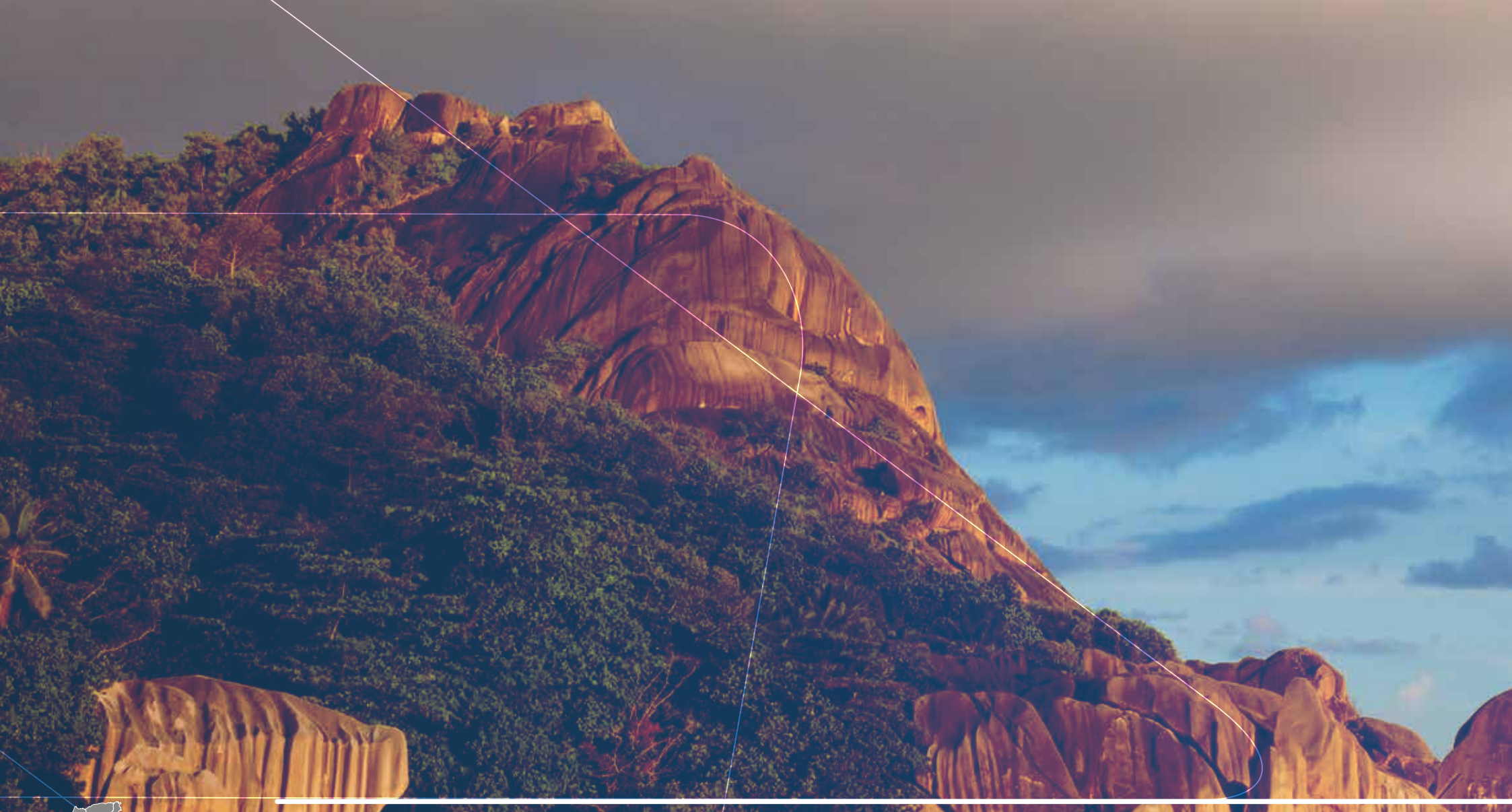


# IOA — 2019 — ACBR

AFRICA COUNTRY BENCHMARK REPORT



## Seychelles Profile



**A rocky promontory overlooks the Indian Ocean, a landmark for local fishermen and photo opportunity for tourists. The island's Creole population enjoys political stability, and the national economy is improving.**

