

A moment with the President

25th July 2010

Marceline Evenor **(ME)**:

Good evening and welcome to *A moment with the President* programme. In today's programme we will go over the President's speech along with one or two declarations that he made and the President shall provide us with explanations on those declarations.

Good evening Mr. President

Mr. President **(P)**: Good evening Marceline.

ME: Mr. President you have always talked about a better quality of life for the Seychellois people and you spoke about this several times during your speech on the 18th of June. But when you say better quality of life, what do you really mean? More money in the people's pockets?

P: A better quality of life is a concept which encompasses many things. It's true that material things are important, for example money. Yes it is important but there's also the way we live in our society, the way we make use of what is available to us, the way we use the different facilities and the quality of the facilities that are available to us. There is also the way in which we upgrade our health care services. We upgrade the services so that they can better serve the people. The way that we upgrade our level of education and how we can provide sufficient lodging for our people. Naturally our spending power is also important but that would also depend on the work done. It depends a great deal on our ability to innovate, whereby we need to work hard and seize business opportunities that come our way. This would provide us with more money, for example, for us to increase our spending power and provide us with a higher standard of living in terms of material needs.

However, we must not forget that it is not only material things that can improve our quality of life. It is our moral values and also our spiritual values that we must not neglect. I believe that all this is important to help us create the unity, fraternity and the stability that we need, for us to be able to create a better quality of life.

ME: Mr. President you also spoke of economic reform, but there are some who do not agree with that. They argue that the cost of living is too high, that people are poorer than before. They say that true success will come when we actually start repaying all our loans. What does it mean to you when you say that it is a success? In what aspect do you view such success?

P: You tell me that some people do not consider our economic reform a success. I do not know where you got this information, but if we compare the propaganda perception with the reality of things, we see that they are different things. However, I think that we should accept the fact that every Seychellois wants to see things as they are, as does the majority of the international community. They themselves see that our economic reforms have been a real success. It is a great success, a remarkable success.

If we look back and consider the reason behind the economic reforms, I think that it is important for us to realize something. That when the world was faced with firstly a food shortage crisis, secondly a fuel crisis and thirdly a financial crisis that hit the whole world and that, in view of Seychelles vulnerability and with its economic system not responding to the requirements of globalization, the situation was such, that with all these problems, Seychelles would have fallen into a precipice and it was then that I felt that as President, elected by the people, I had to make a decision and it was then that I decided to initiate those reforms.

There are many people who advised me against the reforms, because of its political risk, but I had to do it for Seychelles. For me, the political risk was not important. But it was important for me to save the Seychelles and keep it from falling into that precipice. Where there was a need, I was able to rally the support of the whole Seychellois population and we realised our reforms and today our reforms are a success. I believe that this success has been translated today in a remarkable way in the following aspects:

- We have succeeded in reducing our debts from 170% GDP to only 83% GDP.
- We have completely eliminated the FOREX problem that we had.
- There are goods in the shops.
- The interest rate which had gone up right after the reforms has gone down and continues to go down.
- Most importantly, I believe that the most important thing the reform has brought about is the change in people's mindset in this new environment where the creation of a modern economy has compelled people to become more responsible and hardworking. For example, you can find a growing number of small businesses in the country, investments and financial growth are increasing again.

I believe that all these are representative of our success. However, for many of us, the reforms were not easy. For those in our population who are most vulnerable, we set up a system which operated as a safety net to assist them during this period and which continues to do so today. Where there have been weaknesses we continue to work on them today. Those who require assistance are helped until they can be placed in proper employment. Those who can work do so, but those who need assistance are helped.

I think that today, we are experiencing a new momentum, a transformation not only in our businesses but in the way we do things. What moves me the most is when I see the Seychellois who wakes up every morning saying 'I am a Seychellois citizen and I am taking hold of my destiny. I work for my family and my country'.

ME: Among areas where you have noted success, is that of the interest rate. We know that this is something you have always spoken of and in your address you announced drastic measures by the government. Are you satisfied with its progress so far?

