### COUNTRY PROFILE

**SEYCHELLES**

<table>
<thead>
<tr>
<th>Full Name</th>
<th>Republic of Seychelles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area</td>
<td>455 km²</td>
</tr>
<tr>
<td>Capital</td>
<td>Victoria</td>
</tr>
<tr>
<td>Main Languages</td>
<td>Creole, English (official)</td>
</tr>
<tr>
<td>Currency</td>
<td>Seychelles rupee (SCR)</td>
</tr>
<tr>
<td>Head of State</td>
<td>President James Michel</td>
</tr>
</tbody>
</table>
The Novatech 2007 Regional Investment Conference in Nairobi, Kenya is a component of the Pro€Invest programme which is a common initiative of the European Commission (EC) and institutions from the ACP states (Africa, the Caribbean and the Pacific).

This overview of the ICT sector has been prepared by BK Consultants on behalf of the organizers. The authors accept sole responsibility for the profile which does not necessarily reflect the views of the organizers: Pro€Invest, the Centre for the development of Enterprise (CDE), the African Union (AU) and the Common Market for Eastern and Southern Africa (COMESA).

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1. BUSINESS OVERVIEW

1.1 Key Economic Indicators

Table 1 shows the recent trend for selected key economic indicators using the most up-to-date available information.

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<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (000,)</td>
<td>83.7</td>
<td>82.8</td>
<td>82.5</td>
<td>82.9</td>
<td>83.0</td>
</tr>
<tr>
<td>Population Growth (%)</td>
<td>1.00</td>
<td>0.90</td>
<td>1.00</td>
<td>0.70</td>
<td>0.70</td>
</tr>
<tr>
<td>GDP (US$ bn. at current prices)</td>
<td>0.698</td>
<td>0.703</td>
<td>0.703</td>
<td>0.695</td>
<td>0.682</td>
</tr>
<tr>
<td>GDP per capita (US$ at current prices)</td>
<td>8,854</td>
<td>8,744</td>
<td>8,666</td>
<td>8,556</td>
<td>8,246</td>
</tr>
<tr>
<td>GDP growth at constant prices (%)</td>
<td>1.30</td>
<td>-6.30</td>
<td>-2.00</td>
<td>-2.20</td>
<td>-1.40</td>
</tr>
<tr>
<td>Current account balance (US$ bn.)</td>
<td>(114)</td>
<td>45</td>
<td>37</td>
<td>(100)</td>
<td>(23)</td>
</tr>
<tr>
<td>Inflation Rate (%)</td>
<td>0.20</td>
<td>3.20</td>
<td>3.90</td>
<td>1.00</td>
<td>-0.40</td>
</tr>
<tr>
<td>Exchange Rate: annual average Seychelles rupee per US$</td>
<td>5.48</td>
<td>5.40</td>
<td>5.50</td>
<td>5.50</td>
<td>5.50</td>
</tr>
</tbody>
</table>

n.a = not available

Sources: COMTRADE, World Development Indicators, Oanda.com and National Statistics Bureau

1.2 Economic Context

According to the IMF statistics, the Seychelles total Gross Domestic Product (GDP) amounted to some US$682 million in 2006 at current market prices. Further, its figures also show that real GDP growth was negative for the last four years. However, following a subsequent mission to the Seychelles in late 2006, the IMF revised its estimates for 2005 and 2006 in a public statement indicating that “real GDP growth is projected to reach 4½ percent in 2006, after increasing by 1.2 percent in 2005” reflecting strong growth in tourist arrivals and an increase in construction activities.

The Seychelles economy is dominated by the services sector, and more particularly in activities related to tourism, accounting for an estimate two-thirds of GDP in 2006. Industry accounts for about 19 percent whilst agriculture and fishing accounts for ten percent.

According to the OECD statistics, the Seychelles has received increased official development assistance from 2003, when it totalled $9 million, rising to $19 million in 2005. France and various Arab Agencies were by far the largest donors contributing an average of $5 million per annum in 2004 and 2005.

1.3 Population and Labour Force

The population was estimated at about 83,000 in 2006 with an overall population density of approximately 182 persons per km². There are no recent labour force estimates available since 1996. GDP per capita at current prices was estimated at $8,246 in 2006, the highest in the Central and East Africa region.

1.4 General Institutional and Regulatory Framework

The Seychelles legal system is based upon English common law, French civil law and customary law. Foreign investment, development and operation are facilitated through the provision of appropriate incentives.

Land tenure

Investors can lease land from the Government and buy/lease land from the private sector. The Government does not sell land for commercial or industrial activities but leases out for a term ranging from 50 years to 99 years, depending on the type and scale of the development. Commercial and industrial lands are leased at a rate of between SR30/m² - SR80/m² depending on the location and the topography of the land. However, the rate can change depending on prevailing circumstances. If the property belongs to a private individual, the purchaser can obtain freehold title to the land.
1.5 General educational level
The unemployment rate in Seychelles is relatively low, with only 3.9 percent registered unemployed in 2002

1.6 Infrastructure Services

1.6.1 International access

Air
Seychelles International Airport (SEZ) is 10km south-east from Victoria on Mahé island. The national airline is Air Seychelles which operates international services to/from Frankfurt (in partnership with Condor), Johannesburg, London, Mauritius, Paris (code share with Air France), Rome and Singapore. Other airlines serving Seychelles include Air Austral, Air France, Condor, Emirates Airline, Kenya Airways, and Qatar Airways.