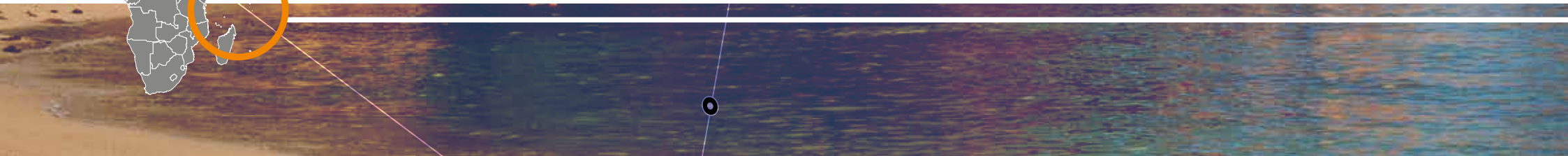




Image courtesy of Jean Marie Hullot

# SEYCHELLES

# #2

# SEYCHELLES



## OVERVIEW ANALYSIS

Thanks to a low fertility rate, the islands of the Seychelles are able to comfortably sustain a population of 94,633, lessening environmental degradation. The International Monetary Fund (IMF) has declared that the country enjoys full employment, which makes Seychelles unique among African economies. The islands are employing high-tech solutions for conservation, such as fastening microchips on baby tortoises in order to track them. Preserving environmental integrity is also important for the tourism sector. Government has continuously re-examined the economy, supporting diversification into new businesses and renewed investment in established agricultural production. Seychelles' high ranking remains unchanged from the last survey, remaining in 2<sup>nd</sup> place in ACBR 2019.

### KEY OPPORTUNITIES

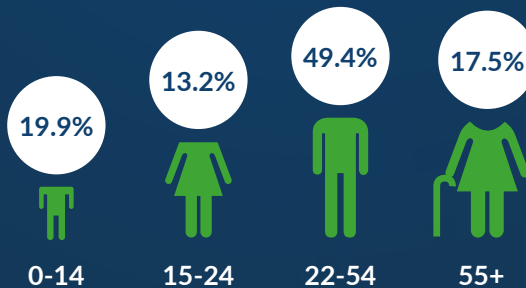
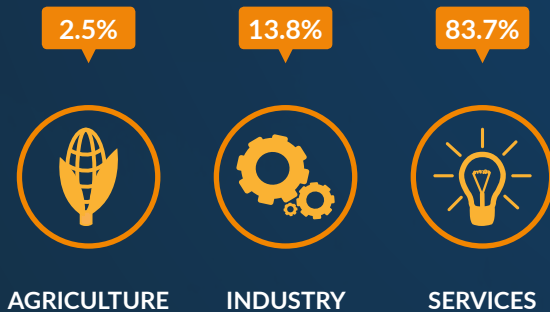
- Green industries are thriving in response to government policies
- The strong tuna-centred fishing industry is continuously profitable
- Tourism and offshore oil exploration are growing industries

### KEY CONCERNS

- A small economy cannot meet all local consumer needs
- Persistent human trafficking is a major societal problem
- Island isolation makes transportation and shipping expensive

## COUNTRY HIGHLIGHTS

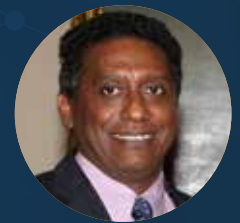
<b>PREDOMINANT RELIGION</b>  Christianity	<b>PREDOMINANT LANGUAGE</b>  Seychellois Creole	<b>POPULATION WITHOUT ELECTRICITY</b>  0% (#1) <span style="color: green;">▲</span> <sup>3</sup>	<b>LITERACY RATE</b>  91.8% (#4) <span style="color: red;">▼</span> <sup>1</sup>	<b>PRIMARY ELECTRICITY SOURCE</b>  Oil
<b>IMPORT/EXPORT</b>  Machinery/Fish Products	<b>EXTERNAL DEBT</b>  US\$ 2.729 billion (#32) <span style="color: orange;">▬</span>	<b>ACTIVE CONFLICT</b>  No	<b>LAND SIZE</b>  455 km <sup>2</sup> (#54)	<b>INTERNET PENETRATION</b>  56.5% (#2) <span style="color: red;">▼</span> <sup>1</sup>