P: No, I am not satisfied! I believe that our interest rate is still too high and that it can be reduced even more. I believe that until today, the banks have not been able to grasp the reality that the economy is now free and that it is now up to all partners in our economy to play their part and the banks have an important role to play in our economy, to oxygenize our economy.

Today, we are living in an economy where there is free trade and whereby the banks should also be able to take certain risks to lend people money, so that people have enough money to do business. However, for people to be able to borrow money from the banks there needs to be a sustainable interest rate, but as it is, even if the rates have gone down a bit, they are still too high to allow people to participate in the role of developing the economy, doing business and generating economic growth.

It is for this reason that in my National Day address, I said that I was tired of waiting. I needed to take certain actions, so I instructed the boards of companies in which the government holds the majority share, such as Nouvobanq, the Development Bank and Savings Bank, to reduce their interest rates so as to generate a competitive climate that will incite other banks to lower their interest rates as well. To a certain extent, I believe that there has been some mobilization in that aspect, but I don't think it's enough. I think that the banks should continue to lower their interest rates to a more acceptable level.

When we compare the difference in interest rates that banks award to clients on their savings or deposits and the interest that they charge for loans that they give out, despite the existing risk factors, despite the small markup percentage that should be included, I find that this is not at all fair, especially when you compare it to the recommended international rates.

Also, for example, when you compare it to 2008, there are three main banks whose profits after taxes amounted to approximately 200 million rupees, 166 million rupees and 55 million rupees, respectively. And in 2009 following the reform, these have reduced to 170 million, 166 million and 16 million rupees, respectively. I believe that all this represents the profits that these banks have generated at a certain point and that if they were to lower their interest rates today, it would not be a big reduction for them, considering the profits they made in the past.

I believe that there should be certain fairness in the way that we do business in our country, whereby it's not only certain categories of business that generate great profits at the expense of those who are struggling to make ends meet or at the expense of the people's finances. I believe that the government has its role to play along with the central bank and the private sector, as well as the other commercial banks.

ME: Mr. President, in your National Day address you announced that there would be investments in information technology for the local schools. We are all aware that schools are facing a problem of teacher shortage. Do you think that now is the right time for such an investment? Where would the money come from? Will it be catered for in the school budget or will there be a separate budget for it?

P: Education is fundamental for the future of our country. It is for this reason that in the past; we have invested a lot in education and that we will continue to do so. Naturally, it is not all perfect. There are certain shortcomings which we will address and the reforms which we are undertaking will help us to

address those shortcomings at different levels notably in the studies, in the quality of education that the children receive, in the management of education and also in the way that we are able to accelerate and help the schools to become more autonomous whilst trying to involve the community in the task of educating the children, because we need to realize that parents also need to play an important role in their children's' education.

Furthermore, there are the resources. These also form part of the shortcomings that we need to address, along with the training of our teachers whereby there needs to be prerequisite conditions which will help us to encourage more youths to take up the teaching profession, to take up this noble mission, we might say, to become educators for our children.

Just as resources and training are important, so is technology, and we have already introduced it in our schools. But we need to bring it to a much higher level, for the future of all specialist areas depend greatly on technology. It is for this reason that it is important that children are introduced to information technology as a learning tool, at a very early age and consequently enable them to transit into this new phase in their education and in the development of our country. However, given our lack of resources, we have not been able to introduce technology in the schools as fast as we would have liked, but now with a donation that we have received from Abu Dhabi, we will be able to accelerate the process and introduce E-Learning much more rigorously in the schools.

ME: Mr. President, you also announced an annual investment of 30 million rupees in health care. Where will the government obtain money for this investment?

P: Everyone aspires towards better health care when they are sick. It is for this reason that we continue to invest in better health care and better health services. As you would expect in a world that is in constant development and where people travel more and more, people become more and more demanding in their service requirements and with the ever-changing lifestyle here in the Seychelles, we have a lot more people who are affected by illnesses which are more prominent in developed countries, namely cancer, diabetes, high blood pressure and heart diseases. All this is a result of our changing lifestyle which means that we have to work very hard to sensitize people on the need to maintain a healthy lifestyle and to educate them on how to prevent the prevailing diseases.

