



# SEYCHELLES

TOURISM MASTER PLAN PART II

**DESTINATION 2023:** A STRATEGY  
FOR SUSTAINABLE TOURISM GROWTH



## Welcome to Destination 2023



Dear Partners,

The tourism sector has been and will remain one of the main engines of wealth creation in Seychelles. It contributes over 45% of Seychelles foreign currency inflows, 28% as direct contribution to the gross domestic product and in excess of 60% as indirect contribution. Over the past few years we have posted healthy growth record both in terms of arrivals and foreign currency earnings.

Destination 2023 encapsulates the change objectives of the Seychelles Tourism Sector. It is the output of a thorough process of participation and consultation, involving a wide spectrum of dedicated tourism actors. I would like to thank you for the time invested and for the contributions and suggestions that you have made to help articulate a simple and focused strategy to drive towards our vision and scorecard of strategic goals and objectives.

Destination 2023 is the final distillation of the 2018 Situational Analysis Report of the local and international tourism landscape that was carried out in the early part of 2018, and it represents a fundamental navigation map for our domestic tourism sector. It provides us and our highly engaged partners with a clearer picture of success to focus and invest our resources and skills to reshape and refine the sector's performance through a portfolio of strategic initiatives and imperatives.

The strategy is built on a scorecard of five strategic objectives, forty strategic actions across a platform of eight priority areas with a portfolio of thirty underpinning developmental programmes and projects, that will challenge and change our ways of working. Change by nature is a disruptor for many of us as it compels us to seek for better ways to achieve collaborative and competitive advantage, and ultimately superior performance.

As with any change and value improvement agenda, the implementation of Destination 2023 is inherently constrained by potential risks. We have to improve our core products and service delivery standards, protect our primary markets and develop emerging ones. We have to reduce the level of environmental stress that the sector generates, venture in product diversification and make the sector a more inclusive one.

The journey is a collective one, and I have confidence in our natural ability, willingness and sense of oneness to deliver the results of Destination 2023.

After all, we are tourism.

A handwritten signature in blue ink, appearing to be 'Didier Dogley', written on a light blue background.

Minister Didier Dogley

Minister for Tourism, Civil Aviation, Ports and Marine

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# 1 Introduction

## 1.1 Purpose of the Tourism Master Plan 2023

The purpose of the *Tourism Master Plan: Destination 2023* is to provide a roadmap for the sector's growth up to 2023 and beyond. It provides for maximising the wealth producing capacity of the Seychelles tourism sector enabled by pro-tourism business development policies and appropriate investment strategies.

## 1.2 Methodology

The first edition of the master plan was finalised in 2012. In 2015, the then Tourism Department in the Ministry of Tourism and Culture was given the responsibility for tourism strategy, policy, programmes and research, for setting quality standards and developing regulations for the tourism sector, and for coordinating the delivery of national tourism objectives by the Seychelles Tourism Board, other government departments and agencies, and representatives of various tourism industries. Previously, these were the mandates of the Seychelles Tourism Board.

As a result of its new remit, the Tourism Department embarked on a strategic orientation exercise starting in 2015. Acutely aware of the evolution in the tourism sector at the global, regional and national levels, in October 2015 it commissioned an update of the Master Plan. In order to ensure that the revised plan is the result of a participatory process, a series of consultations was initiated with a wide spectrum of operators from the public and private sectors, as well as relevant non-governmental organisations on Mahé, Praslin and La Digue. This Master plan was further updated in the first quarter of 2018 and a detailed situational analysis document produced. Consistent with the goals set for the tourism sector as defined in national development frameworks, the situational analysis document points to the policy, regulatory, infrastructural, institutional, marketing, human resources, and statistical gaps that need to be addressed to achieve such targets under the sustainable tourism goal. A set of recommendations to address the gaps identified also forms part of the situational analysis document.

The revised situational analysis document was shared with industry operators and served as a guiding framework in support of the development of a sustainable and responsible tourism strategy in Seychelles. The strategic issues identified and the recommendations made along with the outcome of the tourism value chain analysis developed with the support of the World Bank in 2016 provided the basis for the formulation of this comprehensive tourism strategy for Seychelles.

## 1.3 Structure

In addition to this introduction, the document has six parts. The following Part 2 discusses the the global and national contextual frameworks within which this strategy has been compiled. Part 3 provides the strategic overview of the Master Plan including the vision and strategic objectives, before the strategies for implementation of the eight pillars for tourism success are elaborated in Part 4. Part 5 detailed the implementation arrangements, while Part 6 presents the monitoring and evaluation framework for the Master Plan. Part 7 looks at the main risks that will potentially impact the implementation of the Master Plan, as well as the strategies to mitigate any adverse effects that they may have.

## 2 Strategic analysis

This section summarises the global and national contextual framework within which this strategy has been compiled. For details, the reader is referred to the *Seychelles Tourism Master Plan Part I: Situational Analysis 2018 Update*.

### 2.1 The global context

The tourism sector consists of a wide diversity of players ranging from small enterprises to global brands in a number of industries providing goods and services demanded by visitors. These tourism industries include: (a) accommodation for visitors; (b) food and beverage serving activities; (c) transport; (d) travel agencies and other reservation services activities; (e) cultural activities; (f) sports and recreational activities; (g) retail trade of country-specific tourism characteristic goods; and (h) other country-specific tourism characteristic activities<sup>i</sup>.

Tourism continues to enjoy uninterrupted growth as one of the world's fastest growing economic sectors. International tourism arrivals grew by 7% in 2017 to reach a total of 1.3 billion travellers spending an estimated US\$1,340 billion.<sup>ii</sup> The trend is set to continue and the World Tourism Organization forecasts that the number of international tourist arrivals will increase by an average of 3.3% over the period 2010-2030.<sup>iii</sup> Growth in Africa is expected to average 5% over the period. Europe is the largest source region accounting for 51% of international tourists in 2017, followed by Asia and the Pacific (24%), the Americas (16%), Africa (5%) and the Middle East (4%). China remained the top spender in international tourism in 2017, spending US\$258 billion. Other important source countries for Seychelles which were part of the top 10 spenders in 2017 are Germany, United Kingdom, France, the Russian Federation and Italy. According to Cruise Lines International Association, global demand for cruising reached an estimated 28 million passengers in 2018 and this is expected to reach an expected 30 million passengers in 2019.<sup>iv</sup> Established as well as new destinations can benefit from the potential for further expansion in the coming decades, provided they do shape the adequate conditions and policies with regard to business environment, infrastructure, facilitation, marketing and human resources.

### 2.2 Global sustainable tourism frameworks

A number of frameworks of sustainable development adopted recently are also relevant to the present plan. These frameworks put emphasis on sustainable tourism. In particular, the sustainable development goals agreed upon by the United Nations General Assembly in September 2015 and the outcome statement of the Third International Conference on Small Island Development States (Samoa Pathway) held in Samoa in September 2014 are pertinent to this exercise. Sustainable Development Goals 8 and 12, and the Samoa Pathway place emphasis on promoting sustainable tourism that creates jobs and promotes local culture and products, while conserving the natural, built and cultural heritage.

### 2.3 The Seychelles context

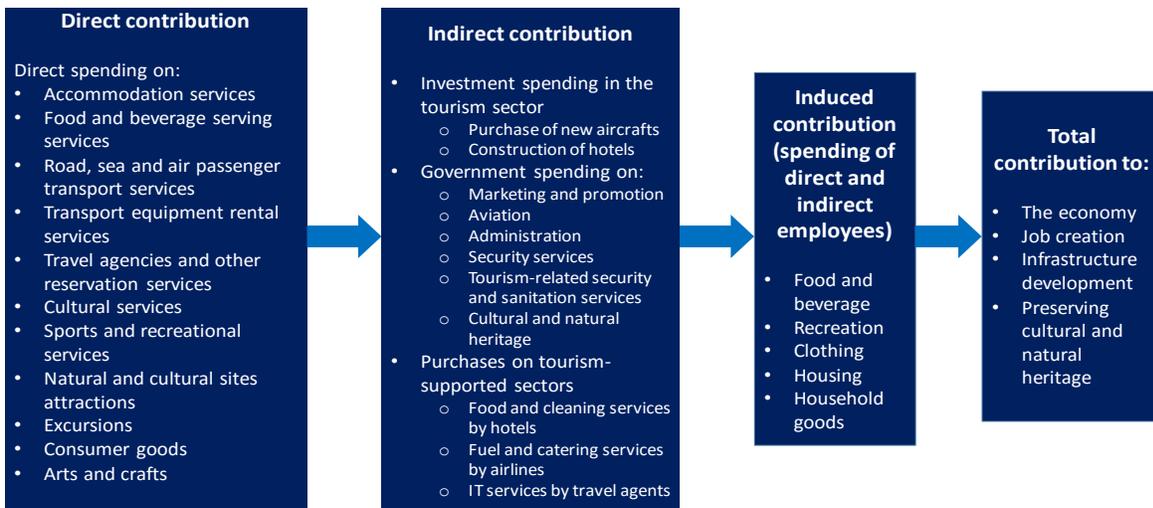
#### 2.3.1 Importance of the tourism sector in Seychelles

Like in most small island economies, the tourism sector in Seychelles contributes significantly to the domestic economy (see Chart 2.1). This contribution is particularly important in terms of generation of foreign-exchange earnings, stimulation of economic activity, generation of income through linkages with other sectors, employment creation, government revenue, and the preservation of natural and cultural heritage. However, because of its nature as a cluster of different activities with many direct and indirect effects on the domestic economy, it is challenging to ascertain the full socio-economic contribution of tourism.

The number of visitors to Seychelles grew 2.7 times in the period from 2000 to 2017 to reach 349, 861 visitors in

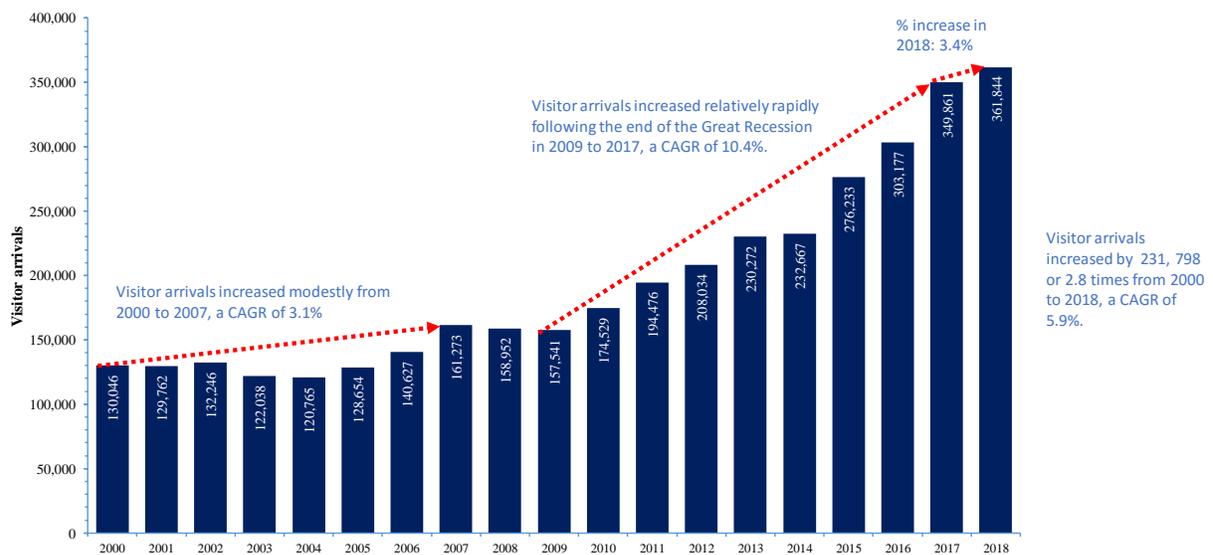
2017 from just over 130 thousand in 2000. This was 15% higher than in 2016. In 2018, there were 361, 844 visitors or a growth of 3.4% over the 2017 figures, significantly lower than the compounded annual growth rate of 10.4% between 2009 and 2017 (Chart 2.2). In comparison, the growth in visitor number for Mauritius, the Maldives and Sri Lanka in 2018 was 4.3%, 6.8% and 10.3% respectively.<sup>v</sup>

**Chart 2.1: The contribution of the tourism sector**



Source: Analysis by Valsen Consulting based on World Travel and Tourism Council. 2017. *Travel & Tourism: Economic Impact 2017 - Seychelles*.

**Chart 2.2: Visitor arrivals, 2000-2018**



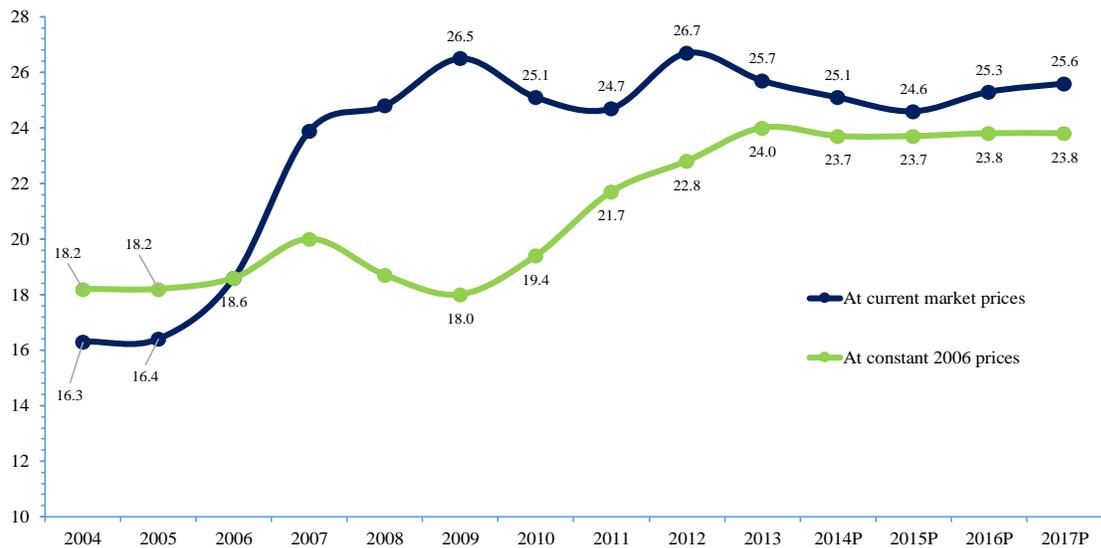
Sources: Analysis by Valsen Consulting based on data from the National Bureau of Statistics| CAGR is the compounded annual growth rate.

The direct contribution of tourism to gross domestic product (GDP) increased steadily from 16.3% in 2004 to 25.6% in 2017 (Chart 2.3). The World Tourism and Travel Council (WTTC) estimates that the direct contribution of tourism to GDP in Seychelles was 28.6% in 2018 and forecast that it will rise by 2.9% per annum from 2018 to 2028.<sup>vi</sup> The WTTC also estimates tourism’s total contribution to GDP in Seychelles was 65.3% in 2017 and is forecast to rise by

3.2% in 2018 and expects an annual growth of 2.9% over the period 2018 to 2028. The tourism sector is an important source of revenue to the Government of Seychelles and in 2017 contributed 32% of total domestic taxes.

Tourism revenue is an important source of foreign currency for the Government of Seychelles. Gross receipts from international tourism grew from US\$343 million in 2010 to US\$430 million in 2013, before falling to US\$398 million and US\$393 in 2014 and 2015 respectively (Chart 2.4). Gross total earnings recovered from 2016 to 2018 to reach US\$483 million in 2017 and US\$564 million in 2018. Earnings per visitor fell 50% from 2010 to 2016 and recovered significantly thereafter to reach US\$1,381 in 2017 and US\$1,559 in 2018 (Chart 2.5). If the earnings per visitor was US1,968 in 2018 as it was in 2010, an extra US\$148 million would have been generated.

**Chart 2.3: Contribution of tourism to gross domestic product for 2004-2017 (%)**



Sources: Analysis by Valsen Consulting based on data from the Annual National Accounts Statistics produced by the National Bureau of Statistics in October 2013, December 2015, December 2017 and December 2018 | Figures for 2004 to 2012 are final, while those for 2014 to 2017 are provisional (P).

**Chart 2.4: Tourism earnings, 2010-2018 (US\$ millions)**



Source: Analysis by Valsen Consulting based on data from the National Bureau of Statistics and Central Bank of Seychelles.

### 2.3.2. Profile of the tourism sector in Seychelles

Seychelles remains highly dependent on Europe as a tourism market even though dependence has gradually been eroded (Chart 2.6). In 2018, 66% of total visitor arrivals came from Europe, down from 82% in 2003. The share of visitor arrivals from Asia increased by 19% over the period 2000 to 2017, mainly as a result of visitor increases from the United Arab Emirates, India and China. In 2018, visitor arrivals from United Arab Emirates, South Africa and China fell by 13%, 15% and 33% respectively, while European visitors increased by just under 23, 000. The diversification of visitor arrivals away from Europe and towards Asia is welcomed as it reduces dependency of Seychelles on a small number of inter-linked markets. However, this trend will be ultimately beneficial to the economy depends on whether it translates in higher spending which is partly dependent on the effect on average length of stay and average earnings per visitor. It is important to note that the sharp drop in tourism earnings per visitor between 2010 and 2015 (Chart 2.5) coincided with the equally sharp drop in the share of European visitors (Chart 2.6).

**Chart 2.5: Tourism earnings per visitor, 2010-2018 (US\$)**



Source: Analysis by Valsen Consulting based on data from the National Bureau of Statistics and Central Bank of Seychelles. Data for the Maldives and Mauritius are from the Ministry of Tourism and Statistics Mauritius respectively.

**Chart 2.6: Share of visitor arrivals from Europe, 2000-2018 (% of total)**

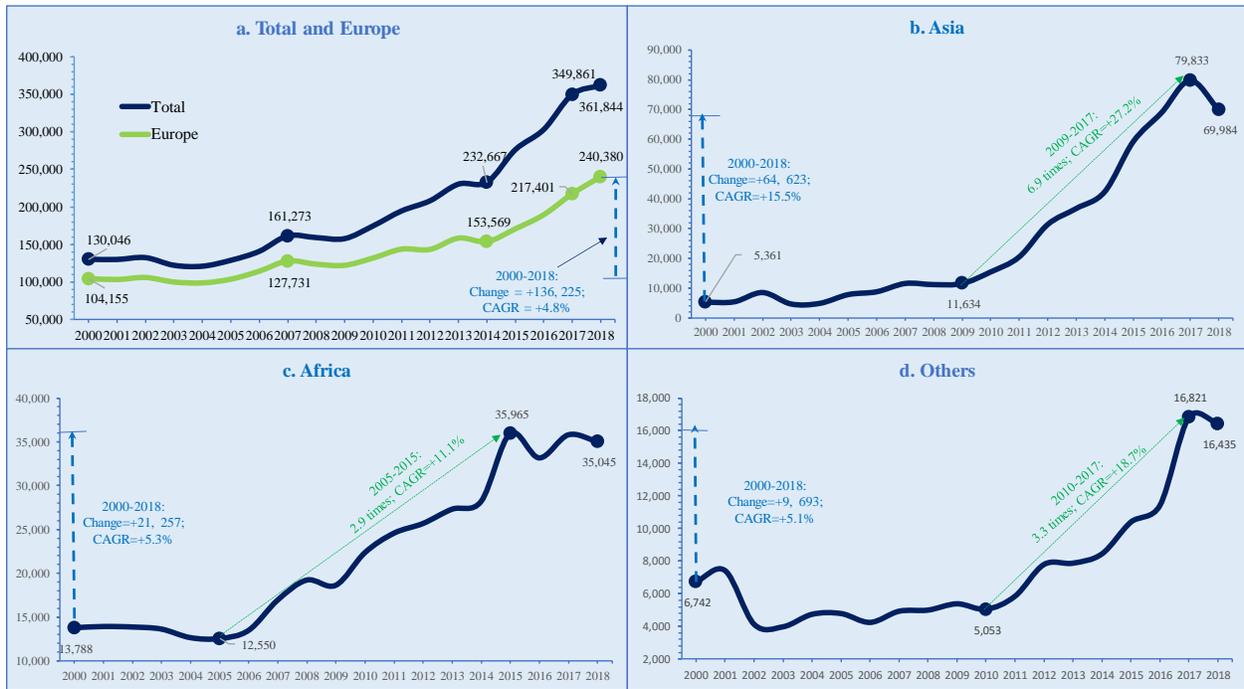


Sources: Analysis by Valsen Consulting based on data from the National Bureau of Statistics and Mauritius Statistics.