Water
Cruise and cargo ships call at Mahé but there are no scheduled international passenger services.

1.6.2 Internal travel

Air
Air Seychelles provides an efficient network of scheduled and chartered services from Mahé to Alphonse, Bird, Denis, Desroches Islands, Frégate and Praslin. Helicopter (Seychelles) Ltd. provides an inter-island shuttle service and scenic flights. Charter flights can be arranged from any heli-stop.

Water
Privately-owned schooners provide regular inter-island connections between Mahé, Praslin and La Digue. Boats can be chartered privately to get to the other islands.

Road
Traffic drives on the left. There are paved roads only on La Digue, Mahé and Praslin; elsewhere the roads are sandy tracks.
2. ICT SECTOR

2.1 Overview
The main investment opportunities in Seychelles are centred on the tourism and fisheries sectors, but other opportunities are arising in the ICT, industrial and agricultural sectors, as well as in the offshore sector. The ICT sector is slowly developing.

2.2 Telecommunications
Telecommunications services in the Seychelles are entirely privatized.
- In 2006, there were 21,191 telephone exchange lines.
- A very elevated fixed tele-density of 23.5%
- Cable and Wireless (Seychelles) Ltd., a branch of Cable and Wireless Olc, UK, is the national telecom operator in the Seychelles.
- All telephone lines are digital.

Currently, two GSM operators share the market in the Seychelles:
- Cable and Wireless (Seychelles) Ltd
- Telecom Seychelles (Airtel).
- 49,229 mobile subscribers in 2003, thus a mobile density of 67% - the highest in Africa

The number of payphones in the country amounted to 177 in 2003.

2.3 Internet
- Approximately 11,700 Internet Users
- Internet Services were launched in 1996 by Atlas (http://www.seychelles.net) a consortium of three companies: VCS, MBM and Space. Atlas is the main administrator of the ‘.sc’-sites.
- The band width was of 512 kb in 1998.

2.4 Regulatory framework and sector regulation
The Ministry of Investment, Industries and Technology is in charge of the legislation of the ICT sector. The Information Technology Division of the Department of Information Technology and Communication is mandated to:
- Develop and maintain software applications to support the delivery of government services.
- Implement, manage and maintain the government ICT infrastructure.
- Collaborate and coordinate with the various government sectors/ministries in addressing their specific ICT needs and requirements.
- Establish the role/s of ICT in the various sectors/ministries and supporting the enactment of these roles.

The missions of the Ministry’s Technology department are:
- The development of legislations, regulations and policies pertaining to telecommunication and related services.
- The implementation of legislations, regulations and policies pertaining to telecommunication and related services.
- The development and maintenance of software applications to support the delivery of government services.
- The implementation, management and maintenance of the government ICT infrastructure.
- The collaboration and coordination with the various government sectors/ministries in addressing their specific ICT needs and requirements.
- The establishment of the role/s of ICT in the various sectors/ministries and supporting the enactment of these roles.
- The planning and management of radio communication resources (e.g. domain names, frequency, numbers etc.).

2.5 Opportunities
Favourably and strategically situated in the south-western Indian Ocean, enjoying political stability and having the right legal and administrative frameworks in place, Seychelles is an attractive investment destination for investors who are targeting the local African, European and Asian markets. The internationally-competitive packages of incentives and concessions granted to eligible businesses continue to attract more investors to the country.

The Seychelles Investment Bureau (SIB) maintains a list of potential investment activities that can be developed in Seychelles. This is updated regularly and will soon feature the preliminary assessment and other relevant data.
3. INVESTMENT ENVIRONMENT

3.1 Investment Framework

3.1.1 Government policy
Seychelles offers the following blend of advantages to investors:
- A stable political environment;
- Government policies which welcome and support local and foreign investment;
- An investment code which provides a legal climate that is conducive to a greater flow of investment and business;
- Favourable time zone that allows working hours to overlap with major financial centres;
- Labour force, fluent in English and French as well as Creole;
- Excellent sea and air links with Europe, USA, Asia and Africa;
- A telecommunications system which compares well with that of many countries in the developed world;
- An excellent and well developed infrastructure, including electricity, water supplies and road network;
- Attractive package of incentives for investment in different sectors to enhance cost-competitiveness;
- Residence permit and work permit are available for foreign investors;
- Good educational system and peaceful living environment to bring up families; and
- A strategic location outside the cyclone belt.

