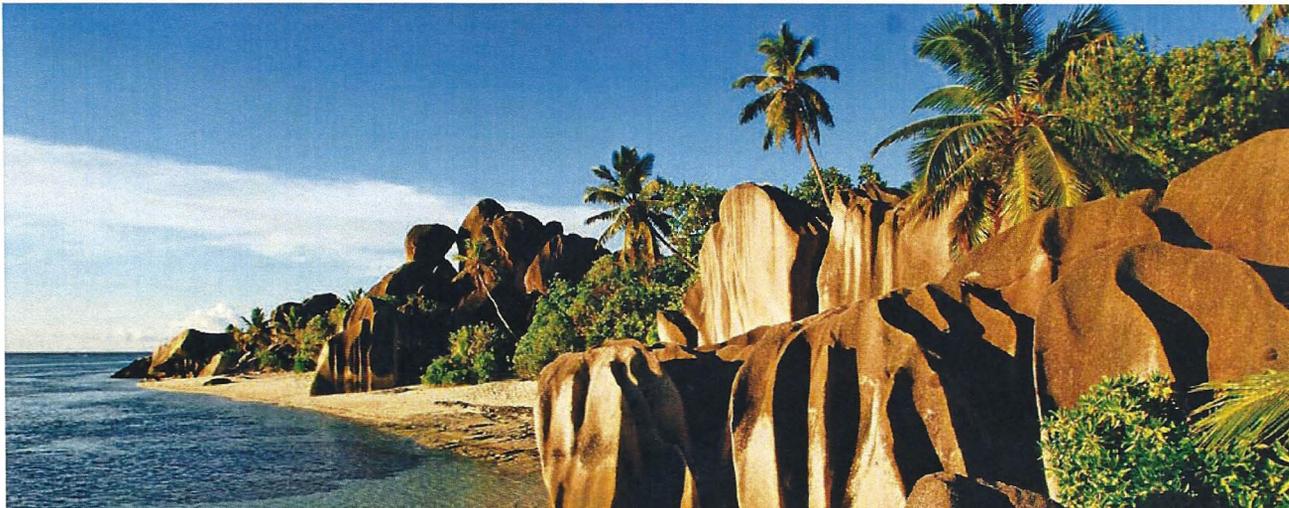


Seychelles Touching the Future



Strategically located in a time zone whose working hours overlap with those of the world's major financial centers, Seychelles enjoys excellent sea and air connections to Africa, Asia, Europe and the U.S. that make it a paradise for conducting business.

An efficient telecommunications sector, soon to be enhanced by a subterranean fiber-optic link that will deliver high-speed broadband to homes and businesses, the small African country offers excellent incentives for Chinese investors, including a double-taxation avoidance agreement.

Having averted a potential crisis in 2008, when rising fuel and food prices placed considerable strain on the country's struggling economy, Seychelles has bounced back strong and dynamic, having undergone the boldest reform program in its history.

With support from the International Monetary Fund (IMF), the Seychellois government removed all exchange restrictions, floated the currency, liberalized interest rates, introduced a modern monetary framework and significantly tightened fiscal policy. Such measures made the country resilient to the global economic crisis of 2009, while 2010 saw the island paradise recover on the back of a strong tourism sector, sizeable foreign direct investment and an upturn in the domestic economy.

With real gross domestic product forecast to grow at more



James Alix Michel
President

than 4% this year, President James Alix Michel, who competes for a second five-year term in elections this May, has been guiding the country toward prosperity and sustainability.

"This year, I have chosen the theme "Winning for The Seychelles" because it inspires people to do better and achieve excellence. These are exactly the elements we need in this country.

"We managed during the financial crisis through drastic measures and economic reforms to completely transform the landscape of the Seychelles socially and economically, because it created a new dimension to move forward. Now we have a new platform. We have achieved change to make people's lives better and we have a progressive outlook on the economy."