Charts 2.7 and 2.8 highlight the trend in visitor arrivals from the main tourism source markets for the period from 2000 to 2018. The main takeaways are summarised in Table 2.1. The analysis suggests the uptick in the share of visitor arrivals from Europe which increased from 62% in 2017 to 66% in 2018 (Chart 2.6) is set to be sustained over the coming years especially as air access continue to improve as a result of either the commencement or resumption of flights by Air France, Austria Airlines, British Airways, Edelweis and Turkish Airlines over the last 3 years (Chart 2.8). The decline in visitor arrivals from the Russian Federation since 2014 (Chart 2.8e) and, to a lesser extent, the declining growth rates in visitor arrivals from Italy (Chart 2.8b), are important red flags.

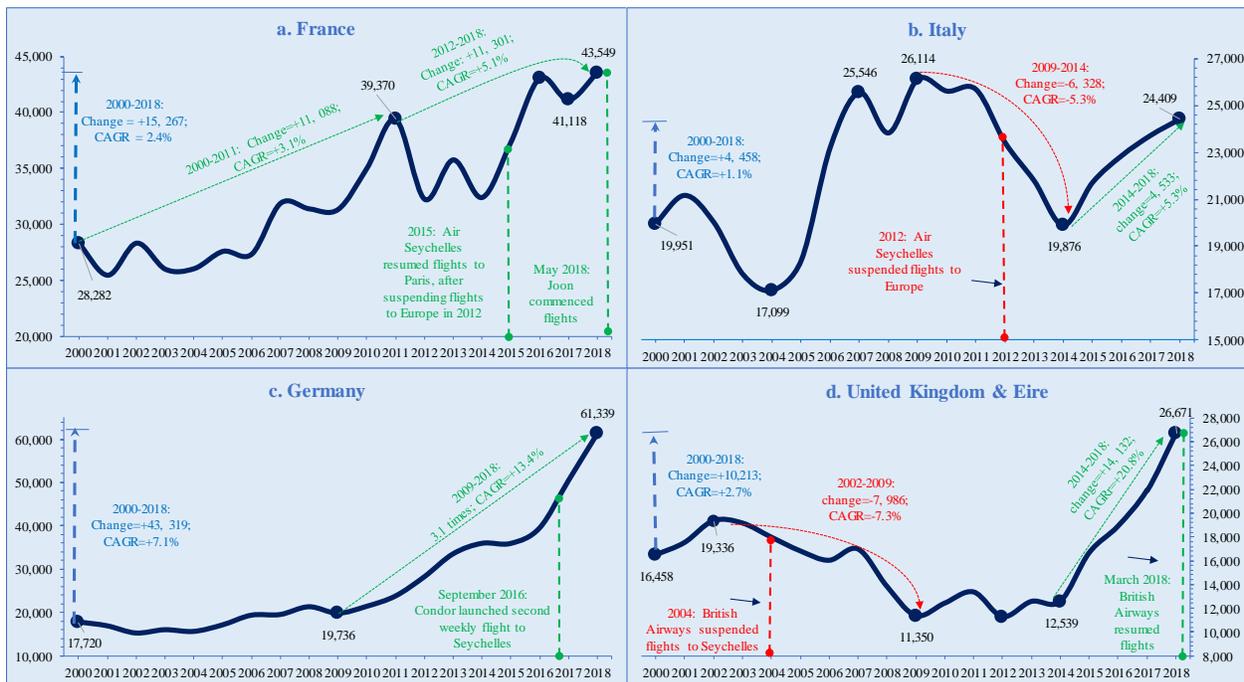
In Africa and Asia, the significant declines in visitor arrivals from the United Arab Emirates in 2018, the sharp drop in Chinese visitors since 2017, and the stagnation of visitor arrivals from South Africa should be cause for concern. In comparison, visitor arrivals from South Africa to Mauritius recorded a growth of 14.2% in 2018, while visitor arrivals from China fell by 9.9%.<sup>vii</sup> Data for the first 2 months of 2019, points to significant increases in visitor arrival from Germany, United Kingdom and Switzerland, and important declines in visitor arrival from the Russian Federation, Italy and Asia compared to a year ago.<sup>viii</sup>

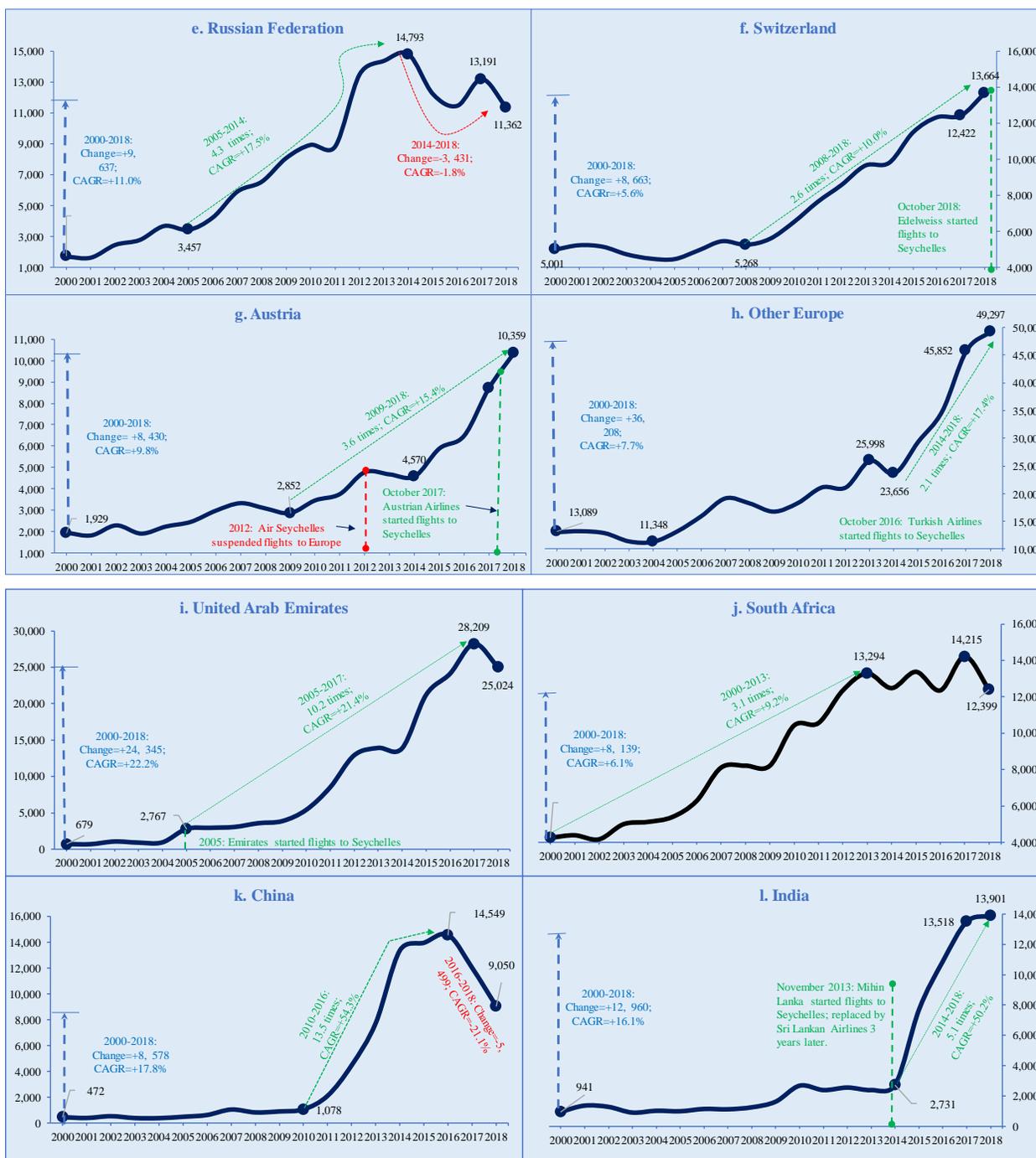
**Chart 2.7: Visitor arrivals from Europe, Asia, Africa and other continents, 2000-2018**



Sources: Analysis by Valsen Consulting based on data from the National Bureau of Statistics| CAGR is the compounded annual growth rate.

**Chart 2.8: Visitor arrivals from main tourism source markets, 2000-2018**





Sources: Analysis by Valsen Consulting based on data from the National Bureau of Statistics| CAGR is the compounded annual growth rate.

Visitors' length of stay has decreased from 10.4 nights in 2001 to 9.5 days in 2017, before jumping to 10.3 days in 2018. European visitors have a higher average length of stay than for visitors of other regions.

Seychelles has a relatively well-balanced monthly distribution of visitor arrivals with peaks in March, August, October and December, and January, May, June and September receiving less visitors (Chart 2.9). Seasonality of visitor arrivals is driven by visitor arrivals from Europe. The implications are that firstly proper planning is required to ensure that the number of bed capacity can cope with the peak months and secondly marketing interventions are required to ensure a more balanced spread of arrivals throughout the year.

Promotion of domestic tourism especially in the off-peak season is increasingly seen as important if the tourism sector in Seychelles aims to optimise total revenue across a 12-month period and a stable long-term source of revenue. Data from the 2013 Household Budget Survey suggests that local households' expenditure on overseas holidays amounted to an estimated US\$4.7 million and on domestic holidays US\$582,000 in 2013.

**Table 2.1: Strategic analysis of visitor arrivals from main tourism source markets, 2000-2018**

Country/region	Growth rate for 2000-2018	Strategic analysis
<b>Germany</b>	7.1%	Growth during 2009-2018 was 13.4%, with growth especially rapid between 2016 and 2018 following the introduction of a second weekly flight by Condor in September 2016.
<b>France</b>	2.4%	Growth during 2012-2018 was 5.1%, which is expected to continue with the improved air access since Joon, the low-cost subsidiary of Air France commenced direct flights in May 2018.
<b>UK</b>	2.7%	Following negative growth of 7.3% during 2002-2009 partly as a result of suspension of flights by British Airways, growth during 2014-2016 was 20.8%. Growth is expected to continue with the resumption of direct flights by British Airways in March 2018.
<b>Italy</b>	1.1%	Decline of 5.3% during 2009-2014, followed of 5.3% during 2014-2018.
<b>Switzerland</b>	5.6%	Growth during 2008-2018 was 10%, which is expected to continue with the improved air access since Edelweiss commenced direct flights in October 2018.
<b>Russian Federation</b>	11%	Growth during 2005-2014 was 17.5%, followed by a decline of 1.8% during 2015-2018.
<b>Austria</b>	9.8%	Growth during 2009-2018 was 15.4%, with growth especially rapid after 2014. Growth is expected to continue with the commencement of direct flights by Austrian Airlines in October 2017.
<b>Other Europe</b>	7.7%	Rapid growth during 2014-2018 of 17.4%, which is expected to continue with improved air access.
<b>Europe</b>	4.8%	Rapid growth during 2014-2018 of 12.1%, which is expected to continue with improved air access.
<b>United Arab Emirates</b>	22.2%	Growth during 2005-2017 was 22.2%, supported by introduction of Emirates flights in 2005. Visitor arrivals fell by 13% in 2018.
<b>India</b>	16.1%	Rapid growth of 50.2% during 2014-2018 from low base, supported by the introduction of Mihin Lanka and Sri Lanka Airlines.
<b>China</b>	17.8%	Rapid growth of 54.3% during 2010-2016 from low base, followed by decline of 21.1% during 2017-2018.
<b>Asia</b>	15.5%	Rapid growth of 27.2% during 2009-2017, followed by decline of 12% on 2018.
<b>South Africa</b>	6.1%	Growth of 9.2% during 2000-2013. Decline of 15% in 2018.
<b>Africa</b>	5.3%	Growth of 11.1% during 2005-2015, followed by stagnation.
<b>Others</b>	5.1%	Growth of 18.7% during 2010-2017, followed by decline of 2% on 2018.

Sources: Analysis by Valsen Consulting based on data from the National Bureau of Statistics| Growth rates are compounded annual growth rates.

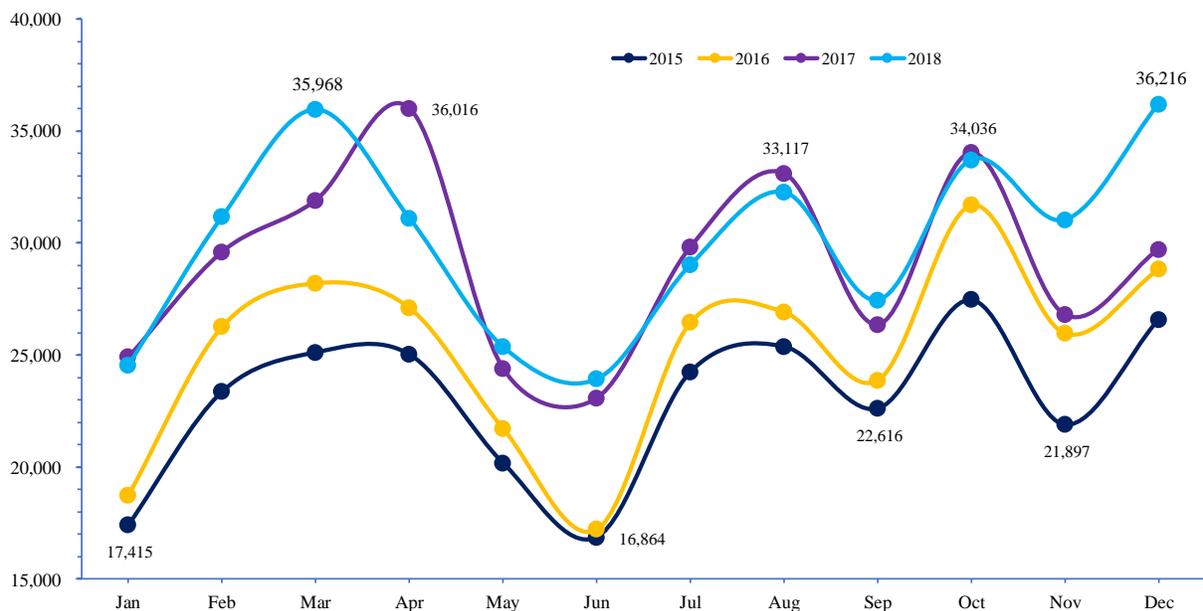
Cruise ship tourism is the third component of tourism in Seychelles and cruise ship passengers has increased from

20,854 in 2009 to 43, 375 in 2018, mostly during the period of October to April. There is presently some controversy as to the economic benefits of cruise tourism for the Seychelles economy because it raises sustainability issues especially for cruise ship visitors to Praslin and La Digue. The National Statistics Bureau will be collecting information on expenditure of cruise ship passengers as of 2019.

In 2018, 65% of international tourists to Seychelles stayed on Mahe, 19% stayed on Praslin, 5% stayed on La Digue and 5% stayed on other islands and 6% stayed on vessels including yachts, cruise ships and sea bound vessels. In terms of accommodation, 88% stayed in hotels, guest houses and self-catering flats in 2018 and spend on average above 50% of total expenditure on accommodation.

Online booking is becoming increasingly important especially for small guest houses and self-catering establishments. Traditionally, Europeans tended to favour inclusive package tours and booking through a travel agent or tour operator and online booking was important for United Arab Emirates, African and Russian visitors.

**Chart 2.9: Monthly visitor arrivals, 2015-2018**



Sources: Analysis by Valsen Consulting based on data from the National Statistics Bureau.

## 2.4. Sustainable tourism growth

If managed well, tourism has the potential to stimulate economic growth, create employment and business opportunities and protect the environment. Despite its potential for sustainable development, tourism may have adverse environment impacts.

Globally, there is a rising demand for sustainable tourism. According to a 2012 TripAdvisor survey of travellers, 30 per cent would choose a destination for a trip because it is considered eco-friendly<sup>ix</sup>. A TUI survey of European holidaymakers undertaken in 2017 found that sustainable holidays are most popular among German and French tourists<sup>x</sup>. Another survey conducted by TUI in 2017 found that 66 per cent of travellers believe that the travel industry should be responsible for sustainable travel and tourism, rather than the consumer<sup>xi</sup>.

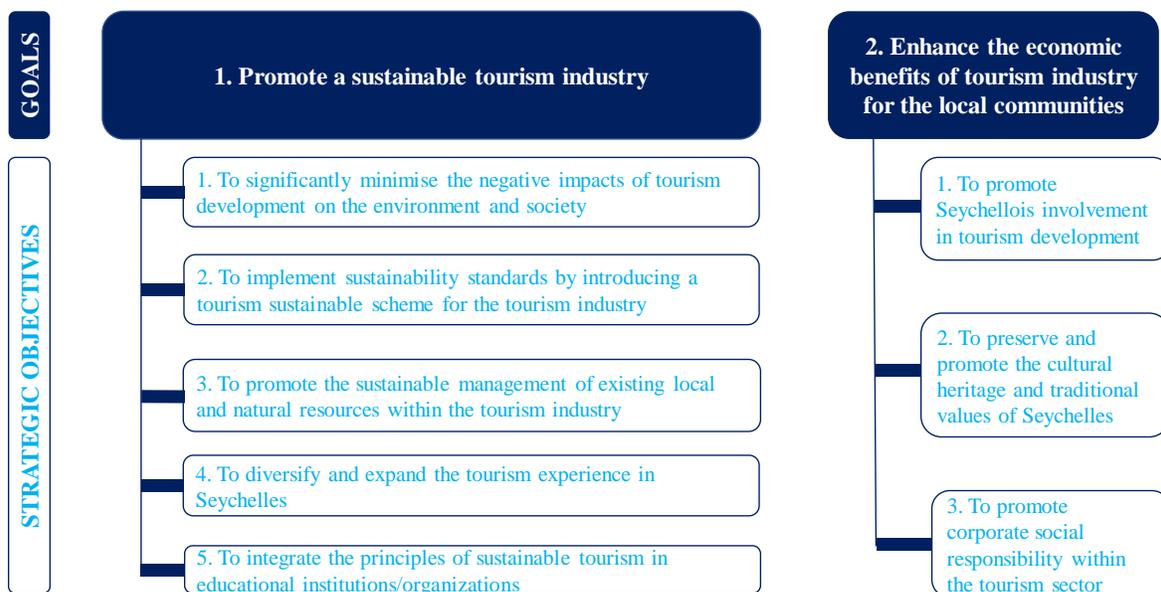
Sustainable tourism is not a special form of tourism; rather, sustainability practices can be applied throughout the tourism sector. These sustainability practices include: (a) increasing use of renewable energy; (b) reducing the

consumption of water; (c) minimising and improving management of waste, and using biodegradable products; (d) conserving biodiversity, cultural heritage and traditional values; (e) support intercultural understanding and tolerance; (f) generating local income and integrating local communities; and (g) enabling tourism businesses to make long term investments<sup>xii</sup>.

