

**Intervention of Mr. Pierre LAPORTE, Minister for Finance, Trade and Investment of the
Republic of Seychelles**

Seychelles is an archipelago of 115 islands with a population of less than 100,000 inhabitants. Despite our smallness, a policy of sustainable and inclusive growth has seen our country rise to being one of the most successful in the developing world. At over US\$16,000 Seychelles has the highest GDP per capita in Africa, and we are one of only a handful of developing countries to have attained all Millennium Development Goals.

Looking back, since the country began its transformation from an agricultural-based economy in the early 70s to one that is today primarily tourism-based, foreign direct investment has been key in this transformation. Over time Seychelles has attracted FDIs in other sectors like fisheries and the financial sector and the influx of foreign investment continues to grow.

Going forward, against the backdrop of other economic, social and environmental constraints, Seychelles continues to face important challenges and as such, the country needs to continue to attract foreign investment. Policies should thus be geared toward ensuring that the right environment that promote sustainable investment and growth are in place.

These policies, among other things, should provide ample space and opportunities for the private sector to participate actively and effectively in our development. I can comfortably say that in Seychelles the private sector has played a critical role in the gradual transformation of the economy. Such policies have included privatization of non-strategic parastatals, a modern and efficient tax regime, and significant reforms of the investment climate. Other interventions have included tax incentives in special growth areas such as renewable energy. Moreover, stronger partnerships between the Government and the private sector (e.g. Chamber of Commerce) and civil society have also been critical.

These factors have been key in attracting the private sector in becoming an integral element of our strategy toward sustainable development. However, I would say that the most critical factor has been the leadership of the Government, and its commitment toward sustainable development. Going forward the role of Government and its complementarity with a healthy private sector will remain critical in ensuring that we continue to attract quality investment and other income flows in a sustainable way.

Economic growth should be more than just sustainable; it also needs to be inclusive. The concept of inclusive growth is one that is talked about much these days. But besides just talking about it we need to actually make it happen. In Seychelles, Government has put significant efforts in bringing the benefits of growth to the people and the results of these are tangible, in the form of high income levels and social indicators that compare with those of advanced economies.

Many challenges remain, however, policies should aim at strengthening linkages between tourism which are predominantly externally driven, and domestic sectors like agriculture and fisheries, which are often carried out by mostly lower income groups. It is by implementing policies which strengthen such linkages that would ensure a more inclusive growth and reduce inequalities. These policies would also allow countries, especially small island economies, to unleash the potential of untapped resources, such as the blue economy.

Policies on trade are equally important and enhanced trade has been proven to accelerate growth. In this regard it is rather fitting that Seychelles will tomorrow be having what we hope will be its last Working Party meeting before formal acceptance of its membership by the WTO General Council.

The question as to whether an international governance structure to frame the different actors' role is one that needs further analysis and debate. If there is consensus around one, such a framework has to take into consideration that each country has its own characteristics and specificities, which should be appreciated and respected. For instance, the important role played by small island developing states in the world economy, our championing of the protection of the environment, and our fight to raise awareness of the effects of climate change to name a few, have all been recognised, including by the United Nations who has dedicated 2014 as the international year of the SIDs.

I thank you.