**Term:**  
16/10/2016 - present  
5 years (2 term limit)

**Political Party:**  
People's Party

**Recent Electoral Information:**  
18/12/2015  
31 512 Votes  
50.2%  
Voter turnout: 90.1%



**President**  
Danny Faure

## CONTRIBUTIONS TO GDP BY SECTOR

## POPULATION AGE BREAKDOWN

## NATIONAL GOVERNANCE

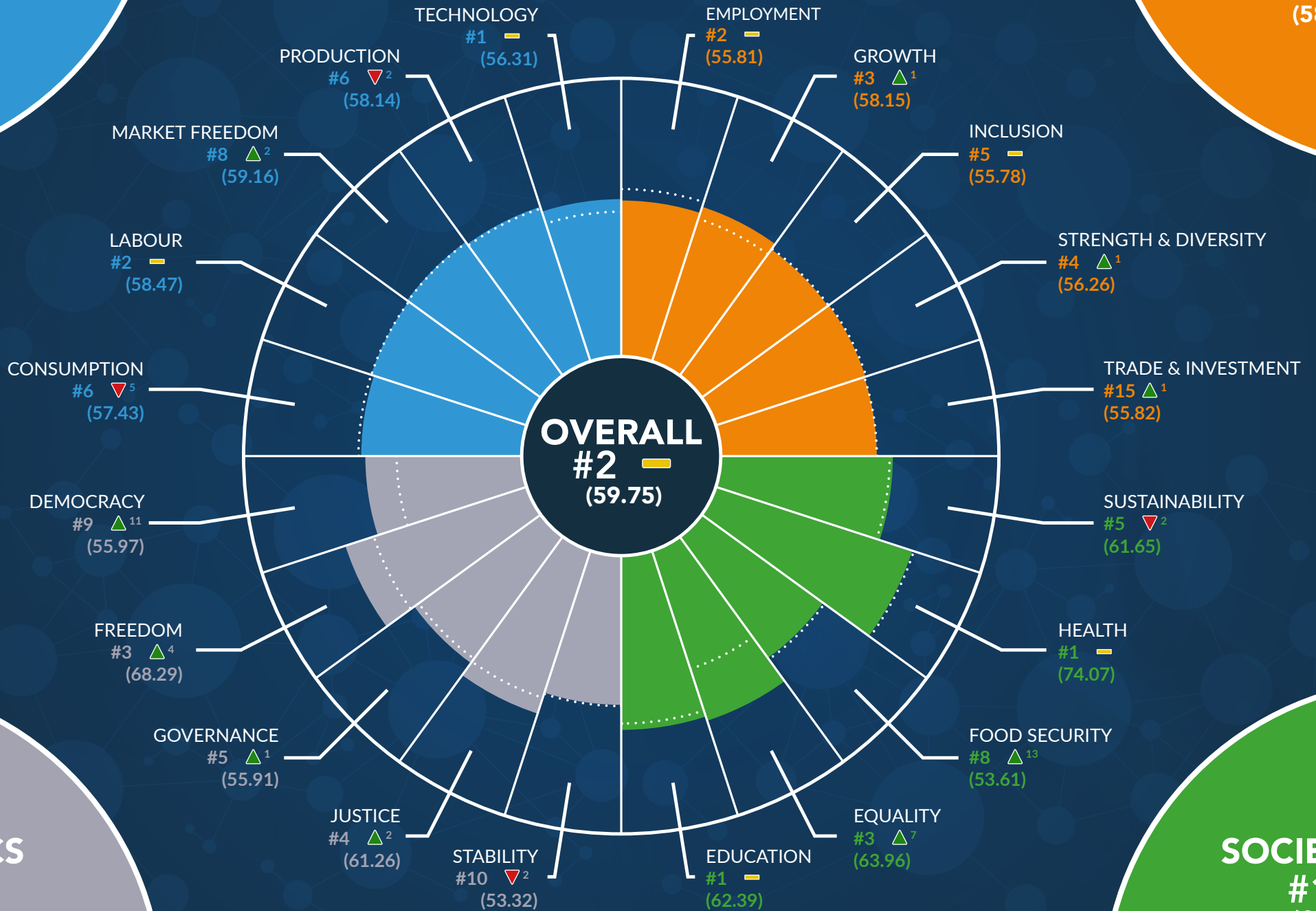
# BUSINESS

#2  
(57.90)

