SEYCHELLES TOURISM MASTER PLAN

PART 1: SITUATIONAL ANALYSIS
FOR A SUSTAINABLE AND RESPONSIBLE TOURISM

UPDATED 2018

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THE VISION

Tourism in Seychelles shall continue to be developed to the highest standards to achieve the optimum social and economic benefit for the Seychellois people. This, while reaffirming and further rooting the commitment to sustainable, responsible and ethical tourism at each step of the supply chain with the balanced objectives of economic empowerment, cultural and environmental conservation/protection and socio-cultural integration.

MISSION STATEMENTS

UPHOLD UNIQUE "CREOLE" DESTINATION: To uphold the image of Seychelles as a unique "Creole" destination by ensuring that safety/security, environmental and cultural conservation/protection as well as quality standards remain at the heart of Seychelles' destination competitiveness

DIVERSIFY MARKET SOURCES: To diversify Seychelles' tourism market sources and to gradually increase visitor arrivals while adopting a balanced approach for tourism bed supply, air seat supply and visitor arrival targets and increasing expenditure per visitor

INCREASE EXPENDITURE PER VISITOR: To increase daily per capita tourism expenditure while safeguarding visitor satisfaction through the promotion of Seychelles natural and cultural heritage and the delivery of diversified "value for money" products and services

RAISE SEYCHELLOIS OWNERSHIP: To raise Seychellois ownership of the tourism sector and the benefits accruing to it while fostering social cohesion and promoting a culture of quality service in a fair and conducive business environment

REDUCE LEAKAGES AND STRENGTEN LINKAGES: To reduce foreign exchange leakage, build capacity in fiscal control and strengthen the relationship between tourism and other productive sectors, including agriculture, fisheries, manufacture and handicrafts

ADDRESS IMPLEMENTATION GAPS: To address the policy, regulatory, institutional, infrastructural, consultation and enforcement gaps impairing the achievement of sustainable tourism targets

PROMOTE SUSTAINABLE TOURISM: To adopt a policy of a conservative number of beds per island and mainstream environment in tourism development notably by fostering responsible and ethical tourism and encouraging energy-saving, water, sanitation, waste and other environmental conservation/management practises in daily tourism-related operations

REDUCE ENVIRONMENT FOOTPRINT OF COASTAL AND MARINE-BASED TOURISM ACTIVITIES: To respond adequately to the challenges generated by the rapid development of coastal and marine-based tourism activities

FOCUS ON HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT: To further build local human resource capacity in tourism by promoting career opportunities while guaranteeing the delivery of high standard trainings and apprenticeships, including at managerial level

STRENGTHEN DESTINATION MARKETING: To strengthen the domestic and international marketing and visibility of the range of Seychellois' tourism business activities

ADOPT EVIDENCE-BASED PLANNING: To define and monitor tourism performance indicators, strengthen the tourism statistical apparatus and ground strategic planning for sustainable tourism on the detailed analysis of tourism- related variables and international data and reports

1 Introduction

1.1 Background

According to the United Nations World Tourism Organisation, the tourism sector is the cluster of production units in different industries that provide consumption goods and services demanded by visitors. If managed well and the amount of leakages that go out of the country to pay for goods and services not available locally to support the sector are minimised, the tourism sector can potentially generate important economic, social, cultural, and environmental benefits. In addition to direct spending on tourism-related industries, the sector also makes important indirect and induced contributions.

Since the opening of the international airport in 1971, tourism has always been one of the main pillars of the economy. The *Seychelles Strategy 2017* that had as overall aim to double gross domestic product by 2017, focused on targeted increases in the number of tourist visits and the amount spent by each tourist. This would be achieved by: (a) improving the overall quality of the Seychelles tourism product; (b) refining the positioning of the destination on the international tourism market; and (c) increasing the direct and indirect participation of Seychellois in the sector. In addition to increasing visitor arrival and spending per visitor, the *Seychelles Strategic Land Use Development Plan 2015-2040* also aims to increase accommodation occupancy rates. The goals by the *Seychelles Sustainable Development Strategy 2012-2020* for the tourism sector are to promote a sustainable tourism industry, and to enhance the economic benefits of the tourism industry for local communities.

Like in most small island economies, tourism contributes significantly to the Seychelles economy. 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 million in 2014 and 2015 respectively. Receipts for 2016 amounted to US$414 million. However, the average tourism earnings per visitor fell from US$1, 968 in 2010 to US$1, 366 in 2016. The direct contribution of the sector amounted to 23 per cent of total domestic taxes in 2010, 36 per cent in 2012, and 29 per cent in 2014. Direct employment in tourism-related industries amounted to 11, 566 persons in 2015 and 11, 714 persons in 2016, representing 24 per cent and 25 per cent of formal employment respectively.

In 2015, Seychelles ranked second in Africa behind South Africa, and 54th in the world out of 141 countries in the Travel and Tourism Competitiveness Index, a global assessment of the travel and tourism sector compiled by the World Economic Forum. 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. Seychelles was not covered by the 2017 edition of the index due to insufficient data.

1.2 The Tourism Master Plan

In the wake of the launching of the new vision of tourism for Seychelles in August 2010, President James Michel, who was also the Minister for Tourism requested the Seychelles Tourism Board to produce the Seychelles Tourism Master Plan 2012-2020. 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.

The present document provides a further update of the Master Plan undertaken in the first quarter of 2018. Although, the focus is rightly on national priorities and issues, regional and global contextual issues are also discussed whenever they have a bearing on the national context. Consistent with the goals set for the tourism sector as defined in national development frameworks, the present 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 plan.

This revised document is PART I of the SEYCHELLES TOURISM MASTER PLAN. It serves as a guiding framework for PART II of the Master Plan which is DESTINATION 20123: A STRATEGY FOR SUSTAINABLE TOURISM GROWTH.

1.3 Structure

The document comprises three parts. Part I that follows this introduction discusses the tourism sector in the context of Seychelles. This discussion covers conceptual issues relating to the tourism sector with a development of a value chain framework for analysing the tourism sector in Seychelles. It highlights the emerging issues and trends at global and regional levels, and undertakes a descriptive analysis of the socio-economic importance of the travel and tourism industry in Seychelles. This part ends with an analysis of the profile of the tourism sector in Seychelles relative to other similar tourism destinations.

Part II starts with a discussion of the main natural and cultural tourism assets that Seychelles is endowed with, and the strategic issues that these entail from a sustainable tourism perspective. It points to the importance of having a dynamic and well-enforced tourism policy and regulatory framework to address market failures and guide and support private sector development. It discusses sustainable tourism in the context of Seychelles, as well as the strategic issues in relation to tourist accommodation, other tourist services, and the transportation infrastructure and facilities in support of the tourism sector.

Part II ends with a strategic discussion of the issues of marketing, product development, human resource management and development, security, safety, health, risk management, and statistics as they relate to the tourism sector in Seychelles. Throughout the analyses and discussions in Part II, recommendations to remedy the issues and gaps identified are proposed.

Part I - The tourism sector: International and regional context and importance to the economy

2. The tourism sector
3. Regional and international context
4. Socio-economic importance of the tourism sector in Seychelles
5. The profile of the tourism sector in Seychelles

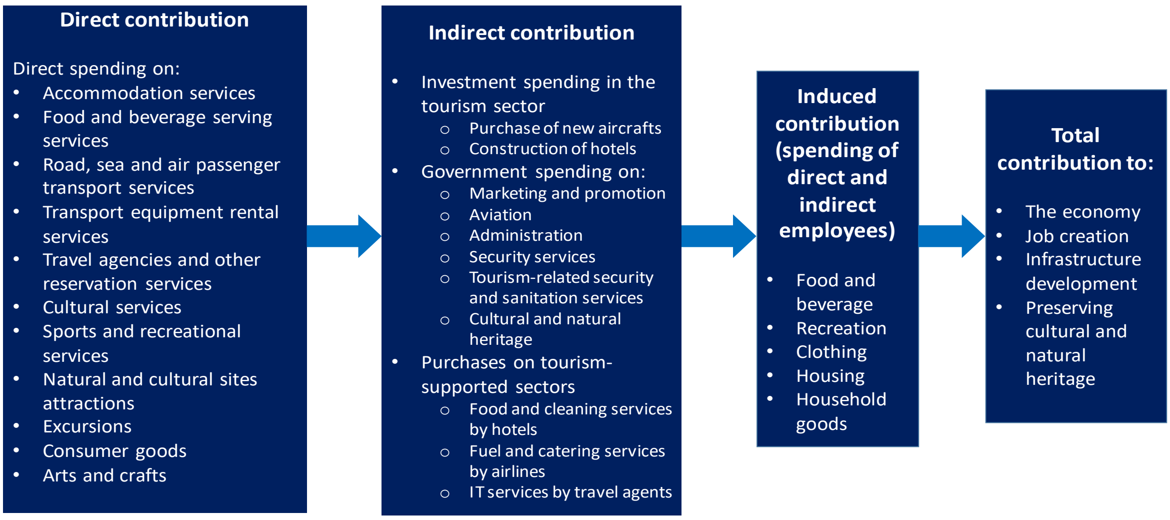
2 The tourism sector

The United Nations Tourism Organization defines the tourism sector as "the cluster of production units in different industries that provide consumption goods and services demanded by visitors"[1]. The tourism industries or activities that constitute the sector 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[2]. The sector is served by a wide diversity of players ranging from small enterprises to global brands.

The tourism sector can be categorized in different market segments reflecting the motivation of tourists. The most relevant ones for Seychelles are the following: sea-sand-and-sun tourism; ecotourism; cultural tourism; marine-based tourism; adventure tourism; conference tourism; and cruise tourism.

The tourism sector has strong forward and backward linkages with other sectors of the economy. Backward linkages with the agricultural, construction, energy, fisheries, sanitation, telecommunications and waters sectors allow the sector to build and operate tourism-related facilities. The sector also has strong forward linkages with other sectors supplying services consumed by tourists such as financial, telecommunications, retail, recreational, cultural, personal, hospitality, security, and health services.

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*..

If managed well, the tourism sector can potentially generate important economic, social, cultural, and environmental benefits. In addition to direct spending on tourism-related industries, the sector also makes important indirect and induced contributions. Indirect contribution includes those associated with tourism-related investment and government spending, and the impact of tourism operators' purchases from suppliers. The induced contribution of tourism concerns the impact of the spending of those who are directly and indirectly employed by tourism (see Chart 2.1). Chart 2.2 illustrates the Seychelles' tourism sector, which highlights the linkages and inter-relationships between the tourism sector and other sectors in the economy.

Not all the benefits from tourism are retained within the economy: some "leak" out of the country to pay for goods and services not available locally to support the tourism sector. The more that local forward and backward linkages exist, the less the tourism-related economy will rely upon imported inputs, and the greater the impact of the sector. Leakages from the tourism sector (Box 2.1) can be very high in countries where strong linkages with the domestic economy are absent. The average leakage for most developing countries is between 40 and 50 per cent of gross tourism earnings[3]. The Seychelles Tourism Value Chain Study of 2016 noted that although large hotels earn a greater profit per room night than guesthouses, self-catering flats and small hotels, they have a much

[1] United Nations World Tourism Organization's Glossary of tourism terms.
[2] United Nations, Department of Economic and Social Affairs (2010).
[3] United Nations Conference on Trade and Development (2010).

lower local content of food and labour supply than the smaller accommodation establishments[4].

BOX 2.1 LEAKAGES FROM TOURISM

The United Nations Conference on Trade and Development (UNCTAD) defines leakage as "the process whereby part of the foreign exchange earnings generated by tourism, rather than reaching or remaining in tourist-receiving countries, is either retained by tourist-generating countries or other foreign firms".

There are two types of leakages: economic and structural leakages. Economic leakage occurs when domestic firms in the destination country are unable to supply goods and services of adequate quality or in sufficient quantity to the national tourism sector, necessitating their import from abroad. The main causes of economic leakage are:

- Imports for materials and equipment for construction;
- The import of non-durable goods such as food and beverage;
- Repatriation of income obtained by foreigners;
- Repatriation of profits obtained by foreigners;
- Interests paid for foreign loans; and
- Marketing expenses abroad.

Structural leakages include expenditures that never reach the domestic economy in the first place but retained by foreign airlines, tour operators, travel agencies, and hotel chains.

Measures that can reduce leakage from gross tourism receipts include:

- Supporting domestic businesses to work collectively through national institutions and associations to coordinate their negotiations with foreign tour operators with a view to secure improved volumes and margins.
- Strengthening backward and forward linkages of the tourism sector with other sectors of economy including by:
    - Identifying existing and potential tourism linkages and developing policies and initiatives to strengthen them;
    - Encouraging the local ownership and management of the tourism industry;
    - Encouraging domestic employment in the tourism sector, especially at higher-skill levels;
    - Promoting domestic supplies of goods and services, and encouraging tourism establishments to source inputs locally; and
    - Assisting small-scale businesses by improving their access to finance, business support services, and other productive inputs.

The Seychelles Tourism Value Chain Study undertaken by the World Bank in 2016, indicated that tourism brings limited gains to local agriculture. This is because of: seasonality which affects the crops that can be grown commercially; little capacity for storage; limited cold chain; poor post-harvest handling; weak local content of labour and other inputs including chemicals, fuel and equipment; and poor quality of local produce relative to imports. In contrast to agricultural products, imports account for approximately 10 per cent of consumption of fishery products. Nevertheless, the tourism fisheries supply chain could be further improved by reducing the number of suppliers that each tourism catering and accommodation establishment deals with, improving the supply of ice and bait inputs to fishers and improving the sanitary level of fish handling and transport practices. Government is proposing a Fish Centre to provide a central place for marketing fish products to deal with the first challenge.

Source: Based on UNCTAD (2010) and World Bank (2018).

Given its relatively labour-intensive nature and its linkages with other related productive sectors, the tourism sector is a key driver of socio-economic development in terms of contribution to gross domestic product, employment and enterprise development, and export earnings. The United Nations World Tourism Organization estimates that tourism contributes to 10 per cent of gross domestic product including direct, indirect and induced impacts, 1 in every 11 jobs created, and 7 per cent of world exports[5].

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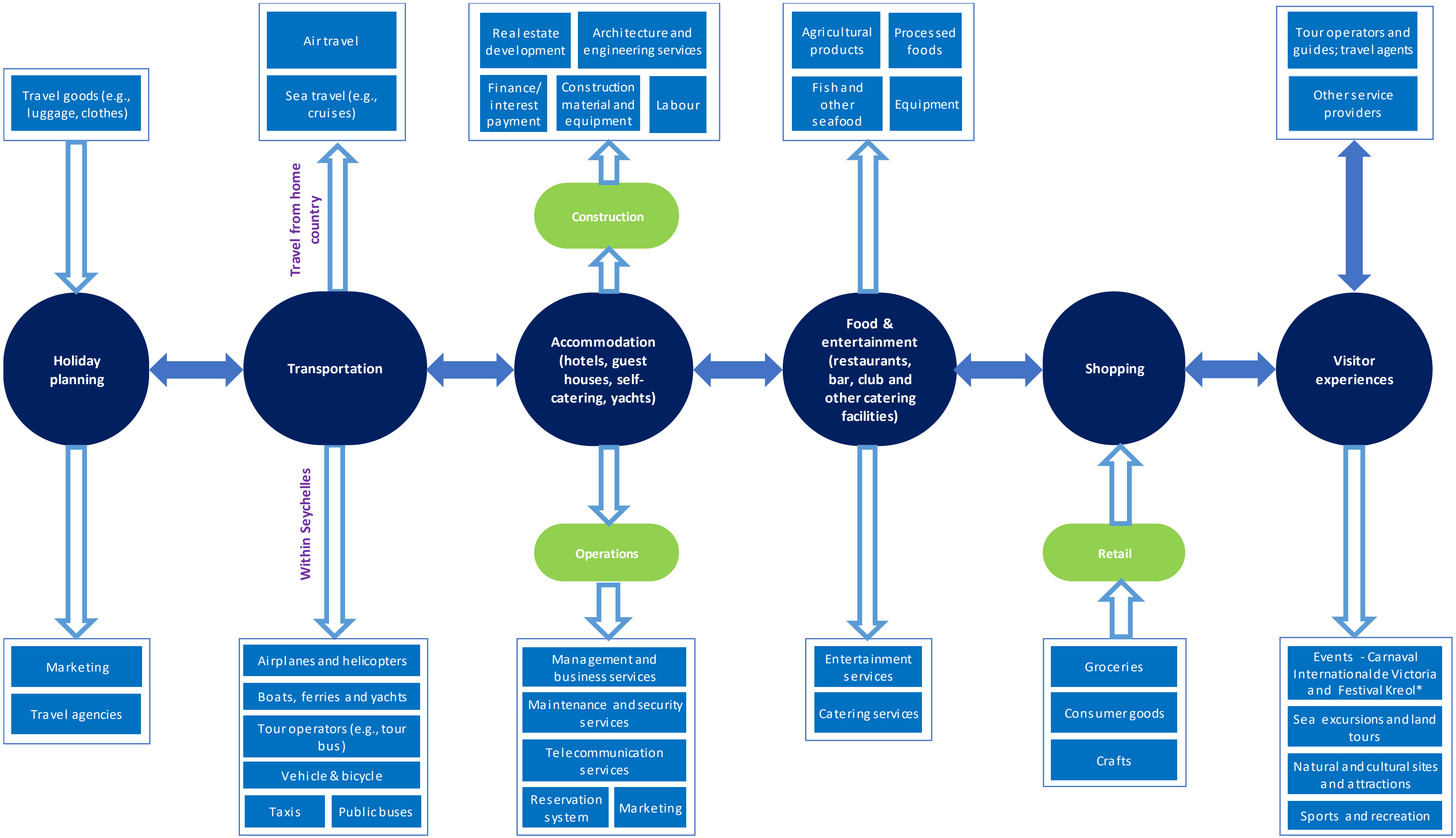
[4] World Bank (2018).
[5] United Nations World Tourism Organization (2016).

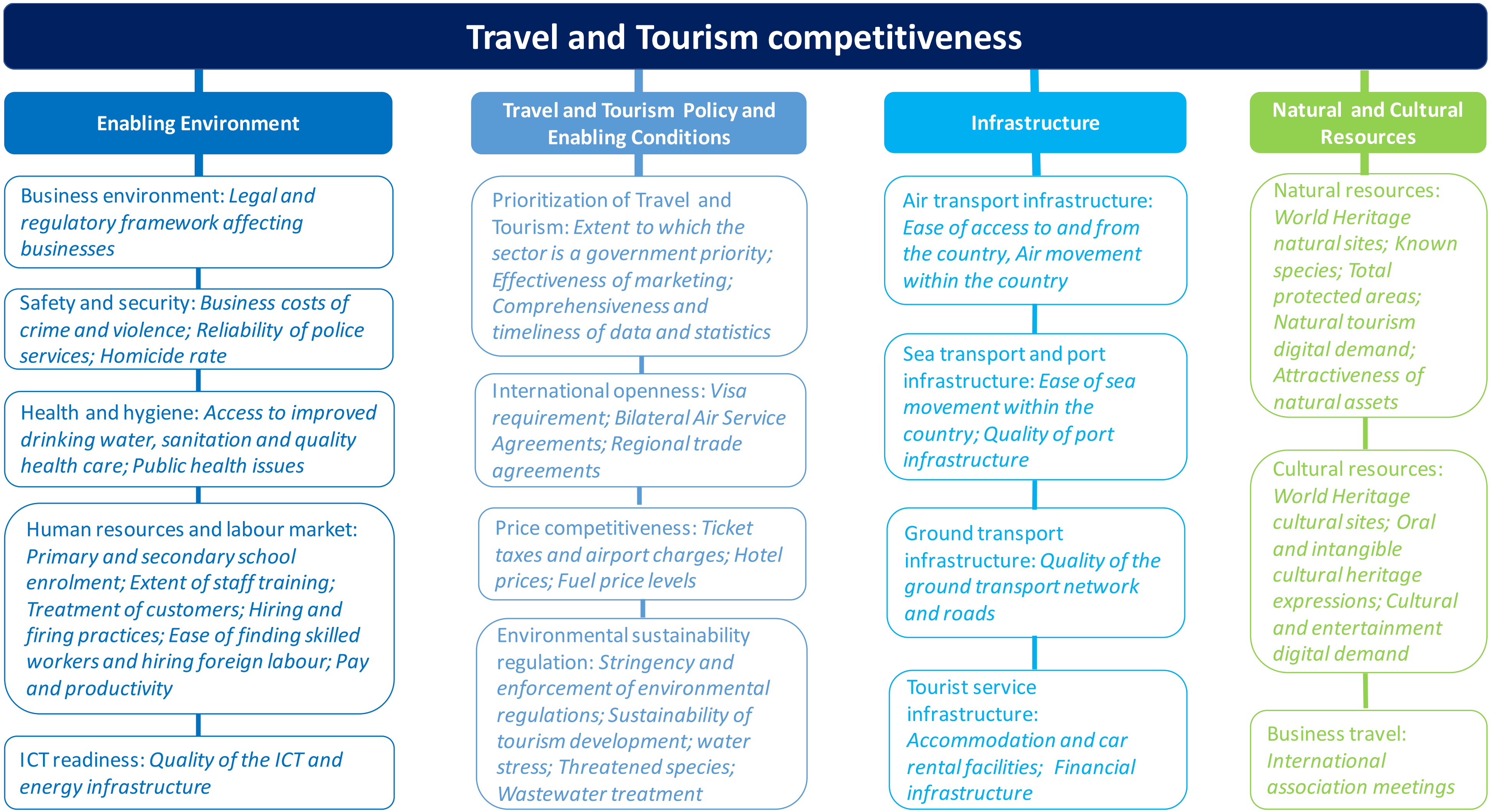
Chart 2.3 outlines a useful framework with which to analyze the strengths and weaknesses of the tourism sector adapted from the *Travel and Tourism Sector Competitiveness Index* developed by the World Economic Forum. These issues will be discussed in greater detail in Part II of the Plan.

Chart 2.2: The Seychelles' tourism value chain



Sources: Analysis by Valsen Consulting based on Gollub, Hosier and Woo (2003) as reported in United Nations Conference on Trade and Development (2007) | * The other main events are: Bazar Labrin; Bazar Ovan; Ocean Festival; Fet Afrik; Francophonie; Lafet la Digue; Lafet Praslin; Eco-Healing Marathon; Tourism Ball; Miss Seychelles; and Agricultural and Horticultural Show.

Chart 2.3: Framework for analyzing the competitiveness of the Seychelles tourism sector



Source: Analysis by Valsen Consulting based on World Economic Forum (2017).

3 Regional and international context

3.1 Global and regional trends in international tourism

The number of international tourists grew by 3.9 per cent in the period from 2005 to 2016 to reach 1, 235 million at the end of 2016 (Table 3.1). Asia and the Pacific (6.5 per cent), Africa (4.7 per cent) and the Middle East (4.3 percent) all recorded growth in excess of the rate of global growth during that period. Europe received just under 50 per cent of all international visitors in 2016, followed by Asia and the Pacific and the Americas with 25.0 per cent and 16.1 per cent respectively. Africa received 4.7 per cent of the international visitors.

Table 3.1: International tourist arrivals by region, 1995-2016 (millions, annual % change)

	ACTUAL DATA							PROJECTIONS		
	1995	2000	2005	2010	2015	2016	1995-2010	2010-2020	2020-2030	2010-2030
	millions						annual percentage change			
World	527	674	809	950	1, 189	1, 235	3.9	3.8	2.9	3.3
Europe	304.6	386.6	453.2	489.4	603.7	616.2	3.0	2.7	1.8	2.3
Asia and the Pacific	82.1	110.4	154.0	205.4	284.0	308.4	6.3	5.7	4.2	4.9
Americas	109.1	128.2	133.3	150.1	192.7	199.3	2.1	2.9	2.2	2.6
Africa	18.7	26.2	34.8	49.5	53.1	57.8	6.7	5.4	4.6	5.0
Middle East	12.7	22.4	33.7	54.7	55.6	53.6	10.5	5.2	4.0	4.6

Sources: United Nations World Tourism Organization (2016) and United Nations World Tourism Organization (2017).

The trend is set to continue with growth rate in international arrivals expected to rise by 3.8 per cent per year for the period 2010-2020 (Table 3.1). The United Nations World Tourism Organization forecasts that the number of international tourist arrivals will increase by an average of 3.3 per cent over the period from 2010 to 2030. Growth in Africa is expected to average 5.0 per cent over the period with growth averaging 5.4 per cent per year during the period 2010-2020.

In 2015, 53 per cent of all international tourists travelled for holidays, recreation and other forms of leisure, while 14 per cent travelled for business and professional purposes and 27 per cent travelled for other reasons including visiting friends and relatives. According to the latest *Tourism Highlights* produced by the United Nations World Tourism Organization, Europe is the world's largest source region accounting for 48.3 per cent of international tourists in 2016, followed by Asia and the Pacific (25.6 per cent), the Americas (17.0 per cent), Africa (3.2 per cent), and the Middle East (2.8 per cent).

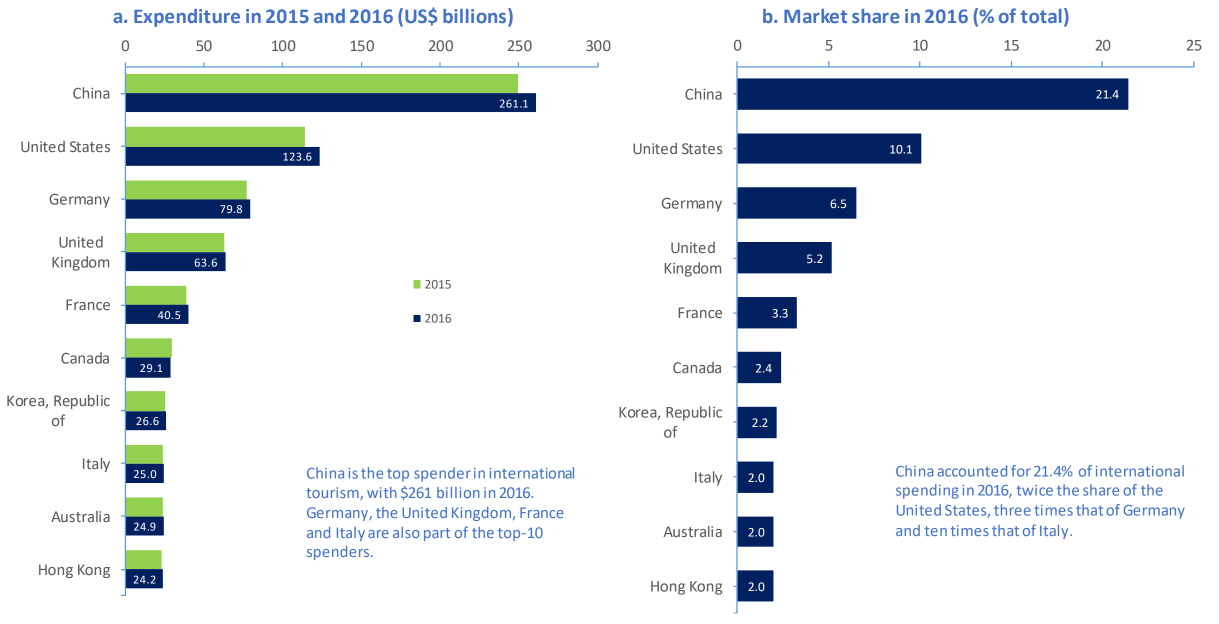
China remained the top spender in international tourism in 2016, spending US$261 billion– compared to US$250 billion in 2015 - equivalent to 21.4 per cent of global spending (Chart 3.1). Other important source countries for Seychelles (see section 4), which were part of the top 10 spenders are Germany, United Kingdom, France, and Italy. Expenditure from the Russian Federation continued to fall in 2016, resulting in a movement from sixth to eleventh. In 2016, Visa has estimated that between 2015 and 2025 the households from China, Germany, United Kingdom, Russian Federation and France earning US$20, 000 a year will increase their spending while travelling by 86, 31, 58, 118 and 17 per cent respectively[6].

A number of factors give rise to continued optimism for growth in international tourism in the short term. Economic conditions are a major determinant of tourism demand as evidenced by the adverse impact on international tourist arrivals as a result of the global financial crisis that started in 2007. The World Bank forecasts that economic growth

[6] Visa (2016). The estimate includes spending while traveling, such as food and hotel, but not prior to the trip, such as airline tickets.

in advanced economies will increase by 2.2 per cent in 2018, 1.9 per cent in 2019 and 1.7 per cent in 2020[7]. The corresponding rates for emerging and developing countries are 4.3 per cent in 2018 and 4.7 per cent in 2019 and 2020. Economic growth in the Euro Area is expected to fall – from 2.1 per cent in 2018 to 1.5 percent in 2020. Following negative growth in 2015 and 2016, the Russian Federation is expected to continue the recovery it experienced in 2017 to grow by 1.7 per cent in 2018 and 1.8 per cent in 2019 and 2020.

Chart 3.1: International tourism expenditure of top 10 spenders, 2015-2016



Source: Analysis by Valsen Consulting based on data from United Nations World Tourism Organization (2017).

According to Cruise Lines International Association, global demand for cruising reached an estimated 25.8 million passengers in 2017 and is expected to increase further in 2018 to reach an estimated 27.2 million passengers[8]. A total of 48 ocean cruise ships have been ordered for delivery in the 2017-2019 period and a further 32 in 2020-2026[9].

A factor that is expected to increase the number of cruise ships visiting Indian Ocean ports is that piracy in the region has dropped to an all-time low; the last large commercial vessel to be hijacked was in May 2012. In 2011, at the peak of piracy off Somalia, there were 237 piracy incidents reported, 28 vessels were hijacked and over 700 seafarers were held hostage[10].

Other issues in the international environment that may have an impact on the tourism sector are summarized in Table 3.2.

[7] World Bank (2018).
[8] Cruise Lines International Association (2017).
[9] Cruise Lines International Association (2016).
[10] Lloyds List (2015).

Table 3.2: Global issues affecting the tourism sector

Issue	Implication
Administrative barriers including outdated practices of visas and border controls impeding movement of travellers.	The private sector should engage with governments to highlight the economic case for travel facilitation, including the increased use of digital passports and visas.
Perceptions of instability including geopolitical tensions; the growing terrorism threat from ISIS; and the risk of pandemics, as exemplified by the Ebola outbreak.	Implement technological advances and innovative processes that can increase both the efficiency and security of travel.
	Consider how to implement improvements in early warning systems, risk profiling and scenario planning, visa systems, data sharing and passenger profiling at airports.
	Generate the necessary levels of collaboration among international institutions, governments and the private sector to promote greater information and data-sharing across national borders.
Increasing difficulties in attracting top talent, both for technical and managerial positions.	Closer collaboration between the public and private sector to update university and training programmes to ensure they keep up with market needs and technological advancements.
Changes in the composition of tourist demand: millennials, new middle classes from emerging countries, senior travellers, and intergenerational travel.	Understand and cater product offerings and communications strategy to the needs of new travellers.
	Increase focus on source markets.
Increasing attention to reduce environment footprint.	Reduce oil dependency by improving aircraft and airport operations, aircraft design and material use and considering alternative sources of energy.
	Contribute to preservation of cultural and world heritage sites.
	Tourism facilities should reduce waste and water usage.
	Implement better tools to measure environment footprint.
Investments in infrastructure increasingly lag behind industry growth.	Dialogue between the public and private sectors, including airlines and airports, to ensure an integrated infrastructure strategy and alignment on issues such as investment, regulation, sustainability, security and safety.
Visitors are demanding more individual and authentic experiences.	The tourism sector has to develop skills to monitor market development in a timely manner.
	Businesses and tourism authorities need to rethink how to deliver services and approach marketing and promotion by embracing social media platforms and online travel tools.
Visitors are relying more heavily on technology including social media platforms to buy, plan and enhance their trips.	Tourism authorities should enable digital and self-service access to tourist information.
	Governments should facilitate local Internet access at reasonable cost, including widespread Wi-Fi access.
Consumer peer-to-peer rental market (e.g., Airbnb) allowing people to let out their property.	Governments need to redefine regulatory frameworks to reflect new technology and innovations.
Ordinary people offering ad hoc taxi services.	
Increased pressure on tourism budget.	Implement new financing models and partnerships.
	Encourage higher-level inter-ministerial cooperation and industry participation, including in marketing activities.
	Increase scrutiny of the activities of National Tourism Organisations through regular monitoring of policies and plans and rationalize policy delivery functions and programmes.
	Recognize the importance of domestic tourism as a stable source of revenue and in addressing seasonality.
	Explore the feasibility for the increased use of tourism-related taxes, fees and charges.
Tourism policies are becoming more complex, with a wider range of policies influencing, and influenced by, tourism.	Increase focus on competitiveness, value for money, and sustainable growth.
	Ensure that tourism policies are more country-specific, more dynamic, and take a longer-term view.
	Reform tourism governance to better address complex inter-ministerial challenges to enable the adoption of internationally recognized tourism standards, develop labour skills, remove bottlenecks and introduce necessary policy initiatives.

Sources: Analysis by Valsen Consulting based on World Economic Forum (2015), World Economic Forum (2017) and Organization Economic Co-operation and Development (2014).

3.2 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 (see Section 8 for more details). In particular, the sustainable development goals (see Box 3.1) 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 held in Samoa in September 2014 (see Box 3.2) are pertinent to this exercise.

BOX 3.1 RELEVANT SUSTAINABLE DEVELOPMENT GOALS

In September 2015, the United Nations adopted the Sustainable Development Goals (SDGs) to replace the Millennium Development Goals. There are 17 SDGs with 169 "associated targets". The SDGs and targets that are relevant to the present plan are summarized below.

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Target 8.9: By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products

Goal 12: Ensure sustainable consumption and production patterns

Target 12.b: Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products

Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Target 14.7: By 2030, increase the economic benefits to Small Island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism

Source: United Nations (n.d.).

Sustainable Development Goals 8 and 12 speak to sustainable tourism, while target 14.7 of goal 14 focuses on the blue economy. The outcome statement of the Samoa conference has a whole section on sustainable tourism which is congruent with national development frameworks in Seychelles discussed in Section 8.

The Samoa outcome statement (see Box 3.2) is in line with the 2014 *Nassau Declaration on Tourism as a Key Sector for Development in Island States*[11]. Some of the recommendations made by the Declaration are as follows:

- Engage a wide range of stakeholders in the development of sustainable tourism strategies and action plans for Small Island Developing States (SIDS) and strengthen their capacity to implement them.
- Generate new investment and business opportunities in the tourism sector, which reflect the need to maximise the contribution of tourism to island economies and minimise financial leakages from them.
- Recognise the importance to the competitiveness of SIDS of strengthening air connections from existing and emerging markets, while also addressing the need to minimise emissions from air travel.
- Improve the frequency, affordability and convenience of inter-island transport.
- Strengthen the coordination of tourism policies and actions within groups of SIDS, to gain economies of scale in tourism management, share information and knowledge, and, as integrated regional destinations, achieve a higher profile in the marketplace.

[11] United Nations World Tourism Organization (2014).

- Increase the number of tourism businesses and destinations within SIDS that meet and exceed international standards and best practice in the management of energy, water and waste and the conservation of biodiversity.

- Improve the quality of all aspects of the visitor experience in SIDS, including the provision of innovative ways for visitors to appreciate and relate to the special natural and cultural heritage of islands.

- Invest in skills and new technology to enable SIDS to benefit from the latest techniques for communicating with markets and directly with visitors, before, during and after their visit.

BOX 3.2 THE SMALL ISLAND DEVELOPING STATES ACCELERATED MODALITIES OF ACTION PATHWAY

The Third International Conference on Small Island Development States held in September 2014 in Samoa called for actions to promote sustainable tourism. The relevant sections of the outcome statement are shown below.

Sustainable tourism

30. Recognizing that sustainable tourism represents an important driver of sustainable economic growth and decent job creation, we strongly support small island developing States in taking the following actions.

(a) Developing and implementing policies that promote responsive, responsible, resilient and sustainable tourism.

(b) Diversifying sustainable tourism through products and services, including large-scale tourism projects with positive economic, social and environmental impacts and the development of ecotourism, agritourism and cultural tourism.

(c) Promoting policies that allow local communities to gain optimum benefits from tourism while allowing them to determine the extent and nature of their participation.

(d) Designing and implementing participatory measures to enhance employment opportunities … while conserving their natural, built and cultural heritage, especially ecosystems and biodiversity.

(e) Establishing and maintaining, where necessary, the governance and management structures for sustainable tourism and human settlements that bring together responsibilities and expertise in the areas of tourism, environment, health, disaster risk reduction, culture, land and housing, transportation, security and immigration, planning and development, and enabling a meaningful partnership approach among the public and private sectors and local communities.

Culture and sport

81(d) [W]e strongly support the efforts of small island developing States to develop cultural and creative industries, including tourism that capitalize on their rich heritage of and have a role to play in sustainable and inclusive growth.

Source: United Nations (2014a).

3.3 Regional tourism frameworks

There are several regional integration initiatives that address cooperation on tourism. This section discusses the work of the Southern African Development Community, the Vanilla Islands Organization, and Port Management Associations of Eastern and Southern Africa and of the Indian Ocean Islands.

In 1998, S the Southern African Development Community adopted the Protocol on the Development of Tourism[12]. The Protocol established tourism as a priority for Southern Africa and sets out the Community's intention to use it as a vehicle for sustainable development. It aims to (a) optimize resource usage and increase competitive advantage of the region through cooperation; (b) involve small and micro-enterprises, local communities, women and youth in tourism; (c) contribute to job creation and skills development; (d) create a favourable investment climate for tourism

[12] Southern African Development Community (1998).

development; (e) improve the quality, competitiveness and standards of service of the tourism industry, and standards of safety and security for tourists in the region; and (f) facilitate travel through easing of travel and visa restrictions. The protocol also established the Regional Tourism Organization of Southern Africa to market the region as a collective tourism destination.

The Vanilla Islands Organization was founded in August 2010 as a grouping of Comoros, Madagascar, the Maldives, Mauritius, Mayotte, La Reunion, and Seychelles under the aegis of the Indian Ocean Commission. The aim of the regional cooperation initiative is to increase connectivity to and within the island nations, create new multi-destination products, and attract more visitors to the Indian Ocean through joint marketing of the region.

The Seychelles Ports Authority is a member of the Port Management Association of Eastern and Southern Africa that has as its objective to strengthen relations among member ports with a view to promoting regional cooperation. It is also a member of the Ports Association of Indian Ocean Islands set up in 2007 to promote the ports of the island nations of south-west Indian Ocean collectively and offer liners consistent, complementary and different cruise calls opportunities. The members of the association are port authorities of Mauritius, Reunion, Madagascar, and Mayotte. The association was instrumental in restoring confidence for cruise ship owners to consider returning to the Indian Ocean in response to the ongoing containment of pirate attacks in the region. In particular, member ports applied significant pressure on the shipping industry to reduce the extent of the high-risk area in the northwest Indian Ocean to something more reflective of the current security situation.

4 Socio-economic importance of the tourism sector

Like in most small island economies, the tourism sector in Seychelles contributes significantly to the domestic economy. 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.

4.1 Visitor arrivals

The number of visitors to Seychelles more than doubled in the period from 2000 to 2017 to reach just under 350 thousand in 2017 from just over 130 thousand in 2000 (see discussion in Section 5 for more details). This was 15 per cent higher than in 2016. Following significant falls in the 2002-2004 (decline of 8.7 per cent) and 2007-2009 (decline of 2.3 per cent) periods respectively, the number of visitors rose sharply over the periods 2005-2007 (average annual increase of 11.2 per cent), 2010-2013 (average annual increase of 11.5 per cent) and 2014-2017 (average annual increase of 14.6 per cent).

4.2 Tourism earnings

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 4.1a). Gross total earnings recovered in 2016 and 2017, rising by 5.3 percent and 17 percent respectively, to reach US$414 million in 2016 and US$483 million in 2017. The average tourism earnings per visitor gradually decreased from US$1, 968 in 2010, to reach US$1, 366 in 2016 before recovering to US$1, 381 in 2017 (Chart 4.1b). In comparison, in 2016 the average tourism earnings per visitor for the Maldives and Mauritius were US$2, 123 and US$1, 233 respectively (see Table 4.1). If earnings per visitor were maintained at US1, 968 achieved in 2010, total gross earnings would have been an additional US$151 million in 2015, US$183 million in 2016 and US$205 million in 2017 (Chart 4.1b).

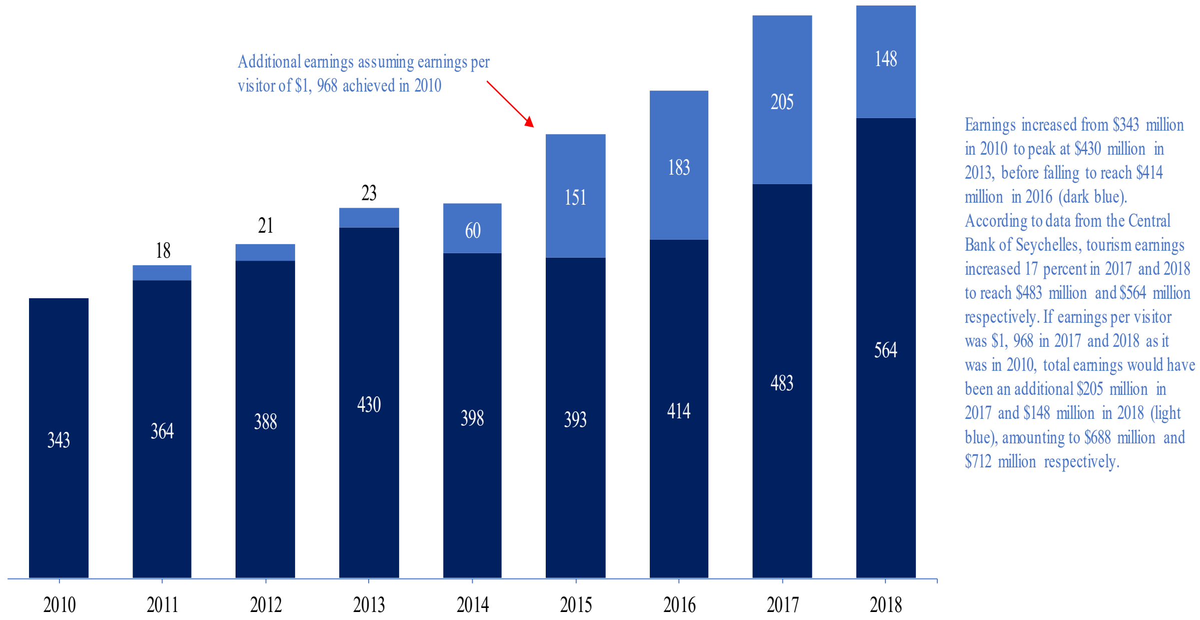
Table 4.1: Selected indicators for small islands states in the Caribbean and the Indian Ocean, 2016

Country	Land area (km²)	Population ('000) 1	Tourists ('000) 2	Tourists per capita 3=2/1	Receipts (US$ million) 4	Receipts (US$ per tourist) 5=4/2
Caribbean						
Antigua and Barbuda	442	102	265	3	332	1,253
Aruba	180	104	1,102	11	1,631	1,480
Barbados	431	286	625	2	1,038	1,661
Saint Kitts and Nevis	261	55	114	2	141	1,237
Saint Lucia	539	179	348	2	404	1,161
Saint Vincent & Grenadines	389	110	79	1	101	1,278
Indian Ocean						
Maldives	300	436	1,286	3	2,730	2,123
Mauritius	1,969	1,265	1,275	1	1,572	1,233
Reunion	2, 513	877	458	1	360	786
Seychelles	457	95	303	3	414	1,366

Source: Analysis by Valsen Consulting based on United Nations (2017) and World Tourism Organization (2017).

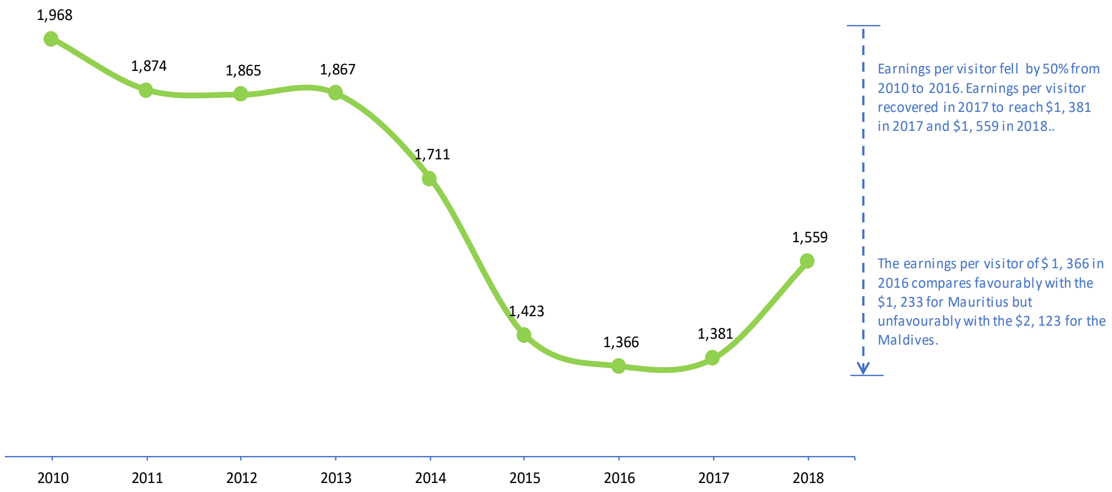
In 2008, it was estimated that leakage represented just over 50 per cent of gross foreign exchange earnings of the tourism industry[13]. In addition, only 5-15 per cent of foreign direct investment was actually retained in the country as most construction materials and labour are imported. In 2009, almost half of tourist spending went to the large hotels, which are mostly foreign owned[14].

