a buffer account for debt repayments. This will ensure that in the event of a force majeure, debt repayment is not jeopardised.

3.5.5. Legal and documentation risks

Legal and documentation risks may arise from poorly drafted loan agreements or guarantees, as well as inadequate legal review prior to contracting debt. These weaknesses can lead to misinterpretation of contractual terms and conditions, increasing the risk of non-compliance, disputes with creditors, and unforeseen financial or legal obligations. Currently, the Ministry is outsourcing a legal consultant on an interim basis, while the necessary steps are being taken to recruit a permanent legal advisor.

Part III

The Environment for Debt Management

Real GDP growth in 2026 is projected at 1.0 per cent, representing a decline of 4.8 percentage points compared to 2025. This is largely driven by the year-to-date contraction in tourism performance, with visitor arrivals being 7 per cent lower than the same period in 2025. Given the country's high vulnerability to external shocks and climate change, the outlook remains subject to considerable risks. The ongoing geo-political issues poses significant external risks associated with increase in commodity prices, shocks in the tourism markets or war related disruptions.

4.1. The Real Sector

Economic growth was slower in 2026, as a result of the weaker tourist arrivals. By the end of 2026, total visitor arrivals are expected to reach 374,911, indicating a 6 per cent contraction over 2025, reflecting the disruptions associated with the Middle East conflict. Several sectors, notably 'Manufacturing of fishery products', 'Accommodation and food services', 'Transportation and storage', and 'Wholesale and retail trade' are projected to contract, in line with the overall expected tourism performance. Conversely, Public sector activities are projected to record solid growth in 2026. The ICT sector is anticipated to maintain its expansion, with growth of about 10 per cent in 2026.

In **2027**, real GDP growth is forecasted at 4.1 per cent. This outlook is largely based on the recovery in tourism arrivals with a growth of 7 per cent over 2026. Within manufacturing, the 'Manufacture of fishery products' and 'manufacturing other' sectors are expected to grow by 1.0 and 3.5 per cent respectively. The tourism related sectors namely 'Transportation and storage', 'Accommodation and food services' followed by 'Wholesale and retail' sectors are expected to record positive growth in line with tourism recovery. Public sector activities are projected to record solid growth in 2027 as well. The ICT sector is anticipated to maintain its expansion, with growth of about 8 per cent in 2027 and an average of 5.3 per cent over the medium term.

Overall, real GDP growth is expected to average 3.1 per cent over the ***medium term***, underpinned by a steady trajectory in visitor arrivals and continued development across multiple sectors.

4.2. The Fiscal Sector

The Government is projected to achieve a primary fiscal surplus of 0.1 per cent of GDP in 2026, following revisions to revenue and expenditure forecasts to reflect the assessed economic and fiscal impact of the conflict in the Middle East during the year. Despite upward revisions to several revenue categories, the overall forecast for Revenue and Grants has been revised downwards by SR 182.6 million (1.49 per cent) compared to the original budget. This reduction has been accompanied by an upward revision in total Government expenditure of SR 367.8 million (2.9 per cent), primarily reflecting additional spending measures aimed at mitigating the adverse effects of the conflict and safeguarding economic and social stability.

The combined effect of lower projected revenue and increased expenditure has resulted in a downward revision of the primary fiscal balance from the originally projected surplus of 1.5 per cent of GDP to 0.1 per cent. Nevertheless, the Government's ability to maintain a positive primary balance, despite the challenging economic environment, demonstrates its continued commitment to fiscal discipline while responding to emerging economic pressures. Over the medium term, the Government aims to maintain a primary fiscal surplus of approximately 0.5 per cent of GDP, consistent with its commitment to fiscal sustainability and prudent public financial management.

Although the International Monetary Fund (IMF)-supported programme concludes in 2026, the Government remains committed to maintaining strong fiscal oversight, expenditure discipline and sound economic management to safeguard fiscal sustainability and strengthen economic resilience. In parallel, the Government is exploring opportunities for additional budget support arrangements with development partners to address potential financing gaps and support the implementation of its medium-term fiscal and development priorities. The economic implications of the Middle East conflict have also necessitated a modest adjustment to the timeframe for reducing the public debt-to-GDP ratio to 50 per cent. Notwithstanding this adjustment, the Government remains committed to placing public debt on a sustainable trajectory while balancing the objectives of fiscal consolidation, economic resilience and the continued delivery of essential public services.

4.3. The Monetary Sector

As of May 2026, there was an increase in the average prices of goods and services, which primarily reflected the pass-through from higher international fuel prices to the domestic market. In August 2026, the year-on-year inflation rate was 0.9 per cent, whilst the 12-month average inflation rate stood at 0.3 per cent. With regards to the domestic price outlook, the year-on-year and 12-month average rate of inflation are forecasted to be 1.3per cent and 2.3per cent, correspondingly, in December 2027.

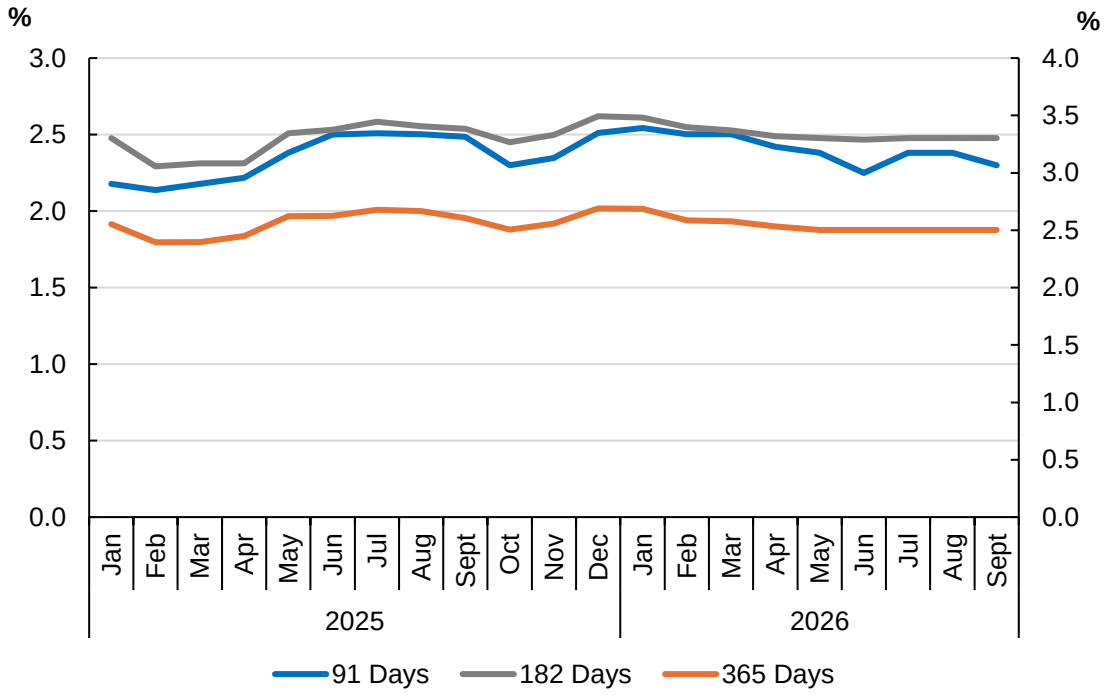
The Central Bank of Seychelles (CBS) maintained an accommodative monetary policy stance throughout 2026. As such, the Monetary Policy Rate was maintained at 1.75per cent, while the interest rate on the Standing Deposit Facility and Standing Credit Facility stood at 0.25per cent and 3.25per Ministry of Finance, Economic Planning, Trade and Investment

cent, respectively. As for the yield on the 7-day Deposit Auction Arrangement, this stood at 1.75per cent as at end-October 2026. Furthermore, the Minimum Reserve Requirement (MRR) on applicable rupee-denominated deposits remained unchanged at 10per cent throughout 2026. Looking ahead, significant external risks remain, notably the intensification of geopolitical conflicts alongside uncertainty surrounding global trade policies. Mindful of the prevailing uncertainties, the Bank will continue to implement policies that are consistent with achieving its objectives over the medium term.

In year-on-year terms, the yield on rupee-denominated savings deposits remained relatively unchanged at 1.40per cent in August 2026, whilst the average lending rate on local currency loans declined by 17 basis points to stand at 9.64per cent. Over the same period, the interest rate on foreign currency-denominated loans rose by 1.2 basis points. As for the average yield on government securities, there was a general decline observed since May 2026, consistent with the lower volume of issuance. As at September 2026, the interest rate on the 91-day, 182-day and 365-day Treasury bills stood at 2.30per cent, 2.48per cent and 2.50per cent, respectively.

Figure 5 below demonstrates the trend of T-bills average yield from January 2025 to September 2026. On average during 2025, the return on T-bills fluctuated around 2.4per cent on the 91-day bills, 2.5per cent on the 182-day bills and 2.6per cent on the 365-day bills. From January to September 2026, the average yield on T-bills remained relatively unchanged for the 91-day and 182-day maturities, whilst there was a marginal decline to 2.5per cent for the 365-day bills.

Figure 5: Interest Rate on T-bills



Source: Central Bank of Seychelles

Growth in the domestic economy will continue to be underpinned by the tourism, fisheries, and information and communication sectors. As for developments in the foreign exchange market, supply is expected to remain closely linked to the performance of the tourism sector, while demand will be influenced by elevated international commodity prices and positive domestic economic activity. Taking into consideration the developments in the aforementioned factors, inflation is forecasted to gradually increase in the local economy in 2027. Nevertheless, as a net importer, the domestic economy remains susceptible to external developments. Therefore, factors such as a further escalation in geopolitical conflicts, foreign policy developments as well as negative supply shocks associated with adverse weather events continue to pose upside risks to the inflation outlook. Mindful of these realities and risks, appropriate policy alignment may help address the challenges ahead and ensure macroeconomic stability.

4.4. The External Sector

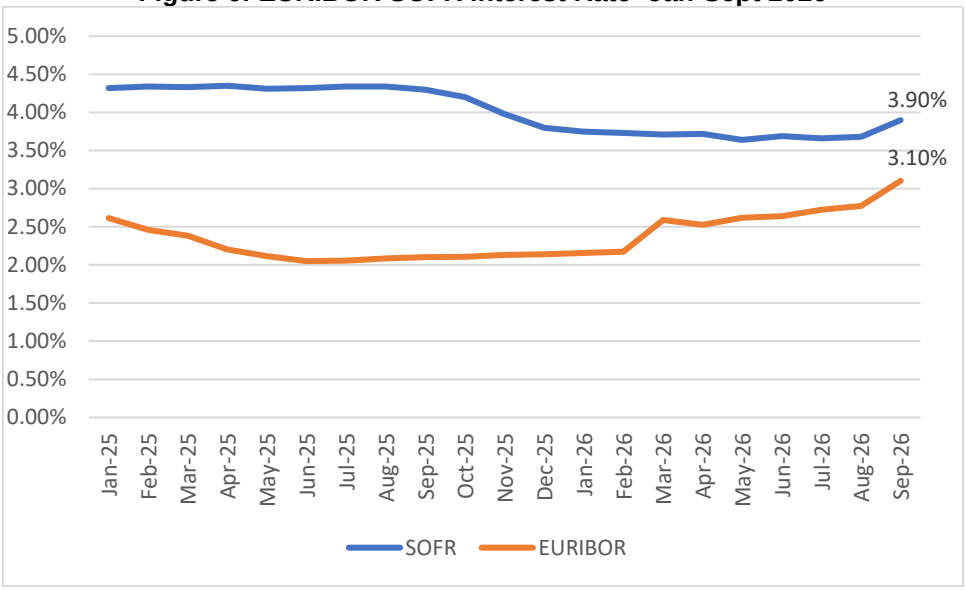
With regards to the country's transactions with the rest of the world, preliminary Balance of Payments estimates indicate a widening of the current account deficit to 7.2 per cent of GDP, from 5.8 per cent in 2025. This primarily reflects an increase in the value of imports of goods and services. Additionally, services exports are anticipated to rise by a smaller magnitude consistent with the moderate growth in tourism sector earnings when compared to the previous years. As for the Gross International Reserves (GIR), this stood at US$891 million as at end-September 2026. This outcome was an increase of 1.5 per cent from the end-2025 reserves position of US$878 million. The rise in the GIR was driven by inflows for budget support, as well as purchases from the market, whereby CBS accumulated US$12 million during the first two months of 2026, through its Foreign Exchange Auctions.

Reference Interest Rate

In January 2022, the new reference rate, SOFR, was introduced in order to replace the previously used USD rate. The SOFR rate remained broadly stable from January to October 2025, before declining steadily by approximately 1 per cent, from 4.20per cent to 3.64per cent as at the end of May 2026. This movement was mainly driven by lower Federal Reserve policy rates, resulting in a reduction in the general level of short-term interest rates as well as an improvement in liquidity and easing pressure in the US repo market. Thereafter, the rate remained at a stable trend after the second quarter of 2026.

Furthermore, as illustrated in Figure 6, the EURIBOR rate declined by approximately 1 per cent between the periods of January and June 2025. This decline was primarily caused by the European Central Bank (ECB) progressively reducing interest rates four times, by 25 basis points each time as a response to falling inflation and a weakening economic outlook in the euro area. The rate continued to increase at a steady pace, with a sudden rise between February 2026 to March 2026, from 2.17per cent to 2.59per cent respectively, which was as a result of geopolitical tensions in the Middle East, particularly the conflict involving Iran.

Figure 6: EURIBOR SOFR Interest Rate- Jan-Sept 2026

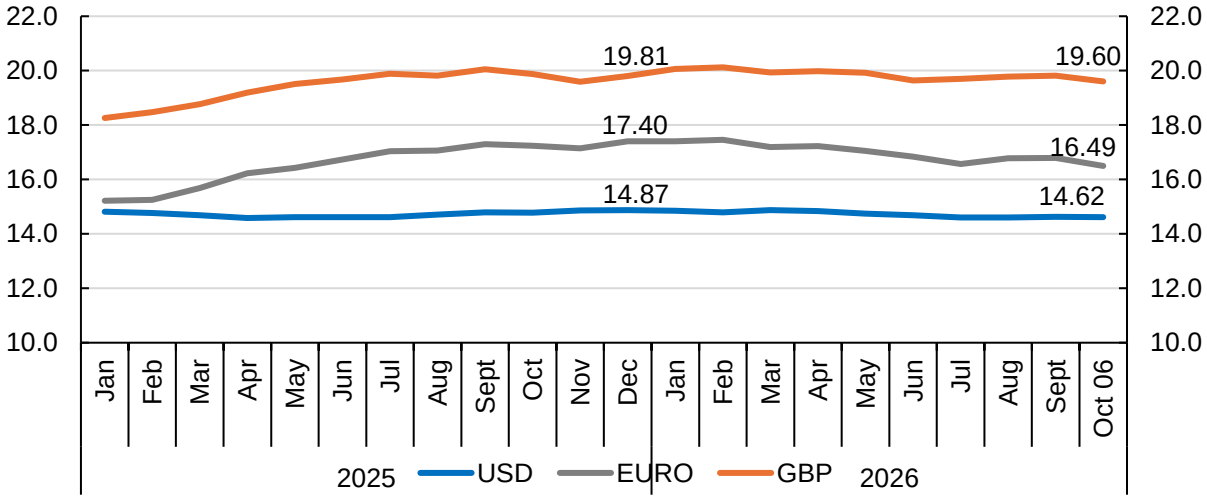


Source: Global Rates

Foreign exchange

With regards to the developments in the foreign exchange market, there was a year-on-year increase in both the supply of and demand for foreign currency. In terms of the value of the domestic currency, it depreciated against the major traded currencies for the most part of the year. In year-to-date terms, as at October 06, 2026, the Seychelles rupee traded at a rate of 14.73 against the US dollar (USD) which was a year-on-year depreciation of 4.0 cents (0.3 per cent). Over the same period, the local currency weakened vis-à-vis the Euro (EUR) and British pound (GBP), trading at an average of 17.01 and 19.88, correspondingly. From October 01 to October 06, 2026, the Seychelles rupee traded at an average of 14.62, 16.49 and 19.60 relative to the USD, EUR and GBP, respectively.

Figure 7: Foreign exchange rates- Jan 2025- Oct 2026



Source: Central Bank of Seychelles

The Debt Management Strategy Framework

5.1. Debt Management Strategy 2027-2029

This section examines various strategies to support the Government in making well-informed medium term debt management decisions. To ensure debt sustainability, the Government must adopt an approach that is both cost-effective and minimises risks. Accordingly, four viable financing options were assessed under baseline macroeconomic assumptions for 2027–2029, as well as under shock scenarios, to identify the most appropriate debt management strategy based on cost and risk considerations. The 2027–2029 MTDS will serve as a guide for Government borrowing and aims to achieve a balanced debt portfolio with an optimal mix of cost and risk.

The Debt Management Strategies for the Seychelles debt portfolio have been guided by the following choices;

- Concessional / semi-concessional / bilateral/ commercial
- External versus domestic financing
- Currency composition
- Short- and long-term maturities
- Variable and fixed rate debt

5.1.1. Alternative Strategies

In the following section, four viable financing strategies are assessed to address the Government's financing requirements. The analysis focuses on strategies that are feasible within the existing availability of external concessional and semi-concessional financing, while also considering the scope for accessing domestic and international market borrowing. Each strategy represents a different mix of borrowing instruments to meet the Gross Financing Needs (GFN) over the MTDS horizon for 2027–29. The composition of borrowing under each strategy varies in terms of the relative shares of multilateral, bilateral and international capital market external financing, as well as domestic financing through T-bills and T-bonds of varying maturities. Since each strategy fully meets the annual GFN without pre-funding, over-borrowing or drawing down financial assets, a stable end-year cash balance is implicitly maintained from end-2026 to end-2029.

Government guarantees are not taken into consideration in this analysis.

Strategy 1 (S1) - *Greater Reliance on Concessional External Borrowing*

Under the Status Quo strategy, the Government would maintain its existing financing approach, relying primarily on external financing through budget support and project loans. External financing is projected to account for approximately 22per cent of total gross financing in 2027, rising to 54per cent in 2028, reflecting higher budget support and project disbursements, and remaining at around 55per cent from 2029 onwards. The balance would be financed domestically through Treasury bills and Treasury bonds with maturities of five and seven years, with potential issuance of ten-year bonds subject to market appetite. While this strategy maintains continuity in the Government's borrowing practices and supports development expenditure, the high share of external financing exposes the debt portfolio to exchange rate and external financing risks. Continued reliance on Treasury bills also requires careful management of refinancing risks and domestic liquidity.

Strategy 2 (S2) - *Balanced Domestic and External Financing*

This strategy seeks to achieve a more balanced financing mix by allocating 50per cent of total gross financing to external sources and 50per cent to domestic borrowing throughout the strategy period. External financing would be diversified across concessional and semi-concessional loans, incorporating both fixed and floating interest rate arrangements. This approach aims to maintain access to external resources while broadening the range of available financing instruments. Domestic financing would be sourced through a combination of Treasury bills and Treasury bonds. Treasury bills would account for approximately 50per cent of total gross financing, while the remaining domestic borrowing would be allocated across five-year, seven-year and ten-year government bonds. This structure provides a balance between short-term financing flexibility and longer-term funding. While the strategy diversifies financing sources, external borrowing still exposes the Government to exchange rate and interest rate risks. Continued reliance on Treasury bills also requires careful management of refinancing risks.

Strategy 3 (S3) - *International Sovereign Bond Issuance*

Strategy 3 aims to diversify financing sources by introducing sovereign bond issuance in international capital markets, while reducing reliance on traditional external loans. External financing would account for 30per cent of total gross financing, with the remaining 70per cent sourced from the domestic market. External financing would comprise a mix of concessional and semi-concessional loans. Domestic financing would be raised through a combination of Treasury bills, representing approximately 50per cent of total gross financing, and fixed-rate government bonds with maturities of 5, 7 and 10 years. The strategy offers an opportunity to diversify the investor base and access international capital markets. However, sovereign bond issuance may involve higher borrowing costs and expose the Government to exchange rate and refinancing risks. Careful consideration of market conditions, pricing and currency denomination would therefore be essential.

Strategy 4 (S4) - *Greater focus on domestic market development towards shorter maturities*

Strategy 4 places greater emphasis on domestic borrowing, with external financing accounting for 20per cent of total gross financing and domestic sources providing the remaining 80per cent. External financing would comprise a mix of concessional, semi-concessional. Domestic financing would comprise Treasury bills, accounting for approximately 60 per cent of total gross domestic financing, and Treasury bonds, accounting for the remaining 40 per cent. This strategy aims to strengthen the domestic debt market and reduce foreign exchange exposure. However, greater reliance on domestic borrowing may put pressure on market liquidity, increase borrowing costs and raise refinancing risks, particularly due to the higher share of Treasury bills.

5.1.2. Analysis of the Alternative Strategies

Cost-risk indicators

The table below presents the risk indicators associated with the different proposed strategies. The MTDS exercise points to a reduction in public debt burden across all strategies under the baseline scenario in-line with the objectives of Government's debt strategy. The debt-GDP ratio is expected to decline over the end-2026 level by an average of almost 9.1 percentage point of GDP to a level of around 43.4 per cent of GDP at the end of 2029 across all strategies[1]. **It is worth emphasizing that this analysis does not take into consideration any guarantees in the baseline analysis**. With Guarantees and taking into account future disbursement from 2027-2029 the debt to GDP ratio is forecasted to approximately *51.2 per cent* of GDP by the end of 2029.

Assessing the cost and risk indicators, all four strategies show a broadly similar implied portfolio interest rate of 4.2 per cent by the end of 2029. This reflects the continued reliance on concessional and semi-concessional financing, which generally carries more favourable borrowing terms than market-based borrowing. Interest payments are also expected to decline from 2.2 per cent of GDP in 2026 to 1.9 per cent by the end of 2029 under all strategies.

In terms of refinancing risk, S1 performs relatively better, recording the lowest share of debt maturing within one year at 9.3 per cent of total debt. This compares with 11.4 per cent under both S2 and S3, and 14.1 per cent under S4. Similarly, debt maturing within one year as a percentage of GDP is lowest under S1 at 4.0 per cent, compared to 5.0 per cent under S2 and S3, and 6.1 per cent under S4. The higher refinancing exposure under S4 is mainly attributable to its greater reliance on short-term domestic borrowing instruments, particularly Treasury bills, which account for 17.9 per cent of total debt compared to 13.1 per cent under S1 and 15.2 per cent under S2 and S3. Nevertheless, the Average Time to Maturity (ATM) of the total debt portfolio is projected to increase from 6.6 years in 2026 to 7.9

[1] It is important to note that this takes into consideration the interest rate and exchange rate shocks considered in the exercise. This is explained further in the next section.

years by the end of 2029 across all strategies, indicating an improvement in the overall maturity profile. This is primarily driven by the significant extension of the maturity profile of domestic debt, whose ATM is expected to increase from 2.6 years to 8.1 years. In contrast, the ATM of external debt is projected to decline from 8.3 years to 6.8 years over the same period.

Regarding interest rate risk, the Average Time to Refixing (ATR) is projected to increase from 2.4 years in 2026 to between 6.9 and 7.1 years by the end of 2029. S4 records the longest ATR at 7.1 years, followed by S2 and S3 at 7.0 years, while S1 records 6.9 years. This indicates that the debt portfolio will become less exposed to changes in interest rates in the short term, as a greater proportion of the debt will have longer periods before interest rates are reset. The proportion of debt subject to interest rate refixing within one year is also expected to decline from 58.7 per cent in 2026 to 46.0 per cent under S1, 48.1 per cent under S2, 48.0 per cent under S3 and 50.7 per cent under S4 by the end of 2029. Furthermore, the share of fixed-rate debt, including Treasury bills, is projected to increase from 53.0 per cent in 2026 to approximately 61.1–61.2 per cent across all strategies. These developments suggest an improvement in the portfolio's resilience to interest rate fluctuations, although S1 records the lowest proportion of debt subject to refixing within one year.

Foreign exchange risk is also expected to decline under all four strategies. The share of foreign currency-denominated debt in total debt is projected to decrease from 68.7 per cent in 2026 to 55.8 per cent by the end of 2029 under all strategies. This reflects the anticipated reduction in the relative share of external debt in the overall portfolio, alongside an increase in the share of domestic borrowing. Similarly, short-term foreign currency debt as a percentage of international reserves is expected to decline from 5.5 per cent to 5.0 per cent across all strategies. These developments indicate a gradual reduction in the Government's exposure to exchange rate fluctuations and related external vulnerabilities.

Table 15: Cost Risk Analysis of Strategies as at end of 2029

RISK INDICATORS		2026	As at end FY 2029			
		Current	S1	S2	S3	S4
Nominal debt as per cent of GDP		52.5	43.5	43.5	43.4	43.4
Present value debt as per cent of GDP		49.9	41.8	41.8	41.8	41.8
Interest payment as per cent of GDP		2.2	1.9	1.9	1.9	1.9
Implied interest rate (%)		4.2	4.2	4.2	4.2	4.2
Refinancing risk	Debt maturing in 1yr (per cent of total)	13.4	9.32	11.42	11.43	14.10
	Debt maturing in 1yr (% of GDP)	6.8	4.0	5.0	5.0	6.1
	ATM External Portfolio (years)	8.3	6.8	6.8	6.8	6.8
	ATM Domestic Portfolio (years)	2.6	8.1	8.1	8.1	8.1
	ATM Total Portfolio (years)	6.6	7.9	7.9	7.9	7.9
Interest rate risk	ATR (years)	2.4	6.9	7.0	7.0	7.1
	Debt refixing in 1yr (% of total)	58.7	46.0	48.1	48.0	50.7
	Fixed rate debt incl T-bills (% of total)	53.0	61.2	61.1	61.2	61.2
	T-bills (per cent of total)	2.3	13.1	15.2	15.2	17.9
FX risk	FX debt as % of total	68.7	55.8	55.8	55.8	55.8
	ST FX debt as % of reserves	5.5	5.0	5.0	5.0	5.0

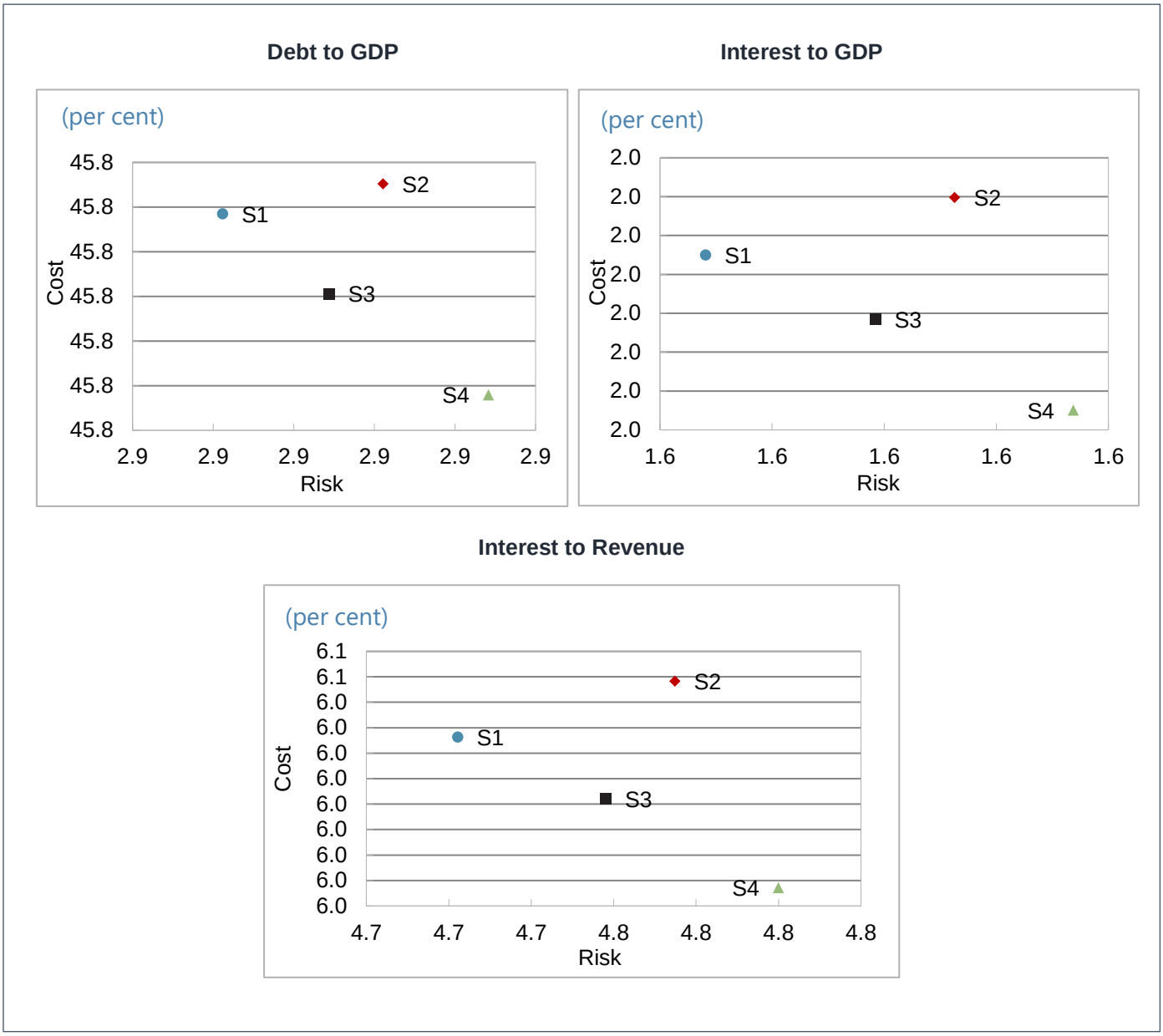
Source: MTDS Tool, Debt Management Division assumptions

Figure 7 presents the cost and risk indicators for the different financing strategies as at the end of 2029. S4 records the most favourable outcomes in terms of the debt-to-GDP ratio, interest payments as a percentage of GDP and interest payments as a percentage of revenue. S3 also performs well across these indicators, followed by S1, while S2 records the highest costs.

Despite its lower borrowing costs, S4 is associated with higher risk exposure compared to the other strategies. S1 offers a more favourable risk profile, particularly in terms of interest rate risk, reflecting its greater reliance on concessional financing. S2 also presents relatively higher exposure to exchange rate and refinancing risks.

Overall, the results highlight the trade-offs between cost and risk across the different strategies. While S4 offers lower projected costs, S1 provides a more favourable risk profile. In the long term, continued fiscal consolidation will remain important in maintaining public debt on a sustainable path.

Figure 7: Cost-Risk Indicators as at the end of 2029



Source: MTDS Tool, Debt Management Division assumptions

Shocks

It is important to note that the MTDS illustrates the impact of some shocks applied on the exchange rate and interest rates to assess the sensitivity of changes in market rates on the debt portfolios that result from implementing the different debt strategies. For the purpose of the analysis two specific shocks are considered throughout the risk analysis. One on the exchange rate and one on the interest rate.

On the **exchange rate**, two shocks are analysed as follows;

- moderate shock; an additional depreciation (on top of the depreciation assumed in the baseline) of 15 per cent in 2026, which is applied in combination with the interest rate shock;
- extreme shock: a depreciation of 30 per cent in 2027.

For the **interest rate** two shocks are also analysed as follows

- moderate shock: it is assumed that there is an increase of external and domestic interest rates of 250 bps over the period 2027-29. This shock will affect external and commercial (variable rate) as well as domestic debt.
- extreme shock (stand-alone): in this shock, the interest rate increase is 500 bps. Finally, it is assumed that given the size of the shock, official external creditors adjust the cost of lending by increasing the concessional rate by 100 bps (on average) for fixed-rate loans to adjust their funding cost based on a sharp market re-pricing.

A combined moderate shock on exchange rate and interest rate was applied to capture the impact on the debt portfolio.

Other considerations

In addition to cost and risk, other factors need to be considered when selecting the preferred debt management strategy. These include the availability of external financing, conditions in the domestic market and the Government's overall financing needs.

As Seychelles is classified as a high-income country, access to concessional financing may become more limited over the medium term. This could make it more difficult for the Government to continue relying heavily on concessional loans, as assumed under S1. Greater use of domestic and market-based external borrowing may therefore be necessary. Furthermore, changes in global interest rates could increase the cost of variable-rate borrowing, including some loans from multilateral creditors. The availability of external financing will also depend on securing firm commitments from development partners and other creditors.

The choice of strategy must also consider the capacity of the domestic market to absorb Government securities. Treasury bills remain important for meeting the liquidity needs of commercial banks and supporting the development of the domestic money market. However, maintaining a high level of short-term borrowing increases refinancing risk. This is reflected in the results, where S4 has the highest proportion of debt maturing within one year, at 14.1 per cent, compared to 9.3 per cent under S1. Government will therefore need to carefully manage the composition and maturity structure of its domestic debt portfolio.

In this regard, the Government will aim to maintain an indicative composition of approximately 40 per cent Treasury bonds and 60 per cent Treasury bills within the domestic debt portfolio. This balance is intended to support the liquidity management needs of commercial banks while encouraging the development of the longer-term domestic debt market. The composition will be monitored regularly, taking into account market absorption capacity, financing requirements and the need to manage refinancing risks.

Increasing the issuance of Treasury bonds could also present challenges, given the limited capacity of the domestic market to absorb longer-term securities. Banks may face limitations in holding these instruments due to their liquidity requirements and the demand for private sector credit. The development of a secondary market for Government securities will therefore be important in supporting regular bond issuance and improving market liquidity.

The Seychelles economy is highly dependent on tourism and remains vulnerable to external shocks. Changes in global economic conditions can affect foreign exchange earnings and place pressure on the exchange rate. In this context, reducing the share of foreign currency-denominated debt remains an important consideration in managing the Government's exposure to exchange rate fluctuations. The MTDS results indicate that all four strategies produce the same level of foreign exchange exposure, with the share of foreign currency-denominated debt projected to stand at 55.8 per cent of total debt by the end of 2029.

The Government must also consider the impact of changes in market conditions on its debt portfolio. The shock analysis therefore assesses the effect of exchange rate depreciation and increases in interest rates, including a combined moderate shock. This will help the Government understand the potential impact of adverse market movements on borrowing costs and debt risks under each strategy.

Strategic Considerations

The Medium-Term Debt Management Strategy (MTDS) provides a framework for guiding the Government's borrowing decisions over the medium term, with the objective of meeting its financing requirements at the lowest possible cost, subject to a prudent level of risk. The analysis of the four financing strategies highlights the trade-offs between borrowing costs, refinancing risk, foreign exchange exposure and the redemption profile of the debt portfolio. The results confirm that no single strategy performs best across all indicators, and that the choice of strategy must take into account both the Government's financing requirements and prevailing domestic and external market conditions.

The assessment indicates that S1 and S2 offer a more favourable refinancing risk profile, while S3 and S4 result in marginally lower foreign exchange exposure. S4 performs more favourably in terms of projected borrowing costs, whereas S1 offers the most favourable redemption profile. Although S3 and S4 provide greater resilience to macroeconomic and fiscal shocks, S3 is associated with higher budgetary and rollover risks. S4 offers a more favourable cost-risk balance over the medium term, but its implementation requires careful management of the higher refinancing risk and consideration of the domestic market's capacity to absorb additional Government securities.

Taking these findings into consideration, S1 is considered a suitable option for 2027, while S4 emerges as a potential strategy for the medium term (2028–2029). The continued use of S1 in 2027 would allow the Government to benefit from concessional external financing, subject to the availability of such financing and firm commitments from development partners and creditors. Over the medium term, S4 could provide an alternative approach as access to concessional financing is expected to gradually decline, allowing for greater diversification of funding sources, reduced foreign exchange exposure and further development of the domestic debt market. However, the choice of strategy will remain subject to evolving financing conditions, market developments and the Government's borrowing requirements.

The implementation of S4 would require careful management of the composition and maturity structure of the debt portfolio. The Government would seek to maintain an appropriate balance between domestic and external borrowing, while closely monitoring refinancing and foreign exchange risks. On the domestic front, efforts would focus on establishing a regular Treasury bond issuance programme through the auction mechanism, while maintaining an adequate supply of Treasury bills to support commercial banks' liquidity management needs. An indicative composition of approximately 40 per cent Treasury bonds and 60 per cent Treasury bills would serve as a guide for managing the domestic debt portfolio, subject to prevailing market conditions and investor appetite.

The successful implementation of the MTDS will depend on sustained fiscal discipline, the achievement of the projected primary surpluses and continued economic growth. The Government will strengthen the implementation framework through the publication of an Annual Borrowing Plan and an auction

calendar for Government securities. These measures will enhance transparency and predictability, while supporting effective liquidity management by market participants. Coordination between the Ministry of Finance and the Central Bank will also continue through quarterly meetings of the National Public Debt Management Committee to review financing requirements and agree on the Government's borrowing plan.

The Debt Management Division will regularly monitor the implementation of the strategy and assess developments in borrowing costs, market conditions and the risk profile of the debt portfolio. The strategy will be reviewed as necessary to respond to changes in financing availability, domestic market conditions and the broader macroeconomic environment.

Overall, the MTDS reinforces the Government's commitment to prudent debt management and debt sustainability. Through a balanced financing approach, continued fiscal discipline and the development of the domestic debt market, the Government aims to ensure that its financing needs are met in a sustainable manner while maintaining an appropriate balance between cost and risk over the medium term.

Public Debt to GDP forecast 2027-2029

The table below presents the projected trajectory of the Government's debt-to-GDP ratio over the period 2027–2029. The projections are based on the best information available at the time of publication and reflect the macroeconomic assumptions underpinning the Ministry of Finance, Economic Planning, Trade and Investment's 2027 Budget. They incorporate a range of economic and fiscal parameters and, unlike the MTDS analysis, include Government-guaranteed debt and take into account SDR allocations.

As shown in Table 16, the debt-to-GDP ratio is projected to decline steadily from 55.2 per cent in 2026 to 54.1 per cent in 2027, representing a reduction of 1.1 percentage points. The downward trajectory is expected to continue over the medium term, with the ratio declining further to 52.8 per cent in 2028 and 51.2 per cent in 2029. This projected improvement reflects the combined effects of stronger nominal GDP growth, which expands the economic base relative to the stock of debt, and sustained primary surpluses, which help contain additional borrowing requirements and limit debt accumulation.

Table 16: Debt GDP Forecast 2026-2029[2]

INDICATOR	2026 Est.	2027	2028	2029
Debt to GDP (%)	**55.2**	**53.8**	**52.4**	**51.2**

Source: MoFEPTI, Debt Management Division

The projected downward trajectory is consistent with the Government's medium-term fiscal and debt management objectives, particularly its commitment to reducing the debt-to-GDP ratio to 50 per cent by 2030. Achieving this target will depend on maintaining fiscal discipline, preserving primary surpluses, sustaining economic growth and ensuring that new borrowing remains within prudent limits. Notwithstanding prevailing external risks and uncertainties, the Government remains committed to pursuing a sustainable debt path through prudent fiscal management and a balanced mix of domestic and external financing, guided by the MTDS and careful consideration of the associated cost and risk implications for the debt portfolio.

[2] The numbers are based on the baseline scenario and do not take into considerations the shocks considered under the Debt Management Strategy section

Conclusion

The Medium-Term Debt Management Strategy (MTDS) 2027–2029 provides a framework for managing the Government's debt portfolio over the medium term while ensuring that financing requirements are met at an appropriate cost and level of risk. The strategy recognises the importance of maintaining a sustainable debt position in an environment characterised by changing economic conditions, evolving financing requirements and uncertainty in both domestic and international financial markets.

Achieving the objectives of the strategy will require a balanced approach to borrowing, taking into account the cost, availability and associated risks of different financing sources. The Government will need to carefully manage its exposure to refinancing, interest rate and foreign exchange risks, while ensuring that the structure of the debt portfolio remains consistent with its medium-term objectives. Maintaining access to concessional financing, where available, will also remain important in containing borrowing costs and limiting the accumulation of debt-related risks.

The strategy further highlights the importance of strengthening domestic financing capacity and reducing vulnerabilities arising from excessive reliance on any single source of funding. As financing conditions evolve, borrowing decisions will need to remain flexible and responsive to changes in market conditions, fiscal performance and the Government's financing needs. This will be particularly important in ensuring that the debt portfolio remains manageable and that future debt service obligations do not place undue pressure on public finances.

Ultimately, the success of the MTDS 2027–2029 will depend on the Government's continued commitment to prudent fiscal and debt management. Consistent implementation, regular assessment of the debt portfolio and timely adjustments to borrowing decisions will be essential to achieving the strategy's objectives. Through this approach, the Government aims to strengthen the resilience of its debt portfolio, preserve fiscal space and support long-term public debt sustainability.

FY 2027

Annual Borrowing Plan

MINISTRY OF FINANCE, ECONOMIC PLANNING, TRADE AND INVESTMENT

DEBT MANAGEMENT DIVISION

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Introduction

The 2027 Annual Borrowing Plan (ABP) is prepared under Section 29 of the Public Debt Management Act, which requires the Debt Management Division of the Ministry of Finance to develop and publish an Annual Borrowing Plan. The plan sets out how the Government's financing requirements will be met in the 2027 budget year. It is consistent with the targets and benchmark indicators of the 2027-29 Medium-Term Debt Management Strategy (MTDS) and rests on the macroeconomic and fiscal frameworks of the 2027 Budget. While the MTDS defines the appropriate mix of debt instruments over the medium term, the Annual Borrowing Plan puts this guidance into practice by translating annual financing needs into nominal borrowing amounts, taking into account the short-term macroeconomic outlook and prevailing market conditions.

The 2027 plan reflects a shift in the financing mix. With lower external borrowing for budget support, domestic borrowing becomes the Government's main source of financing. Gross domestic issuance of SCR 2,320 million is planned, split 60:40 between Treasury bills and Treasury bonds, resulting in net domestic issuance of SCR 722 million Equivalent to 1.9 per cent of GDP. The plan also covers the projected evolution of external debt, the stock of guarantees, and the risks to the debt portfolio, including refinancing risk from the larger weight of T-bills and the narrow domestic investor base.

By publishing the Annual Borrowing Plan (ABP), the Debt Management Division aims to ensure that financing needs are met on time and at the lowest possible cost, consistent with a prudent degree of risk. Publication also makes Government borrowing more predictable and supports the development of the domestic market. The plan is complemented by quarterly issuance calendars for Government securities, which indicate the planned domestic borrowing operations, the instruments to be issued, and their indicative timing over the fiscal year. For internal monitoring, the Annual Borrowing Plan will also be broken down into quarterly borrowing plans, to be submitted to the Debt Committees for review and approval.

It is crucial to note that the Annual Borrowing Plan has been prepared in consideration of the forecasted financing needs of the Government using the best information available at the time of publication. The estimates are based on a range of economic and other parameters hence the plan may need to be revised.

Economic Outlook

Real GDP growth is projected to slow to 1.0 per cent in 2026, reflecting weaker tourism performance, with visitor arrivals expected to decline by 6 per cent to 374,911 compared to 2025, partly due to disruptions associated with the Middle East conflict. This is expected to weigh on tourism-dependent sectors, particularly accommodation and food services, transportation and storage, wholesale and retail trade, and the manufacture of fishery products. Nevertheless, public sector activities are projected to maintain solid growth, while the ICT sector is expected to expand by approximately 10 per cent. In 2027, economic growth is forecast to rebound to 4.1 per cent, supported by an anticipated 7 per cent recovery in visitor arrivals, which is expected to drive improved performance across tourism-related sectors. The manufacture of fishery products and other manufacturing activities are projected to grow by 1.0 per cent and 3.5 per cent, respectively, while the ICT sector is expected to expand by 8 per cent. Overall, real GDP growth is projected to average approximately 3.1 per cent over the medium term, underpinned by the recovery in tourism and continued expansion across key economic sectors.

On the external front, the current account deficit, including official transfers, is projected at USD 170 million in 2026, reflecting the country's external financing requirements. The deficit is expected to narrow to USD 154 million in 2027 before stabilising at around USD 160 million over the remainder of the projection period. Gross official reserves are projected at USD 902 million in 2026, equivalent to 3.8 months of imports, increasing to approximately USD 958 million in 2027. This projected accumulation of reserves provides an important buffer against external shocks, although the country's high dependence on imported goods and tourism-related foreign exchange earnings continues to expose the economy to external vulnerabilities. Inflation, as measured by the annual average Consumer Price Index is projected at 0.8 per cent in 2026 before increasing to 2.3 per cent in 2027 and gradually rising over the medium term.

The fiscal outlook indicates a gradual improvement in the Government's overall balance over the medium term. Total revenue and grants are projected at 34.6 per cent of GDP in 2026 and are expected to remain broadly stable, reaching 33.7 per cent by 2029. Expenditure and net lending are projected to decline from 37.0 per cent of GDP in 2026 to 34.6 per cent in 2029. Consequently, the overall fiscal deficit is expected to narrow from 2.3 per cent of GDP in 2026 to 1.7 per cent in 2027, before declining further to 1.3 per cent in 2028 and 0.9 per cent in 2029. The primary balance, including grants and measured on an accrual basis, is projected to remain in surplus at 0.1 per cent of GDP in 2026 and strengthen to 0.5 per cent from 2027 onwards. Maintaining these primary surpluses will be critical to supporting fiscal consolidation, containing public financing requirements and ensuring that public debt remains on a sustainable downward trajectory. Nevertheless, external uncertainties and potential shocks to tourism and economic activity continue to pose risks to the fiscal outlook.

The table below provides a snapshot of the economic outlook.

Table 1: Selected Economic Indicators

Description	2026 EOY	2027 Est.	2028 Est.	2029 Est.
National income and prices				
Nominal GDP (millions of Seychelles rupees)	34,932	37,202	39,314	41,589
Real GDP growth	1.0	4.1	3.2	3.1
CPI (annual average)	0.8	2.3	2.5	3.0
Government Budget (% GDP)				
Total revenue, including grants	34.7	34.6	34.3	33.7
Expenditure and net lending	37.0	36.3	35.6	34.6
Overall balance	-2.3	-1.7	-1.3	-0.9
Primary balance (accrual basis), including grants	0.1	0.5	0.5	0.5
External sector (USD'm, unless otherwise indicated)				
Current account balance including official transfers	-170	-154	-164	-159
Gross official reserves (USD'm)	902	958	964	994
In months of imports, c.i.f.	3.8	3.8	3.7	3.7
Total debt outstanding (% of GDP)	**55.2**	**53.8**	**52.4**	**51.2**
Total debt outstanding (SR'm)	19,274	20,008	20,597	21,290
Domestic debt (% of GDP)	24.8	25.2	24.1	24.8
External debt (% of GDP)	30.4	28.6	28.3	26.4

Source: MoFEPTI, Macroeconomic Working Group.

Borrowing Requirements

Gross and net financing needs are the basis of the ABP: Net Financing Needs (NFN) contain only the primary balance (deficit) and the interest payments; Gross Financing Needs (GFN) also take account of the maturing public debt, which needs refinancing in the given year.

As shown in Table 2, GFN are projected to amount to SCR 4,093 million (about 11.7 per cent of GDP) in 2026, before declining to SCR 2,991 million (8.0 per cent of GDP) in 2027. The projected reduction in GFN mainly reflects a decline in amortization requirements, which are expected to decrease from SCR 3273 million in 2026 to SCR 2,341 million in 2027. This decline is largely driven by lower domestic debt redemptions, consistent with a reduced volume of maturing securities, while external amortization is projected to remain broadly stable over the period.

In addition, Net Financing Needs (NFN) are projected to decline to around 1.7 per cent of GDP over the projection horizon, reflecting continued fiscal consolidation efforts and sustained revenue performance. The primary balance is expected to remain in surplus, strengthening from 0.1 per cent of GDP in 2026 to 0.5 per cent in 2027, and remaining at this level over the medium term. At the same time, domestic interest payments are projected to decline to 0.8 per cent of GDP, mainly due to lower domestic borrowing costs. In contrast, external interest payments are expected to increase by 0.1 per centage points of GDP, reflecting the commencement of interest payments on new external borrowing from 2027 onwards.

The projected decline in GFN points to lower aggregate refinancing requirements in 2027. Nevertheless, the financing profile remains exposed to changes in external disbursement timing and domestic market conditions. The Government will therefore need to coordinate borrowing operations with cash-flow projections and maintain flexibility in the composition and timing of issuance, consistent with the cost-risk objectives of the MTDS.

Table 2: Financing requirements (2026 vs 2027)

Description	SCR' M		% of GDP	
	2026 EOY	2027 EST	2026 EOY	2027 EST
Primary balance	**29**	**168**	**0.1**	**0.5**
Interest payments	**-849**	**-818**	**-2.4**	**-2.2**
o/w Domestic	-407	-297	**-1.2**	**-0.8**
o/w External	-443	-521	**-1.3**	**-1.4**
Net Financing Needs	**-820**	**-650**	**-2.3**	**-1.7**
Amortization	**-3,273**	**-2,341**	**-9.4**	**-6.3**
o/w Domestic	-2,438	-1,598	**-7.0**	**-4.3**
o/w External	-835	-743	**-2.4**	**-2.0**
Gross Financing Needs	**-4,093**	**-2,991**	**-11.7**	**-8.0**

Source: MoFEPTI, Debt Management Division

Financing Plan

As shown in Table 3, the Government's total financing requirement, corresponding to the overall budget deficit, is projected to decline from SCR 820 million (2.3 per cent of GDP) in 2026 to SCR 650 million (1.7 per cent of GDP) in 2027. Despite the lower overall requirement, the financing structure is expected to change significantly, with a shift from net foreign to net domestic financing.

Net foreign financing is projected to decline from SCR 727 million in 2026 to minus SCR 72 million about 0.2 per cent of GDP in 2027. This reflects the anticipated reduction in external loan disbursements relative to external debt repayments. In contrast, net domestic financing is expected to increase from SCR 93 million to SCR 722 million, indicating that domestic borrowing will become the main source of financing in 2027.

Overall, the 2027 financing projections indicate a greater dependence on the domestic debt market to meet the Government's financing requirements, as foreign financing is expected to make a negative net contribution. This will require careful calibration of domestic debt issuance to ensure sufficient market absorption, manage refinancing risks and maintain consistency with the objectives of the Medium-Term Debt Management Strategy.

Table 3: Overall Net financing (2026 vs 2027)

Description	SCR' M		% of GDP	
	2026 EOY	2027 EST	2026 EOY	2027 EST
Total Financing (overall budget deficit)	**820**	**650**	**2.3**	**1.7**
Foreign financing, net	727	-72	**2.1**	**(0.2)**
Domestic financing, net	93	722	**0.3**	**1.9**

Source: MoFEPTI, Debt Management Division

External

In 2027, the Government is projected to record a net decrease in external debt of SCR 72 million, equivalent to about USD 5 million. Total external borrowing is expected to reach SCR 671 million, approximately USD 45 million, while external debt amortization is projected at SCR 743 million. External borrowing during the year will be directed toward financing ongoing development projects and budget support operations. A detailed breakdown of external financing is provided in Table 4, with financing expected to be sourced predominantly from multilateral partners, in line with prevailing borrowing priorities.

Table 4: Foreign Financing in 2027

Description	SCR' M	USD' M
Net Foreign Financing	**-72**	**-5**
Total Borrowings	**671**	**45**
Multilateral	**443**	**30**
IBRD-Budget Support	222	15
IBRD: Youth at Risk Budget Support	74	5
AfDB	**148**	**10**
Bilateral	**0**	**0**
Project Loans	**228**	**15**
Total Amortization	**-743**	**-50**

Source: MoFEPTI, Debt Management Division

Loans

Budget support loans constitute a significant share of total external borrowing in 2027. Of the SCR 671 million in total external borrowings, multilateral creditors account for SCR 443 million, representing around 66 per cent of total external financing. Budget support financing is expected to be provided mainly through new World Bank budget support operations of SCR 296 million, as well as a new budget support loan from the African Development Bank amounting to SCR 148 million. These budget support operations are intended to support fiscal financing needs.

Project Loans

Table 5 presents the projected disbursements under existing and pipeline project loans for 2026 and 2027. Total project loan disbursements are estimated at SCR 3 million in 2026, rising significantly to SCR 228 million in 2027. The projected increase reflects anticipated drawdowns across several externally financed development projects, including two projects financed under the Indian Line of Credit, with projected disbursements of SCR 50 million and SCR 53 million, respectively. Additional drawdowns include SCR 6 million for the Seychelles Resilient Infrastructure Programme and SCR 59 million each for the National Digital AI Strategy and the Seychelles Solid Waste Management Project, both financed by the International Bank for Reconstruction and Development. The substantial increase in projected disbursements reflects the anticipated acceleration of project implementation and the associated external financing requirements in 2027. Actual disbursements will, however, remain dependent on project implementation progress and the fulfilment of relevant loan disbursement conditions.

Table 5: Forecasted Project Loans (2026 vs 2027) – (SCR' M)

Description	2026	2027
Indian Line of Credit	0	50
Other Housing Project	0	53
Seychelles Resilient Infrastructure Program	0	6
National Digital AI Strategy	0	59
Seychelles Solid Waste Management Project	3	59
Total Project Loans	**3**	**228**

Source: MoFEPTI, Debt Management Division

New Guarantees

Table 6 shows that the stock of external debt guarantees is projected to increase from SCR 233 million in 2026 to SCR 335 million in 2027. This increase reflects anticipated disbursements of SCR 106 million, primarily to PUC under the Seychelles Renewable Energy Acceleration Project (REAP), financed through USD 8 million from the Green Climate Fund (GCF) and USD 8 million from International Bank for Reconstruction and Development (IBRD). The project is expected to support the expansion of renewable energy capacity by 25 MW and reduce greenhouse gas emissions by approximately 60,000 tons of CO_2 equivalent. Amortization of SCR 5 million is expected to partly offset the increase in guaranteed liabilities.

Table 6: External Debt Stock Guarantee forecast (2026 vs 2027) – (SCR' M)

DETAILS	2026	2027
Opening Stock	**201**	**233**
Disbursements	41	106
Amortization	-10	-5
Stock of Guarantees	**233**	**335**

Source: MoFEPTI, Debt Management Division

Domestic

Table 7 shows the domestic financing profile for 2026 and 2027. Gross domestic issuance is projected to decline from SCR 2,531 million in 2026 to SCR 2,320 million in 2027. Gross retirements are projected to fall more sharply, from SCR 2,438 million to SCR 1,598 million. The drop is driven mainly by lower Treasury bill redemptions, which fall from SCR 1,200 million to SCR 375 million. Treasury bond maturities are broadly stable at SCR 1,192 million in 2026 and SCR 1,170 million in 2027, while repayments on commercial bank loans remain small at SCR 46 million and SCR 53 million.

As a result, net domestic issuance is projected to rise from SCR 93 million in 2026 to SCR 722 million in 2027. The steeper decline in retirements than in gross issuance implies a shift from broadly neutral net domestic financing to a meaningful net build-up of domestic debt. Over 2027, the Government will therefore raise more through domestic issuance than it redeems, increasing the domestic debt stock and its share in the overall financing mix.[1]

Table 7: Domestic Net financing (2026 vs 2027)

Description	SCR' M		% of GDP	
	2026 EOY	2027 Est.	2026 Est.	2027 Est.
Gross Issuance	**2,531**	**2,320**	**7.2**	**6.2**
Gross Retirements	**-2,438**	**-1,598**	**-7.0**	**-4.3**
**T-Bills*	-1,200	-375	-3.4	-1.0
T-Bonds	-1192	-1170	-3.4	-3.1
Loans from Commercial Banks	-46	-53	-0.1	-0.1
Net Domestic Issuance	**93**	**722**	**0.3**	**1.9**

Source: MoFEPTI, Debt Management Division

** Based on the methodology recommended by the OECD for short-term debt, Gross issuance and redemption data on T-bills during a financial year takes redemptions of T-bills only once into account (based on the stock of opening balance) to avoid multiple counting.*

[1] Note that for the purpose of the ABP, the amortization and issuance of T-bills issued to the CBS is not considered as part of the amortization and new issuance as this will be rolled over.

The proposed 60:40 allocation refers to the composition of planned gross domestic issuance, with 60 per cent allocated to Treasury bills and 40 per cent to Treasury bonds. The higher weighting towards Treasury bills reflects the need to meet short-term financing requirements while supporting domestic market development. This proposed issuance mix differs from the existing domestic debt portfolio, which maintains a higher proportion of Treasury bonds, with an approximate ratio of 3:1 between bonds and bills.

Given that commercial banks represent the core of the domestic investor base, market absorption capacity remains stronger at the short end of the yield curve. Accordingly, the actual distribution between T-bills and T-bonds will remain flexible and demand-driven, allowing issuance volumes to adjust in response to market conditions, investor appetite, and liquidity dynamics, while preserving overall portfolio balance and market stability.

Table 8: Domestic Financing Instruments – (SCR' M)

Instrument	Amortization	Issuance	Net Issuance
Domestic Bonds	-1170	928	-242
Domestic T-bills	-375	1,392	1,017
Domestic Loans	-53	0	-53
	-1598		**722**

Source: MoFEPTI, Debt Management Division

Treasury Bills

T-bills remain the main domestic financing instrument in 2027. The Government will redeem SCR 375 million and issue SCR 1,392 million, for net issuance of SCR 1,017 million. Issuance will continue across the 91-day, 182-day and 365-day tenors, with volumes adjusted to market demand and liquidity conditions to keep the short end of the market stable and predictable.

Treasury Bonds

To lengthen the maturity profile of domestic debt, T-bonds will continue to be issued quarterly by auction. In 2027, SCR 1,170 million of bonds will mature against new issuance of SCR 928 million, for net repayment of SCR 242 million and a lower T-bond stock. Tenors will remain mixed across 5, 7 and 10 years.

T-bond issuance will be supported by measures to improve market liquidity and tradability through ongoing reforms in the Government securities market. In support of secondary market development, the Government, in collaboration with the Central Bank of Seychelles (CBS), developed an operational framework and will launch a six-month pilot retail investor-oriented purchase window. This initiative will

serve as a transitional step toward a full-scale buyback and trading facility for government securities through commercial banks.

In line with its transparency and market communication commitments, the Government will maintain a clear and predictable communication framework:

- Quarterly issuance calendars for T-bills and T-bonds will be published on the websites of the Ministry of Finance and the Central Bank, detailing tenors, auction dates, and settlement schedules.
- Participation guidelines for T-bond tenders will be issued by the Central Bank one week prior to each auction and made publicly available through the Central Bank's website.

Loans

For 2027, the Government does not anticipate undertaking new domestic loans to meet its financing needs. Policy efforts will instead focus on servicing existing debt obligations, with forecasted repayments of SCR 53 million.

New Guarantees

Table 9 summarizes the projected stock of domestic guaranteed debt. In 2027, guaranteed disbursements are projected to increase to SCR 280 million primarily to support the Development Bank of Seychelles and the Housing Finance Company based on a previously issued guarantee, while amortization is expected to rise significantly to SCR 298 million. Consequently, the stock of domestic guarantees is projected to decline marginally to SCR 813 million by end of 2027. This reflects the expected impact of higher repayments relative to new guaranteed disbursements, indicating a modest reduction in the Government's exposure to domestic contingent liabilities.

Table 9: Domestic Debt Stock Guarantee forecast (2026 vs 2027) – (SCR' M)

DETAILS	2026 EOY	2027 EST
Opening Stock	**697**	**831**
Disbursements	250	280
Amortization	-116	-298
Stock of Guarantees	**831**	**813**

Source: MoFEPTI, Debt Management Division

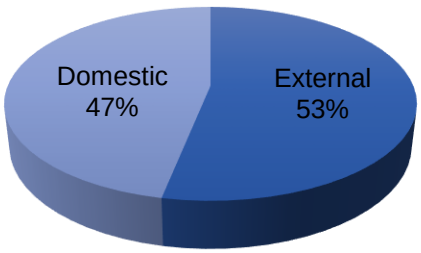
Debt stock composition

Based on Table 10 and Figure 1, the total public debt stock for 2026 is projected at SCR 19,274 million, equivalent to 55.2 per cent of GDP[2]. The debt portfolio comprises both external and domestic debt, with external debt amounting to SCR 10,607 million, equivalent to 30.4 per cent of GDP, while domestic debt is estimated at SCR 8,667 million, representing 24.8 per cent of GDP. This indicates that external debt accounts for approximately 55 per cent of the total portfolio, while domestic debt represents the remaining 45 per cent. In 2027, total public debt is projected to increase in nominal terms to SCR 20,008 million; however, the debt-to-GDP ratio is expected to decline to 53.8 per cent, reflecting the projected growth in nominal GDP. The composition of the debt portfolio is also expected to shift gradually towards domestic financing, with the external debt-to-GDP ratio declining to 28.6 per cent, while domestic debt increases slightly to 25.2 per cent. This projected shift is consistent with the objective of reducing exposure to exchange rate risks while maintaining a balanced debt portfolio in line with the Medium-Term Debt Management Strategy.

Table 10: Debt stock Breakdown

Description	SR'M		% GDP	
	2026 EOY	2027 EST.	2026 EOY	2027 EST.
External	10,607	10,636	30.4	28.6
Domestic	8,667	9,372	24.8	25.2
Total Debt	19,274	20,008	55.2	53.8

Figure 1: Debt stock composition-2027



Source: MoFEPTI, Debt Management Division

The debt stock is denominated mainly in four currencies: the Seychelles rupee, the US dollar, Special Drawing Rights, and the euro. In 2026, the higher level of external borrowing raises the share of foreign-currency obligations in the portfolio and, with it, exposure to exchange rate risk. The overall risk profile remains manageable, given the concessional nature of most external borrowing and prudent debt management. Exposure should ease over the medium term as domestic market development reduces reliance on external financing.

[2] Note that the number does not take into account the SDR allocations.

Table 11 shows that the external debt stock is projected to remain broadly unchanged, at SCR 10,607 million in 2026 and SCR 10,636 million in 2027 representing an increase of 0.3 per cent. The composition shifts further toward multilateral creditors. Multilateral debt, mainly owed to the IMF, the World Bank, and the African Development Bank, is projected to rise by 3.1 per cent. Bilateral debt falls by 27.0 per cent, from SCR 660 million to SCR 482 million. Debt owed to commercial banks declined by 36.8 percent to SCR 38 million, while debt owed to the private creditor decreased by 50.2 percent to SCR 73 million. These declines reflect continued amortisation and the absence of new non-concessional borrowing, contributing to a reduction in exposure to commercial and market-based financing risks.

Table 11: External Debt stock Breakdown – (SCR' M)

Description	2026 EOY	2027 EST.	% Diff
Multilateral	**9,739**	**10,042**	**3.1**
Bilateral	**660**	**482**	**-27.0**
Commercial Bank	**60**	**38**	**-36.8**
Private	**147**	**73**	**-50.2**
Total	**10,607**	**10,636**	**0.3**

Source: MoFEPTI, Debt Management Division

In 2027, Government securities remain the dominant component of domestic debt, making up about 87.5 per cent of the total stock. Within the securities portfolio, Treasury bonds hold the largest share at 58 per cent, followed by Treasury bills at 41 per cent, with deposits making up the remaining 1 per cent. Loans from commercial banks, including guaranteed debt, represent roughly 9 per cent of the stock, and other debt liabilities a marginal 3.3 per cent. By the end of 2027, the total domestic debt stock is projected to reach SCR 9,372 million, an increase of SCR 705 million, or 8.1 per cent, over the end-2026 level.[3]

Table 12: Domestic Debt stock Breakdown – (SCR' M)

Description	2026 EOY	2027 EST.	% Diff
Loans	**929**	**858**	**-7.6**
Securities *of which;*	**7,426**	**8,201**	**10.4**
Treasury Bills	2,364	*3,381*	**43.0**
Treasury Bonds	5,015	*4,773*	**-4.8**
Deposits	47	*47*	**0.0**
Other Debt Liabilities	**312**	**312**	**0.0**
Total Debt	**8,667**	**9,372**	**8.1**

Source: MoFEPTI, Debt Management Division

[3] This include new guarantees and also new securities that was issued in 2026 and will mature in 2027 and does not take into account the SDR allocations

Conclusion

The 2027 borrowing programme entails a greater reliance on domestic financing to meet the Government's budgetary requirements, reflecting the lower availability of external budget support financing. The planned domestic issuance of SCR 2,320 million, comprising Treasury bills and Treasury bonds, will need to be implemented in a manner that balances the Government's financing requirements with the absorption capacity of the domestic securities market. While external budget support financing, excluding certain bilateral loans, is generally associated with a relatively high degree of disbursement certainty, domestic financing is more sensitive to changes in market liquidity, investor appetite and prevailing interest rate conditions. Consequently, the successful execution of the borrowing programme will depend on the Government's ability to mobilise the planned resources while maintaining orderly market conditions.

The composition of domestic issuance presents both financing opportunities and portfolio management challenges. The greater weighting towards Treasury bills is expected to increase their share in the domestic debt stock from 27.3 per cent to 36.1 per cent, thereby increasing the Government's exposure to rollover and refinancing risks. Managing this exposure will require careful alignment of issuance with projected cash-flow requirements, while maintaining an appropriate balance between short-term and longer-term instruments. The implementation of the Treasury bond programme will also depend on sustained demand for medium- and long-term Government securities. Although commercial banks remain the principal investors in the domestic market, their capacity to absorb additional Government securities may be affected by changes in banking sector liquidity, interest rate conditions and competing private-sector credit demand. Continued engagement with market participants, supported by clear communication of issuance intentions and advance auction information, will therefore be important in facilitating investor participation and supporting market absorption.

To strengthen implementation and oversight, the annual borrowing programme will be disaggregated into quarterly borrowing plans for submission to the Debt Committees for review and approval. This will provide a basis for monitoring borrowing performance against approved targets, assessing emerging financing pressures and identifying the need for adjustments in response to changes in financing requirements or market conditions.

In addition, the implementation of the external borrowing programme will depend on the timely disbursement of committed financing and the progress of externally funded projects. The Government will also continue to monitor contingent liabilities arising from domestic and external guarantees, given their

potential implications for public debt and future financing requirements. Regular monitoring of these exposures will be important in maintaining a prudent debt position and safeguarding fiscal sustainability.

Overall, the implementation of the 2027 Annual Borrowing Plan will be guided by the Government's objective of meeting its financing requirements in a timely and cost-effective manner, while containing exposure to refinancing and other portfolio risks. Maintaining consistency between annual borrowing operations and the strategic cost-risk objectives of the MTDS will remain central to ensuring prudent debt management and supporting the sustainability of the public debt portfolio over the medium term.

SECTION 5

Medium- Term Financial Strategy
of
Public Enterprises 2026-2028

MEDIUM TERM FINANCIAL STRATEGY (MTFS)

PUBLIC ENTERPRISES OF THE REPUBLIC OF SEYCHELLES

2027-2029

Compiled by Public Enterprise Monitoring Commission

PUBLIC ENTERPRISE MONITORING COMMISSION

MEDIUM TERM FINANCIAL STRATEGY (MTFS)

PUBLIC ENTERPRISES OF THE REPUBLIC OF SEYCHELLES

2027-2029

Compiled by Public Enterprise Monitoring Commission

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Abbreviation / Acronym	Full Term
ADB	African Development Bank
ADFD	Abu Dhabi Fund for Development
AFD	Agence Française de Développement
AFS	Audited Financial Statements
AML/CFT	Anti-Money Laundering and Countering the Financing of Terrorism
BCP	Business Continuity Plan
BDR	Bois de Rose Investment Limited
BESS	Battery Energy Storage System
BOD	Board of Directors
CAPEX	Capital Expenditure
CBS	Central Bank of Seychelles
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CF	Cash Flow
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
DBFOMT	Design, Build, Finance, Operate, Maintain and Transfer
DBS	Development Bank of Seychelles
EEZ	Exclusive Economic Zone
EIB	European Investment Bank
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
ECL	Expected Credit Loss
EPC	Engineering, Procurement and Construction
ERP	Enterprise Resource Planning
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
ESG	Environmental, Social and Governance
EUR	Euro
FAO	Food and Agriculture Organization of the United Nations
FATF	Financial Action Task Force
FSA	Financial Services Authority
FY	Financial Year
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environment Facility
GOS	Government of Seychelles
HM	Air Seychelles Limited (airline designator)
HR	Human Resources
IATA	International Air Transport Association
IBRD	International Bank for Reconstruction and Development
ICAO	International Civil Aviation Organization
ICT	Information and Communication Technology
IDC	Island Development Company Group Limited
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IOTC	Indian Ocean Tuna Commission
IT	Information Technology
KPI	Key Performance Indicator
LUE	L'Union Estate Company Limited
MARPOL	International Convention for the Prevention of Pollution from Ships
MoF	Ministry of Finance, Economic Planning, Trade and Investment
MOU	Memorandum of Understanding
MTFS	Medium-Term Financial Strategy
MW	Megawatt

NDC	Nationally Determined Contribution
NDS	National Development Strategy
NISA	National Information Services Agency
OPEX	Operating Expenditure
P&L	Profit and Loss
PE	Public Enterprise
PDE	Paradis des Enfants Limited
PEMC	Public Enterprise Monitoring Commission
PESTEL	Political, Economic, Social, Technological, Environmental and Legal
PIT	Personal Income Tax
PMC	Property Management Corporation
PPE	Property, Plant and Equipment
PUC	Public Utilities Corporation
PV	Photovoltaic
PVMIS	Port Victoria Management Information System
ROI	Return on Investment
SAA	Seychelles Airports Authority
SAHC	Seychelles Aviation Handling Company Limited
SCAA	Seychelles Civil Aviation Authority
SCR	Seychelles Rupee
SDG	Sustainable Development Goal
SEYPEC	Seychelles Petroleum Company Group Limited
SFA	Seychelles Fisheries Authority
SPA	Seychelles Ports Authority
SPGA	Seychelles Parks and Gardens Authority
SPF	Seychelles Pension Fund
SPS	Seychelles Postal Services
SPTC	Seychelles Public Transport Corporation
SSIL	Société Seychelloise D'Investissement Limited
STC	Seychelles Trading Company Limited
TBD	To Be Determined
UNDP	United Nations Development Programme
UPU	Universal Postal Union
US-OTA	United States Office of Technical Assistance
USD	United States Dollar
VAT	Value Added Tax
WIP	Work in Progress

1 MEDIUM TERM FINANCIAL STRATEGY (MTFS)

A. MTFS as a Statutory Planning and Accountability Framework

The Medium-Term Financial Strategy (MTFS) provides a structured framework through which public enterprises (PEs) translate their strategic and operational objectives into coherent financial plans for the period 2027–2029. It brings together projected financial performance, cash flows, capital investment, financing requirements and key performance expectations, providing a structured basis for assessing the affordability, sustainability and deliverability of each enterprise's plans.

The MTFS is prepared within the governance and financial-management framework established under the Public Enterprises Act, 2023. Accordingly, the MTFS supports PEs in demonstrating how their forward plans are aligned with their statutory responsibilities, Government policy objectives and broader national economic and social priorities.

Responsibility for the quality and integrity of each submission rests primarily with each PE. Management is responsible for ensuring the completeness and accuracy of the underlying information, the reasonableness of assumptions and the internal consistency of the financial projections. The Board is responsible for reviewing and approving the MTFS through the applicable governance process and overseeing its implementation.

The Responsible Minister has an important role in ensuring that the enterprise's strategic direction, service commitments and investment priorities are aligned with Government policy and sectoral objectives. As part of the MTFS preparation process, each PE should consult its Responsible Ministry and obtain the ministerial endorsement before submitting its final MTFS to PEMC. The PE's submission should confirm completion of this process and reflect any resulting amendments. This endorsement complements Board approval and does not replace any separate approvals required for Government funding, borrowing, guarantees or individual investment projects.

PEMC reviews submissions to assess their reasonableness, internal consistency and alignment with applicable requirements, and monitors the financial and performance outlook of the sector within its statutory oversight mandate. Management and Boards remain accountable for their projections and the delivery of their plans.

B. The Role of the MTFS in Strategic Financial Planning and National Alignment of Public Enterprises

The MTFS connects enterprise strategy with the resources, financing and implementation capacity required to deliver it. Historical performance and the current financial position provide the starting point for assessing the projected outlook. Strategic objectives should be costed, prioritised and sequences against available funding, operational requirements and realistic implementation timelines.

An important function of the MTFS is to strengthen the alignment between PE plans and national priorities. PEs have differing commercial, developmental, regulatory and public-service mandates; accordingly, their contributions to national objectives will vary. The MTFS provides a framework for demonstrating these linkages through relevant objectives, initiatives and performance indicators, including where applicable contributions to economic development, essential service delivery, infrastructure development, operational resilience and wider social or environmental outcomes. Consultation with the Responsible Ministry helps establish this alignment during preparation of the MTFS.

The credibility of this alignment depends on the assumptions underlying the financial forecasts. Material policy, regulatory and operational assumptions including tariffs and pricing, demand and service levels, Government support, financing arrangements, exchange rates and major investment decisions should therefore be clearly identified and consistently reflected across the financial

projections and supporting schedules. This allows the implications of key assumptions and policy decisions to be assessed transparently over the 2027–2029 period.

As a rolling framework, the MTFS is updated annually to incorporate the latest available financial information, changes in the operating environment and revised strategic or policy considerations. This process allows enterprises to reassess revenue and cost assumptions, capital and maintenance programmes, financing requirements, debt-servicing capacity, liquidity and key risks, while maintaining continuity between annual budgeting and longer-term strategic objectives.

At the consolidated level, the MTFS 2027-2029 provides PEMC and Government with a broader view of the expected financial trajectory of the public enterprise sector. It facilitates assessment of common trends, investment and financing requirements, liquidity and debt pressures, Government support, financial sustainability and emerging fiscal risks across the portfolio.

C. Role of the Board of Directors (BOD) in shaping the strategies of PEs through the MTFS

The Board of Directors plays a central governance and oversight role in ensuring that the MTFS reflects the strategic direction, financial capacity and mandate of the public enterprise. For the 2027–2029 cycle, the Board's involvement is essential to ensure that the MTFS is not treated solely as a financial forecasting or compliance exercise, but as an integrated medium-term plan linking strategy, operations, investment, financing, performance and risk.

A key component of Board oversight is the credibility of the financial projections and their underlying assumptions. The Board should challenge material assumptions relating to revenue, demand, tariffs or pricing, operating costs, exchange rates, financing, Government support and capital investment. Where projections are materially dependent on policy decisions, regulatory changes, external financing or other uncertain events, these dependencies should be clearly disclosed and appropriately reflected in the forecasts.

Formal Board review and approval represent an important governance checkpoint in the MTFS process. Prior to approval, the Board should be satisfied that the MTFS is sufficiently complete, supported by reasonable assumptions and consistent with the enterprise's approved strategic and operational direction. Material issues, dependencies or uncertainties that could affect implementation should be appropriately disclosed rather than incorporated into the projections without adequate explanation.

Board responsibility continues beyond approval of the MTFS. Throughout the 2027–2029 period, the Board should monitor actual performance against the financial and operational targets established in the strategy, review material variances and require Management to implement corrective measures where necessary. Changes in financial conditions, investment programmes, financing arrangements or other material assumptions should be considered through the enterprise's regular planning and reporting processes and reflected in subsequent MTFS updates where appropriate.

D. *Key Elements of the Medium-Term Financial Strategy (MTFS) for Public Enterprises*

The following components provide the principal basis for evaluating the credibility, affordability and sustainability of PE plans and should therefore be addressed in each MTFS, with the level of detail proportionate to the PE’s mandate, activities and financial risks.

i.Financial Sustainability

Financial sustainability is a central consideration of the MTFS. PEs are expected to demonstrate their capacity to finance operations, maintain essential services, meet financial obligations and implement priority investments over the medium term. The MTFS assesses projected profitability, cash generation, liquidity, working capital, financing requirements and other relevant indicators to

identify potential financial pressures and the extent of reliance on Government support. Where financial constraints exist, these should be clearly identified together with the underlying causes, implications and appropriate mitigating measures.

ii. Capital Investment Planning

The MTFS integrates capital investment with the PE's strategic priorities, operational requirements and financing capacity. Capital programmes for 2027–2029 should identify major projects, expected implementation periods, estimated costs, funding sources and anticipated operational or financial benefits. The investment programme should reconcile with the financial projections and distinguish, where relevant, between ongoing commitments, replacement and maintenance-related investment, capacity expansion and new strategic initiatives. This provides a basis for assessing project affordability, implementation readiness and the impact of capital expenditure on liquidity, debt and future operating costs.

iii. Operational Performance, Efficiency and Cost Management

The MTFS links financial resources to expected operational outcomes. PEs should establish appropriate financial and non-financial performance indicators covering areas such as service delivery, productivity, operating efficiency, cost management and utilisation of assets and resources. Material changes in operating expenditure should be supported by reasonable assumptions and linked, where applicable, to changes in activity levels, staffing, maintenance requirements, service standards and strategic initiatives. This strengthens the relationship between expenditure and expected performance.

iv. Risk Management and Resilience

Material financial, operational, strategic, regulatory and investment risks should be incorporated into the MTFS. PEs should identify significant exposures and assess their potential implications for financial performance and service delivery. Where relevant, sensitivity or scenario analysis should be applied to key variables such as demand, tariffs or prices, operating costs, exchange rates, interest rates, financing conditions and project implementation. Mitigation measures should be sufficiently specific to demonstrate how significant risks will be managed and how financial and operational resilience will be maintained.

v. Debt Management and Contingent Liabilities

Where borrowing forms part of the PE's financing strategy, the MTFS should provide a clear view of existing and proposed debt, repayment obligations, interest costs and the resulting impact on cash flows and financial sustainability. Relevant considerations include maturity profiles, interest-rate exposure, foreign-currency exposure and debt-servicing capacity. Government guarantees and other material contingent liabilities should also be appropriately identified and disclosed so that their potential implications for both the enterprise and Government can be assessed.

vi. Revenue Strategy and Quasi-Fiscal Activities

Revenue projections should be supported by clearly articulated assumptions concerning demand, tariffs or pricing, activity levels, market conditions and other material revenue drivers. Opportunities for revenue enhancement or diversification should be consistent with the enterprise's mandate, strategic direction and implementation capacity.

Where a PE undertakes quasi-fiscal activities or public-service obligations that may not be fully compensated through commercial revenues, the associated financial implications should, where practicable, be separately identified and quantified. This improves transparency over the cost of delivering policy or social objectives and enables the resulting financial and fiscal implications to be more clearly assessed.

vii. Grants, Subventions and Other Government Support

The MTFS should clearly identify anticipated grants, subventions and other forms of Government financial support for 2027–2029, including their purpose, expected amount and relevant funding assumptions. Government support should be consistently reflected across the PE's financial projections and supporting schedules. This enables the sustainability of the enterprise's underlying operations to be distinguished from activities that depend on direct fiscal support and facilitates assessment of the corresponding implications for Government.

viii. Dividends

Where applicable, projected dividends should be presented over the 2027–2029 period and considered alongside profitability, liquidity, capital requirements, financing obligations and the PE's overall financial position. Dividend assumptions should be internally consistent with the financial statements and applicable Government policy and should not compromise the PE's capacity to meet its operational, investment and financial obligations.

ix. Regulatory Compliance

The MTFS operates within the governance, planning and financial-management framework established by the Public Enterprises Act, 2023, together with other applicable legislation, regulations and Government requirements. The MTFS provides structured evidence supporting compliance with relevant planning, budgeting, financial-management, governance and performance requirements. PEs remain responsible for identifying and complying with all statutory and regulatory obligations applicable to their specific activities.

x. Transparency, Accountability and Performance Monitoring

The MTFS establishes measurable financial and operational expectations against which subsequent performance can be assessed. Targets and projections should be sufficiently clear to enable actual results to be compared against planned performance, material variances to be explained and corrective action to be identified where necessary. This strengthens accountability at Management and Board levels and provides PEMC and Government with a consistent basis for monitoring PE performance.

xi. Stakeholder and Institutional Coordination

Preparation of a credible MTFS may require coordination with relevant stakeholders, particularly where PE projections depend on Government policy, regulatory decisions, financing arrangements, major customers or suppliers, or implementation by other public bodies. Material dependencies arising from such arrangements should be clearly reflected in the assumptions and risks underlying the MTFS. Stakeholder engagement should therefore support the quality of planning without displacing the accountability of Management and the Board for the final strategy and projections.

xii. Alignment with National Priorities

The MTFS should demonstrate how the PE's strategic and operational priorities contribute, where applicable, to Government objectives and the National Development Strategy (NDS), while remaining consistent with the enterprise's mandate and financial capacity. Where appropriate, these priorities may also be linked to relevant Sustainable Development Goals (SDGs) and supported by measurable indicators and implementation milestones.

Collectively, these elements ensure that the MTFS 2027–2029 provides an integrated framework through which strategy, operational performance, investment, financing, Government support, risk and national priorities can be assessed together, providing a stronger basis for PE decision-making, Board oversight, PEMC monitoring and Government fiscal planning.

2 SCOPE AND SOURCE OF INFORMATION

A. Scope

As at 2026, Schedule 1 of the Public Enterprises Act, 2023 continues to list thirty (30) PEs in Seychelles, providing the statutory framework for their governance, financial management, performance monitoring and accountability.

Several entity-specific developments affect the scope of the current consolidation:

i. Société Seychelloise d'Investissement Ltd (SSIL) remains in the process of dissolution and has therefore not prepared an MTFS for the 2027–2029 period.
ii. 2020 Development Company Ltd resumed operations during the first quarter of 2026, following a period of operational inactivity and institutional realignment. Notwithstanding this development, its inclusion in the Consolidated MTFS 2027–2029 is dependent on the availability of a corresponding MTFS submission.
iii. Paradis des Enfants Ltd (PDE) underwent changes in its governance arrangements, with the appointment of a new Board of Directors during the second quarter of 2026. However, the enterprise continues to face internal operational and capacity constraints, which have affected its ability to prepare and submit an MTFS for the 2027–2029 period.
iv. Seychelles Aviation Handling Company Ltd (SAHC) and Bois de Rose Investment Ltd (BDR) operate as subsidiaries of their respective parent PEs. These entities are not presented separately within the Consolidated MTFS. Their financial activities and projections are reflected within the respective parent PEs' submissions to the extent that consolidated group information has been provided.
v. Seychelles Civil Aviation Authority (SCAA) and Seychelles Airports Authority (SAA) continue to operate as separate entities following their separation in 2025, pursuant to the Seychelles Civil Aviation Authority Act, 2024 and the Seychelles Airports Authority Act, 2024. Accordingly, the Consolidated MTFS presents separate strategic and financial projections for SCAA and SAA, reflecting their respective regulatory and airport-operating mandates.
vi. Banking and financial PEs, namely Nouvobanq, Seychelles Commercial Bank, Development Bank of Seychelles and Housing Finance Company, operate under separate financial-sector regulatory and prudential oversight arrangements. These entities are not included in the present MTFS consolidation.
vii. PEs with outstanding submissions or approvals are treated according to the latest information available to PEMC at the consolidation cut-off date being [insert date]. Where an MTFS has been submitted but remains subject to final revisions, Board approval or Ministerial endorsement, the latest available version may be used for consolidation purposes, with any outstanding requirements appropriately identified. Enterprises that have not submitted an MTFS are excluded from the quantitative consolidation.

The accompanying summary table identifies the enterprises included and excluded from the consolidation, providing transparency over its coverage and limitations.

PEs included in the MTFS	PEs NOT included in the MTFS
Seychelles Pension Fund	2020 Development Company Ltd
Financial Services Authority	Paradis Des Enfants Entertainment Ltd
Air Seychelles Ltd	Société Seychelloise D'Investissement Ltd
Seychelles Airports Authority	Seychelles Aviation Handling Company Ltd
Seychelles Civil Aviation Authority	Bois De Rose Investment Ltd
Seychelles Ports Authority	Nouvobanq
Seychelles Public Transport Corporation	Seychelles Commercial Bank Ltd
Seychelles Petroleum Company Ltd	Development Bank of Seychelles Ltd
Seychelles Progress Ltd	Housing Finance Company Ltd

Seychelles Patriot Ltd	
Seychelles Pioneer Ltd	
Seychelles Prelude Ltd	
Public Utilities Corporation	
Seychelles Trading Company Ltd	
Island Development Company Ltd	
Green Island Construction Company Ltd	
Green Tree Investment Company Ltd	
Property Management Corporation	
Seychelles Fisheries Authority	
Seychelles Parks and Gardens Authority	
Seychelles Postal Services Ltd	
National Information Services Agency	
L'Union Estate Company Ltd	
Petro-Seychelles Ltd	

B. Source of Information and Methodology

The Consolidated MTFS 2027–2029 is principally compiled from PE submissions using the prescribed PEMC reporting framework.

Individual MTFS submissions are prepared by Management and are subject to review and approval by the respective Boards of Directors. Responsible Ministers provide the relevant Ministerial Statement and policy guidance in accordance with the applicable framework. Where Board approval, Ministerial input or other required endorsements remain outstanding at the consolidation cut-off date, the latest available submission may be incorporated for analytical purposes, with its status appropriately identified. Inclusion in the Consolidated MTFS should therefore not, in itself, be interpreted as confirmation that every individual PE submission has completed all applicable approval processes.

For consolidation purposes, PEMC reviews the submissions received for completeness, consistency and reasonableness. This includes, where applicable, assessing the coherence of key assumptions; reviewing material year-on-year movements; checking consistency between the Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows; and reconciling the financial statements with supporting schedules for capital expenditure, debt and financing, grants and subventions, dividends and other material items. Material inconsistencies, omissions or areas requiring clarification identified during the review process are referred to the respective PEs for verification or correction.

The principal sources of information used in preparing the Consolidated MTFS 2027–2029 are:

i. **Individual MTFS Submissions** –including financial projections, underlying assumptions, strategic priorities, operational plans, capital investment programmes, financing requirements, performance indicators and identified risks for the 2027–2029 period.
ii. **Historical and latest available financial information** – audited financial statements, management accounts and other financial information available to PEMC are used, where relevant, to establish historical performance, assess the reasonableness of projections and provide a basis for analysing significant movements over the medium term.
iii. **National development and policy priorities** – relevant Government policies and national development priorities, including those established through the NDS and information provided by the responsible national planning authorities, are considered in assessing the alignment of PE strategies with broader economic, social and developmental objectives.
iv. **Macroeconomic assumptions** – relevant macroeconomic projections provided by the Ministry responsible for Finance, including assumptions relating to economic growth, inflation and other material economic variables, provide a common planning context for the preparation and assessment of PE projections.

v. **Exchange-rate information** – historical exchange-rate information from the Central Bank of Seychelles, together with the applicable forward exchange-rate assumptions used for the MTFS cycle, supports the assessment of enterprises with significant foreign-currency revenues, expenditures, borrowings or capital commitments. The following rates have been used for sections 4 and 5, which is the latest exchange rates provided by the Ministry of Finance.

Assumption	2023	2024	2025	2026	2027	2028	2029
Inflation Rate (%)	N/A	N/A	N/A	N/A	2.47	2.50	3.00
Real GDP growth (%)	N/A	N/A	N/A	N/A	4.42	3.22	3.06
Exchange Rate SR/US$	14.02	14.53	14.73	14.77	14.88	15.12	15.36
Exchange Rate SR/EURO	15.17	15.78	16.57	17.02	16.83	17.30	17.70

vi. **Other supporting information** – where necessary, PEMC considers supplementary schedules, clarifications and revised information provided by individual enterprises during the review process to resolve material gaps or inconsistencies in the original MTFS submissions.

The consolidation is undertaken on a sector aggregation basis rather than as a statutory group consolidation for accounting purposes. Financial information reported by individual enterprises is aggregated to provide an indicative view of the expected performance and financial position of the public enterprise sector over 2027–2029. Consequently, unless specifically stated otherwise, the consolidated figures do not represent consolidated financial statements prepared under IFRS and may not eliminate all inter-enterprise transactions or balances.

The analysis is also subject to the quality and completeness of the underlying PE submissions. Forecasts represent forward-looking estimates based on assumptions available at the time of preparation and are inherently subject to uncertainty. Differences in PE mandates, accounting treatments, financial year-ends, forecasting methodologies and the maturity of individual submissions may also affect comparability. Material limitations identified during the consolidation are therefore disclosed where relevant and should be considered when interpreting aggregate results.

3 LINKING STRATEGIC PRIORITIES OF PES TO THE NDS AND SDGS

2026 Status: Progress and Next Steps

Alignment of PE strategies with the **NDS 2024–2028 and the SDGs** continues to form part of the strategic planning framework supporting the MTFS. PEs contribute to national development through their respective mandates, including the provision of essential services and infrastructure, investment, digital transformation, operational efficiency, economic value creation, environmental sustainability and institutional governance.

PEMC has progressively incorporated NDS and SDG alignment into the MTFS process to strengthen the connection between enterprise-level strategic priorities, measurable outputs and broader national outcomes. The objective is to move beyond identifying broad linkages and towards demonstrating how PE programmes and investments contribute to specific national priorities through measurable and monitorable actions.

The work builds on the structured mapping exercise undertaken with relevant Government and technical partners, including the national planning authorities, the United Nations Development Programme (UNDP) and the United States Office of Technical Assistance (US-OTA). Supporting tools and guidance developed through this process have assisted PEs in identifying relevant NDS priorities and SDGs, strengthening performance indicators and incorporating these linkages within their strategic and medium-term financial planning.

i.Progress Achieved

The initial mapping exercise established a common framework through which PEs could identify the relationship between their strategic priorities, the NDS and relevant SDGs. These linkages were progressively incorporated into individual MTFS submissions, providing a clearer basis for demonstrating how enterprise activities contribute to wider national objectives.

During the subsequent MTFS cycles, PEMC has continued to reinforce these linkages through its review of PE submissions and engagement with individual enterprises. The process has helped shift the focus from broad statements of alignment towards greater identification of the specific programmes, investments and performance measures through which the contribution is expected to be delivered.

For the 2027–2029 submissions, PEs have therefore been encouraged to maintain clear linkages between their strategic priorities and relevant national objectives while ensuring that these priorities are supported by corresponding operational and financial plans.

ii. Areas for Continued Strengthening

The level of integration remains variable across PEs. In some submissions, the relationship between strategic priorities and the NDS or SDGs is clearly established and supported by measurable actions and indicators. In others, alignment remains relatively high-level, with further work required to establish appropriate baselines, targets, data sources and reporting arrangements.

A key area for continued improvement is therefore the traceability from national priority to enterprise action and measurable result. Where a PE identifies an NDS or SDG contribution, the corresponding strategic initiative, expected outcome, performance indicator and, where applicable, financial or capital resource requirement should be identifiable within the MTFS.

This is particularly important where major capital investments or transformation programmes are presented as contributing to national development outcomes. Such linkages should be supported by the underlying business rationale and measurable expected benefits rather than by broad NDS or SDG classification alone.

iii. Next Steps

During 2027–2029, PEMC will continue strengthening the integration of national-development alignment within the MTFS and wider PE performance-monitoring framework. The focus will be on improving the quality and consistency of indicators, establishing clearer baselines and annual targets where appropriate, and strengthening the relationship between strategic objectives, financial resources and reported results.

Future MTFS reviews should increasingly assess whether identified NDS and SDG contributions are supported by specific initiatives, appropriate funding and measurable performance indicators, enabling progress to be assessed over time. This will also provide a stronger basis for portfolio-level analysis of the contribution of public enterprises to national development.

As the current NDS 2024–2028 approaches the end of its planning horizon, subsequent MTFS updates will also need to accommodate any successor national development framework applicable beyond 2028. This is particularly relevant to the present MTFS, which extends to 2029. Accordingly, 2029 strategic alignment should be updated once the applicable post-2028 national planning framework has been formally established.

NDS–SDG ALIGNMENT MATRIX FOR PUBLIC ENTERPRISE STRATEGIC PRIORITIES

National Priority Areas	A Modern Public Service	The Transformative Economy Agenda	A Healthy Nation	Promotion of Law and Order	A Modern Education System aligned with future needs	Environment Sustainability and Climate Change Resilience
Sustainable Development Strategies of Seychelles and - *Expected Outcome*	***Strategy I:*** Promote a Performance-Based, accountable and transparent public service *Ensure successful implementation of the results-based management.*	***Strategy I: The Tourism Sector:*** *"A more resilient sector which is better integrated in the economy."* *Increasing the tourism sector's contribution to the economy.* *Building a sustainable, resilient and better integrated tourism sector through product enhancement, diversification and differentiation*	***Strategy I:*** Promote Healthy Populations *Promote healthy living for all age-groups and address risk factors for priority diseases* *Revitalise Health-in-All Policies*	***Strategy I:*** Reinforce Community Policing to improve community trust and confidence	***Strategy I:*** Reform the Education System for the realities of Seychelles today and for the future *Modernise the school curriculum.* *Anchor digital skills in the education system.* *Strengthen the Technical and Vocational education and training*	***Strategy I:*** Undertake preliminary measures in attaining long run NDC targets *Mitigate Impact of Flooding in Coastal Plains and effects of sea level rise in most vulnerable areas*
	Strategy II: Address Human Resource gaps and instill a culture of lifelong learning within the public sector *Establish a dynamic public sector college to enhance public service delivery*	***Strategy II:*** **The Agricultural Sector:** "*Improved Food Security and Economically Sustainable Import Substitution, and the Creation of Avenues to Encourage more Consumption of Local Products in our Economy."* *Increased in Local Broiler meat consumption* *Increased in locally produced crop consumption*	***Strategy II:*** Provide Quality Health Services Nationwide *Improve health services through implementation and monitoring of PHC Package* *Improve secondary and tertiary care through implementation of a quality improvement initiative*	***Strategy II:*** Reduce repeat offences and re-admissions to the correctional facility	***Strategy II:*** Promote inclusion in educational institutions *Align Inclusive Education Policy with national and international standards*	***Strategy II:*** Ensuring legal protection and sustained protection of maritime and terrestrial spaces *% coverage of terrestrial and marine protected areas*
	Strategy III: Digitalize government services to increase access and public engagement *Embed digitalization to improve efficiency of the public service*	***Strategy III:*** **The Fisheries and Blue Economy Sector:** *"The Promotion of Value Addition and the Modernization of Infrastructure."* *Increase in value-addition & diversification* *Invest in key infrastructure for the Fishing Industry* *Promote and develop diversified marine species* *Develop sustainable emerging sectors in Blue Economy*	***Strategy III:*** *Strengthen Health System Performance* *Implement eHIS.* *Develop and implement a Human Resources for Health Strategy*	***Strategy III:*** Strengthen border security	***Strategy III:*** Foster life-long learning for employability and productivity *Provide increased opportunities for continuing professional development*	***Strategy III:*** Ensure proper planning and implementation of energy policies and strategies *Ensure alignment of RE mix of 15% and reduction in energy intensity as per the NDC*
		Strategy IV: **Enhancing the enablers:** ***The Digital Economy, The Financial Sectors, STI*** *Promote the Digital Economy Agenda* *Prioritizing IT projects and External Assistance* *Overarching elements (modernizing public service systems, digital banking, international compliance etc.)* *Improving access to Key Stakeholders*				***Strategy IV:*** An effective and sustainable waste management system *Effective management in biodegradable waste*
Link With United Nation's Sustainable Development Goals						

4 OVERVIEW- OUTLOOK OF FINANCIAL STARTEGY OF PES

SCR ('000)

Key Aspect	Actual			Provisional	Forecasted		
	2023	2024	2025	2026	2027	2028	2029
Nominal GDP	30,440,700	32,381,400	34,133,800	35,219,255	36,775,946	37,960,131	39,121,711
Total Revenue	14,228,936	14,699,013	15,363,717	17,352,815	17,906,010	19,716,822	21,105,256
Revenue Growth Rate	-11%	3%	5%	13%	3%	10%	7%
Revenue to GDP %	47%	45%	45%	49%	49%	52%	54%
Total Expenditure	12,082,422	12,394,696	13,152,095	16,181,726	16,414,248	18,433,614	19,533,930
Expenditure Growth Rate	-4%	3%	6%	23%	1%	12%	6%
Total Finance Cost	126,927	179,195	179,577	164,141	202,586	250,024	325,774
Total Business Tax	190,929	151,384	206,914	197,714	206,761	198,474	214,896
Total PIT	132,987	153,148	169,375	190,793	202,483	212,482	230,523
Total Vat	92,884	142,541	144,070	111,705	142,696	160,965	156,625
Total Other taxes	811,366	804,305	881,711	874,779	872,220	873,324	871,799
Total Tax Revenue	1,662,010	1,727,323	1,820,970	1,947,719	2,038,656	2,195,551	2,287,664
Tax to Net Profit %	15%	11%	15%	62%	20%	17%	17%
Total Net Profit	1,276,872	1,342,065	1,342,133	321,017	1,032,918	1,162,753	1,260,931
Total Assets	22,016,514	23,788,244	26,077,378	26,852,618	28,623,458	32,481,773	34,122,816
Total Assets Growth Rate %	3%	8%	10%	3%	7%	13%	5%
Total Assets to GDP %	72%	73%	76%	76%	78%	86%	87%
Net Assets	14,381,945	15,858,176	17,281,767	17,630,742	18,728,917	19,906,838	20,955,743
Net Assets to Growth Rate %	7%	10%	9%	2%	6%	6%	5%
Net Assets to GDP %	47%	49%	51%	50%	51%	52%	54%
Total Cash and Cash Equivalent	3,638,824	3,266,650	3,197,707	2,927,682	3,300,799	3,996,789	5,114,285
Total Cash Growth Rate %	5%	-10%	-2%	-8%	13%	21%	28%
Total Cash to GDP %	12%	10%	9%	8%	9%	11%	13%
Total Liabilities	7,054,402	7,930,068	8,795,611	9,221,875	9,894,541	12,574,935	13,167,072
Liabilities Growth Rate %	-10%	12%	11%	5%	7%	27%	5%
Liabilities to GDP %	23%	24%	26%	26%	27%	33%	34%
Liabilities to Total Assets %	32%	33%	34%	34%	35%	39%	39%
Total Borrowings	2,627,987	3,289,401	3,354,677	2,818,845	3,235,091	3,407,739	3,288,095
Borrowings Growth Rate %	37%	25%	2%	-16%	15%	5%	-4%
Borrowings to GDP %	9%	10%	10%	8%	9%	9%	8%
Borrowings to Total Assets %	12%	14%	13%	10%	11%	10%	10%
Total Subsidies	14,138	17,319	14,700	268,892	81,500	90,900	90,100
Subsidies to Growth Rate %	-95%	22%	-15%	1729%	-70%	12%	-1%
Total Grants	147,666	99,656	125,390	216,055	262,778	377,341	213,198
Grants to Growth Rate %	37%	-33%	26%	72%	22%	44%	-43%
Total Dividend Declared	353,967	397,496	385,396	176,291	259,486	341,561	354,637
Dividends Growth Rate %	-13%	12%	-3%	-54%	47%	32%	4%
Dividends to Net Assets %	2%	3%	2%	1%	1%	2%	2%
Total Capital Expenditure	282,373	477,336	677,009	1,097,828	1,530,075	1,394,812	781,337
Capital Expenditure to GDP %	1%	1%	2%	3%	4%	4%	2%

5 SECTION I - CONSOLIDATED OUTLOOK OF MTFS

5.1 Projected Income Statements of PEs

5.1.1 Aggregate Total Revenue Projections of PEs

SCR ('000)

[1]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Financial Sector							
Seychelles Pension Fund	213,014	247,259	551,186	246,429	223,802	302,282	302,045
Opportunity Investment Ltd							
Financial Service Authority	191,130	511,791	194,802	222,815	269,605	340,135	335,278
Transport Sector							
Air Seychelles Limited	1,133,328	1,251,669	1,400,919	1,908,168	1,649,180	2,201,230	3,253,801
Seychelles Airport Authority	517,191	568,456	599,428	560,281	605,964	613,185	619,906
Seychelles Aviation Handling Ltd			-	-	-	-	-
Seychelles Civil Aviation Authority			72,543	57,700	63,832	68,323	70,194
Seychelles Ports Authority	221,299	321,764	388,445	369,723	359,763	368,546	377,626
Seychelles Public Transport Corporation	260,066	223,907	216,571	236,172	308,813	447,774	265,702
Energy Sector							
Seychelles Petroleum Company Limited	6,720,240	6,685,749	6,913,186	8,526,236	8,908,338	9,448,010	9,364,584
Seychelles Progress Limited							
Seychelles Patriot Limited							
Seychelles Pioneer Limited							
Seychelles Prelude Limited							
Public Utilities Corporation	1,964,917	2,317,619	2,400,668	2,427,024	2,756,404	2,864,619	2,976,336
Petro Seychelles Limited	3,648	9,606	10,130	3,000	3,000	7,000	7,000
Service, Development and Other Sector							
Seychelles Trading Company Limited	1,047,539	1,017,768	1,017,058	964,612	1,035,420	1,065,791	1,075,944
Bois De Rose Investment Limited							
Island Development Company	1,261,297	1,039,898	1,007,610	1,243,617	1,111,882	1,335,346	1,768,872
Green Island Construction Company Limited							
Green Tree Investment Company Limited							
Property Management Corporation	121,755	97,875	99,919	102,238	91,293	93,121	97,893
Seychelles Fishing Authority	431,771	264,086	336,871	335,998	356,354	388,235	406,077
L'Union Estate	38,443	42,385	51,166	63,484	57,105	64,506	70,886
Seychelles Parks and Gardens Authority	44,060	46,426	50,017	38,621	49,911	52,200	51,656
Seychelles Postal Services Limited	35,377	27,564	26,486	22,220	29,868	29,771	33,374
National Information Service Agency	23,862	25,191	26,711	24,477	25,475	26,747	28,082
2020 Development Company Limited	-	-	-	-	-	-	-
Paradis Des Enfants Limited	-	-	-	-	-	-	-
Societe Seychelloise d'investisement Ltd	-	-	-	-	-	-	-
TOTAL	**14,228,936**	**14,699,013**	**15,363,717**	**17,352,815**	**17,906,010**	**19,716,822**	**21,105,256**
Growth Rate%	**-11%**	**3%**	**5%**	**13%**	**3%**	**10%**	**7%**
Nominal GDP	**30,440,700**	**32,381,400**	**34,133,800**	**35,219,255**	**36,775,946**	**37,960,131**	**39,121,711**
GDP %	**47%**	**45%**	**45%**	**49%**	**49%**	**52%**	**54%**

[1] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

5.1.2 Aggregate Total Expenditure Projections of PEs

SCR ('000)

[2]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Financial Sector							
Seychelles Pension Fund	19,273	54,555	21,855	28,621	36,988	38,723	39,580
Opportunity Investment Ltd							
Financial Service Authority	122,010	118,896	140,398	173,740	207,750	224,057	219,691
Transport Sector							
Air Seychelles Limited	1,054,851	1,133,315	1,381,481	1,872,604	1,655,246	2,246,614	3,341,595
Seychelles Airport Authority			474,516	476,613	505,715	514,330	524,355
Seychelles Aviation Handling Ltd			-	-	-	-	-
Seychelles Civil Aviation Authority	429,800	494,037	50,424	60,707	71,026	73,191	75,636
Seychelles Ports Authority	169,416	201,756	222,170	249,363	264,954	271,558	276,910
Seychelles Public Transport Corporation	235,810	232,815	218,736	218,166	245,595	239,878	247,432
Energy Sector							
Seychelles Petroleum Company Limited	6,295,423	6,225,188	6,601,791	8,629,083	8,815,932	9,408,036	9,333,421
Seychelles Progress Limited							
Seychelles Patriot Limited							
Seychelles Pioneer Limited							
Seychelles Prelude Limited							
Public Utilities Corporation	1,869,098	2,087,649	2,254,406	2,434,566	2,673,732	2,796,820	2,831,964
Petro Seychelles Limited	5,102	33,825	5,356	5,689	5,879	5,839	6,017
Services, Development and Other Sector							
Seychelles Trading Company Limited	232,787	253,786	286,196	284,651	291,122	302,431	303,976
Bois De Rose Investment Limited							
Island Development Company Limited	1,150,382	1,034,025	981,145	1,203,489	1,091,522	1,746,747	1,746,747
Green Island Construction Company Limited							
Green Tree Investment Company Limited							
Property Management Corporation	106,875	106,509	86,203	90,469	88,680	88,164	86,723
Seychelles Fishing Authority	258,242	274,026	272,835	290,621	304,825	315,601	330,579
L'union Estate	34,270	43,352	49,264	58,545	50,603	54,895	60,237
Seychelles Parks and Gardens Authority	43,956	46,809	48,046	48,320	48,545	49,537	50,308
Seychelles Postal Services Limited	32,177	28,951	30,743	29,341	30,280	30,069	30,333
National Information Service Agency	22,949	25,204	26,530	27,138	25,855	27,126	28,425
2020 Development Company Limited	-	-	-	-	-	-	-
Paradis Des Enfants Limited	-	-	-	-	-	-	-
Societe Seychelloise d'investisement Ltd	-	-	-	-	-	-	-
TOTAL	**12,082,422**	**12,394,696**	**13,152,095**	**16,181,726**	**16,414,248**	**18,433,614**	**19,533,930**
Growth Rate%	**-4%**	**3%**	**6%**	**23%**	**1%**	**12%**	**6%**
Nominal GDP	**30,440,700**	**32,381,400**	**34,133,800**	**35,219,255**	**36,775,946**	**37,960,131**	**39,121,711**
GDP %	**40%**	**38%**	**39%**	**46%**	**45%**	**49%**	**50%**

[2] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

5.1.3 Aggregate Total Finance Cost Projections of PEs

SCR ('000)

[3]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Financial Sector							
Seychelles Pension Fund	-	20,149	21,855	28,621	36,988	38,723	39,580
Opportunity Investment Ltd							
Financial Service Authority	-	-	-	-	-	9,107	9,107
Transport Sector							
Air Seychelles Limited	83,229	86,531	87,310	66,623	59,624	75,918	142,264
Seychelles Airport Authority			2,778	-	-	-	-
Seychelles Aviation Handling Ltd			-	-	-	-	-
Seychelles Civil Aviation Authority	4,868	4,589	-	-	-	-	-
Seychelles Ports Authority	623	3,352	4,111	3,909	3,900	3,900	3,900
Seychelles Public Transport Corporation	-	-	-	-	-	-	-
Energy Sector							
Seychelles Petroleum Company Limited	2,910	2,925	3,386	3,754	5,659	5,700	5,744
Seychelles Progress Limited							
Seychelles Patriot Limited							
Seychelles Pioneer Limited							
Seychelles Prelude Limited							
Public Utilities Corporation	14,579	33,902	30,864	42,729	58,762	61,812	60,623
Petro Seychelles Limited	-	-	-	-	-	-	-
Services, Development and Other Sector							
Seychelles Trading Company Limited	-	-	-	3,259	3,997	6,009	4,190
Bois De Rose Investment Limited							
Island Development Company Limited	20,080	27,196	28,739	14,723	33,145	48,359	59,882
Green Island Construction Company Limited							
Green Tree Investment Company Limited							
Property Management Corporation	-	-	-	-	-	-	-
Seychelles Fishing Authority	-	-	-	-	-	-	-
L'Union Estate	-	-	-	-	-	-	-
Seychelles Parks and Gardens Authority	-	-	-	-	-	-	-
Seychelles Postal Services Limited	-	-	-	-	-	-	-
National Information Service Agency	638	553	534	523	511	498	484
2020 Development Company Limited							
Paradis Des Enfants Limited							
Societe Seychelloise d'investisement Ltd							
TOTAL	**126,927**	**179,195**	**179,577**	**164,141**	**202,586**	**250,024**	**325,774**
Growth Rate%	**-24.9%**	**41.2%**	**0.2%**	**-8.6%**	**23.4%**	**23.4%**	**30.3%**

[3] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

5.1.4 Aggregate Net Profit/Loss Projections of PEs

SCR ('000)

[4]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Financial Sector							
Seychelles Pension Fund	108,159	69,516	402,935	83,619	38,756	109,522	103,028
Opportunity Investment Ltd							
Financial Service Authority	69,119	392,895	54,404	49,075	61,856	116,078	115,587
Transport Sector							
Air Seychelles Limited	78,477	118,353	19,438	35,564	76,379	67,511	79,596
Seychelles Airport Authority			124,912	83,668	100,250	98,856	95,551
Seychelles Aviation Handling Ltd			-	-	-	-	-
Seychelles Civil Aviation Authority	87,339	74,419	22,119	(3,007)	(7,194)	(4,868)	(5,442)
Seychelles Ports Authority	51,883	120,008	166,275	120,360	94,809	96,989	100,716
Seychelles Public Transport Corporation	3,635	(3,634)	(9,688)	(6,590)	(24,107)	(9,904)	3,970
Energy Sector							
Seychelles Petroleum Company Limited	424,818	360,363	311,394	(102,847)	531,514	512,739	498,700
Seychelles Progress Limited							
Seychelles Patriot Limited							
Seychelles Pioneer Limited							
Seychelles Prelude Limited							
Public Utilities Corporation	95,819	229,970	146,262	(7,542)	82,672	67,799	144,372
Petro Seychelles Limited	18,930	(21,444)	4,769	(2,686)	(2,876)	1,130	952
Services, Development and Other Sector							
Seychelles Trading Company Limited	59,685	19,484	(21,913)	(16,328)	(718)	(3,568)	414
Bois De Rose Investment Limited							
Island Development Company Limited	82,212	6,317	28,812	40,128	20,360	21,280	22,126
Green Island Construction Company Limited							
Green Tree Investment Company Limited							
Property Management Corporation	14,880	(8,634)	13,716	11,769	2,613	4,957	11,170
Seychelles Fishing Authority	173,528	(9,415)	78,900	45,377	51,529	72,635	75,497
L'Union Estate	4,172	(967)	1,902	9,939	6,502	9,611	10,649
Seychelles Parks and Gardens Authority	104	(383)	1,971	(9,699)	1,367	2,663	1,347
Seychelles Postal Services Limited	3,200	(4,772)	(4,257)	(7,121)	(412)	(298)	3,041
National Information Service Agency	913	(14)	181	(2,661)	(380)	(379)	(343)
2020 Development Company Limited	-	-	-	-	-	-	-
Paradis Des Enfants Limited	-	-	-	-	-	-	-
Societe Seychelloise d'investisement Ltd	-	-	-	-	-	-	-
TOTAL	**1,276,872**	**1,342,065**	**1,342,133**	**321,017**	**1,032,918**	**1,162,753**	**1,260,931**
Growth Rate%	**-59%**	**5%**	**0%**	**-76%**	**222%**	**13%**	**8%**

[4] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

5.2 Projected Financial Position of PEs

5.2.1 Projected Value of Total Assets of PEs

SCR ('000)

[5]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Financial Sector							
Seychelles Pension Fund	4,334,905	4,608,150	5,227,704	5,483,282	5,708,276	6,010,704	6,294,989
Opportunity Investment Ltd							
Financial Service Authority	418,445	900,286	909,745	922,611	960,243	1,061,283	1,071,763
Transport Sector							
Air Seychelles Limited	1,778,412	1,939,324	2,115,052	2,174,425	2,034,230	3,499,433	3,924,695
Seychelles Airport Authority			872,483	938,963	1,019,187	1,106,257	1,180,818
Seychelles Aviation Handling Ltd			-	-	-	-	-
Seychelles Civil Aviation Authority	885,540	906,601	245,411	132,320	131,675	126,736	120,765
Seychelles Ports Authority	663,235	811,163	1,022,016	1,052,408	1,093,593	1,134,818	1,180,065
Seychelles Public Transport Corporation	170,561	161,374	146,258	149,966	216,450	405,101	371,340
Energy Sector							
Seychelles Petroleum Company Limited	4,347,791	4,596,246	5,001,185	5,311,319	5,973,953	6,652,286	7,311,798
Seychelles Progress Limited							
Seychelles Patriot Limited							
Seychelles Pioneer Limited							
Seychelles Prelude Limited							
Public Utilities Corporation	5,834,979	6,101,172	6,309,314	6,332,341	6,650,062	6,955,129	7,033,290
Petro Seychelles Limited	29,250	8,037	13,479	10,496	7,530	8,619	10,775
Services, Development and Other Sector							
Seychelles Trading Company Limited	600,355	619,104	665,862	796,770	818,118	764,580	712,168
Bois De Rose Investment Limited							
Island Development Company Limited	871,964	1,001,651	1,272,364	1,253,178	1,564,891	2,175,865	2,466,268
Green Island Construction Company Limited							
Green Tree Investment Company Limited							
Property Management Corporation	1,125,377	1,144,530	1,149,368	1,174,653	1,230,601	1,268,026	1,316,029
Seychelles Fishing Authority	707,467	745,051	823,716	804,734	885,732	969,773	1,029,129
L'union Estate	177,933	178,161	185,519	217,055	232,668	248,230	-
Seychelles Parks and Gardens Authority	-	-	48,859	37,911	38,419	37,522	38,908
Seychelles Postal Services Limited	42,430	38,499	40,317	33,467	30,989	30,969	34,012
National Information Service Agency	27,871	28,895	28,726	26,718	26,841	26,442	26,003
2020 Development Company Limited	-	-	-	-	-	-	-
Paradis Des Enfants Limited	-	-	-	-	-	-	-
Societe Seychelloise d'investisement Ltd	-	-	-	-	-	-	-
TOTAL	**22,016,514**	**23,788,244**	**26,077,378**	**26,852,618**	**28,623,458**	**32,481,773**	**34,122,816**
Growth Rate%	**3%**	**8%**	**10%**	**3%**	**7%**	**13%**	**5%**
Nominal GDP	**30,440,700**	**32,381,400**	**34,133,800**	**35,219,255**	**36,775,946**	**37,960,131**	**39,121,711**
GDP %	**72%**	**73%**	**76%**	**76%**	**78%**	**86%**	**87%**

[5] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

5.2.2 Projected Values of Net Assets

SCR ('000)

[6]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Financial Sector							
Seychelles Pension Fund	4,292,142	4,561,497	5,181,218	5,429,132	5,653,497	5,936,615	6,218,963
Opportunity Investment Ltd							
Financial Service Authority	336,884	834,723	837,079	857,277	883,927	901,747	905,217
Transport Sector							
Air Seychelles Limited	366,267	498,014	524,124	561,255	641,819	719,682	810,685
Seychelles Airport Authority			805,635	839,200	889,450	938,305	983,856
Seychelles Aviation Handling Ltd			-	-	-	-	-
Seychelles Civil Aviation Authority	756,428	796,847	87,036	84,028	83,921	79,201	73,760
Seychelles Ports Authority	583,540	703,548	819,823	890,183	934,993	981,981	1,032,697
Seychelles Public Transport Corporation	44,359	40,725	31,037	24,447	340	(9,564)	(5,594)
Energy Sector							
Seychelles Petroleum Company Limited	3,624,565	3,891,025	4,240,963	4,150,557	4,713,237	5,301,997	5,884,855
Seychelles Progress Limited							
Seychelles Patriot Limited							
Seychelles Pioneer Limited							
Seychelles Prelude Limited							
Public Utilities Corporation	2,956,359	3,186,329	3,332,592	3,325,050	3,407,722	3,475,522	3,619,894
Petro Seychelles Limited	8,082	(13,362)	(8,593)	(11,280)	(14,156)	(13,026)	(12,074)
Services, Development and Other Sector							
Seychelles Trading Company Limited	460,877	488,695	466,782	450,454	449,736	446,168	446,582
Bois De Rose Investment Limited							
Island Development Company Limited	291,796	276,829	287,694	324,809	322,235	320,575	319,763
Green Island Construction Company Limited							
Green Tree Investment Company Limited							
Property Management Corporation	118,602	90,472	104,187	115,955	118,568	123,527	134,698
Seychelles Fishing Authority	323,052	288,638	322,538	322,914	359,443	417,078	477,575
L'union Estate	169,933	169,920	171,874	208,462	225,313	226,173	-
Seychelles Parks and Gardens Authority	-	-	37,579	27,880	29,247	31,910	33,257
Seychelles Postal Services Limited	32,763	27,992	23,734	16,613	16,202	15,904	18,945
National Information Service Agency	16,298	16,284	16,465	13,804	13,424	13,044	12,664
2020 Development Company Limited	-	-	-	-	-	-	-
Paradis Des Enfants Limited	-	-	-	-	-	-	-
Societe Seychelloise d'investisement Ltd	-	-	-	-	-	-	-
TOTAL	**14,381,945**	**15,858,176**	**17,281,767**	**17,630,742**	**18,728,917**	**19,906,838**	**20,955,743**
Growth Rate%	**7%**	**10%**	**9%**	**2%**	**6%**	**6%**	**5%**
Nominal GDP	**30,440,700**	**32,381,400**	**34,133,800**	**35,219,255**	**36,775,946**	**37,960,131**	**39,121,711**
GDP %	**47%**	**49%**	**51%**	**50%**	**51%**	**52%**	**54%**

[6] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

5.2.3 Projected Values of Cash and Cash Equivalents

SCR ('000)

[7]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Financial Sector							
Seychelles Pension Fund	173,566	134,909	188,558	224,377	176,939	156,038	155,854
Opportunity Investment Ltd							
Financial Service Authority	159,520	142,770	140,873	129,920	149,600	233,556	232,278
Transport Sector							
Air Seychelles Limited	182,089	249,930	197,180	320,563	126,435	93,910	248,371
Seychelles Airport Authority			-	24,675	56,294	88,772	120,503
Seychelles Aviation Handling Ltd			-	-	-	-	-
Seychelles Civil Aviation Authority	266,846	46,869	188,782	92,861	90,943	83,686	77,018
Seychelles Ports Authority	228,287	116,407	121,586	120,312	118,670	117,798	130,227
Seychelles Public Transport Corporation	14,686	15,292	7,469	-	-	-	-
Energy Sector							
Seychelles Petroleum Company Limited	1,252,631	1,351,449	1,188,128	1,231,679	1,850,534	2,538,327	3,375,077
Seychelles Progress Limited							
Seychelles Patriot Limited							
Seychelles Pioneer Limited							
Seychelles Prelude Limited							
Public Utilities Corporation	728,464	603,244	470,655	164,422	169,204	137,383	178,547
Petro Seychelles Limited	2,374	1,026	8,385	4,703	1,690	2,608	4,902
Services, Development and Other Sector							
Seychelles Trading Company Limited	76,115	42,210	40,747	76,348	36,494	17,142	4,479
Bois De Rose Investment Limited							
Island Development Company Limited	49,550	86,238	104,789	39,352	20,625	14,685	21,425
Green Island Construction Company Limited							
Green Tree Investment Company Limited							
Property Management Corporation	136,741	80,422	35,003	47,370	35,411	40,283	55,733
Seychelles Fishing Authority	332,038	364,387	450,736	411,990	430,022	435,471	474,946
L'union Estate	10,447	8,489	16,111	13,850	13,900	10,135	-
Seychelles Parks and Gardens Authority	-	-	20,398	9,299	8,986	8,968	11,322
Seychelles Postal Services Limited	22,166	19,497	14,473	13,338	12,306	15,157	20,608
National Information Service Agency	3,304	3,510	3,833	2,622	2,746	2,870	2,994
2020 Development Company Limited	-	-	-	-	-	-	-
Paradis Des Enfants Limited	-	-	-	-	-	-	-
Societe Seychelloise d'investisement Ltd	-	-	-	-	-	-	-
TOTAL	**3,638,824**	**3,266,650**	**3,197,707**	**2,927,682**	**3,300,799**	**3,996,789**	**5,114,285**
Growth Rate%	**5%**	**-10%**	**-2%**	**-8%**	**13%**	**21%**	**28%**
Nominal GDP	**30,440,700**	**32,381,400**	**34,133,800**	**35,219,255**	**36,775,946**	**37,960,131**	**39,121,711**
GDP %	**12%**	**10%**	**9%**	**8%**	**9%**	**11%**	**13%**

[7] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

5.2.4 Projected Values of Total Liabilities

SCR ('000)

[8]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Financial Sector							
Seychelles Pension Fund	42,763	46,653	46,486	54,150	54,779	74,089	76,027
Opportunity Investment Ltd							
Financial Service Authority	81,561	65,563	72,665	65,334	76,316	159,536	166,546
Transport Sector							
Air Seychelles Limited	1,412,146	1,441,310	1,590,927	1,613,170	1,392,411	2,779,752	3,114,010
Seychelles Airport Authority			66,849	99,763	129,737	167,952	196,962
Seychelles Aviation Handling Ltd			-	-	-	-	-
Seychelles Civil Aviation Authority	129,112	109,754	158,375	48,291	47,754	47,534	47,005
Seychelles Ports Authority	79,696	107,614	202,193	162,225	158,601	152,837	147,369
Seychelles Public Transport Corporation	126,202	120,649	115,221	125,519	216,110	414,665	376,934
Energy Sector							
Seychelles Petroleum Company Limited	723,226	705,221	760,222	1,160,761	1,260,715	1,350,289	1,426,943
Seychelles Progress Limited							
Seychelles Patriot Limited							
Seychelles Pioneer Limited							
Seychelles Prelude Limited							
Public Utilities Corporation	2,878,620	2,914,842	2,976,722	3,007,291	3,242,340	3,479,608	3,413,396
Petro Seychelles Limited	21,168	21,399	22,072	21,776	21,686	21,645	22,849
Services, Development and Other Sector							
Seychelles Trading Company Limited	139,478	130,409	199,080	346,316	368,382	318,411	265,586
Bois De Rose Investment Limited							
Island Development Company Limited	-	724,822	984,669	928,369	1,242,656	1,855,290	2,146,505
Green Island Construction Company Limited							
Green Tree Investment Company Limited							
Property Management Corporation	1,006,775	1,054,058	1,045,181	1,058,698	1,112,033	1,144,499	1,181,331
Seychelles Fishing Authority	384,415	456,413	501,178	481,820	526,289	552,696	551,554
L'union Estate	8,000	8,241	13,645	8,593	7,355	22,057	-
Seychelles Parks and Gardens Authority	-	-	11,280	10,031	9,172	5,612	5,650
Seychelles Postal Services Limited	9,667	10,507	16,583	16,854	14,787	15,065	15,067
National Information Service Agency	11,573	12,611	12,261	12,914	13,417	13,398	13,339
2020 Development Company Limited	-	-	-	-	-	-	-
Paradis Des Enfants Limited	-	-	-	-	-	-	-
Societe Seychelloise d'investisement Ltd	-	-	-	-	-	-	-
TOTAL	**7,054,402**	**7,930,068**	**8,795,611**	**9,221,875**	**9,894,541**	**12,574,935**	**13,167,072**
Growth Rate%	**-10%**	**12%**	**11%**	**5%**	**7%**	**27%**	**5%**
Nominal GDP	**30,440,700**	**32,381,400**	**34,133,800**	**35,219,255**	**36,775,946**	**37,960,131**	**39,121,711**
GDP %	**23%**	**24%**	**26%**	**26%**	**27%**	**33%**	**34%**
Total Assets of PEs	**22,016,514**	**23,788,244**	**26,077,378**	**26,852,618**	**28,623,458**	**32,481,773**	**34,122,816**
Total Assets %	**32%**	**33%**	**34%**	**34%**	**35%**	**39%**	**39%**

[8] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

5.3 Projected Cash Flow of PEs

5.3.1 Projected Total Operating Activities

SCR (000)

[9]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Financial Sector							
Seychelles Pension Fund	-	181,183	220,448	218,601	166,456	246,402	229,445
Opportunity Investment Ltd							
Financial Service Authority	77,338	82,605	65,232	49,550	76,471	133,609	143,207
Transport Sector							
Air Seychelles Limited	368,468	409,856	259,883	345,863	213,260	243,175	685,901
Seychelles Airport Authority			193,103	133,453	160,732	174,824	180,503
Seychelles Aviation Handling Ltd			-	-	-	-	-
Seychelles Civil Aviation Authority	118,623	74,133	131,591	(4,379)	(8,179)	(5,116)	(5,053)
Seychelles Ports Authority	56,676	146,622	218,771	142,334	121,292	124,991	129,483
Seychelles Public Transport Corporation	(813)	4,654	(4,922)	5,436	(33,125)	(8,662)	3,557
Energy Sector							
Seychelles Petroleum Company Limited	29,672	31,934	23,495	36,013	58,775	72,683	71,695
Seychelles Progress Limited							
Seychelles Patriot Limited							
Seychelles Pioneer Limited							
Seychelles Prelude Limited							
Public Utilities Corporation	(30,304)	624,917	417,897	69,417	228,521	292,632	383,115
Petro Seychelles Limited	(2,324)	(1,347)	7,632	(2,766)	(2,993)	949	2,324
Services, Development and Other Sector							
Seychelles Trading Company Limited	80,965	(1,597)	4,935	(91,656)	12,363	45,140	52,901
Bois De Rose Investment Limited							
Island Development Company Limited	-	230,892	138,731	(73,628)	44,192	133,304	(67,707)
Green Island Construction Company Limited							
Green Tree Investment Company Limited							
Property Management Corporation	9,005	(32,720)	34,321	79,788	33,531	30,348	15,450
Seychelles Fishing Authority	141,436	60,003	134,034	52,520	63,242	82,734	85,035
L'union Estate	7,382	3,177	11,116	9,939	10,786	10,801	-
Seychelles Parks and Gardens Authority	-	-	5,917	(10,598)	679	(18)	2,355
Seychelles Postal Services Limited	2,059	(2,363)	(6,688)	(574)	3,694	3,229	5,829
National Information Service Agency	2,151	1,446	1,305	(674)	1,362	1,375	1,389
2020 Development Company Limited	-	-	-	-	-	-	-
Paradis Des Enfants Limited	-	-	-	-	-	-	-
Societe Seychelloise d'investisement Ltd	-	-	-	-	-	-	-
TOTAL	**860,334**	**1,813,394**	**1,856,800**	**958,638**	**1,151,059**	**1,582,400**	**1,919,429**
Growth Rate%	**-57%**	**111%**	**2%**	**-48%**	**20%**	**37%**	**21%**
Nominal GDP	**30,440,700**	**32,381,400**	**34,133,800**	**35,219,255**	**36,948,520**	**38,274,972**	**39,576,321**
GDP %	**3%**	**6%**	**5%**	**3%**	**3%**	**4%**	**5%**

[9] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

5.3.2 Projected Total Investing Activities

SCR (000)

[10]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Financial Sector							
Seychelles Pension Fund	-	(219,700)	(161,099)	(186,477)	(217,290)	(259,214)	(229,438)
Opportunity Investment Ltd							
Financial Service Authority	(7,112)	(2,332)	(11,993)	(21,654)	(21,431)	(8,374)	(17,574)
Transport Sector							
Air Seychelles Limited	(155,327)	(127,348)	(88,252)	(15,079)	(218,081)	16,209	(211,430)
Seychelles Airport Authority			(60,695)	(80,597)	(129,422)	(154,003)	(146,548)
Seychelles Aviation Handling Ltd			-	-	-	-	-
Seychelles Civil Aviation Authority	(56,948)	(76,433)	10,323	9,348	6,262	(2,142)	(1,615)
Seychelles Ports Authority	(74,927)	(287,874)	(191,204)	(78,080)	(66,750)	(67,203)	(57,624)
Seychelles Public Transport Corporation	(6,581)	(4,045)	(2,926)	(42,614)	(78,000)	(217,800)	(14,300)
Energy Sector							
Seychelles Petroleum Company Limited	(42,936)	(214,197)	(184,035)	(491,811)	(175,679)	(335,174)	(197,254)
Seychelles Progress Limited							
Seychelles Patriot Limited							
Seychelles Pioneer Limited							
Seychelles Prelude Limited							
Public Utilities Corporation	(375,147)	(825,633)	(530,677)	(465,335)	(425,095)	(516,586)	(243,695)
Petro Seychelles Limited	(78)	-	(273)	(917)	(20)	(30)	(30)
Services, Development and Other Sector							
Seychelles Trading Company Limited	(68,299)	(24,700)	(29,871)	(2,000)	(74,500)	-	-
Bois De Rose Investment Limited							
Island Development Company Limited	-	(256,794)	(120,827)	(190,531)	(353,213)	(432,117)	(234,139)
Green Island Construction Company Limited							
Green Tree Investment Company Limited							
Property Management Corporation	(45,182)	(14,604)	(31,065)	(15,786)	(15,000)	-	-
Seychelles Fishing Authority	(19,992)	(18,568)	(17,690)	(39,560)	(87,647)	(105,189)	(43,672)
L'union Estate	(3,892)	(7,174)	(2,772)	(6,907)	(8,325)	(18,730)	-
Seychelles Parks and Gardens Authority	-	-	(1,873)	(500)	(992)	-	-
Seychelles Postal Services Limited	(504)	(308)	(2,335)	(561)	(1,060)	(378)	(378)
National Information Service Agency	(401)	(414)	(852)	(393)	(1,085)	(1,085)	(1,085)
2020 Development Company Limited	-	-	-	-	-	-	-
Paradis Des Enfants Limited	-	-	-	-	-	-	-
Societe Seychelloise d'investisement Ltd	-	-	-	-	-	-	-
TOTAL	**(857,325)**	**(2,080,125)**	**(1,428,117)**	**(1,629,455)**	**(1,867,329)**	**(2,101,816)**	**(1,398,783)**
Growth Rate%	**27%**	**143%**	**-31%**	**14%**	**15%**	**13%**	**-33%**
Nominal GDP	**30,440,700**	**32,381,400**	**34,133,800**	**35,219,255**	**36,948,520**	**38,274,972**	**39,576,321**
GDP %	**3%**	**6%**	**4%**	**5%**	**5%**	**5%**	**4%**

[10] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

5.3.3 Projected Total Financing Activities

SCR (000)

[11]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Financial Sector							
Seychelles Pension Fund	-	-	-	-	-	-	-
Opportunity Investment Ltd							
Financial Service Authority	(61,198)	(96,843)	(52,048)	(31,711)	(35,206)	(33,302)	(121,223)
Transport Sector							
Air Seychelles Limited	(199,486)	(218,122)	(223,583)	(207,993)	(191,744)	(293,918)	(321,516)
Seychelles Airport Authority			(103,596)	(50,000)	(50,000)	(50,000)	(50,000)
Seychelles Aviation Handling Ltd							
Seychelles Civil Aviation Authority	(18,060)	(44,380)	-	-	-	-	-
Seychelles Ports Authority	36,437	29,373	(3,631)	(65,528)	(56,184)	(58,660)	(59,429)
Seychelles Public Transport Corporation	-	-	-	24,596	87,325	217,800	14,300
Energy Sector							
Seychelles Petroleum Company Limited	(240,421)	(242,301)	(249,254)	(103,384)	(74,400)	(105,840)	(107,520)
Seychelles Progress Limited							
Seychelles Patriot Limited							
Seychelles Pioneer Limited							
Seychelles Prelude Limited							
Public Utilities Corporation	158,103	118,558	(26,374)	89,685	199,787	191,255	(99,089)
Petro Seychelles Limited	-	-	-	-	-	-	-
Services, Development and Other Sector							
Seychelles Trading Company Limited	(6,387)	(1,387)	32,858	132,175	25,201	(59,573)	(59,573)
Bois De Rose Investment Limited							
Island Development Company Limited	-	21,238	127,616	194,773	329,806	289,861	310,657
Green Island Construction Company Limited							
Green Tree Investment Company Limited							
Property Management Corporation	44,956	(8,996)	(48,674)	(51,634)	(30,490)	(25,476)	-
Seychelles Fishing Authority	(40,268)	(9,086)	(29,994)	(51,706)	42,437	27,904	(1,888)
L'union Estate	(371)	2,040	(723)	(381)	(2,411)	4,165	-
Seychelles Parks and Gardens Authority	-	-	-	-	-	-	-
Seychelles Postal Services Limited	-	-	4,000	-	-	-	-
National Information Service Agency	(3,601)	(825)	(130)	(141)	(153)	(166)	(180)
2020 Development Company Limited	-	-	-	-	-	-	-
Paradis Des Enfants Limited	-	-	-	-	-	-	-
Societe Seychelloise d'investisement Ltd	-	-	-	-	-	-	-
TOTAL	**(330,297)**	**(450,731)**	**(573,532)**	**(121,249)**	**243,969**	**104,050**	**(495,460)**
Growth Rate%	**-5.48%**	**36.46%**	**27.24%**	**-78.86%**	**-301.21%**	**-57.35%**	**-576.18%**
Nominal GDP	**30,440,700**	**32,381,400**	**34,133,800**	**35,219,255**	**36,948,520**	**38,274,972**	**39,576,321**
GDP %	**1.09%**	**1.39%**	**1.68%**	**0.34%**	**0.66%**	**0.27%**	**1.27%**

[11] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

5.4 Capital Expenditure Projections by PEs (CAPEX)

SCR ('000)

[12]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Financial Sector							
Seychelles Pension Fund	10,170	25,009	84,029	216,397	257,840	52,488	13,600
Opportunity Investment Ltd							
Financial Service Authority	2,489	2,288	11,993	13,780	21,431	8,374	6,095
Transport Sector							
Air Seychelles Limited	71,958	37,998	84,188	121,299	287,080	394,798	122,465
Seychelles Airport Authority			63,831	53,411	145,440	155,237	142,031
Seychelles Aviation Handling Ltd							
Seychelles Civil Aviation Authority	-	-	1,797	250	2,806	500	-
Seychelles Ports Authority	4,721	12,712	8,173	98,897	201,917	88,845	73,946
Seychelles Public Transport Corporation	39,990	12,386	6,045	43,000	78,000	217,800	14,300
Energy Sector							
Seychelles Petroleum Company Limited	23,891	21,020	28,328	91,907	127,491	163,296	-
Seychelles Progress Limited							
Seychelles Patriot Limited							
Seychelles Pioneer Limited							
Seychelles Prelude Limited							
Public Utilities Corporation	81,700	292,600	279,200	242,000	77,900	-	-
Petro Seychelles Limited	-	-	400	-	-	-	-
Services, Development and Other Sector							
Seychelles Trading Company Limited	-	-	19,728	2,000	74,500	2,000	3,000
Bois De Rose Investment Limited							
Island Development Company Limited	-	10,662	22,249	115,500	158,725	265,824	392,966
Green Island Construction Company Limited							
Green Tree Investment Company Limited							
Property Management Corporation	24,634	32,393	24,243	15,786	15,000	-	-
Seychelles Fishing Authority	22,025	28,057	17,206	58,504	68,408	44,188	11,470
L'Union Estate	-	841	21,237	22,218	10,400	-	-
Seychelles Parks and Gardens Authority	-	-	1,150	1,925	992	-	-
Seychelles Postal Services Limited	504	308	2,335	561	1,060	378	378
National Information Service Agency	291	1,063	877	393	1,085	1,085	1,085
2020 Development Company Limited							
Paradis Des Enfants Limited							
Societe Seychelloise d'investisement Ltd							
TOTAL	**282,373**	**477,336**	**677,009**	**1,097,828**	**1,530,075**	**1,394,812**	**781,337**
Growth Rate%	**36%**	**69%**	**42%**	**62%**	**39%**	**-9%**	**-44%**
Nominal GDP	**30,440,700**	**32,381,400**	**34,133,800**	**35,219,255**	**36,775,946**	**37,960,131**	**39,121,711**
GDP%	**0.9%**	**1.5%**	**2.0%**	**3.1%**	**4.2%**	**3.7%**	**2.0%**

[12] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

5.5 Elements of Fiscal Risks by PEs

5.5.1 Elements of Explicit Fiscal Risks

5.5.1.1 Projected Dividend Declaration by PEs

SCR ('000)

[13]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Financial Sector							
Seychelles Pension Fund	-	-	-	-	-	-	-
Opportunity Investment Ltd							
Financial Service Authority	61,547	76,195	52,048	31,291	35,206	100,721	112,117
Transport Sector							
Air Seychelles Limited	-	-	-	-	-	-	-
Seychelles Airport Authority			50,000	50,000	50,000	50,000	50,000
Seychelles Aviation Handling Ltd			-	-	-	-	-
Seychelles Civil Aviation Authority	17,000	34,000	-	-	-	-	-
Seychelles Ports Authority	-	-	-	50,000	50,000	50,000	50,000
Seychelles Public Transport Corporation	-	-	-	-	-	-	-
Energy Sector							
Seychelles Petroleum Company Limited	240,421	242,301	243,348	-	89,280	105,840	107,520
Seychelles Progress Limited							
Seychelles Patriot Limited							
Seychelles Pioneer Limited							
Seychelles Prelude Limited							
Public Utilities Corporation	-	-	-	-	-	-	-
Petro Seychelles Limited	-	-	-	-	-	-	-
Services, Development and Other Sector							
Seychelles Trading Company Limited	-	-	-	-	-	-	-
Bois De Rose Investment Limited							
Island Development Company Limited	-	20,000	15,000	-	20,000	20,000	20,000
Green Island Construction Company Limited							
Green Tree Investment Company Limited							
Property Management Corporation	-	-	-	-	-	-	-
Seychelles Fishing Authority	35,000	25,000	25,000	45,000	15,000	15,000	15,000
L'Union Estate	-	-	-	-	-	-	-
Seychelles Parks and Gardens Authority	-	-	-	-	-	-	-
Seychelles Postal Services Limited	-	-	-	-	-	-	-
National Information Service Agency	-	-	-	-	-	-	-
2020 Development Company Limited	-	-	-	-	-	-	-
Paradis Des Enfants Limited	-	-	-	-	-	-	-
Societe Seychelloise d'investisement Ltd	-	-	-	-	-	-	-
TOTAL	**353,967**	**397,496**	**385,396**	**176,291**	**259,486**	**341,561**	**354,637**
Growth Rate%	**-12.8%**	**12.3%**	**-3.0%**	**-54.3%**	**47.2%**	**31.6%**	**3.8%**
Dividends to Net Assets %	**2.5%**	**2.5%**	**2.2%**	**1.0%**	**1.4%**	**1.7%**	**1.7%**

[13] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

5.5.1.2 Projection for Total Grants Received by PEs – Government & Other

SCR ('000)

[14]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Financial Sector							
Seychelles Pension Fund	-	-	-	-	-	-	-
Opportunity Investment Ltd							
Financial Service Authority	-	-	-	-	-	-	-
Transport Sector							
Air Seychelles Limited	-	-	-	-	-	-	-
Seychelles Airport Authority			-	-	-	-	-
Seychelles Aviation Handling Ltd			-	-	-	-	-
Seychelles Civil Aviation Authority	-	-	-	-	-	-	-
Seychelles Ports Authority	-	-	-	-	-	-	-
Seychelles Public Transport Corporation	39,990	12,385	8,042	35,791	60,000	196,554	10,000
Energy Sector							
Seychelles Petroleum Company Limited	-	-	-	-	-	-	-
Seychelles Progress Limited							
Seychelles Patriot Limited							
Seychelles Pioneer Limited							
Seychelles Prelude Limited							
Public Utilities Corporation	63,000	40,000	45,000	66,839	100,000	80,000	100,000
Petro Seychelles Limited	-	-	-	-	-	-	-
Services, Development and Other Sector							
Seychelles Trading Company Limited	-	-	-	-	-	-	-
Bois De Rose Investment Limited							
Island Development Company Limited	-	-	-	-	-	-	-
Green Island Construction Company Limited							
Green Tree Investment Company Limited							
Property Management Corporation	-	-	15,000	54,860	48,313	48,313	50,000
Seychelles Fishing Authority	42,573	45,822	47,815	53,085	53,593	51,900	53,100
L'Union Estate	-	-	5,000	-	-	-	-
Seychelles Parks and Gardens Authority	2,103	1,449	4,532	5,480	872	574	98
Seychelles Postal Services Limited	-	-	-	-	-	-	-
National Information Service Agency	-	-	-	-	-	-	-
2020 Development Company Limited	-	-	-	-	-	-	-
Paradis Des Enfants Limited	-	-	-	-	-	-	-
Societe Seychelloise d'investisement Ltd	-	-	-	-	-	-	-
SUB TOTAL (*Government Grants*)	**99,990**	**52,385**	**73,042**	**157,490**	**208,313**	**324,867**	**160,000**
TOTAL (*i.e. Government and Other Funding Agencies*)	**147,666**	**99,656**	**125,390**	**216,055**	**262,778**	**377,341**	**213,198**
Growth Rate %	**37%**	**-33%**	**26%**	**72%**	**22%**	**44%**	**-43%**
Total Government Expenditure	**10,201,350**	**10,604,800**	**11,601,240**	**11,842,683**	**12,855,171**	**13,119,400**	**13,512,250**
Total PE Grants / Total GOV Current Expense	**1.0%**	**0.5%**	**0.6%**	**1.3%**	**1.6%**	**2.5%**	**1.2%**

[14] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

PUC 2026 anticipate 80 Mn but have received 66Mn as at EOY forecast. 2028 anticipated 100Mn MoF budget 80Mn

PMC Individual report anticipates Grant of 25Mn. In 2026 remaining balance as per GOS DEV grants is related to loan repayments for infrastructure.