## SEYCHELLES PERFORMANCE OVERVIEW

# ECONOMICS

#2  
(58.24)



▲ Increase from 2017

▼ Decrease from 2017

▬ No change

..... 2017 Score

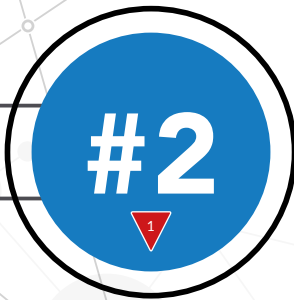
# POLITICS

#7  
(58.95)

# SOCIETY

#1  
(63.89)

# SEYCHELLES BUSINESS ANALYSIS



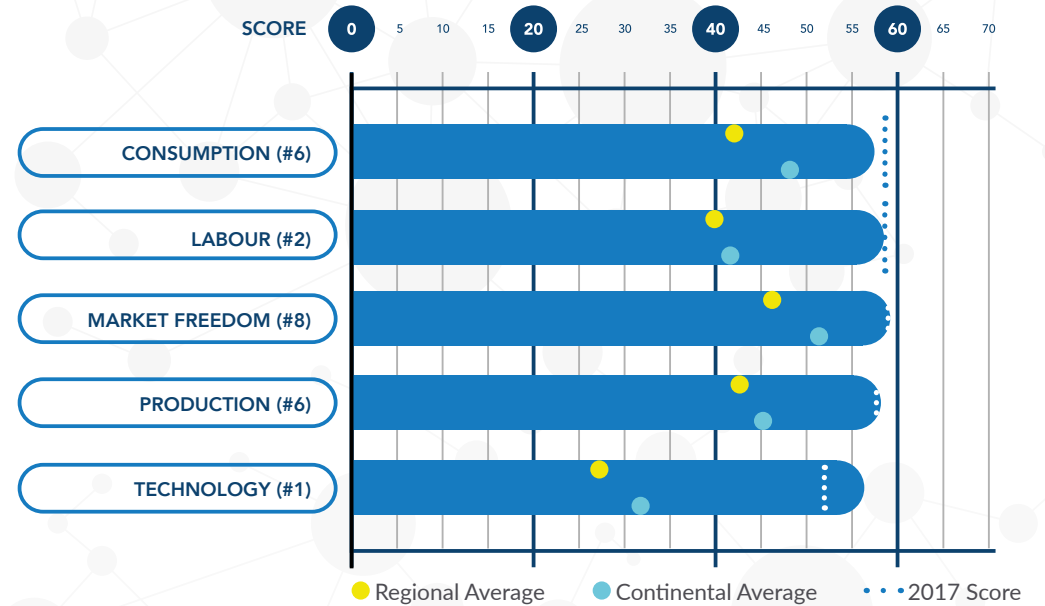
## BUSINESS OVERVIEW

The business environment earns consistently high marks from the World Bank, rating agencies and business surveys for ease of doing business and business-friendly regulations and policies. The modern age of electronic communication has overcome the country's remoteness from the African mainland. The islands' isolation has actually been an attraction for the tourism sector. Today, 30% of the workforce labours in tourism, while 3% work in agriculture, which was the principal area of business for decades. The main agricultural products are coconuts, spices (cinnamon, vanilla) and sweet potato. A sub-sector of agriculture, fishing, provides the islands' main export, tuna. Only 18% of fish are shipped out fresh. Value-added industry has grown to process fish, with

60% of exports being frozen processed fish. The financial sector has also expanded, following the establishment of the Seychelles Financial Services Authority to regulate and govern the sector.

The country's 508 km of roadway is mostly paved to better facilitate tourist traffic and agriculture. Communications is advanced: 160 mobile phone subscriptions exist for every 100 people; and 57% of Seychellois use the internet, which is the highest percentage in Africa. Seychelles yielded their number one position in the Business quadrant to Mauritius. While Seychelles' business environment is strong, Mauritius' has been exceptional. Still, Seychelles enjoys a strong 2<sup>nd</sup> place on the merits of strong agricultural and tourism business environments.