3.1.2 Investment agencies
The Seychelles Investment Bureau (SIB) is the first point of contact for all matters relating to investment and business in Seychelles. The main objectives of the bureau are to promote Seychelles as an attractive environment for business and to create an investor friendly culture in the country. For opportunities in the offshore sector, the responsible agency is the Seychelles International Business Authority (SIBA).

3.1.3 Investment guarantees
Seychelles is a member of the Multilateral Investment Guarantee Agency (MIGA) which protects investors against non-commercial risks.

3.2 Investment Incentives
Seychelles’ investment incentives are primarily centred on tax concessions.

3.3 Access to Finance
Seychelles has a well-established and financially sound banking environment that offers a diverse range of products and services. All commercial banks are regulated and supervised by the Central Bank of Seychelles (CBS) which sets the savings account rate (but commercial banks are free to set their own terms and interest rates with all other types of accounts).

3.3.1 Commercial banks
The following commercial banks operate in Seychelles:
- Barclays Bank (Seychelles) Ltd.
- Banque Francaise Commerciale (BFC)
- Bank of Baroda
- Habib Bank Ltd.
- Mauritius Commercial Bank (Seychelles) Ltd.
- Seychelles International Mercantile Banking Corporation Ltd. (SIMBC) -Nuovobanq
- Seychelles Savings Bank Ltd.
In addition to the above banks, there are other financial institutions, which offer a range of financial services to the community and investors. These are the Development Bank of Seychelles (DBS) and the Seychelles Credit Union. The DBS caters for projects which are mainly undertaken by small and medium-sized enterprises, but it also invests in larger projects, including agriculture, fishing, tourism and manufacturing.

**Offshore Banking**

Non-domestic banking in Seychelles is regulated by the Central Bank of Seychelles and is administered under the Financial Institutions Act 2004. The Act makes provision for the licensing of offshore banks and incorporates the necessary flexibility to encourage growth in that sector. The Seychelles International Business Authority (SIBA) is responsible for licensing and regulating offshore activities.

### 3.3.2 International Financial Institutions

Seychelles, as a signatory to the agreement between African, Caribbean and Pacific nations (ACP) and the European Union, known as the Cotonou Agreement, has access to the facilities of the European Investment Bank (EIB).

As a member of the World Bank, the facilities of the International Finance Corporation (IFC) would also be available for projects in Seychelles. Other potential development finance sources include the African Development Bank (AfDB), the Development Bank of Southern Africa (DBSA), the Industrial Development Corporation of South Africa Ltd (IDC) and the New Partnership for Africa's Development (NEPAD).

### 3.3.3 Transfer of Capital and Profits

There are no restrictions on the amount of foreign currency moving in and out of the country. Foreign exchange can be freely repatriated. Individuals, businesses and corporate entities are free to hold external bank accounts.

In a bid to curb declining foreign exchange flows through commercial banks and illegal foreign exchange transactions, the Government introduced new foreign exchange laws in 2001. Under the Foreign Earnings (Regulations) Act, it was stipulated that, unless exemption is granted, for certain categories of goods and services payments have to be made in foreign currency. This affects hotels, guesthouses, self-catering establishments, luxury villas, tour operators, travel agents, car hire operators, diving businesses, casinos, and cruise ships operating temporarily in Seychelles waters.

### 3.4 Residential and Work Visas

There are no visa requirements for visitors to Seychelles. However, on arrival, a visitor’s permit is issued for one month to individuals on holiday, visiting friends or relatives or on official business. It requires certain conditions, such as valid return or onward ticket, confirmed accommodation and sufficient funds and can be extended for a maximum of three months from the date of issue and further successive three-month periods up to a maximum of 12 months.

A Gainful Occupation Permit (GOP) is required by all non-Seychellois wishing to work in Seychelles on their own and for those employed by other firms or companies. The GOP is issued by the Immigration Division, Department of Internal Affairs, with approval from the Department of Employment. Persons wishing to open their own business and who will be self-employed in their own business can apply for a GOP while they are in Seychelles, but will need to show proof that their project has been approved by SIB. Companies are responsible for making GOP applications for their employees. This needs to be done 10 weeks before the person is due to start employment who will need to get the GOP before he/she enters Seychelles.

SIB is able to facilitate the acquisition of GOP and residential permits for approved foreign investors and their dependants.

### 3.5 Promotional Assistance

**Indian Ocean Commission**

Seychelles is a member of the Indian Ocean Commission (IOC) is a regional governmental organisation comprising Réunion, Mauritius, Madagascar, Comoros and Seychelles. The primary objective of the IOC is to promote regional co-operation in economic development and to promote the free movement of goods, services, capital and human resources.
4. LIST OF KEY CONTACTS

Ministry of Investment, Industries and Technology
Information Technology Division
P.O. Box 206,
Victoria, Mahe
Republic of Seychelles
Tel: (248) 38 30000
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Industrial Trade Zone
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Fax: +248 380 888
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National Statistic Bureau
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Website: [www.nsb.gov.sc](http://www.nsb.gov.sc)

Development Bank of Mauritius
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Port Louis
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Fax: +230 208 84 98
State development banking institution.