5.5.1.3 Projected Business Tax Payments by PEs

SCR ('000)

[15]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Financial Sector							
Seychelles Pension Fund	-	-	-	-	-	-	-
Opportunity Investment Ltd							
Financial Service Authority	-	-	-	-	-	-	-
Transport Sector							
Air Seychelles Limited	-	-	-	-	-	-	-
Seychelles Airport Authority			20,199	27,722	33,283	32,819	31,717
Seychelles Aviation Handling Ltd			-	-	-	-	-
Seychelles Civil Aviation Authority	28,759	12,257	-	-	-	-	-
Seychelles Ports Authority	30,903	20,721	37,973	37,371	30,003	30,729	31,972
Seychelles Public Transport Corporation	-	-	-	-	-	-	-
Energy Sector							
Seychelles Petroleum Company Limited	96,365	95,409	118,676	113,515	112,612	112,553	112,573
Seychelles Progress Limited							
Seychelles Patriot Limited							
Seychelles Pioneer Limited							
Seychelles Prelude Limited							
Public Utilities Corporation	-	-	-	-	-	-	-
Petro Seychelles Limited	-	-	-	-	-	-	-
Services, Development and Other Sector							
Seychelles Trading Company Limited	21,073	10,368	912	-	-	-	73
Bois De Rose Investment Limited							
Island Development Company Limited	11,167	12,685	28,734	17,227	30,863	22,373	38,561
Green Island Construction Company Limited							
Green Tree Investment Company Limited							
Property Management Corporation	-	-	-	-	-	-	-
Seychelles Fishing Authority	-	-	-	-	-	-	-
L'Union Estate	505	-	495	1,893	-	-	-
Seychelles Parks and Gardens Authority	-	-	-	-	-	-	-
Seychelles Postal Services Limited	2,030	(390)	(83)	(27)	-	-	-
National Information Service Agency	128	334	8	13	-	-	-
2020 Development Company Limited	-	-	-	-	-	-	-
Paradis Des Enfants Limited	-	-	-	-	-	-	-
Societe Seychelloise d'investisement Ltd	-	-	-	-	-	-	-
TOTAL	**190,929**	**151,384**	**206,914**	**197,714**	**206,761**	**198,474**	**214,896**
Growth Rate%	**65%**	**-21%**	**37%**	**-4%**	**5%**	**-4%**	**8%**
TAX to Net Profit %	**15%**	**11%**	**15%**	**62%**	**19%**	**17%**	**17%**
Total Business Tax Collected by the Government	**1,601,022**	**1,881,957**	**2,206,346**	**2,332,636**	**2,448,970**	**2,566,575**	-
% toTotal Business Tax Collected by the Government	**12%**	**8%**	**9%**	**8%**	**8%**	**8%**	-

[15] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

5.5.1.4 Projected Personal Income Tax (PIT) Payments by PEs

SCR ('000)

[16]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Financial Sector							
Seychelles Pension Fund	3,821	4,849	5,363	6,354	6,739	7,391	7,642
Opportunity Investment Ltd							
Financial Service Authority	6,865	7,588	8,183	9,042	9,114	9,156	9,156
Transport Sector							
Air Seychelles Limited	20,545	22,871	24,537	26,169	28,056	35,420	40,100
Seychelles Airport Authority			23,079	25,094	25,315	25,341	25,366
Seychelles Aviation Handling Ltd			-	-	-	-	-
Seychelles Civil Aviation Authority	20,281	22,976	3,705	4,291	4,424	4,561	4,703
Seychelles Ports Authority	-	-	-	12,000	15,000	15,000	15,000
Seychelles Public Transport Corporation	4,318	7,158	7,834	8,185	8,950	8,950	8,950
Energy Sector							
Seychelles Petroleum Company Limited	7,486	9,009	9,601	9,068	9,459	9,472	9,459
Seychelles Progress Limited							
Seychelles Patriot Limited							
Seychelles Pioneer Limited							
Seychelles Prelude Limited							
Public Utilities Corporation	18,807	21,552	25,186	26,427	26,824	27,226	27,635
Petro Seychelles Limited	476	615	647	679	713	749	786
Services, Development and Other Sector							
Seychelles Trading Company Limited	7,139	7,632	8,839	8,927	9,017	9,107	9,198
Bois De Rose Investment Limited							
Island Development Company Limited	29,725	32,650	34,370	36,834	39,309	39,568	39,741
Green Island Construction Company Limited							
Green Tree Investment Company Limited							
Property Management Corporation	1,680	2,088	2,117	2,138	2,159	2,181	2,203
Seychelles Fishing Authority	8,533	9,290	10,655	11,305	12,230	13,154	14,078
L'Union Estate	-	1,092	1,117	-	1,250	1,245	12,500
Seychelles Parks and Gardens Authority	1,690	1,950	1,997	2,037	2,078	2,120	2,162
Seychelles Postal Services Limited	645	692	840	860	860	860	860
National Information Service Agency	976	1,135	1,305	1,381	1,457	1,457	1,457
2020 Development Company Limited	-	-	-	-	-	-	-
Paradis Des Enfants Limited	-	-	-	-	-	-	-
Societe Seychelloise d'investisement Ltd	-	-	-	-	-	-	-
TOTAL	**132,987**	**153,148**	**169,375**	**190,793**	**202,954**	**212,958**	**230,997**
Growth Rate%	-	**15%**	**11%**	**13%**	**6%**	**5%**	**8%**
TAX to Net Profit %	**10%**	**11%**	**13%**	**59%**	**19%**	**18%**	**18%**
Total PIT collection as per Budget	**1,190,004**	**1,331,263**	**1,477,174**	**1,554,150**	**1,633,067**	**1,717,735**	-

[16] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

5.5.1.5 Projected Value Added Tax (VAT) Payments by PEs

SCR ('000)

[17]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Financial Sector							
Seychelles Pension Fund	13,045	13,564	5,054	5,004	5,005	5,159	5,334
Opportunity Investment Ltd							
Financial Service Authority	-	-	-	-	-	-	-
Transport Sector							
Air Seychelles Ltd	12,857	13,585	8,456	14,170	15,726	16,512	17,008
Seychelles Airport Authority			9,077	9,533	9,632	9,746	9,856
Seychelles Aviation Handling Ltd							
Seychelles Civil Aviation Authority	7,623	8,272	(1,539)	(1,636)	(1,687)	(1,739)	(1,793)
Seychelles Ports Authority	-	-	-	(2,000)	(2,000)	(2,000)	(2,000)
Seychelles Public Transport Corporation	-	-	-	-	-	-	-
Energy Sector							
Seychelles Petroleum Company Ltd	-	-	-	-	-	-	-
Seychelles Progress Ltd							
Seychelles Patriot Ltd							
Seychelles Pioneer Ltd							
Seychelles Prelude Ltd							
Public Utilities Corporation	49,099	42,495	53,274	47,259	59,880	70,132	64,149
Petro Seychelles Ltd	-	-	-	-	-	-	-
Service, Development and Other Sector							
Seychelles Trading Company Ltd	42	46	-	-	-	-	-
Bois De Rose Investment Limited	-	-	-	-	-	-	-
Island Development Company	-	55,414	62,561	29,721	45,767	52,572	58,343
Green Island Construction Company Ltd							
Green Tree Investment Company Ltd							
Property Management Corporation	-	-	-	-	-	-	-
Seychelles Fishing Authority	3,434	2,735	3,340	2,524	2,776	2,776	2,000
L'union Estate Ltd	3,532	3,402	-	3,855	4,200	4,250	-
Seychelles Parks and Gardens Authority	-	-	-	-	-	-	-
Seychelles Postal Services Ltd	-	-	194	150	150	150	150
National Information Service Agency	3,252	3,028	3,652	3,126	3,247	3,407	3,578
2020 Development Company Ltd							
Paradis Des Enfants Ltd							
Societe Seychelloise d'investisement Ltd							
TOTAL	**92,884**	**142,541**	**144,070**	**111,705**	**142,696**	**160,965**	**156,625**
Growth Rate%	**0%**	**53%**	**1%**	**-22%**	**28%**	**13%**	**-3%**
Tax to Net Profit %	**7%**	**11%**	**11%**	**35%**	**14%**	**14%**	**12%**
Total VAT Collected by the Government	**3,001,806**	**3,131,531**	**3,379,307**	**3,604,048**	**3,874,474**	**4,091,719**	**-**
% to Total VAT Collected by the Government	**6%**	**9%**	**8%**	**9%**	**9%**	**10%**	**-**

[17] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

5.5.1.6 Summary of Other Tax payment Projections

SCR ('000)

[18]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Financial Sector							
Seychelles Pension Fund	-	-	-	-	-	-	-
Opportunity Investment Ltd							
Financial Service Authority	-	-	-	-	-	-	-
Transport Sector							
Air Seychelles Limited	-	-	-	-	-	-	-
Seychelles Airport Authority			23,376	26,052	27,674	27,508	27,783
Seychelles Aviation Handling Ltd			-	-	-	-	-
Seychelles Civil Aviation Authority	14	14	14	14	25	25	14
Seychelles Ports Authority	-	-	-	-	-	-	-
Seychelles Public Transport Corporation	-	-	-	-	-	-	-
Energy Sector							
Seychelles Petroleum Company Limited	803,412	797,174	848,816	840,096	877,117	877,128	877,109
Seychelles Progress Limited							
Seychelles Patriot Limited							
Seychelles Pioneer Limited							
Seychelles Prelude Limited							
Public Utilities Corporation	2,500	1,838	3,260	2,682	4,176	3,847	3,544
Petro Seychelles Limited	-	-	-	-	-	-	-
Services, Development and Other Sector							
Seychelles Trading Company Limited	-	-	-	-	-	-	-
Bois De Rose Investment Limited							
Island Development Company Limited	4,966	4,914	6,153	5,535	6,363	8,329	6,675
Green Island Construction Company Limited							
Green Tree Investment Company Limited							
Property Management Corporation	-	-	-	-	-	-	-
Seychelles Fishing Authority	474	364	92	400	410	420	430
L'Union Estate	-	-	-	-	143	143	179
Seychelles Parks and Gardens Authority	-	-	-	-	-	-	-
Seychelles Postal Services Limited	-	-	-	-	-	-	-
National Information Service Agency	-	-	-	-	-	-	-
2020 Development Company Limited	-	-	-	-	-	-	-
Paradis Des Enfants Limited	-	-	-	-	-	-	-
Societe Seychelloise d'investisement Ltd	-	-	-	-	-	-	-
TOTAL	**811,366**	**804,305**	**881,711**	**874,779**	**872,220**	**873,324**	**871,799**
Growth Rate%	**0.0%**	**-0.9%**	**9.6%**	**-0.8%**	**-0.3%**	**0.1%**	**-0.2%**
TAX to Net Profit %	**64%**	**60%**	**66%**	**273%**	**84%**	**75%**	**69%**
Total Other Taxes Collected by Government	**2,375,837**	**2,671,652**	**2,743,373**	**2,779,031**	**2,869,253**	**2,984,693**	**-**
% of Total Other taxes collected by government	**34%**	**30%**	**32%**	**31%**	**30%**	**29%**	**-**

[18] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

5.5.1.7 Potential Requests for Government Subventions by PEs

SCR ('000)

[19]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Financial Sector							
Seychelles Pension Fund	-	-	-	-	-	-	-
Opportunity Investment Ltd							
Financial Service Authority	-	-	-	-	-	-	-
Transport Sector							
Air Seychelles Limited	-	-	-	194,952	-	-	-
Seychelles Airport Authority			-	-	-	-	-
Seychelles Aviation Handling Ltd							
Seychelles Civil Aviation Authority	-	-	-	-	-	-	-
Seychelles Ports Authority	-	-	-	-	-	-	-
Seychelles Public Transport Corporation	8,138	10,000	5,700	62,700	72,700	84,700	84,700
Energy Sector							
Seychelles Petroleum Company Limited	-	-	-	-	-	-	-
Seychelles Progress Limited							
Seychelles Patriot Limited							
Seychelles Pioneer Limited							
Seychelles Prelude Limited							
Public Utilities Corporation	-	-	-	-	-	-	-
Petro Seychelles Limited	-	3,319	4,000	-	-	-	-
Services, Development and Other Sector							
Seychelles Trading Company Limited	-	-	-	-	-	-	-
Bois De Rose Investment Limited							
Island Development Company Limited	-	-	-	-	-	-	-
Green Island Construction Company Limited							
Green Tree Investment Company Limited							
Property Management Corporation	-	-	-	-	-	-	-
Seychelles Fishing Authority	-	-	-	-	-	-	-
L'Union Estate	-	-	-	-	-	-	-
Seychelles Parks and Gardens Authority	-	-	-	-	-	-	-
Seychelles Postal Services Limited	6,000	4,000	4,000	10,440	8,000	5,400	4,600
National Information Service Agency	-	-	1,000	800	800	800	800
2020 Development Company Limited	-	-	-	-	-	-	-
Paradis Des Enfants Limited	-	-	-	-	-	-	-
Societe Seychelloise d'investisement Ltd	-	-	-	-	-	-	-
TOTAL	**14,138**	**17,319**	**14,700**	**268,892**	**81,500**	**90,900**	**90,100**
Growth Rate%	**-95%**	**22%**	**-15%**	**1729%**	**-70%**	**12%**	**-1%**
Total Government Expenditure	**10,201,350**	**10,604,800**	**11,601,240**	**11,842,683**	**12,855,171**	**13,119,400**	**13,512,250**
% to Total Government Expenditure	**0.1%**	**0.2%**	**0.1%**	**2.3%**	**0.6%**	**0.7%**	**0.7%**

[19] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

PetroSeychelles anticipates requiring SCR 4Mn. 2028-2029 not approved as of yet.

5.5.2 Elements of Implicit Fiscal Risks

5.5.2.1 Projected Outstanding Borrowings Balances of PEs

SCR ('000)

[20]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Financial Sector							
Seychelles Pension Fund	-	-	-	-	-	-	-
Opportunity Investment Ltd							
Financial Service Authority	-	-	-	-	76,525	76,525	-
Transport Sector							
Air Seychelles Limited	368,397	344,365	308,522	266,228	221,891	196,560	199,680
Seychelles Airport Authority			-	-	-	-	-
Seychelles Aviation Handling Ltd			-	-	-	-	-
Seychelles Civil Aviation Authority	-	-	-	-	-	-	-
Seychelles Ports Authority	672,817	1,121,294	1,225,558	959,199	866,662	762,364	629,591
Seychelles Public Transport Corporation	-	-	-	-	-	-	-
Energy Sector							
Seychelles Petroleum Company Limited	-	-	-	(442,736)	(372,953)	(316,711)	(255,836)
Seychelles Progress Limited							
Seychelles Patriot Limited							
Seychelles Pioneer Limited							
Seychelles Prelude Limited							
Public Utilities Corporation	1,412,675	1,511,846	1,503,283	1,447,714	1,541,673	1,621,340	1,473,828
Petro Seychelles Limited	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Services, Development and Other Sector							
Seychelles Trading Company Limited	-	-	20,000	171,289	201,410	148,842	94,536
Bois De Rose Investment Limited							
Island Development Company Limited	-	185,258	221,082	291,370	599,575	818,512	1,045,989
Green Island Construction Company Limited							
Green Tree Investment Company Limited							
Property Management Corporation	153,391	106,637	56,231	25,783	307	307	307
Seychelles Fishing Authority	-	-	-	80,000	80,000	80,000	80,000
L'Union Estate	-	-	-	-	-	-	-
Seychelles Parks and Gardens Authority	-	-	-	-	-	-	-
Seychelles Postal Services Limited	-	-	-	-	-	-	-
National Information Service Agency	706	-	-	-	-	-	-
2020 Development Company Limited	-	-	-	-	-	-	-
Paradis Des Enfants Limited	-	-	-	-	-	-	-
Societe Seychelloise d'investisement Ltd	-	-	-	-	-	-	-
TOTAL	**2,627,987**	**3,289,401**	**3,354,677**	**2,818,845**	**3,235,091**	**3,407,739**	**3,288,095**
Growth Rate%	**37.05%**	**25.17%**	**1.98%**	**-15.97%**	**14.77%**	**5.34%**	**-3.51%**
Nominal GDP	**30,440,700**	**32,381,400**	**34,133,800**	**35,219,255**	**36,775,946**	**37,960,131**	**39,121,711**
Borrowings to Total Assets %	11.94%	13.83%	12.86%	10.50%	11.30%	10.49%	9.64%
Borrowings to GDP %	8.63%	10.16%	9.83%	8.00%	8.80%	8.98%	8.40%

[20] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

5.5.2.2 Projected Outstanding Values of Guarantees of PEs

SCR ('000)

[21]Name of Public Enterprise	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Financial Sector							
Seychelles Pension Fund	-	-	-	-	-	-	-
Opportunity Investment Ltd							
Financial Service Authority	-	-	-	-	-	-	-
Transport Sector							
Air Seychelles Limited	-	-	-	-	-	-	-
Seychelles Airport Authority			-	-	-	-	-
Seychelles Aviation Handling Ltd							
Seychelles Civil Aviation Authority	-	-	1,000	-	-	11,800	-
Seychelles Ports Authority	9,317	9,689	10,172	-	-	-	-
Seychelles Public Transport Corporation	-	-	-	-	-	-	-
Energy Sector							
Seychelles Petroleum Company Limited	-	-	-	-	-	-	-
Seychelles Progress Limited							
Seychelles Patriot Limited							
Seychelles Pioneer Limited							
Seychelles Prelude Limited							
Public Utilities Corporation	-	-	6,500	4,000	4,000	4,000	4,000
Petro Seychelles Limited	-	-	-	-	-	-	-
Services, Development and Other Sector							
Seychelles Trading Company Limited	-	-	-	-	-	-	-
Bois De Rose Investment Limited							
Island Development Company Limited	-	-	-	-	-	-	-
Green Island Construction Company Limited							
Green Tree Investment Company Limited							
Property Management Corporation	-	6,600	500	500	500	500	500
Seychelles Fishing Authority	-	-	-	5,454	-	-	-
L'union Estate	-	-	-	-	-	-	-
Seychelles Parks and Gardens Authority	-	-	-	-	-	-	-
Seychelles Postal Services Limited	-	-	-	-	-	-	-
National Information Service Agency	-	-	-	-	-	-	-
2020 Development Company Limited							
Paradis Des Enfants Limited							
Societe Seychelloise d'investisement Ltd							
TOTAL	**9,317**	**16,288**	**18,172**	**9,954**	**4,500**	**16,300**	**4,500**
Percentage Increase/Decrease		**75%**	**12%**	**-45%**	**-55%**	**262%**	**-72%**

[21] SAHC and BDR are subsidiaries of their respective parent Public Enterprises; however, a consolidated (group) MTFS has not yet been prepared by the parent entities. In addition, SSIL (in dissolution), 2020 Development Company Ltd recently resumed operations, and Paradis des Enfants Ltd (internal capacity constraints) have not prepared an MTFS for the period under review

6 SECTION II - MTFS OF INDIVIDUAL PUBLIC ENTERPRISES

Disclaimer

This section comprises the individual Medium-Term Financial Strategies (MTFS) for 2027–2029 submitted by Public Enterprises (PE) to the Public Enterprise Monitoring Commission (PEMC). While PEs were required to finalise their MTFS submissions and obtain the necessary endorsements from their respective Boards of Directors and Responsible Ministers, certain entities had not completed all revisions or secured the required endorsements within the prescribed timeframe.

Accordingly, some MTFS documents presented herein reflect the latest available submissions at the time of consolidation and may remain subject to further revisions or outstanding formal endorsements. These submissions have been incorporated to facilitate the timely completion of the Consolidated MTFS 2027–2029. Their inclusion does not constitute confirmation of final approval or endorsement by the relevant authorities.

Where revised or duly endorsed versions are received before publication, these will be incorporated where practicable. Any outstanding updates will be considered during the subsequent MTFS review and reporting process.

The exchange rates applied in the individual PE reports reflect the initial rates communicated to the Public Enterprises for the preparation of their respective MTFS submissions. The following rates were used.

Assumption	2023	2024	2025	2026	2027	2028	2029
Inflation Rate (%)	N/A	N/A	N/A	N/A	2.7	3.1	3.4
Real GDP growth (%)	N/A	N/A	N/A	N/A	4.9	3.6	3.4
Exchange Rate SR/US$	14.02	14.53	14.73	14.77	15.66	15.92	16.17
Exchange Rate SR/EURO	15.17	15.78	16.57	17.02	17.55	17.97	18.35

6.1 SEYCHELLES PENSION FUNDS (SPF)

6.1.1 Strategic Overview

6.1.1.1 Mandate

- To provide the financial security of members by the payment of a monthly pension
- To provide benefits in accordance with financial security of the surviving spouse and children of members who die before retirement by the payment of a surviving spouse's pension or children's pension
- To provide in accordance for the financial security of those who are incapacitated due to injuries or illness while being employed
- To provide death benefit where a member dies before retirement and has no surviving spouse living with him or has no children at the time of death.

6.1.1.2 Vision

"Be a trusted and sustainable partner for our members"

6.1.1.3 Mission

"To deliver benefits to our members and beneficiaries"

Strategic Priorities, Challenges, and Initiatives with NDS and SDG Alignment for the 5 years – 2024 to 2028

Year	*6.1.1.4 Strategic Priority*	*6.1.1.5 Key Challenge*	*6.1.1.6 Strategic Initiative*	*6.1.1.7 NDS & SDG Mapping*
2026	• *Rebranding of SPF*	1. Political Risks	-	-
	• *Enhance the Risk Management & Internal Audit Framework*	1. Economic factors (such as COVID-19, increase in tax, unemployment rate and other related costs)	-	-
	• *Strengthening Human Resource engagement and productivity*	1. Members lack or have limited understanding of the SPF Pension system – potential backlash (negative publicity)	-	-
2027	• *Improved Investment Management Practices*	1. Increased competition in Real Estate/Properties	-	-
	• *Enhance Pension plans offerings to members*	2. Influencers/opinion leaders encouraging negative perceptions of SPF	-	-
2028	• *Digitalisation of SPF's services and development in Information Technology'*	1. Adverse impact of Government policies (e.g. PEMC monitoring/control, Proposal of government house-reduction in rent, review in taxes) 2. High reliance on data from other stakeholders (timeliness & reliability) 3. New emerging technologies that SPF has to be in line with	-	-
	• *Development of an Actuarial Unit*	1. Movements in the Country's Demographics affecting SPF (Increase Life Expectancy, increase in child mortality rate, reduced birth rate, increase in foreign workers)	-	-
2029	• *Enhance Property Management framework*	1. Social Factors (affecting labour force, Increase in informal sectors etc.) 2. Financial Market challenges - domestic capital market not fully develop 3. Legal Threats	-	-

6.1.2 Outlook of Financial Strategy

6.1.2.1 Projected Financial Position of Seychelles Pension Fund

SCR (000)

Description	Actual Figures			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
ASSETS							
Non-Current Assets							
Plant and equipment	16,377	14,496	40,536	41,255	40,781	37,001	33,169
Investment properties	1,453,434	1,609,998	1,798,279	1,980,044	2,250,741	2,320,826	2,353,090
Right-of-use on assets	40,557	40,041	39,526	39,010	38,495	37,979	37,464
Investment in subsidiary	38,631	40,563	40,563	40,563	40,563	40,563	40,563
Investment in associates	961,000	784,517	1,013,148	1,013,148	1,013,148	1,013,148	1,013,148
Loan receivable	30,361	6,657	-	-	-	-	-
Investment in financial assets	591,713	621,193	312,609	681,165	677,733	760,733	842,733
Intangible assets	-	-	1,618	4,490	5,546	7,546	9,546
Loan to Government-(PMC)							
Total Non-Current Assets	**3,132,073**	**3,117,465**	**3,246,279**	**3,799,675**	**4,067,006**	**4,217,796**	**4,329,713**
Current Assets							
Loan receivable	21,488	23,272					
Investment in financial assets	740,205	1,095,714	1,643,410	1,353,614	1,354,648	1,517,143	1,689,491
Assets held for sale	188,413	150,603	70,856	17,135	18,140	18,597	19,076
Receivables and prepayments	79,159	86,188	78,600	88,480	91,543	101,131	100,855
Cash and bank balances	173,566	134,909	188,558	224,377	176,939	156,038	155,854
Total Current Assets	1,202,832	1,490,685	1,981,425	1,683,607	1,641,269	1,792,908	1,965,277
Total Assets	**4,334,905**	**4,608,150**	**5,227,704**	**5,483,282**	**5,708,276**	**6,010,704**	**6,294,989**
Current liability							
Payables and accruals	(24,885)	(32,514)	(29,965)	(36,150)	(35,816)	(53,492)	(53,408)
Non-Current liabilities							
Property Deferred lease	(6,201)	-	-	-	-	-	-
Provision for long-term employee benefits	(11,678)	(14,139)	(16,521)	(18,000)	(18,963)	(20,597)	(22,619)
Total Non-Current Liabilities	**(17,878)**	**(14,139)**	**(16,521)**	**(18,000)**	**(18,963)**	**(20,597)**	**(22,619)**
Net assets	**4,292,142**	**4,561,497**	**5,181,218**	**5,429,132**	**5,653,497**	**5,936,615**	**6,218,963**
Made up as follows:							
Members' fund	2,674,201	2,853,270	3,070,057	3,234,351	3,419,960	3,593,556	3,772,876
Retained surplus	1,617,941	1,708,226	2,111,162	2,194,781	2,233,537	2,343,059	2,446,087
MEMBERS' FUNDS, RESRVES & RETAINED EARNINGS	**4,292,142**	**4,561,497**	**5,181,218**	**5,429,132**	**5,653,497**	**5,936,615**	**6,218,963**

6.1.2.2 Projected Statement of Changes in Net Assets Available for Benefits - Seychelles Pension Fund

SCR (000)

Description			Provisional	Forecast		
	2024	2025	2026	2027	2028	2029
Contributions and benefits						
Employers' contributions	418,331	443,162	454,832	468,800	483,627	499,742
Employees' contributions	434,996	460,762	472,279	486,300	501,352	517,742
Migrant Workers		-	-	**130,345**	**135,559**	**140,981**
Total contributions	853,326	903,924	927,111	1,085,445	1,120,538	1,158,465
Benefits paid / payable	**(699,390)**	**(728,082)**	**(804,537)**	**(948,681)**	**(997,366)**	**(1,031,276)**
Excess of contributions over benefits paid / payable	153,937	175,842	122,574	136,764	123,172	127,189
Interest income received by members	**39,702**	**40,944**	**41,720**	**48,845**	**50,424**	**52,131**
Net contributions from dealing with members	**193,638**	**216,786**	**164,294**	**185,609**	**173,596**	**179,320**
Return on investments						
Investment income	236,940	253,423	246,429	223,802	302,282	302,045
Investment management expenses	**(20,149)**	**(21,855)**	**(28,621)**	**(36,988)**	**(38,723)**	**(39,580)**
Return before fair value changes and exchange differences	216,792	231,568	**217,808**	**186,814**	**263,559**	**262,466**
Change in market value of investments	(34,406)	292,387	-	-	-	-
Gain on exchange	**10,319**	**5,376**	-	-	-	-
Net return on investments	**192,704**	**529,332**	**217,808**	**186,814**	**263,559**	**262,466**
Non-investment expenses						
Interest expense transferred to members	(39,702)	(40,944)	(41,720)	(48,845)	(50,424)	(52,131)
Administrative expenses	(78,321)	(81,877)	(88,298)	(94,558)	(98,844)	(102,418)
Depreciation of property and equipment	(3,928)	(3,415)	(3,375)	(3,559)	(3,673)	(3,792)
Amortisation of intangible asset - Software	(261)	(306)	(281)	(581)	(581)	(581)
Amortisation of right-to-use on assets	(515)	(515)	(515)	(515)	(515)	(515)
Reversal / (Charge) for credit impairment	(460)	2,142	-	-	-	-
Impairment provision on Mandatory contributions	-	(1,481)	-	-	-	-
	(123,188)	**(126,396)**	**(134,189)**	**(148,058)**	**(154,037)**	**(159,437)**
Surplus for the year	**69,516**	**402,935**	**83,619**	**38,756**	**109,522**	**103,028**
Net increase in the scheme during the year	**263,154**	**619,722**	**247,914**	**224,365**	**283,118**	**282,348**
Net assets of the scheme						
At January 1,	4,298,342	4,561,497	5,181,218	5,429,132	5,653,497	5,936,615
At December 31,	**4,561,497**	**5,181,218**	**5,429,132**	**5,653,497**	**5,936,615**	**6,218,963**

6.1.2.3 Projected Cash flow Statement of Seychelles Pension Fund

SCR (000)

Description			Provisional	Forecast		
	2024	2025	2026	2027	2028	2029
OPERATING ACTVITIES						
Net increase in assets available for benefits	**263,154**	**619,722**	**247,914**	**224,365**	**283,118**	**282,348**
Adjustment for:						
- Depreciation of property and equipment	4,190	3,415	3,375	3,559	3,673	3,792
- Transfer to Expense	-	439	-	-	-	-
- Amortisation - Software	-	306	281	581	581	581
- Amortisation of right-to-use on assets	515	515	515	515	515	515
- Charge / (Reversal) for credit impairment	460	(2,142)	-	-	-	-
- Provision for long-term employee benefits charge	6,036	6,451	-	-	-	-
-Impairment Provision on mandatory contributions	-	1,481	-	-	-	-
- Finance income	(61,882)	(79,947)	-	-	-	-
- Dividend income	(62,656)	(44,740)	(58,634)	(57,739)	(59,753)	(60,675)
- Fair value (gain) / loss on investments	34,406	(292,387)	31,061	1,005	457	480
- Loss on disposal of property and equipment	252	5	-	-	-	-
Operating cash inflow before working capital changes	**184,477**	**213,117**	**224,512**	**172,286**	**228,592**	**227,041**
Changes in working capital:						
(Increase)/Decrease in Receivables and prepayments	(7,489)	8,866	(9,880)	(3,062)	(9,588)	275
Increase/(Decrease) in Payables and accruals	7,630	(3,167)	6,185	(334)	17,676	(84)
Cash generated from operations	184,617	218,817	220,817	168,890	236,679	227,232
- Provision for employee benefits paid during the year	(3,575)	(4,068)	1,479	963	1,634	2,022
Net cash inflow from operating activities	**181,042**	**214,748**	**222,296**	**169,852**	**238,314**	**229,254**
Cash flows from investing activities						
Purchase of property and equipment	(2,950)	(2,360)	(4,094)	(3,085)	107	40
Proceeds from disposal of property and equipment	-	-	-	-	-	-
Purchase of software	381	(1,188)	(3,153)	(1,636)	(2,581)	(2,581)
Purchase of investment properties	(20,555)	(81,755)	(212,825)	(271,702)	(70,542)	(32,744)
Loan repayment received from PMC	25,109	31,297	-	-	-	-
Purchase of financial assets	(1,570,613)	(3,135,871)	(1,179,852)	(1,034)	(245,495)	(254,348)
Proceeds from redemption of financial assets	1,227,579	2,905,454	1,101,092	3,432	-	-
Interest receivable	58,693	78,578	-	-	-	-
Purchase of assets held for sale	-	-	53,721	(1,005)	(457)	(480)
Dividend received	62,656	44,740	58,634	57,739	59,753	60,675
Net cash outflow from investing activities	**(219,700)**	**(161,099)**	**(186,477)**	**(217,290)**	**(259,214)**	**(229,438)**
Net increase in cash and cash equivalents before adjustment	**(38,658)**	**53,650**	**35,819**	**(47,438)**	**(20,901)**	**(184)**
MOVEMENTS IN CASH AND CASH EQUIVALENTS:						
At January 1,	173,566	134,909	188,558	224,377	176,939	156,038
Net increase / (decrease) in cash and cash equivalents	(38,658)	53,650	35,819	(47,438)	(20,901)	(184)
At December 31,	**134,909**	**188,558**	**224,377**	**176,939**	**156,038**	**155,854**

6.1.2.4 Projected Capital Investment Plan of Seychelles Pension Fund

SCR (000)

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures			Provisional	Forecast			Anticipated Risks
							2023	2024	2025	2026	2027	2028	2029	
1. Major Capital Investments														
1. Pirates Arms Re-Development	To support sustainability of SPF- (New construction)	Rental income		**SPF**	2024	31/06/2027	4,594	7,914	58,605	111,744	73,631	11,900	1,500	
2. Dreamgate Complex	Remedial works	Rental income		**SPF**	2026	31/12/2026	-	977	884	5,748	500	500	500	
3. Pointe aux Sel project				**SPF**	N/A	N/A	-	-		-		-	-	
4.Oceangate House renovation (Minor capital work)	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – (Building renovation)	More conducive work environment		**SPF**	Not started	30/06/2027	54	347	446	2,710	2,270	500	500	
5. 5th June Car park project		Rental income and staff car park		**SPF**	N/A	N/A	-	-		13	-	-	-	
6. Continental Building - New Building	To support sustainability of Seychelles Pension Fund	Rental income		**SPF**	Pending Board decision		-	-	620	994	3,050	4,000	2,000	
7. Huteau Lane (Renovation)	To support sustainability of Seychelles Pension Fund	Rental income		**SPF**	Not started		83	309	3,452	1,915	5,900	1,500	1,500	

8.Unity House blocks A, B, C	Improve building conditions to keep supporting sustainability of SPF	More conducive and safer work environment		**SPF**	Not started		258	3,847	1,904	9,011	16,000	1,500	1,500	
	Investment – (Refurbishment of air-condition system/			**SPF**			Included in / as per above							
	Refurbishment of floor tiles in staircases)			**SPF**	2025	31/12//2025	Included in / as per above							
9.Corail D'or	Improve building condition to keep supporting Sustainability of Seychelles pension fund Investment – (Building renovation)	Rental income		**SPF**	2024	31/12/2026	-	3,081	4,259	9,823	2,400	-	-	
10.Praslin Holiday Home (28 self-catering apartments)	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – (Building renovation)	Rental income		**SPF**		Completed	1,835	1,654	1,281	1,414	2,900	100	100	
11.La Clementine	To support sustainability of Seychelles Pension Fund Investment			**SPF**	N/A	N/A	92			-	-	-	-	

12.Maison Collet	Improve building Improve building security and safety, and reduce fund expenses	Reduced electricity costs Safer work environment		**SPF**			-	23	487	2,001	500	20,000	2,000	
	(Installation of Photovoltaic/			**SPF**		Completed								
	Refurbishment of fire alarm system/			**SPF**			Included in / as per above							
	Installation of CCTV)			**SPF**			Included in / as per above							
13. Providence Industrial Estate (Building Renovation)	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment	Rental income and more conducive work environment		**SPF**	2025	31/10/2026	-	48	428	3,163	105	50	50	
14.Eve Island	Improve building condition to keep supporting sustainability of Seychelles Pension Fund	Rental income and more conducive work environment		**SPF**	Not started		-	-		-	500	50	50	
15. Caravelle House	Office alterations	Staff accommodation		**SPF**	Not started	31/12/2026		99		200		50	50	
16. Le Chantier Mall	To support sustainability of Seychelles Pension Fund Investment –	Rental income		**SPF**	2026	31/10/2027	1,735	3,004	5,979	57,772	134,400	9,900	1,500	

	(New construction)													
17. Praslin Complex	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – (Building renovation)	More conducive and safer environment		**SPF**	2026	27/10/2027	-	191	1,525	843	4,729	350	350	
18.La Passe Pension House	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – (Building renovation)	Rental income and more conductive environment		**SPF**	Not started	31/03/2027	-	759		282	570	-	-	
19. Orion Mall				**SPF**				92	1,564	40	-	-	-	
20.Maison Simone				**SPF**					88	2,714	571	50	50	
21.Providence Warehouse				**SPF**						110	5,793	50	50	
	TOTAL						**8,651**	**22,345**	**81,522**	**210,497**	**253,819**	**50,500**	**11,700**	-
2. Replacements and upkeep of Assets (PPE)														
Purchase of Fixed Assets				**SPF**			519	1,297	676	530	619	544	563	

Digitalisation development				**SPF**			-	-	-	3,100	1,000	-	-	
Purchase of Fixed Assets (HRA)				**SPF**			621	-	807	850	850	55	61	
Tools & Equipment (property)				**SPF**			262	1,367	1,024	1,170	1,202	1,239	1,276	
Purchase of SAGE (accounting software)				**SPF**			-	-	-	250	200			
E-Platform Website Software (Sey online)				**SPF**			117		-	-	150	150	-	
TOTAL							**1,519**	**2,664**	**2,507**	**5,900**	**4,021**	**1,988**	**1,900**	**-**

6.1.3 Projected TAX, Dividend, Debt Payments, Subventions, Grants and Contingencies

6.1.3.1 Projected Tax Implications

(SCR 000)

Type of Tax	Actual Figures			Provisional	Forecast			Anticipated Risks
	2023	2024	2025	2026	2027	2028	2029	
Business Tax								
PIT	3,821	4,849	5,363	6,354	6,739	7,391	7,642	
VAT	13,045	13,564	5,054	5,004	5,005	5,159	5,334	
Etc..								
TOTAL	**16,866**	**18,413**	**10,417**	**11,358**	**11,744**	**12,550**	**12,976**	

6.1.3.2 Projected Dividend Distribution

(SCR 000)

Nature of Dividend	Actual Figures			Provisional	Forecast			Anticipated Risks Conditions/Justifications
	2022	2023	2024	2025	2026	2027	2028	
Dividends in Cash	*SPF does not distribute dividends*							
Dividends in lieu of Cash	*SPF does not distribute dividends hence cash in lieu of dividends is not payable*							
TOTAL	-	-	-	-	-	-	-	-

6.1.3.3 Projected Debt Payments

**The Seychelles Pension Fund (SPF) currently operates without any debt or borrowing obligations.*

6.1.3.4 Projected Grants and Subsidies

**The Seychelles Pension Fund (SPF) does not receive any grants or subventions from the government or other external sources*

6.1.3.5 Contingencies of Seychelles Pension Fund

**The Seychelles Pension Fund (SPF) has no contingencies recorded in its financial statements.*

6.1.3.6 Assumptions used for the Financial Projections

Main Assumptions					
		Actual	Forecast	Forecast	
		2025	2026	2027	
Inflation Rate		2%	3.50%	3.50%	as guided by PEMC
Exchange Rate	SCR - US$	14.69	14.92	15.16	as guided by PEMC
Exchange Rate	SCR - Euro	16.51	16.82	16.82	as guided by PEMC
% Movements Year on Year					
Contribution	Mandatory	3%	5%	5%	Increase from previous year 2024 based on historical trends, demographic movements, expected salary increase in the public sector, expected labour market movement, increase in new business.
Contribution	Voluntary	3%	5%	5%	Increase from previous year based on historical trends and incremental outcome of marketing campaigns and sensitisation of the specific target groups
Benefit Payments	Includes retirement & all other benefits paid	6%	5%	5%	Increase from previous year based on historical trends, members attaining 65 years (qualifying for pension) and moving to pensioners, labour market projections, indexation, positive impact of the Functional Capacity Assessment Board (FCAB) on the permanent incapacity benefit payments
Administrative Expenses	Includes Staff, IT	6%	4%	3%	In line with SPF's operational and strategic objectives/future growth expectations/expected inflation/positive impact of the ongoing digitalisation process on staff costs and improved efficiency
Events and Marketing (Corporate Communication)		43%	3%	3%	Improved customer service and member sensitisation programs the collection of more personalisation details to enable better information exchange between SPF and members, customer information dissemination, improve members' education and specific marketing campaigns like property advertising, voluntary contribution, communication of products/services to members in line with SPF's Marketing Plan
Property Management Expenses		13%	3.50%	3.50%	Ensure consistent maintenance and upkeep of all the investment related properties in line with SPF's Maintenance Plan
Contingency Expenses		67%	5%	5%	General capped at 5% of the admin and operating expenses
Interest Credited to Members		0%	-2%	-2%	Forecast based on member contributions in line with expected trends of savings and treasury bills interest rate movements
Other Professional Fees		48%	3.50%	3.50%	Actuarial valuation & parametric change fees for 2025 is SCR1.9m

Fair Value (FV) changes - Quoted & Unquoted securities					Cannot be reliably projected at this point in time therefore the FV has not been considered in the projections/market is not dynamic enough
Fair Value (FV) changes - Investment Properties					Cannot be reliably projected at this point in time therefore the FV has not been considered in the projections
CAPEX					This is as per the current approved and work in progress projects approved by the board which are in line with SPF's Strategic Objectives 2024-28

6.1.4 KPIs, Risk Management Strategy and Reporting Obligations

6.1.4.1 Key Performance Indicators

**Key Performance Indicators (KPIs) were not provided in the document*

6.1.4.2 Risks and Resilience Plan of Seychelles Pension Fund

Risk Category	Potential Risks Identified	Risk Mitigation Strategies[22]
Strategic Risks [23]	**Financial and Investment** including Inflation, Solvency, liquidity, Credit, Systemic, Asset - Liability mismatch)	- SPF Act and Regulations; - Policies and SoPs (e.g. Investment policy, Funding policy); - Close monitoring of asset performance, geopolitical and market conditions; - Close monitoring of debtors (tenants, employers) - Debtors Recovery Committee and Debtor management plan; - Cashflow Management/analysis - Management maintains levels of cash and deposits which are sufficient to meet reasonable expectations of its short-term obligations; - Adequate level of liquid financial instruments within the Investment portfolio; - Triennial actuarial valuations and targeted ad-hoc actuarial investigations - Actuarial financing ratios; - Capped indexation; - Strategic ratios and stability indicators; - Real returns are calculated and monitored against approved benchmarks and funding objectives
	Legal & Regulatory	- SPF Act and Regulations; - Legal and Compliance section; - Legal retainers and consultants; - Adherence to all relevant binding laws and regulations; - Actuarial investigations;

[22]The mitigation measures listed represent the principal controls and resilience actions. They are not exhaustive and are not presented in any order of priority.

[23] Based on the nature of our business and as per the risk management framework and policy in place, SPF Strategic risk events have been categorised through seven main event types.

		- Structured communication and consultation between SPF, Government and regulators on proposed policy, legislative and regulatory changes that may affect the Fund; - Risk assessment - Horizon scanning to anticipate upcoming legal challenges; - Training and Workshops; - Comprehensive review of SPF Act 2005 and Regulations.
	Governance	- SPF Act and Regulations; - Transparency and accuracy in reporting; - Adherence to relevant external reporting requirements and compliance obligations; - Communication with members and stakeholders; - Board charter; - Independent Board of Trustees; - Training to ensure that Trustees and senior management maintain a shared understanding of pension matters and remain abreast of risks that may affect strategic objectives, reputation and long-term sustainability; - Board approved policies that promote good governance i.e. conflict of Interest, whistle blowing etc.; - Independent committees assisting the Board; - Conflict of interest disclosure at Board and independent committee meetings; - Board standing committees i.e. Nomination committee; - Risk Management Section; ERM Framework; Risk Management Policy; risk and control effectiveness assessments; risk register; and risk reporting; - Independent internal audit function; - Strategic plan 2024 -2028; - Board and committee oversight of major policy reforms, scenario assessments, financing options and implementation readiness.
	Market (Incl. Price, Interest rate, foreign currency, liquidity, concentration)	- SPF Act and Regulations; - Policy and SOPs (e.g. Investment policy); - The Fund holds a diversified portfolio[24] of investments and by the selection of securities and other financial instruments within specified limits in accordance with its investment policy some markets risks can be partly mitigated; - Market analysis, the Fund monitors the performance of its assets and the fluctuation in foreign exchange rates on a periodic basis; - Scenario analysis and Stress testing arising from external shocks; - Financial planning, liquidity planning, reserve adequacy analysis and revised cash-flow projections.
	Environmental, Climate, Health and External-Shock	- Policy and SOPs (ESG has been incorporated in SPF investments); - Business Continuity Plans (BCP) and systems in place to minimize the effects of a broad range of external disruptions (geopolitical conflict, energy disruption, cyber disruption, supply-chain disruption, restricted access to premises or service providers, fires, floods, pandemics, tsunamis, climate-related events and other external disruptions etc.) and to ensure that business operations are maintained to an acceptable level; - Review of business continuity and disaster recovery arrangements; - Monitoring geopolitical, market, climate and natural-disaster developments through risk and investment reporting; - Scenario testing and impact assessment; - Maintenance of adequate liquidity and reserves; - Investment portfolio diversification; - Reporting of material developments to PEMC, the Board and relevant committees. - Decentralisation of SPF offices reducing operational concentration risk.
	Funding, Actuarial, Demographic	- SPF Act and Regulations; - Triennial Actuarial valuation;

[24] Diversification does not eliminate exposure to systemic shocks, geopolitical conflict, energy-price movements, inflation or correlated market declines.

		- Contribution rates based on actuarial forecasts; - Actuarial investigations before any parametric changes are implemented; - Revised projections arising from reforms; - Independent consulting Actuary; - Periodic consultations / meetings with Actuary; - Internal capacity building in actuarial science and actuarial works for social security; - Reserves - Liquidity and reserve adequacy assessment under reform and external-shock scenarios; - Reporting to the appropriate governance body in instances of policy- change risk; - Funding policy.
	Stakeholder & Employer Related (Incl. third party risks)	- SPF Act and Regulations; - Policy and SOPs; - Awareness and sensitisation programmes (Private, Public & Informal sectors); - Pension education initiatives and communication on retirement-age reforms, eligibility, benefit expectations and any implementation changes.; - Stakeholder consultations - structured consultation with Government, employers, members, regulators and other relevant stakeholders on major reforms; - Site visits and employer education including assessing employer readiness and communication requirements arising from the policy change; - On-site investigations; - Insurance covers, contracts, back up service providers, leases etc.
Operational Risks[25]	**Internal Fraud**	- Policies and SOPs (incl. Human Resources, Code of conduct and Ethics, No Gift, Conflict of Interest, IT, etc.); - Disciplinary Committee; - Risk Management Executive Committee (RMEC); - Risk reporting; - Internal audit plan and checks; - Access controls; - Segregation of duties; - Different levels of checks; - Risk event investigations and reports; - Annual external Audits.
	External Fraud	- Policies and SOPs (Whistle blowing, AML, IT etc.); - IT system undergoes regular vulnerability, resilience, backup and recovery testing; - Internal audit plan and checks; - Annual external Audits.
	Employment practices & work place safety	- Policies and SOPs (Human Resource, Health and Safety etc.) - Adherence to employment laws and regulations which govern SPF; - Remuneration Committee (Board); - Disciplinary Committee (Management); - Mental health support programs; - Insurance covers for staff; - Employee surveys (anonymous); - Health and Safety unit (officer);

[25] Based on the nature our business, SPF Operational risk events have been defined through seven official Basel event types.

		- Health and Safety training & awareness programs; - Health and Safety champions;
	Clients, products, & business practice	- Policies and SOPs;(Procurement etc.) - Procurement unit; - Adherence to any relevant laws and regulations; - Member surveys; - Contracts and leases with clients / tenants; - Contracts with third party service providers; - Review of contracts by legal team;
	Damage to physical assets	- Policies and SOPs; - Insurance covers for SPF properties and offices being occupied by SPF staff; - Property checks / site visits; - CCTV cameras; - Maintenance plan; - Internal maintenance team; - Property officers - reports; - Scheduled preventive maintenance; - Timely corrective maintenance; - Infrastructure upgrades;
	Business disruption and systems failures	- Policies and SOPs (e.g. IT policies); - BCPs; - Backup systems; - Cloud based recovery systems; - Scheduled system / security software updates; - Firewalls upgrades; - New technologies, Software and Hardware'; - Access rights; - Ongoing security awareness training for staff; - Disaster recovery site; - Alternate service providers;
	Execution, delivery, & process management	- SPF Act and Regulations; - Adherence to any external relevant laws & regulations; - Policies and SOPs -The majority of operational processes are supported by approved policies and SOPs - Adherence to statutory reporting obligations; - Legally binging documents (contracts, leases etc.) - Sustaining adequate operational resources (people, system & financial) to ensure that there are adequate operational processes, systems and controls in place to support the provision of services to our members, stakeholders and the general public; - Due diligence, KYC activities and procedures; - Recruitment of high calibre candidates to maximise the personal and collective contributions of staff towards the achievement of our strategic vision and goals; - Conducive working environment with career development, rewards and recognition; - Staff awareness & training programmes;

		- Staff Performance Improvement plan; - Risk reporting; - Ongoing Digitisation and Digitalisation - Use of new technology to improve efficiency; - Periodic access controls review exercise; - Ongoing modernising and enhancement of processes (e.g. common payroll); - MoUs with key partners & stakeholders; - Business continuity preparedness for business disruptions, system failures arising from external shocks etc - Operational readiness measures, including system changes, member communication, claims processing, staffing, procedures, controls and service-level impacts in anticipation of reforms; - Compliance section.
Reputational[26]		- SPF Act & Regulations; - Effective and innovative delivery of services; - Communication strategy - including timely and accurate communication regarding major reforms and external shocks; - Press releases; - Meeting statutory commitments and communicating any implementation constraints transparently.; - Due diligence activities; - Partnerships; - Managing member expectations including retirement-age reform, eligibility, benefit timing, funding pressures and changes arising from Government policy; - Timely communication with members, regulators and stakeholders; - Corporate communication section; real time media monitoring - including monitoring of inaccurate public information, stakeholder concerns and reputational impacts associated with policy reform, investments or market shocks ; - Member awareness, education and outreach programs, focus groups to build trust; - Partnership with other stakeholders;

[26] Both strategic and operational risk events can result in reputational risk, thus it is considered as an impact type.

6.1.4.3 List of External Reporting's by the Seychelles Pension Fund

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report	Submitted YES/NO
Annual Report & Audited Financial Statements	Minister of Finance to be tabled before the National Assembly	The performance, activities of the Fund and the audited financial position	Annually, within 5 months following every financial year	**Year 2025 - YES**
Half Yearly Report	Minister of Finance	An overview of the Fund's performance and key activities	Once a year after the half year end	**Year 2026 - YES**
Actuarial Report	Minister of Finance	An investigation of the assets and liabilities of the Fund	At intervals of not more than three (3) years	**Year 2024 - YES**
Strategic Plan	Minister of Finance	The Strategic Objectives of the Fund	Every three (3) or five (5) years depending on the expiry date	**YES**
Statement of Corporate Intent	Minister of Finance	The approach, course of action target and performance relating to the Strategic objectives of the Fund	Every three (3) years or depending on the expiry	**YES**
Financial Statements	PEMC	Statement of Financial Position, Statement of Surplus and Other Comprehensive Income, Statement of Cash Flow	Quarterly for period ending 31st March 30th June 30th Sept & 31st Dec	**YES – Q1, Q2, Q3 2026**

6.1.5 Stakeholder Engagement

6.1.5.1 Statement by Responsible Minister

The Seychelles Pension Fund (SPF) remains a strategically important financial institution in our national economy and social protection framework. It is a major source of retirement income for a large share of the working population, so its performance is closely monitored by Government, the PEMC, and the public.

Although the Fund's asset base continues to expand, its long-term sustainability remains a concern. It operates under various macro-economic and demographic pressures. The population is ageing with less contributors supporting each beneficiary and people are drawing benefits for longer periods. The informal sector is also relatively large, which limits the contribution base and leaves many workers outside the formal pension system.

Government recognises that these trajectories cannot be left unaddressed and is therefore committed to working with the Board of Trustees and other stakeholders to consider and implement the necessary measures to lessen their impact on the Fund. Nevertheless, the Fund's operating performance remains robust. Sound administration, prudent investment management, and disciplined cost control have contributed to this position, and performance is projected to be sustained over the forecasting period. Government remains fully committed to protecting the interests of current and future pensioners and to safeguarding the integrity of the Fund.

Minister Pierre Laporte
Minister for Finance, Economic Planning, Trade and Investment

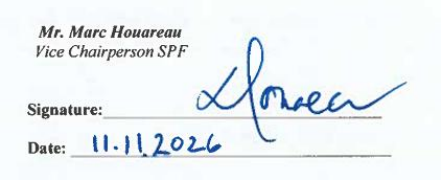
6.1.5.2 Foreword by the Chairperson

The Seychelles Pension Fund (the Fund) faces a clear test of keeping the growing Fund affordable and sustainable for its members. The Fund's net assets grew in 2025, which is expected to continue over the forecast period. The Board of Trustees (the Board) welcomes this, but we note that the strong 2025 result was lifted considerably by investment market gains, which cannot be assumed to recur. Asset growth alone is not proof of long-term sustainability. The Board's assessment of the demographic and structural pressures on the Fund requires decisive action so that it remains affordable for its members over time.

The Board's response rests on key priorities. Foremost, to obtain expert advice through actuarial valuations if the Fund's parameters change, as this directly informs decisions on contributions, benefits, and funding. Also, pursue a diversified investment strategy, matched to the Fund's long-term liabilities, will balance returns against risk and liquidity. Finally, it must strengthen systems, internal controls, risk management, and member services. The Fund has to keep working closely with Government and employers to improve compliance and increase its membership.

The Fund's operating performance remains robust. Contributions exceed benefits in every year of the forecast, and the Fund is projected to remain in surplus throughout. This is a credit to management and staff, but a strong present is not a secure future with known emerging risks which would require acting promptly and making necessary adjustments to the scheme when required.

The Fund remains committed to full transparency and constructive engagement with all of its stakeholders.



6.1.5.3 Statement by the Chief Executive Officer

The 2027-2029 Medium-Term Financial Plan reflects a pivotal period in the Fund's strategic development, marked by significant investment in long-term assets and the creation of sustainable revenue streams that will strengthen future financial performance.

As we look ahead to the 2027-2029 planning period, the Fund enters a transformative phase focused on strengthening its asset base, enhancing revenue-generating capacity, and positioning itself for sustainable long-term growth.

The decrease in retirement age from 65 to 63 years is expected to impact the excess of contributions over benefit payments. In 2027 the expected surplus would have been SCR6m excluding migrant contributions, however the migrant contributions would add an additional SCR 136m to the overall cash inflow which will help manage the increase in benefit payments from 2027.

The 2027 budget represents a deliberate year of significant capital investment. Total capital expenditure (CAPEX) of SCR 249m has been allocated towards the implementation of major strategic projects designed to enhance the Fund's commercial real estate portfolio and long-term value creation. While these investments will substantially increase the value of the Fund's asset portfolio, they will also place considerable pressure on cash flows and reported financial performance during the year. As a direct consequence of CAPEX investment, the budgeted surplus for 2027 is projected to decline by approximately 54% compared to 2026.

The financial outlook improves considerably from 2028 onwards as the benefits of these investments begin to materialise. In particular, the full-year impact of rental income generated from Pirates Arms is expected to provide a substantial and stable contribution to recurring revenues. Consequently, annual net surpluses are projected to increase significantly in both 2028 and 2029, exceeding SCR 100 million per annum, excluding any gains or losses arising from fair value adjustments.

This projected growth in surplus demonstrates the effectiveness of the Fund's long-term investment strategy, whereby short-term financial sacrifices are made to secure stronger and more sustainable returns in the future. The anticipated financial performance in 2028 and 2029 will strengthen liquidity, enhance financial resilience, and create additional capacity for future investments and strategic initiatives.

Overall, the 2027-2029 period represents a strategic investment cycle that will reinforce the Fund's financial sustainability, increase its asset base, and establish a stronger foundation for continued growth and value creation in the years ahead.



6.2 Financial Services Authority (FSA)

6.2.1 Strategic Overview

6.2.1.1 Mandate

The Seychelles Financial Services Authority (FSA) is mandated under the Financial Services Act, 2013, to inter alia:

- Supervise, monitor and regulate licensees in accordance with this Act and the financial services legislation; and other financial services business carried on in or from within Seychelles;
- Administer the registry legislation;
- Develop appropriate legal, regulatory and supervisory mechanisms for the efficient and effective administration of the Authority and the financial services legislation;
- Adopt such measures as may be necessary to appropriately inform and educate the general public on its functions and on matters relating to or affecting any financial services business;
- Take action against persons carrying on unauthorised financial services business in Seychelles.

6.2.1.2 Vision

An effective regulator focused on safeguarding a credible and innovative non-bank financial services jurisdiction.

6.2.1.3 Mission

Uphold the integrity of the Seychelles' NBFS sector by strengthening the regulatory framework, and fostering innovation, market development and confidence.

Strategic Priorities, Challenges, and Initiatives with NDS and SDG Alignment

Year	*6.2.1.4 Strategic Priority*	*6.2.1.5 Key Challenge*	*6.2.1.6 Strategic Initiative*	*6.2.1.7 NDS & SDG Mapping*
2026	Revise and modernise our laws, regulations, policies and operating standards to international norms and best practices.	Ever-changing international regulations or requirements by international regulatory bodies, which lead to tight implementation deadlines and create pressure due to resource constraints.	Strengthen legislative reform through targeted partnerships and technical cooperation with key stakeholders.	NDS Priority Area 4: Promotion of Law and Order SDG 16: Peace, Justice and Strong Institutions Targets: 16.3, 16.5, 16.6
	Effective implementation of our sectoral responsibility for AML/CFT supervision, monitoring and enforcement for all reporting entities under our regulatory purview.	Limited supervisory resources for a diverse and growing population of reporting entities under the FSA's regulatory purview.	Optimise AML/CFT resources through a risk-based approach, enhanced use of technology and strategic partnerships.	NDS Outcome 4.3: A reduction in Cyber and Financial crimes SDG 16: Peace, Justice and Strong Institutions Targets: 16.4, 16.6
	Ensure our staff have the skills and expertise to efficiently and effectively execute and deliver their responsibilities.	Balancing ongoing training and professional development opportunities with the immediate need to undertake regulatory work, manage risks and respond to emerging issues.	Promote a culture of ongoing learning despite evolving operational demands.	NDS Outcome 5.3: A culture of life-long learning established to ensure employability and productivity. SDG 4: Quality Education Targets: 4.4 SDG 8: Decent Work and Economic Growth Targets: 8.2
	Promote the development of the non-bank financial sector through training programme placements and support incentives to industry practitioners and graduates to specialise in this sector.	Unsatisfactory uptake of professional development opportunities by industry participants.	Collaborate with industry bodies to promote and increase participation in professional development initiatives. Establish partnerships with educational institutions and the industry to create demand-driven professional development programmes.	NDS Outcome 5.3: A culture of life-long learning established to ensure employability and productivity. SDG 4: Quality Education Targets: 4.4 SDG 8: Decent Work and Economic Growth Targets: 8.5, 8.10
	Efficiently monitor the activities of the industry and constantly educate our customers and consumers on new products, legislations and of their roles and responsibilities.	Limited resources, rapid market developments, and varying levels of financial literacy among the public.	Implement risk-based monitoring approach across the regulated sectors focused on high-impact areas to optimise resource use. Develop educational materials tailored to varying financial literacy levels. Collaborate with industry and community groups to extend the reach of financial education programmes.	NDS Priority Area 4: Promotion of Law and Order NDS Priority Area 2: The Transformative Economic Agenda SDG 12 – Responsible Consumption and Production Targets: 12.8 SDG 16 – Peace, Justice and Strong Institutions Targets: 16.6

**The strategic priorities for 2027, 2028 and 2029 have not been provided, as the FSA is currently in the process of formulating its new Strategic Plan for the period 2026 – 2030. Nevertheless, the priorities identified for 2026 remain of continued importance.*

6.2.2 Outlook of Financial Strategy

6.2.2.1 Projected Financial Position of FSA

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
	'000	'000	'000	'000	'000	'000	'000
Non-Current Assets	**244,036**	**742,693**	**752,825**	**773,473**	**790,923**	**807,872**	**822,691**
Property, plant and equipment	50,910	231,536	240,969	252,011	269,462	276,241	289,859
Investment property	180,585	498,505	498,505	508,475	508,475	518,644	518,644
Long term receivables	12,541	12,652	13,351	12,987	12,987	12,987	14,187
Current Assets	**174,409**	**157,593**	**156,920**	**149,139**	**169,320**	**253,411**	**249,073**
Trade and other receivables	14,589	14,523	15,746	18,498	18,999	19,135	16,074
Cash and cash equivalents	159,520	142,770	140,873	129,920	149,600	233,556	232,278
Restricted cash	300	300	300	720	720	720	720
Total Assets	**418,445**	**900,286**	**909,745**	**922,611**	**960,243**	**1,061,283**	**1,071,763**
EQUITY and LIABILITIES							
Equity							
Stated capital	8,716	8,716	8,716	8,716	8,716	8,716	8,716
Retained earnings	314,626	194,681	194,681	197,095	197,095	199,558	199,558
Revaluation reserve	13,542	631,326	633,683	651,466	678,116	693,473	696,944
Total Equity	**336,884**	**834,723**	**837,079**	**857,277**	**883,927**	**901,747**	**905,217**
LIABILITIES							
Non-Current liabilities	**21,572**	**23,752**	**28,597**	**33,829**	**41,303**	**47,860**	**55,238**
Retirement benefit obligations	21,572	23,752	28,597	33,829	41,303	47,860	55,238
Current liabilities	**59,989**	**41,812**	**44,069**	**31,505**	**35,013**	**111,676**	**111,308**
Borrowings						76,525	76,525
Other payables	59,989	41,812	44,069	31,505	35,013	35,151	34,783
Total liabilities	**81,561**	**65,563**	**72,665**	**65,334**	**76,316**	**159,536**	**166,546**
Total Equity and liabilities	**418,445**	**900,286**	**909,745**	**922,611**	**960,243**	**1,061,283**	**1,071,763**

6.2.2.2 Projected Statement of Comprehensive Income of FSA

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Revenue	187,661	183,178	191,676	209,187	256,067	328,074	332,928
Staff costs	(73,106)	(75,274)	(84,992)	(110,838)	(132,121)	(138,333)	(138,679)
Administrative expenses	(39,036)	(34,396)	(43,970)	(50,824)	(59,771)	(59,857)	(56,621)
Educational dissemination	(751)	(1,159)	(2,317)	(2,051)	(2,472)	(3,108)	(1,654)
Other operating costs	(1,763)	(2,643)	(2,560)	(2,656)	(3,981)	(4,057)	(3,956)
Finance income - interest on staff loans	3,362	2,155	1,187	3,158	4,340	1,020	1,020
Finance cost - borrowing costs						(9,107)	(9,107)
Collaborative Marketing	(4,715)	(5,422)	(6,559)	(6,557)	(9,406)	(9,595)	(9,675)
Other income	107	46	9	500			
Foreign exchange (losses)/gains	(2,640)	8,694	1,930	(814)	9,199	871	1,331
Profit for the year	**69,119**	**75,176**	**54,404**	**39,104**	**61,856**	**105,909**	**115,587**
Surplus on revaluation of investment property		317,719	-	9,970		10,169	
Profit of the year and total comprehensive income for the year	**69,119**	**392,895**	**54,404**	**49,075**	**61,856**	**116,078**	**115,587**

6.2.2.3 Projected Cash Flow Statement of FSA

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Operating activities							
Profit for the year	69,119	392,895	54,404	49,075	61,856	116,078	115,587
Adjustment for:							
Depreciation on property, plant and equipment	2,614	2,639	2,555	2,598	3,981	4,057	3,956
(Profit)/Loss on disposal of asset	3	4	6	58			
Amortisation of capital grant	(854)						
Impairment of trade receivables	(164)						
Retirement benefit obligation charge	9,982	6,947	9,454	10,947	14,975	15,557	15,578
Interest payable	-		-	-		9,107	9,107
Interest receivable	(3,362)	(2,155)	(1,187)	(3,158)	(4,340)	(1,020)	(1,020)
Gain on revaluation of investment property	(1)	(317,719)		(9,970)		(10,169)	
Impairment of trade receivables		(7)					
Adjustment on accrued Interest upon completion of full repayment of Loan							
Net Cash Provided/(used) by Operating Activities	**77,338**	**82,605**	**65,232**	**49,550**	**76,471**	**133,609**	**143,207**
Changes in working capital							
Increase in trade and other receivables	(5,774)	(38)	(1,923)	(1,387)	(501)	(136)	1,861
(Decrease)/increase in trade and other payables	5,072	2,471	2,257	(11,149)	3,508	138	(368)
Cash generated from operations	**76,635**	**85,037**	**65,566**	**37,013**	**79,478**	**133,611**	**144,700**
Retirement obligations paid	(5,256)	(4,767)	(4,609)	(5,715)	(7,500)	(9,000)	(8,200)
Interest received	3,362	2,155	1,187	3,158	4,340	1,020	1,020
Net cash inflow from operating activities	**74,741**	**82,425**	**62,144**	**34,456**	**76,317**	**125,631**	**137,520**
Cash flows from investing activities							
Purchase of property, plant and equipment	(7,112)	(2,332)	(11,993)	(21,654)	(21,431)	(8,374)	(17,574)
Investment in Treasury bills							
Net cash outflow from investing activities	**(7,112)**	**(2,332)**	**(11,993)**	**(21,654)**	**(21,431)**	**(8,374)**	**(17,574)**
Cash flows from financing activities							
Restricted Cash	(300)			(420)			
Interest paid						(9,107)	(9,107)
Loan Receive						76,525	
Amount transferred to the Government of Seychelles	(60,898)	(96,843)	(52,048)	(31,291)	(35,206)	(100,721)	(112,117)
Net cash inflow from financing activities	**(60,898)**	**(96,843)**	**(52,048)**	**(31,291)**	**(35,206)**	**(33,302)**	**(121,223)**
Net change in cash and cash equivalents	**(57,537)**	**(94,688)**	**(50,861)**	**(28,133)**	**(30,867)**	**(32,282)**	**(120,203)**
Movement in cash and cash equivalents							
At Jan 1	153,090	159,520	142,770	140,873	129,920	149,600	233,556
Increase during the year	6,430	(16,750)	(1,897)	(10,953)	19,680	83,955	(1,277)
At dec 31	**159,520**	**142,770**	**140,873**	**129,920**	**149,600**	**233,556**	**232,278**

6.2.2.4 Projected Capital Investment Plan of FSA

SCR ('000)

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual			Provisional	Forecast			Anticipated Risks
							2023	2024	2025	2026	2027	2028	2029	
1. Major Capital Investments														
Construction of New FSA Warehouse	To accommodate 70 FSA employees from providence office.	Increase level of efficiency of operations and reduce cost of renting office space.	15,938,107	FSA	2025	2026			7,938	6,600	1,400			Cost overruns and delays in completion. Cost overruns could result from adjustments in project requirements, unforeseen site conditions, or general increases in construction-related expenses, thereby creating additional financial pressure beyond the approved allocation. Delayed completion, on the other hand, may affect the Authority's plans for relocation, disrupt operational timelines, and potentially lead to further incidental costs.
Construction of sewage	To the need to manage sewage due to scarcity of land and the increase in population of tenants in the FSA Zone from the original design capacity (warehouse originally designed for storage), as well as proposed development, specifically the construction of a new Warehouse for 70 FSA employees and the planned construction of the new FSA Headquarters	Better management of Sewage from the FSA Zone in view of identified constraints / Challenges	6,000,000.00	FSA	2026	2027				350	5,000	650		Cost escalation and project delays. Unanticipated technical or site-specific challenges could lead to higher expenditure than originally budgeted, while any delay in completing the works may postpone the integration of the system.

Construction of New FSA Building	To accommodate all FSA Employees in one building.	Increase level of efficiency of operations and reduce cost of renting office space.	156,010,121	Bank Loan	2027	2030				3,094	7,356	5,008	4,198	Cost overruns and delays in completion. Cost overruns could result from adjustments in project requirements, unforeseen site conditions, or general increases in construction-related expenses, thereby creating additional financial pressure beyond the approved allocation. Delayed completion, on the other hand, may affect the Authority's plans for relocation, disrupt operational timelines, and potentially lead to further incidental costs.
2. Replacements and upkeep of Assets (PPE)														
IT and Office Equipment				FSA			640	1,573	927	1,180	2,591	882	857	
Furniture, Fixtures and Fittings				FSA			871	204	1,275	466	624	380	382	
Other capital Assets				FSA			978	511	655	550	650	654	659	
Re-roofing of finance office			340,000.00	Bank Loan						40	1,500	-		
Motor Vehicle				FSA					1,198	1,500	600	800		
Re-Cabling of Reefer Points at Container Bay				FSA							220			
Re-Routing to Centralise Sprinkler system for Warehouse J and K				FSA							280			
Replacement of Glass Brick Façade and Lobby Entrance Door and Frame				FSA							120			
A1- A3 conversion to Archive				Bank Loan							450			
Repair of Fencing for FSA Zone				FSA							640			
TOTAL							**2,489**	**2,288**	**11,993**	**13,780**	**21,431**	**8,374**	**6,095**	

6.2.3 Projected TAX, Dividend, Debt Payments, Subventions, Grants and Contingencies

6.2.3.1 Projected Tax Implications

SCR (000)

Type of Tax	Actual Figures			Provisional	Forecast			Anticipated Risks
	2023	2024	2025	2026	2027	2028	2029	
Business Tax								
PIT	6,865	7,588	8,183	9,042	9,114	9,156	9,156	
VAT								
Etc..								
TOTAL	**6,865**	**7,588**	**8,183**	**9,042**	**9,114**	**9,156**	**9,156**	

6.2.3.2 Projected Dividend Distribution

SCR ('000)

Nature of Dividend	Actual Figures			Provisional	Forecast			Anticipated Risks Conditions/Justifications
	2023	2024	2025	2026	2027	2028	2029	
Dividends in Cash	61,547	76,195	52,048	31,291	35,206	100,721	112,117	The FSA's capacity to declare dividends, as well as the level that can be declared, is subject to risks, including volatility in revenue inflows from sector activity, rising operating costs, and the potential need to reprioritise resources for strategic initiatives. External shocks such as economic downturns or market disruptions may further constrain the Authority's ability to sustain dividend declarations at the desired level**.**
Dividends in lieu of Cash								
TOTAL	**61,547**	**76,195**	**52,048**	**31,291**	**35,206**	**100,721**	**112,117**	

6.2.3.3 Projected Debt Payments

SCR ('000)

Lending Organization	Description	Purpose of Borrowings	Total Debt Amount (Capital)	GoS as guarantor (YES/NO)	Total Borrowings and Debt Servicing						
					Actual Figures			Provisional	Forecast		
					2023	2024	2025	2026	2027	2028	2029
Bank	Borrowings	**Construction of New FSA Building**		**NO**	-	-	-	-	-	9,106,	9,106,
	Interest for the Year				-	-	-	-	-	-	-
	Repayment of Capital				-	-	-	-	-	-	-
	Balance carried forward	**Two years Grace period**	**76,525**		-	-	-	-	-	76,525	76,525
SUB TOTAL (only Guaranteed by GOS)					-	-	-	-	-	-	-
TOTAL					-	-	-	-	-	**76,525**	**76,525**

6.2.3.4 Projected Grants and Subsidies

**The FSA has not received or is not anticipating any government grants and subsidies or funding from other agencies such as IMF, world bank, African development bank, European union, etc.*

6.2.3.5 Contingencies of FSA

**The FSA does not anticipate any contingent liabilities due to guarantees or any legal proceedings in the medium term.*

6.2.3.6 Assumptions used for the Financial Projections

Assumption Area	Assumption / Basis	Source / Evidence	Financial Impact / Linkage
Revenue Growth	Total revenue projected at SR260.45 million, representing a 23% increase over the approved 2026 forecast.	Revenue forecast and historical performance trends.	Supports funding of recurrent expenditure, capital projects and projected surplus.
IBC Revenue	IBC incorporation and renewal fees assumed to increase in 2027.	Proposed fee revision and stabilized renewal trends since 2024	Corporate revenues expected to increase by approximately 42%, contributing significantly to overall revenue growth.
Exchange Rate	Budget prepared using PEMC exchange rate of SR15.66/USD.	PEMC guidance for all Public Enterprises.	Impacts USD-denominated revenue forecasts, rental income and expenditure estimates.
Zone Rental Income	Full occupancy of Warehouses A, B, C, J and K throughout 2027	Existing leases and prevailing commercial rental rates.	Rental income forecast at SR56.10 million, providing stable non-regulatory revenue.
Capital Markets Revenue	Continued growth in licensed entities and regulatory activity.	Forecast increase from capital market supervision and registrations.	Capital Markets revenue projected at SR26.06 million in 2027.
Investment Income	Investment of approximately **USD5.35 million** in fixed deposits.	Approved Investment Policy (July 2025).	Generates interest income and contributes to miscellaneous revenue.
Organisational Restructuring	New sections, additional posts and staff promotions implemented in phases.	Approved restructuring programme and workforce requirements.	Personal Emoluments increase to SR132.12 million (+39%).
Digital Transformation	Additional IT platforms, licences and subscription services required.	Budget provisions for digital certificates, Microsoft 365 upgrades, AI tools and monitoring systems.	Administrative and Zone Running Costs increase to support operational efficiency and service delivery.
International Engagement	Enhanced public awareness, digital campaigns and international promotion of Seychelles.	New digital marketing initiatives and industry events strategy.	Educational Dissemination Programme budget increased to SR12.10 million.
Infrastructure Development	Continued investment in warehouse defects liability works, sewage system, Finance Office extension and headquarters planning.	Approved capital development programme.	Capital expenditure budget of SR21.43 million for 2027.

6.2.4 KPIs, Risk Management Strategy and Reporting Obligations

6.2.4.1 Key Performance Indicators of FSA

Title of Key Performance Indicators	Description	Targeted Strategic Priority	Achievements of KPIs						
			Actual Figures			Provisional	Forecast		
			2023	2024	2025	2026	2027	2028	2029
Strategic Growth and development of the Non-Banking Financial Services (NBFS) sector	Tracks expansion, stability and overall progress of all "Security Dealers (SDs)"	Promote the development of the non-bank financial sector through training programme placements and support incentives to industry practitioners and graduates to specialise in this sector. Efficiently monitor the activities of the industry and constantly educate our customers and consumers on new products, legislations and of their roles and responsibilities.	178	190	223	244	239	325	358
	Tracks expansion, stability and overall progress of all "SDs Representatives"		195	216	266	275	349	390	431
	Measures market growth, and provides overview of economic contribution of **new** International Business Companies ("IBCs")		4,066	3,683	3,186	1,301	2,827	2,576	2,324
	Measures market growth, and provides overview of economic contribution of **total** IBCs		239,413	243,078	246,264	247,565	254,127	257,888	261,649
	Measures market growth, and provides overview of economic contribution of **total** foundations		1,121	1,194	1,254	1,282	1,389	1,456	1,522
	Measures market growth, and provides overview of economic contribution of **total** trusts		955	997	1,042	1,057	1,117	1,157	1,196
Operational									

Financial Financial literacy outreach	Tracks the financial literacy and education programmes conducted	Promote the development of the non-bank financial sector through training programme placements and support incentives to industry practitioners and graduates to specialise in this sector. Efficiently monitor the activities of the industry and constantly educate our customers and consumers on new products, legislations and of their roles and responsibilities.	12 monthly articles; Insurance-sector Financial Education Fair; Bachelor's & Master's + ICA scholarships	12 articles + 6 infographics; Global Enterprise Week (Mahé & Praslin) & Maritime Week fairs; 2 Master's; 50 ICA + 10 Advanced; 26 posts	12 articles; VA/VASP campaign; 3 Master's; 41 ICA; 36 posts; radio; book donations	12 articles; 2 Bachelor's; 27 ICA + 10 Advanced + 3 specialist + 1 Diploma; 28 social media posts (Jan–Jul); SBC collab; Telesesel; National Day Quiz; CNBC documentary	12 articles; 1 Bachelor's + 1 Master's; 50 ICA; 30 posts; SBC collab; Telesesel; quiz; radio; book donations	12 articles; 1 Bachelor's + 1 Master's; 50 ICA; 35 posts; SBC collab; Telesesel; quiz; radio; book donation	12 articles; 1 Bachelor's + 1 Master's; 50 ICA; 40 posts; SBC collab; Telesesel; quiz; radio; book donation
Other - e.g. Compliance, Governance			**Number of Onsite Inspections**						
Number of inspections for Anti-Money Laundering/Countering Finance Terrorism (AML/CFT) supervision (includes thematic inspection on Customer Due Diligence carried out at the reporting entities as part of Beneficial Ownership inspections)	Tracks the number of reporting entities that undergo inspection for AML/CFT supervision"	Effective implementation of our sectoral responsibility for AML/CFT supervision, monitoring and enforcement for all reporting entities under our regulatory purview.	32	37	4	12	12	14	16

Number of inspections under the Beneficial Ownership (BO) Act	Tracks the number of resident agents that undergo BO inspections		28	33	42	30	46	48	50
Supervision Coverage (Onsite Inspections)	"Measures the percentage of licensed entities that undergo onsite inspection"	Efficiently monitor the activities of the industry and constantly educate our customers and consumers on new products, legislations and of their roles and responsibilities.	**% of Inspections of Total Population**						
	Gambling		81%	100%	100%	100%	100%	100%	100%
	Insurance		41%	41.18%	35.71%	40.91%	44.44%	50.00%	55.56%
	International Trade Zone: Thematic inspections		32%	62.5%	56.3%	37.5%	50.0%	63%	75%
	International Trade Zone: Employment inspections		26%	62.5%	37.50%	43.8%	37.5%	44%	37.5%
	Capital Markets		1.95%	2.65%	1.66%	0.41%	6.12%	8.16%	12.24%
	Fiduciary: TCSP License		11.65%	20%	28%	10%	20%	28%	28%
Supervision Coverage (Onsite Inspections)	"Measures the percentage of IBCs, Trusts, Foundations and Limited Partnerships (LP) under the administration of TCSPs that undergo onsite inspection"		**% of Inspections of Total Population**						
	IBC		1%	0.5%	2.34%	2.05%	3.47%	4.93%	5.18%
	Trusts		7.64%	-	12.57%	5.58%	16.11%	16.85%	16.05%
	Foundations		0%	1.58%	7.89%	9.28%	12.17%	15.04%	14.39%
	LP's		0%	-	0%	57%	69%	83%	83%

6.2.4.2 Risks and Resilience Plan of FSA

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	Failure to achieve strategic objectives	Monitoring and evaluation process for the achievement of strategic objectives, including implementing corrective measures as required
	Specialists' skills shortage or unavailability	Effective human resource management including for staff recruitment, training and retention
Financial Risks	Credit risk	Effective debtor management/credit control
	Liquidity risk	Ensuring sufficient cash is available for daily operations and financial commitments that may arise
	Budget deficit due to increase of unplanned expenditures	Control of other expenditures to gain savings as a result to cater for unexpected expenditures and increases
	Revenue risk	Product diversification and ensuring visibility of jurisdiction, products and services on offer
Operational Risks	Information Technology and Cybersecurity risks	Strengthening the technological infrastructure and cybersecurity measures
	Non-conducive or inefficient resources to efficiently carry out operations	Effective resource management Undertaking the required investments
Compliance and Regulatory Risks	Failure to meet international standards and requirements	Annual review process used to capture new compliance requirements and review/update existing requirements Getting the consent of international standard setting bodies on draft legislations before enactment
	Detrimental business conduct by licensees	Onsite and offsite inspections Review of licensees' procedures and processes
	Exposure to unregulated products and activities	Issuing scam alerts and monitoring of scam schemes Introducing regulatory frameworks
Environmental and Social Risks	Workplace environmental hazards	Adherence to health and safety protocols
	Natural disasters and other catastrophes	Preparedness actions Business continuity planning
	Adverse effects on mental health	Fringe benefits Teambuilding activities Reward and recognition measures

6.2.4.3 List of External Reporting by the Financial Services Authority

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report	Submitted YES/NO
Statistics on AML/CFT	National AML/CFT Committee ("NAC")	This provides comprehensive statistics on matters relevant to the effectiveness and efficiency of the AML/CFT systems in line with the requirements of Recommendation 33 of the FATF Standards.	By 14th of the month following each quarter	
Follow Up Report ("FUR")	Assessors of Seychelles (Review Group A) of the Eastern and Southern African Anti-Money Laundering Group ("ESAAMLG")	Further to the deficiencies in the Technical Compliance of the FATF standards noted in the Mutual Evaluation Report in 2018, Seychelles was placed under enhanced follow up in terms of Paragraph 90 of the procedures for the ESAAMLG 2nd Round of AML/CFT Mutual Evaluations and Follow Up Process.	Annually, in August, before the second bi-annual ESAAMLG meetings in September.	
Technical Assistance and Training	ESAAMLG Secretariat	To report on the financial and technical support received and list down the priority AML/CFT training requirements to enhance the capacity of AML/CFT regime of Seychelles	Annually	
Surveys on AML/CFT typologies	ESAAMLG Secretariat	To complete surveys undertaken by the ESAAMLG secretariat on different AML/CFT typologies	As and when requested	
CISNA country report	CISNA secretariat	• Legislation administered by the FSA and legislative changes. • Statistics pertaining to the capital markets and Insurance and medical aid schemes sub-committee (number of licensees by categories, listings (market capitalisation, number of listings, volume, liquidity percentage) • The AML/CFT, capital markets and insurance landscapes (updates) • Consumer financial education	Bi-Annually	
Financial Access Survey	IMF (FSA's inputs are submitted to the CBS)	This provides data on access to and use of financial services e.g. insurance, which monitors the level of financial inclusion	Annually	
Financial Stability Report	President & National Assembly (FSA's inputs are included as part of the Financial Stability Committee's work)	This analyses the overall health and resilience of the financial system, highlighting potential risks, vulnerabilities, and developments that could impact the economy.	Annually	**YES**
COMESA Financial Stability Report	COMESA (FSA's inputs are submitted to the CBS)	This provides statistics on the Non-Bank Financial Services Sector.	Annually	**YES**
Investment Regulation of Pension Funds and Other Pension Providers	IOPS /OECD	This is an assessment of Pension Funds and Other Pension Providers.	Annually	
Industry Report	Insurance industry/ general public	This provides data on the overall health and resilience of the insurance industry, highlighting potential risks, vulnerabilities, and developments.		
Observance of ICPs	IAIS	This is an assessment of the FSA's regulatory purview vis-à-vis ICP standards.	Annually	

Operational Statistics	National Bureau of Statistics	This provides monthly operational statistics of relevant ITZ operators.	Quarterly	**Yes**
ITZ Employment statistics	International Labour Organization (submitted to Ministry of Employment)	This provides employment statistics for the ITZ sector	Bi-Annually	**No**
Statistics on Fisheries sector within the ITZ	Fisheries Transparency Initiative (FiTI)	Provides statistics for the fisheries sector within the ITZ such as No. of fisheries operators, employee details, No. Of grievance received from the sector and information on inspections conducted by the regulator	Annually	**No**
Annual Report	In accordance with the FSA Act, the report is submitted to the Minister of Finance who then submits it to the National Assembly. Other recipients include the President's Office, PEMC, FSA Board, Licensees and staff	The report gives an overview of the Authority's operations and activities for that financial year including the audited financial statements.	Annually (within three months of completion of the audit of its account in respect of any financial year)	
5-year Strategic Plan	PEMC	The FSA Strategic Plan outlines the strategic direction for action over a five-year period, identifying priority focus areas that guide the Authority in achieving its strategic objectives.	Every 5 years	
Minutes of the meetings of the Board	PEMC	The minutes of the meetings of the Board provide an official, written record of the discussions, decisions and actions taken during meetings.		
Annual Budget	Minister of Finance PEMC	The Annual Budget outlines the Authority's financial plan for the year, detailing projected revenues and expenditures, guiding resource allocation and ensuring financial accountability and strategic alignment.	Annually	
Internal Audit Plan	PEMC		Annually	
Annual Internal audit report	PEMC		Annually	
Audited Financial statements	Minister of Finance PEMC	These provide a comprehensive overview of the Authority's financial performance and position, ensuring transparency, accountability, and informed decision-making.	Annually	
Quarterly reporting	PEMC		Quarterly	
Group of International Finance Centre Supervisors Summary Statement	Chairman and Vice Chair of GIFCS	The report aims to establish the happenings, progress be it internal and structural or legislative, regulatory or in terms of supervision of the relevant products with the emphasis being on TCSPs. Information is further requested in terms of AML/CFT, emerging market products such as VASP and VAs, as well as growing areas of concern such as ESG.	Annually	**No**
Balance of Payments Survey for Virtual Asset Service Providers	International Monetary Fund (IMF) and the Central Bank of Seychelles (CBS)	The survey collects information on the financial activities and positions of Seychelles-licensed VASPs to support the compilation of Seychelles' Balance of Payments (BoP) and International Investment Position (IIP) statistics.		
National Accounts data	NBS	The Provision of Data for the Compilation of Economic Statistics, notable for National Accounts compilation for all products/activities under the FSA	Annual	**To commence as from 2027**

6.2.5 Stakeholder Engagement

6.2.5.1 Statement by the Responsible Minister

**Not Provided*

Minister for Finance, Economic Planning and Trade

6.2.5.2 Foreword by Chairperson

**Not Provided*

Chairperson FSA

6.2.5.3 Statement by the Chief Executive Officer

**Not Provided*

Chief Executive Officer

6.3 Air Seychelles Ltd (HM)

6.3.1 Strategic Overview

6.3.1.1 Mandate

To provide and sell scheduled and non-scheduled transportation by air of passengers, mail and goods anywhere in the world. To provide ground handling, technical handling and cargo handling to all airlines landing in Seychelles (including Air Seychelles). Provide airport lounge services and courier services.

6.3.1.2 Vision

Keeping Seychelles connected.

6.3.1.3 Mission

Welcoming the world and growing the business sustainably and profitably.

Strategic Priorities, Challenges, and Initiatives with NDS and SDG Alignment

Year	*6.3.1.4 Strategic Priority*	*6.3.1.5 Key Challenge*	*6.3.1.6 Strategic Initiative*	*6.3.1.7 NDS & SDG Mapping*
2026	Maintain profitability, financial stability and financial independence through business growth, cost efficiencies and innovation.	▪ Major aircraft incidents or disruptions. ▪ Increase in fees or loss of revenue streams as a result of airport development. ▪ Availability of Maintenance Repair Organisation (MROs) to perform engine overhauls for the A320 NEO CFM engines: Currently, due to issues with the new engine types on the NEOs, there is a lack of availability of slots at MROs. This means that if we have an unplanned engine removal, the aircraft may be grounded for a significant period. ▪ Escalations in pricing and issues faced by the new A320 NEOs means that planned engine overhauls are more expensive than expected by the market. HM pays the lessors a reserve, for every hour the engine is flown, for use when the overhaul occurs. However, we make an internal provision as well because pricing quotes we have received indicate that the lessor may be under-provisioning significantly. This is the main reason for the cash provisions we need to make. ▪ Shortage of pilots on the international market has led to poaching and an increase in salary levels. This is a threat on HM's pool of pilots as well as a financial risk. ▪ Potential competitors on our routes: Profitability of the international business unit can be severely affected by entrants as the routes are very thin. ▪ Risk of other airlines using 5th Freedoms to compete on our routes. ▪ Without access to the outer islands, economies of scale on the domestic operations are very limited and this negatively impacts the profitability of the operations. It limits the potential for larger aircraft with more	▪ Effective cash management: - Continued repayment of the remaining debt to Nouvobanq (the USD 16.5m will be fully repaid by 2028) - Continued build-up of cash reserves and placement of surplus cash into fixed deposits. This to cover for the return condition and future maintenance work on the A320 NEO (particularly the expected overhaul of the four CFM engines estimated in 2027 and 2028). ▪ Concluded a purchase agreement with CFM for a spare engine and finalising the sale and leaseback of a spare CFM engine with ELFC for 5 years. This guarantees access to at least one spare engine during the expected engine overhauls. Thereby reducing the risk that the aircraft is grounded for a lengthy timeframe. Engine delivery is scheduled for September 2026. ▪ Contracted TGIS to assist us in negotiating an MRO contract for the engine overhauls. The aim is to reduce the cost of these overhauls (estimated in the region of USD 24m for all 4) through advice from TGIS but also considering the benefits of potentially entering an exclusive contract for better rates and slot security. We expect to conclude the exercise by October 2026. ▪ September 2026 salary review to help retention ▪ Worked with Emirates on moving their guest to the Payanke lounge from CIP Lounge. This was done with an enhanced service thereby earning higher revenues.	NDS 2. The Transformative Economic Agenda SDG8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

		economies of scale and limits our ability to have longer flights (reducing engine stress and costs). ▪ Air Seychelles has a lot of specialized airline roles making it very difficult to find local replacements and presents a high business continuity risk. ▪ The main domestic market for Air Seychelles is Praslin which is very close to Mahe. This gives the ferry a strong advantage as the time gain for the airline is limited and the ferry cost structure is much lower. The short flights make the cycle costs of the aircraft very high, in particular for the engine.		
	Enhance connectivity of Seychelles to existing and new source markets, year-round, to increase visitor arrivals.	• Air Seychelles is very isolated and hence needs to carry a lot of reserve fuel into Seychelles as the nearest diversion airport is Nosy Be. This limits our range of flying (potential markets), reduces the payload we can carry and increases our fuel burn (as the aircraft is heavier). • A very limited number of markets regionally, with thin traffic flows. The A320 NEO aircraft cannot reach main source markets in Europe as a direct flight and would require a re-fueling stop along the way.	▪ Operated flights to Europe on the A320 NEO to support stranded tourists and Seychellois that were impacted by the conflict in the Middle East. ▪ Under directive of the Government, leased a widebody aircraft and operated direct non-stop flights to Paris and operated to Rome and Istanbul on our A320 NEO ▪ Completed the study of the international fleet expansion and obtained all necessary approvals. Completed the subsequent contracting / agreement for the lease of two A321 XLRs which will enter service in 2028. They will give direct flight access to certain European countries such as Italy, Germany and Austria. ▪ Assess the impact of a lease extension for one of the A320 NEO aircraft (PTI) – lease is expected to end in 2028 Q1. Commence negotiations with the lessor should the extension be considered ▪ Achieved position of being the second largest carrier of visitors to Seychelles (behind EK) bolstered by having daily Abu Dhabi flights with ideal connections to Europe.	NDS 2. The Transformative Economic Agenda SDG8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
	Enhancing the level of service across the business.		▪ Finalization of exterior and interior customizations for the A321XLRs including livery, branding, seats, in-flight entertainment system, carpets, lighting, toilets, galley equipment, etc. ▪ Completed the study of the domestic fleet expansion, with recommendation to purchase up to two ATR-42 and one Tecnam aircraft. It is pending final approvals from the shareholder. The ATR-42 will enhance the service levels on the domestic flights with more baggage allowance and certainty, greater seating comfort with an air-conditioned flight. Aiming for shareholder approval during 2026.	NDS 1. A Modern Public Service SDG9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

			▪ Renewing and improving the ground handling equipment, facilities and services. USD 1.2m earmarked for ground equipment investment for 2026	
2027	Maintain profitability, financial stability and financial independence through business growth, cost efficiencies and innovation.	Same as 2026	▪ Effective cash management: - Same as 2026 - Note: We expect two engine overhauls to take place in 2027 and two in 2028. However, the actual timing will differ and it is probable that all four engines may need to be overhauled earlier in 2026 or 2027 – with an expected cost of USD8m per overhaul, of which approximately half is reserved with the Lessors. - Ensuring the engine overhauls are done cost effectively and with minimal disruptions to the network ▪ Working with certain suppliers to reduce our Type B message consumption and therefore cost.	NDS 2. The Transformative Economic Agenda SDG8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
	Enhance connectivity of Seychelles to existing and new source markets, year-round, to increase visitor arrivals.	Same as in 2026	• Planning for entry into service of the two A321 XLRs in 2028; finalization and publication of flights, recruitment, training, etc. • Finalize the lease extension for one of the A320 NEO aircraft that is expiring in 2028Q1 (PTI). Otherwise, commence planning for return of the aircraft or inducting a new A320 NEO.	NDS 2. The Transformative Economic Agenda SDG8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
	Enhancing the level of service across the business.	Same as 2026	▪ Complete the contracting for the procurement of two ATR-42 aircraft as part of the domestic re-fleet expansion project ▪ Try to obtain a partnership with IDC on the ATR project. ▪ Purchase of additional ground handling equipment to facilitate the handling of additional aircraft arrivals in Seychelles (including that of the A321 XLRs in 2028)	NDS 1. A Modern Public Service SDG9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
2028	Maintain profitability, financial stability and financial independence through business growth, cost efficiencies and innovation.	Same as 2026	▪ Effective cash management: - Same as 2026 - Potentially two engine overhauls in 2028 on the A320 NEOs and need to ensure it is planned and completed cost effectively and with minimal disruption impact - Secure additional loan facility for the domestic re-fleet if required	NDS 2. The Transformative Economic Agenda SDG8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

	Enhance connectivity of Seychelles to existing and new source markets, year-round, to increase visitor arrivals.	Same as 2026	▪ Entry into service of two A321 XLRs (one in 2028H1 and the second in 2028H2) Commencement of direct non-stop flights to selected European destinations. ▪ Complete the return of one of the A320NEO (PTI) in 2028Q1 should the lease not be extended ▪ Complete assessment for the international fleet replacement of the A320 NEOs with A220s for regional flights	NDS 2. The Transformative Economic Agenda SDG8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
	Enhancing the level of service across the business.		▪ Domestic reflecting: Entry into service of the 1st ATR 42-600 aircraft which will enhance the service levels on the domestic flights with more baggage allowance and certainty, great seating comfort, air-conditioned flight. Selling of two DHC-400 Twin Otters. This may be delayed by 1-2 years depending on aircraft availability when/if we obtain shareholder approval.	NDS 1. A Modern Public Service SDG9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

6.3.2 Outlook of Financial Strategy

6.3.2.1 Projected Financial Position of Air Seychelles Ltd

USD ('000)

Description USD'000	Actual Figures		Provisional		Forecast		
	2023	2024	2025	2026	2027	2028	2029
Non-current assets							
Property and equipment	32,466	32,058	34,972	38,854	37,365	38,148	40,550
Right-of-use assets	40,133	34,590	32,405	25,171	19,782	118,690	111,783
Prepaid maintenance reserves	7,431	8,540	10,371	7,726	3,423	7,492	17,717
Intangible assets	564	411	250	279	177	94	62
Investments in subsidiaries	-	-	-	-	-	-	-
Deposits	1,321	1,415	1,516	2,507	2,623	3,291	3,454
Other non-current assets	-	51	40	29	18	7	-
Total non-current assets	**81,915**	**77,065**	**79,554**	**74,566**	**63,387**	**167,722**	**173,568**
Current assets							
Inventories	13,201	13,498	15,208	17,016	17,284	22,583	23,475
Trade and other receivables	10,859	9,975	19,367	19,005	19,215	18,714	20,727
Receivables from related parties	1,896	1,627	1,591	2,555	2,569	2,875	2,893
Prepaid maintenance reserves	-	1,545	918	5,381	6,983	967	-
Term deposits with banks	6,000	12,553	13,600	7,000	18,775	12,372	18,683
Cash and bank balances	12,989	17,199	13,389	21,705	8,497	6,211	16,170
Assets classified as held for sale	-	-	-	-	-	-	-
Total Current Assets	**44,945**	**56,397**	**64,074**	**72,661**	**73,323**	**63,721**	**81,948**
Total Assets	**126,860**	**133,462**	**143,628**	**147,227**	**136,710**	**231,443**	**255,515**
Shareholders' equity							
Share capital	72,617	72,617	72,617	72,617	72,617	72,617	72,617
Owner's contribution	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Accumulated losses	(59,490)	(51,345)	(50,025)	(47,616)	(42,484)	(38,020)	(32,837)
Total equity	**26,127**	**34,272**	**35,592**	**38,001**	**43,133**	**47,597**	**52,780**
Liabilities							
Non-current liabilities							
Lease liabilities	36,857	31,205	26,168	18,605	11,919	102,694	95,689
Employee benefit obligations	3,365	3,623	5,014	5,549	5,426	6,169	6,356
Provisions for aircraft maintenance	17,888	22,712	28,219	20,669	9,022	17,538	39,514
Provisions for return conditions	2,098	2,229	2,369	2,517	2,675	5,922	6,205
Borrowings	10,699	7,951	5,026	1,912	-	-	-
Refundable deposits from customers	-	350	858	858	858	858	858
Total non-current liabilities	**70,907**	**68,070**	**67,654**	**50,111**	**29,901**	**133,181**	**148,622**
Current liabilities							
Lease liabilities	6,218	6,484	7,949	7,645	8,201	11,244	14,089
Provisions for aircraft maintenance	1,120	1,111	1,251	15,066	18,108	3,837	292
Borrowings	2,580	2,748	2,925	3,114	1,912	-	-
Amounts due to related parties	2,275	732	954	1,338	1,113	1,490	2,162
Trade and other payables	11,785	14,754	18,629	21,103	20,232	19,771	20,114
Contract liabilities	5,848	5,291	8,674	10,850	14,110	14,323	17,456
Total current liabilities	**29,826**	**31,120**	**40,382**	**59,116**	**63,676**	**50,665**	**54,113**
Total liabilities	**100,733**	**99,190**	**108,036**	**109,227**	**93,576**	**183,845**	**202,735**
Total equity and liabilities	**126,860**	**133,462**	**143,628**	**147,227**	**136,710**	**231,443**	**255,515**

6.3.2.2 *Projected Statement of Comprehensive Income of Air Seychelles Ltd*

USD ('000)

Description USD'000	Actual Figures		Provisional		Forecast		
	2023	2024	2025	2026	2027	2028	2029
Revenue from contracts with customers	78,860	83,070	93,043	112,172	107,334	141,200	207,124
Other revenue	1,770	1,420	1,237	16,317	2,981	3,417	4,037
Direct operating costs	(62,186)	(64,707)	(80,250)	(97,652)	(75,288)	(107,892)	(168,842)
Gross profit	**18,444**	**19,783**	**14,030**	**30,837**	**35,027**	**36,724**	**42,319**
Administrative and marketing expenses	(6,538)	(7,321)	(7,154)	(24,452)	(26,304)	(28,106)	(28,450)
Allowance for credit losses reversal/(charge)	(566)	886	0	(177)	(100)	(100)	(100)
Operating profit	**11,340**	**13,348**	**6,876**	**6,209**	**8,623**	**8,518**	**13,770**
Finance income	214	763	853	711	517	967	675
Finance costs	(5,937)	(5,955)	(5,929)	(4,511)	(4,007)	(5,021)	(9,262)
Net finance costs	**(5,723)**	**(5,192)**	**(5,076)**	**(3,800)**	**(3,490)**	**(4,054)**	**(8,587)**
Profit for the year	**5,617**	**8,156**	**1,800**	**2,409**	**5,133**	**4,464**	**5,183**
Other comprehensive income							
Remeasurements of employee benefit obligations	(19)	(11)	(480)	-	-	-	-
Total Profit and Other Comprehensive Income	**5,598**	**8,145**	**1,320**	**2,409**	**5,133**	**4,464**	**5,183**

**Note: 2025 and 2026 numbers are provisional and have not been audited*

6.3.2.3 *Projected Cash flow Statement of Air Seychelles Ltd*

USD ('000)

Description USD'000	Actual Figures		Provisional		Forecast		
	2023	2024	2025	2026	2027	2028	2029
Profit for the year	**5,617**	**8,156**	**1,800**	**2,409**	**5,133**	**4,464**	**5,183**
Adjustments for:							
Depreciation - Property and equipment	3,750	2,885	3,372	4,189	4,782	5,328	5,571
Amortisation - Right-of-use of assets	6,335	6,733	7,242	7,234	7,199	11,412	16,360
Amortisation - Intangible assets	113	165	166	113	102	83	31
Impairment prepaid maintenance reserves	1,457	2,043	2,316	1,912	2,837	3,404	4,632
Loss on disposal of property and equipment	28	25	(39)	-	-	-	-
Profit on disposal of assets held for sale	(18)	-	-	-	-	-	-
(Decrease)/Increase in inventory provision	511	(308)	583	(171)	7	11	15
Movement in ECL	566	(784)	-	(177)	(100)	(100)	(100)
Write off trade and other receivables	-	(102)	-	-	-	-	-
Staff terminal benefits during the year - charge	251	270	-	823	169	1,097	546
Exchange differences	(30)	205	135	-	-	-	-
Movement in provision for aircraft maintenance	4,620	4,790	5,306	5,641	6,386	12,451	18,654
Finance income	(214)	(763)	(853)	(711)	(517)	(967)	(675)
Finance costs	5,597	5,577	5,970	4,511	4,007	5,021	9,262
Changes in working capital							
(Increase)/Decrease in inventories	(1,219)	122	(2,293)	(1,637)	(275)	(5,310)	(908)
(Increase)/Decrease in trade and other receivables	5,291	1,974	(8,702)	541	(111)	602	(1,913)
(Increase)/Decrease in amount due from related parties	32	269	36	(964)	(14)	(306)	(17)
(Increase) in prepaid maintenance reserves	(3,633)	(4,697)	(5,110)	(4,677)	(6,322)	(8,958)	(14,873)
Payment of maintenance events	-	-	-	(1,310)	(17,008)	(19,426)	(1,885)

Refund of prepaid maintenance reserves	-	-	-	947	6,187	7,502	982
Long-term deposits received from customers	-	350	508	-	-	-	-
Increase/(Decrease) in amounts due to related parties	(994)	325	222	384	(225)	377	672
Increase/(Decrease) in trade and other payables	(863)	1,717	3,875	2,474	(872)	(461)	344
Increase/(Decrease) in contract liability	(737)	(557)	3,383	2,176	3,260	213	3,133
Staff terminal benefits paid	(176)	(189)	(269)	(288)	(292)	(355)	(358)
Net cash generated from operating activities	**26,284**	**28,206**	**17,647**	**23,420**	**14,333**	**16,081**	**44,656**
Cash flows from investing activities							
Acquisition of property and equipment	(4,793)	(2,614)	(5,711)	(8,071)	(3,293)	(6,111)	(7,973)
Proceeds from disposal of property and equipment	15	1	8	-	-	-	-
Acquisition of intangible asset	(340)	(12)	(6)	(141)	-	-	-
Movement in long-term receivables	0	(51)	11	11	11	11	7
Additions in term deposits	(6,000)	(6,553)	(1,047)	6,600	(11,775)	6,403	(6,311)
Interest received	38	465	752	580	401	769	512
Net cash used in investing activities	**(11,080)**	**(8,764)**	**(5,993)**	**(1,022)**	**(14,655)**	**1,071**	**(13,765)**
Cash flows from finance activities							
Payment of borrowings - Principal	(2,451)	(2,580)	(2,748)	(2,925)	(3,114)	(1,912)	-
(Increase)/Decrease in amount due to related parties	-	(1,868)	222	-	-	-	-
Lease-related payments	-	-	-	-	-	(2,000)	-
Payment of aircraft deposits	-	-	-	(860)	-	(502)	-
Refund of aircraft deposits	-	-	-	-	-	-	-
Repayment of principal portion of lease liabilities	(7,447)	(6,576)	(8,619)	(7,951)	(7,939)	(10,950)	(13,740)
Interest paid	(4,332)	(3,987)	(4,038)	(2,347)	(1,833)	(4,075)	(7,192)
Net cash used in financing activities	**(14,230)**	**(15,011)**	**(15,183)**	**(14,083)**	**(12,885)**	**(19,439)**	**(20,932)**
Net increase/(decrease) in cash and cash equivalents	**974**	**4,431**	**(3,528)**	**8,315**	**(13,207)**	**(2,287)**	**9,959**
Movement in cash and cash equivalents							
At 1 January	**12,010**	**12,989**	**17,199**	**13,389**	**21,705**	**8,497**	**6,211**
Unrealised foreign exchange loss/gain on cash balances	5	(221)	(282)	-	-	-	-
Net increase	974	4,431	(3,528)	8,315	(13,207)	(2,287)	9,959
Cash and cash equivalents as at 31 December	**12,989**	**17,199**	**13,389**	**21,705**	**8,497**	**6,211**	**16,170**

6.3.2.4 Projected Capital Investment Plan of Air Seychelles Ltd

USD ('000)

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date								Anticipated Risks
							2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	
1. Intangible Assets														
RESA Implementation	Changing ground handling system		340	Cash in bank	Jan-23	Oct-23	340							
Website	New website design and redesign CMS		100	Cash in bank	2026	2026				100				
Weighbridge software	Implementing software for Cargo		30	Cash in bank	2026	2026				30				
Other Intangible Assets	Other Intangible Assets		17	Cash in bank	2026	2026			6	11				
TOTAL			**488**				**340**	**-**	**6**	**141**	**-**	**-**	**-**	
2. Major Capital Investments														
Purchase of Ground Handling Equipment	Purchase of Ground Handling Equipment for the handling of aircraft		6,655	Cash in bank	Continuous	Continuous	309	396	900	1,100	550	1,400	2,000	
Business Acquisition	Acquisition of Payanke Lounge		460	Cash in bank	2025	2025			460					
PV system	Installation of PV system		250	Cash in bank	2026	2026					250			
Capitalized Maintenance	Replacement of fuel nozzle system on the A320 NEOs (VEV)		1,780	Cash in bank	2024	2025		365	615	800				
Computers & Peripherals	Purchase and installation of 2x IT servers		1,100	Cash in bank	2024	2025				1,100				
3. Replacements and upkeep of Assets (PPE)														
HQ Refurbishment	Roof repair, fixing of structural crack and office refurbishment		1,417	Cash in bank	2024	2026		357	260	800				
Overhaul of domestic engines	Restoration of the turboprop engines used on the DHC6-400		8,367	Cash in bank	Continuous	Continuous	1,335	421	1,426	1,359	943	1,261	1,623	
Lounge Refurbishment	Refurbishment of CIP and VIP lounges		250	Cash in bank	2026	2027				250	0			
Other Building Renovations / Refurbishment	Renovation / refurbishment of other buildings		1,418	Cash in bank	Continuous	Continuous		352	216	150	100	200	400	

Purchase of maintenance spare parts	Purchase of rotable parts for the A320 NEOs and DHC6-400		10,867	Cash in bank	Continuous	Continuous	2,537	387	1,143	1,350	750	2,300	2,400	
Cargo Chiller	Refurbishment of the Chiller in the Cargo warehouse		250	Cash in bank	2026	2026				250				
Vehicles	Purchase of new vehicles for staff transportation and airside operations		1,481	Cash in bank	Continuous	Continuous	219	179	133	200	100	250	400	
Computers & Peripherals	Purchase of IT equipment and IPBX		1,182	Cash in bank	Continuous	Continuous	222	79	118	113	100	200	350	
Other General Capex	Other general capital expenditure		3,090	Cash in bank	Continuous	Continuous	171	79	440	600	500	500	800	
TOTAL			**38,565**				**4,793**	**2,614**	**5,711**	**8,071**	**3,293**	**6,111**	**7,973**	
4. "One-off spend" shown separately on the Cashflow Statement and not part of "Acquisition of property and equipment"														
Overhaul of A320 NEO Engines	Performance restoration of the Leap 1A Engine	Estimated 2 in 2027 and 2 in 2028	34,000	Cash in bank and maintenance reserves held by lessors	2027	2028					16,000	18,000		
Non-Recurring Engineering Costs for the A321 XLR	Certification costs associated with the XLR		2,000	Cash in bank	2028	2028						2,000		
TOTAL			**36,000**				**-**	**-**	**-**	**-**	**16,000**	**20,000**	**-**	

**Note: We also need to provision for domestic aircraft fleet replacement. Approximately USD 20-25m will be needed. But the decision as to what fleet to select, when to replace the fleet and how it will be financed has not yet been approved. It has therefore not been placed in the above table. However, it is likely to be incurred within the above defined period (2027 – 2029).*

If we return the A320 NEO S7-PTI to the lessor in 2028, then there will be return condition costs (not included above). Cost level depends on condition of the aircraft when redelivered

6.3.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

6.3.3.1 Tax Implications by the Operations of Air Seychelles Ltd

SCR ('000)

Type of Tax USD'000	Actual Figures		Provisional		Forecast			Anticipated Risks
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	
Business Tax								
PIT	20,545	22,871	24,537	26,169	28,056	35,420	40,100	Lower profit than expected
VAT	12,857	13,585	8,456	14,170	15,726	16,512	17,008	Reduction in demand from Mahe-Praslin travel
TOTAL	**33,402**	**36,456**	**32,993**	**40,339**	**43,782**	**51,933**	**57,108**	

6.3.3.1 Anticipated Dividend Declarations by Air Seychelles Ltd

**Air Seychelles does not anticipate any dividend declarations in the medium term*

6.3.3.2 Debt Payments Forecasts by Air Seychelles Ltd

USD ('000)

Lending Organization	Description	Purpose of Borrowings	Total Debt Amount (Capital)	GoS as guarantor (YES/NO)	Total Borrowings and Debt Servicing (USD'000)						
					Actual Figures		Provisional		Forecast		
					2023	2024	2025	2026	2027	2028	2029
Loan 01 From Nouvobanq Bank	Borrowings	Repay the Bondholders settlement of USD 28m Amount received in 2022	16,500	No	-	-	-	-	-	-	-
	Interest for the Year				914	760	592	415	226	41	-
	Repayment of Capital				2,426	2,580	2,748	2,925	3,114	1,912	-
	Balance carried forward				13,279	10,699	7,951	5,026	1,912	0	-
Debt for Other PEs Government of Seychelles)	Borrowings	Repay Etihad for unpaid invoices Amount received in 2022	13,000	N/A	-	-	-	-	-	-	-
	Interest for the Year				-	-	-	-	-	-	-
	Repayment of Capital				-	-	-	-	-	-	-
	Balance carried forward				13,000	13,000	13,000	13,000	13,000	13,000	13,000
SUB TOTAL (only Guaranteed by GOS)					-	-	-	-	-	-	-
TOTAL					**26,297**	**23,699**	**20,951**	**18,026**	**14,912**	**13,000**	**13,000**

6.3.3.3 Anticipated Subventions and Grants by Air Seychelles Ltd

USD (000)

Nature of Funding	Funding Agency	Purpose	Total Agreed Amount (Forex)	Total Receipts of Subventions and Grants (USD'000)						
				Actual Figures		Provisional		Forecast		
				2023	2024	2025	2026	2027	2028	2029
Subventions	Government	As requested by Government to operate direct non-stop flights to Europe (CDG, IST and FCO) during the middle east conflict in 2026.	13,200				13,200			
	IMF									
	ADB									
	EU, etc.									
Grants	Government									
	IMF									
	ADB									
	EU, etc.									
TOTAL			**13,200**				**13,200**			

6.3.3.4 Contingencies of Air Seychelles Ltd

*Air Seychelles Ltd does not anticipate any contingencies for the forthcoming years

6.3.3.5 Assumptions used for the Financial Projections of Air Seychelles Ltd

General:

- 2025 and 2026 numbers are provisional and have not been audited.
- Projections are for 2027 to 2029:
  - 2027 profit is expected to be better than 2026, but it is expected that Jet fuel prices will remain higher due to the unresolved conflict in the Middle East
  - 2028 profit is expected to be lower than 2027 due to induction of the A3221 XLRs and the associated fixed costs (training, recruitment, route launch and route development) prior to revenue generation
  - 2029 profit is expected to marginally higher than 2028 as routes / demand continue to develop (which could be expected to take 12 – 18 months) and no major maintenance

Exchange Rates:

	2027	2028	2029
SCR / US$	15.66	15.92	16.17
SCR / EURO	17.55	17.97	18.35

International Fleet:

	2026	2027	2028	2029
A320 NEO	2	2	2 (1)	2 (1)
A321 XLR	-	-	2	2

- Currently operating a fleet of two A320 NEO aircraft

- The lease on one of these aircraft (PTI) expires in 2028. However, it is assumed that the lease will continue for the purpose of the financial projection. Should the lease not be extended the fleet will reduce to one aircraft in 2028 as depicted in brackets in the table above. To be assessed if it would be replaced with another aircraft type (eg: A220)
- The lease of two A321 XLR has been approved by the shareholder, and the agreement has been concluded. Both aircraft are planned to enter service in 2028 and have been factored into the financial projection

Domestic Fleet:

	2026	2027	2028	2029
DHC-400	5	5	5	5

- Currently operating a fleet of five DHC-400 aircraft
- Have completed the analysis to purchase up to two ATR-42 and one Tecnam aircraft. These would replace the existing DHC-400
- However, the purchase and sale has not been approved by shareholder and has thus been excluded from the financial projection.

Routes:

- No changes to the current network flown on the A320 NEOs and assumes potential European destinations for the A321XLR.
- Assumes that no competitor airlines will enter our international routes, including Edelweiss not applying 5th freedom rights between Seychelles and Mauritius.
- The route network is summarized below:

A320	Weekly Frequency (rotations, scheduled flights)		
International Network	**2027**	**2028**	**2029**
Colombo	2	2	2
Mauritius	4	4	4
Tel Aviv	2	2	2
Johannesburg	3	3	3
Abu Dhabi	7	7	7

Domestic network	Daily frequency (rotations, scheduled flights)		
Praslin	18	18	18

The final A321 XLR Network will take time to finalise. Provisional network used in the MTFS is as per Seabury's Report and is very much subject to change:

Munich, Milan, Rome, Vienna, Moscow, Warsaw all twice per week except Rome (once per week).

Other:

- No increase in SCAA/SAA overfly fees, rental rate, concessions, landing charges, passenger taxes or other fees incorporated in the assumptions.
- AUH route operates daily scheduled flights continuing for 2026-2028 as is currently with daily ACMI tag on flight to Muscat / Doha
- Jet fuel of approximately USD110 in 2027 and USD100 per barrel from 2028 (with brent crude oil at USD 80 and the crack spread of USD20 per barrel)
- No capping of domestic resident fares. Fares remain as is.
- Assumes two CFM engine overhauls occur in 2027 and another two CFM engine overhauls in 2028. However, the actual timing will differ and it is probable that all four engines may need to be

overhauled in 2027– with an expected cost of USD8m per overhaul, of which approximately half is reserved with the Lessors

- No unplanned maintenance event / engine removal
- No major aircraft AOG / disruption that lasts more than a few days.
- No new international airport development during the period 2027-2029
- No port for ferries built at the Seychelles International Airport (otherwise profitability of domestic operations would reduce significantly)
- No pandemics or other international crisis
- No new market entrants on our routes or new 5th Freedoms applies

6.3.4 KPIs, Risk Management Strategy and Reporting Obligations

6.3.4.1 Key Performance Indicators of the Air Seychelles Ltd

Title of Key Performance Indicators	Description	Targeted Strategic Priority	Achievements of KPIs						
			Actual Figures		Provisional		Forecast		
			2023	2024	2025	2026	2027	2028	2029
Strategic	Total Visitors brought (Scheduled)	Enhance connectivity of Seychelles to existing and new source markets, year-round, to increase visitor arrivals.	30,822	31,335	61,412	67,591	74,611	102,488	145,155
	Total Visitors brought (Charter)		3,548	915	2,524	1,797	2,520	2,537	2,550
	Total Visitors brought		34,370	32,250	63,936	69,388	77,131	105,025	147,705
	Total Residents carried		16,227	21,359	18,940	22,530	19,430	20,025	20,196
	Total SEZ Visitors by air (non transit)[1]		345,572	343,376	393,020	353,718	416,601	445,763	499,255
	HM Share		9.9%	9.4%	16.3%	19.6%	18.5%	23.6%	29.6%
Operational	**International**								
	Scheduled Departures	Enhance connectivity of Seychelles to existing and new source markets, year-round, to increase visitor arrivals.	969	957	1,394	1,679	1,808	2,166	2,955
	Block Hours		4,520	4,181	6,250	8,055	7,860	11,123	18,408
	Aircraft Utilization (hrs./day)		6.2	5.7	8.6	11.0	10.8	11.6	12.6
	ASK'000s		537,355	484,393	716,680	1,055,238	931,128	1,351,771	2,276,434
	Load Factor (%)		62%	64%	67%	67%	68%	73%	77%
	RPK'000s	Maintain profitability, financial stability and financial independence through business growth, cost efficiencies and innovation.	334,118	308,949	479,487	701,834	633,623	990,115	1,748,585
	Cargo carried kg'000s		349	757	784	999	676	822	1140
	OTP								
	<15mins	Enhancing the level of service across the business.	71%	72%	75%	73%	75%	75%	75%
	<30mins		81%	82%	85%	83%	85%	85%	85%

	Domestic								
	PRI								
	Departures	Enhance connectivity of Seychelles to existing and new source markets, year-round, to increase visitor arrivals.	11,986	11,786	11,850	11,488	12,161	12,283	12,405
	Block Hours		4,038	4,037	4,074	3,976	4,184	4,226	4,268
	Aircraft Utilization (hrs./day)		2.2	2.2	2.2	2.2	2.0	2.0	2.0
	ASK'000s		9,493	9,335	9,385	9,098	9,632	9,728	9,825
	Load Factor (%)		65%	69%	65%	66%	65%	65%	65%
	RPK'000s	Maintain profitability, financial stability and financial independence through business growth, cost efficiencies and innovation.	6,141	6,401	6,139	6,016	6,045	6,323	6,386
	OTP								
	<15mins	Enhancing the level of service across the business.	92%	91%	88%	91%	90%	90%	90%
	<30mins		97%	95%	93%	95%	95%	95%	95%
	Other Aircraft Departures								
	ACMI	Enhancing the level of service across the business.	319	886	676	335	730	730	730
	International Charters	Enhance connectivity of Seychelles to existing and new source markets, year-round, to increase visitor arrivals.	80	21	41	24	46	48	50
	Domestic Charters		548	533	659	634	681	708	726
	Ground Handling								
	Aircraft Handled								
	HM	Enhance connectivity of Seychelles to existing and new source markets, year-round, to increase visitor arrivals.	526	499	705	730	927	1,106	1,500
	Scheduled		2,137	2,212	2,599	2,278	3,458	3,771	3,775
	Ad Hoc		398	489	575	537	582	591	602
	Total		3,061	3,200	3,879	3,545	4,967	5,468	5,877
	Cargo								
	Tonnage handled kg'm	Enhancing the level of service across the business.	11.6	12.1	12.0	10.7	11.7	12.2	12.2
	Lounge guests								
	VIP		7,662	7,684	9,254	9,439	9,350	9,397	9,444
	CIP		49,225	55,613	62,793	63,494	58,287	60,519	61,590
	Payanke		-	-	8,588	9,681	24,168	25,100	25,250
	Technical Handling								
	No. Technical Handling		1,652	1,729	2,015	1,661	2,729	2,789	2,795

Financial	**International**								
	Yield (USC)	Maintain profitability, financial stability and financial independence through business growth, cost efficiencies and innovation.	7.9	9.0	8.8	9.3	9.0	8.9	8.6
	RASK (USC)		5.2	5.9	5.9	6.0	6.2	6.5	6.6
	CASK (USC)		8.6	9.7	8.8	8.7	8.8	8.2	7.8
	Belly Cargo Revenue USD'000s		785	962	881	979	911	1,291	2,135
	ACMI L5 Profit USD'000s		(565)	(2)	(1,098)	(690)	(810)	(540)	(280)
	Domestic								
	Yield (USC)		188	179	199.2	192	204	206	208
	RASK (USC)		121.8	124.9	114	108	128	131	133
	CASK (USC)		121	131	123	148	147	151	159
	Cargo								
	Revenue per ton USD		0.37	0.31	0.32	0.31	0.32	0.33	0.33
	Charters								
	L3 Profit USD		188,743	26,903	150,395	139,522	144,754	146,852	147,451
	Finance								
	Total Debt (USD'm)		13.28	10.70	7.95	5.03	1.91	-	-
	Total Equity (USD'm)		26.13	34.27	35.59	38.00	43.13	47.60	52.78
	Gearing		51%	31%	22%	13%	4%	-	-
	Quick ratio (excl Inv) (USD'm)		1.06	1.38	1.21	0.94	0.88	0.81	1.08
	Liquidity (USD'm)		12.99	17.20	13.39	21.87	27.27	18.58	34.85
	Receivables days		57.74	50.12	81.14	61.24	62.17	63.41	62.08
Other	**HR**								
	Staff count	Enhancing the level of service across the business.	631	691	739	797	810	972	985
	Attrition rate		10.0%	11.3%	10.2%	10.0%	10.0%	10.0%	10.0%
	Total salaries (USD'm)		15.1	17.4	18.2	21.0	22.9	27.5	32.9
	Average salary (USD)		23,853	25,234	24,628	26,349	28,290	28,312	33,434

[1] total visitor arrivals based on internal estimates

6.3.4.2 Risks and Resilience Plan of the Air Seychelles Ltd

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	Competitor airlines coming onto our routes. Impact can be as much as USD 5-10m pa.	Keeping cost structure as minimal as possible. Signing partnerships, codeshare and interline agreements with potential competitors. Reviewing A220 aircraft to better defend thin routes.
	Risk of losing specialized staff	Ensuring competitive salary package, succession planning and potential insourcing of consultants/expats to develop capacity
	New entrants on the Mahe-Praslin route on a scheduled basis.	Keeping the operating costs as low as possible is critical. Ensuring the product is of a good quality and the optimal aircraft is being used for the route. Adding more codeshares with international carriers coming to Seychelles also helps protect the non-resident market share as our EASA compliance advantage only allows us to do this.
	Loss of business revenue flows and profits if SAA tenders out or gives away certain business units we have (e.g. lounges, FBO). Potential losses of over USD 10m pa.	Lobbying to GoS. Ensuring service levels are high. Trying to limit any losses from the flying units.
	Partnership with Etihad on AUH route not being extended beyond the agreed period.	Limit disruptions on the route. Keep operating costs down. If risk materializes, will have to ACMI the aircraft out.
Financial Risks	SCAA fee increases. Risk factor USD 1.5-7m per annum. This is particularly escalated with the Airport redevelopment.	Lobbying and trying to explain the negative financial and economic impacts. Finding new ways to increase services and profits to absorb the impact.
	More costly than expected engine overhaul costs. Potentially USD 4m per engine needs to be provision (in addition to reserves to lessors). Engine overhauls most likely due between 2027-2028 but cannot be precisely predicted. An unplanned removal can happen anytime. Availability of spare engines when needed is a huge risk factor with potential grounding of aircraft for a long time.	Keeping an internal cash reserve. Seeking more quotes as MROs come online. Engine wash rig bought to clean and better maintain engine. Cycling which aircraft is operating in the desert (as this is a harsh environment). Sale and leaseback arrangement for a spare engine to have one available. Will have to manage how much we sublease it vs paying the lease and having it available.
	Fuel price is a major risk for any airline. A 10% increase in fuel cost compared to what was projected, would increase the fuel bill by over USD 2m	Fuel hedging is another possibility, but this also comes with risk and premiums.
	Other airlines pulling out of Seychelles is a risk for our ground handling and domestic operations. This can be for any number of reasons including high local fees, pandemics, aircraft shortages and runway obstruction.	HM has little control over this risk and mitigation remains ensuring our costs are as variable and low as possible and that we keep high cash reserves to weather potential storms.
	Major aircraft incident or damage resulting in aircraft being non-operational for an extended period.	Expanding the size of the fleet with the A321 XLR reduces the risk.

Operational Risks	Shortage of pilots and poaching by international carriers	Adjustment of salary package and intense training programme to upgrade pilots to cope with attrition.
	MRO availability	Seeking multiple quotes.
	Spare engine availability	Sale and leaseback on a spare engine. Engine wash rig bought to clean and better maintain engine.
	An accident that leads to total loss of the aircraft and loss of lives onboard is a relatively low risk but catastrophic if it happens. Reputational damage to the airline is massive as well as financial losses.	Our current mitigation is maintaining our reputable aviation insurance, having an emergency response programme and ensuring compliance with EASA safety standards. Maintaining sufficient cash reserves mitigates the risk of immediate insolvency.
PESTEL	Political: Pressure to reduce local resident fares and localize key posts	Communication to shareholder on negative impact
	Economic: SCR strengthening leads to higher payroll cost in terms of USD (HM earns mostly in USD) Economic weaknesses in source country can reduce air travel	Out of HM control. Ultimately, we have to try to be as efficient as possible
	Technology: new advancement in aircraft can make current aircraft uncompetitive.	Continued review of aircraft choice
	Environmental: New carbon emission rules can result in HM needing to pay for carbon or offsets	Continue to find ways to reduce fuel burn (lighten aircraft, change aircraft type, wash engines regularly)
	Legal: New laws on consumer protection can increase disruption costs for HM. New regulation from EASA/SCAA can increase operational costs	Largely out of HM control.
	If the Government were to allow another party perform ground handling operations our lounge operations in Seychelles this could impact HM by USD 12m pa in worst case scenario and even bankrupt the company. GoS continuing to allow a second FBO operator (Euroaviation), impacts us negatively up to a maximum of USD 2.5m pa.	Main mitigation strategy would be to ensure that service levels are high, even at the cost of some profitability. Secondly, lobbying the Government is important, explaining them the risks and the fact that the loss of HM profits would directly impact the Government as a shareholder and taxpayers. The revenue would not increase, but having two operators in such a small market replicating fixed costs would reduce overall profitability. Especially, if the business is given to a foreign entity, profits will be moved away from Seychelles and into other countries. Thirdly, ensuring our operating costs are as low as possible, to fend off potential competitors.

6.3.4.3 List of External Reporting's by the Air Seychelles Ltd

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report	Submitted YES/NO
Audited Financial Statements	Suppliers (lessors, Airbus, IATA etc), SRC, Ministry of Transport, PEMC, Nouvobanq	Financial Statements	Annual	Audited Financial Statements
Annual Report	Suppliers, SRC, Ministry of Transport, PEMC, Nouvobanq	Financial Statements, mission, vision, values, Chairman/CEO report, business summaries and statistics	Annual	Annual Report
Draft Financial Statements	PEMC	Financial Statements	Quarterly	Draft Financial Statements
Management Reports	Nouvobanq	Detailed P&L	Quarterly	Management Reports
Annual Return	Registrar	Shareholding pattern, charges, directors etc.	Annual	Annual Return
Request for Information	Organized Crime Unit (Seychelles Police)	Evidence for prosecution and judicial proceedings	Occasional	Request for Information
Request for Information	ACCS	Evidence for prosecution and judicial proceedings	Occasional	Request for Information
Flight Handling Report	All scheduled airlines	Providing a full overview of the flight.	An hour after flight departure. Daily	Flight Handling Report
Flight Handling Statistics for international and domestic	SCAA, internally to HM	Details of passengers in and out for all flights, including cargo and mail details.	Monthly	Flight Handling Statistics for international and domestic
Investigation of complaints by airlines related to their flight	Respective airline	Summary of the investigation from the nature of the complaint	When required	Investigation of complaints by airlines related to their flight
Specific airline reports pertaining to flight handling such as TRC checklists	Respective airline	Flight monitoring information	Daily	Specific airline reports pertaining to flight handling such as TRC checklists
Perishable tonnage	SCAA	All carrier-import	Monthly	Perishable tonnage
Statistics summary	SCAA	For all carrier	Monthly	Statistics summary
Summary mail	SCAA	For all carrier	Monthly	Summary mail
Statistic for HM	SCAA	per sector	Monthly	Statistic for HM
Praslin statistics summary	SCAA	Praslin statistics summary	Monthly	Praslin statistics summary

6.3.5 Stakeholder Engagement

6.3.5.1 Statement by Responsible Minister

Air Seychelles assumes a pivotal role in the advancement of our aviation sector. The Seychellois government places the utmost importance on fostering consistent consultation and collaboration among government agencies, airlines, local communities, and all relevant stakeholders. This collaborative endeavor aims to facilitate proactive decision-making concerning route development, market opportunities, and overarching societal objectives. By engaging multiple stakeholders, our overarching goal is to optimize connectivity and fortify the competitiveness of Seychelles' aviation sector.

Our unwavering commitment lies in nurturing the sustainability and resilience of Air Seychelles and all airlines operating within our nation. Our initiatives are multifaceted, addressing environmental impact, economic viability, and operational resilience. To this end, we actively champion fuel efficiency, explore sustainable aviation technologies, and provide essential financial and regulatory support.

Central to our aviation industry's growth is the steadfast dedication to fostering fair competition and ensuring equitable market access. We are resolute in our mission to create a level playing field within the aviation industry, thereby acting as a catalyst for innovation and enhanced service delivery. Our approach is thoughtfully calibrated to distinguish between international scheduled airlines and local operators to accommodate their unique needs.

Air Seychelles stands as a linchpin, seamlessly providing both international and domestic air services. Crucially, as an isolated island nation heavily reliant on tourism, the national carrier serves as a vital strategic insurance policy. In times of global volatility or shifts in foreign commercial carrier schedules, Air Seychelles guarantees sovereign connectivity, securing the continuous flow of visitors essential to our economic survival and protecting our country from external shocks.

To reinforce this strategic capability and unlock new growth for our tourism industry, Air Seychelles has agreed to lease two Airbus A321XLR aircraft. These versatile, highly fuel-efficient, long-range aircraft will enable direct, non-stop connectivity to key and emerging origin markets. By expanding our geographic reach and reducing seat-mile costs, this fleet enhancement will directly boost tourist arrivals, increase tourism yield, and strengthen the overall resilience of our primary economic sector.

National airlines possess a unique set of advantages deeply rooted in local expertise, regional knowledge, and tailored services. Our profound understanding of the intricacies of our local market sets us apart. We remain cognizant of the dynamic nature of global aviation and have adeptly tailored our strategy, complementing scheduled routes with targeted charter operations to underserved markets where our agility and expertise generate maximum value.

Sustaining a robust presence in the domestic aviation market, Air Seychelles ensures convenient, reliable travel for both international visitors and local residents. Our role in facilitating connectivity across our archipelago, particularly to Praslin, remains of paramount importance. We wholeheartedly acknowledge the social responsibilities vested in Air Seychelles, including its mandate to maintain affordable domestic travel for our citizens while preserving the airline's broader commercial competitiveness.