## BUSINESS SCORES & RANKINGS



## BUSINESS DATA COMMENTARY

	REGIONAL AVERAGE 70.97%	AFRICAN AVERAGE 77.78%	CONTINENTAL RANK #39
<p>Seychelles data availability <b>61.54%</b></p>	<p>The highest of all quadrants, Seychelles currently scores 61.54% for business data availability, thus ranking 39<sup>th</sup> continentally. This falls considerably short of both the regional average for Eastern Africa, which currently stands at 70.97%, as well as the continental average of 77.78%. As a small island country highly dependent on tourist revenue for its upper-middle-income status, much emphasis is currently being placed on improving the business environment, thus requiring considerable improvement in business data coverage.</p>		

## BUSINESS STATISTICS

<b>% POPULATION IN URBAN CENTRES</b>  56.7% (#15)	<b>LABOUR FORCE IN MILLIONS</b>  0.04 million (#54)	<b>INDUSTRIAL PRODUCTION GROWTH</b>  2.5% (#33)	<b>PRIME LENDING RATE</b>  12.4% (#21)
<b>% ADULTS WITH A BANK ACCOUNT</b>  N/A (#N/A)	<b>ANNUAL AIR PASSENGERS</b>  0.63 million (#15)	<b>MOBILE SUBSCRIPTIONS</b>  161.16 per 100 (#1)	<b>NATIONAL 3G COVERAGE</b>  90% (#9)

# SEYCHELLES ECONOMIC ANALYSIS



## ECONOMIC OVERVIEW

The IMF has declared that Seychelles has successfully achieved a fully formed market-based economy with full employment and a fiscal surplus. The country has maintained full employment since 2013. Government has carried out a privatisation policy for publicly owned companies.

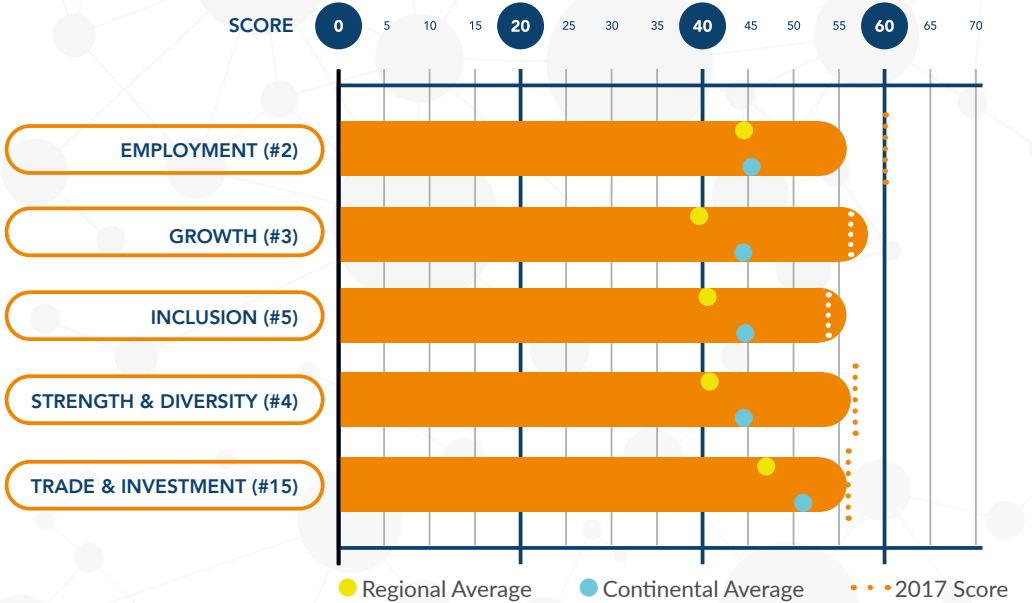
A positive remnant from the country's original socialist economy is that they have Africa's narrowest gap in GDP distribution. The top 10% of income earners possess 15% of the economy, which is about a third of the African average, and the bottom 10% possess 4.7%, double the African norm. Real estate values along prime beachfront areas boomed, and a real estate industry was created, one of

