



Business Opportunities of the Republic of Seychelles (2024 Edition)



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Country Profile

Basic Information

Country Name: Republic of Seychelles

Historic Background: Seychelles was once a colony of France and the United Kingdom. It gained independence from the United Kingdom in 1976 and is currently a member of the Commonwealth.

Geographical location: Seychelles is in the Western Indian Ocean and is an archipelago consisting of 115 islands. Land area is 455 square kilometers, sea area is about 400,000 square kilometers, and the Exclusive Economic Zone (EEZ) area is about 1.4 million square kilometers. It is 1,593 kilometers west of Mombasa Port in Kenya, 925 kilometers southwest of Madagascar, and facing Mauritius across the sea to the south.



Capital : Victoria, Mahe Island (it is a sister city with Nanjing, China)

Climate: All year-round tropical weather, with temperatures ranging from 25 to 32 °C, divided into rainy season (November to April) and dry season (May to October), with an average annual rainfall of 2,500 -

3,000 millimeters. Seychelles is located outside the tropical cyclone zone and is not affected by typhoons or earthquakes.

Time zone: GMT (Greenwich Mean Time) +4, which is 4 hours later than Beijing time.

Population: 100,447 (2022 census), Seychelles' population is mainly composed of Creoles (mixed of French and African), descendants of French and later British settlers, Indian and Chinese.

Language: Official languages are English, French, and Creole.

Religion: Over 90% of the population are Catholics and Christians, with a minority of Hindus, Buddhist, and Islam.

Political system: Seychelles implements a political system of separation of powers, with legislative, judicial, and executive powers independent of each other.

Natural resources: Mainly tourism and fishery resources, especially abundant tuna resources.



Economic, Legal, and Political Overview

Currency: Seychelles Rupee (SCR) (* exchange rate in February 2024 is

1 USD to 14.3 SCR).

Per capita GDP: \$14,766 (2022) (ranked first in Africa and one of the top sixty in the world).

GDP growth: 3.8% (2023).

Inflation rate: 1.4% (2023).

EEZ area: 1.4 million square kilometers.

Country Economy: National income mainly comes from tourism, fishery, and financial services sectors. The economy continues to grow, with increasing business opportunities in fishery, modern agriculture, adventure tourism, information and communication technology, and energy sectors. The government also provides incentive policies for investment in tourism, agriculture, energy, and fisheries sectors. There is no foreign exchange control in the country, funds can be freely transferred in and out of Seychelles.

Transport: Air Transport - There is one international airport on Mahe Island, two domestic airports on Mahe (main island) and Praslin. The air traffic control system is advanced, and the runway at Mahe Island Airport is about 3,000 meters long, which can take off and land large passenger aircraft such as Boeing and Airbus. Seychelles maintains regular flights between the following cities every week:

Europe - Zurich, Istanbul, Moscow, Frankfurt.

Middle East and Asia - Dubai, Abu Dhabi, Doha, Tel Aviv, Mumbai, Colombo.

Africa - Reunion Island, Mauritius, Addis Ababa, Johannesburg, Nairobi.

Currently, there is no direct flight between China and Seychelles, visitors from China mainly connect flights from Beijing, Shanghai, Guangzhou with other cities such as Dubai, Abu Dhabi, and Addis Ababa to reach Seychelles.



Transport:

Sea Transport - Seychelles is an essential route for East West trade in the Indian Ocean. Port of Victoria is a deep-water port in the Indian Ocean region, a hub for the transportation of marine products, and the only container freight port in Seychelles. The port is divided into two parts: commercial and fishing docks, with a deep-water berth area of 2.6 square kilometers (capable of accommodating 5 to 5 ships of 10,000 tons each). The inner side of the commercial dock has a water depth of 9.5 meters, and the outer side has a water depth of 13 meters, total length of the dock is 375 meters which can accommodate 3 ships of 10,000 tons each. Seychelles has 4 fishing docks, with lengths of 115 meters, 115 meters, 90 meters, and 75 meters, respectively.