Entrepreneurial culture

According to the President, the Seychellois population of 89,000 is beginning to embrace an entrepreneurial culture. "People are interested in opening Small and Medium Enterprises, taking loans, and seeking government help," he says. "In fact, in the last two years, more than 600 new small businesses have been opened by people previously employed in the public sector, which encourages the private sector to be the driver of the economy."

There are many opportunities for Chinese investors. As well as being one of the foremost exclusive tourism destinations in the world, the country boasts vast stocks of tuna and other fish, and is a clean offshore jurisdiction with a burgeon-



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ing financial sector. The watchwords in these precious islands are sustainability and quality, with both tourism development and fish stocks well protected.

Sino-Seychellois relations strong

Seychelles and China enjoy a long friendship based on respect of each other's policies and internal affairs, and, as the President confirms: "China has helped a lot in the socioeconomic development of the country by investing in infrastructure."

Opportunities exist for clean investors to come and set up shop, while the double taxation avoidance agreement will make transactions in the offshore sector beneficial for Chinese investors. Seychelles' membership of COMESA and the SADC also provides a potential market of 510 million consumers for Chinese investors.

"Our offshore sector could be a very important vehicle for Chinese investors who could benefit from the concessions we have," the President says.

Chinese investors are also invited to take part in tourism development. The number one pillar of the economy, tourism contributes 25% to GDP directly, and 61% both directly and indirectly. As well as the luxury five star resorts, the government is open to four-star developments that would attract the middle-class market. "Chinese entrepreneurs can come and build hotels and benefit like any other top brand hotels that are here," the President says.

Danny Faure, Vice President of Seychelles, oversaw the implementation of the first generation of reforms under the macroeconomic reform program and continues to direct the second phase of reforms as part of the ongoing economic process.



Danny Faure
Vice President

Faure, who was appointed Vice President in July last year and holds ministerial portfolios for Finance and Trade, Public Administration and Information Communications Technology, says: "Within the next two years, the Southern and Eastern regions of Africa will form the largest free trade area in the world. China is the second fastest growing economy in the world and we are expecting to see 4% growth in Africa as

a continent.

"We therefore want Seychelles to be the launching pad for Africa; we have the insurance in place, the financial system is ready to accommodate its development, and China can use Seychelles as a gateway to Africa in offshore financial services or they can invest in infrastructure. We want to build a direct connection through a flight from Seychelles to China so the Chinese can access it at any time. There is also the potential of oil in our waters, which would be another opportunity. We are growing and we want China to be part of this growth."

Banking on growth

With macroeconomic stability now in place, Governor of the Central Bank of Seychelles, Pierre Laporte notes how the biggest lesson by Seychelles officials was that the economy must diversify and focus on sectors other than tourism.

"While tourism is maintaining the trend, the economy is getting strong in different activities and confidence is very high at the moment," he says. "We are still working with the IMF and this stability will be protected. We have implemented the Polaris Intellect TM Core Banking System, which has



Variety and abundance

A goldmine for tuna and other fish species, Seychelles has one of the most promising fisheries sectors in the world. With this in mind, we are committed to developing the industry to its fullest potential, while safeguarding supplies for future generations.

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SEYCHELLES

Make our Success your Success



"The Seychelles' economy continues to recover strongly. Its far-reaching economic program, supported by the IMF, under which the government removed all exchange restrictions, floated the currency, liberalized interest rates, introduced a modern monetary policy framework and significantly tightened fiscal policy, has borne fruit."

Signed IMF Mission to the Seychelles 28.10.10



Central Bank of Seychelles
www.cbs.sc

ushered in a new chapter in the transformation of our banking, monetary and financial system in the country.

"The system integrates all the processes we are dealing with. It is time saving and, most importantly, less risky. Internally we have maximized efficiency and are continuing to modernize our banking system. Obviously, there are still opportunities in tourism, but there is also scope in the banking sector. Offshore banks can come here and deal with their international clients in a tax-efficient way."

Part of the reason of the success of the banking sector has been the stringency of the industry-regulating International Corporate Services Act, which ensures all service providers in Seychelles adhere to strict professional standards and are subject to a high level of due diligence prior to the issuance and renewal of a license.