several support industries spawned by tourism. Fuelled by tourism but also by a more diversified economy, GDP growth for 2018 was a substantial 7.9%. To keep the economy from heating up too greatly, the prime interest rate is set at 12.45%. Tax revenues have enabled Seychelles to have the only government in ACBR 2019 to have a budget surplus. Revenues earned in 2017 of US\$ 593 million were about equal to government expenditures of US\$ 600 million. Confirming their position in the top 10 of the Economics quadrant, Seychelles climbed two positions upwards to 2<sup>nd</sup> place. Economic inequality is less on the islands than on the mainland. The property value rise is based on the country's economic attractiveness.

## ECONOMIC DATA COMMENTARY

<p>Seychelles data availability <b>57.26%</b></p>	<p><b>REGIONAL AVERAGE</b> 69.37%</p>	<p><b>AFRICAN AVERAGE</b> 77.78%</p>	<p><b>CONTINENTAL RANK</b> #42</p>
	<p>At present, Seychelles scores a mere 57.26% for economic data availability, thus ranking 42<sup>nd</sup> continentally. This too falls below the respective regional and continental averages of 69.37% and 77.78%. As part of its current economic development strategy, Seychelles is intent on encouraging increased cross-sector investment, reducing debt and reforming inefficient institutions. However, these aspirations are severely hampered by the current lack of economic data and require improved data collection capacity.</p>		

## ECONOMIC SCORES & RANKINGS



## ECONOMIC STATISTICS

<p><b>GDP PER CAPITA</b></p> <p>US\$ 28,900 (#2)</p>	<p><b>UNEMPLOYMENT RATE</b></p> <p>4.1% (#14)</p>	<p><b>TRADE BLOC MEMBERSHIP</b></p> <p>AFTZ, COMESA, SADC</p>	<p><b>INFLATION RATE</b></p> <p>2.8% (#19)</p>
<p><b>GDP AT PPP</b></p> <p>US\$ 2.7 billion (#52)</p>	<p><b>CURRENCY AND GOLD RESERVES</b></p> <p>US\$ 0.54 billion (#29)</p>	<p><b>FDI NET INFLOWS</b></p> <p>US\$ 124 million (#41)</p>	<p><b>BUDGET SURPLUS (+) OR DEFICIT (-)</b></p> <p>1% (#1)</p>

# SEYCHELLES POLITICAL ANALYSIS



## POLITICAL OVERVIEW

Seychelles is one of Africa's most politically stable countries. The Seychelles president is both head of state and head of government. The legislature, the Assemblée Nationale, must approve the president's cabinet appointments, and 25 of the national assembly's 34 members are directly elected by majority vote from the country's 26 administrative districts. The remaining nine members are apportioned according to the percentage of votes earned by each party during elections. Like the president, members of the national assembly serve five-year terms. Since independence, the ruling party has been the People's Party (PP). The party's historic roots in socialism continue with populist policies that have ensured more equitable income distribution than elsewhere in

