



Issue 1 - 2013 - Volume 1

Investment In Seychelles

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Business with
Leisure in A
Paradise



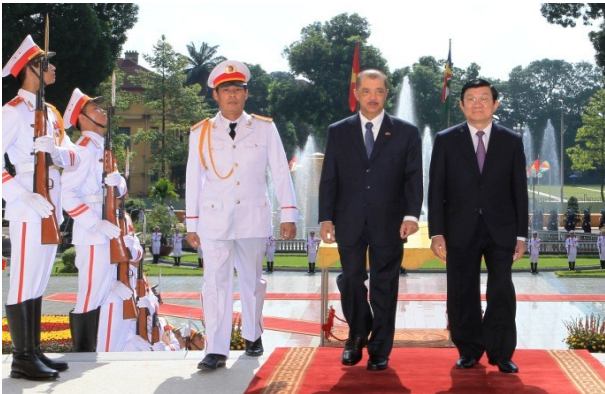
Discover the latest market
trends and uncover sources
of future market growth of
Seychelles





Latest News:

State Visit of President Michel to Hanoi, Vietnam from 27-29 August 2013



"At the invitation of the Vietnamese President Truong Tan Sang, President James Michel arrived Hanoi, Vietnam in the evening of 27 August for his first State Visit to this Asian country. The Presidential delegation comprised of Foreign Affairs Minister Jean-Paul Adam, Labor and Human Resource Development Minister Idith Alexander and other senior government officials, representatives of the Seychelles Investment Board, Seychelles Chamber of Commerce and Industry, Seychelles Civil Aviation Authority and the private sector."

President James Michel arrived Hanoi, Vietnam in the evening of 27 August for his first State Visit to this Asian country. The Presidential delegation comprised of Foreign Affairs Minister Jean-Paul Adam, Labor and Human Resource Development Minister Idith Alexander and other senior government officials, representatives of the Seychelles Investment Board, Seychelles Chamber of Commerce and Industry, Seychelles Civil Aviation Authority and the private sector. President James Michel was officially welcomed in the presidential palace's gardens in Hanoi with military honors, inspecting the guard together with President Truong Tan Sang. During the State Visit, Seychelles and Vietnam signed five memorandums of understanding.

Foreign Affairs Minister Jean-Paul Adam signed the first between the Ministry of Foreign Affairs of Vietnam and the Ministry of Foreign Affairs of Seychelles, as well as inked the agreement on bilateral air transportation between the two countries. Labor and Human Resource Development Minister Idith Alexander penned the agreement on education cooperation between the Hanoi Tourism College and the Seychelles Tourism Academy, while Mayor of Victoria Jacqueline Moustache-Belle signed the MoU on friendly exchanges and cooperation between the cities of Hanoi and Victoria.

The fifth MoU on cooperation between the Vietnam Chamber of Commerce and the Seychelles Chamber of Commerce and Industries (SCCI) was signed on behalf of Seychelles by SCCI chairman Marco Francis.

President Michel called on Nguyen Phu Trong, the Secretary General of the Communist party of Vietnam, at its headquarters in Hung Vuong, Hanoi. President Michel and Mr Trong discussed the traditional and long-standing friendship that exists between Seychelles and Vietnam, the on-going solidarity and excellent relations in politics as well as the diplomacy between the two countries.



President Sang hosted a State Banquet at the International Convention Centre in the evening of 28 Aug. During the banquet, President James Michel has invited Vietnamese President Truong Tan Sang, members of his government and the private sector to visit Seychelles in the near future to further consolidate what the two countries have achieved in Hanoi.



Seychelles is renowned for the sublime beauty of her islands around the world with superb sun, sea and sand, attracting more than 200 000 number of visitors annually.

At first glance, Seychelles appears to be a paradise for travel and leisure. But a closer look reveals this archipelago of 115 island jewels to be an exhilarating international investment arena.