While the Act may have slowed the sector's initial growth, it has ensured the reputation of Seychelles as a clean off shore jurisdiction—a key ingredient in guaranteeing its long-term viability.

Aided by the Seychelles International Business Authority (SIBA), companies operating in Seychelles' off-shore sector today enjoy a range of attractive fiscal advantages. Together with its local and international partners, SIBA is expending considerable resources in the continuous development of local professionals in order to maintain high levels of service delivery and welcomes legitimate international business activity.

Fishing draws investment

Since the arrival of Seychelles' first inhabitants, the country has relied on rich fishing grounds for local consumption, but in recent years, fishing has developed from an industry intended to sustain the local population to one able to compete internationally as a vital foreign currency earner.

As home to industrial fishing fleets from the E.U. and Asia, Seychelles lies at the heart of the Western Indian Ocean's tuna stock's migratory routes, making it the region's most efficient hub from which to fish tuna, especially in the light of recent international fuel price rises. Today, a thriving Seychellois-dom-

inated artisanal and semi-industrial sector supplies the local market and sends high-value addition fish products to overseas markets.

Finley Racombo is head of the Seychelles Fishing Authority, which plays a substantial role in the Seychellois economy, especially since the economic reforms and constant efforts of the government toward diversification.

"In the next two to three years, fishing activities will completely move forward," he says. "We need investors to help us process and export our tuna and other fish. I would particularly like to push for new products in the market and see the development of mariculture."

Fishing activities are moving forward. We need investors to help us process and export our tuna and other fish.

Finley Racombo, CEO, Seychelles Fishing Authority

While new E.U. funding is being sought for fishing infrastructure, Racombo is keen to develop the semi-industrial long line fishery for tuna and swordfish, with the possibility of creating joint partnerships in the future to fish for tuna by purse seiners. "I want to highlight to all Chinese investors that our government and local coast guards are doing a lot to protect our vessels from piracy," he says. "The E.U. awards the licenses for fishing in our waters and the number will increase this year, thanks to good safety measures against piracy."

Tourists are well connected

Since the country's international airport opened in 1971, discerning travelers in search of peace and unspoiled beauty have been choosing Seychelles as their preferred get-away-from-it-all destination. In 2010, in the midst of a global recession, the number of arrivals hit a record 174,529 visitors, some 17,000 higher than in 2009, which illustrates the huge appeal of these five star islands. Today, several leading international airlines

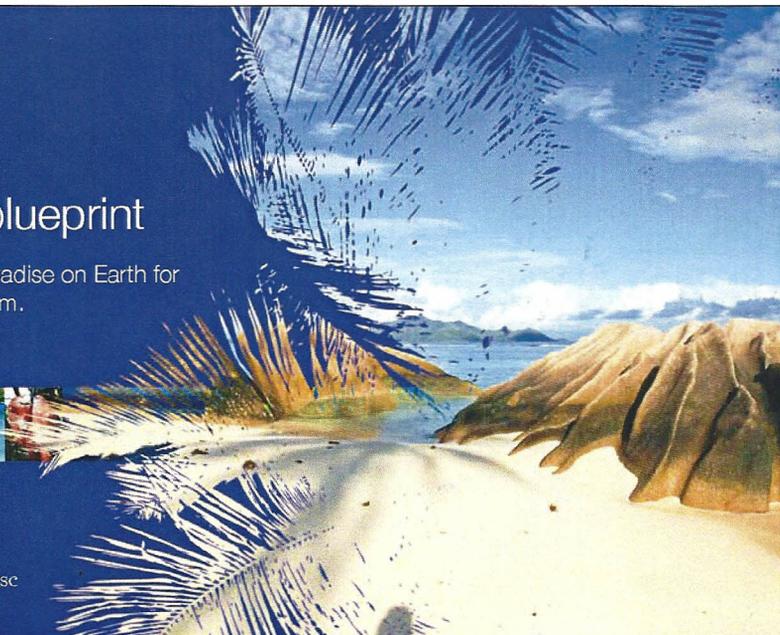


Seychelles, paradise's blueprint

Remote, yet well connected, Seychelle is paradise on Earth for those who appreciate beauty in its purest form.



