

Speech by
President James Alix Michel
On the occasion of the National Day
18th June 2013

Dear people of Seychelles,
Mr Secretary General of UNCTAD,
President Mancham,
Excellencies,
Distinguished guests,

Twenty years ago we had an important rendezvous with history. The Third Republic was born. And with it came new symbols representing the dignity and pride of the people of Seychelles – these are our Constitution, our national flag, our national anthem, and new institutions of the Republic of Seychelles.

Twenty years later, these symbols are engraved in our hearts – more powerful, more vibrant than ever – to remind us of the long journey we undertook together. The symbols are there to inspire us to do more, to do better, for our Seychelles. They are there to remind us that it is our unity – in diversity – which is our strength. They keep the patriotic flame burning in the hearts of Seychellois. They are there to proclaim that we share the same homeland; that we are all children of Seychelles.

Our joy is great, and to share this event with us we have Dr Supachai Panitchpakdi, the Secretary General of the United Nations Conference on Trade and Development (UNCTAD).

Mr Secretary General,

We warmly welcome you. Small island developing states, like Seychelles, are looking for trading frameworks to improve development prospects, mindful that we also need to be resilient against global shocks. Your presence here today testifies to the importance that the United Nations places on the development agenda of Small island Developing States (SIDS). We thank you for being with us.

People of Seychelles,

Today we have another important rendezvous with history. Our national symbols take on a deeper meaning because of this historic date. When we pay homage to our national symbols we do it with a renewed sense of patriotism, with pride. Proud that we live in one of the most beautiful countries in the world, as the preamble of our Constitution reminds us. With pride we celebrate the unity that bonds us as a people. We celebrate the solidarity between us. We celebrate our accomplishments.

We have achieved much since 18th June 1993. The results are before us.

We have all contributed towards our success as a proud, resourceful and hard-working people.

We are considered an example and a model throughout the world. A model of peace, unity, tolerance and good governance. I will always ensure that we stay that way.

During these 20 years we have continually strengthened our democracy. We have a participatory democracy, through consultations. The rule of law prevails.

We have considerably improved the situation concerning order, peace and security.

We have fixed our economy. Today it rests on a solid foundation that will assure our future.

Over these 20 years our country has been transformed economically and socially, where resources have been well developed and managed; where the wealth of our country goes into improving the quality of life of all its citizens; where we are committed to work hard. To work even harder for our New Seychelles.

A country where our elderly citizens are able to live in dignity and comfort.

A country with a strong social conscience, where we continue to build houses for our people.

A society which cherishes social justice.

A society where we continue to maintain systems of free education and health care, in spite of the challenges to strengthen and improve them.

On the economic front, in 1993 our GDP per capita stood at US\$6,400. Twenty years later it is US\$13,900.

In 1993 our gross domestic product was US\$469M. Twenty year later it has reached US\$1.2B.

In 1993 our foreign exchange reserve was around US\$35M. Today the foreign exchange reserve is more than US\$345M.

In 1993 we were classed as a middle-income country. Today Seychelles is defined as an upper middle income country.

In 1993, the United Nations Report on Human Development ranked Seychelles as 63rd, and categorised it as a country of average human development. In 2013 Seychelles is ranked 46th in the world and first in Africa. Today we are rated as a country of very high human development.

We have also achieved a lot of success on the international scene. Our pro-active diplomacy is recognised and is solicited. We have contributed to international security and in the fight against organized crime. We have assisted in the mediation of conflicts. As a spokesperson

for Small Islands States we have made our position clear on environmental challenges, including climate change. Seychelles' positive image is reflected in the mirror of the world.

Dear people of Seychelles,

These are eloquent statistics. The progress we have achieved since the foundation of the Third Republic is phenomenal. This is recognised by the international community. We are proud of our accomplishments – and rightly so. But it did not happen by the waving of a magic wand. We had to make many sacrifices. We had to face a lot of difficulties – especially at a time of unfavourable international economic climate. We had to take some tough and unpopular decisions. Objective decisions that were above politics. We persevered. We demonstrated our resilience. We remained united. We worked hard. And this has enabled us to reach the summit of the mountain, and see the horizon before us with much hope.