In Seychelles, our aviation landscape thrives on diversity, boasting three domestic airlines—Air Seychelles, Zil Air, and the Island Development Company (IDC)—each offering specialized services tailored to distinct segments of our tourism and logistics needs. These entities synergize with one another, collectively enriching Seychelles' aviation ecosystem.

We strongly advocate for deeper operational collaboration between Air Seychelles and the Island Development Company (IDC). By optimizing synergies—such as sharing maintenance facilities, pooling engineering expertise, and coordinating fleet management—we will drive substantial cost savings, enhance operational efficiencies, and support environmental sustainability.

In conclusion, I reiterate our unwavering commitment to Air Seychelles and the broader aviation sector. Our dedication remains steadfast as we persistently endeavor to ensure that our policies and strategies promote long-term fiscal sustainability, fairness, and national resilience, ensuring Seychelles remains securely connected and highly competitive on the global stage.

Minister for Transport, Ports and Civil Aviation

6.3.5.2 Foreword by Chairperson

Historically Air Seychelles has been directed by the Government to fulfill the economic needs of the country which included opening direct routes to Europe and Asia with expensive wide body aircraft, capping domestic resident fares and avoiding non-tourism related charter/ACMI work. This, in combination with the certain financial and operational decisions by Etihad to that end, led Air Seychelles to an unsustainable debt of over USD 140m and a heavily loss-making operation.

A strategic shift began in 2017, where sustainability of the company was placed in the forefront. The company exited the heavily loss-making wide body aircraft, loss making European/Asian routes, switched to more economic A320 NEO narrowbody aircraft, exited overly expensive contracts, restructured salaries, increased resident domestic fares to sustainable levels and through the Company reorganization process reduced its debt by

over 66%. This has allowed the company to generate a profit for three consecutive years, including a profit of USD 5.6m in 2023 and USD 8.1m in 2024.

It is important to continue focusing primarily on profitability and the economic benefits will then follow from that through sustainable routes and employment. Even if profitability is the primary objective, Air Seychelles will endeavor to provide economic benefits to Seychelles as a secondary objective. This includes connecting Seychelles to thinner tourism, labour and medical markets such as South Africa, Colombo, Tel Aviv and Mauritius which are not connected by other airlines. In order to further grow the visitor arrivals to Seychelles, Air Seychelles daily flights to Abu Dhabi and this catapulted Air Seychelles to become the second biggest carrier of visitors to Seychelles, behind only Emirates. Overall, the target would be to contribute 20-25% of visitor arrivals to Seychelles from 2026.

Air Seychelles continues to strengthen its commitment to providing connectivity by agreeing to lease two A321 XLR aircraft scheduled to be delivered in 2028. This will now allow the Airline to connect Seychelles directly to its main tourism source markets in Europe. As seen from the Middle-East conflict in 2026, Seychelles' main economic driver, tourism, remains very vulnerable and reliant on other major carriers. The XLR will reduce the dependance and provide significant economic benefits from great tourism arrivals from visitors prioritizing direct flights.

Air Seychelles employs almost 790 staff as of August 2026 and is one of the largest employers in Seychelles, supporting the local economy including many high value jobs to improve the standard of living for Seychellois with over 99% of the employees currently being Seychellois.

Air Seychelles will also continue to ensure ground, cargo, technical and lounge services to other airlines are provided at a high level while maintaining the profit levels. Simultaneously, Air Seychelles will continue to provide domestic services as an alternative to the ferry and continue to find ways to maintain affordability of the service and improve the quality. Air Seychelles also plans, subject to shareholder approval, to change the domestic fleet from Twin Otters to ATR 42-600 aircraft (between 2028-2029) to improve the profitability of operations and improve the service quality of domestic flying. The ATR 42-600 project supports the NDS Transformative economic agenda and modern public service strategy as well as SDG 8 and 9. The A321 XLR launch aims to support the NDS Transformative economic agenda and SDG8.

In summary, the MTFS outlines clear financial and strategic goals Air Seychelles aims to achieve during the 2027-2029 period for the Airline to follow. That being said, the aviation environment is notoriously dynamic, thus the strategy may have to change to adapt to the environment.

Chairperson Air Seychelles

6.3.5.3 Statement by the CEO

As the CEO of Air Seychelles, I would like to reaffirm my unwavering dedication to establishing clear objectives and executing strategic directives and performance benchmarks as stipulated by our esteemed Board of Directors. My commitment to achieving excellence in all aspects of our organisation remains steadfast.

In order to drive Air Seychelles to new heights, all stakeholders must be aligned with the vision and mission of the company working in harmony. The pride associated with the success of national airline airlines is fueled by passion. Dedication, where a good working relationship with the board is essential to the effective running of the business. We must continuously innovate and collectively identify new opportunities with an adaptive and flexible mindset while being vigilant through a robust risk management approach, mitigating risks and prominent challenges. By doing so, we will position ourselves to ensure success in an ever-changing business landscape.

Air Seychelles is fully committed to optimising resource allocation for maximal gains and will continue to ensure effective resource management, which is crucial for maximizing our potential and achieving our key performance indicators (KPIs). By carefully evaluating and allocating our resources, we will ensure that we are utilizing them efficiently and effectively to support our strategic objectives. Having been previously subjected to complex financial challenges, Air Seychelles has adopted a robust Business Review programme and weekly reports to its directors, stakeholders and PEMC. We are committed to overcoming challenges through innovative solutions and

a culture of continuous improvement. By fostering an environment where creativity and collaboration thrive, we will be better equipped to seize opportunities and overcome obstacles.

Our focus remains on delivering exceptional results and exceeding expectations, positioning ourselves as the employee of choice where people are motivated to contribute to the success of the company. With the support of our dedicated team, we will work diligently to establish and achieve our objectives while surpassing the performance benchmarks set by the Board of Directors.

I want to express my gratitude to all our shareholders for your continued trust and support. Together, we will navigate the complexities of the ever-changing business landscape, optimize our resource allocation, and drive our organization towards sustained success. It is, therefore our collective responsibility to ensure the success of our national airline, and we must ensure we keep the wind under its wing and continue to be one of the most valuable entities to the people of Seychelles.

Chief Executive Officer Air Seychelles

6.4 Seychelles Civil Aviation Authority (SCAA)

6.4.1 Strategic Overview

6.4.1.1 Mandate

The Seychelles Civil Aviation Authority (SCAA) was established under the Seychelles Civil Aviation Authority Act, 2005 and the Civil Aviation Act, 2005 as an administrative and financial body corporate to provide for the services, facilities and regulation of civil aviation activities in Seychelles with the power to do anything for the purpose of discharging or facilitating the discharge of its functions.

Following an executive decision to separate the functions of the Authority between the regulator and service providers into two separate entities, the new Seychelles Civil Aviation Authority Act, 2024 enacted on the 1st January 2025, establishes a new entity with regulatory functions in safety and security oversight, whilst the service provision and commercial aspects of the organization have been established under a new Act called the Seychelles Airport Authority Act, 2024. In consequence, the Seychelles Civil Aviation Authority Act 2005 has been repealed.

Since the opening of the Seychelles International Airport in 1972, the local aviation industry has seen significant development in terms of infrastructure and human development and expertise, commensurate with international requirements. Seychelles became a signatory to the International Civil Aviation Organisation (ICAO) on the 25th May 1977 and as a Contracting State of ICAO, Seychelles operates within the established privileges and obligations of the Articles of the Chicago Convention, the Standards and Recommended Practices (SARPs) of its nineteen Annexes and other guidance documents as published.

44 of the of the Convention on International Civil Aviation states that '*The aims and objectives of ICAO are to develop the principles and techniques of international air navigation and to foster the planning and development of international air transport so as to:*

a. safe and orderly growth of international civil aviation throughout the world,
b. encourage the arts of aircraft design and operation for peaceful purposes,
c. encourage the development of airways, airports and air navigation facilities for international civil aviation,
d. meet the needs of the peoples of the world for safe, regular, efficient and economical air transport,
e. prevent economic waste caused by unreasonable competition,
f. ensure that the rights of contracting States are fully respected and that every contracting State has a fair opportunity to operate international airlines,
g. avoid discrimination between contracting States,
h. promote safety of flight in international air navigation,
i. promote generally the development of all aspects of international civil aeronautics.

The air transport industry is a significant contributor to national and global economic growth and social development. It creates employment, facilitates trade and supports sustainable development of the tourism industry across the world.

Global and regional aviation connectivity is a vital enabler of the Seychelles international tourism market and many other critical drivers impacting national economic well-being, sustainable and prosperous development as a small island nation.

Under the SCAA Act 2024, the Authority has been mandated with the following functions:

- advise the Government on all matters relating to civil aviation;
- license, certify, and oversee individuals and organizations involved in aviation activities, including pilots, air traffic controllers, aircraft maintenance organizations, aerodromes and aviation training institutions, air navigation and air navigation facilities and equipment;
- establish and enforce regulations to ensure adequate levels of safety, security, and environmental sustainability in the civil aviation industry;
- regulate the operation of aerodromes and the provision of aerodrome services and facilities;
- regulate the operation of civil aviation activities including air navigation services and facilities;
- conduct risk-based inspections, audits, and investigations to monitor compliance with civil aviation regulations, standards, and recommended practices;
- to promote understanding of civil aviation policies and programmes;
- cooperate closely with the authority responsible for aircraft accident and incident investigation in Seychelles including, facilitating the sharing of information, expertise, and resources to ensure comprehensive and effective accident investigations, promoting safety and security improvement and lessons learned across the aviation industry;
- establish and maintain effective safety and security oversight mechanisms, including safety management systems, state safety programme, proactive safety culture promotion, incident and accident investigation capabilities, and comprehensive reporting mechanisms;
- regulate and enforce safety and security standards for ground service providers operating within the civil aviation sector in Seychelles;
- develop and review national standards for security equipment and systems used in aerodromes in accordance with the National Civil Aviation Security Programme;
- establish and implement a National Civil Aviation Security Programme and related matters;
- promote research and development initiatives on matters relating to civil aviation;
- charge fees for services provided by the Authority;
- issue directives to relevant entities for the implementation of the National Civil Aviation Security Programme and policies;
- approve security programs of aircraft operators, aerodrome operators, and other entities related to civil aviation;
- collaborate and enter into agreements and arrangements with organisations or authorities in respect of any matter relating to civil aviation and any other matter as the Authority thinks expedient;
- promote cooperation and exchange of information with other countries or international organisations;
- establish, co-ordinate and maintain state aviation safety and security programmes;
- license or certify aerodromes, regulated agents and air navigation service providers;
- conduct safety oversight activities in the following areas: airworthiness (air), aircraft operations (ops), air navigation services (ans), personnel licensing (pel) and aerodrome and ground aids (aga).
- conduct security and facilitation oversight activities;
- to exercise safety oversight in and regulate civil aviation activities relating to the Convention and annexes thereto as amended from time to time;
- act internationally as the national body representing Seychelles in respect of matters relating to civil aviation;
- perform such other functions as may be delegated to the Authority by the Minister under the Civil Aviation Act.

6.4.1.2 Vision

A leading civil aviation organization, connecting the world with Seychelles.

6.4.1.3 Mission

To develop, manage and promote a sustainable, safe and secure civil aviation system in Seychelles through effective oversight and economic regulation of air transport

Strategic Priorities, Challenges, and Initiatives with NDS and SDG Alignment

Year	*6.4.1.4 Strategic Priority*	*6.4.1.5 Key Challenge*	*6.4.1.6 Strategic Initiative*	*6.4.1.7 NDS & SDG Mapping*
2027	**Capacity Building and Empowerment:** To create a more cohesive work environment by recruiting and developing talents, improving communication, leading exceptionally and engaging all stakeholders.	Organizational change affecting team dynamics and workplace culture.	- Organize staff team-building exercises twice a year. - Develop and maintain a calendar of staff engagement activities (e.g., sports day, family fun day). - Conduct sensitization programs and talks, including sessions with external speakers, to strengthen team dynamics. - Implement internal policies to support staff wellbeing, ensuring alignment with the organization's functions.	[NDS Outcome 1.2.1 / SDG 8]
		Insufficient funding to provide staff training in line with requirements.	- Allocate an annual budget to adequately cover staff training needs. - Implement continuous staff development initiatives through structured training plans. - Establish formal Memoranda of Understanding (MOUs) with regional Civil Aviation Authorities (CAAs) and certified TRAINAIR PLUS institutions to enhance capacity building. - Develop a talent management framework. - Develop training framework for local aviation operators.	[NDS Outcome 1.2.1 / SDG 8]
		Organizational difficulty when a key staff member leaves, and the absence of succession planning creates gaps that negatively impact operations and continuity.	- Establish succession plans for each department to ensure continuity of critical roles and functions. - Implementation of the Training Needs Analysis (TNA) consultancy outcome.	[NDS Outcome 1.2.1 / SDG 8]
		Lack of adequately qualified technical staff	- Recruitment of Technical Staff: Prioritize the filling of vacant posts for required technical positions to ensure adequate capacity. - Seek external support and assistance by engaging qualified inspectors/ personnel from neighboring states and institutions while internal capacity is being developed.	[NDS Outcome 1.2.1 / SDG 8]
		Inability to retain qualified staff potential to be poached	- Implementation of scheme of Service for all departments - Implementation of performance management system - Continuous wellbeing activities to ensure acceptable work environment	[NDS Outcome 1.2.1 / SDG 8]

		Ensuring established ICT infrastructure is fit for purpose and performing continual improvements for greater efficiency and performance.	- Optimization of SCAA ICT infrastructure and reporting through effective monitoring and automation of ICT tasks and operation through best fit mechanisms. - Conceptualize centralized IT technologies/solutions that supports gathered departmental operational requirement and strategic goals. - Conceptualize and trial run identified solutions and best practices that aligns with ICAO digital infrastructure for CAAs.	[NDS Outcome 1.3.1 / SDG 9]
		Staff not up-to-date with new aviation technology	- Financial and development support to ensure training for inspectors/ technical staff on evolution of CNS system / Operators' system to ensure work efficiency/effectiveness - Continuous financial provisions towards exposure to emerging technologies through participation in international conferences, workshops, exchanges and exhibitions.	[NDS Outcome 1.3.1 / SDG 9]
		Establishment of SCAA's Cybersecurity and data/information security maturity posture.	- Engage with an audit provider to evaluate system and processes to obtain findings and provide relevant recommendations (e.g. ISO, NISTI) - Review of system based on Audit findings. - Continuous investment to build internal capacity for infrastructure support, maintenance and sustainability- training - Exposure and exchange with neighbouring experiences CAAs (e.g. SACCA, Rwanda)	[NDS Outcome 1.3.1 / SDG 9]
		Staff are resistant to modernization initiatives and the adoption of new technologies	- Continuous engagement with staff and department to understand operational needs and goals. - Provide ongoing awareness and soft skills training and development programs that complement the introduction of new technologies across the organization	[NDS Outcome 1.3.1 / SDG 9]
	Aviation Safety and Security; Improve SCAA's Safety Oversight effectiveness to meet ICAO's Global Aviation Safety Targets by 2030.	Delay in promulgation of aviation regulations which affect achievement of set Targets and compliance to relevant ICAO annexes	- Continuous Sensitisation/education session and close working relations with other agencies (e.g. AGs office & MOT) to ensure regulations are promulgated in a timely manner	[NDS Outcome 4.2.1/ SDG 17 & NDS Outcome 6.1.1/ SDG 12]
		Resistance from service providers and operators to close findings in a timely manner	- Sensitisation/ education of ensuring full compliance to national regulations - Enhance enforcement action (review approach/SOP)	[NDS Outcome 4.2.1/ SDG 17 & NDS Outcome 6.1.1/ SDG 12]

	Sustainability; To have a dynamic aviation industry that is economically viable and environmentally sound and sustainable	To secure finance and ensure SCAA is financially sustainable as a Civil Aviation Authority.	- Application of SCAA Fees & Charges Regulation. - Developing/ Implementation plan for additional revenue stream – Long term revenue plan	[NDS Outcome 1.1.3 / SDG 8]
		Ensuring compliance with environmental for the civil aviation industry	- State Action Plan implementation report (2022-2026) - State Action Plan outlining stakeholder measures to preserve the environment and mitigate impact of their activities (2027 – 2031). - Enactment of CORSIA Regulations. - Monitoring and trend analysis on emissions report. - Environmental Civil Aviation Policy - Feasibility study Sustainable Aviation Fuel (SAF)	[NDS Outcome 6.2.3 / SDG 13
		Safeguarding the aviation industry as a lifeline supporting the Seychelles' economy.	Development of A Civil Aviation Master Plan defining the overarching strategic parameters to ensure and facilitate developments and growth of the industry.	[NDS Outcome 1.1.3 / SDG 8]
		Ensuring the airports infrastructure meets the national socio-economic aspirations promoting the competitiveness of the country as a tourism destination.	- Oversee the development of Airport Master Plan for Seychelles International Airport, Praslin Airport, Assumption Airport. - Conducting Socio-economic assessment review. - Undertaking Air traffic forecasting - Continuous traffic performance reporting. - Benchmarking ~~with~~ against competitors.	[NDS Outcome 1.1.3 / SDG 8]
	Compliance: To ensure that service providers and operators in aviation are compliant with aviation and air transport regulations, security & safety legislations, policies and operating standards.	The absence of a comprehensive economic regulation framework limits the Authority's ability to effectively monitor, enforce, and demonstrate compliance with the economic principles and obligations established under the Chicago Convention and relevant ICAO Standards and Recommended Practices	- Development of Policy Framework for Airport and Air Navigation Economic Regulation - Development of the Airport and Air Navigation Economic Regulation - Development of Standard Operating Procedure for Economic Oversight	[NDS Outcome 6.2.3 / SDG 13 & NDS Outcome 2.1.2/ SDG 8]
		International alignment of Air transport developments with regulatory frameworks and policy requirements.	- Air Transport Policy to future proof air services developments with clear roles of service providers. - Bilateral air service agreements negotiations (BASAs) to ensure appropriate framework to regulate and facilitate air transport developments. - Coordination with key stakeholders for routes development - Active engagement with airlines to promote routes development, supporting tourism-driven connectivity.	[NDS Outcome 6.2.3 / SDG 13 & NDS Outcome 2.1.2/ SDG 8]

			- Launch consultancy to drive market access study. - Reinforcing internal controls through introduction of SOPs concerning approval process for Foreign Air Operator conducting commercial flights into Seychelles. - Enforce reporting by Foreign Air Operator conducting scheduled and non-scheduled commercial flights in Seychelles.	
		Upholding compliance with the Montreal Convention 1999 ensuring consumer protection measures, including effective complaint handling by operators, enhanced accessibility and inclusiveness for all customers, and the consistent delivery of high service quality standards."	- Phased Implementation of the MOU with Fair Trading Commission based on a plan which ensures service providers are passenger rights to deal delays, cancellations and other grievances by consumers are handled in line with international norms and practices. - Consumer Protection Policy to drive engagement with operators. - Monitoring and reporting of consumer complaints. - Implement sensitization and awareness for the public in respect to their rights and obligations. - Enactment of regulations to enforce measures to ensure operators fulfil their responsibility to customers.	
		Enhancing international cooperation to strengthen the position of the Seychelles Civil Aviation Authority in the international arena	- Active engagement with international Aviation bodies, including, ICAO, ACI and IATA - Engagement with continental and regional aviation bodies and regional organisations: AFCAC, IOC-COI, SADC and COMESA - Finalise cooperation MOUs with Civil Aviation Authorities as part of ICAOs no country left behind initiative.	
		Ensure Seychelles ratifies, accedes and adheres to international conventions, protocols aimed at advancing safety and security in aviation.	- In consultation with relevant stakeholders launch process to ratify pending protocols. - Monitor adherence with protocols already ratified and which have come into force.	
2028	**Capacity Building and Empowerment:** To create a more cohesive work environment by recruiting and developing talents, improving communication, leading exceptionally and engaging all stakeholders	Organisational change affecting team dynamics and workplace culture.	- Organize staff team-building exercises twice a year. - Develop and maintain a calendar of staff engagement activities (e.g., sports day, family fun day). - Conduct sensitization programs and talks, including sessions with external speakers, to strengthen team dynamics.	[NDS Outcome 1.2.1 / SDG 8]

			- Implement internal policies to support staff wellbeing, ensuring alignment with the organization's functions.	
		Lack of funding to train staff as per requirement	- Annual budget to cover for training needs - Continuous staff development initiatives through designated training plans - Establishment of formal MOUs with regional CAAs and certified Trainair plus institution - Implementation of Training Needs analysis consultancy outcome.	[NDS Outcome 1.2.1 / SDG 8]
		Ensuring established ICT infrastructure is fit for purpose and performing continual improvements for greater efficiency and performance.	Implementation of tested and identified centralized solutions and technologies to support departmental operations that are aligned to ICAO digital infrastructure guidelines.	[NDS Outcome 1.3.1 / SDG 9]
		Improve of SCAA's Cybersecurity and data/information security maturity posture.	- Implementation of controls to close audit findings, aligned to referenced standards and best practices. (e.g. ISO, NISTI) - Securing data management systems through best practices and standards.	[NDS Outcome 1.3.1 / SDG 9]
		Staff not-to-update with new aviation technology	- Financial and development support to ensure training for inspectors/ technical staff on evolution of CNS system / Operators' system to ensure work efficiency/effectiveness - Continuous financial provisions towards exposure to emerging technologies through participation in international conferences, workshops, exchanges and exhibitions.	[NDS Outcome 1.3.1 / SDG 9]
		Staff are resistant to modernization initiatives and the adoption of new technologies	- Continuous engagement with staff and department to understand operational needs and goals. - Provide ongoing awareness and soft skills training and development programs that complement the introduction of new technologies across the organization	[NDS Outcome 1.3.1 / SDG 9]
	Aviation Safety and Security; Improve SCAA's Safety Oversight effectiveness to meet ICAO's Global Aviation Safety Targets by 2030.	Resistance from service providers and operators to close findings in a timely manner	- Sensitisation/ education of ensuring full compliance to national regulations - Enhance enforcement action (review approach/SOP)	[NDS Outcome 4.2.1/ SDG 17 & NDS Outcome 6.1.1/ SDG 12]
	Sustainability; To have a dynamic aviation industry that is economically viable and environmentally sound and sustainable.	To secure finance and ensure SCAA is financially sustainable as a Civil Aviation Authority.	- Set up framework for additional/alternative sources of revenue for SCAA.	[NDS Outcome 1.1.3 / SDG 8]

		Deficiencies in environmental preservation arising from insufficient reporting and monitoring of CO_2 emissions, contrary to international obligations	- Implementation of the 2027 – 20231 SAP measures to preserve the environment and mitigate impact of their activities. - Enforcement of CORSIA Regulations. - Promulgation of the Environment Policy for Civil Aviation. - Feasibility Study SAF	[NDS Outcome 6.2.3 / SDG 13
		Safeguarding the aviation industry as a lifeline supporting the Seychelles 'economy	Development of a Civil Aviation Master Plan defined overarching strategic parameters to ensure and facilitate developments and growth of the industry.	[NDS Outcome 1.1.3 / SDG 8]
		Ensuring Airport infrastructure in Seychelles meets the national socio-economic aspirations promoting the competitiveness of the country as a tourism destination	- Oversee the development of Airport Master Plan for Seychelles International Airport, Praslin Airport, Assumption Airport. - Conducting Socio-economic assessment review. - Undertaking Air traffic forecasting - Continuous traffic performance reporting. - Benchmarking against competitors	[NDS Outcome 1.1.3 / SDG 8]
	Compliance: To ensure that service providers and operators in aviation are compliant with aviation and air transport regulations, security & safety legislations, policies and operating standards.	Adherence of operators and air navigation service providers with the Airport and Air Navigation Economic Regulation	Implementation of the Airport and Air Navigation Economic Regulation through economic oversight, airport inspection and compliance and monitoring mechanism established under the Standard of Operating Procedures for Economic Oversight	
		International alignment of Air transport developments ~~not aligned~~ with regulatory frameworks and policy requirements.	- Air Transport Policy taking into consideration global direction and National priorities to future proof air services developments with clear roles of service providers. - Bilateral air service agreements negotiations (BASAs) to ensure appropriate framework to regulate and facilitate air transport developments. - Coordination with key stakeholders for routes development - Active engagement with airlines to promote routes development, supporting tourism-driven connectivity. - Launch consultancy to drive market access study. - Reinforcing internal controls through introduction of SOPs concerning approval process for Foreign Air Operator conducting commercial flights into Seychelles.	[NDS Outcome 6.2.3 / SDG 13 & NDS Outcome 2.1.2/ SDG 8]

			- Enforce reporting by Foreign Air Operator conducting scheduled and non-scheduled commercial flights in Seychelles. - Enforce Air Transport licensing and issuance of Foreign Operator Permit through updated regulatory framework to ensure compliance with conditions of International Air Services operation.	
		Upholding compliance with the Montreal Convention 1999 ensuring consumer protection measures, including effective complaint handling by operators, enhanced accessibility and inclusiveness for all customers, and the consistent delivery of high service quality standards.	- Phased Implementation of the MOU with Fair Trading Commission based on a plan which ensures service providers are passenger rights to deal delays, cancellations and other grievances by consumers are handled in line with international norms and practices. - Consumer Protection Policy to drive engagement with operators. - Monitoring and reporting of consumer complaints. - Implement sensitization and awareness for the public in respect to their rights and obligations. - Enactment of regulations to enforce measures to ensure operators fulfil their responsibility to customers.	
		Enhancing international cooperation to strengthen the position of the Seychelles Civil Aviation Authority in the international arena	- Active engagement with international Aviation bodies, including, ICAO, ACI and IATA - Engagement with continental and regional aviation bodies and regional organisations: AFCAC, IOC-COI, SADC and COMESA - Finalise cooperation MOUs with Civil Aviation Authorities as part of ICAOs no country left behind initiative.	
		Ensure Seychelles ratifies, accedes and adheres to international conventions, protocols aimed at advancing safety and security in aviation.	- In consultation with relevant stakeholders launch process to ratify pending protocols. - Monitor adherence with protocols already ratified and which have come into force.	
2029	**Capacity Building and Empowerment:** To create a more cohesive work environment by recruiting and developing talents, improving communication, leading exceptionally and engaging all stakeholders	Organizational change affecting team dynamics and workplace culture.	- Organize staff team-building exercises twice a year. - Develop and maintain a calendar of staff engagement activities (e.g., sports day, family fun day). - Conduct sensitization programs and talks, including sessions with external speakers, to strengthen team dynamics. - Implement internal policies to support staff wellbeing, ensuring alignment with the organization's functions.	[NDS Outcome 1.2.1 / SDG 8]

		Insufficient funding to provide staff training in line with requirements.	- Allocate an annual budget to adequately cover staff training needs. - Implement continuous staff development initiatives through structured training plans. - Establish formal Memoranda of Understanding (MOUs) with regional Civil Aviation Authorities (CAAs) and certified TRAINAIR PLUS institutions to enhance capacity building. - Develop a talent management framework. - Develop training framework for local aviation operators.	[NDS Outcome 1.2.1 / SDG 8]
		Organizational difficulty when a key staff member leaves, and the absence of succession planning creates gaps that negatively impact operations and continuity.	- Establish succession plans for each department to ensure continuity of critical roles and functions. - Implementation of the Training Needs Analysis (TNA) consultancy outcome.	[NDS Outcome 1.2.1 / SDG 8]
		Lack of adequately qualified technical staff	- Recruitment of Technical Staff: Prioritize the filling of vacant posts for required technical positions to ensure adequate capacity. - Seek external support and assistance by engaging qualified inspectors/ personnel from neighboring states and institutions while internal capacity is being developed.	[NDS Outcome 1.2.1 / SDG 8]
		Inability to retain qualified staff potential to be poached	- Implementation of scheme of Service for all departments - Implementation of performance management system - Continuous wellbeing activities to ensure acceptable work environment	[NDS Outcome 1.2.1 / SDG 8]
		Ensuring established ICT infrastructure is fit for purpose and performing continual improvements for greater efficiency and performance.	- Optimization of SCAA ICT infrastructure and reporting through effective monitoring and automation of ICT tasks and operation through best fit mechanisms. - Conceptualize centralized IT technologies/solutions that supports gathered departmental operational requirement and strategic goals. - Conceptualize and trial run identified solutions and best practices that aligns with ICAO digital infrastructure for CAAs.	[NDS Outcome 1.3.1 / SDG 9]
		Staff not up-to-date with new aviation technology	- Financial and development support to ensure training for inspectors/ technical staff on evolution	[NDS Outcome 1.3.1 / SDG 9]

			of CNS system / Operators' system to ensure work efficiency/effectiveness - Continuous financial provisions towards exposure to emerging technologies through participation in international conferences, workshops, exchanges and exhibitions.	
		Establishment of SCAA's Cybersecurity and data/information security maturity posture.	- Engage with an audit provider to evaluate system and processes to obtain findings and provide relevant recommendations (e.g. ISO, NISTI) - Review of system based on Audit findings. - Continuous investment to build internal capacity for infrastructure support, maintenance and sustainability- training - Exposure and exchange with neighbouring experiences CAAs (e.g. SACCA, Rwanda)	[NDS Outcome 1.3.1 / SDG 9]
		Staff are resistant to modernization initiatives and the adoption of new technologies	- Continuous engagement with staff and department to understand operational needs and goals. - Provide ongoing awareness and soft skills training and development programs that complement the introduction of new technologies across the organization	[NDS Outcome 1.3.1 / SDG 9]
	Aviation Safety and Security; Improve SCAA's Safety Oversight effectiveness to meet ICAO's Global Aviation Safety Targets by 2030.	Limited resistance from service providers and operators to close findings in a timely manner	Increase enforcement penalties in accordance with internal procedures, to serve as deterrent.	NDS Outcome 4.2.1/ SDG 17 & NDS Outcome 6.1.1/ SDG 12]
	Sustainability; To have a dynamic aviation industry that is economically viable and environmentally sound and sustainable.	Deficiencies in environmental preservation arising from insufficient reporting and monitoring of CO_2 emissions, contrary to international obligations	- Implementation of the 2027-2031 SAP. - Implementation of the 2027-2031 SAP measures to preserve the environment and mitigate impact of their activities. - Enforcement of CORSIA Regulations. - Promulgation of the Environment Policy for civil Aviation - Feasibility study SAF	[NDS Outcome 6.2.3 / SDG 13
		Safeguarding the aviation industry as a lifeline supporting the Seychelles' economy	Development of A Civil Aviation Master Plan defining the overarching strategic parameters to ensure and facilitate developments and growth of the industry	[NDS Outcome 1.1.3 / SDG 8]

		Ensuring Airport infrastructure in Seychelles meets the national socio-economic aspirations promoting the competitiveness of the country as a tourism destination	- Oversee the development of Airport Master Plan for Seychelles International Airport, Praslin Airport, Assumption Airport. - Conducting Socio-economic assessment review. - Undertaking Air traffic forecasting - Continuous traffic performance reporting. - Benchmarking against competitors	
	Compliance: To ensure that service providers and operators in aviation are compliant with aviation and air transport regulations, security & safety legislations, policies and operating standards.	Gaps in legislation and regulations covering key areas of aviation oversight	Strengthen the Legal and Regulatory Framework for Aviation Compliance by developing and promulgating the necessary technical legislation and regulations to address identified gaps and ensure effective regulatory oversight.	[NDS Outcome 6.2.3 / SDG 13 & NDS Outcome 2.1.2/ SDG 8]
		Adherence of operators and air navigation service providers with the Airport and Air Navigation Economic Regulation	Implementation of the Airport and Air Navigation Economic Regulation through economic oversight, airport inspection and compliance and monitoring mechanism established under the Standard of Operating Procedures for Economic Oversight	
		International alignment of Air transport developments with regulatory frameworks and policy requirements.	- Air Transport Policy taking into consideration global direction and National priorities to future proof air services developments with clear roles of service providers. - Bilateral air service agreements negotiations (BASAs) to ensure appropriate framework to regulate and facilitate air transport developments. - Coordination with key stakeholders for routes development - Active engagement with airlines to promote routes development, supporting tourism-driven connectivity. - Launch consultancy to drive market access study. - Reinforcing internal controls through introduction of SOPs concerning approval process for Foreign Air Operator conducting commercial flights into Seychelles. - Enforce reporting by Foreign Air Operator conducting scheduled and non-scheduled commercial flights in Seychelles. - Enforce Air Transport licensing and issuance of Foreign Operator Permit through updated regulatory framework to ensure compliance with conditions of International Air Services operation.	

6.4.2 Outlook of Financial Strategy

Disclaimer: In view of the ongoing transition arising from the separation of the existing SCAA into two distinct entities, namely SAA and the newly established SCAA, the following should be noted:
The separation legally took effect on 1 January 2025, while the administrative and operational arrangements became effective on 1 May 2025. For accounting purposes, transactions were processed jointly through a single accounting system from 1 January to 31 March 2025.

Certain banking facilities remain shared between the two entities and are being progressively separated.

The projected Financial Position, Comprehensive Income and Cash Flow Statements presented below have been prepared considering the above circumstances.

6.4.2.1 Projected Financial Position of Seychelles Civil Aviation Authority

SCR ('000)

Description	Actual Figures		Provisional		Forecast		
	2023	2024	2025	2026	2027	2028	2029
Assets							
Non-Current Assets							
Property, Plant & Equipment	340,276	1,998	5,627	7,733	9,114	11,574	12,319
Investment Property	45,587	-	-	-	-	-	-
Investment in Subsidiary	-	19,626	19,626	-	-	-	-
Capital Work in Progress	99,466	-	-	-	-	-	-
Deferred Tax Asset	-	-	-	-	-	-	-
Long Term Deposit	-	-	-	-	-	-	-
	485,329	21,623	25,253	7,733	9,114	11,574	12,319
Current Assets							
Inventory	11,167	-	-	-	-	-	-
Trade and Other Receivables	122,198	4,006	31,376	31,725	31,618	31,476	31,428
Current Tax Receivables							
Cash and Bank Balances	266,846	46,869	188,782	92,861	90,943	83,686	77,018
	400,211	50,875	220,158	124,586	122,561	115,162	108,445
Asset Held for sale	-	834,102	-	-	-	-	-
Total Assets	**885,540**	**906,600**	**245,411**	**132,320**	**131,675**	**126,736**	**120,765**
Reserves and Liabilities							
Reserves							
Capital Reserve	184,908	184,908	66,124	66,124	66,124	66,124	66,124
Retained Earnings	571,521	611,938	20,912	17,905	17,797	13,078	7,636
	756,429	**796,846**	**87,036**	**84,028**	**83,921**	**79,201**	**73,760**
Liabilities							
Non-Current Liabilities							
Borrowings	34,728	-	-	-	-	-	-
Gratuity and Compensation	5,005	1,574	2,702	1,923	1,679	1,493	1,298
Deferred Tax Liabilities	1,617	-	-	-	-	-	-
Current Tax Payables	3,799	-	-	-	-	-	-
	45,149	**1,574**	**2,702**	**1,923**	**1,679**	**1,493**	**1,298**
Current Liabilities							
Borrowings	11,349	-	-	-	-	-	-
Gratuity and Compensation	13,737	1,496	2,089	2,388	2,627	2,819	2,972
Accrued Leave	13,689						
Trades & Other Payables	45,188	18,113	44,038	43,980	43,448	43,223	42,736
Due to SAA	-	-	109,547	-	-	-	-
	83,962	**19,609**	**155,674**	**46,368**	**46,075**	**46,041**	**45,707**
Liabilities directly associated with assets held for sale	-	88,571					
Total Equity & Liabilities	**885,540**	**906,600**	**245,411**	**132,320**	**131,675**	**126,736**	**120,765**

Disclaimer: The projected Statement of Financial Position for the year 2025 has adopted IFRS 5 Non-current Asset held for sale and discontinued operations. It sets out the presentation requirement for discontinued operations; that is the SAA part.
For prior years (2023-2024), it presents the financial position of the entity jointly, before the separation.

For the year 2025 onwards, it shows the regulatory entity financial position as a separate, independent company. Assets, liabilities and reserves are shared accordingly as per legislation. Part of SAA cash and cash equivalents are still held in SCAA bank accounts and transfer will be made once as reconciliation completed.

6.4.2.2 Projected Statement of Comprehensive Income of Seychelles Civil Aviation Authority

SCR ('000)

Description	Actual Figures		Provisional		Forecast		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Aeronautical Revenue	457,379	488,801	71,601	57,559	63,691	68,323	70,041
Non-Aeronautical Revenue	54,029	58,517	-	-	-	-	-
Other Income	523	858	-	-	-	-	-
	511,932	**548,176**	**71,601**	**57,559**	**63,691**	**68,323**	**70,041**
Less: IATA Charges	(5,456)	(5,856)		-	-		-
Total Operating Income	**506,476**	**542,320**	**71,601**	**57,559**	**63,691**	**68,323**	**70,041**
Employment Benefit Costs	(252,966)	(277,716)	(35,707)	(42,246)	(50,303)	(51,831)	(53,559)
Other Operating Overheads	(101,058)	(145,569)	(13,860)	(17,551)	(19,790)	(20,403)	(21,096)
Total Operating Expenditure	**(354,024)**	**(423,285)**	**(49,567)**	**(59,797)**	**(70,093)**	**(72,234)**	**(74,655)**
Exchange Movements	1,737	16,699	821	-	-	-	-
Earnings Before Depreciation, Interest, ECL & Tax	**154,189**	**135,733**	**22,854**	**(2,238)**	**(6,402)**	**(3,912)**	**(4,614)**
Depreciation	(36,746)	(39,833)	(857)	(910)	(933)	(957)	(980)
Expected Credit Loss (ECL)	1,004	(8,217)	-	-	-	-	-
Finance Income	2,519	3,581	121	141	141	-	152
Finance Costs	(4,815)	(4,589)	-	-	-	-	-
Profit/(Loss) Before Taxation	**116,151**	**86,675**	**22,119**	**(3,007)**	**(7,194)**	**(4,868)**	**(5,442)**
Business Tax	(28,759)	(12,257)	-	-	-	-	-
Profit/(Loss) for the Year and Total Comprehensive Income/(Expense)	**87,392**	**74,418**	**22,119**	**(3,007)**	**(7,194)**	**(4,868)**	**(5,442)**
Dividend Payment	(17,000)	(34,000)	-	-	-	-	-
Retained Profit	**70,392**	**40,418**	**22,119**	**(3,007)**	**(7,194)**	**(4,868)**	**(5,442)**

**Disclaimer: The Statement of Comprehensive income shows the performance of the entity jointly with the actual revenue and expenditure for the years 2022-2024.*

It also shows the company performance after the separation, noting the actual income (Safety Regulation Fees and Disembarkation fees) and expenditure allocated mainly to SSR department for the first three months (January to March 2025) actuals and revised figures at mid-year.

We have projected the forecast revenue and operating expenditure as a separate entity for the years 2026-2028.

6.4.2.3 Projected Cash flow Statement of Seychelles Civil Aviation Authority

SCR ('000)

Description	Actual Figures		Provisional		Forecast		
	2023	2024	2025	2026	2027	2028	2029
Cash Flows from Operating Activities							
Profit/Loss Before Taxation	116,098	86,674	20,912	(3,007)	(7,190)	(4,719)	(5,442)
Adjustments							
Depreciation Property and Equipment	36,746	39,833	857	910	933	957	980
Loss/(Profit) from Disposal Property and Equipment	(26)	6,268	-	-	-	-	-
Transfer to Expenditure (WIP)	388	70	-	-	-	-	-
Write Offs	-	3,001	-	-	-	-	-
Provision for Expected Credit Losses	(1,004)	8,217	-	-	-	-	-
Leave Accrued	2,495	5,577	2,847	(299)	(239)	(191)	(153)
Gratuity and Compensation Charged	15,364	14,260	-	-	-	-	-
Interest Receivable/Payable	(2,519)	(3,540)					
Exchange difference on Cash and Bank Balances	1,596	(15,335)					
Movements in Working Capital	**169,138**	**145,025**	**24,616**	**(2,396)**	**(6,496)**	**(3,954)**	**(4,615)**
(Increase)/Decrease in Inventories	(3,506)	702	-	-	-	-	-
(Increase) /Decrease in Trade & Other Receivable	(7,672)	(23,477)	(27,370)	(349)	107	142	49
Increase/(Decrease) in Accounts Payable	(10,414)	(10,890)	135,472	(58)	(533)	(225)	(487)
Net Cash Generated from Operation	**147,546**	**111,360**	**132,718**	**(2,803)**	**(6,921)**	**(4,038)**	**(5,053)**
Net Tax Received/(Paid)	(18,376)	(23,490)	-	-	-	-	-
Gratuity and Compensation Paid	(10,547)	(13,737)	(1,126)	(1,576)	(1,258)	(1,078)	-
Net Cash Outflow from Operating Activities	**118,624**	**74,134**	**131,591**	**(4,379)**	**(8,179)**	**(5,116)**	**(5,053)**
Cash Flows from Investing Activities							
Addition to Property & Equipment	(6,699)	(19,626)	(4,486)	(2,107)	(1,381)	(2,460)	(745)
Addition to Work in Progress	(51,711)	(10,509)	-	-	-	-	-
Proceed from Disposal	433	(43,961)	-	-	-	-	-
Interest Received	2,182	1,074	-	-	-	-	-
Additions to Short Term Investment	(1,153)	3,509	-	-	-	-	-
Receipt of long Term Deposit	-	(6,920)	-	-	-	-	-
Net assets transferred during the year	-	-	14,808	11,455	7,643	318	(870)
	(56,949)	**(76,433)**	**10,323**	**9,348**	**6,262**	**(2,142)**	**(1,615)**
Cash Flows from Financing Activities							
Loan Receipts/(Repayment)	(1,288)	(12,528)	-	-	-	-	-
Exchange Movement on Borrowings	228	2,148					
Dividend Paid	(17,000)	(34,000)					
Seed Capital	-	-					
	(18,060)	**(44,379)**	-	-	-	-	-
Net Increase/Decrease in Cash & Equivalent	**43,616**	**(46,678)**	**141,914**	**4,969**	**(1,918)**	**(7,258)**	**(6,668)**
Movement in Cash and Cash equivalents							
January 1	147,777	189,797	158,453	188,782	92,861	90,943	83,686
Cash transfer to SAA	-	-	(111,585)	(100,891)	-	-	-
Increase/Decrease	43,616	(46,678)	141,914	4,969	(1,918)	(7,258)	(6,668)
Exchange difference on Cash and Bank Balances	(1,596)	15,335	-	-	-	-	-
Cash as at 31st December	189,797	158,453	188,782	92,861	90,943	83,686	77,018
Net Cash & Equivalent	**189,797**	**158,453**	**188,782**	**92,861**	**90,943**	**83,686**	**77,018**

**Disclaimer: The Statement of Cash Flows for 2022–2024 reflects the Company's cash position prior to separation. As at 1 January 2025, the separation date, the opening cash balance was SCR 46.8 million, representing seed capital retained by SCAA.*
As at 31 December 2025, more than SCR 100,000 of SAA funds remained in SCAA's bank account. In mid-January 2026, the outstanding bank loan of US$1.425 million, equivalent to SCR 21.2 million, was fully repaid. During the same period, the Nouvobanq USD fixed deposit of US$2.7 million, equivalent to SCR 40.2 million, was transferred to SAA's bank account.

Following these transactions, the net amount due to SAA stands at SCR 38.9 million.

6.4.2.4 Projected Capital Investment Plan of Seychelles Civil Aviation Authority

SCR ('000)

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures		Provisional		Forecast			Anticipated Risks
							2023	2024	2025	2026	2027	2028	2029	
1. Major Capital Investments														
Improvement to building	Partitioning of offices of D'Offay building, adding 4 restroom facilities		1,797	Internal funds	2024	2025			1,797					
Improvement to building	Additional Partitioning of meeting rooms, HR Office and storage area	For confidentiality and security purpose	250	Internal funds	2026	2027				250				
SCAA Network Infrastructure re-design	Awaiting final proposal for review. Project targets revamp, re-design of SCAA network infrastructure to introduce required security standards (IS/Cyber), provision for growth capacity and guarantee performance	Payment may be spread over 3-5 years	1,500	Internal funds	2025	2029	-	-	-	0	1,000	500		-
2. Replacements and upkeep of Assets (PPE)														
Office Equipment and furniture	IT equipment and office furniture for employees that requires replacement	Service improvement	230	Internal funds	2026		-	-	-	-	230	-	-	-
ICT equipment			744	Internal funds	2026		-	-	-	-	744	-	-	-
Security Equipment	Purchase of data card printer	Service Improvement	132	Internal funds	2026		-	-	-	-	132	-	-	-
Vehicle	15-seater minivan	Service Improvement	700	Internal funds	2027		-	-	-	-	700	-	-	-
TOTAL			**5,353**	**-**			**-**	**-**	**1,797**	**250**	**2,806**	**500**	**-**	**-**

6.4.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

6.4.3.1 Tax Implications by the Operations of Seychelles Civil Aviation Authority

SCR ('000)

Type of Tax	Actual Figures		Provisional		Forecast			Anticipated Risks
	2023	2024	2025	2026	2027	2028	2029	
Business Tax	(28,759)	(12,257)	N/A	N/A	N/A	N/A	N/A	
PIT	20,281	22,976	3,705	4,291	4,424	4,561	4,703	
Non- Monetary Benefit Tax	14	14	14	14	25	25	14	
VAT	7,623	8,272	(1,539)	(1,636)	(1,687)	(1,739)	(1,793)	
TOTAL	**(841)**	**19,005**	**2,180**	**2,670**	**2,763**	**2,848**	**2,924**	

Disclaimer: PIT progressive Income Tax paid monthly to SRC for all 57 employees including one expatriate. INMBT paid for providing accommodation and transport at SCR1,200 per month.

Effective 1st January 2025, SCAA has been exempted from Business Tax, whilst still being compulsory registered for VAT, all supplies classified as zero rated (0%).

6.4.3.2 Anticipated Dividend Declarations by Seychelles Civil Aviation Authority

Nature of Dividend	Actual Figures		Provisional		Forecast			Anticipated Risks Conditions/Justifications
	2023	2024	2025	2026	2027	2028	2029	
Dividends in Cash	17,000	34,000	N/A	N/A	N/A	N/A	N/A	N/A
Dividends in lieu of Cash			N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	**17,000**	**34,000**	**-**	**-**	**-**	**-**	**-**	

**SCAA does not anticipate any dividend payment for the period from 2027 – 2029*

6.4.3.3 Debt Payments Forecasts by Seychelles Civil Aviation Authority

Disclaimer: Currently, SCAA as a newly established entity does not have any outstanding loans. Following the separation, the main loan facility was transferred to SAA. Accordingly, no debt financing has been incurred to date, nor is any debt financing forecasted at this stage.

6.4.3.4 Anticipated Subventions and Grants by Seychelles Civil Aviation Authority

Disclaimer: SCAA remains uncertain until final decision is undertaken, for period January 2025 till June 2026, SCAA revenue share of Disembarkation was **US$10 per passenger from the disembarkation fee of US$15, compared to the previous retention of US$5 prior separation. This adjustment will strengthen the Authority's revenue base and support the coverage of its operational costs. However, effective 1st July 2026 this has **revised down to SCAA retention share of US$8 per passenger** and government share of US$7 which will not sufficient to cover operational expenses of the authority.*

6.4.3.5 Contingencies of Seychelles Civil Aviation Authority

SCR (000)

Nature of Contingencies	Funding Agency	Purpose	Total Liability Amount	Realized Guarantees						
				Actual Figures		Provisional		Forecast		
				2023	2024	2025	2026	2027	2028	2029
Guarantees	Government	**N/A**	**N/A**	-	-	-	-	-	-	-
	Guaranteed for other PEs	**N/A**	**N/A**	-	-	-	-	-	-	-
Potential Payments Due to Legal Actions by 3rd Parties	Government			-	-	-	-	-	-	-
	Case 01 Ex Employee vs SCAA	Claims and Litigations	SCR1.5 million	-	-	1,000	-	-	-	-
	Case 02 Caiman vs SCAA	Claims and Litigations	SCR11.8 million						**11,800**	
TOTAL			**13,300**	-	-	**1,000**	-	-	**11,800**	-

**Disclaimer; Settlement for Case 01 already made in the year 2025. Case 02 provision for 2028*

6.4.3.6 Assumptions used for the Financial Projections of Seychelles Civil Aviation Authority

Revenue

Disembarkation Fees: The fee of US$15 is levied on all arriving passengers upon arrival of international flights. For the third year [year 2027] of operating as the regulatory oversight authority, SCAA foresees approximately 503,854 revised billable passengers amounting to US$7.6 million, which equivalents to SCR 118.4 million. Based on this forecast, SCAA will retain US$8/passenger equivalent to US$4.0million (SCR63.1 million) to finance its operations and day-to-day obligations, the remaining will be remitted to government covering their US$7 share per passenger arrival. Note, prior to SCAA separation into new SCAA and SAA, disembarkation levy were shared with government at a ratio of US$5 (SCAA): US$10 (Govt), however several financial analysis were made and it came to a conclusion that in order for the new SCAA to sustain and meet it daily obligations and not operating as solely as the Safety and Security Regulations, restructured with other supporting departments such as Corporate Services: Finance Department, HRA and IT together with CEO's secretariat and the Airport Development and Economic Regulations Department to function as any other regulatory body. It was agreed that the new SCAA will require a portion of Disembarkation Levy of minimum US$ 10/pax and the remaining US$5/pax will be collected and remitted to Government. For the year 2025, SCAA operated as per the latter arrangement. However, following the change of administration and uncertainty surrounding the revenue-sharing arrangement during 2026, government revised SCAA share of disembarkation levy down to US$8 (loss US$2/pax) whereas government gaining additional US$2/pax [US$7]. With that change, together with the Middle East Crisis, this has affected SCAA revenue and operations adversely.

In 2026, the total approved billable passenger arrivals were initially forecast at 474,774 passengers, then revised to 424,450 at mid-year due to middle east crisis causing interruption and cancellation of flight movements. Therefore, the total SCAA revenue forecasted at US$4.8 million equivalent to SCR 72.8 million has now estimated to decrease to US$ 3.8 million equivalent to SCR 57 million. Fortunately, with the resumption of airlines such Qatar and early resumption of winter season airlines such as Turkish, Aeroflot and Discover, demand for travelling has increased, thus the number of passengers will increase higher than presumed. SCAA total revenue will decrease compared to prior year due to US$2/passenger decrease in SCAA share of revenue, thus affecting the general revenue performance of the entity.

Safety and Security Regulations Fees: SSR Fees has been forecast to SCR568 K for the year 2027. This is due to declined fees charged for the first semester of current year. The forecast approved of SCR 671,385 to decrease to SCR 541,488. Initial forecast was SCR671,385.

Total Revised Revenue for the year 2026 is estimates at SCR57.6 million, SCR 63.7 million for the year 2027, SCR67.7 million by 2027, SCR68.3 million by 2028 and 70 million in 2029 with SCAA revenue portion of US$8 per passenger.

Operating Expenditure

As the Seychelles Civil Aviation Authority (SCAA) continues to operate independently, operating costs are expected to increase as the Authority establishes and strengthens its internal support service functions, particularly Human Resources, Finance, and Information and Communication Technology (ICT). Currently, SCAA relies on support service personnel from SCAA's former

shared service arrangements to maintain its financial records, day-to-day operations, and staff welfare. Additional recruitment will therefore be necessary in 2027 to ensure adequate staffing and the effective delivery of these essential functions.

The 2027 budget also provides for anticipated staff enhancements and promotions, together with increased expenditure on learning and development, staff benefits, and human resource support services. These provisions are necessary to build internal capacity, retain skilled personnel, and support the Authority's ongoing operational requirements.

Furthermore, additional funding has been allocated to strengthen safety oversight and regulatory functions in preparation for the forthcoming International Civil Aviation Organization (ICAO) audit. This will require enhanced technical capacity, staff training, and other preparatory activities to ensure the Authority is adequately prepared to demonstrate compliance with applicable international civil aviation standards and recommended practices.

Overall, the proposed increase in the 2027 budget reflects the additional costs associated with operating independently, developing internal support functions, strengthening human resource capacity, and preparing for the upcoming ICAO audit.

Human Resource Costs: The 19% increase in human resource expenditure is mainly attributable to higher personnel emoluments, staff benefits, and increased investment in learning and development. These provisions are intended to support staffing requirements, retain skilled personnel, and strengthen the technical and professional capacity of the Authority.

Administrative and Support Costs: Administrative expenditure is broadly maintained at 2026 revised levels, reflecting continued cost control and prudent resource management.

ICT Services: The increase in ICT expenditure reflects the need to strengthen information technology services, maintain essential systems, and support the Authority's operational and administrative functions.

Safety Management and Regulatory Oversight: Increased allocations are required to support safety oversight activities, strengthen regulatory supervision, and ensure continued compliance with applicable civil aviation standards and requirements.

Aircraft Incident and Accident Investigation: The proposed increase provides additional resources to support the Authority's investigation responsibilities and ensure adequate preparedness to respond to aircraft incidents and accidents.

Secretariat and Corporate Activities: The increased provision for secretariat costs is mainly driven by promotional events and communication activities, together with other corporate and strategic support requirements. These activities are intended to improve stakeholder engagement, communication, and implementation of the Authority's objectives.

Overall, the 2027 budget seeks to balance the Authority's operational and regulatory requirements with prudent expenditure management, ensuring that available resources are directed towards essential services, aviation safety, regulatory effectiveness, and organisational development.

Total proposed operating expenditure for the year 2027 is SCR70.1 million, expected to increase to SCR72.2 million in 2028 and SCR74.6 million in 2029.

Capital Expenditure

The 2027 Capital Expenditure (CAPEX) budget is proposed at SCR 3.08 million to support the Seychelles Civil Aviation Authority's continued transition towards independent operations, maintain essential infrastructure, and strengthen its operational capacity. The proposed investment prioritises ongoing development works, equipment requirements, office facilities, ICT infrastructure, security systems, and transport.

The 2027 CAPEX budget is intended to provide the essential infrastructure, equipment, and systems required to support the Seychelles Civil Aviation Authority's continued independent operations and long-term operational effectiveness.

As the Authority establishes and strengthens its internal support service functions, capital investment may be required in ICT infrastructure, computer equipment, software systems, office equipment, and other essential assets to support the effective delivery of Human Resources, Finance, and administrative functions. These investments will reduce reliance on shared support services and improve operational efficiency, financial management, and internal controls.

Furthermore, capital investment in technical equipment, regulatory systems, and other operational assets will support the Authority's safety oversight and regulatory responsibilities, including preparations for the forthcoming ICAO audit. The proposed expenditure is intended to strengthen institutional capacity, improve compliance monitoring, and ensure that the Authority has the necessary resources to fulfil its statutory mandate.

Overall, the 2027 CAPEX budget prioritizes essential investments in infrastructure, technology, and operational assets to support SCAA's independence, enhance service delivery, and strengthen its long-term organizational capacity. All proposed investments should be prioritized according to operational necessity, regulatory requirements, and available financial resources.

6.4.4 KPIs, Risk Management Strategy and Reporting Obligations

6.4.4.1 Key Performance Indicators of the Seychelles Civil Aviation Authority

Title of Key Performance Indicators	Description	Targeted Strategic Priority	Achievements of KPIs						
			Actual Figures		Provisional		Forecast		
			2023	2024	2025	2026	2027	2028	2029
Strategic	ICAO USOAP Overall Safety Oversight Compliance rating	Aviation Safety and Security; Compliance	42.14%	42.14%	42.14%	70%	80%	85	87
	ICAO USAP Overall security oversight compliance rating		58%	62.97%	62.97%	80%	85%	90	93
Operational: Safety & Security Regulation	No. of USOAP audited areas below 70%	Aviation safety & Security	-	-	7	6	5	4	1
	No. Of USAP audited areas below 80%		-	-	5	4	3	2	1
Operational: Aviation Development & Economic Regulation	No. of Air Service Agreements	Compliance; Sustainability	-	-	<90	<90	<90	<90	<90
	Consumer protection cases attended		-	-		60%	80%	80%	80%
	Adhere with economic regulations measures		-	-		100%	100%	100%	100%
	Compliance with emissions reporting (CORSIA)		-	-		100%	100%	100%	100%
Operational; Corporate Services- Human Resource & Administration	Labour Turnover	Capacity Building and Empowerment	-	-	1.9(as at August 2025)	<10%	<10%	<10%	-
	No of staff scoring below 60% on annual appraisal		-	-	0	<5%	<5%	<5%	-
	Key position filled internally as per nominal roll		-	-	80%	80%	85%	90%	-
	Percentage completion of approved training plan		-	-	85%	85%	85%	85%	-
Operational -Corporate Services – ICT	Availability of ICT Core infrastructure services.	Capacity Building and Empowerment	-	-	75%	80%	85%	90%	-
	Mitigated Cyber incidents		-	-	80%	80%	80%	80%	-
Financial	Annual Revenue Growth Rate	Sustainability	-	-	5%	3%	5%	5%	-
	Profit Margin		-	-	17%	7%	17%	17%	-
	Liquidity Ratio.		-	-	-	4:1	5:1	5:1	-
	Minimum Cash Reserve.		-	-	46 million	48 million	50 million	50 million	

**Disclaimer: As a new company, KPIs for all departments (except for SSR) provided are from the year 2025 showing a more realistic Key Performance Indicators for the years after separation.*

6.4.4.2 Risks and Resilience Plan of the Seychelles Civil Aviation Authority

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	Potential conflict of interest resulting in non- compliance to ICAO requirements as a result of the reporting line of the AIG investigators.	- Finalisation of AIG regulation - Discussion with Ministry of Transport on SCAA organigram to present clear separation of function and reporting line of AIG office.
	Staff do not implement/abide to the organization's strategic direction as a result of inadequate knowledge and awareness of newly assigned functions.	- Conduct structured staff sensitisation and awareness sessions on the new strategic direction as per new mandate and function.
	Resistance to SCAA regulatory and/or strategic initiatives arising from poor stakeholder relations and misalignment of expectations.	Maintain proactive engagement with stakeholders and active engagement to sensitise/educate on the function of SCAA based on new SCAA Act.
	Policy misalignment between government objectives and SCAA's strategic direction	Finalisation and implementation of SCAA new Strategic plan to reflect new function as per the SCAA Act 2024.
	Board/governance decision that impact on operational activities and achievement of strategic goal.	- Ongoing sensitisation on governance role of Board members and function of Authority. - Frequent reporting to Board members to provide up to date information.
Financial Risks	Potential budget shortfalls and weakened financial sustainability due to delay in confirming financial support through the disembarkation levy.	Finalise the terms of the disembarkation levy with Government through a cabinet paper and supporting document.
	Fluctuating exchange rates that impact on exchange of disembarkation levy	- Ensure foreign currency account to exercise hedging in line with financial policy. - Track and monitor exchange rates fluctuation to understand trends and forecast events. - Adopt a multi banking services approach to negotiate rates. - Practice cross-cutting financial management measures e.g. fixed deposits instruments to raise income to mitigate impact of potential losses
	Revenue shortfalls due to under-collection of fees as a result of outdated regulation and non-application of fees and charges.	- Implementation of administrative fees for associated services supported with policy framework to ensure cost recovery. - Updated fee structure for safety and security regulatory activities. - Absorption of transaction process by finance.
	Financial misreporting and unreliable financial information leading to poor decision-making as a result of inaccurate financial data.	Full separation of accounting process and billing transactions from airports authority supported with audited updated records.
	Potential unauthorized disclosure of financial information and breach of confidentiality arising from external access controls and weak rights management in SAGE	Ensure security measures to restrict access to SCAA SAGE accounts by external parties, once separation of account is completed.
	Financial instability due to external shocks which will impact on disembarkation levy our main source of revenue.	- Ensure financial policy measures including maintaining adequate financial reserves at the bank. - Identify and negotiate support, contingency and bail out solution for the eventuality.

	Financial instability due to unbudgeted expenses.	- Maintain adequate financial reserves at the bank. - Strengthen budget monitoring and enforce financial discipline within the organization - Sensitisation within the organisation on financial responsibility. - Capacity building on budget management
	Financial burden as a response to AIG reporting line and administrative cost falling under SCAA	Initiate discussion with Ministry of Transport pertaining to AIG
Operational Risks	Significant disruptive event (e.g., system outage, natural disaster, industrial action) may interrupt SCAA's operational activities, affecting service delivery and regulatory obligations.	Implementation of organisational Business Continuity Plans to manage significant disruption.
	Loss of historical data and/or lack access to data	Set up SCAA ICT infrastructure to migrate historical data from SAA to ensure total control. Implement back-up and restore mechanism of data.
	Unavailability of ICT services due to network/internet connection issues	Evaluate the potential to implement a dual ISP connectivity with service provider. Enhance service agreement with service providers to ensure continuity.
	Loss of ICT production site	As part of SCAA ICT infrastructure set up consideration of DR site with service provider and/or eventual set up of own site.
	Cybersecurity Threat	- Engage with SOC certified service provider as part of ICT infrastructure set up based on organisational need. - Training of ICT technical staff and staff sensation and awareness session on the topic. - Keep abreast on national and international developments on cybersecurity including requirements from ICAO and other aviation bodies.
	Failure to retain critical and scarce talent in the aviation industry	- Culture development to enhance staff engagement - Continuous staff training and development opportunity - Review of Scheme of service
	Fire and other perils that impact on head office (exit and evacuation	-Evacuation plan development -Establishment of Business Continuity Action group -Insurance Policy (cover SCAA assets & staff (employer liability)
	Inability to effectively perform regulatory oversight due to operator non-compliance with the Civil Aviation Act and national regulations, including denial of access, failure to provide mandatory reports, and non-submission of required information	-Strengthen enforcement measures and penalties for non-compliance. -Conduct sensitisation/education sessions with operators on legal obligations.
	Reputational risk as a result of ICAO not receiving up to date information related SCAA	Ensure period update of CAPS, OLF, self- assessment
PESTEL	Potential change in government with the election that impact on policy decisions, processing of regulations and financial impact of state function.	Communication with Ministry to ensure financial support, staff retention as part of business continuity. MOU in place for neighbouring states for technical assistance.
	Increase in membership fees by regional/international bodies (e.g. ICAO) leading to financial burden to SCAA	Clearly defined and approved membership to international organisation based on mutual gains and international obligations.

	Pandemic or other natural or man-made disasters or events that significantly disrupt passenger traffic flows thereby reducing revenue collected from the disembarkation levy which is SCAA's core funding source.	-Develop a financial contingency plan (reserve and cost-containment measures) -Strengthen Business Continuity Management (BCM) to maintain critical functions during crisis. - Initiate discussion on ways to diversify revenue streams - Integrate financial contingency plan (reserve and cost-containment measures) in financial policy.
	Air pollution or calamity that affect the work environment / access to head office (e.g. Fire at landfill/ reopening of CCCL quarry)	- Application of the SCAA Work from Home policy - Implementation of BC Plan and strategies.
	Inability to conduct an effective/proper search and rescue operation within the Seychelles search and rescue region	Advocate with Board and Ministry to support the establishment of a proper mechanism with adequate assets for search and rescue (including the pooling of national resources)
	The growth in air transport activities in Seychelles can adversely impact the environment.	- CORSIA regulations - Updated State Action Plan - Continuous engagement with the international community on such measures and financial and non-financial support. - Continuous partnership, sensitisation and engagement with key stakeholders.
	Growing global competition coupled with inadequate infrastructure and land use planning to preserve the positioning of Seychelles airports as a key infrastructure and lifeline to the Seychelles economy.	- Civil Aviation Master Plan. - Airport Master Plan implementation. - Socio economic impact reviews to ensure real value in the economy. - Routes developments efforts to grow air transport activities and boost tourism.
	Key service providers, Seychelles Airports and air navigation services, ground handling, aviation catering, fuel supplier abusing their monopoly powers for financial gain and adversely impact the industry s.	- Economic regulations framework aligned with ICAO, IATA and ACI policy measures. - Continuous oversight on the economic performance of airports and air navigation services, ground handling, fuel suppliers.
	Exposure to a wide range of risks including safety, security, economic, environmental risks with additional reputational damage as a result of an unregulated commercial air transport operation.	- Compliance with Air Transport Regulatory frameworks to regulate and ensure oversight and processing of international and domestic commercial air transport activities. - Ratification of Air Services Agreements - Domestication of associated regulations and policies including consumer protection and competition.

6.4.4.3 List of External Reporting's by the Seychelles Civil Aviation Authority

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report	Submitted YES/NO
SCAA Access to information annual report	Information Commission	Details of SCAA activity under the Access to Information Act (Section 54 & 55)	Within 3 months after the end of the year.	Yes, up to date next due March 2026
SCAA Annual Report	PEMC SCAA Board of Directors Ministry of Transport External Stakeholders	(PE ACT, Section 82(3) & Schedule 3)	Within 5 months after the end of the financial year	Pending
Audited Financial Statement		(PE ACT, Section 82(3) & Schedule 3)	Within 5 months after the end of the financial year	Pending
Statement of Corporate Intent (SCI)		(PE ACT, Section 53)	Two months before the start of the financial year	Due 31st October 2025
Annual Business Plan		(PE ACT, Section 54)	Two months before the start of the financial year	Due 31st October 2025
Quarterly Reports		(PE ACT, Section 92-1)	Within 20 calendar days after the end of each quarter	Q1 Pending
Financial Quarterly Report		(PE ACT, Section 92-1)	Within 20 calendar days after the end of each quarter	Q2 due 21st July 2025
VAT return	SRC	VAT Act 2010 (SI 56 of 2025)	Within 21 calendar days after the end of each Month.	Up to date as of September 2025
State Aviation Activity Questionnaire (SAAQ) - through ICAO USOAP CMA Online Framework (OLF).	ICAO	To update ICAO on the State's aviation activity's organizational structure, oversight responsibilities and contact details	- Biannually - Anytime there is a significant change.	Up to date as of July 2025
Resolution of APIRG related deficiency	ICAO	Send to ESAF regional office to provide details of progress of resolution of APIRG deficiencies related to ANS and AGA across the region (ESAF region)	Annually	Up to date for 2024, next due in December 2025
Air Transport /Airport Traffic reports	All Stakeholder		Weekly, Monthly	Yes
Annual Socio-Economic Impact indicators review	All Stakeholders		Annually	Yes
State of the industry report- financial performance review of service providers	Ministry of Transport		Annually	Q2 Annually
Consumer protection report	Ministry of Transport		Annually	Q1& Q3 Bi-Annually
CORSIA Report	All Stakeholders		Annually	Q2 Annually

6.4.5 Stakeholder Engagement

6.4.5.1 Statement by the Responsible Minister

The Seychelles Civil Aviation Authority (SCAA) continues to serve as the cornerstone of our aviation industry, playing a pivotal role in ensuring the safety, security, and sustainable growth across all aspects of Civil Aviation. As the Minister responsible, I reaffirm our unwavering commitment to supporting the Authority in executing its expanded mandate under the new SCAA Act of 2024.

This new legislative framework empowers the Authority with broader and more robust functions. While the SCAA Act 2005 already entrusted the Authority with advising the Government on Civil Aviation matters, the SCAA act 2024 builds on this role by reinforcing the Authority's ability to provide enhanced policy guidance aligned with international standards. It redefines the Authority's role to focus exclusively on regulatory and oversight, strengthening its functions in areas such as licensing, certification and oversight of aviation professionals, organizations, and facilities, while ensuring that safety, security, and environmental sustainability remain at the core of all civil aviation activities in Seychelles.

As we embrace this new era, our focus remains on enabling the SCAA to develop and enforce regulations that uphold the highest standards of safety and security, modernize operations through innovation, and strengthen regulatory capacity to manage the growing complexities of the aviation sector. This includes enhanced oversight of aerodromes, air navigation services, aviation training institutions, and ground service providers, in line with international standards and best practices.

We are committed to fostering a safety-first culture through risk-based inspections, audits, and robust compliance mechanisms. Furthermore, we will strengthen our collaboration with national and international partners to ensure timely and effective accident and incident investigations supporting continuous improvement, information sharing, and capacity building. Our vision also emphasises investing in both technological advancement and human capital development. The SCAA will also be instrumental in leading the implementation and continuous enhancement of the National Civil Aviation Security Programme and related systems, ensuring Seychelles remains compliant with global aviation security requirements.

Equally important is our commitment to cultivating local talent. We recognise that the strength of our aviation sector lies in our people. That is why we are supporting the SCAA in establishing training pathways, developing future aviation leaders, and offering rewarding career opportunities for Seychellois professionals. Through targeted education initiatives and on-the-job development, we aim to build a skilled workforce capable of meeting both present and future demands. As we expand our aviation footprint, we remain steadfast in our commitment to sustainability and minimizing our environmental impact.

In conclusion, the Government remains fully aligned with the SCAA's strategic direction as mandated under the new Act. We will continue to champion safety, security, environmental stewardship, operational excellence, and local empowerment in the aviation sector. Together, we are building a future-ready civil aviation system one that reflects Seychelles' values of innovation, sustainability, and service excellence. With dedication and partnership, we will solidify Seychelles' position as a leader in civil aviation and ensure a safe, efficient, and passenger-focused experience for all.

Minister for Transport, Ports and Civil Aviation

6.4.5.2 Foreword by Chairperson

Following two years of active work and submissions, by the legal team the Seychelles Civil Aviation Authority (SCAA) and the Seychelles Airport Authority (SAA) bills have been enacted. The Board welcomes this new legislation that is expected to create more succinct legal provisions for the SCAA and SAA, focused on their respective mandates.

Building upon the achievements of 2024 and 2025, the financial strategy set out in this MTFS ensures that SCAA's finances are aligned to the delivery of its strategic objectives through the coming years and presents a clear route which, if followed carefully, will secure a much-improved financial position in future years. It also enhances the process of deepening the transparency and inclusivity of our strategic financial planning.

With its renewed financial strength, the SCAA is in a better position to re-energise its business, and to deliver on its strategic objectives which are Safety and Security Oversight, Financial Sustainability, Enhance Workforce Capacity and the development of Civil Aviation Development and Economic Regulation. The investments planned over the next three years aim to address key risks such as the loss of qualified and experienced technical staff by enhancing training, capacity building, and staff development. These efforts, combined with targeted investments in technology and innovation, will strengthen the resources available to our workforce and support the advancement of the civil aviation industry.

This new era presents a unique opportunity to review our systems and structures, and to shape a more advanced and reputable civil aviation industry. While challenges are inevitable in this journey, the opportunities ahead make the effort worthwhile and with teamwork, we can achieve it.

As part of our response to human capital challenges, we will be reviewing our staff retention strategy. In parallel, we are committed to modernizing our operations through the adoption of alternative technologies, with support

from both national and international partners. Our plans to modernise the civil aviation sector aim not only to ensure long-term success but also to enhance our capacity to meet the regulatory demands associated with the Airport Development Project. Furthermore, we will explore innovative approaches to strengthen economic regulations, while striving to minimize our environmental footprint.

Whilst we acknowledge that there are several risks associated with the medium-term financial forecast as clearly future events cannot be accurately predicted, and the economic outlook can change quickly, the Authority remains aware of these risks and will actively be managing them.

The Board remains committed to strengthening SCAA's financial sustainability, fostering high organizational performance, and improving safety and security effectiveness scores consequently and ultimately ensuring a safer and more secure experience for air travellers

Chairperson SCAA

6.4.5.3 Statement by the CEO

It gives me great pleasure to present the Seychelles Civil Aviation Authority's (SCAA) Medium Term Financial Strategy (MTFS) for the next triennium (2027-2029). This MTFS outlines SCAA's financial plan to achieve its strategic objectives and priorities, taking into account its funding, its revenue sources and spending ambitions over the next three years.

The strategy ensures that the expenditure is closely aligned with the Authority's strategic priorities in a cost-effective manner. It highlights the underlying financial strategy, key assumptions, and associated financial risks, while summarizing the financial projections for income and expenditure.

As part of the SCAA's financial planning process, this MTFS incorporates a three-year plan annual budget and establishes clear parameters to guide resource deployment and financial management. This ensures a balanced budget and sustainable financial position is maintained in order to support its regulatory functions and obligations under the new SCAA Act 2024. This financial plan also considers the rate of inflation which may impact on the exchange rates and operational costs.

The key focus for SCAA for the next triennium will be to improve its effective implementation scores in aviation safety and security. This will be achieved through effective capacity building at technical level, participating in regional cooperation programmes from Regional Safety Oversight Organizations (RSOOs), and engagement with other regional bodies as may be recommended by ICAO. It's important that we maintain a positive and result–driven approach, as we continue to strive towards achieving our objectives.

'Connecting the world to Seychelles' through effective oversight will remain our core priority. This underscores SCAA's commitment to being recognized as a reputable organization, supported by string financial resources and equipped with highly trained personnel. We aim to further enhance our ability to detect non-compliance to civil aviation standards and recommended practices, and to take enforcement actions where necessary to protect the travelling public, prevent unlawful interference or other related activities that may endanger an aircraft and its passengers, whilst ensuring safe and secure aviation environment. Further, taking appropriate enforcement actions in preventing serious incidents or accidents and strengthening of the Authority's capabilities remain in the forefront.

It is worth noting that the Authority had declared the year 2025 theme as 'Attaining a higher level of compliance'. This theme is in line with one of our strategic priorities and the targeted program will continually be deployed throughout 2025-2027 to address non-compliance and ineffective resolution of safety and security issues at the level of the service providers and operators. It is through their unwavering commitment to correcting deficiencies identified through inspections and audits conducted by the Authority, that Seychelles overall effective implementation score will rise to a higher level.

Over the next three years, the Authority expects to fully implement its revised scheme of charges to strengthen our revenue streams, and reduce reliance on traditional revenue sources, mitigate global risks and enable business continuity, as part of our commercial strategy and long-term goal.

I am confident that under the stewardship of our Board of Directors, the SCAA will remain committed to delivering on set performance targets, whilst maintaining strict financial discipline of its resource allocation to ensure a sustainable operation as the State Civil Aviation Regulator.

Chief Executive Officer SCAA

6.5 Seychelles Airports Authority (SAA)

6.5.1 Strategic Overview

6.5.1.1 Mandate

The Seychelles Airports Authority (SAA) will be established and come into effect 1st January 2025 under the Seychelles Airports Authority Act 2025, as a body corporate responsible for the operation and management of airports, of air traffic management services and associated aviation services and to provide for matters connected therewith or incidental thereto. The SAA and its affairs are administered by a CEO reporting to a Board of Directors appointed by the President, in consultation with the responsible for Civil Aviation.

The Authority has the following functions:

1. to acquire, develop, manage, maintain, control and operate airports in Seychelles;
2. to ensure efficient air traffic management, including the optimisation of air traffic control services and airspace management;
3. to coordinate air navigation services within the Seychelles Flight Information Region, including the management of air traffic flow, to ensure safe, reliable, and efficient air traffic operations throughout the region;
4. to operate or cause an airport to be operated as a commercially viable entity;
5. to provide associated aviation services; and
6. to develop and implement a master airport development plan;
7. to impose charges and fees for use of the airport and its facilities;
8. to provide any service or facility for the purposes of —

   (i) the landing, parking and take-off of aircraft; and

   (ii) the handling or clearing of aircraft;

   (iii) the supply of provisions to aircraft, including, but not Ltd to, food, oils and fuels, and the emergency servicing of aircraft on an apron;

   (iv) the handling of aircraft passengers and their baggage and of cargo at all stages while they are on the premises of an airport, including the transfer of such passengers and their baggage, and of cargo, to and from an aircraft; and

   (v) to undertake any other lawful activity at any airport;

9. to provide safety and security measures for the handling of passengers, baggage, cargo and aircraft together with the personnel requisite thereto, in accordance with local and international standards and recommended best practices and procedures.

6.5.1.1 Vision

A leading organisation bringing excellence to your travel experience.

6.5.1.2 Mission

To provide the highest standards in safety, efficiency and service across Seychelles' airports and Air Space.

Strategic Priorities, Challenges, and Initiatives with NDS and SDG Alignment

Year	1.4 Strategic Priority	1.5 Key Challenge	1.6 Strategic Initiative	1.7 NDS & SDG Mapping
2026	Enhancing Safety & Security	Specialised safety & security roles are difficult to fill and retain in a small market. Compliance with evolving international standards (e.g. ICAO) Increase Cybersecurity threats Outdated equipment	• Certification of the Seychelles International Airport • Emergency Exercise • Security Access Point upgrades	NDS – Promotion of Law and Order, The transformative Economic Agenda, Environmental Sustainability and Climate Change Resilience. SDG9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. SDG16 – Peace, Justice and Strong Institutions.
	Infrastructure Development & Modernisation	Ageing Infrastructure Land and Space constraints Major infrastructure requires significant capital investment	• Construction of new ATC Tower • Refurbishment of Ex Head office • Departure Lounge Refurbishment (procurement) • International Arrival Lounge & BMA Extension (scoping)	NDS - The Transformative Economic Agenda. SDG9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
	People Development & Wellbeing	Skilled shortages and specialised training needs Cost of continuous development – Aviation training is very costly.	• Training Needs Assessment • Forge new cooperation opportunities for employee continuous development with other airports. • Explore outsourcing and recruitment of expatriates (AVSEC & Housekeeping)	NDS - The Transformative Economic Agenda. SDG8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. SDG9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
	Financial Discipline and Commercial Growth	EBITDA margins declining High Operating costs Legacy Arrangements Outdated Contractual Arrangements Limited diversification of revenue streams	• Development of the Commercial Strategy for SIA (revenue enhancements) • Conduct retail mix assessment to ensure relevance to target passengers (luxury, local crafts, duty-free essentials). • Rebid underperforming concessions • Advertising Revenue Expansion • Cost Containment Strategies	NDS - The Transformative Economic Agenda. SDG8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. SDG9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
	Service Excellence	Terminal capacity, runway limitations, and ageing facilities impact on service delivery.	• Airport Digitalisation Roadmap/strategy • Establishment of the Airport Service Council • ACI CX Accreditation – Airport Experience Management Maturity & Gap Analysis	NDS - The Transformative Economic Agenda NDS Strategy - 2.2.3 Monitor and enhance standards of businesses available to visitors and within the tourism industry.

			• Renewal of SIA Level 2 CX Accreditation	SDG8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
2027	Efficiency in Safety and Security management.	**Remaining compliant with Regulatory Requirements:** The constant challenge to meet ICAO, SCAA, the industry's best practices (for ex. ACI) and other national regulatory requirements. **Obsolescence of Critical Equipment and Systems:** Ageing and outdated equipment continues to impact the effectiveness, reliability, and safety and security of airport operations. **Outdated policies and perceived regulatory requirements prevent alignment with evolving best practices:** Existing/current policies and procedures create gaps in alignment with industry best practices and standards adopted across the organization. **Increasing Exposure to Cybersecurity Risks:** The growing reliance on digital systems and automation has heightened exposure to cybersecurity threats, requiring strengthened protection measures and resilience.	• Conduct operational staffing needs analysis to determine the appropriate level and structure of resources required to meet regulatory requirement. • Provide initial and recurrent training to ensure staff remain competent and compliant with operational requirements. • Implement a reserve operational team where appropriate. • Replace key safety and security equipment, including handheld radio equipment, scanning machines, trays, and gate access control systems. • Manage airport certification and recertification requirements.	NDS – Promotion of Law and Order, The transformative Economic Agenda, Environmental Sustainability and Climate Change Resilience. SDG9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. SDG16 – Peace, Justice and Strong Institutions.
	Infrastructure Development, transformation and modernization.	**Infrastructure and Capacity Constraints:** Ageing infrastructure across airport facilities continues to limit operational efficiency and long-term sustainability **Terminal capacity constraints**: Terminal capacity constraints restrict the ability to accommodate growing passenger volumes and peak-period demand as well as commercial outlets. **Runway limitations:** Runway limitations reduce operational flexibility and capacity for increased aircraft movements. **Land and space constraints:** Land and space constraints, including surface access, limited office, administrative, and storage capacity, present challenges for master planning, future expansion, infrastructure development, and the reduced reliance of off-site facilities. **Project delays:** Capital projects are challenged by evolving requirements and insufficient upfront needs	• Modernize AVSEC processes to improve efficiency, compliance, and operational effectiveness. • Develop an organizational digitalization and modernization ICT plan that includes access control requirements and supports the wider digital transformation agenda. • Review organizational policies and align them with the Authority's strategic priorities, operational needs, and governance requirements. • Develop a sustainability strategy and plan to guide sustainable infrastructure development and responsible airport operations. • Develop long-term master planning for land use and expansion.	NDS - The Transformative Economic Agenda. SDG9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

		analysis, resulting in project delays, cost overruns, and impacts on the timely delivery of strategic infrastructure objectives.		
	Workforce engagement, accountability and wellbeing.	**Performance and Engagement Gaps:** There is currently a lack of underperformance consequences, inconsistent feedback mechanisms undermining a culture of commitment, accountability, continuous improvement and high performance. **Weak organizational alignment and accountability:** Unclear roles, responsibilities, and reporting structures make cross-functional collaboration difficult, slow decision-making, and reduce organizational effectiveness. **Unclear workforce structuring and human resource strategy:** The optimal number of staff, the right balance between in-house capabilities and outsourced services, and the potential use of expatriate employees remain unclear, affecting operational efficiency, cost-effectiveness, and long-term sustainability. **Perceived inequities in benefits:** Rising employee expectations and perceived inconsistent treatment of staff are making it difficult to maintain a motivated, engaged, and high-performing workforce.	• Conduct training needs analysis for the organization (Head/Managers of respective units/departments). • Introduce a 360-degree performance management system to strengthen accountability, feedback, and continuous improvement. • Evaluate outsourcing opportunities to determine where external delivery can improve efficiency and value. • Establish a workforce and HR strategy that determines staffing requirements for each department and updates job descriptions, employment contracts, and the organizational structure. • Review the AVSEC scheme of service to attract key individuals.	NDS - The Transformative Economic Agenda. SDG8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
	Financial Discipline and Commercial Growth.	**Balancing Financial Performance and Operational Efficiency:** Maintaining strong financial performance while improving operational efficiency remains challenging amid rising costs and fluctuating income streams. **High Operating Cost Base:** While aviation naturally operates in a high-cost environment, some expenditure may be overstated or insufficiently challenged by being justified as an unavoidable part of industry operating costs. **Significant Capital Investment Requirements:** Planned infrastructure development and modernization projects require substantial capital outflows, potentially necessitating additional debt financing. **Balancing Investment and Dividend Obligations:** Dividend distributions to the shareholder constrain	• Conduct cost-benefit analyses to support evidence-based investment and operational decisions. • Expand non-aeronautical revenue streams to reduce reliance on aeronautical income and strengthen commercial resilience. • Review fees to ensure they remain appropriate, competitive, and aligned with the cost-of-service delivery.	NDS - The Transformative Economic Agenda. SDG8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. SDG9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

		the Authority's ability to fully execute its capital investment programme. **Limited Commercial Autonomy:** The Authority's capacity to commercialize and diversify revenue is influenced by government policy frameworks and stakeholder alignment on its mandate, with implications for the timeliness of decision-making and the advancement of commercial growth opportunities. **Overreliance on Aeronautical Revenue:** The Authority remains significantly dependent on aeronautical revenues, with limited development of non-aeronautical income sources to support financial resilience. **Partially digitalized framework**: The Finance Department's effectiveness is constrained by a partially digitalised financial framework, which limits process automation, real-time financial visibility, and informed decision-making required to support airport operations and growth. **Procurement and contract management challenge:** Opportunities exist to strengthen procurement, contract management, and contract performance monitoring practices within SAA to enhance operational effectiveness, accountability, and value for money.		
	Customer experience and Service Excellence.	**Limited organisation-wide customer and service excellence focus:** Customer service and excellence is still perceived as one unit/front line workers responsibility instead of an organisation-wide shared responsibility from the Board to all employees. **Cross-Stakeholder Service Alignment:** Customer experience outcomes depend on multiple stakeholders, including airlines, ground handlers, retail operators, security, immigration authorities, and service providers. Achieving consistent service standards across all partners can be challenging. **Maintaining Service Excellence During Peak Periods:** Ensuring consistent service quality during seasonal peaks, flight disruptions, and high passenger volumes.	• Develop and implement a service excellence strategy and plan. • Review cleanliness standards and assess outsourcing options to improve service quality across airport facilities. • Strengthen customer experience initiatives to deliver more consistent, responsive, and passenger-focused services. • Pursue Level 1 (accessibility) & Level 3 Airport Customer Experience accreditation to enhance service standards and demonstrate continuous improvement.	NDS - The Transformative Economic Agenda. . NDS Strategy - 2.2.3 Monitor and enhance standards of businesses available to visitors and within the tourism industry. SDG8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

	Effective Communication, branding and visibility.	**Managing Reputation and Public Perception:** Protecting and enhancing the airport's reputation in an environment where concerns, complaints, and negative customer experiences can be shared instantly across digital platforms. **Maintaining a Consistent Brand Identity:** Maintaining consistency in branding while accommodating diverse audiences, including passengers, airlines, business partners, and the local community.	• Establish a competent communications team to strengthen internal and external communication, branding, and visibility. • Pursue carbon accreditation to demonstrate environmental responsibility and enhance the Authority's reputation. • Strengthen internal communication and organizational alignment. • Manage external communication and ensure timely release of information. • Improve crisis and incident communication capability.	NDS - The Transformative Economic Agenda. SDG 16 – Peace, Justice & Strong Institutions. SDG 17 – Partnerships for the Goals.
2028	Efficiency in Safety and Security management. .	**Remaining compliant with Regulatory Requirements:** The constant challenge to meet ICAO, SCAA, the industry's best practices (for ex. ACI) and other national regulatory requirements. **Obsolescence of Critical Equipment and Systems:** Ageing and outdated equipment continues to impact the effectiveness, reliability, and safety and security of airport operations. **Outdated policies and perceived regulatory requirements prevent alignment with evolving best practices:** Existing/current policies and procedures create gaps in alignment with industry best practices and standards adopted across the organization. **Increasing Exposure to Cybersecurity Risks:** The growing reliance on digital systems and automation has heightened exposure to cybersecurity threats, requiring strengthened protection measures and resilience.	• Strengthen Safety Management System maturity. • Enhance security compliance and threat preparedness. • Plan asset replacement for runway systems, navigation aids, and screening equipment. • Upgrade terminal facilities. • Upgrade ATC and ANS technological systems.	NDS – Promotion of Law and Order, The transformative Economic Agenda, Environmental Sustainability and Climate Change Resilience. SDG9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. SDG16 – Peace, Justice and Strong Institutions.
	Infrastructure Development, transformation and modernization.	**Infrastructure and Capacity Constraints:** Ageing infrastructure across airport facilities continues to limit operational efficiency and long-term sustainability. **Terminal capacity constraints**: Terminal capacity constraints restrict the ability to accommodate growing passenger volumes and peak-period demand as well as commercial outlets.	• Expand and optimize terminal capacity. • Improve aprons and airside capacity. • Optimize runway efficiency and utilization. • establish a capital prioritization framework based on return on investment, safety, and compliance.	NDS - The Transformative Economic Agenda. SDG9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

		Runway limitations: Runway limitations reduce operational flexibility and capacity for increased aircraft movements. **Land and space constraints:** Land and space constraints, including surface access, limited office, administrative, and storage capacity, present challenges for master planning, future expansion, infrastructure development, and the reduced reliance of off-site facilities. **Project delays:** Capital projects are challenged by evolving requirements and insufficient upfront needs analysis, resulting in project delays, cost overruns, and impacts on the timely delivery of strategic infrastructure objectives.		
	Workforce engagement, accountability and wellbeing.	**Performance and Engagement Gaps:** There is currently a lack of underperformance consequences, inconsistent feedback mechanisms undermining a culture of commitment, accountability, continuous improvement and high performance. **Weak organizational alignment and accountability:** Unclear roles, responsibilities, and reporting structures make cross-functional collaboration difficult, slow decision-making, and reduce organizational effectiveness. **Unclear workforce structuring and human resource strategy:** The optimal number of staff, the right balance between in-house capabilities and outsourced services, and the potential use of expatriate employees remain unclear, affecting operational efficiency, cost-effectiveness, and long-term sustainability. **Perceived inequities in benefits:** Rising employee expectations and perceived inconsistent treatment of staff are making it difficult to maintain a motivated, engaged, and high-performing workforce.	• Improve leadership and line management capability. • Enhance employee engagement and motivation initiatives. • Address critical skills gaps in technical, safety, ATC, and engineering areas. • Prioritize core and regulated training.	NDS - The Transformative Economic Agenda. SDG8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
	Financial Discipline and Commercial Growth.	**Balancing Financial Performance and Operational Efficiency:** Maintaining strong financial performance while improving operational efficiency remains challenging amid rising costs and fluctuating income streams. **High Operating Cost Base:** While aviation naturally operates in a high-cost environment, some	• Implement cost management initiatives, including utility cost controls, to improve financial discipline and operational efficiency. • Strengthen cost control mechanisms. • Improve passenger spending and commercial yield.	NDS - The Transformative Economic Agenda. SDG8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

		expenditure may be overstated or insufficiently challenged by being justified as an unavoidable part of industry operating costs. **Significant Capital Investment Requirements:** Planned infrastructure development and modernization projects require substantial capital outflows, potentially necessitating additional debt financing. **Balancing Investment and Dividend Obligations:** Dividend distributions to the shareholder constrain the Authority's ability to fully execute its capital investment programme. **Limited Commercial Autonomy:** The Authority's capacity to commercialize and diversify revenue is influenced by government policy frameworks and stakeholder alignment on its mandate, with implications for the timeliness of decision-making and the advancement of commercial growth opportunities. **Overreliance on Aeronautical Revenue:** The Authority remains significantly dependent on aeronautical revenues, with limited development of non-aeronautical income sources to support financial resilience. **Partially digitalized framework**: The Finance Department's effectiveness is constrained by a partially digitalised financial framework, which limits process automation, real-time financial visibility, and informed decision-making required to support airport operations and growth. **Procurement and contract management challenge:** Opportunities exist to strengthen procurement, contract management, and contract performance monitoring practices within SAA to enhance operational effectiveness, accountability, and value for money.	• Review and renegotiate legacy contracts. • Rebid underperforming concessions. • Align pricing and commercial strategy with passenger profile. • Introduce performance-based contracts.	SDG9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
	Customer experience and Service Excellence.	**Limited organisation-wide customer and service excellence focus:** Customer service and excellence is still perceived as one unit/front line workers responsibility instead of an organisation-wide shared responsibility from the Board to all employees.	• Ensure a more inclusive airport experience through accessibility for people with disabilities and other customers. • Promote organization-wide engagement to embed service excellence across all departments.	NDS - The Transformative Economic Agenda. NDS Strategy - 2.2.3 Monitor and enhance standards of businesses available to visitors and within the tourism industry.

		Cross-Stakeholder Service Alignment: Customer experience outcomes depend on multiple stakeholders, including airlines, ground handlers, retail operators, security, immigration authorities, and service providers. Achieving consistent service standards across all partners can be challenging. **Maintaining Service Excellence During Peak Periods:** Ensuring consistent service quality during seasonal peaks, flight disruptions, and high passenger volumes.	• Develop and implement a comprehensive maintenance plan to support service reliability, facility upkeep, and operational continuity.	SDG8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
	Effective Communication, branding and visibility.	**Managing Reputation and Public Perception:** Protecting and enhancing the airport's reputation in an environment where concerns, complaints, and negative customer experiences can be shared instantly across digital platforms. **Maintaining a Consistent Brand Identity**: Maintaining consistency in branding while accommodating diverse audiences, including passengers, airlines, business partners, and the local community.	• Maintain internal communication and organizational alignment. • Continue to manage external communication and ensure timely release of information. • Sustain crisis and incident communication capability.	NDS - The Transformative Economic Agenda. SDG 16 – Peace, Justice & Strong Institutions. SDG 17 – Partnerships for the Goals.
2029	Efficiency in Safety and Security management.	**Remaining compliant with Regulatory Requirements:** The constant challenge to meet ICAO, SCAA, the industry's best practices (for ex. ACI) and other national regulatory requirements. **Obsolescence of Critical Equipment and Systems:** Ageing and outdated equipment continues to impact the effectiveness, reliability, and safety and security of airport operations. **Outdated policies and perceived regulatory requirements prevent alignment with evolving best practices:** Existing/current policies and procedures create gaps in alignment with industry best practices and standards adopted across the organization. **Increasing Exposure to Cybersecurity Risks:** The growing reliance on digital systems and automation has heightened exposure to cybersecurity threats, requiring strengthened protection measures and resilience.	• Digitalize passenger processing, security systems, and operational IT systems. • Align cybersecurity frameworks with aviation standards. • Protect operational systems, including ANS, security, and ICT systems. • Develop incident response and resilience plans.	NDS – Promotion of Law and Order, The transformative Economic Agenda, Environmental Sustainability and Climate Change Resilience. SDG9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. SDG16 – Peace, Justice and Strong Institutions.
	Infrastructure Development, transformation and modernization.	**Infrastructure and Capacity Constraints:** Ageing infrastructure across airport facilities continues to	• Improve project governance and delivery discipline. • Automate passenger processing.	NDS - The Transformative Economic Agenda.

		limit operational efficiency and long-term sustainability. **Terminal capacity constraints**: Terminal capacity constraints restrict the ability to accommodate growing passenger volumes and peak-period demand as well as commercial outlets. **Runway limitations:** Runway limitations reduce operational flexibility and capacity for increased aircraft movements. Land and space constraints: Land and space constraints, including surface access, limited office, administrative, and storage capacity, present challenges for master planning, future expansion, infrastructure development, and the reduced reliance of off-site facilities. **Project delays:** Capital projects are challenged by evolving requirements and insufficient upfront needs analysis, resulting in project delays, cost overruns, and impacts on the timely delivery of strategic infrastructure objectives.	• Modernize operational systems, including ATC, maintenance, and reporting systems. • Enable data-driven decision-making and analytics. • Integrate airport systems.	SDG9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
	Workforce engagement, accountability and wellbeing.	**Performance and Engagement Gaps:** There is currently a lack of underperformance consequences, inconsistent feedback mechanisms undermining a culture of commitment, accountability, continuous improvement and high performance. **Weak organizational alignment and accountability:** Unclear roles, responsibilities, and reporting structures make cross-functional collaboration difficult, slow decision-making, and reduce organizational effectiveness. **Unclear workforce structuring and human resource strategy:** The optimal number of staff, the right balance between in-house capabilities and outsourced services, and the potential use of expatriate employees remain unclear, affecting operational efficiency, cost-effectiveness, and long-term sustainability. **Perceived inequities in benefits:** Rising employee expectations and perceived inconsistent treatment of staff are making it difficult to maintain a motivated, engaged, and high-performing workforce.	• Continue to improve leadership and line management capability. • Continue to enhance employee engagement and motivation initiatives. • Address critical skills gaps in technical, safety, ATC, and engineering areas. • Prioritize core and regulated training.	NDS - The Transformative Economic Agenda. SDG8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

	Financial Discipline and Commercial Growth.	**Balancing Financial Performance and Operational Efficiency:** Maintaining strong financial performance while improving operational efficiency remains challenging amid rising costs and fluctuating income streams. **High Operating Cost Base:** While aviation naturally operates in a high-cost environment, some expenditure may be overstated or insufficiently challenged by being justified as an unavoidable part of industry operating costs. **Significant Capital Investment Requirements:** Planned infrastructure development and modernization projects require substantial capital outflows, potentially necessitating additional debt financing. **Balancing Investment and Dividend Obligations:** Dividend distributions to the shareholder constrain the Authority's ability to fully execute its capital investment programme. **Limited Commercial Autonomy:** The Authority's capacity to commercialize and diversify revenue is influenced by government policy frameworks and stakeholder alignment on its mandate, with implications for the timeliness of decision-making and the advancement of commercial growth opportunities. **Overreliance on Aeronautical Revenue:** The Authority remains significantly dependent on aeronautical revenues, with limited development of non-aeronautical income sources to support financial resilience. **Partially digitalized framework**: The Finance Department's effectiveness is constrained by a partially digitalised financial framework, which limits process automation, real-time financial visibility, and informed decision-making required to support airport operations and growth. **Procurement and contract management challenge:** Opportunities exist to strengthen procurement, contract management, and contract performance monitoring practices within SAA to enhance operational effectiveness, accountability, and value for money.	• Develop a CAPEX prioritization framework based on return on investment, safety, and compliance. • Balance dividend obligations, capital investment, and debt financing. • Strengthen cash reserves. • Improve financial forecasting and scenario planning.	NDS - The Transformative Economic Agenda. SDG8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. SDG9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

	Customer experience and Service Excellence.	**Limited organisation-wide customer and service excellence focus**: Customer service and excellence is still perceived as one unit/front line workers responsibility instead of an organisation-wide shared responsibility from the Board to all employees. **Cross-Stakeholder Service Alignment:** Customer experience outcomes depend on multiple stakeholders, including airlines, ground handlers, retail operators, security, immigration authorities, and service providers. Achieving consistent service standards across all partners can be challenging. **Maintaining Service Excellence During Peak Periods**: Ensuring consistent service quality during seasonal peaks, flight disruptions, and high passenger volumes.	• Sustain a more inclusive airport experience through accessibility for people with disabilities and other customers. • Continue to promote organization-wide engagement to embed service excellence across all departments. • Maintain a comprehensive maintenance plan to support service reliability, facility upkeep, and operational continuity.	NDS - The Transformative Economic Agenda NDS Strategy - 2.2.3 Monitor and enhance standards of businesses available to visitors and within the tourism industry. SDG8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
	Effective Communication, branding and visibility.	**Managing Reputation and Public Perception:** Protecting and enhancing the airport's reputation in an environment where concerns, complaints, and negative customer experiences can be shared instantly across digital platforms. **Maintaining a Consistent Brand Identity:** Maintaining consistency in branding while accommodating diverse audiences, including passengers, airlines, business partners, and the local community.	• Maintain internal communication and organizational alignment. • Continue to manage external communication and ensure timely release of information. • Sustain crisis and incident communication capability.	NDS - The Transformative Economic Agenda SDG 16 – Peace, Justice & Strong Institutions SDG 17 – Partnerships for the Goals

6.5.2 Outlook of Financial Strategy

6.5.2.1 Projected Financial Position of Seychelles Airports Authority

SCR (000)

Description	Actual Figures	Provisional	Forecast		
	2025	2026	2027	2028	2029
Assets					
Non-Current Assets					
Property, Plant & Equipment	421,608	462,611	525,201	600,928	670,268
Investment Property	40,357	40,357	40,357	40,357	40,357
Capital Work in Progress	43,357	40,257	56,009	72,529	76,062
Deferred Tax Asset	10,258	10,258	10,258	10,258	10,258
	515,580	**553,484**	**631,825**	**724,073**	**796,945**
Current Assets					
Inventory	9,026	8,124	7,311	6,580	5,922
Trade and Other Receivables	116,761	118,708	108,474	100,728	87,390
Cash and Bank Balances	-	24,675	56,294	88,772	120,503
Current Tax Receivables	231,116	233,972	215,282	186,103	170,058
	356,903	**385,479**	**387,362**	**382,184**	**383,873**
Total Assets	**872,483**	**938,963**	**1,019,187**	**1,106,257**	**1,180,818**
Reserves and Liabilities					
Reserves					
Equity	730,723	730,723	730,723	730,723	730,723
Retained Earnings	74,912	108,478	158,727	207,583	253,134
	805,635	**839,200**	**889,450**	**938,306**	**983,856**
Liabilities					
Non-Current Liabilities					
Borrowings	-	-	-	-	-
Employee Benefit Obligations	5,223	-	-	-	-
	5,223	**-**	**-**	**-**	**-**
Current Liabilities					
Borrowings	-	-	-	-	-
Employee Benefit Obligations	30,892	36,824	37,560	38,922	40,380
Trade and Other Payables	30,604	35,088	31,043	35,077	30,912
Current Tax Payables	130	27,852	61,135	93,953	125,670
	61,626	**99,763**	**129,737**	**167,952**	**196,962**
Total Equity & Liabilities	**872,483**	**938,964**	**1,019,187**	**1,106,258**	**1,180,819**

6.5.2.2 Projected Statement of Comprehensive Income of Seychelles Airports Authority

SCR (000)

Description	Actual Figures	Provisional	Forecast		
	2025	2026	2027	2028	2029
Aeronautical Revenue	513,153	479,252	523,287	529,254	534,218
Non-Aeronautical Revenue	60,515	63,551	64,214	64,971	65,704
Other Income	10,719	12,767	13,104	13,468	13,841
Less IATA & Finance Charges	(6,270)	(7,104)	(7,383)	(7,544)	(7,612)
Operating Income	**578,118**	**548,466**	**593,223**	**600,149**	**606,152**
Employment Benefit Costs	(271,724)	(279,116)	(285,597)	(285,701)	(285,824)
Other Operating Overheads	(128,617)	(119,978)	(128,370)	(126,511)	(125,526)
Exchange Movements	8,525	449	719	1,150	1,840
Earnings Before Depreciation, Interest, ECL & Tax	**186,302**	**149,821**	**179,974**	**189,087**	**196,642**
Depreciation Charge	(40,632)	(42,693)	(51,081)	(61,755)	(73,676)
Expected Credit Loss (charge) / reversal	3,931	2,187	1,531	1,072	750
Asset Impairment	(4,297)	-			
Finance Income	2,585	2,075	3,109	3,271	3,552
Finance Costs - Borrowings	(2,778)	-	-	-	-
(Loss) / Profit before Tax	**145,111**	**111,287**	**133,533**	**131,674**	**127,268**
Taxation (credit) / charge	(20,199)	(27,722)	(33,283)	(32,819)	(31,717)
(Loss) / Profit for the year	**124,912**	**83,565**	**100,250**	**98,856**	**95,551**

6.5.2.3 Projected Cash flow Statement of Seychelles Airports Authority

SCR (000)

Description	Actual Figures	Provisional	Forecast		
	2025	2026	2027	2028	2029
Cash Flows from Operating Activities					
Profit Before taxation	145,111	111,287	133,533	131,674	127,268
Adjustments	-	-	-	-	-
Depreciation of PPE	40,632	42,693	51,081	61,755	73,676
Loss/ (Profit) on Disposal of PPE	(243)	-	-	-	-
Exchange Movements on Borrowings	271	(449)	(719)	(1,150)	(1,840)
Write-offs (WIP)	827	-	-	-	-
Impairment	4,297	-	-	-	-
Movement in ECL	(3,931)	(2,187)	(1,531)	(1,072)	(750)
Leave Accrued	(1,679)	-	-	-	-
Gratuity and Compensation Charged	15,781	15,510	15,981	17,064	17,946
Interest Charged	2,778	-	-	-	-
Interest Receivable	(2,585)	-	-	-	-
Provision for Bonus	11,518	-	-	-	-
Unrealized Exchange Difference on Cash & Bank Balances	(6,749)	-	-	-	-
	206,028	**166,854**	**198,345**	**208,272**	**216,300**
Movements in Working Capital					
Decrease/(Increase) in Inventories	1,439	903	812	731	658
Decrease/(Increase) in Trade & Other Receivables	(17,476)	689	12,484	9,967	15,929
(Decrease)/Increase in Trade & Other Payables	41,071	4,484	(4,045)	4,034	(4,165)
Net Cash Generated from Operations	**231,061**	**172,930**	**207,596**	**223,004**	**228,721**
Tax Paid	(24,510)	(24,675)	(31,619)	(32,478)	(31,731)
Employee Benefit Obligations Paid	(13,448)	(14,801)	(15,245)	(15,702)	(16,487)
Net Cash Inflow from Operating Activities	**193,103**	**133,453**	**160,732**	**174,824**	**180,503**
Cash Flows from Investing Activities					
Additions to PPE	(3,842)	(8,933)	(9,654)	(2,785)	(1,758)
Additions to WIP	(59,990)	(71,664)	(119,768)	(151,218)	(144,790)
Proceeds on Disposal	552	-	-	-	-
Interest Received	2,653	-	-	-	-
Net Addition to Fixed Deposit	(68)	-	-	-	-
Net Cash Outflow from Investing Activities	**(60,695)**	**(80,597)**	**(129,422)**	**(154,003)**	**(146,548)**
Cash Flows from Financing Activities					
Loan Repayment	(36,010)	-	-	-	-
Interest Paid	(2,778)	-	-	-	-
Dividend Paid	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Adjustment in Quasi Equity	(14,808)	-	-	-	-
Net Cash Outflow from Financing Activities	**(103,596)**	**(50,000)**	**(50,000)**	**(50,000)**	**(50,000)**
Net (Decrease)/Increase in Cash & Equivalents	**28,813**	**2,856**	**(18,690)**	**(29,179)**	**(16,045)**
Movements in Cash and Cash Equivalents					
As at January 1,	195,554	231,116	233,972	215,282	186,103
(Decrease)/Increase	28,813	2,856	(18,690)	(29,179)	(16,045)
Exchange Difference on Cash and Bank Balances	6,749	-	-	-	-
As at December 31,	**231,116**	**233,972**	**215,282**	**186,103**	**170,058**

6.5.2.4 Projected Capital Investment Plan of Seychelles Airports Authority

SCR ('000)

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures	Provisional	Forecast			Anticipated Risks
							2025	2026	2027	2028	2029	
1. Major Capital Investments												
Major Infrastructure Development Projects (New & Improvements)				Equity/Reserves			14,860	16,623	50,231	74,245	90,129	
Improvements to Building & Infrastructures (Minor)				Equity/Reserves			68	-	4,651	3,200	3,650	
Equipment & Airport Systems (Major)				Equity/Reserves			12,241	30,879	74,084	60,449	30,495	
Consultancies				Equity/Reserves			**-**	**-**	1,800	1,200	**-**	
							27,169	**47,502**	**130,765**	**139,095**	**125,274**	
2. Replacements and upkeep of Assets (PPE)												
Asset Replacement				Equity/Reserves			36,663	5,909	14,675	16,143	17,757	
TOTAL							**63,832**	**53,411**	**145,440**	**155,237**	**142,031**	

6.5.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

6.5.3.1 Tax Implications by the Operations of Seychelles Airports Authority

SCR ('000)

Type of Tax	Actual Figures	Provisional	Forecast			Anticipated Risks
	2025	2026	2027	2028	2029	
Business Tax	20,199	27,722	33,283	32,819	31,717	
PIT	23,079	25,094	25,315	25,341	25,366	
VAT	9,077	9,533	9,632	9,746	9,856	
PSF Levy	26,052	27,674	27,508	27,783	27,783	
TOTAL	**75,730**	**88,400**	**95,905**	**95,413**	**94,722**	

Business Tax: The *Business Tax computation is after the adjustment of capital allowances (assets under value of SR 100,000, completely amortised as per Business Tax and Deferred tax on non-cash provisions. Prevailing rate of 25% is used.*

PIT: *PIT is forecasted using an average rate of 11% on total salary.*

VAT: *VAT is forecasted at 15% of total non-aeronautical revenue. Aeronautical revenue is Zero rated as per the VAT Act.*

PSF Levy: *This is forecasted based on number of departing resident passengers at a rate of SR400/- per passenger as defined by the PSF regulations*.

6.5.3.2 Anticipated Dividend Declarations by Seychelles Airports Authority

SCR ('000)

Nature of Dividend	Actual Figures	Provisional	Forecast			Anticipated Risks Conditions/Justifications
	2025	2026	2027	2028	2029	
Dividends in Cash	50,000	50,000	50,000	50,000	50,000	The distribution of dividends to the Government is significantly influenced by the completion and allocation of capital projects.
Dividends in lieu of Cash	-	-	-	-	-	
TOTAL	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	

***Dividends in Cash:** Dividend is forecasted from the Authority is SCR50M but may be adjusted taking the amount of capital investment program achieved over the years.*

6.5.3.3 Debt Payments Forecasts by Seychelles Airports Authority

SCR ('000)

Lending Organization	Description	Purpose of Borrowings	Total Debt Amount (Capital)	GoS as guarantor (YES/NO)	Total Borrowings and Debt Servicing				
					Actual Figures	Provisional	Forecast		
					2025	2026	2027	2028	2029
Loan 01 From Nouvobanq	Borrowings	**Funding of Capital Projects & Purchase of Critical Assets**	**85,000**		**35,739**	-	-	-	-
	Interest for the Year				-	-	-	-	-
	Repayment of Capital				**35,739**	-	-	-	-
	Balance carried forward				-	-	-	-	-
SUB TOTAL (only Guaranteed by GOS)									
TOTAL					-	-	-	-	-

Note: The Loan amounted to USD 5 million, SCR equivalent estimated as per exchange at the time of first withdrawal in 2021.

6.5.3.4 Anticipated Subventions and Grants by Seychelles Airports Authority

**The SAA does not anticipate receiving any government or external subventions and grants within the medium term or for the forecasted period.*

6.5.3.5 Contingencies of Seychelles Airports Authority

**We cannot yet ascertain the level of certainty of legal liability claims to disclose as contingent liabilities.*

Guarantees: *There are no new guarantees to be funded by SAA as of 2026.*

6.5.3.6 Assumptions used for the Financial Projections of Seychelles Airports Authority

Aeronautical Revenue: for 2027, projecting SR523 Million.

Landing, parking, passenger service, Security, Air navigation, and other regulated or airline related charges. Measured by, Passenger volumes, aircraft movements, airline schedules, approved fees and charges, regulatory requirements, and traffic mix. For Budget 2027, Aviation Security Fees have been moved from Other Airport Charges to this category to align with AFS and Management Reports. Reclassification for other years has been adjusted.

Revenue Stream	Description	Key Assumptions	2026 Budget Review '000	2027 '000	2028 '000	2029 '000
Passenger Service Fees	This is charge on every departing passenger (12 years old and above) for international and above 2 years old for domestic	Passenger service fees are projected to increase by approximately **9%** compared with the 2026 review, while remaining broadly stable against the 2026 approved budget. The forecast indicates continued recovery in passenger activity which aligns with the increase in traffic movement, with moderate annual growth expected in 2028 and 2029.	281,341	307,748	310,878	313,988
Landing and Parking Fees	Income from aircraft landing, parking, and Night Surcharge.	Landing fees are projected to increase by approximately 14% compared with the 2026 review and by around 4% compared with 2025 actual. The increase reflects expected traffic recovery and stronger airline activity such as condor and Air Tanzania full year. For 2028 and 2029, growth is expected to remain moderate at around 1% annually.	31,880	36,196	36,588	36,975
Aviation Security Fees	Fees Associated with Aircraft Guarding, Cargo Screening, Gate/Entry Access other Security Fees	Aviation security fees are projected to increase by approximately 2% compared with the 2026 review and by around 1% compared with 2025 actual, while remaining below the 2026 approved budget.	3,935	3,999	4,039	4,080
Air Navigation and ATC-Related Charges	Income associated with Air navigation, Communication, Surveillance, and air traffic control services.	Air navigation fees are projected to increase by approximately 8% compared with the 2026 review and by around 3% compared with the 2025 actual. The increase is aligned with expected route growth and higher overflight activity, with more moderate growth projected for 2028 and 2029.	162,095	175,344	177,750	179,176

Non-Aeronautical Revenue: for 2027, projecting SR64 Million:

Commercial income from concessions; Retail, Food and Beverage, Fuel and Cargo. Other income are Car pay parking, Advertising, property, and Rentals. This is measured by Passenger spend, Fuel Uplift, Concession performance, Contract terms, Occupancy, minimum guarantees, rental rates, and commercial strategy.

Revenue Stream	Description	Key Assumptions	2026 Budget Review '000	2027 '000	2028 '000	2029 '000
Retail, Duty Free, and Food & Beverage	Concession income from terminal commercial outlets.	Retail and F&B concessions are projected to increase by approximately 4% compared with the 2026 review and by around 12% compared with the 2025 actual. The increase reflects revised concession rates (such as STC, ESA) and expected improvements in commercial activity.	35,771	37,192	35,085	35,436
Cargo Concession	A percentage on Cargo Handled by Ground Handling Agent	Cargo concessions are projected to increase by approximately 17% compared with the 2026 review, while remaining slightly above the 2025 actual.	1,019	1,190	1,207	1,225

Fuel Throughput Charges	A concession fee levied by an airport on aviation fuel sold at the airport.	Fuel throughput charges are projected to remain broadly stable compared with the 2026 review and slightly below the 2025 actual, with modest growth assumed in later years.	3,829	3,833	3,906	3,945
Advertisement	Income from advertising.	The reduction mainly reflects the non-renewal of existing contracts, although growth is expected to resume in 2028 and 2029 as new opportunities are explored.	1,885	1,444	1,516	1,592
Pay Parking	Income from Car parks, DMC buses, Car hire.	Pay parking revenue is projected to increase by approximately 3% compared with the 2026 review and by around 5% compared with the 2025 actual. The increase reflects expected operational improvements, including the planned pay-on-foot facilities.	3,411	3,511	3,562	3,615
Property, Rentals, and Leases	Rental income from offices, hangars, land leases, and commercial property.	Rental and lease revenue is projected to decrease by approximately 4% compared with the 2026 review. This reduction reflects the impact of a tenant-related adjustment included in the review for prior-year charges that were subject to legal proceedings. Compared with the 2025 actual and 2026 approved, revenue is expected to increase by approximately 3%, supported by rate revisions, tenant movements and anticipated contract adjustments.	17,365	16,749	16,917	17,086
Other Airport Charges (Fire Service and Airside Fees	Income from Airport Fire Services and Airside	Other airport fees are projected to increase by approximately 9% compared with the 2026 review, while decreasing by around 14% compared with the 2025 actual. The increase against the review reflects revised assumptions for airside and related airport charges.	271	295	298	301

Miscellaneous Receipts: for 2027, projecting SR13 Million:

Revenue Stream	Description	Key Assumptions	2026 Budget Review '000	2027 '000	2028 '000	2029 '000
Utilities Charges	Recovery amount on tenants after local provider has charge airport	Recoverable amounts are projected to increase by approximately 3% compared with the 2026 review, while remaining significantly below the 2026 approved budget. The lower projection against the approved budget reflects continued cost-containment assumptions and prudent tenant spending.	12,175	12,522	12,880	13,247

Operating Expenditure Budget

The operating expenditure budget is designed to ensure continuity of airport operations, safety and security compliance, workforce capability, service quality, and effective administration. For 2027, total operating expenditure is projected at SR413.97 million, representing approximately 69% of projected operating income. The budget priorities mandatory operating requirements, regulatory compliance, airport certification readiness, maintenance of ACI accreditation Standards, asset reliability, ICT resilience, and adequate staffing to sustain safe and efficient airport operations.

Human Resource Cost: for 2027, projecting **SR 285.6 million**:

Expenditure Stream	Description	Key Assumptions	2026 Budget Review '000	2027 '000	2028 '000	2029 '000
Personnel Emolument	Core salaries, allowances, statutory benefits, overtime, shift requirements, and employment-related obligations.	A full year of salaries and wages, a full 13th month and Pension Fund contributions. Covering enhancement in line with the proposed restructuring and filling of vacancies.	228,126	230,138	230,369	230,599

End of contract payment and Cash Benefits	Contract gratuities, separation benefits, board fees, approved cash benefits, and provision for performance-related staff payments.	Based on contracts ending in 2027, statutory and contractual obligations, approved Board fees, and a prudent provision for staff bonus subject to financial performance and approval.	32,668	33,586	33,618	33,650
Staff Benefits and Recognition	Employee welfare, recognition awards, medical support, staff engagement, wellbeing activities, and other approved employee benefit schemes.	Assuming continuation of approved benefits, including staff activities, newly introduced medical benefits, and provision of staff transport.	10,329	12,518	12,548	12,579
Learning and Development	Mandatory and core technical training, safety and security certification, leadership development, professional development, succession planning, and skills enhancement programmes.	Training requirements both local and international, at departmental level and organizational level. Emphasis has been placed on core mandatory/regulatory development and training that have already started.	6,281	6,960	6,966	6,972
Other Human Resource Service and Support Costs	Recruitment expenses, HR systems support, employee relations activities, occupational health services, staff administration, and HR compliance support.	Based on planned recruitment, HR compliance activities, workforce administration needs, employee relations support, and Organizational Health & Safety cost.	1,713	2,395	2,201	2,023

Office & General Administration costs: for 2027, projecting **SR 25.3 million**:

Expenditure Stream	Description	Key Assumptions	2026 Budget Review '000	2027 '000	2028 '000	2029 '000
Office Administration Cost	Office supplies, communication costs, subscriptions, administrative tools, minor equipment, printing, postage, and departmental support costs.	Based on recurring administrative needs, approved departmental work plans, inflation, contract renewals, and cost-control measures.	8,519	8,949	8,502	7,065
Insurance	Insurance coverage for airport assets, public liability, motor vehicles, equipment, operational risks, directors, and other statutory or contractual insurance requirements.	Based on policy renewals, asset values, risk exposure, claims history, compliance obligations, market premiums, and required coverage levels.	4,389	5,280	5,248	5,490
Auditing and Professional Fees	Audit fees, accounting support, technical reviews, financial advisory, compliance reviews, and other specialist professional services.	Based on statutory audit requirements, governance obligations, technical advisory needs, contract reviews, and cost-control over external consultancy support.	285	735	698	663
General Costs	General operating expenses, bank charges, licences, memberships, minor repairs, office support, contingencies, and miscellaneous administrative costs.	Based on recurring costs, approved departmental requirements, contract renewals, inflation, and management cost-control measures.	1,749	1,818	1,727	1,641
Contribution to GOS (SSR/MET)	Contribution to Government of Seychelles entities.	Based on the approved contribution requirement for Meteorologic services provided.	8,500	8,500	8,500	8,500

Corporate: for 2027, projecting **SR 12 million**:

Expenditure Stream	Description	Key Assumptions	2026 Budget Review '000	2027 '000	2028 '000	2029 '000
Secretariat Costs	Statutory filings, governance support, meeting logistics, corporate records, legal secretarial services, and related compliance activities.	Costs expected to cover legal expenditure (monthly retainer fees and any other legal costs such as AG Fees and litigation costs). It also includes corporate communications, therefore any filming/photography of SAA events, promotional activities and monthly graphics retainer fee. Major event next year is the 55th anniversary of the Seychelles International Airport, hence an amount has been allocated to it.	2,427	2,477	2,398	2,341

Safety Management and Oversight Costs	Safety audits, risk assessments, compliance monitoring, safety promotion, reporting tools, investigations, and oversight activities.	Continued safety management system requirements, external oversight, incident prevention activities, and readiness for certification reviews.	0	650	650	650
Commercial and Corporate Affairs	Customer experience accreditation initiatives, service excellence plan, branding, visibility, advertising support, and accessibility improvements.	Aimed to cover the promotional activities of the Seychelles international Airports (stakeholders' cocktail, Easter, Festival Kreol), any filming and photography related to SIA initiatives, and any costs related to the running of the Pay Parking Office.	1,357	2,843	2,644	2,511
Travelling	Official travel for regulatory meetings, training, route development, conferences, stakeholder engagement, supplier visits, and technical missions.	Based on approved travel plans, it covers both domestic and international travel. Dometic being to Praslin for official duty, meetings, audits and visits. International to cover for ACI related meetings and summits, and any exchange programs/ expos. There was a pause in 2026, as cost measures in relation to the war in the middle east.	2,810	5,774	5,409	5,326

Maintenance (Excluding Airport Operation and ETS Cost): for 2027, ICT -SR10.9Million and ANS SR22.8 million an amount of **SR33.8 million**:

Expenditure Stream	Description	Key Assumptions	2026 Budget Review '000	2027 '000	2028 '000	2029 '000
ICT Maintenance, Support and Outsourcing Services	Software licenses agreements, systems support, cybersecurity, ICT maintenance, digital transformation support, and user training.	Maintenance & support is expected to be an area of increase to cater for software & licenses renewals that increase year-on-year and additional licenses linked to recruitment of staff.	11,825	10,889	10,679	10,547
Air Navigation support and Services	Air navigation service support, communication and surveillance service arrangements, technical support, calibration, data services, and operational subscriptions.	Recurring expenditure (PANS Ops, Aireon Surveillance fees, collocation contracts & flight calibration) plus new contracts for ADACEL- Air Traffic Management System, consultancy Airspace Capacity determination, AIM cloud Based Service Fee, Sparfell Support Service for radios.	17,441	21,016	20,449	20,217

Airport Operations: for 2027, projecting **SR16 Million**:

Expenditure Stream	Description	Key Assumptions	2026 Budget Review '000	2027 '000	2028 '000	2029 '000
Terminal and Airside Operations Costs	Passenger handling support, terminal readiness, airside inspections, operational supplies, signage, passenger facilitation, and day-to-day operational support.	Includes landscaping at both Mahe and Praslin airports, direction, traffic & security signage equipment. Additionally, funds for obstacle survey + emergency exercise.	11,364	11,418	11,862	12,365
AVSEC Costs	Security screening, AVSEC operations, compliance activities, certification readiness, and related operational support.	Equipment such as ammunitions, tactical equipment such as belts, vests). Consultancy costs for behavioral analysis and fencing maintenance.	1,316	1,457	1,384	1,837
Fire Service Maintenance	Maintenance of fire service equipment, emergency response systems, rescue tools, protective equipment, & operational support for airport fire services.	Maintenance and servicing of rescue boats and fire tender, replenishment of consumables used on the Fire Service vehicles.	2,710	2,750	2,613	2,482

Electrical and Technical Services: for 2027, projecting SR43 Million:

Expenditure Stream	Description	Key Assumptions	2026 Budget Review '000	2027 '000	2028 '000	2029 '000
Utilities	Electricity, water, terminal operations, airside facilities, and general site services.	Cover for electricity and water usage on Mahe and Praslin airports Terminal and	31,259	30,264	30,552	30,858

		offices. Based on 2025 historical and 2026 actual monthly average				
Plant/ Machinery and Equipment Maintenance	Preventive and corrective maintenance of Electrical power Generators, Electronic and electromechanical maintenance, Power tools and Reticulation equipment.	Maintenance of equipment related to power generation, reticulation systems, visual aids and power/loose tools. Based on Asset condition, spare parts requirements,	5,140	5,400	5,508	5,618
Ground and Buildings	Maintenance and upkeep of airport grounds, buildings, drainage, fencing, terminal facilities, workshops and offices,	Based on planned minor preventive maintenance on buildings and areas around the terminal technical blocks and Praslin, caused by ageing facilities, weather exposure, and priority repairs. Consumables for masonry, carpentry, plumbing and painting works.	5,534	3,800	3,500	3,500
Utility Vehicle Running and Maintenance Costs	Fuel, tyres, servicing, repairs, licensing, spare parts, and maintenance of operational, technical, and support/Admin vehicles.	Costs of running SAA vehicles, on Mahe and Praslin. Includes fueling, service and any repairs that may be required. Also includes costs for road license renewals, vehicle insurance and general consumables for mechanical workshop.	3,878	3,792	3,730	3,609

Overall, the 2027 operating expenditure budget remains focused on sustaining safe, compliant, and reliable airport operations while applying financial discipline to controllable costs. The main cost drivers are personnel-related obligations, utilities, maintenance, air navigation support, ICT systems, insurance, travel, and operational readiness requirements. Management will continue to monitor expenditure monthly, challenge non-essential increases, and prioritize spending linked to compliance, service continuity, asset reliability, and strategic delivery.

Capital Expenditure Budget

The capital expenditure budget is based on the Capital Investment Plan and is presented under five categories: Major Assets; Improvement Works; Civil Works; Consultancy; and Plant, Machinery & Equipment. Total investment is forecast at SR145.44 million in 2027, SR155.24 million in 2028 and SR142.03 million in 2029, amounting to SR442.71 million over the three-year period. The revised 2026 investment budget is SR53.41 million.

CAPEX Category	**Scope**	**2026 Revised SR '000**	**2027 Forecast SR '000**	**2028 Forecast SR '000**	**2029 Forecast SR '000**
Major Assets	Airport systems, Specialised vehicles and other digital platforms.	30,879	74,084	60,449	30,495
Improvement Works	Building and infrastructure improvements.	0	4,651	3,200	3,650
Civil Works	Airside infrastructure works, airport management projects, technical buildings and other infrastructure.	16,623	50,231	74,245	90,129
Consultancy	Separate consultancy allocation shown in the MTFS summary.	0	1,800	1,200	0
Plant, Machinery & Equipment	Operational furniture, equipment, utility vehicles, ICT, security, telecoms, power, mechanical equipment and tools.	5,909	14,675	16,143	17,757
Total Capital Investment	**All five categories**	**53,411**	**145,440**	**155,237**	**142,031**

The Budgeted amount for CAPEX will differ to the amount stated in Statement of Cash Flows, as this represents the cash outlay. This is estimated at 75% of budgeted figure in current year, and 25% rollover in the following year (Major Assets, Improvement Works, Cicil Works, Consultancy. Plant, Machinery and Equipment is estimated at 60% in current year and rollover 0f 40% in following year. WIP Transfer is estimated at 65% of opening balance plus additions during the year.

6.5.4 KPIs, Risk Management Strategy and Reporting Obligations

6.5.4.1 Key Performance Indicators of the Seychelles Airports Authority

Title of Key Performance Indicators	Description	Targeted Strategic Priority	Achievements of KPIs			
			Provisional	Forecast		
			2026	2027	2028	2029
Safety & Security		**Enhancing Safety & Security**				
	Bird Strike Rate		< 4.5 per 10,000 aircraft movements	< 5 per 10,000 aircraft movements	< 5 per 10,000 aircraft movements	< 4.5 per 10,000 aircraft movements
	Security Incident Response Time		<10 minutes	<10 minutes	<10 minutes	<10 minutes
	No. of ATS incidents /accidents (Occurrence reports).		1	0	0	0
	Number of Aircraft Accident.		0	0	0	0
	Number of Failures of ATS NAVAID function/10,000 Movements.		0	0	0	0
	Number FODs (including animal carcasses)/10,000 Movements resulting in a hazardous or potentially hazardous situation.		25% improvement over previous year	25% improvement over previous year	25% improvement over previous year	25% improvement over previous year
	% of corrective actions related to safety cases completed.		10% improvement over previous year.	10% improvement over previous year.	20% improvement over previous year.	20% improvement over previous year
Operational		**Operational Efficiency**				
	Percentage of Arrival Commercial Flights Ontime (less than 15 minutes after SIBT)		>75%	>75%	>75%	>75%
	Percentage of Departure Commercial Flights Ontime (less than 15 minutes after SOBT)		>89%	>89%	>89%	>89%
	Average Total Processing Time for International Arrival Passengers		≤39 minutes	≤39 minutes	≤39 minutes	≤39 minutes
	AXIT time		> 98% of flights, parked withing 15 minutes of landing	> 98% of flights, parked withing 15 minutes of landing	> 98% of flights, parked withing 15 minutes of landing	> 98% of flights, parked withing 15 minutes of landing
	Passenger Processing Time		≤3 minutes per passenger	≤3 minutes per passenger	≤3 minutes per passenger	≤3 minutes per passenger
Financial		**Financial Discipline and Commercial Growth**				
	Annual Revenue Growth Rate		8%	7%	2%	2%
	Profit Margin		17%	14%	17%	18%
	Annual Return on Investment		0	0	0	0
	Liquidity Ratio		7.7:1	6.9:1	7.5:1	7.1:1
	Debt Ratio		12% (Below 30%)	10% (Below 30%)	10% (Below 30%)	10% (Below 30%)
	Minimum Cash Reserve		100 million	150 million	150 million	150 million
	New Airport Business Ventures		1	3	1	1
	Average Spending per passenger		USD 31	USD 35	USD35	USD42

	% increase in non-aeronautical Revenue		5%	8%	5%	5%
Customer Experience		**Service Excellence**				
	Passenger Satisfaction Score (ASQ)		3.85	3.99	3.99	4
	Passenger Overall Experience Score (ASQ)		3.75	3.92	3.95	4
	Customer Satisfaction Score		80%	80%	80%	80%
	ICT Customer Satisfaction Survey		70%	72%	72%	72%
Human Factor		**People Development & Well being**				
	Injuries		3	<3	<3	<3
	Labour Turnover		<10%	<10%	<10%	<10%
	No of Staff Disciplined due to absenteeism		<10	<10	<10	<10
Air Transport		**Financial Discipline and Commercial Growth**				
	Average No. of Weekly Flights operating into SEZ		64	66	68	70
	International Passenger Throughput.		429,641 (as at Q2 2026)	958,228	986,974	1,006,713
	New Route		1	1	1	1
Infrastructure, Availability and Compliance Standards		**Operational Efficiency**				
	Provision of Category 9 Fire Cover at SIA		100%	98%	100%	100%
	Provision of Category 3 Fire at PRASLIN		100%	98%	100%	100%
	To achieve a response time of two minutes not exceeding three minutes using three Fire Tenders while conducting mandatory response time test for 89% of the time		89%	89%	89%	89%
	Completion of all assigned safety investigations within the time frame stipulated and where not stipulated within 28 days of assigned date		100%	90%	90%	90%
	Produce timely Corrective Action Plans (CAP) to address safety oversight findings/observation within time frame required		100%	90%	90%	90%
	Electrical Power		99.99%	99.99%	99.99%	99.99%
	Availability of Airfield Lighting		99.90%	99.90%	99.90%	99.9%
	Availability of water supply		99.99%	99.99%	99.99%	99.9%
	Availability of ATS		100%	100%	100%	100%
	Reliability of Communications (Loss of Contact).		99.49%	99.90%	99.90%	99.90%
	Reliability of Navigational Facilities.		85.69%	100%	100%	100%
	Reliability of Data Link.		100%	99.90%	99.90%	99.90%
	Reliability of Communications Link		99.99%	99.90%	99.90%	99.90%
	SPI: Ratio of Earned Value (EV) to Planned Value (PV). (Infrastructure Projects)		0.85	0.85	0.85	0.85
	Ratio of Earned Value (EV) to Actual Cost (AC). (Infrastructure Projects)		0.80	0.80	0.80	0.80

6.5.4.2 Risks and Resilience Plan of the Seychelles Airports Authority.

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	Infrastructure Capacity & Modernization - Delays, cost overruns, or insufficient capacity could negatively impact the passenger experience, impact operational efficiency and cause financial and reputational damage.	- Project Management improvements - Prioritize projects with high ROI - Phased development
	Aviation Market Volatility - Dependence on tourism makes SAA highly vulnerable to global travel demand shocks.	Develop contingency financial reserves to absorb downturns
	Stakeholder and Public perception – Reputational damage from service failures	- Maintain ACI accreditation - Foster service excellence - Transparent communications
	Regulatory & Compliance – Failure to meet ICAO	- Maintain ongoing compliance audits and staff training
Financial Risks	Revenue Dependency - Heavy reliance on aeronautical revenue	- Expand non-aeronautical revenue streams
	Rising operational and infrastructure cost	- Strict cost containment - Optimize outsourcing - ROI-focused capital investment
	Global fuel price fluctuation, exchange rate risk	- financial contingency planning
Operational Risks	Ageing Airport Infrastructure & airport /Aviation equipment /systems becoming obsolete	- Prioritization of funding of business-critical investment areas - Development of a Comprehensive equipment/Asset replacement plan.
	Talent loss, skills shortage, inadequate succession planning	- Staff training and development - Balanced outsourcing strategy
	Technology & Cybersecurity Risks	- Upgrade IT infrastructure - Invest in digital transformation - Implement cybersecurity standards
PESTEL	Changes in Government aviation policies	- Maintain dialogue with regulators - Ensure compliance
	Economic Downturn	- Diversify markets - Strengthen financial reserves
	Changing Passenger Expectations	- Service excellence programs - customer experience monitoring - staff engagement
	Extreme weather events	- Climate resilient infrastructure

6.5.4.3 List of External Reporting's by the Seychelles Airports Authority

Name/Title of the Report	Recipients of the Report	Frequency and Timing of the Report	Submitted YES/NO
Annual Budget	The Board Ministry of Transport Ministry of Finance PEMC Relevant Stakeholders	4 months prior to commencements of the preceding financial year.	
Annual Report		Within 5 months from the end of every financial year.	
Audited Financial Statements		Within 5 months from the end of every financial year.	
Quarterly Reporting (SOFP, showing changes in cash positions and operational performance of the PE during that Quarter, details of debt performance)		Within 20 days after the end of every quarter of the financial year.	

6.5.5 Stakeholder Engagement

6.5.5.1 Statement by the Responsible Minister

As Minister responsible for Civil Aviation, I am pleased to reaffirm my commitment to the strategic direction and continued development of the Seychelles Airports Authority (SAA) as it enters the next phase of its evolution. Having now operated independently for over a year following the separation of functions from the Seychelles Civil Aviation Authority (SCAA), the Authority has demonstrated its ability to adapt to its expanded responsibilities while maintaining the safe and efficient operation of Seychelles' airport infrastructure and services.

The establishment of the SAA as a stand-alone entity marked a significant milestone in the modernization of the aviation sector. The separation of regulatory oversight from operational management has strengthened governance, enhanced institutional accountability, and aligned Seychelles more closely with international best practices. As the Authority continues to mature, it must build upon the foundations established during this transition period and position itself as a resilient, efficient, and customer-focused organization capable of supporting the country's long-term economic and social development objectives.

The Medium-Term Financial Strategy for 2027-2029 reflects both the Authority's operational mandate and the Government's broader priorities under the National Development Strategy and the national transport agenda. During this period, the SAA is expected to:

- Strengthen its financial sustainability and improve operational efficiency through prudent resource management and revenue optimization;
- Advance the modernization, maintenance, and expansion of airport infrastructure to meet growing passenger, airline, and cargo demands;
- Enhance the quality, efficiency, and accessibility of airport services to deliver a seamless passenger experience;
- Maintain the highest standards of aviation safety, security, and emergency preparedness in full compliance with national and international requirements;
- Accelerate the integration of environmental sustainability, climate resilience, and energy efficiency measures across airport operations and development projects; and
- Leverage technology and innovation to improve service delivery, operational performance, and decision-making.

My policy directive for the period ahead is clear: the Authority must continue to promote a culture of good governance, transparency, accountability, and value for money in all aspects of its operations. Strong institutional leadership, sound financial management, and effective stakeholder engagement will remain essential to ensuring the successful delivery of its mandate.

The continued development of Seychellois talent must also remain a strategic priority. Investing in the skills, expertise, and leadership capabilities of our workforce will be critical to sustaining operational excellence and ensuring that Seychellois professionals play a leading role in shaping the future of the aviation sector. Equally important is the Authority's commitment to employee welfare, wellbeing, and occupational health and safety, which are fundamental to maintaining a motivated, productive, and high-performing workforce.
The Government remains committed to providing the strategic oversight and policy support necessary for the Authority's success while ensuring that it remains accountable for achieving measurable results. As Seychelles continues to strengthen its position as a key international tourism and transport hub, the Seychelles Airports Authority has a vital role to play in safeguarding national connectivity, facilitating economic growth, and enhancing the country's resilience and sustainability.