This issue gives you a brief update of the following sectors:

- Economic outlook
- Bilateral relationship with China
- Tourism
- Fisheries
- Financial Hub
- Oil Exploration
- The Seychelles Securities Exchange - Trop-X

Economic outlook

At the days of the global financial crisis in 2007 when tourism fell and the financial crisis including an International Monetary Fund bailout, it heavily bit the economy of Seychelles.

In October 2008, with the support of International Monetary Fund (IMF), the World Bank, European Commission and the African Development Bank, the government of Seychelles has started to embark on a comprehensive reform program. These include a fundamental liberalization of the exchange rate regime, involving the devaluation and floatation of the rupee and the elimination of all foreign exchange controls.

Approximately one year later into the reform program, Seychelles has successfully liberalized the exchange regime with the rupee stabilized and on course to be regarded as one of the best practices of prudent monetary policies.

Significant fiscal adjustments, with substantial debt re-scheduling and relief have also been part of the successes of the comprehensive reforms launched in partnership with the other stakeholders.

For example, Seychelles has signed the \$21 million Country Partnership Strategy with the World Bank where it was seen as the World Bank's assistance to Seychelles in reducing its vulnerability and building long-term sustainability.

The country has significantly reduced its public debt burden as reflected in a decrease of the external debt to GDP ratio from 90% in 2009 to 54% in 2012 and inflation has been brought under control from 31% in 2009 to 7.3% in 2012, experiencing sound economic growth with an average real GDP growth of 4%.

Seychelles is an upper middle-income country with a GDP of 13, 118.90 million SR (equivalent to USD 1,059.7 million) in 2011 and a marginal growth of 2.8% in 2012. Although it is insignificant compared with that of most countries however it's GDP per capita in 2011 was the highest in Africa.

In spite of severe constraints imposed upon the Seychelles economy by its limited resources and geographical isolation, Seychelles has made significant progress in the country's social condition and indicators are generally good and comparatively favorable with those of the higher income countries.

With an adult literacy rate of 96 percent and the recent launch of the University of Seychelles further enhance the quality of local workforce. Fitch Ratings recently upgraded Seychelles from a B with stable outlook to a B with positive outlook.

This is a sign of continuing strength in the economy and it also reflects the effects of its structural reforms.

In addition, the government has reduced the public sector's role in the economy and begun to implement measures to provide a favorable legislative and regulatory environment that helps to improve the business climate for private sectors' development.