Tourism development based on sustainability principles can bring benefits in line with Seychelles’ long-term interests. These benefits may be realised provided that: (a) tourism planning minimizes the adverse cultural, environmental and social impacts by integrating carrying capacity analysis and environmental impact assessments; (b) an adequate proportion of the financial and fiscal proceeds derived from tourism is allocated to the conservation, preservation, maintenance and development of natural and cultural assets and for the sustenance of local communities; and (c) cultural, environmental and social awareness is increased at the levels of visitors, tourism operators and the domestic population that in turn translates into responsible and ethical practices. Sustainable tourism development can represent a unique and strategic competitive advantage for Seychelles as a tourist destination.

Visitors to Seychelles highly value the natural environment, green lush vegetation, well preserved nature and flora and fauna. All are unique and irreplaceable assets. In the Visitor safety and security surveys done by NBS, visitors expressed concerns in relation to litter on the beaches, in the sea and along nature trails, pollution by motor vehicles, little use of clean energy, inadequacy of waste management, and the increase in massive concrete buildings and developments that is not in harmony with the environment. The goals and aspirations of this strategy are only achievable in the context of maintaining and supporting the quality of the Seychelles natural environment.

**Chart 2.10: Strategic objectives associated with the strategic goal of sustainable tourism in the Seychelles Sustainable Development Plan 2010-2020**



Source: Analysis by Valsen Consulting based on Government of Seychelles, 2012, Seychelles Sustainable Development Plan 2010-2020.

It is thus important that the Seychelles tourism industry commit to environmental preservation and sustainable tourism. Environmental aspects of tourism consist of both managing numbers and also ensuring that Seychelles tourism is as carbon efficient as possible. Government and the tourism industry have a role to play in ensuring the quality of the natural environment and built heritage, by preserving that which is irreplaceable and developing that

which enhances the visitors' experience.

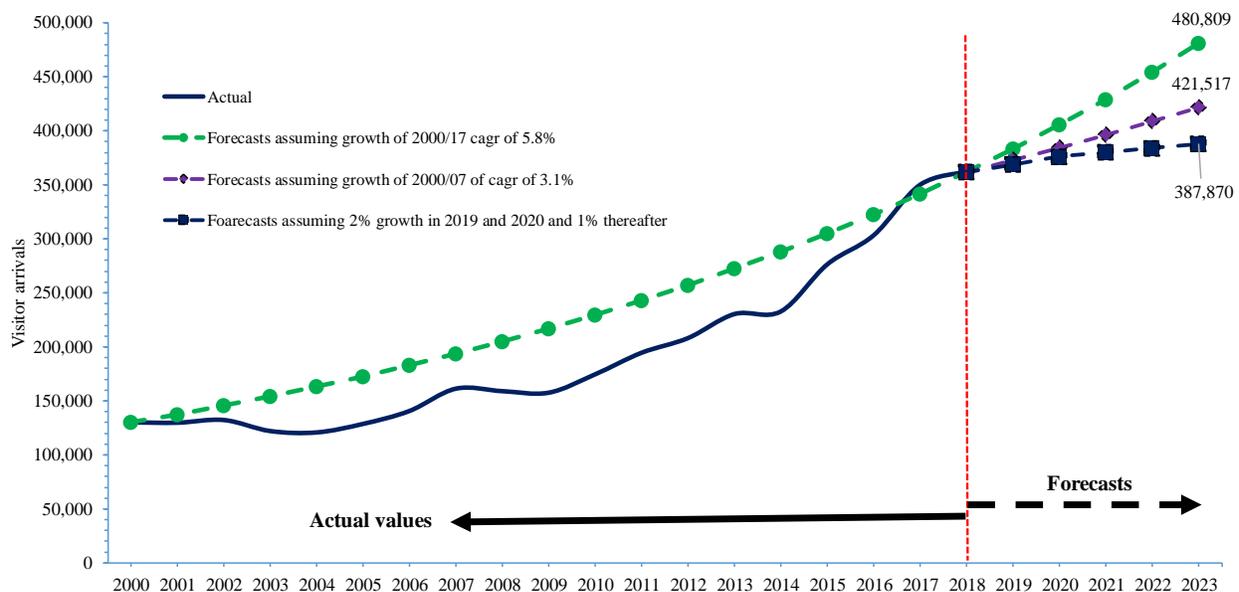
In recognition of the importance of balancing the objectives of economic returns, environmental protection, conservation and socio-cultural integration in tourism development, this strategy has integrated a series of measures to support the development of sustainable tourism. It has been developed within the context of the series of actions proposed in the *Seychelles Sustainable Development Plan 2010-2020* aimed at mainstreaming environment in tourism development (Chart 2.10).

### 2.3.2 Growth in visitor numbers

The *Seychelles Strategic Land Use Plan 2015 – 2040* forecasted a very modest growth that would deliver 400,000 visitors by 2040 which allowed time for the necessary enablers such as the 3,000 additional rooms to be added to the room stock and the airport facilities to be developed over the 25 years from 2015. From 2015 to 2017, the average annual growth in visitors has been 12% and operators indicate that these were unusual years and possibly not sustainable. STB is forecasting a modest annual growth in visitor arrivals of 3% and is carefully monitoring the situation especially with regards to room availability. At a compounded annual growth rate of 3.1%, the strategy will deliver 421,500 visitors by 2023 and the issue of sustainability has to be carefully considered (Chart 2.11). If a compounded annual growth rate of 5.8% is assumed, visitor arrivals will be 480,800 by 2023. Assumptions of more conservative growth rates forecasts visitor arrivals of just under 390,000.

Visitor numbers and the associated impact must be closely monitored throughout the planned period. In addition, the success of the tourism sector should be measured in terms of its positive impact and environmental sustainability rather than the volume of visitors it attracts. It is imperative that growth does not undermine the quality of the destination and be to the detriment of the overall visitor experience. Consequently, this strategy is proposing a gradual increase in visitor arrivals while adopting a balanced approach to tourism bed supply, air seat supply and visitor annual targets.

**Chart 2.11: Total visitor numbers, 2000-2023**



Sources: Analysis by Valsen Consulting based on data from the National Bureau of Statistics| CAGR is the compounded annual growth rate.

### **2.3.3 Revenue growth**

The development of the Seychelles tourism sector must reflect both the highest standards of environmental as well as economic sustainability. Data from 2018 indicates that accommodation represents more than 50% of visitor expenditure. The 2016 Tourism Value Chain Analysis undertaken by the World Bank indicates that in terms of revenue and profitability, accommodation ranked as follows in order of importance: hotels (small and large), self catering establishments and guest houses.<sup>xiii</sup> At the end of 2018, self catering establishments and guest houses contributed 46.3% of the room stock, which means that they contribute significantly to revenue but is of low profitability. Consequently, a balanced mix of accommodation establishments is required to diversify the overall product offer and maximise revenue earnings. This strategy is proposing that a per visitor earnings equivalent to the 2010 figure of US\$1, 968 is targeted for 2023, which represents a total revenue of US\$946 million by 2023 or a 68% increase in revenue earnings by 2023 over the 2018 figure. This implies that in addition to growing number of visitors, marketing must target the upper end of the tourist market.

### **2.4.3. Bed occupancy levels**

Overall, the bed occupancy rates for land-based tourist accommodation establishments in Seychelles increased progressively from 58% in 2014 to 63% in 2018.<sup>xiv</sup> Although in line with national targets of 60% for accommodation establishments with at least a four-star rating, the overall bed occupancy rate compares unfavourably with those for Mauritius and the Maldives which were 67% for 2018<sup>xv</sup> and 71% for 2016<sup>xvi</sup> respectively. Hotels which account for 52% of total land-based bedstock had a bed occupancy rate of 73% in 2018 compared to 70% for 'large' hotels in Mauritius which account for 79% of total bed places in 2018.

However, the official bed occupancy figures must be viewed with caution because of alleged under reporting for tax purposes. The actual bed occupancy levels is estimated to be much higher. The tourism carrying capacity exercise is likely to result in a moratorium on new buildings imposing limits upon official room supply meaning that gains in accommodation revenue will need to be driven mainly from increased occupancy rates. Therefore, bed occupancy level has to be closely monitored and maintained at 64% during offpeak periods.

### 3 Strategy overview

The high level results of the Tourism Master Plan is illustrated in Chart 3.1.

#### **Our Mission**

Provide one of the main engines of domestic wealth creation.

#### **Our Vision (Destination 2023)**

Be a higher performing and inclusive Tourism Sector with greater inter-sectorial linkages.

#### **Our Credo**

We are Tourism

#### **Our Strategic Objectives (Our Picture of Success)**

The picture of success provides a clear dashboard of intended results, based on five strategic objectives and forty strategic actions upon which to channel our investments. The objectives of the strategy are to:

1. Deliver superior economic performance;
2. Develop the brand image;
3. Promote sustainable tourism practices;
4. Diversify the product offering; and
5. Increase Seychellois participation in the tourism sector.

Given the right policies and appropriate investments, Seychelles tourism can build on its current strong foundations to deliver the following:

1. Increase visitor arrivals by an average of 5.8% per annum (compound annual growth rate) from the 2018 baseline figure to 480, 800 to visitors in 2023.
2. Increase tourism generated foreign currency inflow to reach US\$946 million by 2023 or an increase of 67% over the 2018 figure. This translates into a per visitor expenditure of US\$1, 968 which was attained in 2010.

Growth targets can only be achieved subject to the availability of key enabling factors as follows:

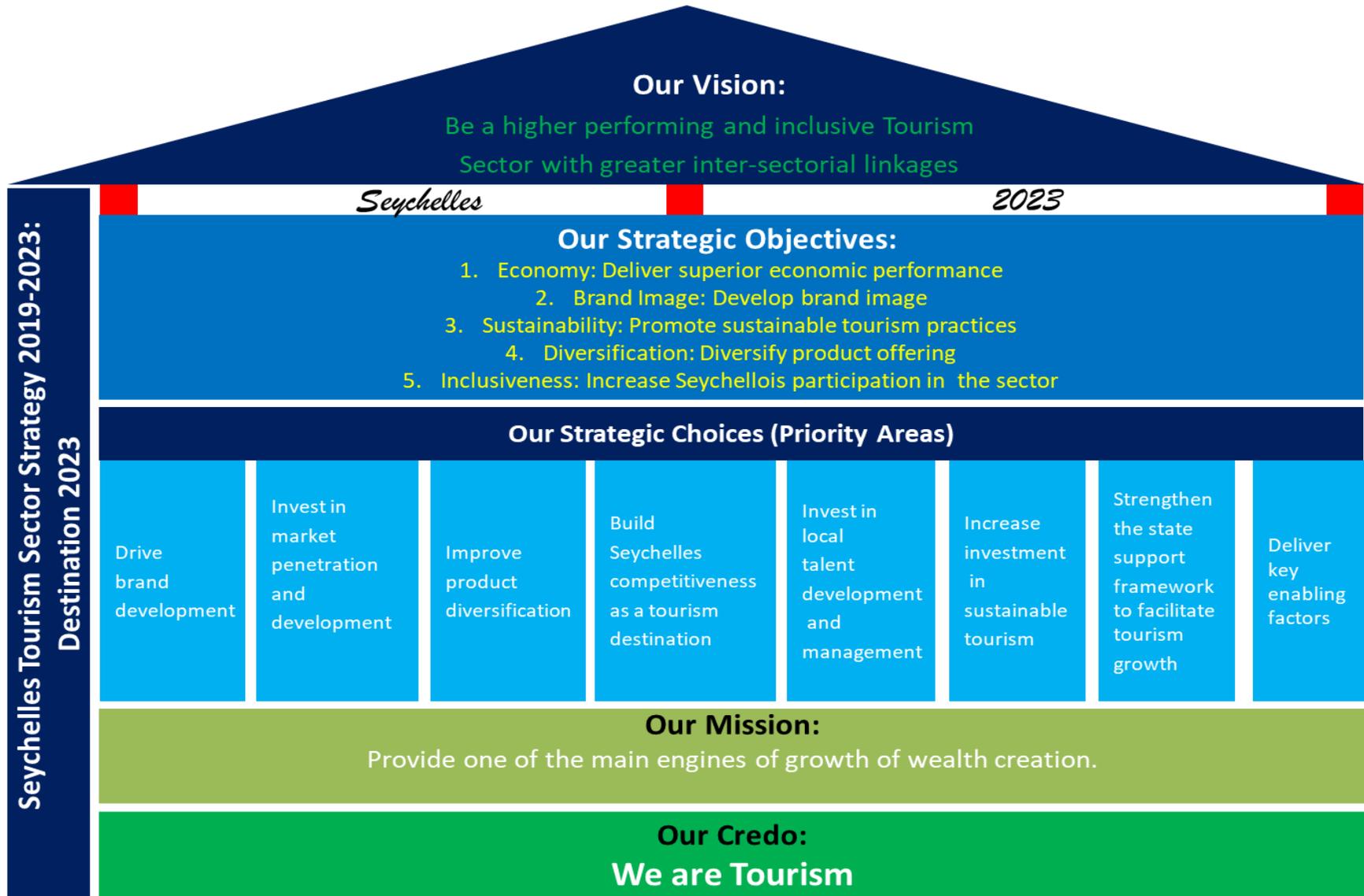
1. Add an additional 3, 000 rooms to the present room stock and ensure that gap in 3-star and above rooms is met.
2. Maintain a minimum occupancy rate equivalent to the average occupancy rate in 2018 of 63% during the off-peak periods.
3. Increase per visitor expenditure of US\$ 1, 559 (2018 baseline figure) to reach US\$ 1, 968 per visitor in 2023.
4. Achieve a yearly average visitor satisfaction level of not less than 80% during the period 2019 -2023 based on the National Bureau of Statistics monthly visitor satisfaction survey.
5. Grow the number of SSTL (Seychelles Sustainable Tourism Label) certified hotel establishments from 19 to 40 (or 50% of the large hotels and guesthouses).
6. Improve air access and airport, port and associated infrastructure.
7. Grow the number of airline seats to 2, 260 per day.

By 2023, Europe will remain the top source market by volume (see Table 3.1). The recent growth in visitor arrivals from Europe is expected to be maintained over the coming years as air access continues to improve, except in the case of the Russian Federation and Italy. If allowed to continue, the recent stagnation in visitor arrivals from Africa and the decline in 2018 of visitors from Asia will also contribute to this state of affairs.

**Table 3.1: Market share for visitor arrivals for 2018 and 2023 (%)**

<b>Source Market</b>	<b>2018</b>	<b>2023</b>
Europe	66	65
Germany	18	20
France	12	11
Asia	19	20
Americas	4	5
China	3	2
United Arab Emirates	7	10
Africa	10	9
Oceania	1	1

Chart 3.1: Seychelles Tourism Sector Strategy Map, 2019-2023



## 4 The eight priority areas for tourism success

This strategy and the strategic actions within are based around eight priority areas, which include:

1. Drive brand development;
2. Invest in market penetration and development;
3. Increase product diversification;
4. Address Seychelles' competitiveness as a tourism destination;
5. Invest in local talent development and management;
6. Increase investment in sustainable tourism practices;
7. Increase capacity of government agencies to facilitate tourism; and
8. Deliver key enabling factors.

Chart 4.1 summarises the strategic actions underpinning each of the eight pillars. The rest of the section summarises the rationale, strategic analysis and plan associated with each priority area. Detailed action plans against which an accountable body shall measure and assess the implementation of the strategic actions are presented in Annex 1. Each year, the Tourism Department will review progress against each of the forty-two recommendations as part of the monitoring and evaluation framework of the strategy. For a detailed analysis refer to the situational analysis document or part I of the Tourism Master Plan.

**Chart 4.1: Priority areas with associated strategic actions of the strategy**

Priority Area 1: Drive brand development						
PA.1.1: Allocate more resources to promoting eco-, marine and cultural tourism	PA.1.2: Assessment and consolidation of the Seychelles Brand	PA1.3: Grow digital marketing and e-commerce capabilities	PA1.4: National tourism service excellence programme under the theme “We are tourism”	PA1.5: Surveys of residents’ attitudes		
Priority Area 2: Invest in market penetration and development						
PA2.1: Protect and grow European markets	PA2.2: Invest in emerging markets	PA2.3: Improve data collection and analysis of the Chinese market	PA2.4: Assess the need to increase investment in marketing and improve transparency in the use of marketing resources.	PA2.5: Cruise tourism economic impact study	PA2.6: Promote domestic tourism	
Priority Area 3: Increase product diversification						
PA3.1. Promote cultural and natural heritage tourism  <ul style="list-style-type: none"> <li>○ Develop authentic natural and cultural products</li> <li>○ Improve services provided by heritage assets</li> <li>○ Policies on cultural and natural heritage tourism</li> <li>○ Guidelines for tourism eco- lodges in natural parks</li> </ul>	PA3.2: Grow the number of creole and specialty restaurants	PA3.3: Promote trade between local agro-producers and accommodation establishments	PA3.4: Assess potential of niche tourism products including sports, agri- and adventure tourism	PA3.5: Develop distinctive branded products  <ul style="list-style-type: none"> <li>○ Expert support to craft disciplines to improve craft design</li> <li>○ Set up a multi-sectoral working group to promote distinctive branded products relative to competing destinations</li> </ul>	PA3.6: Redevelop the Victoria Waterfront area	PA3.7: Specific Tourism Plan for Praslin
Priority Area 4: Address Seychelles’ competitiveness as a tourism destination						
PA4.1: Address the cost of doing business  <ul style="list-style-type: none"> <li>○ Simplify tax regime</li> <li>○ Simplify regulatory burden</li> <li>○ Competitive tourism tax regime</li> <li>○ Reduce utility costs</li> </ul>	PA4.2: Improve labour availability and reduce labour costs  <ul style="list-style-type: none"> <li>○ Simplify and reduce the costs of the Gainful Occupational Permit (GOP) application process</li> <li>○ Remove Seychellois-only designation for positions it currently applies to</li> </ul>	PA4.3: Measure and monitor competitiveness  <ul style="list-style-type: none"> <li>○ Participate in Travel &amp; Tourism Competitive Index</li> <li>○ Produce and disseminate Competitiveness Monitor</li> <li>○ Study on the effect of government-imposed costs on competitiveness</li> </ul>				
Priority Area 5: Invest in local talent development and management						
PA5.1: National tourism talent development plan	PA5.2: Grow local talent pool to reduce reliance on expatriate workers	PA5.3: Create new specialty courses at the Seychelles Tourism Academy	PA5.4: Promote tourism careers  <ul style="list-style-type: none"> <li>○ Tourism talent retention strategy</li> </ul>			

	<ul style="list-style-type: none"> <li>○ Realign the hospitality training approaches and programmes to better respond to current and emerging industry needs</li> <li>○ Increase training of divers and skippers and provide scholarships to allow in-service skippers to become certified</li> </ul>		<ul style="list-style-type: none"> <li>○ Study on the cause of high staff turnover and low productivity</li> <li>○ Quota for Seychellois participation in the senior management of large tourism properties and businesses.</li> <li>○ Communications programme to promote tourism careers</li> </ul>			
<b>Priority Area 6: Increase investment in sustainable tourism practices</b>						
PA6.1: Global Sustainable Tourism Council (GSTC)certified destination by 2023	PA6.2: 50% of large hotels and guesthouses "Seychelles Sustainable Tourism Label" (SSTL) certified by 2023	PA6.3: Sustainable tourism strategy for La Digue	PA6.4: Marine tourism policy	PA6.5: Sustainable utilities services	PA6.6: Transfer management of iconic public beaches to Seychelles National Parks Authority, and pursue blue flag certification	PA6.7: Regularly assess carrying capacity of major tourism sites
<b>Priority Area 7: Deliver key enabling factors</b>						
PA7.1: Additional 3,000 additional rooms, particularly in the 3- and 4-star categories	PA7.3: Enforce requirements for all properties to hold and display third party liability insurance	PA7.4: Support small establishments to improve service standards <ul style="list-style-type: none"> <li>○ 5-year moratorium on change-of-use permissions</li> <li>○ New classification system for tourist accommodation establishments</li> <li>○ Support for establishments to improve service quality</li> </ul>	PA7.5: Sustain and improve air access <ul style="list-style-type: none"> <li>○ Prioritise investment at the Pointe Larue International Airport</li> <li>○ Air Access Task Force to meet demand for air access</li> <li>○ Support Air Seychelles to remain financially viable</li> </ul>	PA7.6: Ground transportation <ul style="list-style-type: none"> <li>○ Study of the market for taxi and car hire services</li> <li>○ New policies for taxi and car hire operators</li> <li>○ Monthly passes for public transportation, coupled with increased single fares</li> </ul>	PA7.7: Improve regulation of sea transportation	PA7.8: Improve affordability and reliability of telecommunications services, including Internet services
PA7.2: New regulatory system for 'floating rooms'						
<b>Priority Area 8: Increase capacity of government agencies to facilitate tourism</b>						
PA8.1: Comprehensive investment plan for the implementation of the tourism strategy	PA8.2: Whole-of-government approach to dealing with issues facing the tourism sector <ul style="list-style-type: none"> <li>○ National Committee on Tourism</li> <li>○ Clarify the roles and responsibilities of tourism-related government ministries, departments and agencies</li> </ul>		PA8.4: Improve STB's market intelligence capacity	PA8.5: Improve statistics and economic evaluation of the tourism sector <ul style="list-style-type: none"> <li>○ Working Group on Tourism Statistics as part of National Committee on Tourism</li> <li>○ Develop and compile Tourism Satellite Accounts</li> </ul>		

## 4.1 Priority Area 1: Drive brand development

**Rationale.** Destination marketing will be key in driving tourism growth. Destination marketing influences visitors' preferences and intentions to travel by successfully communicating the values, vision and attributes of a destination. In addition to a high-quality product offering delivered by a world class tourism sector, Seychelles must have a tourism brand essence that is authentic, compelling and enduring. Brand Seychelles must be well-defined, articulated, positioned and supported through increased investment, so that it creates awareness, a strong perception of value and continues to attract new audiences.