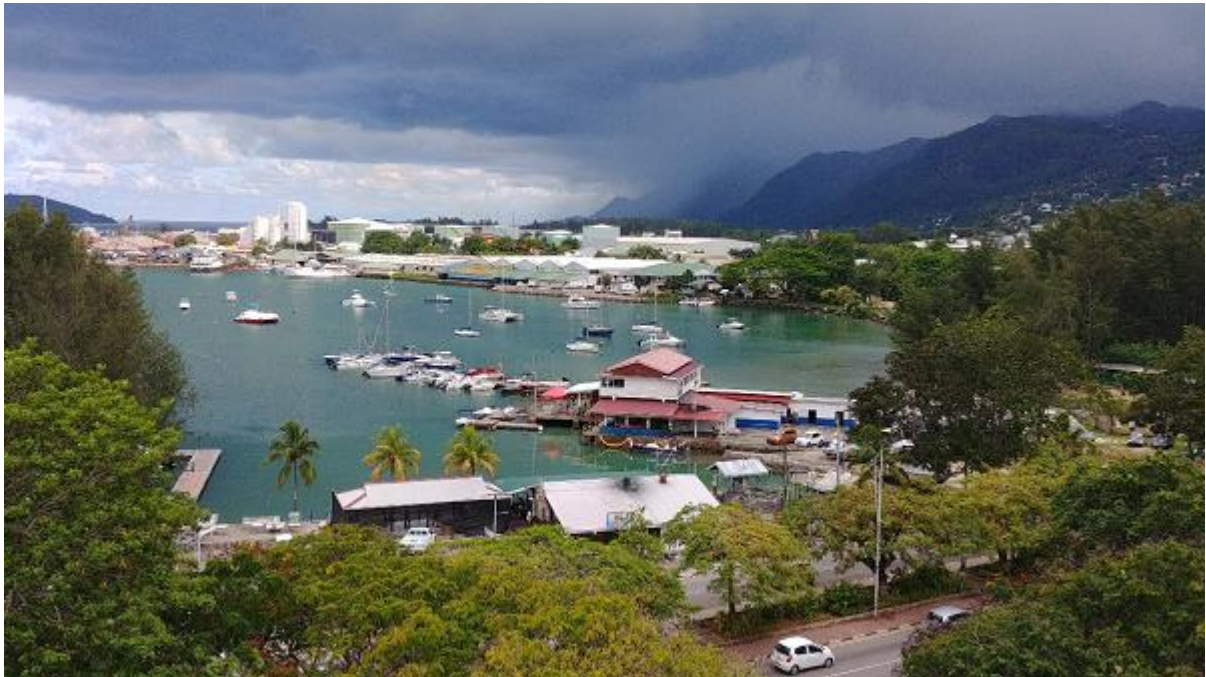
Legal system: Seychelles has a mixed jurisdiction legal system. The civil law is governed by the French Napoleonic Code and the criminal law is substantially based on the English Common Law. The Court of Appeal is made up of five Justices of Appeal including the President of the Court of Appeal and the Chief Justice.

Political system: Seychelles has a multiparty political system, with political stability. The Seychelles National Assembly has a total of 35 elected members, of which 26 are directly elected from each constituency, and 9 are distributed according to the proportion of the total number of votes received by each political party where elections are held every 5 years. The President is the Head of State and the Government, elected by the General Election for a term of 5 years and can be re-elected for 3 consecutive terms. The Cabinet is headed by the President, with individual ministers accountable to the President and collective ministers accountable to the Cabinet.

Seychelles-China relations: On June 30, 1976 (Seychelles gained independence from the UK on June 29, 1976), Seychelles officially established diplomatic relations with China.

Reasons to Invest

- (1) Located in the heart of the Indian Ocean, with excellent air connectivity to major hubs in the Europe, Asia, Africa, and the Middle East.
- (2) Excellent and well-developed infrastructure, with a deep-water port in the Indian Ocean for convenient cargo transportation.
- (3) The main population is located outside the cyclonic belt zone and has never been affected by typhoons or earthquakes.
- (4) Greenwich Mean Time+4 hours, facilitate work connections with Europe and Asia.
- (5) Literacy rate is as high as 96%, with a skilled multilingual workforce who can speak fluent English, French, Creole, and other languages. The number of workforces with higher education and skill training is increasing, therefore the country has enough skilled labor force to meet new challenges.
- (6) The country's political and economic development is stable, and the Government's Investment Acts can provide protection for foreign investors, making it an ideal investment destination.
- (7) A world-class financial center, a stock exchange is currently operating, with the advantage of financing and fundraising for businesses. In addition, there is no foreign exchange control where funds can be freely transferred in and out of the country. In addition, with sound legal system, it is a neutral country trusted by other African countries.
- (8) Economy of Seychelles continues to grow, with increasing business opportunities in fishing, agriculture, real estate, adventure and sports tourism, information & communication technology and energy sectors, government also provides fiscal incentives for investments in these areas to encourage foreign investment.
- (9) Foreign investors can introduce specialized talents and technical labors from overseas to fill the deficiency in Seychelles for their investment projects.
- (10) Excellent telecommunications network and information technology services.
- (11) 1st Highest GDP per Capita in Africa.
- (12) Ranked 3rd for the Mo Ibrahim Index of African Governance, ranked 2nd in Africa on the Human Development Index, ranked 1st in Africa on the Corruption Perception Index (Transparency International) and ranked 2nd in the African Infrastructure Development Index.



