

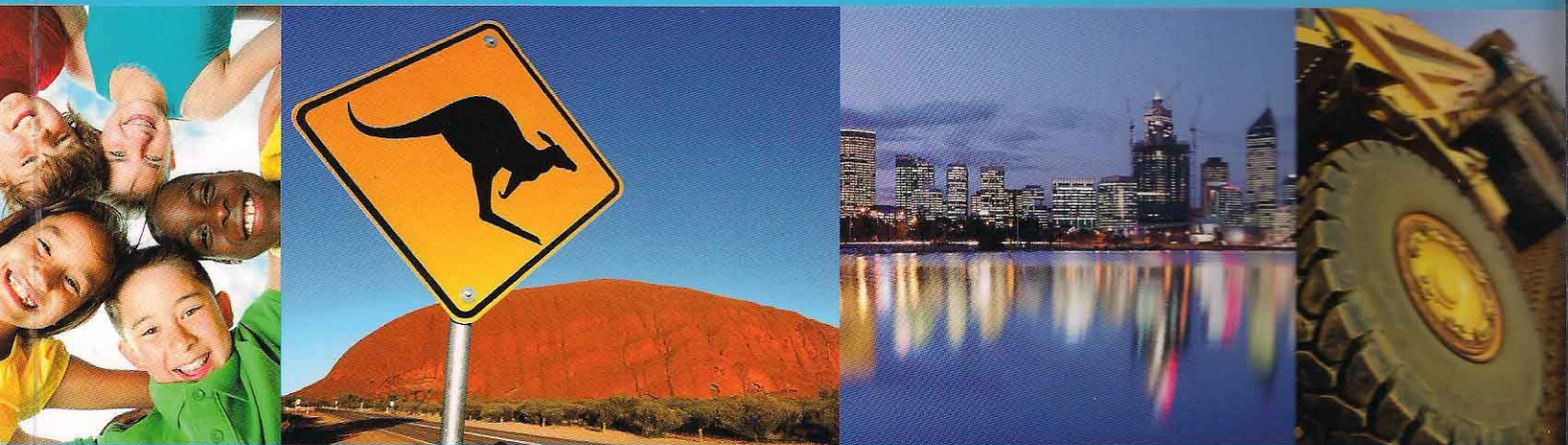


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FIRST

Combatting marginalisation

INTERVIEW WITH HE JAMES MICHEL

PRESIDENT OF THE SEYCHELLES



JAMES MICHEL became involved in politics in the Seychelles before its independence in 1976 serving as a member of the Executive Committee of the Seychelles People's United Party from 1974. Following the coup by France-Albert René of 1977 he became Minister of Public Administration and Information and served in a variety of portfolios in successive governments before becoming vice-President under René in 1996. When the latter stepped down in 2004 he became President and subsequently won the presidential election of 2006. He was elected for a second full term as President in May 2011.

What does the Commonwealth mean in overall terms to the Seychelles?

The Commonwealth is like a large family which meets on a regular basis to share ideas and views on how to promote things that are important to the member countries. These regular meetings promote the ties and bonds of friendship. In the CHOGM meetings we look at the global issues affecting our respective countries and the world in general and see how we can find solutions. One of the issues that has been very prominent in these meetings is that of good governance which is very important in the democratic process of empowering the people of the different countries to be able to be masters of their own destiny. It is also important to have proper governance structures in place to ensure that there is economic growth and reform where necessary in the globalised world, and to be able to face the challenges that the globalised world brings to these countries.

One of the issues that is very relevant to the Seychelles in the context of any discussion, certainly at the level of the Commonwealth, is the plight of small island states. Sometimes the small island states are marginalised. Often we have worked very hard and done very well in raising the economic level of our countries. Then when we reach a certain economic level we find ourselves cut off from much-needed support in terms of grant aid and concessionary loans to be able to sustain that development. Being cut off puts a lot of pressure on us because we have to go to the commercial markets to access development funds and that is very difficult. There needs to be a platform whereby the small island states can continue to sustain their development, and the world must recognise that. Fortunately in the Commonwealth there is support for that as there are many small island states and smaller countries which are affected in this way. There is also the consensus that the world community, especially organisations such as the World Bank, must understand that there are specificities of small island states which have to be recognised.

More recently the Commonwealth has been putting a lot of emphasis on climate change, which is primarily affecting first the small islands. Larger countries are also affected or will be, starting with their coastal regions. We believe the developed countries should help the smaller countries with their advanced

technology to invest in renewable energy so that we can have sustainable methods and ways to combat climate change. The developed countries are polluting and we are feeling the effects.