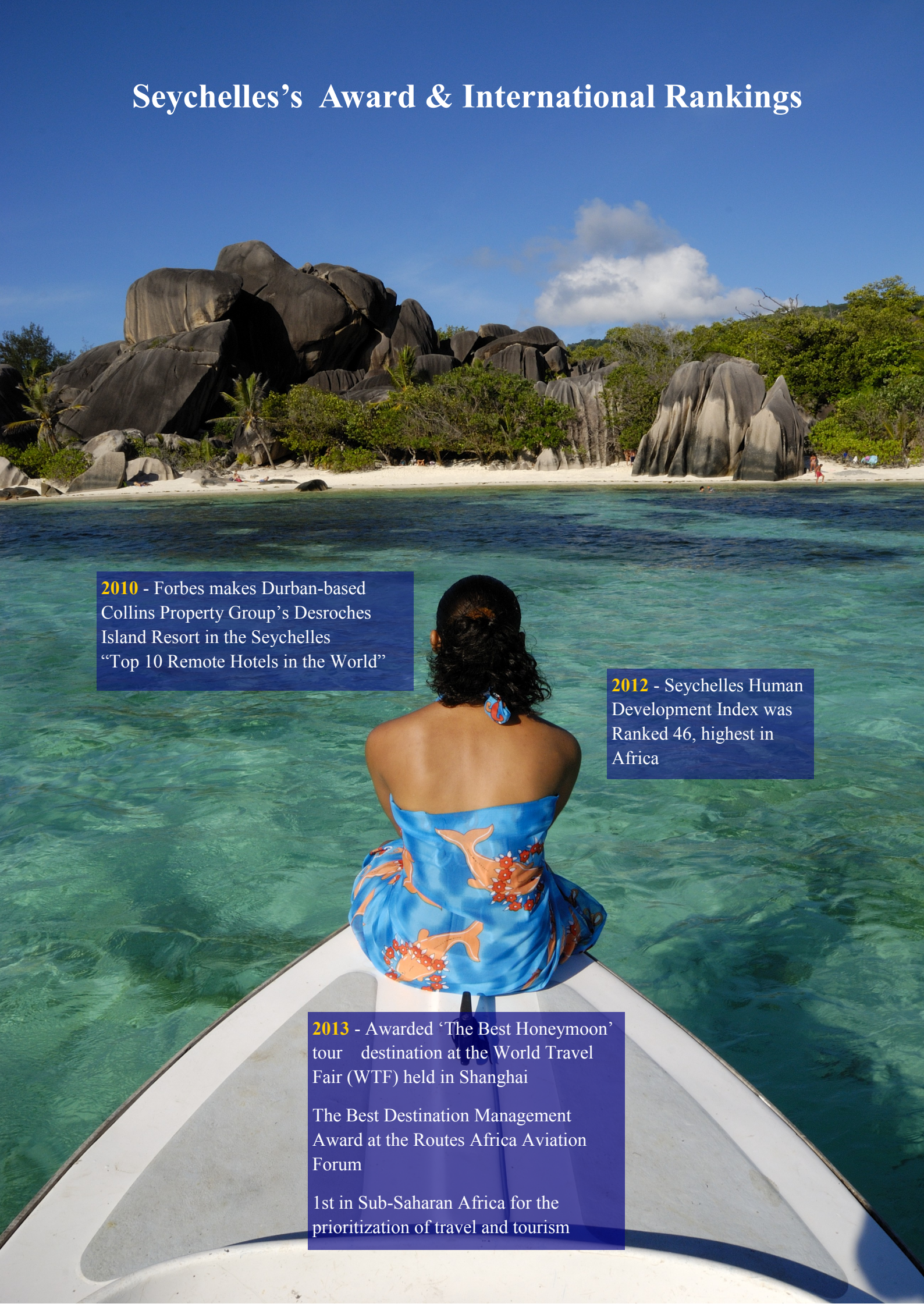
A more streamlined and modern bureaucracy has helped Seychelles to become number one in e-government in Africa. Now, the country wants to transcend this success to its e-business development through the new submarine optic fiber cable.



The overall outlook for the Seychelles economy is diversified, with the tourism sector standing at the middle of the spotlight and foreign direct investment (FDI) levels are maintained as well as the exploration of new market opportunities, Seychelles GDP growth is projected to increase marginally in 2013 to 3.2% to 4% in 2014.



Seychelles's Award & International Rankings



2010 - Forbes makes Durban-based Collins Property Group's Desroches Island Resort in the Seychelles "Top 10 Remote Hotels in the World"

2012 - Seychelles Human Development Index was Ranked 46, highest in Africa

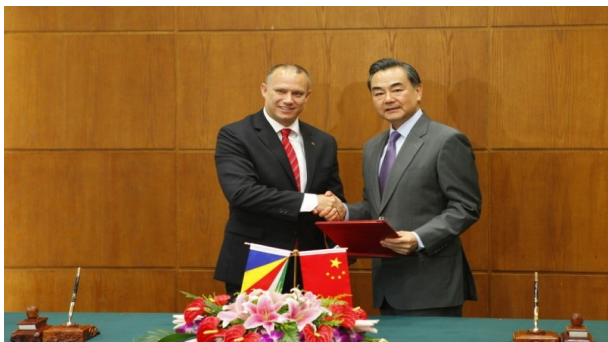
2013 - Awarded 'The Best Honeymoon' tour destination at the World Travel Fair (WTF) held in Shanghai