Nevertheless, it is important that when they are sick, people receive the best care possible. These days there are people who like to get second opinion from international health establishments on the diagnosis and treatments received from our Health ministry, and they reserve the right to do so. However, it becomes an inconvenience when they expect the ministry to refund them for the expenses they made whilst they were overseas.

The fact that people are losing faith in our health system is an important concern which we need to address and this investment of 30 million rupees that has already been allocated for this present period until the end of the year will go toward improving the infrastructure, refurbishment, as well as improving the services on offer. This will carry on through to the coming years and will help in improving the standard of our healthcare system.

The newly appointed health Minister is currently undertaking certain reforms pertaining to the hospital structure and hospital personnel. It is important that the personnel are not overlooked in the reform process. They need to be at the center of the reforms so as to ensure better quality service, which will satisfy the needs of our people and in turn restore their faith in our healthcare system . This is the vision that we have for this investment and it will be financed by the government through the capital budget.

ME: An announcement that pleased many people was the reduction the public bus fares from seven rupees to five rupees. However, when SPTC announced the seven-rupee fare, it was explained that this was due to the rise in operation and material costs and that the increase would only just enable them to cover the amount necessary to cater for workers' salaries, fuel and other operational costs. How will the SPTC sustain itself now that the fare has been reduced by two rupees?

P: Transportation is of great importance for our economy and society in general. I think that it is important for us to have a public transport service that is effective and able to answer to the commuters' needs. I am also aware of the effect that the raise in bus fare had on the budget of families and it is for this reason that since the increase in fare was introduced along with the reforms, I have been trying to explore all possible means to mitigate its impact and alleviate the strain it was causing.

I knew that it was hard for some families who depend on daily public transport to come up with the minimum of 14 rupees required for return bus trips throughout the month. The seven-rupee fare was solely aimed at covering the SPTC's operation costs whilst ensuring a stable and well-managed capital expenditure. With this in mind I set about identifying areas where I could offset some capital cost of which the benefits could in turn be passed on to the public through a reduction in bus fare. This was made possible through some donations that I was able to secure, firstly from the Chinese government which donated 10 buses and the UAE which contributed 40 buses to the existing fleet. All this contributed towards reducing the SPTC's operational costs and ensured the continuity of its fleet despite the reduction in bus fare.

Nonetheless, the SPTC has accumulated much experience over the years and from this it has learned how to operate more efficiently and through the grants that it has received it has been able to ensure the sustainability of its operations whilst providing affordable service to the people.

ME: Mr. President, now we shall move on to a subject that has occupied the news during the past weeks and this week as well. It is the issue of piracy, on which many conferences which have brought together national as well as international partners have been held so far. We know that Seychelles has taken a leadership role in tackling the piracy problem in the Indian Ocean and that things are finally falling into place. Now the problem has drawn international attention, with United Nations representatives also present at the conference which was held on the issue. Also represented were the NATO, the EU, the IMO, the INTERPOL as well as regional countries affected or concerned by the issue. Are you satisfied that things are finally falling into place? And are they really falling into place?

P: Since the beginning when Seychelles somewhat took the lead in the fight against piracy, I found it necessary to obtain the support of the international community in dealing with this issue, because I have always maintained that the problem of the Somali pirates is not only a regional but also an international

one. As long as Somalia continues to be faced with the problems that it has and until these problems can be remedied, we will continue to be plagued by these acts of piracy. It is for this reason that we have started a 30-year Rolling Plan for the strategy that we believe will better address the issue of security and piracy in the Indian Ocean.

Today, Seychelles has been able to secure the attention and commitment of the international community in order to address the problem in the Indian Ocean and through the different partnerships and commitments we are assured of global support in this fight.