The Seychelles Tourism Board (STB) is the public-private body responsible for destination marketing, in coordination with tourism offices abroad and trade partners. The collective marketing objectives are to increase Seychelles' visibility in the press/media (notably through the *Friends of Seychelles Press* initiative), and to increase the top of mind and brand awareness on the international market notably through increased participation in key international trade fairs with the ultimate goal of increasing visitor arrivals from their respective jurisdictions. The marketing approach is to promote the whole Seychelles experience with products to cater for different tourism segments.

### 4.1.1 Allocate more resources to promoting eco-, marine and cultural tourism

**Strategic analysis.** The marketing of Seychelles has traditionally focused on nature, the honeymooner market segment, the sea-sand-and-sun holidays, and accommodation establishments. The need to increase the visibility and diversification of eco-cultural tourism services/activities and attractions sites, in order to better value the Seychelles experience and attract more special interest tourists while increasing visitor spending, was among the core goals of the Seychelles new brand of tourism launched in August 2010 by President James Michel. However, operators in other tourism industries and of other tourist attractions including boat charters, conference tourism, creole cuisine, diving, fishing excursions, island hopping, nature and culture-based attractions, restaurants, tourist guiding, water sports, wellness and Spa, and yachting complain that there are not enough marketing activities that give them the visibility that they need.

Despite government policy, the Seychelles experience is not being adequately marketed. Visitors consistently comment that more should be done to promote the culture and history of the country. In addition, there is a perception that tour operators are not being sufficiently innovative in marketing Seychelles. Tourism operators complained that tour operators focus on Praslin, La Digue, glass-bottomed boats and bus tours. STB is aware of the criticisms and are targeting to address most of the issues raised by stakeholders. However, tourism operators also have the responsibility to ensure that their product offerings are in line with Tourism Department's quality standards and aligned with the marketing philosophy of the destination.

**Plan.** Over the period covered by this strategy, the focus of the annual marketing plans should shift from sea-sand-and-sun holidays to eco-, marine-based and cultural tourism, in line with priority area

### 4.1.2 Assess and consolidate the Seychelles Brand

**Strategic analysis.** As a tourism destination, the Seychelles Brand is a very important asset. It captures the thoughts and feelings that all relevant audiences hold about Seychelles, both positive and negative. In recent years, STB has invested in developing and promoting a tourism brand identity. Campaigns include "*Seychelles Another World*" launched in 2010. The greater the degree to which the Seychelles Brand's unique features are known, the greater the context to encourage visitors to discover what Seychelles has to offer. In the international market place, Seychelles is pitted against other tropical destinations with strong brand identities and it is important that it is able

to differentiate itself. Brands are fluid, evolve over time and require refreshment and the same is true of the Seychelles Brand.

**Plan.** The strategy recommends that STB urgently undertakes an assessment of the Seychelles Brand. This will form the basis for refreshing the brand. The branding assessment exercise should be able to provide sufficient information for STB to answer the following questions, among others:

- Is the current branding positioning – appearance, significance, logos, website, brand-related materials, visuals, colours messaging – appropriate?
- How can digital tools, including web-based and social media ones, be used to improve branding?
- What can be done to ensure that the Seychelles Brand is more helpful to the marketing efforts of tourism operators?
- What are the branding potential of cultural and natural heritage assets, and new and existing events?
- How can tourism information offices be used to improve branding?
- How can multi-lingual visitor guides and digital content be made cost effective to produce?
- How can user-generated content be encouraged?

#### **4.1.3 Grow digital marketing and e-commerce capabilities**

**Strategic analysis.** In tourism marketing, traditional channels remain highly relevant but the use of digital platforms in tourism cannot be overstated. STB maintains the official Seychelles tourism destination website under the tagline “*The Seychelles Islands: Another World*”. In 2015, unique visitors to the website reached 1.1 million compared to 600, 000 in 2013. The *E-Travel Guide* app allows visitors to download information on events, islands, and activities from the website, as well as an interactive map of the Seychelles islands. As part of its marketing activities, STB also produces the quarterly magazine “*Inside Seychelles*”. Research elsewhere has shown that for all types of consumers, in all markets, digital platforms inform and drive destination perceptions, consideration, holiday planning and booking.

**Plan.** It is recommended that STB increases investment in digital marketing especially search engine optimisation and increase the online visibility of the Seychelles brand in alignment with Seychelles brand positioning strategy. As part of the annual Tourism Marketing Plan, STB should include plans for regular engagement on major social media platforms; and digital performance reporting.

#### **4.1.4 Launch a national tourism service excellence programme under the theme “*We are tourism*”**

**Strategic analysis.** The overall visitors’ experience and perception about Seychelles that define the Seychelles Brand is primarily shaped by the encounters (the moment of truths) with the service providers as well as with the larger community. There have been many intermittent programs such as the famous *You First* to bring on board the community, but the interventions have been more tactical, sporadic with inadequate strategic intent and anchorage in the whole tourism strategy.

Anecdotal evidence suggests that the natural sense of engagement of the larger community to help build a great Seychelles Brand is in decline. The input and impact of the larger community on the overall visitors’ perception of the Seychelles Brand cannot be treated as an extraneous factor. The larger community is an intrinsic component of

the offering and it must be articulated throughout the value chain and service delivery process to help build a Seychelles brand as a five-star destination. Therefore, the need to target and prepare the larger community to play its role as a brand influencer cannot be left to chance but must be intentionally activated. Recently, the *Seychelles Hotel and Tourism Association* (SHTA) launched the “*We are tourism*” campaign, consisting of a media and training components.

**Plan.** It is recommended that the “*We are tourism*” campaign is scaled up with the support of other partners including government agencies to include annual awards and other interventions in order to engage the whole community. The mainstay of the programme must be a public education component to increase cultural, environmental and social awareness in relation to the tourism sector.

#### **4.1.5 Conduct surveys of residents’ attitudes**

**Strategic analysis.** As discussed above, the continued success of the tourism industry requires a supportive resident population. Resident perceptions of tourism largely reflect the degree to which positive economic, social, and environmental impacts outweigh negative ones. This balance is often fragile, especially in small and highly tourism-dependent destinations such as Seychelles. As such, the situation must be regularly monitored through an annual residents’ attitude survey. This can help avoid situations that would carry negative repercussions for residents and the wider tourism sector. Such surveys can also collect data regarding earnings (direct and indirect) from tourism. This can provide a useful follow-up measure to the tourism value chain study in that it would allow for regular monitoring of the economic benefits filtering down to residents.

**Plan.** Conduct regular surveys of residents’ attitude to the tourism sector to detect social problems that may be caused by the sector and make adjustments in a timely manner.

## 4.2 Priority Area 2: Invest in market penetration and development

**Rationale.** A balanced source of markets is key to minimizing risk and ensuring sustainable growth in the future. The World Tourism Organization forecasts that the number of international tourist arrivals will increase by an average of 3.3% over the period 2010-2030, with growth in Africa expected to average 5% over the period. Europe is the largest source region accounting for 51% of international tourists in 2017 followed by Asia and the Pacific (24%), the Americas (16%), Africa (5%) and the Middle East (4%). China was the top spender in international tourism in 2017, with other important source countries for Seychelles being part of the top 10 spenders, including Germany, United Kingdom, France, the Russian Federation and Italy. The global demand for cruising is also expected to grow over the period covered by the strategy. The challenge for Seychelles is to identify the best growth prospects and balance investments between established and emerging growth markets. Therefore, in terms of market diversification, the goal must be to keep driving growth from established markets while aiming to simultaneously increase numbers in developing or new markets. Finding ways to maximize the benefits from cruise tourism and managing seasonality are also important issues in this priority area.

### 4.2.1 Protect and grow the European markets

**Strategic analysis.** Seychelles remains highly dependent on Europe as a tourism market, even though this dependence has gradually been eroded in recent years. In 2018, 66% of total visitor arrivals came from Europe, down from 82% in 2001. Although the share of visitor arrivals from Europe fell 14 percentage points between 2000 and 2018, the number of visitors from Europe more than doubled in this period increasing by 136, 225. This is almost twice the total visitors from Asia in 2018.

The overall strategic focus needs to be placed on Europe over the plan period. Evidence suggests that visitors from core markets have longer stays and spend more than visitors from other markets. In addition, tourism operators have a high level of insight, knowledge and understanding of these markets. However, more research is required, along with consumer segmentation, product, food and product offerings need to be tailored to these markets. Further interventions to stem the slide in visitor numbers from the Russian Federation and the slowdown in the growth in visitors from Italy since 2014 should be considered.

There must be alignment of industry and government agencies and focus must be on sustaining air access and use market share information as a measure of progress. Air carriers have invested in improving connectivity with Europe especially the increase in direct flights to European cities. Presently, there are seven direct flights to European cities operated by British Airways, Air France, Condor, Turkish Airlines, Edelweiss and Austrian Airlines. There are presently no direct flights from Italy and the Russian Federation.

**Plan.** It is recommended that STB increases investment to grow the broader European market. Interventions aimed at stemming the slide in visitor numbers from the Russian Federation and the slowdown in the growth in visitors from Italy should be considered, including improving air access through code sharing agreements and other partnership arrangements with other airlines.

### 4.2.2 Invest in emerging markets

**Strategic analysis.** The share of total visitor arrivals from Asia increased by 18.7 percentage points over the 2000-2017 period and the United Arab Emirates (8.1%) had the third highest share of visitors after Germany (14.4%) and France (11.8%) in 2017. Besides the UAE, the share of visitors from China and India increased by 3.0 and 3.2 percentage points respectively over the same period. Visitor arrivals from Asia declined 12% in 2018 driven by drop

in visitor numbers from China and the UAE. Visitor arrivals from Africa increased 11% from 2005-2015. However, visitor numbers have stagnated since then influenced by the South Africa market.

Since there is no visa requirement for travelling to Seychelles, the only issue for any breakthrough in new and emerging markets is ease of access. Direct, scheduled flights between cities in key source markets and Seychelles need to be supported and encouraged. With daily access to and from the Middle East Region and some African cities and given the general increase in travel and spending from countries such as China there is significant opportunity for Seychelles. Emphasis should be placed on the need to influence tourists from emerging markets to spend more time and money in Seychelles.

**Plan.** It is recommended that marketing and promotional investment is increased in emerging source markets, targeting the upper end of the tourist market in general and other segments in the off-peak months of January, May, June, September and November. Tourism operators should also make increasing use of overseas sales missions to engage with potential visitors.

### 4.2.3 Improve data collection and analysis of the Chinese market

**Strategic analysis.** Visitor arrivals from China increased rapidly from 1, 078 in 2010 to 14, 549 in 2016, before declining 21% in the two subsequent years. This recent decline in Chinese visitors is not limited to Seychelles – in Mauritius for example, the number of Chinese visitors dropped 10% in 2018.<sup>xvii</sup>

The impact of the Chinese market are the subject of frequent debate. Anecdotes from some operators seem to indicate that they spend very little money in the country. However, statistics from visitor surveys put them among the highest spending visitors, mirroring global statistics on spending habits of Chinese visitors. The very small sample size of Chinese visitors surveyed—in part due to language barriers—limits the reliability of data collected.

**Plan.** It is recommended that a specific survey be administered, utilizing Mandarin-speaking administrators, which should help better understand expenditure patterns but also activities undertaken, levels of satisfaction with certain elements of the visitor experience, and suggestions for improvement. The study could also extend to various tourism businesses in relation to spending habits, purchasing preferences, additional needs and expenses required to serve the market, and their possible effects on some of the country's more traditional markets and their experience. Further research on the Chinese market as a whole is also warranted, including outbound tourism patterns and profiles of its many sub-segments.

### 4.2.4 Assess the need to increase the marketing budget and improve transparency in the use of marketing resources

**Strategic analysis:** In 2018, STB received a budget of SCR140 million to fund marketing activities, which includes the tourism tax levied on all tourism operators. Stakeholders feel that there needs to be greater transparency on how the funds are used to market the destination especially the investments made on the different marketing approaches and staff expenses. In the past, Seychelles Tourism Offices have raised two main issues in terms of budget allocations. Firstly, the allocations are low compared to competing destinations. For example, in 2014 the budget available for marketing the Reunion and Tahiti in France were four times and 12 times higher respectively than the amount allocated to market Seychelles.<sup>xviii</sup> Secondly, the allocation of marketing budget between tourist offices does not reflect relative effectiveness in terms of generation of visitor arrivals. For example, each SCR1, 000 spent on marketing in Europe is associated with six Europeans compared to less than three for the same spending in non-European destinations. However, this has to be tempered with the fact that, at least in the short term, a higher

marketing investment per visitor should be allocated to develop emerging source markets such as China (see 4.2.1).

**Plan:** It is recommended that there is an assessment of the use of marketing resources in order to establish the need for increased resources in order to grow the different markets and share annual marketing expenditure information with tourism stakeholders.

#### **4.2.5 Conduct cruise economic impact study**

**Strategic analysis.** Cruise ship visits have recently expanded in Seychelles after years of stagnation due to piracy in the region. This has stimulated considerable debate over the benefits of cruise tourism. Despite the potential benefits in terms of foreign currency earnings, government revenue and employment that cruise tourism can bring, the necessary facilities to support the growth of this subsector such as cruise passenger arrival facilities at the Victoria Port do not exist. In response, the Seychelles Ports Authority is undertaking a major project to build a multi-purpose building, which will include a passenger terminal. Another important issue, which limits the benefits to the Seychelles economy of cruise tourism is that support services to align with the arrival of cruise ships are not regularly available and a lack of spending opportunities for tourists. A policy for managing cruise tourism is therefore needed based on an assessment of the costs and benefits of this market, which articulates how to reap the maximum benefit for Seychelles as a destination from the industry while minimizing any adverse impacts on the other types of tourism.

**Plan.** The Strategy recommends the formulation and implementation of a policy for managing cruise tourism so as to maximise its net economic potential. The policy should be based on quality data, not only on the number of cruise ships and passengers as is currently being collected but should also include the expenditure of the sub-sector within the country. Consideration of the perceptions of other tourists toward the presence of cruise visitors and the way in which they impact their experience would be important in terms of capturing indirect implications of increases in this market.

#### **4.2.6 Promote domestic tourism**

**Strategic analysis.** The promotion of domestic tourism, especially in the off-peak season, is increasingly seen as important if the tourism sector in Seychelles aims to optimize total revenue across a 12-month period and a stable long-term source of revenue. In 2013, NBS estimated that residents spent an estimated SCR65 million or US\$5.3 million on holidays in 2013.<sup>xix</sup> Expenditures on overseas holidays amounted to an estimated SCR57 million (US\$4.7 million), while expenditures on domestic holidays totalled an estimated SCR7 million (US\$582 thousand).

**Plan.** It is recommended that initiatives to promote domestic tourism be put in place especially during the off-peak months of January, May, June, September and December. These should be carefully planned taking into account of bed capacity so as not to undermine marketing programmes intended to grow new overseas markets discussed in 4.2.1 and 4.2.2.

### 4.3 Priority Area 3: Improve product diversification

**Rationale.** The attractions of a destination constitute some of the most powerful components of the tourism product, providing the ‘pull’ that helps to draw visitors. With a major shift in source markets and tourism profile for Seychelles, there is a need to cater towards distinctly different holiday habits and improve the overall offer, activities and facilities available for tourists.

Two of the main complaints that keep surfacing in most visitors’ surveys are: the great value addition opportunities which are undermarketed and the limited range and quality of product offerings. Whilst there is a strong call to drive up average tourism spending and improve the perceived visitor value for money, the potential of product diversification as a key driver of revenue growth has previously remained relatively latent. The opportunity to derive additional revenue by rethinking product diversification is an attractive proposition in the overall strategic matrix of destination 2023. In terms of cultural heritage, visitors complained about the lack of affordable locally-made souvenirs and the need for better promotion of the history and culture of the country.

One of the responsibilities of the Tourism Department who is responsible for product development is to identify possibilities for diversification of the tourism product to guide future investments and increase Seychellois participation in the tourism sector.

#### 4.3.1 Promote cultural and natural heritage tourism

**Strategic analysis.** The most valuable assets for tourism development that Seychelles is endowed with are natural and cultural attractions. They are important determinants for increased tourism spending, which in turn generates funds for conservation and for sustainable management and development of natural and cultural sites, ensuring that the tourism related activities do not damage the sites. Given their importance to the tourism sector, the effective management of natural and cultural resources is of paramount importance and significant steps have been taken recently by the Seychelles Heritage Foundation, CINEA, National Arts Council and the Seychelles National Parks Authority to achieve this. These recent steps are expected to provide authentic Seychellois cultural experiences for visitors, inject professionalism in the organisation of national events and generate new revenue streams to supplement government funding. Tourism also provides an opportunity to fund the upkeep of those assets such as the Sainte Anne and Curieuse Marine Parks.