Name: Minister Veronique Laporte
Minister for Transport, Ports and Civil Aviation

6.5.5.2 Foreword by Chairperson

The period 2027-2029 marks an important stage in the evolution of the Seychelles Airports Authority (SAA). Having operated independently for more than a year following the separation of functions from the Seychelles Civil Aviation Authority (SCAA), the Authority is now firmly established in its role as the national entity responsible for the management, development, and operation of Seychelles' airport infrastructure and services. This transition represented a significant institutional milestone for the aviation sector. Over the past year, the Board and Management have focused on strengthening governance structures, refining operational processes, and building the organizational capacity needed to fulfil the Authority's mandate effectively. While notable progress has been achieved, we recognise that the journey towards operational excellence and long-term sustainability is an ongoing one.

As the aviation industry continues to evolve amidst changing economic conditions, technological advancements, and increasing environmental challenges, the Authority must remain agile, forward-looking, and responsive to the needs of its stakeholders. The Medium-Term Financial Strategy (MTFS) 2027-2029 provides a clear roadmap for achieving these objectives while ensuring that the Authority remains financially sustainable and operationally resilient.

The Board's strategic focus during this period will be centered on five key priorities:

- Strengthening the Authority's financial position through prudent financial management, revenue diversification, and improved operational efficiency;
- Advancing the modernization and maintenance of airport infrastructure to support future growth and enhance service quality;
- Promoting the highest standards of aviation safety, security, and operational reliability;
- Enhancing customer experience through improved services, innovation, and digital transformation; and
- Embedding environmental sustainability and climate resilience into airport operations and future development initiatives.

The Board remains committed to the principles of good governance, accountability, transparency, and sound risk management. These principles are fundamental to maintaining public confidence, supporting informed decision-making, and ensuring the Authority delivers value to the people of Seychelles.

We also recognise that our greatest asset is our people. The continued development of Seychellois talent, leadership succession, employee wellbeing, and workplace safety will remain central to our strategic agenda. Building a skilled, motivated, and future-ready workforce is essential to sustaining the Authority's performance and supporting the long-term development of the aviation sector.

On behalf of the Board of Directors, I wish to express my appreciation to the Management team, employees, Government, industry partners, and stakeholders for their continued support, commitment, and collaboration. Together, we will continue to build a modern, sustainable, and resilient airport system that serves the needs of Seychelles today and for generations to come.

Name: Mr. Sabry Khan
Chairperson

6.5.5.3 Statement by the Chief Executive Officer

The Seychelles Airports Authority (SAA) remains committed to strengthening the country's aviation infrastructure, enhancing service delivery, and supporting national economic growth through sustainable and prudent financial management. The Authority enters the 2027-2029 planning period from a position of financial stability, supported by strong operational performance, healthy cash generation, and a clear strategic vision for future development.

The financial outlook for the Authority remains positive. Total assets are projected to grow, driven primarily by investments in airport infrastructure, equipment, and operational systems. At the same time, retained earnings are forecast to increase from SCR 108.5 million to SCR 253.1 million, reflecting the Authority's ability to maintain profitability while financing significant capital projects.

Operating income is expected to strengthen steadily, increasing from SCR 548.5 million in 2026 to SCR 606.2 million by 2029. Aeronautical revenue will continue to represent the Authority's primary source of income, complemented by non-aeronautical and commercial revenues that contribute to the diversification and resilience of the revenue base. Despite rising expenses associated with new investments, SAA is expected to remain profitable throughout the forecast period, generating annual net profits of approximately SCR 96 million to SCR 100 million.

A key focus of the medium-term strategy is the implementation of a comprehensive capital investment programme valued at more than SCR 442 million over the 2027-2029 period. These investments will support major infrastructure developments, airport systems modernisation, asset replacement, and other strategic initiatives aimed at improving operational efficiency, strengthening safety and security standards, and enhancing passenger experience. Such projects are critical to ensuring that Seychelles' airport facilities continue to meet international aviation requirements and support the country's tourism and economic ambitions.

The Authority remains committed to delivering value to its shareholder, the Government of Seychelles. Subject to capital investment requirements and prevailing operating conditions, annual dividend payments of SCR 50 million are forecasted to continue over the period. In addition, SAA will remain a significant contributor to government revenue through taxes, levies, and statutory contributions, with total annual payments projected to exceed SCR 96 million by 2029.

While external uncertainties, including global economic conditions and fluctuations in travel demand, continue to present challenges for the aviation sector, SAA is well positioned to respond through sound governance, careful financial management, and strategic investment.

The Authority remains confident in its ability to support national connectivity, facilitate tourism growth, and deliver long-term value to the people and economy of Seychelles.

Name: Mr. Colin Chang Tave
Chief Executive Officer

6.6 Seychelles Ports Authority (SPA)

6.6.1 Strategic Overview

6.6.1.1 Mandate

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

(a) to regulate, control and administer all matters relating to the safety and security of the port and its facilities;

(b) to promote the development of the infrastructure relating to the port;

(c) to maintain port installations and to promote the use, improvement and development of the port;

(d) to encourage the use of reliable and sufficient equipment in the provision of port services;

(e) to participate in matters pertaining to search and rescue;

(f) to collect all harbor dues, rental fees and other moneys payable to the Authority under this Act or any other law;

(g) to plan, execute, monitor and evaluate training programmes of employees designed to ensure conformity with the standards of the services provided by them;

(h) to act in collaboration with other public authorities and entities for the prevention of marine source pollution, protection of marine environment and to respond to marine environment incidents;

(i) to advise the government or any public authority on any matter relating to merchant shipping and the prevention and control of marine pollution;

(j) to represent Seychelles on maritime matters at both the national and international level;

(k) to do all such other things as will contribute to the attainment of the objectives of the Authority.

6.6.1.2 Vision

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

6.6.1.3 Mission

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

Strategic Priorities, Challenges, and Initiatives with NDS and SDG Alignment

Year	1.4 Strategic Priority	1.5 Key Challenge	1.6 Strategic Initiative	1.7 NDS & SDG Mapping
2026	Infrastructure Development (PVREP) and Jetties	Finance	○ Progress the rehabilitation and expansion of Mahé Quay through the DBFOMT concession arrangement. ○ Maintain effective client-side technical, financial and contractual oversight of the concession. ○ Ensure that project implementation and concessionaire performance remain aligned with SPA's operational requirements and long-term strategic objectives ○ Monitor the financial and commercial performance of the concession arrangement to safeguard SPA's long-term revenue and financial sustainability.	**NDS Outcome 1.1:** "Resilient and sustainable infrastructure." **SDG 9.1:** Develop quality, reliable, sustainable and resilient infrastructure
	Green Port Initiatives & Sustainability	Human Capacity & Finance	○ Develop renewable energy projects (solar rooftops, shore power) ○ Implement waste reception and MARPOL compliant facilities ○ Build capacity on environmental monitoring. Seek Green Climate Fund and other climate financing.	**NDS Outcome 3.2:** "Sustainable use of natural resources and climate resilience." **SDG 13.2:** Integrate climate measures into national policies **SDG 14.1:** Reduce marine pollution **SDG 7.2:** Increase renewable energy share
	Smart Port Digitalisation & Automation	Human Capacity & Finance	○ Continue the phased roll-out of PVMIS as Seychelles Maritime Single Window (MSW) ○ Complete the Integration with Customs (ASYCUDA), E-Border, Health systems and others ○ Build internal ICT capacity and provide staff with digital skills training ○ Work with Green Port to tap into green fund grants that are available	**NDS Outcome 1.3:** "Modern, efficient and digital public sector systems " **SDG 9:** Increase access to ICTR and Technology **SDG 16.6:** Develop effective, accountable and transparent institutions.
2027	Infrastructure Development (PVREP) and Jetties	Finance	○ Progress the rehabilitation and expansion of Mahé Quay through the DBFOMT concession arrangement. ○ Maintain effective client-side technical, financial and contractual oversight of the concession. ○ Ensure that project implementation and concessionaire performance remain aligned with SPA's operational requirements and long-term strategic objectives ○ Monitor the financial and commercial performance of the concession arrangement to safeguard SPA's long-term revenue and financial sustainability.	**NDS Outcome 1.1:** "Resilient and sustainable infrastructure." **SDG 9.1:** Develop quality, reliable, sustainable and resilient infrastructure
	Green Port Initiatives & Sustainability	Human Capacity & Finance	○ Develop renewable energy projects (solar rooftops, shore power) ○ Implement waste reception and MARPOL compliant facilities ○ Continue seeking Green Climate Fund and other climate financing	**NDS Outcome 3.2:** "Sustainable use of natural resources and climate resilience." **SDG 13.2:** Integrate climate measures into national policies **SDG 14.1:** Reduce marine pollution **SDG 7.2:** Increase renewable energy share
	Smart Port – Digitalisation & Automation	Human Capacity & Finance	○ Continue the phased roll-out of PVMIS as Seychelles Maritime Single Window (MSW) ○ Develop the Fishing vessel movement modules.	**NDS Outcome 1.3:** "Modern, efficient and digital public sector system" **SDG 9:** Increase access to ICT and Technology **SDG 16.6:** Develop effective, accountable and transparent institutions.

2028	Infrastructure Development (PVREP) and Jetties	Finance	○ Progress the rehabilitation and expansion of Mahé Quay through the DBFOMT concession arrangement. ○ Maintain effective client-side technical, financial and contractual oversight of the concession. ○ Ensure that project implementation and concessionaire performance remain aligned with SPA's operational requirements and long-term strategic objectives ○ Monitor the financial and commercial performance of the concession arrangement to safeguard SPA's long-term revenue and financial sustainability.	**NDS Outcome 1.1:** "Resilient and sustainable infrastructure." **SDG 9.1:** Develop quality, reliable, sustainable and resilient infrastructure
	Green Port Initiatives & Sustainability	Human Capacity & Finance	○ Develop renewable energy projects (solar rooftops, shore power) ○ Implement waste reception and MARPOL compliant facilities ○ Continue seeking Green Climate Fund and other climate financing	**NDS Outcome 3.2:** "Sustainable use of natural resources and climate resilience." **SDG 13.2:** Integrate climate measures into national policies **SDG 14.1:** Reduce marine pollution **SDG 7.2:** Increase renewable energy share
	Smart Port – Digitalisation & Automation	Human Capacity & Finance	○ Continue the phased roll-out of PVMIS as Seychelles Maritime Single Window (MSW) ○ Complete the Fishing vessel movement modules.	**NDS Outcome 1.3:** "Modern, efficient and digital public sector system" **SDG 9:** Increase access to ICT and Technology **SDG 16.6:** Develop effective, accountable and transparent institutions.
	Tariff Review	Resistance from stakeholders; Possible loss of vessels calls (namely fishing)	○ Undertake consultative stakeholder engagement with fishing, shipping lines and private operators to ensure transparency and buy-in for the SPA periodic tariff increase which will be due. ○ Conduct cost of service and benchmarking studies against regional ports to justify tariff adjustments	**NDS Outcome 1.2:** "Sustainable and inclusive economic growth." **NDS Outcome 4.1:** "Strengthened public enterprise performance and accountability." **SDG 8.2:** Achieve higher levels of economic productivity through diversification and innovation **SDG 16.7:** Ensure responsive, inclusive, participatory and representative decision-making.
2029	Infrastructure Development (PVREP) and Jetties	Finance	○ Progress the rehabilitation and expansion of Mahé Quay through the DBFOMT concession arrangement. ○ Maintain effective client-side technical, financial and contractual oversight of the concession. ○ Ensure that project implementation and concessionaire performance remain aligned with SPA's operational requirements and long-term strategic objectives ○ Monitor the financial and commercial performance of the concession arrangement to safeguard SPA's long-term revenue and financial sustainability.	**NDS Outcome 1.1:** "Resilient and sustainable infrastructure." **SDG 9.1:** Develop quality, reliable, sustainable and resilient infrastructure
	Green Port Initiatives & Sustainability	Human Capacity & Finance	○ Continue Developing renewable energy projects (solar rooftops, shore power) ○ Continue seeking Green Climate Funding and other climate financing	**NDS Outcome 3.2:** "Sustainable use of natural resources and climate resilience." **SDG 13.2:** Integrate climate measures into national policies **SDG 14.1:** Reduce marine pollution **SDG 7.2:** Increase renewable energy share
	Smart Port – Digitalisation & Automation	Human Capacity & Finance	○ Continue with enhancement to the PVMIS based on stakeholders' requests and industry trends. ○ Complete the integration with all stakeholders and other relevant Government Agencies	**NDS Outcome 1.3:** "Modern, efficient and digital public sector systems" **SDG 9:** Increase access to ICT and Technology **SDG 16.6:** Develop effective, accountable and transparent institutions

6.6.2 Outlook of Financial Strategy

6.6.2.1 Projected Financial Position of Seychelles Ports Authority

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
ASSETS							
Non-Current Assets							
Property and Equipment	311,576	411,405	422,278	493,296	667,031	727,692	773,456
Investment Properties	32,536	30,775	30,220	28,081	25,942	23,804	21,665
Intangible Assets	144	378	271	157	43	-	-
Deferred Tax Asset	-	-	-	-	-	-	-
	344,256	**442,558**	**452,769**	**521,534**	**693,016**	**751,496**	**795,121**
Current Assets							
Inventories	4,387	3,477	3,511	5,586	5,778	5,800	5,817
Investment in Financial Assets at amortized cost	30,727	206,271	351,131	333,625	201,697	183,295	170,213
Trade and Other Receivables	49,603	42,450	93,019	71,350	74,432	76,429	78,688
Tax Receivable	5,976	-	-	-	-	-	-
Cash and Cash Equivalents	228,287	116,407	121,586	120,312	118,670	117,798	130,227
	318,980	**368,605**	**567,862**	**530,873**	**400,577**	**383,322**	**384,945**
TOTAL ASSETS	**663,236**	**811,163**	**1,022,016**	**1,052,407**	**1,093,593**	**1,134,818**	**1,180,066**
EQUITY AND LIABILITIES							
Equity and Reserves							
Assigned Capital	31,823	31,823	31,823	31,823	31,823	31,823	31,823
Retained Earnings	551,716	671,725	788,000	858,360	903,169	950,158	1,000,873
	583,539	**703,548**	**819,823**	**890,183**	**934,992**	**981,981**	**1,032,696**
LIABILITIES							
Non-Current Liabilities							
Deferred Income	-	-	2,954	2,954	2,954	2,954	2,954
Borrowings – Long Term	41,240	67,962	66,682	56,358	51,495	44,067	35,570
Deferred Tax Liability	11,046	693	2,578	2,578	2,578	2,579	2,581
Other Long Term Employee Benefits	8,516	8,830	10,395	11,096	15,288	15,761	16,297
	60,802	**77,485**	**82,609**	**72,986**	**72,315**	**65,361**	**57,402**
Current Liabilities							
Borrowings – Short Term	3,099	3,099	7,298	-	-	-	-
Other Long Term Employee Benefits	1,799	1,809	2,874	-	-	-	-
Tax Liability	-	7,363	13,245	9,694	3,697	4,427	6,398
Trade and Other Payables	13,997	17,859	96,167	79,544	82,589	83,049	83,570
	18,895	**30,130**	**118,199**	**89,238**	**86,286**	**87,476**	**89,968**
TOTAL LIABILITIES	**79,697**	**107,615**	**202,193**	**162,224**	**158,601**	**152,837**	**147,370**
TOTAL EQUITY & LIABILITIES	**663,236**	**811,163**	**1,022,016**	**1,052,407**	**1,093,593**	**1,134,818**	**1,180,066**

6.6.2.2 Projected Statement of Comprehensive Income of Seychelles Ports Authority

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Revenue Contracts for Port Services	180,156	255,514	330,310	318,006	307,089	314,765	322,748
Rental Income	36,361	39,025	40,705	39,195	40,140	41,180	42,210
Other Income	2,347	24,035	10,910	12,523	12,534	12,601	12,668
Gross Income	**218,864**	**318,574**	**381,925**	**369,724**	**359,763**	**368,546**	**377,626**
Cost of Services	(21,817)	(20,538)	(18,785)	(23,262)	(30,063)	(31,499)	(31,248)
Employee costs	(84,228)	(98,681)	(112,632)	(118,620)	(138,772)	(143,047)	(147,815)
Premises costs	(3,873)	(5,627)	(6,558)	(7,452)	(6,859)	(6,789)	(6,254)
Operating overheads	(16,088)	(14,495)	(15,357)	(18,913)	(21,922)	(22,229)	(22,400)
Reversal of allowance for credit loss	2,435	3,190	6,508	-	-	-	-
Foreign exchange - Gain / (Loss)	13,078	(8,070)	15,761	(9,717)	(3,000)	(3,000)	(3,000)
Depreciation of property and equipment	(23,297)	(28,115)	(40,259)	(27,868)	(28,183)	(28,183)	(28,183)
Depreciation of investment properties	(1,562)	(2,060)	(2,139)	(2,139)	(2,139)	(2,139)	(2,139)
Amortization of intangible assets	(103)	(98)	(107)	(114)	(114)	(43)	-
Profit before finance cost	**82,785**	**144,080**	**208,357**	**161,639**	**128,711**	**131,617**	**136,587**
Finance cost - Borrowings	(623)	(3,352)	(4,111)	(3,909)	(3,900)	(3,900)	(3,900)
Profit before tax	**82,785**	**140,728**	**204,246**	**157,730**	**124,811**	**127,717**	**132,687**
Taxation charge	(30,903)	(20,721)	(37,973)	(37,371)	(30,003)	(30,729)	(31,972)
Profit for the year	**51,882**	**120,007**	**166,273**	**120,359**	**94,808**	**96,988**	**100,715**

6.6.2.3 Projected Cash flow Statement of Seychelles Ports Authority

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Cash flows from operating activities							
Profit before taxation	83,610	140,729	204,248	157,731	124,813	127,718	132,688
Adjustments for:							
Depreciation of property and equipment	23,297	28,115	40,259	27,868	28,183	28,183	28,183
Depreciation of investment property	1,562	2,060	2,139	2,139	2,139	2,139	2,139
Amortization charge	103	98	107	114	114	43	-
Reversal of expected credit loss	(2,435)	(3,190)	(6,508)	-	-	-	-
Retirement benefit obligation charge	6,710	7,413	11,725	8,506	6,137	6,327	6,542
Profit on disposal	-	(19,237)	12	11	-	-	-
Prior year adjustment	4,308	-	-	-	-	-	-
Interest accrued	(989)	(2,071)	(5,657)	(3,311)	(3,240)	(3,240)	(3,240)
Unrealized forex losses/(gains)	(12,229)	2,414	8,777	(2,094)	1,321	1,232	932
Operating cash inflow before working capital changes	**103,937**	**156,331**	**255,102**	**190,964**	**159,467**	**162,402**	**167,244**
Changes in working capital:							
- Decrease/Increase) in inventories	(1,402)	910	(34)	(2,074)	(192)	(23)	(17)
- Decrease/Increase) in trade and other receivables	(7,616)	10,343	(44,060)	20,283	(3,081)	(1,997)	(2,259)
- Increase/(Decrease) in trade and other payables	3,700	3,862	28,308	(15,238)	3,045	461	521
Net cash generated from operations	**98,619**	**171,446**	**239,316**	**193,935**	**159,239**	**160,843**	**165,489**
Movement in Tax & Deferred Tax	(34,453)	(17,733)	(30,207)	(40,922)	(36,000)	(30,000)	(30,000)
Movement in Other Long Term Employee Benefits	(6,666)	(7,091)	(9,095)	(10,679)	(1,946)	(5,853)	(6,006)
Net cash inflow from operating activities	**57,500**	**146,622**	**200,014**	**142,334**	**121,293**	**124,990**	**129,483**
Cash flows from investing activities							
Purchase of property and equipment	(51,216)	(132,031)	(52,727)	(98,897)	(201,917)	(88,845)	(73,946)
Proceeds from disposal of property and equipment	-	23,026	-	-	-	-	-
Purchase of investment property	(18,026)	-	-	-	-	-	-
Purchase of intangible assets	-	(332)	-	-	-	-	-
Movement in the investment in financial assets	(5,684)	(178,537)	(138,477)	20,818	135,167	21,642	16,322
Net cash outflow from investing activities	**(74,926)**	**(287,874)**	**191,204)**	**(78,079)**	**(66,750)**	**(67,203)**	**(57,624)**
Cash flows from financing activity							
Deferred income	-	-	2,954	-	-	-	-
Movement in Borrowings	36,437	29,373	(6,585)	(15,528)	(6,184)	(8,660)	(9,429)
Dividends Paid	-	-	-	(50,000)	(50,000)	(50,000)	(50,000)
Net cash inflow from financing activities	**36,437**	**29,373**	**(3,631)**	**(65,528)**	**(56,184)**	**(58,660)**	**(59,429)**
(Decrease)/Increase in cash and cash equivalents	**19,010**	**(111,879)**	**5,179**	**(1,274)**	**(1,642)**	**(872)**	**12,429**
At 1 January,	196,199	228,287	116,407	121,586	120,312	118,670	117,798
(Decrease)/Increase in cash and cash equivalents	19,010	(111,879)	5,179	(1,274)	(1,642)	(872)	12,429
Currency translation differences	13,077	-	-	-	-	-	-
At 31 December,	**228,287**	**116,407**	**121,586**	**120,312**	**118,670**	**117,798**	**130,227**

6.6.2.4 Projected Capital Investment Plan of Seychelles Ports Authority

SCR

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost (SCR'000)	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures			Provisional	Forecast			Anticipated Risks
							2023	2024	2025	2026	2027	2028	2029	
1. Major Capital Investments														
PVREP	Rehabilitation & Expansion of Mahe Quay	New, Safe & Modern port	111,566	Financing/ Delivery Model: DBFOMT – private concessionaire financed	2018	2030				48,730,805	49,092,848	6,871,255	6,871,255	
PVMIS	Management Information System		1,659	Equity		2027				918,757	740,000			
Dry Dock of Tug Ste Anne	Classification Requirement	Uninterrupted service with regulatory compliance	20,100	Equity	2029	2029				132,580			20,100,000	
Dry Dock of Silwet	Classification Requirement	Uninterrupted service with regulatory compliance	20,100	Equity	2028	2028						20,100,000		
Acquisition of a New Tug Boat			85,000	Equity	2027 / 2029	2027					85,000,000			
Acquisition of Payanke	New Pilot Boat		1,295	Equity	2025	2026				1,295,124				
Dredging - La Digue	To increase the depth of the basin	Less incidents of damage to vessels	6,200	Equity	2026	2026				6,200,000				
Eve Island Cargo Building (Refurbishment)	Re-Roofing and Roller Shutter Replacement		2,700	Equity	2026	2028				1,500,000		1,200,000		
Mahe Quay - SPA HQ (Ex-IDC) (Refurbishment)	Refurbishment of the Ex-IDC Building	New SPA Offices	1,280	Equity	2025	2026				1,279,729				

Mahe Quay - Road surfacing	Improve the road surface of MQ		338	Equity	2026	2026				337,500				
Ero Passenger - (Project) Praslin Ero terminal Shelter Extension at Arrival			3,000	Equity	2027	2028					1,800,000	1,200,000		
Ero Passenger - (Project) New Passenger Terminal Building (SCR45 million)			100	Equity	2028	2028						100,000		
Eve Island Cargo - (Maintenance) Renovation of the existing guardhouse.			50	Equity	2026	2026				50,000				
Eve Island Cargo - (Project) Warehouse in cargo yard	The building is over 12 years		17,000	Equity	2027	2029					10,000,000	2,000,000	5,000,000	
Eve Island Cargo - (Project) Light installation			2,000	Equity	2028	2028						2,000,000		
Eve Island Cargo - (Maintenance) Road surfacing			3,500	Equity	2026	2027				1,000,000	2,500,000			
Fishing Port - (Project) Office and toilet facility			750	Equity	2027	2027					750,000			
Fishing Port - (Project) Stakeholders building changing room and toilet			10,000	Equity	2028	2029						9,000,000	1,000,000	
Fishing Port - (Project) Demolition of existing building & rebuild new facilities & seawall			10,000	Equity	2027	2028					2,000,000	8,000,000		
Zone 14 - (Project) Relocation of Marine Operation Base (SCR 50 million)			20,350	Equity	2028	2029						350,000	20,000,000	
Zone 14 - (Project) Border Control Improvement			3,000	Equity	2028	2029						100,000	2,900,000	
Zone 14 - (Project) Light Installation			2,000	Equity	2029	2029							2,000,000	
Zone 14 - (Project) Net Repair, Container Yard & Plug Points			4,000	Equity	2028	2029						3,000,000	1,000,000	
Inter-Island Quay - (Maintenance) Relocation of kiosk inside Passenger Terminal			500	Equity	2027	2028					200,000	300,000		
Inter-Island Quay - (Project) ATM kiosk at IIQ parking			250	Equity	2028	2028						250,000		
Inter-Island Quay - (Project) New Mini Cruise Passenger Terminal Building (SCR1mil)			100	Equity	2027	2027					100,000			

La Digue - (Project) Passenger terminal and Common Stake Holder building			45,000	Equity	2026	2028				10,000,000	17,500,000	17,500,000		
La Digue - (Project) Furnishing of terminal			4,000	Equity	2027	2028					2,000,000	2,000,000		
La Digue - (Project) Temporary office relocation			1,200	Equity	2026	2028				200,000	750,000	250,000		
La Digue - (Project) Improvement in cargo reception facilities			2,400	Equity	2026	2027				1,200,000	1,200,000			
La Digue - (Project) warehouse in cargo yard			1,200	Equity	2028	2029						1,000,000	200,000	
Mahe Quay - (Project) Border Control Improvement			1,550	Equity	2026	2027				800,000	750,000			
Mahe Quay - (Project) SPA HQ (Ex-IDC) - Renovation Gym/Canteen/Daycare			3,750	Equity	2026	2027				1,200,000	2,550,000			
Mahe Quay - (Project) SPA HQ (Ex-IDC) - Sewage Connection			500	Equity	2026	2026				500,000				
Mahe Quay - (Project) Border Control Improvement (Security wall at operation)			750	Equity	2026	2026				750,000				
Mahe Quay - (Project) SPA HQ Block 5 and Block7			1,300	Equity	2026	2027				1,200,000	100,000			
Mahe Quay - (Project) completion of New SPA HQ including new requirement for occupancy			1,500	Equity	2026	2026				1,500,000				
Mahe Quay - (Project)Construction of project office and workers quarters			1,800	Equity	2027	2027					1,800,000			
Mahe Quay - (Project) Improve Visibility for Safety of Night Operations			4,000	Equity	2027	2029					2,000,000		2,000,000	
Bel Ombre - (Project) Quay construction			40	Equity	2026	2026				40,000				
Bel Ombre - (Maintenance) Road surfacing			1,625	Equity	2026	2027				125,000	1,500,000			
Ero Passenger - (Maintenance) Pontoons			12,800	Equity	2026	2029				2,500,000		300,000	10,000,000	
Ero Passenger - (Maintenance) Fencing			225	Equity	2026	2026				225,000				
Eve Island Cargo - (Project) Fencing			1,200	Equity	2026	2028				400,000		800,000		

Fishing Port - Maintenance (Fencing)			45	Equity	2027	2027					45,000			
Fishing Port - (Maintenance) Road surfacing			2,100	Equity	2026	2027				630,000	1,470,000			
Fishing Port - (Maintenance) Surface Improvement (Ducting)			800	Equity	2026	2026				800,000				
Fishing Port - (Project) Seawall and backfilling			2,400	Equity	2026	2028				100,000	1,900,000	400,000		
Fishing Port - (Maintenance) Replacement of old pipe (Water network)			1,000	Equity	2027	2028					500,000	500,000		
Port Control - (Project) Infrastructure upgrade			513	Equity	2026	2026				512,500				
Zone 14 - (Maintenance) Proper civil works to ensure effective installation of camera for operational monitoring requirements. (Port Control)			200	Equity	2026	2026				200,000				
Zone 14 - (Maintenance) Fencing			180	Equity	2028	2028						180,000		
Inter-Island Quay - (Maintenance) Fence set and accessories			582	Equity	2026	2026				582,090				
Inter-Island Quay - (Maintenance) Surfacing work @ pay parking (5%) - SLTA			91	Equity	2026	2026				91,306				
Inter-Island Quay - (Project) Pontoon			3,500	Equity	2028	2028						3,500,000		
La Digue - (Maintenance) Civil works to ensure effective installation of camera for operational monitoring requirements.		Data is being transmitted by microwave dish as the new passenger terminal isn't constructed yet (Port Control)	100	Equity	2026	2026				100,000				
La Digue - (Maintenance) Pontoon Installation			1,500	Equity	2028	2028						1,500,000		

La Digue - (Maintenance) Bollard replacement			1,500	Equity	2028	2028						1,500,000		
Mahe Quay - (Maintenance) Fender replacement			6,500	Equity	2026	2029				2,000,000	4,000,000		500,000	
Mahe Quay - (Maintenance) Road surfacing			4,863	Equity	2026	2029				962,500	1,300,000	1,300,000	1,300,000	
Mahe Quay - (Project) Construction of New Access Road		Facilitate Connectivity within the Terminals	1,900	Equity	2026	2026				1,900,000				
2. Replacements and upkeep of Assets (PPE)														
Plant, Machinery & Equipment	Road sweeper, heavy duty drills, air compressors, salvage seawater pump, pay parking machines	Required items needing replacement.	1,794	Equity	2026	2029				929,204	565,000	150,000	150,000	
Navigational Aids	New buoys and fenders	In need of replacement.	4,642	Equity	2026	2029				1,745,625	1,762,125	994,000	140,000	
Vehicles	Security / Praslin / Projects / Forklifts	These areas are in need of a new vehicle.	3,429	Equity	2026	2029				1,429,152	1,600,000		400,000	
Furniture and Fittings	New office equipment required for the new SPA offices.	No need for replacement for the next five years.	1,506	Equity	2026	2029				951,412	185,000	185,000	185,000	
Office Equipment	Replacement of laptops, desktops and monitors.	Useful life has passed and computer equipment requires replacing.	888	Equity	2026	2029				248,476	240,000	200,000	200,000	
Computer Accessories	Main component is SAGE hardware (SCR 1.5m & backup storage (SCR 600k)	Quick Books is outdated and not sufficient for the needs of SPA.	3,413	Equity	2026	2028				1,122,039	1,881,000	575,000		

		Improved efficiency.												
Computer Software	ERP system (SAGE) & security monitoring software	Quick Books is outdated and not sufficient for the needs of SPA. Improved efficiency.	950	Equity	2027	2027					950,000			
Other Assets	Replacement of air conditioning units, fire hoses, Rolec Pedestals, Luggage scanners, alarm systems & cameras, etc…	Improve the security of the port and provision of shore power to clients.	7,234	Equity	2026	2028				2,508,533	3,186,315	1,539,315		
TOTAL										**98,897,332**	**201,917,287**	**88,844,570**	**73,946,255**	

6.6.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

6.6.3.1 Tax Implications by the Operations of Seychelles Ports Authority

SCR ('000)

Type of Tax	Actual Figures			Provisional	Forecast			Anticipated Risks
	2023	2024	2025	2026	2027	2028	2029	
Business Tax	30,903	20,721	37,973	37,371	30,003	30,729	31,972	
PIT				12,000	15,000	15,000	15,000	
VAT				(2,000)	(2,000)	(2,000)	(2,000)	
TOTAL	**30,903**	**20,721**	**37,973**	**47,371**	**43,003**	**43,729**	**44,972**	

6.6.3.2 Anticipated Dividend Declarations by of Seychelles Ports Authority

SCR ('000)

Nature of Dividend	Actual Figures			Provisional	Forecast			Anticipated Risks Conditions/Justifications
	2023	2024	2025	2026	2027	2028	2029	
Dividends in Cash				50,000,	50,000,	50,000,	50,000,	
Dividends in lieu of Cash								
TOTAL	-	-	-	**50,000,**	**50,000,**	**50,000,**	**50,000,**	

6.6.3.3 Debt Payments Forecasts by Seychelles Ports Authority

Lending Organization	Description	Purpose of Borrowings	Total Debt Amount (Capital)	GoS as guarantor (YES/NO)	Total Borrowings and Debt Servicing						
					Actual Figures			Provisional	Forecast		
					2023	2024	2025	2026	2027	2028	2029
Agence Francaise De Development	Borrowings	PVREP	EUR 500,000.00	**YES**	7,470,000	8,066,950	7,540,000	8,581,050	-	-	-
	Interest for the Year							288,840			
	Amounts drawn down										
	Repayment of Capital							(8,520,000)			
	Exchange rate adjustment				596,950	(526,950)	1,041,050	(349,890)			
	Balance carried forward				**8,066,950**	**7,540,000**	**8,581,050**	-	-	-	-
SIMBC (Nouvobanq)	Borrowings	Purchase of Tug & Pilot Boats	EUR 4,764,200.00		-	36,271,152	63,520,162	65,398,404	56,357,811	51,495,092	44,067,274
	Amounts drawn down				35,818,278	38,540,582					
	Interest for the Year							3,899,325	3,501,736	3,064,599	2,543,712
	Repayment of Capital				(1,891,610)	(9,167,532)	(6,584,839)	(11,196,282)	(9,685,743)	(11,724,778)	(11,972,714)
	Exchange rate adjustment				2,344,484	(2,124,040)	8,463,081	(1,743,636)	1,321,288	1,232,361	931,862
	Balance carried forward				**36,271,152**	**63,520,162**	**65,398,404**	**56,357,811**	**51,495,092**	**44,067,274**	**35,570,134**
SUB TOTAL (only Guaranteed by GOS)											
TOTAL					**44,338,102**	**71,060,162**	**73,979,454**	**56,357,754**	**51,495,092**	**44,067,274**	**35,570,134**

6.6.3.4 Anticipated Subventions and Grants by Seychelles Ports Authority

** The Seychelles Ports Authority does not anticipate any subventions within the medium term.*

** With the cancellation of the EIB Loan Facility, the grant facility was cancelled too.*

6.6.3.5 Contingencies of Seychelles Ports Authority

Nature of Contingencies	Funding Agency	Purpose	Total Liability Amount	Realized Guarantees						
				Actual Figures			Provisional	Forecast		
				2023	2024	2025	2026	2027	2028	2029
Guarantees	Government			EUR 614,000	EUR 614,000	EUR 614,000	With the cancellation of the EIB Loan Facility, the guarantee also falls away.			
	Guaranteed for other PEs									
Potential Payments Due to Legal Actions by 3rd Parties	Government						Not Applicable			
	Case 01									
	Case 01									
	etc.									
TOTAL				**EUR 614,000**	**EUR 614,000**	**EUR 614,000**				

6.6.3.6 Assumptions used for the Financial Projections of Seychelles Ports Authority

Assumption Area	Assumption / Basis	Source / Evidence	Financial Impact / Linkage
Revenue	2027 - Conservative view versus prior year.	Harbour & Port Dues	(10,916,482.00)
Revenue	2028 - 2.5% year on year volume growth. Regulated rates.	Harbour & Port Dues	7,675,756.00
Revenue	2029 - 2.5% year on year volume growth. Regulated rates.	Harbour & Port Dues	7,983,024.00
Employee Costs	2027 - Inflation = 2.7%	Email from PEMC	2,249,257.00
Employee Costs	2027 - H/C increase = 58 heads (New - 55 / Vacant - 3)	HR	11,772,621.00
Employee Costs	2027 - Salary review = 5.3%	HR	4,415,200.00
Employee Costs	2028 - Inflation = 3.1%	Email from PEMC	3,542,026.00
Employee Costs	2029 - Inflation = 3.4%	Email from PEMC	3,945,997.00
Foreign exchange	Assumed a flat SCR 3,000,000.00 loss per year (2027 - 2029)		3,000,000.00
Capex	2027 - Revenue = SCR 307 million x 65.8%	Benchmark of 30% of revenue. However, a new Tugboat is required at a cost of €85 million.	201,917,287.00
Capex	2028 - Revenue = SCR 315 million x 28.2%	Benchmark of 30% of revenue.	88,844,570.00
Capex	2029 - Revenue = SCR 323 million x 22.9%	Benchmark of 30% of revenue. Dry docking of Mamelles was removed due to purchase of a new tugboat.	73,946,255.00
Dividends	2027 - Revenue = SCR 307 million x 16.3%	Benchmark of 15% of revenue.	50,000,000.00
Dividends	2028 - Revenue = SCR 315 million x 15.9%	Benchmark of 15% of revenue.	50,000,000.00
Dividends	2029 - Revenue = SCR 323 million x 15.5%	Benchmark of 15% of revenue.	50,000,000.00

6.6.4 Performance Monitoring, Risk Management, and Reporting Requirements

6.6.4.1 Key Performance Indicators of the Seychelles Ports Authority

Title of Key Performance Indicators	Description	Targeted Strategic Priority	Achievements of KPIs						
			Actual Figures			Provisional	Forecast		
			2023	2024	2025	2026	2027	2028	2029
Strategic	Infrastructure Development (PVREP) and Jetties	Refer to Strategic Priorities, Challenge and Initiatives with NDS and SDG Alignment for more information							
	Green Port Initiatives & Sustainability								
	Smart Port – Digitalization & Automation								
	Tariff Review								
Operational	Container Throughput	TEUs of Containers discharged and loaded	83,806	95,043	98,684	93,778	95,559	97,793	100,233
	Container Vessel Calls	Port Calls by Container Vessel	146	136	111	88	82	82	83
	General Cargo	Port Calls by General Cargo Vessel	8	13	5	8	10	10	10
	Bulk Fish	Tons of fish landed, transhipped (in reefer vessels and containers)	333,581	386,646	433,322	398,048	402,028	406,049	410,109
	Fishing Vessel Calls	Port Calls by Fishing Vessels	667	713	780	671	659	667	672
	Bulk Petroleum	Tons of petroleum products discharged and loaded							
	Petroleum Vessel Calls	Port Calls by Petroleum Vessel Calls (All Products)	33	42	30	53	49	49	49
	Bulk Cement	Tons of cement discharged							
	Cement Tanker Calls	Port Calls by Cement Tankers	4	4	6	6	6	6	6
	Cruise Ship Passengers	Number of cruise passengers							
	Cruise Ship Vessel Calls	Port Call by Cruise Ship Vessels							
Financial	Current Ratio	Current Assets/Current Liabilities	16.88	12.23	4.8	5.95	4.64	4.38	4.28
	Quick Ratio	(Current Assets – Inventory) / Current Liabilities	16.65	12.12	4.77	5.89	4.58	4.32	4.21
	Cash Ratio	(Cash + Cash Equivalent) / Current Liabilities	13.71	10.71	4.00	5.09	3.71	3.44	3.34
	Debt to Equity Ratio	Total Debt / Total Equity	0.14	0.15	0.24	0.18	0.17	0.16	0.14
	Equity Rato	Total Equity / Total Assets	88.0%	86.7%	80.3%	84.6%	85.5%	86.5%	87.5%
	Debt Ratio	Total Debt / Total Assets	12.0%	13.3%	19.7%	15.4%	14.5%	13.5%	12.5%
	Interest Coverage	EBIT / Interest Expense	135.20	42.99	50.68	41.36	33.0	33.75	35.02

6.6.4.2 Risks and Resilience Plan of the Seychelles Ports Authority

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	SPA's 5-year strategic plan expired in 2024 and is in the process of developing one. SPA lacks a masterplan that will illustrate the vision for the development of port facilities for the next 50 years. SPA therefore stands the risk of making decisions that are not necessarily aligned to the long-term goal or undertake developments that were never envisaged based on political and/or public pressure.	SPA is developing a 5-year strategic plan as well as a 50-year development plan that will guide SPA over the medium and long term. Strategy Department being custodian of these plans will ensure that they remain relevant and where revisions are required, these are addressed to keep the documents current.
	The strategic decision of port operators, users, relevant Ministries and agencies may not always be congruent with SPA's vision. For example, SPA wishes to improve efficiency in the cargo import and export processes to reduce cargo dwelling time and thus need for storage space on terminals. This involves many stakeholders. If these stakeholders decide to not cooperate by changing the way they operate the vision may never material or at best take much longer than planned.	SPA engages its stakeholders through the Port Stakeholders Committee and maintains conversations about port facilities and service delivery. Where necessary to bring strategic changes, SPA engages with relevant Ministries, agencies and departments to gain buy-in and solicit their support
	Operating within a globalized economy and the country's heavy reliance on tourism and the fisheries sector brings about important economic risks. When there are downturns in the country's main source of foreign visitor and destination for fish export port business suffer from the slowdown in economic activity.	SPA closely monitors economic indicators to detect potential threats to its operations and performance.
Financial Risks	**Capital Programme and Liquidity Risk**: Although the rehabilitation and expansion of Mahé Quay is to be delivered under a DBFOMT arrangement and is therefore not expected to require SPA to finance the principal construction works, SPA retains a significant capital investment programme across its other port facilities, marine assets and operational infrastructure. Capital expenditure is forecast at approximately SCR94.9 million in 2027, SCR88.8 million in 2028 and SCR91.9 million in 2029. This expenditure, together with taxation, dividends, existing debt obligations and operating requirements, may progressively reduce SPA's available cash resources and constrain its ability to respond to unforeseen operational or strategic requirements.	SPA will maintain a rolling medium-term cashflow forecast and establish minimum liquidity thresholds. Capital projects will be prioritised according to statutory and safety requirements, operational criticality, strategic importance and financial benefit. Major projects will be supported by appropriate business cases and implementation schedules, and may be phased, deferred or reprioritised where forecast liquidity falls below acceptable levels. Capital commitments will be monitored against available cash resources and future financial obligations rather than solely against annual budget allocations.
	Capital Project Cost and Execution Risk: SPA's wider capital programme includes substantial investment in marine assets, dry-docking, passenger and cargo facilities, La Digue, Eve Island, Fishing Port, Zone 14 and other infrastructure. Delays, scope changes, procurement challenges and cost escalation could cause actual capital expenditure to exceed the MTFS provision or cause expenditure to move between financial years.	SPA will strengthen capital project governance through approved project scopes, procurement plans, project budgets, implementation milestones and regular financial monitoring. Material variations from approved cost or scope will require appropriate management and Board approval. Finance and project owners will periodically review the capital programs and reforecast expenditure according to actual project implementation.
	Revenue and Demand Risk: SPA remains dependent on port activity and related commercial revenues. Changes in container volumes, fishing activity, vessel calls, tourism, international trade or wider economic conditions could cause revenue to fall below forecast levels. This is particularly important because SPA's capital and operating commitments continue even when activity levels decline.	SPA will monitor monthly revenue and operational volumes against the MTFS assumptions and undertake periodic forecasting and sensitivity analysis. Revenue assurance controls will be strengthened through PVMIS, digitalization, reconciliation of operational activity to billing and collection, and improved data integration. Material adverse variances will trigger review of discretionary operating and capital expenditure.
	Operating Cost and Payroll Risk: Growth in employee costs and other operating expenditure may outpace revenue growth and reduce the cash generated internally to fund SPA's continuing	SPA will strengthen workforce planning, overtime management and payroll controls. Additional positions will be subject to demonstrated operational need and assessment against existing staffing,

	responsibilities and capital programs. Employee costs are forecast to increase materially over the MTFS period, including the effect of additional headcount and inflation.	vacancies, shift arrangements, workload, productivity and opportunities for redeployment. Operating expenditure will be monitored against budget with material variances investigated and corrective action taken.
	DBFOMT Commercial and Revenue Risk: While the DBFOMT structure transfers the principal financing, construction and operating responsibilities for Mahé Quay to the private concessionaire, SPA will become increasingly dependent on the financial and commercial terms of the concession. If concession payments, rent, revenue-sharing arrangements or other commercial considerations are below forecast, delayed or inadequately indexed, SPA's long-term revenue capacity could be affected.	The concession agreement will establish clearly defined payment obligations, indexation mechanisms, performance requirements, reporting obligations and appropriate protections for SPA. SPA will regularly monitor concessionaire performance and amounts due under the agreement and ensure that commercial terms preserve sufficient revenue for SPA to discharge its continuing statutory, regulatory, marine, infrastructure and administrative responsibilities.
	DBFOMT Interface and Residual Financial Risk: Not all financial obligations associated with the development and operation of Port Victoria will necessarily transfer to the concessionaire. SPA may retain expenditure relating to regulatory oversight, marine services, common infrastructure, client-side project management, engineering oversight and other landlord-port responsibilities. There is a risk that these residual obligations are underestimated when assessing the financial benefit of the concession.	Prior to financial close, SPA will clearly identify the allocation of costs, responsibilities and risks between SPA and the concessionaire. SPA will maintain a financial model of its residual obligations and expected concession revenues and periodically update this throughout the concession period. New SPA commitments associated with the DBFOMT will be assessed against their funding source and long-term financial implications.
	Foreign Currency Exposure: SPA will continue to incur certain expenditures and commitments denominated in foreign currencies, particularly in relation to marine assets, specialist equipment, overseas services and technical expertise. Exchange-rate movements may therefore increase the SCR cost of planned expenditure even though SPA is no longer financing the construction of Mahé Quay.	SPA will identify material foreign-currency commitments as part of its budgeting and procurement processes and monitor its currency exposure. Where practicable, SPA will match foreign-currency receipts and payments, appropriately time currency purchases and maintain suitable contingencies for material foreign-currency capital commitments.
Operational Risks	Port facilities, particularly the Commercial and Industrial ports, are inherently subject to many safety risks due to dangerous cargoes (e.g. petroleum in bulk, containers containing explosives and other flammable and explosive products), dangerous activities (movement of heavy plant and equipment). Most facilities, particularly Mahe Quay, serve different types of vessels and cargoes in a single location, multiplying many risks of something going wrong, having catastrophic on human life and the port facilities.	SPA has improved its stance on safety by creating a Section whose role is to ensure that SPA and all port operators and users comply to internationally accepted safety norms and the law. Safety officers conduct regular inspections of all SPA premises and port facilities, and will be undertaking regular safety risk assessments at each location. New digitalized systems (PVMIS and DVMIS) are being introduced to ensure that cargos are declared and dealt with according to their type.
	Port facilities are restricted areas that should not be accessed by unauthorized persons. However, there is always the risk of port facilities being accessed by an unauthorized party. SPA does not have law enforcement powers and have to rely on the Police, who has very Ltd presence in ports.	SPA deploys security officers across its port facilities to implement the Port Facility Security Plan. Officers control access and conduct patrols to detect and respond to unauthorized entry or activities. SPA will strengthen these measures through the use of CCTV and other technology to enhance surveillance and support effective security monitoring.
	The risk of maritime accidents around port facilities is quite significant, particularly in narrow entrance channels into Port Victoria, Baie Ste Anne and La Passe. In Port Victoria, should a vessel be grounded in the entrance channel, international trade would stop entirely until the vessel(s) is (are) dealt with. This will have extensive negative impact on the economy of the country. This risk will increase significantly as the size of vessels calling into Port Victoria increases. The narrowing of the channel at the Light house and the one-way traffic system presents safety risks for these larger vessels.	SPA is very cognizant of the risk of paralyzing the economy of the country and is putting in place a vessel traffic management system to monitor vessels within the Port Victoria Limit. International vessels are also required by law to make use of a port pilot to navigate the channel, thereby reducing the risk of grounding. SPA employs and trains pilots to safely guide these vessels into port and makes use of aids to navigation and tugs. To further reduce the risk of grounding by the larger vessels that are expected in future, SPA will be widening, deepening and realigning the entrance channel.
	SPA have specialised human resource needs, particularly in the operations department. This, coupled with SPA's inability to offer the high remunerations offered for such individuals on the private sector may impede its ability to hire high caliber candidates.	SPA continues to enhance the skills and expertise of its employees through its training programs to ensure they attain the required level of performance. SPA collaborates with the Seychelles Maritime Academy and engages employees in internationally recognized training programs. SPA also considers non-monetary benefits in its welfare policy such as rewards and recognitions for good performance. The salary structure is currently under

		review and may lead to changes that could increase the attractiveness of the salaries offered by SPA. Any increases will be done in consideration of SPA's revenues being able to absorb the impact without putting its strategic objectives at risk.
	SPA loses many opportunities for international vessels to call at Port Victoria because of the limitations of its channel, depth of berths, and lack of shore cranes at Mahe Quay, the only quay designated for larger vessels. Furthermore, different classes of such vessels have to compete for berthing space, which is assigned based on a priority system. Importer of cargo that are delayed outside port incur demurrage charges that they normally pass on to their customers, resulting in unnecessary price increases in the economy.	To address the infrastructure limitations at Mahé Quay, the rehabilitation and expansion of the port will be undertaken through a DBFOMT concession arrangement. The concessionaire will be responsible for the design, financing, construction, operation and maintenance of the agreed infrastructure in accordance with the concession requirements. SPA will retain appropriate regulatory, landlord and client-side oversight to ensure that the development meets the Authority's operational, safety and long-term infrastructure requirements.
	Materialization of operational risks often lead to financial losses, oftentimes that could have been avoided if the risks had been correctly managed. SPA does not currently have a formalized system for the management of its risks, operational or otherwise.	SPA will be implementing an enterprise risk management system, which will identify and analyze risks, propose the appropriate risk management strategies and controls. This will quantify requirements for insurance and reserves for risk management.
Compliance and Regulatory Risks	Risk of non-compliance with Seychelles Laws: SPA's role as a landlord port authority is extensive in scope and at times complex. It has to remain compliant to many laws. E.g. as a commercial entity it has to comply to all tax laws, as an employer it has to remain compliant to the Employment Act and as a State-Owned Entity it has to comply to the Public Entities Monitoring Commission Act and Public Procurement Act. Non-compliance may lead to prosecution in court, sanctions and penalties, and loss of reputation.	The SPA employs an in-house Legal Team and maintains a Legal Counsel on retainer. The Legal Team keeps track of all the laws that the SPA is required to comply to and provide their input in matters where there may be legal risks. Legal is also represented on the Audit & Risk Committee to alert the Committee of any Legal Risks that may materialize.
	As a result of Seychelles membership in the International Maritime Organization (IMO), the SPA is required to comply to IMO conventions such as the International Ship and Port Security (ISPS) Code, FAL and MARPOL Conventions. Failure to keep itself informed may result in inadvertent non-compliance, which may impact Seychelles membership with the IMO.	The SPA Legal Team also maintains a good relationship with the Seychelles Maritime Safety Authority to keep updated on the conventions and also contributes to the domestication of these international regulations.
	SPA's marine assets are also at risk of non-compliance with the requirements of classification society, which is an international norm. Where such non-compliance occurs, the reputation of SPA as a responsible port authority and provider of marine services may be questioned and the resale value of these assets such as tugs and pilot boats may drop significantly, impacting SPA financially.	The marine operations department ensures that all marine assets are maintained as per the standards of the classification society under which the vessels are built. Vessels are dry-docked as per these requirements to ensure that they are always in their best shape. SPA will be investing in a vessel management system that will keep track of the health of the vessels and maintenance work done on them.
Environmental and Social Risks	As the climate of the earth changes sea level continues to rise and extreme weather conditions become more prevalent, increasing inherent risks such as maritime accidents and flooding at high tides. The latter has been recently noted at the Industrial Fishing Port at equinox tides. Such impacts impede operations, reducing revenues and increases cost of repairs and damages to third parties.	SPA is cognizant of these risks and their impacts and ensures that in the design of its new quays and port facilities sea level rise and extreme weather conditions is taken into consideration. Mitigants include sufficient height of the quay deck above the mean sea level, and adequate and effective drainage at the back of quay to quickly move water. Operationally, during extreme weather events, additional precautions are taken such as additional mooring lines for larger vessels at berth and tugs on standby to deal with any incidents.
	Port activities may result in pollution of the nearby bodies of water if care is not taken. As a landlord, SPA may be liable for pollution caused by its own operations and those of port operators and sublessee of SPA land. The impact of such pollution may be far reaching as dangerous substances may impact	SPA has in place an Environment Section that regularly inspects port facilities and premises to identify environment risks and provide recommendations to the respective entities (whether SPA, port operator, port user, Sublessee or Lessee) and monitors the implementation of the recommendations.

	nearby protected marine areas such as the Sainte Anne Marine Park. This in turn may have an impact on the marine ecosystem, destroy sea life, fishing grounds and the local economy that relies on these areas.	The Environment Team also serve as the first response team for environment related incidents, who coordinate with the Department of Environment at national level to deal with such incidents.
	Ports are places of business, where may different organization operate and employ staff to deliver port related services. The Commercial Port and Industrial Fishing Port are places of work for a large number of dock workers, SPA and border control staff. Ports are not normally isolated but rather exist in a community. The activities of the Commercial Port for example impact the central districts of Mont Fleuri, English River, Saint Louis, Bel Air and Mont Buxton and the capital city of Victoria. Congestion is a particularly big concern in Victoria contributed by port traffic, particularly vehicles carrying containers to and from the fishing ports from and to the Commercial Ports.	While social impacts are more nuanced and more difficult to quantify, SPA, through its Sustainability agenda aims to reduce its impact on these communities through various initiatives that reduces road congestion (new southbound road), involves the community (permitting port visits), creating more green spaces, SPA involving in community engagement activities with local schools and elderly homes. Additionally, when undertaking new projects, SPA ensures that an Environment Impact Assessment (EIA) mandated by the Environment Act is undertaken. The EIA process ensures that communities impacted are consulted in the process and where they are impacted, these impacts are managed to the satisfaction of the Department of Environment.
PESTEL	**Political Risks:** Tariff approval and policy risk: Adjustments to SPA's regulated tariffs depend on Government approval and wider policy considerations. Delays in tariff adjustments may affect SPA's ability to recover rising service delivery costs and sustain investment in port facilities.	SPA will engage with the relevant Government authorities and support tariff proposals with evidence of inflation, service delivery costs and investment requirements. SPA will seek consideration of a structured tariff review mechanism, including adjustments linked to the Consumer Price Index, while taking account of port competitiveness and the impact on port users.
	Economic Risks	The Seychelles is highly reliant on tourism and fisheries, which are vulnerable to global economic downturns. A slowdown in these sectors directly affects port business, leading to reduced economic activity. We have seen during the COVID-19 epidemic how the reduced tourist arrivals impacted the overall economy and resulted in a drop in container throughput and revenues overall. SPA monitors economic indicators to anticipate potential threats to its operations and performance
	Social Risks	Covered Above
	Technology Risks: SPA and most other port stakeholders use technology to operate. SPA recently launched the Port Victoria Management Information System (PVMIS) which will eventually facilitate most port processes. With all activities relying on this system, any failure or unavailability could potentially paralyze all port operations, creating delays and disruption in the general economy.	The PVMIS is a cloud-based system with redundancy built in. The system is built on international best practices and standards with the aim of reducing the risk of failure and unavailability.
	Environment Risks	Covered above
	Legal Risks: To conduct its business SPA enters into many contracts whether with employees, consultants, suppliers, contractors, concessionaires, sublessees and lessees, etc. Such contracts if not correctly drafted, present or renewed when expired may not protect SPA from legal risks that may arise from disputes.	The Legal Team is engaged in reviewing and vetting of all contracts into which SPA enters, while the respective departments that manage the contracts ensures that such contracts are present and/or renewed when expired.

6.6.4.3 List of External Reporting's by the Seychelles Ports Authority

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report	Submitted YES/NO
Audited Financial Statements	Ministry of Finance Ministry of Transport PEMC	Financial Performance Financial Position Cashflow for the year	Annually, within 3 months of the year end	YES
Annual Report	Ministry of Finance Ministry of Transport PEMC	Operational Performance	Annually, within 3 months of the year end	YES
Annual Budget	Ministry of Finance Ministry of Transport PEMC	Annual Budget	Annually	YES
Mid-Term Financial Strategy	Ministry of Finance Ministry of Transport PEMC			YES
Procurement Plan	Procurement Oversight Unit	Annual Procurement Plan	Annually	YES
Quarterly Financial Statements	PEMC			YES

6.6.5 Stakeholder Engagement

6.6.5.1 Statement by Responsible Minister

As Minister responsible for Transport, Ports and Civil Aviation, I am pleased to endorse the Seychelles Ports Authority's Medium-Term Financial Strategy (MTFS) for the period 2027–2029. This Strategy provides the financial and strategic framework through which SPA will continue implementing its Strategic Plan 2026–2030 and advancing the development of a modern, efficient, resilient and sustainable port system for Seychelles.

Port Victoria remains one of Seychelles' most important strategic economic assets. As the country's principal maritime gateway, its performance directly supports international trade, the fisheries industry, tourism and the movement of essential goods required by our population and economy. The reliability, capacity and efficiency of our port infrastructure therefore have implications extending well beyond SPA and are integral to Seychelles' economic resilience and competitiveness.

The 2027–2029 period will mark an important transition in the development of Port Victoria. Central to this transformation is the rehabilitation and expansion of Mahé Quay through a Design, Build, Finance, Operate, Maintain and Transfer (DBFOMT) concession arrangement. This model is intended to mobilize private-sector financing, technical expertise and operational capability for the development and operation of the country's principal commercial port, while ensuring that the infrastructure ultimately serves Seychelles' long-term national and economic interests.

Under this arrangement, the concessionaire will assume the responsibilities and risks allocated to it under the concession agreement, including the financing, design, construction, operation and maintenance of the concessioned facilities. SPA will retain its statutory and regulatory responsibilities and will exercise appropriate oversight to safeguard the long-term interests of the Authority and the country.

Strong governance, technical oversight and accountability will therefore remain essential. SPA will maintain an active client-side role during the development of Mahé Quay, supported by suitably qualified engineering consultants who will provide technical and project management oversight on behalf of the Authority. This will assist SPA in ensuring that the infrastructure is delivered in accordance with approved specifications, operational requirements, quality and safety standards, agreed milestones and long-term asset requirements.

The DBFOMT model also allows SPA to focus its own financial resources on its continuing statutory responsibilities and wider capital investment programs. During the MTFS period, the Authority will continue

investing in marine assets, dry-docking, passenger and cargo facilities, digital infrastructure and other port facilities across Mahé, Praslin and La Digue.

Government therefore expects SPA to maintain prudent financial management and disciplined capital allocation. Major SPA-funded investments and expenditure commitments should be supported by clear strategic and operational justification; appropriate implementation plans and demonstrable value. The Authority must continue balancing investment requirements with its operating commitments, obligations to Government and the need to preserve sufficient financial capacity to respond to future operational and strategic requirements.

SPA is projected to remain profitable throughout the MTFS period. This financial strength provides an important foundation for the Authority's continued development but must be managed responsibly. Sustainable financial performance will depend on maintaining effective expenditure controls, strengthening revenue assurance, prioritizing capital investment and ensuring that the commercial arrangements associated with Mahé Quay provide sustainable long-term value to SPA and Seychelles.

The Authority's transformation extends beyond physical infrastructure. The continued development of the Port Victoria Management Information System (PVMIS) and the Maritime Single Window will support greater digital integration between SPA, Government agencies and port users. These initiatives should contribute to improved efficiency, transparency, data quality, revenue assurance and the overall ease of conducting maritime trade through Seychelles.

Environmental sustainability and climate resilience must similarly remain integral to port development. As a Small Island Developing State, Seychelles is particularly exposed to the consequences of climate change. Government therefore welcomes SPA's continued pursuit of renewable energy, environmentally responsible port infrastructure, MARPOL compliant facilities, climate-financing opportunities and measures aimed at improving the resilience of port assets and operations.

The MTFS also recognizes the importance of ensuring that SPA's tariff framework remains appropriate to the cost and quality of the services provided. Future tariff adjustments should be supported by transparent analysis, appropriate stakeholder consultation and consideration of Seychelles' competitiveness as a maritime destination.

Government remains committed to working with the Board and Management of SPA, the Ministry responsible for Finance, the future concessionaire and other public and private stakeholders to ensure that the transformation of Port Victoria and the wider development of Seychelles' port infrastructure remain aligned with national priorities and are undertaken within a responsible and sustainable framework.

Through disciplined implementation of this Strategy and effective stewardship of the DBFOMT arrangement, Seychelles can continue developing a port system that is modern, commercially sustainable, environmentally responsible and capable of supporting the country's economic development for generations to come.

Hon. Veronique Laporte

Minister of Transport, Ports and Civil Aviation

Republic of Seychelles

6.6.5.2 Foreword by the Chairperson

As Chairperson of the Seychelles Ports Authority, I am pleased to present the Board's strategic outlook for the 2027–2029 Medium-Term Financial Strategy.

The period covered by this Strategy will be one of significant transformation for SPA. The Authority will continue implementing its Strategic Plan 2026–2030 while progressing major infrastructure, digitalization, sustainability and organizational initiatives that will shape the future of Seychelles' port system.

A defining development during this period will be the transition of the rehabilitation and expansion of Mahé Quay to a Design, Build, Finance, Operate, Maintain and Transfer (DBFOMT) concession model. This represents an important change in both the delivery and financial structure of the project.

Under the proposed DBFOMT arrangement, responsibility for financing, designing, constructing, operating and maintaining the concessioned infrastructure would be allocated to the concessionaire under the terms of the concession agreement. This structure may reduce SPA's direct exposure to the construction financing needed for Mahé Quay. The Board notes, however, that the size of any such benefit will depend on the final allocation of risk, the commercial terms negotiated, and the value for money shown against the other delivery options open to the Authority.

The allocation of these responsibilities does not diminish SPA's accountability for safeguarding the long-term interests of the Authority and Seychelles, nor its strategic role as the national port authority. The Board will therefore require strong governance over the concession throughout its lifecycle. It will pay particular attention to the allocation of risks and responsibilities, compliance with contractual obligations, infrastructure standards, concessionaire performance and the financial and commercial value delivered to SPA. The Board further expects the arrangement to strengthen SPA's own institutional, technical and operational capacity through structured knowledge transfer and workforce development. This will ensure the Authority is fully prepared to assume, manage or re-tender port operations when the infrastructure is transferred at the end of the concession term.

SPA will retain strong client oversight during the construction phase. Suitably qualified engineering consultants will be appointed to provide project management and technical oversight on SPA's behalf and to ensure that the work is delivered in accordance with SPA approved specifications, operational requirements, quality and safety standards, agreed milestones and long-term asset management objectives.

The Board's financial oversight during the MTFS period will consequently focus not on financing the construction of Mahé Quay, but on ensuring that SPA's own financial resources are allocated responsibly across its wider mandate.

SPA enters the MTFS period from a sound financial position and is forecast to remain profitable throughout 2027–2029. At the same time, the Authority retains a substantial capital program. Purchases of property and equipment are projected at approximately SCR94.9 million in 2027, SCR88.8 million in 2028 and SCR91.9 million in 2029, covering investments across marine operations and port facilities. These commitments must be managed alongside taxation, dividends, existing debt obligations and SPA's continuing operating requirements.

The Board will therefore maintain a strong emphasis on capital prioritization, expenditure discipline and preservation of financial capacity. SPA's accumulated resources provide the Authority with significant capacity to invest, but these resources must be allocated carefully.

Major capital projects should be supported by robust business cases, realistic implementation plans and clear strategic, operational, regulatory or financial benefits.

Attention will also be given to the commercial structure of the DBFOMT concession. The long-term success of the arrangement will depend not only on the delivery of the physical infrastructure but also on establishing a sustainable commercial relationship that appropriately allocates risk, protects SPA's interests as port authority and landlord, and provides the Authority with sufficient and sustainable revenues to discharge its continuing responsibilities.

Financial sustainability will also require continued attention to SPA's underlying operating cost structure. Growth in expenditure, particularly employee costs, must be supported by demonstrated operational requirements and improvements in organizational capability and productivity. Workforce expansion, remuneration changes and organizational restructuring must remain affordable within SPA's medium-term financial outlook.

Revenue sustainability is equally important. The Board supports continued strengthening of revenue assurance and the development of a transparent and economically justified tariff framework based on the cost of providing port services, investment requirements and appropriate regional benchmarking. Tariff decisions must balance SPA's financial sustainability with the wider national interest of maintaining Seychelles' competitiveness and avoiding unnecessary increases in the cost of trade.

Digitalization will remain another key component of the Authority's transformation. Continued development of PVMIS and the Maritime Single Window should progressively improve operational visibility, data integrity, billing accuracy, revenue assurance and integration between SPA, Government agencies and port stakeholders.

The Board also remains committed to strengthening environmental sustainability, climate resilience, enterprise risk management, regulatory compliance, governance and the development of SPA's human capital.

Ultimately, the success of this MTFS will not be measured simply by the amount of expenditure undertaken or the number of projects completed. It will be determined by SPA's ability to manage the transition to the DBFOMT model effectively, direct its own resources towards priority requirements, strengthen operational and institutional capability and ensure that the development of Seychelles' port infrastructure creates sustainable long-term value.

On behalf of the Board, I reaffirm our commitment to prudent financial stewardship, transparent decision-making and rigorous strategic and commercial oversight throughout the implementation of the 2027–2029 Medium-Term Financial Strategy.

Mr. Charles De Clarisse
Chairperson
Seychelles Ports Authority
Signature: .....
Date: .....14-10-26.....

6.6.5.2 Statement by the CEO

As Chief Executive Officer of the Seychelles Ports Authority, I am pleased to present Management's implementation outlook for the 2027–2029 Medium-Term Financial Strategy.

The period ahead represents an important transition for SPA. Our focus will be on translating the Authority's strategic objectives and financial resources into measurable improvements in port infrastructure, operational efficiency, digital capability, customer service, environmental performance and organizational effectiveness, while managing the transition of Mahé Quay to the DBFOMT concession model.

SPA's operational forecasts point towards continued but measured growth in several of our principal activities. Container throughput is forecast to increase from approximately 95,559 TEUs in 2027 to more than 100,000 TEUs by 2029, while bulk fish volumes are forecast to increase from approximately 402,000 tonnes to 410,000 tonnes over the same period. These forecasts reinforce the need to improve the productivity and capacity of port infrastructure while ensuring that investment remains aligned with realistic demand and long-term operational requirements.

Management's implementation program for 2027–2029 will therefore concentrate on five principal areas.
Infrastructure Development and DBFOMT Implementation

The rehabilitation and expansion of Mahé Quay will be one of the most significant strategic developments during the MTFS period. The project will be delivered through a Design, Build, Finance, Operate, Maintain and Transfer (DBFOMT) concession arrangement, under which the concessionaire will assume the responsibilities allocated to it for financing, designing, constructing, operating and maintaining the concessioned infrastructure.
SPA's role will consequently shift from directly financing and delivering the principal construction works to ensuring effective client-side, regulatory, technical and contractual oversight of the project and concession.
Suitably qualified engineering consultants will be engaged to provide project-management and technical oversight on SPA's behalf. They will support Management in monitoring construction progress, technical compliance, quality, safety, program milestones and variations and in ensuring that the infrastructure is delivered in accordance with SPA's approved operational and technical requirements.

Management will also establish appropriate mechanisms for monitoring the concessionaire's performance and compliance with the concession agreement. Effective contract management will be essential to ensure that responsibilities and risks remain appropriately allocated and that SPA's long-term commercial, operational and asset-management interests are protected.

Alongside Mahé Quay, Management will continue implementing SPA's own capital program across its facilities and marine operations. This includes investment in marine assets, dry-docking, passenger and cargo facilities, digital infrastructure and other infrastructure across Mahé, Praslin and La Digue.

Capital expenditure will be subject to disciplined prioritization and implementation monitoring. Projects will be assessed according to operational criticality, regulatory and safety requirements, strategic importance, affordability and expected benefits, with implementation aligned to realistic procurement and construction programs.

Financial Discipline and Capital Management

SPA is expected to remain profitable and cash-generative from its operations throughout the MTFS period. The DBFOMT model materially reduces SPA's direct exposure to the financing requirements associated with the construction of Mahé Quay. This provides the Authority with greater capacity to focus its resources on its continuing statutory responsibilities and wider capital program.

Nevertheless, SPA's financial resources are finite and must be managed responsibly. The Authority continues to have significant capital expenditure requirements and must simultaneously meet taxation, dividend, existing debt and operating obligations.

Management will therefore maintain close oversight of cash flow, working capital, capital commitments and operating expenditure. Investment decisions will be assessed against SPA's overall financial capacity, future commitments and the need to retain sufficient flexibility to respond to unforeseen operational and strategic requirements.

Attention will be given to workforce planning and employee costs. Additional manpower must be supported by demonstrated operational requirements and assessed alongside existing staffing levels, vacancies, organizational structures, shift arrangements, workload, overtime, opportunities for redeployment and potential productivity improvements.

The objective is not simply to constrain expenditure, but to ensure that SPA's financial and human resources are directed towards areas that provide demonstrable operational and strategic value.

Digital Transformation and Revenue Assurance

PVMIS and the Maritime Single Window will remain central to the transformation of SPA's operations.

During the MTFS period, Management will continue developing system functionality and progressively integrating relevant Government agencies and port stakeholders. By 2029, the strategy envisages continued enhancement of PVMIS in response to operational and stakeholder requirements and broader integration with relevant Government agencies.

Our objective is not simply to replace manual processes with electronic ones. Digitalization must result in better operational information, stronger controls, more accurate billing, improved revenue capture, reduced duplication, faster processing and greater accountability throughout the port community.

Revenue assurance will consequently remain a priority. SPA must ensure that all services rendered and activities undertaken within its mandate are accurately captured, billed, collected and reconciled.

Commercial Sustainability and Tariff Reform

The transition to DBFOMT introduces a new dimension to SPA's commercial responsibilities.

The concession must provide an appropriate long-term balance between attracting and sustaining private investment, delivering the required port infrastructure and ensuring that SPA receives sustainable commercial value from the use and operation of its principal commercial-port assets.

Management will therefore work closely with the Board and Government to ensure that the financial and commercial arrangements associated with Mahé Quay appropriately allocate responsibilities and risks, provide clear and enforceable concessionaire obligations and preserve SPA's capacity to fulfil its continuing statutory, regulatory, marine and infrastructure responsibilities.

SPA's wider tariff structure must continue to evolve in a manner that supports financial sustainability while maintaining the competitiveness of Port Victoria. The Authority will continue engaging port users, shipping lines, fishing operators and other stakeholders as part of the tariff-review process. Cost-of-service analysis and benchmarking against comparable regional ports will provide an objective basis for future tariff decisions.

Sustainability, Risk Management and Organizational Capability

As SPA's infrastructure and operating model evolve, our approach to risk management must develop accordingly.

The transition to DBFOMT changes SPA's risk profile. While significant financing, construction, operating and maintenance responsibilities associated with Mahé Quay will be allocated to the concessionaire, SPA will retain important strategic, regulatory, contractual, commercial and oversight responsibilities.

The Authority will therefore strengthen enterprise risk management to improve the identification, assessment, monitoring and mitigation of financial, operational, regulatory, environmental, technological, strategic and concession-related risks.

Environmental sustainability and climate resilience will remain integral to infrastructure planning and port operations. SPA will continue pursuing renewable-energy opportunities, improved waste-reception facilities, MARPOL compliance, climate-financing opportunities and infrastructure capable of responding to the environmental challenges faced by Seychelles as a Small Island Developing State.

We will also continue investing in the capability of our people. Digitalization, the DBFOMT operating environment, new infrastructure and changing operational requirements will require corresponding development in technical, commercial, contract-management, managerial and operational competencies. Training and capacity development will therefore be increasingly aligned with the competencies required to implement SPA's strategic priorities and effectively oversee the concession arrangement.

The 2027–2029 period will ultimately be defined by execution, transition, prioritization and accountability.

SPA has a strong financial and institutional foundation. The DBFOMT model provides an opportunity to deliver the transformation of Mahé Quay without placing the principal financing requirement for the development on SPA's balance sheet, while allowing the Authority to focus its financial resources on its broader statutory and strategic responsibilities.

Management's responsibility will be to ensure that this opportunity is translated into sustainable value: through effective concession oversight, disciplined management of SPA's own capital program, strong revenue assurance, appropriate cost control, improved operational performance and continued investment in our people and systems.
Together with our employees, the Board, Government, the concessionaire, port users and other stakeholders, we will continue developing a Seychelles port system that is efficient, resilient, financially sustainable, environmentally responsible and capable of supporting the country's long-term economic development.

Pierre Prosper
Chief Executive Officer (CEO)
Seychelles Ports Authority

Signature: .....
Date: 28/10/2026
Date: .....

6.7 Seychelles Public Transport Corporation (SPTC)

6.7.1 Strategic Overview

6.7.1.1 Mandate

Established in December 1977 as a body corporate under the Seychelles Public Transport Corporation Decree, CAP 221, the primary function of the Seychelles Public Transport Corporation (SPTC) is: "the corporation shall exercise its powers so as to provide, or secure or promote the provision of an efficient, adequate, and economical system of public transport within Seychelles for the general public, consistent with a reasonable and adequate level of fares being charged" Section 15 (1).

SPTC is fully owned by the Seychelles' Government. The SPTC's public bus service operates everyday: 7 days a week 5:10 AM with last bus leaving the terminal at 7:00 PM from Monday to Saturday and at 6.30pm on Sunday on Mahe. On Praslin bus services is from 5.50am to 7.30pm.

In the pursuit of financial independence from government subvention, SPTC has diversified into additional services: Marketing: Advertise on travel cards, billboards and pillars of the Terminals, buses, PA system, website, mobile App and branded products as SPTC taps into most of the country's commuters. Mechanical: Full maintenance and breakdown services to the general public.

6.7.1.2 Vision

"To operate a modern and sustainable public transport system that furthers the development and aspirations of our country."

6.7.1.3 Mission

To be a proud public transport operator that embraces innovation in the industry supported by modern and robust infrastructure. Enhance customers travel experience through the provision of a safe, reliable and effective service. Capacity building, development and empowerment of our most valuable asset; our people. To operate a sustainable business, availing of adequate resources so as to ensure self-sufficiency. Develop an organizational culture of engagement, professionalism and commitment. Engage all partners and stakeholders through meaningful and effective communication. Socially responsible and environmentally friendly public transport operator.

Strategic Priorities, Challenges, and Initiatives with NDS and SDG Alignment

Year	*6.7.1.4 Strategic Priority*	*6.7.1.5 Key Challenge*	*6.7.1.6 Strategic Initiative*	*6.7.1.7 NDS & SDG Mapping*
2027	Strategic Choice 4: Fiscal Risk management and performance of the company to create sustainable financial growth and independence. Strategic Objective 4A – To strengthen financial and fiscal risk management and reporting' Strategic Objective 4B – To have a more commercially oriented, as well as efficient and cost-effective operation that creates more returns and values for its shareholder (A8. Introduce a more robust and modern ticketing system – Cash less better passenger control)	- Legal Instruments of the company has to be made to align with the more modern context/environment as well as the business aspiration of the company. - Some major investments (Capital Projects) which will require capital funding from the Shareholder & or loan capital - Core activity of the company attracts heavy cost especially in terms of supporting a healthy fleet replacement plan.	- Enhance non-core activities and turn them into revenue generating centres as well as adding other revenue generating activities (passive income) on various SPTC Depots. This will involve investments for upgrading and or construction of various infrastructures. - Foster greater integrity of cashless initiative by offering more payment options to clients such as Bank Card payment as well as payments through various third parties apps and e-wallet and other such system.	NDS Priority 1.A / SDG Goal 9
	Strategic Choice 1: Infrastructure rehabilitation and modernization of facilities for effective and safe operation Strategic Objective 1A – To improve the business environment and operation through modern infrastructure and facilities. Strategic Objective 1B – To increase vigilance and preparedness towards health, safety and emergencies (A10. Acquire more energy efficient, environmentally and customer friendly buses)	- Various key infrastructures require modernisation and work has to be done in phase in line with required funding as well as to manage operation disturbances that such work may cause. - Cost of energy efficient buses are more expensive than standard buses. - In view of Seychelles topography, electric buses will not be able to service all routes and so meticulous test has to be done.	- Upgrade and or maintain infrastructures. - Introduction of more environmentally friendly buses including electric buses. - Alignment with the global decarbonization cause to ensure that we meet our maximum level of electric buses by 2050.	NDS Priority 6 / SDG Goal 11
	Strategic Choice 2: Unsatisfactory service delivery and customer travel experiences. Strategic Objective 2A – To improve customer service delivery in SPTC. Strategic Objective 2B – To improve travel experiences of people using the SPTC services and facilities (A3. Provide support staff with training to meet the technical knowledge and competence required to effectively deliver products and services offered by SPTC)	- Moulding mindset of workforce towards better customer service. - Cost factors involved with training - Cost factors involved in enhanced aesthetics of buses, front offices and bus terminal	- Development of a more customer centric protocol for the company - Organise various customer service training and refresher training especially for front line staff - Review and implement improved bus aesthetics for new buses - Implement additional services to enhance the overall experience of commuters such as bus departures details, bus tracking, onboard info system, digital destinations boards, easier access to bus schedule	NDS Priority 6 / SDG Goal 11
2028	Strategic Choice 4: Fiscal Risk management and performance of the company to create sustainable financial growth and independence,	- Legal Instruments of the company has to be made to align with the more	- Enhance non-core activities and turn them into revenue generating centres as well as adding other revenue generating activities	NDS Priority 1.A / SDG Goal 9

	Strategic Objective 4A – To strengthen financial and fiscal risk management and reporting. Strategic Objective 4B – To have a more commercially oriented, as well as efficient and cost-effective operation that creates more returns and values for its shareholder (A8. Introduce a more robust and modern ticketing system – Cash less better passenger control)	modern context/environment as well as the business aspiration of the company. - Some major investments (Capital Projects) which will require capital funding from the Shareholder & or loan capital - Core activity of the company attracts heavy cost especially in terms of supporting a healthy fleet replacement plan.	(passive income) on various SPTC Depots. This will involve investments for upgrading and or construction of various infrastructures. - Foster greater integrity of cashless initiative by offering more payment options to clients such as Bank Card payment as well as payments through various third parties apps and e-wallet and other such system.	
	Strategic Choice 1: Infrastructure rehabilitation and modernization of facilities for effective and safe operation. Strategic Objective 1A – To improve the business environment and operation through modern infrastructure and facilities. Strategic Objective 1B – To increase vigilance and preparedness towards health, safety and emergencies (A10. Acquire more energy efficient, environmentally and customer friendly buses)	- Various key infrastructures require modernisation, and work has to be done in phase in line with required funding as well as to manage operation disturbances that such work may cause. - Cost of energy efficient buses are more expensive than standard buses. - In view of Seychelles topography, electric buses will not be able to service all routes and so meticulous test has to be done.	- Upgrade and or maintain infrastructures. - Introduction of more environmentally friendly buses including electric buses. - Alignment with the global decarbonization cause to ensure that we meet our maximum level of electric buses by 2050.	NDS Priority 6 / SDG Goal 11
	Strategic Choice 2: Unsatisfactory service delivery and customer travel experiences. Strategic Objective 2A – To improve customer service delivery in SPTC Strategic Objective 2B – To improve travel experiences of people using the SPTC services and facilities (A3. Provide support staff with training to meet the technical knowledge and competence required to effectively deliver products and services offered by SPTC)	- Moulding mindset of workforce towards better customer service. - Cost factors involved with training - Cost factors involved in enhanced aesthetics of buses, front offices and bus terminal	- Development of a more customer centric protocol for the company - Organise various customer service training and refresher training especially for front line staff - Review and implement improved bus aesthetics for new buses - Implement additional services to enhance the overall experience of commuters such as bus departures details, bus tracking, onboard info system, digital destinations boards, easier access to bus schedule	NDS Priority 6 / SDG Goal 11
2029	Strategic Choice 4: Fiscal Risk management and performance of the company to create sustainable financial growth and independence. Strategic Objective 4A – To strengthen financial and fiscal risk management and reporting. Strategic Objective 4B – To have a more commercially oriented, as well as efficient and cost-effective operation that creates more returns	- Legal Instruments of the company has to be made to align with the more modern context/environment as well as the business aspiration of the company. - Some major investments (Capital Projects) which will require capital funding from the Shareholder & or loan capital - Core activity of the company attracts heavy cost especially in terms of	- Enhance non-core activities and turn them into revenue generating centres as well as adding other revenue generating activities (passive income) on various SPTC Depots. This will involve investments for upgrading and or construction of various infrastructures. - Foster greater integrity of cashless initiative by offering more payment options to clients such as Bank Card payment as well as	NDS Priority 1.A / SDG Goal 9

	and values for its shareholder (A8. Introduce a more robust and modern ticketing system – Cash less better passenger control)	supporting a healthy fleet replacement plan.	payments through various third parties apps and e-wallet and other such system.	
	Strategic Choice 1: Infrastructure rehabilitation and modernization of facilities for effective and safe operation. Strategic Objective 1A – To improve the business environment and operation through modern infrastructure and facilities. Strategic Objective 1B – To increase vigilance and preparedness towards health, safety and emergencies (A10. Acquire more energy efficient, environmentally and customer friendly buses)	- Various key infrastructures require modernisation and work has to be done in phase in line with required funding as well as to manage operation disturbances that such work may cause. - Cost of energy efficient buses are more expensive than standard buses. - In view of Seychelles topography, electric buses will not be able to service all routes and so meticulous test has to be done.	- Upgrade and or maintain infrastructures. - Introduction of more environmentally friendly buses including electric buses. - Alignment with the global decarbonization cause to ensure that we meet our maximum level of electric buses by 2050.	NDS Priority 6 / SDG Goal 11
	Strategic Choice 2: Unsatisfactory service delivery and customer travel experiences. Strategic Objective 2A – To improve customer service delivery in SPTC. Strategic Objective 2B – To improve travel experiences of people using the SPTC services and facilities (A3. Provide support staff with training to meet the technical knowledge and competence required to effectively deliver products and services offered by SPTC)	- Moulding mindset of workforce towards better customer service. - Cost factors involved with training - Cost factors involved in enhanced aesthetics of buses, front offices and bus terminal	- Development of a more customer centric protocol for the company - Organise various customer service training and refresher training especially for front line staff - Review and implement improved bus aesthetics for new buses - Implement additional services to enhance the overall experience of commuters such as bus departures details, bus tracking, onboard info system, digital destinations boards, easier access to bus schedule	NDS Priority 6 / SDG Goal 11

6.7.2 Outlook of Financial Strategy

6.7.2.1 Projected Financial Position of Seychelles Public Transport Corporation

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
ASSETS							
Non-current assets							
Property and equipment	97,554	93,361	84,625	107,171	161,137	347,598	311,559
	97,554	**93,361**	**84,625**	**107,171**	**161,137**	**347,598**	**311,559**
Current assets							
Inventories	26,152	22,807	24,501	18,068	27,964	30,454	32,582
Investment in financial assets	16,167	16,571	16,632	16,246	16,246	16,246	16,246
Trade and other receivables	16,001	13,343	13,031	8,481	11,103	10,803	10,953
Cash and cash equivalents	14,686	15,292	7,469	-	-	-	-
	73,006	**68,013**	**61,633**	**42,795**	**55,313**	**57,503**	**59,781**
Total assets	**170,560**	**161,374**	**146,258**	**149,966**	**216,450**	**405,101**	**371,340**
RESERVES AND LIABILITIES							
Reserves							
Retained earnings	44,359	40,725	31,037	24,447	340	(9,564)	(5,594)
	44,359	**40,725**	**31,037**	**24,447**	**340**	**(9,564)**	**(5,594)**
Non-current liabilities							
Deferred grants	61,599	59,401	50,171	54,899	119,652	302,956	251,823
Retirement benefit obligations	30,323	31,056	32,928	28,617	28,617	28,617	28,617
	91,922	**90,457**	**83,099**	**83,516**	**148,269**	**331,573**	**280,440**
Current liabilities							
Deferred grants	19,369	16,976	17,124	18,496	20,534	27,515	46,474
Bank overdraft / unfunded cash requirement (note 1)	-	-	-	5,113	28,913	37,575	34,018
Trade and other payables	14,911	13,216	14,998	18,394	18,394	18,002	16,002
	34,280	**30,192**	**32,122**	**42,003**	**67,841**	**83,092**	**96,494**
Total liabilities	**126,202**	**120,649**	**115,221**	**125,519**	**216,110**	**414,665**	**376,934**
Total reserves and liabilities	**170,561**	**161,374**	**146,258**	**149,966**	**216,450**	**405,101**	**371,340**

6.7.2.2 Projected Statement of Comprehensive Income of Seychelles Public Transport Corporation

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Revenue	189,793	181,491	181,742	180,196	185,717	186,222	188,691
Operating expenses	(73,737)	(73,753)	(68,897)	(69,569)	(78,919)	(59,435)	(44,837)
Operating profit	**116,056**	**107,738**	**112,845**	**110,627**	**106,798**	**126,787**	**143,854**
Administrative expenses	(138,636)	(142,086)	(149,839)	(148,597)	(166,676)	(180,443)	(202,595)
(Charge) / credit for allowance for credit losses	(4,068)	683	519	-	-	-	-
Interest income - banks	186	412	111	325	130	130	130
Other income	30,082	29,564	26,539	30,755	35,641	43,622	62,581
(Loss) / profit before foreign exchange movement	**3,620**	**(3,689)**	**(9,825)**	**(6,890)**	**(24,107)**	**(9,904)**	**3,970**
Foreign exchange movements	15	55	137	300	-	-	-
(Loss) / profit for the year	**3,635**	**(3,634)**	**(9,688)**	**(6,590)**	**(24,107)**	**(9,904)**	**3,970**
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the year	**3,635**	**(3,634)**	**(9,688)**	**(6,590)**	**(24,107)**	**(9,904)**	**3,970**
Memorandum - capital grants							

Capital grants received in the year	*39,990*	*12,385*	*8,042*	*24,596*	*87,325*	*217,800*	*14,300*
Capital grants released to profit or loss	*(19,369)*	*(16,976)*	*(17,124)*	*(18,496)*	*(20,534)*	*(27,515)*	*(46,474)*
Closing deferred grant balance	*80,968*	*76,377*	*67,295*	*73,395*	*140,186*	*330,471*	*298,297*

6.7.2.3 Projected Cash flow Statement of Seychelles Public Transport Corporation

SCR ('000)

Description	**Actual Figures**			**Provisional**	**Forecast**		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Cash flows from operating activities							
(Loss) / profit for the year	**3,635**	**(3,634)**	**(9,688)**	**(6,590)**	**(24,107)**	**(9,904)**	**3,970**
Adjustments for:							
Depreciation on property and equipment	20,281	20,504	18,417	20,454	24,034	31,339	50,339
Release of deferred grants to profit or loss	(19,369)	(16,976)	(17,124)	(18,496)	(20,534)	(27,515)	(46,474)
Charge for retirement benefit obligations	5,733	5,376	5,505	-	-	-	-
Other non-cash adjustments (note 4)	3,859	(965)	983	-	-	-	-
	14,139	**4,305**	**(1,907)**	**(4,632)**	**(20,607)**	**(6,080)**	**7,835**
Changes in working capital							
- Decrease / (increase) in inventories	(1,785)	3,346	(1,695)	6,433	(9,896)	(2,490)	(2,128)
- Decrease / (increase) in trade and other receivables	(11,632)	3,341	616	4,550	(2,622)	300	(150)
- Increase / (decrease) in trade and other payables	1,337	(1,695)	1,782	3,396	-	(392)	(2,000)
Cash generated from / (used in) operations	**2,059**	**9,297**	**(1,204)**	**9,747**	**(33,125)**	**(8,662)**	**3,557**
Retirement benefit obligations paid	(2,872)	(4,643)	(3,718)	(4,311)	-	-	-
Net cash inflow / (outflow) from operating activities	**(813)**	**4,654**	**(4,922)**	**5,436**	**(33,125)**	**(8,662)**	**3,557**
Cash flows from investing activities							
Purchase of property and equipment (note 5)	(6,859)	(3,927)	(3,176)	(43,000)	(78,000)	(217,800)	(14,300)
Proceeds from sale of motor vehicles	281	-	65	-	-	-	-
Net redemption / (purchase) of investments in financial assets	(3)	(118)	185	386	-	-	-
Net cash (outflow) from investing activities	**(6,581)**	**(4,045)**	**(2,926)**	**(42,614)**	**(78,000)**	**(217,800)**	**(14,300)**
Cash flows from financing activities							
Capital grants received (note 2)	-	-	-	24,596	87,325	217,800	14,300
Net cash inflow from financing activities	**-**	**-**	**-**	**24,596**	**87,325**	**217,800**	**14,300**
Net increase / (decrease) in cash and cash equivalents	**(7,394)**	**610**	**(7,848)**	**(12,582)**	**(23,800)**	**(8,662)**	**3,557**
Movement in cash and cash equivalents							
At 1 January	22,076	14,686	15,292	7,469	(5,113)	(28,913)	(37,575)
Differences on exchange	5	(4)	24	-	-	-	-
Increase / (decrease) during the year	(7,394)	610	(7,848)	(12,582)	(23,800)	(8,662)	3,557
At 31 December (note 1)	**14,687**	**15,292**	**7,468**	**(5,113)**	**(28,913)**	**(37,575)**	**(34,018)**

6.7.2.4 Projected Capital Investment Plan of Seychelles Public Transport Corporation

SCR ('000)

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Finds	Year of Project Commenced	Expected Completion Date	Actual Figures			Provisional	Forecast			Anticipated Risks
							2023	2024	2025	2026	2027	2028	2029	
Major Capital Investments														
ERP System	Business process automation	Improved efficiency & reporting	2,000	govt	Q1-2027	Q4-2027		-	-	-	2,000	-	-	-
Development of Praslin depot (Ile Eve)	Construction of bus depot	Enhanced depot capacity & operation	12,385	govt	Q4-2025	Q4-2028	-	-	385	2,000	4,000	6,000	-	-
Bus Washing Machine	Automated bus cleaning system	Improved fleet cleanliness	1,294	govt				1,294						
IT infrastructures	ICT infrastructure upgrade	Improved ICT capacity &reliability	2,057	govt			2,057		-	-	-	-	-	-
Building infrastructure / Expansion	Facility expansion works	Additional space for operations					-	-	-	-	-	-	-	-
TMU Machines for new buses	Bus fare management system	Improved fare & data management	12,979	govt	Q1 -2027	Q3-2027	3,283	4,130	2,066	-	3,500-	-	-	-
Ile Du Port Depot infrastructure	Depot infrastructure development	Enhanced depot & fleet management	14,900	govt	Q1-2027	Q4-2029	-	-	-	-	3,300	8,300	3,300	-
Vehicles/Buses	Fleet replacement and expansion	Improved fleet reliability & capacity	34,800	govt	Q1-2026	Q4-2026	33,263	5,120		34,800	-	-	-	-
POS Machines	Electronic payment system	Enhanced cashless fare collection					-	-	-	-	-	-	-	-
Destination Boards / Tools	Passenger information displays	Improved passenger information	3,000	govt	Q3-2026	Q42027	-	-	-	1,500	1,500-	-	-	-

Computer / Accessories	Computer equipment upgrade	Enhanced staff productivity						-	-	-	-	-	-	-
IT equipment	ICT equipment procurement.	Strengthened digital capabilities					-	44		-	-	-	-	-
Building infrastructure/ Renovation	Building renovation works	Improved facilities & safety	4,000	govt	Q1-2028	Q42029	181	895	843	-	-	3,000	1,000	-
Install CCTV on SPTC premises	Security surveillance system.	Enhance security & monitoring	1,500	govt	Q2-2027	Q4-2027	1,206		1,470	-	1,500-	-	-	-
Construction of Expatriate staff House Barbaron	Staff housing construction	Staff accommodation provided	16,000	govt	Q1-2027	Q4-2029	-	-	-	-	6,000	6,000	4,000	-
Baie Lazare depot	Depot development project.	Improved reginal operation	2,500	govt	Q1-2027	Q4-2027	-	-	-		2,500	-	-	-
Renovation of New Port	Upgrade facilities	Upgrade operational facilities	14,500	govt	Q4-2026	Q4-2029	-	522		2,500	4,500	4,500	3,000	-
Victoria Terminal - Renovation, Roofing and Railing	Terminal improvement works	Improved passenger safety and comfort	10,000	govt	Q2-2027	Q42029	-	-	-	-	1,000	6,000	3,000	-
Admin vehicles	Administrative vehicle procurement	Enhanced administration mobility	2,400	govt	Q3-2026	Q4-2027	-	-	1,025	1,200	1,200-	-	-	-
Admin Infrastructure upgrade	Admin facility	Modernised administrative facilities	1,000	internal	Q-12026	Q4-2026	-	381	256	1,000	-	-	-	-
Welfare Maintenance Work	Staff welfare improvements	Improved staff welfare & safety	1,000	internal	Q1-2027	Q4-2027	-	-	-	-	1,000		-	-
TOTAL							**39,990**	**12,385**	**6,045**	**43,000**	**32,000**	**33,800**	**14,300**	
TOTAL including EV buses							**39,990**	**12,386**	**6,045**	**43,000**	**78,000**	**217,800**	**14,300**	

6.7.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

6.7.3.1 Tax Implications by the Operations of Seychelles Public Transport Corporation

SCR ('000)

Type of Tax	Actual Figures			Provisional	Forecast			Anticipated Risks
	2023	2024	2025	2026	2027	2028	2029	
Business Tax								
PIT	4,318	7,158	7,834	8,185	8,950	8,950	8,950	
VAT								
Etc..								
TOTAL								

6.7.3.2 Anticipated Dividend Declarations by Seychelles Public Transport Corporation

*****SPTC does not anticipate in declaring any dividend – (any surplus may be used to subsidize services and improve infrastructure.)*

6.7.3.3 Debt Payments Forecasts by Seychelles Public Transport Corporation

**SPTC has no loans and does not anticipate any new borrowing. Its overdraft facility with ABSA Bank Seychelles (SCR 9.2 million, proposed increase to SCR 12.0 million).*

6.7.3.4 Anticipated Subventions and Grants by Seychelles Public Transport Corporation

SCR ('000)

Nature of Funding	Funding Agency	Purpose	Total Agreed Amount (Forex)	Total Receipts of Subventions and Grants						
				Actual Figures			Provisional	Forecast		
				2023	2024	2025	2026	2027	2028	2029
Subventions	Government	**Operating subvention (PPO)**		**8,138**	**10,000**	**5,700**	**6,700**	**6,700**	**6,700**	**6,700**
	IMF									
	ADB									
	EU, etc.									
Grants	Government	**Capital grants, including EV buses from 2027**		**39,990**	**12,385**	**8,042**	**24,596**	**87,325**	**217,800**	**14,300**
	IMF									
	ADB									
	EU, etc.									
TOTAL				**48,128**	**22,385**	**13,742**	**31,296**	**94,025**	**224,500**	**21,000**

6.7.3.5 Contingencies of Seychelles Public Transport Corporation

**SPTC does not anticipate any contingent liabilities*

6.7.3.6 Assumptions used for the Financial Projections of Seychelles Public Transport Corporation

Financial Statement Assumptions

1. Revenue Assumptions

1.1 Passenger Revenue

Daily passenger volumes are projected to remain within the range of 50,000 to 51,500 passengers. Forecasts have been developed using historical passenger data, seasonal travel patterns, and projected growth in cashless ticketing. Passenger volumes are assumed to remain relatively stable throughout the budgeting period.

1.2 Fare Structure

Revenue projections are based on the current fare of SCR 10 per passenger, together with the approved concessionary rates applicable to special passenger categories. No fare revisions are assumed during the forecast period.

1.3 Special Hires and Rental Income

Income from special hires and rental activities is projected based on existing contractual arrangements, prevailing rates, and anticipated contract renewals.

1.4 Interest Income

Interest income is projected on the assumption that fixed deposits maturing during the forecast period will be reinvested under prevailing market conditions from 2026 onwards.

1.5 Private Jobs and Contract Services

Revenue from private jobs and contract services is forecast based on recurring service agreements and anticipated future business opportunities.

1.6 Other Income

Other income comprises the Government operating subvention of SCR 6.7 million per annum, other operating income of SCR 4.95 million in 2026 and SCR 5.4 million per annum thereafter, the release of deferred capital grants (SCR 18.5 million in 2026, SCR 20.5 million in 2027, SCR 27.5 million in 2028 and SCR 46.5 million in 2029), and additional income initiatives of SCR 3.0 million in 2027 and SCR 4.0 million in 2028 and 2029. Total other income is therefore SCR 30.8 million (2026), SCR 35.6 million (2027), SCR 43.6 million (2028) and SCR 62.6 million (2029). The 2026 figure includes an unallocated difference of SCR 0.6 million pending identification.

2. Cost Assumptions

2.1 Operating Expenses

Operating expenses comprise the direct costs associated with bus operations, including fuel, tyres, lubricants, spare parts, stores, and other consumables. These costs are projected based on planned vehicle kilometres, historical consumption rates, and expected operational requirements. Operating expenses are projected at SCR 78.9 million in 2027, SCR 59.4 million in 2028 and SCR 44.8 million in 2029; the 2029 figure is after an operating cost saving of SCR 15.0 million from the EV fleet. The reduction of SCR 19.5 million in 2028 reflects reduced procurement of spare parts and lower fuel and lubricant rates.

2.2 Administrative Expenses

Administrative expenses primarily consist of salaries and wages and are projected based on approved staffing levels, the Scheme of Service, average remuneration levels, planned salary increments, and contractual obligations identified in the Human Resources budget. Administrative expenses also include depreciation of SCR 20.5 million per annum on existing assets, depreciation on new capital investment of SCR 3.6 million (2027), SCR 6.3 million (2028) and SCR 6.9 million (2029), and depreciation on the EV buses of SCR 4.6

million (2028) and SCR 23.0 million (2029). Cost reductions of SCR 5.0 million in 2027 and SCR 9.0 million in 2028 and 2029 are assumed.

2.3 Maintenance and Operational Support Costs

Maintenance and operational support costs are projected based on forecast operational activity levels and divisional budget requirements.

2.4 Service Contracts and Operational Support Services

Cost projections include expected increases in essential operational services such as insurance, and other support contracts required to maintain existing service levels.

2.5 Inflationary Adjustments

A general annual inflation rate of 2.7-3.4% has been applied throughout the projection period. This assumption affects the forecast costs of fuel, tyres, lubricants, spare parts, salaries and wages, raw materials, stores, utilities, and service charges.

2.6 Retirement Benefit Obligations

Provisions for Retirement Benefit Obligations are based on the employee compensation framework developed by the Human Resources Division in compliance with relevant Government circulars and employment regulations. No retirement benefit charge or payments are forecast for 2027 to 2029 (2026: payments of SCR 4.3 million); this assumption is to be confirmed.

3. Capital Expenditure (CAPEX) Assumptions

3.1 Capital Investment Programmed

Capital expenditure projections include requirements identified by the Technical, Information Technology, Corporate Services, Operations, Human Resources, and Administration Divisions. Planned investments include:

- Fleet replacement programmed.
- Depot expansion projects.
- Infrastructure upgrades.
- Property renovations.
- Enterprise Resource Planning (ERP) systems.
- Information technology enhancements; and
- Specialized equipment and tools.

All capital projects are derived from divisional budgets and are subject to management review and Board approval.

3.2 Capital Funding

Capital expenditure follows the Projected Capital Investment Plan: SCR 43.0 million in 2026, SCR 32.0 million in 2027, SCR 33.8 million in 2028 and SCR 14.3 million in 2029, plus the EV buses (SCR 46.0 million in 2027 and SCR 184.0 million in 2028). Government-funded projects are financed by capital grants: SCR 24.6 million in 2026 (provisional), SCR 41.3 million in 2027 and grants equal to the government-funded additions in 2028 and 2029 (SCR 33.8 million and SCR 14.3 million), plus 100% of the EV bus cost. The 2027 grant exceeds government-funded additions of SCR 31.0 million by SCR 10.3 million, which is held in deferred grants pending application to qualifying capital expenditure. Internally funded projects (SCR 1.0 million in 2026 and 2027) are met from SPTC cash. No borrowing has been assumed to fund the capital programme.

3.3 Depreciation and Release of Capital Grants

New assets are capitalised on completion and depreciated on a straight-line basis from the year after the completion date shown in the Capital Investment Plan; spend on projects completing in 2029 remains in capital work in progress. Useful lives are 20 years for buildings and depots, 10 years for renovations and buses, and 5 years for motor vehicles, software, equipment and IT, subject to confirmation against SPTC accounting policies. Depreciation on new capital investment is SCR 3.6 million (2027), SCR 6.3 million (2028) and SCR 6.9 million (2029). Deferred capital grants on existing assets are released at 90.4% of depreciation (the 2023-2025 average); grants on new assets and the EV buses are released in line with the depreciation of the grant-funded assets.

3.4 Electric Bus Programme

SPTC plans to acquire 20 electric buses in 2027 and 80 in 2028 at SCR 2.3 million each (SCR 230.0 million in total), fully funded by Government capital grant and depreciated over 10 years from the year after delivery. The EV fleet is expected to reduce operating costs by SCR 15.0 million in 2029.

4. Working Capital Assumptions

4.1 Inventory Management

Inventories are projected to increase to SCR 28.0 million in 2027 (2026: SCR 18.1 million), and to SCR 30.5 million in 2028 and SCR 32.6 million in 2029. This reflects the increased stocking requirements for new fleet spare parts and the continued holding of slow-moving inventory associated with older vehicle fleets. The rate of increase slows from 2028 (9%, compared with 55% in 2027) as operations draw on the spare parts stocked in 2027, allowing procurement of new spares to be reduced.

4.2 Trade Receivables

Trade and other receivables are projected at SCR 11.1 million in 2027 (2026: SCR 8.5 million) and at around SCR 10.8 million to SCR 11.0 million in 2028 and 2029, equivalent to about 21 to 22 days of revenue. Improved debt collection processes and receivables management practices are expected to hold receivables at this level.

4.3 Trade Payables

Trade and other payables are projected to remain at approximately SCR 18.4 million in 2027, before reducing to SCR 18.0 million in 2028 and SCR 16.0 million in 2029. No further extension of supplier payment terms beyond the position at 31 December 2026 has been assumed over the forecast period.

4.4 Cash Flow and Funding Requirements

The projections show a net cash requirement of SCR 5.1 million at 31 December 2026, SCR 28.9 million at 31 December 2027, SCR 37.6 million at 31 December 2028 and SCR 34.0 million at 31 December 2029. SPTC holds an overdraft facility of SCR 9.2 million with ABSA Bank Seychelles, secured by pledged fixed deposits, and an increase to SCR 12.0 million is being proposed. The requirement above the facility is presented within current liabilities as an unfunded cash requirement; no financing inflow or overdraft interest has been included in the projected cash flow statement. Resolution of this requirement, whether through Government support, an additional banking facility or measures to improve the operating result, is a precondition for the delivery of this MTFS and is the subject of ongoing engagement with the shareholder. Reserves fall to SCR 0.3 million at the end of 2027 and are negative at the end of 2028 and 2029.

SPTC's ability to achieve the objectives of its 2027-2029 MTFS is dependent on securing adequate funding, maintaining operational efficiency, and effectively managing financial and operational risks. Key risks include funding and liquidity constraints, ongoing operating deficits, rising operating costs, capital project implementation delays, and fleet reliability challenges. To mitigate these risks, the Corporation will strengthen revenue generation, enhance cost controls, align capital investments with approved funding sources, maintain close engagement with Government, and improve financial management and governance processes. Through these measures, SPTC aims to improve financial sustainability, maintain reliable public transport services, and successfully deliver its strategic objectives over the MTFS period.

6.7.4 KPIs, Risk Management Strategy and Reporting Obligations

6.7.4.1 Key Performance Indicators of the SPTC

Title of Key Performance Indicators	Description	Targeted Strategic Priority	Achievements of KPIs						
			Actual Figures			Provisional	Forecast		
			2023	2024	2025	2026	2027	2028	2029
Strategic									
Operational	Operated KM		5,400	5,733,	6,168,	6,096,	6,096,	6,096,	6,096,
	Operated Trips	Optimize network efficiency and asset utilization	462	462,	462,	4,86,	486,	4,86,	486,
	Fuel Consumption		2,347,	2,633,	2,424,	2,400,	2,376,	2,376,	2,376,
	PAX per KM	Increase revenue and enhance service utilization	2	3	2	3	3	3	3
Financial									
	Cost Per KM	Enhance overall operational profitability and cost control	31	35	35	32	37	36	37
	Fuel Consumption	Reduce operational costs and improve environmental sustainability	2,347,	2,633,	2,424,	2,400,	2,376,	2,376,	2,376,
Other - e.g. Compliance, Governance									

6.7.4.2 Risks and Resilience Plan of the Seychelles Public Transport Corporation

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	Delays in, or failure to undertake, critical infrastructure development projects.	• Establish robust legal agreements for all infrastructure projects. • Maintain comprehensive insurance coverage for construction activities. • Implement regular project monitoring and review mechanisms.
Financial Risks	Unexpected financial losses and significant fiscal exposure affecting SPTC's sustainability.	• Develop and implement a financial risk assessment framework. • Conduct periodic financial reviews during management meetings. • Strengthen risk reporting, monitoring, and internal control mechanisms. • Enhance forecasting and budget management processes.
Operational Risks	Revenue-generating initiatives are not implemented or fail to achieve expected outcomes.	• Set clear financial and operational performance targets. • Develop and evaluate alternative business and revenue-generation plans. • Conduct market research to identify and diversify revenue streams. • Monitor project implementation and performance regularly.
PESTEL Risks	Traditional organizational culture and resistance to change among employees may hinder transformation efforts.	• Provide training focused on value creation and organizational change management. • Strengthen employee performance measurement and accountability systems. • Foster teamwork, collaboration, and a culture of continuous improvement. • Enhance communication and employee engagement initiatives.

6.7.4.3 List of External Reporting's by the Seychelles Public Transport Corporation

	Name/Title of Report	Recipients of the Report	Purpose and Content of the Report	Frequency and Timing	Submitted (Yes/No)
	Audited Financial Report	Board of Directors, Parent Ministry, Ministry of Finance (MoF), Public Enterprise Monitoring Commission (PEMC)	Provides an independent auditor's opinion on the accuracy, completeness, and fairness of the Corporation's Financial Statements. It also assesses the adequacy of internal controls and compliance with applicable accounting standards, laws, and regulations.	Annually (Beginning of the 2nd Quarter)	**Yes**
	Annual Report	Board of Directors, Parent Ministry, Ministry of Finance (MoF), Public Enterprise Monitoring Commission (PEMC)	Presents a comprehensive overview of the Corporation's activities, operational performance, key achievements, and progress made during the financial year.	Annually (Beginning of the 2nd Quarter)	**Yes**
	Access to Information Annual Report	Information Commission	Summarizes all requests for information received and processed by the Corporation during the reporting year, in accordance with the Access to Information Act.	Annually (Beginning of the 2nd Quarter)	**Yes**

6.7.5 Stakeholder Engagement

6.7.5.1 Statement by the Responsible Minister

**Not Provided*

Minister for Transport Ports and Civil Aviation

6.7.5.2 Foreword by Chairperson

SPTC has served the people of Seychelles since 1977 and has continuously evolved in response to the development of our country and the changing expectations of the communities we serve. Our enduring commitment, reflected in the motto "Tou zour La", remains as relevant today as it has throughout our history: to remain present, dependable and committed to providing an efficient, adequate and economical public transport service.

The SPTC Strategic Plan 2026–2030 marks an important new phase in the Corporation's development. It establishes a clear pathway towards a more customer-centric, sustainable, technologically enabled and commercially responsible organisation. The strategy recognises that the future of public transport cannot be achieved through fleet replacement alone; it requires transformation across infrastructure, technology, people, operations, customer service and financial management.

A central pillar of this transformation is fleet electrification. The introduction of the first two electric buses is a significant milestone for SPTC and for Seychelles. It represents the start of a carefully phased transition which will be informed by operational evidence, including the performance of electric buses across Seychelles' topography, route requirements, charging capabilities, range, maintenance considerations and passenger experience. The Board recognises that successful electrification will require not only the acquisition of vehicles, but also investment in charging infrastructure, technical capability, operational planning and appropriate supporting systems.

The strategy also places the customer at the centre of SPTC's transformation. Modern ticketing and payment solutions, improved passenger information, digital services, connectivity, fleet monitoring and enhanced facilities will contribute to a more convenient, predictable and responsive travel experience. At the same time, stronger internal controls, improved productivity, financial discipline and the development of additional revenue opportunities will support the Corporation's long-term sustainability.

The Board of Directors is committed to providing the governance, oversight and strategic direction necessary to deliver these objectives. We recognise that the successful implementation of the Strategic Plan depends on meaningful engagement with Government, employees, customers, partners, suppliers, regulators, communities and other stakeholders.

The 2026–2030 Strategic Plan is therefore more than a plan for SPTC; it is a roadmap for transforming public transport in Seychelles. The Board remains committed to ensuring that the Corporation continues to move forward with purpose, responsibility and innovation, while remaining faithful to its mandate and to the people it serves.

Name: ANDY MONNEREY

Signature:

Date: 27/08/26

6.7.5.3 Statement by the Chief Executive Officer

The SPTC Strategic Plan 2026–2030 provides the Corporation with a clear framework for transforming the way we operate, serve our customers and contribute to the future development of Seychelles. It builds on the foundations established over many years while recognising that the public transport environment is changing rapidly and that SPTC must continuously adapt to remain relevant, efficient and sustainable.

Our strategic direction is centred on three important ambitions: putting the customer first, accelerating the transition towards green mobility, and developing smart transport solutions supported by digitalisation and innovation. These ambitions are underpinned by a strong focus on operational efficiency, financial sustainability, infrastructure modernisation and the development of our people.

The transition towards electric mobility is one of the most significant elements of this transformation. The arrival of the first two electric buses represents the beginning of a wider phased electrification programme for SPTC. The initial buses will provide an important opportunity to test and evaluate the technology under actual Seychelles operating conditions. This includes assessing vehicle performance on our varied topography, range, charging requirements, route suitability, maintenance needs, passenger experience and the impact on network planning and operational efficiency. The

knowledge gained from this pilot will guide future fleet investment and the progressive development of the supporting charging and depot infrastructure.

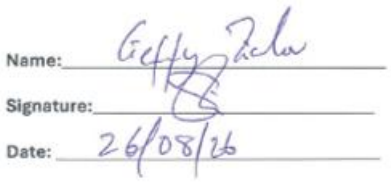
Our transformation will, however, extend well beyond electrification. We will continue to modernise our ticketing and payment systems, strengthen digital passenger services, improve fleet and route monitoring, enhance passenger information and connectivity, and use better operational data to improve service reliability and network performance. We will also continue investing in our depots, terminals, workshops and other facilities so that our infrastructure is capable of supporting a modern public transport system.

Equally important is the transformation of our organisation and our people. New technologies and new buses require new skills, new working practices and a culture that embraces innovation, accountability, customer service and continuous improvement. We will therefore continue to invest in capacity building and in strengthening performance across all levels of the Corporation.

Financial sustainability will remain an important consideration throughout implementation of the Strategic Plan. SPTC must continue to improve productivity, manage costs prudently, optimise the use of its assets and develop appropriate commercial and revenue-generating opportunities while maintaining the affordability and accessibility of public transport.

The successful delivery of this strategy cannot be achieved by SPTC alone. It requires a strong partnership with Government, the Board, our employees, customers, suppliers, technology providers, development partners, regulators and the wider community. We will therefore continue to engage our stakeholders openly and meaningfully as we implement this transformation.

As we move towards 2030, our objective is clear: to build an SPTC that is modern, sustainable, customer-focused, digitally enabled and operationally resilient. We remain committed to our national mandate and to ensuring that SPTC continues to be “Touzour La” — always there for Seychelles and its people.



6.8 Seychelles Petroleum Company Group Ltd. (SEYPEC)

6.8.1 Strategic Overview

6.8.1.1 Mandate

Fulfilling the country's energy requirements through the supply of fuel across the domestic market, bunkering of vessels, and aviation refuelling activities.

6.8.1.2 Vision

To become the leading oil company in the Western Indian Ocean, making Seychelles a regional and strategic hub for petroleum-related activities.

6.8.1.3 Mission

To ensure the security of supply of petroleum for Seychelles energy needs and in doing so, provide its customers with fast, responsive and reliable services and quality products. SEYPEC engages directly or indirectly in all petroleum-related activities that adds value to its business

6.8.1.4 Strategic Priorities, Challenges, and Initiatives with NDS and SDG Alignment

**SEYPEC is currently in the process of developing its next Strategic Plan for the period 2027–2030. This new strategy will define the company's key priorities, focus areas, and investment directions for the medium term, considering evolving market conditions, national development objectives, and internal performance benchmarks. The Strategic Plan is expected to be finalised and approved by the end of 2026, following a comprehensive internal and external consultation process.*

In the meantime, the company continues to be guided by its Statement of Corporate Intent (SCI) 2026–2027, endorsed by the board, which outlines SEYPEC's current strategic framework, including its operational goals, financial targets, and sustainability commitments. For reference and continuity, a copy of the SCI will be submitted alongside this budget document.

6.8.2 Outlook of Financial Strategy

6.8.2.1 Projected Financial Position of SEYPEC

USD ('000)

Description	Actual Figures			Provisional	Forecast		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
ASSETS							
Non-current assets							
Property, plant and equipment	167,413	153,507	119,026	117,755	118,630	121,547	113,442
Right-of-use assets	2,174	2,138	2,099	2,061	2,022	1,982	1,941
Intangible Assets	1,272	1,017	763	508	298	118	
Investment in subsidiaries		10,800	74,387	62,895	52,715	34,541	16,551
Investment in financial assets		674	663	21,283	21,904	22,537	23,183
	170,859	**168,136**	**196,938**	**204,503**	**195,568**	**180,726**	**155,118**
Current assets							
Inventories	15,273	18,199	21,550	21,550	21,550	21,550	21,550
Tax recoverable	378			5,940	11,880	17,820	23,759
Trade and other receivables	34,278	36,970	40,447	44,235	48,113	51,991	55,869
Cash and cash equivalents	89,354	93,006	80,683	83,396	124,364	167,879	219,731
	139,283	**148,174**	**142,680**	**155,121**	**205,907**	**259,240**	**320,911**
Non-current asset held for sale							
Total assets	**310,142**	**316,311**	**339,618**	**359,624**	**401,475**	**439,966**	**476,029**
EQUITY AND LIABILITIES							
Capital and reserves							
Share capital	3,299	3,299	3,299	3,299	3,299	3,299	3,299
Other reserves	223,396	218,941	215,695	215,695	215,695	215,695	215,695
Retained earnings	31,856	45,538	68,999	62,035	97,755	131,667	164,134
	258,552	**267,778**	**287,993**	**281,030**	**316,750**	**350,661**	**383,129**
LIABILITIES							
Non-current liabilities							
Lease liabilities	2,370	2,370	2,365	2,363	2,363	2,363	2,363
Deferred tax liabilities	3,471	3,136	2,081	2,081	2,081	2,081	2,081
Length of Service Provision	2,400	2,549	2,669	2,820	3,008	3,194	3,376
				26,013	22,160	18,307	14,454
	8,241	**8,054**	**7,115**	**33,277**	**29,613**	**25,945**	**22,275**
Current liabilities							
Lease liabilities			1	1	1	1	1
Trade and other payables	43,348	40,478	42,851	42,700	42,512	42,327	42,145
Short-Term Liability				958	3,853	3,853	3,853
Current Tax Liability			1,658	1,658	8,747	17,179	24,627
Total liabilities	**51,590**	**48,533**	**51,625**	**78,594**	**84,725**	**89,305**	**92,900**
Total equity and liabilities	**310,142**	**316,311**	**339,618**	**359,624**	**401,475**	**439,966**	**476,029**

6.8.2.2 Projected Statement of Comprehensive Income of SEYPEC

USD ('000)

Description	Actual Figures			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Revenue	469,010	447,216	451,841	556,811	585,167	617,594	602,860
Cost of Sales	(430,757)	(410,552)	(421,816)	(531,493)	(503,658)	(530,626)	(523,909)
Gross profit	**38,253**	**36,664**	**30,024**	**25,318**	**81,509**	**86,968**	**78,951**
Selling & marketing expenses	(34)	(22)	(24)	(474)	(221)	(243)	(253)
Administrative expenses	(13,435)	(13,711)	(15,329)	(48,257)	(46,039)	(45,318)	(39,373)
Other income	6,967	9,647	10,474	13,249	12,757	6,504	6,028
Reversal/(charge) of credit impairment	(176)	3,224	(4,014)	(3,788)	(3,878)	(3,878)	(3,878)
Other gains/(losses)-Net	3,390	(3,671)	6,203	6,502			
	34,965	**32,132**	**27,333**	**(7,450)**	**44,128**	**44,033**	**41,475**
Finance costs	(208)	(201)	(230)	(254)	(380)	(377)	(374)
Finance income	9	21	941	740	755	770	786
Profit / (loss) before taxation	**34,766**	**31,952**	**28,044**	**(6,964)**	**44,502**	**44,426**	**41,887**
Taxation (charge) / credit	(4,463)	(7,152)	(6,898)		(8,782)	(10,515)	(9,420)
Profit/(loss) for the year	**30,304**	**24,800**	**21,146**	**(6,964)**	**35,720**	**33,911**	**32,467**

6.8.2.3 Projected Cash flow Statement of Seychelles Petroleum Company Ltd.

USD ('000)

Description	Actual Figures			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Cash generated from / (used in)							
operations	36,698	38,457	33,041	38,411	69,875	93,620	101,485
Finance income	-	-	(940)	(740)	(755)	(770)	(785)
	36,698	38,457	32,100	37,671	69,120	92,850	100,700
Tax paid 18(a)	(6,497)	(5,778)	(7,626)	(1,658)	(10,346)	(20,167)	(29,004)
Retirement benefit obligations paid 16	(529)	(745)	(980)	(230)			
Net cash generated / (used in) from operating activities	**29,672**	**31,934**	**23,494**	**36,013**	**58,774**	**72,683**	**71,695**
Cash flows from investing activities							
Purchase of property and equipment	(2,861)	(3,092)	(3,788)	(6,223)	(8,568)	(10,800)	
Proceeds from sale of equipment	-	6	39				
Prepayment for tankers	-	(10,800)	(16,410)				
Repayment of lease liability	(3)	(0)	(5)	(38)	(39)	(39)	(40)
Movement in investment in subsidiaries	-	-	(6,944)	(5,501)	(3,482)	(11,613)	(13,090)
Addition to financial assets	-	(674)	12	(21,283)	663	663	663
Redemption of financial assets	-	-					
Finance costs net	(198)	(180)	711	(254)	(380)	(377)	(374)
Net cash generated from investing activities	**(3,063)**	**(14,741)**	**(12,497)**	**(33,300)**	**(11,806)**	**(22,168)**	**(12,842)**
Cash flows from financing activities							
Dividends and Net cash used in financing activities	(17,150)	(16,675)	(16,525)		(6,000)	(7,000)	(7,000)
Net increase / (decrease) in cash and cash	**9,460**	**518**	**(5,528)**	**2,713**	**40,968**	**43,515**	**51,853**
Movement in cash and cash equivalents							
At January 1,	81,901	89,354	93,006	80,683	83,396	118,363	154,879
Increase / (Decrease)	9,460	518	(5,528)	2,713	34,968	36,515	44,852
Foreign exchange differences	(2,006)	3,134	(6,795)				
At December 31	**89,354**	**93,006**	**80,683**	**83,396**	**124,364**	**167,879**	**219,731**

6.8.2.4 Projected Capital Investment Plan of Seychelles Petroleum Company Ltd.

USD (000)

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures			Provisional	Forecast			Anticipated Risks
							2023	2024	2025	2026	2027	2028	2029	
1. Major Capital Investments														
	Install gasoil tank at Belombre reclaimed land			Internal	Dec 2025					48,638				
	Construction for bund containment for all gasoil tanks for Firefighting pumps on Victoria depot			Internal	Apr 2026					9,728				
	Construct superstructure for vehicle parking and washing shed on Praslin depot			Internal	Jan 2026					29,183				
	Replace fence with boundary wall on Praslin depot - facing road and former inter-island jetty			Internal	Jan 2026					162,127				
	Divert tanker loading and discharge points and pipelines at Commercial port			Internal						194,553				
	Relocation of sea water pumping station at the Commercial port			Internal	Jan 2026					1,945,525				
	Upgrade gate no. 2 Security guard house to tower type on Victoria depot			Internal	Feb 2026					22,698				
	Install boom gate and security guard kiosk at Distribution center entry on Victoria depot. Extend canopy of security guard kiosk at exit			Internal	Apr 2026					22,698				

	Convert swing gate to sliding gate and install gate motor between Distribution center and Main depot at Victoria			Internal	Apr 2026					6,485				
	Piping to new bulk loading gantry			Internal	Feb 2026					32,425				
	Retention for Eve Island boat refueling station			Internal	Jun 2026					23,123				
	Repairs to product discharge jetty on Praslin depot			Internal	Nov 2025					97,276				
	Lay concrete on parking area opposite of LPG admin building and to relocate bin site			Internal						8,106				
	Install new 45m3 mogas UST at Victoria South petrol station			Internal							95,785			
	Install new 45m3 mogas UST at Victoria North petrol station			Internal							95,785			
	Install 2 nos. mobile toilets on port Victoria depot			Internal							6,386			
	Installation of spray rings under jet a1 pump house and vehicle parking shed airport depot			Internal							31,928			
	Walkway for safe walking zone on Victoria depot - Phase 2			Internal							31,928			
	Extension to tyre repair shop at VNPS for tea room and toilet facilities			Internal							38,314			

	Redevelopment of bunker truck parking area			Internal							127,714			
	Relocation of laboratory			Internal							47,893			
	Cover for hose rack at south tank farm			Internal							31,928			
	Relocation of sea water pumping station at the commercial port			Internal							957,854			
	Install gasoil storage and dispensing facility at Bel ombre SFA premises			Internal							47,893			
	Setting up of new maintenance workshop			Internal							63,857			
	Installation of water sprinkler at the product pump house and Vehicle shed at Airport depot			Internal							32,425			
	Reallocation Airport Depot			Internal							150,000			
	Renovation of existing admin building on Praslin depot			Internal							31,928			
	Change roof and side sheets on lubricant shed on Port Victoria depot			Internal							76,628			
	Replace chain-link fencing with solid wall port Victoria depot (animal feed factory boundary)			Internal							159,642			
	Structural repairs to floor, shell and roof			Internal							1,277,139			

	of fuel tanks 26, 27 & 28													
	Structural repairs to floor of fuel tanks 23 & 24		**Internal**								638,570			
	Repairs to Praslin depot discharge jetty		**Internal**								510,856			
	Maintenance and repainting of interior & exterior of main building on Praslin depot		**Internal**								32,425			
	Refurbish Staff facilities		**Internal**								3,831			
	Bin site for EMW & VW		**Internal**								3,193			
	Replace fence with boundary wall in South tank farm facing animal feed factory up to gate no. 2 on Victoria depot		**Internal**								162,127			
	Divert tanker loading and discharge points and pipelines at commercial port		**Internal**								191,571			
2. Replacements and upkeep of Assets (PPE)														
	Leasehold & Buildings						-	-	-		151,400			
	Furniture & Fittings						141,150	180,354	107,074	35,163	41,044			
	Plant & Equipment						1,267,776	844,043	793,346	3,264,195	3,005,751			
	Vehicles & Refuellers						295,327	422,162	1,023,239	321,012	522,156			
	New Tankers											10,800,000		
TOTAL							**1,704,253**	**1,446,559**	**1,923,659**	**6,222,935**	**8,567,955**	**10,800,000**		

6.8.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

6.8.3.1 Tax Implications by the Operations of Seychelles Petroleum Company Ltd.

USD (000)

Type of Tax	Actual Figures			Provisional	Forecast			Anticipated Risks
	2023	2024	2025	2026	2027	2028	2029	
Business Tax	6,874	6,566	8,059	7,686	7,568	7,444	7,329	
PIT	534	620	652	614	604	595	585	
VAT								
WHT	3	43	872	251	247	243	239	
EXCISE	56,347	53,707	55,750	54,995	54,152	53,268	52,444	
GST	960	1,111	1,019	1,636	1,611	1,585	1,560	
TOTAL	**64,717**	**62,047**	**66,353**	**65,182**	**64,183**	**63,135**	**62,159**	

6.8.3.2 Anticipated Dividend Declarations by Seychelles Petroleum Company Ltd.

USD ('000)

Nature of Dividend	Actual Figures			Provisional	Forecast			Anticipated Risks Conditions/Justifications
	2023	2024	2025	2026	2027	2028	2029	
Dividends in Cash	(17,150)	(16,675)	(16,525)		(6,000)	(7,000)	(7,000)	Depends on SEYPEC Financial performance
Dividends in lieu of Cash								
TOTAL	**(17,150)**	**(16,675)**	**(16,525)**		**(6,000)**	**(7,000)**	**(7,000)**	

6.8.3.3 Debt Payments Forecasts by Seychelles Petroleum Company Ltd.

** SEYPEC as the company is not taking on new loan.*

Lending Organization	Description	Purpose of Borrowings	Total Debt Amount (Capital)	GoS as guarantor (YES/NO)	Total Borrowings and Debt Servicing						
					Actual Figures			Provisional	Forecast		
					2023	2024	2025	2026	2027	2028	2029
TOTSA FINANCING ARRANGEMENT	Borrowings	**40% Fuel Supply arrangement**						(26,970)	(26,013)	(22,160)	(18,307)
	Interest for the Year							(45)	(179)	(179)	(179)
	Repayment of Capital							957	3,853	3,853	3,853
	Balance carried forward							**(26,013)**	**(22,160)**	**(18,307)**	**(14,454)**
SUB TOTAL (only Guaranteed by GOS)											
TOTAL								**(26,013)**	**(22,160)**	**(18,307)**	**(14,454)**

6.8.3.4 Anticipated Subventions and Grants by Seychelles Petroleum Company Ltd.

**SEYPEC does not anticipate in obtaining any subventions or grants.*

6.8.3.5 Contingencies of Seychelles Petroleum Company Ltd.

**SEYPEC does not anticipate any contingent liabilities*

6.8.3.6 Assumptions used for the Financial Projections of Seychelles Petroleum Company Ltd.

Exchange rate

USD Rate: 15.42 used for 2026. 15.66 for 2027; 15.92 for 2028 and 16.17 for 2029

Sales

Actual average trends of sales and demand across the different customer segments have been used to derive the forecast for 2026 & 2027-2029 budgets. Based on analysis of these trends it is expected that there will be a yearly increase per product per segment.

Duties and Taxes

No change anticipated in Government duties and Taxes for 2026-2029

Prices

Prices as of end of June 2026, is based on actual prices from January to September (current cargo in stock) and also considering TOTSA proposed agreement. The estimated price from September to December 2026 is inclusive of a proposed premium of USD10.08. Prices for 2027 have been modelled to return to normal from April 2027 onwards. For the year 2028-2029 the purchase price of bulk products (from TOTSA), will be based on prices from the year 2027.

Selling Prices per category of products for the forecast 2026, is based on actual prices from Jan-July 2026 and upcoming cargoes for the remainder of the year. Prices for 2027 is based on average historical prices for the year 2024 to Q1 2026 with the assumptions that prices will stabilize by end of Q1 2027. Selling Prices per category of products for the year 2028 & 2029 is based on prices for the year 2027

Tankers

Deep sea fleet assumed MT Progress to be disposed at the end of Q3 2026 and MT Pioneer assumed to be in operation until Mar 2027 for disposal by April 2027.The two new Tankers MT Seychelles Prosperity expected delivery, and therefore employment, in Oct 2026 and MT Seychelles Pearl expected delivery, and therefore employment in Dec 2026. Seychelles Prelude has been assumed to be in operation until November 2028 and Seychelles Patriot in operation until December 2029

Dividend

The proposed shareholder dividend of SCR108m (USD7M) included in the approved 2026 Budget is no longer forecasted to be declared or paid FY2026, following discussions with the Ministry responsible for Finance earlier this year given the current domestic fuel oil price support being absorbed by SEYPEC and the reforecast loss for the Company at the end of the FY2026.

6.8.4 KPIs, Risk Management Strategy and Reporting Obligations

6.8.4.1 Key Performance Indicators of the Seychelles Petroleum Company Ltd.

**SEYPEC is currently in the process of developing its next Strategic Plan for the period 2027–2030. This new strategy will define the company's key priorities, focus areas, and investment directions for the medium term, considering evolving market conditions, national development objectives, and internal performance benchmarks. The Strategic Plan is expected to be finalised and approved by the end of 2026, following a comprehensive internal and external consultation process.*

In the meantime, the company continues to be guided by its Statement of Corporate Intent (SCI) 2026–2029, endorsed by the board, which outlines SEYPEC's current strategic framework, including its operational goals, financial targets, and sustainability commitments. For reference and continuity, a copy of the SCI will be submitted alongside this budget document.

6.8.4.2 Risks and Resilience Plan of the Seychelles Petroleum Company Ltd.

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	Misalignment between MTFS assumptions and Government Policy Shifts	Regular alignment with MoF, scenario planning built into MTFS cycles
	Overextension due to ambitious vessel replacement and other capital investment plans	Phased investments, stress-testing demand and financing assumptions
	Key personnel dependency risk	Clear delegation of authority, documented Standard Operating Procedures and Documented Succession and Business Continuity Plans
Financial Risks	Revenue Volatility driven by fuel price fluctuations	Conservative pricing assumptions, sensitivity analysis, margin buffers
	Foreign exchange exposure	FX monitoring and treasury oversight, cash investments
	Liquidity pressure from large capital commitments, for example, new tankers/TOTSA Financing arrangement	Cash flow forecasting, lender engagements aligned with staged payments, flexibility included in lender agreements
	Tanker market fluctuations	Market assessments and monitoring and flexibility in vessel trades (spot vs time)
Operational Risks	Third party dependency (suppliers, contractors, service providers)	Strong contract management and stock buffers
	Capacity strain on key control functions	Role clarity, succession planning
	Lack of certain documented processes and policies leading to inconsistency, key person dependency and control gaps	Prioritize development and approval of core SOPs and Policies, process mapping of critical activities, periodic revisions and staff training to embed practice
Other E.g. Governance & Compliance	Policy interventions in pricing or service obligations	Transparent MTFS assumptions and documented government directives
	Inflation and interest rate volatility	conservative forecasting and periodic MTFS recalibration
	Sanctions and compliance breaches	sanctions screening, compliance by design approach
	Public sensitivity to fuel pricing and supply disruptions	Transparent pricing principles, proactive stakeholder communication
	Systems failure, cybersecurity threats	IT Risk assessments, system redundancy, integration of IT resilience in BCP mapping
	Spill risks and tightening environmental standards	Insurance coverage, compliance with MARPOL and environmental legislations

6.8.4.3 List of External Reporting's by the Seychelles Petroleum Company Ltd.

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report	Submitted YES/NO
Balance of Payments Data	Staff from the Central Bank of Seychelles	A summary in terms of data tables of key inflows and outflows from the	Quarterly	

		company as well as key movements in terms Debtors and Payables		
Quarterly indicator	National Bureau of Statistics	Domestic and re-export data (both volumes & values)	Quarterly	
SEYPEC Stats	Staff from the Central Bank of Seychelles	Domestic data, re-export data, Summary of fuel imports, Summary of FX purchases	Quarterly	
Management accounts	PEMC	Profit and loss account, Balance sheet, cash flow position, Domestic and re-export data	Quarterly	
Petroleum Supply & sales	Energy Commission	A summary of all imports and sales by sector and major consumers	Annual	
Regulatory reports required per the Public Enterprises Act, 2023	PEMC	Information as required to be submitted per the Public Enterprises Act, 2023 and Circulars from PEMC.	Annual, Quarterly, Ad hoc (for example Internal Audit reports and Board minutes)	

6.8.5 Stakeholder Engagement

6.8.5.1 Statement by the Responsible Minister

The Government of Seychelles recognises the strategic importance of the Seychelles Petroleum Company Limited (SEYPEC) in safeguarding national energy security, supporting economic activity and ensuring the reliable supply of petroleum products to households, businesses and essential sectors of the economy.

As a small island developing state that depends on imported petroleum products, Seychelles remains particularly vulnerable to fluctuations in international energy prices, geopolitical developments and disruptions to global supply chains.

The year 2026 has demonstrated these vulnerabilities, particularly following the escalation of geopolitical tensions in the Middle East and the resulting increases in international fuel prices and transportation costs.

In response, the Government, working closely with SEYPEC, implemented measures to cushion households and businesses from the full impact of these external shocks. These interventions were necessary to help contain inflationary pressures, protect purchasing power and support the continued functioning of key economic sectors, including tourism, fisheries, transportation and other productive activities.

The Government acknowledges the significant contribution made by SEYPEC in implementing these measures, including the absorption of a substantial portion of the increased fuel procurement costs. This intervention has provided important economic relief during a period of exceptional international uncertainty.

At the same time, the Government recognises that such measures have financial implications for SEYPEC, including reduced profitability, pressure on liquidity and constraints on its capacity to undertake future investments.

The Government's approach over the medium term will therefore seek to balance the affordability of petroleum products with the financial sustainability of SEYPEC and the preservation of national fuel security.

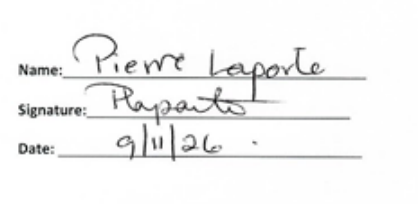
The Medium-Term Financial Strategy 2027–2029 provides an important framework for restoring SEYPEC's financial performance, strengthening its liquidity position and ensuring that the Company can continue meeting its operational and financing obligations.

Looking ahead, the Government expects SEYPEC to place greater emphasis on operational efficiency, prudent expenditure management, financial discipline and the prioritisation of commercially viable investments.

Particular consideration will be given to the adequacy of the country's strategic petroleum storage capacity, the sustainability of the tanker fleet and opportunities to strengthen Seychelles' position as a regional hub for petroleum-related services.

I wish to acknowledge the contribution of SEYPEC's Board of Directors, management and employees in navigating the exceptional challenges of 2026 while maintaining the continuity of petroleum supplies across the country.

The Government remains committed to working with SEYPEC to restore its financial resilience, strengthen national energy security and ensure that the Company continues to make a sustainable contribution to the economic development of Seychelles.



6.8.5.2 Foreword by Chairperson

The Seychelles Petroleum Company Limited (SEYPEC) continues to play a strategic role in supporting the economic development and energy security of Seychelles. As a key public enterprise, the Company has a responsibility to ensure the reliable supply of petroleum products while maintaining sound financial management, operational efficiency and long-term commercial sustainability.

The year 2026 has presented exceptional challenges arising from geopolitical tensions in the Middle East, disruptions to international energy markets and significant increases in petroleum procurement and transportation costs. These developments have reinforced the vulnerability of small island economies such as Seychelles to external shocks.

During this challenging period, SEYPEC worked closely with the Government of Seychelles to mitigate the impact of rising international fuel prices on households, businesses and the wider economy. The Company's contribution to these measures has been significant, reflecting its strategic importance beyond its commercial operations. However, this intervention has also placed considerable pressure on its profitability, liquidity and financial resources.

The Board recognises that while SEYPEC has an important national responsibility, its ability to continue fulfilling this mandate depends on maintaining a financially sustainable and resilient business model. The Medium-Term Financial Strategy for 2027–2029 therefore places particular emphasis on restoring profitability, strengthening liquidity, managing financial obligations and ensuring that investment decisions remain aligned with the Company's financial capacity.

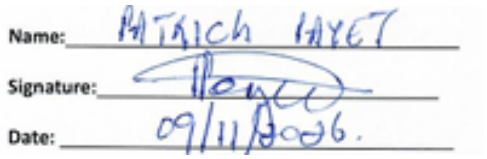
Looking ahead, the Board will prioritise the strengthening of corporate governance, financial oversight, risk management and operational performance. Particular attention will be given to the financial performance of the tanker fleet, the management of operating costs, the adequacy of strategic fuel storage facilities and the prioritisation of capital investments.