For our country to continue to prosper, we all have to work hard, and make our contribution. Hard work gives value to human dignity. Hard work is an investment in the future. We have to take our responsibilities seriously.

Our efforts and policies have taken us far. But we cannot rest on our laurels. We have to look at the future and find ways for us to continue progressing. We need to continue growing our economy in order to improve the quality of life of our people, create employment and generate wealth for our country. Economic growth has to impact positively on the lives of all people in society. It must benefit all Seychellois. This is how economic growth contributes to greater social justice. This is a principle I have always believed in. It is a fundamental principle that has always motivated me to work for the Seychellois people.

Social justice is the basis of our modern society. But one of the consequences of rapid economic growth and development is the emergence of social and economic gaps in our society.

One of our primary tasks is to correct all the inequities that may exist in our society. We must strengthen social justice.

Greater social justice comes through:

- Narrowing of the gap in the economic power of the Seychellois
- Creation of more opportunities
- Strengthening of our democratic institutions
- A socio-economic system that is healthy, strong, which does not leave any of its citizens behind
- Access to education, health, decent housing
- The practice of our rights, in full liberty, but also the acceptance of our responsibilities and obligations
- Work for all, and hard work;
- Ownership and empowerment of all Seychellois

For me – and I know for the majority of Seychellois – the two concepts of ownership and empowerment, which are closely linked, play a fundamental role in creating greater social justice. We have to take ownership of the New Seychelles. We have to continually empower our people to shoulder our responsibilities, our obligations, our health, our education, our economic and social activities ...

When I speak of ownership and empowerment, I think particularly of small and medium enterprises. They are the engine of our economy. They are an important platform for the development of our country.

In the past, we have empowered big businesses. We did it well, intelligently, and with good reason. In this context, foreign investment has contributed enormously to bring our country to where it is today. We needed to create capital volumes necessary. We had to strengthen the Seychelles image in the world in order to develop our economic pillars. We did not wish to be left behind. Competition was fierce. We needed to create employment, Today we see the fruits and results of that policy.

The time has now come for us to empower small and medium enterprises.

With the solid foundation we now have following our economic reform, we need to enable Seychellois businesses to develop.

But it seems that there are still too many obstacles to starting and expanding a small business. One of the difficulties is the level of bureaucracy, which must be reviewed. The ministries and agencies which provide the services need to do more and better to help entrepreneurial Seychellois. They must help him to expand his business.

Another major obstacle is access to affordable financing. The Ministry of Finance is putting in place a new programme that has already been discussed with local banks. This will become operational next month. The programme will enable entrepreneurial Seychellois to set up their businesses within a reasonable period, without difficulty accessing credit and without bureaucratic constraints.

Overall, the programme will cover loans of up to SR3M. It will apply only to businesses in the productive sector. Interest on loans will vary from 5% to 7%, and the repayment period will be between 5 and 7 years, with a six-month grace period on repayments. The applicant's personal contribution will not exceed 2.5% of the value of the loan. To enable them to facilitate the launching of their businesses, they will benefit from tax concessions for a certain period. Government will also provide workshop facilities free of charge for a period of six months. After that they will pay a reasonable rent for the space they occupy. Land has already been identified at Providence for the necessary infrastructure. Work will start during the first half of 2014.

The Ministry of Finance will provide more details on this programme during the coming days.

Another important subject we are addressing is access to bank credit for the housing construction. Presently, it is too complicated, particularly considering the criteria and the interest rates that the commercial banks charge to secure a loan.

To resolve this situation, Government will soon introduce a new programme called Smart Subsidy. This is a new partnership between government, the commercial banks and the Housing Finance Corporation (HFC) which will benefit certain categories of applicants who are either building or buying a house for the first time. Under the Smart Subsidy programme government will give a subvention to applicants whose individual salaries or combined incomes are between SR6,000 and SR20,000. The level of subvention will depend on the salary levels of qualifying applicants.

Applicants with earnings of between the minimum wage and just below SR6,000 will also be considered for the subvention on an exceptional basis if their personal contributions meet other criteria. For the rest of our people who do not fall in this particular category, I want to reassure them that my Government will always keep its promise to help them have their own homes through existing programmes. In this context, you will be happy to know that as from August 2013, the HFC will resume the disbursement of loans, while at the same time it will increase the second housing loan levels from SR200,000 to SR300,000.