The Best Destination Management Award at the Routes Africa Aviation Forum

1st in Sub-Saharan Africa for the prioritization of travel and tourism

Seychelles and China

Although official diplomatic relations between China and Seychelles was established in 1976, China and Seychelles has enjoyed close ties for decades as the first Chinese traders were settled down in Seychelles in 150 years ago. In May this year, the



Seychelles Government has signed a landmark visa waiver agreement with the People's Republic of China, it allows for Seychellois passport holders of all types to enter China for a period of up to 30 days visa free. Seychelles is the second country in the world and the first in Africa to have signed such an agreement with the People's Republic of China, which allows visa exemptions for all kinds of passports. At the signing ceremony, the Seychelles Foreign Minister, Mr. Jean-Paul Adam said that "Every Seychellois can see the results of our partnership all around them in the infrastructure generously supported by China, but our partnership is about more than bricks and buildings but also about people to people links. This is why we are very proud to be the first African country to sign this agreement."

The Minister added that it showed a willingness to strengthen bilateral relations and explore new areas of cooperation made easier by reducing the barriers to travel, such as tourism and business. In this line the Minister also announced plans to open a Consulate General in Shanghai to facilitate exchanges of goods and services. And the Chinese Vice-Minister for Foreign Affairs, Mr. Xie Hangsheng said that his mission to Seychelles is aimed to strengthening relations between the two states and that he believed that such a waiver agreement was merited for, what he described as, a friendly tourist destination. Both Ministers remarked on the high increase of travelers from China to Seychelles, with a recorded 110% increase in 2012, and said that they hoped new travel links like the recent Air Seychelles flights to Hong Kong would further strengthen people to people exchanges. Vice-Minister Xie added that he was confident that many of the visitors to Seychelles would recognize the business potential and become investors.

Benefits of the bilateral relationship:

- The close relationship with China allows Seychelles' needs to be responded directly from Beijing.
- The level of foreign direct investment from China has increased rapidly from \$0.36m in 2009 to \$12.28m in 2010.
- To enjoy a share of the \$20 billion line of credit which China extended to Africa announced during the Forum of China-Africa Co-operation (FOCAC) in 2012.
- Seychelles' existing Double Taxation Avoidance Agreement symbolizes a perfect calling card for Chinese firms seeking an investment base

Timeline:

- 1976** Seychelles formally recognizes the People's Republic of China
- 2006** President James Alix Michel visited China - State Visit and FOCAC Summit
- 2007** President Hu Jintao visited Seychelles set ground for trade expansion
- 2008** President James Alix Michel visited China - Official Opening of the Beijing Olympic Games
- 2010** President James Alix Michel visited China - Official Opening of the Shanghai World Expo
- 2013** Official Visit of Mr. Jean-Paul Adam, the Seychelles Minister for Foreign Affairs to China in July.

In the past, trade has continued to be a mainstream of these ties, with Chinese firms curious to learn about opportunities in oil, clean energy, tourism, sea products such as lowly sea cucumber show the broad scope of collaboration. Now, with flight links between the two countries growing more frequent, it is very positive to see that the future of China-Seychelles ties will be carried forward by their people. Finally, for those who might overlook the small size of Seychelles, Ms. Veronique Laporte, the CEO of the Seychelles Trading Company expressed that she would like the Chinese to know that Seychelles may be small in size but it is a great place to do business.



Tourism

The Economy Main Engine

Seychelles is one of the smallest independent countries in the world with an estimated multi-cultural population of 89,318. An archipelago of 115 islands with two distinct collections of islands, mainly granite and coral scattered over 1 million square kilometers of sea in the middle of the western Indian Ocean.

In accordance with National Bureau of Statistics 2013, 207 411 visitors had arrived in Seychelles last year, a 7% increase as compared to previous year 2011. An average of 3,470 visitor arrival per week.