Investment Opportunities and Sectors

Tourism

Seychelles is an ideal holiday destination with its unique granite and coral reef scenery, blue sea and sky, soft white sand beaches, abundant floral & fauna resources, and natural scenes that complement high-end resorts.

Since the opening of the Seychelles International Airport in 1971, the tourism sector has been central to the Seychelles economy, accounting for 25% of the GDP and employing 21% of the workforce. The number of tourists has been increasing year by year, with 342,303 recorded in 2023. Europe remains one of the Seychelles' primary markets, with the highest number of visitors from Germany, France, and the UK. In recent years, the number of tourists from Italy, Israel, India, Switzerland, Russia, South Africa, the United States, the United Arab Emirates, China, Turkey is also increasing.



Currently, there are 585 establishments operating tourism accommodation nationwide but only 12,478 beds are available. Accommodation is becoming increasingly tight and room rates always remain high. The world-renowned hotel brands operating in Seychelles include Hilton (including Hilton Hotels & Resorts, luxury hotel brands LXR Hotels & Resorts, and Waldorf Hotels & Resorts), Kempinski, Anantara, Four Seasons, IHG Intercontinental (Six Senses Hotel), Marriott (North Island Resort), and other famous hotel brands.

Today, visitors have a wide range of options to choose from in terms of accommodation, including small hotels, guesthouses, self-catering establishments, and villas. Furthermore, the inner islands scattered around the main island of Mahé create a safe and calm harbor inside the reef for yachts and schooners, also offering accommodation for visitors. But with the comprehensive recovery of the tourism industry after the COVID Pandemic, tourism facilities will be in shortage too. Therefore, the government wishes to have attract more investment in tourism facilities, especially in high-end hotels and resorts.

The government expects the demand for beds to exceed 15,000 in the coming years. In addition, the demand for eco-friendly and boutique hotels from tourists is also constantly increasing. To achieve this goal, there is still room for investment in tourist accommodation. However, since 2015, the Seychelles Government has suspended approval for the construction of large hotel projects with 25 or more guest rooms in the country (including the inner islands of Mahe) to ensure investment quality. However, approved projects are not under this moratorium and can continue to be developed. Therefore, the government recommends that interested investors cooperate with owners of the approved projects to develop and strive for the early completion of such projects.

Policies regarding foreign investment in tourist accommodation are as follows: hotels, guesthouses, self-catering establishments, and motels with 16 to 24 guest rooms can have a maximum foreign ownership of 80%. Projects with more than 25 guest rooms can be fully owned (100%) by foreigners.

Investment Opportunities in Tourism

The comparative performance of tourism in the Seychelles in the last few years is an excellent indicator of the future in store for the country's tourism sector, with increased visitor arrivals, government revenue, and a contribution to output, employment, and tourism earnings. The sector can potentially generate significant economic, social, cultural, and environmental benefits in the long term through the projected increase in tourism investments and earnings in the upcoming years. Some key target segments for the Seychelles tourism sector have been identified in the continued effort to promote

sustainable tourism. This includes ecotourism, cultural tourism, and sports tourism. Sustainable tourism development represents a unique and strategic competitive advantage for the Seychelles as a tourist destination.



Cultural Tourism

Seychelles is home to a unique, colorful, and vibrant Creole Culture that results from decades co-existence between different blends of people from the four different corners of the world.