The Board also recognises the importance of reviewing SEYPEC's longer-term strategic direction, including opportunities to strengthen national fuel security, expand commercially viable bunkering and regional petroleum-related activities, and enhance the Company's resilience to future external shocks. The development of the Company's Strategic Plan for 2027–2031 will provide an opportunity to reassess these priorities and establish a sustainable investment framework, taking into consideration financing requirements, market developments and the broader national interest.

As Chairperson, I remain committed to ensuring that the Board provides effective strategic direction and oversight, supported by transparent reporting, measurable performance targets and accountability at all levels of the organisation.

I wish to acknowledge the dedication and professionalism of SEYPEC's management and employees, particularly during the challenging circumstances experienced in 2026.

The Board looks forward to working closely with the Government, as shareholder, and the management team to ensure that SEYPEC emerges from this period with a stronger financial foundation, improved operational resilience and the capacity to continue supporting the economic and social development of Seychelles.



6.8.5.3 Statement by the Chief Executive Officer

SEYPEC's Medium-Term Financial Strategy for 2027–2029 sets out the Company's approach to restoring profitability, preserving liquidity and meeting its investment and financing commitments while maintaining a reliable supply of petroleum products for Seychelles, being the Company's core mandate.

The projected loss for 2026 must be understood in the context of SEYPEC's absorption of costs to mitigate the impact of international fuel price shocks on the domestic market. This support followed discussions with, and reflected the instructions of, the Government of Seychelles in its capacity as shareholder. Had SEYPEC not absorbed these costs, the Company would have remained profitable in 2026.

The strength of SEYPEC's balance sheet and the reserves accumulated over previous years enabled the Company to shelter consumers and the wider economy from the full impact of these price shocks. The payment mechanism entered into with TOTSA during the year provided additional flexibility by deferring a portion of fuel purchase costs for repayment over seven years, easing immediate cash flow pressures. These obligations remain payable and must be met from future cash flows.

While this intervention supported the economy, it reduced SEYPEC's financial capacity to absorb further shocks and fund its commitments. The forecast therefore does not provide for the declaration or payment of the shareholder dividend previously included in the approved 2026 Budget. Any further price support measures will need to be assessed against the Company's financial capacity, with their funding and implications agreed with the shareholder.

Through this MTFS submission, SEYPEC is presenting the financial implications to the Government, as shareholder, to inform further discussions on returning to full pass-through of fuel costs to the domestic market in 2027. This transition is central to rebuilding the Company's financial capacity and sustaining its ability to secure national fuel supplies, maintain essential infrastructure and meet its financing obligations. Its timing and implementation will need to be agreed with the Government, taking account of affordability and SEYPEC's financial sustainability.

The MTFS projects a return to profitability from 2027, subject to the agreed approach to fuel pricing and the assumptions underlying product purchase costs, sales volumes, tanker earnings and operating expenditure. Management will monitor these assumptions against actual performance, report material changes to the Board and engage with the shareholder where policy decisions affect the projected recovery.

SEYPEC's Strategic Plan for 2027–2031 will not be finalised in 2026. The effects of the Iran war on fuel supply and prices, together with the financing arrangements for the new tankers, required urgent financial and operational review and substantial management attention during the year. These developments have also prompted a broader reassessment of the Company's strategic priorities, including the adequacy of existing storage capacity, land requirements for future storage development, and opportunities for regional business growth and expansion of bunkering activities.

This reassessment will require further discussions with the Government of Seychelles on the infrastructure and funding arrangements needed to strengthen national fuel security and manage future price shocks. Matters for consideration include the potential establishment of a fuel price stabilisation fund, access to suitable land for additional storage, and the financing of future investment. These discussions will inform a Strategic Plan that strengthens SEYPEC's financial and operational resilience while positioning the Company to pursue commercially viable opportunities and maintain reliable national fuel supplies.

Pending completion and Board approval of the Strategic Plan, the Company will continue to be guided by its Board-endorsed Statement of Corporate Intent, with this MTFS setting out the financial outlook and priorities for 2027–2029. Once the Strategic Plan is approved, Management will review the MTFS and submit any necessary adjustments to the Board to align strategic priorities and investment commitments with available resources.

Over the medium term, our priorities are to strengthen operating cash generation, control expenditure and sequence capital investments according to operational need, available funding and the Company's capacity to meet its commitments. Particular attention will be given to the financial performance of the tanker fleet, debt servicing and repayment obligations under the TOTSA payment mechanism. Future dividend recommendations will take account of financial performance, liquidity, investment requirements and financing commitments.

Management will ensure that these priorities are supported by measurable performance indicators, clear targets and assigned responsibilities, submitted to the Board for approval. Progress will be reviewed quarterly, with material variances, emerging risks and proposed corrective actions reported to the Board.

As Chief Executive Officer, I am accountable to the Board for the overall implementation of this strategy, supported by the Deputy Chief Executive Officer and the management team, each accountable for delivery within their respective areas of responsibility and delegated authority. Management will ensure that decisions are supported by reliable financial information, effective risk management and regular performance monitoring. Our focus is to restore financial resilience while continuing to fulfil SEYPEC's national energy supply mandate.

Name: ADRIAN MONDON

Signature: 

Date: 07TH NOVEMBER 2026

6.9 Public Utilities Corporation (PUC)

6.9.1 Strategic Overview

6.9.1.1 Mandate

Our mandate is to provide safe, reliable, and cost-effective electricity, water, and wastewater services across the main islands of Seychelles.

6.9.1.2 Vision

We envisage to be a model organization supporting the socio-economic development of Seychelles.

To achieve this vision, we will:

- Provide efficient, safe, and reliable electricity, treated water, and responsible wastewater management while safeguarding the environment and customer well-being.
- Cultivate a trust-based workplace culture where employees feel valued, empowered, and committed to growth.
- Promote the sustainable development of renewable energy to reduce dependence on imported fossil fuels.
- Embrace technological innovation to continuously improve our services and resilience.

6.9.1.3 Mission

Our mission is to deliver safe, reliable, and affordable electricity, water, and wastewater services to the main islands of Seychelles. We are committed to ensuring financial sustainability, environmental stewardship, and customer satisfaction, while developing our workforce and embracing innovation to meet the nation's evolving needs.

Strategic Priorities, Challenges, and Initiatives with NDS and SDG Alignment

Period	*6.9.1.4 Strategic Priority*	*6.9.1.5 Key Challenge*	*6.9.1.6 Strategic Initiative*	*6.9.1.7 NDS & SDG Mapping*
2026-2029	**People, workplace and effectiveness** Foster a high-performing, inclusive, and safe workplace by building trust, prioritizing employee well-being, and attracting, developing, and retaining a diverse and skilled workforce.	• Talent attraction & retention; • Skills gaps and workforce development; • Workplace culture & engagement; • Employee well-being & safety; • Success planning & knowledge transfer; • Change management capacity	1. Review and Enhance Workforce Development Programs; 2. Review and enhance employee well-being and safety programs; 3. Review and enhance talent attraction and retention strategies; 4. Review and enhance the Scheme of Service and Performance-based Reward System; and 5. Continue recruitment of skilled expatriates	**NDS: 5.3 |SDG:4,8** **NDS:3.1|SDG:3,8** **NDS:1.1|SDG:8,9** **NDS:1.1|SDG:8,9** **NDS:1.1|SDG:8,9**
	Ensure the long-term security, reliability, and service quality of all utility sectors by expanding capacity and ensuring infrastructure readiness, supported by ongoing asset maintenance, refurbishment, and upgrades to meet growing demand.	• Financial Constraints; • Land Scarcity & Wayleave Access; • Technical Expertise & Capacity; • Procurement Diligence; • Environmental & Regulatory Factors; and • Storage & Warehousing Limitations	1. **Generation capacity enhancement on Praslin by 16 MW Mahé** (2026) 2. **Generation capacity enhancement on Praslin by 8 MW** (2027) 3. **Refurbishment of existing 33 kV overhead system on Mahé** (2027-2029) 4. **Rochon Dam refurbishment** (2027-2028) 5. **Desalination plant deployment to enhance capacity by 3,000 m³/day in the southern region of Mahé** and **1,000 m³/day on Praslin** (2027-2028) 6. **Construction of a centralized wastewater system on La Digue (2026-2027)** 7. **Refurbishment of Providence WWTP and Construction of Roche Caiman & Le Roche pump stations** (2026) 8. **Expansion of wastewater network to priority areas on Mahé** (2026-2030) 9. **Construction of new 300 m³/day sewerage system at Grand Anse, Mahé** (2026-2027) 10. **Construction of new 300 m³/day sewerage system on Eve Island, Praslin** (2026-2027)	**NDS:6.2(3) |SDG:7,12** **NDS:6.2(3) |SDG:7,12** **NDS:6.2(3) |SDG:7,12** **NDS:6.3|SDG:6,11** **NDS:6.2(3) |SDG:6,11** **NDS:6.2(3) |SDG:6,11** **NDS:6.2(3) |SDG:6,11** **NDS:6.2(3) |SDG:6,11** **NDS:6.2(3) |SDG:6,11**

			11. **Lo Lanmar Centralised Wastewater Extension – Phase 1** (2027) 12. **Canada Beau-Vallon Wastewater Extension** (2026) 13. **Undertake systematic preventive and corrective maintenance of all strategic utility assets**, including gensets, RE plants, water treatment plants, desalination plants, and wastewater treatment plants (2026-2029)	**NDS:6.2(3) |SDG:6,11** **NDS:6.2(3) |SDG:6,11** **NDS:6.2(3) |SDG:6,11** **NDS:6.2(3) |SDG:6,7,9**
	Operational Efficiency and Loss Reduction Enhance the efficiency and sustainability of utility operations by minimizing system losses, improving metering accuracy, and ensuring timely maintenance and monitoring of critical infrastructure.	• Financial Constraints; • Added Operational Costs; • Technical Expertise & Capacity; • IT & Data Management Limitations; • Customer Engagement & Acceptance; • Procurement & Supply Chain Risks; and • Operational Disruption Risks	1. **Reduce Non-Revenue Water (NRW) -** Continue addressing water losses through targeted pipe replacement, proactive monitoring, and timely leak repairs (2026-2029) **2. Optimize Electricity Metering –** Replace outdated electricity meters, address metering losses, and deploy a SMART metering system to improve billing accuracy, monitoring, and energy management (2027-2029)	**NDS:6.2 (3) |SDG:6,9** **NDS:6.2 (3) |SDG7, 9**
	Business Process and Technology Advancement Continuously enhance internal processes and adopt emerging technological solutions to improve operational efficiency, strengthen service delivery, and ensure the utility is prepared to meet future industry and customer demands.	• Human Resource Availability & Expertise; • High Implementation Costs; • Integration with Existing Systems; • IT Infrastructure Limitations; • Cloud Transition & Dependence on External Parties; • Service Outages; • Procurement and Vendor Management; • Cybersecurity & Data Protection; and • Sustained Operational Efficiency.	1. **Upgrade of existing ERP business software** (2027-2028) 2. **Modernize internal operations** by converting manual processes and reports into digital workflows, integrated into the ERP system, to improve efficiency, and transparency across all utility functions. (2026-2029) 3. **Continue with digitalization of existing manual processes** (2026-2029)	**NDS:1.3|SDG8,9,16** **NDS:1.3|SDG8,9,16** **NDS:1.3|SDG8,9,16**
	Renewable Energy Transition Lead the transition to renewable energy by deploying medium-sized renewable energy plants and innovative solutions that align with national sustainability goals, enhance energy security, and reduce dependence on imported fossil fuels.	• Land Scarcity; • Dependence on IPP Deployment Pace; • Tariff vs. Marginal Cost Misalignment; • Climate Change Exposure for Floating PV; • Grid Integration and Stability; • Financing Constraints; and • Environmental and Regulatory Constraints.	1. **5.5 MW Floating PV at Providence Lagoon** (2026) 2. **2.5 MW Agri-voltaic PV for La Digue Island including 4.5 MW of BESS** (2027-2028) 3. **8 MW PV Grand Anse Praslin (2028-2029)** 4. **20 MW Floating PV in Lagoons on Mahé** (2027-2029) 5. **Deployment of 35 MW of BESS (20 MW Mahé, 3 MW Praslin + 12 MW**	**NDS:6.1|SDG 7,13** **NDS:6.1|SDG 7,9,13** **NDS:6.1|SDG:7,13** **NDS:6.1|SDG:7,13** **NDS:6.1|SDG:7,9,13**

			La Digue) to enable 15% RE integration while ensuring grid stability (2027-2029) 6. **Targeted upgrade of transmission and distribution network on Mahé, Praslin, and La Digue to accelerate RE integration** (2027-2029)	**NDS:6.1|SDG:7,13** **NDS:6.1|SDG:7,13**
	Maintaining Financial Strength and Sustainability Ensure the long-term financial stability and sustainability of the Corporation by optimizing revenue generation, controlling costs, and maintaining effective financial management and oversight.	• Tariff Adequacy and Cost Recovery; • Ensuring tariffs reflect the full cost of operations, capital investments, and debt servicing while remaining affordable for customers; • Debtors Management and Revenue Collection; • Capital Investment and Debt Management; • Operational Cost Pressures; • Financial Planning and Risk Mitigation; • Regulatory and Compliance Risks; and • Stakeholder acceptance of Tariff Adjustments.	1. **Maintain Robust Financial Management Practices:** Strengthen budgeting, reporting, and financial controls to safeguard assets and resources (2026-2029). 2. **Enhance Financial Planning and Risk Management:** Continuously assess financial risks and develop mitigation strategies to maintain liquidity and resilience. (2026-2029) 3. **Debtors Management and Strong Collection Pursuit**: Enhance systems and processes to monitor, manage, and recover outstanding receivables promptly, minimizing revenue leakage (2026-2029). 4. **Optimize Revenue Streams and Cost Recovery** – Implement quarterly tariff adjustment, and revenue-enhancing strategies to ensure sustainable operations. (2026-2029) 5. **Conduct Tariff Review Study (2028–2032 Regulatory Period) –** Undertake a comprehensive tariff study covering operating expenditures (OPEX), capital expenditures (CAPEX), and debt requirements to inform sustainable pricing for the next regulatory period (2027-2028).	**NDS:1.1|SDG8** **NDS:1.1|SDG8** **NDS:1.1|SDG8** **NDS:1.1|SDG8** **NDS:1.1|SDG8**

6.9.2 Outlook of Financial Strategy

6.9.2.1 Projected Financial Position of Public Utilities Corporation

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
ASSETS							
Non-Current Assets	**3,952,644**	**4,528,735**	**4,813,408**	**5,064,103**	**5,274,730**	**5,568,730**	**5,587,838**
Property, plants and equipment	3,222,251	3,323,898	3,580,604	4,616,543	4,807,469	4,694,646	4,512,073
Intangible assets	169	-	3,694	2,955	2,216	21,727	38,987
Capital work in progress	730,022	1,204,302	1,228,663	444,122	464,496	851,798	1,036,209
Right-of-use assets	-		-		-	-	-
Trade and other receivables	202	535	448	483	549	559	569
Current Assets	1,882,335	1,572,437	1,495,905	1,268,239	1,375,332	1,386,400	1,445,452
Inventories	790,253	590,604	654,693	735,356	786,489	821,237	831,079
Trade and other receivables	363,618	378,588	370,557	368,461	419,639	427,780	435,825
Cash and cash equivalents	728,464	603,244	470,655	164,422	169,204	137,383	178,547
Total Assets	**5,834,979**	**6,101,172**	**6,309,314**	**6,332,341**	**6,650,062**	**6,955,129**	**7,033,290**
EQUITY AND LIABILITIES							
Equity							
Assigned capital	1,439,744	1,439,744	1,439,744	1,439,744	1,439,744	1,439,744	1,439,744
Retained earnings /	1,516,615	1,746,586	1,892,848	1,885,306	1,967,979	2,035,778	2,180,150
Total Equity	**2,956,359**	**3,186,329**	**3,332,592**	**3,325,050**	**3,407,722**	**3,475,522**	**3,619,894**
Non-Current Liabilities	**2,408,561**	**2,467,854**	**2,468,850**	**2,466,969**	**2,673,519**	**2,874,218**	**2,783,791**
Borrowings	1,293,820	1,367,930	1,330,604	1,307,606	1,406,305	1,456,679	1,281,302
Lease liability	-		-		-	-	
Trade and other payables	58,866	60,419	62,152	62,991	64,881	66,827	68,832
Employee benefit liabilities	106,130	113,273	134,248	121,033	143,863	167,036	190,557
Deferred grants	949,745	926,232	941,846	975,339	1,058,471	1,183,676	1,243,100
Current Liabilities	**470,059**	**446,988**	**507,872**	**540,322**	**568,821**	**605,390**	**629,605**
Borrowings	118,917	148,539	177,021	172,747	183,251	207,951	230,484
Lease liability	-	-	-		-	-	-
Trade and other payables	250,334	194,749	231,410	252,449	269,097	279,602	280,679
Employee benefit liabilities	24,324	27,316	31,282	39,166	39,753	40,349	40,955
Deferred grants	76,484	76,384	68,159	75,960	76,720	77,487	77,487
Total Liabilities	**2,878,620**	**2,914,842**	**2,976,722**	**3,007,291**	**3,242,340**	**3,479,608**	**3,413,396**
Total Equity and Liabilities	**5,834,979**	**6,101,172**	**6,309,314**	**6,332,341**	**6,650,062**	**6,955,129**	**7,033,290**

6.9.2.2 Projected Statement of Comprehensive Income of Public Utilities Corporation

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Revenue:	**1,952,049**	**2,301,164**	**2,383,230**	**2,369,561**	**2,737,194**	**2,845,094**	**2,956,721**
Revenue from operations	1,868,382	2,224,728	2,306,650	2,293,601	2,661,234	2,768,375	2,879,234
Other income	83,667	76,436	76,581	75,960	75,960	76,720	77,487
Expenditure	**1,854,519**	**2,053,747**	**2,223,541**	**2,349,408**	**2,614,970**	**2,735,008**	**2,771,341**
Direct operating expenses	1,092,635	1,178,055	1,182,258	1,331,085	1,423,642	1,486,539	1,504,355
Staff cost	324,383	339,507	410,969	440,809	460,601	483,631	490,885
Other operating overheads	269,617	338,139	389,016	397,543	496,098	506,449	517,502
Exchange difference	3,205	6,101	42,600	(42,429)	8,935	23,823	21,700
Depreciation of property, plant & equipment	161,814	187,349	192,227	217,073	217,073	222,823	222,573
Amortisation of intangible assets	2,268	169	2	739	739	2,989	5,239
Amortisation of right-of-use	-	-	-	-	-	-	-
Provision for/ (reversal of) credit impairment	597	4,427	6,469	4,587	7,881	8,753	9,086
Profit / (Loss) from operations before financing activities	**97,530**	**247,417**	**159,689**	**20,153**	**122,225**	**110,086**	**185,380**
Finance income	**12,868**	**16,455**	**17,437**	**15,034**	**19,210**	**19,525**	**19,616**
Finance expense	**(14,579)**	**(33,902)**	**(30,864)**	**(42,729)**	**(58,762)**	**(61,812)**	**(60,623)**
Profit for the year and total comprehensive income	**95,819**	**229,970**	**146,262**	**(7,542)**	**82,672**	**67,799**	**144,372**

6.9.2.3 Projected Cash flow Statement of Public Utilities Corporation

SCR ('000)

Description	Actual Figures			Provisional		Forecast	
	2023	2024	2025	2026	2027	2028	2029
Operating Activities							
Operating profit before working capital changes	220,455	446,407	423,806	120,902	306,346	317,733	392,939
Profit for the year	95,819	229,970	146,262	(7,542)	82,672	67,799	144,372
Adjustment for:							
Net gain on termination of leases		-	-	-	-	-	
Amortisation of deferred grants	(83,642)	(76,436)	(76,581)	(75,960)	(75,960)	(76,720)	(77,487)
Fixed Asset written off	36	370	111				
Profit on disposal	(25)						
Finance income received	(12,868)	(16,455)	(17,437)	(18,170)	(22,489)	(22,741)	(22,832)
Finance expense	14,579	33,902	30,864	42,729	58,762	61,812	60,623
Strategic parts expense	13,601	63,158	55,650				
Depreciation of property plant	161,814	187,349	192,227	217,073	217,073	222,823	222,573
Amortisation of Intangible asset	2,268	169	2	739	739	2,989	5,239
Amortisation of right-of-use	-	-	-	-	-	-	-
Provision of obsolete inventory	-	88	12,421	1,500	1,552	1,607	1,663
Provision of credit impairment	597	4,427	6,469	4,587	7,881	8,753	9,086
Foreign currency differences on	25,680	(525)	69,644	(42,429)	10,504	24,700	22,533
Employee benefit obligation	25,370	14,332	28,592	(1,626)	27,179	27,587	28,001
Exchange (losses)/gains on cash and cash equivalent	(22,773)	6,059	(24,420)	-	(1,569)	(877)	(833)
Movement in working capital:							
Trade and other receivables	(94,187)	(19,731)	1,650	(2,526)	(59,126)	(16,904)	(17,140)
Inventories	(67,644)	199,561	(76,510)	(82,163)	(52,685)	(36,354)	(11,506)
Movement in bank balances retained for letter of credit	(106,566)	38,777	19,993				
Trade and other payables	17,706	(49,411)	39,385	21,877	18,538	12,452	3,082
Cash generated from operations	**(30,235)**	**615,603**	**408,323**	**58,089**	**213,073**	**276,926**	**367,375**
Interest received on overdue trade	9,857	13,511	13,225	15,034	19,210	19,525	19,616
Employee benefit paid	(9,926)	(4,197)	(3,651)	(3,706)	(3,761)	(3,818)	(3,875)
Net cash inflow from operating activities	**(30,304)**	**624,917**	**417,897**	**69,417**	**228,521**	**292,632**	**383,115**
Investing activities							
Additions to property, plant and	(13,054)	(229,689)	(68,214)	(53,013)	(8,000)	(10,000)	(10,000)
Proceeds from disposal of property, plant and equipment	25						
Additions in capital work in	(280,216)	(597,115)	(464,537)	(415,459)	(420,374)	(509,802)	(236,911)
Movement in term deposits	(83,387)	(1,774)	(2,138)				
Interest on term deposit	1,468	2,904	4,163	3,000	3,006	3,012	3,012
Interest on loan to employees	16	41	50	136	273	205	205
Net cash outflow from investing activities	**(375,147)**	**(825,633)**	**(530,677)**	**(465,335)**	**(425,095)**	**(516,586)**	**(243,695)**
Financing activities							
Proceeds from borrowings	202,533	220,068	46,947	170,698	260,523	207,110	-
Repayment of borrowings	(101,800)	(120,431)	(126,426)	(155,539)	(161,825)	(156,736)	(175,377)
Government and other grants	71,949	52,823	83,969	117,255	159,851	202,692	136,911
Principal paid on lease liabilities	-	-	-	-	-	-	
Interest paid	(14,579)	(33,902)	(30,864)	(42,729)	(58,762)	(61,812)	(60,623)
Net cash inflow from financing	**158,103**	**118,558**	**(26,374)**	**89,685**	**199,787**	**191,255**	**(99,089)**
Net change in cash and cash	**(247,348)**	**(82,158)**	**(139,154)**	**(306,234)**	**3,213**	**(32,698)**	**40,332**
Movement in cash and cash							
At Jan 1	714,837	490,262	402,045	470,655	164,422	169,204	137,383
Increase during the year	(247,348)	(82,158)	(139,154)	(306,234)	3,213	(32,698)	40,332
Exchange gain/(losses) on cash and cash equivalent	22,773	(6,059)	24,420	-	1,569	877	833
At Dec 31 (Cash and cash equivalent as per AFS)	**490,262**	**402,045**	**287,311**	**-**			
Cash and bank balances as per SOFP	**728,464**	**603,244**	**470,655**	**164,422**	**169,204**	**137,383**	**178,547**

6.9.2.4 Projected Capital Investment Plan of Public Utilities Corporation

SCR (Mn)

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Cost (MSR)	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures (MSR)			Provisional (MSR)	Forecast (MSR)			Anticipated Risks
							2023	2024	2025	2026[27]	2027	2028	2029	
1. Major Capital Investments														
Mahe: Generation Capacity Enhancement	EPC contract for implementation of 2x8MW generator sets at Roche Caiman Power Station.	Increase generation capacity by 16MW and, improve security and reliability of electricity supply.	329.7	Loan (NVB)	2024	Sep-2026		197.8	73.9	58.0				Delays and cost escalation due to Russian – Ukraine conflict and local national events
Praslin: Generation Capacity Enhancement	EPC contract for implementation of 4x2MW generator sets at BSA power station.	Increase generation capacity by 16MW and improve security and reliability of electricity supply	238.0	Loan (NVB)	2025	Mar-2027			71.1	120.0	46.9			Delays and cost escalation due to Russian – Ukraine conflict: Space constraints at site during implementation
La Digue: New sewerage system	Construction of a new sewerage system for La Digue	Enhance safety and mitigate health hazards related to soak-away leakages in areas of high-water table.	364.6	Loan (EIB & AfD) + PUC & GoS	2017	Q1- 2027	60.6	46.6	55.6	52.0	11.0			Delays and cost escalation due to wayleave approval, availability of equipment and land. Negative impact of adverse weather conditions
2. Replacements and upkeep of Assets (PPE)														
Refurbishment of Providence WWTP	Rehabilitation of Providence WWTP and Upgrade of greater Victoria Sewerage System by replacement of	Extended life of plant; bring back to nominal capacity and enhance operational effectiveness;	173.7	Loan (EIB & AfD) + PUC & GoS Loa	2022	Q1-2026	21.1	48.2	78.6	12.0				

[27] Provisional amount

	two pump stations (Roche Caiman and Le Rochez)	allow provision for connections of 4000 households on Mahe												
Refurbishment of Rochon Dam	Refurbishment of Rochon Dam including implementation of additional safety measures	Enhance life of the dam and enhance the safety of its operations	20.0	PUC	Q3-2026	Q2-2027					20.0			
TOTAL			**1,126**				**81.7**	**292.6**	**279.2**	**242.0**	**77.9**			

6.9.3 Projected TAX, Dividend, Debt Payments, Subventions, Grants and Contingencies

6.9.3.1 Tax Implications by the Operations of Public Utilities Corporation

Type of Tax	**Actual Figures**			**Provisional**	**Forecast**			**Anticipated Risks**
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	
Business Tax	-	-	-	-	-	-		
PIT	18,807	21,552	25,186	26,427	26,824	27,226	27,635	
VAT	49,099	42,495	53,274	47,259	59,880	70,132	64,149	Impacts/worsens the cashflow position
Withholding Tax	2,500	1,838	3,260	2,682	4,176	3,847	3,544	Overpayment or underpayment due to wrong interpretation of DTAs.
TOTAL	70,406	65,885	81,720	76,368	90,880	101,205	95,328	

6.9.3.2 Anticipated Dividend Declarations by Public Utilities Corporation

**PUC priorities reinvestment of its surplus equity into infrastructure refurbishment, maintenance, and system expansion. Given the scale of ongoing and future capital requirements, there is currently no headroom for dividend payments to Government.*

6.9.3.3 Debt Payments Forecasts by Public Utilities Corporation

SCR ('000)

Lending Organization	Purpose of Borrowings	Description	Total Debt Amount (Capital)	GoS as guarantor (YES/NO)	Total Borrowings and Debt Servicing						
					Actual Figures			Provisional	Forecast		
					2023	2024	2025	2026	2027	2028	2029
					SCR ('000)	SCR ('000)	SCR ('000)	SCR ('000)	SCR ('000)	SCR ('000)	SCR ('000)
Loan 01 From European Investment Bank (EIB)	**Project Neptune - Water & Sanitation**	Borrowings	**€ 26,737,000**	**YES**	-	-	-	-	-	-	-
		Interest for the Year			3,353	3,040	3,245	2,865	3,354	2,423	2,172
		Repayment of Capital			14,428	26,897	30,605	29,497	30,273	30,998	31,653
		Balance carried forward			374,968	335,502	351,143	308,930	286,787	262,653	236,554
Loan 02 From Agence De Francaise Development (AFD)	**Project Neptune - Water & Sanitation**	Borrowings	**€ 10,000,000**	**YES**	-	-	-	-	-	-	-
		Interest for the Year			1,104	1,063	1,064	889	772	648	513
		Repayment of Capital			12,411	11,995	13,648	13,154	13,500	13,823	14,115
		Balance carried forward			111,696	95,957	95,537	78,923	67,500	55,292	42,346
Loan 03 From Arab Bank for Economic Development in Africa (BADEA)	**Electrification of South Mahe**	Borrowings	**US$ 11,000,000**	**YES**	5,923	7,052	-	-	-	-	-
		Interest for the Year			2,825	3,562	3,381	3,192	3,123	2,915	2,680
		Repayment of Capital			7,684	8,089	8,356	9,229	10,554	10,729	10,897
		Balance carried forward			137,501	140,237	133,098	122,108	121,405	112,692	103,564
Loan 04 From Saudi Fund (SFD)	**Electrification of South Mahe**	Borrowings	**US$ 20,000,000**	**YES**	8,337	10,266	-	-	-	-	-
		Interest for the Year			3,654	3,862	3,488	3,150	2,934	2,566	2,167
		Repayment of Capital			19,440	19,973	20,147	19,880	20,880	21,227	21,560
		Balance carried forward			185,061	180,430	161,849	139,827	132,843	113,822	94,050
Loan 05 From African	**Mahe Sustainable**	Borrowings	**US$ 20,600,000**	**YES**	7,213	19,519	-	-	-	-	-
		Interest for the Year			4,932	13,985	13,883	12,376	11,581	10,319	8,944

Development Bank (AfDB)	**Water Augmentation**	Repayment of Capital			19,158	20,778	21,822	21,825	23,230	23,616	23,987
		Balance carried forward			222,493	227,338	208,759	184,170	168,887	148,075	126,414
Loan 06 From Abu Dhabi Fund for Development (ADFD)	**Ile de Romainville Solar Park**	Borrowings	**US$ 8,500,000**	**YES**	2,085	873		-	-	-	-
		Interest for the Year			2,292	2,213	2,072	1,870	1,794	1,648	1,485
		Repayment of Capital			8,257	8,483	8,557	8,446	8,876	9,023	9,165
		Balance carried forward			112,259	107,730	100,108	92,960	86,005	78,410	70,476
Loan 07 From Nouvobanq	**Providence Desalination Phase 2**	Borrowings	**SCR 159,351,000**	**YES**	-	-	-	-	-	-	-
		Interest for the Year			7,998	6,207	4,113	2,103	272	-	-
		Repayment of Capital			21,678	23,458	25,533	27,617	13,083	-	-
		Balance carried forward			89,691	66,233	40,701	13,083	-	-	-
Loan 08 From Nouvobanq	**2 x 8MW Generator Sets**	Borrowings	**SCR 329,700,000**	**NO**	179,066	133,671		16,963	-	-	-
		Interest for the Year			4,897	14,700	20,632	18,190	16,672	15,130	13,494
		Repayment of Capital			-	-	-	25,048	24,992	26,534	28,170
		Balance carried forward			179,006	312,737	312,737	304,652	279,660	253,126	224,956
Loan 09 From Nouvobanq	**Praslin 4 x 2MW Generator Sets**	Borrowings	**€ 14,000,000**	**NO**	-	45,682	47,372	107,307	40,993	-	-
		Interest for the Year			-	1,516	3,022	10,104	13,835	12,884	11,767
		Repayment of Capital			-	-	-	-	16,437	20,787	22,535
		Balance carried forward			-	45,682	99,351	203,061	232,961	217,750	199,819
Loan 10 From World Bank - GCF	Renewable Energy Acceleration Project	Borrowings	US$ 8,000,000	YES	-	-	-	-	62,640	63,680	-
		Interest for the Year			-	-	-	-	72	233	323
		Repayment of Capital			-	-	-	-	-	-	-

		Balance carried forward			-	-	-	-	62,640	135,560	146,800
Loan 11 From International Bank for Reconstruction and Development (IBRD)	Renewable Energy Acceleration Project	Borrowings	US$ 8,000,000	YES	-	-	-	-	62,640	63,680	-
		Interest for the Year			-	-	-	-	1,667	5,400	7,503
		Repayment of Capital			-	-	-	-	-	-	-
		Balance carried forward			-	-	-	-	62,640	127,360	129,360
Loan 12 From MCB	**12MW PV - La Digue**	Borrowings	**SCR 174,000,000**	**NO**	-	-	-	-	94,250	79,750	-
		Interest for the Year			-	-	-	-	2,686	7,645	9,574
		Repayment of Capital			-	-	-	-	-	-	13,293
		Balance carried forward			-	-	-	-	94,250	174,000	160,707
Loan 13 From GoS	**GoS Loan**	Borrowings	**SCR 118,400,000**	**NO**	-	-	-	-	-	-	-
		Interest for the Year			-	-	-	-	-	-	-
		Repayment of Capital			-	-	-	-	-	-	-
		Balance carried forward			-	-	-	-	-	-	-
Debt for Other PEs	N/A	Borrowings		**N/A**							
		Interest for the Year									
		Repayment of Capital									
		Balance carried forward									
TOTAL Borrowings					**202,624**	**217,063**	**47,372**	**124,270**	**260,523**	**207,110**	**-**
TOTAL Interest for the Year					**31,055**	**50,148**	**54,900**	**54,739**	**58,762**	**61,812**	**60,623**
TOTAL Capital Repayments					**103,056**	**119,673**	**128,668**	**154,696**	**161,825**	**156,736**	**175,377**

6.9.3.1 Anticipated Subventions and Grants by Public Utilities Corporation

SCR ('000)

Nature of Funding	Funding Agency	Purpose	Total Agreed Amount (Forex)	Total Receipts of Subventions and Grants						
				Actual Figures			Provisional	Forecast		
				2023	2024	2025	2026	2027	2028	2029
Subventions	Government			-	-	-	-	-	-	-
	IMF			-	-	-	-	-	-	-
	ADB			-	-	-	-	-	-	-
	EU, etc.			-	-	-	-	-	-	-
Grants	Government	Capital Projects	SCR ('000)	60,000	40,000	45,000	80,000	100,000	100,000	100,000
	AfDB (AWF)			3,000	-	-	-	-	-	-
	IMF			-	-	-	-	-	-	-
	ADB			-	-	-	-	-	-	-
	EU, etc.			-	-	-	-	-	-	-
TOTAL				**63,000**	**40,000**	**45,000**	**80,000**	**100,000**	**100,000**	**100,000**

6.9.3.2 Contingencies of Public Utilities Corporation

SCR ('000)

Nature of Contingencies	Funding Agency	Purpose	Total Liability Amount	Realized Guarantees						
				Actual Figures			Provisional	Forecast		
				2023	2024	2025	2026	2027	2028	2029
Guarantees	Government			-	-	-	-	-	-	-
	Guaranteed for other Pes			-	-	-	-	-	-	-
Potential Payments Due to Legal Actions by 3rd Parties	PUC	Litigation by Third Parties	SCR ('000)	-	-	6,500	4,000	4,000	4,000	4,000
	Case 01									
	Case 01									
	etc.									
TOTAL			**SCR ('000)**	**-**	**-**	**6,500**	**4,000**	**4,000**	**4,000**	**4,000**

6.9.3.3 Assumptions used for the Financial Projections of Public Utilities Corporation

Financial Projections Assumptions for Public Utilities Corporation:

1. **Consistent Implementation of Fuel-Related Tariff Changes:**
   - Assumption: Fuel-related tariff changes will be consistently implemented as prescribed under the PUC Act. However, these changes have not been factored into the projections as they cannot be predicted reliably.
2. **Average Tariffs:**
   - Assumption: An average electricity tariff of SCR 4.92/kWh has been assumed for all three years

     2027 to 2029.

3. Fuel Price Projections:

- Assumption: Fuel prices have been locked at the same price for all three years 2027 to 2029, based on the indicative fuel prices applicable in the last quarter of 2026.

Fuel Price	2027	2028	2029
HFO fuel price (SCR/litre)	10.30	10.30	10.30
LFO fuel price (SCR/litre)	15.00	15.00	15.00

4. Modest Growth Rates:

Utility Sector	2027	2028	2029
Electricity	2025 Base Year	4.0%	4.0%
Water	3.0%	3.0%	3.0%
Wastewater	10.0%	3.0%	3.0%

- **Electricity:** As the 2026 consumption has been impacted by the Iran conflict, it is assumed that electricity growth rate will revert to 2025 actual figures.
- **Water:** Modest growth rates have been assumed for water from 2027 to 2029.
- **Wastewater**: It is anticipated that there will an initial growth bounce of 10% upon full operation of the La Digue wastewater system, and this will thereafter grow by 3% annually.

5. Inflation Rate:

Type	2027	2028	2029
Inflation Rate	2.7%	3.1%	3.4%

6. Exchange Rate Assumptions for 2025 and Beyond:

- Assumption: The exchange rates for 2027 to 2029 are based on the economic assumptions prescribed by the PEMC, as follows:

Currency	2027	2028	2029
SCR / USD	15.66	15.92	16.17
SCR / Euro	17.55	17.97	18.35

7. Capital Investment and Borrowings:

- Assumption: Capital investment and borrowings are constrained by national debt ceiling limits.

<u>Financial Projections Assumptions for Public Utilities Corporation (continued):</u>

8. Access to Development Grants:

- Assumption: PUC will continue to have access to development grants from the Government for capital projects, as follows:

2027	2028	2029
100,000,000	100,000,000	100,000,000

9. Advances from Government:

- PUC will receive advances of funds from Government to finance utilities for Industrial Estates Authority (IEA) developments.

2027	2028	2029
39,500,000	79,200,000	13,200,000

10. **Exclusion of Extraordinary Events:**

    - Assumption: The potential impact of unforeseen extraordinary events, such as natural disasters, pandemics, or other Force Majeure events, on the Corporation's financial and operational performance has not been factored into the projections.

11. **Monopoly Ownership of Regulated Transmission Networks:**

    - Assumption: PUC will continue to be the sole owner of regulated transmission networks.

12. **Consideration of Changes in International Financial Reporting Standards (IFRS):**

    - Assumption: Any known changes in international financial reporting standards (IFRS) that may impact the Corporation's financial reporting and disclosures have not been considered.

These assumptions provide the foundation for the financial projections of the Public Utilities Corporation.

6.9.4 KPIs, Risk Management Strategy and Reporting Obligations

6.9.4.1 Key Performance Indicators of the Public Utilities Corporation

Title of Key Performance Indicators	Description	Targeted Strategic Priority	Target	2023	2024	2025	2026	2027	2028	2029
				Actual			Provisional	Forecast		
Strategic:										
Business Model Sustainability – Full Cost Recovery	Measures whether total revenues (tariffs + other income) cover all operating costs, debt service, and planned capital investment. **Formula:** (Total Revenue ÷ (OPEX + Debt Service + CapEx Reserve)) × 100	**Maintaining Financial Strength and Sustainability Ensures** the utility's business model is financially sustainable, supporting ongoing operations, investment, and service delivery.	**≥100%**	105%	88%	91%	92%	92%	97%	98%
Tariff Cost Recovery Ratio – Electricity (Full Cost)	Measures the extent to which electricity tariff revenues cover operating costs, debt service (principal + interest), and capital replacement reserves. **Formula:** (Electricity Tariff Revenue ÷ (Electricity OPEX + Debt Service + CapEx Reserve)) × 100	**Maintaining Financial Strength and Sustainability** Ensures electricity tariffs fully sustain operations, service quality, and investment in future infrastructure.	**≥100%**	117%	101%	110%	108%	111%	112%	116%
Tariff Cost Recovery Ratio – Water (Full Cost)	Measures the extent to which water tariff revenues cover operating costs, debt service, and capital replacement reserves. **Formula:** (Water Tariff Revenue ÷ (Water OPEX + Debt Service + CapEx Reserve)) × 100	**Maintaining Financial Strength and Sustainability** Ensures water tariffs fully sustain operations, service quality, and investment in infrastructure renewal.	**≥100%**	68%	68%	58%	56%	52%	60%	59%
Tariff Cost Recovery Ratio – Wastewater (Full Cost)	Measures the extent to which wastewater tariff revenues cover operating costs, debt service, and capital replacement reserves. **Formula:** (Wastewater Tariff Revenue ÷ (Wastewater OPEX + Debt Service + CapEx Reserve)) × 100	**Maintaining Financial Strength and Sustainability** Ensures wastewater tariffs sustain sanitation services and environmental compliance.	**≥100%**	43%	17%	19%	21%	22%	31%	24%
Strategic:										
Group-Wide Efficiency – Non-Fuel OPEX Ratio	Measures cost efficiency by tracking controllable non-fuel operating costs as a percentage of total revenue. **Formula:** (Controllable OPEX ÷ Total Revenue) × 100	**Maintaining Financial Strength and Sustainability** (Driving Efficiency and Value for Money) Ensures sustainable cost discipline across the multi-utility business model, balancing operational performance with financial sustainability.	**≤35% 2026-2027** **≤33% (2028-2029)**	32%	30%	35%	37%	36%	36%	35%

Business Model Sustainability Alignment (Cost-Based)	Measures the proportion of planned renewable energy or efficiency initiatives that achieve cost savings relative to the fuel marginal cost of production. **Formula:** (Cost Savings from Renewable ÷ Planned Cost Savings based on Fuel Marginal Cost) × 100	**Business Process and Technology Advancement** Ensures business model aligns with long-term sustainability and cost efficiency, reducing reliance on high-cost fossil fuels.	**≥90%**	92%	77%	84%	91%	98%	98%	98%
Renewable Energy Integration Rate	Measures the share of total electricity generated from renewable sources. **Formula:** (Renewable Energy Generated ÷ Total Energy Generated) × 100	**Renewable Energy Transition** – Demonstrates progress in decarbonization, enhancing energy security, and meeting national sustainability goals.	**≥15% by 2030**	4.9%	4.2%	4.6%	8.1%	11.3%	11.4%	13%
Operational:										
Electricity System Losses (Technical + Commercial)	All electricity losses in transmission and distribution, including technical inefficiencies, theft, metering inaccuracies, and unbilled consumption. **Formula:** (Energy Input into Network – Energy Billed) ÷ Energy Input into Network × 100	**Operational Efficiency and Loss Reduction –** Reduces total network losses, improving efficiency and financial performance.	**≤5%**	5%	6%	5%	5%	5%	5%	5%
Non-Revenue Water (NRW) – Water (Physical + Commercial Losses)	Measures water produced but not generating revenue, including leaks, unauthorized consumption, metering inaccuracies, and billing errors. **Formula:** (System Input Volume – Billed Authorized Consumption) ÷ System Input Volume × 100	**Operational Efficiency and Loss Reduction** – Minimizes total water loss, improving supply reliability and financial sustainability.	**≤20%**	28%	26%	25%	24%	23%	22%	22%
Water Treatment Compliance Rate	Measures compliance of treated potable water with applicable public-health and WHO water-quality requirements. **Formula**: (Total compliant test results ÷ Total test results) × 100	**Operational Efficiency** – Ensure treated potable water consistently meets applicable public-health and WHO water-quality requirements.	**100%**			94%	95%	100%	100%	100%
Wastewater Treatment Compliance Rate	Measures compliance with effluent discharge standards to protect the environment and public health. **Formula:** (Number of compliant tests ÷ Total number of tests) × 100	**Operational Efficiency** – Ensures wastewater treatment meets environmental standards and protects public health.	**≥95%**				85%	90%	95%	95%
Finance Ratios:										
Current Ratio	Measures the Corporation's ability to meet short-term obligations with current assets. **Formula:** Current Assets ÷ Current Liabilities	**Maintaining Financial Strength and Sustainability** – Ensures liquidity, operational stability, and financial resilience.	**> 1 time (x)**	4.00x	3.52x	2.95x	**2.35x**	**2.42x**	**2.29x**	**2.30x**

Quick Ratio	Measures liquidity excluding inventory. **Formula:** (Current Assets − Inventory) ÷ Current Liabilities		**> 1.5 times (x)**	2.32x	2.20x	1.66x	**0.99x**	**1.04x**	**0.93x**	**0.98x**
Debt-to-Equity Ratio	Indicates the proportion of debt financing relative to shareholders' equity. **Formula:** Total Debt ÷ Shareholders' Equity × 100		**< 82%**	47.8%	47.6%	45.2%	**44.5%**	**46.6%**	**47.9%**	**41.8%**
Total Debt to Capital	Measures the proportion of debt in the overall capital structure. **Formula:** Total Debt ÷ (Total Debt + Shareholders' Equity) × 100	**Maintaining Financial Strength and Sustainability** – Ensures liquidity, operational stability, and financial resilience.	**< 45%**	32.3%	32.2%	31.1%	30.8%	31.8%	32.4%	29.5%
EBITDA Margin	Indicates operational profitability before interest, taxes, depreciation, and amortization. **Formula:** (EBITDA ÷ Total Revenue) × 100		**>=20%**	14.0%	19.6%	15.3%	10.4%	12.8%	12.1%	14.4%
Operating Cost Coverage Ratio	Measures ability to cover operating costs with revenues. **Formula:** Operating Revenue ÷ Operating Costs		**>1 time (x)**	1.05x	1.12x	1.07x	1.00x	1.03x	1.03x	1.05x
Net Profit Margin	Shows net profitability as a percentage of revenue. **Formula:** (Net Profit ÷ Total Revenue) × 100		**>= 5%**	5.1%	10.3%	6.3%	0%	3.1%	2.4%	5.0%
Return on Capital Employed (ROCE)	Indicates efficiency in generating profits from total capital employed. **Formula:** EBIT ÷ Capital Employed × 100		**>= 1%**	1.8%	4.4%	2.8%	0%	2.0%	1.7%	2.9%
Return on Equity (ROE)	Measures return on shareholders' equity. **Formula:** Net Income ÷ Shareholders' Equity × 100		**>= 4%**	3.2%	7.2%	4.4%	0%	2.4%	2.0%	4.0%
Return on Assets (ROA)	Measures profitability relative to total assets. **Formula:** Net Income ÷ Total Assets × 100		**>= 3%**	1.6%	3.8%	2.3%	0%	1.2%	1.0%	2.1%

6.9.4.2 Risks and Resilience Plan of the Public Utilities Corporation

Risk Heat Map (ISO 31000 Aligned)

Likelihood ↓ / Impact →	Insignificant (1)	Minor (2)	Significant (3)	Major (4)	Catastrophic (5)
Almost Certain (5)	Medium	High	High	Very High	**Critical**
Likely (4)	Medium	Medium	High	Very High	**Critical**
Possible (3)	Low	Medium	High	High	Very High
Unlikely (2)	Very Low	Low	Medium	Medium	High
Rare (1)	Very Low	Very Low	Low	Medium	Medium

Severity & Escalation Guidance

- **Critical:** Immediate escalation to the Board. Urgent mitigation required.
- **Very High:** ARC oversight with regular reporting.
- **High:** Active management by Senior Management with ARC visibility.
- **Medium:** Managed at Senior Management level.

Risk Category	Potential Risks Identified	Risk Rating (Heat Map)	Risk Mitigation Strategies
Strategic Risks	**Strategic Exposure to the Changing Utility Landscape**: Failure to adapt the utility's business model to long-term sustainability, resilience, and innovation demands.	**High** (Likely × Major)	- Develop a phased energy transition plan aligned with national sustainability targets. - Upgrade and expand transmission, distribution networks, and energy storage systems. - Regularly review and adapt the business model for cost recovery or tariff integration of renewables. - Engage stakeholders early to align with national policy.
Financial Risks	**Financial Sustainability & Tariff Constraints**: Tariffs may not cover operational and capital costs due to affordability and policy constraints.	**Very High** (Almost Certain × Significant/Major)	- Implement cost-reflective tariff adjustments with safeguards for vulnerable customers. - Continue efficiency improvement programmes. - Establish fuel price hedging strategies and negotiate multi-year fuel contracts.
	Access to Affordable Capital for Infrastructure Investment: Limited access to concessional finance increases borrowing costs and slows infrastructure development.	**High** (Possible × Major)	- Strengthen partnerships with multilateral agencies and climate funds. - Position projects under climate adaptation/mitigation frameworks to access climate-linked funding.
	Debt recollection and arrears management: Erosion of cash flow and balance sheet strength from lapses in debt recollection and arrears management.	**Very High** (Possible × Major)	Enforce timely recollections protocols and implement targeted customer engagement strategies to reduce arrears.
	Exposure to SOCI volatility from forex fluctuations, impairment provisions, and asset revaluations, with potential impact on financial stability.	**Critical** (Likely × Catastrophic)	- Introduce foreign exchange and financial risks hedging - Improve impairment provisioning and financial monitoring to reduce SOCI volatility.
Operational Risks	**Generation Reliability**: High dependence on ageing generation assets and limited standby capacity increases risk of power supply disruptions.	**Very High** (Likely × Major)	- Invest in modern, efficient generation assets with adequate reserves. - Accelerate renewable diversification with storage. - Continue proactive maintenance with predictive analytics. - Expand condition-based monitoring and ensure spare parts availability.
	Water Security & Resource Scarcity: Limited freshwater sources and inadequate storage increase risk of supply shortfalls.	**High** (Possible × Major)	- Expand desalination and diversify supply sources. - Invest in storage and distribution infrastructure. - Continue leakage detection and reduction programmes. - Promote water conservation through customer awareness campaigns.

Risk Category	Potential Risks Identified	Risk Rating (Heat Map)	Risk Mitigation Strategies
	Wastewater Infrastructure & Service Delivery: Ageing sewer systems and high capital demands risk service interruptions and regulatory non-compliance.	**High** (Possible × Significant/Major)	- Prioritise critical sewer line replacement (trenchless technology). - Secure dedicated wastewater infrastructure funding. - Improve preventative maintenance. - Explore decentralized wastewater treatment solutions.
	Infrastructure Vulnerability & Climate Change: Extreme weather events threaten ageing infrastructure.	**Very High** (Likely × Major)	- Conduct climate risk assessments and priorities resilience investments. - Elevate, harden, or relocate critical infrastructure. - Review and enhance rapid response and recovery protocols. - Conduct regular training and simulation exercises.
	Skills Shortage & Workforce Sustainability: Shortage of skilled professionals affects operational performance and succession planning.	**High** (Likely × Significant)	- Develop structured succession and skills transfer programmes. - Partner with local and international institutions for targeted training. - Introduce retention incentives and results-based reward systems. - Continue graduate trainee development in core technical areas.
Project & Capital Delivery Risks	**Delays and cost overruns in capital projects.**	**High** (Likely × Significant)	Strengthen project management capacity.
	Inadequate in-house expertise and human capacity to manage and deliver large-scale utility projects, limiting both the pace and scale of capital investments.	**High** (Possible × Major)	- Targeted hiring of critical expertise (project managers engineers, contract managers) and development of a graduate trainee pipeline. - Engage experienced consultants, EPC contractors, and technical advisers to supplement in-house capacity for large-scale projects.
	External shocks increasing costs.	**Medium** (Unlikely × Major)	Build contingency for external shocks (FX, geopolitical).
IT, Cybersecurity & Third-Party Dependency Risks	Cyber-attacks targeting SCADA, ERP, and billing systems.	**High** (Possible × Major)	Strengthen cybersecurity protocols, monitoring, and incident response.
	Limited infrastructure redundancy exposing operations to single points of failure.	**High** (Possible × Significant/Major)	Invest in infrastructure redundancy for critical IT and SCADA systems.
	Inadequate disaster recovery and business continuity preparedness.	**High** (Possible × Significant/Major)	Implement IT disaster recovery and business continuity plans.
	Delays or challenges in ERP upgrade and integration, affecting financial and operational reliability.	**Medium** (Possible × Significant)	Ensure timely and well-governed ERP upgrade with phased testing, staff training, and contingency
Compliance and Regulatory Alignment Risks	Complexity and evolving regulatory requirements, including PE Act reporting obligations, pose risk of non-compliance.	**Medium** (Possible × Significant)	- Maintain updated compliance monitoring framework and internal audits. - Track regulatory changes and update operational procedures. - Engage regulators to advocate for multi-utility operational realities. - Provide compliance training across departments.
Customer & Stakeholder	Rising public expectations for reliable, affordable service.	**High** (Likely × Significant)	Strengthen communication and stakeholder engagement.

Risk Category	Potential Risks Identified	Risk Rating (Heat Map)	Risk Mitigation Strategies
Expectation Risks	Reputational risk if service quality fails.	**High** (Likely × Significant)	Strengthen public trust through transparent reporting on service performance, community engagement programmes, and visible commitment to continuous improvement.

Please note that the specific strategies may vary depending on the circumstances and evolving risks.

PESTEL Analysis

Factor	Implications for PUC
Political	• State ownership means PUC operates under strong government influence and alignment with national priorities (energy security, water resilience, wastewater network expansion, sustainability). • Tariff-setting subject to Government oversight, balancing cost recovery with social affordability. • International partnerships and climate finance opportunities are linked to political stability and bilateral relations.
Economic	• Heavy reliance on imported fuel exposes PUC to global oil price volatility, driving high operational costs. • Exchange rate fluctuations (SCR depreciation) increase costs of imported inputs (fuel, spare parts, equipment). • Large CapEx needs (generation, water treatment, desalination, grid upgrades) strain financial sustainability. • Tariff affordability challenges risk public pushback, limiting cost recovery. • Tourism dependency creates seasonal and cyclical demand fluctuations.
Social	• Customers expect reliable, affordable electricity, clean water, and sanitation; service interruptions trigger public dissatisfaction. • Population growth and large developments increase demand pressure in urban areas and tourism hubs. • Rising awareness of sustainability and environmental stewardship drives demand for renewable energy adoption. • Public health depends on safe water and effective wastewater treatment, heightening social responsibility.
Technological	• Expansion of solar and wind energy reshapes the energy mix. • Smart metering, digital platforms, and automation enable efficiency gains and improved customer service. • Advances in desalination technology are critical to mitigating water shortages during droughts. • Grid modernization and BESS integration are essential for renewable energy uptake and reliability.
Environmental	• High vulnerability to climate change: droughts, heavy rainfall, and sea-level rise threaten electricity and water security. • Dependence on fossil fuels increases carbon footprint and contradicts climate goals. • Seasonal water scarcity necessitates desalination, raising costs and energy demand. • Compliance with national/international environmental regulations (e.g., NDC Agreement) shapes investment priorities.
Legal	• Compliance with the **Public Enterprises Act (PE Act)** demands significant senior management and Board time for SOCI, MTFS, business plans, performance agreements, and extensive reporting. • Must adhere to sector regulations, procurement laws, labour law requirements, and governance standards. • Tariff-setting legislation constrains financial flexibility. • Donor-financed projects impose additional legal and safeguard obligations.

SWOT Analysis

Strengths	Weaknesses
• State ownership and government backing. • Integrated utility structure (electricity, water, wastewater). • Strong track record of delivering national projects. • Access to concessional climate and donor financing. • Commitment to renewable energy transition.	• High dependence on imported fuel and technology. • Tariff levels below full cost recovery in some years including that for water and wastewater sector. • Limited land availability for infrastructure expansion. • Reliance on expatriates for key technical skills. • Ageing infrastructure and high CapEx needs.
Opportunities	**Threats**
• Deployment of renewables (solar PV, floating PV, storage). • Digitalisation of operations and customer services. • International partnerships and climate finance. • Tourism-driven demand growth. • Long-term infrastructure expansion (Mahé power station, Praslin dam).	• Climate change impacts (drought, storms, sea-level rise). • Exchange rate and global fuel price volatility. • Rising debt service obligations (approaching SCR 200m). • Customer resistance to tariff increases. • Risk of substitutes (private desalination, hotel self-generation).

6.9.4.3 List of External Reporting's by the Public Utilities Corporation

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report	Submitted YES/NO
Annual Financial Statements	All stakeholders and members of the public	Audited Financial Statements signed by the Board of Directors, including the Report of the Auditor General	Annually	**YES (FY 2025)**

Annual Report	All stakeholders and members of the public	The Annual Report highlights the operational and financial performance of the Public Utilities Corporation for the reporting year. It also contains the Audited Financial Statements, together with the Report of the Auditor General.	Annually	**YES (FY 2025)**
Quarterly Progress Report	Shareholder, Responsible Ministry, PEMC, Board of Directors, PUC management team	The Quarterly Progress Report states and defines the goals and targets of the Corporation, and provides a status update of these goals as well as actions taken during each reporting quarter.	Quarterly	**Yes, up to 2025**
All reporting requirements as mandated by PEMC	PEMC	These include: - Signed minutes of board and committee meetings; - Quarterly progress reports - Governance checklist and supporting documentation Any other information requested.	Upon approval by the Chairperson. Quarterly Annually As and when required	**YES** All reporting requirements as mandated by PEMC
Mandatory information for outsourcing / procurement	Procurement Oversight Unit, National Tender Board, Procurement Committee of PUC.	These may include: - Evaluation reports - Justifications for using certain procurement methods Application for approval to deviate from the normal procurement method in case of emergency projects, etc.	As and when required	**YES** Mandatory information for outsourcing / procurement
Cabinet Memorandums and Information Notes to Cabinet	Cabinet, Responsible Minister, Board of Directors.	These include: - Request for permission to initiate major projects - Request for permission to enter into loan agreements - Presentation of information or disclosure which may be highly significant or be of national importance.	As and when required	**YES** Cabinet Memorandums and Information Notes to Cabinet
Information sought through the Access to Information Act	The solicitor of information, subject to the provisions of the Information Act.	These may include: - Customer related queries or complaints - Information about the Corporation's activities	As and when required	**YES, as when requested**
Any other periodic or ad hoc reports	The solicitor of the required report, competent authorities.		As and when required	**YES, as and when requested**

6.9.5 Stakeholder Engagement

6.9.5.1 Statement by the Responsible Minister

The Government of Seychelles recognises the essential role of the Public Utilities Corporation (PUC) in supporting national economic development, public well-being, economic growth and environmental sustainability through the provision of reliable electricity, water, and wastewater services.

The Medium-Term Financial Strategy 2027–2029 has been developed against a backdrop of continued global economic uncertainty, increasing infrastructure investment requirements, exposure to international fuel price volatility and the growing impacts of climate change exacerbated through the pronounced El Nino phenomenon. These developments have placed considerable pressure on PUC's financial position and its capacity to sustain the investments necessary to meet the country's growing utility requirements.

Government remains committed to maintaining affordable and accessible utility services for households and businesses while supporting the long-term financial sustainability of the Corporation. Affordability and financial sustainability must be pursued together. Reliable utility services, infrastructure renewal and future investment cannot be sustained unless PUC remains financially sound and capable of meeting its operational and capital obligations.

A key national priority remains the acceleration of Seychelles' renewable energy transition and the reduction of dependence on imported fossil fuels. In this regard, Government will continue to support PUC in advancing and

mobilising strategic investments in renewable energy particularly the proposed 12 MW solar photovoltaic project on La Digue and the potential 8 MW onshore solar development on Praslin. Government will also continue to pursue opportunities to increase Renewable energy generation capacity, battery energy storage systems, and supporting grid infrastructure. These initiatives are essential for improving energy security, enhancing resilience, reducing long-term costs, and meeting Seychelles' climate commitments.

Equally important is the need to strengthen the resilience of the country's utility infrastructure against climate change. Government remains committed to exploring financing mechanisms and development partnerships that will enable PUC to undertake critical capital investments in electricity, water, and wastewater infrastructure, particularly those necessary to safeguard the medium- to long-term security and continuity of essential services.

While the Strategy projects a gradual return to profitability, it also highlights the continuing pressures on liquidity, infrastructure financing, and cost recovery. The period ahead will therefore require disciplined implementation, sound corporate governance, and a continued focus on efficiency, service quality, and financial resilience.

I welcome this Medium-Term Financial Strategy as an important framework to guide the Corporation over the next three years and reaffirm Government's commitment to working closely with the Board and Management to ensure that PUC remains a resilient, efficient, and financially sustainable public utility capable of continuously serving the people and economy of Seychelles.



Marie-May Jeremie (Ms.)
Minister for Environment, Climate, Energy and Natural Resources

6.9.5.2 Foreword by Chairperson

The Public Utilities Corporation's Medium-Term Financial Strategy 2027–2029 sets out a measured and responsible approach to sustaining essential utility services while navigating an increasingly challenging financial and operational environment.

The Board recognises that the Corporation enters this planning period under considerable financial pressure, largely driven by the escalation in international fuel prices and associated supply chain costs arising from the Iran–United States conflict and wider geopolitical instability. These external pressures have adversely affected PUC's operating margins, liquidity, and capacity to finance its extensive capital investment requirements.

Against this backdrop, the Board remains firmly committed to ensuring that PUC continues to fulfil its mandate of delivering safe, reliable, and affordable electricity, water, and wastewater services across the main islands of Seychelles.

A key priority throughout the strategy period will be continuous improvement in operational performance and customer service delivery. Particular attention will be given to reducing non-revenue water through improved network management, targeted infrastructure rehabilitation, leakage detection, and more effective maintenance practices. Similar emphasis will be placed on improving electricity network efficiency, maintaining the reliability of generation assets, and strengthening the performance of wastewater infrastructure.

The Board also recognises that the prevailing financial circumstances require a more selective approach to capital investment. Accordingly, the Corporation will prioritise projects that are critical to service continuity, operational safety, asset preservation, and long-term infrastructure resilience. Other planned investments may need to be deferred or implemented in phases until financial conditions improve or suitable external financing becomes available.

Sound corporate governance, financial discipline, effective risk management, and accountability will remain central to the Board's oversight responsibilities. The Board will continue working closely with Management to

strengthen operational efficiency, improve financial sustainability, and ensure that available resources are directed towards areas that deliver the greatest value to customers and the country.

The Board also acknowledges the importance of Government's continued support, particularly in addressing the financial consequences of fuel price volatility, facilitating strategic investments, and advancing the transition towards renewable energy.

While the period ahead will require prudence and difficult investment decisions, the Board remains confident in the Corporation's capacity to progressively restore its financial strength and improve operational performance.

I take this opportunity to acknowledge the dedication of Management and employees, whose continued commitment is essential to sustaining service delivery and achieving the objectives outlined in this strategy.



Stephen Rousseau (Mr.)
Chairman

6.9.5.3 Statement by the Chief Executive Officer

The Medium-Term Financial Strategy 2027–2029 has been developed against a backdrop of significant financial and operational challenges confronting the Public Utilities Corporation. The escalation in international fuel prices during 2026, compounded by geopolitical instability and increasing costs of imported materials, equipment, and services, has placed considerable pressure on the Corporation's financial performance and liquidity.

Despite the financial discipline exercised by Management, including stringent expenditure controls, prioritisation of operational requirements, and measures to improve efficiency, PUC is expected to close 2026 at approximately break-even or with a modest financial loss. This represents a significant deterioration from the financial performance achieved in previous years and highlights the Corporation's continued vulnerability to external cost pressures, particularly its dependence on imported fossil fuels.

The financial outlook underpinning this strategy therefore recognises 2027 as a year of stabilisation, followed by a gradual recovery during 2028 and 2029. Restoring financial resilience will require sustained cost discipline, prudent cash flow management, improved revenue collection, and a carefully managed capital investment programme.

In 2027, Management will adopt a particularly cautious approach to expenditure and capital commitments. Available financial resources will be directed primarily towards maintaining the reliability and safety of essential services, preserving critical infrastructure, and implementing strategic investments that cannot reasonably be deferred without compromising operational security or long-term sustainability.

This approach will inevitably require the postponement or phased implementation of certain projects, including some for which commitments and implementation expectations were established during 2025. While these decisions are difficult, they are necessary to safeguard the Corporation's liquidity and ensure that financial obligations and essential operational requirements can continue to be met.

Notwithstanding these constraints, operational improvement will remain a central management priority. We will continue strengthening asset maintenance, reducing electricity and water network losses, improving customer service, and pursuing efficiencies across all three utility sectors. Particular emphasis will be placed on cost-consciousness, accountability, workforce performance, and the effective utilisation of existing resources.

The renewable energy transition also remains strategically important. Reducing dependence on imported fuel is essential to improving PUC's long-term financial sustainability. Management will therefore continue working

with Government and development partners to secure suitable financing for priority renewable energy projects, including the proposed 12 MW solar photovoltaic development on La Digue and other opportunities on Praslin and Mahé.

Looking ahead, the anticipated recovery during 2028–2029 will depend on a combination of improved operating conditions, continued financial discipline, appropriate cost-recovery arrangements, and access to financing for priority investments. While the financial projections indicate a gradual improvement in performance, the Corporation's financial capacity will remain constrained, requiring careful management of investment commitments and debt obligations.

I wish to acknowledge the commitment and efforts of our employees and Management team in maintaining essential services during a particularly demanding period. I also extend my appreciation to the Board of Directors and the Government of Seychelles for their continued guidance and support.

Our priority throughout this strategy period is clear: to safeguard essential service delivery, restore financial stability, and progressively rebuild the Corporation's capacity to invest in the infrastructure required for Seychelles' future development.



Joel Valmont (Mr.)

6.10 Petro Seychelles Ltd. (Petro)

6.10.1 Strategic Overview

6.10.1.1 Mandate

Petro Seychelles is responsible for supervising the Petroleum Operations in the EEZ and ensures that a regulatory and management regime is put in place by each Operator that:

- reflects the highest standards of International Oilfield Practice including a zero- discharge policy while petroleum operations including drilling, development and production are being carried out
- protects the health and human resources of all affected by the Petroleum Operations
- ensures the public safety
- ensures the preservation of the environment, pristine marine habitats and amenities of Seychelles
- ensures that Seychelles fishermen, tourism operators and others who depend on commercial operations within and without Seychelles waters are not disadvantaged

6.10.1.2 Vision

"A highly competent team running a thriving oil and gas industry, operating with due respect for the environment, other ocean users and benefiting every Seychellois for this generation and beyond"

6.10.1.3 Mission

"To facilitate, regulate and ultimately participate in the exploitation of oil and gas resources within the Seychelles EEZ while ensuring the proper management of all tangible and non- tangible resources."

Strategic Priorities, Challenges, and Initiatives with NDS and SDG Alignment

6.10.1.4 Year	*6.10.1.5 Strategic Priority*	*6.10.1.6 Key Challenge*	*6.10.1.7 Strategic Initiative*	*6.10.1.8 NDS & SDG Mapping*
2027	**Reinvigorating Exploration Interest**	International pressure to decarbonise may reduce investor interest in frontier oil exploration. As countries tighten ESG standards, Seychelles risks stranded assets.	Updating and promoting the national petroleum acreage. Enhancing existing technical data packages as well as new data through the multi-client business model for marketing to prospective investors. Participating in international oil and gas conferences and investor roadshows. Revisiting the Petroleum Mining Act, regulations and fiscal terms to ensure competitiveness.	NDS 2.6.2 / SDG 14
	To be recognised as a potential economic pillar	The energy transition to renewables means that oil and gas is slowly being phased out and that is the main challenge since the potential of oil and gas as an economic pillar is not being considered at this point due to the climate change narrative.	Educate the nation on the fact that oil and gas will be required in the world for decades to come and that this energy source can be exploited cleanly, also work closely with the Blue Economy Department to ensure that oil and gas remains on the blue economy roadmap.	NDS 2.6.1 / SDG 14
	Reduce Regulatory Turnaround Time	PetroSeychelles has a small workforce and sometimes this can limit how fast regulatory procedures can be completed. Also, PetroSeychelles relies on other partners for due diligence tests on companies applying for licenses and this can cause delays.	By digitizing the processes as much as possible and streamlining the due diligence process through clear MOU's, this will help achieve the end result.	NDS 1.3.1 / SDG 8
	Environmental Protection	PetroSeychelles is involved in activities that if not done correctly could lead to environmental catastrophes. Environmental protection is therefore a key strategic priority to ensure safe operations.	Ensure that the new Environmental Protection (Offshore Exploration and Production) Regulations are enacted as fast as possible and work closely with operators to ensure proper EISAs are undertaken prior to any activity offshore.	NDS 6.4.2 / SDG 14
	Health and Safety	Oil and gas exploitation is a risky business and the key challenge is achieving zero incident and accident down time	Ensure that the new Petroleum Mining (Health and Safety) Regulations are enacted as fast as possible and work closely with operators to ensure that	NDS 3.1.1 / SDG 3

			they are implementing the international oilfield best practices	
	Data Management	One key challenge is the high costs associated with hardware and software required for data management. Also, the lack of purpose designed data storage facilities locally.	By putting in place proper and effective data management strategies and investigating modern cloud storage options this can modernise the company's operations.	NDS 1.3.1 / SDG 9
	Staff Development	The high costs associated with formal training and the remoteness of Seychelles makes it difficult to implement staff development programs.	opt for online training wherever possible.	NDS 5.3.1 / SDG 4
2028	**Reinvigorating Exploration Interest**	International pressure to decarbonise may reduce investor interest in frontier oil exploration. As countries tighten ESG standards, Seychelles risks stranded assets.	Updating and promoting the national petroleum acreage. Enhancing existing technical data packages as well as new data through the multi-client business model for marketing to prospective investors. Participating in international oil and gas conferences and investor roadshows. Revisiting the Petroleum Mining Act, regulations and fiscal terms to ensure competitiveness.	NDS 2.6.2 / SDG 14
	Environmental Protection	PetroSeychelles is involved in activities that if not done correctly could lead to environmental catastrophes. Environmental protection is therefore a key strategic priority to ensure safe operations.	Ensure that the new Environmental Protection (Offshore Exploration and Production) Regulations are enacted as fast as possible and work closely with operators to ensure proper EISAs are undertaken prior to any activity offshore.	NDS 6.4.2 / SDG 14
	Health and Safety	Oil and gas exploitation is a risky business and the key challenge is achieving zero incident and accident down time	Ensure that the new Petroleum Mining (Health and Safety) Regulations are enacted as fast as possible and work closely with operators to ensure that they are implementing the international oilfield best practices	NDS 3.1.1 / SDG 3
	Data Management	One key challenge is the high costs associated with hardware and software required for data management. Also, the lack of purpose designed data storage facilities locally.	By putting in place proper and effective data management strategies and investigating modern cloud storage options this can modernise the company's operations.	NDS 1.3.1 / SDG 9
	Staff Development	The high costs associated with formal training and the remoteness of	opt for online training wherever possible.	NDS 5.3.1 / SDG 4

		Seychelles makes it difficult to implement staff development programs.		
2029	**Reinvigorating Exploration Interest**	International pressure to decarbonise may reduce investor interest in frontier oil exploration. As countries tighten ESG standards, Seychelles risks stranded assets.	Updating and promoting the national petroleum acreage. Enhancing existing technical data packages as well as new data through the multi-client business model for marketing to prospective investors. Participating in international oil and gas conferences and investor roadshows. Revisiting the Petroleum Mining Act, regulations and fiscal terms to ensure competitiveness.	NDS 2.6.2 / SDG 14
	Environmental Protection	PetroSeychelles is involved in activities that if not done correctly could lead to environmental catastrophes. Environmental protection is therefore a key strategic priority to ensure safe operations.	Ensure that the new Environmental Protection (Offshore Exploration and Production) Regulations are enacted as fast as possible and work closely with operators to ensure proper EISAs are undertaken prior to any activity offshore.	NDS 6.4.2 / SDG 14
	Health and Safety	Oil and gas exploitation is a risky business and the key challenge is achieving zero incident and accident down time	Ensure that the new Petroleum Mining (Health and Safety) Regulations are enacted as fast as possible and work closely with operators to ensure that they are implementing the international oilfield best practices	NDS 3.1.1 / SDG 3
	Data Management	One key challenge is the high costs associated with hardware and software required for data management. Also, the lack of purpose designed data storage facilities locally.	By putting in place proper and effective data management strategies and investigating modern cloud storage options this can modernise the company's operations.	NDS 1.3.1 / SDG 9
	Staff Development	The high costs associated with formal training and the remoteness of Seychelles makes it difficult to implement staff development programs.	opt for online training wherever possible.	NDS 5.3.1 / SDG 4

6.10.2 Outlook of Financial Strategy

6.10.2.1 Projected Financial Position of PetroSeychelles

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Non-Current Assets							
Property and equipment	293	251	426	1,163	1,029	892	755
Intangible asset	17	**9**	31	41	30	30	30
	309	**260**	**457**	**1,204**	**1,060**	**922**	**785**
Current Assets							
Trade and other receivables	26,502	6,686	4,575	4,526	4,715	5,023	5,023
Cash and cash equivalents	2,374	1,026	8,385	4,703	1,690	2,608	4,902
Other current financial assets	65	65	62	64	65	65	65
	28,941	**7,777**	**13,022**	**9,293**	**6,470**	**7,696**	**7,751**
Total Assets	**29,250**	**8,037**	**13,479**	**10,496**	**7,530**	**8,619**	**10,775**
Liabilities							
Employees benefit obligation	894	989	1,473	1,482	1,591	1,550	1,730
Deferred Income	-	-	-		-	-	
Shareholders loan	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Non-current liabilities	**20,894**	**20,989**	**21,473**	**21,482**	**21,591**	**21,550**	**21,730**
Trade and other payables	274	411	600	294	94	95	1,120
Deferred Income	-	-	-	-	-	-	
Current liabilities	**274**	**411**	**600**	**294**	**94**	**95**	**1,120**
Share Capital	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Retained earnings	7,082	(14,362)	(9,593)	(12,280)	(15,156)	(14,026)	(13,074)
Total Equity	**8,082**	**(13,362)**	**(8,593)**	**(11,280)**	**(14,156)**	**(13,026)**	**(12,074)**
Total Equity and Liabilities	**29,250**	**8,037**	**13,479**	**10,496**	**7,530**	**8,619**	**10,775**

6.10.2.2 Projected Statement of Comprehensive Income of PetroSeychelles

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Revenue	3,645	9,604	10,130	3,000	3,000	7,000	7,000
Cost of sales	(1,690)	(1,810)	(1,971)	(1,911)	(2,056)	(1,844)	(1,907)
Gross profit	**1,955**	**7,794**	**8,159**	**1,089**	**944**	**5,156**	**5,093**
Administrative and general	(452)	(252)	(295)	(322)	(301)	(313)	(323)
Provision for doubtful debt		(28,197)					
Write-off of contract income	19,258	(658)					
Depreciation	(70)	(41)	(45)	(129)	(133)	(137)	(137)
Amortisation	(8)	(8)	(31)	(41)	(30)	(30)	(30)
Employee expenses	(2,706)	(2,721)	(2,853)	(3,124)	(3,199)	(3,353)	(3,451)
Insurance	(18)	-	(14)	(15)	(15)	(16)	(16)
Marketing and sales promotion	(28)	(15)	(28)	(28)	(28)	(28)	(29)
Operating exchange adjustments	1,126	2,775	(5)	2	3	(30)	(32)
Repairs and maintenance	(14)	(13)	(10)	(12)	(8)	(12)	(12)
Telecommunications & internet	(116)	(109)	(109)	(107)	(109)	(106)	(110)

Allowance for credit impairment	-	-	-	-	-	-	
	16,972	**(29,240)**	**(3,390)**	**(3,776)**	**(3,820)**	**(4,026)**	**(4,141)**
Operating profit before fixed charges	**18,927**	**(21,446)**	**4,769**	**(2,686)**	**(2,876)**	**1,130**	**952**
Finance income	3	2	-	-	-	-	-
Finance cost	-	-	-	-	-	-	-
Finance income/(cost)	**3**	**2**	**-**	**-**	**-**	**-**	**-**
Loss before income tax	**18,930**	**(21,444)**	**4,769**	**(2,686)**	**(2,876)**	**1,130**	**952**
Other comprehensive income							
Total comprehensive profit/(loss) for the year	**18,930**	**(21,444)**	**4,769**	**(2,686)**	**(2,876)**	**1,130**	**952**

6.10.2.3 Projected Cash flow Statement of Petro Seychelles

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Operating activities							
(Loss)/Profit for the year	18,930	(21,444)	4,769	(2,686)	(2,876)	1,130	952
Adjustment for:							
Release of deferred income	(20,241)	-	-	-	-	-	-
Depreciation charges	70	41	45	129	133	137	137
Amortisation	8	8	31	41	30	30	30
Changes in compensation liability	304	104	484	54	140	63	230
Gratuity paid	(10)	(10)	-	(45)	(30)	(105)	(50)
Provision for doubtful debt		28,197					
Finance income	3	2	-	-	-	-	-
Changes in working capital	**(936)**	**6,900**	**5,328**	**(2,507)**	**(2,603)**	**1,256**	**1,300**
Increase in receivables	(1,097)	(8,381)	2,114	47	(191)	(308)	-
(Increase)/decrease in payables	(288)	137	189	(306)	(200)	1	1,025
	(2,321)	(1,345)	7,632	(2,766)	(2,993)	949	2,324
Cash generated from operating activities							
Interest income	(3)	(2)	-	-	-	-	-
Net cash generated from operating activities	(2,324)	(1,347)	7,632	(2,766)	(2,993)	949	2,324
Cash flows from Investing activities							
Payments to acquire tangible fixed assets	(78)		(273)	(917)	(20)	(30)	(30)
Proceeds from disposal							
Net cash used in investing activities	**(78)**	**-**	**(273)**	**(917)**	**(20)**	**(30)**	**(30)**
Decrease in cash and cash equivalent	**(2,402)**	**(1,347)**	**7,359**	**(3,683)**	**(3,013)**	**918**	**2,294**
Exchange gain on bank balance	-	-	-	-	-	-	-
Government Subvention				-	-	-	-
Cash & cash equivalents at 1 January	**4,776**	**2,374**	**1,026**	**8,385**	**4,703**	**1,690**	**2,608**
Cash & cash equivalents at 31 December	**2,374**	**1,026**	**8,385**	**4,703**	**1,690**	**2,608**	**4,902**

6.10.2.4 Projected Capital Investment Plan of PetroSeychelles

SCR ('000)

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Finds	Year of Project Commenced	Expected Completion Date	Actual Figures			Provisional	Forecast			Anticipated Risks
							2022	2023	2024	2025	2026	2027	2028	
1. Major Capital Investments														
2. Replacements and upkeep of Assets (PPE)														
Purchase of motor vehicle	To replace ageing company car		400	Company budget	2025	2026					400			
TOTAL											**400**			

6.10.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

6.10.3.1 Tax Implications by the Operations of PetroSeychelles

SCR ('000)

Type of Tax	Actual Figures			Provisional	Forecast			Anticipated Risks
	2023	2024	2025	2026	2027	2028	2029	
Business Tax								
PIT	476	615	647	679	713	749	786	N/A
VAT								
Etc..								
TOTAL	**476**	**615**	**647**	**679**	**713**	**749**	**786**	

6.10.3.2 Anticipated Dividend Declarations by PetroSeychelles

**Petro Seychelles does not anticipate paying any dividends for the years 2025 to 2027. Upstream oil and gas projects do not normally generate any profit in the early stages of exploration. Such projects start generating considerable turnover after the production and marketing stages.*

Although Petro Seychelles does not pay dividends, the company, in its role as the de-facto geological survey, contributes to the country in several areas including inter alia risk and disaster assessment and management, maritime boundaries delimitation, extended continental shelf claims, as well as the provision of geotechnical data to several departments and agencies.

6.10.3.3 Debt Payments Forecasts by PetroSeychelles

SCR ('000)

Lending Organization	Description	Purpose of Borrowings	Total Debt Amount (Capital)	GoS as guarantor (YES/NO)	Total Borrowings and Debt Servicing						
					Actual Figures			Provisional	Forecast		
					2023	2024	2025	2026	2027	2028	2029
Debt for Other PEs	Borrowings	-	-	-	-	-	-	-	-	-	-
	Interest for the Year	-	-		-	-	-	-	-	-	-
	Repayment of Capital	To fund the running of the company	20,000		20,000	20,000	20,000	20,000	20,000	20,000	20,000
	Balance carried forward	-	-		-	-	-	-	-	-	-
SUB TOTAL (only Guaranteed by GOS)							-	-	-	-	-
TOTAL					**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**

**Following the splitting of Seypec into Seypec and PetroSeychelles in 2012, an agreement was reached whereby Seypec would repay SCR 50,000,00 assets it had acquired from taking over PetroSeychelles in SCR 5,000,000 yearly instalments over a period of ten years. Seypec decided to pay its dividends directly to Government and leave it to Government to find a mechanism by which to transfer the agreed yearly amount to PetroSeychelles. This came in the form of a loan from SSI offering a loan of SCR 20,000,000 to PetroSeychelles. The agreement for the loan was signed in 2018 but the agreement does not specify the repayment period nor the interest rate. This debt has therefore been included for complete disclosure. PetroSeychelles has nevertheless liaised with the Department of Finance to request for a write off of the loan and for Government subvention from the Seypec dividends.*

6.10.3.4 Anticipated Subventions and Grants by Petro Seychelles

SCR (000)

Nature of Funding	Funding Agency	Purpose	Total Agreed Amount (Forex)	Total Receipts of Subventions and Grants						
				Actual Figures			Provisional	Forecast		
				2023	2024	2025	2026	2027	2028	2029
Subventions	Government	**To fund the running of the company**	**15,318,774 (SCR)**		**3,319**	**4,000**	**-**	**-**	**4,000**	**4,000**
Grants	Government		-	-	-	-	-	-	-	-
	IMF		-	-	-	-	-	-	-	-
	ADB		-	-	-	-	-	-	-	-
	EU, etc.		-	-	-	-	-	-	-	-
TOTAL			**15,319**	**-**	**3,319**	**4,000**	**-**	**-**	**4,000**	**4,000**

6.10.3.5 Contingencies of PetroSeychelles

**PetroSeychelles does not anticipate any contingent liabilities*

6.10.3.6 Assumptions used for the Financial Projections of PetroSeychelles

- All allowances were merged with Basic Salary as from April 2023
- Review for salary of staff of 5% for the years 2026 to 2029
- A forecast of 5% PIT has been added each year as from 2026 -2029
- PSC Performance will be increased by 5% in 2026 and 2029

Assumptions on rent of office spaces and utilities

It has been assumed that PetroSeychelles will continue to benefit from rent free inclusive of utilities at Seypec House for the next three years.

Assumptions on agreements

It has been assumed that the debt owed by SSRL (SCR 28.9 million) will be recovered.

It has also been assumed that the existing Adamantine agreement will continue without any relinquishment of Scheduled lands. This will contribute SCR 2.9 million income annually.

6.10.4 KPIs, Risk Management Strategy and Reporting Obligations

6.10.4.1 Key Performance Indicators of PetroSeychelles

Title of Key Performance Indicators	Description	Targeted Strategic Priority	Achievements of KPIs						
			Actual Figures			Provisional	Forecast		
			2023	2024	2025	2026	2027	2028	2029
Strategic	The average time it takes to process permits, licenses, and approvals	Reduce Regulatory turnaround Time	30 days	30 days	30 days	30 days	30 days	30 days	30days
	Percentage of employees who have successfully completed the required training and development	Staff Development	100%	100%	100%	100%	100%	100%	100%

	programs within a specified timeframe.								
Operational	The number of active participations in upstream oil and gas conferences.	Reinvigorating Exploration Interest	1	0	2	2	2	2	2
	The percentage of time data is available and accessible for authorized users.	Data Management	97%	98%	100%	100%	100%	100%	100%

6.10.4.2 Risks and Resilience Plan of the PetroSeychelles

Risk Category and Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	
Institutional Overlap and Capacity Gaps	Clarify Institutional Roles Clearly separate the regulatory, commercial, and policy functions of government and PetroSeychelles to avoid conflicts of interest and promote accountability.
Lack of Long-Term National Strategy	Develop a National Petroleum Policy Anchor the company's role and goals within a long-term, government-endorsed petroleum policy that aligns with national priorities and environmental commitments
Limited Bargaining Power	
Financial Risks	
Funding Constraints As a small economy, Seychelles has limited fiscal space to support large-scale exploration or development. PetroSeychelles often depends on private or foreign capital, which may not be reliably available.	Enhance promotional campaigns to attract more and diversified investment in the sector
Revenue Volatility Oil prices are volatile. Even if production begins, fluctuating prices could undermine revenue projections and make long-term planning difficult.	Ensure contingencies are built into the budgeting process
Dependence on Licensing Income Without production, PetroSeychelles relies heavily on licensing and acreage rental fees, which are irregular and can create budget uncertainty	To diversify seeking new revenue streams
Operational Risks	
Environmental and Safety Risks Offshore drilling poses environmental risks (e.g. oil spills), and any mishap could have severe consequences for Seychelles' tourism-dependent economy.	Adopt International HSE Standards Require all exploration and production activities to comply with recognised international health, safety, and environmental (HSE) standards, supported by independent oversight. Conduct Strategic Environmental Assessments Perform early and comprehensive environmental and social impact assessments for offshore blocks to guide planning and reduce approval risks. Engage Stakeholders Proactively Involve local communities, NGOs, and key stakeholders in planning and communication to address concerns early and build a social license to operate.
Limited Technical Capacity As a small national oil company, PetroSeychelles has very limited in-house geoscience, engineering, and project management expertise, which may eventually lead to over-reliance on external consultants or partners.	Invest in Human Capital Provide targeted training in geoscience, petroleum economics, data management, and environmental regulation to build a core of skilled local professionals and reduce over-reliance on external consultants. Leverage Technical Partnerships Enter into technical cooperation agreements with established national or international oil companies (NOCs/IOCs) and multilateral agencies to access expertise and technology transfer.
Exploration Uncertainty	Work with service providers to acquire new modern data and use state of the art processing and interpretation techniques to improve subsurface imaging and minimise the risk of drilling dry holes.

The upstream sector is inherently high-risk. In Seychelles, offshore, especially deep-water exploration, carries high costs with no guarantee of a commercial discovery.	

A PESTEL analysis is a strategic way to understand the external factors influencing how an organisation operates. For PetroSeychelles, Seychelles' national petroleum exploration company, this tool can help highlight the major elements that could affect its activities.

PESTEL Analysis of PetroSeychelles

1. Political Factors

- **Government Policies**: The government of Seychelles places a strong emphasis on environmental protection, focusing on conservation and sustainable resource use. This has a direct influence on PetroSeychelles' operations. Any shifts in environmental or energy policies could impact how the company conducts exploration and extraction.
- **International Relations**: Seychelles' ties with countries experienced in oil and gas exploration are key. These relationships shape partnerships, investments, and the exchange of technology. Additionally, Seychelles' participation in global agreements like the Paris Accord influences its energy decisions.
- **Political Stability**: Seychelles is known for its stable political environment, which is great for business. However, any changes in government priorities or policy could affect energy strategies or exploration licenses.

2. Economic Factors

- **Global Oil Prices**: The ups and downs of global oil prices directly affect PetroSeychelles' activities. Low prices might slow down exploration, while higher prices could make it more attractive.
- **Investment Climate**: Attracting foreign investment is crucial for Seychelles' oil and gas sector. Policies on taxes and the ease of doing business can either encourage or hinder investments in PetroSeychelles.
- **Economic Diversification**: Seychelles is working to diversify its economy beyond tourism and fishing. Success or setbacks in this strategy, including efforts in the energy sector, will likely shape PetroSeychelles' future.

3. Social Factors

- **Public Opinion**: Local opinions and those of environmental groups hold significant sway. There could be opposition to oil exploration due to environmental concerns, possibly leading to protests or policy shifts.

6.10.4.3 List of External Reporting's by the PetroSeychelles

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report	Submitted YES/NO
EITI Report	EITI secretariat	To report on all funds collected from oil and gas companies.	yearly	YES
PEMC quarterly financial report	PEMC	Quarterly financial statements	quarterly	YES
PEMC annual operations report	PEMC	Documents the operations of the company for the year.	Yearly, due 6 months after year end.	YES
Statement of corporate intent	PEMC	The Statement of Corporate Intent is a document that outlines the company's intentions, objectives, and strategic priorities.	Every three years.	NO
Audited Financial Statements	PEMC, Dept of Finance	the financial statements of the organization that have been examined by a certified public accountant.	Yearly, due 5 months after year end	YES

6.10.5 Stakeholder Engagement

6.10.5.1 Statement by the Responsible Minister * Not Provided*
6.10.5.2 Foreword by Chairperson * Not provided*
6.10.5.3 Statement by the Chief Executive Officer

The Medium-Term Financial Strategy for 2027–2029 has been prepared at a time when the global petroleum industry continues to face uncertainty, changing investment priorities and increasing competition for exploration capital. As a frontier petroleum jurisdiction, Seychelles is not immune to these challenges. Nevertheless, I remain confident that PetroSeychelles is well placed to continue fulfilling its mandate and positioning the country for future opportunities.

Over the next three years, our focus will remain on maintaining a financially responsible and resilient organisation while continuing to deliver the functions entrusted to us under the Petroleum Act, 2023. Although exploration activity has slowed in many frontier basins, our responsibility to regulate the sector, promote investment, preserve our national petroleum data and provide technical advice to Government remains as important as ever.

This Medium-Term Financial Strategy reflects the realities of our operating environment. It recognises that our financial resources are limited and that careful planning and prudent management are essential. We will therefore continue to manage expenditure responsibly, prioritise activities that deliver the greatest value, and ensure that every rupee entrusted to PetroSeychelles is used effectively and transparently.

At the same time, we must continue looking beyond our traditional sources of income. We will actively pursue opportunities to increase revenue through the promotion and commercialisation of our geological data, the provision of specialised technical services, and stronger collaboration with regional and international partners. While these opportunities may take time to mature, they are important steps towards strengthening the organisation's long-term financial sustainability.

Government support will continue to play an important role during this planning period. PetroSeychelles is more than a commercial organisation; it performs strategic national functions that are essential to safeguarding Seychelles' petroleum interests and maintaining the country's readiness for future exploration and development. Maintaining our technical capability today ensures that Seychelles will be well positioned to benefit when market conditions improve.

The years ahead will also see us continue investing in our people, our information systems and the preservation of our valuable geological data assets. These investments are necessary to ensure that PetroSeychelles remains an effective, modern and responsive organisation capable of meeting both current responsibilities and future demands.

I am proud of what our team has achieved despite a challenging operating environment. Their professionalism, commitment and willingness to adapt continue to strengthen the organisation and provide confidence for the future.

I would like to thank the Board of Directors, our staff, Government and all our stakeholders for their continued support and confidence in PetroSeychelles. Together, we will continue to manage the country's petroleum resources responsibly, strengthen the organisation's financial sustainability and ensure that Seychelles remains well prepared to take advantage of future opportunities in the upstream petroleum sector.

Name: Patrick Joseph

Signature: __ 

Date: 31 August 2026

6.11 Seychelles Trading Company Ltd. (STCL)

6.11.1 Strategic Overview

6.11.1.1 Mandate

STC's central mandate is to ensure the consistent availability and affordability of essential commodities classified as Category 1 products. These include rice, flour, sugar, salt, milk powder, potatoes, onions, oranges, apples, infant formula, sunflower oil, sunflower margarine, toilet paper, lentils, pasta, juice, tea, corn flakes/cereal, liquid milk, chicken franks, long-life yoghurt, biscuits, baby diapers, adult diapers, dishwashing paste and baby wipes.

In fulfilling this responsibility, STC plays a critical stabilizing role in the national economy by anchoring the prices of essential goods, thereby ensuring that the cost of living remains affordable in line with prevailing economic conditions.

Beyond its core mandate, STC has diversified its portfolio to offer the Seychellois population a wider range of affordable consumer goods, supporting household consumption and national

6.11.1.2 Vision

"*The trusted market leader for quality, essential products at affordable prices."*

The focus is on quality of goods, quality of service delivery, availability and affordability

6.11.1.3 Mission

"*Ensure commodities are constantly available at value for money, supported by service delivery excellence*."

The emphasis is on core mandate, affordability, accessibility and service delivery

Strategic Priorities, Challenges, and Initiatives with NDS and SDG Alignment

Year	*6.11.1.4 Strategic Priority*	*6.11.1.5 Key Challenge*	*6.11.1.6 Strategic Initiative*	*6.11.1.7 NDS & SDG Mapping*
2027	**1. Maintaining the core mandate of consistency in availability, quality, and affordability of supplies.**	Supply-chain disruption, shipping uncertainty and effective management of the six-month Strategic Buffer Stock (SBS).	Implement Strategic Buffer Stock procurement, stock-rotation and monitoring procedures; diversify suppliers and countries of origin; and establish minimum and maximum stock levels for essential commodities.	**Supply resilience and affordability** NDS Priority 2 SDG 2 – Zero Hunger; SDG 12 – Responsible Consumption and Production
	2. Achieving excellence in operations management at every level of the company.	Inefficient and fragmented processes and continued reliance on legacy systems.	Implement the new ERP system; standardize SOPs; and strengthen warehouse, procurement, logistics and inventory-management controls.	**Operational excellence** NDS Priority 1; NDS Priority 2. SDG 8 – Decent Work and Economic Growth; SDG 9 – Industry, Innovation and Infrastructure; SDG 12 – Responsible Consumption and Production.
	3. Developing and maintaining excellence in sales and marketing.	Declining sales and insufficient understanding of customer and product performance.	Introducing product-, customer- and unit-level sales analysis; develop targeted promotions; and strengthen customer engagement and sales accountability across all units.	**Sales and marketing excellence** NDS Priority 2 – The Transformative Economic Agenda SDG 8 – Decent Work and Economic Growth; SDG 9 – Industry, Innovation and Infrastructure, where digital sales analytics and technology are implemented.
	4. Ensure financial sustainability and improve management reporting and analysis to stakeholders.	Current operating losses, pressure on margins and upcoming loan-repayment obligations.	Implement monthly cash-flow forecasting, sustainable margin analysis, expenditure controls and unit-level profitability reporting; and develop a financial recovery plan.	**Financial sustainability and stakeholder reporting** NDS Priority 2 – The Transformative Economic Agenda; NDS Priority 1 – A Modern Public Service SDG 8 – Decent Work and Economic Growth; SDG 16 – Peace, Justice and Strong Institutions.
	5. Institutional strengthening and corporate governance.	Gaps in policies, internal controls, accountability and decision-making authority.	Finalizing the authority matrix and SOPs; strengthen internal audit and risk management; and implement quarterly compliance and performance reviews.	**Institutional strengthening and governance** NDS Priority 1 – A Modern Public Service; NDS Priority 5 – A Modern Education System in Line with Future Needs SDG 8 – Decent Work and Economic Growth; SDG 16 – Peace, Justice and Strong Institutions.
2028	**1. Maintaining the core mandate of consistency in availability, quality, and affordability of supplies.**	Commodity-price, freight and foreign-exchange volatility.	Establish longer-term or framework agreements with key suppliers; introduce supplier-performance evaluations; and strengthen landed-cost monitoring.	**Supply resilience and affordability** NDS Priority 2 SDG 2 – Zero Hunger; SDG 12 – Responsible Consumption and Production
	2. Achieving excellence in operations management at every level of the company.	Incomplete integration of operational processes and data.	Complete ERP integration across Finance, Procurement, Inventory, Warehousing, Sales, POS, HR and Logistics; and strengthen data quality and automated reporting.	**Operational excellence** NDS Priority 1; NDS Priority 2. SDG 8 – Decent Work and Economic Growth; SDG 9 – Industry, Innovation and Infrastructure; SDG 12 – Responsible Consumption and Production.

	3. Developing and maintaining excellence in sales and marketing.	Low customer retention and limited market segmentation.	Implement CRM capabilities, customer segmentation, loyalty initiatives and data-driven pricing and promotional campaigns.	**Sales and marketing excellence** NDS Priority 2 – The Transformative Economic Agenda SDG 8 – Decent Work and Economic Growth; SDG 9 – Industry, Innovation and Infrastructure, where digital sales analytics and technology are implemented.
	4. Ensure financial sustainability and improve management reporting and analysis to stakeholders.	Increasing financing and Strategic Buffer Stock holding costs and limited capital-project returns.	Introduce project appraisal and post-investment reviews; quantify Strategic Buffer Stock holding costs; and strengthen working-capital and debt-service planning.	**Financial sustainability and stakeholder reporting** NDS Priority 2 – The Transformative Economic Agenda; NDS Priority 1 – A Modern Public Service SDG 8 – Decent Work and Economic Growth; SDG 16 – Peace, Justice and Strong Institutions.
	5. Institutional strengthening and corporate governance.	Limited employee participation and insufficient succession planning.	Strengthen employee engagement, performance management, leadership development and succession planning for critical positions.	**Institutional strengthening and governance** NDS Priority 1 – A Modern Public Service; NDS Priority 5 – A Modern Education System in Line with Future Needs SDG 8 – Decent Work and Economic Growth; SDG 16 – Peace, Justice and Strong Institutions.
2029	**1. Maintaining the core mandate of consistency in availability, quality, and affordability of supplies.**	Long-term exposure to external supply shocks and overdependence on selected suppliers or routes.	Establish a fully integrated supply-chain resilience framework, including alternative suppliers, shipping routes, contingency plans and emergency procurement procedures.	**Supply resilience and affordability** NDS Priority 2 SDG 2 – Zero Hunger; SDG 12 – Responsible Consumption and Production
	2. Achieving excellence in operations management at every level of the company.	Operational silos and inconsistent performance across business units.	Integrate workflows across departments and units; introduce benchmarking, shared KPIs and continuous process-improvement programmes.	**Operational excellence** NDS Priority 1; NDS Priority 2. SDG 8 – Decent Work and Economic Growth; SDG 9 – Industry, Innovation and Infrastructure; SDG 12 – Responsible Consumption and Production.
	3. Developing and maintaining excellence in sales and marketing.	Changing customer expectations and increasing competition.	Expand digital sales and communication channels; strengthen brand positioning; and use customer and product analytics to support commercial decisions.	**Sales and marketing excellence** NDS Priority 2 – The Transformative Economic Agenda SDG 8 – Decent Work and Economic Growth; SDG 9 – Industry, Innovation and Infrastructure, where digital sales analytics and technology are implemented.
	4. Ensure financial sustainability and improve management reporting and analysis to stakeholders.	Need to sustain profitability, liquidity and repayment capacity.	Use predictive forecasting, scenario analysis and integrated budgeting; maintain adequate liquidity and sustainable margins while meeting financing obligations.	**Financial sustainability and stakeholder reporting** NDS Priority 2 – The Transformative Economic Agenda; NDS Priority 1 – A Modern Public Service SDG 8 – Decent Work and Economic Growth; SDG 16 – Peace, Justice and Strong Institutions.
	5. Institutional strengthening and corporate governance.	Slow decision-making and insufficient use of performance information.	Introduce management and Board dashboards; streamline approval processes; and strengthen executive oversight and evidence-based decision-making.	**Institutional strengthening and governance** NDS Priority 1 – A Modern Public Service; NDS Priority 5 – A Modern Education System in Line with Future Needs SDG 8 – Decent Work and Economic Growth; SDG 16 – Peace, Justice and Strong Institutions.

6.11.2 Outlook of Financial Strategy

6.11.2.1 Projected Financial Position of Seychelles Trading Company Ltd.

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Description	Actual Figures		Provisional		Forecast		
	2023	2024	2025	2026	2027	2028	2029
ASSETS							
Non-current assets							
Property, plant and equipment	182,346	195,277	214,397	201,634	258,678	238,617	219,397
Intangible assets	51	31	51	51	51	51	51
Right-of-use assets	7,335	6,314	5,890	4,782	3,673	2,565	1,457
Investment in subsidiary – BDRIL	44,738	53,072	53,072	53,072	53,072	53,072	53,072
Investments – others	25	25	25	25	25	25	25
Deferred tax assets	-	3,803	3,803	3,803	3,803	3,803	3,803
Total non-current assets	**234,495**	**258,522**	**277,238**	**263,367**	**319,303**	**298,133**	**277,805**
Current assets							
Inventories	241,441	242,134	276,389	389,755	391,899	378,211	359,354
Trade and other receivables	40,895	65,932	61,012	56,824	59,946	60,616	60,054
Current tax asset	7,410	10,305	10,477	10,477	10,477	10,477	10,477
Cash and cash equivalents	76,115	42,210	40,747	76,348	36,494	17,142	4,479
Total current assets	**365,860**	**360,582**	**388,624**	**533,403**	**498,815**	**466,446**	**434,363**
TOTAL ASSETS	**600,355**	**619,104**	**665,862**	**796,770**	**818,118**	**764,580**	**712,168**
EQUITY AND LIABILITIES							
Non-current liabilities							
Lease liability	8,027	7,268	6,630	6,260	5,264	4,187	3,025
Deferred tax liabilities	5,587	-	-	-	-	-	-
Employee benefit obligations	32,597	35,920	38,562	41,204	43,846	46,489	49,131
Long term loan	-	-	13,994	139,723	148,842	94,536	42,376
Total non-current liabilities	**46,211**	**43,188**	**59,186**	**187,187**	**197,952**	**145,212**	**94,532**
Current liabilities							
Lease liability	552	759	1,407	923	997	1,076	1,162
Trade payables & Other Payable	92,716	86,462	117,482	126,641	116,866	117,817	117,731
Bank overdraft	-	-	15,000	-	-	-	-
Current portion of borrowings	-	-	6,006	31,566	52,568	54,307	52,160
Total current liabilities	**93,268**	**87,221**	**139,895**	**159,129**	**170,430**	**173,199**	**171,054**
Equity							
Share capital	10	10	10	10	10	10	10
Contributed capital	136,947	145,282	145,282	145,282	145,282	145,282	145,282
Retained earnings	323,919	343,403	321,490	305,162	304,444	300,876	301,290
Total equity	**460,877**	**488,695**	**466,782**	**450,454**	**449,736**	**446,168**	**446,582**
TOTAL LIABILITIES AND EQUITY	**600,355**	**619,104**	**665,862**	**796,770**	**818,118**	**764,580**	**712,168**

6.11.2.2 Projected Statement of Comprehensive Income of Seychelles Trading Company Ltd.

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Description	Actual Figures		Provisional		Forecast		
	2023	2024	2025	2026	2027	2028	2029
Revenue	1,030,727	1,008,329	1,010,946	960,398	1,031,165	1,061,493	1,071,602
Cost of sales	(741,769)	(740,141)	(751,098)	(696,289)	(745,016)	(766,929)	(771,554)
Gross profit	**288,958**	**268,187**	**259,847**	**264,110**	**286,148**	**294,564**	**300,049**
Other income	3,514	3,166	4,436	4,214	4,256	4,298	4,341
Provision for credit impairment	(1,002)	(1,136)	(4,137)	(1,137)	(1,149)	(1,160)	(1,172)
Bank charges and commissions	(6,633)	(6,774)	(7,284)	(7,284)	(7,357)	(7,431)	(7,505)
Cleaning expenses	(2,030)	(2,285)	(3,036)	(3,036)	(3,097)	(3,159)	(3,222)
Communication, printing and stationery	(4,499)	(4,538)	(4,129)	(4,129)	(4,212)	(4,296)	(4,382)
Depreciation and amortisation	(10,288)	(12,848)	(13,571)	(15,871)	(18,564)	(23,170)	(23,329)
Licences and insurance	(2,098)	(2,553)	(2,522)	(2,522)	(2,547)	(2,573)	(2,599)
Other administrative expenses	(13,191)	(14,079)	(17,533)	(17,535)	(17,710)	(17,887)	(18,066)
Rental expenses	(18,164)	(14,919)	(17,020)	(16,169)	(16,331)	(16,494)	(16,659)
Repairs and maintenance	(7,763)	(8,443)	(9,996)	(10,096)	(10,197)	(10,299)	(10,402)
Staff costs	(135,896)	(141,512)	(153,637)	(159,782)	(161,380)	(164,608)	(166,254)
Transport, travelling and fuel expenses	(10,434)	(11,545)	(12,576)	(12,578)	(12,703)	(12,830)	(12,959)
Utilities	(32,819)	(34,359)	(34,725)	(31,252)	(31,878)	(32,515)	(33,165)
Write-off of work in progress	-	-	(6,966)	-	-	-	-
Total Operating Expenses	**(244,817)**	**(254,993)**	**(287,132)**	**(281,392)**	**(287,125)**	**(296,422)**	**(299,713)**
Net finance income/(expense)	13,298	6,273	1,677	(3,259)	(3,997)	(6,009)	(4,190)
Profit before exceptional items and tax	**60,953**	**22,633**	**(21,173)**	**(16,328)**	**(718)**	**(3,568)**	**487**
Exceptional items							
Unpaid taxes and duties	-	(5,066)	-	-	-	-	-
Profit before tax	**60,953**	**17,567**	**(21,173)**	**(16,328)**	**(718)**	**(3,568)**	**487**
Tax credit/(expense)	(1,268)	1,917	(741)	-	-	-	(73)
Profit / (Loss) after tax	**59,685**	**19,484**	**(21,913)**	**(16,328)**	**(718)**	**(3,568)**	**414**
Retained earnings at beginning of year	**264,234**	**323,919**	**343,403**	**321,490**	**305,162**	**304,444**	**300,876**
Retained earnings at end of year	**323,919**	**343,403**	**321,490**	**305,162**	**304,444**	**300,876**	**301,290**

Note: Taxation has been calculated directly on accounting profit, without adjustments for taxable profit or available tax losses, as a detailed tax computation is not practical at this stage.

6.11.2.3 Projected Cash flows Statement of Seychelles Trading Company Ltd

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Description	Actual Figures		Provisional		Forecast		
	2023	2024	2025	2026	2027	2028	2029
Cash Flows from Operating Activities							
Profit before income tax	60,953	17,567	(21,173)	(16,328)	(718)	(3,568)	487
Adjustments for:							
Depreciation of property, plant and equipment	9,273	11,812	12,443	14,763	17,456	22,061	22,220
Amortization of intangible assets	20	20	20	-	-	-	-
Depreciation of right-of-use assets	996	1,021	1,108	1,108	1,108	1,108	1,108
Provision for employee benefit obligations	6,989	6,241	5,561	5,561	5,561	5,561	5,561
Net finance costs/(income)	(13,298)	(6,273)	(1,677)	3,259	3,997	6,009	4,190
Write-off of work in progress	-	-	6,966	-	-	-	-
Provision for credit impairment	1,002	1,136	4,137	1,137	1,149	1,160	1,172
Operating cash flow before working-capital changes	**65,935**	**31,525**	**7,386**	**9,500**	**28,553**	**32,332**	**34,739**
Changes in working capital:							
Decrease/(increase) in inventories	21,088	(694)	(34,255)	(113,366)	(2,144)	13,688	18,858
Decrease/(increase) in trade and other receivables	(7,501)	(26,174)	783	3,051	(4,271)	(1,830)	(610)
(Decrease)/increase in trade and other payables	1,443	(6,254)	31,019	9,159	(9,775)	951	(85)
Cash generated from (used in) operations	**80,965**	**(1,597)**	**4,935**	**(91,656)**	**12,363**	**45,140**	**52,901**
Tax paid	(21,073)	(10,368)	(912)	-	-	-	(73)
Employee benefit obligations paid	(4,206)	(2,919)	(2,919)	(2,919)	(2,919)	(2,919)	(2,919)
Net Cash Generated From (Used in) Operating Activities	**55,686**	**(14,884)**	**1,104**	**(94,575)**	**9,445**	**42,222**	**49,909**
Cash Flows from Investing Activities							
Additions to property, plant and equipment	(15,760)	(4,958)	(38,529)	(2,000)	(74,500)	(2,000)	(3,000)
Intangible assets	-	-	(40)	-	-	-	-
Payments made for work in progress	(52,702)	(19,785)	-	-	-	-	-
Interest received	163	43	-	-	-	-	-
Net Cash Used in Investing Activities	**(68,299)**	**(24,700)**	**(38,569)**	**(2,000)**	**(74,500)**	**(2,000)**	**(3,000)**
Cash Flows from Financing Activities							
Loan and overdraft proceeds/(repayments)	(5,000)	-	35,000	136,289	30,121	(52,568)	(54,307)
Lease and interest payments	(1,387)	(1,387)	(2,142)	(4,113)	(4,920)	(7,005)	(5,266)
Net cash from/ (used in) financing activities	**(6,387)**	**(1,387)**	**32,858**	**132,175**	**25,201**	**(59,573)**	**(59,573)**
Net Change in Cash and Cash Equivalents	**(18,999)**	**(40,970)**	**(4,606)**	**35,601**	**(39,854)**	**(19,351)**	**(12,664)**
Movement In Cash and Cash Equivalents							
As at 1 January	81,095	76,115	42,210	40,747	76,348	36,494	17,142
Net change in cash and cash equivalents	(18,999)	(40,970)	(4,606)	35,601	(39,854)	(19,351)	(12,664)
Net foreign exchange	14,019	7,065	3,143	-	-	-	-
As At 31 December	**76,115**	**42,210**	**40,747**	**76,348**	**36,494**	**17,142**	**4,479**

6.11.2.4 Projected Capital Investment Plan of Seychelles Trading Company Ltd.

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Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures		Provisional		Forecast			Anticipated Risks
							2023	2024	2025	2026	2027	2028	2029	
1. Major Capital Investments														
1- ERP Software														
- Consultant cost	Note 1	Note 2	5M	Reserve	2026	Dec-27	-	-	-	2,000	-	-	-	
					2026	Dec-27	-	-	-	-	3,000	-	-	
- ERP Software Cost and Other equipment cost	Note 1	Note 2	25M (Note 3)	Loan	2026	Dec-27	-	-	-	-	25,000	-	-	Delay and cost overrun
Cold Storage Capital Expenditure		Note 4	14M	Loan	2027	2027	-	-	-	-	14,000			Delay and cost overrun
Dry Goods Warehouses 1–4 and Providence A/B,		Note 5	26M	Loan	2027	2027	-	-	-	-	26,000			Delay and cost overrun
Renovation of warehouse 1, 2, 3 and 4				Reserve	2025	2026	-	-	14,758	-	-	-	-	
Bakery renovations and the installation of new bakery equipment				Reserve	2025	2026	-	-	2,856	-	-	-	-	
STC other small renovation projects				Reserve	2025	2026	-	-	2,113	-	-	-	-	
							-	-	19,728	2,000	68,000	-	-	
2. Replacements and upkeep of Assets (PPE)														
Office Equipment	Note 6			Reserve						-	1,500	0	0	
Computer Equipment	Note 6			Reserve						-	1,500	0	0	
Furniture and Fixtures	Note 6			Reserve						-	1,500	0	0	
Motor Vehicles	Note 6			Reserve						-	2,000	2,000	3,000	
							-	-	-	-	6,500	2,000	3,000	
TOTAL							**-**	**-**	**19,728**	**2,000**	**74,500**	**2,000**	**3,000**	
							Note 7	Note 7	Note 7					

Note 1: Implementation of an integrated ERP system to streamline STC's financial, procurement, inventory, sales and operational processes.

Note 2: Improved operational efficiency, stronger internal controls, accurate and timely reporting, and better integration of information across all STC units.

Note 3: The estimated cost of the ERP system cannot be determined at this stage, as EY has only recently commenced the process. The final cost will be known following completion of the competitive bidding process and selection of the preferred ERP solution and supplier.

Note 4: Improved reliability and capacity of temperature-controlled storage, resulting in reduced equipment downtime, product spoilage and energy consumption while maintaining food-safety requirements.

Note 5: Safe, secure and efficient storage facilities with improved capacity and stock handling, resulting in reduced product damage, pest exposure and operational delays.

Note 6: This involves the replacement and maintenance of existing assets, office and computer equipment, furniture and fixtures, and motor vehicles.

Note 7: This list does not show the CAPEX payments for projects that have already been completed by 2025 or before, as the same appears in fixed assets schedule.

6.11.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

6.11.3.1 Tax Implications by the Operations of Seychelles Trading Company Ltd.

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Type of Tax	Actual Figures		Provisional		Forecast			Anticipated Risks
	2023	2024	2025	2026	2027	2028	2029	
Business Tax - Provision/(Credit)	1,268	(1,917)	741	-	-	-	73	
Business Tax - Paid	21,073	10,368	912	-	-	-	73	
Personal Income Tax (PIT)	7,139	7,632	8,839	8,927	9,017	9,107	9,198	
VAT	42	46	-	-	-	-	-	
TOTAL TAX PAYMENTS	**28,255**	**18,046**	**9,751**	**8,927**	**9,017**	**9,107**	**9,271**	

6.11.3.2 Anticipated Dividend Declarations by Seychelles Trading Company Ltd.

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Nature of Dividend	Actual Figures			Provisional	Forecast			Anticipated Risks Conditions/Justifications
	2023	2024	2025	2026	2027	2028	2029	
Dividends in Cash	No	No	No	NA	NA	NA	NA	STC supplies essential goods and commodities to the people of Seychelles at controlled and affordable prices. In fulfilling this public-service responsibility, the Company applies only a sustainable margin intended to recover its procurement and operating costs while maintaining the continued availability of essential products. As a result, STC earns a lower return on these products than it might otherwise achieve under normal commercial pricing. This limits the profits available for distribution, and consequently, no dividend has been declared or paid.
Dividends in lieu of Cash	No	No	No	NA	NA	NA	NA	
TOTAL	-	-	-	-	-	-	-	

6.11.3.3 Debt Payments Forecasts by Seychelles Trading Company Ltd.

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Lending Organization	Description	Purpose of Borrowings	Total Debt Amount (Capital)	GoS as guarantor (YES/NO)	Total Borrowings and Debt Servicing						
					Actual Figures		Provisional		Forecast		
					2023	2024	2025	2026	2027	2028	2029
Loan 01 From Nouvobanq Bank	Balance B/F	To pay international overdue suppliers and bank overdraft			-	-	-	20,000	53,994	46,428	38,449
	Borrowings				-	-	20,000	40,000	-	-	-
	Interest for the Year				-	-	Note 1	2,616	2,781	2,367	1,898
	Repayment of Capital				-	-	-	(6,006)	(7,566)	(7,980)	(8,449)
	Balance carried forward		**60M**	**No**	**-**	**-**	**20,000**	**53,994**	**46,428**	**38,449**	**30,000**
Loan 02 From Government of Seychelles MOF	Balance B/F	To build 6 months strategic buffer stock			-	-	-	-	117,295	93,295	69,295
	Borrowings				-	-	-	117,295	-	-	-
	Interest for the Year				-	-	-	-	-	-	-
	Repayment of Capital				-	-	-	-	(24,000)	(24,000)	(24,000)
	Balance carried forward		**117.29M**	**No**	**-**	**-**	**-**	**117,295**	**93,295**	**69,295**	**45,295**
Loan 03 (Planned but not specified)	Balance B/F				-	-	-	-	-	61,687	41,099
	Borrowings	ERP and CAPEX work	65M	No	-	-	-	-	65,000	-	-
	Interest for the Year				-	-	-	-	642	3,141	1,871
	Repayment of Capital				-	-	-	-	(3,313)	(20,588)	(21,858)
	Balance carried forward				**-**	**-**	**-**	**-**	**61,687**	**41,099**	**19,241**
Additional Loan / Facility	Balance B/F										
	Borrowings										
	Interest for the Year										
	Repayment of Capital										
	Balance carried forward										
SUB TOTAL (only Guaranteed by GOS)											
TOTAL							**20,000**	**171,289**	**201,410**	**148,842**	**94,536**
Note 1: The loan 20M appearing in 2025 is the part of 60M loan on which interest started from March 2026. This loan is for the period of 7 Year carrying interest rate of 5.5%.											
Note 2: Loan 2 amounting to 117M is for period of five years and interest free.											
Note 3: Loan 3 amounting to 65M is for period of three years and expected interest rate is 6%. Planned to take this loan at end of 2027.											

6.11.3.4 Anticipated Subventions and Grants by Seychelles Trading Company Ltd

**The Company does not anticipate and subvention or grants during medium term.*

6.11.3.5 Contingencies of Seychelles Trading Company Ltd.

Nature of Contingencies	Funding Agency	Purpose	Total Liability Amount	Realized Guarantees						
				Actual Figures		Provisional		Forecast		
				2023	2024	2025	2026	2027	2028	2029
Bank guarantees for bonded warehouse			10,000,000	-	-	-	-	-	-	-
Corporate guarantees for employee loan			400,000	-	-	-	-	-	-	-
TOTAL			**10,400,000**	-	-	-	-	-	-	-

6.11.3.6 Assumptions used for the Financial Projections of STCL

Assumption / Input		2025	2026	2027	2028	2029
		Provisional		Forecast		
WORKING-CAPITAL DRIVERS	Note					
Inventory holding days	1	134.3	204.3	192.0	180.0	170.0
Gross receivable collection days		183.6	183.6	183.6	183.6	183.6
Supplier payment days		57.1	57.1	57.1	57.1	57.1
ECL write-offs / utilisation		-	-	-	-	-
PROPERTY, LEASE AND EMPLOYEE-BENEFIT INPUTS						
PPE additions		38,529	2,000	74,500	2,000	3,000
PPE depreciation		12,443	14,763	17,456	22,061	22,220
PPE disposals at net book value		-	-	-	-	-
Right-of-use asset additions		685				
Right-of-use depreciation		1,108	1,108	1,108	1,108	1,108
Lease additions		685	-	-	-	-
Lease effective interest rate			8%	8%	8%	8%
Lease cash payments		1,497	1,497	1,497	1,497	1,497
Employee-benefit provision		5,561	5,561	5,561	5,561	5,561
Employee benefits paid		2,919	2,919	2,919	2,919	2,919
Intangible-asset additions	2	40	-	-	-	-
Intangible amortisation	2	20	-	-	-	-
TAX, FINANCE AND OTHER BALANCE INPUTS						
Closing current tax asset	3	10,477	10,477	10,477	10,477	10,477
Closing deferred tax asset	3	3,803	3,803	3,803	3,803	3,803
Closing deferred tax liability	3	-	-	-	-	-
Finance income / interest received		-	-	-	-	-
Net foreign-exchange difference	4	3,143	-	-	-	-
Investment – others		25	25	25	25	25
Investment in subsidiary – BDRIL	4	53,072	53,072	53,072	53,072	53,072
Share capital		10	10	10	10	10
Contributed capital		145,282	145,282	145,282	145,282	145,282
Closing bank overdraft		15,000	-	-	-	-

SALES, COGS, OPEX						
Sales - %age of 2025 revenue”			95.0%	102.00%	105.00%	106.00%
Cost of sales			72.50%	72.25%	72.25%	72.00%
Other income			95.0%	101.00%	101.00%	101.00%
Provision for credit impairment			100.10%	101.00%	101.00%	101.00%
Bank charges and commissions			100.01%	101.00%	101.00%	101.00%
Cleaning expenses			100.01%	102.00%	102.00%	102.00%
Communication, printing and stationery			100.01%	102.00%	102.00%	102.00%
Depreciation and amortisation			As Above	As Above	As Above	As Above
Licences and insurance			100.01%	101.00%	101.00%	101.00%
Other administrative expenses			100.01%	101.00%	101.00%	101.00%
Rental expenses			95.0%	101.00%	101.00%	101.00%
Repairs and maintenance			101.00%	101.00%	101.00%	101.00%
Staff costs			104.00%	101.00%	102.00%	101.00%
Transport, travelling and fuel expenses			100.01%	101.00%	101.00%	101.00%
Utilities			90.0%	102.00%	102.00%	102.00%
Note						
Note 1						
During 2026, Government agreed financing of approximately SCR 117 million to support the procurement and maintenance of a six-month strategic buffer stock of essential commodities.						
Note 2						
At this preliminary stage of the ERP project, the projected ERP capital expenditure has not been separately classified between tangible and intangible asset components.						
Note 3						
Deferred taxation has not been projected over the forecast period. The deferred tax balance as reported in the latest Audited Financial Statements has therefore been carried forward unchanged throughout the forecast period.						
Note 4						
Investments are stated at cost. No net foreign exchange gain or loss has been assumed over the forecast period.						

6.11.4 KPIs, Risk Management Strategy and Reporting Obligations

6.11.4.1 Key Performance Indicators of the Seychelles Trading Company Ltd.

KPI Category	Title of Key Performance Indicator	Description	Targeted Strategic Priority	Achievements of KPIs						
				Actual Figures		Provisional		Forecast		
				2023	2024	2025	2026	2027	2028	2029
Strategic	**Availability of Essential Commodities**	Percentage of core essential commodity lines available against the Board-approved list and minimum service level.	Maintaining consistency in the availability, quality and affordability of supplies.	**TBC**	**TBC**	**TBC**	95%	97%	98%	98%
	Strategic Buffer Stock (SBS) Coverage	Number of months of demand covered by compliant SBS inventory, based on approved consumption assumptions and usable stock.	Maintaining consistency in the availability, quality and affordability of supplies.	N/A	N/A	N/A	6.0 months	6.0 months	6.0 months	6.0 months
	ERP Implementation Completion	Percentage of approved ERP implementation milestones completed and formally accepted, including data migration, testing, training and go-live.	Achieving excellence in operations management at every level of the company.	N/A	N/A	N/A	10%	70%	100%	100%
	Workforce Competency Development	Percentage of employees completing the approved annual training and competency-development plan.	Institutional strengthening and corporate governance.			80%*	85%	90%	95%	95%
Operational	**Inventory Holding Days**	Average inventory divided by cost of sales, multiplied by 365 days. Lower results indicate improved inventory utilization, subject to Strategic Buffer Stock requirements.	Achieving excellence in operations management at every level of the company.	119 days	119 days	134 days	≤204 days	≤192 days	≤180 days	≤170 days
Operational	**Stock Loss and Write-down Ratio**	Inventory losses, expiry, damage and write-downs as a percentage of net sales.	Achieving excellence in operations management at every level of the company.	1.49%	1.53%	2%	1.5%	≤1.0%	≤0.90%	≤0.80%
Operational	**Demurrage Cost Reduction**	Year-on-year percentage reduction in demurrage and avoidable port-related charges, measured against the preceding year.	Achieving excellence in operations management at every level of the company.	(36%)	19%	137%	-5%	-5%	-5%	-5%
Operational	**SOP Compliance Rate**	Percentage of tested processes operating in compliance with approved SOPs, based on periodic process audits.	Institutional strengthening and corporate governance.	N/A	N/A	N/A	Baseline	90%	95%	98%
Operational	**Sales Performance Against Budget**	Actual net sales as a percentage of the annual approved sales budget, monitored by unit and consolidated for STCL.	Developing and maintaining excellence in sales and marketing.	92%	88%	93%	≥90%	≥95%	≥96%	≥96%
Financial	**Revenue Growth (Base year 2025)**	Year-on-year percentage movement in operating revenue.	Ensure financial sustainability and improve management reporting and analysis to stakeholders.	(5.2%)	(2.2%)	0.3%	(5%)	≥2%	≥5.0%	≥6.0%
Financial	**Gross Profit Margin**	Gross profit divided by operating revenue. This measures the margin generated before operating expenses.	Ensure financial sustainability and improve management reporting and analysis to stakeholders.	28.0%	26.6%	25.7%	27.5%	≥27.75%	≥27.75%	≥28.0%
Financial	**Net Profit Margin**	Profit after tax divided by total revenue. This measures overall financial sustainability after all expenses.	Ensure financial sustainability and improve management	5.7%	1.9%	(2.2%)	(1.5%)	(0.19%)	≥0.16%	≥0.5%

			reporting and analysis to stakeholders.							
Financial	**Minimum Unrestricted Liquidity Buffer**	Minimum unrestricted cash and liquid resources available after excluding ring-fenced and committed balances.	Ensure financial sustainability and improve management reporting and analysis to stakeholders.	NA	NA	NA	SCR 20m	SCR 20-30m	SCR 20-30m	SCR 20-30m
Other - Compliance and Governance	**Timely Statutory and PEMC Reporting**	Percentage of statutory, Board and PEMC financial reports submitted by the prescribed or formally agreed deadline.	Institutional strengthening and corporate governance.				70%	80%	85%	90%
	Closure of Audit and Control Findings	Percentage of internal- and external audit findings closed by their agreed due dates, excluding formally extended actions.	Institutional strengthening and corporate governance.				65%	75%	85%	90%
	Quarterly Risk and Compliance Review	Percentage of scheduled quarterly enterprise-risk and compliance reviews completed and reported to the appropriate governance body.	Institutional strengthening and corporate governance.	N/A	N/A	N/A	60%	65%	75%	85%

6.11.4.2 Risks and Resilience Plan of the Seychelles Trading Company Ltd.

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	Inefficient operations and rising maintenance costs due to ageing buildings, plant, machinery, vehicles and other assets.	Maintain a comprehensive asset register and replacement plan; undertake regular condition assessments; prioritize capital expenditure through approved business cases; and conduct post-investment reviews to confirm productivity and cost-saving benefits.
	Inability to balance STCL's commercial sustainability with its mandate to maintain the availability and affordability of essential commodities.	Maintain a transparent pricing framework based on landed cost, operating cost and sustainable margins; quantify the estimated social benefit arising from controlled prices; and submit material pricing and funding matters to the Board and Government for timely decisions.
	Failure of the Strategic Buffer Stock (SBS) programme to maintain the required quantity, quality and availability of essential commodities.	Establish approved minimum and maximum stock levels; monitor stock coverage and expiry dates; apply strict stock-rotation procedures; conduct regular physical counts; diversify suppliers and countries of origin; and report SBS utilization and stock status to Management and the Board.
	Global conflict, shipping disruption and supply-chain instability affecting the timely availability and cost of essential goods.	Diversify suppliers, shipping routes and sourcing countries; maintain the approved buffer stock; establish alternative sourcing arrangements; monitor geopolitical and shipping developments; and maintain business-continuity and emergency-procurement plans.
Financial Risks	Foreign exchange volatility increases the landed cost of imported commodities and creates exchange losses.	Prepare rolling foreign-currency cash-flow forecasts; maintain approved currency-exposure limits; obtain competitive quotations from banks; consider permitted hedging or forward arrangements; use natural hedging where available; and avoid speculative foreign-currency positions.
	Continued operating losses and inadequate margins resulting from declining sales, controlled selling prices and increasing operating costs.	Conduct regular product, category and unit-level profitability analysis; revise prices where authorized; improve sales volumes; restructure persistently loss-making activities where appropriate; and implement a Board-approved financial recovery plan.

	Liquidity pressure arising from inventory investment, supplier obligations, loan repayments and the SBS repayment schedule.	Maintain a rolling 12-month cashflow forecast; establish a minimum liquidity buffer; align purchasing with available funding and sales forecasts; monitor loan covenants and repayment dates; and submit monthly liquidity reports to Management and quarterly reports to the Board.
	Credit losses and delayed collection of customer balances.	Establish customer credit limits and payment terms; perform credit assessments; monitor ageing regularly; follow up overdue balances promptly; suspend further credit where necessary; and calculate expected credit losses in accordance with IFRS 9.
Operational Risks	Excess, slow-moving, expired, damaged or obsolete inventory resulting in losses and unnecessary holding costs.	Apply demand-based purchasing and reorder parameters; conduct ABC and ageing analyses; rotate stock using FEFO/FIFO as appropriate; perform cycle counts; implement timely promotions or clearance sales.
	Errors in procurement, goods receipt, inventory transfers and supplier payments.	Enforce segregation of duties and the approved authority matrix; apply three-way matching among purchase orders, GRNs and supplier invoices; maintain an exception report for advance payments where GRNs remain outstanding; and block disputed transactions until appropriately resolved.
	Inconsistent procedures and fragmented reporting across STCL's different units.	Implement approved SOPs across all units; assign responsibility to each Head of Department; conduct staff briefings and process audits; maintain standard reporting templates; and monitor corrective actions arising from identified non-compliance.
Technology Risks	Failure, delay or cost overrun in implementing the new ERP system.	Establish an approved implementation plan, budget and governance structure; assign accountable process owners; validate functional requirements; cleanse master data; conduct integration and user-acceptance testing; provide user training; and maintain contingency and rollback plans.
	Cybersecurity incidents, unauthorized access, data loss or prolonged system downtime.	Apply role-based access, multifactor authentication and periodic access reviews; maintain secure backups and disaster-recovery arrangements; monitor system activity; conduct cybersecurity awareness training; and test business-continuity arrangements regularly.
Governance and Compliance Risks	Weaknesses in authority levels, internal controls, accountability and segregation of duties.	Finalize and approve a simplified authority matrix; separate transaction approval from payment execution and bank authorization; require maker-checker controls; conduct quarterly compliance reviews; and report significant exceptions to Management, the Audit Committee and the Board.
	Non-compliance with IFRS, tax requirements, procurement rules, the Public Enterprises Act and other applicable legislation.	Maintain a compliance register and reporting calendar; assign responsible officers; undertake periodic IFRS and regulatory reviews; retain complete supporting documentation; provide relevant staff training; and monitor the timely resolution of internal and external audit findings.
Human Resources Risks	Loss of key employees, insufficient technical capacity and overdependence on individual staff members.	Develop succession and understudy arrangements; document key processes; cross-train employees; maintain annual training and professional-development plans; review workloads and staffing requirements; and implement performance objectives linked to STCL's strategy.
Market Risks	Declining sales due to competition, changing customer preferences, inconsistent availability or inadequate product and pricing information.	Conduct product-, customer- and unit-level sales analysis; monitor competitor pricing and market trends; strengthen product availability and customer service; implement

		targeted promotions; and hold Unit Managers accountable for performance against approved budgets.
Reputational Risks	Loss of public and stakeholder confidence caused by shortages, poor product quality, excessive price increases or service failures.	Maintain effective quality assurance and product traceability; communicate significant price changes transparently; establish complaint-resolution procedures; monitor service standards; and report significant incidents promptly to Management and relevant stakeholders.

6.11.4.3 List of External Reporting's by the Seychelles Trading Company Ltd.

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report	Submitted YES/NO
Audited Financial Statements	Ministry of Finance	Audited financials as per Statutory requirements	Annually	**NO**
	Seychelles Revenue Commission			**NO**
	Registrar of Companies			**NO**
	PEMC			**NO**
Quarterly Financials	PEMC	Reporting of results in terms of performance, including Income Statement, Statement of Position and Cash flow Statement	Quarterly	**YES**

6.11.5 Stakeholder Engagement

6.11.5.1 Statement by the Responsible Minister

**Not Provided*

Minister for Finance Economic Planning, Trade and Investment

6.11.5.2 Foreword by Chairperson

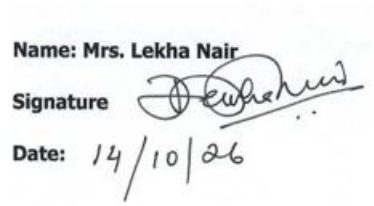
The Seychelles Trading Company Limited enters the 2027–2029 period at an important stage in its development. The continuing conflict in the Middle East, disruptions to international shipping routes, volatility in fuel and commodity prices and uncertainty in foreign exchange markets have reinforced the need for stronger supply-chain resilience and disciplined financial management.

The establishment of the Strategic Buffer Stock is therefore a significant national and organizational development. It strengthens STC's capacity to maintain continuity in the supply of essential commodities during periods of international disruption. At the same time, it creates additional responsibilities relating to inventory financing, storage capacity, stock rotation, deterioration and obsolescence risks, cash-flow management and the repayment of the associated funding.

The Board recognizes that STC must balance its national mandate with the need to operate on a financially sustainable basis. Controlled or recommended prices for essential goods should continue to protect consumers, but pricing decisions must also consider landed costs, financing costs, operating expenses and the sustainable margins required to maintain the Company's operations.

During the MTFS period, the Board will place particular emphasis on corporate governance, risk management, liquidity monitoring, procurement discipline and accountability for operational performance. The implementation of the new ERP system will also be an important strategic priority, providing improved visibility over inventory, procurement, costs, cash flows and unit-level performance.

The Board is committed to supporting Management in restoring sustainable financial performance, improving operational efficiency and ensuring that the Strategic Buffer Stock is managed transparently and effectively. This MTFS provides a practical framework for protecting STC's financial position while strengthening its capacity to fulfil its national responsibilities and deliver lasting value to its stakeholders.



6.11.5.3 Statement by the Chief Executive Officer

STC's Medium-Term Financial Strategy for 2027–2029 establishes a clear operational and financial roadmap for navigating an increasingly uncertain global trading environment. The continuing conflict in the Middle East, disruption of key shipping routes, volatility in freight and fuel costs and fluctuations in foreign exchange markets require STC to strengthen its planning, procurement and risk-management capabilities.

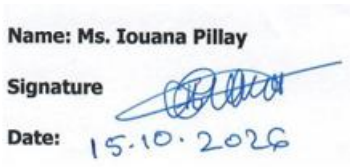
A central priority during this period will be the effective management of the Strategic Buffer Stock established with the support of the Government of Seychelles. The programme will enable STC to maintain approximately six months of essential commodity stocks and reduce the country's exposure to short-term supply disruptions. Its success will depend on accurate demand forecasting, supplier diversification, timely procurement, effective stock rotation and close monitoring of storage, financing and holding costs.

Our focus will be on translating this strategic investment into measurable national and operational benefits. We will strengthen inventory controls, reduce slow-moving and obsolete stock, improve warehouse utilisation and ensure that purchasing decisions are supported by reliable consumption and stock-level information.

Financial sustainability will remain equally important. STC must improve sales performance, protect sustainable margins, control operating expenditure and generate sufficient cash flows to meet its supplier, financing and loan-repayment obligations. Pricing decisions will be supported by transparent landed-cost calculations and a clear assessment of the financial effect of controlled pricing on essential commodities.

The implementation of the new ERP system will underpin this transformation by improving data quality, process integration, cost visibility and management reporting. Clear performance indicators and stronger accountability will be applied across all units.

Through disciplined execution, operational efficiency and responsible financial management, STC will continue to safeguard the availability and affordability of essential goods while developing into a more resilient, modern and financially sustainable national trading institution.