**Plan.** It is recommended that government and tourism operators support the development of authentic natural and cultural heritage products that provide authentic Seychellois cultural experience for visitors, improve services provided by heritage assets and ensure that the quality of services are in line with the ethos underpinning the marketing of Seychelles as a tourism destination. This should include a framework developed by government for natural and cultural heritage tourism to stipulate clear guidelines on tourism development such as eco-lodges.

#### 4.3.2 Grow the number of creole and specialty restaurants

**Strategic analysis.** Consistent with the aim for increased product diversification, there is a need to maintain quality creole and other specialty restaurants so as to better respond to visitors’ demand. This is especially important for those visitors staying at self-catering establishments. While some visitors noted that the food in Seychelles is amazing as part of *Visitor safety and security survey* administered by the National Bureau of Statistics, some commented that catering options for Asian visitors were very limited. Stakeholders noted that in their quest for creole food, visitors prefer to purchase food from takeaway establishments rather than from other catering establishments located within or outside tourist accommodation establishments.

**Plan.** It is recommended that measures are introduced to increase the number of creole and specialty restaurants.

#### **4.3.3 Increase trade between local agro-producers and hotels**

**Strategic analysis.** The lack of a reliable supply of affordable and fresh local fruits and vegetables was an area of concern with accommodation establishments that provide catering services. The *Seychelles Value Chain Analysis* of 2010 recommended that hotels and restaurants should be encouraged to use local produce through a 'Soutiens aux Seychelles' logo and the 'Seychelles Supreme' culinary programme.

**Plan.** It is recommended that measures have to be undertaken to increase the trade between local agro-producers and the hotels in order to capitalise on the demand for locally produced, farm fresh commodities.

#### **4.3.4 Evaluate the potential of niche tourism ventures**

**Strategic analysis.** To date, the focus in product development has been in accommodation establishments. In order to maximise revenue, more activities to draw in visitors outside of the peak periods are required. Seychelles is blessed with warm weather all year round and sports tourism potential should be explored. Already, the Eco Healing Marathon and the Federation Internationale de Natation (FINA) open water swimming championship is on the calendar at the end of February and in May respectively. The Golf Masters Championship also took place in December 2018 at the international golf Course at Lemuria, Praslin. If marketed properly, these sporting events have the potential to pull in visitors during non-peak periods and assist to even-out the spread of visitors. Currently there are limited products, such as the zip line at the Constance Ephelia. There is a need to evaluate other niche tourism ventures such as agritourism.

**Plan.** In order to determine which activities would be most compatible with the country's natural resources and target markets, a diagnostic should be conducted to evaluate the potential of niche tourism ventures including adventure, agri- and sports tourism.

#### **4.3.5 Have distinctive branded products relative to competitor destinations**

**Strategic analysis.** Craft sales in Seychelles are stifled by a lack of quality and diversity among many of its products. The Enterprise Seychelles Agency is receiving support from the African Development Bank to improve craft display, packaging, and labelling. While these are all important, it is also essential to engage experts to provide design support to the artisans. This should result in higher quality, more creative and distinctive product designs that are consistent with local craft traditions and also aligned with the demands of the tourist market. Based on demand, support could be initiated for one or two craft disciplines such as woodwork and textiles. In consultations as part of the development of the Strategy, key stakeholders recommended the creation of a multi-sectoral working group to develop programmes to create quality and authentic products and services to encourage visitors to spend money in Seychelles.

**Plan.** It is recommended that:

- As part of the on-going project funded by the African Development Bank, Enterprise Seychelles Agency should engage experts to provide support to artisans in one or two craft disciplines such as woodwork and textile to improve craft design. Each discipline would require a different designer and a local support staff member would also be required to monitor the progress of craft groups and provide quality control.
- A multi-sectoral working group be set up to develop programmes to create quality and authentic products and services to encourage visitors to spend money in Seychelles. Such a working group could include

representatives of the Department of Tourism, Seychelles Tourism Board, Seychelles Ports Authority, hotels, destination management companies, the Seychelles Police, the Seychelles Taxi Operators Association, Enterprise Seychelles Agency, tour guides, and craft vendors.

#### **4.3.6 Redevelop the Victoria waterfront area**

**Strategic analysis.** The capital, Victoria suffers from limited tourism infrastructure and interest, particularly outside business hours. Ongoing work to introduce a maritime museum and refurbish the gallery and Natural History Museum, and plans for the creation of a promenade will address this issue to some extent. Redevelopment, along the lines of the plans that were presented in the *SLUDP 2015-2040* for Victoria as a waterfront city, could make the town more dynamic and help broaden its tourism offering. The proposed design include several guesthouses (15-35 rooms), restaurants, bars and clubs, art galleries, small shops, an open market, and a green area with a playground. Plans are already in place to build a Maritime Museum on Hodoul Island, which could be connected to the waterfront area with a short pedestrian bridge. Such a facility would likely be particularly popular with cruise tourists, who have limited time to explore the islands. If well planned and developed, the initiative could provide numerous opportunities to small Seychellois businesses.

**Plan.** Expedite the implementation of the project to re-develop the Victoria waterfront area.

#### **4.3.7 Develop a tourism plan specific for Praslin, La Digue and the Outer Islands**

**Strategic analysis.** The inner islands have their own specificities and it is important that developments on one island do not overshadow another island. For example, tourism businesses on Praslin face issues with seaweeds and the effects of climate change are felt slightly differently from Mahe and La Digue. The *SSLUD 2015 – 2040* has already laid out spatial plans for the development of individual sites and the Tourism Department has commissioned a carrying capacity for Praslin and La Digue.

**Plan.** It is recommended that a specific plan for tourism development be developed for Praslin, La Digue and Outer Islands in line with the principles being used for developments on La Digue and Silhouette.

## 4.4 Priority area 4: Address Seychelles competitiveness as a tourism destination

**Rationale.** Competitiveness is a key ingredient to sustainable tourism growth. The risks to Seychelles tourism remaining competitive depends largely on the cost of inputs involved in delivering the tourism experience.

At least 85% of visitors surveyed in the National Bureau of Statistics quarterly visitor safety and security surveys from the first quarter of 2013 to the third quarter of 2017 reported that they would recommend Seychelles as a holiday destination, with a high of 94% in the third quarter of 2016. In the surveys, visitors praised the beauty of Seychelles, the friendliness and politeness of the people, and the relaxed and reclusive atmosphere, especially on La Digue. Furthermore, the country was praised for its green and lush vegetation, well-preserved nature, and flora and fauna.

The Travel and Tourism Competitiveness Index developed by the World Economic Forum provides a general assessment of the travel and tourism sector. Seychelles first entered the index in 2013 when it was ranked first in Africa and 38<sup>th</sup> in the world out of 140 countries. In 2015, Seychelles ranked second in Africa behind South Africa, and 54<sup>th</sup> in the world out of 141 countries. Seychelles scored well on environmental sustainability, prioritization of the tourism sector, tourism service infrastructure and transport infrastructure, but less well on price competitiveness, natural and cultural resources, and safety and security. Unfortunately, Seychelles did not participate in the 2017 Travel and Tourism Competitiveness Index.

### 4.4.1 Address cost of doing business

**Strategic analysis.** Seychelles is a high cost location in which to do business. The factors that impact the cost of doing business in Seychelles, especially for small- and medium-sizes enterprises which characterise the tourism sector include regulatory and administrative environment, taxation and unavailability of a ready supply of talent. Utilities in Seychelles are among the highest in the world. Access to, and the cost of, credit, continues to be a significant issue for many businesses in the tourism sector. Investment in expansion in many cases is being stymied by rising property prices, construction costs and the long planning application process. Specific threats to tourism competitiveness in the future include government taxation policies and international priced inputs which influences energy and transportation costs. In addition, despite stakeholders' complaints, there are no hard facts and figures to quantify the costs of complying to the various regulatory frameworks for tourism businesses.

**Plan.** It is recommended that a number of initiatives be implemented relating to the cost of business inputs which impact price competitiveness:

- Reform and simplify the current taxation regime;
- Have a tourism taxation regime that is competitive in relation to other destinations;
- Simplify regulatory compliance obligations, while ensuring full health and safety compliance to reduce the cost of doing business; and
- Implement the policies identified in the SSLUD 2015-2040 to reduce utility demand and costs.

### 4.4.2 Facilitating labour availability and reducing labour cost

**Strategic analysis.** Tourism is a labour-intensive industry requiring a broad range of skilled employees from numerous backgrounds ranging from finance to landscape artists. Wages represent a very large proportion of accommodation establishments' operating costs. An important issue is the increasing reliance of the tourism sector

on talent from overseas. However, recruiting expatriates is costly. Other costs associated with non-Seychellois recruitment include GOP fees, flight, housing and other incentives in order to attract skilled and qualified talent which all contribute to high labour costs. Given the limited future supply in domestic talent, it will be necessary to deploy a strategy that seeks to facilitate recruitment of appropriate talent from overseas in a timely manner.

In the same vein, imposing restrictions upon the labour market harms the competitiveness and quality of the Seychelles brand. At present, if Seychellois-only roles cannot be filled, they remain vacant. This carries obviously negative implications for the functioning of that business. It would seem to be a solution to a problem that does not in fact exist – that is, businesses are choosing to employ expatriates at substantial extra cost for menial roles that could easily be filled by local applicants.

**Plan.** It is recommended that Government:

- Put in place measures to simplify and reduce the costs of the GOP application process.
- Remove the Seychellois-only designation for the positions it currently applies to.

#### **4.4.3 Measure and monitor competitiveness**

**Strategic analysis.** It is imperative that Seychelles ensures that it participates in the *Travel and Tourism Competitiveness Index* as an accountability method for the local tourism sector. In addition to regular international benchmark reports on national competitiveness, the tourism sector would benefit from more in-depth and timely monitoring of price and value perceptions of consumers in key markets. The NBS safety and security survey does not provide all the information required by tourism operators.

**Plan.** It is recommended that a competitiveness monitor be developed and the information shared with tourism operators in real time in order to influence policy and commercial decisions to best deliver quality and value experiences for visitors. Furthermore, the Tourism Department should commission an assessment of the range of government-imposed costs on tourism businesses and its effect on the sector's competitiveness.

## 4.5 Priority Area 5: Invest in local talent development and management

**Rationale.** Given its labour-intensive nature, the tourism sector is perfectly placed to support Government's employment objective by offering relatively well-paid, quality jobs. In addition, tourism creates business opportunities and employment in related productive sectors including agriculture, construction, fisheries, manufacturing, handicraft, and retail.

The average direct employment in tourism-related industries amounted to 11, 525 and 11, 856 persons in 2017 and 2018 respectively, of which over 76% were employed in the accommodation and food service industry<sup>xx</sup>. Direct employment in tourism-related industries represented 24% formal employment in 2017 and 2018. The World Travel & Tourism Council estimates that 66% of Seychellois workers depend on the sector for their employment either directly or indirectly in 2017.<sup>xxi</sup> In the same year, the sector also accounted for 29% of total capital investment. These estimates are expected to rise by 0.5% and 3.3% per year respectively over the period from 2018 to 2028.

Despite the investment made to train Seychellois at all levels in the value chain, and the inclusion of recruitment targets for local talents in the Seychelles Sustainable Tourism Label, the sector is still heavily dependent on imported skills to fill many positions at both operational and leadership levels. The 2023 vision calls for inclusiveness as an important component of the sector strategy both from a strategic and economic perspective, given that the sector is responsible for close to 50% of the country's total foreign currency inflows.

### 4.5.1 Develop an industry-wide human resource development plan

**Strategic analysis.** The Agency for National Human Resources Development is responsible for the development of the human resource development plan for the country as a whole, including the management of the government's scholarship scheme. The Tourism Department has the responsibility to undertake the human resources analyses and draw up the human resource development plan for the tourism sector. Given its potential for jobs and the economy, there is a relative neglect of marine-based tourism activities in the human resource development planning of the tourism sector. Currently, hospitality training is the top priority for human resources development in the tourism sector. The Agency indicates that given this focus, it is very difficult for the agency to approve requests for training in other sub-sectors of tourism. In particular, there is a focus on human resource development for the hospitality industry.

**Plan.** It is recommended that a comprehensive human development plan for the tourism sector be developed based on a thorough human resource audit of all the industry sectors in tourism including the maritime-based tourism activities.

### 4.5.2 Grow the domestic talent pool in order to reduce reliance on foreign labour

#### 4.5.2.1 *Realign hospitality training approaches to better respond to current and emerging industry needs*

**Strategic analysis.** Currently, a range of stakeholders contribute to education, skills and training for the tourism sector. The Seychelles Tourism Academy (STA) is Seychelles main source of local supply of employees for the tourism sector and it offers a range of full time and apprentice courses in a range of tourism disciplines from technician to management level. In 2008, it introduced an Advanced Diploma Programme in Hospitality management in response to concerns regarding the shortage of Seychellois managers in the tourism and hospitality industry. In 2009, the University of Seychelles introduced the Bachelor of Arts in Tourism and Hotel Management in partnership with the

University of Sorbonne in Paris. This, in addition to the advanced diploma programme offered by STA is an important, complementary step towards the aim of increasing the pool and qualification level of Seychellois managers in the tourism sector.

One of the main issues for the STA has been the inability to recruit adequate cohorts who meet the entry requirements for its range of courses and there is a need to reorient their approach and introduce more vocational courses earlier in the education cycle. There may be need to introduce foundation courses to prepare students for certificate programmes. In addition, graduates of Seychelles Maritime Academy and of other local training institutions aiming for a career in the tourism sector are not being trained in hospitality.

**Plan.** STA and Tourism Department in consultation with tourism operators should ensure that the academy's training programmes are geared towards the needs of the hospitality industry, and based on a training-needs analysis for the industry. This may involve introducing foundation courses to prepare students for its certificate programmes, as well as tailored hospitality courses for graduates of the Seychelles Maritime Academy and of other local training institutions aiming for a career in the tourism sector (see 4.5.3). STA should also expand its in-service training programme to hospitality employees.

#### *4.5.2.2 Increase number of trained divers and skippers*

**Strategic analysis.** There is currently a dearth of internationally certified divers and boat skippers to serve the boat chartering recreational diving and yachting industries. The Seychelles Maritime Academy (SMA) is a key training institution for marine-based tourism activities and since Seychelles is a "White List" country its certificates are now recognised internationally. SMA is the only public institution that offers basic dive courses to Seychellois students under navigation courses and in practice, only a limited number of students opted for a career in recreational diving at the end of the navigation course. Unless the necessary actions are taken to train more Seychellois at the Dive Master and Diving Instructor levels, it would be difficult for local operators to own dive centres and make effective use of the requirement that ownership of and investment in dive centres should be 100% Seychellois-owned.

There is a lack of skippers in the above-60-nautical-miles category. The Seychelles policy on yachting projected that 400 Seychellois should be trained to take charge of yachts and for manning related support facilities and SMA trains about 70 skippers per year. Given that its certifications are now accredited by IMO, it will make it easier for its graduates to find employment in the tourism-related maritime industries including boating charters, marine national parks, recreational diving, and yachting. However, a strategy needs to be devised to certify around 200 experienced, unlicensed skippers who are preferred by industry operators for their superior work ethics but who find the fees for the license prohibitive.

**Plan.** It is recommended that mechanisms to accelerate training of local divers and boat skippers, including in the above-60-nautical-miles category are put in place and provide scholarships to certify around 200 experienced, unlicensed skippers.

### **4.5.3 Create new specialty courses at STA**

**Strategic analysis.** Human resources development should largely focus on higher-end, more specialized positions that few Seychellois are currently able to fill. STA's partnership with Shannon College is beginning to bear fruit, with several classes of graduates placed in management-track positions. This higher-level training should be expanded to other high-demand areas, such as two-year advanced certificates in:

- *Events management*, which has expanded recently, in part due to the growth of STB-sponsored festivals (for which CINEA has been created) and also has application to meetings, conferences, weddings, and cultural exhibitions.
- *Spa management* – while STA has successfully developed a wellness and spa program in recent years, it is focused on technical rather than management roles and all current such professionals in Seychelles are expatriates.
- *Sommelier skills* – a role employed in all large hotels, but there are no Seychellois with the skills to fill this position.
- *Development of hospitality courses for students of the other local training institutions*. In particular, Seychelles Tourism Academy should consider the re-introduction of the module on Maritime Tourism.

**Plan.** The Strategy recommends that STA develop advanced certificates in high-demand occupations including Events management; Spa management; and Sommelier skills.

#### 4.5.4 Promote tourism careers

**Strategic analysis.** With an unemployment rate of 5%, it is very challenging to attract talent to the tourism sector. Considering the very small size of the country's working age population, people seeking employment have a range of choices and considerable work has to be done to promote tourism careers, especially given the perception of harsh working conditions which are deemed not conducive to the relaxed island lifestyle. While current efforts by the SHTA are welcomed, the positioning of the sector as an attractive industry for lifetime employment has to be promoted. The positive aspects of working in the tourism sector need to be defined, substantiated and communicated. There should be more focus on other sub-sectors of the tourism sector other than the hospitality sub-sector.

Over staffing and poor productivity level of Seychellois employees working in operative activities are common features in many hotels. Tourism operators complain about the high staff turnover and low productivity among local employees especially in the accommodation industry. A strategy is needed to improve and increase wages. Average earnings in tourism-related industries increased by 15.2% between 2012 and 2015 compared to average increases of 25.5% and 20.2% for all industries and the private sector respectively.

Tracer studies conducted by the STA show increasing retention rates of STA graduates in the tourism sector, which reflects the growing workforce need of the sector. Furthermore, graduates now have other avenues for career development beyond the accommodation industry including airlines, spa and wellness, and yachts. On the other hand, Seychellois who have reached or who are close to reach technician, managerial or senior post levels are tempted by a career abroad, because of limited career opportunities locally. The risk faced by the Seychelles' tourism sector of losing its most productive and flexible workers at a time when the need for skilled Seychellois is at its highest, deserves attention.

**Plan.** The Strategy makes the following recommendations to attract and retain Seychellois in the tourism sector.

- Develop a talent retention strategy for the tourism sector to retain young emerging leaders within sector.
- An investigation on the cause of the high staff turnover and low productivity should be undertaken with a view to formulate corrective measures.

- Government should set a quota for Seychellois participation in the senior management of large tourism properties and businesses. This will assist to identify clear career paths for emerging leaders in the tourism sector.
- Develop a communications programme to develop interest in careers in the tourism sector be developed targeting secondary school students, job seekers and the general public. This should be done by the Tourism Department in partnership with the Ministry of Education.

## 4.6 Priority Area 6: Increase investment in sustainable tourism practices

**Rationale.** Given the tourism assets with which Seychelles is endowed, the national development frameworks and opportunities afforded by global and regional sustainable tourism frameworks, the key target segments for the Seychelles tourism sector are ecotourism, cultural tourism and the blue economy. The promotion of ecotourism has been identified as a key priority for the tourism sector in Seychelles and a number of policies and strategies have been adopted to support the promotion of Seychelles as an ecotourism destination. The most important measure taken by the government to promote ecotourism in Seychelles is the maintenance of Protected areas including nature reserves, national parks and marine national parks and the establishment of 30% of Seychelles' Exclusive Economic Zone as marine protected areas.

### 4.6.1 Become a Global Sustainable Tourism Council certified destination

**Strategic analysis.** Globally, there is a rising demand for sustainable tourism. Sustainability certifications are important to promote sustainable performance and inform potential tourists of the sustainability credentials of a destination's tourism sector. Seychelles is a recognised leader in environmental conservation and lately in the blue economy and its commitment to sustainable tourism is elaborated in the *SSDS 2010-2020*. However, there is a need to measure and credibly demonstrate sustainability.