Although Seychelles is known for its beautiful beaches with crystal clear waters, the highlight of one's stay is the friendly Creole people and the exotic creole cuisine which combines a large variety of different cooking styles which includes English, French, African, Chinese, and Indian.

There are numerous investment opportunities in Cultural Tourism, these include cultural village, culinary tours, specialty Creole Restaurants, cultural events, and museums.

Eco-Tourism

Eco tourism is more than just visiting and enjoying nature. It refers to travel to natural or conservation sites with the focus of preserving it. Seychelles boasts two UNESCO World Heritage sites, one being Vallée de Mai, an expansive forest where the world's largest nut; the coco-de-mer, grows wild. The other one is Aldabra, the world's largest raised coral atoll with a unique ecosystem.

Seychelles' extraordinary biodiversity can be discovered as you venture through the national parks' extensive network of nature trails or take a dive around the islands' numerous marine parks.

There are different investment opportunities available in Seychelles which involves minimal impact to our unique flora and fauna. These include eco-lodges, glamping, guided eco-tours, zip-lining, horseback riding, canopy walks, rock climbing and bird watching.

Sports Tourism

Home to a tropical and warm climate throughout the year, with temperatures ranging from 25 to 32 Degrees Celsius, Seychelles is an ideal destination for numerous sporting events. The main islands enjoy calm seas during the Northwest monsoon and experiences heavy winds during the Southeast Trade Winds season. This weather is ideal for watersport activities such as flyfishing, windsurfing, and kitesurfing.

Seychelles has an extensive network of nature trails which can be used for certain sporting activities, off the beaten track such as mountain biking and canopy activities.

Investment opportunities in Sports Tourism include sporting events, training camps, sport centers / facilities, health food outlets and dieticians.

Fishery

Fishery is the second most important economic sector in Seychelles after tourism, accounting for 16% of GDP and employing 17% of the population. Seychelles is also a major center for marine products processing. In 2019, the export of consumable fish accounted for 90% of its total export of marine products.



Seychelles has one of the highest per capita fish consumption rates in the world, and artisanal fisheries contribute significantly to the country's protein requirements. Since extensive monitoring began in 1985, artisanal fishery catches have remained very consistent, averaging 4,568 metric tons per year. A diverse range of fish and invertebrate species are targeted, and the overall catch composition has remained consistent. Tuna landings by purse seine fleets have increased significantly over the last 18 years, with a record capture of roughly 42,945 metric tons in 2022.

There is also a fish-processing sector, with two fish-processing factories producing for both the domestic and international markets, and a big canning facility processing 350 metric tons of tuna per day, largely for the export market. Fishing is based on a shared quota system for the major species, with a total allowable catch (TAC) set for each species. The individual quotas are, however, transferrable, subject to the authorization of the Seychelles Fishing Authority.

Handline fishery is by far the most important, accounting for more than 73% of total fish landings. This fishery involves all types of fishing vessel, including fiberglass vessels, whaler-type vessels, and schooners. The trap fishery is the other major subsector, accounting for 15 per cent of total landings. This fishery sector primarily targets species found on reefs and shallow coral banks. Fishery is highly seasonal, with activity occurring when bad weather forces fishermen to operate in inshore locations, sometimes inside the reefs. There is a significant net fishery that uses encircling nets to catch primarily mackerel. All nets are approved, and the operation is carried out by small outbound-powered vessels with crews of three to four people.

Government's objectives for this sector include managing its marine resources to maintain the industry's long-term viability, creating jobs, increasing revenue from the industry, integrating the sector into the larger economy, and promoting maritime safety. The Seychelles Fishing Authority regulates the sector and provides regulatory guidelines. To combat overfishing, Seychelles decided in 2017 to join the Fisheries Transparency Initiative (FiTI), a global initiative to deal with illegal, unreported, and unregulated (IUU) fishing in African waters, mainly by commercial fleets managed by other states. While FiTI is still in its early stages, it has set a lofty goal of making fishing more transparent and sustainable, and Seychelles was one of the first countries to join.

Market Potential of Fishery

Most of the fish caught is sold in district markets and consumed fresh, the largest of these markets is in the capital, Victoria. High-quality species (Serranidae and Lutjanidae) are typically sold to major export and fish-processing companies for resale to hotels or iced fresh export to Europe.