Chart 4.1 (a): Tourism earnings, 2010-2018 (US$ millions, US$)



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

Chart 4.1 (b): 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.

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[13] Seychelles Tourism Board and Commonwealth Secretariat (2010).
[14] *Ibid*, page 21.

A report prepared in 2010 to assist in increasing Seychellois participation in the tourism industry, noted that the majority of agricultural products used by hotels, resorts and restaurants are wholly or partially imported[15]. However, whereas hoteliers typically indicated their willingness to increase the amount of local products that they purchase, the challenges of consistency of supply, quality control and pricing need to be addressed. The report proposed interventions in three areas. In 2016, the World Bank Group undertook a study with the aim of assisting Government to identify the factors for increased competitiveness of locally supplied products and services to meet the demands of tourism establishments. The proposed interventions of the two studies are summarized in Chart 4.2. Box 4.1 highlights how one hotel on St. Kitts is trying to increase the benefits from tourism going to the local community.

Furthermore, there is currently no mechanism to measure the amount of foreign exchange leakage from the tourism industry. Given the number of large international hotels in Seychelles, it is important to develop the capacity to measure and monitor tourism-related foreign exchange leakages.

Chart 4.2: Interventions to increase Seychellois participation in the tourism industry

Interventions	Increased supply of agricultural and fishery produce to the tourism sector	Create new specialty courses at the Seychelles Tourism Academy	Engineering-related training for mature students	Additional support to micro- and small-businesses in tourism
Objectives	• Encourage visitors to seek local produce • Encourage hotels/ restaurant to use local produce • Facilitate communication between local agricultural producers and tourism industry	Provide higher-level training to enable Seychellois to fill higher-end, more specialized positions	Provide skills training in built environment and engineering fields for maintenance personnel	Add impetus to that already generated by the Seychelles Enterprise Promotion Agency and Tourism Department to improve service standards, increase visibility of Seychellois tourism-related enterprises and provide design support to artisans
Actions	▪ Link agricultural suppliers and tourism industry buyers ▪ 'Soutiens aux Seychelles' logo for hotels/ restaurants that commit to purchasing local produce ▪ 'Seychelles Supreme' culinary programme to encourage the use of locally produced ingredients, linked with existing Tourism Academy awards ▪ Encourage farms to become tourism attraction	The Seychelles Tourism Academy should introduce new two-year advanced in: ▪ Events management ▪ Spa management; and ▪ Sommelier skills.	Hotels working with the Seychelles Institute of Technology to establish in-service engineering-related courses	▪ The Seychelles Tourism Board should leverage its Seychelles Secrets quality assurance programme to strengthen support to smaller tourism establishments to improve service standards ▪ Improve craft display, packaging and labelling, and provide design support to artisans ▪ Undertake market research to ascertain demand for locally-made products ▪ Traini stall holders in food hygiene ▪ Produce pamphlet highlighting small businesses for distribution to visitors upon arrival ▪ Increase the visibility of businesses on Praslin

Source: Analysis by Valsen Consulting based on Seychelles Tourism Board and Commonwealth Secretariat (2010) and World Bank Group (2018).

BOX 4.1 MAXIMISING THE BENEFITS FROM TOURISM IN ST KITTS

The grey wood-shingled guesthouses, tucked into the slopes of Mount Liamuiga, are as five-star as they come: pools sit beside private wooden decks, and outdoor clawfoot bathtubs overlook the surrounding jungle and ocean. But beyond the luxury, these cottages are also a veil for a pioneering project aimed at empowering a community that has experienced centuries of slavery and the collapse of its dominant source of industry.

In 2005, St Kitts' sugar-cane production industry shut down due to the decline in global sugar prices. Jobs were hard to come by; new skills difficult to acquire. In December 2014, Valmiki Kempadoo opened Belle Mont Farm with the aim to benefit the community financially without destroying its culture.

Hoteliers often outsource the labour to build their giant resorts, and encourage guests to book all-inclusive holidays – meaning the money coming in rarely trickles down to locals. All the completed cottages are made from local materials, and were constructed by men from the community – stone masons were brought in to teach them how to do it. The fruit and veg served are grown on the farm, the fish is purchased from local fisherman and the eggs from local farmers.

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[15] *Ibid*, pages 30-31.

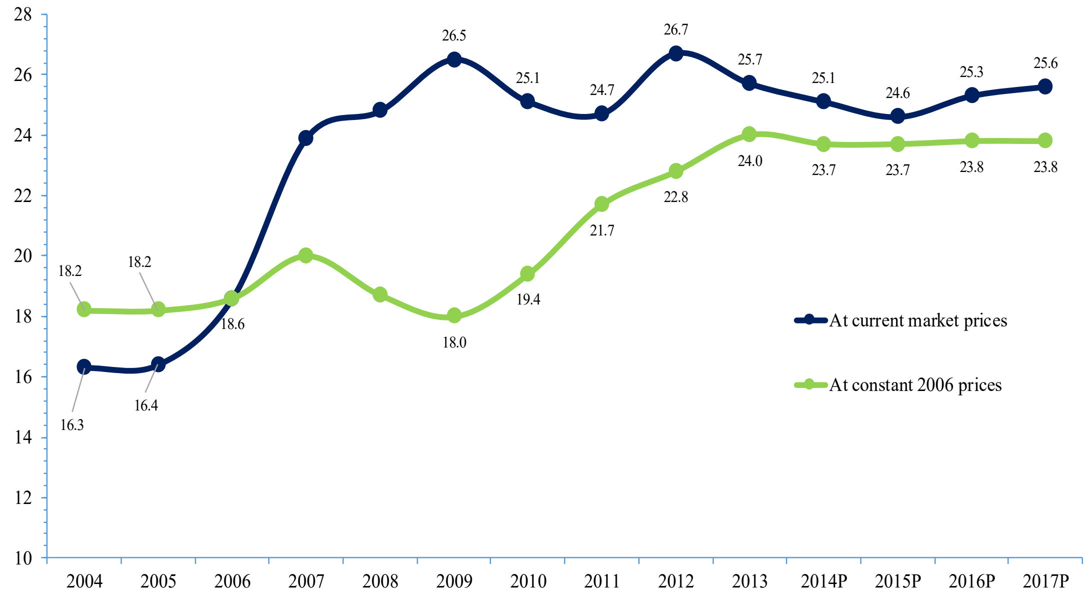
Now that they've cracked the hotel, they're onto stage two – helping local artisans. Mass tourism has ruined the artisan scene in St Kitts, says Kempadoo: "It has resulted in the proliferation of 'Made in China, stamped in St Kitts' goods at the expense of quality, locally made things." In 2018, Belle Mont Farm will unveil a new "village square" filled with tents and stalls set up every Saturday showcasing various disciplines: jewellery, print and candle-making, essential oil and soap-making, and a chocolatier. "The concept is to address the lack of genuine handmade gifts and articles here, while building skill sets within the local population," says Kempadoo. Apprentices – who get scholarships to train – will learn from master artisans, and eventually be encouraged to set up businesses of their own.

Source: Independent (9 January 2018).

4.3 Contribution to output

Data from the National Bureau of Statistics shows that the direct contribution of tourism to gross domestic product (GDP) at current market prices increased steadily from 16.3 per cent in 2004 to 26.5 per cent in 2009, before fluctuating around a declining trend reaching 24.6 per cent in 2015 (Chart 4.3). The contribution of tourism to GDP at 2006 constant prices, which strips out the effect of changes in price levels, increased from 18.2 per cent in 2004 to a peak of 24 per cent in 2013, before falling slightly in the period 2014 to 2016.

Chart 4.3: 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).

Accommodation and food service activities accounted for an estimated 49 per cent of total tourism value-added in 2016, down from 57 per cent in 2010[16]. The share of transportation and storage in tourism value-added increased from 20 per cent in 2010 to an estimated 27 percent in 2015 and 28 per cent in 2016. Administrative and support services accounted for an estimated 10 per cent of total tourism value-added in 2016, while "wholesale and retail trade" and "arts, entertainment and recreation" together contributed 2 per cent of tourism value added. Taxes on products contributed between 11 to 13 per cent of tourism value-added for the period from 2010 to 2016.

[16] Data from the Annual National Accounts Statistics produced by the National Bureau of Statistics.

Table 4.2: The dependency of Seychelles on the tourism sector, 2016 -2028 (%)

	Estimates for		Growth forecasts (% per year)	
	2016	2017	2018	2018-2028
Direct contribution to GDP (% of total GDP)	22.0	26.4	2.2	2.9
Total contribution to GDP (% of total GDP)	58.1	65.3	3.2	2.9
Direct employment (% of total employment)	26.2	26.5	-3.6	0.5
Total employment (% of total employment)	63.6	66.0	-2.6	0.3
Capital investment (% of total capital investment)	29.0	29.3	3.5	3.3

Source: World Trade & Tourism Council (2017a) and World Trade & Tourism Council (2018a) | GDP = Gross domestic product.

The National Bureau of Statistics does not currently estimate the total contribution of the tourism sector to GDP, which in addition to the direct contribution includes indirect and induced contributions (see Chart 2.1). The World Travel & Tourism Council estimates that the total contribution of tourism to GDP in Seychelles was 58 and 65 per cent in 2016 and 2017 respectively (Table 4.2). The Council estimates that the total contribution of tourism to GDP will grow by 2.2 percent in 2018, and expects annual growth of 2.9 percent over the period 2018-2028.

4.4 Government revenue

The tourism sector is an important source of revenue to the Government of Seychelles as shown in Table 4.3. The direct contribution of the sector amounted to 23 per cent of total domestic taxes in 2010. This figure rose to 36 per cent in 2012 before falling to reach 32 per cent in 2017.

The share of the sector to receipts from the Tourism Marketing Tax – a tax on the turnover of tourism that was introduced under the Tourism Marketing Tax Act, 2013[17] - was 70 per cent in 2014 and 55 per cent in 2017.

Table 4.3: Contribution of tourism to domestic taxes, 2010-2017 (% of total)

	2010	2011	2012	2013	2014	2015	2016	2017
Business tax	18	14	13	16	16	14	20	15
Corporate social responsibility tax	..	..	..	35	24	22	25	25
Goods and services tax arrears	49	70	72	58	24	..	..	..
Income tax	27	30	28	26	25	23	25	25
Pay as you go instalment	5	10	12	13	8	9	11	8
Presumptive tax	..	..	..	..	7	0.2	16	16
Tourism marketing tax	..	..	..	62	70	52	64	55
Value added tax	..	..	..	56	52	53	59	59
Total	**23**	**31**	**36**	**31**	**29**	**31**	**34**	**32**

Source: Seychelles Revenue Commission | Tourism also contributes to other taxes including excise and trades taxes.

In 2016 and 2017, the sector contributed 59 per cent of receipts from Value Added Tax, which replaced the Goods and Services Tax in 2013, and 25 per cent of Income Tax receipts. The total Business Tax paid by the tourism sector amounted to 20 percent and 15 per cent in 2016 and 2017 respectively.

Also introduced in 2013 was the Corporate Responsibility Tax to finance community and environmental projects. It is payable at 0.5 per cent of monthly turnover and applies to businesses with a turnover of at least one million Seychelles rupees. In 2016 and 2017, tourism contributed 25 per cent of the tax collected, down from 35 per cent in

[17] Government of Seychelles (December 2013). For the purpose of the Act, tourism operators include the following: (a) hotels, guest houses, self-catering establishments; (b) cafes or restaurants; (c) passenger air transport services; (d) domestic ferry services for transport of freight or passengers; (e) boat or yacht charterers (including liveaboard); (f) car hire operators; (g) underwater diver operators or dive centres; (h) water sports operators; (i) travel agents; (j) tour operators; (k) tour and/or tourist guides; and (l) equestrian operators.

2013. The tourism sector paid 8 per cent and 16 per cent in Pay As You Go instalments and Presumptive Tax[18] respectively in 2017.

4.5 Employment and other contributions

Given its labour-intensive nature, the tourism industry 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.

According to the National Bureau of Statistics, average direct employment in tourism-related industries amounted to 11, 566 and 11, 714 persons in 2015 and 2016 respectively, of which 75 per cent were employed in the accommodation and food service industry[19]. Direct employment in tourism-related industries represented 24 per cent and 25 per cent of formal employment in 2015 and 2016 respectively. The Bureau estimates that 12, 084 persons were directly employed in tourism-related activities in the third quarter of 2017, representing 25 per cent of formal employment.

The World Travel & Tourism Council estimates that 66 per cent of Seychellois workers depend on the sector for their employment either directly or indirectly in 2017 (Table 4.2). In the same year, the sector also accounted for 29 per cent of total capital investment. These estimates are expected to rise by 0.5 per cent and 3.3 per cent per year respectively over the period from 2018 to 2028.

4.6 Comparative performance

Table 4.1 compares Seychelles with similar islands in terms of land area and population in the Caribbean and the Indian Ocean. In terms of tourists per capita, Seychelles received on average three international tourists in 2016 for each Seychellois, the same as Antigua and Barbuda and the Maldives, but much lower than Aruba with 11. Mauritius, Reunion and Saint Vincent and the Grenadines received one international tourist per person in 2016. In the same year, Seychelles earned an average of US$1, 366 from each tourist, which was comparable to other similar small island economies, except for the Maldives, Barbados and Aruba with US$2, 123, US$1, 661 and US$1, 480 respectively.

Table 4.4 shows that in Seychelles the tourism sector contributes significantly to gross domestic product, employment and capital expenditure when compared to selected small island states. Seychelles is much more dependent on the tourism sector in relative terms than Mauritius and other similar small Caribbean island states. However, the tourism sector is much less important to the Seychelles economy compared with Aruba, and to a lesser extent the Maldives.

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[18] The Presumptive Tax was introduced in January 2013 for small businesses with an annual turnover that is below SCR 1 million, including sole traders, partnerships and companies not registered for Value Added Tax. Businesses paying the Presumptive Tax are not liable for Pay As You Go instalments, Business Tax, and Value Added Tax.
[19] National Bureau of Statistics (December 2017b).

Table 4.4: Importance of the tourism sector in selected small island states, 2017

Country	Contribution to GDP (%)		Contribution to employment (%)		Contribution to total capital investment (%)
	Direct	Total	Direct	Total	
Antigua and Barbuda	13.0	51.8	13.5	46.1	41.4
Aruba	28.1	86.5	30.1	87.0	31.7
Maldives	39.6	76.6	16.0	37.4	29.6
Mauritius	7.4	23.8	7.2	22.6	5.2
Saint Kitts and Nevis	6.6	26.8	6.5	25.6	16.7
Saint Lucia	15.0	41.8	26.4	50.8	24.7
Seychelles	26.4	65.3	26.5	66.0	29.3

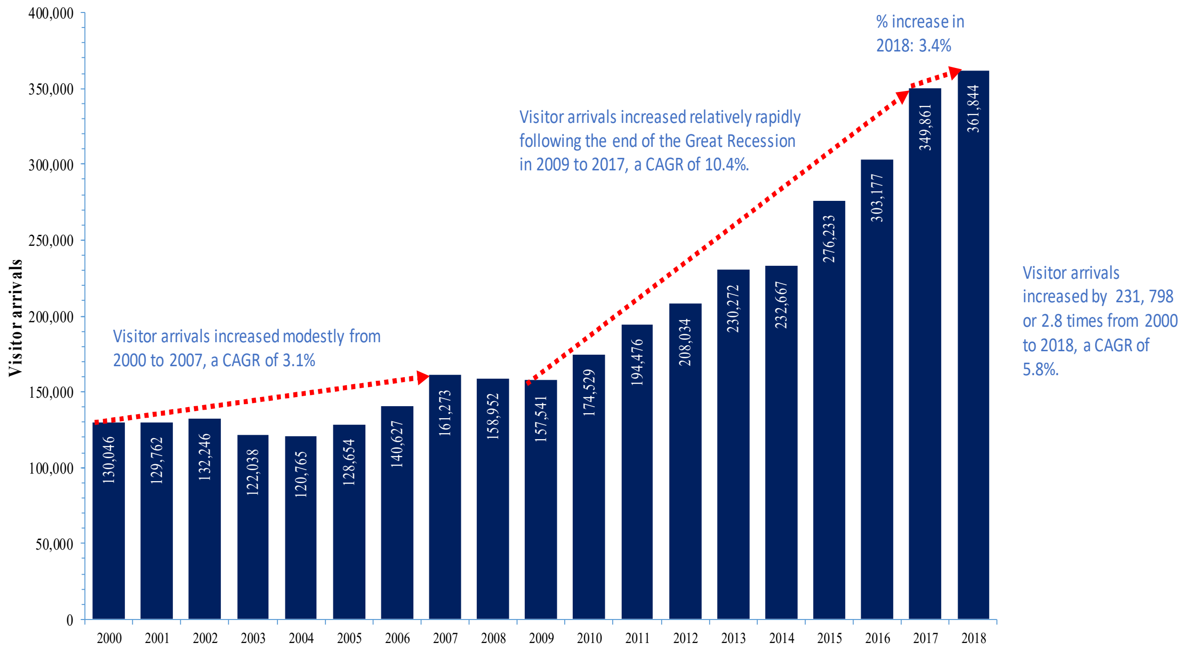
Sources: World Trade & Tourism Council (2018a) and World Trade & Tourism Council (2018b)| Darker shadings highlight values that are higher than those for Seychelles.

5 The profile of the tourism sector in Seychelles

5.1 Source of visitors

Visitor arrivals to Seychelles from 2000 to 2017 increased by 219, 815 or 2.7 times (Chart 5.1). Following a decrease of 2.3 per cent during the Great Recession of 2007-2009, visitor arrivals doubled from 2010 to 2017 to reach 349, 861 in 2017.

Chart 5.1 (a): 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.

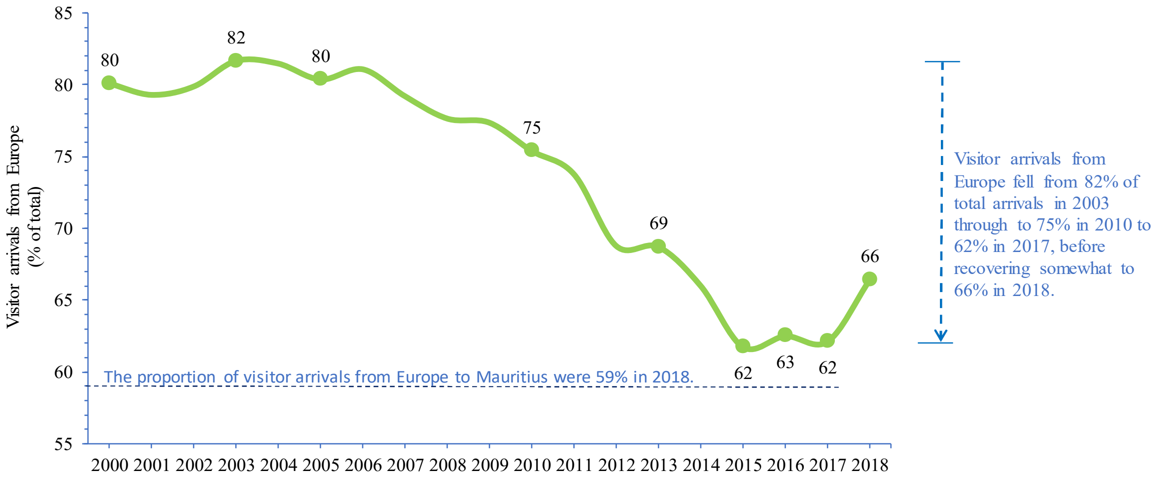
Seychelles remains highly dependent on Europe as a tourism market, even though this dependence is gradually being eroded. In 2017, 62 per cent of total visitor arrivals came from Europe, down from 80 per cent in 2000 and 2005. In comparison,the share of visitor arrivals to Mauritius from Europe averaged 58 per cent for 2016 and 2017.

Although the share of visitor arrivals from Europe fell 18 percentage points between 2000 and 2017, the number of visitors from Europe more than doubled in this period increasing from 103, 382 in 2005 to 217, 401 in 2017. The number of European visitors increased by 42 per cent between 2014 and 2017.

The main source of tourists to Seychelles in 2017 was Germany with 14.4 per cent of total visitor arrivals (Table 5.1), followed by France (11.8 per cent), Italy (6.8 per cent) and United Kingdom and Eire (6.3 per cent). Except for 2014 and 2017, France was the main source of tourists to Seychelles in the period from 2000 to 2017 accounting for 21.7 and 20.1 per cent of total tourists in 2000 and 2010 respectively. The main source of tourists to Mauritius in 2016 and 2017 was France accounting for just over 20 per cent of total visitor arrivals in 2017, followed by the United Kingdom and Reunion Island with 11 per cent.[20]

[20] *Ibid*.

Chart 5.1 (b): 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 Government of Mauritius (2018).

Table 5.1: Visitor arrivals by geographical regions for 2000-2017 (% of total)

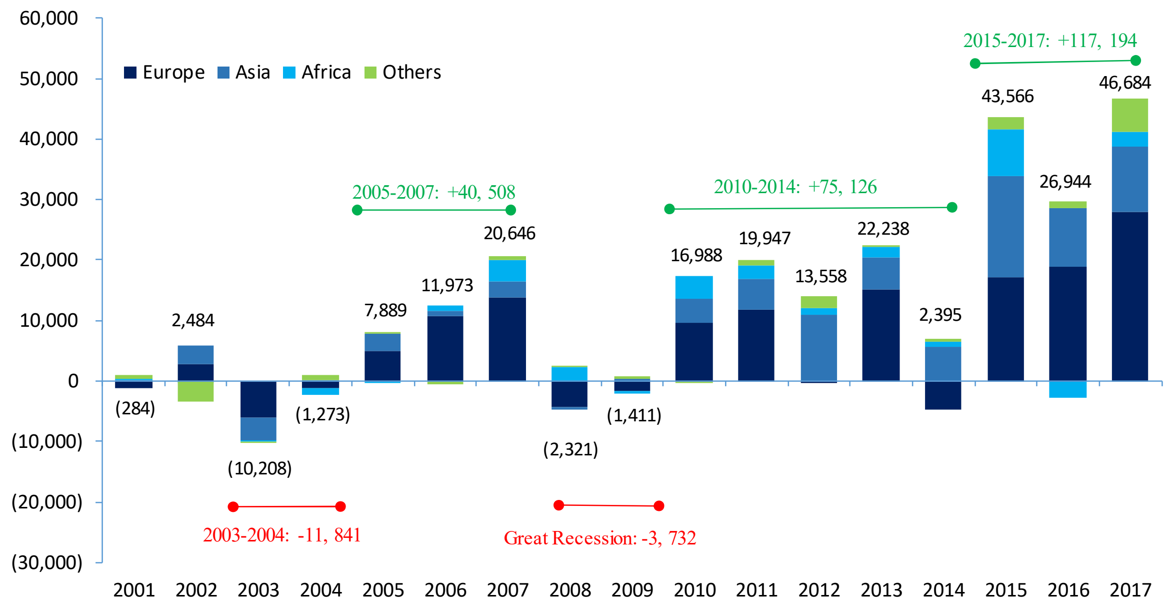
Source market	2000	2005	2010	2015	2016	2017	2000-2017 change in market share
	Contribution to total visitor arrivals for 2000-2017 (% of total)						
Europe	**80.1**	**80.4**	**75.4**	**61.8**	**62.5**	**62.1**	**-18.0**
France	21.7	21.4	20.1	13.5	14.2	11.8	-9.9
Italy	15.3	14.3	14.7	7.9	7.5	6.8	-8.5
Germany	13.6	13.2	12.2	13.0	13.0	14.4	+0.8
United Kingdom and Eire	12.7	13.1	7.1	6.0	6.2	6.3	-6.4
Russian Federation	1.3	2.7	5.1	4.4	3.8	3.8	+2.5
Switzerland	3.8	3.5	3.7	4.2	4.1	3.6	-0.2
Austria	1.5	1.9	2.0	2.1	2.1	2.5	+1.0
Czech Republic	0.5	0.7	0.7	0.9	0.9	1.0	+0.5
Poland	0.2	0.2	0.6	1.0	1.1	1.3	+1.1
Scandinavia*	3.3	1.8	1.8	2.0	2.0	2.7	-0.6
Spain	1.5	2.1	1.5	1.1	1.1	1.3	-0.2
Benelux§	2.3	2.1	2.4	1.9	2.1	2.1	-0.2
Africa	**10.6**	**9.8**	**12.8**	**13.0**	**10.9**	**10.2**	**-0.4**
South Africa	3.3	4.2	6.0	4.8	4.1	4.1	+0.8
Reunion	2.2	1.7	2.6	2.1	1.2	1.8	-0.4
Mauritius	2.4	2.0	2.1	2.1	0.7	1.1	-1.3
Asia	**4.1**	**6.2**	**8.9**	**21.4**	**22.8**	**22.8**	**+18.7**
China	0.4	0.4	0.6	5.0	4.8	3.4	+3.0
India	0.7	0.8	1.5	2.6	3.6	3.9	+3.2
United Arab Emirates	0.5	2.2	3.1	7.7	7.9	8.1	+7.6
Israel	0.2	0.2	0.4	1.0	1.3	1.7	+1.5
Qatar	0.0	0.3	0.6	0.4	0.6	1.1	+1.1
Turkey	0.1	0.3	0.3	0.2	0.4	0.9	+0.8
America	**4.8**	**3.0**	**2.3**	**3.1**	**3.1**	**4.1**	**-0.7**
United States	3.6	2.2	1.6	2.2	2.2	2.7	-0.9
Oceania	**0.2**	**0.7**	**0.6**	**0.7**	**0.6**	**0.7**	**+0.5**

Source: Analysis by Valsen Consulting based on data from National Bureau of Statistics| The top 10 markets are highlighted in blue. * = Denmark, Finland, Norway and Sweden. § = Belgium, Luxembourg and the Netherlands.

The fall in Europe's share of visitor arrivals between 2000 and 2017 was driven by significant declines for France (9.9 percentage points), Italy (8.5 percentage points) and the United Kingdom and Eire (6.4 percentage points) (Table 5.1). The number of arrivals from Germany almost trebled from 2005 to 2017 to reach over 50, 000 in 2017, thereby increasing its share by 1.2 per cent. Visitor arrivals from the Russian Federation as a percentage of the total were 3.8 per cent in 2016 and 2017 compared to 2.7 per cent in 2005 as a result of a trebling in numbers over the period.

The share of total visitor arrivals from Asia increased by 18.7 percentage points over the 2000-2017 period (Table 5.1). The United Arab Emirates (8.1 per cent) had the third highest share of visitors after Germany (14.4 per cent) and France (11.8 per cent) in 2017. Besides the United Arab Emirates which increased its share by 7.6 percentage points from 2000 to 2017, the share of visitors from China and India increased by 3.0 and 3.2 percentage points respectively over the same period.

Chart 5.2: Annual change in the number of visitor arrivals, 2001-2017



Source: Analysis by Valsen Consulting based on data from the National Bureau of Statistics | Figures in brackets represent negative values.

There have been three zones of expansion and two zones of decline in the number of visitor arrivals over the period from 2000 to 2017 (Chart 5.2)[21]. Increases in arrivals from Europe explained 72 per cent, 50 per cent and 45 percent of the increase in total visitor arrivals during the periods from 2005 to 2007, 2010 to 2013 and 2014 to 2017, respectively. During the decline in visitor arrivals from 2003 to 2004, Europe accounted for 63 per cent of the decline in total visitor arrivals of just under 11, 500, while during the 2008-2009 period visitor arrivals from Europe fell by more than the total decline in visitor arrivals – 5, 845 compared to 3,732.

Increases in visitor numbers from Africa and Asia helped to limit the declines in total visitors during the Great Recession from 2008 to 2009, and contributed to the growth in visitor arrivals despite reductions in European visitors in 2014 (Chart 5.2). Over the period from 2010 to 2017, visitors from Asia increased by almost 7 times, while those from Africa and Europe increased by 60 per cent and 65 per cent respectively.

[21] Include only periods with at least two consecutive years of expansion and decline.

The diversification of visitor arrivals away from Europe and towards Asia is welcomed as it reduces the dependency of Seychelles on a small number of interlinked markets. However, whether 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 (see section 5.2 below) and average earnings per visitor.

Charts 4.1 and 5.2 suggest that the fall in tourism earnings per visitor coincided with the diversification away from traditional European source markets. Although this may suggest that the different spending patterns of new and emerging markets explain the lower average spending[22], additional analysis is required to arrive at a definitive conclusion.

Chart 5.3 shows the trend of visitor arrivals for the main source markets for Seychelles for the period from 2000 to 2017. The highlights of these trends are summarised below.

France. Visitor arrivals have fluctuated around a rising trend. Arrivals increased by only 4.4 per cent from 2011 to 2017, while the increase for total arrivals was 80 per cent during that period.

Italy. Arrivals fell 24 per cent during the period 2009-2014 but subsequently recovered to increase by 19 per cent during the period 2014-2017.

Germany. Visitor arrivals almost trebled to become the top market in 2017. Arrivals increased 2.6 times in the period from 2009 to 2017.

United Kingdom and Eire. Visitor arrivals decreased 42 per cent fall over the 2002-2012 period. On the positive side, the number of visitors increased by 95 per cent in the period from 2012 to 2017.

Russian Federation. Visitor arrivals in 2014 was 4.3 times that recoded in 2005. However, arrivals decreased by 20 per cent between 2014 and 2016 as a result of weak economic growth and depreciation of the domestic currency. This led to its market share falling to 4.4 per cent in 2015 and 3.8 in 2016 and 2017 (Table 5.1). Arrivals increased 15 per cent in 2017 compared with 2016. The Maldives also experienced sharp falls in the number of Russian visitors during 2014 (by 13 per cent) and 2015 (by 33 per cent).[23]

Switzerland. Visitor arrivals more than doubled from 2008 to 2017.

Austria. Visitor arrivals trebled from 2008 to 2017, helped by Austrian Airlines flights to Seychelles from October 2017.

Other Europe. Visitor arrivals doubled over the period 2004-2013 and again over the period 2014-2017. Important markets in this category in 2017 were Scandinavian countries (9, 293 arrivals), Benelux countries (7, 285 arrivals), Poland (4, 489 arrivals) and Spain (4, 424 arrivals).

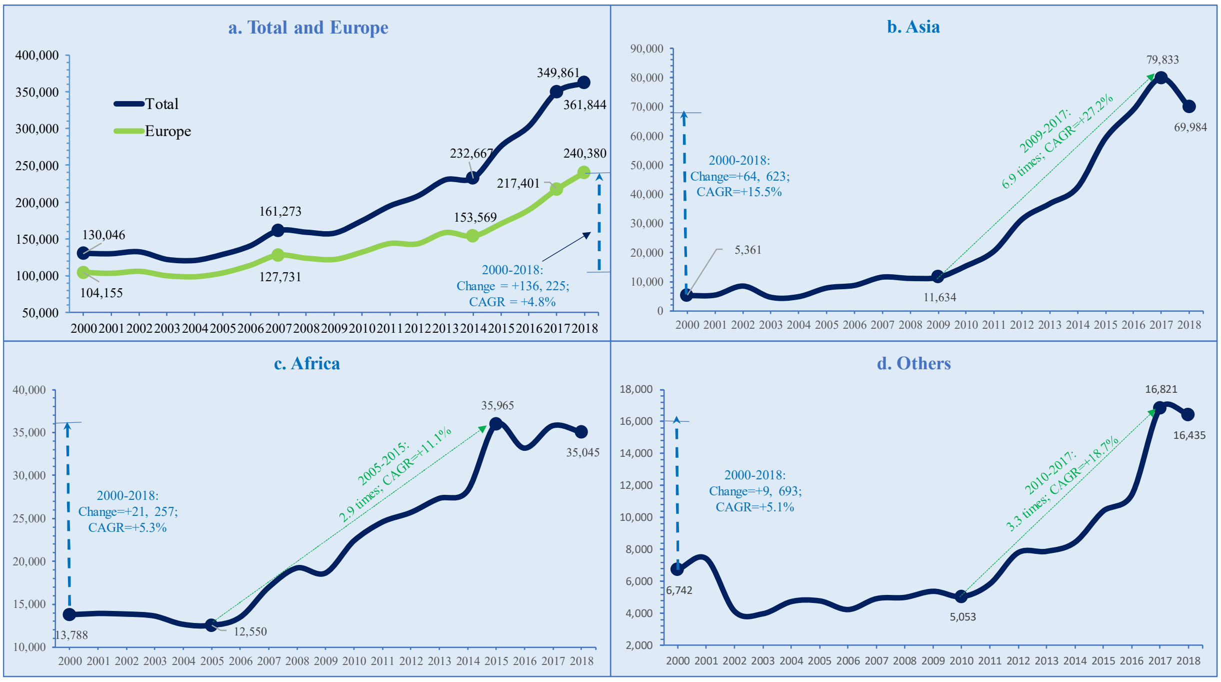
United Kingdom and Eire. Visitor arrivals decreased 42 per cent fall over the 2002-2012 period. On the positive side, the number of visitors increased by 95 per cent in the period from 2012 to 2017.

Russian Federation. Visitor arrivals in 2014 was 4.3 times that recoded in 2005. However, arrivals decreased by 20 per cent between 2014 and 2016 as a result of weak economic growth and depreciation of the domestic currency. This led to its market share falling to 4.4 per cent in 2015 and 3.8 in 2016 and 2017 (Table 5.1). Arrivals increased 15 per cent in 2017 compared with 2016. The Maldives also experienced sharp falls in the number of Russian visitors during 2014 (by 13 per cent) and 2015 (by 33 per cent).[24]

Switzerland. Visitor arrivals more than doubled from 2008 to 2017.

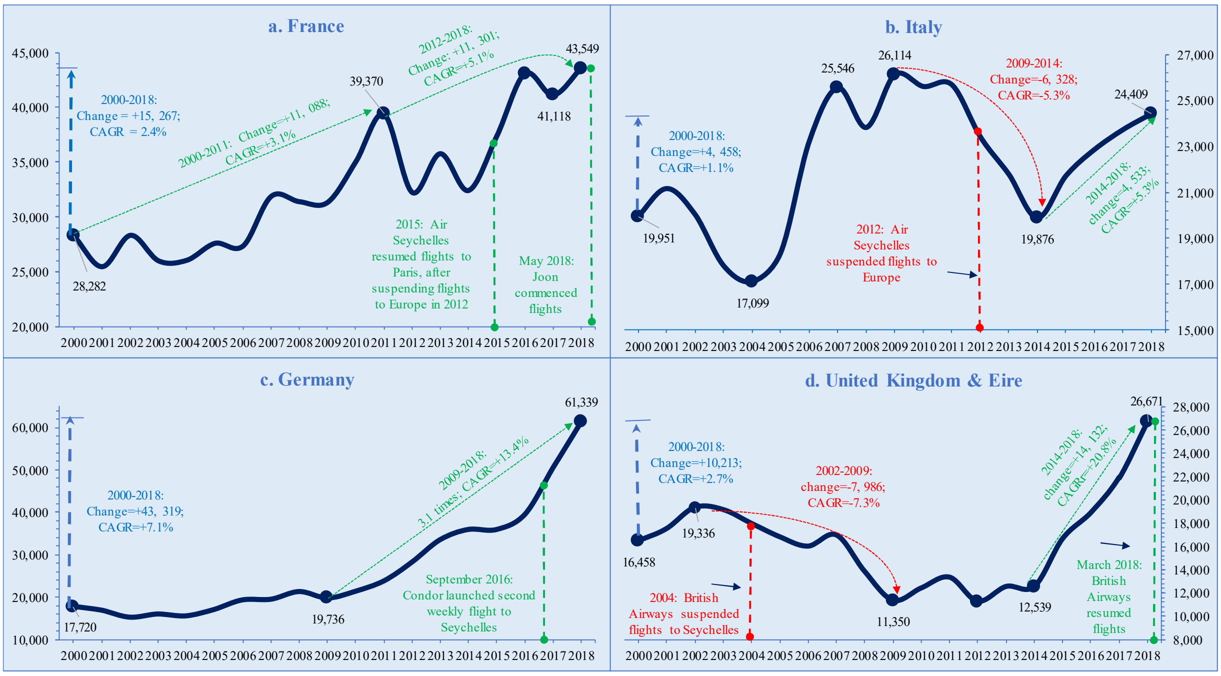
[22] Central Bank of Seychelles (2014).
[23] Government of the Maldives (2017).
[24] Government of the Maldives (2017).

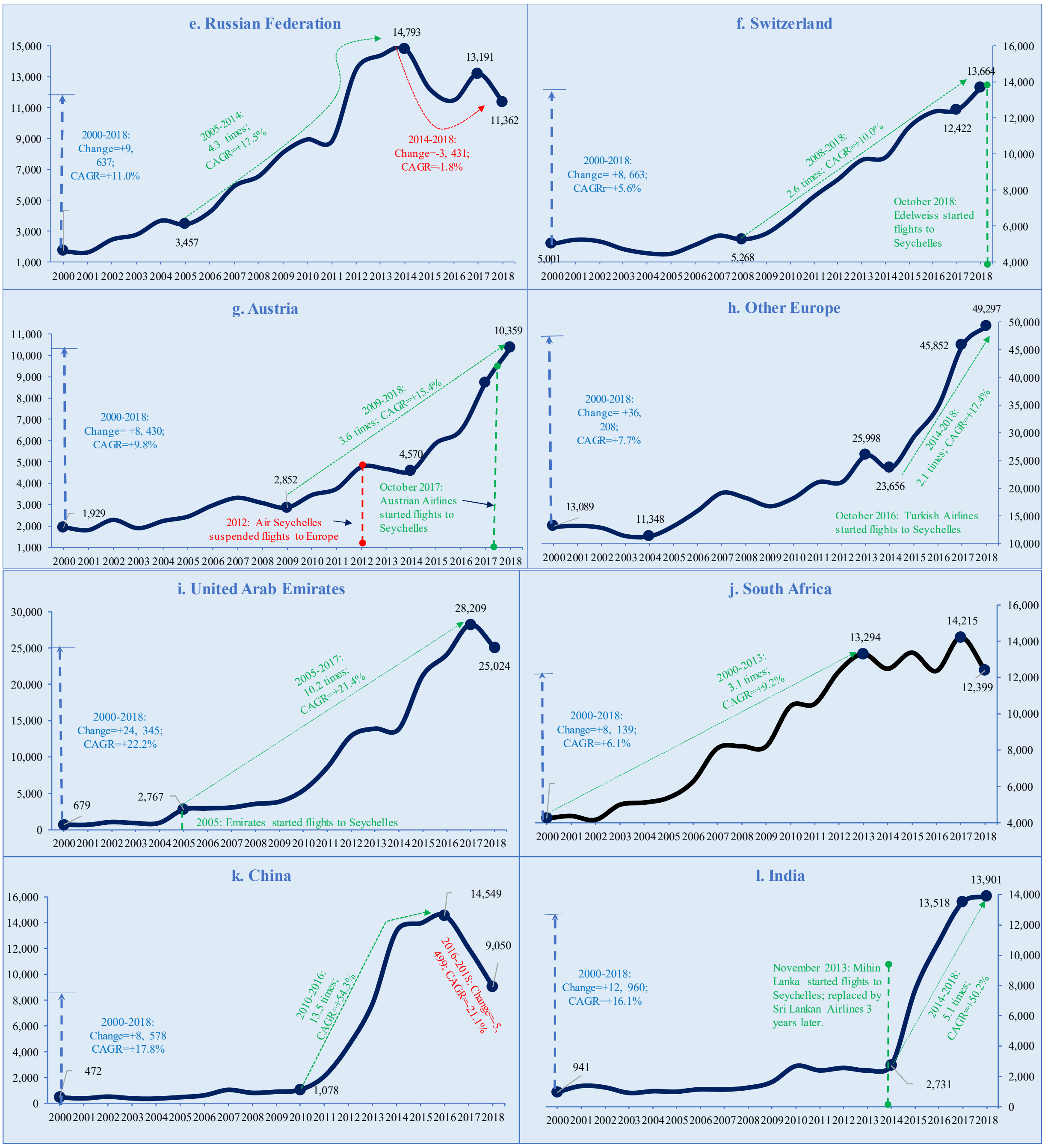
Chart 5.3 (a): Visitor arrivals from Europe, Asia, Africa and other continents, 2000-2018



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

Chart 5.3 (b): 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

Austria. Visitor arrivals trebled from 2008 to 2017, helped by Austrian Airlines flights to Seychelles from October 2017.

Other Europe. Visitor arrivals doubled over the period 2004-2013 and again over the period 2014-2017. Important markets in this category in 2017 were Scandinavian countries (9, 293 arrivals), Benelux countries (7, 285 arrivals), Poland (4, 489 arrivals) and Spain (4, 424 arrivals).

United Arab Emirates. Visitor arrivals increased 10-fold from 2005 and 2017 following the introduction of flights to Seychelles by Emirates in 2005.

South Africa. Arrivals trebled in the period 2000-2013. The pace of growth in arrivals slowed to 7 per cent for the period from 2013 to 2017.

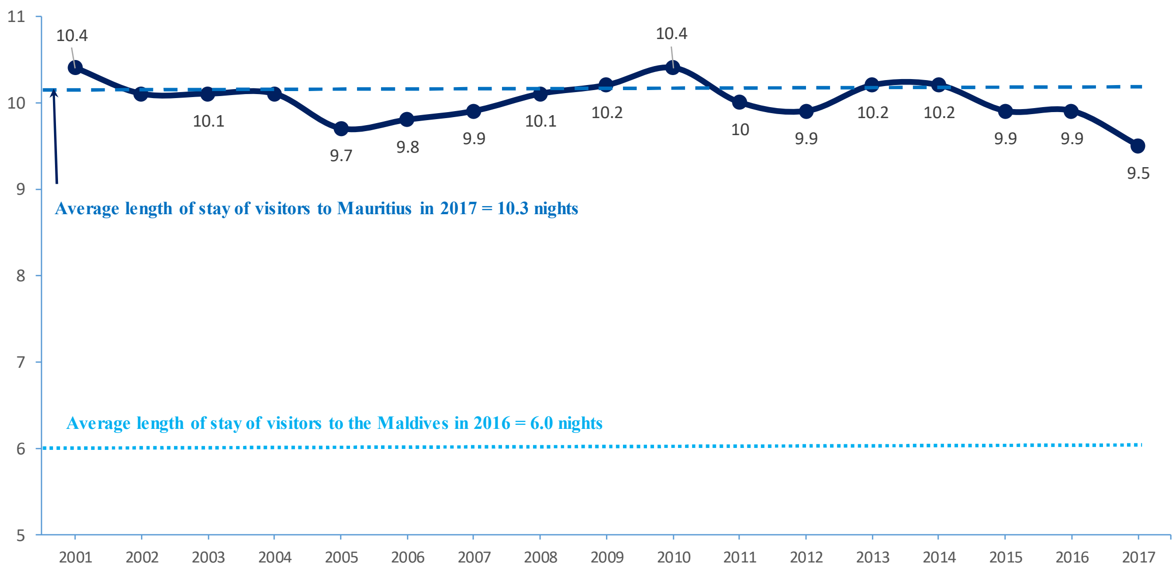
China. Arrivals increased 13.5 times from 2010 to 2016. Of concern is the fall in the share of Chinese visitors from 5.0 percent in 2015 to 3.4 percent in 2017 and the 4 per cent decline in visitor numbers in 2017.

India. After staying below three thousand arrivals per year, arrivals increased 5-fold from 2014 to 2017.

5.2 Visitors length of stay

After falling from 10.4 in 2001 to 9.7 nights in 2005, visitors' average length of stay increased steadily starting in 2006 to reach 10.4 nights in 2010 (Chart 5.4). Since then it fell to 9.9 nights in 2012 before recovering to settle at 10.2 nights in 2013 and 2014. It fell to 9.9 nights in 2015 and 2016, and to 9.5 nights in 2017. In comparison, the average length of stay for visitors to the Maldives was 6.0 nights in 2016 and to Mauritius was 10.3 in 2017.

Chart 5.4: Visitors' average length of stay (nights), 2001-2017



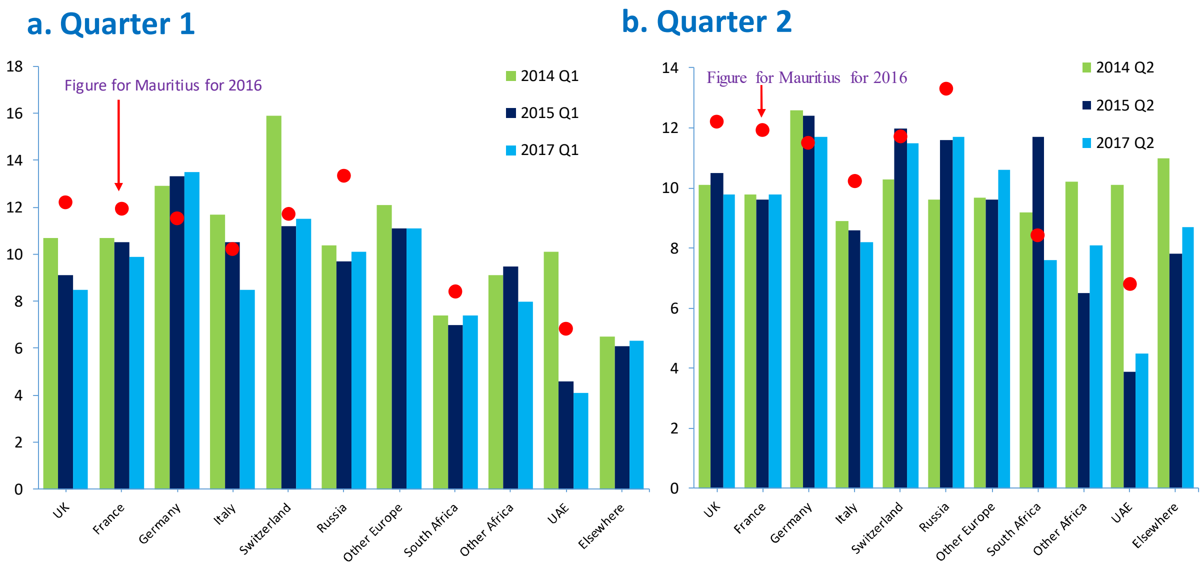
Sources: Analysis by Valsen Consulting based on National Bureau of Statistics (August 2015), National Bureau of Statistics (January 2016), National Bureau of Statistics (January 2018), Government of Maldives (2017) and Government of Mauritius (2018) | Dotted lines represent the average length of stay for visitors to the Maldives (6.0) and Mauritius (10.3).