The Seychelles Sustainability Tourism Foundation (SSTF) has been advocating that the Seychelles as a destination becomes a Global Sustainable Tourism Council (GSTC) certified destination. The GSTC Criteria was created by the tourism community in part as a response to the global challenges of the United Nations' Millennium Development Goals. Poverty alleviation, gender equity and environmental sustainability (including climate change) are the main cross-cutting issues that are addressed in the GSTC Criteria. The GSTC Criteria are the minimum undertakings that any tourism management organization should aspire to when considering sustainability in their practices.

**Plan.** It is recommended that Seychelles as a tourism destination applies for GSTC certification by 2023.

### 4.6.2 Grow the “Seychelles Sustainable Tourism Label”

**Strategic analysis.** In September 2011, Seychelles launched the “*Seychelles Sustainable Tourism Label*” as a sustainable tourism management and certification programme to recognize tourism operators that adopt best practices in sustainable tourism. Currently, fifteen hotels are under the SSSL and there is a need to grow this number as this benefit both the hotel establishments and the destination. Hotel establishments reap a number of marketing benefits from certification including appearance in the stay guide of Seychelles Tourism Board (STB), visibility at STB's trade fairs, and use of the label on their websites and in marketing materials. Also, a Mutual Recognition Agreement signed with Fair Trade Tourism enables certified hotels to be marketed under the Fair-Trade Holiday brand, which is recognised by the Global Sustainable Tourism Council. The SSSL also has ‘*Recognition Status*’ with the Global Sustainable Tourism Council, which means that SSSL-certified hotels will be included in the Council's directory of responsible products.

**Plan.** It is recommended that Government take steps to ensure that 50% large hotels and guesthouses are SSSL certified by 2023.

### 4.6.3 Develop a sustainable tourism strategy for La Digue

**Strategic analysis.** In the 2018 State of the Nation Address, the President announced that La Digue would be a model of sustainability for the world as part of the National Vision 2032. The Department of Environment and the Tourism

Department have already started work on developing an eco-tourism strategy for the island for the next 30 years, in consultation with residents. Presently, there are other islands, such as Cousin Island, which have been ran based on sustainable tourism principles.

In consultative meetings with representatives of the La Digue Business Association, they raised a number of issues relating to the sustainability of tourism on the island. The stakeholders pointed out that there may be the possibility of over-tourism on La Digue if the right policy interventions are not implemented. The challenges they raised relate to the number of visitors on La Digue especially day trippers and more specifically when cruise ship passengers disembark, water and sewerage infrastructure, limits on tourism accommodation establishments, developments above the 50-metre water mark, availability of affordable housing to house expatriate workers, high number of motorised vehicles and the Landing tax on visitors to La Digue to be applied to day trippers only. The result of a new carrying capacity study to be undertaken in 2019 should be the basis of any further policies for tourism development on La Digue. In a report for the WTTC published in 2017, McKinsey indicated that it is easier for destinations to prevent over-crowding than to recover from it.<sup>xxii</sup>

**Plan.** It is recommended that the concerned authorities expedite the development of the sustainable tourism development plan for La Digue, following the completion of a carrying capacity study, in consultation with the local community and enforce measures to ensure that La Digue does not become over-visited.

#### **4.6.4 Develop a marine tourism policy**

**Strategic analysis.** Seychelles possesses a number of natural advantages that contribute to its competitiveness as a marine-based destination. These go beyond the country's ideal archipelagic configuration, to include a shallow coastal shelf, pristine beaches, year-round tropical cruising climate, and a diverse land and underwater biodiversity/ecosystems ranging from coral reefs to mangroves and sea grass beds. In the context of Seychelles, the key marine tourism activities include diving, snorkelling, yachting, water-skiing, water boarding, windsurfing, boat-based fishing and some fly fishing, wildlife watching, scenic boat cruising, and kayaking.

However, if not well managed, marine tourism activities can potentially have a negative impact on marine ecosystems and diversity. This is especially important for marine national parks. During stakeholder's consultation, a common concern was the non-observance of demarcation zones in marine national parks. An example offered by several stakeholders is yachts dropping anchor outside mooring zones thereby causing damage to corals. There is therefore a need for appropriate regulations to set clear demarcations as to which activities can be carried and where they can be carried out. These regulations have to be effectively enforced to ensure that they achieve their intended aim.

At the strategic level, the maritime tourism segment suffers from its fragmented nature with disparate regulatory frameworks governing the activities of its different constituent parts. The Seychelles Marine Safety Administration is updating all Seychelles' maritime laws and regulations in recognition that the laws and regulations governing marine-based activities are outdated and overlap with other laws and regulations. Of particular urgency is for the update of the *Merchant Shipping Act* to make it compulsory for all boats including private and commercial to register with the Administration. Furthermore, there is a need for specific and separate licences for boating charter and yachting industries to reflect the separate policies for the two industries. Currently, there is one hire craft licence that covers boat charters, shuttle services, trade vessels, and yacht charters.

**Plan.** The development of a clear marine-based tourism strategy, which brings together all maritime-based tourism activities under one overarching and coherent framework, is urgent. The framework will facilitate the planning,

management, resourcing and marketing of marine-based tourism activities and takes into consideration the need to increase Seychelles attractiveness as a port of call for lucrative super yachts and cruise ships through substantial improvements in current infrastructure, port facilities and ancillary services and by encouraging private sector participation in the construction of marinas on other islands. The development of the strategy will rely on quality statistics on marine-based tourism activities. Data on the number of licenced operators are readily available through Seychelles Licensing Authority. However, there is currently no data being collected on the number visitors using the different marine activities, visitors' satisfaction, expenditure on the activities, and the value of maritime-related tourism activities to the economy.

#### **4.6.5 Promote sustainable use of utilities**

**Strategic analysis.** Government policies on sustainable production and use of utilities are laid out in the *Seychelles 2020-2030 Energy Policy* and the *SSLUDP 2015-2040* and the goals of this strategy have to be achievable within the context of these policies. All existing and new tourism developments must be required to demonstrate compliance with the measures on reducing demand for utilities (energy and water) and complementing this with increased use of renewable energy sources where possible, water harvesting and minimising all wastes, especially plastic wastes.

Small hotels and guest houses, which are Seychellois owned, have been more forthcoming in adopting renewable energy sources and photovoltaic systems have been installed on 14 accommodation establishments on Mahe, Praslin and La Digue. Government has also put in place the SME financing scheme to facilitate the uptake of PV systems by businesses and is currently working on energy performance legislation which will require business premises to comply with minimum energy performance standards.

**Plan.** It is recommended that in addition to growing the SSTL (see 4.6.2), annual awards are held to reward tourism businesses that demonstrate the most sustainable use of utilities. This will be based on the key performance indicators that demonstrate the adoption of green technologies in the SSTL. Furthermore, the Tourism Department need to develop design and sustainability guidelines for hotels and guesthouses which are specific to the Seychelles context.

#### **4.6.6 Improve management of iconic public beaches through the setting up of a committee**

**Strategic analysis.** It is important that Seychelles maintains its unique selling points (USPs) and the white sandy beaches are one of them. In light of the environmental concerns, it is recommended that a committee is set up comprising of all relevant authorities and agencies to oversee and manage all iconic beaches such as Anse Source D' Argent, La Digue and Anse Lazio, Praslin.

**Plan.** It is recommended that management of iconic public beaches be done through a coordinating committee comprising of relevant agencies.

#### **4.6.7 Regularly assess carrying capacity of major tourism sites**

**Strategic analysis.** Key to sustainability is to regularly identify the potential implications of growing tourism numbers and to measure and evaluate their possible impact. In a 2017 report by McKinsey, commissioned by the World Trade and Tourism Council (WTTC). It was highlighted that it is easier for a destination to prevent overcrowding in the first place than to recover from it. The most recently available World Bank report identifying number of residents to visitors to a country places Seychelles 12<sup>th</sup> among 51 countries and the tourism percentage is 5% or 1 tourist to every 20 residents. Ranking second in the world is tiny Andorra with a tourism percentage of 29%, Maldives ranked 9<sup>th</sup> with a tourism percentage of 5.8%.

The recent increased volume of visitors has put significant pressure on capacity both in terms of accommodation , espeically 3- and 4- star accommodation and attractions at key locations such as Anse Source D'Argent on La Digue. Because of Seychelles' small size, the dangers of over-tourism cannot be overstated especially in regards to specific tourism sites.

**Plan.** In this context, a key recommendation is for the Tourism Department to carry out regular carrying capacity studies in order to assess the sustainability and environmental impact of tourism on various sites on Mahe, Praslin and La Digue especially the iconic beaches.

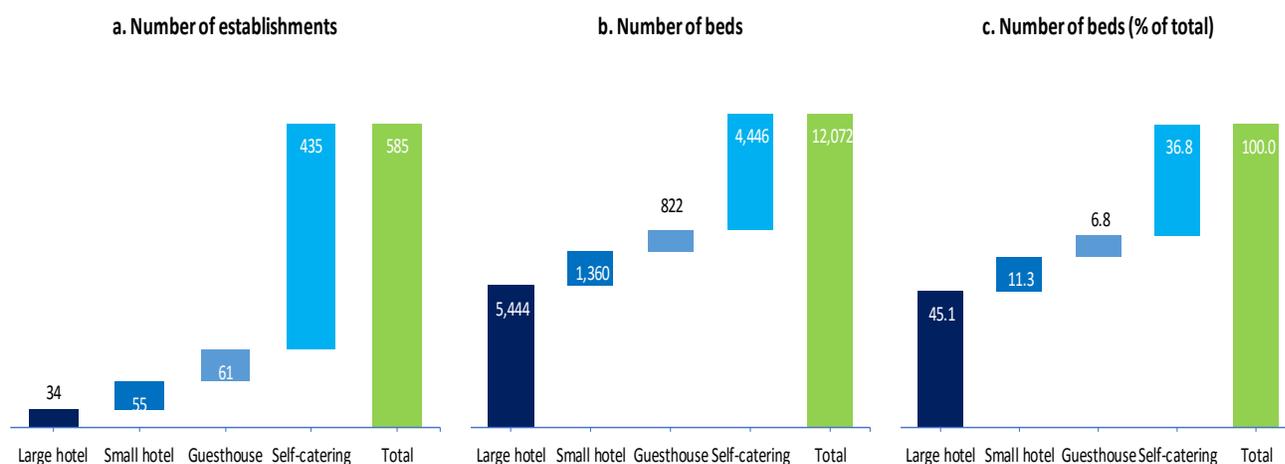
## 4.7 Priority area 7: Deliver key enabling factors

Growth targets for 2023 can only be achieved subject to delivering key enabling factors.

### 4.7.1 Provide additional hotel rooms

**Strategic analysis.** Accounting for at least half of the expenditure of the average visitor in Seychelles, accommodation is an important consideration to a visitor thinking of coming to Seychelles. As at the beginning of March 2018, there were 585 licensed tourist accommodation establishments in Seychelles (Chart 4.2a), representing 12, 072 beds (or 6, 036 rooms) (Chart 4.2b). With 1, 386 beds from yachts live-a-boards which represent 10% of total bed capacity, the aggregate bed capacity for Seychelles was 13, 458 tourism beds.

**Chart 4.2: Land-based accommodation establishments and beds by type, 2018**



Source: Analysis by Valsen Consulting based on data from Tourism Department | Figures are correct as at 1 March 2018.

The SSLUDP had forecast visitor numbers to grow to 400, 000 by 2040 and had provided for 3, 000 additional rooms to be added to the room stock by 2040. This strategy is forecast to deliver 480, 000 visitors by 2023 (based on 5.8% CAGR) and therefore the additional rooms have to be added much earlier. The present moratorium capping the total number of rooms at 9, 000 will be reviewed by June 2020 subject to the results of carrying capacity studies on Mahe and the inner islands.

Operators noted insufficient beds in the 3- and 4-star categories during peak periods and the requirement for an additional large hotel with over 200 rooms to satisfy European tour operators who prefer block bookings. The issue for the strategy is the rate at which the additional rooms will be added to the room stock and to ensure a good balance of products that would fill the 3- and 4- star gap in the room stock mix.

To-date, four carrying capacity analyses have been undertaken in Seychelles – Greater Beau Vallon Area (consisting of the districts of Beau Vallon, Bel Ombre, and Glacis), Cerf Island, La Digue and the Inner Islands but there is a need for these to be refreshed. New carrying capacity studies have already been commissioned for Mahe and the inner islands and the outcome of these will guide the development of appropriate plans, including the need for additional rooms for the different tourism sites.

**Plan:** It is recommended that measures are taken to expedite operationalisation of the additional 3, 000 rooms, and ensure the 3- and 4-star gap is filled.

#### 4.7.2 Consider a new regulatory system for ‘floating rooms’

**Strategic analysis.** Currently no data is compiled for the occupancy rates for yachts live-aboards which represent 10% of Seychelles total bed capacity. As a result, there is no official information on the performance of this marine-based tourism activity in Seychelles. The 12% of visitors who are not recorded in accommodations are partly accounted for by their use of unofficial floating beds on live aboard yachts, often leased by foreign owners with property on Eden Island. The fact that their crews commonly do not report the number of people on board as they are required to do is also a serious potential safety issue.

**Plan.** It is recommended that the government revisit the regulatory processes surrounding liveaboards in order to address this important source of lost revenue.

#### 4.7.3 Enforce requirements for all properties to hold and display third party liability insurance

**Strategic analysis.** All tourist accommodation establishments are required to hold and display third party liability insurance as a condition of their licence. However, this is not being enforced. This important gap in the Seychelles’ accommodation provision applies mainly to smaller-scale properties. This issue was raised by DMCs, who are regularly embroiled in legal procedures with clients who have experienced issues in their accommodation such as injury and theft. When the clients are unable to extract compensation from the uninsured owners, they then demand it from the DMCs instead.

**Plan.** As best practice, all establishments should be covered by an appropriate level of insured liability, and should be required to display proof of this in the same manner that they show registration certificates.

#### 4.7.4 Support small establishments to improve service standards

**Strategic analysis.** The change-of-use policy that permits residential homes to be converted into tourism establishments has the potential to raise reputational risks for Seychelles. While it has promoted a culture of entrepreneurship, keener competition and a portfolio of properties to cater for a broader range of clientele, operators consulted feel that as accommodation establishments they should meet some minimum standards and be situated in safe residential neighbourhoods. A common concern expressed by stakeholders is the need to limit reputational risks to Seychelles as a destination of unsafe and insecure establishments.

**Plan.** It is recommended that Tourism Department uses a ‘carrot and stick’ approach to eliminating properties with poor quality and service standards from Seychelles’ accommodation stock. A moratorium on the “*change of use*” policy should be considered during the next 5 years while tourism agencies work with existing establishments to improve service standards. Once the new classification system is introduced, there will be a need to, on the one hand, enforce compliance and issue licenses accordingly. On the other hand, it is recommended that the Tourism Department provides support for establishments to make the grade and continually improve service quality. This can involve both regular offerings of short courses as well as handholding support to individual properties. In some respects, this represents a continuation and expansion of the assistance provided under the Seychelles Secrets quality assurance program, through which small properties that reach a certain level of standards are certified. They are also promoted by STB through the Seychelles Secrets website and the various channels associated with the Affordable Seychelles campaign. STA can serve as a valuable partner for the training and perhaps even the handholding component.

## 4.7.5 Sustain and improve air access

**Rationale.** Air access is critical for the development and growth of tourism especially for an island nation such as Seychelles. The ability to easily and affordably come to Seychelles all year round continues to be a key driver for growth in tourism. Given the nature of tourism in Seychelles, the availability of quality and affordable inter-island air and sea transportation facilities as well as land transportation facilities are also important.

### *.4.2.1. Prioritise investment at the Seychelles International Airport*

**Strategic analysis.** The Seychelles International Airport currently caters for approximately 1,200,000 passengers annually and the existing terminals are operating at capacity. These facilities constrain future growth in passenger numbers and dampens the high level of experience expected from Seychelles as a holiday destination. In addition, there is pressure on aircraft parking space as a direct result of the increase in scheduled flights. Currently, 14 airlines have scheduled services to Seychelles and there is a lack of parking space for aircrafts especially in the peak periods between 6 to 8 a.m., 11 a.m. to 2 p.m. and 8 to 11 p.m. Furthermore, it makes it difficult for the Seychelles Civil Aviation Authority to entertain requests from private aircrafts to come to Seychelles and the major airlines for longer layover.

**Plan.** Expansion of Seychelles International Airport is vital to achieving future economic growth. The focus in the current planned period is to enhance capacity within the current footprint. The planned extensions and refurbishment of the international arrival and departure lounges and the domestic terminal in order to improve passenger comfort, which are expected to be completed in 2019 and the refurbishment of the terminal concourse to be completed in 2021. Car parking facilities and traffic management will be reviewed in order to accommodate the increased number of vehicles and more importantly to control access to the airport in line with international safety and security standards.

On the airside, repair, improvement and extension of the international apron with the objective of facilitating movement on the airside, rehabilitate the runway, which is 40 years old and signage on the airside in order to improve the overall standards and safety at the airport.

Praslin airport needs a new flight control tower and associated technical blocks; the current one and affiliated facilities date back to the 1980s. This is to ensure that operations are conducted whilst upholding the highest safety and security standards.

There is a need to ensure that there is sufficient capacity to handle a growth in passenger numbers as well as delivering an outstanding passenger experience. Therefore, Government should work with Seychelles Civil Aviation Authority to secure funding for the needed investments.

### *.4.2.2. Sustain air access*

**Strategic analysis.** Currently, 14 airlines have scheduled services to Seychelles with an average of 72 inbound flights per week from over 12 destinations. It is important that Seychelles consolidates this and further expand in order to amply support the tourism industry. Seychelles will continue with robust negotiations on bilateral and multilateral level with its partners and continues to adhere to a pragmatic approach in securing Air Services Agreements.

Total inbound air-seat capacity increased by 85% between 2014 and 2017 to reach 769, 977. This was on account of airline incumbents increasing seat capacity significantly, airlines resuming passenger services to Seychelles and airlines starting regular operations to Seychelles during that period. The increased quantity of seats supplied have been sufficient for now to accommodate the increased number inbound passengers, which increased by 77% in the

period from 2013 to 2017. Overall load factor dropped from 715 passengers for every 1,000 available seats in 2014 to 661 in 2017.

Currently, there is an estimated 1,000 international arrivals per day into Seychelles compared to 2,100 seats available per day. This means that, on average, airlines are operating half-full which is unlikely to be sustainable over the long term. Industry operators estimate that the break-even load factor for most airlines flying to Seychelles is in the range of 75-80%. One of the strategic implications of such a state of affairs is price wars between airlines, with some airlines having to pull out altogether due to the route becoming unprofitable. Given the disruptions in the past due to the lack of air connectivity to the islands resulting from airlines pulling out, this is a major cause for concern. Even if the airlines are successful in attracting more visitors, this will put more pressure on the infrastructure and ecosystem.

**Plan.** The key to sustainable air access will be the demonstration of provable demand. Airlines can only commit to routes based on commercial justification and consumer interest. Every effort should be made to generate sustainable new routes without affecting existing traffic flows.

It is recommended that STB puts together a Task Force made up of government agencies, SCAA, airlines and overseas partners, to look at ways to secure new routes and additional capacity. Effective marketing between STB and airlines in cooperative marketing campaigns and the sharing of market intelligence, has proven successful in driving demand and assisting new route development into Seychelles. This collaboration should continue.