Only during times of glut are fish frozen and re-distributed, primarily to the lower end of the market. There are currently six ice plants on Mahe, each producing 35-40 tons of ice per day, and one on Praslin, producing 3 tons per day.

There are only a few fish-processing operations, such as smoking marlin and sailfish for the hotel industry. Some vessels fishing in the southern groups of islands make longer journeys and salt fish for sale in the main islands seasonally. There is also a small shark fishery, with vessels mostly targeting sharks for their fins, which are typically sold to the Far East for high prices. Furthermore, a large sea-cucumber fishery has grown in the last five years, with the final salted product also shipped to the Far East. The semi-industrial longliner fishery's landings, primarily swordfish (60 per cent) and tuna (40 per cent) are sold fresh on ice, predominantly to the EU (France and Italy) and the United Kingdom, with some being sold to Japan.

Investment Opportunities in Fishery

They include fish processing and storage facilities, maintenance services for vessels and other fishing equipment and ice-making plants.

Blue Economy

Seychelles is a global biodiversity hotspot comprising of 115 islands in the Indian Ocean. As an island nation that depends almost entirely on its ocean, it has become a prime example of a country that has embraced the Blue Economy. Located 1,600 km from the east coast of Africa, the blue economy of Seychelles is mainly based on fishery and tourism, but due to the low-lying geographical location of islands, people and the economy are particularly vulnerable to the impact of climate change. Sustainability is central to the success of the Blue Economy concept, and this has multi-sectoral implications. To better coordinate the approach of the Blue Economy concept, the Department of the Blue Economy was established in 2015 and it has been promoting the sustainable use of marine resources as well as coordinating its approach for the usage of the Exclusive Economic Zone (EEZ). Any business activity within the EEZ will be developed according to the Seychelles Marine Spatial Plan and will have to reflect sustainable use of marine resources.

In 2018, Seychelles has developed a Blue Economy Roadmap, which defines how Seychelles will make maximum use of its 1.4 million square kilometers of ocean in the most sustainable manner possible. This comprehensive roadmap covers the whole spectrum of potential resources from exploration and extraction of hydrocarbons/minerals, port development, renewable energy, education and research, maritime safety, sustainable fisheries, seafood and aquaculture, and the development of eco-tourism.



Market Potential in Blue Economy

1. Aquaculture/Mariculture

Seychelles Aquaculture is a government initiative to develop a marine aquaculture sector. Mariculture is a specialized branch of aquaculture involving the cultivation of marine organisms in sea water. With a growing human population, traditional land resources will not be enough to meet the demand for resources, such as food or energy, required to support high-quality livelihoods. As a result, the oceans are emerging as a source of untapped assets, with new industries, such as aquaculture, marine biotechnology, marine renewable energy, and deep-sea mining, growing, or developing rapidly.

Two studies were conducted to determine the desirability of developing marine aquaculture in Seychelles. They revealed positive support for the development of an environmentally and socially responsible mariculture sector leading to the development of a Mariculture Master Plan (MMP), which started in 2011 and continues today. The Mariculture Master Plan (MMP) is a tool “enabling the Seychelles to develop a sustainable marine aquaculture sector that is integrated into the country’s economic vision and respects the unique and sensitive nature of the marine environment.”

Government of Seychelles has developed a strong Mariculture Master Plan, an Environmental and Social Impact Assessments and an Environmental Management Plan to guide the development of the sector and about 7.6% of Seychelles' GDP is attributed to the fishery sector.

In addition, there is a growing demand in Japan, Southeast Asia, and other export markets, especially for high-value species such as snappers, groupers, and other finish. Research also shows that demand will be boosted by high numbers of tourist arrivals, with local restaurants and hotels requiring a consistent supply to serve their clients. Aquaculture will therefore be a natural complement to Seychelles’ booming tourism sector and will grow with it. The government intends to develop Seychelles into a marine food destination, with a globally recognized high-quality Seychelles brand of fish and fish products. The total area identified as suitable for production is about 52 kilometers, with a total combined annual production capacity of 50,000 metric tons.

Currently, a significant amount of investment in aquaculture comes from governments and their multilateral partners, including the European Union. However,

the involvement of private enterprises will be needed to sustain investment along all aspects of the value chain.

The following types of species have been identified as suitable for aquaculture in Seychelles: finfish farming, sea cucumber farming, mud crab farming, shrimp farming, oyster farming and sea urchin farming.