These I think are some of the main issues that will have to be discussed in Perth. Here in the Seychelles over the last five years I think we have succeeded in putting in place the structures which allow our economic reforms to succeed and our domestic processes to work. Today we have a vibrant democracy and also we have in place the structures that ensure transparency, accountability and good governance.

Would it be over-stating the case to say that CHOGM represents one of the major opportunities for the Seychelles to state its case with the larger countries?

CHOGM is a very important opportunity but everything does not depend only on the Commonwealth. In the Commonwealth what we do is manage to get the consensus and support of all the member states, and then as a family, these views can be put to the larger fora such as the World Bank, the IMF and the United Nations where decisions are taken more at the global level. So the Commonwealth is a forum that enables us to have a bigger voice to put in the larger context of the global decision-making process.

You mentioned that the larger countries should help the smaller countries. How much attention are you currently receiving from the larger countries?

Well, we have received a lot of pledges. Now whether these pledges are translated into actual action is something else. For example the Seychelles is now rated as a middle income country, not because we have been for a long time, but because the rating changed overnight. Because we have achieved that level we are now not considered in any index that helps countries to mitigate the effects of climate change. However we still do not have the resources to do it on our own. In effect our middle income status has marginalised us. I call it the middle income trap, because the moment you graduate to middle income status, you have gone into a trap where you become the victim of your own success, your own development. In effect we are penalised for living better.

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Coming back to climate change, how badly affected by climate change is the Seychelles?

In the Seychelles we have two different kinds of islands. We have granitic islands and coral islands. The coral islands are the same category as in the Maldives. They are flat, and with climate change and the rise in sea level, they will eventually disappear. Then we have the granitic islands which are mountainous, but most of the developed infrastructure is situated in the coastal areas which will suffer the same fate as the flat islands. One should also not forget what we have been going through over the last few months which is a drought. It has rained very little compared to the usual pattern of rainfall. Our main dam has gone down now to 20% capacity. We have had to invest heavily in desalination plants, and next week we are having around seven more arriving to be able to sustain ourselves in this crisis situation. So it's very difficult for us. We have to distribute water by bowsers which are costing us money, money which could have been spent otherwise to ensure a better standard of living for our people. In addition to that you have increases in the price of fuel which makes it more expensive for us to run the desalination plants. So climate change is really making life difficult and also impacting heavily on the development and the standard of living of our people.

How is the Seychelles economy currently performing?

The economy is performing quite well, although we have challenges which impact negatively on the growth level. We could have done much better if we did not have the problem of piracy. We spend about 4% of our GDP every year now to combat piracy. Then we have had the world economic crisis which raised the price of fuel while the piracy raised the cost of freight and insurance and transport of goods. Then we have had all the climatic issues such as droughts and flooding in other countries which impacts on food production. It raised the price of food commodities which we have to import. So all these impact negatively on the efforts we are making to bring further growth to the country. But in spite of that, our tourism is doing quite well, while our fishing is not doing as well as it should because of piracy. For the future we are watching the developments in oil exploration and think these are looking quite good. There have been many companies which have come to do seismic surveys and they have been very, very encouraged by what they have found.

There are many factors that are out of your control. What is the most important variable that you can control which has a positive impact on the economic development of the Seychelles?

What you can control to a certain extent is tourism

by trying to give the best service and by promoting it as best you can while attracting more airlines to come and bring more tourists. However this is an issue of lack of control because everything about tourism depends on what happens out there in the world. If you have a crisis where people don't have money to travel, then you have a problem. But as long as people have the money to travel, then you are okay, you are in control.

In the fishing sector as long as the industry functions, then people in Europe and other countries buy the product and this gives control. But what is impacting on that control now is piracy. This we have to manage until the international community can get together and ensure that Somalia, which has become a failed state, becomes a country with the rule of law again, which can eradicate the pirates operating from it. This I think should be the primary concern of the entire international community as it is affecting the freedom of the seas. Even people in America and Europe are affected in the sense that the supply of oil is interrupted. It also adds to freight and insurance premiums worldwide.

How is piracy affecting the Seychelles?