There is some evidence that the diversification of visitor arrivals away from Europe and towards Asia and Africa may be having some adverse impact on the average length of stay of visitors. Chart 5.5 shows the average length of stay by country for the first two quarters of 2014, 2015 and 2017 based on the *Visitor Expenditure Surveys* undertaken by the National Bureau of Statistics. Three key messages can be ascertained from the chart. Firstly, average length of stay for the first quarter of 2017 is lower for all countries except for Germany and South Africa compared to the same period of 2014 (Chart 5.5a). The decline was especially stark for Italy (by 3.2 nights), Switzerland (by 4 nights) and the United Arab Emirates (by 6 nights). The sharp decline from 2014 to 2017 is also the case for the United Arab Emirates for the second quarter. The average length of stay for the second quarter of 2017 is significantly lower for visitors from non-European countries compared to the second quarter of 2014 relative to their counterparts from European countries (Chart 5.5b).

Secondly, except for Germany, South Africa Switzerland, the average length of stay for visitors to Mauritius for 2016 is higher than that for Seychelles in the first quarters of 2015 and 2017.

Thirdly, average length of stay for Europeans is higher than for other regions. This pattern is also apparent for the fourth quarter of 2014[25], the second and third quarters of 2015 (with the exception of South Africa)[26], third quarter of 2017[27], and to a lesser extent for the third quarter of 2014[28] and the second quarter of 2015[29]. However, it is less evident for the second quarter of 2014 when the average length for all regions was above 9 nights[30].

Chart 5.5: Visitors' average length of stay by country (nights), Quarters 1 and 2 of 2014-2017



Sources: Analysis by Valsen Consulting based on Visitor Expenditure Surveys undertaken by the National Statistics Bureau and Government of Mauritius (2017) | The red markers represent the average length of stay for visitors to Mauritius for the whole of 2016.

5.3 Seasonality

Monthly data on visitor arrivals tend to show that Seychelles has a relatively well-balanced monthly distribution of visitor arrivals with peaks in April, August, October and December, and low points in June, September and November (Chart 5.6). In contrast, visitor arrivals to Mauritius peak in July, October and December, while February, June, September and November are low points (see Box 5.1) .

Chart 5.7 shows that overall seasonality of visitor arrivals is driven by visitor arrivals from Europe. However, in March and December, the monthly distribution from Europe differs significantly from the overall monthly distribution. In these two months, the declines in the number of tourists from Europe are compensated by increases in tourists from non-European countries.

However, the data would suggest that, increasingly, there is a less balanced spread of arrivals. For 2017, the percentage decline in visitor arrivals from peak to trough was 34 percent from April to June, 20 per cent from August to September, and 21 per cent from October to November (Chart 5.6). The corresponding figures for 2014 were 33 per cent, 13 per cent and 13 per cent respectively.

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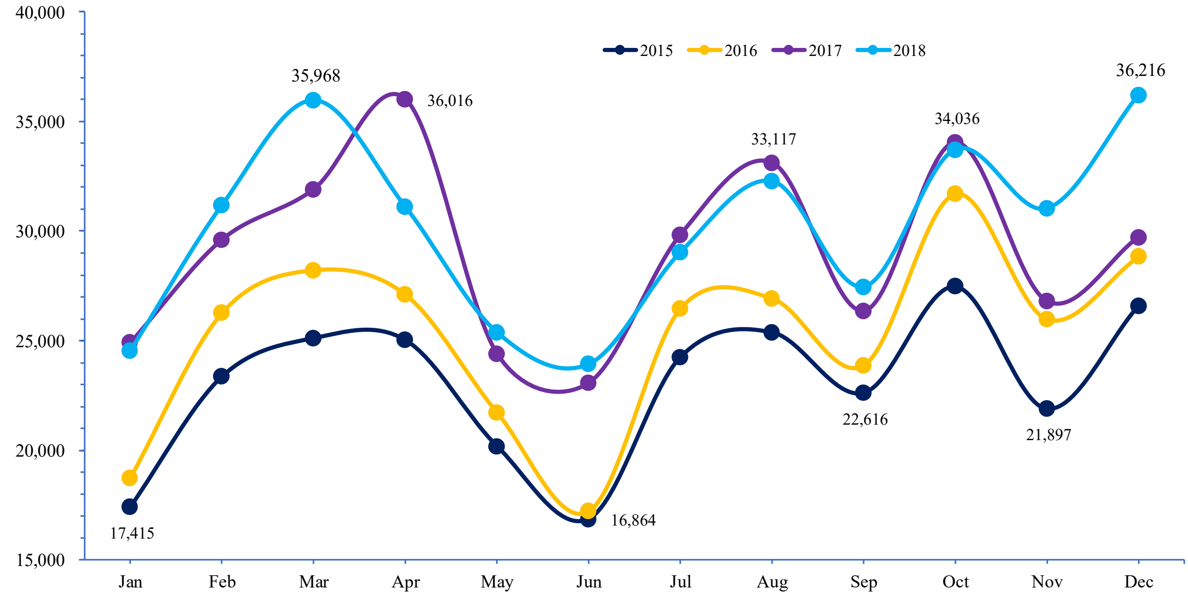
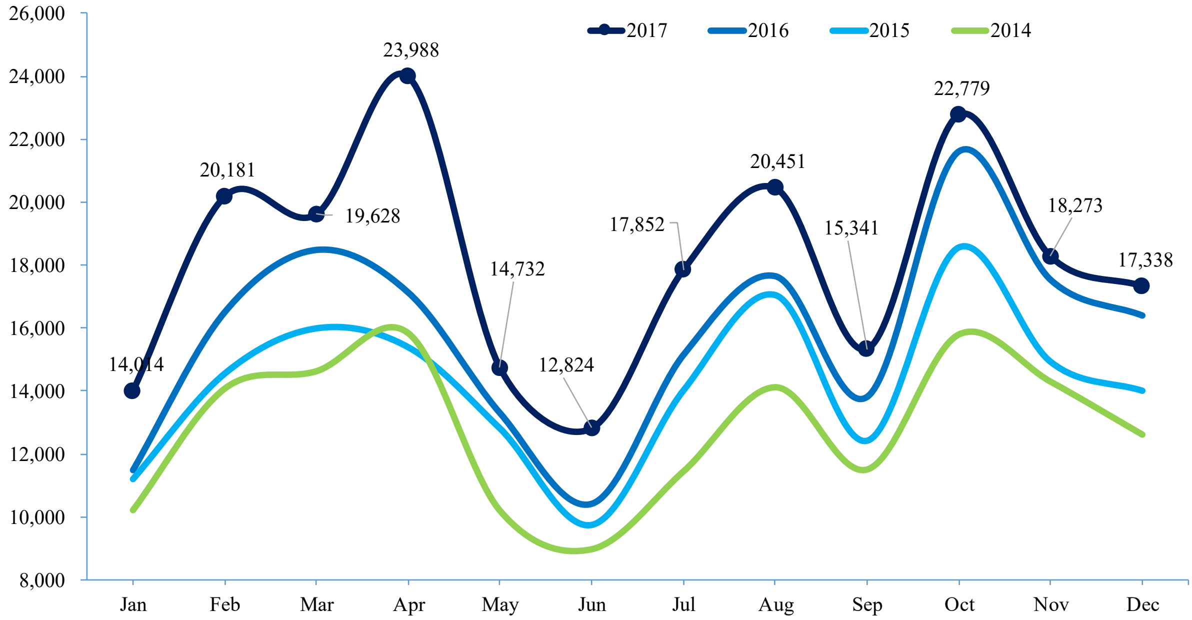
[25] National Bureau of Statistics (March 2015)
[26] National Bureau of Statistics (November 2015) and National Bureau of Statistics (December 2015).
[27] National Bureau of Statistics (December 2017).
[28] National Bureau of Statistics (December 2014).
[29] National Bureau of Statistics (September 2015).
[30] National Bureau of Statistics (September 2014).

Chart 5.6: Monthly visitor arrivals, 2014-2017



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

Chart 5.7: Monthly visitor arrivals from Europe, 2014-2017



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

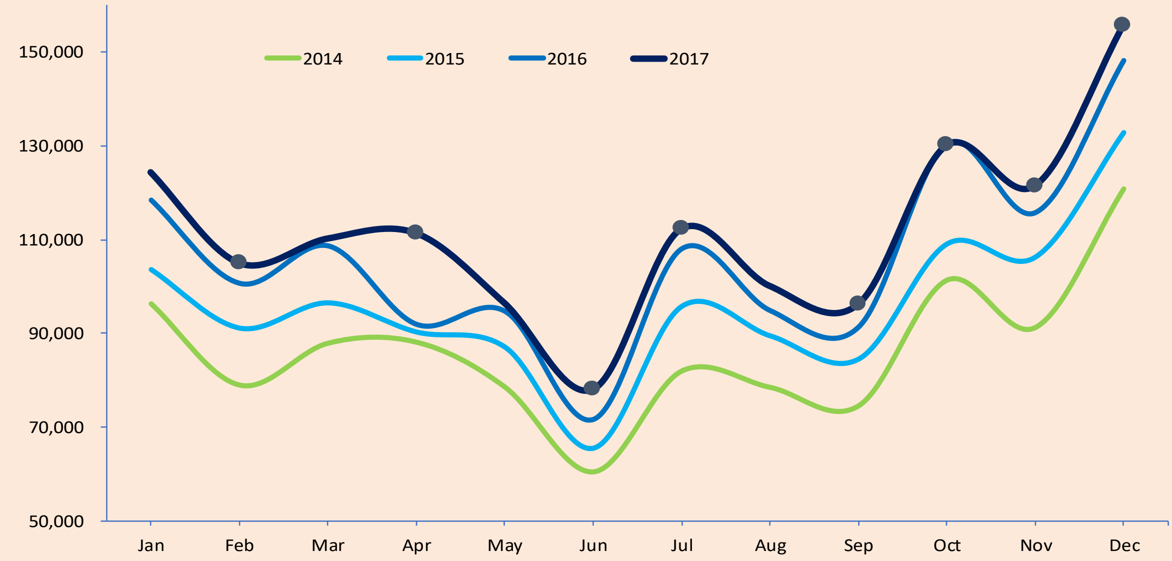
These shifts in the balance of visitors have two main implications. Firstly, proper planning is required to ensure that the number of bed capacity can cope with months – April, August, October and December - when the number of visitors is high. This may include marketing interventions to encourage a more balanced spread of visitors to the three main islands. Secondly, marketing interventions are required to ensure a more balanced spread of arrivals throughout the year. This is especially true for the months of January, May, June and September when the number of visitors is relatively low, when marketing interventions should target non-European source markets.

BOX 5.1 SEASONALITY OF VISITOR ARRIVALS TO MAURITIUS

Chart B5.1 shows the monthly visitor arrivals in Mauritius from 2014 to 2017. The highlights are the following.

- December receives the most visitors, while June receive the least.
- In 2017, 77, 427 extra tourists visited Mauritius in December compared to June. In 2014, the figure was just over 60, 000.
- Visitor arrivals peak in July, October and December, and to a lesser extent in March. Visitor arrivals bottom out in February, June, September and November.
- The number of arrivals in January and the fourth quarter represents almost 40 per cent of total annual arrivals.

Chart B5.1: Monthly visitor arrivals in Mauritius, 2014-2017



Sources: Analysis by Valsen Consulting based on Government of Mauritius (2017) and Government of Mauritius (2018).

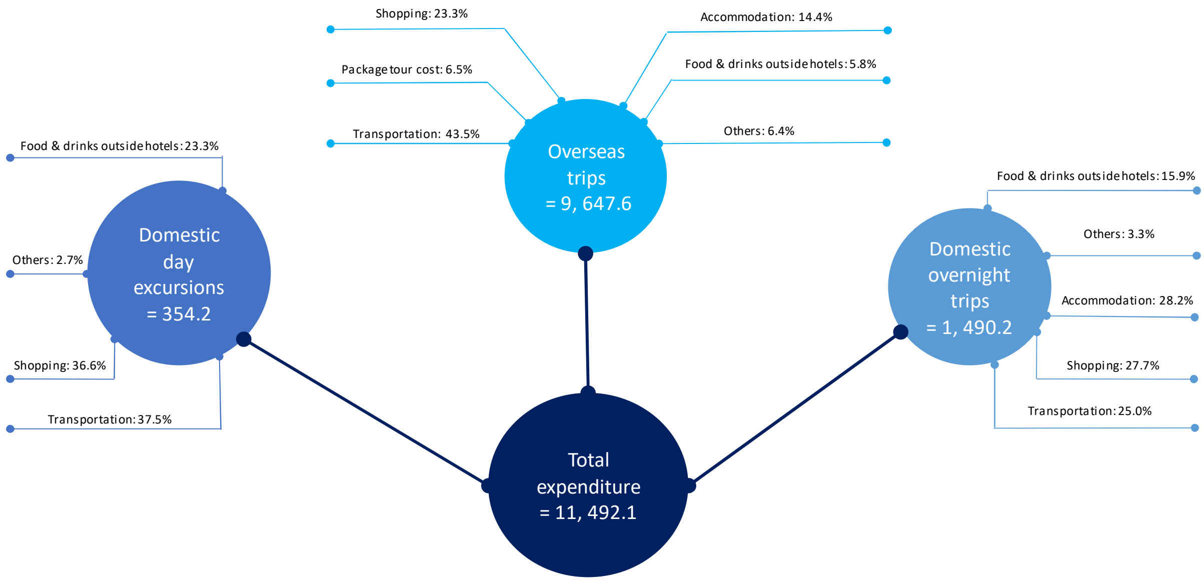
5.4 Domestic tourism

The promotion of domestic tourism – involving residents of a country travelling within that particular country – 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. Data on domestic tourism is not collected on a regular basis. However, the Household Budget Survey undertaken by the National Bureau of Statistics collects data on domestic and overseas trips undertaken by households.

In the latest survey undertaken in 2013, the sampled households reported undertaking 932 trips of which 43 per cent were overseas trips, 36 percent were domestic overnight trips and 21 per cent were domestic day excursions[31]. Holidays accounted for 52 per cent, 39 per cent and 10 per cent of overseas trips, domestic overnight trips and domestic day excursions respectively.

[31] National Bureau of Statistics (2013).

Chart 5.8: Seychelles' travel expenditures in 2013 by type of trip (SCR thousands)

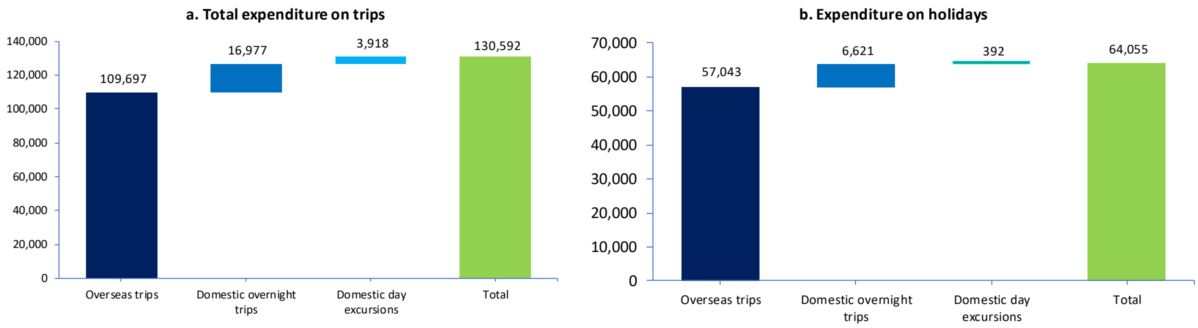


Source: Analysis by Valsen Consulting based on National Bureau of Statistics (2013) | Spending on a sample of households that undertook a total of 932 trips.

The sampled households reported spending a total of SCR11.5 million in 2013 on trips which translates to SCR131 million at the national level. Overseas trips accounted for 84 per cent of this expenditure, with 13 per cent spent on domestic overnight trips, and 3 per cent spent on domestic day excursions. The distribution of spending by major product groups is summarized in Chart 5.8.

Based on the results from the Household Budget Survey, it can be estimated that residents spent an estimated SCR65 million or US$5.3 million[32] on holidays in 2013 (Chart 5.9). 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).

Chart 5.9: Seychelles' travel expenditures on holidays in 2013 by type of trip (SCR thousands)



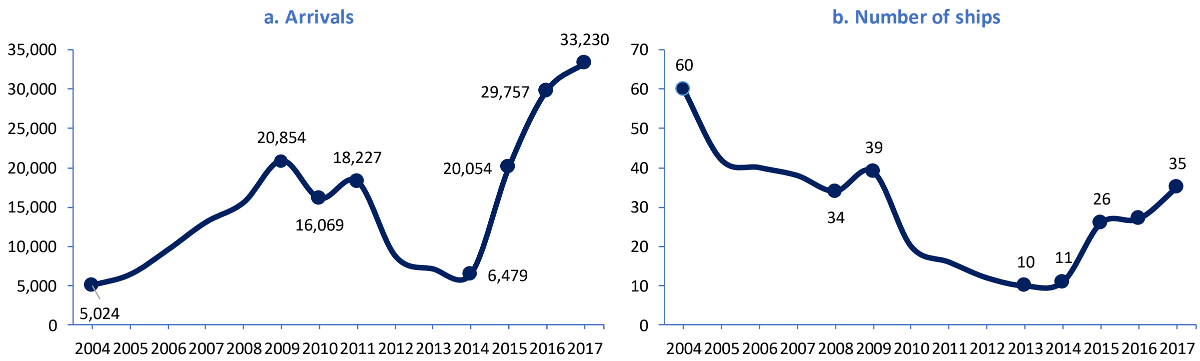
Source: Analysis by Valsen Consulting based on data from National Bureaus of Statistics (2013) | Assumed that overseas trips, domestic overnight trips and domestic day incursions accounted for 84, 13 and 3 per cent of total expenditure respectively. Also, holidays accounted for 52, 39 and 10 per cent of overseas trips, domestic overnight trips and domestic day incursions respectively.

[32] This is based on an average of SCR12.0577 per US$ for 2013 as reported by the Central Bank of Seychelles.

5.5 Cruise ship tourism

Cruise ship tourism is the third component of tourism in Seychelles (beside land-based and yacht-based tourism)[33]. During 2014, the number of cruise passengers to Seychelles totalled 6, 479 continuing a downward trend that started in 2009 when 20, 854 cruise passengers was registered (Chart 5.10a). The fear of piracy in the Indian Ocean is seen as a contributing factor for the trend. In 2015, however, 20, 054 cruise passengers arrived in Seychelles the second highest registered since 2004. The upward trend continued in 2016 and 2017, with 29, 757 and 32, 230 cruise passengers respectively. Most of the cruise passengers arrived in the period from October through April.

Chart 5.10: Cruise ships and cruise passengers, 2004-2017



Sources Analysis by Valsen Consulting based on National Bureau of Statistics (August 2015), National Bureau of Statistics (January 2016) and National Bureau of Statistics (December 2017).

The number of cruise ships increased from 11 in 2014 through 26 in 2015 to 35 in 2016 (Chart 5.10b). Sixty cruise ships visited Seychelles in 2004. In 2015, 23 cruise ships arrived in Mauritius up from 18 in 2014.[34] The number of cruise passengers increased from 15, 691 in 2014 to 23, 375 in 2015.

There is currently no mechanism to collect information on expenditure of cruise passengers, crew and ships. In contrast, Antigua and Barbuda which is similar to Seychelles in terms of land area and population (see Table 4.4.) received over 593, 000 cruise passengers in the year from May 2014 to April 2015 of which 89 per cent disembarked and visited the country[35]. In the same year, cruise passengers spent an estimated US$34.2 million in Antigua while crew members spent an estimated US$4.6 million. Expenditures by cruise lines amounted to an estimated US$5.1 million mainly on port fees and taxes and navigation services (see Box 5.2).

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[33] Cruise ship tourism is not captured by National Bureau of Statistics data on visitors. This is in compliance with the United Nations World Tourism Organization's definition of tourism according to which only individuals spending a minimum of 24 hours (and less than one year) in the country are considered.

[34] Government of Mauritius (2016).

[35] Business Research and Economic Advisors (2015).

BOX 5.2 ECONOMIC CONTRIBUTION OF CRUISE TOURISM IN ANTIGUA AND BARBUDA, 2014/2015

Table B5.2 summarizes the economic contribution of cruise tourism to Antigua and Barbuda for the year from May 2014 to April 2015 based on surveys administered to cruise passengers and crew. An estimated US$44 million were spent in Antigua by cruise passengers, crews and ship lines, of which passengers spent 78 per cent. Cruise tourism also contributed 740 direct jobs and 1, 170 total jobs.

Table B5.2: Economic contribution of cruise tourism in Antigua and Barbuda, 2014/2015

A. EXPENDITURES		**US$ million**
Passenger spending		
Spending per passenger	US$64.88	
Passenger onshore visits	527, 646	
Total passenger expenditures		34.2
Crew spending		
Spending per crew	US$54.17	
Passenger onshore visits	84, 762	
Total crew expenditures		4.6
Expenditures by cruise lines		*5.1*
TOTAL CRUISE TOURISM EXPENDITURE		43.9
B. EMPLOYMENT		
		Number of jobs
Direct employment		740
Total employment		**1, 170**

The main expenditure categories for passenger spending were shore excursions, watches and jewellery, clothing, food and beverage at bars and restaurants, and local crafts and souvenirs.

Source: Business Research and Economic Advisors (2015).

5.6 Visitor profiles

In 2017, 66 per cent of international tourists to Seychelles stayed on Mahe compared to 60 per cent in 2014[36]. Nineteen per cent of international tourists stayed on Praslin in 2016 and 2017 compared to 22 per cent in 2014. In 2017, 5 per cent of international visitors stayed on La Digue, 6.3 per cent stayed on other islands and 4 per cent stayed on vessels including yachts, cruise ships and sea-bound vessels. In terms of accommodation, 90 per cent of international visitors stayed in hotels, guesthouses and self-catering flats and 4 per cent stayed with friends and families. In 2017, 95 per cent of international visitors reported holiday being on holidays in Seychelles compared to 92 per cent in 2015. Less than one per cent of all arrivals were transit visitors in 2016 and 2017[37].

Table 5.2: Reported visitor expenditures by item, 2015 and 2017* (percent of total)

	2015				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Accommodation	55.1	56.7	58.7	58.0	59.7	56.1	42.3	55.8
Food and beverage#	16.0	15.7	12.6	17.6	13.8	13.5	19.0	15.8
Transportation§	11.1	11.0	11.1	12.0	11.4	13.0	16.3	13.7

[36] National Bureau of Statistics (January 2018).
[37] *Ibid.*

Recreation and sports¶	10.9	9.7	9.7	8.9	8.2	10.6	14.0	8.2
Shopping	5.2	4.8	5.5	3.1	3.6	4.6	4.2	4.3
Others	1.7	2.0	2.4	0.4	3.3	2.2	4.2	2.2
TOTAL	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Sources: Analysis by Valsen Consulting based on Visitor Expenditure Surveys produced by the National Bureau of Statistics| *=include expenditure incurred in Seychelles only and not any advance payments made in the country of residence; #=spending in restaurants, café and bars; takeaway meals; groceries; and shop purchases; §=spending on car and bicycle hire; taxis; bus fares; local air tickets; boat/ferry fares; and automotive fuel; ¶=spending on sea excursions; land tours; diving; gambling casino/lotto; recreation; and other sports.

Except for the third quarter of 2017, visitors reported spending an average of above 50 per cent of total expenditure on accommodation in 2015 and 2017 (Table 5.2). Average reported spending on food and beverage was above 13 per cent of total expenditure except in the third quarter of 2015, while reported spending on transportation was above 11 per cent. Reported spending on recreation and sports ranged from 8.2 per cent in the first and fourth quarters of 2017 to 14.0 per cent in the third quarter of 2017.

Based on the quarterly *Visitor Expenditure Surveys* undertaken by the National Bureau of Statistics, online booking is an important booking option for visitors from the United Arab Emirates, Africa and “Elsewhere”, which excludes Europe, Africa and the United Arab Emirates[38]. Europeans tend to favour inclusive package tours and booking through a travel agent or tour operator, although online booking seems to be popular with visitors from Russia.

Repeat visitors are less expensive to target and may use word-of-mouth to encourage prospective travellers to become visitors [39]. However, a destination where the majority of tourists are repeat visitors may imply a lack of competitiveness and an inability to convert non-visitors into first-time visitors. The number of repeat visitors to Seychelles ranged from 8 per cent in the third quarter of 2017 to 21 per cent in quarter 4 of 2014[40]. The figure for the fourth quarter of 2017 was 17 per cent[41]. First time visitors ranged from 76 to 88 per cent.

In contrast, 24 per cent of international visitors reported in February 2017 that they have visited the Maldives more than once (Box 5.4) while 37 per cent of international visitors to Mauritius in the first semester of 2015 reported having visited the country more than once[42]. The repeat visitor factor in Barbados is 39 per cent, the highest in the Caribbean[43].
Between 63 to 79 per cent of visitors reported visiting Seychelles only, while between 13 to 31 per cent reported visiting other countries as well[44].

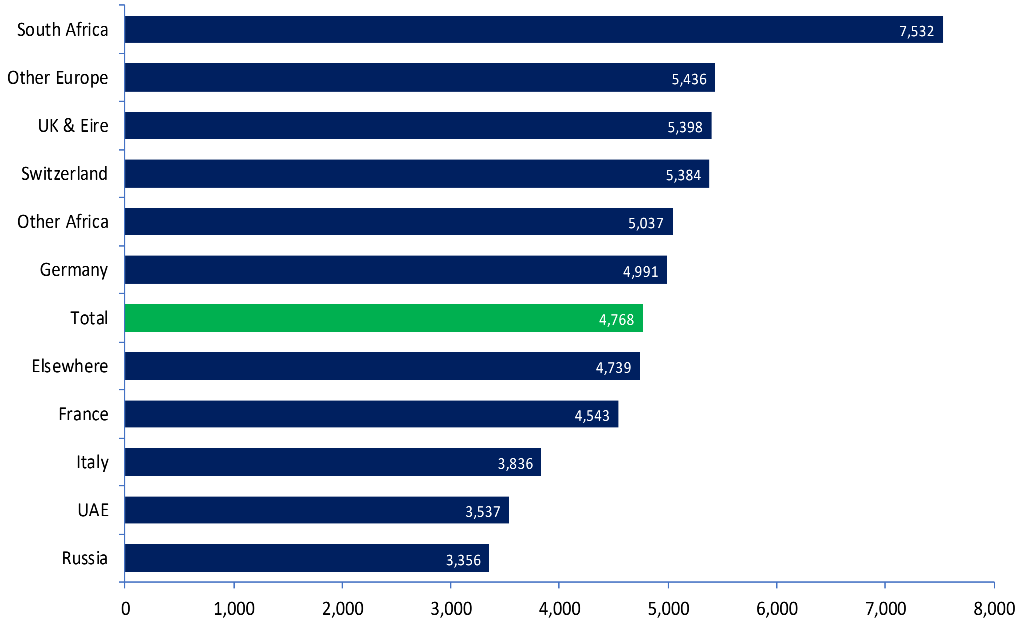
Chart 5.11 shows the reported average expenditure by international visitors for 2017 based on the Visitor Expenditure Survey undertaken by the National Bureau of Statistics. The average tourist reported spending just under SCR4, 768 in Seychelles. South Africans reported spending an average of SCR7, 532, twice the reported spending by visitorsfrom Russia and the United Arab Emirates.

In comparison, international visitors to Mauritius spent an average of US$1, 219 in 2016[45]. Visitors from the United Kingdom recorded the highest expenditure with an average of US$1, 585 in 2016 followed by residents of China,

[38] National Bureau of Statistics (various quarters (b)).
[39] According to Reid and Reid (1993), marketers claim that it is five times more expensive to obtain a new customer than to retain an existing one.
[40] National Bureau of Statistics (various quarters (a)).
[41] National Bureau of Statistics (March 2018).
[42] Government of Mauritius (December 2015).
[43] Barbados.org (n.d).
[44] National Bureau of Statistics (various quarters (b)).
[45] Government of Mauritius (2017). The amounts in Mauritian rupees were converted in dollars using the average exchange rate for 2016 reported by Bank of Mauritius (2017). Expenditure figures relate to expenses incurred by the tourists during their stay in the country and include items like accommodation, meals and beverages, local transportation, sightseeing, entertainment, shopping etc. However, expenses on international fares paid to carriers are excluded. For tourists travelling on package tour, the cost of package was broken down in order to obtain the proportions, which accrue to hotels, tour operators etc. in Mauritius. It is assumed that 37 per cent of the cost of the package goes to the local hoteliers. In cases where the package includes other destinations besides Mauritius, adjustments are done to determine the expenditure incurred in the country.

Germany and Russia with US$1, 521, US$1, 291 and US$1, 230 respectively.

Chart 5.11: Average expenditure per tourist by country and region for 2017 (SCR)



Sources: Analysis by Valsen Consulting based on Visitor Expenditure Surveys undertaken by the National Statistics Bureau| Expenditure reported include only expenditure incurred in Seychelles and exclude any expenditure in the country of residence; UAE = United Arab Emirates; UK = United Kingdom. The average was calculated by taking the sum of the total expenditures reports for the four quarters divided by the sum of the total passengers surveyed.

5.7 Seychelles competiveness as a tourism destination: Overview

The National Bureau of Statistics has been undertaking quarterly Visitor safety and security surveys, which is administered to departing visitors, since 2008. At least 85 per cent of visitors surveyed 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 per cent in the third quarter of 2016[46]. Table 5.3 summarises the main comments made by visitors surveyed as part of the Visitor safety and security survey.

Table 5.3: Summary of comments from visitors, 2014-2017

Positive comments	Negative comments
Safety and security	
General feeling of safety on the islands.	Concerns about reckless driving by local drivers, especially bus drivers¶.
Presence of lifeguards on some beaches	Narrow and dangerous roads especially on Praslin*.
.	Lack of police and lifeguards presence on some beaches.
	Insufficient information on which areas to avoid for safety reasons.
Tourist services	
Impressive service provided by some accommodation establishments.	Poor hospitality in hotels and restaurants, custom/immigration at the airport, and on aircrafts¶.
Friendly, hospitable and polite people.	Lack of tourist information, even at tourism offices.
Relaxed and reclusive atmosphere, especially on La Digue.	Expensive destination compared to competitors; expensive services include scuba diving, ferry transfers, excursions, and food and beverage§.
Professionalism and friendliness of some hotel personnel and tourist guides.	Very high and non-standard taxi fares.
	Too expensive to visit outer islands.

[46] National Bureau of Statistics (December 2017).

Creole food is amazing.	Limited access to beaches, which have been privatized by hotels.
Desire for repeat visits.	Limited food choices for Asian visitors.
Fast process for obtaining necessary documents for wedding.	Hotels and restaurants should make more use of local seafood, fruits and vegetables.
Ideal place for bird-watching and sight-seeing.	Shops should be opened for longer hours during the day.
Environment	
Paradise with green and lush vegetation.	Increasing construction that does not blend in with the ecosystem¶.
Well-preserved nature supported by excellent environmental protection measures.	More could be done to turn Seychelles into “green destination” ¶.
	Pollution by motor vehicles.
Very rich in flora and fauna.	Lack of or little use of clean power.
Improvements in street cleanliness.	Litter on beaches, in the sea and along nature trails.
‘Neither in natural beauty nor in basic human decency, have we ever been to a better place than Seychelles’!	Not enough rubbish bins and lack of plastic recycling.
	Large number of stray dogs.
	Sensitise population on the need for recycling¶.
D. Culture	
	Lack of quality locally made souvenirs.
	Need for better promotion of the culture and history of the country.
Infrastructure and facilities	
Well-organized and affordable bus services.	Insufficient souvenir shops and lack of Wi-Fi and smoking area at the airport.
	Poor internet connection, high internet fees and high cost of international calls.
	Road infrastructure deficient in places and streets not well lit at night¶.
	Insufficient road signs and parking facilities at touristic sites.

Sources: Analysis by Valsen Consulting based on Visitor safety and security surveys undertaken by National Bureau of Statistics |The most frequent comments made by visitors from 2008 to 2017 are denoted by * if made in 80% or greater of surveys; § if made in 70-80% of surveys; and ¶ if made in 60-70% of surveys.

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. Concerns were however expressed 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. In addition, the limited access to private beaches was expressed as a concern. 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.

Table 5.4: Trade and Tourism Competitiveness Index for Seychelles and Mauritius, 2013-2015

	2015				2013			
	Seychelles		Mauritius		Seychelles		Mauritius	
	Rank (/141)	Score (1-7)	Rank (/141)	Score (1-7)	Rank (/140)	Score (1-7)	Rank (/140)	Score (1-7)
Travel & Tourism Competitiveness Index	54	4.00	56	3.90	38	4.51	58	4.28
Enabling environment	64	4.80	53	5.08	No comparative data for 2013. The methodology for calculating the index was changed for the 2015 edition of the index.			
Business Environment	48	4.63	24	5.19				
Safety and Security	86	5.09	33	5.91				
Health and Hygiene	60	5.49	67	5.31				
Human Resources and Labour Market	59	4.62	47	4.75				
ICT Readiness	66	4.17	64	4.22				
T&T Policy and Enabling Conditions	37	4.34	19	4.49				
Prioritization of Travel & Tourism	8	5.78	2	5.96				
International Openness	87	2.73	60	3.42				
Price Competitiveness	123	3.68	114	3.91				
Environmental Sustainability	6	5.17	24	4.67				
Infrastructure	19	5.00	44	4.39				
Air Transport Infrastructure	24	4.30	61	2.95				
Ground and Port Infrastructure	29	4.76	27	4.77				
Tourist Service Infrastructure	15	5.95	28	5.45				
Natural and Cultural resources	107	1.84	129	1.64				
Natural resources	85	2.65	131	2.03				
Cultural Resources & Business Travel	138	1.03	120	1.26				

Sources: World Economic Forum (2015) and World Economic Forum (2013).

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 38th in the world out of 140 countries (Table 5.4). In 2015, Seychelles ranked second in Africa behind South Africa, and 54th 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. A summary of the ranking for Seychelles for 2013 is shown in Box 5.3.

BOX 5.3 THE TRAVEL AND TOURISM COMPETITIVENESS FOR SEYCHELLES IN 2013

Seychelles entered the rankings for the first time at the top of the African region, and 38th overall. The importance of Travel & Tourism (T&T) for the country's economy is reflected in its top ranking for the prioritization of the industry, with the 2nd highest T&T expenditure–to-GDP ratio in the world and effective marketing and branding campaigns. These efforts are reinforced by a strong national affinity for Travel & Tourism (5th); good tourism infrastructure, especially in terms of available hotel rooms (6th); and good ground and air transport infrastructures, particularly by regional standards (31st and 27th, respectively). These positive attributes somewhat make up for its relative lack of price competitiveness (120th). Although the natural environment is now assessed as being in good condition, efforts to develop the industry in a sustainable way could be reinforced, for example by increasing marine and terrestrial protection, which would help to protect the many threatened species in the country (132nd).

Source: World Economic Forum (2013).

The Maldives can be considered a competitor destination to Seychelles. Box 5.4 summarises the key findings of the *Maldives Visitor Survey* undertaken in February 2017.

BOX 5.4 HIGHLIGHTS OF THE MALDIVES VISITOR SURVEY OF FEBRUARY 2017

The Ministry of Tourism of the Maldives undertakes regular visitor surveys to collect information from international visitors on some aspects of trip planning, airport services and their stay in the Maldives. The most recent survey was undertaken between 8 February and 16 March 2017 during the peak season. The key findings of this survey are summarized below.

Motivation and purpose of visit. Natural beauty is the main motivator for travel to the Maldives; the beaches (19 per cent), underwater beauty (16 per cent) and the weather (15 per cent) in the Maldives are rated higher than other similar destinations. Rest and relaxation (51 per cent) is the main purpose of visit to the Maldives for international visitors, followed by honeymoon (25 per cent).

Use of the Internet. Internet (29 per cent) is the most important source of information to discover the Maldives, followed by word of mouth (24 per cent). And travel agents (12 per cent). Forty-six per cent of the international visitors use online travel agents to book their holiday, while 30 per cent physically visit a travel agency to book their holiday. Booking.com was the most common online travel agency used, followed by cTrip, Agoda, HolidayCheck and Expedia respectively.

Timing of bookings. Forty-two per cent of international visitors book their trip more than three months in advance.

Repeat visitors. Twenty-four per cent of international visitors were repeat visitors. Repeat visitors are highest amongst visitors from Europe, with 63 per cent of visitors for Switzerland during the survey period being repeat visitors.

Length of stay. A majority of the international visitors to the Maldives (58 per cent) stay for 4-7 nights in the Maldives.

Waiting time at the airport. Forty-seven per cent of international visitors have to wait at the airport for less than half an hour to get a hotel transfer.

Accommodation and dining. Three out of four international visitors to the Maldives stay in the tourist resorts. On quality of transport to hotel, ‘service’ was ranked highest with 86 per cent of visitors ranking excellent or very good. Thirty-six per cent choose all-inclusive meal plans during their stay in the Maldives.

Travel companion. Maldives is a popular destination for couples and families; of the international visitors who stay in resorts, 86 per cent travel with partner and/or family.

Activity ratings and prices. Snorkelling, sight-seeing and diving are the most liked activities, while shopping was rated lowest. Spa treatment, souvenirs and alcoholic beverages are perceived to be expensive, while Internet services are perceived to be cheap.

Expenditure. About 41 per cent of the respondents stated that they spent between US$1,000 and US$5,000 for their holiday visit to the Maldives.

Similar destinations. International visitors identified the following as similar destinations: Mauritius, Thailand, Seychelles, Bali, Fiji, Dominican Republic, Hawaii, Zanzibar, Australia, and the Caribbean countries.

Visitor satisfaction. Sixty-three per cent of international visitors ranked beaches in Maldives than similar destination, while 56 per cent ranked underwater beauty in the Maldives higher than similar destinations. More than 90 per cent of those who have visited similar destination ranked the privacy and safety/security in the Maldives as higher or the same. Value for money and quality of food were ranked low compared to similar destinations. Nine out of ten visitors to the Maldives stated that the holiday met their expectations.

Source: Government of Maldives (2017).

Part II – Assessment of the tourism sector

6. Sustainable tourism
7. Tourism assets
8. National development, institutional, policy, and regulatory framework
9. Marine-based tourism
10. Tourist accommodation and other tourist services
11. Transport infrastructure and facilities
12. Destination marketing and product development
13. Human resources management and development
14. Security, safety, health, and risk management
15. Statistics and economic evaluation

6 Sustainable tourism

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. In the context of Seychelles, these negative impacts include[47]:

- *Rising greenhouse emissions* **-** especially from transportation and accommodation.
- *Rising water consumption* **–** that may lead to shortage of drinking water.
- *Increased volume and poor management of waste and wastewater* **-** including discharge of untreated sewerage into the sea.
- *Coastal erosion and silting of coastal water.*
- *Destruction of marine and terrestrial habitats and biodiversity* **–** including damage to coral reefs, forests, mangroves and wetlands.
- *Depletion of living species.*
- *Increased conflict with local communities* **–** including restrictions on access to private beach and nature trails trespassing private property.
- *Threats to cultural integrity* **–** arising from unplanned activities.

The United Nations declared 2017 as the International Year of Sustainable Development, 15 years after the International Year of Ecotourism in 2002. 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[48]. A TUI survey of European holidaymakers undertaken in 2017 found that sustainable holidays are most popular among German and French tourists[49]. 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[50].

Sustainable tourism is not a special form of tourism (see Box 6.1 for a definition); 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 [51].

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.

[47] Adapted from United Nations Environment Programme (2013) and United Nations Environment Programme, United Nations Industrial Development Organization and United Nations World Tourism Organization (2013).
[48] Blue & Green Tomorrow (2014).
[49] TUI (2017).
[50] Trekk Soft (2018).
[51] Blue & Green Tomorrow (2014).

BOX 6.1 SUSTAINABLE TOURISM

According to the United Nations, sustainable tourism: "takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities." Sustainable tourism describes policies, practices and programmes that take into account not only the expectations of tourists regarding responsible natural resource management (demand), but also the needs of communities that support or are affected by tourism projects and the environment (supply).

"Overtourism" is one of the main factors that contribute to make tourism unstainable. Speaking at the World Tourism Market in London in November 2017, Taleb Rifai, Secretary-General of the United Nations World Tourism Organization, highlighted that overtourism is worse in peak seasons; it happens in destinations that are popular port-of-calls for cruise ships, where thousands of tourists are dropped off for just a few hours; and many local communities and governments blame "platform tourism services" like Airbnb for this problem. He further noted that: "jobs alone are not enough, charity is not enough, paying back in CSR [corporate social responsibility] is not enough… We can no longer be building 5-star hotels in 3-star communities."

Research by McKinsey and the World Travel & Tourism Council has identified five major problems associated with tourist overcrowding: alienated local residents, degraded tourist experiences, overloaded infrastructure, damage to nature, and threats to culture and heritage. There are five main tactics to reduce overcrowding. These are the following:

1. *Smooth visitors over time* by: establishing arrival limits; deploying reservations and ticketing systems; using technology in real time; and extending seasons and shifting the focus of promotions.

2. *Spread visitors across sites* by: promoting less-visited attractions; and developing new routes and attractions.

3. *Adjust pricing to balance supply and demand* by: implementing specific taxes and fees; charging the "actual" cost; and shifting to tiered pricing.

4. *Regulate accommodation supply*.

5. *Limit access and activities*.

Sources: McKinsey & Company and World Travel & Tourism Council (2017), Trekk Soft (2018), United Nations Environment Programme (2013) and United Nations Environment Programme and United Nations World Tourism Organization (2011).

BOX 6.2 THE SEYCHELLES SUSTAINABLE TOURISM LABEL

The Seychelles Sustainable Tourism Label (SSTL) was launched in 2011 as a tourism certification programme. Its main aim is to recognize tourism operators that adopt sustainable practices in their business operations. It is managed by the Tourism Department.

The certification programme is voluntary and works on a point-based system. Hotels aiming to be certified are expected to: (a) satisfy 24 "must" criteria; (b) depending on their size, score additional points in each of the eight theme areas - Management, Waste, Water, Energy, Staff, Conservation, Community and Guests; and (c) score an additional six points in any area.

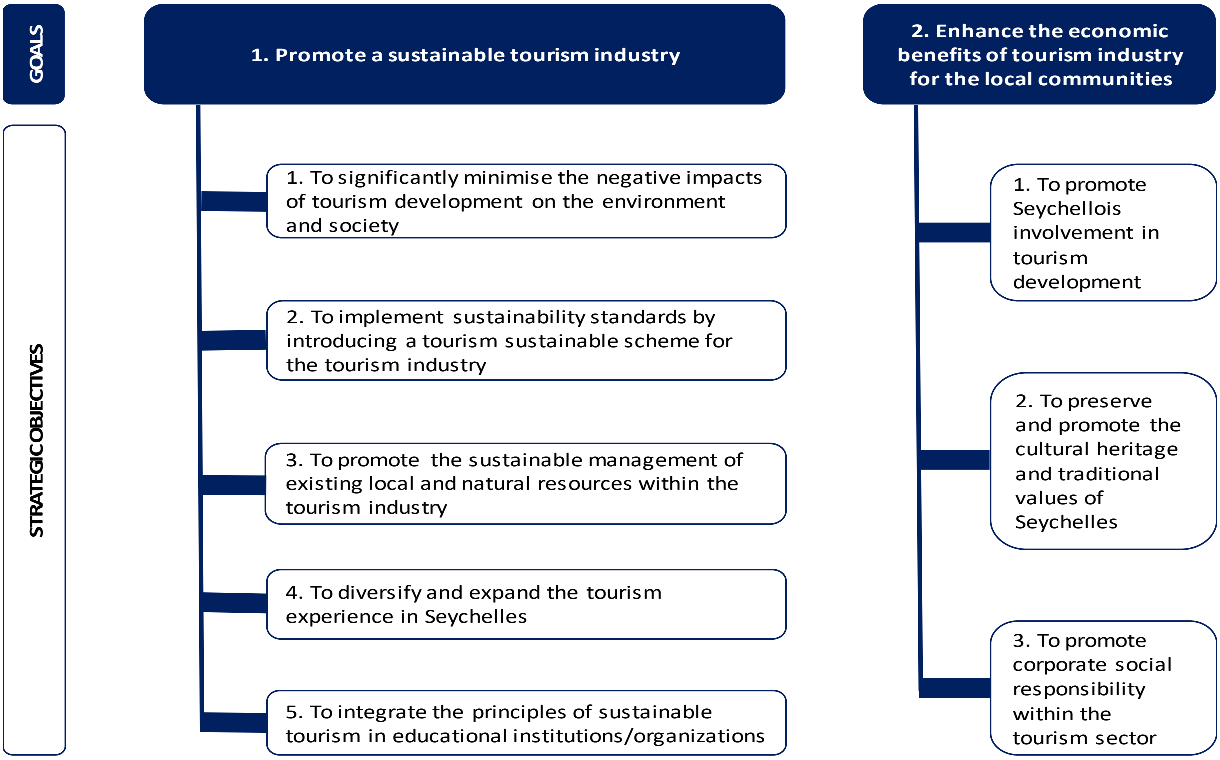
Currently, fifteen hotels are under the SSTL. In addition to savings on utility and staff turnover costs, hotels are expected to reap a number of marketing benefits from certification including appearance in the stay guide of Seychelles Tourism Board (STB), visibility at STB's trade fairs, and use of the label on their websites and in marketing materials. Also, a Mutual Recognition Agreement signed with Fair Trade Tourism in July 2015 will enable certified hotels to be marketed under the Fair Trade Holiday brand. Fair Trade Holidays are holiday packages that represent global best practice responsible tourism. Fair Trade Tourism is recognised by the Global Sustainable Tourism Council in 2011. The SSTL also has 'Recognition Status' with the Global Sustainable Tourism Council, which means that SSTL-certified hotels will be included in the Council's directory of responsible products.