2. Assistance to attract financing and technical expertise to meet the renewable energy target

Investment in renewable energy can contribute to a reduction in dependence on imported oil, clean energy, which is important to Seychelles Blue Brand, as well as a more secure energy supply. Seychelles can consider the ambitious 2030 renewable energy targets as part of its 2020 climate commitments, given the size of its economy and overall energy demand to transition to a low carbon economy and reduced dependence on imported fuel. Lessons learnt from cities of similar size could be considered.

In general, several renewable energy opportunities exist including offshore wind, wave and tidal energy and ocean thermal energy conversion (OTEC). Some of these are mature technologies increasingly approaching commercial scale, whilst others are still in development phase (e.g. wave energy). For Seychelles, a pre-feasibility study for OTEC highlighted a potential location for a plant as the cleanest energy source available.

3. Establishment of Creative Recycled Industries with a focus on reducing waste and to alleviate the burden on waste management

According to the Seychelles Sustainable Development Strategy (2012-2020), the 100,000 inhabitants of the island nation generate about 48,000 tons of waste per year. A three-week study conducted by 36 students from ETH Zurich University and the University of Seychelles in collaboration with Ministry of Environment showed the shortcomings in how waste is managed in Seychelles despite the policies and laws in place. The study found that there is a working system in place for the processing and export of PET bottles and cans, but that is not the case for glass and paper. With increasing economic development, more waste is being produced, and there are no clear national targets for waste reduction and recycling. The Ministry of Environment, being responsible for developing and implementing all waste management policy and regulatory frameworks, sees waste management as a top priority as it touches

economic, social aspects and the protection of the environment. With land being scarce in Seychelles the government has been looking at ways to reduce waste.

Investment Opportunities in Blue Economy

They include fish processing, aquaculture industry (species include tiger shrimp, various expensive fish such as grouper and snapper, oysters, mud crabs, sea cucumbers, sea urchins, etc. (investors can also lease suitable islands from the government as large-scale aquaculture bases), a research base for marine organisms, fishing vessel maintenance services, cold chain logistics. To support innovative financing models for the development of the blue economy, including blue bonds, sustainable development of potential blue economy minerals. expand artisanal, semi-industrial, and industrial fishing industries, develop facilities and services for coastal tourism.

Financial Services

The Seychelles Financial Services Authority (FSA) is the autonomous regulatory body responsible for the non-bank financial services in Seychelles. Established under the Financial Services Authority Act, 2013. The Authority is responsible to license, regulate, enforce regulatory and compliance requirements, to monitor and supervise the conduct of business in the non-bank financial services sector in Seychelles. These regulated activities are Fiduciary Services, Capital Markets and Collective Investment Schemes, Insurance, Gambling (casinos, slot machines and interactive gambling), International Trade Zone companies, Hire Purchase and Credit Sale providers. The Authority is also responsible for the registration of International Business Companies, Foundations, Limited Partnerships, and International Trusts in Seychelles.

Having celebrated over 25 years of existence, the Authority strives to protect the interests of the public and investors as well as to retain the confidence of those investors that access its regulated sectors by maintaining a robust and modern regulatory framework. The maintenance of the Seychelles excellent reputation as a premier international business center is also a strategic imperative for the FSA. The Authority remains committed to meeting strategic objectives while maintaining the soundness and resilience of its financial services sector while adhering to international best practices.



Key benefits of International Financial Services in Seychelles include: modern telecommunications infrastructure (driving the national broadband network through submarine fiber optic cables); government departments efficiently process residence and work permits for investors and their foreign employees; no foreign exchange controls and funds can be freely transferred in or out of the country without limit; having a skilled, professional & fluent bilingual workforce in the financial services industry nationwide; financial service products with complex and diverse structural combinations; close cooperation between regulatory agencies and the private sector; a stable political environment and the International Business Companies can be registered and within 24 hours.

Products of the financial services sector include Foundations, Limited Partnership, Company Special License, Securities (Seychelles currently has two stock exchanges available for companies to go listing and raise funds from the public), ships and yachts registration, International Business Companies (IBCs) which are commonly referred to as offshore companies, Insurance, Trust; Mutual Funds & Hedge Funds and Seychelles International Trade Zone.

