

Budget Address 2027

GOVERNMENT OF SEYCHELLES

Delivered by

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In the National Assembly of Seychelles

Ile du Port, Victoria, Mahé, Seychelles

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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.