6.12 Island Development Company Group Ltd. (IDC)

6.12.1 Strategic Overview

6.12.1.1 Mandate

- To carry out the business of management and development of Islands and estates either as owners or lessees.
- To carry on farming and land settlement activities.
- To carry on the business of manufacturers of copra, coconut oil, soaps and detergents, animal feeds and of any other products.
- To carry on the business of fishing and processing of fish.
- To act as consultants on the management and development of islands and estates.
- To act as importers, exporters and distributors of goods and materials.
- To carry on business as a building and construction contractor generally including but not limited to all types of civil engineering works and projects.
- To carry on business as project manager and works supervisor in connection with civil engineering projects and construction projects and works generally.
- To carry on business as a provider of civil engineering and architectural services.
- To carry on business as labour contractor.
- To carry out business as utility management
- To carry on business as importer, wholesaler, retailer and commission agent

6.12.1.2 Vision

" To transform the outer islands into a more productive and economically sustainable environment for the betterment of Seychelles"

6.12.1.3 Mission

" To ensure that the islands actively contribute to the socio-economic development of the Seychelles in an environmentally sustainable manner"

Strategic Priorities, Challenges, and Initiatives with NDS and SDG Alignment

Year	*6.12.1.4 Strategic Priority*	*6.12.1.5 Key Challenge*	*6.12.1.6 Strategic Initiative*	*6.12.1.7 NDS & SDG Mapping*
FY2026/27 (Provisional)	**Outer-island infrastructure and connectivity (air and sea)**	Limited air and sea capacity to serve the outer islands, continued reliance on third-party vessels, and the Alphonse runway due for resurfacing.	Resurface the Alphonse runway (SCR 11.6m, completion June 2027). Acquire the 40m landing craft (SCR 23.5m, funded from the Y12 aircraft sale proceeds). Make the first payment on the new ATR 42 aircraft (SCR 32.1m, Nouvo Bank USD loan) and start the aircraft hangar.	
	Revenue growth and diversification	Revenue is projected to fall 14.1% to SCR 1,046.8m as project income from FY2025/26 normalises.	Continue the Assomption utility infrastructure (SCR 23.4m) ahead of power and water supply to the resort. Grow maintenance contracts and utility sales to outer-island hotels.	
	Renewable energy, food security and sustainable operations	High cost of diesel for island power generation (about SCR 30m a year) and grid electricity at Head Office.	Install a solar PV system with battery storage at Head Office (SCR 10.7m, DBS loan). Overhaul four gensets at Desroches and two at Platte (SCR 7.2m), and upgrade the Desroches water production units (SCR 1.5m).	
	Financial sustainability and prudent debt management	Working capital pressure, with receivables at about 132 days, and new borrowing raising debt to equity to 1.92x.	Draw the DBS (SCR 40.3m) and Nouvo Bank facilities only against approved projects. Step up receivable collection, monitor gearing and debt service coverage (2.69x) at Board level, and pay a dividend of SCR 20m.	
	Operational efficiency, asset upkeep and safety compliance	Ageing island assets, electrical safety requirements, and a shortage of office space and staff housing for aviation.	Deliver the SCR 15m outer-island upkeep programme, upgrade the Desroches RMU switchgear and cold storage, and build new aviation offices and staff housing (SCR 18.7m).	
FY2027/28 (Forecast)	**Outer-island infrastructure and connectivity (air and sea)**	Insufficient capacity to carry materials and supplies to the outer islands, and the cost of rented facilities for aircraft maintenance.	Acquire the 50m landing craft (SCR 71.6m, Nouvo Bank USD loan). Continue the ATR 42 programme (SCR 16.1m), build the aircraft hangar (SCR 15.8m), and start the Ile du Port berthing jetty and ramp (SCR 12.5m).	
	Revenue growth and diversification	Revenue must grow 24.2% to SCR 1,299.9m.	Build the prawn hatchery at Coetivy (SCR 15.7m, DBS loan) to replace imported post-larvae. Open a new Island Produce shop at Ile du Port (SCR 2.0m), continue the Assomption infrastructure (SCR 30.0m), and earn charter revenue from the new landing craft.	
	Renewable energy, food security and sustainable operations	Continued diesel dependence at Coetivy and the Zone 21 camp.	Commission a 570 kWp solar system at Coetivy (SCR 13.9m) and a 226 kWp solar system with battery at Zone 21 (SCR 2.6m).	

	Financial sustainability and prudent debt management	Debt to equity rises to 2.91x, finance costs increase to SCR 48.4m, and the USD loans add foreign exchange exposure; receivables reach about 153 days.	Phase loan drawdowns to project milestones and monitor the USD/SCR exchange rate before each drawdown. Keep debt service coverage (forecast 1.79x) under Board review, and tighten credit control.	
	Operational efficiency, asset upkeep and safety compliance	Runway fire-safety compliance, limited fuel storage on the islands, and high routine purchasing costs.	Upgrade fire tenders on seven islands (SCR 5.6m), add an 11,000L Jet A1 refueller at Assomption (SCR 5.6m) and new fuel tanks at Alphonse, start the Coetivy power distribution upgrade, and build the dry and cold store at Ile du Port (SCR 23.9m) to enable bulk purchasing.	
FY2028/29 (Forecast)	**Outer-island infrastructure and connectivity (air and sea)**	Completing several major projects on time: the ATR 42 (final SCR 277.7m), the aircraft hangar and the Ile du Port jetty are all due by March 2029.	Take delivery of and commission the ATR 42. Complete the aircraft hangar (December 2028), the aviation offices and staff housing (December 2028), and the Ile du Port berthing jetty (March 2029).	
	Revenue growth and diversification	The revenue target of SCR 1,698.1m (+30.6%) depends on these projects being completed.	Complete the Assomption utility infrastructure (SCR 68.8m, March 2029) and begin full utility supply to the resort. Expand ATR flights to the outer islands.	
	Renewable energy, food security and sustainable operations	Ageing power networks and new power demand on remote islands.	Complete the Coetivy power distribution upgrade, install new generators at African Banks, bring the Coetivy hatchery into full production, and complete the dry and cold store (SCR 8.0m).	
	Financial sustainability and prudent debt management	Peak gearing: borrowings of about SCR 1.27bn, debt to equity of 3.96x and debt service coverage of 1.72x.	Take on no borrowing beyond the approved plan, review refinancing options for the larger loans, and balance the SCR 20m dividend against capital and debt-service needs.	
	Operational efficiency, asset upkeep and safety compliance	Maintaining a larger asset base and building the skills needed for the new aircraft.	Train crew and engineers for the ATR 42, apply planned maintenance programmes to the new assets, and continue the SCR 15m upkeep programme.	
FY2029/30 (Forecast)	**Outer-island infrastructure and connectivity (air and sea)**	Making full use of the expanded air and sea fleet.	Optimise flight and vessel schedules to maximise utilisation, and continue the SCR 15m outer-island upkeep programme.	
	Revenue growth and diversification	Revenue is projected to fall 13.7% to SCR 1,466.1m as one-off project income ends.	Build recurring income from utility supply at Assomption, charters, island produce and aquaculture, and secure new maintenance contracts.	
	Renewable energy, food security and sustainable operations	Sustaining environmental and cost gains from the renewable energy investments.	Track diesel savings from the solar installations and assess further renewable energy projects on other islands.	
	Financial sustainability and prudent debt management	Debt service peaks: net loan repayments of SCR 186.7m, debt service coverage falls to 1.00x, and receivables reach about 194 days.	Put repayment-focused cash management in place, collect overdue receivables, limit capital spending to essential upkeep and machinery (SCR 22.5m), and agree the timing of dividends with the Shareholder.	
	Operational efficiency, asset upkeep and safety compliance	Keeping ageing assets safe and compliant.	Continue planned maintenance and renew plant and machinery (SCR 7.5m a year).	

6.12.2 Outlook of Financial Strategy

6.12.2.1 Projected Financial Position of Island Development Company Group Ltd.

SCR ('000)

Description (SCR '000)	Actual Figures		Provisional		Forecast		
	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Assets:							
Property, Plant and equipment	443,644	474,071	483,792	480,950	583,036	1,158,720	1,083,072
Investments	1,838	915	3	3	3	3	3
Lendings	64,907	55,664	45,852	109,664	261,956	221,435	178,416
To convert as lendings	43,582	71,557	88,250	190,177	-	-	-
Capital work in progress	84,524	62,573	176,649	313,633	528,648	32,381	-
Deferred income tax asset	16,889	15,155	17,276	17,869	17,767	18,755	18,583
Non-Current Assets	**655,385**	**679,935**	**811,822**	**1,112,295**	**1,391,410**	**1,431,294**	**1,280,074**
Lendings	8,706	9,243	9,813	20,675	38,167	40,521	43,020
Biological assets	2,798	385	3,295	3,460	3,633	3,815	3,548
Inventories	32,555	29,345	24,036	26,947	181,524	318,706	193,773
Taxation	603	3,783	5,691	1,931	97	-	-
Trade and other receivables	215,367	444,886	359,169	378,957	546,349	650,507	777,404
Cash and cash equivalent	86,238	104,789	39,352	20,625	14,685	21,425	21,927
Current Assets	**346,266**	**592,429**	**441,356**	**452,595**	**784,455**	**1,034,974**	**1,039,672**
Total Assets	**1,001,651**	**1,272,364**	**1,253,178**	**1,564,889**	**2,175,865**	**2,466,268**	**2,319,745**
Liabilities:							
Deferred revenue	-	290,716	291,047	290,000	290,000	286,766	273,830
Employee benefit obligations	8,995	9,662	11,246	13,283	15,443	17,642	19,880
Borrowings	181,881	183,397	235,560	548,874	868,487	1,205,475	1,075,361
Non- Current Liabilities	**190,876**	**483,774**	**537,852**	**852,157**	**1,173,930**	**1,509,883**	**1,369,072**
Borrowings	188,526	47,547	67,057	70,948	64,828	62,247	51,636
Taxation	-	-	-	1,721	1,875	4,172	5,207
Trade and other payables	345,421	453,348	323,459	317,830	614,657	570,203	575,203
Current Liabilities	**533,946**	**500,895**	**390,515**	**390,500**	**681,361**	**636,622**	**632,046**
Total Liabilities	**724,822**	**984,669**	**928,368**	**1,242,657**	**1,855,290**	**2,146,505**	**2,001,118**
Share Capital	21,331	21,331	21,331	21,331	21,331	21,331	21,331
Retained earnings	217,452	231,263	271,317	271,676	272,955	275,081	276,873
Deferred Grants	38,046	35,100	32,163	29,226	26,289	23,351	20,423
Equity	**276,829**	**287,695**	**324,811**	**322,232**	**320,574**	**319,763**	**318,627**
Total Liabilities and equity	**1,001,651**	**1,272,364**	**1,253,178**	**1,564,889**	**2,175,865**	**2,466,268**	**2,319,745**

6.12.2.2 Projected Statement of Comprehensive Income of Island Development Company Group Ltd

SCR ('000)

Description (SCR '000)	Actual Figures		Provisional		Forecast		
	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Revenue	**1,008,767**	**984,478**	**1,219,016**	**1,046,845**	**1,299,860**	**1,698,147**	**1,466,124**
Direct costs	(744,509)	(669,587)	(858,093)	(740,638)	(908,629)	(1,307,590)	(994,021)
Other Income	23,060	11,345	11,589	49,382	14,099	53,732	15,153
Dividend Income	-	-	-	-	-	-	-
Administrative Salaries and Benefits	(89,048)	(100,712)	(113,669)	(121,816)	(130,002)	(130,859)	(131,431)
Bad Debts	(6,780)	-	(5,400)	-	-	-	-
Communication	(8,910)	(10,906)	(8,513)	(6,325)	(6,390)	(6,454)	(6,518)
Depreciation (Net of deffered grant credit)	(41,114)	(55,977)	(63,727)	(70,163)	(82,164)	(113,306)	(138,745)
Exchange (losses/gain (operating)	(2,888)	2,346	(3,260)	(1,332)	(1,140)	(1,151)	(1,200)
External transportation	(3,174)	(695)	(2,494)	(4,980)	(2,454)	(1,024)	(342)
Fuel for electricity generation & island use	(28,389)	(32,485)	(30,746)	(30,179)	(30,633)	(30,940)	(31,833)
Insurances	(4,251)	(4,880)	(5,530)	(6,204)	(7,777)	(8,317)	(8,653)
Impairment of inventory of graduate units	(5,981)	-	-	-	-	-	-
Rental	(1,324)	(1,663)	(1,279)	(2,160)	(2,520)	(2,880)	(2,880)
Repairs and maintenance	(11,548)	(19,812)	(20,544)	(15,552)	(16,699)	(16,554)	(16,322)
Subscriptions and donations	(974)	(1,449)	(5,892)	(6,150)	(7,258)	(6,997)	(6,621)
Travelling & transport	(9,005)	(6,315)	(5,809)	(5,064)	(7,242)	(6,568)	(7,308)
Utilities	(6,375)	(8,769)	(10,393)	(9,879)	(11,354)	(8,964)	(8,451)
Other expenses	(26,427)	(20,634)	(18,273)	(15,173)	(14,220)	(14,559)	(14,953)
Operating profit	**41,130**	**64,286**	**76,983**	**60,611**	**85,477**	**95,717**	**111,998**
Finance income	8,071	11,788	13,012	15,655	21,387	16,993	18,941
Finance cost	(27,196)	(28,739)	(14,723)	(33,145)	(48,359)	(59,882)	(63,911)
Finance Income/ (costs)-net	**(19,125)**	**(16,951)**	**(1,711)**	**(17,490)**	**(26,972)**	**(42,889)**	**(44,970)**
Share of losses in associate	444	(924)	(912)	-	-	-	-
Profit before income tax	**22,450**	**46,411**	**74,360**	**43,121**	**58,505**	**52,828**	**67,028**
Income tax expense	(16,132)	(17,599)	(34,232)	(22,762)	(37,226)	(30,702)	(45,236)
Profit for the year after Income tax	**6,317**	**28,812**	**40,128**	**20,359**	**21,279**	**22,126**	**21,792**
Dividends	(20,000)	(15,000)	(75)	(20,000)	(20,000)	(20,000)	(20,000)
Profit for the year after dividends	**(13,683)**	**13,812**	**40,053**	**359**	**1,279**	**2,126**	**1,792**
Retained earnings 1 April	231,134	217,452	231,263	271,317	271,676	272,955	275,081
Retained earnings 31 March	**217,452**	**231,263**	**271,317**	**271,676**	**272,955**	**275,081**	**276,873**
Income Statement Ratio Analysis							
Gross Profit %	26.2%	32.0%	29.6%	29.3%	30.1%	23.0%	32.2%
Operating Profit %	4.1%	6.5%	6.3%	5.8%	6.6%	5.6%	7.6%
Net Profit %	0.6%	2.9%	3.3%	1.9%	1.6%	1.3%	1.5%

6.12.2.3 Projected Cash flow Statement of Island Development Company Group Ltd.

SCR ('000)

Description (SCR '000)	Actual Figures		Provisional		Forecast		
	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Cash flows from operating activities							
Profit before income tax	**22,450**	**46,411**	**74,360**	**43,121**	**58,505**	**52,828**	**67,028**
Taxation paid	(40,474)	(19,045)	(38,261)	(17,874)	(35,137)	(29,295)	(44,029)
Depreciation	41,114	55,977	63,727	73,100	85,101	116,243	141,673
Changes in compensation liability	937	667	1,584	2,037	2,160	2,199	2,238
Other non-cash asset and deferred grant adjustments	25,125	(1,855)	-	(2,937)	(2,937)	(2,937)	(2,928)
Tangible assets scrapped	(2)	-	-	-	-	-	-
Profit on disposal of tangible Assets	(2,225)	-	-	-	-	-	-
Share of Loss from associate	(444)	924	912	-	-	-	-
Finance (Income)/cost	19,125	16,951	1,711	17,490	26,972	42,889	44,970
Increase / (Decrease) in deferred revenue	-	-	-	(1,047)	-	(3,234)	(12,936)
Operating cash before working capital changes	**65,605**	**100,030**	**104,033**	**113,891**	**134,664**	**178,692**	**196,017**
Changes in working capital							
Decrease / (Increase) in inventories	(4,076)	3,210	6,081	(3,683)	(154,577)	(137,182)	124,933
Change in fair value of biological assets	(2,798)	2,413	(2,911)	(165)	(173)	(182)	267
Decrease / (Increase) Trade and other receivables	77,644	(192,213)	81,207	70,124	(66,777)	49,133	128,589
Increase / (Decrease) in Trade and other payables	119,936	252,187	(247,374)	(125,397)	246,519	(121,100)	(122,743)
Cash generated from operations	**256,311**	**165,628**	**(58,963)**	**54,770**	**159,656**	**(30,638)**	**327,062**
Interest received	595	712	35	18	22	24	27
Interest paid	(26,014)	(27,608)	(14,699)	(10,595)	(26,374)	(37,093)	(45,766)
Net cash generated from operating activities	**230,892**	**138,731**	**(73,628)**	**44,193**	**133,304**	**(67,707)**	**281,323**
Cash flows from investing activities							
Net fixed asset investment (additions less disposal proceeds)	(205,560)	(89,350)	(76,385)	(70,257)	(187,187)	(691,927)	(66,025)
Work in progress for lending	(123,811)	(42,186)	-	(72,071)	190,177	-	-
Net movement in investments	-	-	(12,183)	-	-	-	-
Decrease / (Increase) in lendings	24,737	12,886	12,886	(74,674)	(169,784)	38,167	40,521
Decrease/(Increase) in WIP for Own use	47,840	(2,177)	(114,849)	(136,211)	(265,323)	419,621	(95,362)
Net cash Used in investing activities	**(256,794)**	**(120,827)**	**(190,532)**	**(353,213)**	**(432,117)**	**(234,139)**	**(120,866)**
Cash flows from financing activities							
Net loan repayments	(92,171)	(53,665)	(12,886)	(15,516)	(45,207)	(61,782)	(186,714)
Capital grants and share capital movements	1,508	-	-	-	-	-	-
Net loan proceeds	117,799	48,825	82,402	368,156	358,700	396,188	45,990
Upfront Lease payments received	-	146,456	144,591	-	-	-	-
Project and overdraft interest paid	-	-	(5,975)	(18,471)	(21,985)	(20,718)	(18,595)
Interest refunds and reimbursements	-	-	1,641	15,637	18,353	16,969	14,615
Advances (to)/ from related parties	13,103	-	-	-	-	-	-
Dividend Paid	(19,000)	(14,000)	(15,000)	(20,000)	(20,000)	(20,000)	(20,000)
Net cash from financing activities	**21,238**	**127,616**	**194,773**	**329,806**	**289,860**	**310,658**	**(164,704)**
Increase/(decrease) in cash and cash equivalents	**(4,663)**	**145,520**	**(69,386)**	**20,786**	**(8,952)**	**8,811**	**(4,248)**
Cash & cash equivalents - opening	(75,063)	(80,907)	65,927	3,918	20,625	14,685	21,425
Exchange adjustments on cash and cash equivalents	(1,181)	1,314	7,377	(4,079)	3,013	(2,071)	4,749
Cash & cash equivalents - closing	**(80,907)**	**65,927**	**3,918**	**20,625**	**14,685**	**21,425**	**21,927**

6.12.2.4 Projected Capital Investment Plan of Island Development Company Group Ltd.

SCR ('000)

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost (SCR '000)	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures		Provisional		Forecast			Anticipated Risks
							FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	
1. Major Capital Investments														
Assomption Infrastructure	Utility supply (power & water) to Assomption Resort	New revenue from utility supplies to the resort	232,800	Advance Lease Payment	2025	31-Mar-2029	-	1,366	109,266	23,368	30,000	68,800	-	
New Aircraft Hangar	To accommodate IDC flights including ART42	Avoid going out for rented facilities and smooth operations and maintenance.	51,667	Own Finance	2022	31-Dec-2028	10,662	20,883	1,481	2,796	15,845	-	-	
New Flight-ATR 42	New ATR 42 aircraft to improve outer island connectivity and cut fleet maintenance costs	More flights and revenue; lower spare parts costs	325,878	Nouvo Bank-USD Loan	2027	31-Mar-2029	-	-	-	32,134	16,067	277,677	-	
New Landing Craft - 50m	Additional 50m landing craft to carry materials and supplies to outer islands	Lower third-party vessel hire costs; extra charter revenue	71,640	Nouvo Bank-USD Loan	2028	31-Dec-2028	-	-	-	-	71,640	-	-	
New Landing Craft - 40m	Additional 40m landing craft to carry materials and supplies to outer islands	Lower third-party vessel hire costs; extra charter revenue	23,490	Y12 Aircraft Sale Proceeds	2027	31-Mar-2027	-	-	-	23,490	-	-	-	
Construction works -HO	Berthing jetty and ramp at Ile du Port	Safer, faster loading and unloading of vessels	25,000	Own Finance	2028	31-Mar-2029	-	-	-	-	12,500	12,500	-	

Construction works -HO	Dry and cold store block with staff facilities (upper floor)	Better management of routine purchases, enabling bulk purchases which reduces operational cost, expanding storage space and better staff facilities	31,840	Own Finance	2028	31-Mar-2029	-	-	-	-	23,880	7,960	-	
Construction works - Aviation	New office and staff housing blocks, site works, parking and design fees (incl. 6-unit block under land exchange)	Better office space and staff housing avoids additional rentals.	41,334	Own Finance	2026	31-Dec-2028	-	-	3,353	18,709	18,743	530	-	
Construction works - Islands	Prawn hatchery at Coetivy	Replaces the import of PLs and less risk of Pls mortality and infections.	15,660	DBS Loan	2028	31-Mar-2028	-	-	-	-	15,660	-	-	
Solar System plant and installation	570 kWp solar system at Coetivy Island	Largely decrease the diesel consumption and play as a sustainable power sources.	13,939	DBS Loan	2027	31-Mar-2028	-	-	-	-	13,939	-	-	
Airstrip	Alphonse runway resurfacing	Safe and compliant runway	13,000	Own Finance	2026	30-Jun-2027	-	-	1,400	11,600	-	-	-	
Upkeep-Assets Outer Island	Refurbishment and upkeep works on outer islands	Island assets kept in proper safety and good condition	60,000	Own Finance	2027	31-Dec-2030	-	-	-	15,000	15,000	15,000	15,000	
Solar System plant and installation	Solar PV system with battery and	Lower the PUC based electricity consumption and	10,678	DBS Loan	2027	31-Mar-2027	-	-	-	10,678	-	-	-	

	inverter room at Head Office	works as a sustainable power source adding values to the country.												
Plant & Machinery	Heavy machinery and other vehicles	Machinery and vehicles available for constructions, operations and maintenance	30,000	Own Finance	2027	31-Mar-2030	-	-	-	7,500	7,500	7,500	7,500	
2. Replacements and upkeep of Assets (PPE)														
Construction works -HO	New shop for Island Produce at Ile du Port	Increase revenue from Island Produces	2,000	Own Finance	2027	30-Jun-2027	-	-	-	-	2,000	-	-	
Solar System plant and installation	226 kWp solar system with battery at Zone 21 camp	Lower the PUC based electricity consumption and works as a sustainable power source adding values to the country.	2,600	Own Finance	2028	31-Mar-2028	-	-	-	-	2,600	-	-	
Fire tender	Upgrade fire tenders for runway operations on 7 islands	Runway fire safety compliance to Islands	5,620	Own Finance	2027	31-Mar-2028	-	-	-	-	5,620	-	-	
Fuel System-Assomption	11,000L Jet A1 refueller at Assomption Island	Strengthen Jet A1 fuel supply capacity for the flight operations	5,550	Advance Lease Payment	2025	31-Mar-2028	-	-	-	-	5,550	-	-	
Fuel System-Alphonse	New fuel tanks (20,000L & 10,000L) with piping at Alphonse Island	Increase fuel storage and supply capacity	560	Own Finance	2028	31-Mar-2028	-	-	-	-	560	-	-	
Construction works -HO	Site works and paving (other areas)	Improved site access and safe warehouse access	5,471	Own Finance	2027	31-Mar-2028	-	-	-	2,000	3,471	-	-	

Power Distribution - Coetivy	Upgrade old power distribution at Coetivy (panels, switchgear, transformers, cables)	Upgraded Power supply system in the Islands and meet compliant requirements	5,000	Own Finance	2028	31-Mar-2029	-	-	-	-	2,500	2,500	-	
Power Distribution - Desroches Island	Upgrade 12 RMU switchgear units on the power network	Meet electrical safety requirements	2,500	Own Finance	2027	31-Mar-2029	-	-	-	1,250	1,250	-	-	
Power Generation-Outer Islands	Major overhaul of 4 gensets (Desroches) and 2 gensets (Platte)	Upkeep and maintain the generator performance	7,200	Own Finance	2027	31-Mar-2027	-	-	-	7,200	-	-	-	
Power Generation-Africa Banks	2 new 18 kVA generators at African Banks	New power supply setup at African Banks	500	Own Finance	2028	31-Mar-2029	-	-	-	-	-	500	-	
Water Production - Islands	Upgrade 2 x 150m³ water units at Desroches; replace 2 filters (+1 spare)	Increase the water storage capacity and distribution in the Island	3,000	Own Finance	2027	31-Mar-2028	-	-	-	1,500	1,500	-	-	
Construction works - Islands	Upgrade cold storage for meat and vegetables at Desroches Island	Better food storage and less waste and reducing ordering cost	1,500	Own Finance	2027	31-Mar-2027	-	-	-	1,500	-	-	-	
TOTAL			**988,427**				**10,662**	**22,249**	**115,500**	**158,725**	**265,824**	**392,966**	**22,500**	

6.12.2.5 Tax Implications by the Operations of Island Development Company Group Ltd.

SCR ('000)

Type of Tax (SCR '000)	Actual Figures		Provisional		Forecast			Anticipated Risks
	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	
Business Tax	11,167	12,685	28,734	17,227	30,863	22,373	38,561	No additional risks are currently anticipated, except for force majeure events beyond the Company's control that could adversely affect its earning capacity.
PIT	29,725	32,650	34,370	36,834	39,309	39,568	39,741	
VAT	55,414	62,561	29,721	45,767	52,572	58,343	64,593	
Tourism & Marketing Tax (TMT)	4,966	4,914	6,153	5,535	6,363	8,329	6,675	
TOTAL	**101,271**	**112,811**	**98,978**	**105,362**	**129,107**	**128,613**	**149,570**	

6.12.2.6 Anticipated Dividend Declarations by Island Development Company Group Ltd.

SCR ('000)

Nature of Dividend (SCR '000)	Actual Figures		Provisional		Forecast			Anticipated Risks Conditions/Justifications
	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	
Dividends in Cash	20,000	15,000	-	20,000	20,000	20,000	20,000	No additional risks are currently anticipated, except for force majeure events beyond the Company's control that could adversely affect its earning capacity. The timing and amounts of disbursements will depend on urgent capital expenditure requirements and the Company's ability to service its debt, taking into account the impact of any such events.
Dividends in lieu of Cash	-	-	-	-	-	-	-	
TOTAL	**20,000**	**15,000**	**-**	**20,000**	**20,000**	**20,000**	**20,000**	

6.12.2.7 Debt Payments Forecasts by Island Development Company Group Ltd.

SCR ('000)

Lending Organization	Description	Purpose of Borrowings	Total Debt Amount (Capital) (SCR '000)	GoS as guarantor (YES/NO)	Total Borrowings and Debt Servicing						
					Actual Figures		Provisional		Forecast		
					FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Nouvo Bank	Borrowings	Solar Plant buyout at Platte Island	76,854	NO	-	-	76,854	-	-	-	-
	Interest for the Year				-	-	699	3,949	3,138	1,956	668
	Repayment of Capital				-	-	-	16,315	19,436	20,568	20,534
	Balance carried forward				**-**	**-**	**76,854**	**60,539**	**41,102**	**20,534**	**-**
DBS	Borrowings	Solar System plant and installation Head Office & Coviety and Set up of Hatchery at Coetivy for prawn facilities	40,277	NO	-	-	-	40,277	-	-	-
	Interest for the Year				-	-	-	399	1,535	1,428	1,320
	Repayment of Capital				-	-	-	671	2,685	2,685	2,685
	Balance carried forward				**-**	**-**	**-**	**39,606**	**36,920**	**34,235**	**31,550**
Nouvo Bank	Borrowings	Purchase of Flight -ATR 42	325,878	NO	-	-	-	32,134	16,067	277,677	-
	Interest for the Year				-	-	-	477	2,386	9,952	18,063
	Repayment of Capital				-	-	-	536	2,767	11,562	21,725
	Balance carried forward				**-**	**-**	**-**	**31,599**	**44,899**	**311,014**	**289,288**
Nouvo Bank	Borrowings	New landing craft 55m	71,640	NO	-	-	-	-	71,640	-	-
	Interest for the Year				-	-	-	-	1,064	4,095	3,809
	Repayment of Capital				-	-	-	-	1,194	4,776	4,776
	Balance carried forward				**-**	**-**	**-**	**-**	**70,446**	**65,670**	**60,894**
Nouvo Bank	Borrowings	to fund Various IDC Own Developments	378,853	NO	-	-	-	95,455	191,418	45,990	45,990
	Interest for the Year				-	-	-	2,817	16,451	18,012	19,356
	Repayment of Capital				-	-	-	-	19,125	22,191	25,257
	Balance carried forward				**-**	**-**	**-**	**92,273**	**264,566**	**288,365**	**309,098**

Nouvo Bank - Green Tree Investments	Borrowings	GOS loan under G.Tree name to finance National Library Project	89,867	YES	40,271	-	-	-	-	-	-
	Interest for the Year				4,824	5,497	4,884	3,896	3,341	2,752	2,127
	Repayment of Capital				4,518	8,001	8,661	8,990	9,544	10,133	10,758
	Balance carried forward				**85,349**	**77,348**	**68,687**	**59,697**	**50,152**	**40,019**	**29,261**
Nouvo Bank - Green Tree Investments	Borrowings	GOS loan under Green Treen to finance Independence House project	100,000	YES	-	15,147	12,095	72,757	-	-	-
	Interest for the Year				2,070	96	1,335	1,489	5,607	5,025	4,406
	Repayment of Capital				15,863	-	-	2,273	9,441	10,023	10,641
	Balance carried forward				**-**	**15,147**	**27,243**	**97,727**	**88,286**	**78,263**	**67,622**
Nouvo Bank - Green Tree Investments	Borrowings	GOS loan under Green Treen to finance SRC Building project	229,601	YES	63,210	33,678	-	118,549	14,164	-	-
	Interest for the Year				1,999	5,486	5,975	8,092	12,486	12,941	12,061
	Repayment of Capital				-	-	-	-	10,150	14,262	15,141
	Balance carried forward				**65,909**	**99,587**	**99,587**	**218,136**	**222,150**	**207,888**	**192,747**
Nouvo Bank - Green Tree Investments	Borrowings	GOS loan under Green Treen to finance Condo4 project	34,000	NO	34,000	-	-	-	-	-	-
	Interest for the Year				1,022	3,227	1,815	552	-	-	-
	Repayment of Capital				-	5,000	10,000	19,000	-	-	-
	Balance carried forward				**34,000**	**29,000**	**19,000**	**-**	**-**	**-**	**-**
SUB TOTAL (only Guaranteed by GOS)			**419,468**		**151,258**	**192,082**	**195,516**	**375,559**	**360,588**	**326,171**	**289,630**
TOTAL			**1,346,969**		**185,258**	**221,082**	**291,370**	**599,575**	**818,522**	**1,045,989**	**980,461**

6.12.2.8 Anticipated Subventions and Grants by Island Development Company Group Ltd.

** IDC has no anticipated subventions and Grants*

6.12.2.9 Contingencies of Island Development Company Group Ltd.

** IDC has no anticipated Contingencies,*

6.12.2.10 Assumptions used for the Financial Projections of Island Development Company Group Ltd.

Assumption Area	Assumption / Basis	Source / Evidence	Financial Impact / Linkage
Inflation Rates	Applied PEMC Given Rates to the applicable fiscal Years	PEMC	
Foreign Currency Exchange Rate	Applied PEMC Given Rates to the applicable fiscal Years	PEMC	
Borrowing Interest Rates	DBS Loan Interest Rate Applied as 4% per Annum for period of 15 Years	Draft Agreement	Borrowing cost, Loan Repayment had been calculated on that base
	Nouvo Bank Loan Interest Rate Applied as 6% per Annum for period of 15 Years	Existing agreements	Borrowing cost, Loan Repayment had been calculated on that base

6.12.3 KPIs, Risk Management Strategy and Reporting Obligations

6.12.3.1 Key Performance Indicators of the Island Development Company Group Ltd.

Title of Key Performance Indicators	Description (Formula)	Targeted Strategic Priority	Achievements of KPIs						
			Actual Figures		Provisional		Forecast		
			FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Strategic									
Revenue Growth (%)	(Revenue for the year - Revenue for prior year) / Revenue for prior year	Sustainable revenue growth - grow island, aviation, marine and new utility-supply income (Assomption)	(18.5%)	(2.4%)	23.8%	(14.1%)	24.2%	30.6%	(13.7%)
EBITDA Margin (%)	(Operating profit + Depreciation) / Revenue	Financial sustainability - generate operating cash to fund the capital programme and debt service	8.2%	12.2%	11.5%	12.5%	12.9%	12.3%	17.1%
Return on Capital Employed - ROCE (%)	Operating profit / (Total assets - Current liabilities)	Efficient use of capital invested in outer-island infrastructure	8.8%	8.3%	8.9%	5.2%	5.7%	5.2%	6.6%
Capital Investment to Revenue (%)	Total capital investment for the year (2.4) / Revenue	Deliver the capital investment plan - ATR 42, landing craft, Assomption infrastructure, solar and hatchery	1.1%	2.3%	9.5%	15.2%	20.5%	23.1%	1.5%
Operational									
Direct Cost Ratio (%)	Direct costs / Revenue	Operational efficiency - control direct costs (fuel, vessel hire, spares), supported by solar and own fleet	73.8%	68.0%	70.4%	70.7%	69.9%	77.0%	67.8%
Overhead (Operating Expense) Ratio (%)	Operating expenses (Revenue - Direct costs + Other income + Dividend income - Operating profit) / Revenue	Cost control - contain administrative and support overheads	24.4%	26.6%	24.2%	28.2%	24.6%	20.5%	25.6%
Receivable Days	Trade and other receivables / Revenue x 365	Working capital management - timely collection of receivables	78 days	165 days	108 days	132 days	153 days	140 days	194 days
Payable Days	Trade and other payables / Direct costs x 365	Working capital management - settle suppliers within agreed terms	169 days	247 days	138 days	157 days	247 days	159 days	211 days
Inventory Days	Inventories / Direct costs x 365	Inventory management - bulk purchasing and new dry and cold store, without excess stock	16 days	16 days	10 days	13 days	73 days	89 days	71 days
Asset Turnover (times)	Revenue / Total assets	Productive use of the island asset base	1.01x	0.77x	0.97x	0.67x	0.60x	0.69x	0.63x
Financial									
Gross Profit Margin (%)	(Revenue - Direct costs) / Revenue	Profitability - cost-reflective pricing of services	26.2%	32.0%	29.6%	29.3%	30.1%	23.0%	32.2%

Net Profit Margin (%)	Profit after income tax / Revenue	Financial sustainability - maintain profitability after finance costs and tax	0.6%	2.9%	3.3%	1.9%	1.6%	1.3%	1.5%
Return on Assets - ROA (%)	Profit after income tax / Total assets	Financial sustainability - adequate return on the asset base	0.6%	2.3%	3.2%	1.3%	1.0%	0.9%	0.9%
Return on Equity - ROE (%)	Profit after income tax / Total equity	Value creation for the shareholder (Government of Seychelles)	2.3%	10.0%	12.4%	6.3%	6.6%	6.9%	6.8%
Current Ratio (times)	Current assets / Current liabilities	Liquidity - meet short-term obligations as they fall due	0.65x	1.18x	1.13x	1.16x	1.15x	1.63x	1.64x
Quick Ratio (times)	(Current assets - Inventories) / Current liabilities	Liquidity - meet short-term obligations without relying on inventory	0.59x	1.12x	1.07x	1.09x	0.88x	1.13x	1.34x
Debt to Equity (times)	(Non-current borrowings + Current borrowings) / Total equity	Prudent debt management - finance the capital programme within sustainable gearing	1.34x	0.80x	0.93x	1.92x	2.91x	3.96x	3.54x
Interest Cover (times)	Operating profit / Finance cost	Prudent debt management - capacity to meet interest costs	1.51x	2.24x	5.23x	1.83x	1.77x	1.60x	1.75x
Debt Service Coverage Ratio - DSCR (times)	(Operating profit + Depreciation) / (Finance cost + Loan capital repayments)	Prudent debt management - capacity to meet interest and loan repayments	0.69x	1.46x	5.10x	2.69x	1.79x	1.72x	1.00x
Other - e.g. Compliance, Governance									
Effective Tax Rate (%)	Income tax expense / Profit before income tax	Compliance - full and timely tax compliance	71.9%	37.9%	46.0%	52.8%	63.6%	58.1%	67.5%
Dividend Payout Ratio (%)	Dividends declared (2.5.2) / Profit after income tax	Shareholder returns - sustainable dividends to Government, balanced with capital needs	316.6%	52.1%	-	98.2%	94.0%	90.4%	91.8%
Total Tax Contribution to Government (SCR '000)	Business tax + PIT + VAT + TMT (2.5.1)	Contribution to Government revenue (Business tax, PIT, VAT, TMT)	101,271	112,811	98,978	105,362	129,107	128,613	149,570
GoS-Guaranteed Debt to Total Debt (%)	Closing debt guaranteed by GoS / Total closing debt (2.5.4)	Governance - reduce fiscal risk and reliance on Government guarantees	81.6%	86.9%	67.1%	62.6%	44.1%	31.2%	29.5%

6.12.3.2 Risks and Resilience Plan of the Island Development Company Group Ltd.

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	**Change in Board of Directors** A change in Government may lead to the appointment of a new Board, with possible shifts in direction and delays to decisions.	The Board of Directors is appointed by the President, and the outgoing Board continues to serve until a new Board is announced, so governance is never left vacant. The approved Strategic Plan, the MTFS and documented Board policies keep management focused during any transition, and new Directors receive a structured induction.
	Requests beyond the approved Strategic Plan The Shareholder or stakeholders may ask IDC to take on projects or activities that are not in the Strategic Plan or budget.	Each request is assessed by IDC's professional team for its financial, operational and capacity impact before any commitment is made. Changes are approved by the Board and agreed with the Shareholder, with funding identified up front, and the Strategic Plan and MTFS are updated accordingly.
	Competition in the construction industry New entrants and technologically advanced competitors may reduce IDC's share of construction work and put pressure on margins.	IDC has diversified beyond commercial construction into maintenance contracts for hotels, villas, hospitals and other infrastructure, and into the production and sale of water and electricity to outer-island hotels. This reduces reliance on commercial projects, and IDC will continue to strengthen its technical capability to remain competitive.
	Delivery of the capital investment programme Delays or cost overruns on major projects (ATR 42 aircraft, landing craft, Assomption infrastructure, aircraft hangar, solar systems) would defer the revenue and cost savings built into the MTFS.	Each project is approved by the Board with a defined budget, timeline and funding source. Progress and costs are reported to management and the Board regularly, contracts are structured to protect IDC against delay and overrun where possible, and issues are escalated early.
Financial Risks	**Working capital pressure** IDC's income does not always cover the high cost of operating the outer islands, particularly in periods without construction projects, which strains working capital.	IDC will tighten the collection of receivables, which run at 108 to 194 days in the MTFS period, and agree sustainable payment terms with suppliers. Essential outer-island services are prioritised, and IDC will engage the Shareholder on the funding of non-commercial outer-island obligations.
	Inflation in material and input costs Unexpected increases in the cost of materials, fuel and spares cannot be fully predicted or controlled and can erode project and operating margins.	Construction project pricing includes a 3-5% cushion for inflation over the life of the project, and maintenance contracts exclude the cost of replacement materials, which the principal pays as extras. The planned dry and cold store will allow bulk purchasing, and budgets apply the inflation rates provided by PEMC.
	High and rising level of debt Borrowing for the capital programme raises debt to equity from 0.93x in FY2025/26 to a peak of 3.96x in FY2028/29, and debt service coverage falls to 1.00x in FY2029/30.	IDC's strategy is to limit external debt to investments that create long-term assets and enhance revenue, with repayments funded from the cash flows of those assets. Gearing, interest cover and debt service coverage are monitored against the MTFS, and no new borrowing is taken without Board approval and a debt-service assessment. Loans taken by Green Tree Investment Company Ltd for Build, Operate and Transfer (BOT) projects on behalf of the Government of Seychelles are serviced through budget allocations by the Ministry of Finance, so they do not burden IDC.
	Foreign exchange risk The USD loans for the ATR 42 aircraft and landing craft, together with imported fuel and spares, expose IDC to depreciation of the Seychelles Rupee.	IDC will use foreign-currency receipts where available to meet USD obligations, monitor exchange rates closely, and apply the exchange rates provided by PEMC in its projections.
Operational Risks	**Labour shortages** Shortages of skilled workers, or a sudden rise in labour demand, could slow projects and operations.	IDC employs a good proportion of local staff alongside foreign workers in construction activities, and the current labour market is not expected to pose significant difficulty. IDC will continue to invest in training, retention and succession planning for key technical roles.
	Supply chain disruptions The outer islands depend on regular shipments of fuel, food, materials and spares. Pandemics, shipping delays or global shortages can interrupt supply.	IDC maintains safety stocks of critical items and sources from more than one supplier where possible. The planned dry and cold store and the additional landing craft will improve storage capacity and reduce dependence on third-party vessels.
	Project delays Delays in completing projects could lead to penalties, higher costs and reputational damage.	Apart from changes to the project structure or plans, no commercial project undertaken by IDC has overrun its completion date, owing to a capable professional team and careful planning. IDC will maintain this record through detailed planning, regular progress monitoring and early escalation of issues.
	Breakdown of critical island assets Failure of aircraft, vessels, generators, water production or fuel systems on remote islands could disrupt services and safety.	Planned maintenance programmes are in place, and the MTFS funds generator overhauls, upgraded fire tenders for runway operations, power distribution upgrades and new fuel and water systems. Spares for critical equipment are held on site where practical.
Other - Governance & Compliance	**Regulatory and tax compliance** non-compliance with tax, aviation, maritime or environmental regulations could result in penalties, suspension of operations or reputational damage.	Tax returns and payments are filed on time and reconciled regularly, and operating licences and certifications are tracked and renewed in advance. Compliance is reported to management and the Board.

Other - Environmental & Social	**Rising sea levels and natural events affecting capital works** Rising sea levels, storms and other natural events could damage projects under construction.	All commercial projects are covered by a Contractors All Risk policy against natural calamities. On completion, the building with all plant and machinery in situ is handed over to the developer for their insurance cover, and the Contractors All Risk policy is cancelled.
	Rising sea levels and natural events affecting island infrastructure Coastal erosion and extreme weather threaten runways, jetties, utilities and buildings on the islands.	IDC holds Fire and Industrial insurance policies with adequate cover for all assets on the outer and inner islands. New works are designed with climate resilience in mind, and solar installations at Coetivy, Head Office and Zone 21 reduce diesel dependence and emissions.
Other - PESTEL (External)	**Change of mandate by the Shareholder / Government** The current mandate could be withdrawn or replaced by one that restricts IDC's activities.	IDC engages regularly with the Shareholder and demonstrates its value through MTFS and performance reporting. Any change of mandate and its impact would be managed in consultation with the Shareholder / Government.
	Technology disruption Rapid technological change could make equipment and systems outdated.	IDC upgrades its technology within available resources and will continue to do so. Emerging changes are assessed as they arise and incorporated into future plans and budgets.
	Market fluctuations Economic downturns, market saturation or shifts in customer preferences could reduce demand for construction services.	As a fully Government-owned company, IDC has a steady pipeline of Government projects and maintenance contracts and does not depend solely on commercial projects. Maintenance of Government assets such as hospitals, schools and other infrastructure provides a continuous workload during downturns.

6.12.3.3 List of External Reporting's by the Island Development Company Group Ltd.

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report	Submitted YES/NO
Year-end Audited Financials	PEMC/MOF	Audited Financials	Yearly	**For 2025/26- Draft submitted**

6.12.4 Stakeholder Engagement

6.12.4.1 Statement by the Responsible Minister

I am pleased to present the Medium-Term Financial Strategy of Islands Development Company Limited (IDC) for FY2027/28 to FY2029/30.

IDC plays a vital role in developing the outer islands of Seychelles. It provides air and sea links, power, water and essential services to remote communities and businesses, and helps make the outer islands productive and economically sustainable.

This strategy sets out a clear investment programme: a new ATR 42 aircraft, new landing craft, utility infrastructure at Assomption, and solar energy on several islands. These investments will improve connectivity, reduce reliance on diesel and create new sources of income.

The Government expects IDC to deliver these projects on time and within budget, while managing its borrowing carefully and continuing to contribute to the national economy through taxes and dividends.

I thank the Board, management and staff of IDC for their commitment, and I endorse this strategy.

Name : Mr. Sebastien Pillay
Signature :
Date : 28/10/26

6.12.4.2 Foreword by Chairperson

On behalf of the Board of Directors, I am pleased to present IDC's Medium-Term Financial Strategy for FY2027/28 to FY2029/30.

This strategy reflects our vision to transform the outer islands into a more productive and economically sustainable environment for the betterment of Seychelles. It brings together our financial projections, capital investment plan, key performance indicators and risk management plan in one place.

The coming years will see IDC's largest investment programme in recent times. The Board recognises that this brings higher borrowing, and we will closely monitor gearing, debt service coverage and project delivery to keep the company financially sound.

The Board remains committed to good governance, transparency and timely reporting to the Shareholder and PEMC. I thank the Government for its continued support, and management and staff for their hard work in preparing and delivering this plan.

Name : Mr. Didier Dogley

Signature :

Date : 27/10/2026

6.12.4.3 Statement by the Chief Executive Officer

I am pleased to present IDC's Medium-Term Financial Strategy for FY2027/28 to FY2029/30, which sets out how we will grow, invest and manage our finances over the coming years.

Revenue is projected to rise from SCR 1,046.8 million in FY2026/27 to a peak of SCR 1,698.1 million in FY2028/29, before settling at SCR 1,466.1 million in FY2029/30. We expect to remain profitable throughout, with profit after tax of around SCR 20 to 22 million a year.

Over FY2026/27 to FY2029/30 we plan to invest about SCR 840 million. Our main projects are:

- A new ATR 42 aircraft and aircraft hangar, to improve outer-island flights
- Two new landing craft, to carry supplies and reduce vessel hire costs
- Power and water infrastructure at Assomption, creating a new source of income
- Solar energy at Head Office, Coetivy and Zone 21, to cut diesel use
- A prawn hatchery at Coetivy and a new dry and cold store at Ile du Port

These investments are largely funded through loans, so debt will rise during the plan period. We will manage this carefully by drawing loans only against approved projects, improving the collection of receivables and keeping costs under control.

IDC will continue to contribute to the national economy, with tax payments of over SCR 100 million a year and a planned dividend of SCR 20 million each year to the Government.

I thank the Minister and the Board for their guidance, and our staff for their dedication. Together, we will deliver this plan for the benefit of the outer islands and Seychelles.

Name : Mr. Christian Lionnet

Signature :

Date : 26th October 2026

6.13 Property Management Corporation (PMC)

6.13.1 Strategic Overview

6.13.1.1 Mandate

The mandate of PMC (Property Management Corporation), as defined under the Property Management Corporation Act, 2004, is to ensure the equitable provision of living accommodation for the people of Seychelles by sale, lease or rental of flats and houses in accordance with Government policy; to manage and maintain buildings and other properties on behalf of the Government of Seychelles; and to ensure the provision of utility services for rental flats and houses.

6.13.1.2 Vision

Envision being a respectable and high-performing government agency fostering the creation of neighborly residential estate

6.13.1.3 Mission

To ensure equitable provision of living accommodation to the people of Seychelles by the sale and lease of flats and houses, and management of established housing estates in accordance with the policy of the government.

Strategic Priorities, Challenges, and Initiatives with NDS and SDG Alignment

Year	*6.13.1.4 Strategic Priority*	*6.13.1.5 Key Challenge*	*6.13.1.6 Strategic Initiative*	*6.13.1.7 NDS & SDG Mapping*
2027	Undertake a review of the PMC Act, 2004 to ensure its continued relevance in the modern Seychelles and effectiveness.	Managing potential resistance to change and providing adequate training for effective use of the new system.	Conduct a detailed analysis of the current PMC Act, 2004 to identify gaps, outdated provisions, or areas of ambiguity. Benchmark against best practices in property management legislation locally and internationally.	4.0 Promotion of Law and Order
	Implement a new PMC operating software equipped with advanced functionalities to enhance efficiency in service delivery.	Managing potential resistance to change and providing adequate training for effective use of the new system.	Conduct a thorough review of current operational gaps and inefficiencies. Define clear functional requirements (e.g., tenant management, billing, asset tracking, reporting).	1.0 A modern Public Service
	Update and modernize housing contract agreement to align with current standards and suit PMC needs and modern business like the climate in Seychelles.	Interpreting existing provisions in light of evolving legal frameworks, housing policies, and property laws. Identifying overlaps or conflicts with other legislation (e.g., tenancy, housing, land, or civil code	Conduct a full review of existing housing contract against current laws, tenancy regulations, and consumer protection standards. Establishment of intersectoral support committee/body to drive the educational initiatives.	4.0 Promotion of Law and Order
2028	Implement a new PMC operating software equipped with advanced functionalities to enhance efficiency in service delivery.	Managing potential resistance to change and providing adequate training for effective use of the new system.	Conduct a thorough review of current operational gaps and inefficiencies. Define clear functional requirements (e.g., tenant management, billing, asset tracking, reporting).	1.0 A modern Public Service
	Implementation of new measures to reduce maintenance costs and enhance operational efficiency.	PMC often rely heavily on external contractors. Cost-reduction efforts may face pushback from service providers whose revenue comes from frequent repairs.	Focus on establishing a long-term preventative maintenance plan. Establish regional maintenance team & constructive arrangement to ensure speed and consistency of quality maintenance repair service.	1.0 A Modern Public Service
2029	Align PMC operations with national sustainability and housing development goals.	Risk of conflicting objectives between housing affordability, sustainability standards, and operational efficiency.	Retrofit existing housing estates with energy-efficient lighting, water-saving devices, and renewable energy solutions. E.g. solar heating/solar light common areas.	6.0 Environmental Sustainability and Climate Change Resilience
	Support community and intersectoral initiative that enhance social cohesion in housing estates.	Residents come from different cultural, social, and economic backgrounds, making it difficult to design initiatives that appeal to everyone.	Establish a structured framework for resident participation in decision-making (e.g., Condo association).	4.0 Promotion of Law and Order

6.13.2 Outlook of Financial Strategy

6.13.2.1 Projected Financial Position of Property Management Corporation

SCR ('000)

Description	Provisional				Forecast		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Assets							
Non-current assets							
Property and equipment	4,679	6,334	5,460	4,013	4,300	4,515	4,730
Investment properties	257,553	352,569	375,826	394,826	407,753	420,753	433,753
Work in Progress	23,415	17,681	24,632	38,244	50,238	48,238	46,238
Finance lease receivables	602,943	617,100	615,397	605,416	645,038	670,415	695,792
Sub Total Non-Current Assets	888,590	993,684	1,021,315	1,042,499	1,107,329	1,143,921	1,180,513
Current assets							
Finance lease receivables	50,798	47,067	52,043	47,067	51,204	47,067	42,930
Inventories	0	0	11,700	10,400	8,450	6,500	4,550
Trade and other receivables	49,248	23,357	29,307	27,317	28,207	30,255	32,303
cash and cash equivalent	136,741	80,422	35,003	47,370	35,411	40,283	55,733
Sub Total Current Assets	236,787	150,846	128,053	132,154	123,272	124,105	135,516
Total Assets	1,125,377	1,144,530	1,149,368	1,174,653	1,230,601	1,268,026	1,316,029
EQUITY AND LIABILITIES							
Capital reserve	60,163	60,163	60,163	60,163	60,163	60,163	60,163
Retained Earning	43,559	38,942	30,307	44,024	55,793	58,407	63,365
Profit /Loss	14,879	-8,635	13,716	11,770	2,613	4,958	11,170
Total Equity	118,602	90,470	104,187	115,956	118,570	123,528	134,698
LIABILITIES							
Non-current Liabilities							
Deferred revenue	730,580	811,866	888,808	957,296	1,031,119	1,086,591	1,120,953
Borrowings	119,888	106,637	56,231	25,783	307	307	307
Retirement benefit obligations	1,619	1,538	1,461	1,388	1,319	1,253	1,187
Sub Total Non-Current Liabilities	852,088	920,041	946,500	984,467	1,032,745	1,088,151	1,122,447
Current Liabilities							
Deferred revenue	97,378	73,033	36,517	33,776	44,345	47,828	51,311
Borrowings	45,688	49,943	51,675	30,490	25,476	0	0
Trade and other payables	11,622	11,041	10,489	9,965	9,467	8,520	7,573
Sub Total Current Liabilities	154,688	134,018	98,681	74,230	79,287	56,348	58,884
Total Liabilities	1,006,776	1,054,059	1,045,181	1,058,697	1,112,032	1,144,499	1,181,331
Total equity and liabilities	1,125,377	1,144,530	1,149,368	1,174,653	1,230,601	1,268,026	1,316,029

6.13.2.2 Projected Statement of Comprehensive Income of Property Management Corporation

SCR ('000)

Description	Provisional				Forecast		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Revenue	61,960	93,168	96,497	93,813	89,502	91,286	96,197

Operating expenses	(85,139)	(72,567)	(49,819)	(45,123)	(40,822)	(39,570)	(38,886)
Operating profit	(23,179)	20,601	46,679	48,690	48,680	51,716	57,311
Other income	59,795	4,707	3,422	8,425	1,791	1,835	1,696
Employee benefits	(18,551)	(20,055)	(22,372)	(23,418)	(26,300)	(26,943)	(26,591)
Others (Admin)	(3,185)	(13,887)	(14,012)	(21,928)	(21,558)	(21,651)	(21,246)
Net profit /Comprehensive income	14,879	(8,635)	13,716	11,770	2,613	4,958	11,170

6.13.2.3 Projected Cash flow Statement of Property Management Corporation

SCR ('000)

Description	Provisional				Forecast		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
PROFIT OF THE YEAR	14,879	(8,635)	13,716	11,770	2,613	4,958	11,170
OPERATING ACTIVITIES	97,503	(32,720)	34,321	79,788	33,531	30,348	15,450
INVESTING ACTIVITIES	(45,182)	(14,604)	(31,065)	(15,786)	(15,000)	0	0
FINANCING ACTIVITIES	(43,542)	(8,996)	(48,674)	(51,634)	(30,490)	(25,476)	0
NET CASH INCREASE OF PERIOD	8,779	(56,320)	(45,418)	12,367	(11,959)	4,872	15,450
CASH AT BEGINNING OF PERIOD	127,962	136,741	80,422	35,003	47,370	35,411	40,283
CASH AT END OF PERIOD	136,741	80,421	35,003	47,370	35,411	40,283	55,733

6.13.2.4 Projected Capital Investment Plan of Property Management Corporation

SCR ('000)

Project Name	**Project Purpose and Description**	**Expected Outcome of the Project**	**Total Estimated Project Cost**	**Source of Funds**	**Provisional**				**Forecast**		
					2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
1. Major Capital Investments											
Major Renovation					24,634	32,393	24,243	15,786	15,000	-	-
2. Replacements and upkeep of Assets (PPE)											
					-	-	-	-	-	-	-
TOTAL					**24,634**	**32,393**	**24,243**	**15,786**	**15,000**	-	-

6.13.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

6.13.3.1 Tax Implications by the Operations of Property Management Corporation

SCR('000)

Type of Tax	**Provisional**				**Forecast**			**Anticipated Risks**
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	
PIT	1,680	2,088	2,117	2,138	2,159	2,181	2,203	N/A
TOTAL	**1,680**	**2,088**	**2,117**	**2,138**	**2,159**	**2,181**	**2,203**	**N/A**

6.13.3.2 Anticipated Dividend Declarations by Property Management Corporation

*Our current cashflow position does not permit us to budget for Dividend to the Government

6.13.3.3 Debt Payments Forecasts by Property Management Corporation

SCR ('000)

Lending Organization	**Description**	**Purpose of Borrowings**	**Total Debt Amount (Capital)**	**GoS as guarantor (YES/NO)**	**Provisional**				**Forecast**		
					2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Loan 01 From Seychelles Pension Fund	Borrowings	**Purchase on Ile perseverance Condo**	**150,000m**	yes	72,089	51,849	29,295	4,186	-	-	-
	Interest for the Year				4,869	3,189	1,269	41	-	-	-
	Repayment of Capital				25,109	25,743	26,378	4,227	-	-	-
	Balance carried forward				51,849	29,295	4,186	-	-	-	-
Loan 02 From Nouvobanq	Opening principal	**For the 24/24 project building 24 new blocks in 2024 district**	**200,000**	yes	124,838	101,542	77,342	52,045	25,783	307	307
	Interest for the Year				4,397	3,493	2,396	1,430	472	-	-
	Repayment of principal				23,296	24,200	25,297	26,263	25,476	0	0
	Balance carried forward				101,542	77,342	52,045	25,783	307	307	307
					33,359	28,463	21,564	15,343	9,462	0	0
SUB TOTAL (only Guaranteed by GOS)					**153,391**	**106,637**	**56,231**	**25,783**	**307**	**307**	**307**
TOTAL					**153,391**	**106,637**	**56,231**	**25,783**	**307**	**307**	**307**

6.13.3.4 Anticipated Subventions and Grants by Property Management Corporation

SCR ('000)

Nature of Funding	**Funding Agency**	**Purpose**	**Total Agreed Amount (Forex)**	**Total Receipts of Subventions and Grants**						
				Provisional				**Forecast**		
				2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Subventions	Government	-	-	-	-	-	-	-	-	-
Grants	Government	Major Renovation of estate	SCR 15,000	-	-	15,000	25,000	-	-	-
TOTAL			**SCR 15,000**	**-**	**-**	**15,000**	**25,000**	**-**	**-**	**-**

6.13.3.5 Contingencies of Property Management Corporation

SCR ('000)

Nature of Contingencies	Funding Agency	Purpose	Total Liability Amount	Realized Guarantees						
				Provisional				Forecast		
				2023	2024	2025	2026	2027	2028	2029
Guarantees	PMC	Unexpected event	-	-	6,600	500	500	500	500	500
TOTAL				**-**	**6,600**	**500**	**500**	**500**	**500**	**500**

6.13.3.6 Assumptions used for the Financial Projections of Property Management Corporation

Revenue: The projections use the 2026 provisional actual figures, past revenue trends and the supplied budgets for 2027–2029. They reflect declining house-purchase income and expected growth in social-housing rental income, subject to allocations, and Government policy to support social housing plan. Management will strengthen billing and arrears recovery and review the assumptions as Government housing policy decisions are implemented. Cash receipts will depend on actual collections rather than income recognized alone.

Expenditure: Forecast expenditure is based on past spending patterns, anticipated service requirements and the supplied operating budgets. PMC has established a scheduled estate maintenance plan to guide the 2027 budget and intends to maintain a rolling three-year maintenance plan. This approach will priorities preventive maintenance, address repairs before they become major problems and reduce recurring costs and maintenance backlogs. Expenditure will be managed within available funding, with regular reviews of commitments and budget variances.

Capital expenditure: Capital expenditure remains essential to maintaining PMC's ageing housing estates. The forecast includes planned works for 2026 and 2027, with no major capital expenditure currently provided for 2028 or 2029. Continued Government funding support will be necessary for major renovations and infrastructure renewal, as PMC's operating revenue is insufficient to meet these costs alongside day-to-day maintenance and service delivery.

6.13.4 KPIs, Risk Management Strategy and Reporting Obligations

6.13.4.1 Key Performance Indicators of the Property Management Corporation

Title of Key Performance Indicators	Description	Targeted Strategic Priority	Achievements of KPIs							Formula / Ratio Used
			Provisional				Forecast			
			2023	2024	2025	2026	2027	2028	2029	
Financial	Net profit margin	Improve profitability and cost control	12.22%	-8.82%	13.73%	11.51%	2.86%	5.32%	11.41%	Net profit / total income × 100
Financial	Expenditure to income	Control operating expenditure	87.78%	108.82%	86.27%	88.49%	97.14%	94.68%	88.59%	Total expenditure / total income × 100
Financial	Current ratio	Maintain short-term liquidity	1.53	1.13	1.30	1.78	1.55	2.20	2.30	Current assets / current liabilities
Financial	Liabilities to assets	Monitor financial obligations	89.46%	92.10%	90.94%	90.13%	90.36%	90.26%	89.76%	Total liabilities / total assets × 100
Financial	Cash ratio	Maintain cash coverage	0.88	0.60	0.35	0.64	0.45	0.71	0.95	Cash and cash equivalents / current liabilities

6.13.4.2 Risks and Resilience Plan of the Property Management Corporation

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	Maintenance responsibilities may expand without matching funding.	Quantify new requirements and seek funding before committing to additional major works.
Strategic Risks	Ageing estates increase reroofing, termite, sewage and structural repair needs.	Use condition assessments and a prioritized multi-year maintenance plan.
Financial Risks	**Lower house-purchase receipts or delayed rental growth may reduce the budget surplus.**	**Monitor allocations, occupancy, billing, collections and arrears recovery monthly.**

Financial Risks	Forecast cash may include restricted funds or unverified cash/noncash assumptions.	Maintain rolling cash forecasts and reconcile grants, lease principal, deferred revenue and borrowings.
Operational Risks	**Contractor dependence and maintenance demand may delay essential repairs.**	**Prioritise urgent work, monitor contracts and strengthen preventive maintenance and quality controls.**
Operational Risks	Capacity gaps or system delays may weaken delivery and reporting.	Use training, succession arrangements, documented procedures and implementation milestones.
Governance and Compliance	**Audit delays or unresolved financial schedules may affect reporting reliability.**	**Assign responsibilities and deadlines for reconciliations, audit issues and required submissions.**

6.13.4.3 List of External Reporting's by the Property Management Corporation

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report	Submitted YES/NO
Quarterly Financials	PEMC	Drafted Financials	Qtr./bi-Annual/Annual	
Annual Budget	PEMC	Projected Budget	Annually	
Annual Financials	PEMC	Draft/Audited	Annually	

6.13.5 Stakeholder Engagement

6.13.5.1 Statement by the Responsible Minister

The Property Management Corporation's Medium-Term Financial Strategy for 2027–2029 reflects Government's commitment to sustainable housing services and the effective management of public housing estates. I reaffirm Government's support for PMC's strategic priorities, with particular emphasis on planned maintenance, improved service delivery and responsible use of public resources.

Government's housing responsibilities extend beyond providing new homes. We must also preserve existing housing estates and maintain the infrastructure on which residents depend. PMC plays an important role in this work, and its strategy must remain closely aligned with Government's housing policies and the needs of our communities.

PMC's rolling three-year estate maintenance plan aligns with Government's commitment to preserving public housing and improving living conditions. Planned and preventive maintenance will help address problems earlier, reduce recurring repairs and improve expenditure planning. The programme must set clear priorities and deliver measurable improvements to our residents.

Government recognises that PMC's operating revenue alone cannot sustainably meet the major renovation and infrastructure needs of ageing estates. Capital funding requirements will therefore need to be considered through the appropriate budget processes, supported by costed proposals, clear implementation schedules and reliable cash-flow forecasts.

The review of the PMC Act, modernisation of housing agreements and implementation of the new operating software are also important priorities. These initiatives should strengthen accountability, improve information quality and enable more responsive services.

I expect the Board and management to maintain clear responsibility for implementing this strategy, monitoring performance and addressing material variances. Government support must be matched by disciplined management and demonstrable progress.

I am confident that continued cooperation between Government, PMC's Board, management and staff will strengthen the Corporation's ability to fulfil its mandate. We will continue working together to protect our housing assets, improve living conditions and support the long-term sustainability of housing services.

Name: Sebastian Pillay Signature: _____ Date: 4/11/26

6.13.5.2 Foreword by Chairperson

On behalf of the Board, I reaffirm our commitment to PMC's Medium-Term Financial Strategy for 2027–2029. Our focus is to support equitable housing, improve the management of residential estates and strengthen PMC's capacity to serve tenants and communities sustainably.

The Board will guide the review of the PMC Act, modernisation of housing agreements and implementation of the new operating software. These priorities will help clarify responsibilities, improve accountability and provide a stronger foundation for effective service delivery. We will also support better revenue recovery and the careful prioritisation of maintenance and capital works.

We are confident that Government's commitment to affordable housing and its policy support for the sector will provide important support for PMC's mandate. Close cooperation with the Ministry

responsible for Housing will help align our strategy with national priorities and establish clear responsibilities and funding arrangements for new initiatives.

The Board remains committed to supporting management and staff in delivering this strategy. Through sound governance, responsible use of resources and continued partnership with Government, we are confident that PMC can improve the quality of its services and strengthen its long-term sustainability.

Name: Jude Commodore Signature: _____ Date: 04/11/2026

6.13.5.3 Statement by the Chief Executive Officer

As CEO, I am committed to delivering the priorities of the Medium-Term Financial Strategy for 2027–2029 through practical improvements in our daily operations. Our focus will be on responsive tenant services and timely maintenance of the estates entrusted to PMC.

Management will translate the strategy into section work plans with clear responsibilities and measurable targets. We will strengthen cooperation between sections, improve staff capability and use regular performance reviews to address delays and service gaps. Preventive maintenance and careful planning of works will support more reliable services and better use of resources.

I am confident that Government's housing policy direction and continued support will help PMC fulfil its responsibilities and respond to changing housing needs. We will work closely with the Ministry responsible for Housing to implement policy decisions, clarify operational requirements and coordinate the resources needed for effective delivery.

Implementation of the new operating software, supported by data clean-up and clearer procedures, will be central to improving billing, tenant records and management information. We will also strengthen financial controls and monitor cash requirements so that commitments remain consistent with available funding.

With the guidance of the Board, the support of Government and the commitment of our staff, I am confident that we can deliver meaningful improvements for the people we serve. I will maintain a clear focus on execution, accountability and service quality throughout this strategy.

Name: Steve Mussard Signature: _____ Date: 04-11-26

6.14 Seychelles Fisheries Authority (SFA)

6.14.1 Strategic Overview

6.14.1.1 Mandate

The mandate of the Authority is to provide for the effective management and sustainable development of fisheries in accordance with:

(a) internationally recognised norms, standards and best practices including the United Nations Convention on the Law of the Sea (1982) and the Code of Conduct for Responsible Fisheries, 1995 of the Food and Agriculture Organisation, Indian Ocean Tuna Commission Conservation and Management measures; and

(b) an ecosystem approach to fisheries which ensures that the development and management of fisheries address the multiple needs and desires of the society without jeopardising the options for future generations to benefit from the full range of goods and services provided by marine ecosystems.

6.14.1.2 Vision

Excellence in Sustainable Fisheries Management and Sector development.

6.14.1.3 Mission

Ensure optimal utilization of the Fisheries Resources for the benefit of the Seychellois people through sustainable management, ecosystem-based approaches and integrated Sector development.

Strategic Priorities, Challenges, and Initiatives with NDS and SDG Alignment

Year	*6.14.1.4 Strategic Priority*	*6.14.1.5 Key Challenge*	*6.14.1.6 Strategic Initiative*	*6.14.1.7 NDS & SDG Mapping*
2026	Strategy 1: Achieving excellence in sustainable fisheries management, in accordance with international standards and obligations.	• Delays in external endorsements by Ministry. • Fisheries Management section requires continued strengthening and capacity building. • Limited support by the Police for bringing prosecution for Illegal Unreported Unregulated (IUU) fishing.	Improve liaison mechanisms between SFA, the Ministry, and key stakeholders to accelerate decision-making, secure timely endorsements, and improve project delivery.	NDS Outcome 2. The Transformative Economic Agenda SDG14. Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.
	Strategy 2: Optimize the economic and social benefits of the fisheries sector.	• Economic and social benefits provided are not adequately recognised for the artisanal fisheries sector. • Budget constraints due to subsidies to the sector, contractor delays, unresolved variation works. • Market engagement issues linked to legislative reviews and limited stakeholder cooperation.	Improve project delivery, cost control, and stakeholder collaboration by streamlining approvals, strengthening contractor oversight, optimizing resource allocation, and aligning market engagement with legislative frameworks.	NDS Outcome 2. The Transformative Economic Agenda SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture. SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
	Strategy 3: Transitioning from researched-based aquaculture to commercialization of aquaculture.	• Infrastructural and equipment constraints (boats, vehicles, facilities). • Suitable land availability (ideally close to shore to allow access to sea water). • Demarcation on sea-based ADZ – costly as well as reticence from public e.g. ADZ at Beau Vallon. • Availability of fingerlings (larvae) for commercialisation. • Funding for BAQF phase 2 – needed to efficiently produce larvae for sector development.	To improve operations and ensure proper planning. The need for early stakeholder consultation, transparent communication, independent environmental assessments, and science-based site selection.	NDS Outcome 2. The Transformative Economic Agenda. SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. SDG 12: Ensure sustainable consumption and production patterns. SDG14. Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.
	Strategy 4: Contributions towards effective sector governance.	• Potential for emerging conflict between fisheries and conservation legislation. • Fisheries and Aquaculture Act 2025 enacted 2025, updating the regulations has started. • Implement all the enforcement tool in the Fisheries and Aquaculture Act. • Enforcement Capacity-Regulatory Framework. • Continued improvement in Education and awareness is required to build understanding of the sector. • Constraints faced in attracting local economists in a career in fisheries sector.	To strengthen enforcement capacity while regulatory gaps will be addressed through a dedicated stakeholder engagement.	NDS Outcome 2. The Transformative Economic Agenda. SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

	Strategy 5: Financial sustainability plan.	• Absence of Dividend Policy for SoE's. • Implementation of the Disaster Recovery site was delayed allowing for a reassessment of the backup strategy. • Constraints in setting up CCTV control room. • SFA's heavy dependence on industrial fisheries, particularly the purse seine sector. • An urgent need to diversify revenue streams, including enhancing returns from fishery-related property rentals.	Implement an interim Disaster Recovery site, followed by a phased transition to a higher-tier solution. Complete the CCTV Control Room once a suitable location is secured. SFA will also pursue revenue diversification measures, including improving returns from fishery-related property rentals, to reduce its financial dependence on the industrial fisheries sector. SFA will continue to review and strengthen cost-recovery mechanisms across its services and facilities.	NDS Outcome 2. The Transformative Economic Agenda. SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
	Strategy 6: Institutional strengthening and corporate governance.	• Improve Labour Utilisation • Absence of Remuneration Framework	Follow-up actions will focus on engaging a consultant to complete the labour utilisation exercise Remuneration Framework is on hold pending PEMC framework.	NDS Outcome 2. The Transformative Economic Agenda. SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

6.14.2 Outlook of Financial Strategy

6.14.2.1 Projected Financial Position of Seychelles Fisheries Authority

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Assets							
Non-current assets							
Property, Plant and equipment	239,626	246,066	237,635	226,441	224,194	221,346	220,328
Capital work in progress	45,146	34,412	39,904	69,854	137,904	223,004	245,904
Investments	55	55	55	55	55	55	55
Fisheries development Fund	62,495	64,263	63,624	64,260	64,582	61,995	62,305
	347,322	344,796	341,218	360,610	426,734	506,400	528,593
Current assets							
Inventories	787	429	678	3,489	2,770	4,137	4,255
Trade and other receivables	27,320	35,439	31,085	28,646	26,206	23,765	21,335
Cash and cash equivalents	332,038	364,387	450,736	411,990	430,022	435,471	474,946
	360,145	400,255	482,498	444,124	458,998	463,373	500,536
Total assets	**707,467**	**745,051**	**823,716**	**804,734**	**885,732**	**969,773**	**1,029,129**
EQUITIES AND LIABILITIES							
Equity and reserves							
Assigned capital	1,123	1,123	1,123	1,123	1,123	1,123	1,123
Retained surplus	321,930	287,515	321,415	321,792	358,320	415,955	476,452
	323,052	288,638	322,538	322,914	359,443	417,078	477,575
Non-current liabilities							
Deferred grants	222,525	211,197	202,862	192,719	212,719	207,219	198,719
Credits held for future projects	54,950	73,668	88,822	79,822	74,822	62,822	76,822
Funds held under Fisheries Development Funds	62,495	64,263	63,624	64,260	64,582	61,995	62,305
Employee benefit obligations provisions	19,318	21,386	26,557	27,885	29,212	27,885	29,212
Bank loan	-	-	-	-	30,000	80,000	73,900
	359,288	370,514	381,864	364,685	411,334	439,920	440,958
Current liabilities							
Other payables accruals and provisions	23,546	85,899	119,314	117,135	114,955	112,776	110,596
Other liabilities	1,580	-	-	-	-	-	-
Tax provision	-	-	-	-	-	-	-
	25,126.44	85,899	119,314	117,135	114,955	112,776	110,596
Total liabilities	**384,415**	**456,413**	**501,178**	481,820	526,289	552,696	551,554
Total equity and liabilities	**707,467**	**745,051**	**823,716**	804,734	885,732	969,773	1,029,129

6.14.2.2 Projected Statement of Comprehensive Income of Seychelles Fisheries Authority

SCR ('000)

	Actual			Provisional	Forecast		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Revenue	371,936	221,105	287,841	288,998	307,686	337,227	352,740
Other income	3,022	6,753	7,299	4,426	4,587	4,723	4,738
Grant Utilized	42,497	23,746	28,701	30,136	31,643	33,225	34,887
	417,454	251,604	323,841	323,560	343,916	375,176	392,364
Employee costs	(95,515)	(96,848)	(107,064)	(123,055)	(127,194)	(131,836)	(142,402)
Operating and other expenses	(53,078)	(71,192)	(67,152)	(65,676)	(72,333)	(71,631)	(74,158)
Research and development costs	(2,456)	(4,813)	(8,775)	(2,044)	(2,050)	(2,114)	(2,186)
Monitoring control, surveillance and enforcement costs	(10,803)	(10,369)	(10,432)	(1,840)	(1,928)	(1,988)	(2,055)
Fisheries facilities development	(66,885)	(67,943)	(58,783)	(77,201)	(79,476)	(85,095)	(87,988)
Foreign exchange gain/(loss)	(2,291)	525	14,864	-	-	-	-
	(231,028)	(250,639)	(237,341)	(269,817)	(282,981)	(292,664)	(308,790)
Surplus before depreciation and amortization	**186,425**	**965**	**86,500**	**53,743**	**60,935**	**82,512**	**83,575**
Amortization of deferred grants	14,317	12,483	13,030	12,437	12,437	13,059	13,712
Depreciation	(27,214)	(22,862)	(20,630)	(20,804)	(21,844)	(22,937)	(21,790)
	(12,897)	(10,380)	(7,600)	(8,367)	(9,407)	(9,877)	(8,077)
Surplus before taxation	**173,528**	**(9,415)**	**78,900**	**45,377**	**51,529**	**72,635**	**75,497**
Taxation	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	**173,528**	**(9,415)**	**78,900**	**45,377**	**51,529**	**72,635**	**75,497**

6.14.2.3 Projected Cash flow Statement of Seychelles Fisheries Authority

SCR ('000)

	Actual Figures			Provisional	Forecast		
	2022	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Operating Activities							
Surplus for the year	173,528	(9,415)	78,900	45,377	51,529	72,635	75,497
Adjustments for:	-	-	-	-	-	-	-
Depreciation of property, plant and equipment	27,214	22,862	20,630	20,804	21,844	22,937	21,790
Amortization	(14,317)	(12,483)	(13,030)	(12,437)	(12,437)	(13,059)	(13,712)
Movement in employee benefit obligations provisions	73	5,094	(2,061)	400	400	412	400
Movement in credit impairment provision	10,670	6,027	10,013	1,328	1,328	1,328	1,328
Operating profit/(loss) before working capital changes	**197,168**	**12,086**	**94,452**	**55,471**	**62,663**	**84,252**	**85,303**
Changes in working capital	63	358	(249)	(2,811)	719	(1,367)	(118)
Inventories	(10,017)	(13,213)	6,415	2,039	2,039	2,029	2,029
Trade and other receivables	1580	(1,580)	-	-	-	-	-
Other payables and accruals	(47,358)	62352	33426	(2,179)	(2,179)	(2,179)	(2,179)
Net cash inflow/(outflow) from operating activities	**141,436**	**60,003**	**134,044**	**52,520**	**63,242**	**82,734**	**85,035**
Taxation Paid	-	-	-	-	-	-	-
Investing Activities							
Movements to property, plant and equipment	(828)	(29,302)	(12,199)	(9,610)	(19,597)	(20,089)	(20,772)
Movements in capital work in progress	(19,163)	10,734	(5,492)	(29,950)	(68,050)	(85,100)	(22,900)
Net cash (outflow)/inflow from investing activities	**(19,992)**	**(18,568)**	**(17,690)**	**(39,560)**	**(87,647)**	**(105,189)**	**(43,672)**
Financing Activities							
Grants received	1,124	1,155	4,694	2,304	7,563	1,059	22,041
Grant adjustments for prior period	(4,015)	-	-	-	-	-	-
Movement in credit held for future projects	1,372	18,718	15,153	(5,106)	27,655	(2,305)	8,500
Employee benefits paid during the year	(3,749)	(3,959)	(4,842)	(3,904)	(7,780)	(5,851)	(11,329)
Bank loan	-	-	-	-	30,000	50,000	(6,100)
Dividends paid	(35,000)	(25,000)	(45,000)	(45,000)	(15,000)	(15,000)	(15,000)
Net cash outflow from financing activities	**(40,268)**	**(9,086)**	**(29,994)**	**(51,706)**	42,437	27,904	(1,888)
Net change in cash and cash equivalents	**81,177**	**32,349**	**86,349**	**(38,746)**	18,032	5,449	39,475
Movement in cash and cash equivalents							
At January 1,	250,861	332,038	364,387	450,736	411,990	430,022	435,471
Movement during the year	81,177	32,349	86,349	(38,746)	18,032	5,449	33,375
At December 31	**332,038**	**364,387**	**450,736**	**411,990**	**430,022**	**435,471**	**474,946**

6.14.2.4 Projected Capital Investment Plan of Seychelles Fisheries Authority

SCR ('000)

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost SCR ('000)	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures			Provisional	Forecast			Anticipated Risks
							2023	2024	2025	2026	2027	2028	2029	
1. Major Capital Investments														
Cascade Fisheries Facilities	Facility to fishermen	Facility to fisherman's community	5,363	EU	2021	2023	751	250						Completed. No anticipated risk. Actual payment for 2021 is not included given that the MTFS captures figures from 2022 onwards only. Actual payment for 2021 - SCR 1,306,860.90
BSA Fisheries Facilities	Facility to fishermen	Facility to fisherman's community	15,148	EU	2021	2023	7,693	1,027						Completed. No anticipated risk. Actual payment for 2021 is not included given that the MTFS captures figures from 2022 onwards only. Actual payment for 2021 - SCR 3,523,838.54
Anse Aux Pins Fisheries Facilities	Facility to fishermen	Facility to fisherman's community	18,126	EU	2021	2024	2,690	7,038						Completed. No anticipated risk. Actual payment for 2021 is not included given that the MTFS captures figures from 2022 onwards only. Actual payment for 2021 - SCR 3,426,441.24. Note that the actual payment includes a claim for idle time of SCR 2,700,000
Victoria Fuel Depot	Facility to fishermen	Facility to fisherman's community	3,550	EU	2021	2023	19	148						Completed. No anticipated risk. Actual payment for 2021 is not included given that the MTFS captures figures from 2022 onwards only. Actual payment for 2021 - SCR 770,186.70
Grand Anse Praslin Gear Store	Facility to fishermen	Facility to fisherman's community	2,366	EU	2023	2024	1,438	55						Completed. No anticipated risk. Savings made under the bill on the gear store and external works.

Glacis Gear Store	Facility to fishermen	Facility to fisherman's community	3,101	EU	2024	2026		775	1,995	308				Completed. No anticipated risk. Retention payment is due in September 2026
English River Reclamation & Dredging	Facility to fishermen	Facility to fisherman's community	3,448	EU	2024	2025	14	2,781	598	452				Completed. No anticipated risk. The scope for reclamation works was extended to cater for the relocation of the Victoria Central Market.
Anse La Mouche Fisheries Facilities	Facility to fishermen	Facility to fisherman's community	10,000	EU	2025	2026	19	60	1,523	5,010	334			Variation under force majeure clause of the contract due to the Middle-East conflict. The project is still ongoing and it is expected to be completed in November 2026. The retention payment is due in November 2027.
Anse Aux Pins Dredging	Facility to fishermen	Facility to fisherman's community	1,172	EU	2026	2026				1,792				Completed. No anticipated risk. The sole bid was higher than the estimates cost. This was mainly due to the risk associated to the project, as the site is our open sea and heavy machinery is required. Upon negotiation a 10% discount was agreed upon. Furthermore, a saving of SR 179,205.80 was made under the contract.
English River Dredging	Facility to fishermen	Facility to fisherman's community	1,020	EU	2026	2026				1,020				Cost overruns and delays. The project is expected to start during the 1st week of September 2026.
Anse Etoile Dredging	Facility to fishermen	Facility to fisherman's community	8,000	EU	2027	2027					8,000			Delays in acquiring approval from the Planning Authority.
Providence Quay Wall & Pontoon	**Quay wall for SFA vessels, including installation of pontoon**	**Facility for mooring SFA vessels**	**5,635**	**EU**	**2026**	**2028**				**1,409**	**3,663**	**564**		Delays or approval not granted by the Planning Authority. Bidding costs are higher that the estimated budget. No sufficient funds to carry out the project. The tender was annulled given that sufficient funding is not available for the procurement

Baie Saint Anne Praslin Installation of Pontoon & Fencing	Facility to fishermen	Facility to fisherman's community	1,600	EU	2026	2027				400	1,120	80		Delays in acquiring approval from the Planning Authority. Bidding cost higher than the estimated budget
Anse Etoile Gear Stores	Facility to fishermen	Facility to fisherman's community	2,000	EU	2027	2028					1,600	400		Constraints in relocating in the tenants may cause delays to the project.
English River Fisheries Facilities	Facility to fishermen	Facility to fisherman's community	8,000	EU	2027	2028					6,000	1,600	400	Delays in acquiring approval from the Planning Authority. Unforeseen delays during the tender process, such as appeals.
Bel Ombre Fisheries Facility: Quay wall, landing shed, dredging	Facility to fishermen	Facility to fisherman's community	28,000	EU	2027	2029	8,400	11,200	8,400					Bidding cost higher than available budget
Renovation of Headquarters	Offices	For SFA staff	9,240	SFA Funding	2020	2023	1,001	4,344	268	4,974				Completed. No anticipated risk
Broodstock, Acclimation and Quarantine Facility (BAQF) Phase 2	Aquaculture Facility	For SFA	15,000	EU	2027	2028					11,250	3,750		Delays in acquiring approval from the Planning Authority. Bidding cost higher that the estimated budget

SFA Operation Building	Offices	For SFA Staff, MFTBE & IOTC	112,545	SFA Funding/Ministry's budget	2026	2028		378	4,422	43,140	32,301	23,304	9,000	Bidding cost higher that the estimated budget. SFA financial constraints. The tender process for the construction of the SFA Operation building was cancelled due to the financial uncertainties arising from the economic impacts of the Middle East conflict. However, consultancy fees was being paid since 2024.
SFA Artisanal Building	Offices	For SFA staff	20,700	SFA Funding	2027	2028					4,140	14,490	2,070	Bidding cost higher that the estimated budget. SFA financial constraints
TOTAL			**274,014**				**22,025,**	**28,056**	**17,206**	**58,505**	**68,408**	**44,188**	**11,470**	

6.14.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

6.14.3.1 Tax Implications by the Operations of Seychelles Fisheries Authority

SCR ('000)

Type of Tax	Actual Figures			Provisional	Forecast			Anticipated Risks
	2023	2024	2025	2026	2027	2028	2029	
Business Tax	-	-	-	-	-	-	-	
PIT	8,533	9,290	10,655	11,305	12,230	13,154	14,078	Revenue may fluctuate due to changes in employment levels, wage adjustments, or policy revisions.
VAT	3,434	2,735	3,340	2,524	2,776	2,776	2000	Collections may be affected by variations in consumer spending, inflation, or delayed supplier invoicing.
PAYE	474	364	92	400	410	420	430	
Total	**12,440**	**12,390**	**14,086**	**14,229**	**15,416**	**16,350**	**16,508**	

6.14.3.2 Anticipated Dividend Declarations by Seychelles Fisheries Authority

SCR ('000)

Nature of Dividend	Actual Figures			Provisional	Forecast			Anticipated Risks Conditions/Justifications
	2023	2024	2025	2026	2027	2028	2029	
Dividends in Cash	35,000	25,000	25,000	45,000	15,000	15,000	15,000	Reduction to SCR 15million in payment of dividend yearly, 2027-2029 is due to the fact that SFA will be constructing a new building to house all of its staff and reduce our dependency on renting offices that has been costing SCR 8 million per annum. SFA will be taking a loan that will be used to assist in constructing the new building. The loan repayment is estimated to be SCR 11million (inclusive of interest) per annum.

Dividends in lieu of Cash	-	-	-	-	-	-	-	
TOTAL	**35,000**	**25,000**	**25,000**	**45,000**	**15,000**	**15,000**	**15,000**	

6.14.3.3 Debt Payments Forecasts by Seychelles Fisheries Authority

SCR ('000)

Lending Organization	**Description**	**Purpose of Borrowings**	**Total Debt Amount (Capital) SCR ('000)**	**GoS as guarantor (YES/NO)**	**Total Borrowings and Debt Servicing**						
					Actual Figures			**Provisional**	**Forecast**		
					2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Loan 01 From Nouvobanq Bank	Borrowings	Operational Building	125,000	NO				80,000	80,000	80,000	80,000
	Interest for the Year							4,400	4,400	4,400	4,400
	Repayment of Capital							700		6,100	6,100
	Balance carried forward							80,000	80,000	74,000	67,400
SUB TOTAL (only Guaranteed by GOS)											
TOTAL			**125,000**		**0**	**0**	**0**	**80,000**	**80,000**	**74,000**	**67,400**

6.14.3.4 Anticipated Subventions and Grants by Seychelles Fisheries Authority

('000)

Nature of Funding	**Funding Agency**	**Purpose**	**Total Agreed Amount (000)**	**Total Receipts of Subventions and Grants**						
				Actual Figures			**Provisional**	**Forecast**		
				2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Subventions	Government									
	IMF									
	ADB									
	EU, etc.									
Grants	Government									
	IMF									

	ADB									
	EU	Sectoral Support (Paid Annually)	EURO 2,800	EURO 2,800	EURO 2,800	EURO 2,800	EURO 3,000	EURO 3,000	EURO 3,000	EURO 3,000
	SEYCCAT	Octopus Project (Started 2022)	SCR 1,645	0	SCR393	SCR430	0	0	0	0
	SEYCCAT	Ocean 5 Project (Started 2021)	USD 163	USD 5.95	USD 85.75	0	0	0	0	0
	SEYCCAT	Blue Grant Fund (Started 2025)	SCR 2,000	0	0	SCR 1,000	SCR 1,000	0	0	0
	Fisheries Trust Fund Mechanism	Seychelles Integrated Fisheries Information Management System	USD 278	0	0	0	USD 69	USD 208	0	0
TOTAL										

6.14.3.5 Contingencies of Seychelles Fisheries Authority

Nature of Contingencies	**Funding Agency**	**Purpose**	**Total Liability Amount SCR ('000)**	**Realized Guarantees**						
				Actual Figures			**Provisional**	**Forecast**		
				2023 SCR ('000)	**2024** SCR ('000)	**2025** SCR ('000)	**2026** SCR ('000)	**2027** SCR ('000)	**2028** SCR ('000)	**2029** SCR ('000)
Guarantees	Government		-	-	-	-	-	-	-	-
	Guaranteed for other PEs		-	-	-	-	-	-	-	-
Potential Payments Due to Legal Actions by 3rd Parties	Government									
	Case 01	Mr Benny Michel submitted a revised settlement offer of SCR480,000 in his letter dated 5 May 2026 to the Minister. The matter was subsequently forwarded to the Board for consideration, and the Board subsequently approved the settlement for SCR480,000, in full and final settlement of all claims arising from the proceedings. The court was informed of the SFA's decision at the hearing on 31 July 2026. The Attorney General's Office is currently finalising the Settlement Agreement.	588	-	-	-	480(Actual figure)	-	-	-

	Case 02	A claim of SCR 4,694,701.96 relating to work carried out on the SFA Headquarters. The matter has been formally closed through arbitration, and a sum of SCR 4,974,150.41 was paid to FABSCO inclusive of additional interest on delayed payment of SCR 95,485.69 in February 2026.	4,694	-	-	-	4,974	-	-	-
TOTAL			**5,283**	-	-	-	**5,454**	-	-	-

6.14.3.6 Assumptions used for the Financial Projections of Seychelles Fisheries Authority

The Seychelles Fisheries Authority (SFA) has prepared its Medium-Term Fiscal Strategy (MTFS) budget forecasts for the period 2027–2029 based on historical actual results, prevailing financial and economic trends, operational requirements, departmental submissions, known contractual and regulatory commitments, and SFA's strategic priorities.

The forecasts have been prepared using a prudent and evidence-based approach, taking into consideration expected changes in operational activity, known commitments, anticipated revenue developments and factors that may influence SFA's financial performance over the medium term.

The assumptions presented in this report provide the underlying basis for the projected revenue, grants, employee costs, operating expenditure, capital expenditure, borrowing and dividends included in the MTFS.

Actual results may differ from the forecasts due to changes in economic conditions, fishing activity, catch volumes, vessel utilisation, exchange rates, market prices, procurement costs, project implementation schedules and other factors outside SFA's direct control.

Assumption Area	Assumption / Basis	Source / Evidence	Financial Impact / Linkage
Revenue	Revenue projections for 2027–2029 have been prepared based on historical revenue trends, actual revenue performance, current economic conditions, expected operational activity and known contractual and regulatory arrangements. A significant increase of the component of the revenue forecast is derived from the new EU–Seychelles Sustainable Fisheries Partnership Agreement (SFPA) Protocol, signed in July 2026. The new Protocol provides a more stable basis for forecasting during the MTFS period.	EU–Seychelles Sustainable Fisheries Partnership Agreement (SFPA) 2026-2029	-EU/SFPA financial contribution-€5.75 million per annum of which sustainable fisheries budget support- €2.75 million per annum -Reference tonnage-55,000 tonnes per annum -Purse seiners-Up to 30 vessels -Surface longliners-Up to 8 vessels -Licence/capture fee-€90 per tonne -Purse seiner advance payment-€72,000 per vessel/year -Longliner advance payment-€8,100 per vessel/year -Support vessel payment-€6,000 per vessel/year -Environmental fee-€2.50 per Gross Tonnage (GT)

Additional Catch Surcharge	Additional Catch Surcharge represents a significant component of SFA's revenue but remains inherently difficult to forecast due to the variable nature of fishing activity within the Seychelles Exclusive Economic Zone (EEZ). Catch volumes may be affected by environmental conditions, fish stock abundance, oceanographic changes, weather patterns, fishing effort, fisheries management measures and market conditions. Forecasting uncertainty may also arise from El Niño-related effects, geopolitical developments, fuel price volatility, changes in fishing patterns and potential disruptions to fishing operations and international supply chains.	EU–Seychelles Sustainable Fisheries Partnership Agreement (SFPA) 2026-2029	Accordingly, Additional Catch Surcharge revenue for 2027–2029 has been estimated on a prudent basis, taking into consideration historical trends, actual performance and prevailing circumstances, while recognising the significant uncertainty associated with future catch levels
Other Revenue – Non-EU Revenue	Other revenue generated directly by SFA has been projected primarily using historical collections and established revenue patterns, with adjustments where appropriate for expected changes in demand, utilisation and prevailing economic conditions. The revenue streams include local and non-EU fishing licences, registration fees, Vessel Monitoring System (VMS) fees, utility sales, ice and fuel sales, net repair services, storage services, EEZ applications, inspection and management fees, warehouse and property leases, gear store rentals, interest income, and other fisheries and non-fisheries related revenue. Revenue associated with domestic fisheries support activities, including fuel, ice and related services, has been projected based on historical activity levels and expected continuation of current operations are provided at a subsidized rate. Revenue from Non-EU Fishing license are derived from fishing effort, vessel utilisation and market conditions. Property and facility-related income have been projected primarily on the basis of existing rental arrangements and recurring income streams. Overall, the revenue forecasts have been prepared on a prudent and evidence-based basis, balancing historical trends with current economic conditions, expected operational activity and known contractual and regulatory arrangements. Actual revenue may vary depending on fishing activity, vessel utilisation, catch volumes, licensing patterns, market prices, fuel costs, lease occupancy, interest rates, exchange rates and other external economic or operational factors affecting the fisheries sector.		
Employee Cost Assumptions	Employee costs for 2027–2029 are projected based on the approved/proposed staffing establishment, existing remuneration commitments, contractual benefits, statutory employer pension contributions and anticipated salary and allowance adjustments in accordance with government policies. The 2027 employee cost provision is based primarily on known staffing and remuneration commitments rather than applying a general inflationary escalation to the 2026 Revised Budget. Salaries and Wages increase from approximately SCR 103.82 million in the 2026 Revised Budget to SCR 105.19 million in the 2027 Proposed Budget, representing an increase of approximately 1.3%. This relatively modest increase reflects the composition of the establishment, expected staff movements, vacancies, normal turnover and the specific salary and allowance adjustments incorporated into the 2027 budget rather than a blanket inflation adjustment. For 2028 and 2029, employee costs have been projected using general annual escalation assumptions of approximately 3.1% and 3.4%, respectively, to provide for normal salary progression, inflationary pressures and changes in employee-related costs.		-Salaries & Wages 2027 Assumption Approved/proposed establishment, existing salaries, increments and proposed adjustments 2028 Assumption-3.1% escalation 2027 Assumption-3.4% escalation -Employer Pension Fund; 2027 Assumption-Projected payroll and applicable statutory rates 2028 Assumption-3.1% escalation 2029 Assumption-3.4% escalation -Staff Welfare 2027 Assumption- Planned welfare programmes and establishment 2028 Assumption- 3.1% escalation 2029 Assumption-3.4% escalation -Directors' Emoluments 2027 Assumption Approved remuneration arrangements 2028 Assumption -3.1% escalation 2029- Assumption3.4% escalation

			-Gratuity 2027 Assumption- Expected contractual obligations and eligible employees 2028 Assumption-3.1% escalation 2029 Assumption-3.4% escalation -End-of-Contract Costs 2027 Assumption-Contracts expected to reach completion 2028 Assumption-3.1% escalation 2029 Assumption-3.4% escalation -Allowances & Other Benefits 2027 Assumption-Approved policies and staffing requirements 2028 Assumption-3.1% escalation 2029 Assumption-3.4% escalation -Overall Employee Costs 2027 Assumption-Actual known commitments and establishment 2028 Assumption-3.1% general escalation 2029 Assumption-3.4% general escalation.
Operating Cost Assumptions	Operating costs for 2027–2029 are based on historical actual expenditure, current operational requirements, existing contractual commitments, departmental budget submissions, expected changes in the cost of goods and services, maintenance requirements, utilities, travel and subsistence, training and capacity development, professional and consultancy services, and other operational activities required to deliver SFA's mandate. Departments have prepared their respective budgets based on planned activities and operational requirements. Finance has consolidated and reviewed these submissions against historical and actual expenditure trends to ensure that the forecasts remain realistic, justified and aligned with available resources.		The MTFS assumes continued cost discipline and prioritisation of expenditure towards activities that are necessary to maintain SFA's core operations, regulatory responsibilities and strategic priorities.
Capital Expenditure Assumptions	Capital expenditure for 2027–2029 is based on SFA's identified capital investment requirements, planned strategic projects, replacement of ageing assets and the implementation of initiatives required to strengthen operational capacity. Movements in capital expenditure between years primarily reflect the timing and implementation of major projects, procurement schedules and the availability of funding. Major capital projects and asset acquisitions are therefore expected to be recognised in the year in which the relevant expenditure is planned to be incurred. The costing of major capital projects and asset acquisitions is based, where applicable, on current market prices obtained through market surveys and available quotations, with adjustments for anticipated inflation over the MTFS period.		The estimates also recognise the potential impact of international economic conditions, including geopolitical developments, on construction materials, equipment, transportation, freight and other imported inputs. Capital expenditure estimates will be reviewed and updated as projects progress and more accurate cost estimates, procurement information and implementation schedules become available.

Support for Fisheries Operations	Expenditure supporting fisheries operations is projected to remain broadly stable over the MTFS period, taking into consideration SFA's in-house engineering capacity. The availability of an in-house engineer is expected to reduce reliance on external service providers and strengthen SFA's ability to undertake routine maintenance and technical support internally. In addition, the acquisition of new ice plants is expected to improve operational efficiency and reduce expenditure associated with spare parts, repairs and outsourced maintenance.		Accordingly, the MTFS assumes that expenditure supporting fisheries operations will remain broadly stable, with potential savings arising from reduced outsourcing and improved internal maintenance capacity.
Grant Revenue Assumptions	Grant revenue projections for 2027–2029 are based on existing grant agreements, approved donor commitments, applicable arrangements under the EU–Seychelles Sustainable Fisheries Partnership Agreement (SFPA) Protocol, anticipated disbursement schedules and known project implementation timelines. A prudent approach has been adopted in determining the level of grant revenue included in the MTFS. Grant applications that remain under discussion or have not yet received formal approval have not been included in projected revenue.	EU–Seychelles Sustainable Fisheries Partnership Agreement (SFPA) 2026-2029 Formal signed grants.	Only grants that have been formally approved or are supported by sufficiently confirmed funding commitments have been incorporated into the forecast.
Borrowing Assumptions	Borrowing projections for 2027–2029 relate solely to the financing of SFA's new Operational Building, which has been approved by our Parent Ministry, Ministry of Fisheries, Agriculture and Blue Economy and the Ministry of Finance, Economic Planning, Trade & Investment. While the project has received the necessary approval, the borrowing arrangement and financing terms are currently under negotiation with the banks. The MTFS therefore provides for an estimated borrowing requirement based on the projected cost and implementation schedule of the project. The final borrowing amount, interest rate, repayment period and other financing terms remain subject to the outcome of the ongoing negotiations. The timing and level of borrowing are expected to be aligned with the progress of the Operational Building project and its associated cash-flow requirements. Related interest and financing costs will be recognised based on the final financing terms agreed with the banks. The borrowing assumptions will be reviewed and updated once the financing arrangements have been finalised. It is expected that the loan SCR 80m will be disbursed will start in 2027. There will be no repayment during construction stage. Interest payable will be paid directly from SFA's current account. Interest component will be charged to Work in Progress (WIP).		

Overall MTFS Assumptions and Risk Considerations

The MTFS 2027–2029 budget forecasts have been prepared using assumptions considered reasonable based on information available at the time of preparation.

Key areas of uncertainty include fishing activity and catch volumes; SFPA implementation; grant funding; exchange rates; inflation and market prices; capital project implementation; borrowing arrangements; employee costs; and dividend capacity.

These factors will be monitored throughout the MTFS period and assumptions will be updated where material changes occur.

Conclusion

The MTFS 2027–2029 budget forecasts have been prepared using a prudent and evidence-based approach, taking into account historical actual performance, current operational requirements, known contractual and regulatory commitments, approved strategic initiatives and the expected operating environment.

The new EU–Seychelles SFPA Protocol provides an important basis for the revenue projections, while the grant assumptions have been deliberately limited to approved or sufficiently confirmed funding commitments.

Employee costs have been projected based on the approved/proposed establishment and known remuneration commitments, with subsequent annual escalation assumptions applied for 2028 and 2029.

Operating and capital expenditure forecasts have been aligned with departmental requirements, historical expenditure patterns, strategic priorities and the need to maintain essential fisheries infrastructure and operational capacity.

The capital investment programme places particular emphasis on digital transformation, asset replacement, operational infrastructure, research capacity and the development of an ERP system.

Borrowing assumptions have been limited to the financing requirement for the approved Operational Building project, with the final financing terms remaining subject to ongoing negotiations with the banks.

The dividend assumption of SCR 15 million per annum for 2027–2029 reflects the need to balance Government dividend expectations with SFA's operational requirements, capital investment programme and financing obligations.

Overall, the MTFS provides a financially prudent framework for SFA's operations and strategic priorities over the 2027–2029 period, while recognising the principal uncertainties that could affect actual financial outcomes.

6.14.4 KPIs, Risk Management Strategy and Reporting Obligations

6.14.4.1 Key Performance Indicators of the Seychelles Fisheries Authority

Title of Key Performance Indicators	Description	Targeted Strategic Priority	Achievements of KPIs						
			Actual Figures			Provisional	Forecast		
			2023	2024	2025	2026	2027	2028	2029
Strategic	Promote best practices of fish mobilization techniques to increase market value - 100%	**STRATEGY 2: Optimise the economic and social benefits of the fisheries sector**	10%	20%	20%	20%	30%		
	The number of completed infrastructures (FOA: Project)		4	3	3	1	2		
	Support initiatives to make undervalued species more accessible and valorized within local and international markets		1	1	2	2	2		
Operational	Aquaculture statistics features in the national accounts- The number of	**STRATEGY 3: Transitioning from research-based aquaculture to**	N/A	1	3	3	3		

	species taken up through commercial producers from BAQF activities.	**commercialisation of aquaculture.**							
Financial	Develop and implement the business development and financial sustainability plan.	**STRATEGY 5: Financial sustainability plan.**	Positive 2%	Positive 2%	Positive 2%	Positive 2%	Positive 2%		
	Pursuance of integrated financial governance.		1	2	1	1	1		
Other - e.g. Compliance, Governance	Pursue activities that promotes compliance to the legislation.	**STRATEGY 4: Contributions towards effective sector governance.** **STRATEGY 1: Achieving excellence in sustainable fisheries management, in accordance with international standards and obligations.**	3	5	1	1	3		

6.14.4.2 Risks and Resilience Plan of the Seychelles Fisheries Authority

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	Inadequate of proper governance framework	Have a set of approved processes, procedures, and policies that a company has in place to make certain that the company and its employees are conducting business in a legal and ethical manner. Repository for approved Policies and SOP.
	Lack of Business continuity plan	The BCP has been put on hold until the consultancy for Assessing and Managing Risk for the Seychelles Fisheries Authority is completed.
	Unsustainable development in the artisanal fishery sector Continued development and maintenance of facilities (e.g. Construction of market and Installation of Ice plant) that are not generating sufficient income to cover costs	A framework guiding such investments is being contemplated. Consideration should be given to review cost recovery strategies.
Financial Risks	The Authority is exposed to currency risk arising from future commercial transactions and liabilities that are denominated in currencies other than the functional currency. Most of our revenues are paid in foreign currency and converted into Seychelles Rupees.	Explore new potential revenue streams to boost up the income to mitigate loss due to fluctuation of foreign currencies.
	The risk of running out of cash is such that you may default on obligations.	Proper cash flow and budget management.
	Assets register created however the evaluation of properties needs to be undertaken. This may affect the accounting statements adjustments to the balance sheet	Up to date evaluation of properties.
Operational Risks	Inadequate internal policies, SOPs, and a clear reporting line within the entire organization structure may create a lack of preparedness to identify, control and respond to risks.	Continue to devise clear internal policies and SOPs. SFA Management has attended training on corporate governance and compliance.

PESTLE	Instability due to war in the Middle East could result in changes to economic conditions.	Ensure goal congruence within the management team to ensure continuity of the business.
	Changes to economic and environmental conditions such as a recession or climate change. Possible reduction in Industrial fishing license.	Develop contingency budgets and maintain a financial reserve for economic downturns.

6.14.4.3 List of External Reporting's by the Seychelles Fisheries Authority

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report	Submitted YES/NO
EU Sectoral Support Implementation Report	European Union	Under the Sustainable Fisheries Partnership Agreement (SFPA) between the European Union and the Republic of Seychelles, a specific amount of EUR 2.8 million is allocated per year for the support and implementation of Seychelles' sectoral fisheries policy and maritime policy. The report presents the status on the implementation of the annual instalment of the sectoral support under the SFPA. The report allows for both the EU and Seychelles to assess the implementation of the sectoral support based on the outcome of the performance indicators and targets set in the approved annual work plan.	Annually. The report is presented at the EU-Seychelles Joint Committee Meeting (JCM) which is usually held around September.	The final report was submitted to the EU in November 2025 upon 75% execution of the 5th instalment of the EU Sectoral Support Fund and request for disbursement of the 6th instalment. The Implementation report for the 6th instalment is expected to be presented at the JCM to be held in September 2026.
Performance Audit Evaluation of the Implementation of the Sectoral Support provided for under the EU-Seychelles Sustainable Fisheries Partnership Agreement (SFPA)	Seychelles Fisheries Authority Ministry of Fisheries and the Blue Economy European Union	The purpose of this performance audit is to have an independent assessment of the implementation of the Sectoral Support provided under the Protocol and to provide assurance to the parties that the funds are being utilized economically, efficiently and effectively. The audit assesses and evaluates the performance of the SFA vis-à-vis the execution of activities approved by the EU and the Seychelles for the calendar years in relation to the allocated budget and the impact of the Sectoral Support within the stipulated Protocol.	At the end of the Protocol under the SFPA. The duration of the current Protocol is 6 years.	The Performance Audit of the Implementation of the Sectoral Support was finalised in October 2025.
FISHSTAT AQ-NS	FAO	Aquaculture summary	Annually deadline 31st August 2026	Yes for 2025
FISHSTAT AQ	FAO	Aquaculture production	Annually deadline 31st August 2026	Yes for 2025
Disease notification report	World Organization for Animal Health (WOAH)	Reports on disease outbreak if any	Six months (2x) Annually	Submitted by Animal Health Services
IOTC Data Reporting Obligations	Indian Ocean Tuna Commission	The Statistics Department plays a key role in ensuring the accurate and timely submission of fisheries data to the Indian Ocean Tuna Commission (IOTC). This data underpins regional fisheries management and scientific research, particularly for stock assessments and monitoring compliance with IOTC conservation and management measures. Core Data Types Submitted by species, gear, and area: • Catch & Effort Data • Size Frequency Data • Port Sampling Data	Annually by the 30th June except for longline fisheries for which preliminary data are submitted by 30th June and Final datasets by 30th December.	Yes

IOTC National report	Indian Ocean Tuna Commission	The Statistics Department contributes to the preparation of the annual IOTC National Report by providing accurate and timely fisheries data to the Fisheries Management Section, which serves as the focal point for compiling and submitting the report to the Indian Ocean Tuna Commission (IOTC). Core data types provided, by species, gear, and fishing area, include: • Catch and Effort Data • Size Frequency Data • Port Sampling Data • Bycatch and discards • Maps of fishing activities	Annually by 15th November	Yes
FAO Data Reporting Obligations	FAO	The Statistics Department supports national and global fisheries monitoring by submitting standardized data to the Food and Agriculture Organization (FAO) of the United Nations. This data feeds into FAO's global database on fish production, trade, and consumption, contributing to global food security, sustainable fisheries management, and evidence-based policy-making. Core Data Types Submitted: • Annual Capture Production (by species, gear, and area) • Aquaculture Production • Fish Trade and Consumption Statistics • Employment in Fisheries and Aquaculture • Fleet and Gear Data	Annually by the 30th August	Yes
SIOFA Data Reporting Obligations	SIOFA	The Statistics Department ensures the timely and accurate submission of fisheries data to the Southern Indian Ocean Fisheries Agreement (SIOFA) Secretariat, supporting the sustainable management of deep-sea fishery resources in the SIOFA Area. Core Data Types Submitted: • Catch and Effort Data (by species, gear, and area)	Annually by 30th May	Yes
SYC–EU SFPA Agreement: Fisheries Data Reporting Obligations	EU through Ministry of Fisheries and Blue Economy	Under the Seychelles–European Union Sustainable Fisheries Partnership Agreement (SYC–EU SFPA), the Statistics Department is responsible for submitting timely and accurate fisheries data to meet reporting obligations. These submissions ensure adherence to the terms of the agreement Core Data Types Submitted: • Detailed catch (by species) and effort data by EU vessels operating in Seychelles waters, • Statements of fees related to additional catches exceeding the reference tonnage within the Seychelles Exclusive Economic Zone (EEZ).	Catch and effort data are submitted on a quarterly basis Statement of Fees are submitted on an annual basis	Yes
SYC–Mayotte Agreement: Fisheries Data Reporting Obligations	EU through Ministry of Fisheries and Blue Economy	Under the Seychelles–Mayotte Agreement, the Statistics Department is responsible for submitting timely and accurate fisheries data to meet reporting obligations. These submissions ensure adherence to the terms of the agreement Core Data Types Submitted:	Quarterly	Yes

		Detailed catch (by species) and effort data by Seychelles Flagged vessels operating in Mayotte waters.		
SYC–Mauritius Agreement: Fisheries Data Reporting Obligations	Mauritius through Ministry of Fisheries and Blue Economy	Under the Seychelles–Mauritius Agreement, the Statistics Department is responsible for submitting timely and accurate fisheries data to meet reporting obligations. These submissions ensure adherence to the terms of the agreement Core Data Types Submitted: • Detailed catch (by species) and effort data by Seychelles Flagged vessels operating in Mauritius waters.	Annually	Yes
Fish Catches and Price data	National Bureau of Statistics	The submission of fish catches and price data to the National Bureau of Statistics (NBS) is essential for compiling accurate and comprehensive national fisheries statistics. Core Data Types Submitted: Volume of fish landed by species and gear type, Market prices at landing sites.	Volume of Fish on a quarterly basis Fish prices on a monthly basis	Yes
SFA Statistical Report	All Stakeholders and general public	The Statistics department publishes its Statistical Report to provide a comprehensive overview of the country's fisheries sector. This report serves as an authoritative source of data for government agencies, industry stakeholders, researchers, and international partners. Core Data Types Published: • Catch and Effort Data (by fleet, species, gear type, and fishing area) • Fish Landings (volume by fleet, port, species and fisheries)	Annually	Yes
Compliance Questionnaire	IOTC	The IOTC Compliance Questionnaire (CQ) is part of the IOTC Compliance assessment process. It contains a number of questions related to the implementation of various IOTC Conservation and Management Measures ("requirements"), including some that we have already submitted information for, and some that are only reported with the CQ.	Send Annually to the IOTC Submission is done at the end of February	Yes
Implementation Report	IOTC	The IOTC Implementation Report (IR) are part of the IOTC Compliance assessment process. They contain several questions related to the implementation of the various IOTC Conservation and Management Measures ("requirements"), including some that we have already submitted information for, and some that are only reported with the IR.	Send Annually to the IOTC Submission is done at the beginning of March respectively.	Yes
Compliance Report	IOTC	The IOTC Compliance Report (CR) is the culmination of the IOTC Compliance assessment process and is produced annually for all CPCs and presented at the Compliance Committee meeting. It is presented mainly as a table that contains one row for each reporting requirement that is assessed as part of the compliance process.	Send Annually to the IOTC Submission is done Mid of May.	No * The IOTC 2025–2026 reporting campaign commenced in March 2025 and concluded in March 2026. In accordance with the IOTC reporting requirements, the Seychelles Fisheries Authority (SFA) successfully submitted the Compliance Questionnaire, Implementation Report, Scientific Report, and dFAD

				Implementation Report within the prescribed deadlines. The Compliance Report was not submitted during the campaign, as the completion of the assessment of the reporting requirements by the IOTC Secretariat was still pending. This delay was due to limited staffing capacity within the Secretariat, which affected the timely completion of the assessment process. For the Southern Indian Ocean Fisheries Agreement (SIOFA), both the Compliance Report and the National Report were submitted within the required reporting deadlines.
National Report to the Scientific Committee	IOTC	Contracting Parties, cooperating non-Contracting Parties shall submit national reports to the Scientific Committee (SC) in order to provide relevant information to the Committee on fishing activities in the IOTC area of competence.	Send Annually to the IOTC (Scientific Committee) The National Report is due to be submitted no later than 15 days prior to the start of the annual regular session of the Scientific Committee.	Yes
DFAD Implementation Report	IOTC	Contracting Parties, cooperating non-Contracting Parties shall submit the DFAD Implementation Report summarizes actions undertaken in accordance with various requirements of the IOTC Resolution 19/02.	Send Annually to the IOTC Submission is done Mid of February.	Yes
Compliance Report	SIOFA Compliance Committee	In accordance with CMM 11 (2020) (Compliance Monitoring Scheme), CCPs are invited to prepare a CCP Compliance Report (CCR) based on a template, including a preliminary self-assessment of its compliance status for each assessed obligation. Statements of implementation should briefly summarise their contents and relevance, including a citation where necessary.	On an annual basis at least 60 days before the Meeting of the Parties.	Yes
Annual National Report	SIOFA Scientific Committee	Contracting Parties, cooperating non-Contracting Parties and participating fishing entities shall submit national reports to the Scientific Committee (SC) in order to keep the SC informed, in a concise format, of their fishing, research and management activities over the previous year.	On an annual basis at least 30 days before its annual SC meeting.	Yes

6.14.5 Stakeholder Engagement

6.14.5.1 Statement by the Responsible Minister

The Seychelles Fisheries Authority's (SFA) work remains critical to the national economy. In 2025, the Authority issued 790 local fishing licenses and 163 industrial fishing licenses, reflecting the sector's continued contribution to employment, livelihoods and economic activity. Through coastal and land patrols, port control inspections and post-harvest inspections, SFA also continued to strengthen monitoring, control and surveillance and support the fight against illegal, unreported and unregulated fishing.

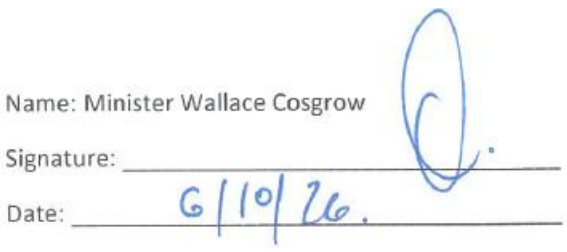
The Government also recognizes the importance of continued investment in fisheries infrastructure. The completion and official opening of the Glacis Gear Store Project, the commencement of the Anse La Mouche Fisheries Facilities Project and the planned development of SFA's new headquarters and artisanal fisheries building demonstrate our commitment to strengthening institutional capacity, improving service delivery and supporting fishing communities.

As Minister responsible for Fisheries, Agriculture and the Blue Economy, I commend the Board of Directors, management and employees of SFA for their dedication, professionalism and continued commitment. Their work has strengthened fisheries governance, institutional accountability and stakeholder confidence while reinforcing SFA's position as a key institution supporting Seychelles' blue economy.

Looking ahead, the Ministry remains committed to providing the policy direction, institutional support and resources required for SFA to fulfil its mandate under the Medium-Term Fiscal Strategy. Priority will be given to implementing the Fisheries and Aquaculture Act 2025, strengthening fisheries science and compliance, advancing sustainable aquaculture, modernizing service delivery through digitalization, improving infrastructure and ensuring the Authority's long-term financial sustainability.

The fisheries and aquaculture sectors continue to face evolving challenges, including climate change, environmental pressures, illegal fishing, trade barriers, global competition and changing market conditions. Responding effectively will require innovation, resilience, evidence-based decision-making and strong partnerships among Government, industry, development partners, academia and fishing communities.

I extend my sincere appreciation to all stakeholders, partners and fishing communities for their continued collaboration and commitment. Together, we will continue to build a resilient, sustainable and prosperous fisheries and aquaculture sector that safeguards Seychelles' marine heritage, supports the national economy and creates lasting opportunities for present and future generations.



6.14.5.2 Foreword by Chairperson

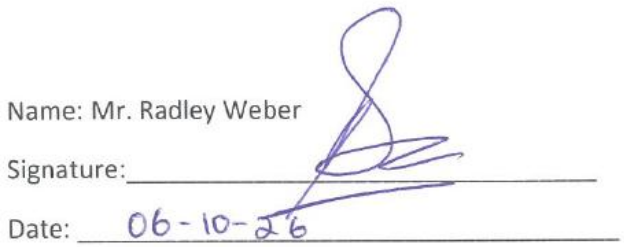
As we move into 2026 and the medium term, the Seychelles Fisheries Authority's (SFA) priorities will remain firmly anchored in sustainability, innovation, resilience and institutional effectiveness. SFA will focus on implementing the Fisheries and Aquaculture Act 2025, strengthening compliance and enforcement, advancing scientific research, developing institutional and sectoral capacity, modernising fisheries infrastructure and deepening engagement with stakeholders and fishing communities.

To support the ability of Authority to deliver on those mandates, SFA will also continue to diversify its revenue streams, pursue cost-saving measures and strengthen financial sustainability. In my capacity as Chairperson, and on behalf of the Board of Directors, I reaffirm our commitment to upholding the highest standards of governance, transparency and accountability. The Board will continue to provide the strategic direction and effective oversight required to ensure that the Authority delivers on its mandate and remains responsive to national priorities and the needs of the sector.

Given the significant financial commitment required to complete the new headquarters, SFA hopes that the Government considers an appropriate level of dividend payments as a prudent financial precautionary measure. This would enable the Authority to preserve sufficient reserves, manage construction-related costs and maintain adequate cash flow without compromising its core operational responsibilities. The measure is intended to safeguard SFA's financial stability while ensuring that this strategically important capital investment can be completed sustainably.

I extend my sincere appreciation to the Government of Seychelles, my fellow board members, the Chief Executive Officer, management and employees of SFA, as well as our partners and stakeholders. Above all, I wish to recognize the fishing communities whose dedication, knowledge and continued collaboration remain at the heart of the sector.

Together, we will continue to build a resilient, sustainable and prosperous fisheries and aquaculture sector that supports Seychelles' blue economy, safeguards our marine heritage and creates lasting opportunities for present and future generations.



6.14.5.3 Statement by the Chief Executive Officer

The Seychelles Fisheries Authority (SFA) enters 2026 on a strong foundation of progress, improved financial performance and strengthened fisheries governance. Guided by the Policies for the sector and the SFA Strategic Plan 2022–2027, SFA continues to align its strategic priorities, departmental outputs and financial resources with its renewed mandate and national development objectives.

A major milestone in 2025 was the enactment of the Fisheries and Aquaculture Act 2025. This modern legislative framework strengthens SFA's mandate and provides a sound basis for the sustainable management and development of Seychelles' fisheries and aquaculture sectors. During 2026, the Authority will focus on implementing the Act through the development of supporting regulations, strengthening institutional capacity and enhanced compliance and enforcement mechanisms.

The Authority will also continue to reinforce accountability, transparency and good governance. Its strengthened collaboration with the Public Enterprise Monitoring Commission (PEMC), including the familiarization visit undertaken in July 2025, has contributed to greater institutional cooperation and alignment with public enterprise governance and reporting requirements.

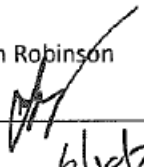
The fisheries sector remains critical to Seychelles' food security, employment, livelihoods and economic growth. SFA will continue to strengthen cost recovery, diversify revenue streams, implement cost-saving initiatives and ensure the prudent use of reserves. This will be balanced with the Authority's social mandate to support Seychellois fishers, fishing communities and businesses that depend on the sector.

A key institutional priority is the completion of SFA's new headquarters. The development is essential to consolidate the Authority's operations, address existing space and infrastructure constraints, improve coordination among departments and provide a modern working environment that supports efficient service delivery. It will also help reduce SFA's long-term reliance on multiple rented premises and the associated recurrent expenditure.

Seychelles' fisheries and aquaculture sectors continue to operate within a dynamic and challenging environment shaped by climate change, increasing fishing pressures, illegal fishing, trade barriers, global competition and changing market conditions. SFA's approach must therefore remain adaptive, innovative and resilient. Strengthening fisheries science, monitoring capacity, digitalization, institutional capability and stakeholder partnerships will be essential to protecting marine resources and maintaining the sector's long-term competitiveness.

The MTFS 2026 therefore establishes a clear direction for implementing the new legislative framework, modernizing service delivery, reinforcing good governance, safeguarding financial stability and securing these sources required to develop a productive, inclusive and sustainable fisheries and aquaculture sector for Seychelles.

Name: Dr. Jan Robinson

Signature: 

Date: 6/10/26

6.15 L'Union Estate Company Ltd.

6.15.1 Strategic Overview

6.15.1.1 Mandate

L'Union Estate Company Ltd was incorporated on 9 October 1984 as a private company limited by shares under the Companies Ordinance, 1972. Its mandate is to carry out agricultural and livestock development, including operating a breeding center to promote pig production; to acquire, establish, construct, improve, manage and operate facilities for tourism and travelers and facilities for sports, games, recreation and other pastimes; and to carry out the business of hoteliers, restaurateurs, caterers and guesthouse keepers.

6.15.1.2 Vision

- To upgrade and refurbish some of the existing facilities of the Estate over the medium term.
- To provide augmented products and services to local and foreign customers through improved and new infrastructure and facilities.
- To achieve better returns on investments through an extended range of agricultural products, commercial and residential infrastructure and heritage sites, together with appropriate reviews of rents and other fees.
- To develop a more sustainable business capable of operating from its own cash flow and exceeding set targets.

6.15.1.3 Mission

L'Union Estate Company Ltd endeavours to provide a range of entertainment, vegetables, meat, grocery and beverage services and facilities on La Digue and within the Estate in response to the needs of visitors and the local community, and in the process to become one of the leading tourism, agricultural and hospitality service providers on the island.

Strategic Priorities, Challenges, and Initiatives with NDS and SDG Alignment

Year	*6.15.1.4 Strategic Priority*	*6.15.1.5 Key Challenges*	*6.15.1.6 Strategic Initiatives*	*6.15.1.7 NDS / SDG Mapping*
2027	Increase and expand poultry, egg and livestock production.	Competition from imported meat products, rising feed/input costs and implementation timing for farm CAPEX.	Complete the chicken battery cages, poultry house, cattle-farm works, farm machinery and chicken-abattoir investments; use economies of scale and wider market channels to remain competitive.	NDS2.3.1 / SDG2
	Strengthen tourism revenues and visitor experience.	Tourism volatility, geopolitical uncertainty and the need to convert capital projects into higher visitor spend.	Complete key tourism projects, strengthen entrance-fee and rental income, and operationalise additional attractions including equestrian and zipline activities.	NDS2 / SDG8
	Improve staff and operating infrastructure supporting the Estate's growth.	Skills retention, accommodation constraints and project-delivery capacity.	Progress staff accommodation and strengthen recruitment, retention and professional development while maintaining expenditure discipline.	NDS2 / SDG8
2028	Consolidate farm productivity gains and value-added agricultural output.	Weather variability, input-price shocks and potential market saturation from higher output.	Optimise the upgraded poultry and farm systems, broaden market access, and continue crop/livestock production based on demand and high-yield varieties.	NDS2.3.1 / SDG2
	Expand and diversify commercial and tourism earnings.	Competition for visitor spending and continued exposure to external tourism shocks.	Strengthen rental, concession and visitor-attraction returns and pursue suitable hospitality partnerships while maintaining the Estate's heritage offer.	NDS2 / SDG8
	Expand sugar-cane syrup production and associated agricultural collaboration.	Availability of suitable agricultural land and production capacity.	Collaborate with Trois Freres Distillery on sugar-cane plantation and syrup production for rum production.	NDS2 / SDG2.4.1
2029	Strengthen self-financing capacity and sustainable profitability.	Inflationary pressure, high operating costs and concentration of earnings in tourism-related activities.	Maintain cost discipline, use bulk procurement and economies of scale, review commercial returns where appropriate, and continue revenue diversification across tourism, farming, retail and rentals.	NDS2 / SDG8
	Protect and enhance the Estate's tourism and heritage assets while sustaining service quality.	Asset upkeep, climate/weather exposure and the need to maintain visitor value as activity expands.	Prioritise preventative maintenance, efficient visitor management, security and climate-resilient operational practices across Estate infrastructure.	NDS2 / SDG9

6.15.2 Outlook of Financial Strategy

6.15.2.1 Projected Financial Position of L'Union Estate Company Ltd.

SCR ('000)

Description	Actual Figures		Provisional		Forecast		
	2023	2024	2025	2026	2027	2028	2029
ASSETS							
Non-current Assets							
Intangible assets	211	283	306	380	320	420	
Property, Plant & Equipment	152,398	152,613	149,989	180,939	194,628	210,720	
Biological assets	3,262	3,713	3,764	5,500	7,200	8,200	
Investments	5,091	5,102	5,344	5,101	5,200	5,655	
TOTAL NON-CURRENT ASSETS	**160,961**	**161,711**	**159,403**	**191,920**	**207,348**	**224,995**	
CURRENT ASSETS							
Inventories	637	758	979	1,285	720	650	
Trade and Other receivables	2,001	2,962	3,197	1,800	2,300	3,500	
Biological assets	3,887	4,241	5,829	8,200	8,400	8,950	
Tax receivable	-	-	-	-	-	-	
Cash and cash equivalent	10,447	8,489	16,111	13,850	13,900	10,135	
TOTAL CURRENT ASSETS	**16,972**	**16,450**	**26,115**	**25,135**	**25,320**	**23,235**	
TOTAL ASSETS	**177,933**	**178,161**	**185,518**	**217,055**	**232,668**	**248,230**	
EQUITY							
SHAREHOLDERS' EQUITY							
Called up share capital	7,293	7,293	7,293	7,293	7,293	7,293	
Reserves	158,468	163,594	162,678	191,230	207,234	208,080	
Retained Earnings	4,172	(967)	1,902	9,939	10,786	10,801	
TOTAL EQUITY	**169,933**	**169,920**	**171,872**	**208,461**	**225,313**	**226,173**	
LIABILITIE							
NON-CURRENT LIABILITIES							
Trade and other payables	-	-	-	-	-	14,200	
Retirement benefit / pension liability	4,670	4,497	4,399	4,500	3,500	3,650	
Deferred income - Government grants & assistance	-	-	4,930	-	-	-	
TOTAL NON-CURRENT LIABILITIES	**4,670**	**4,497**	**9,329**	**4,500**	**3,500**	**17,850**	
CURRENT LIABILITIES							
Trade and other payables	2,825	3,744	3,821	2,200	1,800	2,150	
Tax payable	505	-	495	1,893	2,055	2,057	
TOTAL CURRENT LIABILITIES	**3,330**	**3,744**	**4,316**	**4,093**	**3,855**	**4,207**	
TOTAL LIABILITIES	**8,000**	**8,241**	**13,646**	**8,593**	**7,355**	**22,057**	
TOTAL EQUITY AND LIABILITIES	**177,933**	**178,161**	**185,518**	**217,055**	**232,668**	**248,230**	

6.15.2.2 Projected Statement of Comprehensive Income of L'Union Estate Company Ltd.

SCR ('000)

	Actual		Provisional		Forecast		
	2023	2024	2025	2026	2027	2028	2029
CONTINUING OPERATIONS							
Revenue	37,913	37,745	48,959	63,207	56,757	64,148	70,279
Grant - Ministry of Finance	-	-	-	5,000	-	-	-
Cost of Sales	(8,867)	(14,980)	(16,207)	(11,982)	(26,948)	(29,092)	(33,005)
GROSS PROFIT	**29,046**	**22,765**	**32,752**	**56,225**	**29,809**	**35,056**	**37,273**
Other operating income	529	4,639	1,840	277	463	483	522
Other operating gains/(losses)	-	-	367	-	(115)	(125)	85
Administrative expenses	(24,898)	(28,372)	(32,562)	(44,670)	(23,655)	(25,803)	(27,232)
OPERATING PROFIT/(LOSS)	**4,677**	**(967)**	**2,397**	**11,832**	**6,502**	**9,610**	**10,648**
Finance income/ (cost)	-	-	-	-	-	-	-
PROFIT/(LOSS) BEFORE INCOME TAX	**4,677**	**(967)**	**2,397**	**11,832**	**6,502**	**9,610**	**10,648**
Taxation	(505)	-	(495)	(1,893)	-	-	-
PROFIT/(LOSS) FOR THE YEAR	**4,172**	**(967)**	**1,902**	**9,939**	**6,502**	**9,610**	**10,648**
OTHER COMPREHENSIVE INCOME	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**4,172**	**(967)**	**1,902**	**9,939**	**6,502**	**9,610**	**10,648**

6.15.2.3 Projected Cash flow Statement of L'Union Estate Company Ltd.

SCR ('000)

	Actual		Provisional		Forecast		
	2023	2024	2025	2026	2027	2028	2029
Cashflows from operating activities							
Cash generated from operations	9,063	3,682	11,116	11,832	12,841	12,858	
Tax paid	(1,751)	(505)	-	(1,893)	(2,055)	(2,057)	
Net cash from operating activities	**7,313**	**3,177**	**11,116**	**9,939**	**10,786**	**10,801**	
Cashflows from investing activities							
Purchase of intangible fixed assets	(109)	(152)	(115)	-	-	(65)	
Purchase of tangible fixed assets	(2,781)	(7,011)	(2,426)	(3,500)	(2,500)	(12,800)	
Investments	(1,002)	(11)	(231)	(3,407)	(5,825)	(5,865)	
Net cash from investing activities	**(3,892)**	**(7,174)**	**(2,772)**	**(6,907)**	**(8,325)**	**(18,730)**	
Cashflows from Financing activities							
Issue of shares	-	-	-	-	-	-	
Net payment on defined benefit obligations	(371)	(682)	(723)	(381)	(588)	(488)	
Decrease/(Increase) in reserves	-	2,722	-	-	(1,823)	4,653	
Net cash from financing activities	**(371)**	**2,040**	**(723)**	**(381)**	**(2,411)**	**4,165**	
Decrease/Increase in cash and cash equivalents	3,118	(1,957)	7,621	2,650	50	(3,765)	
Cash and cash equivalents at beginning of the year	7,328	10,447	8,489	11,200	13,850	13,900	
Cash and cash equivalents at end of the year	**10,447**	**8,489**	**16,111**	**13,850**	**13,900**	**10,135**	

6.15.2.4 Projected Capital Investment Plan of L'Union Estate Company Ltd Estate Company Ltd

SCR ('000)

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures		Provisional		Forecast			Anticipated Risks
							2023	2024	2025	2026	2027	2028	2029	
1. Major Capital Investments														
Crop farm nursery	Nursery for crop farm	Completed	50.0	Internal	2025	2025	-	-	48.7	-	-	-	-	
Gate souvenir kiosk	Kiosk built for sales of Estate souvenirs	Completed	65.0	Internal	2025	2025	-	-	19.9	-	-	-	-	
Pirogue	Construction of pirogue	Completed	200.0	Internal	2026	2026	-	-	-	100.0	-	-	-	
Repair of Gran kaz	Re-roofing of Gran kaz	Completed	1,500.0	Internal	2025	2025	-	-	1,257.9	-	-	-	-	
Cow farm	Building of new caw farm shed	Completed	1,000.0	Internal	2023	2023	-	470.6	-	-	-	-	-	
Toilet & Moulin	Repairs of both Moulin and Toilet	Completed	200.0	Internal	2025	2025	-	192.8	-	-	-	-	-	
Water tank	Construction of new fibre glass water tank	Completed	80.0	Internal	2024	2024	-	177.3	-	-	-	-	-	
Industrial exhaust fans	Manure scrapping & fly control ventilation	TBD	500.0	Internal	2026	2026	-	-	-	500.0	-	-	-	
Chicken battery cages	Installation of layers battery cages	TBD	1,500.0	Internal	2026	2027	-	-	-	750.0	750.0	-	-	
Poultry house	Construction of new poultry house	TBD	1,500.0	Internal	2026	2027	-	-	-	750.0	750.0	-	-	
Cattle farm building	Building of pens, manure catchment	TBD	2,300.0	Internal	2026	2027	-	-	-	1,150.0	1,150.0	-	-	
Farm Machinery	Compact tractor, forage chopper	TBD	1,200.0	Internal	2026	2027	-	-	-	600.0	600.0	-	-	
Chicken abattoir	Modular chicken slaughter house unit	TBD	3,500.0	Internal	2026	2027	-	-	-	1,750.0	1,750.0	-	-	
Solar grid	Solar arrays mounted on modular chicken abattoir unit	TBD	900.0	Internal	2027	2027	-	-	-	-	900.0	-	-	
Paving of road	Between main road and new entrance	TBD	200.0	Internal	2026	2026	-	-	-	200.0	-	-	-	
Ticket Building	Build security room, thatched roof	TBD	2,000.0	Govt Grant	2025	2026	-	-	1,000.0	500.0	500.0	-	-	
Entrance gate re-work	QR codes software etc	TBD	250.0	Govt Grant	2024	2026	-	-	34.2	215.8	-	-	-	
Rendez-vous digouise	Building of 16 kiosks for the rendezvous events	Ongoing	1,500.0	Govt Grant	2025	2026	-	-	1,000.0	500.0	-	-	-	

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures		Provisional		Forecast			Anticipated Risks
							2023	2024	2025	2026	2027	2028	2029	
Dumper: Purchase of dumper truck	Purchase of Dumper truck	TBD	500.0	Internal	2026	2026	-	-	-	500.0	-	-	-	
Equipment for ticket building	Turnstiles, QR coding, etc. (Software and Hardware)	TBD	750.0	Internal	2025	2026	-	-	250.0	500.0	-	-	-	
Pergola	After the gate. Tunnel effect with climbing plants	TBD	50.0	Govt grant	2026	2026	-	-	-	50.0	-	-	-	
Kalorifer	Conversion of Kalorifer for smoking meat	TBD	500.0	Govt Grant	2026	2026	-	-	-	500.0	-	-	-	
Food court	Outlets at Embouchure	TBD	3,000.0	Govt subvention	2025	2026	-	-	-	3,000.0	-	-	-	
Pti Zil	Stabilisation and usage of the pti zil and rented out for events	TBD	500.0	Govt Grant	2025	2025	-	-	200.0	300.0	-	-	-	
Langar Pirogue & Pirogue	Re-roofing of Langar pirogue	Completed	300.0	Internal	2025	2025	-	-	124.0	-	-	-	-	
Repair of Gran kaz	Re-roofing of Gran kaz	Completed	1,200.0	Internal	2025	2025	-	-	1,257.9	-	-	-	-	
Ox cart	Purchase of an ox cart with wooden wheels	Completed	115.0	Internal	2025	2025	-	-	18.0	-	-	-	-	
Water tank	Construction of new fibre glass water tank	Completed	80.0	Internal	2025	2025	-	-	144.0	-	-	-	-	
Petting zoo	Construction of Petting zoo for small animals	TBD	600.0	Govt Grant	2025	2026	-	-	100.0	500.0	-	-	-	
Senior staff accommodation	Construction of staff housing	TBD	2,500.0	Govt subvention	2027	2027	-	-	-	-	2,500.0	-	-	
Other staff accommodation	Staff accommodation units for Farm, Estate and Maintenance staff	TBD	3,000.0	Govt subvention	2026	2027	-	-	-	1,500.0	1,500.0	-	-	
Pig abattoir	Enlargement and closing off of Abattoir	TBD	500.0	Internal	2026	2026	-	-	-	500.0	-	-	-	
Chicken abattoir	Purchase of Chicken abattoir	TBD	1,200.0	Internal	2026	2026	-	-	-	1,200.0	-	-	-	

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures		Provisional		Forecast			Anticipated Risks
							2023	2024	2025	2026	2027	2028	2029	
Chemical store	New chemical store	TBD	200.0	Internal	2025	2025	-	-	200.0	-	-	-	-	
Store	Construction of store	TBD	400.0	Internal	2026	2026	-	-	-	400.0	-	-	-	
Club cars	Purchase of Club cars	TBD	350.0	Internal	2025	2025	-	-	350.0	-	-	-	-	
New pig farm	construction and commissioning of a new modern pig farm structure	TBD	15,000.0	External funding	2025	2026	-	-	10,000.0	5,000.0	-	-	-	
Purchase of Excavator	Purchase of an excavator	TBD	1,500.0	Internal	2025	2025	-	-	1,500.0	-	-	-	-	
L'Union shop extension	Re-design to include 1 vegetable cold store	TBD	480.0	Internal	2025	2025	-	-	480.0	-	-	-	-	
Art gallery	Building for an art gallery for L'Union Estate	TBD	1,500.0	Govt grant	2025	2025	-	-	1,500.0	-	-	-	-	
Entertainment facilities	PA system, a stage and an events tent and lights	TBD	500.0	Internal	2025	2025	-	-	500.0	-	-	-	-	
Contingencies	To cater for increase in construction cost, signage, delays & other unforeseeable projects etc.	TBD	2,503.8	Internal	2026	2027	-	-	1,251.9	1,251.9	-	-	-	
2. Replacements and upkeep of Assets (PPE)														
No separate schedule provided	The submitted budget workbook does not separately classify replacements/upkeep from the capital investment schedule above.						-	-	-	-	-	-	-	
TOTAL			**55,673.8**				**-**	**840.6**	**21,236.4**	**22,717.7**	**10,400.0**	**-**	**-**	

6.15.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

6.15.3.1 Tax Implications by the Operations of L'Union Estate Company Ltd.

SCR (000)

Type of Tax	Actual Figures		Provisional		Forecast			Anticipated Risks
	2023	2024	2025	2026	2027	2028	2029	
Business Tax	505	-	495	1,893	-	-	-	2025 actual per AFS. 2027-2029 budget workbook carries nil Business Tax charge/credit; final tax computation should be updated before submission.
PIT	1,092	1,117	TBC	1,250	1,245	12,500	TBC	2025 is not separately disclosed in the AFS. 2026-2028 values are carried from the prior MTFS and should be validated; 2029 was not provided.
VAT	3,532	3,402	TBC	3,855	4,200	4,250	TBC	2025 is not separately disclosed in the AFS. 2026-2028 values are carried from the prior MTFS; 2029 was not provided.
Non-Monetary Benefits Tax	-	-	-	-	143	143	179	Forecast amounts are taken from the 2027-2029 budget workbook.
TOTAL	**5,129**	**4,519**	**TBC**	**6,998**	**5,588**	**16,893**	**TBC**	

6.15.3.2 Anticipated Dividend Declarations by L'Union Estate Company Ltd.

** The company has no intention in declaring dividends as retained earnings is reinvested in revenue infrastructure*

6.15.3.3 Debt Payments Forecasts by L'Union Estate Company Ltd Estate Company Ltd.

** The only borrowing from the company is forecasted through Net Lending from the government for the sum of SR 14.2 million*

6.15.3.4 Anticipated Subventions and Grants by L'Union Estate Company Ltd.

SCR (000)

Nature of Funding	Funding Agency	Purpose	Total Agreed Amount (Forex)	Total Receipts of Subventions and Grants						
				Actual Figures		Provisional		Forecast		
				2023	2024	2025	2026	2027	2028	2029
Subventions	Government of Seychelles	Capital projects identified as Government-subvention funded in the submitted CAPEX schedule		-	-	-				-
Grants	Government of Seychelles	Phase One - Tourism Development under the approved L'Union Estate master plan	10,000	-	-	5,000		-	-	-
TOTAL				**-**	**-**	**5,000**				

6.15.3.5 Contingencies of L'Union Estate Company Ltd Estate Company Ltd.

Nature of Contingencies	Funding Agency	Purpose	Total Liability Amount	Realized Guarantees						
				Actual Figures		Provisional		Forecast		
				2023	2024	2025	2026	2027	2028	2029
Guarantees	Government	No realised guarantee identified in the source documents.	-	-	-	-	-	-	-	-
Potential Payments Due to Legal Actions by 3rd Parties	N/A	Sibert Radegonde v L'Union Estate Company Limited CS 67 of 2025 - land-sale dispute. The 2025 AFS states that the amount	Unquantified	-	-	-	-	-	-	-

Nature of Contingencies	Funding Agency	Purpose	Total Liability Amount	Realized Guarantees						
				Actual Figures		Provisional		Forecast		
				2023	2024	2025	2026	2027	2028	2029
		cannot presently be quantified and that management/lawyers consider the likelihood of the action succeeding unlikely; the matter is expected to be resolved within the next two years.								
TOTAL			**Unquantified**							

6.15.3.6 Assumptions used for the Financial Projections of L'Union Estate Company Ltd.

Basis of preparation

Actual figures for 2023 and 2024 are retained from the previous MTFS. The 2025 actual financial-statement figures are taken from the audited 2025 Annual Financial Statements.