Market Potential of Financial Services

A new legislative architecture is intended to create more value-added goods and innovate the current financial product offerings. The Fintech Sandbox Regulation, 2018, is currently being finalized. This new law will support the introduction of innovative non-bank financial services on technology, notably investing services and bitcoin.

Investment Opportunities in Financial Services

They include the establishment of banking and non-banking financial institutions; providing professional auxiliary services to financial service companies and providing digitalized financial services to promote financial inclusion.

Energy

Fossil fuels have always been the main energy source used in Seychelles, accounting for 97.5%, while renewable energy only accounts for 2.5% of the total consumption. The National Energy Policy (2010-2030 Seychelles Energy Policy) emphasizes promoting the use of renewable energy (RE) by improving energy efficiency, with the aim of achieving a target of 5% and 15% of the national electricity generated from renewable energy by 2020 and 2030 respectively. The country plans to achieve a 100% utilization rate of renewable energy by 2050, and it is expected that the development of the energy sector will grow rapidly in the coming years.

These ambitious goals require gradual and profound changes to the power system and infrastructure. Seychelles hopes to introduce Large-scale RE plants (solar photovoltaic plants, large-scale offshore wind farms and marine RE biomass plants), Distributed Power Generation, Grid stabilizing Technology (such as battery and pump storage) and Introduction of Smart Grid and Smart Meters to achieve transformation into low-carbon energy.



Renewable energy is playing an increasingly important role in the Seychelles economy. The overall goal is not only to alleviate climate change but also to enhance the country's

energy security. Therefore, the energy industry will drive local industry, local and foreign investment, and create employment opportunities. In addition to large-scale renewable energy projects, companies can also establish an assembly plant in Seychelles to supply the local market, and even develop Seychelles into a gateway to supply other markets in the region.

Investment Opportunities in Energy

They include Renewable Energy (Solar Energy), Photovoltaic Equipment Suppliers, Waste to Energy System, Suppliers of Electrical Equipment (Renewable Energy), Recycle Plants, Energy Efficient Technology (Smart Systems for Domestic/ Commercial use)

Agriculture

Agriculture in Seychelles accounts for less than 3% of the country's GDP, and 60% of agricultural land is currently not fully utilized. Therefore, 70% of the country's food is dependent on imports. The agricultural development in Seychelles aims to utilize sustainable agricultural innovation to increase local food production.

Most crop farming is irrigation-driven, and both food and crop-based systems and perennial crop-based systems can be found in the country. The main crops include coconut, cinnamon, vanilla, sweet potatoes, cassava, banana, while live-stock production includes cows, pigs, and chickens.

Seychelles aims to increase the national raw food output and raise the visibility of the sector to attract more investments. This momentum is being driven by the recently launched Comprehensive Agricultural Development Plan drawn from the sector's strategic framework document known as the Seychelles National Agricultural Investment Plan.

The government aims to establish partnerships with the private sector to promote investment and utilize the existing professional skills of the sector. The plan aims to make agriculture and food systems more inclusive and efficient by adopting modern agricultural practices, including new and innovative approaches, integrated crop management and sustainable land use, transformation, protection, and commercialization of value-added products in selected commodity chains, as well as regional and international cooperation in applying circular culture research and agricultural modernization.

Market Potential of Agriculture

Due to limited agricultural land on the islands, Seychelles aims not only to improve on traditional farming methods but also to encourage innovative modern farming techniques such as hydroponics and vertical farming to maximize land use. Therefore, investment opportunities in the agricultural sector include indoor farming techniques such as vertical farming, hydroponics and aeroponics. Expectations over the next three years are for the agricultural sector to produce 50% of what the local consumes. To achieve this objective a proper backbone of human capital, research and development is required.

The government envisages a greater role for the private sector in the pursuit of its food security goals and is actively seeking to explore partnerships with investors to enhance production and stimulate innovation. Various donors and financing schemes have supported projects in Seychelles that promote the development of knowledge and evidence on the effectiveness of climate-smart agriculture in improving food security, mitigating climate change, and improving the adaptive capacities of production systems and productions.

Agencies such as the African Development Bank, the Food and Agriculture Organization and the European Union have also invested in the development of climate-smart agriculture innovations in Seychelles, creating a foundation to support improved production outcomes.