Sources: Website of the SSTL(n.d.), COAST (n.d.) and Fair Trade Tourism (2015).

In recognition of the importance of balancing the objectives of economic returns, environmental protection/conservation and socio-cultural integration in tourism development, Seychelles has adopted a series of measures to support the development of sustainable tourism. The ***Seychelles Sustainable Development Strategy***

2012-2020[52] contains an action plan for sustainable tourism and notably proposes a series of actions aimed at mainstreaming environment in tourism development. Chart 6.1 illustrates the strategic objectives associated with the strategic goal on sustainable tourism.

Chart 6.1: Goals and associated strategic objectives of the tourism sector



Source: Analysis by Valsen Consulting based on Government of Seychelles (2012a).

Sustainability certifications are important to promote sustainable performance and inform potential tourists of the sustainability credentials of a destination's tourism sector. 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 (see Box 6.2).

6.1 Sustainable tourism segments

Given the tourism assets with which Seychelles is endowed (see Section 7), the national development frameworks discussed in Section 8.1 and opportunities afforded by global and regional sustainable tourism frameworks highlighted in Section 3, the key target segments for the Seychelles tourism sector are ecotourism, cultural tourism and the blue economy.

6.2.1 Ecotourism

The promotion of ecotourism (see Box 6.3 for definition) has been identified as a key priority for the tourism sector in Seychelles (see Section 8.1). Environmental protection is a constitutional right and duty under articles 38 and 40 of the ***Seychelles' Constitution***. Important legal instruments governing environmental protection include the ***Environment Protection Act, 1994***, the ***National Park and Nature Conservancy Act, 1969***, the ***Breadfruit and other trees Act, 1917***, the ***Town and Country Planning Act, 1970*** and the ***Beach Control Act, 1971*** (see also *Annex 5*).

[52] Government of Seychelles (2012a).

Relevant global and regional sustainable tourism frameworks were discussed in Section 3.

A number of policies and strategies have been adopted to support the promotion of Seychelles as an ecotourism destination, including the inception in 2001 of ***Vision 21 (2001-2010)***, which represented the first general policy for eco-tourism development, the ***Seychelles Eco-Tourism Strategy*** in 2003, and the ***Seychelles Sustainable Tourism Label*** (see Box 6.2). 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 (see section 7.1).

BOX 6.3 ECOTOURISM

The *Seychelles Eco-tourism Strategy for the 21st Century*, Vision 21 defines eco-tourism as "a speciality segment of the larger nature tourism or "eco-travel" market, which covers a variety of travel industry segments, including adventure, heritage, culture, educational and sports, all linked together by an emphasis on fun, environmental sensitivity and social responsibility". The International Ecotourism Society defines ecotourism as "responsible travel to natural areas that conserves the environment, sustains the well-being of the local people, and involves interpretation and education"[53].

According to the United Nations World Tourism Organization, ecotourism as the following characteristics:

- Nature-based forms of tourism whereby the main motivation of the tourists is the observation and appreciation of nature and the prevailing traditional cultures in natural areas.
- Contains educational and interpretation features.
- Generally organized by specialized tour operators, while destination services providers tend to be small, locally owned businesses.
- Minimises adverse impacts upon natural and socio-cultural environment.
- Supports the maintenance of natural heritage assets by generating economic benefits for local communities, organizations and authorities responsible for conserving these assets and increasing awareness on the need for conservation.

Sources: Government of Seychelles (2003) and United Nations World Tourism Organization (2002).

6.2.2 Cultural tourism

Cultural tourism (see Box 6.4 for a definition) is an expanding share of world tourism industry, as international travellers are demanding unique and more authentic tourism experience. The United Nations World Tourism Organization estimated that cultural tourism accounts for 40 per cent of international tourism[54]. Recent research in the Caribbean estimates that up to 74 per cent of adults that visited the region engaged in some form of cultural activity[55].

In addition to organizing events (see Section 7.2.1), the Creative Industries and National Events Agency, a public body that started operating in November 2016, is responsible for implementing the ***Creative Industries Policy, 2012*** (Government of Seychelles, 2012b). This policy aims to strengthen cultural tourism by strengthening the growth of the creative industries and to provide authentic Seychellois cultural experience for tourists. Cognizant that the visual arts sector has been particularly well served by its interaction with tourists, the policy argues that exposure of other creative industry products to the tourist market will enhance both standards in production and exhibition as well as in professionalising the sector.

[53] The International Ecotourism Society (2015).
[54] Government of South Africa (2012).
[55] *Ibid.*

BOX 6.4 CULTURAL TOURISM

According to the United Nations World Tourism Organization, cultural tourism “represents movements of people motivated by cultural intents such as study tours, performing arts, festivals, cultural events, visits to sites and monument, as well as travel for pilgrimage”. The *Creative Industries Policy, 2012* defines cultural tourism as “tourism that is concerned with a country or region's culture, specifically the lifestyle of the people in those geographical areas, the history of those peoples, their art, dance forms, music, food, rituals, architecture, religion(s), and other elements that helped shape their way of life. It describes the consumption of art, heritage, folklore and many other cultural and creative industry manifestations enjoyed by tourists. Cultural tourism includes tourism in urban areas, particularly historic, capital or large cities and their cultural facilities such as museums and theatres as well as in non-urban areas showcasing the traditions of indigenous cultural communities (i.e. festivals, rituals), and their values and lifestyle as well as tourism relating to creative industry product and services.”

Sources: Government of Seychelles (2012b) and United Nations World Tourism Organization (2004).

In addition to existing offerings, the policy recommended a range of cultural products including night-time entertainment, music, theatre, poetry, creole and contemporary music and dance, craft markets and craft fairs, walking tours around galleries, or to places of work of artists, musicians and designers.

The policy made a number of policy interventions, the most important of which are as follows:

- Coordinating and supporting cultural tourism efforts between national authorities responsible for culture and tourism.
- Promoting distinctive creative industry products with the branding of ‘Made in Seychelles’.
- Marketing and promoting cultural events and creative industry manifestations to tourists and residents, including through a free calendar of arts and culture events.
- Promoting unique destinations such as dedicated walking trails past art galleries, music recording studios, and designers to boost tourist traffic and promote local artists.
- Designating spaces for the promotion and exhibition of creative industry products and services during visits by cruise ships.
- Encouraging the hotel industry to allocate promotional, exhibition and retail space for Seychellois creative industry products and services.
- Monitoring and evaluating tourism projects, activities and developments to ensure that they minimise adverse impacts on the heritage and lifestyles of Seychelles, while being responsive to the needs and aspirations of the tourist.
- Encouraging the use of local materials and local architectural styles, linguistic traditions, and other important elements of culture, heritage and the creative industries in the development of tourism and infrastructure projects.
- Involving local communities in the planning for all cultural tourism projects and programmes through consultation and participatory workshops.
- Developing and running training programmes for tour guides and site interpreters on the presentation and interpretation of cultural values, cultural places and knowledge of creative industry products and services.
- Working with the City of Victoria to increase the night-time economy for residents and visitors.

6.2.3 The Blue Economy

The government of Seychelles recently adopted the "blue economy" as an overarching vision for economic development in Seychelles. The concept of the "blue economy" has been embraced by small island developing states as a mechanism to realise sustainable growth around an ocean based economy.

BOX 6.5 THE BLUE ECONOMY

While there is no universally accepted definition for the Blue Economy, for Seychelles the notion of the blue economy refers to *those economic activities that directly or indirectly take place in the ocean and coastal areas, use outputs from the ocean, and places 'goods and services' into ocean's activities and the contribution of those activities to economic growth, social, cultural and environmental wellbeing* (Draft *Seychelles Blue Economy Roadmap*).

The scope of the blue economy therefore includes:

- activities which explore and develop ocean resources;
- activities which use ocean and coastal space;
- initiatives which protect the ocean environment;
- activities which rely on ocean resources as a main input;
- the provision of goods and services to support ocean activities; and
- mechanisms to ensure the equitable sharing of benefits derived from the blue economy.

A sustainable blue economy is a marine-based economy that:

- Provides social and economic benefits for current and future generations;
- Restores, protects and maintains the diversity, productivity, resilience, marine ecosystems; and
- Is based on clean technologies, renewable energy, and circular material flows to secure economic and social stability over time.

A sustainable blue economy is governed by public and private processes that are:

- Inclusive.
- Well-informed, precautionary and adaptive.
- Accountable and transparent.
- Holistic, cross-sectoral and long-term.
- Innovative and proactive.

To create a sustainable blue economy, public and private actors must:

- Set clear, measurable, and internally consistent goals and targets for a sustainable blue economy.
- Assess and communicate their performance on these goals and targets.
- Create a level economic and legislative playing field that provides the blue economy with adequate incentives and rules.
- Plan, manage and effectively govern the use of marine space and resources, applying inclusive methods and the ecosystem approach.
- Develop and apply standards, guidelines and best practices that support a sustainable blue economy.
- Actively cooperate, sharing information, knowledge, best practices, lessons learned, perspectives, and ideas, to realize a sustainable and prosperous future for all.

Sources: WWF (2015a) and WWF (2015b).

The concept of the blue economy (see Box 6.5 for a definition) is not new to the tourism sector as the tremendous developments over the past three decades in this industry have centred on marine-based activities. The broad objectives of the blue economy are economic diversification, food security, protection and sustainable use of the natural environment along with social outcomes such as job creation. As a strategic framework, it cuts across a number of sectors including tourism, and a key element is sustainability. Currently, the whole-of-government process to implement the blue economy vision is being driven by the Department of Blue Economy in the Office of the Vice-President.

The emphasis on blue economy in tourism has been emphasized in national development frameworks. Compared to previous national development frameworks, the ***Seychelles Strategic Land Use and Development Plan 2015-2040*** gives more prominence to development of the blue economy, more specifically coastal and maritime tourism. With the assistance of the Commonwealth Secretariat, the Department of Blue Economy developed the *Seychelles Blue Economy Roadmap* in 2016 to establish the broad direction for future investment in and development of a sustainable ocean-based economy in Seychelles. In September 2017, the World Bank approved a US$20 million package to fund marine conservation and strengthen fisheries management in Seychelles (see Box 6.6).

BOX 6.6 THE SEYCHELLES 'BLUE BOND'

On 29 September 2017, the World Bank approved a package of over $20 million for the Republic of the Seychelles to improve the conservation and management of its marine resources and expand seafood value chains under the Third South West Indian Ocean Fisheries and Shared Growth (SWIOFish3) Project. The package consists of a loan of $5 million from the International Bank for Reconstruction and Development (IBRD) and a grant of $5.29 million from the Global Environment Facility (GEF). In addition, a guarantee of EUR5 million from the IBRD and a credit of $5 million from the GEF's Non-Grant Instrument Pilot will enable the future issuance of the world's first Blue Bond by Seychelles. The Blue Bond is expected to mobilize public and private investments to finance the country's transition to sustainable fisheries.

The SWIOFish3 Project will: expand sustainable use marine protected areas; improve governance of priority fisheries; review and update the fisheries institutional framework; and sustainably develop the blue economy to finance the sector's sustainable development. To improve fisheries governance, the project will develop a fisheries information management system and train government statisticians in marine environment statistics. To improve fisheries value chains, the project will provide support to increase value addition in the artisanal fishing and processing sectors as well as in the aquaculture, industrial and semi-industrial sectors.

Sources: International Institute for Sustainable Development (2017) and World Bank (2017).

6.2 Adequacy of utility services

Electricity, water, sanitation and waste management are critical to Seychelles' sustainable development and to sustainable tourism. It has been estimated that in 2009-2010 tourism represented 17.8 per cent of water consumption and about 10 per cent of electricity consumption. Seychelles generates about 48,000 tons of waste per year. Although no data on the tourism share are available, it is estimated that 1 to 2 kg of solid waste is generated by visitors per day.

Electricity. Seychelles depends mostly on fossil fuels to meet its electricity demand, including tourism demand. There are three power generation plants operated by the Public Utilities Corporation (PUC), representing a total installed capacity of almost 85 megawatts. Two are on Mahé (the Newport Power Station and Roche Caiman Power Station) and one at Baie Saint Anne on Praslin. A kilowatt of electricity generated at the Baie Saint Anne Power Station, which has a generating capacity of 13.8 megawatts is supplied to La Digue via two submarine cables[56]. Some islands including the ones managed by the Island Development Corporation and the Seychelles Island Foundation, and several large hotels have their own generation capacity based on diesel generators[57]. Some large hotels operate backup generators. In 2013, a 6-megawatt wind farm became operational, and investments in photovoltaic systems have been promoted in the last few years[58]. *The* ***Seychelles 2010-2030 Energy Policy*** targets that electricity generated by renewable energy will increase from 5 per cent of energy supply in 2020 to 15 per cent in 2030. In the 2018 State of the Nation address, the President announced that all new electricity generators will be powered by Liquefied Natural Gas rather than fuel and gas oil which are currently being used.

Water. PUC tap water to customers on Mahe, Praslin, La Digue and Saint Anne through a wide network of treatment plants, desalination plants and water storage facilities including dams and water tanks. Extensions to the water network include the extension of the La Gogue Dam, which has started and the construction of a new dam at Grand

[56] Seychelles Nation (18 May 2015).

[57] Website of the Seychelles Energy Commission at: http://www.sec.sc/index.php/electricity-sector/generation/fossil-fuels

[58] Richter (2016).

Anse Mahe which was announced in the State of the Nation address for 2018[59]. According to survey data from PUC, water sales by user category, tourism accommodation accounted for 17.8 per cent of Seychelles water consumption in 2009. The survey captured the annual consumption of 2,959 rooms supplied by the PUC network, 65 per cent of which were large hotels. In 2009, the daily consumption of the tourism accommodation sector was equivalent to an average of 0.52 m^3 (520 litres) per bed per day. Disaggregated data on water consumption by island show that tourism accommodations stood for 14.6 per cent of Mahé's water consumption as compared with 31.5 per cent for Praslin and 47.8 per cent for la Digue. The fact that the concentration of water demand from the tourism sector is highest in la Digue can be explained by the island's small population size relative to the number of tourism beds. In 2009, the ratio of the number of tourism beds to the number of inhabitants (connected to PUC) was equivalent to 57 per 1000 inhabitants on Mahé, 217 per 1000 on Praslin and 231 per 1,000 on la Digue. The ***Seychelles 2010-2020 Water Master Plan*** takes in consideration the increment of water requirements associated to growth in tourism demand.

Waste management. Regarding waste management, the Providence, Anse Royale and La Digue landfills have reached or are about to reach saturation points. Waste management on Praslin relies on an open-air dumping site as the island is still not equipped with a sanitary landfill. On Mahé a new landfill is expected to be operational in the coming years with a life span of 10 years, but it is unlikely that the projected increase in hotel beds has been factored in the landfill projections (which were built on 1999-2007 trends). However, it should be stressed that government initiatives such as recycling of PET bottles and can and, more recently, the government waste to energy initiative, will offset part of the additional waste requirement to be generated by new hotels.

Sanitation. Mahé is equipped with two main sewage plants: the Beau-Vallon sewage plant and the Providence sewage plant. On Mahé, hotels based outside of these areas are requested to have their own sewage treatment plants. Praslin and La Digue are currently not equipped with sewage plants and sanitation depends on septic tanks. As a result of the combination of demographic, commercial and tourism trends, the water quality of most rivers is under threat on these islands. The ***Integrated and Comprehensive Sanitation Master Plan 2020-2030*** provides for the construction of sewage treatment plants on the islands of Praslin and La Digue. A project to construct a sanitation system for La Digue is about to start.

6.3 Carrying capacity analyses

Carrying capacity analysis[60] is a fundamental tool for tourism planning in ensuring that the long-term national interests are taken into account. 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.

The carrying capacity analysis for La Digue undertaken in 2013 made the following recommendations[61]:

- No further development of tourism accommodation should be considered on La Digue for a period of three years.
- Following this three-year moratorium on tourism bed development, tourism bed supply on La Digue should be re-assessed in relation to the availability of utilities. If at the time of the re-assessment, environmentally-friendly utilities can be provided to serve the island as a whole, additional tourism development might be considered under the following conditions:
    - Restrictions concerning development density should be applied according to classifications stipulated in the "*Land Use Plan for La Digue*".
    - Development should be limited to areas classified as pure tourism or tourism mixed with residential use.
    - Development in protected and environmental sensitive areas including the Veuve Reserve and wetlands and surrounding areas should not be allowed.

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[59] Office of the President (2018).

[60] According to Richter and Adonis (2014), the United Nations World Tourism Organization defines tourism carrying capacity as "the maximum number of people that may visit a tourist destination at the same time, without causing destruction of the physical, economic, socio-cultural environment and an unacceptable decrease in the quality of visitors' satisfaction".

[61] David and Richter (2013).

- In order to safeguard the creole character of the island and to maintain the quality of life of its residents while safeguarding visitor satisfaction and expectations, the current proportion of visitors per day to total population (one visitor to two residents) should be used as a target.
    - Only 5 rooms will be allowed per project (new, extension or change of use). Furthermore, no extension should lead to an establishment having more than a total of 15 rooms (30 beds).
    - Developments should adopt traditional architectural design, include small size establishments and be a minimum of 3-star standard.
- Limits to construction workers and foreign hotel staff should be considered.
- In view of the current beach density at Anse Source d'Argent, the total number of visitors on La Digue should to be closely monitored and adjusted.

For the carrying capacity analysis of Greater Beau Vallon Area undertaken in 2014, the main recommendations were as follows[62].

- Apply restrictions concerning type of developments and development density according to classifications stipulated in the land use plans for the three districts.
- Development in protected and environmental sensitive areas should not be permitted.
- Additional large developments should be discouraged. As other tourism infrastructure still holds potential for growth, investments in catering facilities (e.g. restaurants and bars) and entertainment infrastructure should be promoted instead.
- Conduct more tax inspections in view of the results of the economic assessment, which revealed differences between tax actually paid and calculated tax obligations.
- Increase investments in public infrastructure including in water infrastructure as additional residential and tourism developments in the area have already been approved.
- Introduce legislation and regulation that make it compulsory for residential houses and tourism establishments to be connected to the central sewerage system.
- Introduce regular water tests at all major beaches for monitoring purposes, to avoid health risks for bathers and provide data for immediate response and necessary policy adjustment.

The carrying capacity study for the Inner Islands undertaken in 2016 made the following recommendations[63]:

- Limit future large hotel developments and keep the Moratorium on new large developments in place for all Inner Islands, at least until 2020.
- Promote the re-development of existing tourism establishments which are presently derelict (including Reef Hotel, Mahé Beach Hotel, Equator Hotel, L´Auberge Danzil, Vanilla) possibly by providing special incentives.
- Limit growth rates of beds in self-catering establishments by restricting new self-catering developments to 5 rooms per establishment and permitting enlargements and extensions up to a maximum of 10 rooms in total per promoter/owner.
- Entertain change-of-use from dwelling houses to tourism establishments only after residential use for a minimum period of 5 years. Any change of use to tourism in social housing projects or land banks should be strictly avoided.
- Further promote investments in catering facilities as such tourism infrastructure still holds potential for growth.
- Introduce a classification system for accommodation establishments to improve the quality and standards, particularly of self-catering establishments. This should be supported by training on product development and marketing for small self-catering establishments.
- Strengthen measures to identify and legalise unlicensed establishments catering for tourists.
- Regularly assess tourist satisfaction levels by conducting exit surveys at the airport to get feedback from tourists on their Seychelles´ experience.
- Revise the current business and presumptive tax system for tourism establishments with a view to link the new tax system to the number of beds and the new classification to encourage and increase in quality standards and occupancy.

[62] Richter and Adonis (2014).
[63] Richter (2016).

- Apply restrictions concerning type of developments and development densities according to classifications stipulated in the land use plans. Development in protected and environmental sensitive areas must be avoided at all cost.
- Continue the upgrade of existing electricity, water supply, sewage and waste facilities and networks in accordance with the existing sector plans.

6.4 Other strategic issues

In addition to the issues discussed above, stakeholders raised a number of other strategic issues. These are summarised below.

Currency of regulatory and legislative framework and its enforcement. The *Seychelles Sustainable Development Strategy 2012-2020*[64] noted that, due to weak institutional capacity and insufficient tools for enforcement, violations of environmental laws are often not prosecuted or settled out of court. It added that there is an imperative need to amend the outdated legislation frameworks to ensure that the present national conditions and the country's international obligations are properly reflected. Reference was also made to the lenient nature of penalties related to the violation of environmental laws. Discussions with stakeholders as part of the updating the present document provided additional support for this position.

[64] Government of Seychelles (2012a)

BOX 6.7 ELEMENTS FOR BUILDING A SUSTAINABLE TOURISM STRATEGY

There are six elements to consider when building a sustainable tourism strategy outlined below. Each element includes a complex set of questions, and each requires input from a variety of stakeholders.

Vision and aspiration. The course for the strategy should be set by answering the following questions:

- What is the vision for the destination?
- What is the carrying capacity, including environmental factors?
- What is the target number of annual visitors?
- What are the target tourism revenues, impact on gross domestic product, and job creation impact?

Segment strategy. The visitor segmentation strategy has to be defined by asking the following questions:

- What is the target mix of source markets for visitors (including domestic)?
- What is the target profile mix in terms of leisure, business, and other kinds of travellers?
- For each segment, how much are visitors expected to spend and how long are they expected to stay?

Product strategy. The product strategy should be developed based on the following questions:

- What differentiated and unique products—tours, activities, sites, attractions, and other amenities—are required to meet the needs of target segments?
- Which anchor events will draw visitors throughout the year?
- Who will pay for these products and events?

Infrastructure and other enablers. The infrastructure capacity and objectives should be defined by answering the following questions:

- What broad infrastructure plans and initiatives must consider tourism?
- What land-use planning and zoning efforts must be undertaken?
- How many hotel rooms (or alternative lodgings) are required by segment, both now and in the future?
- What changes must be made in terms of airport capacity and route prioritization?
- What regulatory changes are required to achieve these infrastructure levels?

Marketing and communication strategy. The marketing and communication strategy should be outlined by answering the following questions:

- What is the budget required to support both the promotion of the destination (internationally and domestically) and events?
- What are the most productive channels to focus on?
- How can the marketing and communication strategy maximize the shared value among stakeholders in the sector and across segments?

Organization and performance management. The following questions should be answered to consider how to implement the strategy and measure success:

- What will be the private-sector role versus the government role in funding?
- Which industry committees must be set up to enable the sector?
- How will progress toward targets be monitored and evaluated?

Source: McKinsey and World Travel & Tourism Council (2017).

Coordination. There is currently no mechanism in place to ensure that the Department of Environment is consulted by the Seychelles Licensing Authority and Seychelles Investment Board during the operational phase of tourism accommodations. The consultation process between the Authority and the Department of Environment and Planning Authority does not go beyond the phase of issuance of licenses. Furthermore, the former institutional framework that linked tourism to environment was limited to the former Environment Management Plan of Seychelles Steering Committee (replaced by the Seychelles Sustainable Development Strategy Council in 2012). Under this framework, technical exchanges on tourism were mainly limited to the environment impact assessments of tourism projects and to environment projects of relevance to the tourism industry. In other words, the former institutional framework linking tourism to environment in Seychelles was dominated by tourism project analysis rather than tourism development analysis per se. The environmental sensitivity of quantitative tourism objectives and targets (including, the number of visitors, number of tourism beds, number of cruise ship passengers, required additional water resources, and increment in energy consumption) were not scrutinized.

Sustainable tourism strategy. The Government of Seychelles has adopted a number of measures to support the development of sustainable tourism. However, these have been adopted on an ad hoc basis ranging from the ***Seychelles Sustainable Tourism Label*** (see Box 6.2) to an action plan on sustainable tourism as part of the ***Seychelles Sustainable Development Strategy 2012-2020*** and tourism accommodation development based on carrying capacity analyses. There is currently not one specific strategy on sustainable tourism that takes into account existing initiatives and regional and international frameworks on sustainable tourism (see Section 3) that is understood by everyone. Representatives of the Seychelles Hospitality and Tourism Association highlighted the need to be clear about the positioning of the Seychelles tourism sector, and to understand and plan for the implications of the vision that is chosen. This view was echoed by a number of operators from different tourism industries. Box 6.7 highlights the key elements involved in developing a sustainable tourism strategy.

6.5 Developments and emerging issues since the last update

Since the last update of the Tourism Masterplan in 2016, a number of developments have taken place that will impact on the sustainability of the tourism sector in Seychelles.

In the State of the Union Address for 2018, 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. Box 6.8 highlights how Cousin Island has been ran based on sustainable tourism principles.

In discussions in March 2018 as part of the update of the present document, representatives of the La Digue Business Association raised a number of issues relating to the sustainability of tourism on the islands. These were as follows:

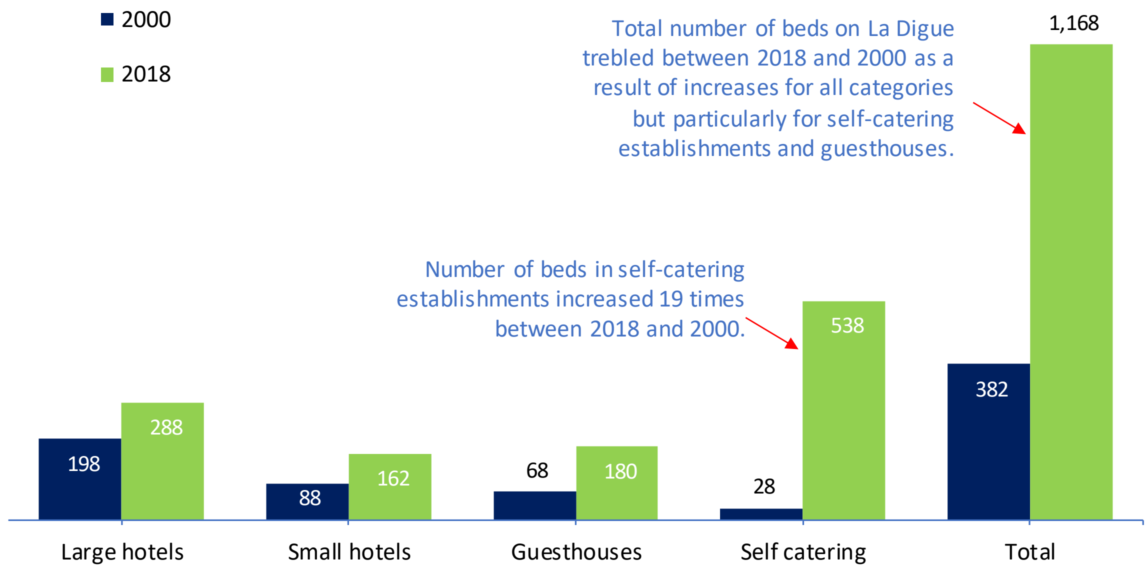
- **Number of visitors on La Digue.** The statistics on the number of visitors arriving on La Digue are not accurate, especially for the number of day trippers. This is important to ensure that only a set number of visitors relative to the La Digue population is allowed on the island at any given time so as not to put too much pressure on the island's infrastructure and the ecosystem.

- **Water and sewerage infrastructure.** The island has the capacity to produce 1, 100 kilolitres per day while daily consumption is an estimated 1, 300 kilolitres. Rivers cannot meet the demand shortfall as they are already contaminated by sewerage. The Public Utilities Corporation is about to start the construction of a sewerage plant on La Digue (see section 6.2). This construction should take into account the topography of the island.

- **Limits on tourist accommodation establishments.** The quantity of beds in tourism accommodations establishments on La Digue more than trebled from 2000 to 2018 (Chart 6.2). This was due to increases in beds for all categories of establishments, but particularly for self-catering establishments that increase by 19 times and guesthouses that almost trebled. The explosion in the number of beds in small establishments was the result of the introduction of the change-of-use licence in 2010 aimed at curbing the practice of illegal tourism accommodation and facilitating the entry of small Seychellois owners in the tourism accommodation industry (see Box 10.2). Based on the recommendation of the carrying capacity analysis undertaken for La Digue in 2013, a limit of five rooms per promoter was adopted. Representatives of the La Digue Business Association recommends that this limit should be revisited. This is because this restriction does not make business sense, is depriving business opportunities for those residing on La Digue, and encourages otherwise law-abiding businesspeople residing on the island to engage in creative ways to get around it. Furthermore, the change-of-use policy that permit houses that was being used for residential purpose to be converted into tourism accommodation establishments has encouraged local investors who do not reside on La Digue to operate small establishments that are mostly unregulated. The La Digue Business Association is of the view that such business opportunities should be reserved for residents of La Digue. Furthermore, all tourism accommodation establishments should meet minimum standards including having a reception and a kitchen. Government should assist owners of those establishments who are affected by this proposed policy to participate in other tourism-related activities.

- **Developments above the 50-metre mark.** The policy that ensures that no development takes place above the 50-metre mark should be maintained. This may require the acquisition of private land by Government based on a fair compensation policy. Government should develop nature trails to provide alternative business opportunities for La Digue residents.

Chart 6.2: Number of beds by category of tourism accommodation establishment, 2000 and 2018



Source: Analysis by Valsen Consulting based on data from Tourism Department and Richter (2016)| Data for 2018 is as of 1 March 2018.

- The increasing number of **expatriate workers** is reducing the availability of affordable housing for Digwa.

- The **Land Use Plan for La Digue** is out of date and should be revised.

- **Motor vehicles.** There are currently 61 motorised vehicles on La Digue, significantly higher than the 49 that is allowed. Both the representatives of the La Digue Business Association and most tourism stakeholders agree that this number is too high.

- **Landing tax.** The Landing Tax on visitors to La Digue should not be imposed on all visitors but only on day trippers including cruise ship passengers.

BOX 6.8 THE COUSIN ISLAND SPECIAL RESERVE

In 1968, Cousin Island was purchased by the International Council for Bird Preservation, now BirdLife International, with funds raised through an international campaign. In 1979, the Cousin Island Special Reserve Regulations were established, under the 1975 National Parks and Nature Conservancy Act. The regulations provided authority for BirdLife International to manage and protect the island, a role they fulfilled from the UK until 1998, when management responsibility was transferred to Nature Seychelles, a national non-governmental organization (NGO).

Activities on the island include scientific research, conservation, education and tourism. The island is accessible to visitors on four days each week, and since 1998 tourism operations run by Nature Seychelles have brought between 8,000 and 10,000 visitors to the island each year, despite a lack of overnight accommodation. Foreign tourists pay a landing fee of US$25 since 2003 (there is no charge for locals) and the island administration also sells soft drinks and t-shirts. Revenues are all ploughed back into staff salaries, transport costs, housing and maintenance, as well as conservation, educational and training programmes.

Indicators of conservation success on and around Cousin Island include the re-establishment of native vegetation on a former coconut plantation, a 300% increase in the population of the Seychelles warbler, increased numbers of nesting hawksbill turtles, and significantly higher fish biomass on Cousin reefs, compared to other marine protected areas in the vicinity.

The creation of a national NGO staffed by Seychellois has enhanced local support. The NGO has established efficient management systems and infrastructure, enabling the island to become a world-class reserve, winning accolades such as the Conde Nast Ecotourism Award for 2004, the Highly Commended Award under the British Airways 'Tourism for Tomorrow' programme, and designation as an ICRAN Demonstration Site. Until 1998, the island was operating on a loss-making basis. Infrastructure and equipment were poorly maintained and staff development was non-existent. New management since then has attracted significant tourism with appropriate controls on visitor numbers as
well as strict cost control to ensure profitability and sustainability.

Revenues from the island assist in running unique programmes initiated by Nature Seychelles to benefit local people. These include Local Environmental Action Program, which supports grass roots environmental groups as well as Environ-Mentor, which engages young Seychellois as interns on Cousin Island. Cousin Island is an important source of income for surrounding communities and businesses. Educational tourism is serviced by three large travel agencies, as well as several locally-owned, small to medium sized operators and charter boat businesses on neighbouring Praslin Island. The owners and employees of these businesses are all Seychellois. Cousin Island is also a popular destination for visiting international cruise ships. It is estimated that some US$600,000 is generated by these activities through direct and indirect revenues, almost all flowing to local businesses.

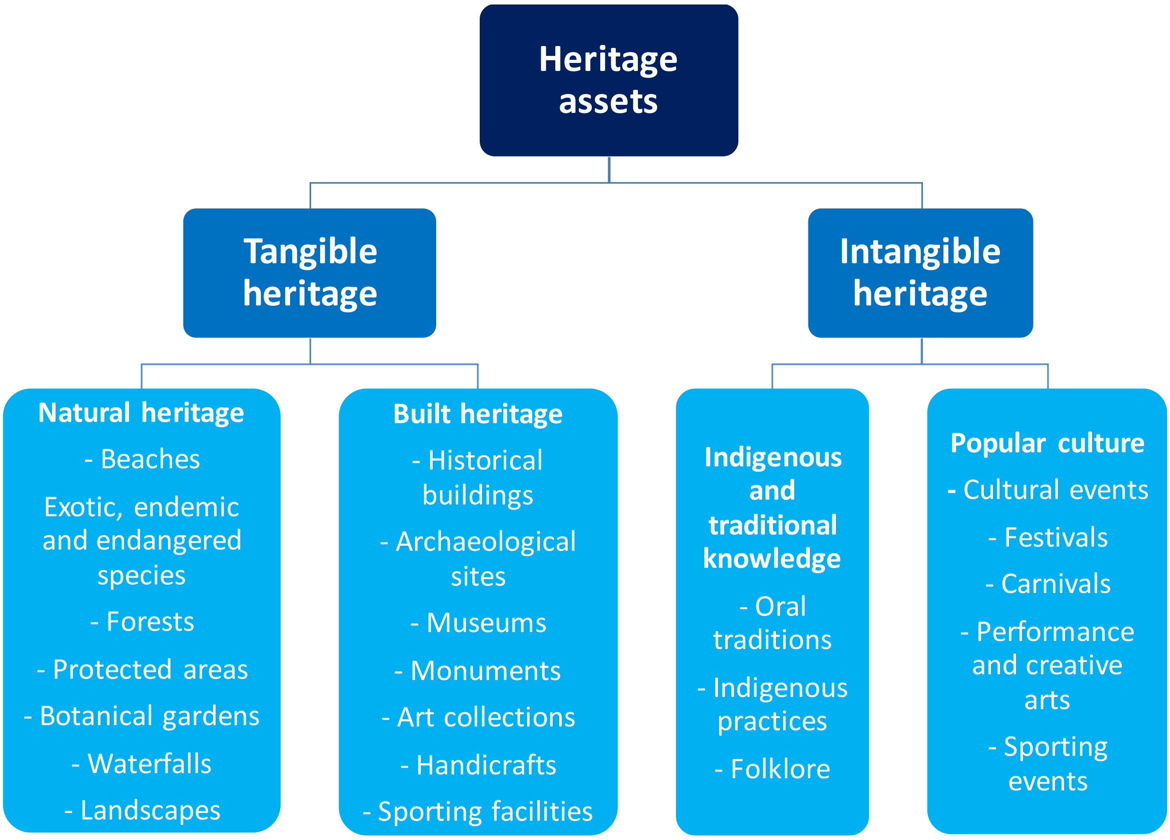
Source: The World Conservation Union (2006).

7 Tourism assets

The Seychelles archipelago consists of 115 islands spread over 1.3 million km^2 of the Indian Ocean, with a total land area of 455 km^2. The islands of Seychelles are classified into 42 granitic islands and 73 outer coralline islands; most of the latter are uninhabitable. The main islands are Mahe, Praslin and La Digue. The climate is warm throughout the year.

The most valuable assets for tourism development that Seychelles is endowed with are natural and cultural attractions. There is a mutual and long-term dependence of tourism on nature and culture-based attraction sites. Natural and cultural heritage is an important determinant for increased tourism spending and that spending in turn generates funds for conservation and for the sustainable management and development of natural and cultural sites. A key challenge is to ensure that tourism-related activities do not damage the sites.

Chart 7.1: Natural and cultural heritage assets in Seychelles



Source: Analysis by Valsen Consulting based Caribbean Tourism Organization (2007).

According to the "Eco-tourism Inventory" conducted in 2010 by the Seychelles Tourism Board in support of the *Seychelles Ecotourism Strategy for the 21st Century*[65], it was estimated that Seychelles has a minimum of 60 active tourism attraction sites. The largest number of tourism attraction sites is located on Mahé. The majority of the attraction sites are related to biodiversity discovery experiences, including nature trails, view-points, fauna sanctuaries, medicinal plants, botanical gardens, land-based national parks, marine national parks, and nature reserves. The inventory recorded the existence of only seven active cultural sites in Seychelles excluding national monuments: six active cultural sites are located on Mahé (including three museums) and one on la Digue (see

[65] Government of Seychelles (2010).

Section 7.2).

A useful way to analyse the natural and cultural heritage assets in Seychelles is shown in Chart 7.1. Tangible heritage includes natural and built cultural heritage, while intangible heritage includes indigenous and traditional knowledge and popular culture. The rest of the section assumes that cultural heritage assets include built heritage, indigenous and traditional knowledge and popular culture.

7.1 Natural heritage[66]

Most islands in Seychelles are ringed with beaches of the finest white sands. Anse Lazio on Praslin and Anse Source d' Argent on La Digue are regularly ranked in the top 10 most beautiful beaches in the world. Some of the most popular beaches on Mahe include those situated at Anse Royale, Baie Lazare, Beau Vallon, Port Launay, and Takamaka.

Seychelles has the highest degree of amphibian endemism of any island in the world, 82 endemic plants, two endemic mammals and 12 endemic birds[67]. It has over 1, 000 species of fish and within the granitic islands, there are over 1, 500 plant species of which 250 are endemic[68].

Seychelles has a proud history of protected area establishment, which includes terrestrial and marine protected areas. Large parts of Mahe, Praslin, La Digue and other islands are protected for conservation. Table 7.1 lists the main protected areas of Seychelles along with the type of protected area[69], year of designation and relevant legislation, objective, and managing agency. The protected areas are home to a rich natural heritage and a number of endemic birds, plants and other animals.

Almost 47 per cent of Seychelles land area is designated as protected areas for environmental and biodiversity purposes[70]. Covering 20 per cent of the area of Mahe, the Morne Seychellois National Park is the largest terrestrial national park. A total of 12 official nature trails can be explored in the national park[71]. In 2010, the President committed the country to the target of protecting more than 50 per cent of its land area for conservation.

Although Seychelles was the first country in East Africa to establish a network of Marine Protected Areas, the total protected area amounts to less than 1 per cent of the Seychelles' Exclusive Economic Zone (EEZ)[72]. In 2012, Government announced plans to designate 30 per cent of the EEZ of Seychelles as Marine Protected Areas by 2020, which will make it the second largest marine reserve in the Indian Ocean, half of which will be strict no-take zones.

As part of this process, Government in partnership with the Nature Conservancy, an American non-governmental organization, mobilized an US$30 million debt-swap in exchange for its commitment to marine conservation[73]. A public-private entity, the Seychelles Conservation and Climate Adaptation Trust was set up under the *Conservation and Climate Adaptation Trust Act of Seychelles, 2015* to purchase and restructure the Seychelles' debt, manage the endowment, enforce the terms of the debt forgiveness agreement and fund marine conservation and climate adaptation activities[74]. The trust extended a loan to Government to purchase US$21.6 million of its debts to Belgium, France, Germany, Italy, Japan and the United Kingdom at a discount to face value of US$20.2 million[75].

[66] Selected definitions of terms used in this section are outlined in *Annex 2*.
[67] Government of Seychelles (n.d.).
[68] Government of Seychelles (2012a).
[69] In addition to the types of protected areas listed in Table 7.1, other categories of protected areas allowed under the laws of Seychelles include: bird reserve; coastal reserve; fish reserve; forest reserve; river reserve; shell reserve; strict natural reserve; bird sanctuary; botanical garden; and sensitive area (Government of Seychelles, October 2013). The *Seychelles' Protected Areas Policy 2013* simplifies the multiple existing categories of protected areas into five in accordance to international norms. The new categories are as follows: (a) Strict Nature Reserve; (b) Ecological Reserve; (c) National Park; (d) Protected Landscape/Seascape; and (e) Sustainable Use Area.
[70] Government of Seychelles (2014).
[71] Seychelles Tourism Board (n.d.).
[72] *Ibid.*
[73] The Nature Conservancy (n.d.)
[74] *Ibid.*
[75] The Nature Conservancy (2017).

Table 7.1: Protected areas of Seychelles

Protected area	Type	Year designated	Objective	Managing agency
Legislation: National Parks and Nature Conservancy Act, 1969				
Ste Anne	Marine national park	1973 (1997*)	Protection of marine life, reefs and shores for the enjoyment of the public.	SNPA
Aride Island	Special reserve	1975	Protection of diverse seabird colony.	Island Conservation Society
Cousin Island (see Box 6.8)	Special reserve	1975	Conservation of Seychelles Warbler and Seychelles Fody.	Nature Seychelles
Baie Ternay (Mahe)	Marine national park	1979	Protection of reef biodiversity and maintenance of public amenity.	SNPA
Curieuse	Marine national park	1979	Protection of reefs between Praslin and Curieuse.	SNPA
Curieuse	Terrestrial national park	1979	Protection of coco-de-mer forest and mangrove ecosystem.	SNPA
Morne Seychellois (Mahe)	Terrestrial national park	1979	Preservation of scenic beauty and protection of wildlife.	SNPA
Port Launay (Mahe)	Marine national park	1979	Protection of reef biodiversity and maintenance of public amenity.	SNPA
Praslin National Park	Terrestrial national park	1979	Preservation of water and soil cycles, natural habitat and wildlife.	SNPA
La Digue Veuve Reserve	Special reserve	1980	Conservation of habitat of the Seychelles Paradise Flycatcher.	SNPA
Aldabra (see Box 7.1)	Special reserve	1981	Ecosystem conservation and management.	Seychelles Island Foundation
Silhouette	Marine national park	1987	Protection of marine rookery.	SNPA
Ile Coco, Ile la Fouche, and Ile Platte	Marine national park	1997	Protection of coral gardens.	SNPA
Grand Anse Mahe	Area of outstanding natural beauty	2000	Preservation of natural beauty, human utilization and ecosystem services of mangroves and vacoa woodlands for human enjoyment ad sustainable use.	Environment Department
Moyenne Island	Terrestrial national park	2009	Conservation of native flora and fauna.	Moyenne Island Foundation
Recif Island	Special reserve	2010	Conservation of seabird colony.	Environment Department
Silhouette	Terrestrial national park	2010	Protection of terrestrial ecosystem, particularly the endemic biodiversity.	SNPA/ Island Conservation Society
Legislation: Wild Animals and Birds Protection Act, 1966				
Cousin	Natural reserve	1966	Protection of bird life.	Nature Seychelles
Ile Seche, Ile aux Fou, Boudeuse, Etoile, Les Mamelles, Vache Marine	Natural reserve	1966	Protection of bird life.	Environment Department
Vallee-de-Mai (Praslin)	Natural reserve	1966	Protection of bird life.	Seychelles Island Foundation
Legislation: Protected Areas Act, 1967				
African Banks and surrounding reefs	Protected area	1987	Protection of biodiversity.	Department of Land use and Habitat
Ile Coco, Ile la Fouche, and Ile Platte	Protected area	1987	Protection of biodiversity.	SNPA

Source: Government of Seychelles (2014)| SNPA = Seychelles National Park Authority; * = amendment.

The rich natural heritage of Seychelles is reflected in its two United Nations Education, Scientific and Cultural

Organization (UNESCO) World Heritage Sites – Aldabra Atoll and Vallee de Mai Nature Reserve – that are managed by the Seychelles Island Foundation. Aldabra has the world's largest raised coral atoll and giant tortoise population, and in the Aldabra Rail has the last surviving flightless bird of the Indian Ocean[76] (see Box 7.1). Vallee de Mai on Praslin is home to the largest intact coco-de-mer forest and the endangered Seychelles Black Parrot. It was designated a World Heritage Site in 1983.

BOX 7.1 THE ALDABRA ATOLL

The world's second largest coral atoll by dry land area, the Aldabra Atoll is comprised of four large coral islands surrounded by a coral reef. It is legally protected under national legislation and is managed by a public trust, the Seychelles Island Foundation. It was designated a World Heritage Site in 1982.

Aldabra constitutes a refuge for over 400 endemic species and subspecies. These include a population of some 152,000 Aldabra Giant Tortoise, the largest in the world. There are also globally important breeding populations of endangered green turtles, and critically endangered hawksbill turtles are also present. The atoll is a significant natural habitat for birds, with two recorded endemic species (Aldabra Brush Warbler and Aldabra Drongo), and the White-throated Rail, the last remaining flightless bird of the Western Indian Ocean. There are vast water-bird colonies including the second largest frigate-bird colonies in the world and one of the world's only two oceanic flamingo populations.

Tourism is limited and carefully controlled through a zoning scheme. Under the Aldabra Atoll Management Plan 2016-2026, the atoll is divided into three types of zones: conservation zone; tourism and recreational zone; and marine food security zone. Recreational diving, snorkelling and visitor access by boats are allowed in the tourism and recreational zones.

Source: Seychelles Island Foundation (2016b) and World Heritage Centre, UNESCO (n.d.)