#### *.4.2.3. Better support Air Seychelles*

**Strategic analysis.** Most tourism operators agree that the survival and financial sustainability of Air Seychelles is crucial and should be linked to the long-term economic development plan of the country. Some of the benefits of having a national airline to include greater sovereignty over the tourism sector and national development strategy, reduced leakages from the tourism sector, increased ability to provide transportation services to the country and to limit the predatory and opportunistic behaviour of foreign airlines particularly those with dominant market positions which may have long term deleterious effects on the performance of the tourism sector.<sup>xxiii</sup>

As part of a strategic restructuring exercise, Air Seychelles announced in January 2018 that it would be suspending flights to Paris and Antananarivo from 24 April 2018. Air Seychelles was using a dedicated aircraft on that route with the implication that for its operations to be viable it should have to cover full costs on that route. Other bigger airlines flying between Seychelles and Europe would usually have aircrafts flying multiple routes so that covering variable costs is still financially attractive as they are contributing to fixed costs. This decision means that Air Seychelles will now be effectively a regional airline.

**Plan.** It is recommended that Government provide continued support to Air Seychelles to ensure its financial viability. Government has already committed to an annual investment of US\$5 million annually up to 2023 to support the national airline.

### **4.7.6 Ground transportation**

The main means of transportation for getting around the main islands of Seychelles are taxis, hire vehicles and buses.

#### *.4.2.4. Taxis and car hire*

**Strategic analysis.** Taxi and car hire operators raised similar issues affecting the viability of the taxi and car hire business in Seychelles. Taxi operators specifically complained about (a) the lack of access to finance making it

difficult for them to replace their cars after 10 years of operations as recommended by regulations; (b) inadequate parking spaces for the increased number of taxis; (c) the existing fare structure making it difficult to make a fair return on investment; (d) high insurance premiums on new cars; and (e) increased competition in the provision of taxi services from new taxi operators, car hire operators and tour operators, tour guides with vehicles, and owners of private vehicles.

Issues with car hire operations include: (a) the lack of access to finance and the high cost of new cars make it difficult for them to replace their cars when they are 8 years old as recommended by regulations; (b) car hire operators are commercial businesses but pay taxes similar to private owners; (c) high insurance premiums on new cars; (d) increased competition in the provision of car hire services from new car hire operators, taxi omnibus and tour operators, tour guides with vehicles, and owners of private vehicles; and competition for office space with parking facilities.

**Plan.** There is need for an in-depth study of the market for taxi and car hire services to ascertain the needs of these operators with a view to take appropriate policy actions. The study for taxi operators should assess the profitability of taxi operators and the economic viability of new entrants in the industry, analyse the structure of the market for taxi services and the nature of competition in the industry, and ascertain the number of taxi licences that should be issued. For car hire operations, the study should assess the need to make a clear distinction between commercial and domestic cars, consider the feasibility and justification for providing Customs Duty concessions for small cars, assess the profitability of car hire operators, assess the viability of operating with a fleet of 5 cars which is current minimum fleet for a car hire operator, analyse the structure of the market for car hire services and the nature of competition in the industry, and ascertain the number of car hire licences that should be issued. The results of the study would then inform the revision of the taxi and car hire policies.

#### *.4.2.5. Public transportation*

**Strategic analysis.** An increasing number of visitors make use of the public bus service to get around Mahé and Praslin, which they rate as well-organized and affordable. Dual pricing for Seychellois and tourists has been proposed as a way of increasing bus company revenues and limiting government subsidization of tourists' trips. There is objection to the idea of dual pricing on the grounds that it is unfair and others feel that it would be difficult to apply—checking identification documents would be create delays and extra work for bus drivers. However, one potential solution that addresses both of these concerns would be to sell monthly passes while increasing prices for single fares. This system could indeed help make bus payment more efficient and reduce travel times for all. With increased revenues, the bus company could better afford to expand and upgrade its fleet, making it an even more attractive option for tourists wary of paying high taxi fees. Ground transportation on La Digue should be addressed as part of the carrying capacity study to be done on La Digue in order to inform the development of the sustainability strategy for tourism growth on La Digue.

**Plan.** It is recommended that SPTC sell monthly passes while increasing prices for single fares. Monthly passes could be sold at the many shops where food, phone airtime, and other convenience items are purchased.

### **4.7.7 Improve regulation of sea transportation**

**Strategic analysis.** Two companies operate regular inter-island ferry services between Mahe, Praslin and La Digue: Inter Island Ferry Pty Ltd and Inter Island Boat Limited. The former operates 6-8 trips daily between Praslin and La Digue with two catamarans and the latter has a fleet of 3 catamarans and operates between Mahe, Praslin and La Digue. A state of the art catamaran with the capacity to ferry 250 passengers was added to the Inter Island Ferry

Services fllet in 2019 to serve the Praslin – La Digue route. As at March 2018, there were 363 boats providing boat-chartering services, including yachts and glass-bottomed boats. Of those, 243 were based on Mahe, 105 on Praslin, and 15 on La Digue.

Stakeholders report that operators of unlicensed boats are undermining legitimate ferry and boat charter businesses. This state of affairs is not only unfair to licensed operators who have to bear the regulatory and compliance costs of being registered, but raise a number of safety and reputational risks for the destination. Currently, boats less than 24 metres long are not required to register with the Seychelles Marine Safety Administration (SMSA) if they are privately-owned, a situation that will change with the enactment of the new SMSA bill. The restructuring of the SMSA and the enactment of the new SMSA Act is expected to bring improved regulation of the ferry and boat charter industry. An important maritime safety issue relates to the so called “bare-boating” which has boomed in the last decade, and is estimated to represent more than 50% of tourism yachting activities. This may result in safety issues in the event of negative occurrence at sea if there is no qualified skipper on board.

**Plan.** It is recommended that renewed focus should be placed on improving regulation of sea transportation. This should include improving safety at sea and improved enforcement of existing maritime laws and regulations. The on-going restructuring of SMSA should facilitate this process.

#### **4.7.8 Improve affordability and reliability of telecommunications services**

**Strategic analysis.** Seychelles has a relatively well-developed telecommunication system which received a big boost in May 2012 with the arrival of the Seychelles East Africa System (SEAS) a submarine fibre optic cable system for international connections. The fibre optic submarine cable was commissioned by the Seychelles Cable System Ltd, a public-private partnership between the Government of Seychelles, and private operators Airtel and Cable & Wireless Seychelles. According to the Department of Information and Communication and Technology (DICT), Seychelles now has more capacity than it has ever had and estimates that the available bandwidth is presently over 10 times the bandwidth capacity available pre-submarine cable. This is provided by the submarine cable with some additional capacity on satellite retained by some operators as part of their back-up plan.

The quality and quantity of the telecommunication services has greatly improved in terms of internet connection speed and consistency of service and the regulator, DICT is working on the introduction of quality of service standards in order to have a more objective assessment of quality. Free Wi-Fi is now available at Mahe International Airport provided by Airtel. However, the cost of data is still considered high by both domestic users and visitors and visitors complain of the high cost of international calls. Operators on Praslin and La Digue complain of the inconsistency of service which is affecting their guests’ experiences and also the ease of doing business for those operators that rely on on-line bookings and other on-line transactions.

**Plan.** It is recommended that Government in collaboration with private providers takes steps to improve affordability and reliability of telecommunications services including Internet services.

## 4.8 Priority area 8: Improve capacity of government agencies to facilitate tourism

**Rationale.** This strategy proposes that tourism earnings can grow to US\$946 million by 2023. In order for the tourism sector to have the maximum positive impact and minimize its negative impact, it should be well planned, developed and managed. This requires the right governance structure to be in place to integrate a wide range of policy areas in tourism planning and development strategies. That governance structure will oversee the development and implementation of appropriate policies, laws and regulations, and ensure that the destination's human, environmental and cultural assets are managed to maximize the potential of the tourism sector in a sustainable manner. The underlying policy and regulatory framework have to guide the country's tourism development process and to shape the tourism business environment in a way that fosters long-term national interest by promoting the values and principles of fairness, inclusiveness and sustainability.

### 4.8.1 Development of an investment plan for the implementation of the Tourism Strategy 2023

**Strategic analysis.** Of importance to implementation of this strategy is investment. Issues raised by stakeholders point to a lack of investment relating to upkeep of natural and cultural assets and provision of associated infrastructure, ports and airports, roads, facilities and information including buoys, landing facilities, infrastructure in marine parks, etc. Investment also raises issues of financing. In the matrices in the annexe, suggested operational and capital expenditure are included for illustrative purposes but the final figures will come as a result of this process.

**Plan.** It is recommended that the Tourism Department develops a comprehensive investment plan for the implementation of the tourism strategy.

### 4.8.2 Adopt a whole-of-government approach to tourism issues

**Strategic analysis.** Within government, there is a clear delineation between the product development function discharged by the Tourism Department and the marketing function offered by the Seychelles Tourism Board (STB). Given the importance of the tourism sector to the Seychelles economy, it is imperative that national policies, initiatives and responses are seen through a tourism lens. A whole of government approach is required to address a range of issues.

Firstly, a number of key policies are not available, including a general policy for sustainable tourism, an over-arching marine tourism policy and a cruise tourism policy. Regulatory gaps include no specific license for boat charters and yacht charters, a lack of regulation of private owners of crafts, equipment, vessels and vehicles and a lack of clarity as to the regulatory framework governing business activities of Eden Island.

Secondly, a consistent issue raised by stakeholders consulted as part of the process to develop the strategy is that the policies and regulations are not being enforced in a manner in which they were supposed to. The main concerns are a lack of: regular inspections to check whether the conditions of licenses were being observed; manpower for enforcement by the responsible authorities; understanding of the policies and regulations on the part of staff of the relevant authorities; consistent enforcement; and coordination between enforcement authorities. In addition, there has been an increase in unregulated activities in all sub-sectors of tourism.

Thirdly, in terms of coordination, there is a lack of consultation between government agencies and the Tourism Department when making licensing decisions; a general lack of clarity on the role of different government agencies, the absence of a regular public-private consultation framework to discuss key tourism policy and strategic issues and

limited coordination of private businesses at industry level.

Forthly, a consensus opinion among key stakeholders is that government ministries, department and agencies should be more knowledgeable of the business of the tourism operators. This is important to ensure that policies, regulation and laws that affect operators take account of business realities, as well as government priorities.

Finally, stakeholders from the private and public sectors identified insecurity as a major issue facing the tourism sector, especially on beaches, at the Victoria Port, and on nature trails. This perception not only reduces the attractiveness of Seychelles as a safe and secure tourist destination. It also increases the cost of business to tourism enterprises that now have to spend more on securitising their premises that in turn reduces the price competitiveness of the destination. There is a need for a whole of government approach to these issues which are not strictly within the purview of the tourism agencies but nevertheless if not addressed could tarnish the destination's reputation.

**Plan.** It is recommended that a whole-of-government approach is adopted to address a number of important issues faced by the tourism sector. This should involve the setting up of a standing National Committee on Tourism with the mandate to deliberate on key tourism policy and strategic issues and advice the Tourism Department accordingly. Such a forum should be composed of key actors from the public and private sectors, as well as representatives from civil society organizations. To make the work of the Committee more effective, working groups could be established to discuss a particular issue such as tourism statistics (see 4.8.3), in more depth. In addition, the Tourism Department should take the lead to clarify the roles and responsibilities of different government ministries, departments and agencies with regards to the tourism sector. This is important to better coordinate the activities of these entities to more effectively meet the strategic objectives of the tourism sector.

### **4.8.3 Improve STB's market intelligence capacity**

**Strategic analysis.** The National Bureau of Statistics (NBS) is able to capture most relevant tourism data, which it quickly transmits to STB. However, neither NBS nor STB has staff with strong experience in tourism data analysis. During the 2018 STB marketing meeting with all market managers, there was evidence that there were capacity issues through the various presentations about Seychelles' markets. This is seen as a major weakness of the sector if it is to drive consistent growth. In response, STB has recognised the need to create a market intelligence unit. Beyond analysis of the country's own primary data, the unit would also be responsible for analysing global tourism trends and to regularly track performance and trends in competitor countries. Professionals with the experience and skill set to perform this type of market analysis do not seem to be available in Seychelles.

**Plan.** It is recommended that a highly-qualified market intelligence consultant be contracted to help set up a market intelligence unit within STB and develop the capacity of staff to undertake market intelligence activities.

### **4.8.4 Improve statistics and economic evaluation of the tourism sector**

**Strategic analysis.** Based on available data, tourism remains the most important sector in the economy in terms of its contribution to foreign currency earnings, employment, capital investment, and gross domestic product, both directly and indirectly. Given the importance of the sector to the Seychelles economy, more needs to be done to quantify its economic impact.

Presently, the Tourism Department has limited capacity to collect, collate, analyse and disseminate data to inform the formulation, implementation, monitoring and evaluation of policies for the tourism sector. This results in tourism statistics being fragmented and uneven, and policies that are not aligned with the realities of the sector. In

In addition, there is a lack of coordination in the collection, collation and dissemination of statistics in certain industries. This stems from the fact that the role and responsibility for data collection is not always clear. Furthermore, the role of the National Bureau of Statistics in assuring the quality of administrative data collected by the various ministries, departments and agencies is not always clear. The statistical issues identified as part of the situation analysis which formed the basis for the development of this strategy are summarised in Table 4.1.

**Table 4.1: Tourism statistical and economic evaluation issues**

Area	Statistical and economic evaluation issue
Economic contribution of tourism	Actual value of direct tourism gross domestic product is not being compiled.
Domestic tourism	Statistics on domestic tourism are not being compiled regularly.
Cruise tourism	No statistics are being compiled on expenditure by cruise passengers, crew members, and ships.
	The number of cruise travellers is not broken down into tourists, excursionists and crew members.
	The economic value of cruise tourism to the economy is not known.
Natural and cultural heritage tourism	Lack of comprehensive statistics on demand of natural and cultural attractions by tourists in terms of visitations, amount spent and level of satisfaction.
	The economic value of tourism based on natural and cultural heritage to the economy is not known.
Marine-based tourism	No statistics are being compiled on the number of visitors using different marine activities, visitors' satisfaction, expenditure on the activities, and the value of maritime-related tourism activities to the economy.
	The economic value of maritime tourism to the economy is not known.
	No statistics are being compiled on the level and profile of demand for yachting activities in Seychelles.
	No statistics are being compiled on ownership of yachts.
Accommodation establishments	No projections on bed supply are being produced.
	No statistics are being compiled on bed and room occupancy for yachts liveaboards.
Restaurants	The number of restaurants owned by Seychellois and foreigners are not being compiled.
	No statistics are being compiled on the number of restaurants by speciality.
Tour operators	No statistics are being compiled on the ownership structure of tour operators.
National statistical system	The production of and dissemination of tourism statistics is fragmented and uneven.
Projections	There are no projections on key tourism statistics including: arrivals; tourism earnings; destination marketing; and requirements for accommodation, workforce, airline seats, and utility services.

Source: Analysis by Valsen Consulting.

**Plan.** It is recommended that there is a general improvement in the measurement of tourism revenue, foreign exchange leakages from the sector, and the employment and fiscal contribution of the sector, both directly and indirectly. One way to coordinate this aspect is to form a Working Group on Tourism Statistics under the aegis of the National Committee on Tourism (see 4.8.2). It is further recommended that government expedite efforts to develop methodologies including the introduction of Tourism Satellite Accounts (see Box 4.1) within the national accounting system to have a comprehensive measure of the tourism economy and to define the linkages among its constituent parts and undertake regular value chain analyses of the tourism sector.

#### **BOX 4.1: THE TOURISM SATELLITE ACCOUNT<sup>xxiv</sup>**

The Tourism Satellite Account (TSA) is a conceptual framework aiming at measuring the weight of tourism from a macroeconomic perspective. It focuses on the description and measurement of tourism in its different components (domestic, inbound and outbound). It also highlights the relationship between consumption by visitors and the supply of goods and services in the economy, principally those from tourism industries. With this instrument, it is possible to estimate tourism gross domestic product (GDP), to establish the direct contribution of tourism to the economy, and to develop further analyses using the links between the TSA, the System of National Accounts, and the Balance of Payments. The TSA Framework limits its recommendations to the evaluation of direct tourism GDP.

## 5 Implementation arrangements

Destination 23 encapsulated the change objectives of Seychelles Tourism Sector. The strategy is part of the sector's management toolkit to steer the Seychelles tourism towards its vision and underpinning strategic goals and objectives. The Seychelles Tourism Sector Strategic Plan 2023 is owned by the Ministry with portfolio responsibility for Tourism.

In line with mainstream governance doctrine, the Principal Secretary for Tourism is the Responsible Officer and the Minister with portfolio responsibility for Tourism is the Accountable Officer for the Tourism Sector Strategy. The overall responsibility for the management of the strategy rests with the Office of the Principal Secretary for Tourism.

In view that the priority areas and underpinning programmes/projects are cross cutting in nature, some programmes/projects have been assigned to designated institutions known as the Responsible Partners. Responsible Partners are responsible for the preparation and execution of the assigned programmes/projects as part of their respective strategic plans.

Given the scope and cross cutting dimension of Destination 2023, the document must be presented to the actors of the local tourism sector and signed off by key stakeholders to ensure awareness, engagement, participation and joint ownership.

In line with international standard and recommended practice, a project manager/driver will be appointed for each programme/project and an appropriate team will be formed. The project manager will be responsible to build the project outline proposal and full project plan as part of the business and budget planning process for first line and second line approval and eventually be responsible for the execution phase.

A project summary table composed of all programmes and projects is prepared one week after the approval of the plan with clear document control protocol. The project summary table serves as a central repository and quick progress tracker for planned and emergent programmes and projects and is built and owned by the Department of Tourism.

The Human Resource Department ensures that programmes/projects and supporting activities are captured in the appraisal form (plans and targets) of the responsible employees. Similar arrangement is expected to be followed by the Responsible Partners.

## 6 Performance monitoring and evaluation

The control process is based on two main instruments:

- Degree of adherence to the project timetable as per approved schedule of projects, and
- Measurement of impact indicators at strategic objective level to measure outcome efficacy.

The reporting is done during the monthly leadership meeting of the Department of Tourism, Ministry of Tourism and multi-sector ministerial meeting.

- A quarterly report could also be prepared for Cabinet meeting.

- A sector multi-stakeholder review and risk and opportunity (R&O) analysis is conducted twice a year (February and July), to appraise members of progress and to sense check relevance of the plan to the new operating environment.
- The Principal Secretary for Tourism captures the emerging strategic initiatives from the review in revised project summary table with clear document control protocol.
- Emerging strategic initiatives are translated into projects as per standard operating procedures.
- The strategic plan must be thoroughly updated yearly or every two years, normally during the July Review based on robust situational analysis findings.

## 7 Change Management and Risk Mitigation

Destination 2023 encapsulates the change objectives of the Seychelles Tourism Sector. It represents a fundamental navigation map for the sectors and brings together an army of actors to reshape and refine the sector performance through a portfolio of strategic initiatives and imperatives. Change by nature is a disruptor for many and it challenges people, purpose and processes for superior performance. As with any change and value improvement agenda, the implementation of Destination 2023 is inherently challenged by potential risks.

The main ones are:

- Lack of corporate and leadership drive, commitment and over-sighting;
- Wrong choice of programmes/project manager;
- Unrealistic/inflated /oversized budget expectations; and
- Poorly constructed project plan and poor execution.

To mitigate the risks the following pointers are suggested.