Investment Opportunities in Agriculture

They include climate-smart cultivation of crops and livestock; development of post-harvest systems and infrastructure; support of knowledge management in the agriculture sector; post-harvest value addition and processing of crop raw materials, especially in the processing of cinnamon, developing its medicinal and cosmetic effects to enhance its export value for increasing the country's foreign exchange income; agricultural innovation (especially in the cultivation of cinnamon) which includes indoor agricultural technologies such as vertical agriculture and hydroponic and aeroponics cultivation.



Information and Communication Technology (ICT)

Seychelles is one of the leaders in the information and communication technology sector in the region, ranked 2nd in Africa in the Information and Communication Technology Development Index in 2022, with the highest internet penetration rate (79%) and the highest mobile phone penetration rate (187% by population) in Africa.

Budget 2021 prioritized the development of the digital economy sector, and the subsequently formulated Seychelles Digital Economy Agenda involves digitizing government services, to make it become a Fintech Center, and building online payment and cybersecurity capabilities. The private sector participates through outsourcing software and information technology services, and 90% of the software and information technology services are developed internally by the Ministry of Information and Communication Technology of the country.

Whether Seychelles can enhance its competitiveness in the regional and global economy and to improve the quality of life of its people depends crucially on whether it can be developed into a leading information and communication technology center in all aspects of its economy by utilizing international best practices in information and communication technology.



Market Potential of Information and Communication Technology

There are currently 330,000 internet subscriptions in the country, nearly all of which are broadband, serving approximately 97,000 people living in approximately 25,000 households. Some 58% of the population uses the internet on a regular or intermittent basis. This indicates that there is still a sizable population that does not have access to and may not utilize the internet, even though many own and use mobile phones.



Investment Opportunities in Information and Communication Technology

They include E-Business Solution Providers, Website Providers, Cyber Security, Multi-Media development (Software/videos/animation/website/audio), Data Centers, Submarine Cable Links, Wireless Technology, Television Service Providers, Internet Service Providers, Mobile Service Operators and Application Development.

Incentive Policies

Seychelles Government has created a proactive environment for business and provided various investment incentives, including tax credits, tax free period, zero customs duty and VAT for capital equipment & raw materials and fast processing of work permits for foreign employees relocating to Seychelles. In addition, Seychelles does not impose capital gains tax, withholding tax, etc., which also gives convenience to investors.

The government provides tax incentives in the form of exemption from value-added tax to importers which promote renewable or environmentally friendly energy, protect freshwater or drinking water resources, and recycle solid waste. In addition, companies that install rooftop photovoltaic equipment to generate electricity can receive rebate from the government. The government has established the Seychelles International Trade Zone (SITZ) for processing export-oriented goods to promote exports and attract foreign investment, and enterprises operating in the SITZ can enjoy a series of preferential tax rates and other benefits.



Seychelles Tax System

Seychelles has historically operated a territorial tax regime, meaning that only income sourced in Seychelles was liable to tax in Seychelles. Income was considered Seychelles' sourced income exclusively where it arose from business "activities conducted, goods situated or rights used" within the physical territory of Seychelles. This meant that income was considered non-Seychelles sourced income (i.e. "non-taxable business income") where the income was:

- From activities conducted by a Seychelles business in an overseas jurisdiction (through a branch, office, shop or otherwise); and
- In the form of dividends, interest, royalties, rents and other "passive income" received by a Seychelles resident from a non-resident.

The changes of law applying from 16 September 2021, adopts a revised approach for covered companies, including the adoption of an economic substance test for passive income received from a non-resident.

Seychelles Business Tax (i.e. Corporate Income Tax)

Business tax is applicable on the taxable income of a business activity. Taxable income in simplified term is assessable income less any allowable deductions (except for those exempted as per the Second Schedule of the Business Tax Act as amended in 2021).

Business Tax is levied at different rates depending on the business structure (e.g. sole trader, company, or partnership), or the economic sector under which the entity or person operates (as per SI 108 2021 of the Business Tax Act) (Amendment of Schedules) (Regulations 2021).

Tax rates for the company (general sector) are 15% on the first SCR1,000,000 of taxable income and taxable income above SCR 1,000,000 are 25%.

Tax rates for the company (specific sector) i.e. telecommunications service providers, banks, insurance companies, alcohol and tobacco manufacturers are 25% for the first SCR1,000,000 of taxable income and taxable income above SCR 1,000,000 are 33%.