7.2 Cultural heritage

Seychelles has 46 national monuments which are conferred to those monuments that are deemed important either for their historical importance or scientific interest, or because they are aesthetic symbols that celebrate the social, political, cultural and economic achievements. Some of the most important national monuments are La Bastille, the Botanical Gardens, Mission Lodge, Sir Selwyn Selwyn Clarke Victoria Market, State House Garden, Victoria Clocktower, and the Granite Boulder on La Digue. The national monuments are listed in *Annex 3*.

BOX 7.2 THE MISSION RUINS ON VENN'S TOWN

The Mission Ruins (Venn's Town Ruins) is situated on Mahe in the Morne Seychellois National Park. The Venn's Town settlement was set up as an industrious school by the Church Missionary Society, a philanthropic group in 1876-1889 to accommodate children of liberated slaves who worked as labourers on various plantations. The large numbers of freed Africans had a great impact on Seychelles in the formation of the Creole Seychellois identity and it gave birth to subsequent civilization. The liberated slaves played vital roles in the foundation of the cultural traditions of Seychelles ranging from the unique version of the Creole language, music, dance, traditional medicines, and economic activities.

The cultural site Mission Ruins comprises of ruins and a cemetery, which was an extension to the original settlement where the liberated slave's children was buried. Nowadays the place is more popularly used as a tourism attraction and used by the local community for prayers and meditation. The Mission Ruins was declared a National Monument in 1984, and is managed by the Seychelles Heritage Foundation, since 2007. The Foundation is working in a joint venture with Mission Limited to run the site.

Source: World Heritage Centre, UNESCO (n.d.)

In 2013, the Ministry of Tourism and Culture submitted a request to UNESCO for the Mission Ruins of Venn's Town to be classified as a Cultural World Heritage Site (Box 7.2). Silhouette Island was also nominated tentatively as a World Heritage Natural and Cultural Site in the same year.

The Ministry is also marketing four of Seychelles' cultural attractions that highlight the country's cultural heritage under the brand name "Patrimwann". These are all found on Mahe and include the Kreol Institute, Domaine de Val

[76] Seychelles Island Foundation (n.d.).

des Près (Craft Village), La Bastille, and the Eco-Museum. A list of national heritage sites in Seychelles is appended as *Annex 4*.

Other tangible cultural assets of note include the National Arts Gallery, National Museum of History, National Archives and National History Museum (see Box 7.3) on Mahe, the privately-owned Praslin Museum, L'Union Estate on La Digue, and the plantation houses on the islands of Farquhar, La Digue and Silhouette.

BOX 7.3 THE NATURAL HISTORY MUSEUM

The Natural History Museum (NHM) aims to promote awareness, appreciation and respect for Seychelles' biodiversity and enjoyment of the natural heritage of the Seychelles through quality exhibition and education. The main attractions of the NHM include giant land tortoises, coco-de-mer, a geological history of Seychelles, a shark exhibit and a plant herbanium, which includes a collection of preserved plants of Seychelles. Other attractions include the shell collection, insect collection and plant seed collection. In addition to its permanent displays, the NHM also hold annual exhibitions on a myriad of themes, which allow visitors to learn more about the natural, cultural and historical heritage of Seychelles. Guided tours are available upon request for a small fee. Entrance fees range from SCR2 for students to SCR15 for non-residents and tourists.

Source: Seychelles Tourism Board (2015).

7.2.1 Events

Cultural events represent another important class of cultural assets relevant to the tourism sector. There are 12 main cultural events in Seychelles: Bazar Labrin and Bazar Ovan (organized by the respective districts), Carnaval international de Victoria, Seychelles Ocean Festival, Festival Kreol, Fet Afrik, Francophonie, Lafet La Digue, Lafet Praslin, the Eco-Healing Marathon, Seychelles Tourism Ball, and Miss Seychelles (organized by the Seychelles Tourism Board and the Ministry of Tourism, Civil Aviation, Marine and Ports); the National Agricultural and Horticultural Show (Expo- organized by the National Day Committee).

BOX 7.4 CARNAVAL INTERNATIONAL DE VICTORIA

After an interval of 40 years, Seychelles has entered once more the world of carnival with one of its very own, the 'Carnaval International de Victoria'. The Carnaval is aimed at promoting a positive image of Seychelles as a holiday destination and attracting more tourists to its shores through an event, which is unique, colourful and brings different nations together. The 3-day event begins with an official opening followed by a selection of music shows and cultural events, a spectacular carnival procession through the streets of the capital Victoria and, finally, a family-fun day with international food stalls, live music and unforgettable entertainment. The event echoes the fact that, since those days of its first settlement, Seychelles has always been a rich melting-pot of peoples from the four corners of the planet.

Seychelles uses the event as a marketing platform by inviting appropriate media houses to cover the Carnaval and build its visibility. The number of media houses attending the event has grown considerably in the last few years from 35 in 2011 to 125 in 2014; the figure for 2015 and 2016 were 106 and 83 respectively. The 2014 and 2015 editions of the Carnaval attracted some of the most reputed names in the global media industry including BBC Africa, BBC Travel Show, Channel 4 and Sky Travel from the UK, CNN International, the South African Broadcasting Corporation and DSTV from South Africa, CCTV of China, and National Geographic. STB estimated that in 2015, the Carnaval generated media coverage valued at almost US$499, 000 to Seychelles compared to US$420, 000 in the previous year.

Source: Seychelles Tourism Board.

The biggest and most important event on the cultural calendar is Festival Kreol, which is held over a week every year at the end of October. The festival brings participants from other countries with a Creole tradition. Another important cultural event is the annual 'Carnaval International de Victoria' (Box 7.4) that brings representatives from the world's carnivals to the islands to participate in three days of celebration. Both events feature food and music from the participating countries. From this year, the carnival international will no longer be a separate event. It will be merged with the Festival Kreol.

The cultural events together with other nature-based events including catch-and-release fishing tournaments, the Seychelles Eco-friendly Marathon and the Seychelles Ocean Festival (Box 7.5) represent important promotional platforms for the Seychelles' tourism sector.

BOX 7.5 THE SEYCHELLES OCEAN FESTIVAL

The 2015 Seychelles Ocean Festival stands on the shoulders of SUBIOS and its achievements over a period of two decades while at the same time attempting to broaden its appeal and involve other emerging sectors of Seychelles' marine scene such as sailing, cruising and sports-fishing which are all steadily evolving to become mainstream tourist activities and major destination attractions. The Seychelles Ocean Festival 2015 sets down a corner stone in the foundation of a new concept for the celebration of Seychelles' marine heritage, attractions and of course its all-important blue economy. It is a flexible concept destined to evolve over the coming years to encompass past, present and future dimensions of our fabulous underwater worlds and to develop and cultivate them into worthy attractions for the entertainment of our visitors and local population alike and for the enrichment of Seychelles' maritime culture.

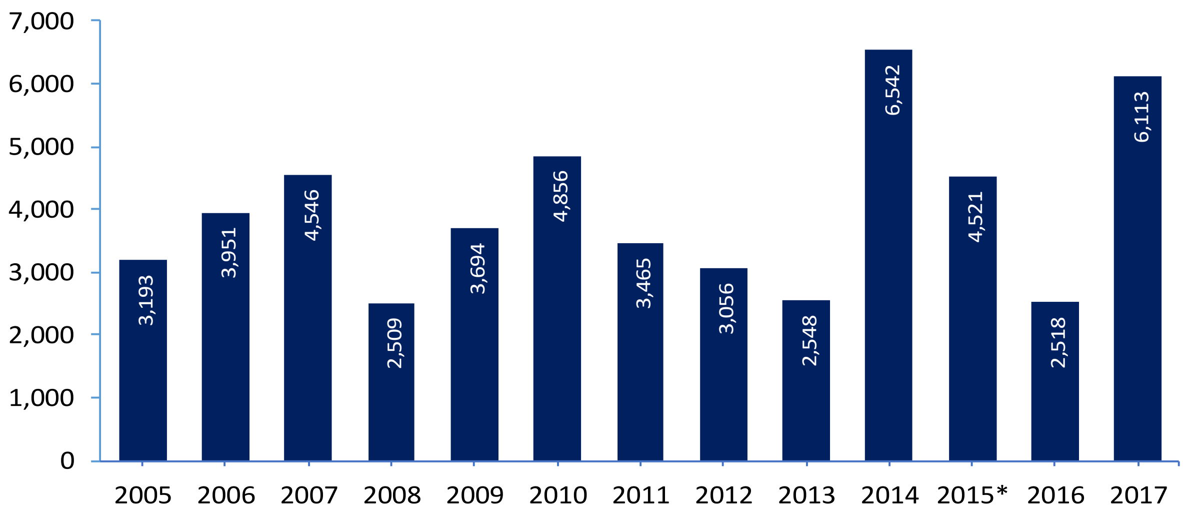
Source: Ministry of Tourism and Culture.

7.3 Visits to natural and cultural heritage sites

In general, there is a lack of comprehensive data on the demand for heritage sites including the number of visitations, amount spent, and the level of satisfaction of visitors. The issue is made worse when the service provider is privately owned.

According to the *Visitor Expenditure Surveys* undertaken by National Bureau of Statistics, the most popular heritage attractions with visitors are visits to national parks, the Botanical Garden, State House Garden and Mission Lodge on Mahe, Anse Source d'Argent on La Digue, and the Vallée de Mai on Praslin[77]. Popular activities with visitors include snorkeling, hikes, nature walks, and sightseeing tours.

Chart 7.2: Number of visitors to the National History Museum, 2005-2017



Source: National History Museum | * The data for 2015 is for January to September.

In 2014, 863, 985 people visited the Vallée-de-Mai on Praslin compared to 83,805 in 2013[78]. The number of visitors to the National History Museum reached a high of 6, 542 in 2014, more-than-double the figure for 2013 (Chart 7.2). the number of visitors fell sharply in 2016 to reach 2, 518 before recovering to finist at 6, 113 in 2017. It is estimated that over 10 per cent of visitors to Seychelles visit the Domain Val de Près[79].

[77] See for example National Bureau of Statistics (March 2016b) and National Bureau of Statistics (December 2017).
[78] Seychelles Island Foundation (2016a).
[79] Seychelles Tourism Board (2015).

7.4 Legal and regulatory environment

The international treaties that are of direct or indirect relevance to natural and cultural heritage and which Seychelles is State party to are:

- UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property, 1970;
- Convention on Wetlands of International Significance especially as Waterfowl Habitat, 1971;
- UNESCO Convention for the Protection of the World Cultural and Natural Heritage, 1972;
- International Convention for the Prevention of Pollution from Ships, 1973 (or MARPOL Convention);
- United Nations Convention on Biological Diversity, 1993;
- United Nations Framework Convention on Climate Change, 1994;
- UNESCO Convention on the Protection of the Underwater Cultural Heritage, 2001;
- UNESCO Convention for the Safeguarding of the Intangible Cultural Heritage, 2003; and
- UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, 2005.

The main national legislations that regulate natural and cultural heritage assets are summarised in *Annex 4*. In addition, the *Seychelles' Protected Area Policy, 2013*[80] and the *Seychelles' Creative Industries Policy, 2012*[81] (see section 9.2) provide the regulatory policy framework for heritage assets.

The Protected Area Policy that establishes the framework for, among others[82]: reviewing existing protected areas (PAs); identifying and designating new PAs; establishing and implementing effective mechanisms for private sector, non-governmental organizations and community involvement and engagement in the planning and management of PAs; developing and implementing sustainable financing mechanisms to ensure the long term availability of adequate resources for PA management; and developing and implementing an effective capacity development programme to strengthen the management of PAs.

7.5 Management issues
Management of natural and cultural heritage sites

Given their importance to the tourism sector, the effective management of natural and cultural resources is of paramount importance. The agencies managing these assets recognize this and are taking steps to achieve this.

A new government entity, the Creative Industries and National Events Agency (CINEA) has been set up with the responsibility for Events Management and for organizing all national events including all arts and cultural manifestation, festivals and carnivals, formerly organized by the Department of Culture, the Seychelles Tourism Board, the International Conference Centre and the National Arts Council. This new arrangement is expected to inject professionalism in the organization of national events and generate new revenue streams to supplement government funding including from increased use of corporate sponsorships, entrance fees, merchandise sales, and venue rentals.

Vandalism of facilities at cultural and national heritage sites is a major issue facing public agencies responsible for managing these assets. In addition, a major difficulty encountered by the Seychelles National Parks Authority in its management of terrestrial national parks is the high proportion of private lands – for example, almost 40 per cent of land in the Morne Seychellois National Park are privately owned[83].

[80] Government of Seychelles (October 2013).
[81] Government of Seychelles (2012b).
[82] Government of Seychelles 2013).
[83] Interview with the Chief Executive Officer of the Seychelles National Parks Authority, April 2018.

In addition to the management of natural and cultural heritage sites by public entities, innovative arrangements have been used to manage these assets. For example, the special reserves of Aride and Cousin Islands are managed by non-governmental organizations – Island Conservation Society and Nature Seychelles, respectively - while the UNESCO World Heritage Sites of the Aldabra Atoll and Vallee-de-Mai are managed by the Seychelles Island Foundation, which is a public trust established by Government (see Table 7.1).

3.1.1 7.5.2 Financing

The upkeep of natural and cultural assets and the provision of associated infrastructure, facilities and information including buoys, collections, landing facilities, maps of cultural heritage sites, national parks and nature trails, signposts and information boards, and toilets require significant investment. Allocations from the government budget has proved inadequate to meet these investment needs.

Tourism provides an opportunity to fund the upkeep of these assets. For example, the St Anne Marine and Curieuse Marine Parks funded and maintained the operations of the former Marine Parks Authority, which has since been replaced by the Seychelles National Parks Authority. However, the Authority is currently funded from the central governmental budget and does not receive the profits derived from the operation of the two marine parks as was the case for the former managing authority. Other public bodies managing other cultural and natural assets are also currently not allowed to keep profits generated from the operations of the assets under their control.

BOX 7.6 PROMOTING LOCAL CULTURAL CONTENT AT DOMAINE VAL DES PRES

Seychelles Heritage Foundation plans to develop the Creole Village at Domaine Val des Prés as a model for offering visitors distinctive local heritage and cultural content. Nine redeveloped artists' plots will include modellers of historic instruments, painters and soap producers. Existing kiosks will be repaired and leaseholders will be given fresh leases once debts have been recovered with the assistance of the Attorney's office. Stallholders will be offered training in marketing and presentation, and the existing local content rules will be strictly enforced.

Medicinal plants will be grown in a new garden. The current Chinese restaurant will be replaced with a traditional kitchen along with a more modern facility with local experts lecturing on Creole cuisine. A monthly visitors' picnic will include the kitchen producing food to take to the nearby beach, with traditional dance and music in the garden.

A new traditional bazaar will offer the senior citizen association the opportunity to have a permanent room in the traditional house on-site for embroidery and carpet making, along with the sale of traditional tea varieties and biscuits.

Other plans for the site include the offer of a marriage venue in the old plantation house to hotels, exhibition of the old bathroom, and construction of an entry post and reception area for ticketing. One option under consideration is free site entry with paid guides. In addition, the Foundation will create a footpath through the adjacent marsh as a natural attraction.

A Heritage Club Programmed in collaboration with the Department of Local Government would see participation of students and young people in local communities, which may include school holiday activities and weekly Saturday workshops, in which kiosk owners would participate.

The Foundation is seeking private sector collaboration with ideas including the provision of toilet and barbecue facilities on the beach and half-day products for tour operators, which might include three to four manual craft experiences on-site, such as painting and pottery.

Source: World Bank (2018).

The authorities responsible for the management of Seychelles' heritage assets including the Department of Culture, National Arts Council, Seychelles National Parks Authority, Seychelles Island Foundation and Seychelles Heritage Foundation are thinking of ways to mobilise other sources of income including entrance fees, merchandise sales, corporate sponsorship, and royalties. For example, in 2013 and 2014 Vallee-de-Mai entrance fees and the proceeds from the sale of merchandise accounted for 83 per cent of the income of the Seychelles Island Foundation[84].

[84] Seychelles Island Foundation (2014) and Seychelles Island Foundation (2016a).

Some authorities are strengthening financial management to improve revenue mobilization. Seychelles National Parks Authority is planning to move away from the current situation whereby park rangers are spending almost all of their working time collecting entrance fees to a system where financial management will be under the purview of finance professionals. This will not only reduce the erosion of the revenue as a result of leakages. It will also allow park rangers to focus on their core responsibility that includes public education and awareness raising, patrol and enforcement of regulations, administration of penalties, and maintenance of facilities. The resulting increase in park rangers' presence within national parks will also contribute towards increased revenue realization.

In addition to the improved management of entrance fees, Seychelles National Parks Authority is also aiming to increase revenue by: setting entrance fees and license and mooring fees for boats at a level that reflects the cost of operations of national marine parks; and setting more realistic contribution by hotels for services rendered on their behalf within the national parks.

Other agencies are exploring the use of public-private partnerships. The Seychelles Heritage Foundation is considering a number of projects that will include the participation of the private sector in the management of heritage sites (see Box 7.6 for the case of Domaine Val des Prés). It is important that the promotion of private sector participation in the management of public assets be part of comprehensive business plans developed by the responsible authority. Such plans should clearly delineate the roles and responsibilities of private sector participants with clear demarcation of what they can and cannot do and appropriate accountability mechanisms.

BOX 7.7 ECOSYSTEM GREEN BOND

An ecosystem green bond is a sovereign-issued bond covering an ecosystem at a larger scale, deemed worthy of protection, and using the proceeds to finance any conservation-related activities in this ecosystem. The protected ecosystems could be a system of terrestial national parks or marine parks. The sources of repayment would be cash-flow-generated activities by the ecosystem (e.g., user fees for access to parks). To reduce risk and pricing and increase appeal, full or partial repayment would be guaranteed by the sovereign or an international finance institution. The size of this bond would depend on the relevant ecosystem. Coupon payments would be in line with the issuer's credit rating.

Source: Credit Suisse AG and McKinsey Center for Business and Environment (2016).

Other financing mechanisms available for conservation of ecosystems include debt-for-conservation swaps (discussed in Section 7.1), green bonds (see Box 7.7) and blue bonds to support marine conservation and climate change initiatives (see Box 6.6). Examples of the management and financing of protected areas in Australia, Iceland and Falklands Island are highlighted in Box 7.8.

BOX 7.8 MANAGEMENT AND FINANCING OF HERITAGE TOURISM ASSETS IN AUSTRALIA, ICELAND AND FALKLAND ISLANDS

Australia. Within the six national parks managed at the Australian government level, National Park visitor entry fees and National Park tour operator licences and permits are used to:

- Fund maintenance and improvement of park facilities, infrastructure and assets in order to protect the natural and cultural values of the park.
- Ensure that commercial activities are consistent with the relevant park management plans, and encourage higher operating standards through opportunities for appropriately accredited operators.

Entry fees vary from site to site depending on factors such as visitation levels and the duration of the visitor entry pass. Fees for licences and permits vary depending on activity, duration of permit and number of trips per year.

The Great Barrier Reef Marine Park Environmental Management Charge (EMC) was introduced in 1993. For most tourism operations, visitors to the Great Barrier Reef Marine Park (Marine Park) are liable to pay the charge to the tour operator, who then remits the charge to Great Barrier Reef Marine Park Authority (GBRMPA). Other operations in the Marine Park such as those involving the hire of equipment, installation and operation of tourist facilities, underwater observatories, sewage outfalls and vending operations must pay fixed quarterly charges to GBRMPA. All EMC payments are applied directly to the management of the Marine Park including through education, research, compliance patrols, site planning, public moorings, reef protection markers, information signs, and maps. At the same time, visitation information provided when EMC is submitted greatly assists in developing management arrangements for sustainable use of the Marine Park.

Most commercial activities operating within the Marine Park, including tourism operations, non-tourist charter operations, and facilities, require a Great Barrier Reef Marine Park Permit issued by GBRMPA. The permit system assists the GBRMPA to reduce impacts on high use and/or sensitive areas, separate potentially conflicting activities, encourage responsible behaviour in all Marine Park users, collect data for planning of Marine Parks and monitor activities which may become damaging to the Marine Park. The permit process offers benefits to accredited tourism operators, such as longer permit terms, resulting in improved quality of visitor experience. Permit application assessment charges vary according to the activity and/or the number of passengers involved in the activity.

Iceland. The Tourist Site Protection Fund of Iceland was established in 2011 to promote the development, maintenance and protection of nature-based tourist attractions under public ownership or supervision. Capital from the Fund is used to ensure tourist safety, protect Icelandic nature, and is intended to increase the number of sites visited by tourists in order to reduce the pressure on frequently visited tourist destinations. The Tourist Site Protection Fund is financed by an Accommodation tax (and additional secured government funding of ISK 1 500 million over 3 years to 2015. The Tourist Site Protection Fund board is made up of four representatives appointed by the Minister of Industry. Two are appointed upon nomination by the Icelandic Travel Industry Association, one upon nomination by the Association of Local Authorities in Iceland, and one without nomination who acts as chairperson. The Fund is managed by the Icelandic Tourist Board. Currently 40% of available funds are allocated to the Environment Agency for developments in National Parks and other protected areas.

Falkland Islands. The Falkland Islands government, FIG, has announced that as from the 1st July 2018, the landing fee for tourists arriving in Stanley shall increase from £21 to £25. The initiative will help support the long term development of the Museum & National Trust activities in the Islands in partnership with the local tourism industry. The £25 landing fee per passenger helps cover the following costs (these are approximates based on c. 60,000 cruise passengers p.a.): Museum & National Trust Funding & Free Entry, £6; Security Services costs £2; Customs & Immigration Costs, £5; Tourism Infrastructure & Development, £10 and FIG Administration, £2. A representative of the Falkland Islands Tourist Board expressed concerns that there might be negative consequences of the proposed rise in landing fees for cruise ship passengers.

Sources: Organisation of Economic Cooperation and Development (2014), the Great Barrier Reef Marine Park Authority's website, MercoPress (9 June 2017).

7.6 Other strategic issues

The following summarises some of the main issues raised by stakeholders.

- **Enforcement in marine parks.** Some boat charter, dive and yacht operators noted that there is a need to improve the administration of the payment system for accessing marine parks. They report of marine park wardens negotiating payment terms with individual operators on a case-by-case basis.

Noting the sometimes aggressive approach adopted by wardens in asking for payment of fees on the high seas, a consensus view was to have a more elegant mechanism for collecting fees. Also, the need to make boat operators accountable for the non-payment of entry fees of the clients was a common suggestion.

- **Infrastructure and facilities.** Tourism operators noted that visitors complain that facilities at tourism sites are either lacking or not of the appropriate standards facilities especially that most sites charge access fees. These include cafeterias, and toilet and parking facilities. The lack of security at tourism sites was also noted as an important challenge.

- **Mooring facilities.** The Seychelles National Parks Authority is responsible for the provision, maintenance and replacement of mooring buoys. There is both a lack of mooring buoys to cater for the increasing number of yachts and other charter boats (see Section 9.2) and poor maintenance of existing buoys. This state of affairs encourages skippers to drop anchor anywhere thus causing damage to coral reefs.

- **Product quality and marketing.** 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. A point of consensus was the need for improved coordination between operators of heritage attractions and tour operators and guides, travel agents, and tourist accommodation establishments in terms of promotion of and scheduling of activities at heritage attractions.

- **Coordination of cultural heritage assets.** There is a need for a clearer definition of the role and responsibilities of the government agencies involved in the management of cultural heritage assets. These include CINEA, the Department of Culture, the National Arts Council and Seychelles Heritage Foundation. In addition, greater coordination of the activities of these agencies is required to optimise the value added of cultural resources to the tourism sector.

- **Availability of statistics.** Limited data is collected on the sub-sectors of natural and cultural heritage tourism to support planning, implementation and monitoring.

7.7 Developments and emerging issues since the last update

Since the last update of the Tourism Masterplan in 2016, a number of developments have taken place that will likely affect the management of natural and cultural assets that drive the tourism sector in Seychelles.

7.7.1 Management and financing of natural heritage assets

In the State of the Union Address for 2018, the President made the following announcements[85].

- The Seychelles National Parks Authority will become an autonomous agency from 2019. Consequently, the Authority will use the revenue collected from the services that it renders to fund the maintenance of nature trails, provision of infrastructure, facilities and information including buoys, landing facilities, maps of national parks and nature trails, signposts and information boards and toilets and investment in other projects to attract tourists.

[85] Office of the President (2018).

- A “landing fee” for all tourists who visit Praslin and La Digue will be introduced as from 1 January 2019. The revenue collected will go toward the Praslin Development Fund and the La Digue Development Fund to maintain the infrastructure of the two islands including roads, sewage management and general maintenance.

- The island of Marie-Louise will become a dedicated bird observatory. The observatory will be managed by the Island Conservation Society on behalf of the Island Development Company.

The Seychelles National Park Authority has developed management plans for all the national parks under its management[86]. Curieuse, which is the source of most income of the Authority, will receive most of the investment under these plans. Investment on the island will include upgrading of facilities, construction of new, more environmentally-friendly facilities, new staff accommodation, a high-end cafeteria and a bicycle trail. Particular focus will also be placed on nature trails, with increased investment on new facilities, upkeep and improving security. Greater involvement of the community will be an important consideration in the implementation of the management plans.

At a meeting of the Multi-Sectorial Committee Meeting held in June 2017, the Seychelles National Parks Authority presented a proposal on park entrance fees for non-residents to assist the Authority to plug a financing gap of 17 million rupees annually[87]. The proposal recommends that pricing for islands in the Marine Parks, mainly Curieuse, Ile Coco and Saint Anne marine park be increased from SCR 200 to SCR 300 per person. Guests staying at hotels bordering or within National Parks will pay a one-off entrance fee for the duration of their stay as part of the proposal. In addition, the Authority is proposing to introduce an online booking payment system where credit cards can be used and offsite terminals where tickets could be purchased. The new system is expected to start operations at the beginning of 2019.

The Seychelles Island Foundation is planning to the build an Aldabra House on Mahe which will be financed by the Foundation at an estimated cost of US$15 million and is due to be completed by 2020[88]. It will create new authentic tourism products targeting visitors and residents alike, with the ultimate aim of diversifying the source of financing for the management of the Aldabra Atoll away from the revenues generated by the Valle-de-Mai.

The 2016 Tourism Value Chain Study proposed that public beaches including the Anse Source d’ Argent on Praslin should be managed by the Seychelles National Parks Authority[89]. The study also recommends that the Authority works towards Blue Flag Certification, a voluntary eco-label programme with over 4, 000 participating beaches and marinas administered by the non-governmental organisation, Foundation for Environmental Education. The Blue Flag is given to beaches and marinas that meet a specific set of criteria concerning environmental information and education, water quality, safety and services and environmental management[90].

7.7.2 Management and financing of cultural heritage assets

The Seychelles Heritage Foundation have taken steps to improve the management of the four heritage sites – La Plaine Saint Andre, Treasure Site at Bel Ombre, Mission Lodge and Domaine Val de Pres - under its control[91]. La Plaine Saint Andre and the Treasure Site have been leased to private sector operators. A five-year heritage development plan for Domaine Val de Pres has received Cabinet approval in 2017. As part of the management plan, there will be the creation of the “Domaine Val de Pres” brand with associated authentic creole products, revamping of the website and increased use of social media for marketing (see Box 7.6 for further details). A similar management plan for Mission Lodge is under development.

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[86] Interview with the Chief Executive Officer of the Seychelles National Parks Authority, April 2018.
[87] Minutes of the Multisectorial Committee, 23 June 2017.
[88] Interview with the Chief Executive of the Seychelles Island Foundation, March 2018.
[89] World Bank (2018).
[90] European Competitiveness and Sustainable Industrial Policy Consortium (2015).
[91] Interview with the Chief Executive Officer of the Seychelles Heritage Foundation, March 2018.

The Natural History Museum, which is managed by the Department of Culture will move to the new premises at the ex-Supreme Court Building in October 2018. The new premises will include a souvenir shop and a café, which will be operated by the private sector. It will be opened from 9 a.m. to 6 p.m. on weekdays, 9 a.m. to 2 p.m. on Saturdays and whenever cruise ships call at Port Victoria.

Also in October 2018, the Department of Culture will relaunch the Cultural District Awards, first launched in 2013, during Festival Kreol 2018. The Department will also finalise the Culture Policy in July 2018, pending approval by the Cabinet of Ministers.

8 Development, institutional, policy, and regulatory frameworks

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 promulgation 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.

Tourism policies, plans and strategies are more effective when developed as part of a participatory process involving key stakeholders of the sector. This necessitates effective coordination by the national tourism authorities with ministries responsible for agriculture, culture, disaster risk management, energy, environment, finance, health, labour, land and housing, immigration, natural resources, security, and transport, as well as the private sector in the tourism sector and local communities. Appropriate coordination mechanisms including multi-sectoral tourism working groups and private sector associations are required to ensure that as wide a representation of key stakeholders are involved in the development and implementation of the tourism policies, plans and strategies.

The need for in-depth private/public consultation and for a dynamic and well-enforced tourism policy and regulatory framework is particularly acute in a small island developing state which, like Seychelles, is highly tourism-dependent and committed to achieving the goals of sustainable development and sustainable tourism.

8.1 Tourism in national sustainable development frameworks

Since the opening the international airport in 1971, tourism has always been one the main pillars of the economy. The ***Seychelles Strategy 2017*** aims to double gross domestic product by 2017[92]. It focuses on tourism, fisheries and financial services, which are expected to promote economic growth both directly and indirectly in related economic sectors.

The strategy for the tourism industry underpinning the ***Strategy 2017*** is to secure targeted increases in the number of tourist visits and the amount spent by each tourist. This will be achieved by three mutually reinforcing strategic objectives: (a) improving the overall quality of the Seychelles tourism product; (b) refining the positioning of the destination on the international tourism market; and (c) increasing the direct and indirect participation of Seychellois in the sector.

Compared to ***Strategy 2017***, the ***Seychelles Strategic Land Use and Development Plan 2015-2040***[93] ***(SSLUDP 2015-2040)*** gives more prominence to the development of the 'blue economy' and the 'green economy', which involves maintaining and adding value to a pristine natural environment. The blue economy relates to increasing the value of marine resources and encompasses the following sectors: fisheries; the generation of renewable energy; exploitation of hydrocarbon and mineral resources; marine tourism; shipping and port facilities. In addition to increasing visitor arrivals and spending per visitor, the ***Seychelles Strategic Land Use Plan: 2015-2040*** and the ***Greater Victoria Master Plan*** also assumes an increased accommodation occupancy rates.

Chart 8.1 shows the strategic objectives with the associated actions to achieve the strategy for the industry as defined in ***Strategy 2017*** and the ***SSLUDP 2015-2040 Plan***. The *Seychelles Sustainable Development Strategy 2012-2020* aims to "provide strategic direction and guide other national development plans"[94]. It covers 13 thematic areas, necessary to promote sustainable development including: land use, coastal zones and urbanization; biodiversity and forestry; fisheries and marine reserves; tourism and aesthetic; energy and transportation; and economic sustainability. The strategy outlines goals and associated strategic objectives and activities for each of the thematic areas. The goals and strategic objectives for tourism and aesthetic are illustrated in Chart 6.1.

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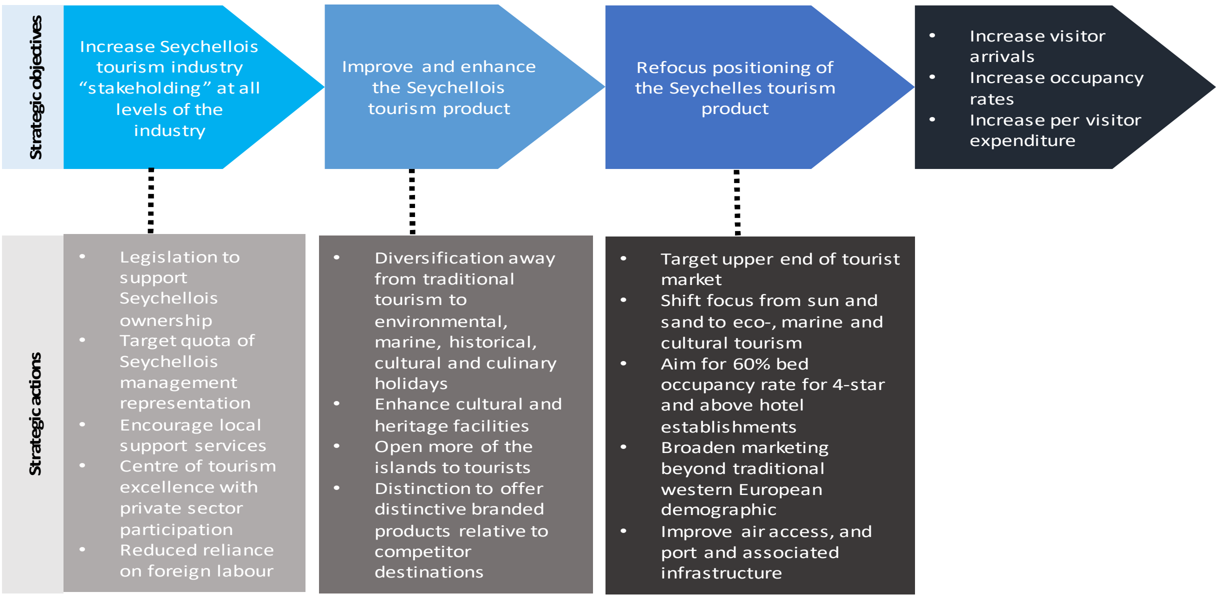
[92] Government of Seychelles (2007).
[93] Government of Seychelles (2015a).
[94] Government of Seychelles (2012a).

Chart 8.1: The Seychelles Tourism Strategy



Sources: Analysis by Valsen Consulting based on Government of Seychelles (2007) and Government of Seychelles (2015).

8.2 Institutional arrangements

The Tourism Department in the Ministry of Tourism, Civil Aviation, Ports and Marine and the Seychelles Tourism Board, a public/private sector body, oversee the planning, development, implementation, management, monitoring and evaluation of the tourism sector in Seychelles. In discharging their responsibilities, the two entities work closely with other government departments and agencies and representatives of various tourism industries (see Chart 8.2).

Tourism Department. The Tourism Department is responsible for tourism strategy, policy, programmes and research, product development, setting quality standards and developing regulations for the tourism sector and oversees the readiness of the tourism sector in ensuring the safety and security of tourists[95]. The department also coordinates the delivery of national tourism objectives by Seychelles Tourism Board other government departments and agencies, and representatives of various tourism industries. The department is further charged with overseeing the activities of the Seychelles Tourism Academy.

The department is headed by a Principal Secretary and is organized into five sections – Tourism Human Development; Policy Development, Research, Monitoring and Evaluation; Product Development; Risk Management; and Standards Monitoring. The responsibility of each section is outlined in Table 8.1.

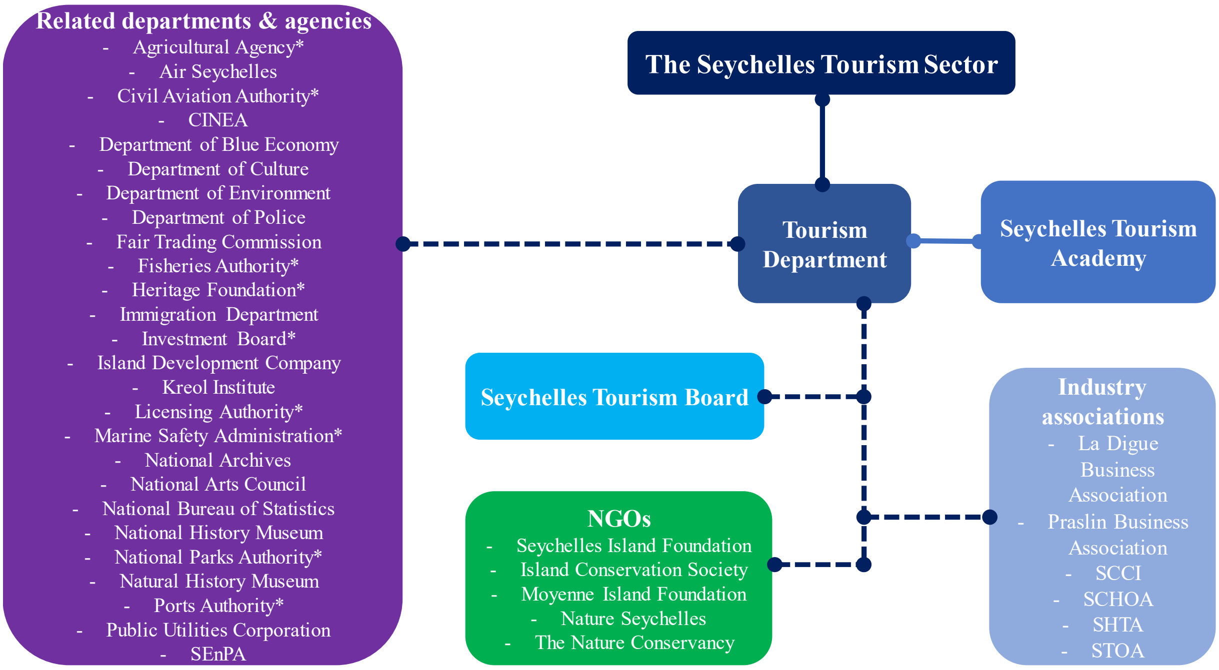
The Tourism Department updated the present document – the ***Tourism Master Plan 2012-2020***- during the first quarter of 2016 and again during the first quarter of 2018, based on wide consultations with key stakeholders of the sector.

[95] Until August 2015, Seychelles Tourism Board had the following mandates according to the Seychelles Tourism Board Act, 2005:

- To exercise general supervision over tourism enterprises.
- To establish a code of practice and standards for tourism enterprises and to ensure that they are complied with.
- To promote the development of human resources in tourism and related fields.

The relevant sections of the Act have since been repealed and these mandates have been transferred to the Tourism Department.

Chart 8.2: Seychelles' organisational chart of tourism bodies



Sources: Analysis by Valsen Consulting | Full title include Seychelles. CINEA = Creative Industries and National Events Agency; SCHOA = Seychelles Car Hire Operators Association; SEnPA =Small Enterprise Promotion Agency; STHA = Seychelles Tourism and Hospitality Association; STOA = Seychelles Taxi Operators Association.

Table 8.1: Responsibilities of sections of the Tourism Department

Section	Responsibility
Tourism Human Resource Development	- In consultation with the Seychelles Tourism Academy, ensure the provision of a sustainable pool of well trained and qualified human resource to effectively implement the localisation of employment in and meet the quality needs of, the tourism sector. - Coordinate the identification of the training needs and development of human resource policies and plans for the tourism sector.
Policy Development, Research, Monitoring & Evaluation	- Effectively manage administrative matters related to the tourism sector. - Ensure that the data, statistics and research are available to inform policy formulation, implementation, monitoring and evaluation. - Develop policies for the tourism sector in line with government priorities.
Product Development	- Develop and establish appropriate standards and guidelines for all tourism activities. - Implement hotel grading programmes with a view to ensure that the local tourism product matches the image of the destination. - Advocate for sustainable tourism development through responsible tourism practices and implementation of the Seychelles Sustainable Tourism Label. - Identify possibilities for diversification of the tourism product to guide future investments in the tourism sector.
Standards Monitoring	- Monitor and inspect licensed tourism enterprises based on set standards with a view to ensure that standards within the industry are maintained and raised to an optimum level. - Effectively follow up on guest complaints. - Maintain up to date inventories of all tourism products and activities and ensure same is shared with relevant partners.
Risk Management	- Conduct risk assessments within the tourism sector. - Provide guidance as well as sensitize tourism service providers on tourism risks impacting the tourism sector for risk mitigation and adaptation measures.

Source: Website of the Tourism Department.

The **Seychelles Tourism Board (STB).** The responsibility for marketing Seychelles as a tourism destination rests with

STB. As part of its responsibility, STB is responsible for marketing the country's smaller establishments under the brand name "***Seychelles Secrets***" and the products that have been certified under the "***Seychelles Sustainable Tourism Label***" (see Box 6.2 in Section 6).

STB is also responsible for coordinating with its tourism offices, representative agencies and Seychelles Tourism Ambassadors abroad. There are tourism offices in China, Dubai, France, Germany, Italy, Mauritius, South Africa, South Korea, Spain and the United Kingdom, and tourism representatives in Brazil, India and Russia. STB channels visitor complaints to the appropriate authority and the four visitor information offices on the principal islands, while initiating and coordinating local activities and programmes to add value to visitors' stay while in Seychelles.

STB maintains the official Seychelles tourism destination web site under the theme "***The Seychelles Islands: Another World***"[96]. It also produces a quarterly magazine "***Inside Seychelles***" which was introduced in September 2013. The aim of the magazine is to be the voice of the Seychelles tourism sector. It is widely distributed through the STB network, in print and digital form, as well as at all the main events such as overseas trade fairs, workshops, trainings and various airport lounges.

Seychelles Tourism Academy (STA). STA is responsible for the training of Seychellois students for careers in the tourism sector. The Academy falls directly under the Tourism Department. Section 13 has a more detailed description of the role and responsibilities of the academy.

Seychelles Hospitality and Tourism Association (SHTA). STHA was formed in 2002 following a merger between the Seychelles Hotel Association and the Small Hotels and Guesthouses Association. As a result of the merger, the SHTA is now a comprehensive association comprising some 150 members encompassing properties from large five-star resort hotels to the smallest guesthouse. Apart from accommodation establishments, airlines, tour operators and the Seychelles Car Hire Operators Association are also members of the Association. It works closely with STB marketing Seychelles as a tourist destination. SHTA's primary focus is to unite all industry stakeholders under one association in order to be better prepared to defend the interest of the industry and its sustainability as the pillar of the country's economy. The association focuses on assisting members with issues of concern including ensuring that members remain up to date with industry developments, and creating, delivering and communicating benefits to members. The most important role of the SHTA is advocating for a stronger and more conducive economic/business environment.

Non-government organisations (NGOs). In addition to government ministries, departments and agencies and private sector organisations, there are a number of NGOs involved in the tourism sector. These include: The Island Conservation Society (manages the Aride Island Special Reserve); the Marine Conservation Society of Seychelles (focuses on marine conservation); the Moyenne Island Foundation (manages the Moyenne Island National Park); Nature Seychelles (manages the Cousin Island Special Reserve); the Silhouette Island Foundation (manages the Silhouette National Park); Seychelles Sustainable Tourism Foundation (which has as its vision to make Seychelles an international best practice example for sustainable tourism); and Sustainability 4 Seychelles (focuses on sustainable energy and recycling).

The role and responsibilities of other relevant stakeholders that form part of the institutional arrangement of the tourism sector are summarized in Table 8.2.

8.3 Tourism operators

According to data from the Seychelles Licensing Authority and the Seychelles Civil Aviation Authority, the Seychelles tourism sector counts 1,845 licensed operators at the beginning of March 2018 (see Table 8.3). Just over seven out of ten tourism establishments are based on Mahé, with one fifth and 7 per cent based on Praslin and La Digue respectively. Over three quarters of the 1, 845 operators were land-based. Accommodation establishments account for a third of all operators, followed by taxi operators (23 per cent), boat charter operators (20 per cent) and car hire

[96] http://www.seychelles.travel/

operators (9 per cent).

Table 8.2: Institutional arrangement of the tourism sector in Seychelles

Organization	Role and responsibility
Air Seychelles	Air Seychelles is the national airline of Seychelles. The airline offers international flights to Abu Dhabi, Antananarivo (Madagascar), Johannesburg (South Africa), Mauritius, Mumbai and Paris (until March 2018). Air Seychelles also operates daily domestic flights to Praslin and charter services to Bird, Denis and D' Arros Islands. See Section 11.
Creative Industries and National Events Agency (CINEA)	Organizes all national events and implements the *Creative Industries Policy, 2012*. See Section 7.2.
Department of Culture	Manages the Kreol Institute, National History Museum, Natural History Museum, and Seychelles National Archives.
Department of Environment	Promotes climate resilient livelihoods, infrastructure, energy, integrated water resource and costal management.
Department of Immigration	Maintains an effective border control.
Fair Trading Commission	In charge of dealing with anti-competitive business practices and enforcing and protecting consumer rights,
Island Development Company	Manages and develops 14 islands owned by the Government of Seychelles. The islands are Alphonse, Astove, Assumption, Coetivy, Cosmoledo, Desroches, Desnoeuf, Farquhar, Marie-Louise, Platte, Poivre, Providence, Remire, and Silhouette.
National Arts Council	Coordinates the arts at all levels and for all persons in Seychelles. It works in solidarity with artists' associations and individuals in promoting artistic creations and development in all the arts practised in Seychelles.
National Bureau of Statistics	Responsible for collecting, compiling, analyzing and publishing statistical information. The Bureau is also responsible for coordinating, monitoring and supervising the National Statistical System. See Section 15.
Seychelles Police Force	Maintains law and order, the preservation of peace, the prevention and detection of crime, and the apprehension of offenders. See Section 14.
Praslin Business Association & La Digue Business Association	To provide a voice to the business community and to improve the business climate on Praslin and La Digue respectively.
Public Utilities Corporation	Provides electricity, water and sewerage services to customers on Mahe, Praslin, and La Digue.
Seychelles Investment Board	Facilitates investment in Seychelles.
Seychelles Civil Aviation Authority	Provides services, facilities and regulation of civil aviation activities in Seychelles. See Section 11.
Seychelles Heritage Foundation	Promotes and develops the cultural heritage of Seychelles as a sustainable and economical asset. The Foundation is responsible for four heritage sites: La Plaine Saint Andre; Treasure Sites at Bel Ombre; Mission Lodge; and Domaine Val de Pres. See section 7.2.
Seychelles Maritime Safety Administration	Provides and ensures that all mariners use and enjoy the seas and other water bodies of Seychelles in a safe and lawful manner. The agency supports a safe and efficient marine transportation system and promotes sustainable marine practices. See Section 14.
Seychelles Island Foundation	Manages the Aldabra Atoll and Vallee-de-Mai. See Section 7.1, particularly Table 7.1.
Seychelles Licensing Authority	Issues licenses, and revokes them if conditions for issuing licences are not met.
Seychelles National Park Authority	Manages national parks. See Section 7.1, particularly Table 7.1.
Seychelles Ports Authority	Manages the Victoria Port. See Section 11.
The Seychelles Car Hire Operators Association (SCHOA)	A professional intermediary body that sets general guidelines for members to follow, especially in operational matters and code of conduct. The association is responsible for negotiating with government on behalf of its membership with a view to influencing government policies affecting industry. Approximately 60 per cent of all car hire operators are members of the association. See Section 11.
The Seychelles Taxi Operators Association (STOA)	Provides a platform where all taxi issues are discussed. The Chairperson of the Association brings the issues to the attention of the Ministry responsible for Transport. See Section 11.
The Seychelles Chamber of Commerce and Industry (SCCI)	The voice of the business community in Seychelles, it plays a crucial role in promoting the growth of private businesses in the economy. SCCI was founded in 1938. Today it is a fully operational organization which promotes new and stronger identity for private investment in a rapidly changing business environment.