Revenue and tourism assumptions

- Tourism-related income is seasonal. Low season is June-July and November-December; high season is March-April and August-October.
- Tourism income is expected to grow by approximately 5%-12% per month depending on seasonality, with additional tourism projects expected in 2027.
- Visitor-volume growth is projected cautiously due to the effects of the post-Middle East crisis. The maturity of tourism-related CAPEX is expected to improve tourism rental income and entrance fees; the workbook applies approximately 12% monthly uplift to entrance fees according to seasonality.

Farm and agriculture assumptions

- The chicken battery-cage investment is expected to deliver an approximately 40% uplift in egg production and layer numbers from Q3 2027, with higher slaughter volumes from July 2027.
- Fertiliser prices are assumed to increase by 8% per annum; livestock feed costs rise with increased chicken population. Domestic price inflation is assumed at 4% per annum.

- Biological-asset revaluation is non-cash and is factored under farm direct sales in line with IFRS 41. Crop output remains dependent on weather, supply and demand.
- The pig farm remains constrained to 500 pigs under the SLA licence, with pork production expected to remain broadly steady at about 48,000 kg per year. Farm CAPEX is expected to come to fruition in Q3 2027.
- Despite cattle-farm CAPEX, herd growth is expected to remain gradual and driven primarily by births. Beef price inflation is assumed at 4% per annum, with growth expected mainly from price rather than volume.

6.15.4 KPIs, Risk Management Strategy and Reporting Obligations

6.15.4.1 Key Performance Indicators of the L'Union Estate Company Ltd Estate Company Ltd.

Title of Key Performance Indicators	Description	Targeted Strategic Priority	Achievements of KPIs						
			Actual Figures		Provisional		Forecast		
			2023	2024	2025	2026	2027	2028	2029
Strategic	Formal strategic KPI schedule not provided in the source files	To be confirmed by the Board/Responsible Minister							
Operational	Formal operational KPI schedule not provided in the source files	To be confirmed by the Board/Responsible Minister							
Financial	Net Profit Margin	Sustainable profitability and self-financing capacity	11%	-3%	4%	16%	11%	15%	15%
	Gross Profit Margin	Margin management and operating sustainability	77%	60%	67%	89%	53%	55%	53%
	Asset Turnover Ratio	Efficient utilisation of the asset base	0.21	0.21	0.27	0.31	0.25	0.27	TBC
	Current Ratio	Liquidity and financial resilience	5.10	4.39	6.05	6.14	6.57	5.52	TBC
Other - Compliance / Governance	Timely audited financial and statutory reporting	Governance, transparency and accountability	-	-	Completed	Target	Target	Target	Target

6.15.4.2 Risks and Resilience Plan of the L'Union Estate Company Ltd Estate Company Ltd.

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	Tourism/geopolitical shocks and fluctuations in visitor numbers	Diversify earnings across farming, retail, rentals and visitor attractions; monitor tourism trends and phase discretionary expenditure.
	Delays in approvals, concessions and strategic project implementation	Engage early with relevant Government agencies and stakeholders, maintain clear project plans and escalate approval bottlenecks.
	Climate/weather variability affecting crops and Estate infrastructure	Use suitable high-yield crops, irrigation/water-management measures and climate-resilient maintenance planning.
Financial Risks	Input-price shocks, particularly feed, fertiliser, imported goods and freight	Use bulk procurement, economies of scale, stock planning and available agricultural support measures.
	Foreign-exchange gains/losses and imported-input exposure	Limit unnecessary foreign-currency balances and match foreign-currency commitments to operational needs where practicable.
	Timing and terms of planned on-lending and commercial financing	Do not commit expenditure ahead of confirmed financing; finalise loan terms, debt-service capacity and approvals before drawdown.
	Revenue concentration and liquidity pressure during project implementation	Expand attractions and rental/concession income, monitor cash flow closely and align discretionary expenditure with available resources.
Operational Risks	Skilled workforce attraction and retention	Use competitive remuneration within approved parameters, staff accommodation where planned, recruitment planning and continuous professional development.
	Revenue leakage, theft and security risks	Maintain security patrols, CCTV surveillance and strengthened ticketing, visitor and revenue controls.
	Livestock disease and farm biosecurity	Maintain regular veterinary support, hygiene/biosecurity procedures and monitoring of livestock health.
Other / Governance / Compliance / PESTEL	Tax, statutory and external reporting compliance	Maintain close coordination with SRC, SPF, Registrar, PEMC and the Responsible Ministry; ensure timely reconciliations and submissions.
	Internal control, assurance and governance effectiveness	Continue process automation, segregation of duties and independent internal-audit coverage; track remediation through the Audit, Finance and Risk Committee.
	Legal exposure - land-sale litigation disclosed in the 2025 AFS	Continue legal representation, Board oversight and periodic assessment of whether a provision becomes necessary as the matter develops.

6.15.4.3 List of External Reporting's by the L'Union Estate Company Ltd.

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report	Submitted Yes/No
Quarterly report	Public Enterprise Monitoring Commission (PEMC)	Profit & Loss, financial position and performance information for monitoring of the PE.	Quarterly	-
Statutory taxes	Seychelles Revenue Commission (SRC)	VAT, PIT and other statutory tax filings/payments.	Monthly / as required	-
Business tax	Seychelles Revenue Commission (SRC)	Corporate/business tax return and supporting computation.	Yearly	-
Pension deductions	Seychelles Pension Fund (SPF)	Staff pension contributions and related remittances.	Monthly	-
Annual return	Registrar of Companies (RoC)	Annual statutory company return.	Yearly	-
Annual Financial Statements	PEMC, SRC, RoC and shareholders/oversight bodies as applicable	Audited annual financial statements of the PE.	Yearly	-
Annual Plan	Public Enterprise Monitoring Commission (PEMC)	Annual operational and financial plan of the PE.	Yearly	-
Strategic Plan / MTFS	PEMC and Responsible Ministry	Medium-term strategic and financial plan and associated performance/risk information.	Annual MTFS; Strategic Plan every 5 years	-

6.15.5 Stakeholder Engagement

6.15.5.1 Statement by the Responsible Minister

DRAFT FOR REVIEW AND SIGNATURE BY THE RESPONSIBLE MINISTER

L'Union Estate Company Ltd occupies an important position in the economic and social fabric of La Digue through its combined responsibilities in tourism, agriculture, livestock, retail, real estate and the stewardship of a nationally significant heritage estate. The 2027-2029 Medium-Term Financial Strategy provides a structured basis for strengthening the company's financial sustainability while improving the quality and range of services offered to residents and visitors.

Government expects the company to implement its investment programme prudently, improve returns from existing and new assets, strengthen agricultural and livestock production, and continue to enhance the tourism and heritage value of the Estate. These priorities should be pursued with strong governance, transparent procurement, sound financial management and close coordination with the Responsible Ministry, PEMC and other relevant public bodies.

The strategic direction set out in this MTFS is aligned to the broader objectives of economic diversification, food production, sustainable tourism, infrastructure development and responsible management of public assets. The company is expected to monitor the key risks identified in the strategy, deliver measurable performance improvements and maintain timely financial and statutory reporting throughout the MTFS period.

Minister of Industry and Enterprise

6.15.5.2 Foreword by Chairperson

The 2027-2029 MTFS is prepared at a time when L'Union Estate Company Ltd is seeking to translate its diverse asset base and unique heritage setting into stronger, more sustainable operating performance. The audited 2025 results provide a firmer starting point, with revenue of approximately SR49.0 million and total comprehensive income of approximately SR1.9 million, alongside a strong cash position at year end.

Over the medium term, the Board's focus is on disciplined execution. The Estate must improve the visitor experience and tourism returns, modernise farm and livestock operations, strengthen commercial and rental income, and ensure that planned capital investments produce measurable operational benefits. The 2027 budget places particular emphasis on poultry and farm infrastructure, while the wider strategy continues to pursue diversified tourism attractions, partnerships and more efficient use of the Estate's assets.

The Board also recognises that growth must be supported by sound governance. The company will continue strengthening internal controls, independent assurance, risk management, statutory reporting and accountability for results. External risks - including tourism volatility, input-price pressures, climate and weather events, and the timing of project approvals and financing - will require active monitoring and timely management action.

This MTFS therefore serves as both a financial plan and a performance framework. It is intended to guide management towards a more resilient and increasingly self-financing L'Union Estate, while preserving the Estate's heritage and contributing to tourism, food production, employment and economic activity on La Digue.

Mr. Yannick Radegonde
Chairperson

6.15.5.3 Statement by the Chief executive Officer

I welcome the 2027-2029 Medium-Term Financial Strategy, which sets out the operational and financial priorities that management will be expected to deliver over the next three years. The strategy places clear emphasis on revenue growth, disciplined expenditure, implementation of priority tourism and farm investments, and stronger use of the Estate's assets to support long-term sustainability.

Management will translate the Board's strategic direction into clear annual objectives and measurable performance targets. Particular attention will be given to completing and operationalising the planned poultry and farm investments, strengthening entrance-fee and rental income, improving the visitor experience, expanding market access for Estate products, and managing staff and input costs prudently.

The company will also continue to strengthen internal controls, risk management, statutory reporting and the quality of management information used for decision-making. I accept management's accountability for monitoring the KPIs and financial projections contained in this MTFS and for escalating material variances and emerging risks to the Board in a timely manner.

Through disciplined implementation, prudent resource management and close collaboration with our staff, Board, shareholder, Government and stakeholders on La Digue, we will work to build a more productive, resilient and financially sustainable L'Union Estate.

Chief Executive Officer

6.16 Seychelles Parks and Gardens Authority (SPGA)

6.16.1 Strategic Overview

6.16.1.1 Mandate

The Seychelles Parks Authority, (SPGA)'s mandate includes:

a) promote the participation of Government, the public and businesses in conservation work;
b) protect and manage effectively the ecosystems and biodiversity in designated Protected Areas which fall under the jurisdiction of the Authority;
c) implement national conservation policies and obligations under multilateral agreements;
d) implement forestry practices and management;
e) protect habitats and ecosystems from anthropogenic threats such as forest fire, pollution and coral destruction
f) undertake specialist services such as plant identification and offer specialist consultancy services;
g) facilitate and conduct research related to biodiversity and protected areas;
h) deliver services of a high standard for the users of the gardens and parks:
i) engage in commercial activities related to the functions of the Authority;
j) provide tourism and recreational activities;
k) provide gardening and landscaping services, guided tours and similar services;
l) promote education and awareness activities.

6.16.1.2 Vision

The parks and gardens in Seychelles are secure and thriving, sustained by adequate finances and a network of relevant stakeholders.

6.16.1.3 Mission

Ensure that the protected areas and gardens are managed for the benefit of all.

Strategic Priorities, Challenges, and Initiatives with NDS and SDG Alignment

Year	*6.16.1.4 Strategic Priority*	*6.16.1.5 Key Challenge*	*6.16.1.6 Strategic Initiative*	*6.16.1.7 NDS & SDG Mapping*
2026-2029	**Targeted and Strategic Conservation** - *Building on strong conservation action to preserve and protect the country's parks and gardens entrusted to SPGA*	Setting up a monitoring and evaluation framework, as well as legal support for the organizational needs.	***Development of KPIs***: Establish key performance indicators to assess organizational effectiveness and goal achievement. ***Stakeholder Engagement:*** Involve staff and stakeholders in developing the monitoring framework to ensure it meets organizational needs. ***Strengthen Legal Support Systems:*** Consult with legal experts to establish compliant operational frameworks that protect SPGA's interests and enhance accountability.	**NDS Priority Area:** ***Environmental Sustainability and Climate Change Resilience*** Ensure effective management of designated protected areas. **SDG 14:** Life below water- Conserve and sustainably use the oceans, seas, and marine resources for sustainable development. **SDG 13:** Climate Action- Strengthen resilience and adaptive capacity to climate-related hazards/ Integrate climate change measures into national policies, strategies, and planning / Improve education, awareness-raising, human and institutional capacity on climate change **SDG 15**: Life on Land- Ensure the conservation, restoration, and sustainable use of terrestrial and inland freshwater ecosystems/ Promote the implementation of sustainable management of all types of forests/ Combat desertification, restore degraded land and soil/ Ensure the conservation of mountain ecosystems/Take urgent and significant action to reduce the degradation of natural habitats etc.
	Resourcefulness - *Leveraging existing SPGA resources to produce different and better results*	Training and retaining existing staff to meet the organization's goals, expectations and standards.	***Continuous Learning Culture:*** Foster an organizational culture that prioritizes ongoing training and development. ***Tailored Training Programs:*** Create customized training sessions that address specific organizational needs and staff skill gaps. ***Collaboration with Educational Institutions and Other Professional Platforms Institutions:*** Partner with universities and training centers, professional associations, and programmes for specialized courses and workshops. ***Competitive Compensation Packages***: Review and adjust salary structures and benefits to attract and retain top talent.	**NDS Priority Area:** ***The Transformative Economic Agenda*** Increase the number of qualified and trained local talent in the industry. **SDG 17:** Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development. **SDG 5:** Gender equality - Ensure women's full and effective participation and equal opportunities for leadership. **SDG 9:** Industry, Innovation, and Infrastructure - Enhance scientific research and upgrade the technological capabilities of industrial sectors in

			Flexible Work Arrangements: Offer flexible hours to improve work-life balance.	all countries. Support domestic technology development, research, and innovation in developing countries. Significantly increase access to information and communication technology. **SDG 13:** Climate Actions - Improve education, awareness-raising, and human and institutional capacity on climate change.
	Financial Autonomy - *Strengthening SPGA's financial autonomy by deepening and diversifying our revenue sources*	New demands in diversification of revenue streams in line with the Authority's mandates and experience offerings.	***Partnerships with Local and International Businesses:*** Collaborate with local entrepreneurs and international stakeholders to offer joint initiatives that enhance visitor experiences and support the local economy. ***Digital Marketing Initiatives:*** Fortify and optimise social media and online platforms to promote new activities and reach broader audiences.	**NDS Priority Area:** ***The Transformative Economic Agenda*** Product and pricing strategy focused on increasing yield. **SDG 8:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. **SDG 17**: Partnerships and Goals - Adopt and implement investment promotion regimes for the least developed countries; Enhance regional and international cooperation; Promote the development, transfer, dissemination, and diffusion of environmentally sound technologies; and fully operationalize the technology bank and science, technology, and innovation capacity-building mechanism for the least developed countries.
	Financial Soundness - *Maximizing income while minimizing costs*	Maintaining SPGA as an ideal commercial entity given its financial autonomy amidst new global economic challenges.	***Market Positioning:*** Explore and strengthen established ventures and partnerships that align with SPGA's mission. ***Diversified Revenue Streams:*** Explore and analyse new revenue streams and sponsorships, grants, and public-private partnerships.	**NDS Priority Area:** ***The Transformative Economic Agenda*** **SDG 8**: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. **SDG 9:** Industry, Innovation, and Infrastructure - Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries/ Support domestic technology development, research, and innovation in developing countries/ Significantly increase access to information and communications technology.

				SDG 17: Partnerships and Goals - Adopt and implement investment promotion regimes for least developed countries/ Enhance regional and international cooperation/ Promote the development, transfer, dissemination, and diffusion of environmentally sound technologies/ Fully operationalize the technology bank and science, technology, and innovation capacity-building mechanism for least developed countries.

6.16.2 Outlook of Financial Strategy

6.16.2.1 Projected Statement of Financial Position of the SPGA

SCR'000

Description	Actual Figures		Provisional		Forecast		
	2023	2024	2025	2026	2027	2028	2029
ASSETS							
Non-Current Assets							
Property, plant and equipment			23,642	24,398	24,198	23,513	22,848
Intangible Assets			994	1,246	1,434	1,076	807
Total Non-Current Assets	**-**	**-**	**24,636**	**25,643**	**25,633**	**24,589**	***23,654***
Current Assets							
Cash and Cash Equivalents			20,398	9,299	8,986	8,968	11,322
Petty Cash/Cash Float			34	35	35	36	37
Inventory			109	51	91	91	91
Accounts Receivable			3,378	2,608	3,371	3,525	3,489
Prepayments			179	179	180	183	187
Other Current Assets			124	96	123	129	128
Total Current Assets	**-**	**-**	**24,223**	**12,268**	**12,787**	**12,933**	***15,253***
TOTAL ASSETS	**-**	**-**	**48,859**	**37,911**	**38,419**	**37,522**	**38,908**
LIABILITIES							
Non-current liabilities							
Total Non-Current Liabilities	**-**	**-**	-	-	-	-	-
Current liabilities							
Accounts Payable			2,128	2,129	2,135	2,178	2,218
Other current Liabilities			3,281	3,283	3,293	3,359	3,420
Deferred Liabilities*			-	1,425	1,425	-	-
Grant in Transit			5,870	3,194	2,319	75	13
Total Current Liabilities	**-**	**-**	**11,280**	**10,031**	**9,172**	**5,612**	***5,650***
TOTAL LIABILITIES	**-**	**-**	**11,280**	**10,031**	**9,172**	**5,612**	**5,650**
EQUITY							
Accumulated Fund			37,301	27,602	28,969	31,632	32,979
Capital Grants cash			278	278	278	278	278
TOTAL EQUITY	**-**	**-**	**37,579**	**27,880**	**29,247**	**31,910**	**33,257**
TOTAL LIABILITY	**-**	**-**	**48,859**	**37,911**	**38,419**	**37,522**	**38,908**

Forecast basis: 2025 accrual balances are the opening base. Non-current assets are linked to the 2025 asset register; future additions are linked to the Capital Investment Plan. Working-capital balances are projected using 2025 accrual ratios.

Deferred Grant Liability- SPGA received a boat and engine valued at SCR 1,425,000 as an in-kind grant for an ongoing turtle monitoring project ending in 2027; the asset has been recognised as PPE with a corresponding deferred grant liability pending fulfilment of the project obligations.,*

6.16.2.2 Projected Statement of Comprehensive Income of the SPGA

SCR ('000)

Description	cash-basis		Accrual-basis				
	Actual Figures		Provisional		Forecast		
	2023	2024	2025	2026	2027	2028	2029
Income							
Mooring Fees	364	529	564	368	575	587	599
Merchandising	-	45	63	48	36	37	38
Forestry Products	337	310	358	434	427	427	427
Sale of plants	526	381	341	334	370	370	370
Hire of Boats	8	19	-	-	-	-	-
Entrance Marine Park Fees	22,007	22,065	25,048	18,320	27,682	28,236	28,801
Coco De Mer	4,141	4,277	4,135	3,039	4,098	4,098	4,098
Hire of Facilities (GVI)	118	-	-	-	-	-	-
Hotel Contribution	1,195	840	-	-	-	-	-
Entrance Fees Gardens	11,740	10,936	11,479	9,788	9,150	9,333	9,519
Entrance Fees Veuve Reserve	318	223	228	198	181	185	188
Beverage sales	43	86	62	80	78	80	81
Rental of facilities	603	710	1,038	1,215	2,102	2,111	2,120
Trail Entrance Fees	1,968	4,904	6,450	4,629	5,020	5,120	5,223
Commercial Activities (Photoshoot)	52	42	37	27	42	42	42
Cinnamon Trade	12	1	-	-	-	-	-
Total Income from Operations	**43,433**	**45,369**	**49,803**	**38,480**	**49,761**	**50,625**	**51,506**
Other Income	-	-	-	-	-	-	-
Donations	40	824	50	-	-	-	-
Exchange gain	66	82	12	-	-	-	-
Interest Income	-	0	10	15	-	-	-
Other Income	521	151	143	126	150	150	150
Grant Income*	-	-	-	-	-	1,425	-
Total Other Income	**627**	**1,058**	**215**	**141**	**150**	**1,575**	**150**
Total Income	**44,060**	**46,426**	**50,017**	**38,621**	**49,911**	**52,200**	**51,656**
Expenditure							
Compensation for Employees	32,436	32,658	33,158	33,676	34,090	35,087	35,929
Office Expenses	5,242	5,637	5,943	5,718	3,744	3,766	3,759
Maintenance and Repairs	1,384	1,315	1,443	1,441	905	902	896
Materials and Supplies	-	-	-	-	265	275	275
Transportation and Travel cost	2,096	2,972	2,599	2,756	2,385	2,384	2,385
Other Uses of Goods and Services	2,314	2,741	3,203	3,132	5,246	5,224	5,228
Cost of Sales	473	970	703	327	585	586	587
Minor Capital Outlays	10	517	327	351	322	268	314
Depreciation and amortisation	-	-	669	918	1,002	1,044	935
Total Expenditure	**43,956**	**46,809**	**48,046**	**48,320**	**48,545**	**49,537**	**50,308**

Profit/Deficit	**104**	**-**	**383**	**1,971**	**-**	**9,699**	**1,367**	**2,663**	**1,347**
**Upon completion of the GEF7 project, the boat and engine purchased is recognised as a grant income*									

6.16.2.3 Projected Cash Flow Statement of Seychelles Parks and Gardens Authority

SCR ('000)

Description	Actual Figures		Provisional		Forecast		
	2023	2024	2025	2026	2027	2028	2029
Cash flows from operating activities							
Profit / (Deficit)			1,971	(9,699)	1,367	2,663	1,347
Depreciation and amortisation			669	918	1,002	1,044	935
Increase / (decrease) in grant income			-	-	-	(1,425)	-
Increase / (decrease) in accounts receivable			104	770	(763)	(155)	37
Increase / (decrease) in inventory			822	58	(40)	(0)	(0)
Increase / (decrease) in prepayments			(16)	(0)	(1)	(4)	(3)
Increase / (decrease) in other current assets			(35)	28	(28)	(6)	1
Increase / (decrease) in accounts payable			1,344	1	6	43	40
Increase / (decrease) in other current liabilities			70	2	10	66	61
Increase / (decrease) in grant in transit			986	(2,676)	(875)	(2,244)	(62)
Net cash generated / (used) from operating activities			5,917	(10,598)	679	(18)	2,355
Cash flows from investing activities							
Purchase of property, plant and equipment			(645)	-	(492)	-	-
Fixed Deposit transfer			(1,000)	-	-	-	-
Purchase of intangible assets			(228)	(500)	(500)	-	-
Net cash used in investing activities			**(1,873)**	**(500)**	**(992)**	-	-
Cash flows from financing activities							
Capital grants received			-	-	-	-	-
Debt proceeds			-	-	-	-	-
Debt repayments			-	-	-	-	-
Net cash generated / (used) in financing activities			-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents			4,044	(11,098)	(313)	(18)	2,355
Opening cash and cash equivalents (including petty cash)			16,388	20,432	9,334	9,021	9,004
Closing cash and cash equivalents (including petty cash)			20,432	9,334	9,021	9,004	11,359
Note: SPGA commenced accrual-based reporting in 2025. The 2025 closing cash balance is therefore used as the opening cash position for the 2026 forecast; forecast cash flows are derived from the projected income statement, working-capital movements and capital investment plan.							

6.16.2.4 Projected Capital Investment Plan of the Seychelles Parks and Gardens Authority

SCR (000)

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures		Provisional		Forecast			Anticipated Risks
							2023	2024	2025	2026	2027	2028	2029	
1. Major Capital Investments														
Sage Software	New accounting package due to current system drawbacks	Digitalization of processes and increase effectiveness	1,500.00	Own funds	2025	2027			500	500	500			
2. Replacements and upkeep of Assets (PPE)														
Vehicle	Procurement of new 4x4 twin cab to replace existing vehicle	Increased efficiency, reducing maintenance	650.00	Own funds	2025	2025			650	-	-			
New Boats and Engines	For increased surveillance and enforcement	Increased surveillance and enforcement	1,425.00	UNDP GEF/ R2R	2025	2026			-	1,425	-			
Renovation of Offices on Curieuse Island	Renovation of Office, 2 kiosks and store	To improve the work environment of staff and protection of materials stored on Curieuse	56.80	Own funds	2027	2027			-	-	56.8			
Renovation work on Café roof	Removal and replacement of the ceiling at the café and in the office.	Ensuring a safe environment for clients	80.00	Own funds	2027	2027			-	-	80			
Renovation on staff quarters at Botanical Garden	Complete rewiring of the area. Replacement of louvers and ceiling fan	To ensure safe working environment for staff	70.00	Own funds	2027	2027			-	-	70			
Renovation of staff toilet	A complete renovation of staff toilet facilities	To ensure hygienic toilet facility for staff	55.00	Own funds	2027	2027			-	-	55			
Fencing of compound	Fencing of entire station compound	To secure office boundary and deter residents from using the compound.	200.00	Own funds	2027	2027			-	-	200			

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures		Provisional		Forecast			Anticipated Risks
							2023	2024	2025	2026	2027	2028	2029	
Renovation and reroofing of Staff housing	Rebuild the wall that was previously damaged, remove the roof and rebuild a new one and re do the wiring for the whole house	Ensuring that the house is operational for staff	30.00	Own funds	2027	2027			-	-	30			
TOTAL			**4,066.80**						**1,150.00**	**1,925.00**	**991.80**			

6.16.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

6.16.3.1 Tax Implications by the Operations of Seychelles Parks and Gardens Authority

SCR (000)

Type of Tax	Actual Figures		Provisional		Forecast			Anticipated Risks
	2023	2024	2025	2026	2027	2028	2029	
Business Tax								
PIT	1,690.05	1,950.02	1,997.42	2,037.36	2,078.11	2,119.67	2,162.07	
VAT								
Etc..								
TOTAL	**1,690.05**	**1,950.02**	**1,997.42**	**2,037.36**	**2,078.11**	**2,119.67**	**2,162.07**	

6.16.3.2 Anticipated Dividend Declarations by Seychelles Parks and Gardens Authority

**SPGA does not anticipate Any dividend declarations.*

6.16.3.3 Debt Payments Forecasts by the Seychelles Parks and Gardens Authority

SPGA does not have any outstanding loans or borrowings and is not expected to incur any borrowings in the years 2027-2029.

6.16.3.4 Anticipated Subventions and Grants by the Seychelles Parks and Gardens Authority

SCR (000)

Nature of Funding	Funding Agency	Purpose	Total Agreed Amount (Forex)	Total Receipts of Subventions and Grants						
				Actual Figures		Provisional		Forecast		
				2023	2024	2025	2026	2027	2028	2029
Subventions	Government									
	IMF									
	ADB									
	EU, etc.									
Grants	Adaptation Fund Project	Restoring Coral reefs on Curieuse	6,403.00	1,077.05	1,136.95	825.12	1,289.88	-	-	-
	GEF-7	Turtle Monitoring	391.50	-	-	136.71	119.76	125.28	-	-
	Ridge to Reef Project	Integrated management of marine, coastal and terrestrial ecosystems – Port Launay & Curieuse	1,998.00	557.40	311.70	101.81	844.16	-	-	-
	BGF6 - SEYCAAT-Centralized Multirotational bio-holistic Database	Centralized database for data collection and management of MPAs	1,997.80	468.20	-	998.90	530.70	-	-	-
	GFCR - SEYCAAT-Enhancing knowledge of beach dynamics	Implement an eco-mooring buoys strategy and sustain coral positive eco-tourism growth	536.36	-	-	536.36	-	-	-	-
	ERASMUS	The project aims to strengthen local food production capacity while protecting biodiversity through sustainable agroforestry and conservation practices.	226.00	-	-	186.41	87.44	-	-	-
	Bio-Bridge	Facilitation of technical and scientific cooperations among the convention of bio-diversity groups	234.90	-	-	227.85	-	-	-	-
	HIFADHI BLU	Strengthening management effectiveness of MPAs.	3,132.00	-	-	1,519.00	1,497.00	-	-	-
	Seastrong	To strengthen the conservation and restoration of interconnected coastal ecosystems	2,745.72	-	-	-	1,110.93	746.40	574.07	98.09
TOTAL			**17,665.28**	**2,102.65**	**1,448.65**	**4,532.16**	**5,479.87**	**871.68**	**574.07**	**98.09**

6.16.3.5 Contingencies of the Seychelles Parks and Gardens Authority

**The SPGA does not have a present obligation which would require a provision or contingency in accordance with IAS 37.*

However, a reserve of SCR 500,000.00 per year as from the Year 2026 is being provisioned for the risk of an Economic Downturn. This will ensure operational continuity and minimum service levels during periods of economic downturn caused by broader economic conditions. The reserve may thus be used to support core operations and staff retention.

6.16.3.6 Assumptions used for the Financial Projections of Seychelles Parks and Gardens Authority

Revenue

In 2026, the Authority was significantly impacted by the Middle East conflict, which resulted in a decline in tourist arrivals and a corresponding reduction in visitor-related revenue. Revenue collections during the peak period were approximately 60% of the amount initially projected. Revenue is expected to gradually recover during the latter part of 2026, driven primarily by an anticipated recovery in visitor activity and associated visitor-related revenues. While this improvement is expected to strengthen overall revenue performance, the recovery is not anticipated to fully offset the losses incurred during 2026. The Authority is therefore expected to return to normal operating levels during the first quarter of 2027.

The Authority is also expected to introduce new revenue streams by the fourth quarter of 2027, which are anticipated to contribute to the strengthening of its revenue base. The revenue forecast incorporates an assumed 2% growth in visitor arrivals during the second quarter of 2027, based on the growth assumptions derived from the macroeconomic analysis and forecasts prepared by the National Bureau of Statistics. The revenue projections are based on the Authority's existing revenue streams and current rates, pending any future review of the Authority's revenue structure.

Expenditure

The projected increase in expenditure is primarily driven by higher personnel costs, particularly wages and salaries, following the reintroduction of the Long Service Allowance and increased gratuity payments. The projections also provide for higher rental costs from 2027, following the renewal of the Authority’s existing rental agreement.

Rental expenditure has been reclassified from Office Expenses to Other Uses of Goods and Services, reflecting its nature as a contractual service expenditure. Similarly, a new cost category, Materials and Supplies, has been introduced to separately capture expenditure that was previously included under Other Uses of Goods and Services. In addition, the projections take into consideration prevailing global economic and inflationary pressures, which are expected to increase the cost of goods, services and other operational inputs over the forecast period. Overall, expenditure growth is expected to remain controlled, with resources prioritised towards the Authority’s core operational and conservation activities.

Capital Expenditure

The Authority is expected to fully implement and operationalise the Sage 300 accounting system in 2027. The implementation is expected to strengthen the operational capacity of the Finance Section, improve financial management and reporting processes, and enhance operational efficiency over the medium term.

The Authority is also undertaking a number of renovations, refurbishment and maintenance works across its buildings to improve working conditions and provide safer and more suitable environments for clients and staff. In the current forecast, funding has been reprioritised to accommodate essential internal maintenance requirements, with these activities being undertaken within the Authority's available resources.

In addition, the Authority has a pipeline of capital projects that are ready for implementation. These projects have not been incorporated into the current capital expenditure projections, as their implementation will be subject to the availability and securing of funding through relevant project financing sources. The Authority will continue to pursue funding opportunities to support the implementation of these projects as resources become available.

6.16.4 KPIs, Risk Management Strategy and Reporting Obligations

6.16.4.1 Key Performance Indicators of the Seychelles Parks and Gardens Authority

Title of Key Performance Indicators	Description	Targeted Strategic Priority	Achievements of KPIs						
			Actual Figures		Provisional		Forecast		
			2023	2024	2025	2026	2027	2028	2029
Strategic	**Conservation Participation Rate**	Measure: Percentage of government, community, and business participation in conservation programs annually. Purpose: gauge engagement levels and collaboration success.	N/A	N/A	70%	70%	80%	80%	85%
	Biodiversity Index in Protected Areas	Measure: Changes in species richness, abundance, and ecosystem health indices over time in percentage. Purpose: assess the effectiveness of ecosystem and biodiversity protection efforts.	N/A	N/A	80%	80%	80%	80%	85%
	Research and Innovation Output	Measure: Number of research publications, specialist consultancy reports, and successful research projects in percentages. Purpose: monitor contribution to scientific knowledge and expertise	N/A	N/A	60%	60%	75%	80%	80%
	Public Awareness and Educational outreach	Measure: Number of education and awareness campaigns conducted, participant counts, and community engagement levels. Purpose: gauge influence on public perception and behaviour change.	N/A	N/A	55%	60%	70%	70%	75%
Operational	**Customer Satisfaction Scores**	Measure: Feedback and satisfaction ratings from park visitors, tourists, and service clients. Purpose: maintain high service quality standards.	N/A	N/A	65%	70%	75%	80%	80%
	Environmental Incident Rate	Measure: Number of environmental violations or incidents per quarter/year. Purpose: operational safety and compliance.	N/A	N/A	35%	35%	30%	25%	20%

	Research Project Completion Rate	Measure: Percentage of research projects completed on time and within scope. Purpose: track operational efficiency in research activities.	N/A	N/A	20%	70%	70%	85%	90%
Financial	**Recreation and Tourism Growth**	Measure: Number of visitors to parks, gardens, and recreational facilities; revenue generated from tourism services. Purpose: assess tourism vitality linked to conservation.	N/A	N/A	178,477	115,545	233,387	238,055	242,816
	Revenue from Commercial Activities	Measure: Percentage of Income generated from merchandise sales, landscaping, and other commercial services of total sales revenue Purpose: diversification of revenue streams.	N/A	N/A	1%	0.5%	2.5%	3%	3%
	Operational Cost Efficiency	Measure: Total operational expenses as a percentage of total revenue or budget allocation. Purpose: assess how effectively financial resources are being managed and allocated for conservation, management, and service delivery.	N/A	N/A	90%	132%	96%	90%	85%
Other - e.g. Compliance, Governance	**Compliance with International Agreements**	Measure: Percentage compliance with national obligations under multilateral environmental agreements, such as the CBD (Convention on Biological Diversity). Purpose: track adherence to international commitments.	N/A	N/A	90%	90%	90%	90%	90%

6.16.4.2 Risks and Resilience Plan of the Seychelles Parks and Gardens Authority

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	External factors affecting tourism, including geopolitical conflicts, economic downturns, pandemics and natural disasters	Develop scenario-based financial planning and contingency measures; maintain flexible expenditure controls and identify alternative revenue sources.
	Climate change and environmental degradation affecting protected areas	Strengthen climate adaptation and conservation measures, improve monitoring of protected areas and integrate climate resilience into project and operational planning.
	Failure to achieve organisational strategic objectives due to limited financial and human resources	Prioritise strategic initiatives based on available resources, strengthen annual planning and monitor key performance indicators.
	Political risk, including changes in government priorities, policies and institutional direction, which may impact SPGA's mandate, operations and long-term programmes.	Sensitise the public and policymakers on SPGA's mandate and the importance of its work; strengthen stakeholder engagement and collaboration to build broad-based support for SPGA's programmes and ensure continuity across changes in government and policy direction.
Financial Risks	Revenue is highly dependent on tourism and visitor numbers	Diversify revenue sources and develop sustainable financing mechanisms, including digital visitor fee systems, memberships and annual passes.
	High and rising operational costs, including fuel, utilities, vessel maintenance and other goods and services	Implement expenditure controls, monitor monthly budget performance, optimise fuel and energy consumption, prioritise essential expenditure and strengthen procurement planning.
	Ageing vessels and equipment resulting in high maintenance and repair costs	Develop and implement asset replacement and maintenance plans, prioritise preventive maintenance and seek project or grant funding for major capital investments.
	Exchange rate fluctuations affecting externally funded projects and imported goods	Include exchange rate considerations in project and procurement planning and maintain appropriate budget contingencies where feasible.
Operational Risks	Disruptions to operations due to inadequate or ageing infrastructure, vessels, vehicles and equipment	Implement preventive maintenance programmes, maintain critical equipment inventories and prioritise asset replacement based on operational risk.
	Inefficient revenue collection and visitor management systems	Continue digital transformation of visitor fee collection and management systems to improve efficiency, transparency, data collection and revenue assurance.
	Damage to protected areas due to visitor pressure, illegal activities or inadequate enforcement	Strengthen monitoring and enforcement, improve visitor management systems, increase public awareness and implement sustainable visitor capacity measures where necessary.

6.16.4.3 List of External Reporting's by the Seychelles Parks and Gardens Authority

Name/Title of the Report	Recipients of the Report	Description of the purpose, content, and inclusion of the report	Frequency and Timing of the Report	Submitted YES/NO
Quarterly Financial Statements	PEMC	Presents the Authority's financial position and performance for the previous three months ended	Quarterly	YES
Financial Statements	Board of Directors	Details of all the financial implications of the Authority	Monthly	YES
Quarterly Reports	SPGA Chairperson and Minister's Office	All SPGA Activities Detailed	Quarterly	YES
Annual Report	PEMC, Board Chairperson, Minister's Office and accessible to stakeholders and the public	All SPGA activities for the previous year	Annually	YES
Periodic Scientific Report	Board Chairperson and Minister's Office	Research and monitoring activities	Periodic	YES

6.16.5 Stakeholder Engagement

6.16.5.1 Statement by the Responsible Minister

The Medium-Term Financial Strategy (MTFS) 2027-2029 comes at an important juncture for the Seychelles Parks and Gardens Authority (SPGA). While the Authority continues to play a critical role in safeguarding Seychelles' natural heritage and protected areas, the financial and operational challenges reflected in this strategy underscore the need for decisive action to strengthen its long-term sustainability.

The past year has demonstrated the vulnerability of SPGA's financial model to external shocks, particularly fluctuations in tourism and visitor arrivals. This reality highlights the importance of accelerating efforts to diversify revenue streams, strengthen financial resilience, improve operational efficiency, and develop innovative financing mechanisms that are less dependent on traditional sources of income.

The MTFS outlines a number of initiatives aimed at addressing these challenges. However, the success of this strategy will depend not on the intentions it sets out, but on the ability of the Board and Management to translate these commitments into measurable results. Particular attention must be given to revenue diversification, the development of sustainable financing instruments, strengthened financial oversight, and the delivery of clear and accountable performance outcomes.

There is also a need for broader reflection on whether the Authority's current institutional and financing model remains the most appropriate for an organisation with significant conservation, public service, and national environmental responsibilities. This discussion should form part of SPGA's longer-term strategic planning and engagement with relevant stakeholders and in particular with Government.

The coming period should therefore be viewed as a transition phase during which the Board and Management take the necessary steps to strengthen the Authority's strategic direction, improve financial sustainability, and ensure that future budgets are aligned with a clear and realistic long-term vision.

Government remains committed to supporting effective conservation outcomes and sound governance of our protected areas. Equally, it expects SPGA to demonstrate strong leadership, innovation, accountability, and tangible progress in addressing the challenges identified within this strategy.

Through focused implementation, strategic partnerships, and prudent financial management, SPGA can position itself to better fulfil its mandate while contributing to Seychelles' national development objectives and international environmental commitments.

Ms. Marie-May Jeremie

Minister of Environment, Climate, Energy and Natural Resources

6.16.5.2 Foreword by Chairperson

The Seychelles Parks and Gardens Authority continues to stand firm in its mission to safeguard our nation’s protected areas, while delivering excellence in service and stewardship. As we present the Medium-Term Financial Strategy (MTFS) for 2027–2029, the Board reaffirms its commitment to sound governance, disciplined financial management, and strategic foresight in guiding the Authority through the years ahead.

This strategy reflects more than financial planning; it embodies our collective responsibility to balance prudence with progress. The Board has carefully assessed SPGA's current position and is confident that the Authority is well-placed to sustain operational effectiveness, even amidst global volatility. By prioritizing resilience, diversification of income streams, and proactive stakeholder engagement, we ensure that SPGA remains adaptable to changing visitor demand while safeguarding the integrity of our protected sites.

Our focus remains on aligning financial discipline with strategic investment. We recognize that conservation outcomes require not only careful budgeting but also bold initiatives that strengthen SPGA's mission and enhance its long-term sustainability.

Looking ahead, the Medium-Term Financial Strategy 2027–2029 is more than a framework for financial stewardship; it is a declaration of our shared resolve to protect, adapt, and thrive. With disciplined governance, innovative thinking, and the unwavering dedication of our teams and partners, SPGA will continue to uphold the integrity of Seychelles' natural heritage while advancing sustainable prosperity.

Mr. Lucas d'Offay

Chairman – Board of Directors

6.16.5.3 Statement by the chief Executive Officer

The Medium-Term Financial Strategy 2027–2029 positions the Seychelles Parks and Gardens Authority to move decisively from planning to delivery. It is a framework that equips the Authority to strengthen its operational capacity, modernize its systems, and ensure that conservation outcomes are achieved with efficiency and measurable impact.

Our immediate priority is to embed financial discipline into everyday practice while driving innovation across all areas of the organisation. By aligning resources with clear operational targets, we ensure that every initiative contributes directly to the Authority's mission.

Equally, the strategy reinforces the importance of resilience. Diversified revenue streams, adaptive visitor services, and proactive risk management will enable SPGA to withstand external pressures while maintaining the integrity of our protected areas. These measures are complemented by a strong commitment to transparency, with clear reporting and accountability mechanisms.

The Authority's strength lies in its people and partnerships. The MTFS underscores our commitment to staff development and stakeholder collaboration, recognising that conservation is a shared responsibility. By fostering a culture of professionalism, innovation, and accountability, SPGA will continue to build trust and deliver outcomes that resonate both locally and internationally.

This strategy is therefore not only about sustaining financial health; it is about ensuring that SPGA remains agile, effective, and future-ready. With disciplined execution and collective dedication, the Authority will continue to protect Seychelles' biodiversity while advancing operational excellence and sustainable prosperity.

Mr. Rodney Bonne

Chief Executive Officer

6.17 Seychelles Postal Services (SPS)



6.17.1 Strategic Overview

6.17.1.1 Mandate

As a member of the Universal Postal Unions, SPS is mandated to develop its business in line with that of the UPU postal strategy which involves, digitalization, streamlining of customs process to facilitate ecommerce, improved services for the customer and sustainability of the post by diversifying its business to encompass digital trends such as crypto stamps, digital marketing and e-services to include e-government.

6.17.1.2 Vision

Our vision is to be amongst the leading operators in the provision of postal services and products in the region.

6.17.1.3 Mission

- Meeting the Needs of the Citizens and Promoting Economic Growth Ensure that the postal sector meets the basic needs of citizens, fostering economic growth and digital citizenship.

- **Providing Accessible and Customer-Centric Postal Services**
  Offer customers a reliable, and customer-centric postal system that caters to their e-government, communications and e-commerce needs.

- **Prioritizing Safety, Security, Reliability, and Speed**
  Place utmost priority on mail safety, border security, reliability, and speed in the processing of mail items.

- **Enhancing Seychelles' Competitiveness**
  Increase the efficiency and effectiveness of the postal system and operations to enhance Seychelles' competitiveness, meeting the diverse needs of both local and global customers by creating an international mail transit hub.

- **Responsible and Strategic Infrastructure Investment**: Invest in operations infrastructure responsibly, considering safety, border control, economic, and strategic factors to minimize negative impacts.

Strategic Priorities, Challenges, and Initiatives with NDS and SDG Alignment

Year	*6.17.1.4 Strategic Priority*	*6.17.1.5 Key Challenge*	*6.17.1.6 Strategic Initiative*	*6.17.1.7 NDS & SDG Mapping*
2026-2027	Ongoing Digitalization (connectivity of systems, end to end tracking, interactive website, online services).	Technology cost/employee capacity	Installation of UPU DPS system, new website, automated counter and sorting, integrated system.	Modern Public Service/SDG17
	Employee capacity building in use of technology, tracking and reporting, office, CRM training.	Employee capacity/attracting the right talent/ low salaries/HR hiring strategy	Capacity building with the UPU & Internally in tech. Salary grid to reflect cost of talent required, performance reviews to show the performance of the current employee pool versus what is actually required.	Modern Public Service/ SDG 8
	Re-evaluate job descriptions and bring in line with modern postal requirements	Modernise the Post, create a capable workforce	Capacity building with the UPU & Internally in technology. Salary grid, performance reviews	Modern Public Service/ SDG 8
	Create own scheme of service to align with modern postal requirements.	Modern corporate structure, career driven workforce	Capacity building with the UPU & Internally in tech. Salary grid, performance reviews	Modern Public Service/ SDG 8
	Mail Security – Being accredited by the UPU	We have achieved this, however it is ongoing as regulations evolve.	Operational efficiency in security. Awarded a gold certification.	Law & Order/SDG 16
	E-Commerce growth - enabler of outbound and inbound ecommerce	Website technology for outbound ecommerce	e-commerce website to enable trade of local products to international market.	Transformative Economic Agenda/SDG 8
	National Addressing System – supporting the development of the project with UPU assistance.	National project, partnering with many stakeholders. Public awareness and adoption of addresses.	Engagement at a higher level, UPU S42 standard compliance, UPU ORE compliance.	Modern Public Service/ SDG 8/16
	E-services – book collection, deliveries, pay online, upload documents, postage calculators, bill payment etc.	Stakeholder engagement (customs), local technical expertise, system connectivity	e-commerce website, enable of trade, modern postal service	Transformative Economic Agenda/SDG 8
2027	Upgrade transport fleet	Move to e-fleet, already started.		Modern Public Service/ SDG 8/16
2027-2028	Crypto stamps - digital stamps with a paper twin, collectors' items	Local expertise, Virtual Asset regulation	Alignment with FSA virtual asset laws/ UPU stamp digitalisation/modernisation	Modern Public Service/ SDG 8
2028-2030	New IMPC - national warehouse to increase ecommerce volume, operate as a mail transit hub	Decision on the location of the IMPC and funding.	Infrastructure expansion (new IMPC)	Transformative Economic Agenda/SDG 8

6.17.2 Outlook of Financial Strategy

6.17.2.1 Projected Financial Position of Seychelles Postal Services

SCR ('000)

Description	Actual Figures		Provisional		Forecast		
	2023	2024	2025	2026	2027	2028	2029
ASSETS							
NON-CURRENT ASSETS							
Property And Equipment	6,559	5,876	7,082	6,128	5,638	4,836	4,034
Intangible Asset	177	180	177	621	943	892	841
Deffered Tax	3,066	2,676	2,676	2,676	2,676	2,676	2,676
Total Non-Current Asset	**9,802**	**8,732**	**9,935**	**9,425**	**9,257**	**8,404**	**7,551**
Current Assets							
Inventories	5,339	4,495	3,613	3,833	3,010	2,596	2,244
Trade And Other Receivables	5,123	5,775	12,296	6,871	6,416	4,812	3,609
Cash And Cash Equivalents	22,167	19,496	14,473	13,338	12,306	15,157	20,608
Total Current Assets	**32,629**	**29,766**	**30,382**	**24,042**	**21,732**	**22,565**	**26,461**
TOTAL ASSETS	**42,431**	**38,498**	**40,317**	**33,467**	**30,989**	**30,969**	**34,012**
EQUITY AND LIABILITIES							
EQUITY							
Share Capital	100	100	100	100	100	100	100
Capital And Other Reserves	28,599	28,599	28,599	28,599	28,599	28,599	28,599
Retained Earnings	4,065	(708)	(4,965)	(12,086)	(12,498)	(12,796)	(9,755)
TOTAL EQUITY	**32,764**	**27,991**	**23,734**	**16,613**	**16,201**	**15,903**	**18,944**
Employee Benefit Obligations	3,000	2,946	3,659	4,617	5,878	6,814	7,114
Long Term Borrowings (Due In 2030-2040)			4,000	4,000	4,000	4,000	4,000
TOTAL NON-CURRENT LIABILITY	**3,000**	**2,946**	**7,659**	**8,617**	**9,878**	**10,814**	**11,114**
Current Liabilities							
Trade And Other Payables	6,667	7,561	8,924	8,237	4,909	4,251	3,953
Current Portion Of Long-Term Borrowings							
TOTAL CURRENT LIABILITIES	**6,667**	**7,561**	**8,924**	**8,237**	**4,909**	**4,251**	**3,953**
TOTAL EQUITY AND LIABILITIES	**42,431**	**38,498**	**40,317**	**33,467**	**30,988**	**30,968**	**34,011**

6.17.2.2 Projected Statement of Comprehensive Income of Seychelles Postal Services

SCR ('000)

Description	Actual Figures		Provisional		Forecast		
	2023	2024	2025	2026	2027	2028	2029
Revenue	23,255	19,908	21,274	11,266	19,849	24,749	28,749
Direct Operating Expenses	(5,019)	(3,292)	(1,932)	(417)	(2,588)	(2,588)	(2,588)
GROSS PROFIT	**18,236**	**16,616**	**19,342**	**10,849**	**17,261**	**22,161**	**26,161**
Other Income	6,003	4,041	4,574	10,440	10,000	5,000	4,600
Employee Expenses	(19,346)	(19,720)	(20,438)	(20,649)	(19,571)	(19,551)	(19,751)
General And Administrative Expense	(4,139)	(4,624)	(7,159)	(7,176)	(6,892)	(6,699)	(6,763)
Depreciation Of Property And Equipment	(1,056)	(960)	(1,102)	(1,015)	(1,180)	(1,180)	(1,180)
Amortisation Of Intangible Asset	(34)	(27)	(29)	(57)	(49)	(51)	(51)
Amortisation Of Right Of Use Asset							
Expected Credit Losses	(2,583)	3,385					
Finance Income	10	230	169	82	19	22	25
Finance Costs							
Exchange (Loss)/Gain	4,079	(3,323)	388	404	0	0	0
Sale Of Assets			81	28			
(LOSS) / PROFIT BEFORE TAXATION	**1,170**	**(4,382)**	**(4,174)**	**(7,094)**	**(412)**	**(298)**	**3,041**
Taxation Credit	2,030	(390)	(83)	(27)			
(LOSS) / PROFIT AND OTHER COMPREHENSIVE (EXPENSE) / INCOME FOR THE YEAR	**3,200**	**(4,772)**	**(4,257)**	**(7,121)**	**(412)**	**(298)**	**3,041**

6.17.2.3 Projected Cash flow Statement of Seychelles Postal Services

SCR ('000)

Description	Actual Figures		Provisional		Forecast		
	2023	2024	2025	2026	2027	2028	2029
Cash Flow From Operating Activities							
(Loss) / Profit Before Taxation	**1,170**	**(4,382)**	**(4,174)**	**(7,094)**	**(412)**	**(298)**	**3,041**
Adjustments For:							
Depreciation Of Property And Equipment	1,056	960	1,102	1,015	1,180	1,180	1,180
(Profit) Or Loss On Disposal Of Assets	4		(81)	(28)			
Amortisation Charge Of Intangible Asset	34	27	29	57	49	51	51
Expected Credit Losses	2,583	(3,385)					

Changes In Compensation Liability	1,112	725	1,080	1,608	1,915	2,386	710
Finance Income	(10)	(230)	(169)	(82)	(19)	(22)	(25)
Finance Cost (Interest Loan)							
	5,949	**(6,285)**	**(2,213)**	**(4,524)**	**2,713**	**3,297**	**4,957**
Add: Changing In Working Capital	**(3,203)**	**4,471**	**(4,276)**	**4,518**	**(2,050)**	**1,360**	**1,257**
(Increase) /Decrease In Inventories	309	844	882	(220)	823	414	352
(Increase) /Decrease In Trade And Other Receivables	(2,910)	2,733	(6,521)	5,425	455	1,604	1,203
Increase/(Decrease) In Trade And Other Payables	(602)	894	1,363	(687)	(3,328)	(658)	(298)
Net Cash Generated From Operations	**2,746**	**(1,814)**	**(6,489)**	**(6)**	**663**	**4,657**	**6,214**
Interest Income	10	230	169	82	19	22	25
Interest Paid							
Employee Benefit Obligations	(697)	(779)	(368)	(650)	(654)	(1,450)	(410)
Net Cash Inflow From Operating Activities	**2,059**	**(2,363)**	**(6,688)**	**(574)**	**28**	**3,229**	**5,829**
Cash Flow From Investing Activities							
Purchase Of Property And Equipment	(425)	(278)	(2,308)	(60)	(690)	(378)	(378)
Purchase Of Intangible Asset	(79)	(30)	(27)	(501)	(370)		
Net Cash Outflow From Investing Activities	**(504)**	**(308)**	**(2,335)**	**(561)**	**(1,060)**	**(378)**	**(378)**
Financing Activity							
Proceeds From Long Term Borrowings			**4,000**				
Net Financing Activity	**0**	**0**	**4,000**	**0**	**0**	**0**	**0**
Net Increase In Cash And Cash Equivalents	**1,555**	**(2,671)**	**(5,023)**	**(1,135)**	**(1,032)**	**2,851**	**5,451**
Cash & Cash Equivalent At January 1,	**20,612**	**22,167**	**19,496**	**14,473**	**13,338**	**12,306**	**15,157**
Cash & Cash Equivalent At December 31,	**22,167**	**19,496**	**14,473**	**13,338**	**12,306**	**15,157**	**20,608**

6.17.2.4 Projected Capital Investment Plan of Seychelles Postal Services

SCR('000)

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures		Provisional		Forecast			Anticipated Risks
							2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	
1. Major Capital Investments														
National Warehouse	New airside IMPC	Space to increase inbound & ecommerce and operate as a hub + door to door deliveries.	14,000,000	Govt of Seychelles loan, 4M, Bank loan or EU grant rest	2027	2028								N/A
E commerce Website	Seychelles Marketplace	To offer local businesses a platform to sell their products or services online and deliver internationally and locally	870,000	SPS	2026	2026				266,139.00				
Shop/eshop POS	New technology	Managing physical & online sales	234,375	SPS	2025	2026				234,375.00				N/A
DPS	New technology	System Integration/Automation of counter	370,000	SPS	2027	2027					370,000			N/A
PMS	Parcel Management System	additional modules to PMS to expedite parcel delivery processing		SPS	2022	2027	78,905.00	8,988.00						N/A
Software License	ACROBAT STANDARD 2020 WINDOWS FULL LICENSE & SECURITY SOFTWARE LICENSE FEE	To enhance our cybersecurity framework, ensuring comprehensive data protection, regulatory compliance, and resilience against potential system vulnerabilities.		SPS				20,813.75	26,946.00					N/A

Total							**78,905.00**	**29,801.75**	**26,946.00**	**500,514.00**	**370,000.00**	**-**	**-**	
2. Replacements and upkeep of Assets (PPE)														
New Vehicle	New Car for Praslin Sub Post Office	To procure new vehicles to replace an aging fleet that is experiencing frequent mechanical failures, resulting in high maintenance costs and service disruptions.		SPS					1,049,565.22	10,060.00	500,000			N/A
Furniture	Purchase of new furniture	To procure new desks, chairs, and filing cabinets to replace existing office furniture that is outdated, worn, or damaged beyond economical repair.		SPS			18,550.00	83,883.00	22082.72	2082.61	15,000	15,000.00	15,000.00	N/A
Laptops	Purchase of new Laptops/computers	To procure new laptops to replace aging hardware that has reached its end-of-life cycle and no longer meets operational requirements.		SPS			188,619.00	43,391.47	598,172.75	13,695.65	30,000.00	30,000.00	30,000.00	N/A
Air Conditioner	Purchase of new Air conditioner	To procure new air conditioning unit to replace the current system, which is experiencing frequent breakdowns and requiring unsustainable repair costs		SPS			45,037.00	15,666.30	17,725.00	10200	30,000	30,000.00	30,000.00	N/A
IT Equipment	New Equipment	To procure the necessary infrastructure and equipment to support increased		SPS			172,580.07	134,793.97	621,007.42	23,964.57	115,000.00	303,000.00	303,000.00	N/A

		online traffic driven by our new technology rollout, while simultaneously enhancing system security for SPS and upgrading staff monitoring capabilities, including the implementation of a biometric fingerprint time and attendance system												
TOTAL							**424,786**	**277,735**	**2,308,553**	**60,003**	**690,000**	**378,000**	**378,000**	
GRAND TOTAL							**503,691**	**307,536**	**2,335,499**	**560,517**	**1,060,000**	**378,000**	**378,000**	

Note:

- *New IMPC location is finalized. Assumption is based on a 1000 sqm facility for post only, couriers will pay to use postal facilities. Govt interest free loan of 4M over 10 years. Remainder we will be approaching EU or local bank for a loan.*
- *The e-commerce website is expected to be launch in October 2026*
- *Shop/Eshop POS includes, asset management tool, eshop platform, payment gateway, Api to UPU systems & to QuickBooks and to inhouse tracking system*

6.17.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

6.17.3.1 Tax Implications by the Operations of Seychelles Postal Services

SCR (000)

Type of Tax	Actual Figures		Provisional		Forecast			Anticipated Risks
	2023	2024	2025	2026	2027	2028	2029	
Business Tax	2030	(390)	(83)	(27)				
PIT	645	692	840	860	860	860	860	
VAT			194	150	150	150	150	
Etc..								
TOTAL	**2675**	**302**	**951**	**983**	**1010**	**1010**	**1010**	

6.17.3.2 Anticipated Dividend Declarations by Seychelles Postal Services

** Post office does not make any profits and we are still relying on Subsidy, hence we do not pay any dividends.*

6.17.3.3 Debt Payments Forecasts by Seychelles Postal Services

Lending Organization	Description	Purpose of Borrowings	Total Debt Amount (Capital)	GoS as guarantor (YES/NO)	Total Borrowings and Debt Servicing						
					Actual Figures		Provisional		Forecast		
					2023	2024	2025	2026	2027	2028	2029
Loan 01 From GOS	Borrowings	**Warehouse Project**	**4,000,000**								
	Interest for the Year	**None**									
	Repayment of Capital	**To be repaid in 2030**									
	Balance carried forward										
SUB TOTAL (only Guaranteed by GOS)			**4,000,000**								
TOTAL											

6.17.3.4 Anticipated Subventions and Grants by Seychelles Postal Services

SCR ('000)

Nature of Funding	Funding Agency	Purpose	Total Agreed Amount SCR	Total Receipts of Subventions and Grants						
				Actual Figures			Provisional	Forecast		
				2023	2024	2025	2026	2027	2028	2029
Subventions	Government	**Operational Expenses Subsidy**		**14,000**	**4,000**	**4,000**	**10,440**	**10,000**	**5,000**	**4,600**
Grants	Government									
	IMF									

	ADB									
	EU, etc.									
TOTAL				**14,000**	**4,000**	**4,000**	**10,440**	**10,000**	**5,000**	**4,600**

6.17.3.5 Contingencies of Seychelles Postal Services.

**SPS does not anticipate any contingent liabilities within the medium term*

6.17.3.6 Assumptions used for the Financial Projections of Seychelles Postal Services.

The financial project assumption in this document is based on the following:

- **Revenue growth:**
  - E -commerce website: To receive a commission on sale goods and services from local businesses to both international and local market. SPS will also offer delivery services
  - Rental Income: Rental revenue is expected to increase following the lease of space at the La Digue post office for money exchange services and rental of the philatelic shop.
  - Emirates Post: New contract between SPS and Emirates is expected to increase inbound mails
- **Revenue Shortfall:**
  - Income from Stamps, Late Charges Fee, rental of letter box, EMS etc. is expected to decrease as letter volumes decline and rising competition in parcel delivery reduces the post office's market share
- **Expenditure:**
  - There will be increases in salaries, as we align to be more competitive, we need to invest in a higher calibre of employees which will cost more. As we will also be adding extra tasks on our workforce, we need to compensate them accordingly, financially and with training.
  - We will have additional headcount to manage IMPC tasks, such as supervisors, IT and security.
- **Economic conditions**
  - Ecommerce is reliant on customer spending in international markets and stable foreign exchange rate to encourage online shopping for both inbound and outbound goods.
- **Inventory**
  - Inventory will decrease as we close our main philatelic shop and will prefer taking on goods on consignment instead as we open a new kiosk.

6.17.4 KPIs, Risk Management Strategy and Reporting Obligations

6.17.4.1 Key Performance Indicators of the Seychelles Postal Services.

Title of Key Performance Indicators	Description	Targeted Strategic Priority	Achievements of KPIs						
			Actual Figures		Provisional			Forecast	
			2023 SCR (‘000)	2024 SCR (‘000)	2025 SCR (‘000)	2026 SCR (‘000)	2027 SCR (‘000)	2028 SCR (‘000)	2029 SCR (‘000)
Strategic	**POS, DPS**	Consolidated Technologies (part of UPU KPI to have the latest system, but there is a cost implication which the Post has to bear)							
	As per budgets	Revenue regeneration							
	SOPs validated by the UPU and certified	Operations Efficiency (SOP in place, accredited mail flow process physically and digitally, mail security accreditation, these are all UPU KPI for Africa Region) **Security Validation and SOP certified. Gold certification**							
Operational	**Meet targets set by UPU/suppliers**	Delivery Performance (D means “day of arrival” for tracked items. So, 10 days after arrival.							
	Ecommerce	Volume Increase (the amount of ecommerce we receive and send. Revenue is based on that and on type of mail service used)	**1,922**	**6,670**	**4,627**				
	Transit Mail	Volume Increase (Transit mail is mail we process that goes via SPS warehouse to another country)							
	Training for all employes in systems, customer service.	Capacity building (**Will be completed)**							
Financial	**Gross Profit Margin**		78.42	83.46	90.92	96.86	86.96	89.54	91
	Net Profit Margin		13.76	-23.97	-20.01	-31.06	-2.08	-1.2	10.58
	Operating Profit Margin		5.03	-22.01	-19.62	-30.86	-2.08	-1.20	10.58
	Return on Assets		7.54	-12.40	-11.72	-12.69	-1.37	-0.99	9.21
	Return on Equity		9.77	-17.05	-17.94	-21.01	-2.15	-1.58	13.86
	Current Ratio		4.89	3.94	2.96	2.80	4.22	5.07	6.44
	Quick Ratio		4.09	3.34	2.55	2.33	3.61	4.46	5.87

	Cash Ratio		3.32	2.58	1.17	1.50	2.30	3.33	4.96
	Debt Ratio		0.23	0.27	0.35	0.40	0.36	0.37	0.34
	Debt to Equity Ratio		0.30	0.38	0.53	0.66	0.56	0.59	0.50
	Equity Ratio		1.30	1.38	1.53	1.66	1.56	1.59	1.50

6.17.4.2 Risks and Resilience Plan of the Seychelles Postal Services.

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	Economic downturn, late construction of warehouse, FSA delay for crypto stamps issue.	Diversify business into other areas/products
Financial Risks	Global economic downturn, less online shopping, no tourists for postcards	Diversify business into other areas/products
Operational Risks	System failure, employee capacity, delayed deliveries	Move to cloud technology backed by the UPU, training of employees,
Compliance and Regulatory Risks		
	Mail security, end to end tracking for supplier and customer.	Complete UPU security certification, work with customs closely for monitoring, ensure supplier end to end tracking is timely.
Environmental and Social Risks	Packaging used for ecommerce	Work with suppliers to reduce packaging and use recyclable materials
PESTEL	Trade regulations, change in customs allowances, change in employee contracts for shift work, exchange rate, inflation, consumer spending, upgrading and adopting new technology, supply chain disruptions due to natural disaster in supplier territories, data protection laws, KYC/AML	Keep abreast of regulations such as ICS2 for EU, EAD/STOP ACT for USA. With customs/WCO to ensure ecommerce is seamless process for customer to avoid loss of business. Engage employees early about changes, re-structure where needed to accommodate new HC but no increase. Monitor global ecommerce trends/inflation/consumer spending. Invest in adaptable technology with API functionality that can evolve and not remain static. Comply with KYC/AML and data protection laws.

6.17.4.3 List of External Reporting's by the Seychelles Postal Services

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report	Submitted YES/NO
Compliance Report – covers all international obligations for operations	UPU	EAD – Electronic Advanced Data/CARDIT Exchange/Tracking events/EMS reporting/Customer queries	Monthly	YES
Performance Report	Ecommerce partner/UPU	MailAmericas/Houpan/India Post	Weekly	YES
FP&A Reports	Board	Financial reporting/debtors list	Monthly	
Quarterly Finance Reports	PEMC	Financial Reporting	Quarterly	YES
Mail Volume Report/Customer Queries based on Customer Service charter.	Board/Regulator	Mail Volume by category	Monthly	YES
CEO Report	Board	Personnel, projects etc.	Monthly	YES
Security Certification	UPU	Security compliance & enhancements to improve mail safety	Monthly	YES
ORE (Operation Readiness for E-Commerce)	UPU	Monitoring by the UPU against their set KPI for African Region	Monthly	YES
AFS	Shareholder	Annual Financial Statement	Yearly	YES
Annual Report	Shareholder	Annual Report	Yearly	YES
Customer Service Report	Board	Calls/emails/complaints/lost/refunds/returns	Monthly	YES

6.17.5 Stakeholder Engagement

6.17.5.1 Statement by the Responsible Minister

Seychelles Postal Services (SPS), is an organisation navigating a period of profound transformation within the global postal and logistics sector while continuing to fulfil its important public service mandate.

The postal sector worldwide continues to face unprecedented challenges arising from declining letter volumes, evolving customer expectations, increasing digitalisation, and disruptions to international trade and postal flows. In Seychelles, these changes have been accompanied by the liberalisation of the market, where SPS is no longer the sole provider of postal and courier services and must increasingly compete with private operators in the logistics, express, and e-commerce sectors. Against this backdrop, the progress achieved by SPS demonstrates resilience, adaptability, and a commitment to innovation.

The findings of the Universal Postal Union's 2026 Integrated Index for Postal Development (2IPD) are particularly encouraging. Seychelles advanced by two Postal Development Levels, moving from Level 4 to Level 6, and achieved an overall score of 51.9. The country recorded strong performances in reliability and resilience, reflecting SPS's efforts to maintain service quality and strengthen operational capability despite growing competition and a challenging international environment. The UPU identified Seychelles as one of the notable bright spots within the SAPOA region and amongst Small Island Developing States Seychelles Posts ranks second after Mauritius.

The report also highlights SPS's active engagement within the Southern Africa Postal Operators Association (SAPOA), where regional discussions continue to focus on diversification, digital transformation, business-model innovation, and the development of services that remain relevant in an increasingly competitive marketplace. The UPU's assessment confirms that the future success of postal operators will depend not only on operational excellence, but also on their ability to adapt commercially, embrace new technologies, and respond to changing customer expectations.

The Government recognises the important role SPS continues to play in supporting national connectivity, facilitating trade, enabling e-commerce, and ensuring access to essential services throughout Seychelles. The organisation's efforts to expand digital services, strengthen international partnerships, develop new revenue

streams, and position itself competitively within the logistics ecosystem support the broader national objectives of economic diversification and digital transformation.

As SPS continues its transformation journey, the Government remains committed to supporting initiatives that strengthen the organisation's sustainability, modernise its service offerings, and create a level playing field that enables fair competition while preserving the public service obligations that remain essential to national development.

The achievements demonstrate that SPS is evolving from a traditional postal operator into a modern logistics, e-commerce, and digital services provider capable of competing effectively in the contemporary marketplace while continuing to serve the people of Seychelles.

Name: Pierre Laporte

Signature: 

Date: 3rd November 2026

6.17.5.2 Foreword by Chairperson

Seychelles Postal Services: Evolution, Challenges, and Strategic Outlook

From Government Department to Public Enterprise
Seychelles Postal Services (SPS), formerly a division of the Ministry of Finance, was incorporated in 2010 as a limited liability company under the Companies Act 1971, following the enactment of a new Postal Act. The Government of Seychelles remains the sole shareholder. This transition marked a historic shift—from a budget-dependent civil service department with over 160 years of legacy, to a modern, customer-focused public enterprise.

Cultural and Operational Transformation
The transformation has not been without challenges. A deeply ingrained civil service mindset—shaped by decades of monopoly and public expectation that postal services are a basic right—has required a fundamental shift in both public perception and staff culture. The greatest challenge remains catching up with a world that has moved on: where electronic media has replaced the written word, and the internet has replaced mailbags.

Strategic Response
SPS has responded by rewriting its business model, embracing e-commerce, diversifying services, investing in technology, and retraining staff to meet evolving customer expectations. These efforts are essential but costly. A recent UPU report placed Seychelles low on the postal development index, underscoring the urgency of modernization and benchmarking against more advanced postal operators.

Global Postal Landscape
Over the past three decades, the global postal sector has undergone a paradigm shift—from a regulated, paternalistic model to a lean, customer-driven logistics ecosystem. Today's postal customer demands efficient service at optimal cost. Operators have responded by separating posts from telecommunications, narrowing focus, boosting productivity, and diversifying into new services. Technology substitution, liberalization, and globalization have intensified competition and reshaped the sector. Postal Operators are asking for a review of postal regulations to include couriers and ecommerce platforms and citing that the USO is an outdated concept that should be abolished.

Domestic Realities and UPU Commitment
Despite its incorporation, SPS remains a proud member of the Universal Postal Union (UPU) since 1977. This membership obliges us to maintain universal service standards—including acceptance, processing, conveyance, and delivery of all postal items (priority, non-priority, EMS). While these core functions have changed little, the operating environment has evolved dramatically. Some Designated Operators are preferring not to have the DO status in order to remain competitive. Some Designated Operators are preferring not to have the DO status in order to remain competitive.
SPS faces the same pressures as postal operators worldwide: declining mail volumes, thin margins in e-commerce, and the challenge of balancing network capacity with service quality and cost sustainability.

Opportunity Ahead

Despite these challenges, SPS continues to process thousands of items daily, and the rise in e-commerce volumes is unmistakable. This growth presents a clear opportunity: to re-invent the post, deliver better service, and contribute meaningfully to national economic development and digital inclusion.

Norman Weber
Chairman

6.17.5.3 Statement by the Chief executive Officer

Seychelles Postal Services: Reinventing the Post for a Digital Future

Seychelles Postal Services (SPS) is committed to transforming itself into a modern logistics enabler—one that remains relevant, resilient, and regionally competitive. Our mission is to reinvent the post as a key player in local and international e-commerce by embracing digitalization, streamlining operations, and delivering seamless customer experiences.
We believe the post's long-standing history and national network—rooted in its role as Seychelles' original logistics provider—is a strategic asset. It's a foundation we are building upon to support economic development, digital inclusion, and service excellence.

Honoring Legacy, Driving Change
The Seychelles Post Office, one of Victoria's most iconic buildings and possibly one of the oldest businesses in the country, has connected our islands to the world since the 1800s. SPS continues to offer vital services to the nation. Yet, in the face of rapid advances in communications technology and the rise of private courier services, the post has been challenged to keep pace.

We are responding with bold modernization:

- Digitalization of Core Processes: Automating back-office operations using Universal Postal Union (UPU) technology and custom-built systems
- Retail Modernization: Introducing Point of Sale (POS) systems at counters and shops
- New Website Launch: A digital gateway offering postage pricing, online customs declarations, shipment payments, mail redirection, virtual mailboxes, post box renewals, and an e-commerce platform for local and global sellers
- State of the art international processing center at the airport.

Empowering Teams & Changing Mindsets
To deliver on this vision, we are investing in our people—developing teams, introducing new ways of working, and fostering a mindset shift from service entitlement to customer-centric delivery. This cultural transformation is key to sustaining operational excellence.

Reviving Philately & Embracing Digital Collectibles
We are also breathing new life into philately by digitizing historic stamps and entering the world of NFT stamp collecting. These digital collectibles will appeal to global audiences and preserve our postal heritage in innovative ways.

Expanding Courier Services & Addressing Challenges
SPS is expanding its courier capabilities in alignment with Express Mail Service (EMS), including door-to-door delivery of parcels and small packets. We are also exploring digital addressing solutions to overcome persistent delivery challenges and plan to introduce item collection services in the near future.

Balancing Business and Social Mandate
As Seychelles' Designated Postal Operator and a proud member of the UPU since 1977, SPS remains committed to its Universal Service Obligation. While this mandate is financially challenging—especially in a competitive e-commerce landscape—it remains a cornerstone of our public service mission. Like many postal operators globally, we are shifting toward a business-oriented model to ensure sustainability and reduce reliance on government subsidies.

Aligned with Global Postal Development
SPS's development strategy is fully aligned with the UPU's global agenda for postal transformation. We are embracing innovation, fostering partnerships, and positioning Seychelles as a regional logistics hub—ready to meet the demands of a digital economy.



6.18 National Information Services Agency (NISA)

6.18.1 Strategic Overview

6.18.1.1 Mandate

The National Information Services Agency (NISA) was enacted under the National Information Services Agency Act 4 of 2010.

Our main function is as follows:

i) To compile, produce, publish and print the national newspaper, ***Seychelles NATION.***
ii) To provide pre-press services
iii) To provide printing services,
iv) As well as to engage in any lawful income generating activity to support our core function.

6.18.1.2 Vision

To be the leading local news and information provider across all media platforms with a global reach.

6.18.1.3 Mission

Our mission is to educate, entertain and disseminate factual information in a timely and objective manner through the publication of the *Seychelles NATION* newspaper and other appropriate technological medium, to help people shape their decisions.

Strategic Priorities, Challenges, and Initiatives with NDS and SDG Alignment

Year	*6.18.1.4 Strategic Priority*	*6.18.1.5 Key Challenge*	*6.18.1.6 Strategic Initiative*	*6.18.1.7 NDS & SDG Mapping*
2027	Increase market share and customer base, both local and globally		1. Become the number one print media and advertising channel for companies in Seychelles both local and foreign. 2. Diversify product offerings and customer segments within the graphics designing and printed/press business	NDS1. A modern public service SDG8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
	Deliver better financial performance		1. Drive revenue by a minimum of 2.75% compound annual growth rate 2. Elevate the yearly operating profit by 1.6 % compound annual growth from 2023 baseline	NDS1. A modern public service SDG8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
	Compliance and risk management - Be compliant to relevant regulation and maintain a risk-free environment		1. Review and maintain an up-to-date policy repository	NDS 4. Promotion of Law and Order SDG17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development
2028	Increase market share and customer base, both local and globally		1. Diversify product offerings and customer segments within the graphics designing and printed/press business	NDS1. A modern public service SDG8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
	Increase employee engagement and reduce operation cost		1. Streamline the structure of NISA to a more effective and modern media company set up 2. Reduce operation cost by 5% before the end of this strategic plan / Excluding Salaries and wages	NDS3. A Healthy Nation SDG9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
	Compliance and risk management - Be compliant to relevant regulation and maintain a risk-free environment		1. Define and embed business continuity management (BCM) plan to our operation	NDS 4. Promotion of Law and Order SDG17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development
2029	Deliver better financial performance		3. Drive revenue by a minimum of 2.75% compound annual growth rate 2. Elevate the yearly operating profit by 1.6 % compound annual growth from 2023 baseline	NDS1. A modern public service SDG8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

6.18.2 Outlook of Financial Strategy

6.18.2.1 Projected Financial Position of National Information Services Agency

SCR ('000)

DESCRIPTION	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Property, plant and equipment	13,731	13,268	12,841	12,345	12,631	12,396	12,121
Intangible assets	13	6	0	-	-	-	-
Right of use asset	4,440	5,754	5,466	5,178	4,891	4,603	4,315
Deferred tax asset	-	-	-	-	-	-	-
Non-current assets	**18,184**	**19,028**	**18,307**	**17,523**	**17,522**	**16,999**	**16,436**
Inventories	3,942	3,666	3,645	3,645	3,645	3,645	3,645
Trade and other receivables	2,440	2,691	2,928	2,928	2,928	2,928	2,928
Current tax asset	-	-	14	-	-	-	-
Cash and cash equivalents	3,304	3,510	3833	2,622	2,746	2,870	2,994
Current assets	**9,686**	**9,867**	**10,420**	**9,195**	**9,319**	**9,443**	**9,567**
TOTAL ASSETS	**27,870**	**28,895**	**28,727**	**26,718**	**26,841**	**26,442**	**26,003**
Retained earnings	16,298	16,284	16,465	13,804	13,424	13,044	12,664
Equity	**16,298**	**16,284**	**16,465**	**13,804**	**13,424**	**13,044**	**12,664**
Borrowings	-	-	-	-	-	-	-
Provision for employee benefit	1,861	2,113	2,497	3,380	4,416	4,943	5,444
Lease liability	4,804	6,286	6,156	6,015	5,862	5,696	5,516
Deferred tax	2,404	2,306	1,926	1,546	1,166	786	406
Non-current liabilities	**9,069**	**10,705**	**10,579**	**10,941**	**11,444**	**11,425**	**11,366**
Trade and other payables	1,214	1,685	1,633	1,633	1,633	1,633	1,633
Borrowings	706	-	-	-	-	-	-
Current tax liability	320	101	0	0	0	0	0
Deferred income	263	120	50	340	340	340	340
Current liabilities	**2,503**	**1,906**	**1,683**	**1,973**	**1,973**	**1,973**	**1,973**
TOTAL EQUITY AND LIABILITIES	**27,870**	**28,895**	**28,727**	**26,718**	**26,841**	**26,442**	**26,003**

6.18.2.2 Projected Statement of Comprehensive Income of National Information Services Agency

SCR ('000)

Description	Actual			Provisional	Forecast		
	2023	2024	2025	2026	2027	2028	2029
Revenue	23,828	25,167	26,830	24,452	25,430	26,702	28,037
Operating costs	22,183	24,634	26,252	26,235	24,964	26,248	27,561
Operating Profit	**1,645**	**533**	**578**	**(1,783)**	**466**	**453**	**476**
Finance Income	33	24	25	25	45	45	45
Finance Costs	638	553	534	523	511	498	484
	(605)	**(529)**	**(509)**	**(498)**	**(466)**	**(453)**	**(439)**
Profit for the year before taxation	**1,040**	**4**	**69**	**(2,281)**	**-**	**-**	**-**
Taxation	128	17	230	380	380	380	380
Profit for the year after taxation	**912**	**(13)**	**(161)**	**(2,661)**	**(380)**	**(380)**	**(380)**

6.18.2.3 Projected Cash Flow Statement of National Information Services Agency

SCR ('000)

Description	Actual			Provisional	Forecast		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
OPERATING ACTIVITIES							
Profit before taxation	1,040	4	(199)	(2,281)	-	-	-
Adjustments							
Depreciation on property, plant and equipment	1,211	1,202	1,275	1,320	1,075	1,088	1,102
Amortization of intangible assets	5	7	6	-	-	-	-
Amortization of Right of Use Asset	211	287	287	287	287	287	287
Profit on sale of fixed assets		(325)	4				
Interest Payable	638	553	534	523	511	498	484
	3,105	**1,728**	**1,907**	**(151)**	**1,873**	**1,873**	**1,873**
Movements in working Capital							
(Increase)/Decrease in trade and other receivables	(229)	(251)	(237)	-	-	-	-
(Increase)/Decrease in inventories	(137)	276	21	-	-	-	-
Increase/(Decrease) in accounts payable	(173)	471	(52)	-	-	-	-
Increase/(Decrease) in deferred income	78	(145)	(70)	-	-	-	-
Provision for employee benefit	302	252	384	-	-	-	-
	(159)	**603**	**46**	-	-	-	-
Tax refund / (Paid)	(158)	(334)	(115)	-	-	-	-
Interest on borrowing	(638)	(553)	(534)	(523)	(511)	(498)	(484)
	(796)	**(887)**	**(649)**	**(523)**	**(511)**	**(498)**	**(484)**
Net cash flow from operating activities	**2,150**	**1,444**	**1,304**	**(674)**	**1,362**	**1,375**	**1,389**
CASH FLOW FROM INVESTING ACTIVITIES							
Purchase of tangible assets	(382)	(1,065)	(877)	(393)	(1,085)	(1,085)	(1,085)
Purchase of intangible assets	(18)	-	-	-	-	-	-
Sale of tangible asset							
Claims received	-	651	25	-	-	-	-
Net cash flow from investing activities	**(400)**	**(414)**	**(852)**	**(393)**	**(1,085)**	**(1,085)**	**(1,085)**
CASH FLOW FROM FINANCING ACTIVITIES							
Repayment of loan	(3,519)	(706)	-	-	-	-	-
Repayment of Lease Liability	(83)	(120)	(130)	(141)	(153)	(166)	(180)
Net cash flow from financing activities	**(3,602)**	**(826)**	**(130)**	**(141)**	**(153)**	**(166)**	**(180)**
Net movement in cash and cash equivalents	**(1,852)**	**206**	**322**	**(1,208)**	**124**	**124**	**124**
Cash and Cash equivalent as at January 01	5,156	3,304	3,510	3,832	2,624	2,748	2,872
Cash and Cash equivalent as at December 31	**3,304**	**3,510**	**3,832**	**2,624**	**2,748**	**2,872**	**2,996**

6.18.2.4 Projected Capital Investment Plan of National Information Services Agency

SCR ('000)

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Finds	Year of Project Commenced	Expected Completion Date	Actual Figures			Provisional	Forecast			Anticipated Risks
							2023	2024	2025	2026	2027	2028	2029	
1. Major Capital Investments														
N/A	N/A													
2. Replacements and upkeep of Assets (PPE)														
Motor Vehicle	Replace old vehicles due to wear and tear. Purchase of A Toyota minibus	Better and newer motor vehicles for transportation of staff	625	NISA budget	2027	2027		388			350	0	0	The cost of the minibus is greater than budgeted
Computers/ furniture/printers	Replacement of old damaged assets	New assets for staff to work with		NISA budget	2022	Annually budgeted	291	675	877	393	160	600	600	Cost is greater than budgeted.
Relocation of offices	Relocation of offices to renovated Victoria Building	Improve work environment of staff. Relocation of staff from Bois De Rose to Victoria Property		NISA Budget	2027	2027					575	485	485	Actual cost is greater than budgeted. Property is not transferred to NISA
TOTAL							291	1,063	877	393	1,085	1,085	1,085	

6.18.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

6.18.3.1 Tax Implications by the Operations of National Information Services Agency

SCR ('000)

Type of Tax	Actual Figures			Provisional	Forecast			Anticipated Risks
	2023	2024	2025	2026	2027	2028	2029	
Business Tax	128	334	8	13	0	0	0	**Changes in business tax rate.**
PIT	976	1,135	1,305	1,381	1,457	1,457	1,457	**Changes will have no effect on NISA but the staff**
VAT	3,252	3,028	3,652	3,126	3,247	3,407	3,578	**Changes in VAT rate**
Etc..								
TOTAL	**4,356**	**4,497**	**4,965**	**4,520**	**4,704**	**4,864**	**5,035**	

6.18.3.2 Anticipated Dividend Declarations by National Information Services Agency

**From discussion with NISA's minister, due to our low profitability, has concurred we must increase above SR5 Million net profit to start paying dividend*

6.18.3.3 Debt Payments Forecasts by National Information Services Agency

SCR ('000)

Lending Organization	Description	Purpose of Borrowings	Total Debt Amount (Capital)	GoS as guarantor (YES/NO)	Total Borrowings and Debt Servicing						
					Actual Figures			Provisional	Forecast		
					2023	2024	2025	2026	2027	2028	2029
Loan 01 From XXX Bank	Borrowings	Financing of printing machine + Renovations of property	**20,000**	**YES**							
	Interest for the Year				**222**	**8**	-	-	-	-	-
	Repayment of Capital				**(3,519)**	**(706)**	-	-	-	-	-
	Balance carried forward				**706**	-	-	-	-	-	-
SUB TOTAL (only Guaranteed by GOS)					**706**						
TOTAL					**706**	-	-	-	-	-	-

6.18.3.4 Anticipated Subventions and Grants by National Information Services Agency

SCR ('000)

Nature of Funding	Funding Agency	Purpose	Total Agreed Amount (Forex)	Total Receipts of Subventions and Grants ('000 SCR)						
				Actual Figures			Provisional	Forecast		
				2023	2024	2025	2025	2026	2027	2028
Subventions	Government			-	-	-	-	-	-	-
Grants	Government			-	-	**1,000**	**800**	-	-	-
TOTAL				-	-	**1,000**	**800**	-	-	-

6.18.3.5 Contingencies of National Information Services Agency

**NISA does not anticipate Contingencies*

6.18.3.6 Assumptions used for the Financial Projections of National Information Services Agency

1) The approved strategic plan 2024 – 2028 of the Agency has guided the finalization of the medium-term financial strategy.

2) Assumption is made that all revenue will be collected during the year they are incurred.

3) Assumption is made that all inventory will be used during the year they are purchased.

4) Assumption is made that all expenses will be paid during the year they are purchased.

5) Assumption is made that NISA will break even for the year 2027 to 2029.

6.18.4 KPIs, Risk Management Strategy and Reporting Obligations

6.18.4.1 Key Performance Indicators of the National Information Services Agency

Title of Key Performance Indicators	Description	Targeted Strategic Priority	Achievements of KPIs						
			Actual Figures			Provisional	Forecast		
			2023	2024	2025	2026	2027	2028	2029
Strategic	Diversify product offerings and customer segment within the graphics designing and printed/press business	Increase in market share and customer base, both locally and globally	2 new products	1 new product	4 new products	4 new products	4 new products	4 new products	4 new products
	Engagement with community	Improve brand equity	0 activities	1 activity	4 activities	5 activities	5 activities	5 activities	5 activities
	Revamp the brand image to build awareness of NISA.	Improve brand equity	Non	50%	75%	100%	100%	100%	100%
Operational	Increase online subscription and build a global customer base around 3000 by 2028	Increase in market share and customer base, both locally and globally	591	546	600	1,000	2,000	3,000	3,000
	Streamline the structure of NISA to a more effective and modern media company set up.	Increase employee engagement and reduce operation cost	0%	100%	100%	100%	100%	100%	100%
	Foster good relationship and maintain a corporate customer retention rate of 80%	Improve brand equity	80%	100%	100%	100%	100%	100%	100%
Financial	Drive revenue by a minimum of 2.75% compound annual growth	Deliver better financial performance	2%	6%	6%	-9%	4%	5%	5%
	Elevate the yearly operating profit by 1.6% compound growth from 2023 baseline	Deliver better financial performance	7%	2%	0%	-9%	0%	0%	0%
Other - e.g. Compliance, Governance	Maintain zero litigation record	Compliance and risk management	0	0	0	0	0	0	0
	Review and maintain an up-to-date policy repository	Compliance and risk management	1	1	5	3	3	3	3
	Define and embed business continuity management.	Compliance and risk management	25%	25%	50%	75%	100%	100%	100%

6.18.4.2 Risks and Resilience Plan of the National Information Services Agency

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	Misalignment of our business model to the national priorities of the Government	The board and Management of NISA has worked on a strategic plan for the year 2024 - 2028 with clear focus on diversification and it aligns with the priorities of the strategic development goals of the Government.
	Technological advancement leading to substantial decrease in physical copies of newspaper.	The Agency is mindful of such eventuality. The strategic plan and business plan is aimed at countering such eventuality as well as a digitalization plan.
Financial Risks	Foreign exchange rate risk - All materials and spare parts are procured overseas. Changes in foreign exchange rate poses cash flow risk on the Agency should it be unfavorable.	Monitor risk. The Agency will have to bear the cost or pass on to customers.
Operational Risks	The Agency's Victoria property has been acquired by another government entity. The Agency is at risk of not having an office to run its operation	NISA has received approval for the transfer of the property at Victoria
	Risk of landlords not selling the property at Bois De Rose	Once renovation is completed, the property at Bois De Rose will be vacated, therefore eliminating NISA's perception of impartiality from the general public.
	Printer or related equipment malfunction	As part of our strategy, a Business Continuity Management plan is being developed.
	Supply chain disruption in printing materials	Having multiple suppliers in numerous countries to counter risk.
Compliance and Regulatory Risks	Non-compliant to procurement Act, PEMC Act, Licensing Authority, Seychelles Revenue Commission and other regulatory bodies	The Agency has to keep abreast of all laws and regulations that may have a direct or indirect impact on its operation.
Environmental and Social Risks	Fire may completely damage the property with all its offices and equipment.	A business continuity plan is being worked on by the Agency
	Potential risk of weather-related impact or act of God (e.g. Tsunami of 2004)	Along with the Business continuity plan, a digitization plan is also being developed to ensure the business remains in operation through all digital channels, plus using clouds services
PESTEL	Policies of the Government related to media houses Operational policies - Changes in government policy relating to media and information may have an impact on our operation. The government may decide to privatize all media houses	Monitor Risk. Board will have to regroup to review strategy and determine impact and required action.
	Fiscal policy - The government's decision to reduce its budget expenditure may indirectly affect our operation. Most times the items that are reduced are related to printing and stationery as well as newspapers.	Diversification strategy of the Agency.

6.18.4.3 External Reporting's by the National Information Services Agency

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report	Submitted YES/NO
Annual Report	PEMC Responsible Minister Minister of Finance, trade and National Development National Assembly of Seychelles	Reporting on operational, Environment, social and financial activity of the Agency	Annually	YES
Audited Financial Statements	Office of the Auditor General PEMC Responsible Minister Minister of Finance, trade and National Development National Assembly of Seychelles	Reporting on the audited financial statements prepared by the Agency	Annually	YES
Quarterly Reports	PEMC	Reporting on quarterly unaudited financial performance of the Agency	Quarterly	YES
Statement of Corporate Intent	PEMC, Responsible Minister	Provides reason for creation of NISA	annually	YES
Strategic plan	PEMC, Responsible Minister	Provides 5-year strategy the Agency intends to undertake to achieve its objective	5 years	YES
Business plan	PEMC, Responsible Minister	Provides shorter plan of action for the Agency to achieve its objective	3 years	YES

6.18.5 Stakeholder Engagement

6.18.5.1 Statement by the Responsible Minister

**The necessary endorsement by the Responsible Minister of NISA is yet to be obtained*

Minister for Finance, Economic Planning Trade and Investment

6.18.5.2 Foreword by Chairperson

**The necessary endorsement by the Chairperson of NISA is yet to be obtained.*

6.18.5.3 Statement by the Chief Executive Officer

It is my pleasure to present the National Information Services Agency's (NISA) Mid-Term Budget Statement for 2027 and 2028, outlining the Agency's priorities for strengthening financial sustainability, improving operational efficiency and expanding its commercial activities.

During this period, NISA will prioritise a review of the *Seychelles NATION* daily newspaper's business model to address rising printing costs, improve financial viability and ensure its long-term sustainability.

The Agency will also review the newspaper's content and editorial approach to make it more engaging, relevant and attractive to readers, strengthen readership and enhance its competitiveness.

Other key initiatives include developing a new website with integrated commercial features, diversifying printing services, investing in value-added printing services and essential infrastructure, and renovating the Agency's building in Victoria to establish a modern, integrated Media and Printing House under one roof.

This will improve coordination between departments, optimise the use of space and equipment, and provide a more conducive working environment.

NISA will also continue digitising its archives and exploring revenue opportunities through the sale of archived news content, photographs and other historical materials.

These initiatives will support our commitment to delivering quality public information services while positioning the Agency for long-term sustainability and growth.

Through prudent financial management, innovation and strategic investment, NISA aims to strengthen its operational capacity, diversify revenue streams, and ensure that it remains responsive to the evolving needs of the public and the wider media environment to sustain its public information mandate.



Gerard Govinden (Mr)

Chief Executive Officer

Date: 21st October 2026

End

SECTION 6

Fiscal Risk Statement

Fiscal Risk Statement 2027

November 2026

This document provides an overview of the major fiscal risks facing the Budget for 2027. The Fiscal Risk Statement (FRS) comments on general economic risks and uncertainties, specific fiscal risks related to Budget execution, and presents a risk framework for Public Enterprises. Combined, this allows for the disclosure of risks to public finances and appreciation of the context within which the Government operates. The FRS is compiled and prepared by the Ministry of Finance, Economic Planning, Trade & Investment, with input from the Public Enterprise Monitoring Commission.

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Acronyms and Abbreviations

ADFD	Abu Dhabi Fund for Development
AFD	Agence Française de Développement
AML/CFT	Anti-Money Laundering / Countering the Financing of Terrorism
BAU	Business-As-Usual
BoD	Board of Directors
CAPEX	Capital Expenditure
CBS	Central Bank of Seychelles
CHF	Swiss Franc
CPI	Consumer Price Index
CRED	Centre for Research on the Epidemiology of Disasters
DBS	Development Bank of Seychelles
DDT	Debt Dynamics Tool
DRDM	Department of Risk and Disaster Management
EFF	Extended Fund Facility
EM-DAT	Emergency Events Database
ENSO	El Niño / Southern Oscillation
EUR	Euro
FDI	Foreign Direct Investment
FOREX	Foreign Exchange
FSA	Financial Services Authority
GDP	Gross Domestic Product
GoS	Government of Seychelles
IDC	Islands Development Company
IGPA	Institutional Governance and Performance Assessment
IMF	International Monetary Fund
IPCC	Intergovernmental Panel on Climate Change
IPP	Independent Power Producer
KPIs	Key Performance Indicators
MDAs	Ministries, Departments, and Agencies
MFAD	Macroeconomic Forecasting and Analysis Division
MoFEPTI	Ministry of Finance, Economic Planning, Trade & Investment
MOU	Memorandum of Understanding
MTFF	Medium-Term Fiscal Framework
NBS	National Bureau of Statistics
ND	Natural Disaster
NDCs	Nationally Determined Contributions
NDS	National Development Strategy
NGDP	Nominal Gross Domestic Product
NISA	National Information Services Agency
OECD	Organisation for Economic Co-operation and Development
OTA	Office of Technical Assistance (US)
PE	Public Enterprise

PEMC	Public Enterprise Monitoring Commission
PFM	Public Finance Management
PIM	Public Investment Management
PMC	Property Management Corporation
PPA	Power Purchase Agreement
PPOs	Public Policy Objectives
PPP	Public-Private Partnership
PSL	PetroSeychelles Ltd
PUC	Public Utilities Corporation
PV	Photovoltaic
PVREP	Port Victoria Rehabilitation and Extension Project
Q-CRAFT	Quantitative Climate Risk Assessment Fiscal Tool
QFAs	Quasi-Fiscal Activities
RAM	Risk Assessment Matrix
RBM	Results-Based Management
RCP	Representative Concentration Pathway
RSF	Resilience and Sustainability Facility
SAA	Seychelles Airports Authority
SCAA	Seychelles Civil Aviation Authority
SD	Standard Deviation
SEYPEC	Seychelles Petroleum Company
SFA	Seychelles Fishing Authority
SIDS	Small Island Developing States
SOI	Southern Oscillation Index
SPA	Seychelles Ports Authority
SPF	Seychelles Pension Fund
SPGA	Seychelles Parks and Gardens Authority
SPS	Seychelles Postal Services
SPTC	Seychelles Public Transport Corporation
SR	Seychelles Rupee
SSE	Statement of Shareholder Expectation
SSP	Shared Socioeconomic Pathway
STC	Seychelles Trading Company Ltd
USD	US Dollar

1. Introduction

The Government's primary objective remains to achieve macroeconomic stability and support sustainable economic growth while preserving the long-term sustainability of public finances. This Fiscal Risk Statement identifies, assesses, and communicates the key fiscal risks associated with the 2027 Budget and the medium-term fiscal framework. Fiscal risks are defined as factors or events that may cause actual fiscal outcomes to deviate from Budget projections. These risks may arise from adverse macroeconomic developments, challenges in Budget execution, and contingent or implicit liabilities, including those associated with public enterprises (PEs).[1]

As a small island economy, Seychelles remains inherently vulnerable to external shocks because of its geographic isolation, narrow economic base, limited resources, and strong reliance on external trade and tourism. Exposure to external shocks continues to be a primary source of fiscal risk over the Budget period and the medium term. The conflict in the Middle East, which escalated in February 2026, illustrates this vulnerability. It disrupted air connectivity through Gulf hubs, which carry a large share of tourist arrivals; it raised global oil prices; and it affected the operations and finances of several PEs. More broadly, uneven global growth and persistent geopolitical tensions could weigh on economic activity, revenue performance, and financing conditions. In such circumstances, Government expenditure remains an important counter-cyclical and stabilising tool, but its effectiveness is constrained by limited fiscal space and the need to keep public debt on track towards the anchor of 50 per cent of GDP. Managing these risks may require tighter expenditure prioritisation, careful sequencing of capital projects, and prudent use of financing to avoid adding to debt vulnerabilities. Strengthening fiscal buffers and maintaining flexibility within the Budget framework will therefore be critical to managing downside risks over the medium term.

This Fiscal Risk Statement also recognises the growing importance of structural and long-term fiscal risks, particularly those related to demographic trends, climate change, and natural disasters. These risks are assessed through a forward-looking lens, including long-term fiscal sustainability analysis under alternative climate and macroeconomic scenarios. Climate-related shocks, in particular, carry both direct fiscal costs, through disaster response and damage to infrastructure, and indirect costs, through their effects on tourism, fisheries, water security, and PEs.

To assess these risks systematically, this document groups them into four broad areas, each covered in a separate section: macroeconomic risks, Budget execution risks, PE risks, and environmental and climate-related risks. These form the fiscal risk framework used throughout the statement, summarized in Table 1. This year, the analysis has been extended in two areas: a scenario analysis of a sustained rise in global oil prices and an assessment of the impact of the conflict in the Middle East on PEs. The results inform the policy responses set out in the final section on risk mitigation.

Although fiscal risks are presented under separate categories, they are often interconnected and may materialise at the same time across several areas. This interdependence is most evident between macroeconomic developments and the financial performance of PEs. For instance, a rise in global oil prices, such as that triggered by the conflict in the Middle East, could affect customs and excise revenue through changes in import volumes and consumption, while also increasing operating costs for energy- and transport-related PEs, reducing their profitability and dividend transfers to Government.

[1] Note that this document does not look at 'Financial Stability' risks. These are covered by the Central Bank Seychelles (CBS) in a specific report.

In addition, tighter global financial conditions may raise borrowing costs for both Government and PEs, potentially increasing fiscal pressures or delaying planned investment. Climate-related shocks could further compound these effects by disrupting economic activity and generating unplanned expenditure. When such risks occur together, the cumulative impact may weaken revenue performance, constrain expenditure flexibility, and put pressure on the primary balance and debt objectives.

Table 1. Fiscal Risk Framework

Risk Category	Major Issues Considered
Macroeconomic Risks	Sensitivity analysis, debt stress tests and an oil price shock scenario, assessing the impact of macroeconomic shocks on GDP growth, Budget aggregates, and the debt anchor
Budget Execution Risks	Additional and unforeseen spending pressures, and under-execution of capital projects
Public Enterprise Risks	Risks to the financial performance of PEs, including the impact of the conflict in the Middle East
Environmental Fiscal Risks	Impact of climate change and natural disasters on the public finances
Risk Mitigation	Key measures that can be implemented to offset the impact of these fiscal risks

Managing fiscal risks therefore requires a holistic approach that recognises these interlinkages. Strengthening monitoring, improving coordination across institutions, and maintaining flexibility in Budget execution remain critical to containing spillovers and preserving macro-fiscal stability over the medium term.

2. Macroeconomic Risks

The fiscal projections in the 2027 Budget rest on assumptions about growth, inflation, interest rates, the exchange rate, and global commodity prices. If any of these turns out differently, the effects flow directly into the public finances: weaker growth reduces revenue, a depreciation of the Seychelles rupee raises the value of foreign currency debt, and higher interest rates increase the cost of borrowing. Given Seychelles' exposure to external shocks, macroeconomic risks remain the most significant source of uncertainty for the Budget.

This section assesses the impact of macroeconomic risks in three steps. First, it examines how changes in inflation and the exchange rate affect nominal GDP and the main Budget aggregates (**Section 2.2**). Second, it uses the IMF Debt Dynamics Tool to test how sensitive the public debt path is to shocks to GDP growth, the exchange rate, interest rates, and the primary balance, and assesses the results against the debt anchor (**Section 2.3**). Third, it simulates a shock reflecting this year's most prominent risk: a sustained

surge in global oil prices linked to the conflict in the Middle East. It traces the effects of that shock through tourism, economic activity, inflation, and the public finances under a conservative and an extreme scenario (**Section 2.4**).

All scenarios are assessed relative to the baseline underpinning the 2027 Budget. The baseline reflects the latest macroeconomic assumptions available at the time of publication and assumes no additional policy changes. The results should be read as illustrations of the potential scale of risks rather than as forecasts.

2.1 Macroeconomic Assumptions

Table 2 presents the main macroeconomic assumptions underpinning the 2027 Budget, on which all shock scenarios are based.

Table 2. Macroeconomic Assumptions 2025-2029

	Estimates		*Projections*		
	2025	**2026**	**2027**	**2028**	**2029**
Nominal GDP (SR' m)	34,341	34,932	37,202	39,314	41,589
Real GDP growth (%)	5.78	0.97	4.10	3.22	3.06
Annual Average CPI (%)	0.30	0.85	2.31	2.50	3.00
SR/Euro (average)	16.57	…	…	…	…
SR/USD (average)	14.73	…	…	…	…

Source: Macroeconomic Framework Working Group

2.2 Sensitivity Analysis to Macroeconomic Variables

This section presents sensitivity analyses of inflation and the exchange rate, to assess the impact of macroeconomic risks on economic growth and the Government's fiscal balances.

Inflation Shocks

Nominal GDP measures the total value of goods and services produced at current prices, while real GDP adjusts for changes in the price level. For fiscal analysis, nominal GDP is the key variable, as it serves as the main proxy for the tax base and revenue performance.

Inflation in Seychelles is largely driven by external factors, particularly movements in global oil and commodity prices, reflecting the country's high dependence on imports. Changes in inflation have a direct effect on nominal GDP through the price level, with knock-on effects on revenue collection and expenditure pressures. The oil price scenario in **Section 2.4** illustrates how such external price shocks can feed through the economy.

Sensitivity Analysis

Given the sensitivity of revenue to nominal GDP, with a buoyancy of about 1 for most taxes, it is estimated that:

A 1 percentage point increase in inflation in 2027 would potentially raise nominal GDP by SR 314.5m, or 0.8 per cent.

The direct impact on tax revenue is an estimated increase of SR 52.5m, or 0.5 per cent.

Higher inflation may also raise non-tax revenue, particularly through dividends from PEs. However, given the uncertainty surrounding the timing and size of such dividends, these effects are not explicitly quantified in the simulation. At the same time, higher inflation is expected to put upward pressure on expenditure, particularly in areas sensitive to price adjustments, posing additional risks to Budget execution.

Exchange Rate Shocks

Given Seychelles' strong dependence on imports and on foreign currency revenue flows, exchange rate movements are a significant source of risk to nominal GDP and fiscal outcomes. This exposure is amplified under the floating exchange rate regime, in which the value of the Seychelles rupee is determined by market forces and may be subject to heightened volatility. Exchange rate movements affect economic activity directly through price competitiveness, and indirectly through inflation.

The effect of a depreciation depends on the currency involved. Seychelles' imports, including fuel and food, are largely priced in US dollars, so a depreciation of the rupee against the dollar raises import costs, squeezes businesses' margins, and reduces nominal GDP and tax revenue. It also increases the rupee cost of Government spending denominated in US dollars. By contrast, a large share of the country's foreign exchange earnings, particularly from tourism, is denominated in euros. A depreciation of the rupee against the euro therefore raises the rupee value of these earnings, increasing nominal GDP and tax revenue. In the current global environment, a depreciation of the rupee against major trading currencies is considered a plausible risk. The analysis below therefore assesses the effects of a depreciation against the US dollar and against the euro separately.

Sensitivity Analysis

Given the sensitivity of nominal GDP to the SR/USD exchange rate, it is estimated that:

A 1-rupee (6.8 per cent) depreciation against the US dollar would potentially reduce nominal GDP by SR 814.5m, or 2.2 per cent.

All else being equal, this would potentially reduce tax revenue by an estimated SR 98.8m, or 0.9 per cent.

In addition, expenditure denominated in US dollars would potentially increase by about SR 78.8m, or 6.8 per cent.

Given that a large share of the country's foreign exchange earnings is denominated in euros, it is estimated that:

A 1-rupee (6.0 per cent) depreciation against the euro would potentially increase nominal GDP by SR 364.1m, or 1.0 per cent.

All else being equal, this would potentially increase tax revenue by SR 60.8m, or 0.6 per cent.

Expenditure effects are not considered, as the Government's foreign currency expenditure is mainly denominated in US dollars.

Table 3 summarises the impact of the three shocks. Among the effects quantified, a depreciation of the rupee against the US dollar has the largest impact on both nominal GDP and revenue.

Table 3. Summary of Macroeconomic Shocks

		Impact (SR' m)			*Impact (% change)*		
Variables	**Shock**	**Nominal GDP**	**Revenue**	**Expenditure**	**Nominal GDP**	**Revenue**	**Expenditure**
Inflation	1 p.p Rise	+314.5	+52.5	…	+0.8	+0.5	…
SR/USD ex. rate	1-rupee Depreciation	-814.5	-98.8	+78.8	-2.2	-0.9	+6.8
SR/EUR ex. rate	1-rupee Depreciation	+364.1	+60.8	-	+1.0	+0.6	-

Source: Macroeconomic Forecasting and Analysis Division Estimates, MoFEPTI

The sensitivity analysis above examines the effect of a single, specific shock to each variable. In practice, outcomes may deviate from the baseline by more or less than these shocks assume. Box 1 illustrates the potential range of outcomes using fan charts for real GDP growth, nominal GDP, tax revenue, and inflation. Each chart shows the baseline projection together with shaded bands representing progressively larger deviations from it: 50, 100, and 200 per cent above and below the baseline for real GDP growth and inflation, and 5, 15, and 25 per cent for nominal GDP and tax revenue. The bands are illustrative and do not represent probabilities.

To read the charts, the dark line shows the baseline projection, and the shaded areas show how far outcomes could differ from it. The darkest band, closest to the line, represents relatively small deviations from the baseline, while the lighter bands further out represent larger deviations that are less likely but cannot be ruled out. For example, real GDP growth is projected at 4.1 per cent in 2027 under the baseline. The darkest band shows growth of between 2.1 and 6.2 per cent, while the widest band extends from a contraction of 4.1 per cent to growth of 12.3 per cent. The wider the fan, the greater the uncertainty around the projection and the greater the potential impact on the public finances.

Box 1: Macroeconomic Shocks: Fan Charts

Figure 1. Real GDP Deviations from Baseline

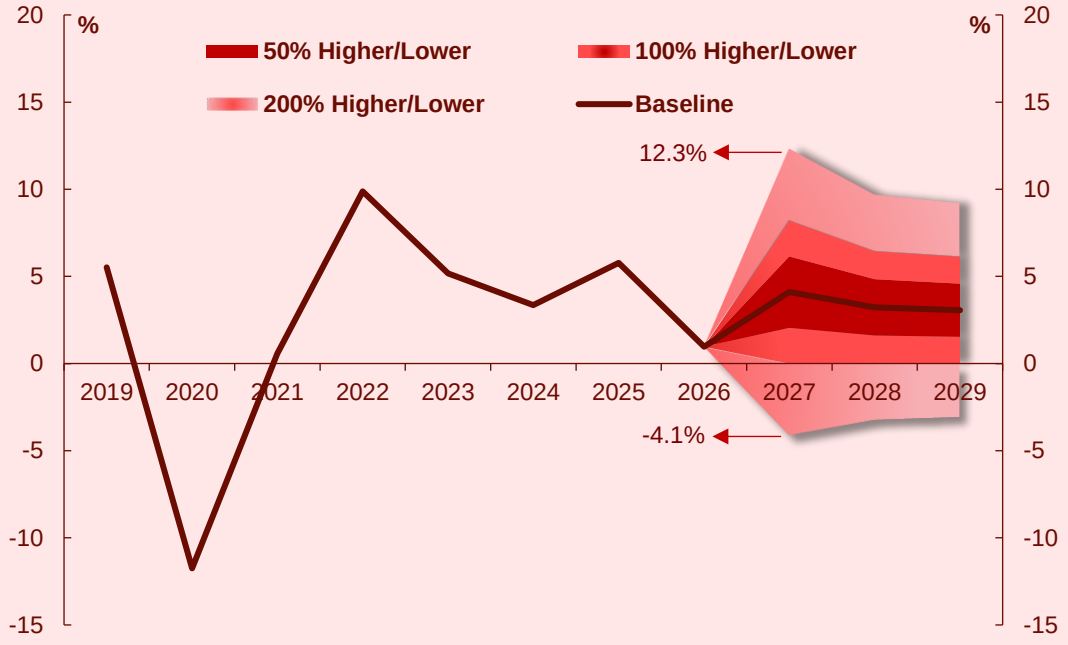


Figure 2. Nominal GDP Level Deviations from Baseline

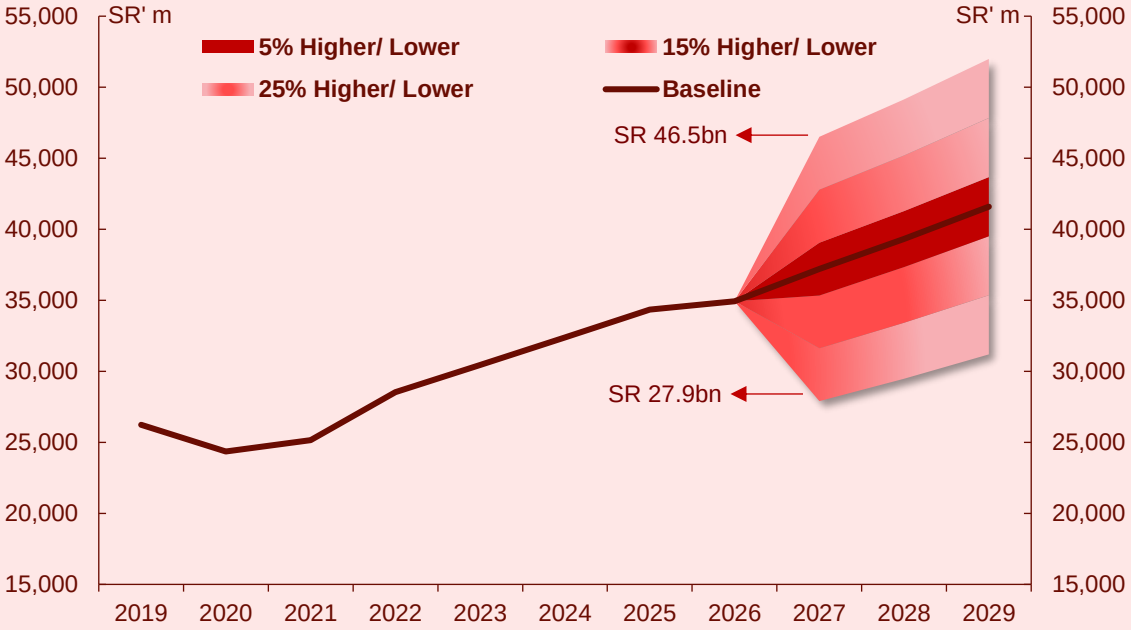


Figure 3. Tax Revenue Deviations from Baseline

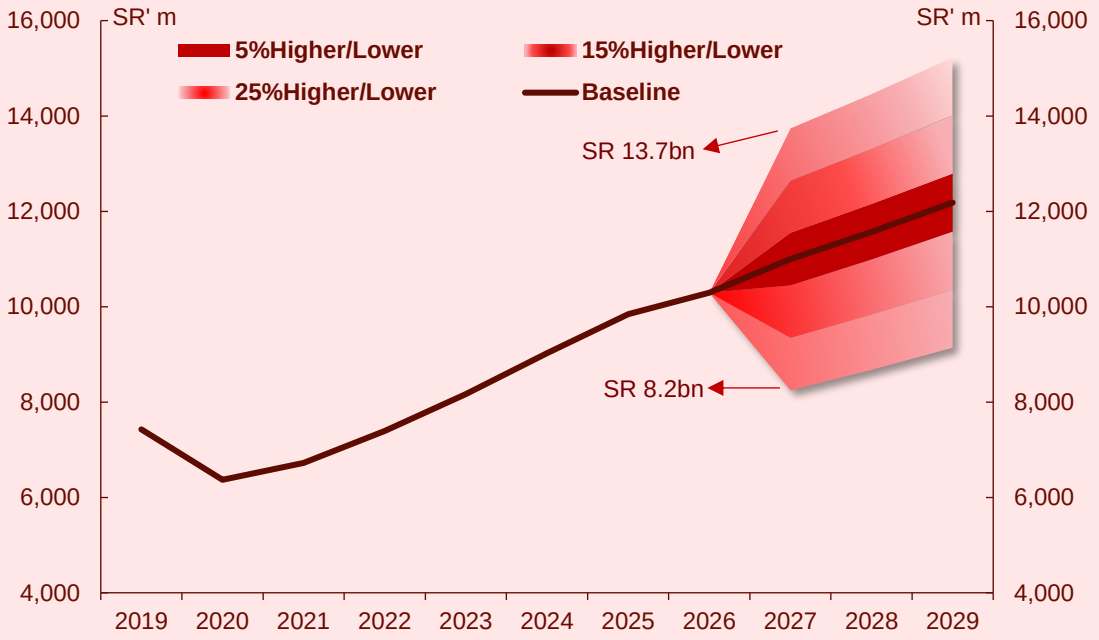
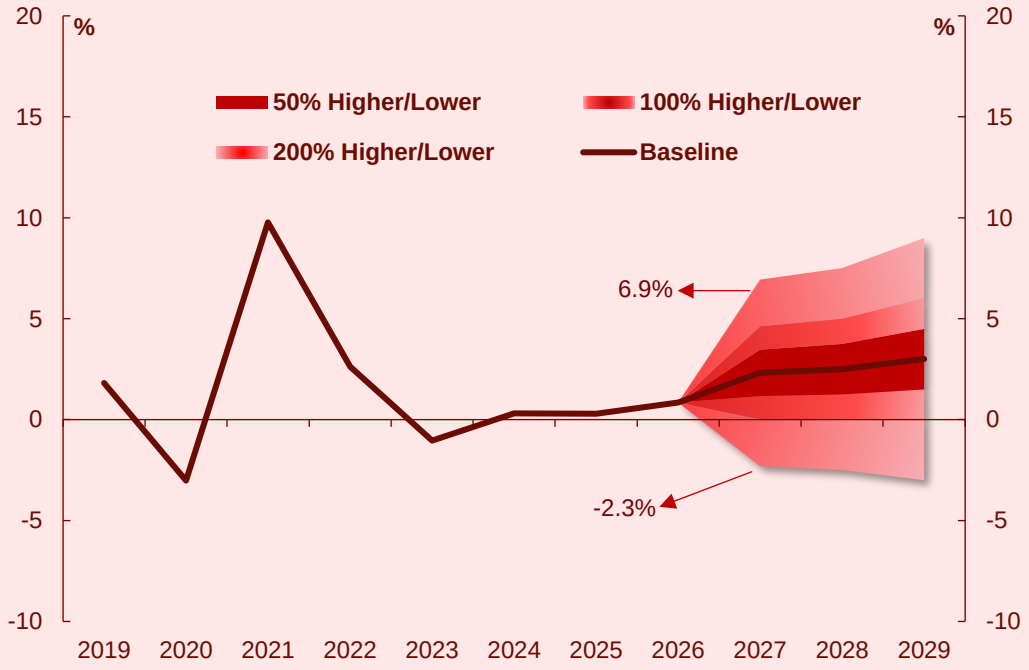


Figure 4. Inflation Deviations from Baseline



Source: Macroeconomic Forecasting and Analysis Division Estimates, MoFEPTI

2.3 Debt Dynamics Tool - Assessing the Impact of Shocks on Public Debt

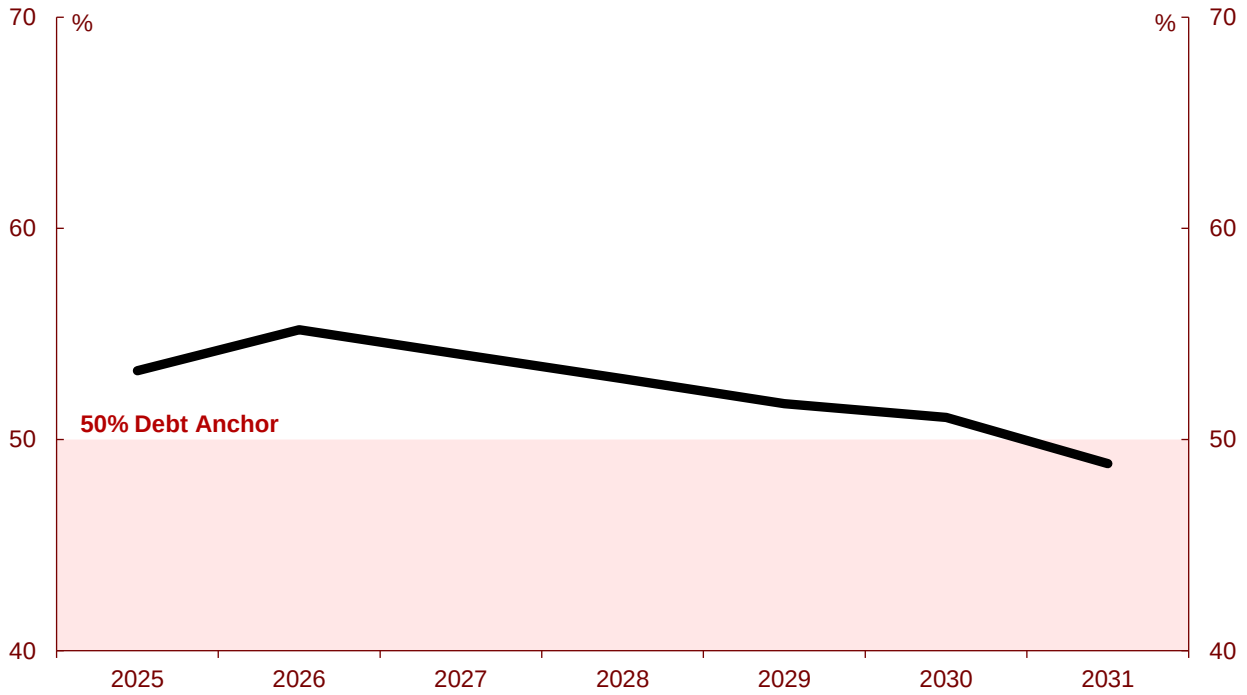
Since the debt crisis of 2008, Seychelles has made considerable efforts to reduce public debt. These efforts are reflected in the public debt-to-GDP ratio, which fell from 82.8 per cent in 2010 to 53.3 per cent in 2025. The baseline projection shows debt continuing on this downward path over the medium term, falling below the Government's anchor of 50 per cent of GDP in 2031 (see Figure 5). That projection, however, rests on assumptions about growth, the exchange rate, interest rates, and the primary balance, any of which could turn out differently. The experience of 2020 shows how quickly progress can be reversed: the COVID-19 shock raised the debt ratio by more than 30 percentage points in a single year, as the decline in tourism activity reduced output and the rupee depreciated. The current conflict in the Middle East is a reminder that such shocks remain a real risk.

This section uses the IMF Debt Dynamics Tool (DDT) to assess how sensitive the debt path is to such shocks. It first sets out the baseline debt projection. It then applies shocks to four risk factors that have historically driven debt volatility in Seychelles (real GDP growth, the exchange rate, interest rates and the primary balance) and assesses the resulting debt paths against the 50 per cent anchor.

Baseline

Under the baseline, total public debt, including uncalled guarantees, is projected to rise from 53.3 per cent of GDP at the end of 2025 to 55.2 per cent in 2026, reflecting the slowdown caused by the conflict in the Middle East. Debt then returns to a downward path, declining to about 49 per cent in 2031 (Figure 5). This baseline projection reflects the macroeconomic assumptions set out in the 2027 Budget.

Figure 5. Baseline Public Debt Projection 2025–2031 (% of GDP)

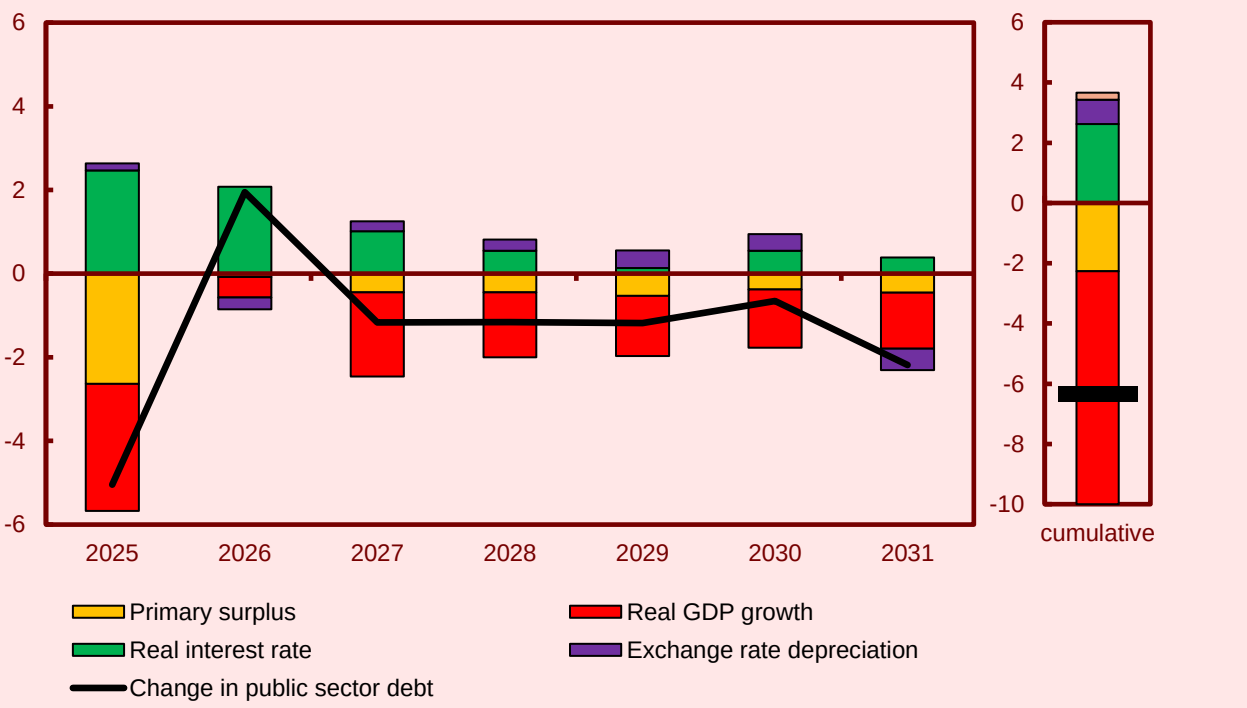


Source: Macroeconomic Forecasting and Analysis Division Estimates-DDT, MoFEPTI

Figure 6 decomposes the annual change in the debt-to-GDP ratio into its main drivers. In 2025, strong growth reduced the debt ratio by around 3.0 percentage points; in 2026, its contribution falls to only 0.5 percentage points. As a result, growth is no longer sufficient to offset the cost of servicing the existing stock of debt, and the real interest rate becomes the largest factor pushing the ratio upwards, raising debt by 1.9 percentage points over the year.

From 2027, the recovery in tourism and the return of economic activity to trend allow debt to fall again. Real GDP growth becomes the main factor reducing debt, lowering the ratio by around 1.3 to 2.0 percentage points each year as the economy grows faster than the stock of debt. The decline is supported by a primary surplus of around 0.5 per cent of GDP a year, which reduces the Government's borrowing needs. These effects are, however, partly offset by real interest costs and by a gradual depreciation of the rupee, which raises the value of foreign currency denominated debt. Debt therefore declines at a modest pace of just over 1 percentage point a year over 2027–2029, before slowing in 2030 as real interest costs rise.

Figure 6. Drivers of Change in Public Debt (Percentage Points of GDP)



Note: Positive values indicate factors that increase debt; negative values indicate factors that reduce it. The black line shows the annual change in the debt-to-GDP ratio. 2026–2031 are projections. Source: Macroeconomic Forecasting and Analysis Division Estimates-DDT, MoFEPTI

On this path, public debt falls below the 50 per cent anchor in 2031, one year later than the Government's target of 2030. Achieving the target earlier would require more favourable outcomes for growth, the exchange rate, or interest rates than currently projected. Otherwise, the Government would need to run larger primary surpluses, of around 1 per cent of GDP a year. Simulations based on Seychelles' historical shocks suggest that the probability of debt reaching the target by 2030 is slightly less than even, at about 48 per cent.

Shock Scenarios

The baseline projection represents the most likely path for public debt, but the outcome could differ significantly if economic conditions are less favourable than anticipated. To assess these risks, the baseline is subjected to a series of shocks, each affecting one of the four risk factors to which Seychelles is most exposed. Each shock is applied in isolation, holding all other assumptions at their baseline values, so that its individual effect on the debt path can be identified. The following shocks were applied over a two-year period starting in 2027:

- **One negative standard deviation shock**:
  - Primary balance to GDP
  - Real GDP growth rate
  - Exchange rate
  - Real effective debt interest rates

Standard deviations are used to ensure consistent comparison across risk factors. The DDT expresses macroeconomic variables in different units (percentages and levels), making direct comparison difficult. Using standard deviations provides a common scale that measures each shock relative to its historical volatility. For the purpose of this exercise, standard deviations are calculated using 2017–2026 averages, reflecting the typical magnitude of variability observed during this period. Table 4 summarizes the shocks and their estimated impacts on the debt-to-GDP ratio.

Table 4. Summary of Debt Simulations

		Impact on Public Debt Path	
Variables	**Size of Shock (Standard Dev.)**	**Public Debt Projection as at end of 2030 (% of GDP)**	**p.p change from Baseline**
Baseline		**51.0**	
Exchange Rate (%)	1 SD = 21.9	63.5	+12.5
Primary Balance (% GDP)	1 SD = -5.6	61.9	+10.9
Real Interest Rate (p.p)	1 SD = 2.8	51.7	+0.7
Real GDP growth (p.p)	1 SD = -5.9	57.1	+6.1

Source: Macroeconomic Forecasting and Analysis Division Estimates, MoFEPTI

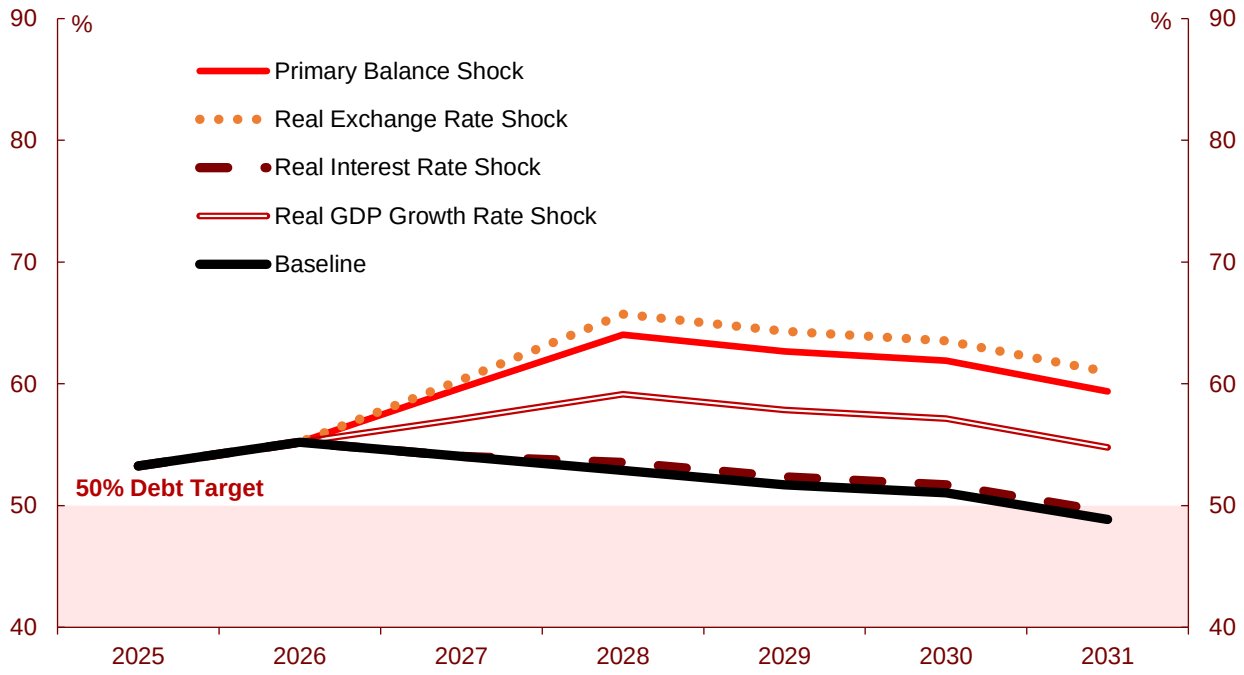
Figure 7 presents the results of the shock scenarios. The results suggest that debt is most sensitive to exchange rate movements. This finding reflects the fact that more than half of the debt stock is denominated in foreign currency, so any depreciation of the rupee directly increases the rupee value of the debt owed by the Government. A one-standard-deviation (21.9 per cent) depreciation would push the debt ratio to 63.5 per cent of GDP in 2030, about 12.5 percentage points above the baseline. This sensitivity is broadly comparable to that estimated in the 2026 Fiscal Risk Statement, where a one-standard-deviation (21.9 per cent) depreciation would have raised the 2030 debt ratio by 11.6 percentage points above the baseline.

The primary balance shock has the second largest effect on public debt. A one-standard-deviation deterioration of 5.6 percentage points of GDP would push the debt ratio to 61.9 per cent of GDP in 2030, 10.9 percentage points above the baseline. This response reflects both the direct effect of higher deficits on borrowing and the indirect effect of a larger debt stock on future interest payments.

A negative real GDP growth shock remains a critical vulnerability. A one-standard-deviation (5.9 percentage points) reduction in real GDP growth would raise the debt ratio to 57.1 per cent of GDP in 2030, 6.1 percentage points above the baseline. This reflects the impact of weaker economic activity on Government revenue and the increase in the debt-to-GDP ratio arising from the denominator effect.

Interest rate risk, by contrast, appears relatively contained. A one-standard-deviation increase (2.8 percentage points) in real interest rates would raise the debt ratio by only 0.7 percentage points, to 51.7 per cent of GDP in 2030. This relatively modest impact reflects the fact that higher rates primarily affect new borrowing and to debt that is refinanced, so their effect on the total debt stock builds up gradually.

Figure 7. Gross Nominal Public Debt: Stress Tests (% of GDP)



Source: Macroeconomic Forecasting and Analysis Division Estimates-DDT, MoFEPTI

Overall, the results show that the debt path remains vulnerable to these shocks. Under all four shock scenarios, debt would remain above the 50 per cent target throughout the projection period. Since the baseline reduction in debt relies heavily on sustained economic growth, the debt path is particularly exposed to any shock that weakens economic activity. Maintaining primary surpluses, building fiscal buffers during periods of strong growth, and limiting the share of foreign currency borrowing would help to mitigate these vulnerabilities.

Sensitivity Analysis

Exchange rates

Exchange rate movements directly affect the local currency cost of servicing foreign-currency-denominated debt. A depreciation of the rupee increases the rupee cost of external debt repayments, elevating the debt to-GDP ratio, while an appreciation would have the opposite effect.

Given the sensitivity of debt to exchange rates, it is estimated that:

A 1 per cent depreciation in the 'end-of-period' SR/USD rate would result in a 0.3 percentage point increase in the debt ratio for the year 2027.

A 1-rupee depreciation in the 'end-of-period' SR/USD rate would result in a 1.8 percentage point increase in the debt ratio for the year 2027.

Primary Balance

The primary balance, defined as total revenues (including grants) minus primary expenditure (excluding interest payments), is a key indicator of the Government's underlying fiscal position and financing needs. Any deviation from budgeted revenue or expenditure directly affects the primary balance and, consequently, the debt trajectory.

Given the sensitivity of public debt to primary balance, it is estimated that:

A 1 percentage point decrease in the primary balance would result in a 1.0 percentage point increase in the debt ratio for the year 2027.