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Pierre Laporte,
Governor
Central Bank

offer flights to and from London, Paris, Rome, Milan, Frankfurt, Dubai, Doha, Johannesburg, Nairobi, Mauritius, Reunion and Singapore.

With a mission to become the best service organization in the Indian Ocean, Air Seychelles is a proud Creole airline that offers passengers a taste of Seychelles as soon as they board the airplane. Having grown exponentially since it began operations in 1983, Air Seychelles now employs over 800 people and boasts non-stop flights to major European cities, unlike most of its competitors.

Air Seychelles' executive chairman, Maurice Loustau-Lalanne, says: "Working with the Tourist Board, we believe we will have the chance to successfully enter new markets, including China. We need to conduct research on the Chinese visitors so that we offer them an excellent experience. We have flights to Singapore, which will be convenient for all Chinese interested in Seychelles. The ambassador in China is very active in talking to other airlines."

By 2015, the airline chief says, a new terminal will need to be in place to serve the predicted influx of customers — and the increasing number of private jets visiting the islands. "We have the land available and will need to start construction by 2013," Loustau-Lalanne says. "A new terminal will combine international and domestic flights.

"The immediate challenge is to make sure that Air Seychelles' operations in everything we do is profitable, but of course, safety is our first priority. We have to be ahead of the competition, and this means moving up to seven direct flights to Paris per week. Despite this, we do not want to go beyond

300,000 tourists a year because we do not want to spoil the fragility of the environment."

For the Seychelles Civil Aviation Authority (SCAA), Chinese participation in the new U.S.\$115 million terminal would be a great opportunity. "We are always on the move and every year have projects in the pipeline, due to our five year strategy," SCAA's CEO Gilbert Faure says.

"The SCAA's top priority for 2011 is to extend its cargo facilities to accommodate the increasing number of Emirates flights. We also have plans to improve the arrivals/departures terminal to cope with the increasing flights, and are looking at all the security aspects in terms of equipment and to have a replacement plan and air traffic control.

We are conducting research on the Chinese tourist market so that we offer them an excellent experience.

Maurice Loustau-Lalanne, Exec. Chairman, Air Seychelles

"Air transport is vital to our sustainable development. We would like to have more hotels to accommodate the increase in flights, and improve the infrastructure to attract more Chinese customers."

Building capacity

Infrastructure is also a priority for the government-owned Seychelles Trading Company Ltd. (STC), whose core business is in imports, storage and distribution of essential and basic foods. "Seychelles imports at least 90% of what it consumes. The role of STC is to import and ensure distribution all across the country and ensure that we have the products available any time, at fair prices," says STC's CEO Patrick Vel.

"We manage to achieve that from the way that our clients believe in us. "A big challenge, not only for us but for Seychelles in general, is manpower. We find ourselves having to rely more and more on expatriates to conduct business. However, we are in the process of building our own workforce. We have to remain on top of competition and we can do that by successful capacity building.

"We welcome international companies and partnerships and especially from a. What we are looking for is foreign partnerships that will help us build our capacity, bringing the know-how and the best practises to Seychelles. STC is out there looking for solid international partners and many international partners can have operations in Seychelles with a local partner to give their local expertise."

While most manufacturing activities have been privatized, there is a small cluster of value addition activities, with foreign entities benefiting from Seychelles' educated work force and pro-business policies.

Seychelles offers wide-ranging opportunities for innovative light industrial projects at the Providence Industrial Estate and Seychelles International Trade Zone.

For those wishing to tap lucrative African markets, there could be no better, or more beautiful, springboard.

Seychelles welcomes Chinese partnership

STC engages in various commercial, trading operations, aiming to deliver the best quality services to customers, providing value for their money. We are committed to consistently deliver quality products and services at affordable prices.



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