Dear people of Seychelles,

The cost of living in an open economy like ours is dictated by several factors, many of which are beyond our control. I understand the difficulties of many families in making ends meet. As our economy grows, as our country becomes more prosperous, as we work harder, as we attract more Seychellois and foreign investment, we will continue to identify innovative ways to stabilize the cost of living.

Our economy has improved since 2008. It is time for the Seychellois people to draw more benefits from the sacrifices and efforts we've made. I consider it appropriate that we once again review the salary of Seychellois workers. I have given instructions to the Ministry of Finance to work on a comprehensive plan to ensure that the salaries of all Seychellois workers are reviewed, taking into account the country's economic capacity. This will apply for all salary levels, including the national minimum wage. This will ensure that both public and private sector workers will benefit.

The Ministry of Finance will set up a mechanism to help the private sector absorb the salary increase. Our aim is that this salary increase will take effect early in 2014. This will be in addition to the salary increases that will be implemented from 1st July this year.

Dear people of Seychelles,

Our economy continues to progress in the right direction. We continue to record growth. Growth depends to a large extent on investment – either domestic investment or foreign investment. We will always need our own Seychellois investors. But we will also need foreign investors. All countries that want to progress, that want to expand their economy, that want to create more wealth, need foreign investors. And Seychelles is not an exception.

We need foreign investors, and they need us. It is a fair partnership, with mutual respect. Foreigners must respect Seychellois, and respect our customs. And we must also show them our respect and courtesy.

We are in fierce competition with neighbouring countries to attract foreign investors. The moment they feel that there is a certain level of hostility towards them, they will leave and invest in another country. Who will suffer? It will be the entire country. It will be us, the Seychellois, who will suffer. Do we want to regress? Do we want to queue outside banks to draw US\$400 when we travel? Do we want to go back to the “pipeline” system? Do we want to return to the “black market” situation? Do we want to go back to the “don’t have” situation? Let us not forget where we have come from. Let us appreciate where we have reached today.

Let us reflect carefully about our attitudes. Let us not discourage foreign investors by using a petty, hidden and selfish political agendas. Let us not frustrate them under the pretext that we are protecting our environment. This government – and I am going to insist on it – is recognized worldwide as one of the most fervent environmental defenders. Seychelles needs investment. We need development. A sustainable development that will never compromise our principles of good management and protection of our unique environment. Let us all come together for the development of the New Seychelles. A sustainable development in which the Seychellois always remain at the centre.

People of Seychelles,

The development and progress of the New Seychelles are a patriotic task. It is the duty of all Seychellois. Twenty years of success and accomplishment enable us to view the future with optimism and confidence. But the prosperity and wellbeing of a nation are not measured by statistics alone. The quality of life and the level of social justice are also important indicators. That is why the strengthening of social justice needs to remain a priority in the coming years. We have to leave behind a legacy that is noble for the generation following in our footsteps.

A legacy of:

- Greater social justice;
- National unity and solidarity;
- A culture and mentality of hard-work;
- A free, democratic and egalitarian society;
- Equitable and sustainable economic development;
- Participation of all Seychellois in the management and exploitation of our resources

Dear people of Seychelles,

Twenty years ago, we made a new start. The past is behind us. Let us now look to the future.

After 20 years we have reached a new chapter in our history. It is true that our political history has in the past always been polarized. We have to continually dismantle barriers of polarization. We need to have *grandeur d’esprit* – greatness of mind. We have to continue consolidating the New Seychelles. One nation, one people, with their diversity of opinions,

expressing themselves freely. History can be interpreted in different ways. What is important is that we draw lessons from our history, and move on towards the future.

Let us reconcile where there is division. Together, let us take this big step today. Let us take this decisive action to look at the future with a new eye. With a new heart. During this year of the 20th anniversary of our Third Republic, let us also take the decisive action to consolidate the unifying process that will enable us to better face the future together. Our future, Seychelles' future. With confidence. In unity.

Joint together all Seychellois!

Happy anniversary Seychelles! Happy celebrations to all Seychellois, here and all over the world.

May God continue to bless our motherland and guide us!