Real GDP

Real GDP growth directly affects debt sustainability through two channels: lower growth reduces Government revenues (particularly from income-sensitive taxes), while simultaneously increasing the debt to-GDP ratio through the denominator effect.

Given the sensitivity of public debt to real GDP growth, it is estimated that:

A 1 percentage point decrease in the real GDP growth rate would result in a 0.5 percentage point increase in the debt ratio for the year 2027.

Real Effective Interest Rate

Real effective interest rate refers to the cost of borrowing adjusted for inflation. Changes in either domestic or foreign real effective interest rates will directly impact the cost of debt and the total public debt trajectory.

Given the sensitivity of public debt to real interest rate, it is estimated that:

A 1 percentage point increase in the real effective interest rate on local currency denominated debt would result in a 0.2 percentage point increase in the debt ratio for the year 2027.

A 1 percentage point increase in the real effective interest rate on foreign currency denominated debt would result in a 0.3 percentage point increase in the debt ratio for the year 2027.

2.4 Macroeconomic Shock Scenario Simulation: A Surge in Global Oil Prices

The ongoing conflict in the Middle East has underscored the sensitivity of the global oil market to geopolitical developments. Since the conflict began in late February 2026, Brent crude has risen as high as USD 126.4 per barrel, an intraday peak recorded on 30 April. That level was 75.6 per cent above the price of about USD 72 per barrel recorded at the end of February. Shocks of this kind are not uncommon. Since 2020, the global economy has experienced three major oil price shocks: the price collapse during the COVID-19 pandemic in 2020, the spike coinciding with the outbreak of the war in Ukraine in 2022, and the current surge linked to the conflict in the Middle East. More broadly, major oil price shocks have occurred roughly once every six years on average since the 1970s, implying a probability of about 60 per cent that at least one will occur within the five-year medium-term planning horizon.

Upward oil price shocks typically harm oil importers like Seychelles because they raise the cost of imports and production. Given Seychelles' complete reliance on imported oil, higher production costs are usually passed on to consumers through higher domestic prices. The country's heavy dependence on tourism also creates an additional transmission channel, as higher oil prices can slow income growth in source markets and raise airfares, potentially reducing demand for Seychelles as a destination. These effects in turn affect public finances through several channels at once. A larger import bill may place downward pressure on the rupee, raising the rupee value of foreign currency denominated debt. Weaker economic activity may reduce Government revenue and the Government may face expenditure pressure to support affected households and businesses.

Motivated by the frequency of oil price shocks and their potential to affect Seychelles through all of these channels simultaneously, this section simulates the impact of two oil price shock scenarios on the Seychelles economy:

Scenario 1: Conservative

- **The price of Brent crude increases by USD 15.0 (17.6 per cent) per barrel**
  *Under this scenario, Brent crude averages **USD 100.0 per barrel** in 2027, compared with USD 85.0 per barrel assumed in the baseline.*

Scenario 2: Extreme

- **The price of Brent crude increases by USD 40.0 (47.1 per cent) per barrel**
  *Under this scenario, Brent crude averages **USD 125.0 per barrel** in 2027, compared with USD 85.0 per barrel assumed in the baseline.*

To assess the implications of higher oil prices for the Seychelles economy, the impact of each scenario is traced through tourist arrivals, real GDP, tourism earnings, inflation, tax revenue, the primary balance, and public debt. The main assumptions underlying this transmission are as follows:

Assumptions

- **The oil price shocks affect Seychelles through their impact on source-market GDP**: *higher oil prices slow economic activity in source markets, which reduces tourist arrivals to Seychelles. Lower arrivals then feed into other domestic variables, such as GDP, tax revenue, and inflation. The estimated relationship between source-market GDP and tourist arrivals to Seychelles is taken from Sifflore et al. (2026).*[2]

The methodology used does not capture the direct effect of higher oil prices on airfares, so the estimated impact on arrivals may be understated.

- **The effect of an oil price shock is gradual**: *drawing on Gareis (2026), an oil price shock in 2027 weighs on economic activity in source markets not only in 2027 but also in 2028 and 2029, as higher energy costs feed through to consumption and investment with a lag. As a result, the impact on tourist arrivals, and in turn on the Seychelles economy, builds up over time rather than fading after the initial shock.*[3]

Based on these assumptions, the impact of each scenario is estimated for 2027–2029 and expressed as the difference from the baseline projection. The results are presented below, following the chain of transmission from tourist arrivals through to the wider economy and, ultimately, the public finances. Box 2 then shows how each indicator evolves under the two scenarios relative to the baseline.

Scenario Results: Conservative

- Under the conservative scenario **visitor arrivals are estimated to grow by 4.9 per cent in 2027, compared with 7.0 per cent under the baseline**. The shortfall widens over time, from **1.9 per cent below the baseline in 2027 to 3.8 per cent by 2029**. In total, Seychelles would welcome around **36,400 fewer visitors over 2027–2029**.

- Weaker tourism activity would slow the wider economy, **potentially lowering real GDP growth by 0.4 percentage points in 2027**. The effect eases in subsequent years, but the economy would not fully recover the output lost relative to the baseline.

- Tourism earnings would **fall short of the baseline by 1.9 per cent in 2027 and 3.7 per cent by 2029, representing a cumulative loss of about USD 127m over the three years**.

- Higher oil prices would feed into domestic prices, **raising inflation by 0.6 to 0.8 percentage points above the baseline, to 3.8 per cent by 2029**.

- On the fiscal side, slower activity would potentially **reduce tax revenue by a cumulative SR 96m over 2027–2029**.

- With lower revenue and higher expenditure pressures, the **primary balance would weaken by around 0.3 percentage points of GDP each year**, leaving only a **marginal surplus of 0.1 to 0.2 per cent of GDP**.

[2] Gareis, J. (2026). European Central Bank Economic Bulletin. Issue 4 / 2026

Scenario Results: Extreme

- Under the extreme scenario, **visitor arrivals are estimated to grow by only 1.5 per cent in 2027** and stagnate thereafter. The **shortfall deepens each year, from 5.1 per cent below the baseline in 2027 to almost 10 per cent by 2029**. In total, Seychelles would welcome about **95,800 fewer visitors over 2027–2029**.

- The sharper downturn in tourism would weigh heavily on the economy, potentially **lowering real GDP growth by 0.9 percentage points in 2027**, **with further losses of 0.6 and 0.4 percentage points in 2028 and 2029**. As a result, output could remain well below the baseline throughout the period.

- Tourism earnings is estimated to **fall short of the baseline by 5.1 per cent in 2027 and almost 10 per cent by 2029**, a **cumulative loss of about USD 336m**, more than two and a half times the loss in the conservative scenario.

- Inflationary pressures would be considerably stronger, **raising inflation by 1.4 to 2.1 percentage points above the baseline, to 5.1 per cent by 2029**.

- On the fiscal side, the deeper slowdown would potentially reduce tax revenue by a **cumulative SR 339m over 2027–2029**, with the largest losses in 2027 and 2028.

- The **primary balance would likely weaken by about 1 percentage point of GDP each year**, turning the planned surpluses into **deficits of 0.4 to 0.6 per cent of GDP**.

- Consequently, **public debt would stop declining and remain at about 56.0 per cent of GDP over 2027–2029**, **4.3 percentage points above the baseline by the end of the period**. Higher inflation partly cushions the increase by raising nominal GDP, but debt moves further away from the 50 per cent target.

Box 2. Impact of Shock Scenarios on Macroeconomic Indicators

Baseline Conservative Extreme

Figure 8. Scenario Shock on Tourism Arrivals

By 2029, visitor arrivals would be below the baseline by:
Conservative: 3.8 per cent (15,900 fewer visitors)
Extreme: 9.8 per cent (41,600 fewer visitors)

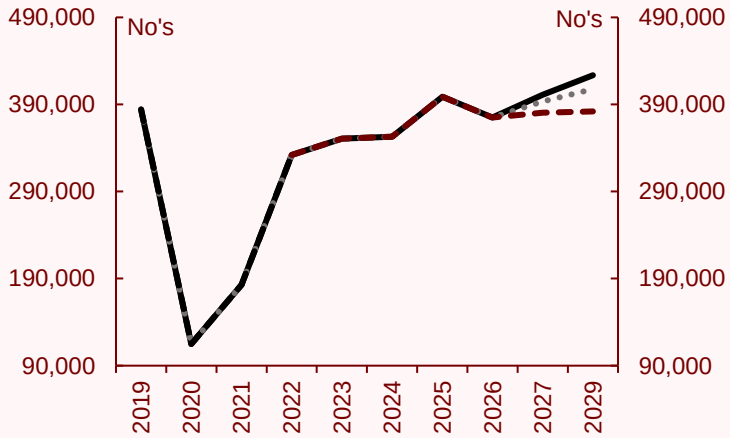


Figure 9. Scenario Impact on Real GDP

Lower tourism activity reduces real GDP growth in 2027 by:
Conservative: 0.4 pp
Extreme: 0.9 pp

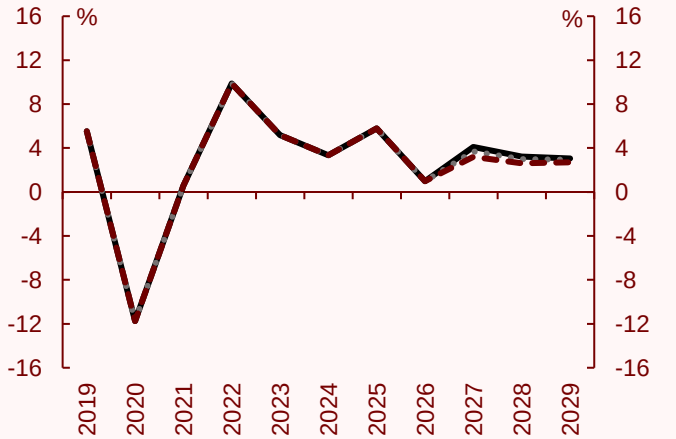


Figure 10. Scenario Impact on Tourism Earnings

…with cumulative earnings losses over 2027–2029 of:
Conservative: USD 127m
Extreme: USD 336m

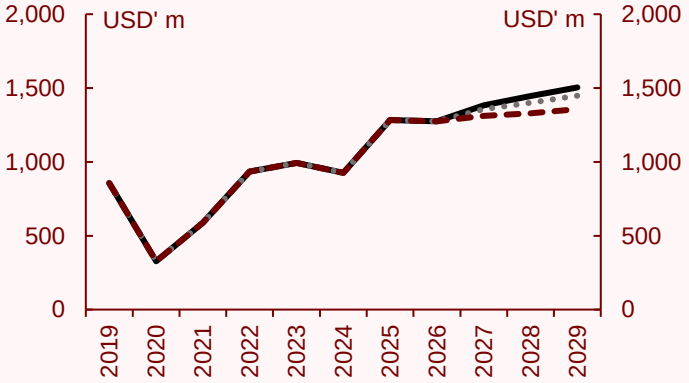


Figure 11. Scenario Impact on Inflation

Higher oil prices raise inflation above the baseline by 2029 by:
Conservative: 0.8 pp
Extreme: 2.1 pp

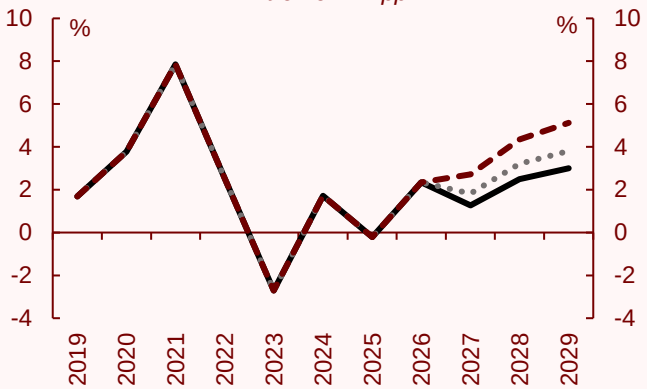


Figure 12. Scenario Impact on Tax Revenue

Slower activity reduces tax revenue over 2027–2029 by a cumulative:
Conservative: SR 96m
Extreme: SR 339m

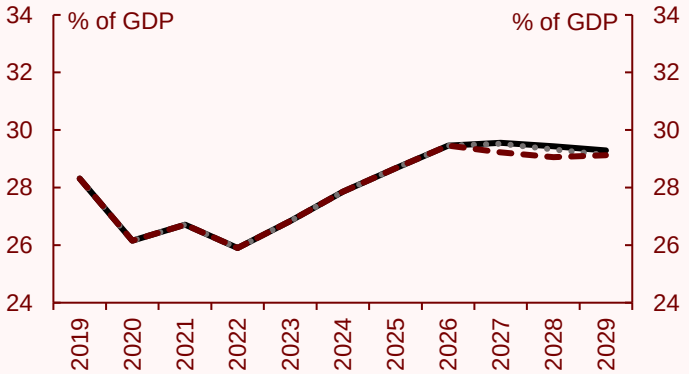


Figure 13. Scenario Impact on Primary Balance

…weakening the primary balance each year by around:
Conservative: 0.3 pp of GDP
Extreme: 1.0 pp of GDP

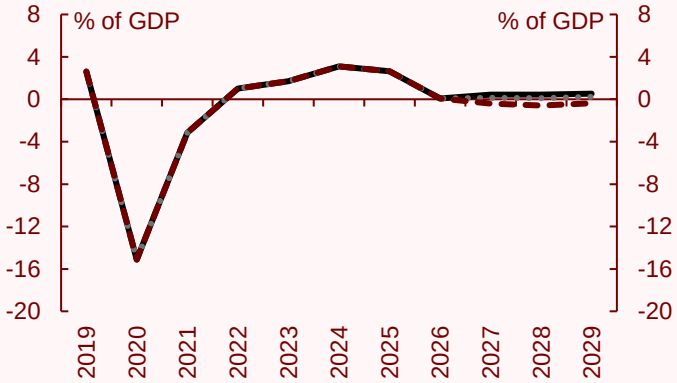
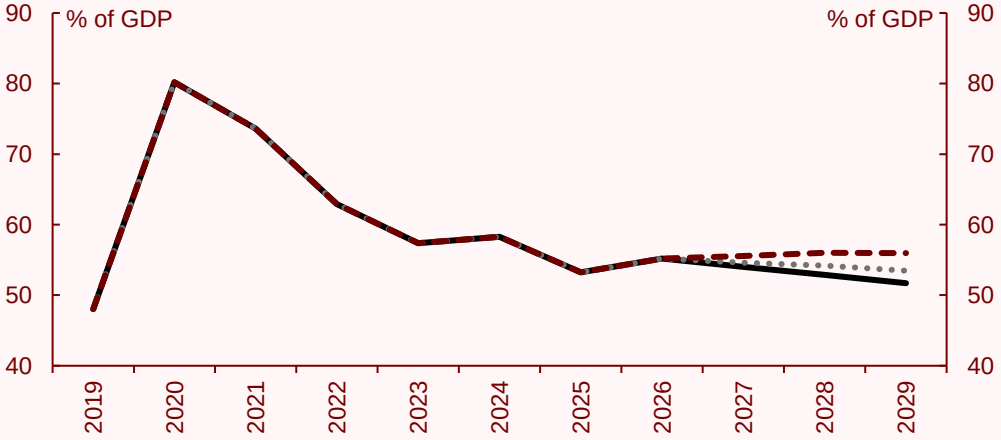


Figure 14. Scenario Impact of Public Debt

…and raising public debt in 2029 from 51.7 per cent of GDP to:
Conservative: 53.5 per cent (+1.8 pp)
Extreme: 56.0 per cent (+4.3 pp)



Source: Macroeconomic Forecasting and Analysis Division Estimates, MoFEPTI
Simulations on Tourism earnings and Inflation were provided by CBS

Sensitivity Analysis

Given the sensitivity of real GDP to oil prices, it is estimated that:

A 1 per cent increase in global oil prices would result in a decline of about 0.02 percentage points in the real GDP growth estimate.

All else constant, tax revenue would fall by about SR 2.2m, or 0.02 per cent.

3. Budget Execution Risks

Capital Projects

In the decades immediately following independence, public capital investment was key to establishing critical infrastructures and expanding land capacity. It promoted subsequent private sector led capital investments, particularly in large hotels and resorts, which accelerated the tourism sector's development. Since the 2008 debt crisis, the size of public capital formation has reduced, partly reflecting gaps in public project management including monitoring and execution, with the threat of capital degradation remaining a key risk to Budget execution.

As shown in Figure 15, over the period 2023-2026, average Capital Expenditure (CAPEX) has consistently under-performed relative to Budget, with an average under-execution rate of about 1.5 per cent of GDP. Actual public investment has also remained below the lower bound of 5 per cent of GDP recommended by the IMF needed to offset the annual depreciation of public capital.[3]

In recent years, the Government has taken steps to improve CAPEX execution, including through a new Public Investment Management (PIM) plan approved in early 2023. The plan aims to improve public project appraisals and implementation, through amongst others, the creation of a new database of major and critical fixed assets managed by the MDAs, to address data collection bottlenecks. Implementation issues often arise from procurement delays, weaknesses in project planning, and limited human resources and capacity. These factors have contributed to actual capital spending falling short of approved allocations and consequently, available fiscal space is not fully utilised. A particular concern for the upcoming Budget is the ongoing supply chain constraints due to the Middle East conflict.

For the year 2026, CAPEX is estimated at about SR 0.94bn, equivalent to about 2.7 per cent of GDP. By year-end, about 65 per cent of the approved capital Budget is expected to be executed. While this represents an improvement compared to 2025 (see Figure 16), it nonetheless points to continued implementation delays. As depicted in Figure 17, 'Foreign Loan Financing' recorded the lowest category of CAPEX spending in 2026 followed by 'Foreign Grant Financing', at about 0.7 per cent and 1.5 per cent of the Budgeted CAPEX, respectively. 'Local Financing' represented the largest component of public investment in 2026, accounting for nearly all of the spending.

As at June 2026, among the major capital-intensive MDAs, the Department of Lands, Department of Housing, and the Seychelles Infrastructure Agency recorded improved execution rates relative to the corresponding period in 2025. In contrast, the Industrial Estate Authority, the Ministry of Local Government

[3] Seychelles IMF Country Report No. 26/122

and Community Affairs, the Department of Health Care Services, and the Ministry of Education recorded relatively lower execution rates.[4]

Capital expenditure for 2027 is projected at about SR 1.55bn, equivalent to about 4.2 per cent of GDP. This represents an increase of about SR 97.7m, or 6.7 per cent, compared to the budgeted amount for 2026 The higher allocation reflects the expected commencement and progression of new capital projects during the year as well as the roll-over of delayed projects in 2026.

Figure 15. Actual vs Budget (% of GDP)

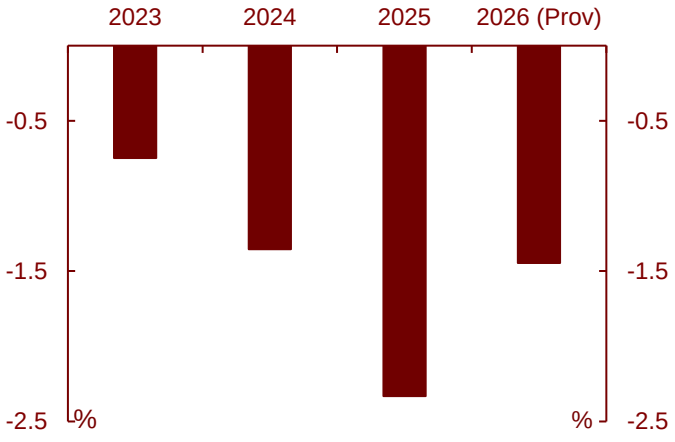


Figure 16. Execution Rate (%)

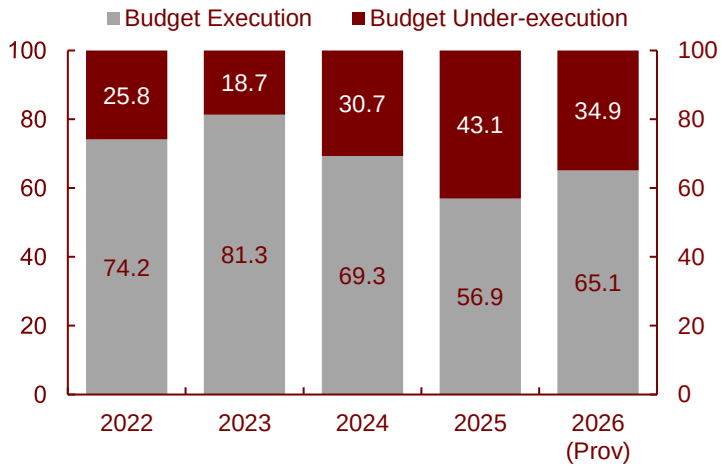
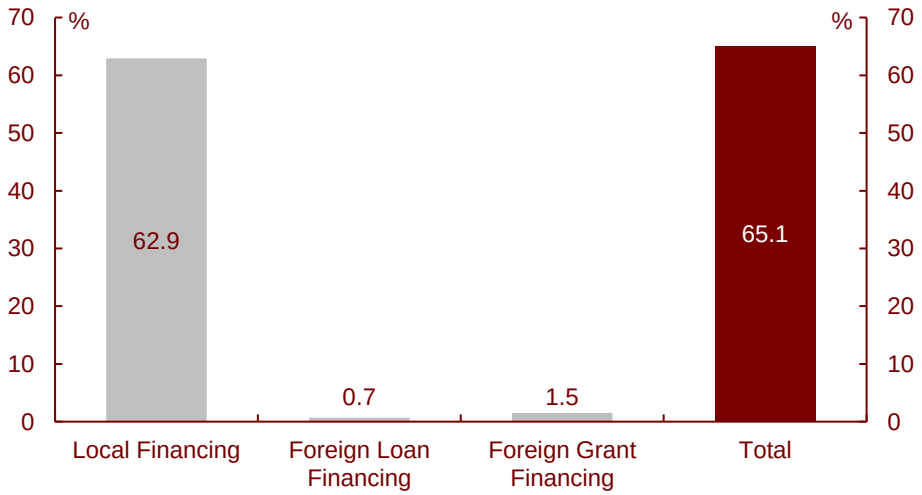


Figure 17. Composition of 2026 CAPEX per Category (% of Budget)



Note: All figures, execution and under-execution rates are not inclusive of suspense accounts
2026 figures are currently provisional and subject to change
Source: Public Investment Management Unit, MoFEPTI

[4] Progress Report of Capital Projects being implemented by Ministries, Departments and Budget Dependent Agencies as at end June 2026.

4. Public Enterprise Risks

Public enterprises (PEs) can be a significant source of fiscal risk when their financial performance deteriorates or governance weaknesses persist. This section assesses the fiscal risks arising from the PE sector and outlines the main channels through which these risks could affect the Government of Seychelles (GoS). Given the size and economic importance of the sector, effective monitoring and oversight remain critical to safeguarding fiscal sustainability and ensuring the continuity of essential public services.

Fiscal risks arise when PEs operate inefficiently, experience falling revenues, or accumulate unsustainable levels of debt. Weak financial performance can undermine a PE's ability to deliver its mandate and, in some cases, reduce dividend transfers to Government or require fiscal intervention. Such intervention may take the form of budgetary support, the assumption of liabilities, or other measures that increase fiscal pressures and contingent liabilities.

The main sources of fiscal risk arising from PEs in Seychelles are:

1. **Macroeconomic shocks**, including adverse movements in commodity prices (particularly fuel), interest rates, exchange rates, real estate prices, and tourism activity, which can materially affect PE revenues, operating costs, and financing conditions.

2. **Revenue and expenditure pressures**, such as higher-than-expected wage costs, an increase in quasi-fiscal activities, or weaker sales, which may reduce profitability or deepen operating losses.

3. **Contingent liabilities**, where Government may be required to provide financial support, either through explicit legal obligations or implicit expectations, when a PE faces liquidity or solvency stress.

4. **Arrears accumulation**, where unpaid obligations weaken cash flow, reduce profitability, and impair balance sheets, potentially leading to write-offs and further fiscal exposure.

5. **Institutional and governance weaknesses**, including non-compliance with the PE Act and other governing legislation, which may undermine financial discipline, transparency, and accountability.

This year, the most immediate risk to PEs has come from macroeconomic shocks linked to the conflict in the Middle East. Disruptions to air travel, higher fuel and commodity prices, and measures to conserve energy have affected PE operations, costs, and revenues since March 2026. **Section 4.1** summarises the risks faced by PEs, while **Section 4.2** assesses the impact of the conflict on PEs and their financial performance.

4.1 Summary of Public Enterprise (PE) Risks 2025

This section is informed by the 'Public Enterprise Fiscal Risk Report 2025', prepared by the Public Enterprise Monitoring Commission (PEMC), which assesses fiscal risks faced by PEs based on the most recent available financial information. While the report focuses on risks identified using data up to the 2025 fiscal year and does not provide forward-looking disclosures beyond that period, it nevertheless offers a comprehensive assessment of the prevailing fiscal risk profile of the PE sector. As such, this section provides an updated snapshot of the fiscal risks emanating from and affecting PEs, based on their latest financial statements.

Description	Recommendations
1. Contingent liabilities *Contingent liabilities arising from PEs may originate from loan guarantees, on-lending arrangements, Budget-issued loans, and legal disputes. If realised, these liabilities could increase public debt and place additional pressure on Budget finances, potentially raising borrowing costs and constraining fiscal space. In some cases, materialisation of such risks could also affect investor confidence and sovereign creditworthiness. Effective identification, monitoring, and management of contingent liabilities therefore remain critical to preserving fiscal sustainability and mitigating adverse macro-fiscal impacts.*	
1.1 Explicit **1.1.1 Government Grants and Subventions** *Grants* are budgeted transfers typically used to finance specific programs or investments (e.g. capital upgrades). For the year 2025, total Government grant support to PEs was SR 84.2m, an increase of about 61 per cent compared to 2024 (SR 52.4m). For 2026, the support is estimated at SR 325.3m, partly reflecting the grant support provided to Air Seychelles *Subventions* are budgetary transfers used to support the ongoing operations or policy mandates of PEs (e.g. to maintain affordable services where tariffs do not fully recover costs). For the year 2025, the total Government subvention to PEs was SR 13.7m, a decline of about 21 per cent compared to 2024 (SR 17.3m). The main recipients included PetroSeychelles (PSL), Seychelles Postal Services (SPS), and Seychelles Public Transport Corporation (SPTC). For 2026, subventions are projected to increase to SR 17.1m. While these transfers play an important role in maintaining service delivery and supporting policy objectives, their continued provision represents an ongoing fiscal risk. Persistent reliance on grants and subventions may reduce budgetary flexibility and, where support is financed through borrowing, may increase public debt and limit fiscal space over the medium term.	PEs receiving subventions or grants should be subject to accountability and financial reporting requirements. Subvention needs must be reviewed on an annual basis and clear goals set for reducing reliance on Budget funding in the long-term. Ensure that corporate governance is maintained at the highest level, with a focus on reducing inefficiencies.
1.1.2 Government Guarantees for Loans and Indemnity Agreements *Government guarantees* and *Government loans* extended to PEs are regarded as contingent liabilities, as they create a potential obligation for Government to assume repayment responsibilities if a PE fails to meet its debt obligations. As at end 2025, Government guarantees had been extended to four PEs – Green Tree Investment Company (GTIC) (on behalf of Island Development Company (IDC)), Property Management Corporation (PMC), Public Utilities Corporation (PUC), and Seychelles Ports Authority (SPA) - amounting to around SR 395.6m for the year 2025, with SR 507.3 estimated for the year 2026. The amount owed by each PE is outlined below:	Establish a clear and focused set of criteria before extending Budget guarantees to PEs. Use mechanisms such as a ceiling on the total guarantees as a percentage of GDP, to mitigate the fiscal risks associated with potential defaults. Introduce a system where PEs must pay a fee for receiving a Budget guarantee, taking into consideration the risk profile of the enterprise and the project. Regularly monitor the financial health of PEs with Budget guarantees, with an early warning system established to alert of any financial abnormalities.

PE	Creditor	Outstanding Balance (SR' m)	
		2025	2026 (Prov.)
GTIC	IDC & Nouvobanq	225.8	375.6
PMC	Nouvobanq	60.5	38.7
PUC	ADFD	100.7	93.0
SPA	AFD	8.6	-
TOTAL		395.6	507.3

Similarly, *Indemnity Agreements* are a contractual undertaking in which the Government agrees to assume specified payment obligations or losses arising under a PE's lending facility.

As at 2025, PUC remains the only PE with indemnity agreements with the Government. The table below lists the respective creditors and the amount owed to each, with the total outstanding balance accounting for 2.79 per cent of GDP (for the year 2025).

Creditor	Outstanding Balance (SR' m)	
	2025	2026 (Prov.)
EIB	352.3	308.9
AFD	95.8	78.9
AFDB	208.7	184.2
BADEA	134.8	122.1
SFD	162.3	139.8
TOTAL	953.9	833.9

1.1.3 Government guarantees for Public-Private Partnerships (PPPs) undertaken by PEs

PPPs can represent a key source of fiscal risk as they can create explicit and implicit contingent liabilities. Where a PE acts as the contracting authority, fiscal risks may arise if a PPP project fails or is terminated prematurely, potentially requiring Government intervention or the assumption of certain financial obligations. Additional fiscal exposure may also result from court mandated compensation claims or the potential loss of strategic assets following the failure of a PPP arrangement.

As of 2025, there are no traditional PPP concession arrangements being undertaken by PEs. However, it is worth noting that, since April 2023, PUC signed a 25-year Power Purchase Agreement (PPA) with Qair, an Independent Power Producer (IPP), for the purpose of a floating solar PV project at Providence. This arrangement is covered under a Government support agreement which may constitutes an explicit contingent liability depending on the nature of the Government's contractual commitments. These exposures warrant continued monitoring, particularly given revenue and cost pressures within the energy sector.

As of November 2026, the SPA is pursuing a Public-Private Partnership (PPP) arrangement for the Port Victoria Rehabilitation and Extension Project (PVREP), as an alternative to the previously envisaged foreign borrowing arrangement. While this approach may reduce immediate public-sector borrowing requirements, a PPP arrangement of this magnitude may potentially give rise to fiscal risks for Government which will need to be managed. Although no formal Government guarantees have been provided, implicit fiscal risks may arise from the potential need for government intervention in the event of financial or operational difficulties, particularly given the strategic importance of Port Victoria to the national economy.

Furthermore, explicit fiscal obligations could arise depending on the final contractual structure, including any financial commitments, guarantees or compensation provisions undertaken by Government. The extent of potential fiscal exposure will therefore depend on the final PPP arrangement and the allocation of risks between the parties

A detailed risk assessment should be conducted before a PE engages in a PPP to identify potential fiscal risks and contingent liabilities.

The review and approval process of the PPP should include the Ministry of Finance, the PEs' parent Ministry and PEMC, to ensure that potential fiscal implications are adequately assessed.

The draft Public-Private Partnership Bill 2019 details the feasibility study to be undertaken. Consideration should also be given to value for money assessments to determine whether a PPP arrangement provides a more cost-effective option than traditional public financing and procurement.

The Government could also maintain a central register of PE PPP commitments to facilitate the monitoring and management of potential fiscal risks.

Given the scale and strategic importance of the PVREP, a comprehensive assessment of the potential fiscal exposure of both SPA and Government should be undertaken prior to the conclusion of any binding agreement. This should include an assessment of the potential implications of revenue shortfalls, project delays and cost overruns, as well as any circumstances that could necessitate Government intervention. The assessment should also consider the long-term financial sustainability of the arrangement and ensure that appropriate contractual safeguards are incorporated to minimise potential fiscal exposure to Government.

1.2 Implicit **1.2.1 Loans between PEs[5]** Loans between PEs may give rise to implicit fiscal risks, as a default by the borrowing PE could affect the financial position of both the debtor and creditor entities, potentially requiring Government intervention. As of 31 December 2025, there were no instance of loans between PEs – the previous instance between the Property Management Corporation (PMC) and Seychelles Pension Fund (SPF) ended with SPF receiving the remaining loan receivable from PMC by that time. In addition, these loans may be considered as related party transactions, as parent PE may provide interest-free funds to their subsidiaries, with undefined repayment terms, and a lack of security/guarantee. As a result, funds are being diverted which may be utilized in more productive financial/investment opportunities.	Establish clear, well-defined loan terms for loans between PEs or from third parties. This includes setting timelines, interest rates, and collateral requirements where necessary. Related party transactions should have clear disclosure requirements to avoid potential conflicts of interest.
1.2.2 Loans from Third Parties PEs may require external funding, i.e. loans from different financial institutions, locally and internationally. Such borrowing may give rise to implicit fiscal risks where PEs experience difficulties in meeting their debt obligations, potentially requiring Government financial support despite the absence of an explicit guarantee.	A comprehensive risk assessment should be conducted before approving any loans between PEs or from third parties to evaluate the PE's ability to service the loan.
1.2.3 Bailouts The use of Government fiscal resources to bail out PEs can place a considerable strain on the national Budget, negatively impacting the Budget's overall financial position. This is especially true for loss-making PEs, which can become a financial burden on the Budget and may require bailouts to maintain operations and service delivery. In addition, the expectation of Budget support may encourage PEs to engage in risky behaviour, such as accruing large amounts of debt, even without an explicit bailout guarantee. This safety net perception can undermine efforts to improve efficiency and reduce incentives for PEs to strengthen their ability to withstand macroeconomic pressures. No Government bailouts were recorded for the year 2025.	Introduce strict conditions and restructuring requirements before any PE receives a Budget bailout. For example, operational restructuring, cost-cutting measures, leadership changes, and emphasis in risk management should be required for continued Budget assistance. Conditional bailouts should be linked to specific performance targets, and subsequent disbursements should be based on the achievement of these targets.
2. Macroeconomic Risks *Fluctuations in the macroeconomic environment can influence the financial performance of PEs, affecting their contributions to the National Budget in terms of taxes and dividends, as well as their funding requirements from the Budget.*	**Recommendations**
2.1 Exchange Rate risks PEs engaged in operations and transactions involving foreign currencies are exposed to the risk of exchange rate fluctuations, which can impact their financial performance due to the volatility of these currencies. As at 31 December 2025, approximately 68 per cent of PEs' total borrowings were denominated in foreign currencies, with about;	PEs with significant foreign currency exposure are recommended and/or advised to utilise hedging instruments.

[5] It should be noted that loans between PEs excludes banks/financial Institutions where Government has majority shareholding. It is limited to PEs listed as per Schedule 01 of the PE Act, 2023.

- 34 per cent in US Dollar (SR 735.3m)
- 29 per cent in Euro (SR 621.4m)
- 5 per cent in Emirati Dirham (SR 100.7m)

2.2 Geopolitical risks

Geopolitical risks refer to the potential economic, financial, and social disruptions caused by political instability, armed conflicts, diplomatic tensions, or changes in international relations between countries. These risks can have wide-reaching effects on economies, impacting trade, investment, financial markets, and economic stability, thereby influencing broader macroeconomic conditions. As a small, open economy heavily dependent on tourism and imports, Seychelles remains particularly vulnerable to external geopolitical developments.

In 2025, two significant conflicts had an impact on the economy of Seychelles: the conflict between Russia and Ukraine, which affected access to commodities and prices, and the Israel-Gaza conflict in the Middle East, which had an effect on tourism, specifically on visitors from Israel

In addition, changes in international trade policies, including tariffs imposed by the USA on many countries in 2025, have contributed to uncertainty surrounding global trade and economic growth. Although Seychelles' direct exposure may be limited, indirect effects could arise through weaker economic activity in major trading partners and tourism source markets, as well as changes in international trade flows and prices.

Other geopolitical developments, including political instability, civil unrest and changes in government policies in key partner countries, may also contribute to uncertainty surrounding trade, investment and international travel. Such developments could affect Seychelles through weaker external demand, disruptions to tourism and trade, and increased volatility in import prices.

Develop crisis preparedness plans in regards to the procurement of critical imports such as fuel and commodities.

3. Institutional risks

Changes to institutional structures can affect aspects of PEs' operations, which could create funding requirements from the Budget to assist with incorporating any mandated reforms.

Recommendations

3.1 Governance and Oversight Framework

During 2025, PEMC observed the efforts by majority of PEs attempting to fully comply with the PE Act, as well as engaging with an exercise to obtain all PE governance and oversight related documents, up to 31 December 2024. Despite this, some gaps still remain, specifically on the timeliness and/or absence of documentation related to PEs' Board of Directors (BoD). To assist PEs with compliance, PEMC developed a guideline on Board Charters.

Furthermore, PEMC, in collaboration with an affiliate "Big Four" accounting firm (Deloitte), conducted an Institutional Governance and Performance Assessment (IGPA) on four PEs – Air Seychelles, PUC, SCAA, and Seychelles Petroleum Company (SEYPEC) – with the Governance Audit finalised for PUC and SEYPEC, as of 31 December 2025, whilst Air Seychelles and SCAA were finalised by the end of Q2 2026.

Following a workshop on April 2026, PEMC will assess PE's BoDs compliance with alignment of their Board Charter per the guideline.

PEMC will commence additional IGPA for select PEs, as well as monitor the implementation of recommendations for the PEs who have completed IGPAs.

PEMC will continue proceeding with the RBM initiative (which commenced initial rollout in February 2026 with select PEs) as well as introduce mechanisms supporting this, e.g. Statement of Shareholder Expectation (SSE), Key Performance Indicators (KPIs).

In addition, in an effort to improve governance in PEs, PEMC commenced the process of embedding Results-Based Management (RBM) within PEs, with further initiatives connected to it also being conceptualised.	
3.2 Separation of SCAA and SAA During Q1 2025, the Seychelles Civil Aviation Authority (SCAA) formally separated, creating a newly restructured SCAA and a newly established Seychelles Airports Authority (SAA), with SCAA responsible for regulation and oversight of civil aviation, whilst SAA assumes responsibility for management and operations of airports within Seychelles. The subsequent consequence of this has been the transfer of assets and reassignment of personnel to the appropriate enterprise. Given the changes, one possible risk arising would be recruitment of new personnel to fill vacant positions created in both authorities, due to the reassignment. Furthermore, given that SCAA derived its revenue from managing the airports, another possible risk is SCAA's new revenue sources if revenue collections are insufficient to cover its operational requirements. In addition, any legal liabilities under SCAA regarding the management would be expected to be transferred to SAA, creating a possible legal risk.	PEMC will continue to monitor any developments of any significant challenges arising from the separation.
3.3 2025 Seychelles Elections In 2025, Seychelles held its Presidential and Parliamentary elections in September-October, resulting in a change in Government administration. Changes in Government administration may lead to adjustments in policy priorities and strategic objectives, which could influence the mandates, operations and investment plans of PEs. Such changes may create transitional challenges, particularly where existing projects or commitments require reassessment, with potential implications for the financial performance of affected PEs.	PEMC will maintain continued liaising with the incumbent administration, to ensure proper alignment with the strategic priorities and direction of Government with that of the PEs.
4. Other risks *Potential adversities, both domestic and global could create sizeable fiscal demands from PEs, which could include making recurring payments from the Budget until sufficient emergency funds are built-up. These events could also reduce the PEs' contributions to the Budget through taxes and dividends*	**Recommendations**
4.1 Climate Change The adverse effects of climate change may pose operational and financial risks to PEs, particularly through damage to infrastructure, disruptions to service delivery and increased operating costs. PEs may also incur additional expenditure to implement adaptation and mitigation measures, potentially diverting resources from other investment priorities. Where these costs exceed the financial capacity of PEs, additional Government support may be required, placing pressure on public finances.	The Budget should encourage PEs to invest in climate resilient infrastructure and have their operations factor in climate change.
4.2 Disasters (natural/man-made) As a small island nation situated near the Equator, Seychelles is exposed to a range of seasonal and environmental risks that carry the potential for widespread destruction and disruption.	Ensure that all PEs have comprehensive insurance coverage against natural disasters.

The combined risks of natural and man-made disasters pose a serious threat to the regular operations of PEs. Disruptions from these events include operational shutdowns, damage to physical assets, increased maintenance and repair costs, and a decline in productivity. Additionally, these disruptions may adversely affect the financial health of PEs, increasing their reliance on Budget support which may have negative impact on the broader fiscal stability of the Budget. Consequently, these risks must be closely monitored and mitigated through effective disaster preparedness and risk management strategies across all sectors.

4.3 Quasi-Fiscal Activities (QFAs)

These activities are undertaken by PEs, on behalf of the Government, for the purpose of providing a public service to consumers. This may be in the form of pricing policies, regulations, or other mechanisms.

Fiscal risks arise when QFAs constrain the revenue-generating capacity and profitability of PEs, potentially weakening their financial position and limiting their ability to invest and grow. Where the costs of these activities are not fully compensated through the Budget, QFAs may contribute to operating losses and increase reliance on Government support. In addition, QFAs may be cited as a contributing factor to under-performance, particularly in sectors where PEs operate as monopolies and face limited competitive pressure.

The common QFAs applicable to select PEs, as of 2025, are as follows;

- Charging prices below market or cost-recovery levels
- Absorption of transportation cost of commodities to other islands by PEs

A comprehensive framework has been developed by PEMC, with close collaboration with the US Treasury Department – Office of Technical Assistance (US OTA), whereby QFAs have been re-classified as Public Policy Objectives (PPOs), to better capture and quantify the activities.

This framework, which commenced with an initial rollout in August 2026, is set to continue in 2027, with a further rollout on March 2027.

Source: PEMC

4.2 Impact of the Middle East Conflict on PEs

The escalation of the conflict in the Middle East on 28 February 2026 has had both immediate and lagged effects on PEs.

In March 2026, PEMC conducted a scenario impact assessment covering 12 PEs to identify potential and emerging implications of the conflict, in line with Section 26(o) and (r) of the PE Act, and submitted the findings to the Minister of Finance. Eleven PEs, including subsidiaries, provided information, which is summarised in Annex A.

The impacts identified include the following:

- **Energy conservation measures**. To conserve energy, the Government introduced a range of measures across ministries, departments and agencies, including a temporary weekly energy conservation day from 13 April to 24 May 2026. The five-day working week was subsequently reinstated, but with reduced working hours and the suspension of staggered working hours. These arrangements affected how PEs operated, except for those providing essential services, such as PUC, SEYPEC and SPA.

- **Disclosures in audited financial statements**. PEs reported the conflict as an event after the reporting period in their audited financial statements for the year ending 31 December 2025. Because the conflict was still at an early stage, some were unable to quantify its financial impact, but some identified specific effects:

    - Air Seychelles suspended their flights to Abu Dhabi and Tel Aviv. In addition, prices for the jet fuel that they utilised doubled by April 2026, and their ground handling and domestic flights revenue were also impacted by war-related flight cancellations by Middle-Eastern carriers to Seychelles.

    - Air Seychelles did operate temporary flights to Paris and Rome during March and April 2026, with the support of the Government of Seychelles. Furthermore, Air Seychelles wet-leased wide-body aircraft from Eithad Airways and Hi Fly for the flights to Paris, starting from March 2026.

    - The Seychelles Pension Fund (SPF) allowed employers in the tourism and wholesale and retail sectors to defer their pension contributions for three months, to support businesses affected by the conflict.

    - Seychelles Airport Authority (SAA) estimated a revenue shortfall of SR 45.7m by 30 June 2026, following the suspension of flights by Qatar Airways and of Air Seychelles' route to Tel Aviv, and a reduction in Emirates flights. In response, SAA has since introduced mitigating measures, including cost optimisation and engagement with airline partners to restore routes and capacity, to ensure it continues as a going concern.

- **Higher input costs**. Rising commodity prices increased the cost of printing materials used by the National Information Services Agency (NISA) by about 16 per cent, which is expected to weigh significantly on its profitability. SPTC has relied more on air freight instead of sea freight to import

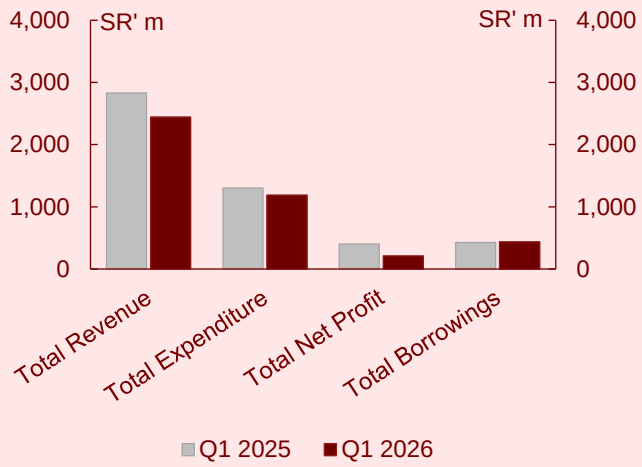
critical spare parts. While this has helped minimize delivery delays and operational downtime, it has also raised transportation and logistics costs.

PE Performance

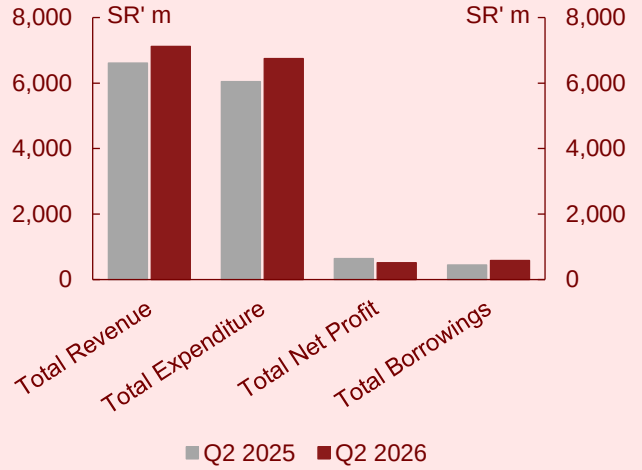
The aggregate financial performance of PEs was compared over three periods, based on their quarterly statements and Medium-Term Financial Strategies: Q1 2026 against Q1 2025, Q2 2026 against Q2 2025, and the full-year forecast for 2026 against 2025 outturn (Figure 18). The comparisons are indicative only, as not all PEs had submitted quarterly information at the time of analysis, and the PEs missing differ between periods.[6]

Figure 18. Aggregate Performance of Public Enterprises, 2026 vs 2025

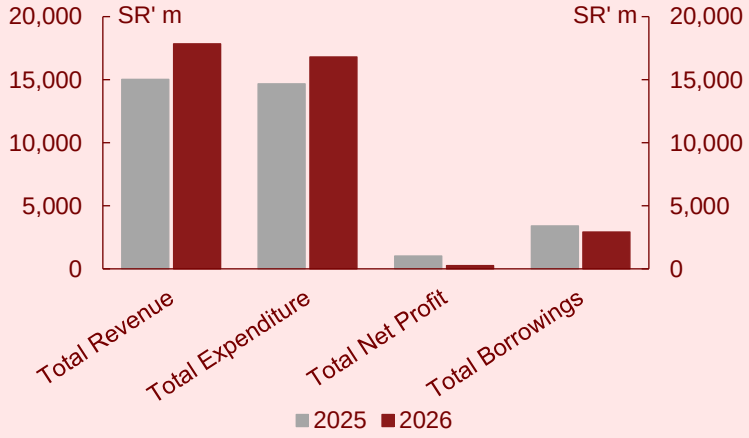
Panel A. Aggregate PE Performance, Q1 2026 vs Q1 2025



Panel B. Aggregate PE Performance, Q2 2026 vs Q2 2025



Panel C. Aggregate PE Performance, Full Year



Source: PEMC

[6] The Q1 comparison captures Air Seychelles, FSA, IDC, L'UNE, PetroSeychelles, PUC, SAA, SFA, SPGA, SEYPEC, SPA, SPTC, and STC. The Q2 Comparison captures Air Seychelles, FSA, IDC, NISA, PetroSeychelles, PUC, SFA, SPGA, SPF, SEYPEC, SPA, SPTC, and STC.

In the first quarter of 2026, PE performance weakened compared with the same quarter of 2025. Total revenue fell by 13.6 per cent and total expenditure by 8.8 per cent, while total net profit fell by 47.5 per cent. PEs also borrowed more than in 2025, with total borrowings 3.1 per cent higher in the first quarter. As the conflict began only at the end of February, part of this decline likely reflects factors other than the conflict.

Performance partly recovered in the second quarter with total revenue increasing by 7.7 per cent compared to the corresponding quarter of 2025. However, total expenditure rose at a faster rate, by 11.7 per cent, while total net profit declined by 20.1 per cent. Total borrowings were also 28.5 per cent higher than in the second quarter of 2025.

For 2026 as a whole, PE financial performance is expected to be weaker than in 2025. Total revenue is projected to rise by 18.8 per cent and total expenditure by 14.5 per cent. Despite revenue growth exceeding expenditure growth, total net profit is projected to fall by 75.0 per cent, indicating that it is affected by items other than operating revenue and expenditure. Total borrowings are projected to fall by 14.1 per cent.

The weaker financial performance of PEs poses risks to the Budget through three main channels. First, lower profits reduce the dividend transfers to Government. Second, PEs facing financial pressure may require additional transfers or budgetary support. Third, PE borrowing could add to the Government's exposure through contingent liabilities, particularly where it is guaranteed by Government. Although total borrowings are projected to fall by 14.1 per cent in 2026, the increases recorded in the first and second quarters suggest that borrowing pressures remain. If financial pressures persist, the projected reduction in borrowing may not materialise.[7]

5. Managing Long-Term Fiscal Challenges

Long-term macro-fiscal planning allows Budget to manage small changes today that can significantly impact the wellbeing of future generations in Seychelles. To effectively navigate the uncertainties, it is essential to extend analysis beyond the forecast period and identify the structural challenges that may affect fiscal sustainability over the long term. By recognising and addressing emerging pressures, the Government can proactively mitigate potential risks and foster a resilient economy and public finances.

The sections to follow examine two interconnected challenges that the country has been facing throughout the 21st century: demographic shifts and climate change. A deterioration in either area, if left unaddressed, could significantly weaken fiscal outcomes and result in public debt rising.

[7] PEMC wishes to inform all stakeholders that this statement has been prepared in accordance with the Ministry of Finance, Economic Planning, Trade and Investment (MoFEPTI)'s prescribed format. At the time of writing, not all PEs have provided their Audited Financial Statements (AFS) for the year ended 31 December 2025, despite diligent follow-up efforts by PEMC. Accordingly, the analysis and data presented are based on the information available at the time of compilation, including AFS received to date, together with other sources such as PEs' Medium-Term Financial Strategies (MTFS) and provisional financial statements. In addition, some figures presented for the year 2025 & 2026 are provisional and unaudited, and have been derived primarily from the MTFS submissions and quarterly financial statements provided to PEMC. Stakeholders are therefore advised that the unavailability of select audited financial information from certain PEs, as well as reliance on provisional 2025 & 2026 data, may affect the completeness, accuracy and overall comprehensiveness of this report. Furthermore, the 2025 figures are subject to change, following future publication of the 2025 Public Enterprise Fiscal Risk Report.

Understanding the macro-fiscal implications of these challenges is therefore crucial to informing policy choices and designing strategic solutions that support sustainable public finances and long-term economic stability.

5.1 The Demographic Challenge

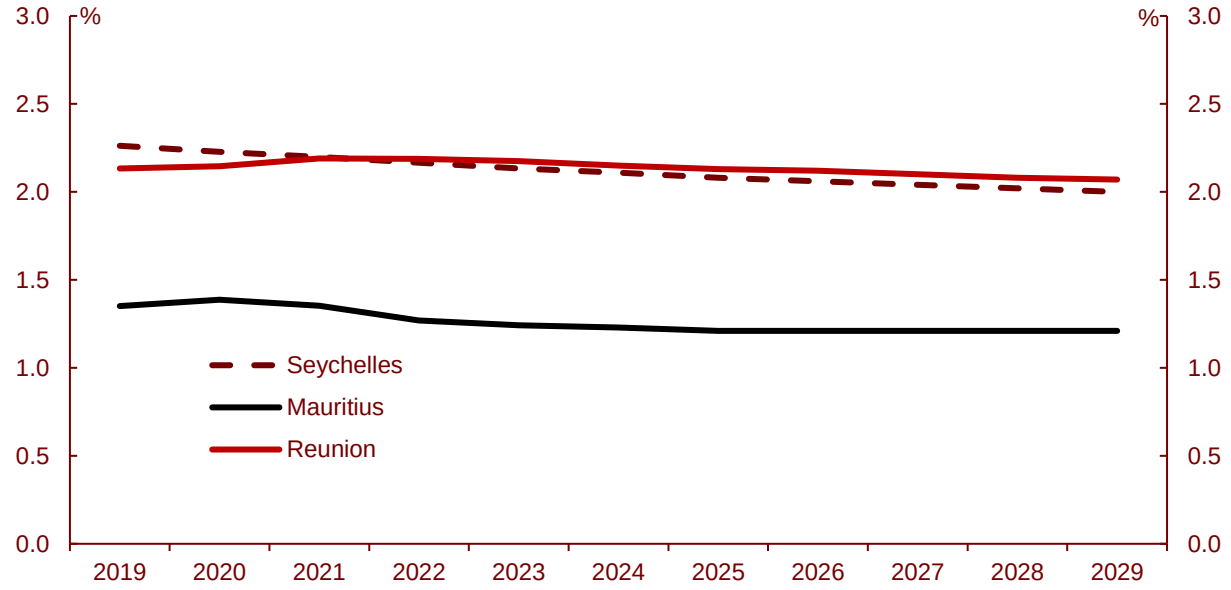
Population ageing is already under way in Seychelles, a trend that is set to accelerate over the next few decades. This demographic transition is expected to place increasing pressure on public expenditure, particularly in healthcare, pensions, and social protection while simultaneously constraining labour supply and economic growth potential.

The Working Age Population

The working age population refers to individuals aged 15-64 years. According to the most recent population estimate from the National Bureau of Statistics (NBS), the working-age population accounts for about 71 per cent of total population in Seychelles.[8] The future evolution of this group is primarily influenced by fertility trends and net migration flows.

Fertility rates in Seychelles have declined steadily since the 1980s and are projected to continue falling over the long term. As at 2025, the fertility rate stood at about 1.7 births per woman. Combined with an increasing life expectancy, declining fertility rate is expected to contribute to an ageing population and a gradual reduction in the proportion of working-age individuals relative to retirees.[9] As a result, social and pension expenditures can potentially increase placing additional pressure on the country's public finances over the longer term.

Figure 19. Fertility Rate Comparison (2019-2029)



Source: United Nations, Population Division

[8] Mid-year 2026 estimated resident population - National Bureau of Statistics, Seychelles. Available at: https://www.nbs.gov.sc/downloads/1996-revised-mid-year-2026-estimated-resident-population-erp/viewdocument/1996.

[9] United Nations Annual Results Report 2025 Seychelles.

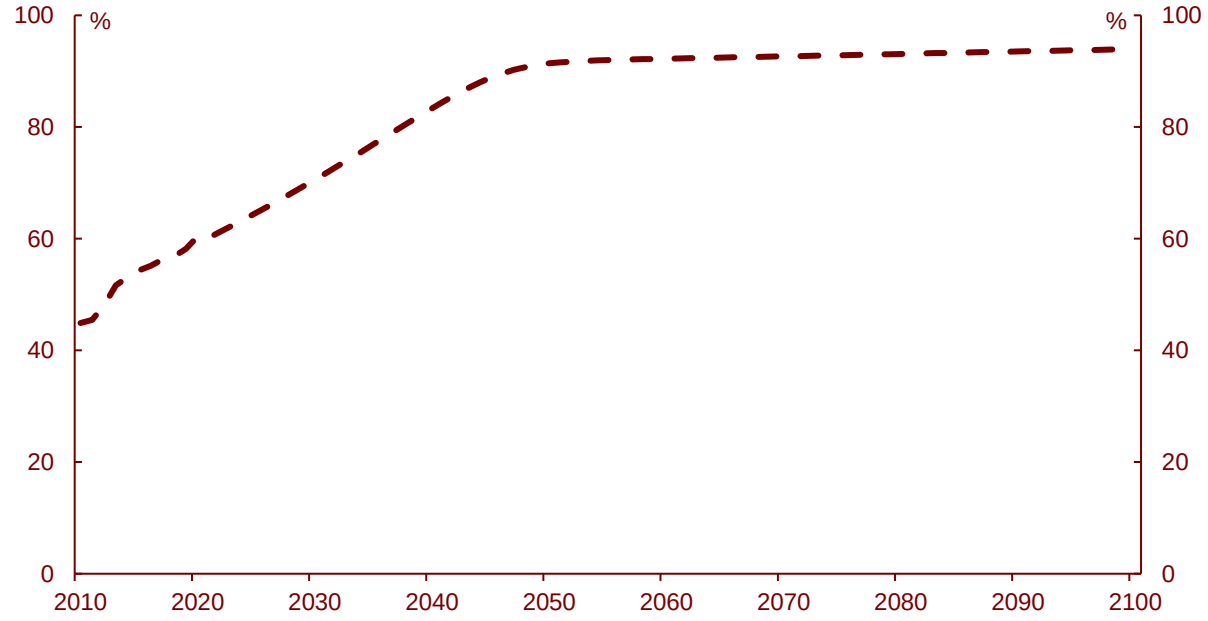
Similar demographic trends are being observed in neighbouring countries, although at different stages (see Figure 19). Mauritius has had sustained below-replacement fertility for several decades, while Réunion remains marginally above replacement level.

Productivity

From 2010 to 2021, real labour productivity in Seychelles grew at an annual average rate of 2.3 per cent. Population ageing may place downward pressure on labour supply and GDP per capita growth, making productivity improvements increasingly important for sustaining living standards. Higher productivity could partly offset the economic effects of an ageing or shrinking workforce by enabling existing workers to generate more output.

Looking ahead, labour productivity growth is forecasted to slow from 5.5 per cent in 2025, gradually stabilising to a long-term average of 1.4 per cent by 2051, as the nation nears the OECD average productivity level. By 2100, Seychelles is projected to surpass 90 per cent of the OECD average productivity level, as illustrated in Figure 20.

Figure 20. Labour Productivity as Percentage of OECD

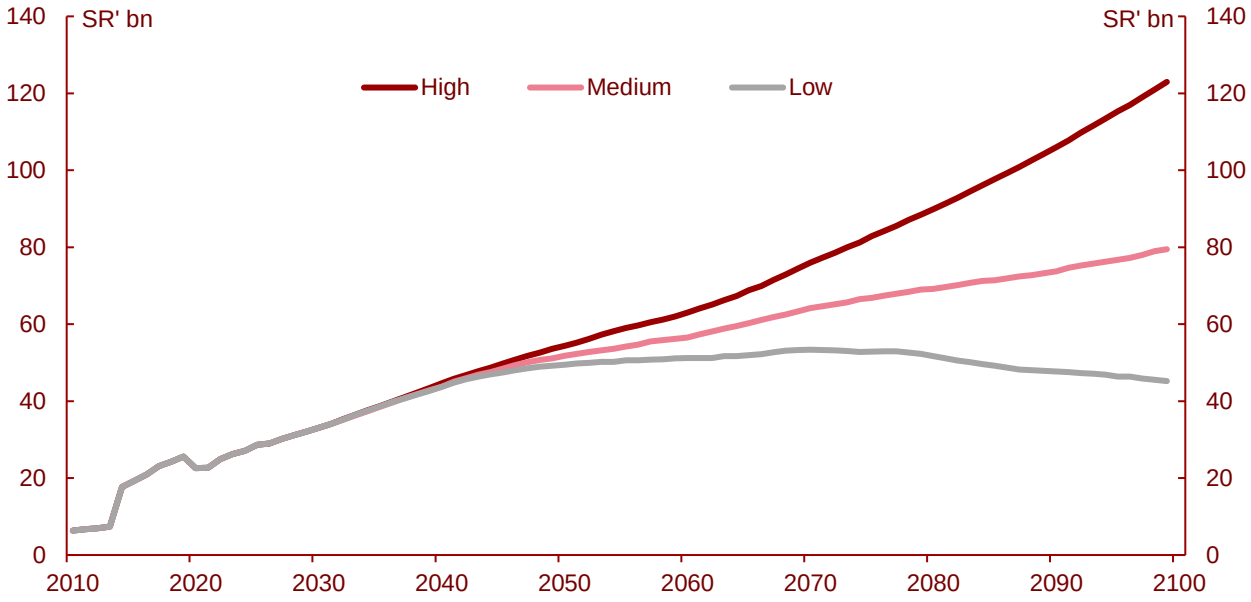


Source: OECD Productivity Database and Macroeconomic Forecasting and Analysis Division Estimates, MoFEPTI

GDP

The long-run real GDP is projected based on long-run working-age population growth trajectory under the three demography scenarios and productivity level assumptions (see Box 3 for details). For the purpose of this analysis, the medium fertility scenario is chosen for the baseline assumption.

Figure 21. Real GDP Level per Working Population Growth Scenarios



Source: Macroeconomic Forecasting and Analysis Division Estimates, MoFEPTI

Box 3. Baseline Assumptions

- **Real GDP growth slows from 3.1 per cent in 2029 to 0.7 per cent** in 2091, driven by:
  - a **decline in the share of working-age population** in the UN's medium fertility scenario population projection; and
  - a **slowdown in productivity growth from 5.5 per cent to 1.4 per cent** as Seychelles' productivity converges towards the OECD average.
- The real interest rate is assumed to remain **constant at 0.5 per cent in the long run**.
- Revenue is assumed to remain **constant as a share of GDP from 2029**.
- **Real primary expenditure** per capita is projected to rise.
- Government is assumed to **cut primary expenditure to stabilise debt** when the debt-to-GDP ratio rises above the anchor of 50 per cent.

Fiscal Projections

The model utilises a simplified long-term fiscal projection approach, under which revenue is assumed to remain constant as a share of GDP, while real per capita expenditures grow in line with labour productivity. This framework assumes no policy changes over the long run, enabling the identification of potential fiscal stresses over time and across various scenarios. As the dependency ratio rises, the Budget deficit widens and that increases the need to borrow.

Figure 22. Budget Balance (%NGDP) (Baseline)

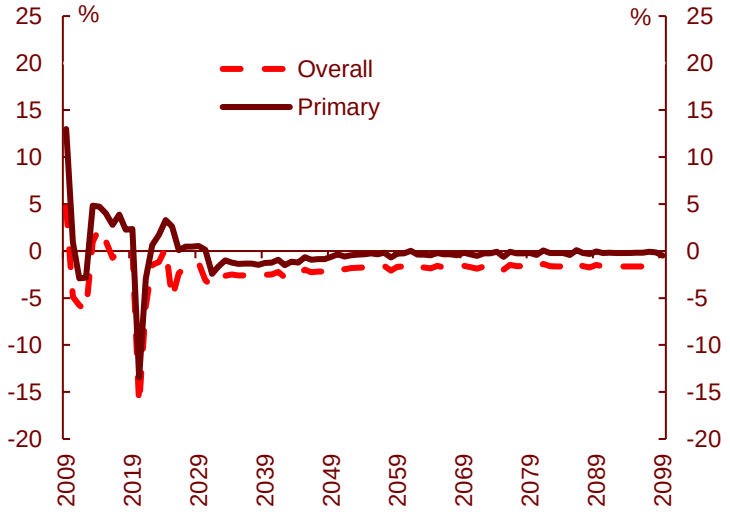
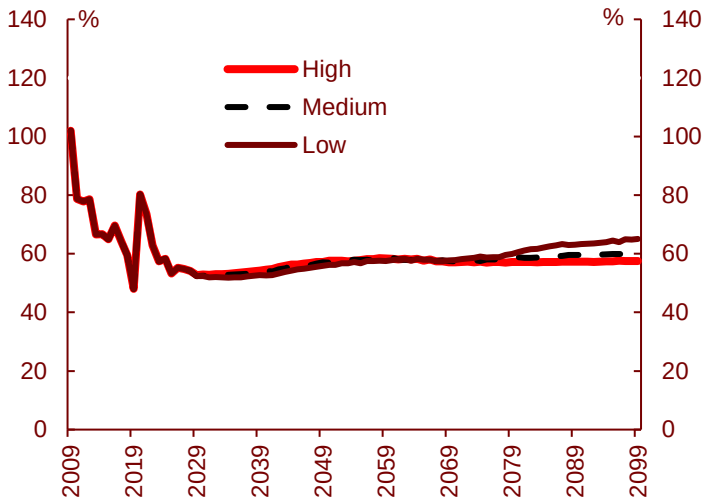


Figure 23. Debt to GDP (% GDP)



Source: Macroeconomic Forecasting and Analysis Division Estimates, MoFEPTI

Long term projections for the debt-to-GDP ratio are derived from the above macroeconomic and fiscal projections, combined with an assumed long-run real interest of 0.5 per cent, and the anchor of 50 per cent of GDP. As is depicted in Figure 23, low fertility translates into higher debt over time as labour productivity declines due to ageing population, thus weakening the tax base but increasing spending on pensions.

By illustrating how structural changes in economic conditions could affect long-term fiscal stability, this analysis provides valuable insights into the potential impacts of economic fluctuations and assists policy makers to develop strategies to mitigate risks and preserve fiscal sustainability over time.

5.2 Climate Change Risks

Seychelles has a tropical climate, with daily average temperatures ranging between 24°c and 30°c. The climate conditions are strongly influenced by the ocean, mainly through changes in monsoonal wind patterns and ocean currents. Residing in the equatorial belt of the western Indian Ocean, the country experiences two distinct seasons; the North-west monsoon and the South-east trade winds. In addition, the topography strongly encourages rainfall patterns, with the period from October to April being typically characterised by higher precipitation.

Like many other Small Island Developing States (SIDS), Seychelles is economically, culturally and environmentally susceptible to the potential effects of climate change and associated extreme events including floods, landslides and coastal erosion. These risks are amplified by the country's geographic characteristics, concentration of economic activity along the coast, and reliance on climate-sensitive sectors.

Extreme climate events can have severe impacts on GDP and overall economic activity. Rising temperatures and increased climate variability are likely to affect productivity and overall output in key industries such as tourism (a major revenue earner) as well as agriculture and fisheries through adversely impacting crop yields and natural ecosystems. Furthermore, climate change also poses health-related risks, including heat-related illnesses, which can lower labour productivity and further constrain economic activity.

Climate-related shocks affect public finances through multiple transmission channels. On the expenditure side, they may increase spending pressures related to disaster response, infrastructure repair, health services, and adaptation investments. On the revenue side, disruptions to economic activity can reduce tax collections and non-tax revenues. Fiscal risks may arise directly through increased expenditures and reduced revenues or indirectly through the materialisation of contingent liabilities, including calls on Government guarantees (an explicit liability) or financial distress among PEs that may require Government intervention (implicit liability).

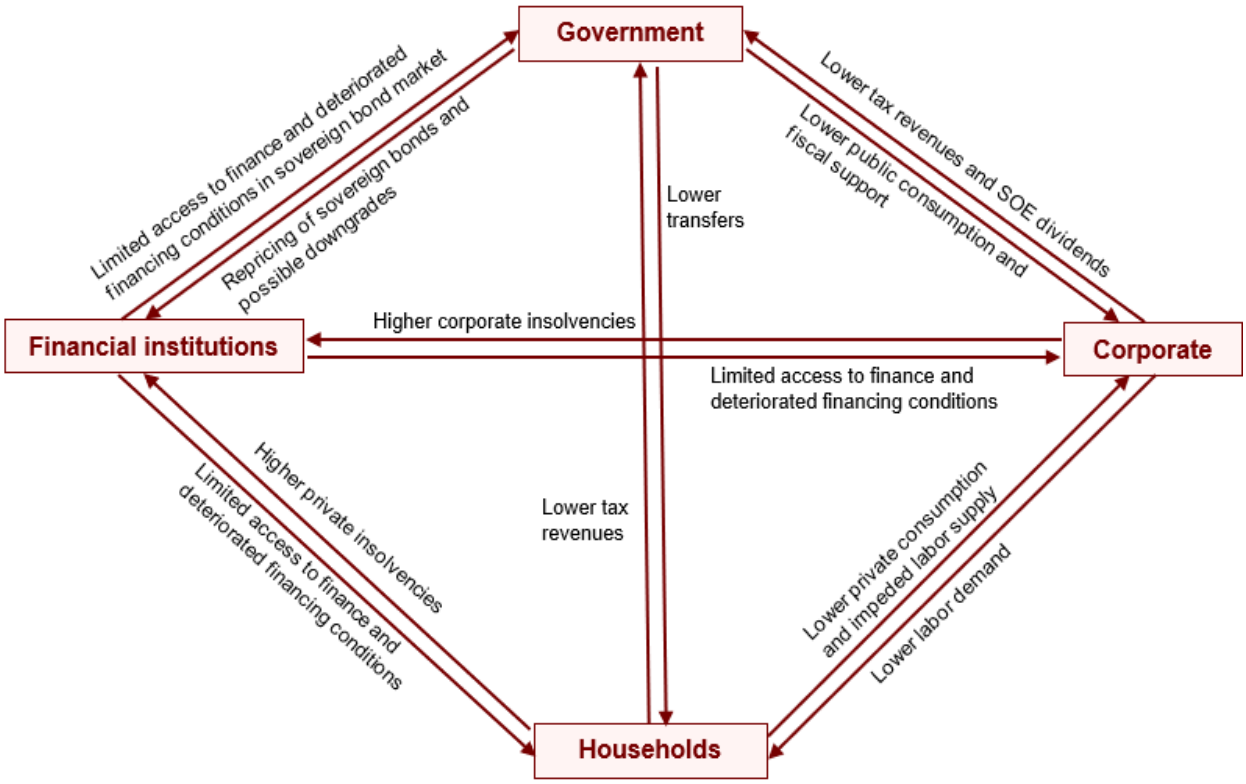
These impacts extend beyond central Government, affecting households, institutions, and corporate entities, as illustrated in Figure 24. Table 5 provides examples of how climate-related fiscal risks may cause actual fiscal outcomes to deviate from Budget forecasts.

Table 5. Fiscal Risks from Climate Change

Type of Risk	Description of Fiscal Impact
Budgetary risks	More frequent and severe natural hazards may increase expenditure on disaster response, infrastructure repairs, coastal protection, healthcare and financial assistance to affected households.
PE risks	Climate-related disruptions may weaken the financial position of PEs, particularly utilities, through infrastructure damage, higher maintenance costs, water supply disruptions and increased operating costs. These pressures could require additional Government support or capital injections.
Economic risks	Climate change may adversely affect economic output and productivity, particularly in tourism, agriculture and fisheries, through damage to natural ecosystems, reduced agricultural yields and disruptions to economic activity. These impacts could reduce Government tax and non-tax revenue.
Transition risks	The transition towards renewable energy and low-carbon technologies may entail additional investment and adaptation costs, alongside potential legal and liability risks. Changes in energy consumption patterns could also affect revenue from fuel-related taxes and levies.

Source: Macroeconomic Forecasting and Analysis Division, MoFEPTI

Figure 24. Macroeconomic Effects of Climate Change



Source: Macroeconomic Forecasting and Analysis Division, MoFEPTI

Productivity Growth Slowdown and Fiscal Effects

There is strong empirical evidence that rising temperatures have a persistent negative impact on productivity and long-term economic growth. The study "Long-term Macroeconomic Effects of Climate Change: A Cross-Country Analysis" by Kahn et al., 2021[10] investigates the long-term impacts of climate change on per capita economic growth across 174 countries from 1960 to 2014.

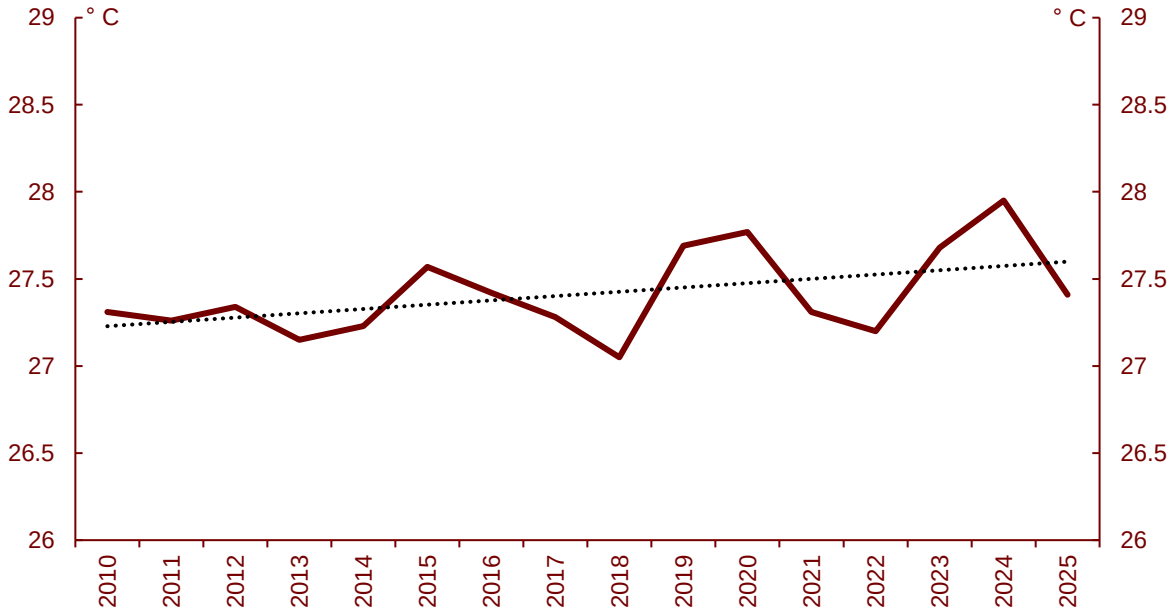
Using historical climate and economic data, the authors estimate how changes in temperature and precipitation influence GDP per capita. The study concludes that persistent changes in temperature, but not precipitation, have a significant negative effect on economic growth. Specifically, if temperatures deviate from historical norms by 0.01 degrees Celsius annually over an extended period, long-term income growth decreases by 0.05 percentage points per year.

The analysis further shows that limiting the global average temperature increase to below 2 degrees Celsius above pre-industrial levels, as agreed in Paris, would reduce global income by 1 per cent by 2100. Conversely, a further rise in average global temperatures by 0.04 degrees Celsius, consistent with the RCP 8.5 scenario (which assumes higher greenhouse gas emissions without mitigation policies), could lower global real GDP per capita by 7 per cent by 2100. When country-specific climate variability is also taken into account, estimated income losses could increase to as much as 13 per cent globally.

[10] Kahn, M. E., Mohaddes, K., Ng, R. N. C., Pesaran, M. H., Raissi, M., & Yang, J.-C. (2019). *Long-Term Macroeconomic Effects of Climate Change: A Cross-Country Analysis*. https://doi.org/10.17863/CAM.41763.

The magnitude of these effects varies across countries, depending on baseline climate conditions, income levels, and exposure to temperature variability. While all countries are projected to experience negative impacts from rising temperatures, hotter and lower-income economies are expected to face disproportionately larger productivity and income losses. This finding is particularly relevant for Small Island Developing States.

Figure 25. Seychelles' Annual Mean Temperature (2010-2025)



Source: Climate Change Knowledge Portal, World Bank

The changes in climate can have adverse effects on the fiscal sustainability of a country. Seghini (2026) states that damages caused by climate change can reduce output and weaken the economy's capacity to support existing debt.[11] This in turn leads to lower revenue and higher climate-related expenditure thus worsening the fiscal position.

In the context of Seychelles, Figure 25 illustrates average annual temperatures over the period 2010–2025, showing year-to-year fluctuations. Average temperatures increased from approximately 27.3°C in the first half of the period to 27.4°C in the latter half. While the absolute change appears modest, sustained increases over time may have material implications for labour productivity, particularly in climate-sensitive sectors such as tourism, agriculture, and fisheries. Over the long term, slower productivity growth would constrain real GDP growth, weaken revenue mobilisation, and intensify fiscal pressures arising from demographic change and climate adaptation needs.

In an attempt at quantifying the long-term impact of climate change on public finances, the Q-CRAFT[12] is used to generate a stylised assessment of the impact of six different climate scenarios against the baseline.

[11] Seghini, C. (2026). 'The Macroeconomics of Climate Change and Public Debt Sustainability: Mapping Transition and Physical Risks Through Output Growth, Primary Balances, and Real Rates'. Journal of Economic Surveys.
[12]Quantitative- Climate Risk Assessment Fiscal Tool- IMF tool developed to quantify long-term fiscal risks associated with climate change.

Scenarios:

Baseline - Projected fiscal path 'status quo'; in the absence of climate change impacts.

Paris - Based on the SSP1-2.6 IPCC scenario where international commitments from the 2015 Paris summit are met. This scenario assumes significant cuts in emissions, keeping global temperature increase above its pre-industrial level below 2°C at the end of the century.

Moderate - Based on the SSP2-4.5 IPCC scenario. Emissions continue to increase before stabilising at the end of the century. This scenario assumes that climate mitigation policies continue broadly along the observed trend, without additional measures sufficient to fulfil the Paris Agreement commitments.

High - Based on the high-emissions SSP3-7.0 IPCC scenario. Characterised by fragmented international cooperation, limited improvements in energy efficiency and continued reliance on fossil fuels, alongside weaker climate mitigation efforts.

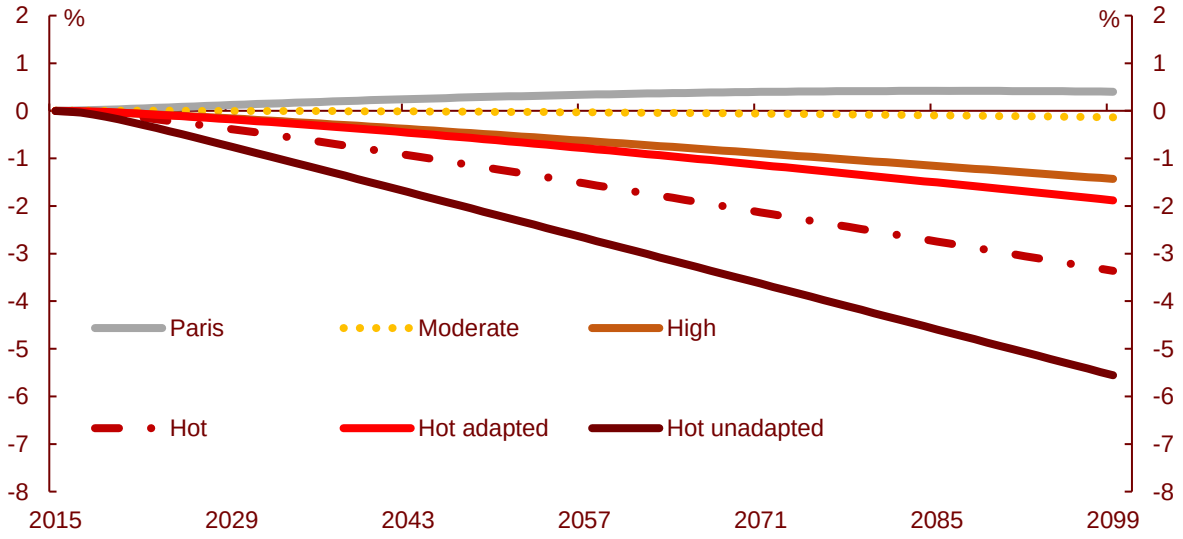
Hot - Emissions are as in the "high" scenario, but it uses the 90th percentile of projected temperature increases across all climate models under SSP3-7.0 emissions, instead of the median of temperature projections.

Hot adapted - Same temperature increases as in the hot scenario, but with a faster rate of adaptation.

Hot un-adapted - Same temperature increases as in the hot scenario, but with a slower rate of adaptation to climate change.

Figure 26 illustrates the change in GDP as a result of changes in productivity under each scenario. Under the hot climate scenario, GDP could decline by as much as 1.9 per cent by 2065 and 3 per cent by 2095. Conversely, model simulations suggest that mitigation measures consistent with the Paris Agreement could partially offset climate change impacts, potentially resulting in a 0.4 per cent increase of GDP by 2060.

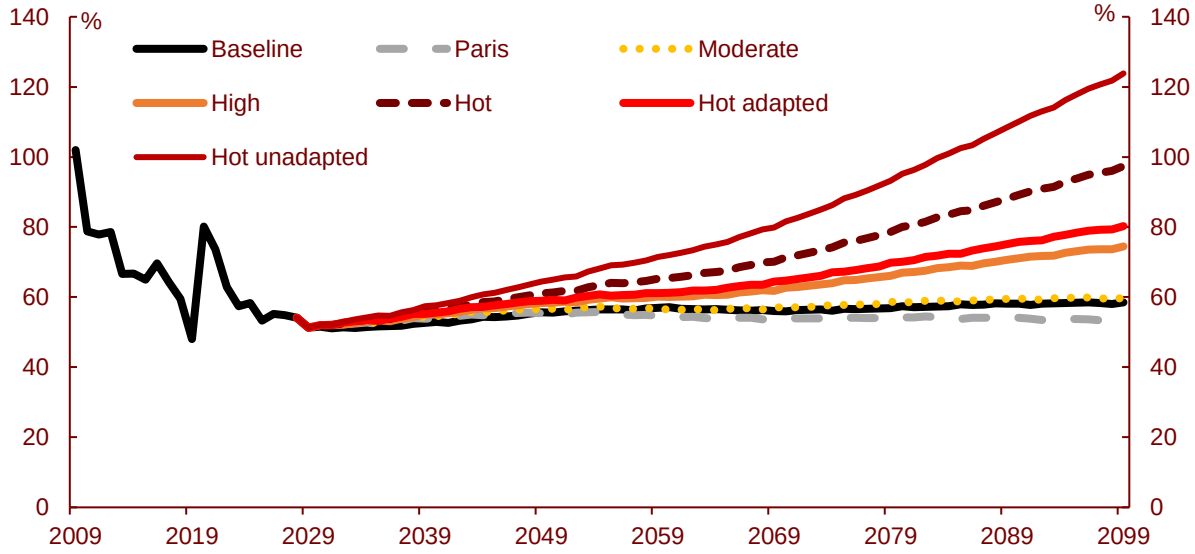
Figure 26. Real GDP Change per Climate Scenario (%)



Source: Macroeconomic Forecasting and Analysis Division; Q-CRAFT tool estimates.

Lower GDP resulting from slower productivity growth translates into lower revenue relative to the baseline, while expenditure is assumed to remain unchanged. This combination results in wider Budget deficits and higher public debt levels over time. In addition, the interaction of higher debt level and a smaller GDP base lead to an increase in the debt-to-GDP ratio relative to the baseline, with worse climate scenarios yielding larger increases in the ratio.

Figure 27. Debt to GDP Ratio per Climate Scenario (%)



Source: Macroeconomic Forecasting and Analysis Division; Q-CRAFT tool estimates.

Figure 27 illustrates the projected debt-to-GDP dynamics under scenarios of unmitigated temperature increases compared to a baseline. The results indicate that worsening climate conditions could push public debt well above the 50 per cent of GDP anchor.

Under the 'Hot' scenario, the debt-to-GDP ratio is expected to deviate from the baseline at around 2033, with the gap widening progressively thereafter. By the end of the century, debt-to-GDP ratio is expected to reach 97 per cent under this scenario, compared to 59 per cent of GDP under the baseline, underscoring the significant long-term fiscal risks associated with unmitigated climate change.

Rising Sea Level

A major share of the country's infrastructure, population and economic activities is located in the coastal zone. This geographic exposure makes public and private assets particularly vulnerable to coastal flooding and erosion. Rising sea levels are therefore expected to generate fiscal pressures through increased costs associated with relocation, infrastructure reinforcement, and asset protection.

Adaptation measures such as the construction of sea walls, rock armouring, and bullnose parapet walls may require sustained public investment to safeguard critical infrastructure and communities, placing additional strain on the Budget over the medium to long term. In addition, sea level rise and coastal degradation threaten tourism establishments and key attractions located along the coast, including beaches, with potential adverse effects on tourism activity, revenues, and broader economic performance.

Contingent Liabilities

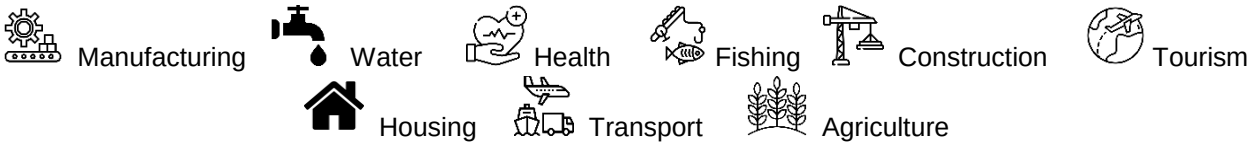
In Seychelles, the growing frequency and intensity of climate-related shocks are placing growing pressure on the Government's contingency Budget allocation. The rising risks from tropical storms, flooding, and landslides are expected to increase the fiscal cost of damage to critical public infrastructure, including roads, ports, and utilities. These events necessitate unplanned repair and reconstruction spending, while emergency response and relief operations such as providing immediate assistance to affected communities and restoring essential services further strain budgetary resources and fiscal buffers.

Environmental degradation, particularly the loss of coral reefs and mangroves, compounds these challenges by reducing natural coastal protection. As these ecosystems deteriorate, the Budget faces increased costs to implement artificial protective measures, such as sea walls, to shield communities from storms and tidal damage. The need to fund such infrastructure from the contingency Budget further stresses Government finances.

Climate change also poses risks to the agriculture and fisheries sectors, which are important for food security and rural livelihoods. Disruptions arising from droughts, floods, and landslides can reduce crop yields, forcing the Budget to provide financial support or subsidies to affected industries. This, in turn, increases the drain on contingency funds, especially if domestic food production declines and food imports become more expensive.

The following table illustrates the transmission of climate risks across various sectors, highlighting the likelihood of effects on PEs and the associated severity of fiscal exposure.

Table 6. Examples of Specific Fiscal Risks from Climate Change





Climate Risks	Sector Affected	Exposed Pes	Likelihood	Fiscal Impact
Flooding	Flooding damages agricultural land, disrupts crop cycles, erodes soil, and affects livestock, reducing output and increasing food prices, with potential pressure on social support programmes.	Islands Development Company (IDC)		
	Flooded roads disrupt transport services and logistics, reducing productivity and increasing infrastructure repair and maintenance costs.	Seychelles Public Transport Corporation (SPTC)		

	 Floods can lead to damages to housing and commercial properties, including social housing and financial-sector collateral.	Property Management Corporation (PMC) Nouvobanq Seychelles Commercial Bank		
Storm	 Storms damage tourism-related infrastructures such as hotels and restaurants, as well as natural attractions namely beaches and parks. It also raises safety concerns, which can discourage people from travelling which in turn decrease tourism receipts.	Seychelles Parks and Gardens Authority (SPGA) L'Union Estate Ltd Seychelles Airport Authority (SAA) Air Seychelles		
	 Storms disrupt transportation services such as flights, ferry services, and road transportation; hence reducing the mobility of visitors and residents. By damaging public infrastructure, storms also increase public expenditure.	Air Seychelles Seychelles Ports Authority (SPA) SAA SPTC		
	 Storms can damage development sites causing delays in various projects and increased construction costs. It also poses a risk for insurance companies in the event that buildings and other assets are destroyed.	PMC Green Island Construction Company Ltd Seychelles Pension Fund		
Landslides	 Landslides can lead to road blockage thus causing disruptions in transportation networks. This increases the costs of business due to the need to reroute. Additionally, repairing damaged infrastructure increases public expenditure.	SAA SPTC		
	 Landslides can destroy farmland, thus reducing agricultural output and revenue.	IDC		

Droughts	Increased frequency and duration of droughts pose a risk to water availability. Given increasing demand, Seychelles already relies partially on desalination to meet water needs. An exacerbation of the situation will put pressure on the publicly owned utilities company due to the high cost of desalination.	Public Utilities Corporation (PUC)		
	Reduced rainfall and interruptions in piped irrigation can reduce agricultural yields, which may affect the revenue of PEs that have agricultural interest. Additionally, a smaller supply can lead to high food prices.	IDC		
Sea Level rise/coastal erosion	Sea level rise and coastal erosion can lead to damaged coastal infrastructure, such as roads, buildings and ports. This can put a strain on the Budget due to increased public expenditure needed to invest in rehabilitation and adaptation.	SPA SPTC		
	Beach erosion reduces the overall attractiveness of the destination, given Seychelles' niche of 'sun, sea and sand'. Tourism establishments and tourism related PEs will therefore be affected which in turn will impact tourism receipts and non-tax revenue.	L'Union Estate Ltd		
	Degradation of coastal ecosystems disrupts fisheries productivity and related revenues.	Seychelles Fishing Authority (SFA)		
Epidemics	An epidemic would increase the demand for healthcare services, which can stress the system and increase public health expenditure.			

Epidemics reduce labour supply,disrupts supply chains and lowers firms' profitability, ultimately reducing tax revenue collected from businesses.	Seychelles Trading Company Ltd (STC) Seychelles Petroleum Company Ltd (SEYPEC)		
An epidemic can also discourage people from travelling, which would reduce tourism receipts.	SAA L'Union Estate Ltd SPGA Development Bank of Seychelles (DBS) Nouvobanq Seychelles Commercial Bank		

Source: Macroeconomic Forecasting and Analysis Division Estimates, MoFEPTI

5.3 Natural Disasters

Small Island Developing States (SIDS) are particularly exposed to natural disaster (ND) shocks due to their narrower economic bases, smaller land mass and isolation, and high population and infrastructure concentrations in vulnerable coastal zones, resulting in disproportionately large economic and fiscal costs.[13]

As highlighted in Table 7 below, in the last 50 years the most common natural disaster faced by SIDS were meteorological in nature such as storms, caused by short-term extreme atmospheric and weather conditions.

Table 7. Natural Disaster Frequency and Damages across SIDS, since 1976

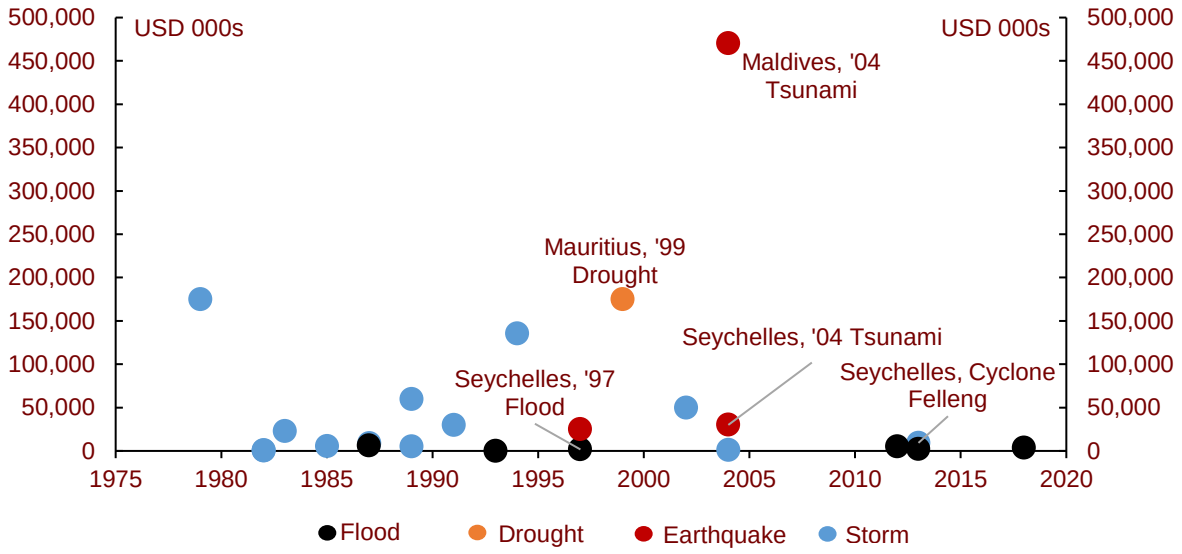
Type	Frequency	Damages (USD 000s)	
		Total	Average
Storm	266	150,809,011	566,950
Earthquake	20	11,551,036	577,551
Flood	54	2,424,497	44,897
Drought	13	600,739	46,210

Note: Data series starts in 1976. Source: Emergency Events Database (EM-DAT) by UCLouvain / CRED

[13] IMF Policy Paper, 2016, "Small States' Resilience to Natural Disasters and Climate Change — Role for the Fund".

Figure 28 below shows that within the group of SIDS similar to Seychelles, storms remain the most prevalent with at least one defining storm recorded in every decade. This section is aimed at studying the fiscal risks associated with the developing El-Niño conditions, which in the past has contributed to severe meteorological type disasters for tropical SIDS including Seychelles, specifically through the incidence of abnormally heavy rainfall.[14]

Figure 28. Damages by Type amongst SIDS Similar to Seychelles, 1976-2020 (USD 000s)



Source: Emergency Events Database (EM-DAT) by UCLouvain / CRED

According to the US Climate Prediction Centre's October 2026 outlook, there was a high probability (over 80 per cent) of a historic strong El-Niño episode between January-March 2027, of strength exceeding previous events recorded since 1950.[15] El-Niño is characterised by unusually above-average[16] ocean temperatures that develops in the Pacific Ocean and causes major climatological changes around the world including the Indian Ocean.

During the last "super" El- Niño episode in 1997/98, Seychelles faced severe flooding and landslides which resulted in five deaths and extensive damages to public and private property[17], and the elevated sea temperatures resulted in the bleaching of more than 80 per cent[18] of corals around the inner islands. The higher sea temperature also harmed the local tuna industry with a migration of tuna away from the Seychelles Exclusive Zone (EEZ), which in turn also dampened other activities such as transhipment, fuel re-exports, and port handling services.[19]

[14] Seychelles Meteorological Authority Press Release, July 2026. Link: https://www.meteo.sc/news/sma-continues-monitoring-el-ni%C3%B1o-conditions-affecting-seychelles/
[15] El Niño / Southern Oscillation (ENSO) Diagnostic discussion issued on 8th October 2026 Link: https://www.cpc.ncep.noaa.gov/products/analysis_monitoring/enso_advisory/ensodisc.shtml
[16] Both the El Niño (warm phase) and the La Nina (cold phase) episodes can be deduced from deviations in the Southern Oscillation Index (SOI)'s historical average. The SOI measures air-pressure differentials in the South Pacific Ocean.
[17] Seychelles Department of Risk and Disaster Management, Link: https://www.drdm.sc/disaster/
[18] Government of Seychelles, 2011, "Fourth National Report to the United Nations Convention on Biological Diversity".
[19] IMF Staff Country Report for Seychelles, 2000.

The remainder of this section covers a simple estimation exercise on the potential impact of the developing El-Niño episode on public debt through its impact on economic growth and the primary balance.

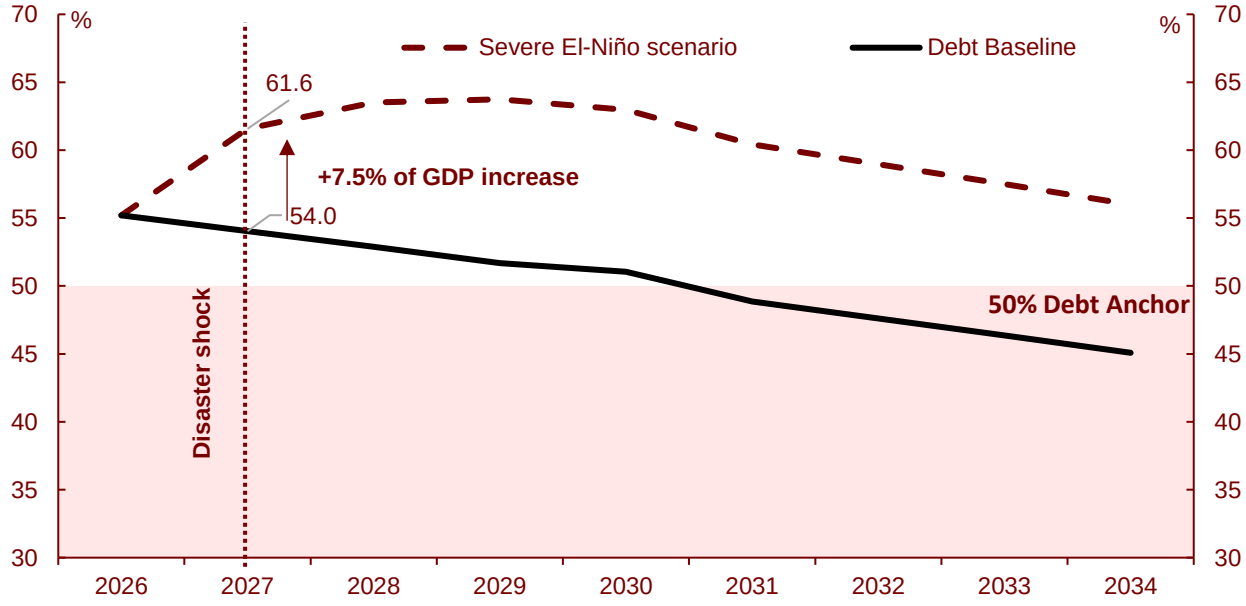
El-Niño Induced Disasters: Debt Shock

A stylised shock scenario is developed to assess the potential fiscal impact of an El-Niño-related natural disaster in Seychelles. Similar to the 1997/98 El-Niño episode, the scenario assumes that the developing El-Niño results in abnormally heavy rainy season(s), resulting in landslides and coastal flooding. Using findings on economic impacts from severe natural disasters for Pacific Island states by Nishizawa et al., (2019)[20] and the Caribbean by Rasmussen, T, (2004)[21], assumptions are made on the likely fiscal impact on Seychelles.

For simplicity, the analysis considers two transmission channels. The first, is a reduction in economic growth in the first year of the shock (2027) followed by a recovery to baseline. The second, is a worsening of the primary balance due to higher Government expenditure during the year of shock as well as post-disaster as recovery efforts continue.

Based on the findings by Rasmussen, T. (2004) real GDP growth is assumed to decline by about 2.2 percentage points in the first year, before returning to baseline the next year. Similarly, based on findings by Nishizawa et al., (2019), the primary balance (as a share of GDP) is assumed to deteriorate by 6.4 percentage points in the first year, followed by a series of smaller contractions of 3.2 percentage points in the second year and a 1.6 percentage points in the third year, after which the variable returns to its baseline.[22]

Figure 29. 2027 El-Niño Shock on Debt (% of GDP)



Source: Macroeconomic Forecasting and Analysis Division Estimates, MoFEPTI

[20] IMF Working Paper, 2019, Nishizawa et al, "Fiscal Buffers for Natural Disasters in Pacific Island Countries".
[21] Rasmussen, T., 2004. "Macroeconomic implications of natural disasters in the Caribbean."
[22] Note that for the second and third years, the authors found the contractions to remain as high as the first year, however, we assumed a gradually declining trend partly given Seychelles relatively high GDP per capita than the SIDS studied by the authors, predicting relatively better preparedness and recovery capacity.

This exercise has shown that the fiscal costs from a severe El-Niño event in 2027 could push the public debt path upwards, enough to miss the 50 per cent debt anchor by 2030.

6. Risk Assessment Matrix 2027

Given the fiscal risks presented in this document, a fiscal Risk Assessment Matrix (RAM) was developed (Table 8). The main risks are assessed based on analysis and expert judgement, with 'likelihood' and 'impact' assigned scores ranging from low to high using a scale of '1 to 3' in increasing severity. Possible transmission mechanisms and potential policy responses to mitigate the impact and likelihood of the risks are also presented. Effectiveness of mitigation measures was also assigned a value using the same scale.

Table 8. Risk Assessment Matrix 2027

Risks Identified	Likelihood/ Time Horizon	Impact	Transmission	Mitigating Measure	Effectiveness of mitigating measures
External Risks					
Tourism arrivals shock	High/ST-MT	High	A renewed escalation of the conflict in the Middle East would affect tourism both through reduced demand, as safety concerns discourage travel via the region, and through constrained supply, as airspace closures disrupt flight routes. The likely result is fewer flight frequencies, higher airfares and longer journey times, leading to lower visitor arrivals. This would reduce tourism receipts and economic activity, lowering tax revenue and weakening the fiscal balance.	Strengthen and institutionalise the national response framework, with pre-agreed triggers and actions. Diversify air access by securing connections through non-Gulf hubs and expanding direct services from key source markets. Maintain adequate contingency provisions within the Budget to absorb revenue shortfalls arising from lower tourism activity. Over the medium term, accelerate the diversification of tourism source markets and of the wider economy, to broaden the sources of output and foreign exchange earnings.	Medium
Fuel price shock	High/ST-MT	High	A renewed escalation of the conflict in the Middle East could drive a sharp increase in international fuel prices. As Seychelles relies on imported fuel, this would raise the import bill and domestic energy costs, and increase pressure on the Budget through subsidies or support to the PEs absorbing the cost.	Monitor developments in the international oil market and adopt a rules-based fuel pricing mechanism that passes international price movements through to domestic prices gradually and predictably. Provide targeted support to vulnerable households through the social protection system. Over the long term, reduce dependence on imported fuel by improving energy efficiency and investing further in renewable energy sources.	Medium
Macroeconomic Risks					
Exchange rate shock	Medium/ST-MT	Med-High	A negative tourism shock or a rise in global fuel prices would reduce foreign exchange inflows or raise the import bill, placing downward pressure on the rupee. A weaker rupee would increase the domestic currency cost of servicing external debt and of foreign currency-	Maintain a flexible exchange rate to absorb external shocks, supported by adequate foreign exchange reserves, with intervention where needed. Manage currency composition and maturity profile of public debt in line with the debt strategy, to limit exposure to exchange rate movements.	Med-High

			denominated expenditure, and would feed into higher inflation, adding to fiscal pressures.	Over the long term, speed up efforts to diversify the economy to broaden foreign exchange earnings.	
Inflation shock	Med-High/ST-MT	Medium	Inflationary pressures could arise from higher fuel and shipping costs, the unwinding of price smoothing by PEs, or a depreciation of the rupee. Higher inflation would increase fiscal pressures by raising the cost of goods and services procured by Government. It could also generate demand for support measures, as real household incomes erode and cost-of-living conditions worsen.	Support price stability through proactive monetary policy. Continue to curb import related consumption, especially with regards to energy imports.	Medium
Fiscal Risks					
Increase in Budget gross financing needs	High/ST	High	A prolonged tourism slowdown would reduce tax revenue, while lower dividends from PEs would further weaken receipts. A renewed spike in fuel prices would add to these pressures by increasing the cost of support to households and to the PEs absorbing higher fuel costs. At the same time, new spending pressures, including from wages and social transfers, would raise expenditure. Together, these would weaken the fiscal balance and increase gross financing needs.	Maintain an adequate cash buffer and Budget contingency reserve to meet financing needs in the event of revenue shortfalls or unforeseen expenditure. Adhere to fiscal discipline through expenditure prioritisation, containment of the wage bill and deferral of non-priority capital spending where necessary. Diversify financing sources in line with the medium-term debt strategy, including concessional and pre-arranged contingent financing from multilateral partners, and deepen the domestic debt market.	Med-High
Public Enterprise risks					
PE contingent liabilities	High/ST-MT	Med-High	An economic downturn or higher fuel prices could weaken the financial performance of PEs, leading to requests for Government support. This would place additional strain on the Budget and increase public debt.	Strengthen monitoring of PEs, including early warning indicators of financial stress. Where PEs are required to carry out non-commercial mandates, such as price smoothing or maintaining air connectivity, quantify the cost and compensate them transparently through the Budget. Tighten the approval and monitoring of Government guarantees, and review PE contingency plans.	Medium
Other Risks					
Natural disasters and climate change	Med-Low/ST-MT	High	Climate change and natural disasters, such as flooding, storm surges and coastal erosion, could damage public infrastructure and disrupt economic activity, particularly tourism. This would require unplanned reconstruction and relief spending while reducing revenue. Although the probability of a major event in any given year is low, the potential fiscal impact is high.	Implement the 2025 Disaster Risk Financing Strategy's action plan, combining Budget contingencies, contingent financing, and risk transfer to limit the fiscal impact of disasters. Make the World Bank-supported Regional Emergency Preparedness and Access to Inclusive Recovery (REPAIR) Programme's financing and disbursement mechanisms fully operational so that affected households receive timely assistance.	Med-Low

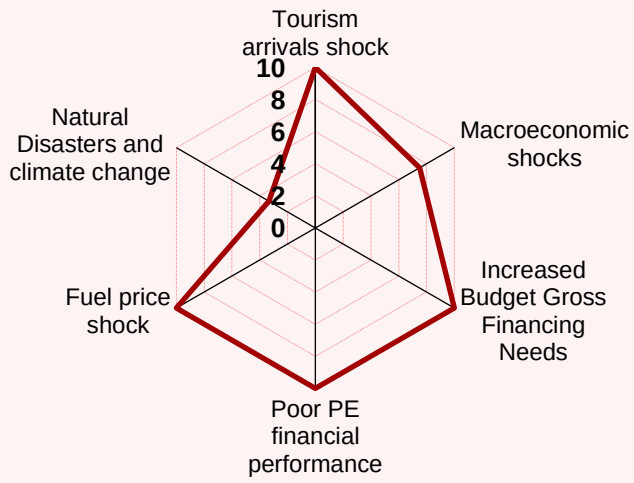
	Keep adequate contingency provisions for disaster response, regularly test their sufficiency, and use them alongside the DRFS and REPAIR mechanisms. Build on climate budget tagging and the RSF assessments to periodically assess how disasters and climate change affect growth, spending, debt and fiscal sustainability. Draw on climate funds and development partners, in line with the Government's climate finance framework, to finance adaptation and mitigation projects, including resilient coastal infrastructure.

Source: Macroeconomic Forecasting and Analysis Division Estimates, MoFEPTI

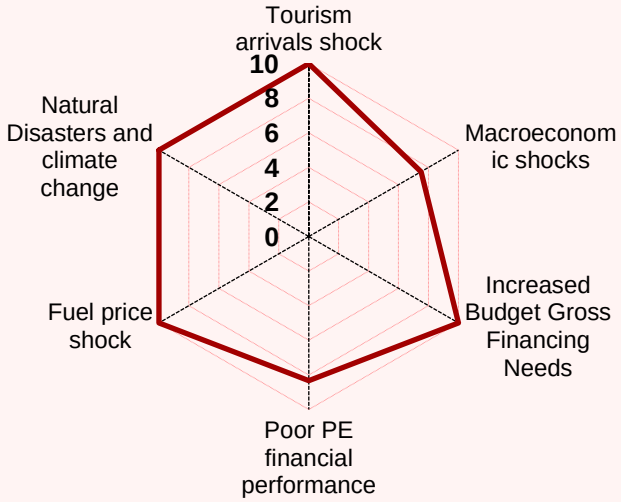
The radar charts below depict the RAM estimates for 2027 on 'likelihood, impact, and effectiveness of mitigation measures' based on the values assigned. A radar chart is a two-dimensional chart displaying multivariate data with several quantitative variables represented on axes starting from the same point.

Figure 30. RAM 2027 charts

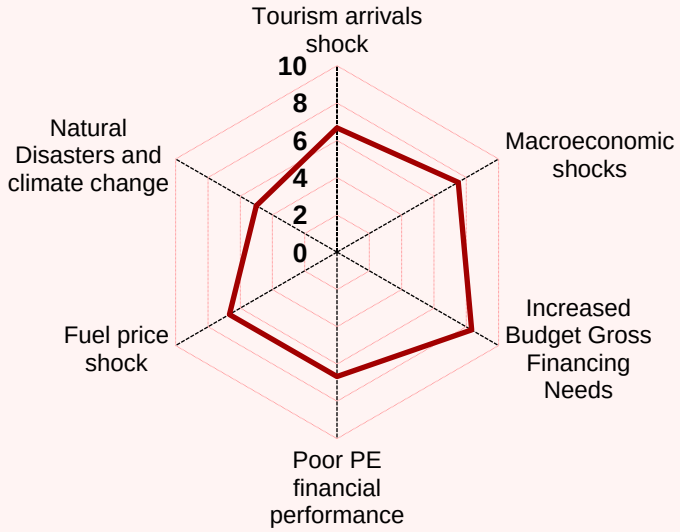
Risk Likelihood



Risk Impact



Effectiveness of Mitigation Measures



Note that the rating scale of '1 to 3' has been expressed in percentiles for presentation purposes.

As can be seen from the charts, the likelihood of major risks is mostly medium to high in 2027 as the economy continues along the recovery path.

These risks also are high impact indicating vulnerabilities worsened by the pandemic.

Additionally, all the risks identified cannot be fully mitigated.

Source: Macroeconomic Forecasting and Analysis Division Estimates, MoFEPTI

7. Mitigating Fiscal Risks

As part of the process of identifying, assessing and analysing fiscal risks it is essential for the Government to adopt appropriate strategies and tools to mitigate their potential impact. The risks outlined in this document have implications for the country's fiscal position and could affect the achievement of fiscal targets and the long-term sustainability of public finances. Accordingly, effective fiscal risk management remains a key Government priority.

This section sets out a range of strategies and initiatives that can be pursued to mitigate fiscal risks. The Government remains committed to expanding and strengthening the range of policy options available to manage and mitigate these risks.

7.1 Broad Approaches to Mitigation

- **Ensure appropriate contingency provision is maintained within the Budget,** in order to address possible materialisation of fiscal risks. This provision is incorporated into the Budget to meet unforeseen expenditure not initially anticipated during the Budget preparation process. For 2027, the planned contingency provision is estimated at SR 60m, with this level maintained over the medium term.

- **Allocate appropriate budgetary resources towards the ongoing assessment and monitoring of fiscal risks**, in order to facilitate more timely and effective policy responses to emerging fiscal risks.

- **Utilise appropriate hedging and insurance mechanisms to transfer selected fiscal risks,** with particular emphasis on mitigating exposure to macroeconomic risks associated with public entities (PEs).

- **Establish appropriate limits and caps on the level of liabilities that public entities are permitted to accumulate**, thereby reducing the risk of PE insolvency and limiting the potential fiscal burden on central Government finances.

- **Broaden and ensure the effective enforcement of public entity reporting requirements.** Initial improvements to public entity reporting were introduced by the Public Enterprise Monitoring Commission (PEMC) in 2023, with further progress in 2026 through the rollout of a centralised digital reporting system and a memorandum of understanding (MOU) with the National Bureau of Statistics (NBS) to facilitate data sharing.

- **Ensure and maintain appropriate budgetary provisions for the purpose of addressing fiscal risks tied to the operations of public entities**. Sufficient budgetary support should be readily accessible where institutional risks or contingent liabilities materialise as fiscal costs.

7.2 Mitigating Climate Risks

Addressing climate change-related fiscal risks requires a combination of measures to reduce greenhouse gas emissions, enhance economic resilience, and strengthen the country's capacity to respond to emerging pressures. This requires a coordinated approach to fiscal and economic policy, ensuring that public

resources are directed towards measures that reduce long-term vulnerabilities while maintaining sufficient fiscal capacity to respond to unforeseen pressures.

- **Strengthening fiscal discipline and management.** As a small island economy facing constraints in skilled labour, infrastructure and financial resources, Seychelles requires a sustainable approach to public financing to strengthen its capacity to adapt to and mitigate the impacts of climate change. Prudent fiscal management is therefore central to maintaining fiscal space and ensuring that available resources are allocated effectively.

  The adoption of the Medium-Term Fiscal Framework (MTFF) in 2008 established a longer-term perspective for fiscal planning by providing a structured approach to the management of revenues and expenditures. The MTFF has contributed to greater fiscal discipline and more prudent decision-making, while helping to reduce the risk of unforeseen Budget misallocation and overspending.

  Building on this framework, climate-related risks can be further integrated into fiscal planning and budgetary processes through climate Budget tagging and the climate-related fiscal sustainability assessments undertaken under the IMF's Resilience and Sustainability Facility (RSF).

- **Strengthening the mobilisation of budgetary resources.** Sustainable mobilisation of budgetary revenues is essential to securing the resources required to finance environmental mitigation and climate-resilience measures. Under the Seychelles National Development Strategy 2024–2028 (NDS), the resource-mobilisation strategy seeks to ensure that adequate financing is available to deliver the priority interventions identified under the NDS. The strategy is based on two complementary pillars: (i) domestic resource mobilisation and (ii) external resource mobilisation.

  Domestically, efforts are focused on strengthening the efficiency and equity of the tax system to support higher revenue collection, while improving public financial management to contain excessive expenditure and safeguard fiscal balance. These efforts are complemented by prudent domestic borrowing, the mobilisation of dividends from public entities and greater private-sector participation through the identification and development of new public-private partnerships.

  Externally, resource mobilisation is centred on attracting foreign direct investment to promote economic diversification, alongside continued engagement with traditional development partners. Cooperation with the International Monetary Fund (IMF), including through the Extended Fund Facility (EFF) and the RSF, also provides access to targeted financing to support investments in climate change adaptation and mitigation.

- **Building resilience through investment in adaptation and mitigation measures.** Investment in adaptation and mitigation measures is essential to reducing vulnerability to climate-related risks and limiting their potential economic and social costs. Adaptation efforts should prioritise improving the resilience of infrastructure and essential services, strengthening protection against flooding and coastal hazards, and promoting nature-based solutions to reduce exposure to environmental risks.

  The potential economic benefits of such investments are supported by research from Nguyen, Feng, and Garcia-Escribano (2025), which estimates that high-quality climate-resilient infrastructure can reduce the adverse impact of natural disasters on GDP growth from 1.5 percentage points to 1 percentage point, representing a 33 per cent improvement in growth outcomes relative to lower-quality infrastructure.

Alongside adaptation, targeted investment in mitigation measures remains important in addressing the underlying drivers of climate change. Seychelles has strengthened its Nationally Determined Contributions (NDCs), including a commitment to reduce greenhouse gas emissions by 35.7 per cent against Business-As-Usual (BAU) levels by 2030. Progress towards this objective is dependent on continued efforts to transition towards lower-carbon transport systems and increasing the share of renewable energy in the national energy mix.

- **Foster productivity and economic efficiency.** Climate-related pressures reinforce the need to improve the efficiency with which economic resources are used, while ensuring that productivity gains are achieved without increasing environmental pressures. Promoting a circular economy can contribute to this objective by encouraging businesses to reconsider how products are produced and consumed, with greater emphasis on reducing waste and reusing available resources.

  The policy and regulatory environment also play an important role in supporting this transition. Through the Budget, regulatory measures can be introduced to encourage industries to improve production processes, adapt to changing environmental requirements and invest in innovation. By combining measures to encourage innovation and more efficient resource use with appropriate environmental standards, such policies can support higher economic output while contributing to more sustainable patterns of production practices.

7.3 Mitigating Natural Disaster Risk

The increasing occurrence and severity of natural disasters, both domestically and internationally, pose significant risks to Government financial stability. These risks have become more pronounced as the frequency of natural disasters globally has increased over the past decade. In light of these growing risks, it is increasingly important to maintain sufficient fiscal resilience and implement appropriate mitigation and adaptation measures to protect the country from both the potential fiscal impacts of natural disasters and the wider social and economic consequences for the Seychellois population.

- **Enhance the disaster preparedness and response capacity of key institutions.** Improving institutional capacity of the Department of Risk and Disaster Management (DRDM) is essential to improving the country's preparedness and ability to respond effectively to natural disasters. Continued investment in the department's capacity would support timelier and coordinated disaster response, while further developing its role as a central hub for monitoring, assessing, and providing early warning of emerging disaster risks. The 2027 Budget indicates an allocation of about SR 18.1m to the DRDM for 2027.

- **Develop the framework for assessing short-to-medium-term contingency fund requirements.** Establishing a framework to assess potential disaster-related costs would provide a stronger basis for determining appropriate contingency resource requirements and directing their allocation towards areas of greatest need. This will ensure that adequate budgetary contingency provisions are maintained for immediate disaster response and recovery, with existing financial buffers assessed regularly to determine whether they remain sufficient to meet potential disaster-related expenditure needs.

- **Operationalise the Disaster Risk Financing Strategy (DRFS).** The DRFS, approved by Cabinet in 2025, sets out the Government's approach to financing natural disaster response and mitigation. Its full operationalisation will require the finalisation and implementation of the accompanying action plan, with priority given to strengthening financial preparedness through an appropriate combination of budgetary contingency provisions, contingent financing and risk transfer instruments. These efforts are complemented by the World Bank-supported Regional Emergency Preparedness and Access to Inclusive Recovery (REPAIR) Programme, which Seychelles joined in 2025. Strengthening the implementation of the programme, including ensuring that its financing and disbursement mechanisms are fully operational, would facilitate timely access to funds and assistance for households affected by natural disasters.

- **Align natural disaster risk management with broader climate change policies and frameworks.** Climate change planning should incorporate the potential impacts and vulnerabilities associated with natural disasters as an integral component of national climate risk management. Greater alignment between disaster-risk and climate-change frameworks would strengthen the identification and assessment of these risks, while ensuring that relevant findings are incorporated into research and policy development. It would also provide a stronger basis for directing climate finance towards initiatives that address identified vulnerabilities and support greater resilience to natural disasters.

- **Develop stronger community disaster preparedness and response mechanisms.** Greater emphasis on preparedness at the community level can strengthen the ability of households and local communities to respond effectively when natural disasters occur. This can be supported through targeted awareness and preparedness programmes, including public information campaigns, evacuation planning, and practical emergency response training. Strengthening local preparedness can help limit the disruption and damage caused by disasters.

- **Establish a comprehensive and robust system for disaster loss assessment and reporting.** Establishing a comprehensive and systematic record of disaster-related losses would strengthen the evidence base available for assessing the scale and nature of natural disaster risks. A centralised disaster loss database could capture the economic, social, and fiscal effects of past events, providing a stronger basis for identifying risk patterns and estimating potential future impacts. Improved information in this area would also support more informed risk assessment, strengthen Budget planning, and enable contingency fund requirements to be calibrated more accurately to the Government's potential exposure.

- **Ensure adequate budgetary provision is made for natural disaster adaptation and resilience measures.** Adequate resources should be provided within the Budget for investment in adaptation and resilience against natural disasters, with such expenditure clearly identified and accounted for. Priority areas for investment should include public infrastructure, particularly roads and drainage systems; infrastructure supporting the provision of essential services, including energy, water and healthcare; and ecosystem-based adaptation measures. The latter could include the development of coastal protection measures and the restoration and protection of watersheds in geographically vulnerable areas, helping to reduce exposure to flooding, coastal erosion and other natural disaster risks.

8. Conclusion

This Fiscal Risk Statement assesses the key sources of fiscal risk facing the Government in the context of the 2027 Budget and over the medium to long term. These risks arise from macroeconomic volatility, challenges in Budget execution, exposure to PEs, and increasingly from structural forces such as demographic change, climate change, and natural disasters. As a small, open island economy that depends heavily on tourism and imports, Seychelles remains particularly exposed to external shocks, as the conflict in the Middle East has demonstrated in 2026.

Under the baseline, public debt is projected to rise temporarily in 2026, as the conflict slows economic activity, before resuming its decline and falling below the 50 per cent of GDP anchor in 2031, one year later than the Government's objective. This path relies heavily on sustained growth, with only a modest contribution from primary surpluses, and simulations suggest that the probability of reaching the anchor by 2030 is slightly less than 50 per cent. The debt stress tests show that the debt path is most sensitive to a depreciation of the rupee, reflecting the high share of foreign currency debt, followed by a deterioration in the primary balance and a slowdown in growth. Under each of these shocks, debt would remain above the anchor throughout the projection period. The sensitivity analysis similarly shows that a depreciation against the US dollar has the largest effect on nominal GDP and revenue, while also raising expenditure denominated in foreign currency.

This year's macroeconomic shock scenario examined the fiscal implications of a sustained rise in global oil prices linked to the conflict in the Middle East. **Higher oil prices reduce tourist arrivals by weakening activity in source markets, with effects that build up over time rather than fading after the initial shock**. Under the conservative scenario, debt continues to decline but more slowly than in the baseline, reaching 53.5 per cent of GDP in 2029. Under the extreme scenario, tax revenue falls by a cumulative SR 339m over 2027–2029, the primary balance moves into deficit, and debt stops declining, remaining at about 56 per cent of GDP. These results underline how a single external shock can affect growth, prices, revenue, and debt simultaneously.

PEs remain a material source of fiscal risk. The conflict has already affected PE operations through disruptions to air connectivity, higher input costs, and energy conservation measures. Aggregate PE profits fell sharply in the first half of 2026 compared with a year earlier, and a further significant decline is projected for the year as a whole, while borrowing rose in the first two quarters. Weaker PE performance could reduce the dividends on which the Budget increasingly relies, increase the need for transfers and budgetary support, and raise the Government's exposure to contingent liabilities through guarantees and indemnities. Continued oversight by PEMC and strengthened financial discipline within the sector will therefore remain essential.

Budget execution also continues to pose risks, with persistent under-execution of capital expenditure delaying public investment that is needed to support growth and resilience.

Over the longer term, an ageing population is expected to place increasing pressure on pensions, healthcare and social spending, while climate change poses both immediate and structural risks through its effects on productivity, infrastructure, tourism, water security, and contingent liabilities. Long-term simulations indicate that unmitigated climate change could raise public debt to 97 per cent of GDP by the end of the century, compared with 59 per cent under the baseline. In the nearer term, a severe El Niño event in 2027 could push debt high enough to miss the 50 per cent anchor in 2030.

Taken together, these findings highlight the importance of a holistic and forward-looking approach to fiscal risk management. The margin between the baseline debt path and the anchor is narrow, and several of the risks identified in this statement could materialise at the same time. Safeguarding fiscal sustainability will require maintaining primary surpluses and rebuilding fiscal buffers, managing the currency composition of public debt, improving the execution of capital projects, strengthening the governance and oversight of PEs, and investing proactively in climate adaptation and disaster preparedness.

Looking ahead, the Government remains committed to strengthening fiscal resilience through prudent macro-fiscal management and continued reform. This includes improving the quality and execution of public investment, enhancing the oversight and accountability of PEs, and integrating climate and demographic considerations more systematically into fiscal planning. Continued efforts to mobilise sustainable financing, build institutional capacity, and base policy decisions on a clear understanding of risk will be essential to safeguarding fiscal sustainability and supporting inclusive, long-term economic growth.

9. Annex A

Table 9. PE Scenario Impact Assessment

PE Name	Risk Posture	Key Exposure Drivers	Quantified Exposures	Mitigation Measures	Govt./Minister Dependencies & "Immediate Attention" flags
SPS	**Critical/structural**	❖ **Decreased inbound e-commerce from China** *[potential loss of SR 6Mn and more]* ❖ **Tourism Decline** *[potential loss of SR 3Mn]* ❖ **Currency Fluctuations** ❖ **Operational Costs** ❖ **Cargo & Courier Priority**	❖ **Cash headroom** *[Maximum – 4 months]* ❖ **High-sensitivity cost line(s)** *[Salary/Terminal dues/air carriers/rent of premise]* ❖ **FOREX Exposure** *[Outbound payments to terminal dues in CHF]* ❖ **Critical suppliers/Single points of failure** *[Emirates Post as the hub – alternative solutions were being pursued]*	❖ **Alternative inbound hub** ❖ **Reduce temporary staff** ❖ **Hold terminal dues payments**	❖ **National socio-economic impact** *[imports by customer/small businesses, client confidence in postal system]* ○ **Government support from exposure drivers and/or Quantified Exposures** *[Cash injection/increased subsidy, minister dialogue to address situation and propose policy changes]* ○ **Urgency** *[One month]* ❖ **"Immediate Attention" Flags** *[Liquidity stress within 1-2 months, Service interruption, Single-source dependency with no viable alternative identified, Contractual penalties, Significant price impact]*
SFA	**High/Critical**	❖ **Fuel Costs** ❖ **Freight Cost** ❖ **Exchange rate movement** ❖ **Cost of services provided** ❖ **Construction costs**	❖ **Cash headroom** *[12 months]*	❖ **Budget revision reflecting current situation** ❖ **Delay in CAPEX and recruitment** ❖ **A request to review on dividend paid out for 2026**	❖ **National socio-economic impact** *[impact on essential service, impact on sector-wide continuity, systemic financial risk]* ○ **Government support from exposure drivers and/or Quantified Exposures** *[permitted to review dividend payment, review price of SFA services, claim force majeure and renegotiate fisheries access agreements and contracts, request temporary external support]* ○ **Urgency** *[Watch and prepare]*

					❖ **"Immediate Attention" Flags** *[Service interruption, Contractual penalties/force majeure exposure]*
IDC and Subsidiaries (GICC & GTIC)	**High**	❖ **Heavy dependence on imports, e.g. construction materials, fuel, operational supplies via the Middle East** ❖ **Tourism Dependency** *[95% tourists' arrivals via Middle East airlines hubs]* ❖ **Ongoing construction projects dependent on imported materials and foreign labour** ❖ **Revenue exposure** *[linked to resort island occupancy affecting utilities supply, IDC aviation and transportation services]* ❖ **Foreign exchange exposure** *[construction contracts in SR while imports are settled in FOREX]*	❖ **Cash headroom** *[Approximately 6-8 weeks]* ❖ **High-sensitivity cost line(s)** *[Fuel, freight and construction materials – potential increase of 20 – 50%]* ❖ **FOREX Exposure** *[High due to tourism dependent foreign inflows and imports settled in USD]* ❖ **Critical suppliers** *[Dubai supply routes, aviation fuel suppliers and construction material channels]* ❖ **Inventory coverage** *[Approximately 4-8 weeks]* ❖ **Other Exposure** *[Construction projects worth approximately USD 175Mn with mixture in USD and SR]*	❖ **Diversify suppliers from India, Mauritius and East Africa** ❖ **Increase buffer stock for essentials in outer islands** ❖ **Prioritise critical construction projects** ❖ **Optimise IDC aviation and landing craft logistics** ❖ **Expand the use of sustainable energy**	❖ **National socio-economic impact** *[impact on tourism sector continuity, impact on essential logistics to outer islands, impact on construction sector employment and foreign exchange stability]* ○ **Government support from exposure drivers and/or Quantified Exposures** *[for coordinating alternate aviation connectivity, securing essential import supply routes, ensuring aviation fuel availability, for supporting national foreign exchange stability]* ○ **Urgency** *[One month]* ❖ **"Immediate Attention" Flags** *[Liquidity stress possible within 45-60 days, Revenue exposure linked, single source dependency on Middle East supply and aviation routes, Exchange rate risk impacting SR denominated construction contracts]*
SPTC	**High**	❖ **Unavailability of operational inputs e.g. Tyres and Spare parts** ❖ **Unavailability and price hike of fuel** ❖ **FOREX** ❖ **Liquidity headroom**	❖ **Cash headroom** *[6 – 8 weeks]* ❖ **High-sensitivity cost line(s)** *[SR 1Mn increase]* ❖ **Critical suppliers** *[Multiple points of sourcing for spares and tyres, though fuel supply remain effectively single-source supply dependent]* ❖ **Inventory coverage** *[Tyres and spare parts – 4 to 6 weeks, Fuel – 4 to 8 weeks]*	❖ **Contingency Planning – Supply Chain** *[Alternative sourcing and logistics routing for spare parts and tyres]* ❖ **Governance Actions** *[Reduce service due to potential fuel shortages]* ❖ **Financing Strategy** *[Fuel consumption optimization plan, establishing emergency fuel reserve strategy with SEYPEC if necessary, Government*	❖ **National socio-economic impact** *[impact on essential service, impact on sector-wide continuity, systemic financial risk]* ○ **Government support from exposure drivers and/or Quantified Exposures [***Bilateral assistance, Budget support, FOREX allocation, prioritising fuel demand]* ○ **Urgency** *[Watch and prepare]* ❖ **"Immediate Attention" Flags** *[Liquidity stress within 1-2 months, Service interruption]*

				subsidy engagement framework] ❖ **Financial Scenario-based budgeting** ❖ **Strategic/Government Engagement** ❖ **Operational [***Route rationalization and prioritization of high-demand corridors, Fuel consumption optimisation programme]*	
SPF and Subsidiary (OICL)	**Moderate - High**	❖ **Rising fuel and freight costs driving inflationary pressure** ❖ **Currency volatility (SR depreciation) on investment returns and property valuations** ❖ **Tourism sector disruption reducing employment and contribution inflows** ❖ **Contractual and insurance tightening increasing operational risk** ❖ **Member confidence and reputational risk**	❖ **Cash headroom** *[SPF maintains cash buffers to cover 3 months of all working capital requirements. In the extreme case of no pension contributions, its Liquid Fixed portfolio can cover around 2.5 years of pension payment obligations]* ❖ **High-sensitivity cost line(s)** *[Energy prices, freight costs affecting capital projects and inflation affecting operational expenditure]* ❖ **FOREX Exposure** *[Approximately 15% of the investment portfolio is denominated in USD which may benefit from SR depreciation, though there will be increased operational costs and capital expenditures]* ❖ **Critical suppliers** *[Global shipping routes (via Gulf of Aden/Strait of Hormuz) are inaccessible and international financial*	❖ **Strengthen liquidity monitoring and cashflow projections** ❖ **Diversify investment portfolio, reduce real estate concentration** ❖ **Pause or delay certain international investments** ❖ **Assess exposure to Middle East financial institutions** ❖ **Delay non-critical capital projects if cost escalation persists** ❖ **Strengthen indexation policy review** ❖ **Enhance insurance and contractual risk management** ❖ **Member communication strategy (confidence management)** ❖ **Increase monitoring of employer contribution collections** ❖ **Establish contingency reserves and/or increase**	❖ **National socio-economic impact** *[impact on essential service, impact on affordability, impact on sector-wide continuity, systemic financial risk]* ○ **Government support from exposure drivers and/or Quantified Exposures** *[Government support for FOREX stabilisation measures, Policy alignment on pension indexation funding, Economic support measures for tourism-related businesses, Potential fiscal coordination if contribution inflows fall significantly below benefit obligations in line with SPF's funding policy prescriptions]* ○ **Urgency** *[Watch and prepare]* ❖ **"Immediate Attention" Flags** *[Liquidity stress within 1-2 months, Service interruption, Single-source dependency with no viable alternative identified, Contractual penalties/force majeure exposure, Significant tariff/price/affordability impact]*

			market conditions (future contracts) affecting prices] ❖ **Other Exposure** *[Tourism-linked contributions account for roughly 10% of contribution inflows]*		
FSA	**High external risk**	❖ **Disruption to Global Financial Flows** ❖ **Heightened AML/CFT and Sanctions Risk** ❖ **Macroeconomic and Market Volatility** ❖ **Business Continuity** ❖ **Financial sustainability**	❖ **Cash headroom** *[Sufficient for the year]* ❖ **FOREX Exposure** *[Membership fees, Training, Consultancies, Stipends for students overseas]* ❖ **Critical suppliers** *[SEYPEC, PUC, major supermarkets]* ❖ **Inventory coverage** *[Consumables, cleaning materials and fixed assets to be ordered during April 2026]* ❖ **Other Exposure** *[Construction projects worth approximately USD 175Mn with mixture in USD and SR]*	❖ **Ensure budgetary flexibility to respond to crisis-related operational needs** ❖ **Conduct enhanced sanctions and compliance monitoring** ❖ **Strengthen sector monitoring and supervision** ❖ **Participate in national coordination mechanisms to monitor financial stability risks** ❖ **Maintain active engagement with international standard-setting bodies and foreign regulators to reinforce compliance and cooperation** ❖ **Ensure business continuity planning measures are in place and develop contingency requirements where required**	❖ **National socio-economic impact** *[systemic financial risk]* ○ **Government support from exposure drivers and/or Quantified Exposures** *[National financial stability coordination, strategic communication and market confidence, national contingency planning]* ○ **Urgency** *[One week/Watch and prepare]* ❖ **"Immediate Attention" Flags** *[Any sanctions/compliance screening requirements]*
SPGA	**Moderate**	❖ **Tourism Arrival** ❖ **Financial and Currency Market Instability** ❖ **Increase in products and service prices** ❖ **Sales of products**	❖ **Cash headroom** *[Best case scenario – 18 months, Worst case scenario – 8 months]* ❖ **High-sensitivity cost line(s)** *[Fuel Cost and*	❖ **Freeze Recruitment** ❖ **Use drone and camera for enforcement patrol** ❖ **Travel to only fully funded overseas mission/Get Board's**	❖ **National socio-economic impact** *[systemic financial risk]* ○ **Government support from exposure drivers and/or Quantified Exposures** *[To assist with meeting certain financial obligations, if this escalates*

		❖ **Meeting financial commitments**	*foreign exchange fluctuations]* ❖ **Critical suppliers/Single points of failure** *[SEYPEC and PUC]*	**approval to reduce travelling to $100 per day** ❖ **Implementing cost reduction measures, prioritising staff welfare and recurring expenses** ❖ **Scaling down and reprioritising on all events on online social media sensitisation**	*beyond four months, such as operational expenses, wages and salaries, administrative costs]* ❖ **Urgency** *[One week /Watch and prepare]* ❖ **"Immediate Attention" Flags** *[Service interruption]*
L'Union Estate	**Moderate overall**	❖ **Tourism demand** ❖ **Electricity Costs** ❖ **Local freight & logistics** ❖ **Grocery imports** ❖ **Local agriculture** ❖ **Liquidity pressure**	❖ **Cash headroom** *[Approximately 4-6 weeks]* ❖ **High-sensitivity cost line(s)** *[Key cost lines sensitive to global disruptions include; Animal feed imports, Fuel and transport costs, Packaging materials and processing inputs. Estimated exposure: 10 – 20% increase in operational costs]* ❖ **FOREX Exposure** *[Estimated exposure: moderate risk affecting 10 – 20% of operating costs linked to imported inputs]* ❖ **Critical suppliers/Single points of failure [Potential single-point** *vulnerabilities include; Primary poultry feed suppliers, Packaging suppliers for processed pork and meat products, Agricultural input suppliers]* ❖ **Inventory coverage** *[Animal feed: approximately 2 – 4*	❖ **Strengthen cashflow monitoring and weekly liquidity reporting to management and board** ❖ **Accelerate debt collection from debtors to accelerate liquidity** ❖ **Increase inventory buffer for essential farm inputs (feed, packaging) where feasible.** ❖ **Advertise and promote local market sales of vegetables, eggs, pork, and processed products to reduce reliance on tourism income** ❖ **Identify and approve alternative suppliers for animal feed and processing inputs** ❖ **Implement cost control measures including deferral of non-essential capital expenditure and maintenance** ❖ **Adjust production planning for poultry, pigs and vegetables to align with expected demand** ❖ **Implement strategic restructuring plan focusing on agriculture**	❖ **National socio-economic impact** *[impact on sector-wide continuity, impact on tourism sector contribution and local agricultural food supply]* ○ **Government support from exposure drivers and/or Quantified Exposures** *[Financial support with operational expenses]* ○ **Urgency** *[Watch and prepare]* ❖ **"Immediate Attention" Flags** *[Service interruption, Single-source dependency with no viable alternative identified, Significant tariff/price/affordability impact]*

			weeks, Processing materials and packaging: approximately 3 -4 weeks, Farm inputs (fertilizers, seeds): 1 – 2 planting cycles] ❖ **Other Exposure** *[Tourism revenue concentration risk]*	**and processing revenue streams** ❖ **Explore Government support or sector relief measures if tourism sector declines significantly**	

Source: PEMC