The tourism industry has been the mainstay of the Seychelles economy, contributing to more than 27% of the country's GDP and over 15% of the total work force is directly employed in the tourism related businesses. Seychelles has focused on quality rather than quantity of its tourist offering to maintain a blissful experience for visitors.



Visitors Arrivals

Week Ending Sunday 30th December 2012

Total Visitors	Year To Date 2012
Total Visitors	207, 411
Europe	144, 211
Asia	30, 954
Africa	25, 548
United States	5, 560
Oceania	1, 238

Affordable Seychelles

In 2009, Seychelles has launched an “Affordable Seychelles” campaign. The objective of this campaign was to change the consumer perception of Seychelles as a playground for the rich and famous to a destination where there is something for everyone and for every budget, ranging from high end resorts to low end hotel and self-caterings.



Today, with the ever increasing number of visitors and several leading international airlines, providing non-stop flights to Seychelles, which offer much scope for investment, particularly in area such as:

- **Eco Tourism villa** - Maintain local tradition and culture and to foster sustainable development.
- **Niche Hotels** - Expanding the variety and number of hotels availability
- **Mini Cruises** - With over 115 islands to explore, there's demand for luxury mini cruise ship
- **Specialized Restaurants** -With the growing disposable income of local, increasing number of middle class families and 200, 000 visitors annually, restaurants are required to embrace culinary delights across the globe.
- **Yacht Marinas** - The Seascape of the Seychelles islands with the rich and famous often make their way to our shores offers unlimited opportunity for the growth of the sailing industry.



Seychelles Investment Board

The Seychelles Investment Board (SIB) was set up in July 2004 as the one stop window for domestic and foreign investors. The Board has a young dedicated team of professionals which can guide investors through the process of registering a business and operating in Seychelles from initial contact to final approval. The staff are multi-skills and can provide advice on legal, environment, economic, finance and construction permits.

For Further Information contact:

Tel: (248) 4295 500

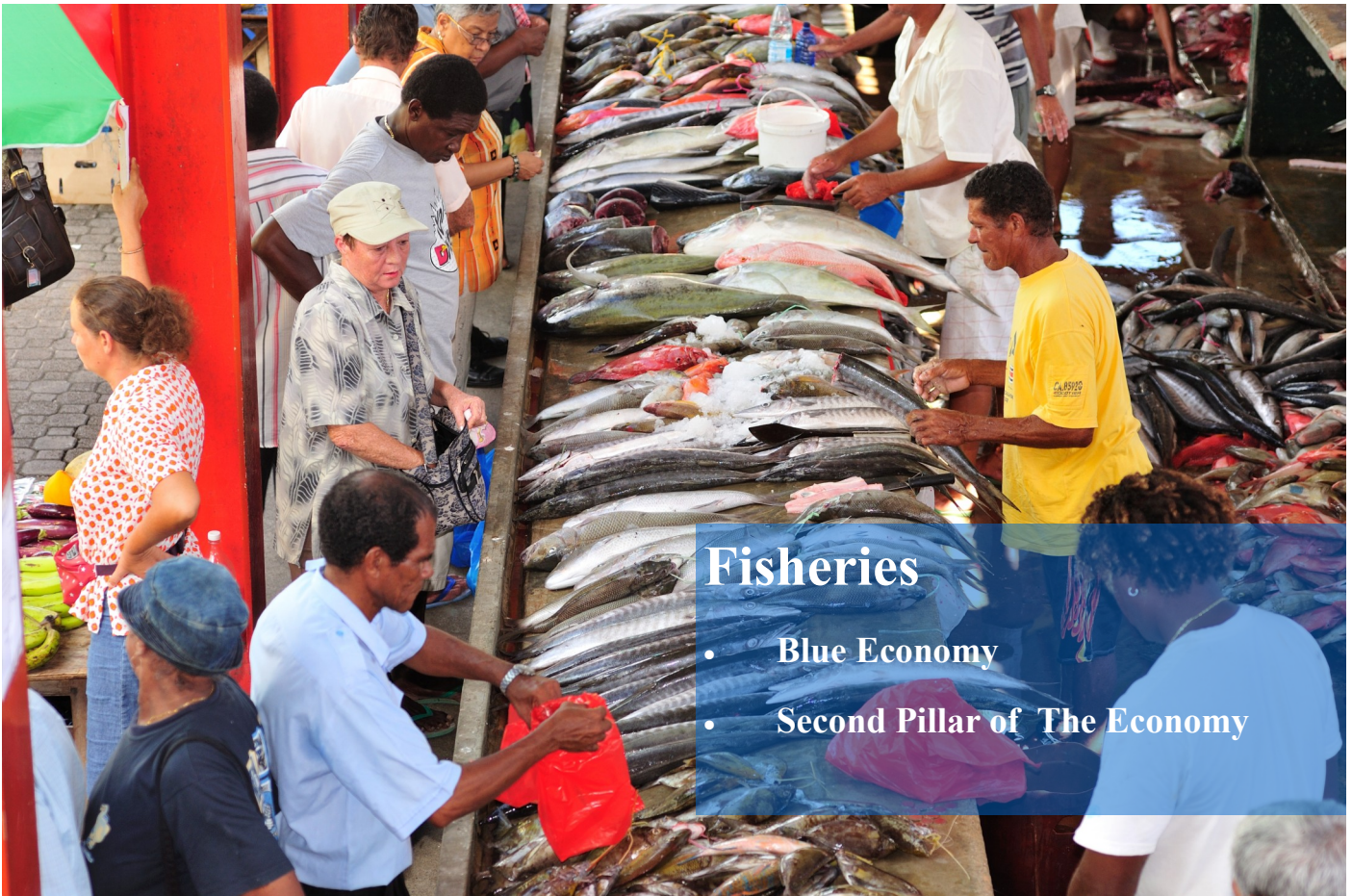
Fax: (248) 4225 125

www.sib.gov.sc



More Than Just Beaches





Fisheries

- Blue Economy
- Second Pillar of The Economy

Approximately 15% of the populations in Seychelles are engaged in fishing and fishery-related activities, contributing 33% of its national income in 2011.



The country has an Exclusive Economic Zone (EEZ) of 1.3million km², most of its natural resources lie under the sea. Seychelles has the largest tuna plant and is the busiest port in the Indian Ocean.

The archipelago lies on an important migratory route for tuna and a range of seafood sold commercially worldwide. Total costal area identified for production is 52km² with an estimation of US \$105 million gross revenue per 5.2km². From industrial canning and dedicated prawn farming, to sashimi grade tuna and the best red snapper in the world, Seychelles' fishing sector offers unparalleled opportunities to invest in high quality fisheries products.

Sustainable Fishing

In 2008, the Fish Boat Owner Association (FBOA) had launched a label program to promote their sustainable way of working, to add value to their catches and to sustain the resources for generations to come.

A label was tagged to a caught fish to guarantee the origin of the fish and strengthen the relation with the consumer. The label contains a reference code which allows consumer to retrieve the fish information of Who, Where and How it was caught.

For further information contact:

Seychelles Fishing Authority

Fishing Port, Victoria, Mahe, Seychelles

Tel: (248) 4670 300

Fax: (248) 4224 508

Email: management@sfa.sc

www.sfa.sc



Financial Hub



Although the potential revenue-generating capabilities of off-shore financial services was first acknowledged by Seychelles in the early 1990's, the industry only began to take off in the early years of the following decade.

Today, the financial industry is rapidly becoming a third pillar of Seychelles' economy. Financial services in Seychelles are reinforced through the launch of Securities Act 2007 which provides a new regulatory system for a fair and transparent securities market. As Seychelles is located at a favorable time zone of 4 hours ahead of GMT and business hours overlapping with cities from London to as far as Tokyo, it has competitive advantages over other jurisdictions to provide real-time financial services.