The pirates steal our fishing boats, while with the limited assets we have, we go after them and fight them to save our fishermen and catch the pirates. We try them and have sent them to prison. We have over 50 pirates now in prison. Some have been sentenced, some are waiting to be tried and sentenced. But we do it in accordance with the rule of law. We do it in accordance with certain international practices of justice. However we are a small country with limited resources and this is why we already spend 4 percent of our GDP to fight piracy. The international community should help us with resources in different ways. Manpower, to help us in our court system, the judicial system, to ensure we have enough lawyers to defend the pirates and to build up the cases, lawyers to be attached to the office for the prosecution. We also need to enlarge our prison capabilities. We need to be able to recruit more prison wardens to man the prisons. The United Nations Office on Drugs and Crime (UNODC) is helping us with the construction of a wing of the prison. It has started, but again, too little, too late. We need more help in these areas if we are to continue trying and imprisoning the pirates. We have signed agreements with Somaliland to transfer the pirates there. Once the prisons are ready, there again the UNODC must work faster to get the prisons operational, and also ensure that transport is provided for the transfer of pirates from the Seychelles to prisons in Somalia.

Can you explain some of the recent developments in the tourism sector?

We already have a good range of hotels and resorts including Four Seasons, Banyan Tree, Hilton and Meridien. We have also approved projects for two or three five-star hotels which will start construction any time in the near future. We have also some four-star hotels which will bring more volume which have started construction already. At the top end we have Raffles opening. Thus we have an incremental number of beds, which are being marketed by the different organisations owning these hotels in different markets. Regarding access to the Seychelles, Emirates is marketing the Seychelles massively around the world. Qatar Airways is doing the same, and from the first of November we will have Etihad coming here, which is a very top-end airline. We are aggressively promoting the Seychelles. We came up last year with a new brand, which is the Seychelles brand, to market the destination as a brand which not only offers sea, sand and the sun, but also a way of life, a culture, a hospitality, the mountains, the trails and the food, the entertainment and so on.

How are your efforts to establish a financial services sector progressing?

Our financial services are doing quite well. But first of all I would like to point out that the Seychelles is a clean jurisdiction. We conform to all the requirements of the OECD and are on their White List, and the OECD is very satisfied with our legislation. We keep on improving the legislation to ensure that no money laundering is permitted here. For example, we have one of the most modern legislations in Africa against money laundering and fraud. The IMF has advised some African countries to come here and see our legislation to try to do the same thing in their own country. So we are completely clean and are monitored by the OECD and also we have a series of very interesting DTAs with many countries including some European countries. Being a member of COMESA and SADC gives us a very important edge over non-members to use our financial authority and for investment into Africa.

Can you brief us on the developments in oil exploration in the Seychelles? Have the major oil companies shown interest?

A number of them have shown interest and they have come here to discuss and to look at the data. Chevron, Total and BP have shown interest. They are very optimistic from what they have found already in terms of seismic surveys. There could be a huge reserve of oil. Already a huge reserve of gas was found towards the east of Mahé, which they say is substantial as well.

So all indications are that there's every reason to be optimistic. However I want the Seychelles to remain a leader in environmental protection and management. Today we are a leader and an example to the world. Not only have we over 50 per cent of our territory declared as a national reserve, but we also have managed very successfully to integrate development within the management and protection of the environment. Today modern technology has reached such a stage that you can have clean oil exploration.

If oil is discovered however, will not the population demand to see the income as quickly as possible with all the pressures that will put on the environment?

We Seychellois are a very understanding nation. When we started the economic reforms, it was very tough, especially for people at the bottom end. You know what I did? I went round the districts, I met everybody who wanted to come and see me in the town halls. They came, they criticised, they gave ideas and suggestions. What happened subsequently was that within a few months, they owned the reform, and they themselves drove the reform to ensure we are successful. Because they owned the reform they were part of it. We managed to resolve the problems in one year instead of five years. We are very environmentally conscious and we would like to preserve the pristine environment of the country. I have already started discussions with the Norwegians because they have a very good system via their sovereign fund which ensures also no-one can pocket the oil revenues. I have started drafting sovereign oil fund legislation for the Seychelles. We will know exactly which money will belong to the people, a certain amount will be allocated to development projects, and then the bulk of the money will go into a sovereign fund which should be used for future generations and ensure continued sustainability. This is the aim of my Presidency and we will succeed in it.

Have you a final message regarding the Commonwealth and your relations with the United Kingdom?

Her Majesty The Queen, for whom we have a lot of respect has visited the Seychelles and there is a special bond between the Seychelles and Britain. The people of Seychelles value very much the relations between our two countries and the interest of the Royal Family in the Seychelles, and I think Her Majesty represents the symbol that really unites the members of the Commonwealth as a family of nations. I think the patronage of Her Majesty is very important for the Commonwealth and it is paramount to the success and the continuity of Commonwealth to work together on the issues we promote in the wider world. E

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