- Leadership is about strategy and strategy is about winning. The overall responsibility of driving the sector's strategy cannot be divorced from the Accountable and Responsible entities. As such the Office of the Principal Secretary and Minister with portfolio responsibility for Tourism must stay connected to the whole process. As recommended, the strategy agenda should feature during the monthly leadership meeting.
- In small population there is a scarcity of great project managers and great project managers must be trained. It is therefore important to select the right candidate with a minimum leadership and management skills and time to act as project managers. If necessary, the appropriate training and coaching must be provided.
- Whilst some projects are naturally big budgets, there is a chronic tendency to oversize project budget for a number of reasons. An Inflated project budget will be competing against other projects for cost benefit advantage and stand the risk of being eliminated for budgetary constraints. So, it is important to invest time in the budgeting process to build a realistic profile of the required financial resource.
- Failing to plan is planning to fail. Very often projects are approved without a thorough project plan. The mapping of the implementation details is weak and most often it is built on the go. This is another risk that could fail great project ideas. So, it imperative that the project implementation details are well thought through and captured alongside other project management requirements in the project document.

## 8 Annexes

### 8.1 Annex 1: Results framework by priority area

**Table A4.1: Plan of action for Priority Area 1: Drive brand development**

Ref.	Programmes/Projects	Indicators	Planned Timeline	Owner/ Driver	Consult Inform Support	CAPEX/ OPEX SCR (000)
PA1.1	Allocate more resources to promote eco-, marine and cultural tourism.	<ul style="list-style-type: none"> <li>➤ Increased % of marketing budget allocated to these specialist areas</li> </ul>	2020	STB	All major partners	
PA1.2	Assess and consolidate the Seychelles Brand.	Assessment report with implementation plan for consolidation of the Seychelles Brand	2020	STB	Tourism Department	OPEX 200
PA 1.3	Grow Seychelles digital marketing and e-commerce capabilities.	<ul style="list-style-type: none"> <li>➤ Website quality</li> <li>➤ Unique visitors, page views and conversion rate</li> <li>➤ % of user-generated content</li> <li>➤ Retweets, comments and replies</li> <li>➤ Local tourism business presence and engagement</li> </ul>	2020	STB	Tourism Department	OPEX 500
PA 1.5	Launch national tourism service excellence programme under the theme " <b><i>We are tourism</i></b> " targeting the tourism sector and the general public.	<ul style="list-style-type: none"> <li>➤ Annual "We are tourism" excellence awards</li> <li>➤ Improvement in visitor perception surveys</li> </ul>	2020 onwards	Tourism Department/SHTA	STB All major partners	OPEX 1,000
PA 1.6	Conduct surveys of residents' attitudes.	<ul style="list-style-type: none"> <li>➤ Annual survey reports on residents' attitudes to tourism</li> <li>➤ Policies/programmes based on residents' attitude surveys</li> </ul>	2020 onwards	Tourism Department/NBS	STB All major partners	OPEX 1,800

**Table A4.2: Plan of action for Priority Area 2: Invest in market penetration and development**

Ref.	Programmes/Projects	Indicators	Planned Timeline	Owner/Driver	Consult Inform Support	CAPEX/OPEX SCR (000)
PA 2.1	Protect and grow European markets					
A	Increase marketing investment to grow European markets	<ul style="list-style-type: none"> <li>➤ Europe has largest market share of visitors</li> <li>➤ Increase in tourism spending per visitor</li> </ul>	2019	STB	Tourism Department All major partners	OPEX 7, 000
B	Increase marketing investment to protect Russian and Italian markets, including improving air access through code sharing agreements and other partnership arrangements with other airlines					
C	Joint marketing initiatives with the airlines flying to Seychelles					
PA 2.2	Invest in emerging markets					
A	Increase marketing and promotional investment in emerging source markets, targeting the upper end of the tourist market in general and other segments in the off-peak months of January, May, June, September and November	<ul style="list-style-type: none"> <li>➤ Increase in number of visitors and market share from emerging markets</li> <li>➤ More balanced spread of visitor arrivals</li> <li>➤ Increase in tourism spending per visitor</li> </ul>	2019	STB	Tourism Department All major partners	OPEX 3, 000
B	Increase participation of tourism operators in relevant overseas sales missions.					
PA 2.3	Improve data collection and analysis of the Chinese market	<ul style="list-style-type: none"> <li>➤ Report on Chinese visitors available</li> <li>➤ Increase in number of visitors and market share from China</li> <li>➤ Increase in tourism spending per visitor</li> </ul>	2020	STB	Tourism Department MFTIEP	OPEX 100
PA 2.4	Assess feasibility of increasing the marketing investment & improve transparency in the use of marketing resources	Performance Audit report on the marketing expenses shared with industry partners	2020	Tourism Department	STB	OPEX 120
PA 2.5	Conduct cruise economic impact study	Cruise Tourism Policy available	2019	SPA/STB	MTCAPM	OPEX 500
PA 2.6	Promote domestic tourism	<ul style="list-style-type: none"> <li>➤ Domestic tourism initiatives</li> <li>➤ Increased number and spending of domestic tourists</li> </ul>	2020	STB	Tourism Department	OPEX 100

**Table A4.3: Plan of action for Priority Area 3: Improve product diversification**

Ref.	Programmes/Projects	Indicators	Planned Timeline	Owner/Driver	Consult Inform Support	CAPEX/OPEX SCR (000)
PA 3.1	Promote cultural and natural heritage tourism					
A	Develop authentic natural and cultural products	➤ Authentic natural and cultural products developed	2021	Tourism Department	STB All major partners	CAPEX 1,000 Partner specific CAPEX & OPEX
B	Improve services provided by heritage assets	➤ Increased visitation of and spending at natural and cultural heritage sites ➤ Improved tourists' satisfaction				
C	Develop policy on cultural and natural heritage tourism	➤ Cultural Heritage Tourism Policy ➤ Natural Heritage Tourism Policy	2020	Tourism Department	STB All major partners	
D	Develop guidelines for tourism eco-lodges	➤ Eco-tourism lodges guidelines ➤ Increased number of eco-tourism lodges	2020	Tourism Department	STB All major partners	
PA 3.2	Grow the number of creole and specialty restaurants	➤ New creole and specialty restaurants ➤ Increased spending ➤ Improved tourists' satisfaction	2019 onwards	Tourism Department	All major partners	CAPEX 300
PA 3.3	Increase trade between local agro-producers and hotels	➤ Reported increased consumption of local produce	2019 onwards	Agriculture Department	Tourism Department All major partners	
PA 3.4 Have distinctive branded products relative to competitor destinations						
A	Experts to support one or two craft disciplines such as woodwork and textile to improve craft design.	➤ Availability of diverse, distinctive and high quality local crafts ➤ Increased tourism spending	2019	Enterprise Seychelles Agency	Tourism Department	OPEX ????
B	Set up a multi-sectoral working group to develop programmes to create distinctive branded products	➤ Increased number of initiatives aimed at producing distinctive local products	2019	Tourism Department	All major partners	
PA 3.5	Evaluate the potential of niche tourism ventures (sports, agri- and adventure tourism)	Policy on sports tourism, agri- and adventure tourism	2020	Tourism Department	STB All major partners	CAPEX 250
PA 3.6	Redevelop the Victoria Waterfront area	Victoria Waterfront Project implemented	2021	MHILT	All major partners	????
PA 3.7	Develop a tourism plan specific for Praslin, La Digue and Outer Islands	Praslin, La Digue and Outer Islands Islands Tourism Plan available	2022	Tourism Department	PBA, SCCI, SHTA, STB All major partners	OPEX

**Table A4.4: Plan of action for Priority area 4: Seychelles Competitiveness as a tourism destination**

Ref.	Programmes/Projects	Indicators	Planned Timeline	Owner/Driver	Consult Inform Support	CAPEX/OPEX SCR (000)
PA 4.1	Address the cost of doing business					
A	Simplify the tax regime	<ul style="list-style-type: none"> <li>➤ Reduced time to file tax returns</li> <li>➤ Reduced time to pay taxes</li> </ul>	2020 onwards	MFTIEP	Tourism Department STB SCCI, SHTA, PBA, LDBA	CAPEX 1,000 & Partner specific CAPEX & OPEX
B	Simplify regulatory compliance obligations	<ul style="list-style-type: none"> <li>➤ Reduced number of procedures for processing licence</li> <li>➤ Reduced time to clear a container through Customs</li> </ul>				
C	Institute competitive tourism tax regime compared to other destinations	Lower effective tax rate on tourism operators compared to other destinations				
D	Reduce utility costs	- Reduced utility costs				
PA 4.2	Facilitating labour availability and reducing labour costs					
A	Simplify and reduce the costs of the GOP application process	<ul style="list-style-type: none"> <li>➤ Faster to process GOP applications</li> <li>➤ Lower costs of GOP applications</li> <li>➤ Increased availability of labour</li> </ul>	2019	Department of Employment	Tourism Department	No major cost implications
B	Remove the Seychellois-only designation for the positions it currently applies to	<ul style="list-style-type: none"> <li>➤ Faster to process GOP applications</li> <li>➤ Lower costs of GOP applications</li> <li>➤ Reduced number of Seychellois-only job categories</li> <li>➤ Increased availability of labour</li> </ul>	2019	Department of Employment	Tourism Department	No major cost implications
PA 4.3	Measure and monitor competitiveness					
A	Participation in Travel & Tourism Competitive Index	Inclusion and improved rankings in the Travel & Tourism Competitiveness Index	2020 onwards	Tourism Department NBS	MFTIEP, CBS	No major cost implications
B	Competitiveness monitor produced and circulated to tourism operators	<ul style="list-style-type: none"> <li>➤ Availability of competitiveness monitor</li> <li>➤ Policies aimed at improving competitiveness of the tourism sector</li> </ul>				
C	Study on the effect of government-imposed costs on competitiveness	<ul style="list-style-type: none"> <li>➤ Report on the effect on competitiveness of government-imposed costs produced</li> <li>➤ Policies aimed at improving competitiveness of the tourism sector</li> </ul>				OPEX 250

**Table A4.5: Plan of action for Priority Area 5: Invest in local talent development and management**

Ref.	Programmes/Projects	Indicators	Planned Timeline	Owner/ Driver	Consult Inform Support	CAPEX/ OPEX SCR (000)
PA 5.1	Develop a national tourism talent development plan that includes demand forecast for employees in mainstream tourism activities and also those in niche areas.	National Tourism Talent Development Plan available	2020 onwards	Tourism Department	ANHRD, STA, SMA MEHRD	CAPEX 300
PA 5.2	Grow local talent pool to reduce reliance on expatriate workers					
A	Realign the hospitality training approaches and programmes to better respond to current and emerging industry needs	<ul style="list-style-type: none"> <li>➤ Increase in number of students/ employees taking STA courses</li> <li>➤ Increased share of STA graduates retained in tourism sector</li> </ul>	2019	STA Unisey	Tourism Department All major partners	No major cost implications
B	Increase training of divers and skippers and provide scholarships to allow in-service skippers to become certified	Increase in number of trained divers and skippers	2019	SMA	MEHRD, ANHRD Tourism Department	CAPEX 4000
PA 5.3	Create new specialty courses at the Seychelles Tourism Academy, including in Events management, Spa management, Sommelier and Maritime management	Advanced certificate courses in Events Management, Spa Management, Sommelier Skills and Maritime Tourism	2019	STA	Tourism Department SHTA, industry operators	CAPEX
PA 5.4	Promote tourism careers					
A	Develop talent retention strategy for the tourism sector	Talent retention strategy in place	2021	Department of Employment/ Tourism Department	All key partners	No major cost implications
B	Study on the causes of high staff turnover and low productivity of local staff, recommending corrective measures	Study reports on staff turnover in the industry	2020			OPEX 300
C	Set quota for Seychellois participation in management of large tourism businesses	Management quota policy in place	2020			No major cost implications
D	Develop communications programme to promote interest in tourism careers	Tourism career education programme available	2020			Tourism Department MEHRD ANHRD

**Table A4.6: Plan of action for priority Area 6: Increase investment in sustainable tourism practices**

Ref.	Programmes/Projects	Indicators	Planned Timeline	Owner/ Driver	Consult Inform Support	CAPEX/ OPEX SCR (000)
PA6.1	Become a Global Sustainable Tourism Council (GSTC) certified destination by 2023	GSTC Certification received	By 2023	SSTF Tourism Department	MEECC All major partners	OPEX TBC
PA 6.2	Support the "Seychelles Sustainable Tourism Label" (SSTL) certification of at least 50% of large hotels and guesthouses by 2023	50% large hotels & guesthouses SSTL certified	2019	Tourism Department	STB SEC All major partners	No major cost implication
PA 6.3	Develop a sustainable tourism strategy for La Digue	Sustainable Tourism Strategy for La Digue signed off by La Digue Community	2020	Tourism Department MEECC	STB SIB All major partners	CAPEX
PA 6.4	Develop a marine tourism policy	<ul style="list-style-type: none"> <li>➤ Marine Tourism Policy available</li> <li>➤ Regular statistics on marine-based tourism activities</li> </ul>	2021	MTCAPM NBS	STB All major partners	CAPEX 250
PA 6.5	Promote sustainable use of utility services among tourism operators					
A	Reward tourism businesses that adopt sustainable use of utility services	Awards for businesses that adopt sustainable practices	2020	Tourism Department	SEC PUC S4S, SSTF Planning Authority All major partners	CAPEX 1000
B	Develop Seychelles-specific design and sustainability guidelines for hotels and guesthouses	Design and sustainability guidelines for hotels and guesthouses available	2020	Tourism Department		
PA 6.6	Improve management of iconic public beaches					
A	Set up a coordinating committee to oversee the management of iconic beaches.	Sustainable management and use of iconic beaches	2019	MEECC Tourism Department	Tourim Department All major partners	No major cost implication
PA6.7	Regularly assess carrying capacity of major tourism sites	Updated carrying capacity studies available	Ongoing	Tourism Department	MEECC	OPEX

**Table A4.7: Plan of action for priority area 7: Deliver key enabling factors**

Ref.	Programmes/Projects	Indicators	Planned Timeline	Owner/ Driver	Consult Inform Support	CAPEX/ OPEX SCR (000)
PA 7.1	Provide additional 3,000 additional rooms, particularly in the 3- and 4-star categories	<ul style="list-style-type: none"> <li>➤ 3, 000 rooms added to the room stock</li> <li>➤ Increase 3- and 4-star properties</li> </ul>	2023 onwards	Tourism Department	SIB Planning Authority	CAPEX 350
PA 7.2	Consider a new regulatory system for 'floating rooms'	<ul style="list-style-type: none"> <li>➤ A separate license for liveboards</li> <li>➤ Statistics on liveboards available</li> </ul>	2020	SMSA	Tourism Department SLA	CAPEX & OPEX TBC
PA 7.3	Enforce requirements for all properties to hold and display third party liability insurance	All tourism properties have commercial insurance cover	2019	SLA	Tourism Department	
PA 7.4	Support small establishments to improve service standards					
A	5-year moratorium on change-of-use permissions	Change-of-use permissions stopped	2019 onwards	Tourism Department SLA	SHTA, PBA, LDBA	CAPEX
B	Introduce new classification system for tourist accommodation establishments	New classification introduced	2020	Tourism Department	SHTA, PBA, LDBA, SLA	
C	Provide support for establishments to improve service quality	Increase in number of small establishments certified under the "Seychelles Secrets" programme	2019 onwards	Tourism Department STA	SHTA, PBA, LDBA, STB	
PA 7.5	Sustain and improve air access					
A	Prioritise investment at the Pointe Larue International Airport	<ul style="list-style-type: none"> <li>➤ Extended and refurbished airport terminal</li> <li>➤ Refurbished international apron</li> </ul>	2019	SCAA	CAPM Department Tourism Department	CAPEX
B	Meet demand for air access	<ul style="list-style-type: none"> <li>➤ Air Access Task Force set up</li> <li>➤ Sufficient air seat capacity at all times</li> </ul>	2019	STB, SCAA	MTCAPM Tourism Department Operators	No major cost implications
C	Support Air Seychelles to remain financially viable	Government investment guaranteed over the next 5 years	2019	MFTIEP	MTCAPM	CAPEX 350,000
PA 7.6	Ground transportation					
A	Undertake study of the market for taxi and car hire services	Report on the market for taxi and car hire services	2019	Land Transport Department	Taxi & Car Hire Associations SLA SHTA, Tourism Department	CAPEX 150

Ref.	Programmes/Projects	Indicators	Planned Timeline	Owner/Driver	Consult Inform Support	CAPEX/OPEX SCR (000)
B	Revisit the existing policy for taxi and car hire operators to improve the ease of doing business and the overall efficiency, effectiveness and efficacy of the two services	New taxi and car hire policy	2020	Land Transport Department	Taxi & Car Hire Associations SLA SHTA, Tourism Department	CAPEX 50
C	Sell monthly passes for public transportation and increase price of single fares in order to limit government subsidisation of visitors' bus fares	<ul style="list-style-type: none"> <li>➤ Monthly bus passes available for visitors</li> <li>➤ Increase price of single fares</li> <li>➤ Increased revenue for SPTC</li> <li>➤ Improved service quality of public transportation</li> </ul>	2020	SPTC	Land Transport Department	
PA 7.7	Improve regulation of sea transportation	Improved regulation of sea transportation	Immediate	SMSA	MTCAPM	
PA 7.8	Improve affordability and reliability of telecommunications	Cheaper and more reliable telecommunications services, including Internet services	2021	DICT	Tourism Department Private operators	

**Table 4.8: Plan of action for priority area 8: Increase capacity of government agencies to facilitate tourism**

Ref.	Programmes/Projects	Indicators	Planned Timeline	Owner/ Driver	Consult Inform Support	CAPEX/ OPEX SCR (000)
PA 8.1	Develop a comprehensive investment plan for the implementation of the tourism strategy	Investment plan for the tourism sector available	2019	Tourism Department	All tourism partners	CAPEX 350
PA8.2	Have a whole-of-government approach to dealing with issues facing the tourism sector					
A	Set up a National Committee on Tourism as a forum for discussing key policy and strategic issues facing the tourism sector and advise the Tourism Department	<ul style="list-style-type: none"> <li>➤ National Committee on Tourism set up with clear terms of reference</li> <li>➤ Regular meetings of the Committee, and minutes shared with stakeholders</li> <li>➤ Decrease in unregulated activities</li> <li>➤ Key policies available</li> </ul>	2019	Tourism Department	All tourism partners	OPEX 200
B	Clarify the roles and responsibilities of different government ministries, departments and agencies with regards to the tourism sector	Roles and responsibilities of government ministries, departments and agencies with regards to the tourism sector clearly defined and endorsed by Cabinet	2019	Tourism Department	All tourism partners	No major cost implications
PA 8.3	Improve STB's market intelligence capacity by hiring a senior market intelligence consultant to help set up a market intelligence unit and develop staff capacity.	Latest tourism sector results and forecasts for tourism available, including: visitor arrivals and spending; accommodation results; visitor activities and events; visitor perceptions and reviews; visitor market results and future forecasts; and tourism trends	2020 onwards	STB	Tourism Department/ NBS/ All major partners	
PA 8.4	Improve statistics and economic evaluation of the tourism sector					
A	Form a Working Group on Tourism Statistics, preferably as part of the National Committee on Tourism (see PA8.2A)	<ul style="list-style-type: none"> <li>➤ Working Group on Tourism Statistics formed</li> <li>➤ NBS and Tourism Department have capacity to collect and analyse tourism statistics to support the implementation of this Strategy</li> </ul>	2019	Tourism Department NBS	All tourism partners	No major cost implications
B	Expedite efforts to develop methodologies including the introduction of Tourism Satellite Accounts	Tourism Satellite Accounts available	2020	Tourism Department NBS	CBS All tourism partners	No major cost implications

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