Sources: Seychelles Tourism Board website and the websites of the relevant organizations.

Table 8.3: Licensed tourism operators by activities and location

	TOTAL	Mahe	Praslin	La Digue	Other islands	% of total
Land-based operators	**1,402**	**1,002**	**256**	**110**	**34**	**76.0**
Accommodation establishments	634	366	144	95	29	34.4
Restaurants and cafeterias	63	40	10	8	5	3.4
Taxis	431	370	59	2	0	23.4
Car hires	159	133	26	0	0	8.6
Tourist guides	95	74	16	5	0	5.1
Tour operators/DMCs	20	19	1	0	0	1.1
Marine-based operators	**415**	**283**	**114**	**17**	**1**	**22.5**
Diving business*	40	33	6	1	0	2.2
Water sports	12	7	3	1	1	0.7
Boat charters §	363	243	105	15	0	19.7
Inter-island transport operators	**28**	**21**	**4**	**0**	**3**	**1.5**
Ferries (trade vessels)	15	12	3	0	0	0.8
Shuttles/ferry	10	6	1	0	3	0.5
Inter-island air transport	3	3	0	0	0	0.2
TOTAL	**1,845**	**1,306**	**374**	**127**	**38**	**100.0**
% of total	**100.0**	**70.8**	**20.3**	**6.9**	**2.1**	

Sources: Seychelles Licensing Authority and Seychelles Civil Aviation Authority (for air transport operators)| As at 1 March 2018. DMCs = destination management companies. *Include dive centre and dive operators. § There is only one licence for hirecrafts which include use of boats for either boat chartering or glass bottom boat services or yachts/liveaboards services.

8.4 Incentives for the tourism sector

There are a number of tax incentives available to tourism operators. These are detailed below.

3.1.2 8.4.1 Income and Non-Monetary Benefits Tax Act, 2010

The following non-monetary benefits are exempted under the *Income and Non-Monetary Benefits Tax Act, 2010:*[97]

- **Accommodation** - The provision of accommodation to an employed person in the tourism sector.
- **Utilities** - Utilities benefit provided to an employed person of the tourism sector.
- **Meals** - The provision of meals to an employed person in the tourism sector.
- **Motor vehicle** - Private motor vehicle provided to an employed person in the tourism sector for the purpose of home to work travel.

3.1.3 8.4.2 Business Tax (Amendment) Act, 2010

The incentives available to the tourism sector under the *Business Tax (Amendment) Act, 2010* are discussed below.

Special Rate of Tax. Businesses within the tourism sector is subjected to a special tax rate, 0 per cent of the first SCR250, 000 of taxable income; and 15 per cent on the remainder[98].

[97] Fourth Schedule of the *Income and Non-Monetary Benefits Tax Act, 2010*.
[98] Section 1 of the Eight schedule of the *Business Tax Act, 2010*.

Special deductions on Taxable Income. The following deductions from taxable income are applicable for Business Tax.

- The total amount of deductions allowed from taxable income for a tax year is 200 per cent of the actual or qualifying expenditure. The amount qualifying for the deductions is 5 per cent of the turnover or the actual expenditure incurred for marketing and promotion whichever is lower[99].

- The total amount of deductions allowable for a business for training certified by the Seychelles Tourism Board is 150 per cent of the actual expenditure incurred[100].

- Subject to the Income Tax being paid, the total amount of deductions allowed from taxable income of businesses within the tourism sector is 200 per cent of emoluments paid by an employer to a qualified graduate of Seychelles Institute of Technology, Farmers Training Centre, Maritime Training Centre, and Seychelles Tourism Academy in respect of 12-month full time employment[101].

- Subject to the Income Tax being paid, the total amount of deductions allowed from taxable income of businesses in the tourism sector is 150 per cent on emoluments paid by an employer to qualifying part time students of Seychelles Institute of Technology, Farmers Training Centre, Maritime Training Centre, and Seychelles Tourism Academy in respect of 12-months full time employment[102].

- The total amount of deductions allowed from the taxable income of a licensed accommodation in respect of a musician under a contract of service is 125 per cent of the actual amount paid to the musician[103].

Accelerated Depreciation. The rate of depreciation allowable on capital investment for tourism operations other than buildings, are specified below[104]:

- Year 1 – 45 per cent;
- Year 2 – 40 per cent;
- Year 3 – 30 per cent;
- Year 4 – 20 per cent; and
- Year 5 – 10 per cent.

8.5 Policy and regulatory framework

Whereas the private sector drives tourism operations in Seychelles, the government plays important roles in the sector. The most important of these include[105]:

- Setting national tourism policy.
- Determining and allocating the budget for the tourism sector.
- Providing infrastructure.
- Managing natural and cultural tourism assets.
- Setting an appropriate legislative and regulatory framework for the tourism sector.
- Overseeing the administrative structures for policy delivery.
- Promotion, marketing, and provision of transport services, supporting small enterprises in financing, and human resource development.
- Assessing and influencing wider government policies that impact on the tourism sector.

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[99] Section 2 Part I of the Eight schedule of the *Business Tax Act, 2010*.
[100] Section 2 Part II of the Eight Schedule of the *Business Tax Act, 2010*.
[101] Section 2 Part III of the Eight Schedule of the *Business Tax Act, 2010*.
[102] Section 2 Part IV of the Eight Schedule of the *Business Tax Act, 2010*.
[103] Section 2 Part V of the Eight Schedule of the *Business Tax Act, 2010*.
[104] Section 6 Part I in the Eight Schedule of the Business Tax Act, 2010.
[105] Adapted from Organization for Economic Co-operation and Development (2014).

- Putting in place appropriate research, statistical and evaluation programme for the tourism sector.
- Setting quality, training, health and safety, and environmental standards.

Table 8.4: Institutional, regulatory and legal frameworks governing tourism businesses

Policy	Responsible government agency	Legal instrument
Policy on Yachting Tourism, 2008	As for diving activities.	Licenses (Trade) Regulations, 2012; Control of Hirecraft Act, 1973; Merchant Shipping Act.
Boat Charter Policy, 2008	As for diving activities.	Licenses (Trade) Regulations, 2012; Control of Hirecraft Act, 1973; Merchant Shipping Act.
Policy on Restaurant, 2012	SLA (issues licenses); Planning Authority and MLUH (compliance with the building code and planning and land use laws and regulations); Department of Environment (compliance with environmental protection laws and regulations, and scope and terms of reference for environmental impact assessment); Fire and Rescue Services Agency (fire safety aspects of all buildings); Department of Health (occupational health and food safety); SIB (approve foreign investment); TD (sets criteria and establishes standards for service providers, and monitors the quality of service and comfort of guests).	Licenses (Accommodation, Catering and Entertainments) Regulations, 2011; Civil Code of Seychelles, 1976; Town and Country Planning Authority Act, 1970 and its subsidiary legislation; Environment Protection Act, 1994; Fire (Protection) Act, 1902; Occupational Health and Safety Decree, 1978; Food Act, 2014; Public Health Act, 2015.
Tourism Accommodation Policy, 2015	As for Policy on Restaurant, 2012	As for Policy on Restaurant, 2012
Tour Operator Policy and Travel Agent Guidelines and Policy, 2015	SLA (issues licenses); TD (sets criteria and establishes standards for service providers, and monitors the quality of service and comfort of guests).	Licences (Tour Operators and Travel Agent) Regulations, 1987.
Policy for Recreational Diving Business, 2015	SLA (issues licenses); TD (sets criteria and establishes standards for service providers, and monitors the quality of service and comfort of guests); SMSA (ensures compliance with maritime safety; and demarcates specific areas for maritime-related activities); SBS (compliance with equipment standards); Department of Environment (compliance with environmental protection laws and regulations).	License Diving Business Regulations, 1991; Control of Hirecraft Act, 1973; SS11, 2005; Merchant Shipping Act.
Car Hire Policy, 2015	SLA (issues licenses); Road Transport Commission (administration and regulation of car hire regulations).	Licenses (Trade) (Amendment) Regulations, 2014; Self-drive hire vehicle regulation, 1973.
Taxi Policy for Seychelles, 2015	SLA (issues licenses); Road Transport Commission (administration and regulation of taxi regulations).	Road Transport (Taxi) Regulations, 2013; Licences (Road Transport) Regulations.
Tourist Guide Policy, 2015	SLA (issues licenses, and approve identification badge for tourist guides); TD (determine qualifications for tourist guides in consultation with SLA).	Licences (Tourist Guide) Regulations, 1996.
Policy for Water Sports Businesses, 2017	SMSA (issues licences in consultation with TD; ensures compliance with maritime safety; and demarcates specific areas for maritime-related activities); Department of Environment (compliance with environmental protection laws and regulations); Maritime Police (enforces maritime laws and regulations, including demarcation areas); TD (sets criteria and establishes standards for tourism service providers and monitors quality of service and comport of guests).	Licenses (Trade) Regulations, 2012; Control of Hirecraft Act, 1973; Merchant Shipping Act; Beach Control Act, 1971.
Policy Statements on Integration in Tourism, 2018	Fair Trading Commission (enforces policy in consultation with TD and other relevant regulators)	Fair Trading Commission Act, 2009 supported by other instruments in this table.

Sources: Analysis by Valsen Consulting based on information from Tourism Department and text of relevant policies| MLUH=Ministry of Land Use and Housing; SBS=Seychelles Bureau of Standards; SIB=Seychelles Investment Board; SLA=Seychelles Licensing Authority; SMSA=Seychelles Marine Safety Administration; and TD=Tourism Department.

The underlying policy and regulatory framework has 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. The operations of tourism business activities in Seychelles are governed by sub-sectoral policies, regulations (and other legal instruments) under the supervision of Seychelles Licensing Authority in consultation with selected government departments and statutory bodies. Table 8.4 summarizes the institutional, regulatory and legal framework under which tourism businesses currently operate. The tourism-related activities that require a license are listed in *Annex 6*. Apart from those policies, others drafted an eco-tourism strategy, a vertical integration policy, and a tourism policy for la Digue.

A number of changes to the policy and regulatory framework of the tourism sector have been effected since the first edition of the *Tourism Master Plan 2012-2020* was finalized. These include the following:

- The following policies have either been amended or replaced: car hire policy; diving policy; integration policy for tourism; restaurant policy; taxi policy; tourism accommodation policy; tourist guide policy; tour operator and travel agent policy and yachting policy (see Table 8.4).
- Policies on cultural tourism and water sports has been developed (see Section 9 and Table 8.4).
- A number of legal instruments have been promulgated (see Table 8.4).
- The Seychelles Tourism Board now focuses on marketing Seychelles as a tourism department, while the Tourism Department of the Ministry of Tourism and Culture focuses on tourism strategy, policy, programmes and research, and for setting quality standards and developing regulations for the tourism sector (see Section 8.2).

8.5.1 Integration in tourism

Integration refers to the linking arrangements between firms in the same industry (horizontal integration) or in different industries of the tourism sector. In Seychelles, integration in the tourism sector is governed by the *Policy Statements on Integration in Tourism, 2008* which has since been updated and replaced by the *Vertical Integration in Tourism Policy* introduced in June 2018. The general policy is that tourism operators should use the services of other service providers as much as possible so as to ensure that no one operator has a dominant market position in any tourism industry and unfair market advantage. The current policy statements for the different industries in the policy on integration are summarised in Table 8.5.

Table 8.5: Vertical Integration policy for the tourism sector

Industry	Integration policy
Vertical integration: Hotels	
Tour operator	A tour operator, or person having interest in a tour operator, can own or operate a hotel provided that the aggregate number of rooms is not more than 150 rooms (or vice versa).
Car hire - Mahe	A hotel of 24 rooms or less or a person with ultimate beneficial interest in a small hotel, may own or operate a car hire at the same time (or vice versa)
Praslin	A hotel, or a person with ultimate beneficial interest in a hotel, may not own or operate a car hire at the same time (or vice versa).
Hirecraft for excursions	A hotel, or a person with ultimate beneficial interest in a hotel, may be allowed to own or operate one boat as hirecraft with a maximum of 12 seats (or vice versa).
Hirecraft as necessary means of transport	Hotels on islands other than Mahe, Praslin and La Digue, or where it is not serviceable by a public transport system, are allowed a number of boats, as necessary means of transport, subject to meeting the requirement and approval of the Tourism Department

Industry	Integration policy
	and other regulatory bodies. The number of boats shall be based on the number of rooms as follows: 1st 25 rooms or part thereof — 2 boats Each additional stock of 25 rooms — 1 boat (must operate a full stock of 25 rooms)
Dive centre	A small hotel, or a person with ultimate beneficial interest in a small hotel, can operate a dive centre (or vice versa).
Non-motorised sports	A hotel is allowed to offer non-motorised watersports on a complimentary basis to its clients only from its base of operation.
Motorised sports	A hotel is allowed to offer motorised watersports to its clients if it is within demarcated areas provided that it is contracted out to a Seychellois.
Courtesy cars (chauffeur-driven)	Five Star hotels are allowed to have a maximum of two (2) courtesy cars.
Bicycle hire	(a) For La Digue, accommodation establishments of more than 5 rooms are not allowed to own a bicycle business, directly or indirectly.
	(b) For Mahe and Praslin, accommodation establishments are allowed to offer a bicycle service to their own clients as a complimentary service.
Shops/retail outlets	Large hotels should make available shops or retail outlets located on the hotel premises to local entrepreneurs selling local products.
Vertical integration: Tour operators	
Car hire	A tour operator, or a person with ultimate beneficial interest in a tour operator, cannot own or have interest in a car hire at the same time (or vice versa).
Hirecraft	A tour operator, or a person with ultimate beneficial interest in a tour operator, may be allowed to own or operate a maximum of 5 boats.
Restaurant	A tour operator, or a person with ultimate beneficial interest in a tour operator, is allowed to own or operate one stand-alone specialty restaurant
Ferry	A tour operator is allowed, directly or indirectly, to own or operate an interisland ferry service, provided that it does not exceed the maximum capacity of 1450 seats in the total fleet.

Source: Vertical Integration in Tourism, June 2018.

8.6 Seychellois participation and ownership

One of the chief objectives of the national development framework for Seychelles is to increase the participation of the Seychellois people in the tourism sector and to increase their benefits from the sector. The tourism sub-sectoral policies establish that some tourism-related activities are exclusively reserved to Seychellois operators. This is to foster Seychellois participation, notably in tourism activities that are relatively low capital intensive (small size businesses) and in which Seychellois operators have acquired the required competence and savoir-faire to operate. The ownership policy rules for investment in tourism businesses are presented in Table 8.6.

One challenge regarding the enforcement of the Seychellois minimum participation level concerns the phenomenon of "figure head practices" through which foreign investors become the legal owners of tourism businesses that were initially reserved for Seychellois but in a way that is invisible to the local regulators. The lack of access to finance and relevant experience and expertise are contributory factors that allow such practices to perpetuate themselves.

Table 8.6: Current policy for minimum Seychellois ownership in tourism businesses

Tourism industry	Minimum Seychellois share	Policy
Accommodation	1-15 keys: 100 per cent 16-24 keys: 20 per cent 25 and over: No minimum	Tourism Accommodation Policy, 2015

Tourism industry	Minimum Seychellois share	Policy
Boat charter/excursion	Below 50 feet: 100 per cent 50 feet and above: No minimum	Boat Charter Policy, 2008
Car hire	100 per cent	Car Hire Policy, 2008 (amended 2015)
Dive centre	100 per cent	Policy for Recreational Diving Business, 2015
Restaurant	Minimum of 21 covers for non-Seychellois	Restaurant Policy, 2012
Taxis	100 per cent	Taxi Policy for Seychelles, 2015
Tourist guiding	100 per cent	Tourist Guide policy, 2015
Tour operator	51 per cent	Tour Operator and Travel Agent Guidelines and Policy, 2015
Travel agent, including commission agent and online booking agent	100 per cent	Tour Operator and Travel Agent Guidelines and Policy, 2015
Waters ports	100 per cent	Policy for Water Sports Businesses, 2017
Yachting, live-a-boards and diving operator	1-3 yachts: 100 per cent 4-5 yachts: 51 per cent 6 and over: No minimum	Policy for Recreational Diving Business, 2015 Policy on Yachting Tourism, 2008

Sources: Analysis by Valsen Consulting based on information from Tourism Department and text of relevant policies.

Returns to Seychellois capital. As mentioned in the *Seychelles 2010 Value Chain Analysis*[106], unless there is a prudent approach to prevent bed oversupply, the returns of tourism on Seychellois capital will be adversely affected by competition. Other tourism operators including car hire, taxi and water sports operators have also raised this concern calling for a cap on the number of industry operators (see Section 9 and 11). Car hire and taxi operators also noted that there is a need to clearly demarcate the industries that make up the tourism sector, and ensure that a particular operator may not participate in more than one industry (see Section 11).

Seychellois access to state-owned-land. In order to increase Seychellois ownership of and participation in the tourism sector, it is important to: (a) ensure that priority is given to Seychellois investors in the leasehold auctioning of state-owned land; (b) ensure that the auctioning procedure is transparent; and (c) favour land partitioning so as to bring new tourism business opportunities within the reach of small Seychellois investment projects. The diagnostic report of the *Seychelles 2010 Value Chain Analysis* made such a recommendation. It requested Government to make "sites available to Seychellois investors, through auctioning sites on a leasehold basis with an annual charge payable to Government while ensuring that the bidder for the site makes clear what he/she is going to build on the site as part of his/her bid. Transparency would be engendered in the process."[107]

The ownership issues associated with different tourism market segments and industries are discussed in Sections 9, 10 and 11. The return to Seychellois employees working in the tourism sector is discussed in Section 14.

8.7 Strategic issues raised by stakeholders

Despite the significant progress made since the master plan was launched several policy, regulatory, enforcement, and coordination gaps still remains in the policy and regulatory framework of the tourism sector in Seychelles. These are summarised below, and will be discussed in more detail in subsequent sections.

Policy gaps

A number of policies and strategies for specific tourism segments are not available. These include the absence of:

- A general policy for sustainable tourism (see Section 6.4).

[106] Seychelles Tourism Board and Commonwealth Secretariat (2010).
[107] *Ibid*, page 29.

- An overarching strategy on maritime tourism that brings together the disparate policy and regulatory frameworks of the various sub-segments under one coherent framework (see Section 9).

- Policy for cruise tourism (see Section 11.2.1).

Regulatory gaps

The gaps in regulation are as follows:

- There is no specific licence for boat charters and yacht charters. Rather there is one licence for hirecraft that covers boat charters, shuttle services, trade vessels, and yacht charters (see Section 9). However, there are separate policies governing the operations of boat charters and yachts (see Table 8.4).

- A lack of regulation of private owners of crafts, equipment, vessels and vehicles (see Sections 9.1, 9.2, 9.4 and 11.3.1).

- The lack of clarity as to the regulatory framework governing the business activities of Eden Island (see Sections 9.1 and 10.2).

Enforcement gaps

A consistent issue raised by most stakeholders interviewed as part of the update of the present document is that the policies and regulations are not being enforced in a manner in which they were supposed to. The main concerns were 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.

Some of the most persistent enforcement issues raised by tourism stakeholders were the following:

- Some car hire operators were operating without offices as required by the *Car Hire Policy, 2008* (as amended in 2015)[108] (see Section 11.3.2).

- Some car-hire operators (see Section 11.3.2) and commission agents (see Section 10.5) were making airport transfers. Airport transfers are reserved for taxi and tour operators[109].

- Some commission agents were soliciting business from tourists on the beach[110] taking money from clients for providing services for delivery by other licenced operators, and failing to honour the contracts (see Section 10.5).

- Operators of unlicensed boats were providing excursion services using fake HC numbers[111] (see Section 9.2).

- The lack of adequate enforcement by the Seychelles Licensing Authority (licence conditions – Sections 9, 10 and 11), Seychelles Marine Safety Authority (marine safety – Section 14), Seychelles National Parks Authority (demarcated areas in marine national parks – Section 7.6), and Seychelles Ports Authority (private yachts – Section 9.1).

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[108] Government of Seychelles (21 May 2015). Memo on "Car Hire Matters".
[109] Tourism Department (July 2015d).
[110] This is in contravention of Section 3 (2) (i) of the Beach Control Act, 1971 (Government of Seychelles, 30 July 1971).
[111] The Seychelles Marine Safety Authority classifies all hirecraft operators according to their range of operations. Each category is then given a corresponding HC number.

- Some taxi operators were not observing the code of conduct prescribed by the *Taxi Policy for Seychelles, 2015* (see Section 11.3.1 and *Annex 6*).

- Yachts have been observed dropping anchor outside designated areas including in marine national parks causing damage to coral reefs without any interventions by park rangers (see Section 7.6).

Coordination gaps

The coordination gaps are as follows:

- The Department of Environment and Tourism Department are not being consulted by Seychelles Licensing Authority when the latter make licensing decisions.

- There is a need to clarify the role and responsibilities of different government agencies. This makes it difficult to effectively coordinate the activities of the different agencies. This is especially the case for agencies responsible for the management of cultural heritage assets (see Section 7.6) and those involved in regulating maritime operations and safety.

- The absence of a regular public-private consultation framework to discuss key tourism policy and strategic issues.

- Limited coordination of private businesses at the industry level. With the exception of taxis (Seychelles Taxi Operators Association), car hires (Seychelles Car Hire Operators Association) and hospitality (Seychelles Hospitality and Tourism Association), none of the other tourism industries are organized under an association. The La Digue Business Association and the Praslin Business Association represent businesses on the La Digue and Praslin, respectively. In addition, the associations could not be said to necessarily represent the voice of the industry, as memberships are fairly low.

In addition, a consensus opinion was 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.

8.8 Developments and emerging issues since the last update

Since the last update of the Tourism Masterplan in 2016, a number of developments have taken place that will likely affect the management of natural and cultural assets that drive the tourism sector in Seychelles.

- In the State of the Union Address for 2018, the President announced that the policy on integration in tourism will be revised in May 2018 with the aim of ensuring fair competition[112].

- In March 2018, the Seychelles Licensing Authority started an exercise to review the Licences Act, 2010 with the assistance of the African Development Bank. The exercise will also revise Licences Regulations and conditions of licences in line with the new Act. The revision will include outlining which commercial activities should be licenced, clearly state whether business operations or business operators should be licenced and a rationalization of licensing fees across business activities to create a level playing field. It is expected that the regular collection of statistics on business operations which will be shared with the National Bureau of Statistics will be included as one of the conditions of licences.

[112] Office of the President (2018).

- A *Seychelles Marine Safety Authority Bill* has been drafted and is under consideration. Under the proposed bill, the Seychelles Marine Safety Administration will become an Authority in line with the recommendation of the International Maritime Organization for the entity to better meet its international obligations. Other provisions of the bill will be discussed in Sections 9 and 14.

- The Department of Environment recommends that there should be a set of clear guidelines based on sustainable tourism principles to guide future development in the tourism sector. This will be used to inform the product development, investment and marketing decisions of relevant government departments and agencies including the Department of Environment, the Seychelles Investment Board, the Seychelles Licensing Authority, Seychelles Tourism Board and the Tourism Department.

9 Marine-based tourism

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.

As of March 2018, there were 443 licenced marine-based operators in Seychelles, including 28 inter-island transport operators (Table 8.3). Of these, 304 or 68 per cent were based on Mahe and 118 or 27 per cent on Praslin. Boat charters represent the largest number of marine-based operators with 363 or 82 per cent of the total marine-based operators, followed by dive centres and businesses (40 or 9 per cent).

However, if not well managed, marine tourism activities can potentially have a negative impact on marine ecosystems and diversity (see Box 9.1). This is especially important for marine national parks. Based on discussions with stakeholders, a common concern is 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.

BOX 9.1 IMPACT OF MARINE-BASED TOURISM ACTIVITIES ON MARINE HEALTH

Cruise ships, boating and yachting: Nutrient enrichment from illegal sewage disposal; litter from illegal or accidental solid waste disposal; and damage to coral reefs resulting from anchoring outside mooring zones.

Fishing and seafood consumption: Overexploitation of reef fish stocks and other resources.

Marinas: Pollution from oils and paint residues; and pollution from fuelling.

Scuba diving and snorkeling: Physical damage; and kicking up sediment.

Source: WWF (2015a).

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 development of a clear marine-based tourism strategy, which brings together all maritime-based tourism activities under one overarching and coherent framework, is therefore 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 process leading to the development of the framework should be led by the Tourism Department in collaboration with relevant government departments and agencies including the Departments for the Blue Economy, of Environment and of Transport, Seychelles Bureau of Standards, Seychelles Investment Board, Seychelles Licensing Authority, Seychelles Marine Safety Administration, Seychelles National Parks Authority, Seychelles Ports Authority and Seychelles Tourism Board, as well as relevant private and other non-governmental organizations (see Section 8.2). 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.

In addition, the Seychelles Marine Safety Administration is updating all Seychelles' maritime laws and regulations. This is 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.

The issues specific to boat charters, recreational diving, water sports and yachting are discussed below. The key issues discussed are policy framework, performance, ownership, sustainability issues, and statistics. The main issues raised by stakeholders interviewed as part of the revision of the present document are also discussed. The legal and regulatory frameworks governing the activities of each industry are summarised in Table 8.4. Marketing, human resources, safety and statistical issues surfaced in the following sub-sections are discussed in more detail in Sections 12-15 respectively.

9.1 Yachting

Overview[113]**.** Yachting tourism started in Seychelles in 1991. The industry is made up of charter companies that sell yachts to owners who generally are non-Seychellois. These companies then manage the yachts on behalf of the owners and make them available for charter or rent to paying clients who use the yachts for leisure purposes. There are three main types of yacht rental: bareboat charters whereby only the boat is rented and at least one of the renters have a skipper's licence; rental of the boat and the skipper only; and rental of the boat, skipper and crew. Marketing is done overseas and clients book and pay for their yachting holiday from overseas. Local management companies manage the fleet and handle the clients during their stay in Seychelles. The yachting tourists reside on board the yachts for the duration of their stay in the country and cruise from island to island, but generally not further than the inner islands of Mahe, Praslin and La Digue.

The first yachting policy was developed in 2003 to provide guidelines for the industry. It identified a number of infrastructural challenges facing the industry. These included insufficient marinas for yachts to fill up with fuel and water, facilities for repairs and maintenance of the yachts, and a lack of mooring facilities and qualified Seychellois skippers.

Since 2008, the brutal emergence of piracy activities in and around the Seychelles waters significantly tarnished the perception of Seychelles as a secure cruising/sailing destination, thus exposing the yachting industry to unprecedented challenges. On a positive note, the piracy phenomenon has dropped to an all-time low by the beginning of 2015 (see Section 3.1).

The skills required by the industry include on-boat skills such as skipper licenses, technical skills in maintenance and repairing of boats, management skills, customer service skills and language skills. The main costs items include fuel, labour, port fees and landing fees on islands especially those with marine parks.

Policy framework. In response to dynamic developments of yachting activities in Seychelles, the ***Policy on Yachting Tourism, 2008*** was developed[114]. The salient features of the policy are summarised in Box 9.2. It sets a ceiling of 200 yachts in order to maintain the perception of exclusivity and to limit the environmental impact of the industry. This figure could be revised in the light of the fast development of private yachting on Eden Island. There is currently no

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[113] This paragraph is based on Seychelles Tourism Board (25 November 2008b) and European Competitiveness and Sustainable Industrial Policy Consortium (2015).
[114] *Ibid.*

specific licence for yachts. Rather there is one licence for all vessels that offer boat chartering services.

Performance. The number of yachts operating in Seychelles increased from 129 in 2010 through 148 in 2015 to 165 in 2017 (Table 9.1). The 165 yachts in 2017 ranged from three with two beds to one with 42 beds, with 119 having between 6-8 beds. This fleet represents a capacity equivalent to 1, 386 beds or 10 per cent of the Seychelles total bed capacity (see Section 10.1.2). Of this, 73 per cent (1, 014 beds) are based on Mahe and 22 per cent (302 beds) on Praslin. Twenty-four beds are based on La Digue and 23 on other islands. In 2016 and 2017, 10, 257 and 11, 433 visitors respectively (representing 3 per cent of total visitors) stayed on yachts.[115] In 2017, 604 visitors entered Seychelles on a yacht[116].

BOX 9.2 POLICY ON YACHTING TOURISM

The salient features of the policy on yachting tourism in Seychelles are listed below.

Role of Government. The Government shall facilitate the further development of the yachting tourism industry by: (a) encouraging the development of modern marinas on Mahe, Praslin and other islands; (b) identifying appropriate areas for the development of small service centres on Mahe and Praslin and on any other islands to service yachts; (c) encouraging the development of the support services and infrastructure for maintenance and repair of yachts; (d) encouraging the development of related facilities in the outer islands; and (e) encouraging yacht charter operators to participate in the development of the marinas.

Private sector participation. Government shall facilitate the participation of the private sector in the development of the yachting industry. Both foreign and Seychellois investment shall be encouraged in the yachting industry (see Table 8.5). Licensed yachting operations shall be entitled to incentives as provided in the Tourism Incentives Act, 2003 (as amended in 2008).

Scope of operations. A yacht charter operator is allowed to let the boat for hire for fishing as a sport or for pleasure purposes.

Temporary licences. Licences for temporary yachts shall be valid for a maximum of three months. Such licences shall be renewable once only in the same calendar year for a further period of three months. Application for temporary licences shall only be accepted through local ship-chandlers.

Ceiling on the number of yachts. A ceiling of 200 charter yachts shall be set for the industry to maintain Seychelles' reputation as an exclusive yachting destination. Operators with a fleet of less than three boats shall not be counted as part of the ceiling of 200 charter yachts to ensure that Seychellois investors and operators are not unfairly disadvantaged (see Table 8.5). Temporary licences and super yachts based in Seychelles shall also not be subjected to this limit.

Competition. Government shall ensure that yacht charter companies do not compete unfairly with other segments of the boating industry and do not have unfair or undue influence on the sector so as to control the market. To avoid unfair competition, yachting operators who offer day charter shall only rent the boat as one unit with a fixed rate on a per charter basis and shall not sell on a per person basis. Also, operators of yacht charter businesses shall be limited to the maximum number of 30 yachts per operator, with approvals for starting up or extending a fleet shall only be for 10 boats at a time. All operators shall submit an affidavit to Seychelles Licensing Authority declaring that they have no interest directly or indirectly in another yachting operation.

Beach and island access. Tourism operators on beach front properties are encouraged to welcome sailing visitors. While maintaining the need to preserve the exclusivity of the island resorts, appropriate access to the islands shall be retained.

Human resources development. A human resource development programme shall be put in place to train staff for the industry.

Environmental protection. Environmental actions shall be undertaken to minimise the impact of an increased level of yachting tourism activities. These actions will include the speeding up of the installation of mooring buoys in designated and highly frequented areas and inexpensive on-board treatment of sewage from yachts.

Source: Seychelles Tourism Board (25 November 2008b).

The yachting industry employs a minimum of 100 Seychellois. In addition, it consumes goods and services (fuel, food, maintenance and repair services, souvenirs, land-based tourism services such as accommodation and taxi, car

[115] National Bureau of Statistics (January 2018).

[116] *Ibid.*

hire, catering and diving services) and pay taxes and fees (landing, docking fees and harbour fees). This suggests that the direct, indirect and induced economic impacts of this activity should not be underestimated. However, many stakeholders downplay the economic benefits of the yachting industry to the Seychelles economy.

Table 9.1: The Seychelles yachting fleet

Beds per vessel	Number of vessels	Number of beds
2	3	6
4	11	44
6	28	168
8	91	728
10	12	120
12	12	144
14	1	14
16	2	32
18	2	36
24	1	24
28	1	28
42	1	42
TOTAL	**165**	**1,386**

Source: Seychelles Marine Safety Authority, March 2018.

Ownership. The policy allows for both Seychellois and foreign ownership of yachts operating in Seychelles. Under the policy, a company with up to three yachts must be 100 per cent owned by Seychellois; companies with six or more yachts could be wholly owned by non-Seychellois (see Table 8.6). As of the middle of 2015, 34 Seychellois operators were managing fleets of less than three yachts; between them they were managing 60 yachts. While less than half of the yachts registered in Seychelles were 100 per cent Seychellois-owned, the majority of yachts operating in Seychelles are under the management of Seychellois companies. This is because private yachts which are usually not registered in Seychelles are being managed by these management companies (see Overview above). The main constraints limiting Seychellois ownership are a lack of proven experience in the management of yachting activities and a lack of finance to purchase yachts.

Sustainability. Environmental impacts of yachting include waste disposal (liquid and solid), anchoring (coral damage), boat groundings, and illegal collection of marine life. Tackling the solid waste disposal problem requires the installation of proper and easily accessible waste reception facilities on-shore. The policy recommends the use of inexpensive on-board treatment of sewage from yachts (see Box 9.2). Since 2011, Seychelles Marine Safety Administration has, in line with the provisions of the MARPOL Convention (see Box 9.3), set up a series of preventive measures and procedures related to sewage, and disposal of garbage and waste. Currently, there are a number of mobile pumping facilities for yachts operated by private companies.

An increasingly popular tourism activity in Seychelles that clients of yachts and boat charters engaged in is sport fishing or recreational fishing, which is fishing for either pleasure or competition. Under the *Fisheries Act, 2014*, vessels involved in recreation fishing are not required to have a licence from the Seychelles Fishing Authority (SFA) to engage in fishing activities[117]. Given their use of advanced technology, the rate of extraction of these vessels tend to be high and are in direct competition with artisanal and semi-industrial fishermen. This is especially important given that some Outer Islands including African Banks, Assumption, Astove, Cosmoledo Atoll, D' Arros, Desroches, Farquhar Atoll, Platte, Poivre Atoll and Remire are introducing fly-fishing, a form of recreational fishing, by charter boats and yachts from Mahe[118]. SFA undertook a boat frame survey in 2017 to measure the capacity of vessels, including fishing and pleasure boats to extract fish from the ocean. The report of the survey is expected to be published in mid-2018.

[117] Fisheries Act, 2014, Article 21.

[118] Interview with representatives of the Seychelles Fishing Authority, March 2018.

A further issue raised by boat charter and yacht operators is the need to reduce overcrowding on some of the islands. This is especially important during the months of November and December and when cruise ships visit Seychelles.

BOX 9.3 INTERNATIONAL CONVENTIONS RELATING TO MARINE-BASED TOURISM

The International Maritime Organization regulates international conventions relating to the sea. The main international conventions affecting marine-based tourism activities are discussed below.

- The *International Convention for Preventing Collisions at Sea, 1972* requires skippers to ensure that the correct lights and shapes are carried, to know the steering and sailing rules and the sound and light signals.

- The *International Convention for the Prevention of Pollution from Ships, 1973* (MARPOL Convention) is the main international convention covering prevention of pollution of the marine environment by ships from operational or accidental causes. MARPOL also applies to recreational boats and the skippers should not discharge oil or drop garbage into the sea.

- The *International Convention for the Safety of Life at Sea, 1974* (as amended in 2002) states that a recreational boat user should particularly take into account some points when planning a boating trip as weather, tides, limitations of the vessel, safety equipment and experience and physical ability of the crew, navigational dangers, contingency plan and information ashore.

- The *United Nations Convention on the Law of the Sea, 1982* distinguishes between flag states (the state where boat or ship is registered or got the permission to go on the water), the international waters and the coastal state (a state in which a boat is operating). Although the Convention normally refers to merchant ships, in reality it also covers recreational boating. Each Member State's government, which is contracted to the international conventions, is also obligated to regulate visiting vessels that are registered in foreign countries.

- The International Maritime Organisation adopted the *International Convention on Standards of Training, Certification and Watchkeeping for Seafarers* (or STCW), which entered into force in 1984. The STWC minimum standards relating to training, certification and watchkeeping for seafarers which countries are obliged to meet or exceed. These are valid for ships larger than 24 meters in length. There are currently no professional skippers on crafts below 24 metres.

Source: European Competitiveness and Sustainable Industrial Policy Consortium (2015).

Availability of statistics. There is currently no data on the level and profile of demand for yachting activities in Seychelles (number of visitors, average length of stay, country of residence, visitors' satisfaction, and the socio-economic profile of visitors). Given the importance attached to Seychellois participation in and ownership of the tourism sector in national development planning frameworks, the dearth of data on ownership of yachts is a cause of concern. This state of affairs deprives the Seychelles Investment Board, Seychelles Marine Safety Administration, Seychelles Ports Authority, Seychelles Tourism Board, and the Tourism Department of an important source of data for planning, management, monitoring and marketing.

Issues raised by stakeholders. The main issues raised by yacht operators were the following.

- *Regulators.* The Seychelles Investment Board, Seychelles Marine Safety Authority, Seychelles Revenue Commission, Seychelles Port Authority and Seychelles Tourism Board are the main government agencies that deal with yacht operators. Operators complain that there is no effective structure in place to inform them of what is required for clearing their vessels through customs, registration of yachts and renewing Gainful Occupational Permits for foreign workers. They report that there is a lack of coordination amongst the various agencies that they deal with, and that sometimes they receive the same request from different agencies. A point of consensus was that the requirement by Seychelles Marine Safety Authority for operators to produce a management contract for a hirecraft renewal represent a potential breach of privacy. The absence of a certified yacht surveyor at Seychelles Marine Safety Authority and the inability of the infrastructure at Port Victoria - now that the Bon Espoire Station is no longer working - to effectively receive and act on distress calls at sea were also common concerns.

- *Qualified skippers.* Yacht and boat charter operators revealed that it is difficult to find qualified skippers with the practical skills to effectively manage the boats under their control, especially maintenance and repairing of boats and management and customer service skills. This is especially the case with younger qualified skippers trained at the Seychelles Marine Academy. A lack of on-the-job professionalism and a general lack of understanding of the tourism sector and its demands were common concerns raised. Alcohol and drug abuse was also raise as a major concern, as was the excessive time to process foreign work permits and bring in foreign workers. The situation is especially critical during the peak months of November and December. A consensus opinion was the lack of accountability of skippers for not complying to regulations, disrespect of owners and clients and for inflicting damage to the property of their employers. A number of older and responsible Seychellois currently working in the industry are not qualified skippers but have been performing most of the duties of a qualified skipper for a number of years. Unfortunately, the Seychelles Maritime Academy schedule courses for skippers either during the weekend or in peak seasons, leaving them unable to attend. Foreign-based operators noted that there is no guarantee that foreign insurers will entertain insurance claims when Seychelles-trained skippers are involved. The quality of training courses offered by the Academy was a common concern. A scheme whereby operators can bring in foreign skippers and crew during peak seasons was proposed.

- *Enforcement of regulations.* Some stakeholders claimed that owners of holiday homes and apartments on Eden Island were renting out licenced yachts to friends and renters of their homes and apartments. Also there have been reports that yachts are not observing designated areas in marine national parks and elsewhere.

- *Private yachts.* A practice in the industry is for Seychellois-owned management companies to manage private yachts that are not registered in Seychelles on behalf of their owners. According to stakeholders in the industry this is a standard operating procedure internationally. This makes it difficult for local authorities to regulate these vessels – Seychelles Ports Authority (for registration) and Seychelles Marine Safety Administration (for marine safety) – since they cannot board these vessels without the authorisation of the flag state of the vessels.

- *Port infrastructure and facilities.* Government should facilitate the development of more marinas and the provision of support services and infrastructure for maintenance and repair of yachts (see Box 9.2). This could include the development of a policy by the Tourism Department to guide the development of marinas and related facilities including the use of private sector investment.

- *Access to outer islands.* Government policy allows for unrestricted access to outer islands (see Box 9.2). However, the process to access the outer islands needs to be clearly defined to increase yachts' access to outer islands while ensuring that the safety and security of tourists staying at hotel resorts on the islands. The need for a code of conduct for visitors to the islands is also needed.

- *Marketing.* Eden Island is contributing significantly to market Seychelles as a yachting destination through its marketing activities (see Section 12).

- *Marine Police.* Boat charter and yacht operators complained of the heavy handedness by members of the Marine Police in discharging their regulatory responsibilities.

- *Access to finance.* Given the capital intensity of the industry, Government should improve access to and reduce the costs of finance to encourage more Seychellois to own yachts and yachting companies. Local operators find themselves at a disadvantage to foreign ones as the latter can have access to finance at lower interest rate which can be as low as 5 per cent while loans from local banks, when available, can be up to 11.5 per cent.

9.2 Boat charters

Overview. Activities in this industry include excursions, fishing, snorkelling and other maritime leisure activities to clients. Boat chartering services vary, ranging from the small boat operators that offer coastal scenic trips, including glass bottom boats, to the larger ones that can go beyond 60 miles that can offer big game fishing and other activities. The skills required by and most important cost categories of this industry is similar to those for yachts.
Policy framework. The Boat Charter Policy, 2008 is the main policy that governs the activities of boat charter operators including glass-bottomed boats. The salient features of the policy are summarised in Box 9.4.

BOX 9.4 POLICY ON BOATING CHARTERS
The main features of the policy on boating charters in Seychelles are listed below.

Ownership/Investment: Both Seychellois and foreign investment in boat charter operations shall be encouraged (see Table 8.6).

Fleet size: There is no limit on the size of fleet in the boat charter operations.

Location: Boat charter operators may only be based or located in areas designated by the authorities.

Qualification: All boat charter operators shall employ properly qualified personnel.

Conditions of license: A boat charter operator shall use the boats only for purposes stated in the licence viz. fishing, snorkelling and other maritime leisure activities to clients. It cannot offer ferry services. If it is a motorised boat and at least 50 feet or over, it may offer diving services as long as it is part of an overall charter package.

Competition: Government shall ensure larger boat charter companies do not compete unfairly with other segments of the boating industry by renting their boats as one unit with fixed rates to groups or couples and shall not sell on per person basis to individuals for the same trip.

Environment: Environmental actions need to be undertaken to minimize the impact of boat charter activity, including anchoring and damage to the seabed, disposal of garbage, holding, treatment and disposal of sewage, pollution of marinas and pollution of waters around boat repair facilities.

Corporate social responsibility: All boat charter businesses shall sensitise their clients on the need to preserve the environment and respect the laws that are in place.

Information: All boat charter businesses are required to provide information to the Seychelles Tourism Board and Seychelles Licensing Authority, periodically or whenever requested to so.

Source: Seychelles Tourism Board (25 November 2008a).

Performance. As at March 2018, there were 363 boats providing boat-chartering services, including yachts and glass-bottomed boats (Table 8.3). Of those, 243 were based on Mahe, 105 on Praslin, and 15 on La Digue.

Ownership. Both Seychellois and foreigners can offer boat charter services. Ownership of and investment in boats of up to 50 feet are reserved for Seychellois. Foreigners may invest in and operate boats that are at least 50 feet provided they invest a minimum of US$5 million.

Sustainability. The sustainability issues for boat charters are similar to those of yachts.

Availability of statistics. There is currently no data on the level and profile of demand for boat-chartering services (number of visitors, country of residence, clients' satisfaction and the socio-economic profile of visitors), and on the ownership structure of the industry.

Issues raised by stakeholders. In addition to the issues raised for yachting, stakeholder raised the following issues.

- *High cost of operations and compliance.* Boat charter operators underscored the high and rising cost of operations, especially in the context of the declining spending power of tourists. In particular, they noted the high fuel costs which can account for as much as 40 per cent of their total costs. In addition, maintenance costs, costs of complying to safety regulations administered by the Seychelles Marine Safety Administration, fees to commission agents (see below), port dues and marine park fees contribute to keep costs high. Current fees per visitor for landing on selected islands are as follows: Aride (SCR650); Cousin Island (SCR500); Curieuse (SCR200); Ile Coco (SCR200); and Grande Soeur (SCR500). Operators bemoaned the lack of facilities including toilet facilities in marine parks, which to them does not justify the fees charged.

- *Unlicensed operators.* Stakeholders report that operators of unlicensed boats are providing excursion services using fake HC numbers to pass as licenced operators. According to boat charter operators on Praslin, these illegal activities have been going on at Côte d' Or for the last 20 years. Currently, there is an estimated 100 unlicensed boat operators offering chartering services to visitors on Praslin. 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 that are discussed in Section 14. Currently, boats less than 24 metres long are not required to register with the Seychelles Marine Safety Administration if they are privately-owned.

- *Access to visitors.* Some boat charter operators alleged that senior managers at some hotels, especially large ones, are charging commissions in exchange for access to visitors staying at these hotels. They report that some operators are being given preferential access to the premises of the hotels to solicit for clients.

- *Port infrastructure and facilities*. Boat owners in the North of Mahe are having difficulties to obtain a suitable place to safely park their boats. Some are using the port at Bel Ombre which was designed for fishing boats. Due to congestion, operators are experiencing damages to their boats and a lack of facilities to cater for their needs.