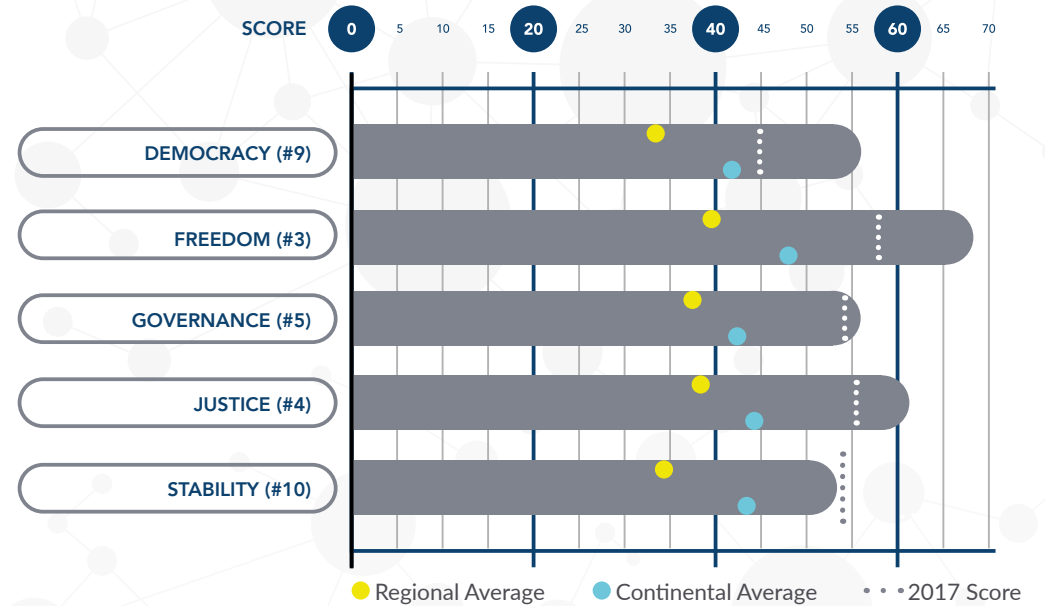
Africa. The opposition party, the Seychelles National Party (SNP), is also socially liberal. Competition between the two parties does not institutionally favour the ruling party, and in fact, the 2015 election was razor close. The ruling PP party won with 50.2% of the vote to the SNP's 49.8%.

Although a Commonwealth country since independence from Britain, Seychelles, which was originally colonised by France, is a Francophone nation. The archipelago has 42 inhabitable islands. Seychelles' ranking in the Politics quadrant remained unchanged from the previous survey. The country ranking of 7<sup>th</sup> place confirms political stability achieved in the country. This stability was achieved without authoritarian measures.

## POLITICAL DATA COMMENTARY

<p>Seychelles data availability <b>46.81%</b></p>	<p><b>REGIONAL AVERAGE</b> 74.88%</p>	<p><b>AFRICAN AVERAGE</b> 82.86%</p>	<p><b>CONTINENTAL RANK</b> #52</p>
	<p>Following from the previous quadrants, Seychelles scores an even lower 46.81% for political data availability, thus ranking 52<sup>nd</sup> continentally. This too compares poorly with the respective regional and continental averages of 74.88% and 82.86%. Following the rise of the opposition coalition in 2016, political pluralism has been on the steady increase, but this is nonetheless impeded by entrenched corruption and a corresponding lack of transparency. As such, enhanced data availability is sorely needed in Seychelles.</p>		

## POLITICAL SCORES & RANKINGS



## POLITICAL STATISTICS

<p><b>NUMBER OF POLITICAL PARTIES</b></p> <p>8 (#33)</p>	<p><b>MILITARY EXP AS % OF GDP</b></p> <p>1.5% (#21)</p>	<p><b>REFUGEE INFLOW</b></p> <p>N/A (#N/A)</p>	<p><b>NUMBER OF RIGHTS</b></p> <p>61 (#12)</p>
<p><b>DATE OF INDEPENDENCE</b></p> <p>29/06/1976</p>	<p><b>NET OFFICIAL DEVELOPMENT ASSISTANCE</b></p> <p>US\$ 6 million (#54)</p>	<p><b>WOMEN IN PARLIAMENT</b></p> <p>21.2% (#25)</p>	<p><b>CAPITAL PUNISHMENT</b></p> <p>Abolished</p>