The UAE has sponsored a naval base, as well as radar surveillance installations on Mahé and the inner islands, to ensure security and communication in the region, whereas India has provided us with a plane and two helicopters and they have also installed radar surveillance systems on the outer islands and assisted in the setting up of an outpost and potential naval base on one of our outer islands. We have also secured the support of China which has provided us with two planes as well and some other relevant equipment.

I think that with all that we have received from the EU and the international community, this will strengthen our defense system notably in countering pirates and any other illegal activity in the region, especially drug trafficking which is very prominent among the ships in our waters.

I believe that this challenge has allowed us to not only combat piracy, but to improve ourselves in order to combat all forms of illicit marine activities.

ME: In our efforts to raise international awareness on the piracy issue, we are inadvertently putting Seychelles and its actions in the spotlight. Coincidentally, the transitional government of Somalia has revealed that 20% of the money received as ransom in acts of piracy is used to fund the Al Shabab movement, which is an affiliate of Al Qaeda. Should we be concerned that our interfering with their income might attract the attention of the Al Qaeda and subsequently make us a target of their attacks?

P: We did not have much of a choice. We could not simply remain passive and not do anything. Where would we be, had we not alerted the international community and taken measures to address the issue of piracy by keeping the pirates from venturing in our waters, taking our islands, our boats and our fishermen and affecting our tourism and fishing industry? If we had remained quiet, our economy would have suffered greatly and I believe we would have a great number Seychellois as captives of the Somali pirates.

I am convinced that the choice that we made was the right one. We took necessary measures to protect our country, our economy and ensure our continuing development by promoting partnerships with our friend-countries that continue to assist us along with the international community. It is the responsibilities of the international community to, for example, ensure the security of the shipping lines and of the countries that are affected by piracy.

There are other countries that are affected as well, including European and American countries, whereby their ships are affected. Should this problem escalate into acts of terrorism, it would be up to

us to take urgent measures to continue to defend ourselves and be able to detect any signs that might indicate terrorism activity. This does not only apply to us alone but also to other countries in the region that are being affected as well.

ME: Mr. President, we will now move on to a question which came up during your public meetings. When you visited the post-secondary institutions, there were students who were complaining about their allowances. It appears that this issue is yet to be resolved. What is being done about the matter?

P: when I started my visits of the post-secondary institutions, one of the problems that the students stressed upon was their allowances. It is for this reason that immediately after, I contacted the Seychelles Welfare Agency (SWA), which is responsible for the management and distribution of allowances, and I told them that they needed to address the issue. There was also a concern about the allowance not being enough, so I immediately had it increased by 50 rupees. This was the amount that the Social Security Fund could immediately cater for.

Furthermore, the SWA had to set up a small unit which deals specifically with the students' allowances. This is to ensure that the application and appeal processes are done more smoothly and speedily. This has already been done. However, there remains a problem that we are still addressing and that is the issue of students whose means-testing falls on the borderline, meaning that their parents income is such that they don't necessarily qualify for allowances but based on their expenses, some of these families still struggle to make ends meet, so the SWA has to further investigate and assess their situations.

I believe that this is a more deeply rooted issue and which originates from the fact that students obtain the allowance applications at the beginning of the school year and by the time these are processed, appealed and in some cases re-processed, a period of three months has already elapsed and this I believe is not right because it creates an added strain on the parents who in the meantime have to cater for their children's study needs.

I have decided that starting this year, I will ask the Ministry of Education to get all the potential post-secondary students to complete the allowance applications for the coming year so that these can be processed and assessed beforehand. Some adjustments will surely be necessary, especially for those who are not admitted to post- secondary institutions. Their applications will be ignored but others will continue to be processed in such a way that when they start school in the post-secondary institutions, their allowances will be ready.

During my meetings with the students I have learned of a problem that is specific to the Praslin and La-Digue students and that is their displacement needs. This is not an issue for students who are Mahé residents, because they live with their parents and the allowance is enough to cater to their study needs, but for those who live off Mahé, I believe there is a need to re-assess their needs so that a specific allowance rate can be devised for them. One which caters for educational as well as displacement needs.