- *Integration issues.* Currently hotels and tour operators are allowed to own and operate one boat and not more than ten respectively to offer boat chartering services (see Table 8.5). Furthermore, hotels on islands other than Mahe, Praslin and La Digue can have at least two boats to transfer guests, staff and provide services to operate the hotel. Boat charter operators especially on Praslin and La Digue complain that the two major destination management companies, Mason's Travel and Creole Holidays, use their high cash flow positions to market and book cruise ship passengers, use their boats to offer excursions to those passengers and take these passengers to the hotels and restaurants that are under their control. There are also reports that some hotels have been threatened that their rooms would not be sold by tour operators if they allow other boat charter operators to access their clients.

- *Licence fees relative to other industries.* Boat charter operators noted that it is unfair that they should pay a licence fee of SCR4, 500 per year, when other business operators pay lower licence fees that are valid for a period of five years. The situation is even worse for those boat charter operators that offer diving services who usually have to pay a separate dive operator licence which is also payable annually. Those operators may end up paying up to SCR10, 000 per year in licence fees.

9.3 Recreational diving

Overview. Scuba diving is increasing in popularity worldwide, with the number of certified divers growing by an estimated 12-14 per cent annually. Diving allows visitors to experience underwater natural heritage in the splendour and authenticity of its original surroundings. There are 84 active dive sites in Seychelles including six in the marine national parks.

Policy framework. The main policy governing diving operations is the *Policy for Recreational Diving Business, 2015*. The salient features of the policy are summarised in Box 9.5.

Ownership. Ownership of or investment in dive businesses (dive centres and dive operators) is exclusively reserved for Seychellois citizens except for power dive operations and sea-based dive operations. For the latter business activities, non-Seychellois are allowed to invest provided that the fleet size exceeds three yachts (see Table 8.6).

Performance. There are currently 40 licenced dive businesses, which include dive centres and dive operators (Table 8.3). Thirty-three of the dive businesses are based on Mahe, six on Praslin and one on La Digue.

BOX 9.5 POLICY ON RECREATIONAL DIVING

Ownership: Ownership or investment in dive centres is reserved for Seychellois only. For dive operator on yachts/liveaboards, foreigners shall be allowed to invest based on the fleet size (see Table 8.6).

Minimum standards: All diving businesses are required to meet the minimum standards of the regulatory bodies and sensitize their clients on the need to preserve the environment and respect the laws that are in place.

Location: All dive centres must be land-based.

Tuition: All dive centres must have a facility for tuition dives in confined waters.

Vehicle restrictions: A dive centre is allowed up to a maximum of three dive boats under its dive centre licence.

Excursions: Any licensed dive centre may carry out excursions as a boat charter provided it is conducted together with a diving activity.

Restricted dives: All dive operators can offer excursion dives to qualified divers only.

Dive Master: A minimum qualification level of the head of the diving personnel of a dive operator is of a Dive Master.

Equipment: Any licensed boat charter operator may carry out dive operations provided s/he has all the necessary equipment and complies with all requirements of a dive operator.

Information compliance: All diving businesses are required to provide information to the Tourism Department and Seychelles Licensing Authority or any other relevant Authority, periodically or whenever requested to do so.

Risk assessments: All licensed diving businesses should have a risk management plan for risk reduction and disaster preparedness and should also have appropriate insurance cover.

Source: Tourism Department (July 2015b).

Sustainability. The underwater heritage in Seychelles consists mainly of granitic rock formations and coral reefs, which sustains fish life. It has been estimated that the value of coral reef is between US$100,000 and US$600,000 per km^2 a year, while the management cost of a marine protected area is US$775 per km^2 per year[119]. Considering the volume of visitors experiencing recreational diving in Seychelles, it is important to take all necessary steps to ensure that diving does not become a threat to marine biodiversity on which the activity relies.

In view of the number of active dive sites in Seychelles and of the economic size and potential of diving, it is important to place the protection of dive sites at the heart of a dive site management and protection policy, in a way that ensures that the Seychelles dive operators/centres become or remain role models for and watchers of responsible diving. The formulation of a national charter for responsible diving or a national code of ethics for diving inspired from the UNESCO ***Code of Ethics for Diving on Submerged Archaeological Sites*** and/or the from the World Underwater Federation golden rules could represent an important step in this regard.

Climate-induced bleaching (see Box 9.6) is one of the greatest threats to coral reefs and is a major concern to the diving industry. Seychelles coral reefs were the most affected globally in the last global coral bleaching episode in 1998 caused by the El Niño weather phenomenon when coral cover was reduced by an estimated 90 per cent of coral cover[120]. Another global coral bleaching event occurred in 2016 driven by El Niño[121].

Availability of statistics. There is currently no data on the level and profile of demand for diving services (number of visitors, country of residence, clients' satisfaction and the socio-economic profile of visitors), and on the ownership structure of the industry.

BOX 9.6 SAVING CORAL REEFS

The Seychelles in some areas lost up to 90 percent of its coral reefs in 1998 in an environmental event known as bleaching, where coral in warming waters expel the colorful algae that live within their skeletons and, without their nutrients, starve. Already, conservationists have launched a number of coral reef restoration projects around the nation's 115 islands. In one, more than 50,000 coral fragments have been nurtured and transplanted by a local charity, Nature Seychelles, in what the organization calls the world's largest coral restoration programme. The Marine Conservation Society has both land- and ocean-based coral nursery sites. On Curieuse, the Seychelles National Park Authority has been moving corals grown in another rope nursery.

The Seychelles government is working with Nature Seychelles to secure funding for a proposal to upscale coral farming efforts to a larger operation using new methods. The aim is to commercialize part of the operation so that it can financially sustain reef restoration well into the future, according to Nature Seychelles. ".. [I]f we can continue to have healthy reefs and lots of fish, we got happy divers, they do lots of dives, the dive center makes more business, the government gets more tax money and everybody is happy," said Glynis Rowat, who has managed one of the oldest diving centers in Beau Vallon for over 30 years.

Source: CBS News (2018).

Issues raised by stakeholders. The issues raised by boat charter operators regarding port facilities and accessing marine parks were also raised by dive businesses. Other issues raised by representatives of dive businesses were the following.

- *Competition.* The level of competition in the industry is currently adequate. However, the issuance of more diving centres' licences may reduce the viability of some existing operators. The authorities may consider undertaking an analysis of the viability of the industry before approving licences for new dive centres.

- *Qualified divers and skippers.* There is a dearth of internationally certified divers and boat skippers to serve the industry (see Section 13).

- *Licence fees relative to other industries.* At SCR10, 000 per year, the licence fee to operate a diving centre is considered high relative to those faced by other tourism industries. In particular, tour operators with well-established operations have to pay a licence fee of SCR2, 000 that is valid for 5 years.

[119] Secretariat of the Convention on Biological Diversity, UNWTO and the UNEP (2009).
[120] Graham, Nicholas *et al.* (January 2015).
[121] Seychelles News Agency (2015).

9.4 Water sports

Overview. The water sports industry is classified as either motorised or non-motorised depending on the craft used for the activity. The motorised engines used in motorised water sports present an important safety risk as they may endanger the lives of the swimmers, snorkelers and divers (the experience of Jamaica with Jet Skis is summarised in Box 9.7). Marine recreational areas are normally divided into designated zones including swim, non-motorised and motorised zones for environment and safety reasons. Currently, Anse a la Mouche, Anse Lazio (non-motorised watersports only), Anse Royale, Beau Vallon, Côte d' Or and Perseverance have been designated a motorised zone by the Seychelles Marine Safety Administration. In addition to commercial operators of personal watercrafts, there are a number of private-owned crafts.

Policy framework. Water sports operators are regulated by the ***Licenses (Trade) Regulations, 2012*** and the *Policy for Water Sports Businesses, 2017* (see Table 8.4). The key policy statements on water sports are summarised in Box 9.8.

BOX 9.7 REGULATION OF JET SKIS IN JAMAICA

Following a number of accidents that resulted in fatalities and serious injury, the Government of Jamaica took a number of short-term measures in October 2013 to regulate Jet Ski operations on the island. These included:

- A 6-month suspension on the importation of Jet Skis for commercial purposes.
- A clampdown on illegal commercial operators of Jet Skis by the Marine Police and the Defence Force Coast Guard.
- Strengthening and enforcement of regulations guiding the safe usage of Jet Skis.
- Designated zones for swimming, non-motorised watercrafts, and motorised watercrafts.
- Rules on speed for entry in and exit from designated zones.
- Comprehensive briefings of clients by operators, including a demonstration ride before clients can operate Jet Skis independently.
- Visible identifications of operators and display of licences.

In February 2014, the government brought in additional measures as a result of limited compliance with previous measures. These included:

- A temporary suspension of the use of Jet Skis.
- Extension of the ban on the importation of all Jet Skis or a further six months, not just the commercial ones.
- Lifting the moratorium on licensing of new commercial operators.
- Registration of all Jet Skis by the Maritime Authority of Jamaica (MAJ). Private and commercial registered Jet Skis will be distinguished by different colour decals.
- Amending relevant regulations and legislations to allow fines to be increased from the present maximum of $20,000 to $500,000 for breaches; give the Authorities the power to dispose of water sport vessels seized; and prohibit a child under 17 years of age from operating commercial Jet Skis without an accompanying adult.
- Setting up of a task force to effect the new changes. The task force comprised representatives of the Jamaica Constabulary Force, Jamaica Customs, Jamaica Defence Force, Jamaica Tourist Board, MAJ, Ministry of Tourism and Entertainment, National Environment and Planning Agency, Port Authority of Jamaica and the Tourism Product Development Company.

Sources : Jamaica Observer (2013) and Jamaica Observer (2014).

Ownership. Water sports activities are reserved for Seychellois (see Table 8.6).

Performance. There are currently 12 licensed water sport businesses in Seychelles (Table 8.3). Of those, seven are based on Mahe, three on Praslin and one each on La Digue and the outer islands. The Seychelles shores have recently witnessed an avalanche of Jet Ski activities (mostly under private use) in different parts of Mahé, Praslin and La Digue and on popular beaches.

Sustainability. Jet Skis and other motorised water sports cause noise pollution and emit oil that affects underwater life, residents and tourists swimming or lying on the beach.

Availability of statistics. Apart from data on the number of licenced water sports operators collected by Seychelles Licensing Authority, no statistics are being collected on water sports.

BOX 9.8 POLICY ON WATER SPORTS

Motorised water sport activities include: parasailing; boating; barefoot-, cable-, jet- and water-skiing; banana boats; and wakeboarding.

Non-motorised water sport activities include: canoeing; kayaking; water rafting; dinghy sailing; kite, stand-up-paddle and wind surfing; and surfboarding.

Ownership/investment: Water sports businesses are reserved for Seychellois only.

Integration: A new promoter is allowed to have only one water sports business. Hotels located within demarcated areas can provide motorised water sports services. Hotels can provide non-motorised water sports services only as a complimentary service.

Registration of equipment: All water sports businesses shall register their equipment with the Seychelles Maritime Safety Authority.

Rescue boat: All water sports businesses shall have a fully functional rescue boat.

Place of business: All water sports businesses shall conduct their business from within specific areas demarcated by the Department of Environment and Planning Authority.

Location of water sports activities: All water sports activities shall be undertaken within specific areas demarcated by the Seychelles Marine Safety Administration.

Time of operation: Motorised and non-motorised water sports activities shall be carried out from 10:00 a.m. to 6:30 p.m. and from 6:30 a.m. and 6:30 p.m. respectively.

Human resources: Water sports businesses shall employ only well trained personnel.

Risk assessments: All water sports business should have a risk management plan for risk reduction, emergency response and disaster preparedness and should also have appropriate insurance cover.

Minimum standards: All diving businesses are required to meet the minimum standards of the regulatory bodies and sensitize their clients on the need to preserve the environment and respect the laws that are in place.

Source: Tourism Department (July 2017).

Issues raised by stakeholders. Stakeholders raised the following two issues.

- *Safety guidelines and enforcement.* There is a need for safety guidelines for the water sports industry. In addition, there is a need for concentrated enforcement activities targeting illegal and unsafe activities, and enforce designation zones including in marine parks.

- *Private owners of motorised watercrafts.* There is a need to do more to regulate the activities of private owners of watercrafts. This may include that all operators of watercrafts, private and commercial, should be registered with the Seychelles Marine Safety Administration and have to have a licence to operate.

9.5 Developments and emerging issues since the last update

Since the last update in 2016, a number of developments have taken place which will have implication on marine-base tourism activities. The main one is the S*eychelles Marine Safety Authority Bill*.

- The Bill has the following provisions:
  - The new Seychelles Marine Safety Authority will be responsible for all aspects of safety at sea.
  - The Seychelles Marine Safety Authority will take over the responsibility for the licensing of hirecrafts from the Seychelles Licensing Authority.
  - There will be a separate licence for boat charters and yachting (to check).
  - It would be mandatory to register all private-owned vessels with the Seychelles Marine Safety Authority.
  - Yachts having commercial interest in Seychelles should operate under a Seychelles flag.
- In the State of the Nation Address, the President announced that Government will reclaim 10 hectares of land at Grand Anse Praslin, which will include the construction of a marina, among other developments. Private investors will be encouraged to participate in the project.
- The Seychelles Marine Safety Administration is in the process of reviewing and amending the *Control of Hirecraft Act*, the *Beach Control Act* and the *Merchant Shipping Act*.
- The Seychelles Marine Safety Administration is working closely with the Marine Police and the Seychelles Coastguard in discharging its regulatory responsibilities.

10 Tourism accommodation and other tourist services

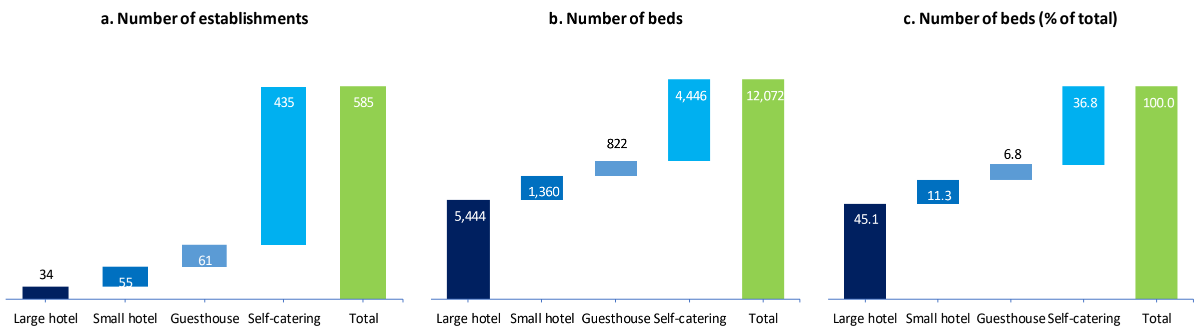
This section includes a discussion of the bed capacity and average occupancy rates of tourism accommodation establishments in 10.1. The rest of the section includes a discussion of the accommodation establishments, tourist guides, tour operators, travel agents, telecommunication providers, and other tourist services.

10.1 Availability and occupancy rates of tourist accommodation

10.1.1 Bed capacity

As at the beginning of March 2018, there were 585 licensed tourist accommodation establishments in Seychelles (see Chart 10.1a). This was equivalent to 12, 072 beds (or 6, 036 rooms), and represents an increase of 48 per cent compared to the 8, 132 beds (or 4, 066 rooms) reported in the first edition of this plan in 2011 (see Box 10.1 for the trend in the number of bed capacity between 2000 and 2011). With 1, 386 beds from yachts live-a-boards (see Table 9.1) which represent 10 per cent of total bed capacity, the aggregate bed capacity for Seychelles was 13, 458 tourism beds.

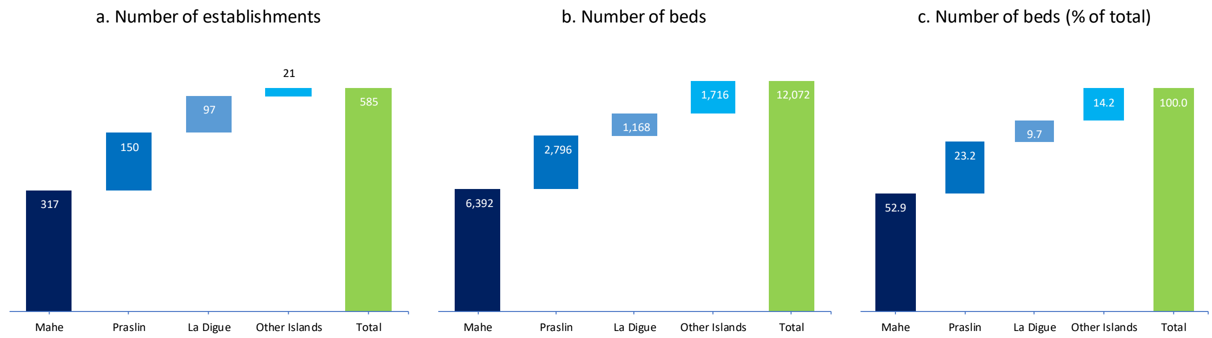
Chart 10.1: Land-based accommodation establishments and beds by type, 2018



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

Of the 585 land-based tourist accommodation establishments, there were 435 self-catering establishments, 61 guesthouses, 55 small hotels and 34 large hotels (Chart 10.1a). Large hotels accounted for 5, 444 or 45 per cent of the total land-based bed stock, while self-catering establishments accounted for 37 per cent (Charts 10.1b and 10.1c). Guesthouses and small hotels accounted for 7 per cent and 11 per cent of land-based beds respectively.

Chart 10.2: Land-based accommodation establishments and beds by island, 2018



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

Of the 585 establishments, 317 were located on Mahe, 150 on Praslin, 97 on La Digue and 21 on "Other islands"

(Chart 10.2a). Mahe hosted 6, 392 beds or 53 per cent of the land-based bed stock (Charts 10.2b and 10.2c). Praslin accounted for 2, 796 beds (23 per cent of bed capacity), while La Digue and "Other islands" hosted 1, 168 (10 per cent of bed capacity) and 1, 716 beds (14 per cent of bed capacity), respectively.

BOX 10.1 EVOLUTION OF TOURISM BED CAPACITY, 2000-2011

The number of land-based beds in Seychelles increased by 77 per cent between the years 2000 and 2011 to reach 8, 132 beds or 4, 066 rooms in 2011. Between 2003 and mid-2011, 2,364 beds from self-catering establishments (including change of use licenses but excluding Eden Island Villas) and guest-houses entered the tourism market and together represented 30 per cent of Seychelles' land-based bed capacity compared to 15 per cent in 2003. If small hotels are added, 40 per cent of Seychelles land-based bed supply was handled by small tourism establishments (mostly Seychellois owned) in 2011. Large hotels accounted for 50 per cent of the bed capacity and Eden Island operated the remaining 10 per cent.

There was a 46 per cent increase in the number of beds on Mahé and Praslin between 2000 and 2011. More impressively, the aggregate number of beds increased by more than 4 times in the same time period in the group of other islands with the construction of hotels notably on Ste Anne, Silhouette, Desroches, North Island, and Cerf Island.

In the case of la Digue, there has been many attempts to control the pace of tourism developments on the island since the late 1980s notably by proposing to limit the number of hotel beds to 200. Nonetheless, the number of beds increased by 93 per cent between the years 2000 and 2011 to reach 732 beds in 2011. This state of affairs prompted the Government to undertake a carrying capacity study for the island in 2013 (see Section 6.3) that led to a limit being imposed on the number of beds for new tourism development on the island.

In addition, as a result of the licenses issued to villas on Eden Island an estimated 800 additional beds were added by the end of 2011. Moreover, 610 beds were operational in mid-2011 under the "change of use" license ("fast-track" establishments) (see Box 10.2).

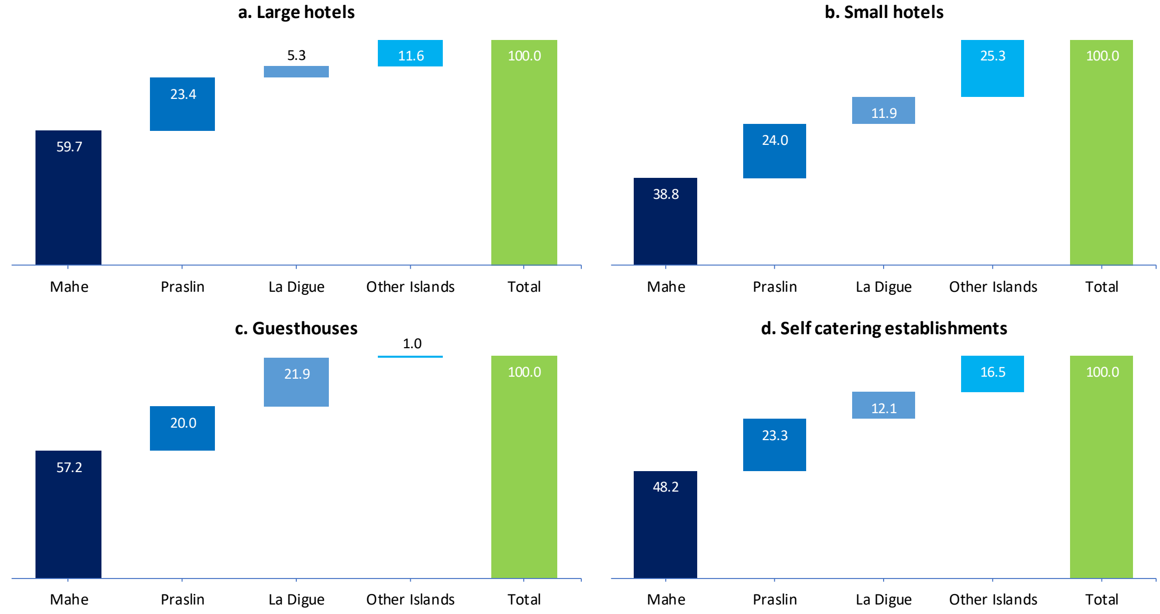
This increase was boosted by the introduction of the *Tourism (Incentives) Act, 2003* that had as an objective to attract private investment in the tourism sector. The Act targeted high standard projects, including 5-star hotels so as to enhance the marketing image of Seychelles as an exclusive and high standard destination.

Source: Seychelles Tourism Board (2011).

Almost 60 per cent of beds in large hotels are located on Mahe, with 23 per cent on Praslin and 5 per cent on La Digue (Chart 10.3a). Mahe accounted for 39 per cent of beds in small hotels, while Praslin and La Digue accounted for 24 per cent and 12 per cent respectively (Chart 10.3b). A quarter of all beds in small hotels were located on "Other islands". Mahe accounted for 57 per cent and 48 per cent of beds in guesthouses and self-catering establishments respectively (Charts 10.3c and 10.3d). Comparative figures were 20 per cent and 23 per cent for Praslin, 22 per cent and 12 per cent for La Digue, and 1 per cent and 17 per cent for "Other islands".

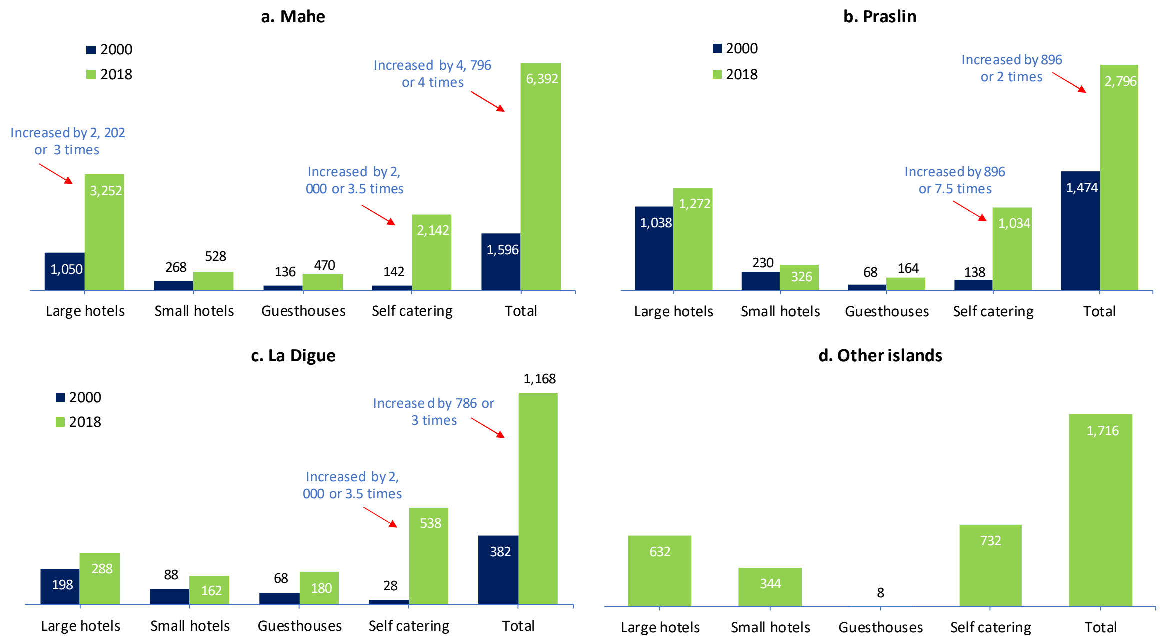
In 2018, large hotels account for the most beds on Mahe and Praslin, while self-catering accommodation establishments accounted for the most beds on La Digue and "Other islands" (Chart 10.4). Guesthouses contributed the lowest number of beds on Mahe, Praslin and "Other islands" in 2018, while small hotels contribute the lowest number of beds on La Digue. Between 2000 and 2018, the number of beds doubled on Praslin, trebled on La Digue and increased by a factor of four on Mahe. On Praslin and La Digue this large increase was driven by the growth in the number of beds in self-catering accommodation establishments which increased by 7 ½ times on Praslin and 3 ½ times on La Digue. On Mahe, the increase was driven by growth in the number of beds in large hotels and self-catering accommodation establishments, which grew by 3 times and 3 ½ times, respectively. Beds in guesthouses more than doubled on Mahe, Praslin and La Digue in the same period.

Chart 10.3: Distribution of land-based beds by island, 2018



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

Chart 10.4: Land-based beds by island, 2000 vs. 2018

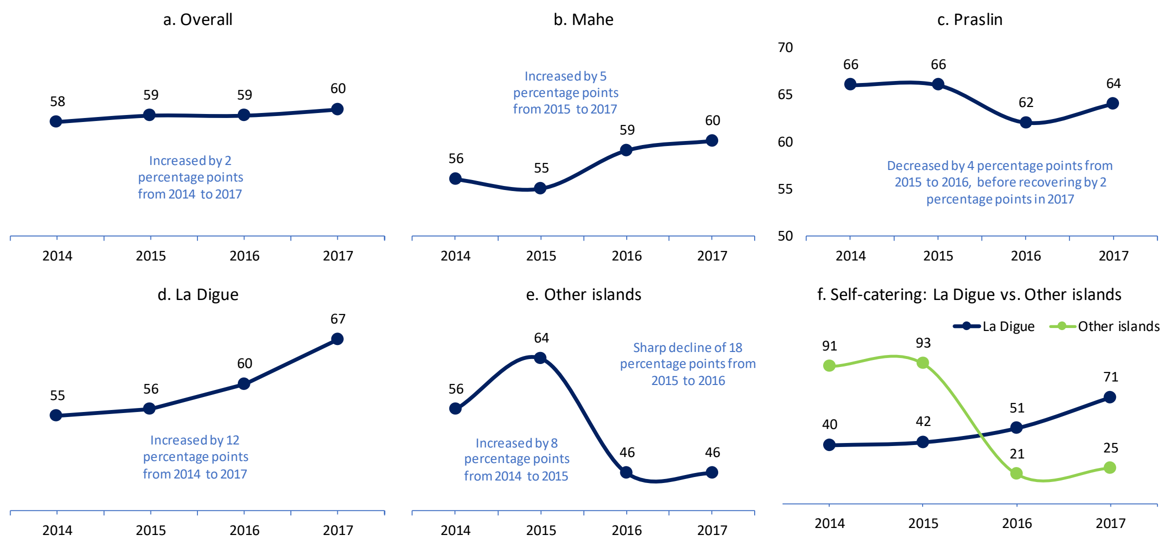


Source: Analysis by Valsen Consulting based on data from Tourism Department and Richter (2016)| Data for 2018 is as of 1 March 2018. Data for other islands is for 2018 only.

10.1.2 Occupancy rates

Overall, bed occupancy rates for land-based tourist accommodation establishments in Seychelles increased progressively from 58 per cent in 2014 to 60 per cent in 2018 (Chart 10.5a). Occupancy rate for accommodation establishments on Mahe experienced an increase of 5 percentage points from 55 per cent in 2015 to 60 per cent in 2017 (Chart 10.5b), while those on Praslin experienced a fall in occupancy rates from 66 per cent in 2015 to 62 per cent in 2016, before recovering to reach 64 per cent in 2017 (Chart 10.5c). The occupancy rate of accommodation establishments on La Digue increased by 12 percentage points from 2014 to reach 67 per cent in 2017 (Chart 10.5d). For the "Other islands", occupancy rates fell sharply from 64 per cent in 2015 to 46 per cent in 2016 and 2017 (Chart 10.5e). The contrasting performance of accommodation establishments on La Digue and "Other islands" can be explained by the performance of self-catering establishments, which increased from 40 per cent in 2014 to 71 per cent in 2017 on La Digue and decreased from 93 per cent in 2015 to 21 per cent in 2016 (Chart 10.5f).

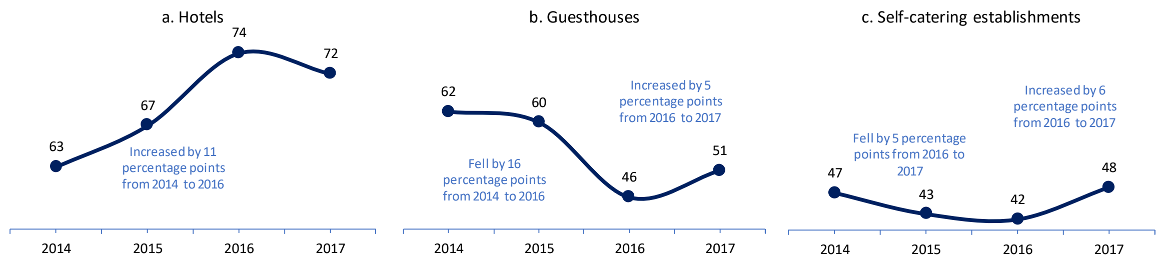
Chart 10.5: Bed occupancy rates for land-based accommodation establishments by island, 2018 (%)



Sources: National Bureau of Statistics (April 2018), National Bureau of Statistics (March 2017), National Bureau of Statistics (March 2016d) and National Bureau of Statistics (March 2015b).

Average bed occupancy rates for hotels increased from 63 per cent in 2014 to 74 per cent in 2016, before falling to 72 per cent in 2017 (Chart 10.6a). Occupancy rates for guesthouses fell from 62 per cent in 2014 to 46 per cent in 2016, before recovering to reach 51 per cent in 2017 (Chart 10.6b). Occupancy rates for self-catering establishments fell from 47 per cent in 2014 to 42 per cent in 2016, before increasing by 6 percentage points in 2017.

Chart 10.6: Bed occupancy rates for land-based accommodation establishments, 2018 (%)



Sources: National Bureau of Statistics (April 2018), National Bureau of Statistics (March 2017), National Bureau of Statistics (March 2016d) and National Bureau of Statistics (March 2015b).

Although in line with national targets of 60 per cent for accommodation establishments with at least a four-star rating (see Chart 8.1), the overall bed occupancy rate compares unfavourably with those for Mauritius and the Maldives which were 68 per cent for 2016[122] and 71 per cent for 2016[123] respectively. The relatively low bed

[122] Government of Mauritius (2017).
[123] Government of Maldives (2017).

occupancy level recorded by tourist accommodation establishments in Seychelles can be partly explained by the fact that bed supply increased at a greater pace than visitor arrivals. The extent to which bed supply will continue to grow at a greater pace than bed demand will have important implications for the bed occupancy and the financial sustainability of some segments of the tourism accommodation industry. This was confirmed by the *Seychelles Tourism Value Chain Analysis*[124].

If not adequately supported by sufficient increases in the volume of visitor arrivals, the sizeable increases in bed supply will result in lower bed occupancy levels. Some tourism accommodation establishments, particularly smaller and newly-established ones may be vulnerable to the effect of bed oversupply than larger establishments that can offer a more diversified set of services. It has been observed in the past that, in order to secure occupancy levels, large 4-and 5-star hotels curb room prices to 3-star level comparable to that of self-catering establishments and guest-houses. This situation occurred in Seychelles in 2010 and 2011 following the opening of the largest hotel in Seychelles.

Small tourism establishments viewed such price practices as tantamount to an abuse of dominant position which constitutes unfair competition. The legal framework on restrictive business practice is governed by the *Fair Competition Act, 2009*. In Part III, the Act prohibits abuse of dominant position "if it may adversely or unfairly affect trade in Seychelles" and states that the direct and indirect imposition of selling prices that are "excessive, unreasonable, discriminatory or predatory" constitutes an abuse. Unfortunately, however, the Act does not present a definition of "excessive, unreasonable, predatory or discriminatory prices".

Another explanation for the relatively low rates of occupancy in Seychelles is the reluctance of some accommodation establishments to grow demand in low seasons by lowering prices for rooms. This is discussed further in Section 10.2.

Currently no data is compiled for the occupancy rates for yachts live-aboards which represent 10 per cent of Seychelles total bed capacity. As a result, there is no official information on the performance of this marine-based tourism activity in Seychelles.

BOX 10.2 CHANGE-OF-USE LICENCE FOR "FAST-TRACK" TOURISM ACCOMMODATION ESTABLISHMENTS

The Change-of-Use licence for "fast-track" tourism accommodation establishments was introduced at the end of 2010 chiefly to curb the practice of illegal tourism accommodation. The licence was also aimed at creating lower budget accommodations and to facilitate the market entry of small Seychellois owners. Under the scheme, unlicensed establishments regularised themselves by applying for a licence from the Seychelles Licensing Authority. As at June 2011, there were 610 new beds under the "fast-track" scheme representing 7.5 per cent of total land-based bed supply. It has been observed that on average the rates charged by fast-track accommodation establishments are comparable to those of traditional self-catering or guest houses, implying that the goal of increasing the supply of lower-budget accommodations has not been achieved. Moreover, the "fast–track" delivery of licenses to the operators based in residential areas has been, in some cases, followed by social tensions as a result of noisy local neighbourhoods and disturbance caused by the visitors. Concerns have also been expressed in relation to the lack of compliance of some units with minimum planning requirements. As from July 2015, the "fast track" policy has been discontinued. All change-of-use applications are handled by the Planning Authority (see Box 10.3).

10.2 Tourism accommodation establishments

Overview. Accounting for at least half of the expenditure of the average visitor in Seychelles (Section 5.6), accommodation is an important consideration to a visitor thinking of coming to Seychelles. For the purpose of policy, there are three categories of land-based accommodation establishments in Seychelles – hotels; guesthouses; and self-catering establishment (see Box 10.3). An establishment with 15 rooms or fewer is considered to be small, while

[124] Seychelles Tourism Board and Commonwealth Secretariat (2010). This concluded that: "currently, utilisation/ occupancy levels are rather low and any excess supply impinges on the rates that can be charged to customers and in turn pushes down operating margins and profitability. Profitability has been good in the past but reductions in profitability may force management to look for cost reductions. Overall, the Government needs to seek to keep tourism accommodation supply and demand in reasonable balance, whilst meeting its growth objectives".

one with a minimum of 25 is large. The Tourism Department may classify accommodation establishments according to a 5-star rating with a 5-star being of the highest quality standards. Yachts live-a-boards (discussed in Section 9.1) are also a source of tourism bed capacity.

BOX 10.3 POLICY ON LAND-BASED ACCOMMODATION ESTABLISHEMENTS

The main features of the policy on land-based tourism accommodation establishments in Seychelles are listed below.

Bed capacity: All new tourism accommodation establishments shall be built within the context of a carrying capacity study (Section 9.4) and land use plan, taking into account location, site dimensions, density of rooms/chalets per site, and other relevant issues. On La Digue, the size of new accommodation establishments is limited to five rooms (10 beds) only per developer. Development of new accommodation establishments in Beau Vallon, Bel Ombre and Glacis is reserved for Seychellois only and shall be limited to 20 rooms per developer. For the rest of Mahe and Praslin, new accommodation development should be limited to 24 rooms only until a carrying capacity study and land use plan have been adopted. Tourism development on Cerf Island is limited to 15 rooms per developer. Commercial development on Cerf Island shall only permitted once provision has been made for adequate water supply, electricity and sewage disposal facilities.
For other islands, the size of establishments is limited to 50 rooms (100 beds) only to encourage smaller eco lodges.

Categories: The following categories of accommodation licences shall be issued: (a) hotel; (b) guesthouse; and (c) self-catering establishment (see *Annex 7* for definitions).

Ownership/investment: Both Seychellois and foreign ownership or investment in accommodation establishments shall be encouraged (see Table 8.5). This is applicable on Mahe, Praslin, La Digue, Cerf and Seychellois-owned inner islands only. Any investment involving a foreigner requires the approval of the Seychelles Investment Board.

Management contracts for small hotels: Management contracts for accommodation establishment of 15 rooms or less is reserved to Seychellois only.

Scope of license: Hotels are authorized under the same license to operate restaurants and sell alcohol and tobacco products on the premises without paying separate licenses.

Architectural design: All establishments are required to develop a building concept, which blends in and is well-integrated in the natural and cultural landscape and environment of Seychelles.

Qualification: The general manager, human resource manager and chef of an accommodation establishment with 25 rooms or more should have background knowledge and qualifications and expertise which would enable them to successfully manage the business (see Section 13).

Human resources: Accommodation operators should have a training and human resource development plan and budget (see Section 13).

Financial guarantee: A bank guarantee of not less than SCR500,000 is required with proof submitted to the Seychelles Licencing Authority for operators who do not own the hotel premises.

Domestic tourism: Licensed accommodation establishments are encouraged to offer special or concessionary rates to locals and residents.

Change of use of residential houses: Applications for change of use will be considered only for those houses already completed, subject to meeting the criteria. All change of use applications must be submitted to the Planning Authority for consideration and approval. Change of use from residential to tourism will only be accepted in areas classified as medium and low density residential only, with corresponding plot coverage of 35 per cent and 30 per cent.

Courtesy cars (chauffeur-driven): Large hotels of 25 rooms or more is allowed to have two cars that can be used to offer complimentary car services to their clients only in accordance with the Transport Policy.

Vehicles of staff: All establishments are allowed to own and operate their own vehicles including buses for use by their staff only.

Taxi bays: All hotels should provide taxi bays on the hotel premises to licensed taxi operators.

Risk management plan and insurance cover: All establishments should have a risk management plan for risk reduction, disaster preparedness and emergency response, and appropriate insurance cover which include third party liability and public liability with a premium cover of no less than SCR2 million.

Statistics/information: All establishments must submit information and statistics to the Tourism Department or National Bureau of Statistics periodically or whenever requested to do so.

Standards/regulatory bodies: All establishments must meet the minimum standards and criteria of all regulatory bodies and relevant government departments/agencies.

Corporate responsibility: All establishments are encouraged to be good corporate citizen.

Information to public: All establishments should convey accurate information to the public and avoid misleading terms.

Access to the beach: Hotels on the foreshore shall ensure that an appropriate and acceptable public access to the beach is provided and that the establishments maintain the infrastructure providing the access.

Access to public areas: All establishments shall allow public access to public areas of the hotel.

Sewage treatment: Large hotels must be connected to the sewer line or provide for own sewage treatment plants.

Compliance: Establishments must comply with the set requirements.

Source: Tourism Department (July 2015a).

Policy framework. The institutional, legal and regulatory frameworks governing the land-based tourism accommodation industry are summarised in Table 8.4 in Section 8. The *Policy on Tourism Accommodation, 2015* is the main policy that governs the activities of accommodation in Seychelles. The salient features of the policy are summarised in Box 10.3.

Performance. The performance of the tourism accommodation industry is discussed in Section 10.1.

Ownership. The policy allows for both Seychellois and foreign ownership of tourism accommodation establishments. Establishments with 15 keys must be wholly owned by Seychellois (see Table 8.6). Non-Seychellois can own up to 80 per cent of establishments with between 16 and 24 keys, and 100 per cent of those with 25 or more keys. Any investment in accommodation establishments in Seychelles, which involve a foreigner, requires the approval of the Seychelles Investment Board. New tourism developments in the North of Mahe are limited to 20 rooms per developer and are reserved for Seychellois (see Box 10.3). Management contracts for accommodation establishments with 15 rooms or fewer are restricted to Seychellois only – no foreigner is allowed to enter into a management contract to lease or operate a small accommodation establishment.

Table 10.1: Number of Seychellois-owned tourist accommodation establishments, 2011-2015

	2013		2014		2015		2016		2017	
	Estbs.	Beds	Estbs.	Beds	Estbs.	Beds	Estbs.	Beds	Estbs.	Beds
Small hotels	44	1, 082	46	1, 108	46	1, 108	48	1158	47	1178
Guesthouses	56	706	61	800	61	792	59	768	61	802
Self-catering	296	2, 436	321	2, 662	347	3, 636	381	3286	409	3538
TOTAL	**396**	**4, 224**	**428**	**4, 570**	**454**	**5, 536**	**488**	**5212**	**517**	**5518**

Source Tourism Department, June 2018| ♯ = number of accommodation establishments.

Out of the 504 tourism accommodation establishments at the beginning of December 2015, 454 were Seychellois-owned that amount to 5, 536 beds (Table 10.1). This represented 49 per cent of land-based beds. In 2011, the comparative figures were 351 establishments and 3, 652 beds. Seychellois investors owned 84 per cent of the bed stock of small hotels, all of the bed stock for guesthouses, and 99 per cent of the bed stock for self-catering establishments in 2015. The case of La Digue is outstanding in the sense that 100 per cent of the tourism accommodation establishments were exclusively Seychellois-owned.

Sustainability. The ministry responsible for land use determines whether new locations are suitable for tourism development based on the carrying capacity assessment and land use plan of the area proposed for development.

Based on carrying capacity studies undertaken for La Digue, North Mahe and Cerf Island (see Section 6.3), there are a number of restrictions on tourism development in those areas (see Box 10.3). Restrictions have also been imposed on tourism development in other parts of Seychelles in anticipation of carrying capacity assessments being undertaken for those areas. The sizeable increase in bed supply will generate important pressures from a sustainable tourism perspective, including: higher consumption of utilities - water, electricity, water sewage, and waste collection; higher food consumption; more transport facilities; and higher demand for other infrastructural facilities - airport, roads, water, sanitation, electricity, and landfills.

The Planning Authority may approve the change of use of property from residential to tourism. According to the policy, this change will only be accepted in areas classified as medium and low density residential only, with corresponding plot coverage of 35 per cent and 30 per cent respectively. Proposals located in high-density residential areas will not be accepted.

A fundamental element in the policy is the preservation of the natural and physical environment. All new accommodation establishments are encouraged to design and build according to Seychelles Sustainable Tourism Label (see Box 6.2) criteria which place emphasis on energy efficiency, water and waste management, promotion of small local businesses, compliance with Seychelles' laws and regulations, and supporting community projects. The policy also recommends that the accommodation infrastructure should blend with the local landscape. This is in response to comments made by visitors on this issue (Table 5.3).

Establishments that fall within the existing sewage network must connect to the system. All large hotels that are not within the centralised sewage network and cannot be connected to network is required to provide their own sewage treatment plants with zero sea or marsh outfall.

All accommodation establishments are encouraged to be good corporate citizens through their involvement in the local community, and sponsorship of social activities and local sports clubs. They could also support the local economy through various practices such as buying from local suppliers or contracting out ancillary services to small local firms where possible. They are also encouraged to allow local artists and musicians to perform and sell their products at their establishments. Large hotels are required to support local district administrations by contributing towards local projects.

Availability of statistics. There is currently no data being compiled for the bed and room occupancy for yachts live-a-boards. Given that yachts account for 10 per cent of total Seychelles bed stock, this omission represents a significant statistical gap.

Issues raised by stakeholders. The issues raised by stakeholders concerning the tourism accommodation industry are discussed below.

- *Human resources.* Accommodation establishments highlighted the difficulty of finding suitably qualified and reliable local staff. The shortage is especially acute for chefs, barmen and general maintenance workers. This problem is especially acute on Praslin and La Digue where the unavailability of affordable housing is a major issue, and for 5-star hotels which have to operate with a higher staff-per-room ratio[125]. Low productivity and negative attitude of local employees were also raised as concerns. The need to make the tourism sector more attractive for young Seychellois by making working conditions comparable to other sectors was a point of consensus. The perception that the courses provided by the Seychelles Tourism Academy were more suited to large hotels with established training schemes was noted, as was the need for the Academy to focus on imparting basic language and customer service skills and managing the expectations of their students for when they start working in the sector. Another point of consensus was the need to improve the ease to recruit foreign

[125] According to industry professionals, the rule of thumb is that a 3-star establishment can operate cost-effectively with 1½ staff-per-room, while a 5-star establishment needs 5 staff-per-room to deliver the quality of service expected from its clients.

labour particularly for skills where there are acute shortages and to bring in foreign trainees, which currently is regulated by the Seychelles Tourism Academy.

- *Safety and security.* Apart from human resources, safety and security was the main issue of concerned raised by operators of accommodation establishments. Allied to that, the ineffective police response and the need for more policemen in civilian clothes were raised. The lack of standards for food vendors at *Bazar Labrinn* was also raised as a public health concern.