Seychelles offers a modern financial services portfolio, low taxes and fiber optic connectivity both to Seychelles and regionally. Seychelles is poised to be the premier financial services hub of the Indian Ocean and African region.

A further advantage Seychelles possesses is the Seychelles International Trade Zone (SITZ) established in 1995 as a logical consequence of Seychelles' ability to promote hub and spoke operations from its ideal location in the center of the Indian Ocean and as a member of the COMESA.

Seychelles offers fast and efficient clearance of imports and exports in accompany with attractive cargo rates and ability to provide low land leasing costs and secure, ready built premises SIZT is drawing businesses engaged in light assembly, processing, redistribution, export of management services and telecommunications.

Such business, which can be 100% foreign-owned, benefit from 0% tax on business profits and dividends, import duty and GST on certain equipment as well as on employers personal income tax and withholding tax.



Seychelles International Business Authority (SIBA)

SIBA is responsible for licensing and registration of the primary offshore business activities. In addition, it facilitates the investment process in a way which is in line with the administrative, policy and legal framework.

For Further information contact:

P.O. Box 991, Bois de Rose Avenue, Roche
Caiman, Victoria, Mahe
Republic of Seychelles

www.siba.net



Oil Exploration

Ready to Drill Once More



Seychelles may be rich in seafood but it is also full of unexplored oil sites. Oil demand is growing rapidly in emerging markets such as China, India and also other parts of Southeast Asia which sparks concern over oil supply.

Seychelles is a frontier area and the data acquired to date ratifies that a working petroleum system exists to make the area an oil province. A large volume of data is available and interesting leads have been mapped. The government has recognized the importance a discovery of petroleum would have on the economic objectives and has put in place the necessary legal framework to facilitate exploration and eventual production within its maritime boundaries.



“We view the Seychelles as having one of the more attractive petroleum legislation and fiscal regimes in the world currently,” Steve Noske, Managing Director, WHL Energy, said.

“Companies are provided with the full deductibility of their direct and indirect costs upon success, with a staggered tax rate and modest royalty to the Seychelles Government as other key favorable factors,” he added. WHL Energy is currently looking for a partner because they have a drilling commitment.

Afren, a London-listed company had conducted a survey which acquired 3,350 km² of 3D seismic. The company is currently processing this data for interpretation to locate a deep-water drilling site. Drilling will begin around the end of 2014.

Authorities Profile

Initially, **Seychelles Petroleum Company (SEYPEC)** was the regulator of the upstream sector and having shares in companies exploring offshore. However it's hard to be the regulator while having shares within the sector. To ensure that tasks are carried out efficiently, **Petro Seychelles** was established in quest of monitoring the upstream while overseas oil exploration and eventually production offshore in Seychelles.

Latest Events

Oil companies will be invited to submit their proposal. The government has opted for a file process, in terms of licensing an area for petroleum exploration and exploitation.

- Oil companies may make applications at any time for one or more contract area.
- Each contract may not exceed 10,000km².
- Minimum application criteria to be met.

SEYCEC is expanding its fuel farm from 25 to 28 storages tanks, adding 55,300 tons of fuel loading capacity. The company is also looking for third parties interested in leasing storage space to keep strategic reserves in the country.

For Further Information Contact:

Petro Seychelles

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Email:

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www.petroseychelles.com

SEYPEC

Tel: (248) 4290 600

www.seypec.com



Trop-X, the Seychelles Securities Exchange, opened its doors for the first time on November 30th, 2012 serving as the platform for Seychelles to continue as a facilitator of trade in the region for the 21st century.

Seychelles has great mutual fund and hedge fund law in place to protect investors' interests. There's no capital controls or currency restrictions in Seychelles. Companies can be listed according to their domestic currencies or any currencies to raise cash. In addition, listed funds and fund managers are given a significant tax breaks to set up, operate and manage their funds from Seychelles.