# SEYCHELLES SOCIETAL ANALYSIS



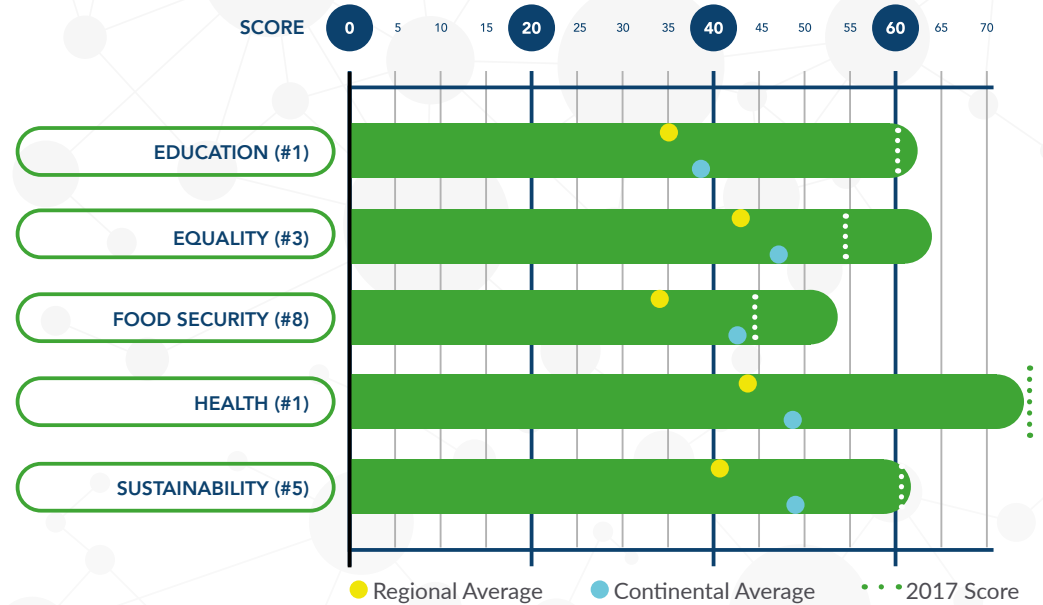
## SOCIETAL OVERVIEW

The small population of this Indian Ocean archipelago enjoys the highest per capita GDP for Sub-Saharan Africa, as well as the region's highest literacy rate and longest life expectancy (75 years on average). The archipelago of limited area and natural resources has ensured their social stability through conservative population growth. From a fertility rate of four children per woman in the 1980s, the average Seychellois woman gave birth to 1.85 children in 2018. Government has promoted family planning since the 1980s. Universal education, which postpones girls' child bearing age, and an economic boom, which requires the labour of female workers, have also contributed. Seychelles' society is a matriarchal one, with the wife and mother running the household and the father customarily providing income.

Prior to primary schooling, 90% of Seychellois four-year-olds attend nurseries. Free education finds boys spending 13 years in the classroom on average, while girls spend 15 years there. Some indicators show that literacy today is nearly universal. The national University of Seychelles opened in 2009 in partnership with the University of London, which officially provides qualifications to university graduates.

In the Society quadrant, Seychelles increased their position by one ranking from last survey. Seychelles now leads Africa in societal measurements as the holder of 1<sup>st</sup> place in ACBR 2019. The high degree of societal equality is a factor in the country's top position achievement.

## SOCIETAL SCORES & RANKINGS



## SOCIETAL DATA COMMENTARY

<p>Seychelles data availability <b>27.55%</b></p>	<p><b>REGIONAL AVERAGE</b> 63.78%</p>	<p><b>AFRICAN AVERAGE</b> 75.28%</p>	<p><b>CONTINENTAL RANK</b> #50</p>
	<p>The lowest of all quadrants, Seychelles scores a mere 27.55% for societal data availability, thus ranking 50<sup>th</sup> continentally. Once again, this too falls far below the respective regional and continental averages of 63.78% and 75.28%. Not coincidentally, the World Bank lists underdeveloped statistical capacity as one of the main developmental challenges in Seychelles alongside other key issues, such as low productivity and high inequality. As such, improved data capacity is an unavoidable necessity for Seychelles.</p>		

## SOCIETAL STATISTICS

<p><b>POPULATION SIZE AND GROWTH RATE</b></p> <p>93,920 at 0.77% p.a (#54)</p>	<p><b>LIFE EXPECTANCY</b></p> <p>74.9 years (#6)</p>	<p><b>HIV PREVALENCE</b></p> <p>N/A (#N/A)</p>	<p><b>SEXUALITY TOLERANCE</b></p> <p>Illegal</p>
<p><b>ACCESS TO DRINKING WATER</b></p> <p>95.7% (#6)</p>	<p><b>HEALTH EXPENDITURE (% OF GDP)</b></p> <p>3.39% (#47)</p>	<p><b>PRIMARY EXPENDITURE (% OF EDU. TOTAL)</b></p> <p>23.96% (#38)</p>	<p><b>SOCIAL MEDIA PENETRATION</b></p> <p>58% (#1)</p>

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