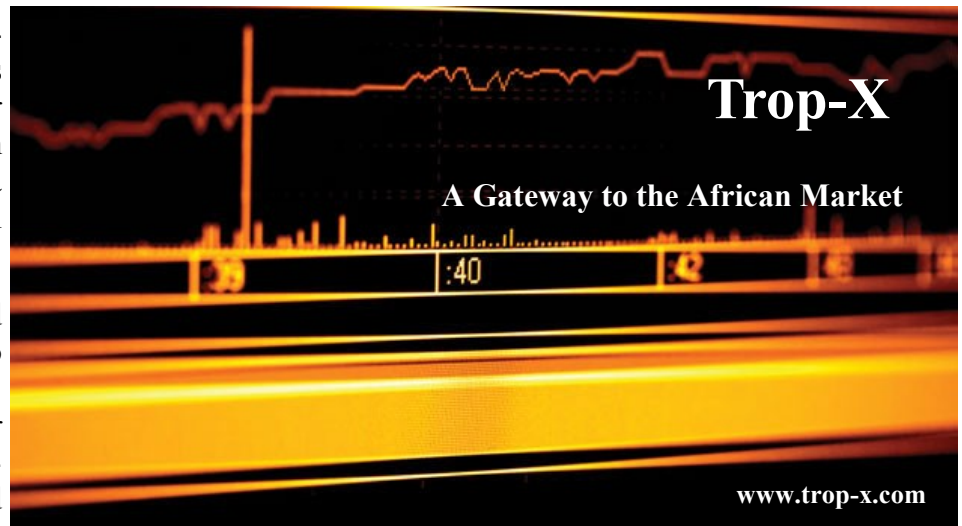
Trop-X had launched three initial equities boards that allow for listing and trading shares from both domestic and foreign companies. Nevertheless, companies with no operating history are preferred and they are given the opportunity to go on Trop-X venture capital board.

Trop-X offers small and medium enterprises board which is meant for smaller companies in the development stage. However, these companies have to produce a minimum of one year audited statements. On the other hand, the main board is for companies that can provide three years of financial statements.

"Seychelles is right between the business time zones of Western Europe and China. A key advantage to capture investors from Europe all the way across to Asia that are investing in these Africa focused listed products. Chinese investors basically pool their funds with European and African investors all through one hub," Bobby Brantley, Chief Financial Officer of Trop-X, said.

Trop-X is currently focusing on offering listed products that are geared towards Africa. "We're much aiming for this to become the platform for the international community to come and access those listed products for Africa," Brantley said. Attempting to mix the international and domestic investment demand through one platform,"

"China has a huge demand for natural resources and commodities so they're investing quite a bit of money in Africa. We have listed investment companies that you can set up in Seychelles using the tax



treaties that we have with various countries, which would then be going out and purchasing assets. These could be mining rights, exploration rights; there are lots of uses. It's just a natural fit." Brantley added.

Trop-X caters for companies at all stages whether if 'you're looking to raise fund' or 'you have shareholders that are just seeking for opportunities'.

Equity Listing Fees

Once a company decides to list, they will be required to pay fees to both their Service Providers as well as Trop-X.

Annual Fee (Main Board)

The Trop-X listing fees for the Main Board is calculated based on the company's market capitalization (value of the company).

USD 0– 50 million market capitalization (Cap)	Cap x 0.025% (with min charge of USD 7,500)
USD 50 million – 150 million Cap	(Cap – 50m) X 0.005% + USD 12,500
USD 150 million Cap and above	(Cap – 150m) X 0.001% + USD 17,500 (with max charge of USD 20,000)

VCAP/SME Board

Listing on the VCAP or SME Board is a flat rate of USD 7,500

Listing Fees

Upon initial listing, companies are required to pay a one-off fee of USD 5,000 further to the fees listed above.



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