- *Mix of bed stock.* Tourism operators noted the large recent increase in the number of self-catering beds and the insufficient beds in the three- and four-star category, particularly during peak periods. Some small establishments were reportedly advertising €20 per-room, per-night on Airbnb. Sector operators was split on what Government should do about the growth of the self-catering sub-sector, especially that part resulting from the 'change-of-use' policy (see Box 10.2). Some were of the view that the entry of small establishments should be encouraged to promote a culture of entrepreneurship, keener competition and a portfolio of properties to cater for a broader range of clientele. Others argued for limiting supply either through setting a minimum rate of €100 per-room, per-night[126] that licensed establishment can charge price or by requiring that licenced establishments at least have reception and kitchen facilities. A common concern was the need to limit reputational risks to Seychelles as a destination of unsafe and insecure establishments.

- *Local fruits and vegetables.* The lack of are 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*** recommended that hotels and restaurants should be encouraged to use local produce through a '*Soutiens aux Seychelles*' logo and the '*Seychelles Supreme*' culinary programme (see Chart 4.3 in Section 4).

- *Specialty restaurants.* Consistent with the aim for increased product diversification, there is a need to maintain quality creole and other speciality 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 (see Table 5.3), 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.

- *Cost of operations.* A point of consensus amongst tourist accommodation operators is the high and increasing cost of operations, which is much faster than increases in revenue. The 13th month pay introduced in December 2016 (see Section 10.8) was a major cause for concern. Operators also complain about the costs and poor quality of utilities. Common concerns raised were power fluctuations especially on La Digue and the high costs and poor quality of Internet access including Wi-Fi. In addition, some operators complained that they were only allowed to set off 25 per cent of most expenses for taxation purposes.

- *Price of food and beverage.* Visitors perceive that the prices of food and beverage in accommodation establishments and restaurants are relatively high (Table 5.3). They are consequently resorting to catering establishments that provide take-away food and retail shops for their food and beverage needs. By way of justification, accommodation and catering establishments on Praslin and La Digue highlighted the higher cost of operations and services on the two islands because of additional cargo charges and the difficulty of accessing supplies at affordable prices.

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[126] This is based on the following cost structure to generate a revenue of €100: commissions = €25; staff costs = €20; Value Added Tax = €15; and utilities = €20.

- *Customer service.* Visitors complained about the lack of hospitality and poor service standards at some accommodation and catering establishments (Table 5.3).

- *Revenue management.* A common concern raised relative to some accommodation establishments is the failure to optimise revenue over a 12-month period. Rather, there is a tendency to maximise yield at the expense of occupancy, even in off-peak seasons when reductions in room rates are normally required to grow demand from both local and international tourists. This results in lost revenue opportunities not only for the accommodation establishments but also for airlines and other tourism operators. Operators of tourist accommodation establishments particularly larger establishments retort that this is not the case. They argue that they tend to increase rates during peak seasons and reduce rates during low seasons. This results in seasonality in revenues (revenues are high in peak seasons and low in off-peak seasons) rather than in bed occupancy.

- *Access to the beach.* Government policy recommends that: "Public access to the beach shall be provided where a hotel is located on the foreshore and it shall be the responsibility of the hotel operator to demarcate as well as maintain the access. In addition, prominent signs should be placed indicating the rights of access to the beach as well as the responsibilities of the users making use of the access."[127] However, visitors complain of the limited access to some beaches where hotels are located on the foreshore (Table 5.3).

- *Unlicensed operators.* A number of stakeholders, particularly operators of small hotels, guesthouses and self-catering establishments have expressed concerns that villa-owners at Eden Island are renting out of their villas and yachting, something that they are not supposed to do. In addition, there are reports that a number of unlicensed accommodation establishments are advertising their services on Airbnb.

  The Eden Island Development Company explained that allegations of unlicensed accommodation establishments operating on the Eden Island are mostly untrue. The Company has a license from the Government since 2010 to enable home owners to rent out their properties. Under this licence, expatriates can rent their property either through the Eden Island Luxury Accommodation rental pool or directly to clients. Under the first option, the Eden Island Luxury Accommodation collects rent on behalf of home owners and remit applicable value added taxes to the Seychelles Revenue Commission. Expatriate owners who decide to rent their properties directly are required to pay part of the license fee and sign a separate tax service agreement with the Seychelles Revenue Commission. Seychellois home owners can rent their property either through the rental pool or can obtain a separate license which enable them to rent directly to clients. The Eden Island Development Company ensures that all home owners on Eden Island are licensed and are paying their taxes, in line with their ownership agreement. In 2017, home owners paid an estimated US$11 million in taxes in 2017.

- *Corporate responsibility.* Stakeholders illustrated a number of practices especially adopted by large hotels that are not in line with the corporate responsibility requirements in the policy. These include: (a) abusive behaviour by some hotel managers towards employees; (b) the management of some hotels are facilitating illegal taxi operations by car hire operators (see Section 10.4); and (c) restricting access to their establishments to tourist guides aiming to solicit business from their clients (see Section 10.4). However, accommodation establishments retort that they prefer to deal with operators who rent premises from them, who are insured, with whom they have a working relationship and who they know to be trustworthy.

10.3 Restaurants and cafeterias

Overview. Restaurants (see *Annex 7* for a definition) and catering establishments offer a service that contributes towards the overall satisfaction of visitors by complementing other industries of the tourism sector. Restaurants are either located within accommodation establishments or are standalone. Government policy emphasizes a cuisine that highlights local tastes and that uses local inputs as much as possible so that a visitor's stay in Seychelles amounts

[127] Tourism Department (2015a); Policy 20.

to a unique experience. Diversity of experience and choice are also important considerations and foreign cuisines are therefore encouraged alongside the creole cuisine.

Policy framework. The *Restaurant Policy, 2012* governs the operations of restaurants and cafeterias in Seychelles (see Box 10.4). The policy prescribes only one licence category for restaurants and cafeterias.

BOX 10.4 THE RESTAURANT POLICY

Licence category: There is only one licence category called restaurant.

Ownership/investment: Investment and ownership of restaurants is open to locals and non-Seychellois (see Table 8.5).

Management: A person must possess the necessary qualification or experience to manage a restaurant.

Sale of alcohol/tobacco: A restaurant operator is also authorised to sell alcohol and tobacco products under the same licence to its clients who are dining on the premises.

Bar service area: A restaurant operator may also operate a public bar service under the same licence, provided the bar service is a separate and distinct area.

Takeaway service: A restaurant licence holder is also authorised to provide catering services or a takeaway service under the same licence, provided there be a separate outlet and entrance for the takeaway service.

Other activities: A restaurant is allowed to host other activities or private functions subject to the necessary approvals from the relevant authorities.

Location/site: The location of new restaurants shall be subject to conditions and approval of relevant authorities (see Table 8.4).

Parking facilities: All restaurants must have sufficient parking spaces as per the requirement of the Tourism Department, Planning Authority and Road Transport Commissioner and Land Transport Agency.

Statistics/information: All restaurants are required to submit the necessary information and statistics to the National Bureau of Statistics or Tourism Department, periodically or whenever requested to do so.

Standards/regulatory bodies: All restaurant operators must meet the minimum standards and criteria of all regulatory bodies (see Table 8.4).

Compliance: All restaurant operators shall be fined in cases of non-compliance to the set requirements. All operators need a valid license to operate.

Source: Tourism Department (2012).

Performance. As at the beginning of 2018, there were 58 licensed restaurants and 5 licensed cafeterias in operations Seychelles (Table 8.3). Forty catering establishments - 36 restaurants and 4 cafeterias – were located on Mahé and 10 catering establishments including 9 restaurants were located on Praslin. There were 8 restaurants on La Digue and 5 on “Other islands”.

Ownership. There is currently no restriction on foreign ownership of restaurants and cafeterias in Seychelles (see Table 8.6). However, foreign-owned restaurants and cafeterias should have a minimum of 21 covers.

Availability of statistics. The number of licenced restaurants is available through the Seychelles Licensing Authority. However, there is no record on the number of restaurants owned by Seychellois and foreigners. Also, there is no information on the number of speciality of restaurants, for example the number of creole restaurants.

Issues raised by stakeholders. In discussions with stakeholders, the following issues were raised.

- The issues discussed for **human resources**, **local fruits and vegetables**, **speciality restaurants**, **cost of operations**, **price of food and beverage**, and **customer service** for accommodation establishments in Section 10.2 also apply for catering establishments.

- *Informal businesses.* There are an increasing number of informal businesses that are in direct competition with licensed catering establishments. These businesses have a competitive advantage over their licensed counterparts as they avoid paying taxes and licence fees, and do not have to comply with labour, health and safety regulations.

10.4 Tourist guides

Overview. Tourist guiding is a business that requires minimal capital. However, knowledge about Seychelles and relevant qualifications are important requirements. Tourist guides are licensed under the *Licence (Tourist Guide) Regulations, 1996*. According to these regulations, a tourist guide is a "*person who renders service to a tourist or any other person by guiding the tourist or the other person on a tour for remuneration*".

Policy framework. The main policy that governs tour-guiding activities in Seychelles is the *Policy on Tourist Guides, 2015* (see Box 10.5). Under the policy, a tourist guide licence may be issued to firms specialising in tour guiding. Tour guides are allowed to have vehicles to undertake tours only and not for airport transfers. They should always have a point of contact and to have an identification badge approved by the Seychelles Licensing Authority that should be visible while on duty.

BOX 10.5 POLICY ON TOURIST GUIDES

Ownership: A tourist guide licence is reserved for Seychellois only (see Table 8.4).

Firm: A licence for tourist guide may be issued to firms specialising in tour guiding.

Qualifications: (a) A person must obtain the necessary qualification to practice tour guiding. (b) A tourist guide may engage the services of a person with specific language skills to act as translators who may accompany the guide when required.

Scope of licence: A tourist guide may meet clients at licensed accommodation to discuss and arrange tours.

Risk management plan and insurance cover: All tourist guides should have a risk management plan for risk reduction, disaster preparedness and emergency response. All licensed tourist guides must obtain a proper insurance policy to cover clients in case of injury and damage to property and standard operating procedure for disaster and emergency response while on a tour.

Transport: A licensed tourist guide is allowed to have a vehicle to conduct tours only, but not to transfer or pick up clients to and from the airport. The maximum vehicle age shall not exceed five (5) years.

Point of contact: A tourist guide shall always have a point of contact for conducting his business.

Identification badge: A tourist guide shall always wear an approved identification badge that is visible while on duty.

Code of Ethics: A tourist guide shall comply with the conditions of licence.

Source: Tourism Department (July 2015c).

Performance. There are currently 95 licenced tourist guides in Seychelles as of March 2018. Of those, 74 were based on Mahe, 16 on Praslin and 5 on La Digue.
Ownership. The provision of tour guiding services is reserved for Seychellois, whether on an individual basis or as a firm (see Boxes 10.5 and 10.6).

Sustainability. Tourist guides have an important role to play in driving demand for eco- and cultural tourism services. For example, experienced tourist guides may generate sustainable revenue streams for themselves and for the government agencies and non-governmental organisations that are responsible for managing natural and cultural assets. Such funds can then be used for the conservation, development and maintenance of these assets.

Availability of statistics. The list of licenced tourist guides is available from Seychelles Licensing Authority. However, the list and contact details are not readily available at the airport, tourist offices and at tourist attractions.

Issues raised by stakeholders. In discussions organised for preparing the present document, tourist guides raised a number of issues that affect their operations. These are discussed below.

- *Marketing.* Tourist guides highlighted that more needs to be done to market the activities of tourist guides and nature trails (see Section 12 for more detail). Furthermore, there is a lack of information about tourist guides at local offices of the Seychelles Tourism Board. To remedy this situation, the Seychelles Tourism Board in collaboration with the Tourism Department should explore ways to facilitate access to information on licensed tourist guides based on their specialisms as part of the tourist information centres at the airport and at tourist accommodation establishments.

- *Human resources.* The Seychelles Tourism Academy is not producing tourist guides. The Academy should identify ways of using the services of experienced tourist guides in the development and teaching of regular pre-service and in-service courses on tourist guiding. Current tourist guides suggested that STA should run a general course that should be compulsory for all tourist guides, as well as more specialist courses.

- *Condition of license.* Tourist guides noted that currently the condition of their license put them at an unfair advantage relative to tour operators that are also allowed to offer tourist guiding services. The following issues were highlighted:

    - Whereas tour operators are allowed to offer tourist guiding services as a company, individual tourist guides are not allowed the same privilege.

    - Tour operators are allowed to drop their clients at tourist accommodation establishments and at the port but tourist guides are not.

The lack of parking privileges in ports for tourist guides which are available to taxi operators was also a point of consensus.

- *Government support.* When it rains, it is usually unsafe to undertake tours resulting in lost revenues for tourist guides. Government should explore appropriate social insurance schemes for tourist guides, similar to the ones for farmers and fishermen.

- *Unlicensed tourist guides.* There is an increasing number of unlicensed tourist guides providing tourist-guiding services. These include taxi and car hire operators, large hotels that take advantage of the chauffeur-driven services that they are allowed to offer their clients (see Box 10.3) and non-Seychellois on visitors permit. Oftentimes the unlicensed guides do not have the requisite knowledge and may misrepresent Seychelles' natural and cultural assets. Also, there have been complaints of harassment of tourists disembarking from cruise ships by unlicensed tourist guides at Port Victoria. In order to deal with the issue of illegal tourist guides, tourist guides recommended that the requirement for licensed operators to wear an approved identification badge that is visible while on duty (see Box 10.5) should be more effectively enforced.

- *Cooperation with accommodation establishments.* The policy on accommodation establishments encourages these establishments to contract out ancillary services to small local firms (see Box 10.3). Individual tourist guides complain that these establishments are not as welcoming as they used to be. Some establishments require tourist guides to have a desk for which they have to pay a fee (see also Section 10.2).

10.5 Tour operators and travel agents

Overview. A tour operator makes arrangements for one or more of the following services to tourists: (a) the carriage of tourists and/or their luggage; (b) accommodation; (c) transport and other services relating to travel; (d) entertainment services; and (e) sight-seeing excursions and guide services. The services can either be created by the tour operator or can be sourced from third parties. They may be provided either on a packaged or on a component-only basis. A travel agent has the authority to sell transport services on behalf of transport carriers. A commission agent is a person who by way of business transact or arrange business for any person in consideration for a commission or other remuneration. Another type of agent that operate in Seychelles include online booking agents (see *Annex 7* for definitions).

Traditionally, tour operators would create pre-packaged holidays (the most basic will include flight, accommodation and transfer) for sale by travel agents to the public. However, tour operators now tend to sell packages directly to the public. In Seychelles, tour operators also have ground operations. More recently, tour operators have faced keen competition from online travel agencies (OTAs) in the marketing of rooms in tourist accommodation establishments (see Box 10.6). As a result of the competition from foreign-based OTAs including Booking.com, local tour operators reported that the proportion of visitors that booked rooms through them has fallen from an estimated 70 per cent in the early 2000s to between 30-40 per cent currently.

BOX 10.6 BOOKING ROOMS THROUGH ONLINE TRAVEL AGENCIES: ECONOMIC AND LEGAL ISSUES

The following are the three man methods of selling rooms in accommodation establishments: (a) individually; (b) as part of a package including transport, car hire, excursions and others; and (c) through arrangements with companies where preferential corporate rates are negotiated.

Rooms sold individually as in (a), can either be sold directly by the establishments, on- or off-line, or through tour operators off-line or through online travel agents or OTAs. The public uses the services of OTAs such as Booking.com, Expedia and Priceline to search for establishments represented on the websites of the OTAs, compare prices and book rooms through their sites which is provided by the establishments.

In exchange for their services, OTAs charge accommodation establishments a commission on the booking fee. The commission charges range from 10 percent and 30 per cent of the booking fee. In certain cases, if a hotel wishes to achieve a better placement on the website of the OTA, the commission can exceed 30 percent. Accommodation establishments often pay a surcharge, typically 3 per cent for preferential placement on the OTAs' websites and increased prominence in search results.

Compared to tour operators who buy room nights from accommodation establishments which they sell to customers at prices determined by themselves, the majority of the OTAs only act as an intermediary between the establishments and guests. Guests pay the establishments directly, and the latter transfers the commission to the OTA once payment for the stay has been made. This arrangement gives the accommodation establishments more control over pricing.

In addition to OTAs, there exist comparison platforms such as Kayak, Tripadvisor and Trivago that compares prices offered by different OTAs and accommodation establishments. These platforms charge a fixed cost per click for each visit to their websites. The most important OTAs and search platforms are owned by the "big two" OTAs – Expedia Inc. and Booking Holding Inc., formerly Priceline Group Inc. (see below).

Table B10.1 Market concentration of online travel agencies

Expedia, Inc.	Booking Holding Inc.
Expedia.com; Carrentals.com; Classic Vacations; eLong.com; HomeAway; Hotels.com; Hotwire; Orbitz Worldwide; Travelocity; Traveldoo; Trivago; Wotif Group	Priceline.com; Agoda.com; Booking.com; Cheapflights.com; Ctrip.com; KAYAK; Momondo.com; Opentable.com; Rentalcars.com; Rocketmiles

OTAs usually used 'price parity clauses'—sometimes referred to as retail 'most favoured nation clauses' or 'across platform parity agreements' in their contracts with establishments. These clauses ensure that the establishments provide the OTAs equal, or more advantageous, prices for the same room on the same dates and for the same services. Narrow price parity clauses prevent accommodation establishments from offering a lower room rate to the consumer via their own online and offline sales channels. Wide price parity clauses ensue that this prohibition is extended to rival OTAs. OTAs argue that parity clauses protect them from potential losses as a result of free-riding on their investment when consumers use their services for price comparison but then book rooms either directly with accommodation establishments or through a lower-cost platform. This they argue deprive them of commissions which they say is their only source of revenue. Critics point out that price parity clauses facilitate collusion and deter the entry of lower-cost competitors. France has banned the use of price parity clauses altogether, while Germany has banned narrow parity clauses.

In addition to excessive commissions, search results distorted by commercial factors rather than the best deal for the consumer and price parity clauses, another set of complaints levelled at OTAs is the use of deceptive marketing. A report by the United Kingdom Parliament in 2016, highlighted that OTAs sometimes advertised that there were "No more rooms available at this hotel", when in fact it was "just that their own quota is filled". OTA websites flashes messages such as 'room just booked for this hotel'—when in fact it has not." The report also alleged that some OTAs created 'shell websites' which are similar to the website of a particular establishment to lead customers to believe that they are booking on the hotel website.

Sources: Edelman (2017), Gonzalez-Diaz and Bennet (2015), Mayer Brown (2015), Skift (2015) and UK Parliament (2016).

Policy framework. The main policy governing the activities of tour operators and travel agents is the *Tour Operator and Travel Agent Policy, 2015* (see Box 10.7). Foreign tour operators and travel companies cannot offer services directly to clients and can only be represented in Seychelles by a locally licenced tour operator. Before an applicant is granted a tour operator licence, s/he must comply with the following conditions:

- Have a paid up capital of SCR300, 000;
- Be incorporated under the laws of Seychelles;
- Provide a bank guarantee of at least SCR2 million to the Seychelles Licensing Authority; and
- Submit an affidavit that the applicant, its directors, shareholders or managerial staff do not have any shares in a car hire company or other tour operating company.

BOX 10.7 TOUR OPERATOR AND TRAVEL AGENT POLICY

Ownership/investment: A tour operator licence shall be granted only to a company having a minimum shareholding of not less than 51 per cent held by Seychellois citizens. A licence for travel agent shall be reserved exclusively Seychellois.

Bank guarantee: A tour operator must provide a bank guarantee of not less than SCR2 million to the Seychelles Licensing Authority in order to be licensed.

Scope of licence/transfer: A tour operator licence allows a tour operator to act primarily as an intermediary between the clients and other service providers such as accommodation, car hire operators and others. This licence also allows, among other services, meeting clients and transferring them to and from the airport.

Agent/representative: Foreign tour operators and travel companies may only be represented in Seychelles by locally licensed tour operators. A foreign travel company cannot provide these services directly to its clients or through an individual acting as agent.

Tourist guide services: Tour operators may offer tourist guide services without paying a separate licence. The guides must be Seychellois nationals and be qualified (see Box 10.5).

Buses/chauffeur-driven cars: All licensed tour operators may own their buses and chauffeur-driven cars for transfers or taking clients on tours.

Integration: A tour operator is not allowed to own or have interest, directly or indirectly, in another tour operator or car hire business.

Office: All licensed tour operators must have an office for the administration of the business.

Risk management plan and insurance cover: All tour operators should have a risk management plan for risk reduction, disaster preparedness and emergency response. They should also have appropriate insurance policies according to the size and type of operation services provided to cover activities provided within their business.

Statistics: All tour operators are required to submit information and statistics to the Tourism Department, Seychelles Licensing Authority or National Bureau of Statistics.

Source: Tourism Department (July 2015d).

Commission agents require a licence to operate. Under present licence regulations, commission agents are not allowed to meet clients at the airport and transfer them to a hotel on a commercial basis. These activities are reserved for those operators with a licence to operate as either a tour operator or a taxi operator. Although online travel agents do not need a licence, they have to register with the Seychelles Revenue Commission.

Performance. At the beginning of March 2018, there were 20 licenced tour operators and travel agents (Table 8.3). This compares with 3 in 1993. Nineteen of the tour operators and travel agencies were based on Mahe and 1 on Praslin.

Ownership. A tour operator company should have at least 51 per cent of its shares held by Seychellois (see Table 8.5). Only Seychellois travel, online booking and commission agents are allowed to operate in Seychelles.

Availability of statistics. The number of licensed tour operators is readily available from the Seychelles Licensing Authority. However, there is no data on the ownership structure of the tour operator industry given that encouraging Seychellois participation in the tourism sector is an important aim of government policy.

Issues raised by stakeholders. The issues raised by stakeholders in connection with the tour operator and travel agent industry are outlined below.

- *Type of licenses*. Tour operators highlighted that there is a need to differentiate their role from that of travel agents through the regulatory system. This will involve different licenses and policy to regulate the activities of these two industries.

- *Enforcement.* Stakeholders noted a lack of clarity on criteria for new entrants in the industry. For example, some new entrants do not have ground operations which is a requirement in the policy. There was a consensus that the limited involvement of any tourism body regulating the issuance of licenses contributes to this state of affairs.

- *Marketing.* Some stakeholders commented that tour operators tend to market Praslin, La Digue, glass-bottomed boats and bus tours only, at the expense of other tourist attractions.

- *Cruise tourism.* Some tourism operators particularly those on La Digue and Praslin, boat charter operators and tourist guides complain that the Seychelles Port Authority give priority access to the two main tour operators – Creole Services and Mason's - to cruise passengers and limit their access to these passengers. The Authority explained that these two tour operators do their own marketing overseas, meet with cruise liners and book their own cruise clients for transfers and excursions in advance. The tour operators noted that in addition to agreeing on prices with cruise lines 18-24 months in advance, they have to spend heavily on marketing and insurance to secure the business of cruise passengers. Consequently, and to minimise security and safety issues in Port Victoria, the Authority allows them to pick up their pre-book clients first. Although they are not allowed to pick clients from ports, the Authority allows taxis and tourist guides to solicit for business from cruise passengers after the tour operators have left the port with their clients. Both the Authority and the main tour operators agree that there is a need for other tourism operators particularly those rendering boat charter, taxi and tourist guiding services to raise the quality of their services and to organise themselves more effectively so that they are able to benefit more from outsourced services from tour operators, as well from the cruise passengers who are not pre-booked by the tour operators.

- *Cost of operations.* Similar complaints raised by boat operators (Section 9.2) and tourist accommodation establishments operators (Section 10.2) regarding the high cost of operations were also raised by tour operators and travel agents.

- *Value added.* Some stakeholders questioned the value addition of tour operators and travel agents. Apart from the provision of ground operations, there is a perception that these destination management companies are merely a link in the tourism value chain that contributes to make Seychelles as a tourist destination uncompetitive. Other operators particularly larger tourist accommodation establishments recognised the value of tour operators in providing access to distribution networks. Also, contrary to online travel agents (see Box 10.6), local tour operators provide local support services to clients who travel with them. This is invaluable when clients encountered difficulties thus limiting the reputational risks to Seychelles as a tourism destination. Furthermore, the shift of market shares from local tour operators to online travel agents constitutes an important leakage of foreign exchange income to the domestic economy. This leakage has been estimated at around US$150 million annually. However, large tour operators admitted that it is very difficult for them to sell rooms in small tourist accommodation establishments due to the small margins involved and that this segment of the market is being well served by online travel agents.

- *Commission agents.* A consensus opinion, particularly by boat charter operators, tour operators, tourist guides and travel agents was the need for better regulation of commission agents, especially regarding the commission that they set which can range from 10-25 per cent of agreed fee charged by operators. Boat operators argued that unless a cap is charge for the level of commission charged, a race-to-the-bottom will ensue to the detriment of the viability of the industry. Some yacht operators are getting together to set a fixed commission rate that is enforced between them. It was also mentioned that some agents were taking money from tourists for providing services for delivery by other licenced operators, and failing to honour the contracts. In addition, tourist guides noted that regulations should clarify the role of tourist guides and that of commission agents. Licenced commission agents working in the tourism sector acknowledged the need for the licensing system to clarify the role of commission agents relative to other operators. They also underscored the need for the relevant authorities to strengthen the enforcement of extant regulations in general, and deal with unlicensed operators in particular, especially those operating at Beau Vallon and Ephelia beaches.

10.6 Telecommunications

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 (Table 5.3). This could be partly attributed to the small market size although there are four operators in the industry which should ensure adequate competition.

There is also increased use of telecommunication technology by all operators in the tourism industry. Of note is the increased use of the internet by small establishments to market their product and the increased number of bookings that are being done by visitors direct through platforms such as Booking.com.

10.7 Other tourist services

Seychelles does not require visas for visitors to enter the country. Visitors are issued with entry permits valid for 30 days with the possibility of renewal for a further 30 days. Visitors commenting as part of the *Visitor safety and security survey* undertaken by the National Bureau of Statistics commended the process for obtaining documents for wedding in Seychelles (Table 5.3).

On the other hand, visitors raised the following issues in relation to the quality of tourist services (see Table 5.3):

- There is a lack of tourist information even at tourism offices.
- Retail shops should be opened for longer hours.
- There is not enough rubbish bins in key areas.
- There is a lack of quality locally made souvenirs and insufficient souvenirs shops at the airport.
- There is not enough road signs and parking facilities at tourist attractions.

10.8 Developments and emerging issues since the last update

Illegal operators. The Minister responsible for tourism is aware of the situation and have already held discussions with representatives of the Eden Island’s Villa Management Association with the aim of curbing illegal activities by villa owners[128]. However, no action has been taken against illegal activities by yacht owners. In addition, the Tourism Department is undertaking weekly monitoring of the Airbnb website to identify illegal accommodation establishments.

Recruitment of foreign workers. In May 2014, the ministry in charge of labour affairs introduced a new quota system to facilitate the procedures for recruiting and managing non-Seychellois workers[129]. Under the new system the different businesses and institutions have been grouped under three different categories with specific regulations applying to each category. The tourism sector falls in Category 1. Category 1 employers can apply for an 'entitlement certificate' that allows them to recruit workers from overseas within the quota limit without needing to advertise jobs in Seychelles. Box 10.8 highlights an example of how the quota is calculated.

BOX 10. 8: QUOTA ENTITLEMENT FOR AN EXISTING HOTEL ESTABLISHMENT

Hotel X has 60 rooms with a current workforce of 276 staff. The quota rate applicable is 45%. The calculation is as follows: Number of non-Seychellois entitled = workforce x (10/11) x quota percentage = 276 x 10/11 x 45%=113 non-Seychellois entitled.

Source: Seychelles News Agency (17 May 2014).

13th month pay. The *Employment (Amendment) Act, 2016* was signed into law in December 2016[130]. The Act requires employers in the public service and private sector to pay their employees who have worked for at least 12 months a 13th month pay from 1 January 2017. The 13th month pay exclude allowances, service charge and any other benefits. Foreign workers, participants on the Skills Development Programme, casual workers and workers earning in excess of SCR45, 450 per month are not eligible for the benefit. A worker who is absent from work for at least 12 working days without authorisation will also not benefit from the 13th month pay.

Association of Tourist Guides and Commission Agents. An association for tourist guides was set up in 2018. However, the association is not yet registered. Some commission agents are also in the process of forming their association.

[128] Minutes of the Multisectoral Committee, 23 June 2017.

[129] This paragraph is based on Seychelles News Agency (17 May 2014).

[130] This paragraph is based on Seychelles Nation (5 January 2017).

11 Transportation infrastructure and facilities

Destination accessibility is an important determinant of demand for a destination, particularly in a tourism-dependent economy such as Seychelles where air arrivals account for over 99 per cent of total visitor arrivals. 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.

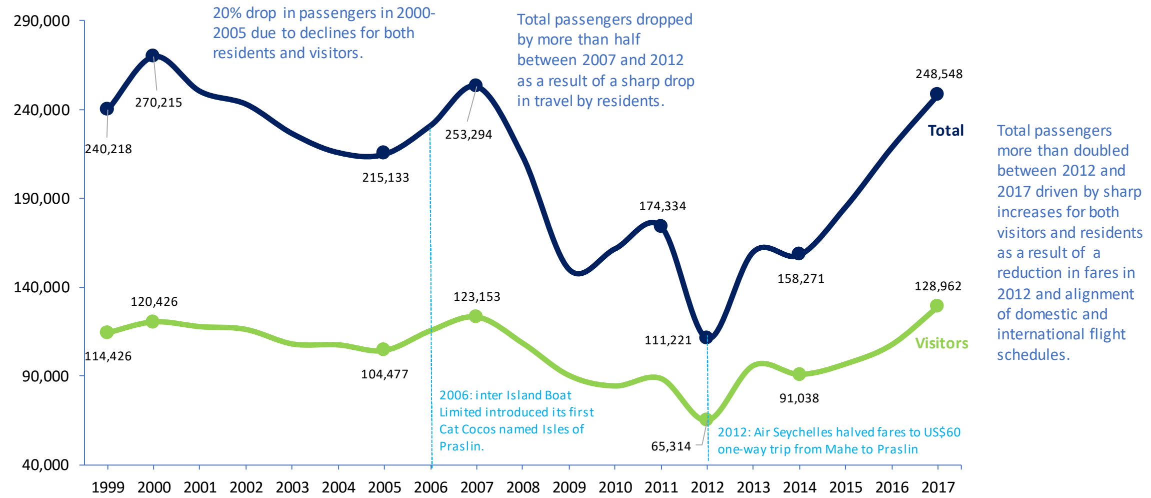
11.1 Air transportation

Seychelles is served by one international airport on Mahe, and two domestic airports on Mahe and Praslin serve Seychelles. The Seychelles Civil Aviation Authority is responsible for managing the three airports.

11.1.1 Domestic air transportation

The capacities of the domestic airports on Mahe and Praslin on departure are currently 60 passengers per hour. The Seychelles Civil Aviation Authority is currently extending the domestic airport on Mahe to handle 120 passengers per hour. The new domestic terminal will include a new commercial area with new souvenir shops and food, beverage and spa facilities. The project is expected to be completed by the end of 2018.

Chart 11.1: Passengers flying between Mahe and Praslin domestic airports, 1999-2017



Source: Analysis by Valsen Consulting based on data from Seychelles Civil Aviation Authority.

The two domestic airports are served by six modern Twin Otter aircrafts operated by Air Seychelles that can each carry up to 16 guests[131]. The number of passengers flying between the two domestic airports was 158, 271 in 2017 compared to a high of 270, 000 in 2000 (Chart 11.1). The number of passengers dropped 20 per cent between 2000 and 2005, as a result of declines of 15 per cent and 26 per cent in the number of visitors and residents travelling respectively. After recovering somewhat between 2005 and 2007, the number of passengers dropped sharply in 2007-2012, falling by more than half from above 253 thousand passengers to just above 112 thousand in 2012. The sharp fall in passenger numbers between 2007 and 2012 coincided with the introduction of Cat Coco services by the Inter Island Boat Limited in 2006. Passenger numbers more than doubled during 2012-2017 to reach 258, 548 in 2017. The recovery was partly due to the reduction in fares from US$120 to US$60 (one way) and the alignment of

[131] Seychelles Civil Aviation Authority, March 2018 and Air Seychelles website.

domestic flights with international arrivals so that there is a domestic flight every 10 minutes following the arrival of international airlines[132].

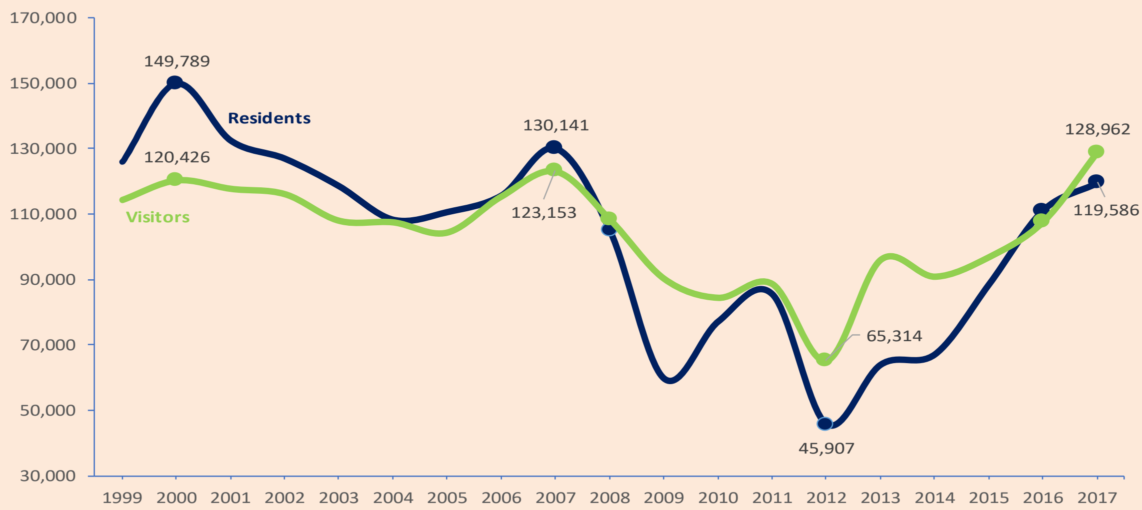
Air Seychelles offers more than 200 scheduled services between Mahé and Praslin, which are timed to conveniently connect with the international arrivals and departures, with a transit time of between 30 minutes and one hour[133]. The fact that international passengers tend to book their flights further in advance compared to Seychelles residents allows Air Seychelles to set fares that maximize yields.

BOX 11.1 RESIDENTS AND VISITORS FLYING BETWEEN MAHE AND PRASLIN, 1999-2017

Chart B11.1 shows the number of residents and visitors flying between Mahe and Prasling from 1999 to 2017. The following are the highlights from the chart.

- More residents than visitors travelled between Mahe and Praslin in the period 1999-2007.
- More visitors than residents travelled between Mahe and Praslin during 2008-2917, except in 2015.
- The number of residents who travelled between Mahe and Praslin in 2012 was less than one third the number in 2000. The drop was especially dramatic after 2007.

Chart B11.1. Number of residents flying between Mahe and Praslin, 1999-2017



- The number of visitors travelling between the two islands fell by 47 per cent during 2007-2012. The drop coincided with the drop in the number of visitors and purchasing power during the Great Recession of 2007-2009, as well as with the introduction of Cat Coco services by the Inter Island Boat Limited in 2006.
- The number of residents travelling between Mahe and Praslin increased by 2.6 times between 2012 to 2017 to reach just under 120 thousand in 2017, while the number of visitors increased 97 per cent in the same period.
- The sharp recovery in passenger numbers is mainly due to the reduction in fares from US$120 to US$60 (one way) and the alignment of domestic flights with international arrivals.

Source: Analysis by Valsen Consulting based on data from Seychelles Civil Aviation Authority.

In addition to scheduled domestic and international air services, Air Seychelles runs a private charter service in conjunction with the islands' hotel's and resort operators. Charter flights can be commissioned to Praslin, Bird Island,

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[132] Interview with Chief Executive Officer of Air Seychelles, November 2015.

[133] *Ibid*.

Denis Island, Fregate Island, Desroches Island, and Alphonse Island[134]. Destination management companies that are responsible for local transport infrastructure provide support to these flights.

11.1.2 International air transportation

The Mahe International Airport has the capacity to handle 800 passengers per hour on arrival and 500 passengers on departure in 2018 compared to between 400 and 500 passengers an hour in 2015. In 2017, the international airport handled over half a million passengers compared to 287, 530 in 2013 (Table 11.1).

Currently, 13 airlines have scheduled services to Seychelles. These are: Air Seychelles, Air Austral, Austrian Airlines, British Airways, Condor, Emirates, Ethiopian Airlines, Etihad Airways, Joon, the low-cost subsidiary of Air France, Kenya Airways, Qatar Airways, Sri Lankan Airlines and Turkish Airlines. In addition, Swiss Edelweiss has announced plans to introduce flights from Zurich to Seychelles starting from September 2018. In January 2018, Air Seychelles announced a strategic restructuring exercise to focus on domestic and regional networks. As part of the move, flights to Paris and Antananarivo would be suspended from 24 April 2018.

Table 11.1: Actual airlines inbound seating capacity, passengers and load factor, 2013-2017

	2013	2014	2015	2016	2017	% of total 2017
Qatar	27,906	0	0	2,760	50,108	6.5%
Air Austral	3,240	8,424	14,904	13,546	12,312	1.6%
Emirates	161,250	159,104	216,161	245,088	244,196	31.7%
Air Seychelles	143,418	158,274	215,886	249,874	264,338	34.3%
Ethiopian Airlines	20,572	8,714	21,179	32,965	33,894	4.4%
Kenya Airways	19,006	22,826	20,501	19,784	22,624	2.9%
Condor	13,936	13,936	12,740	17,552	18,709	2.4%
Mihin Lanka/ Sri Lankan Airlines*	2,574	22,302	20,568	20,397	28,787	3.7%
Etihad	22,576	22,032	40,992	49,096	50,270	6.5%
Turkish Airlines	0	0	0	6,945	42,802	5.6%
Austrian Airlines	0	0	0	0	1,937	0.3%
Total available seats	414,478	415,612	562,931	658,007	769,977	100%
Growth in available seats		0.3%	35.4%	16.9%	17.0%	
Total inbound passengers§	287,530	297,185	380,766	449,628	508,667	
Growth in inbound passengers		3.4%	28.1%	18.1%	13.1%	
Load factor	69.4%	71.5%	67.6%	68.3%	66.1%	

Source: Seychelles Civil Aviation Authority, 9 March 2018| * SriLankan Airlines replaced Mihin Lanka in November 2016 - see Box 11.2 for further details. § number of passengers include transit passengers.

Table 11.1 shows that total inbound air-seat capacity increased by 85 per cent between 2014 and 2017 to reach 769, 977. This was on account of airline incumbents increasing seat capacity significantly (Air Austral, Air Seychelles Emirates, Kenya Airways, Condor and Mihin Lanka), airlines resuming passenger services to Seychelles (Qatar in December 2016) and airlines starting regular operations to Seychelles (Austrian Airlines in October 2017, SriLankan Airlines in November 2016 and Turkish Airlines in October 2016) during that period.

[134] Air Seychelles (n.d.).

Table 11.2: Scheduled flights and seat capacity, 2012-2017

	2012		2013		2014		2015		2016		2017	
	SF	SASC	SF	SASC	SF	SASC	SF	SASC	SF	SASC	SF	SASC
Europe	180	46,628	102	27,972	120	30,124	228	58,892	520	128,882	930	241,212
Germany	104	28,190	102	27,972	104	26,060	70	18,760	136	35,104	240	59,262
France	12	2,784	0	0	16	4,064	158	40,132	312	79,888	364	92,472
Italy	60	14,726	0	0	0	0	0	0	0	0	0	0
Russia	0	0	0	0	0	0	0	0	0	0	0	0
UK & Eire	4	928	0	0	0	0	0	0	0	0	0	0
Turkey	0	0	0	0	0	0	0	0	72	13,890	308	85,604
Austria	0	0	0	0	0	0	0	0	0	0	18	3,874
Middle East	2,612	513,856	2,487	529,288	1,890	463,220	1,690	387,026	2,960	701,040	3,586	787,416
*Asia**	0	0	267	65,834	566	125,176	466	77,136	928	132,850	914	137,442
Africa	1,152	184,608	1,291	205,659	1,304	208,616	1,316	203,540	2,384	353,242	2,446	373,884
Total	**3,944**	**745,092**	**4,147**	**828,753**	**3,880**	**827,136**	**3,700**	**726,594**	**6,792**	**1,316,014**	**7,876**	**1,539,954**

Source: Seychelles Civil Aviation Authority, March 2018| SASC=scheduled air seat capacity; SF=scheduled flights; figures are for both arrivals and departures; * excluding the Middle East.

Air Seychelles more than doubled its number of available seats from 2013 to 2017 from 143, 418 to 264, 338. In 2017, Air Seychelles had the highest proportion of available seats at 34.3 per cent, followed by Emirates with 31.7 per cent, Etihad and Qatar with 6.5 per cent and Turkish Airlines with 5.6 per cent. The increased quantity of seats supplied have been sufficient for now to accommodate the increased number inbound passengers, which increased by 77 per cent 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. The load factor per airline is not available as information on which number of passengers carried by each airline is not publicly available as it is deemed to be commercially sensitive.

Scheduled flights and scheduled air seat capacity both doubled from 2012 to 2017 (Table 11.2). In terms of source markets, 46 per cent of scheduled flights and 51 per cent of scheduled air seats in 2017 were to and from the Middle East, followed by Africa (31 per cent and 24 per cent), Europe (12 per cent and 16 per cent) and Asia (12 per cent and 9 per cent). For Europe, 6.0 per cent originated from France, 5.6 per cent from Turkey and 3.8 per cent from Germany in 2017. During the period from 2012 to 2017, scheduled flights and air seat capacity originating from Europe increased by more than five times. Scheduled flights and seat capacity from France increased by more than 30 times in that period. Of note is the lack of scheduled air seat capacity originating from Italy and the United Kingdom the fourth and fifth most important sources of visitor arrivals in 2017 (see Table 5.1). Chart 5.3 suggests that Air Seychelles' decision to suspend flights to Europe in 2012 was partly influenced by the drop in the number of arrivals from Europe in that year, especially from France, Italy and the United Kingdom.

BOX 11.2 SEYCHELLES' CIVIL AVIATION MILESTONES, 2005-2018

Table B11.1 shows the key milestones in the development of civil aviation in Seychelles since 2005.

Table B11.1. Key milestones in civil aviation in Seychelles, 2005-2018

Year	Milestones
2005	– Seychelles Civil Aviation Authority launched policy of gradual liberalization of air access into Seychelles. – Refurbishment and extension of departure lounge at international terminal. – Air Seychelles phased out scheduled services to Maldives, Mumbai and Johannesburg. – Emirates started flying to Seychelles.
2006	Air Seychelles launched its Training Academy.
2007	Air Seychelles' "Salon Vallée De Mai" business lounge officially opened at the international airport, with capacity to handle 90 passengers.
2011	– Qatar Airways increased weekly flight frequency from 7 to 11 in March, while Emirates increased weekly flight frequency from 4 to 7 in June. – In November, Etihad started flying to Seychelles with 4 weekly flights and restructuring of Air Seychelles announced. – Air Seychelles suspended flights to/from Singapore in December.
2012	– Etihad Airways acquired a 40 per cent stake in Air Seychelles as part of a strategic partnership agreement. – Air Seychelles was restructured and embarked on a two-year turnaround plan to become sustainably profitable; acquired Airbus A330-200 aircraft; suspended flights to/from Europe; and increased frequencies to Abu Dhabi. – Ethiopian Airlines started flying to Seychelles in February.
2013	– Air Seychelles: signed a codeshare agreement with airberlin, Cathay Pacific and South African Airways; expanded codeshare agreement with Etihad Airways; launched flights to Hong Kong via Abu Dhabi; and took delivery of a second Airbus A330-200 aircraft. – Air Austral and Qatar Airways cancelled flights to Seychelles in May and September, respectively. – Mihin Lanka started flying to Seychelles from Sri Lanka in November.
2014	– Air Seychelles: ○ Took delivery of two new Twin Otter aircrafts for its domestic operations. ○ Acquired an Airbus A320 aircraft in December. ○ Started scheduled services to Antananarivo, Dar es Salaam and Mumbai. ○ Signed codeshare agreements with Alitalia and Hong Kong Airlines, boosting connections to Europe and South-East Asia. – Ethiopian Airlines cancelled operations to Seychelles in March but resumed operations in September. – Air Austral resumed flights to Seychelles in June. – Air Seychelles reintroduced flights to Paris through Abu Dhabi in July.
2015	– Seychelles Civil Aviation Authority finalized Seychelles Air Transport Policy, which will formally liberalize air service agreements with other countries. – Air Seychelles resumed direct flights to Paris in July with 3 flights a week.
2016	– Air Seychelles stopped flying to Dar es Salaam in March. – Turkish Airlines started flying to Seychelles in October with 3 flights a week. – SriLankan Airlines started flying to Seychelles in November, replacing Mihin Lanka. – Qatar Airways resumed services to Seychelles in December with 7 flights a week.
2017	– Air Seychelles increased frequency to Paris from 3 to 4 in March – Air Seychelles started flying to Durban and Dusseldorf in March, but suspended flights in July and September respectively. – Austrian Airlines started flying to Seychelles in October.
2018	– Air Seychelles announced strategic restructuring in January to focus on domestic and regional networks. As part of the move, flights to Paris and Antananarivo would be suspended from 24 April 2018 and two leased A320 will be replaced by more modern aircrafts. – British Airways resumed direct flights to Seychelles on 25 March after it stopped direct flights in 2004. The airline flies twice-weekly non-stop year-long flights to Seychelles from London's Heathrow airport on Thursdays and Sundays. – Joon, the low-cost subsidiary of Air France commenced direct flights to Seychelles on 6 May. – Edelweiss will start flying to Seychelles in October.

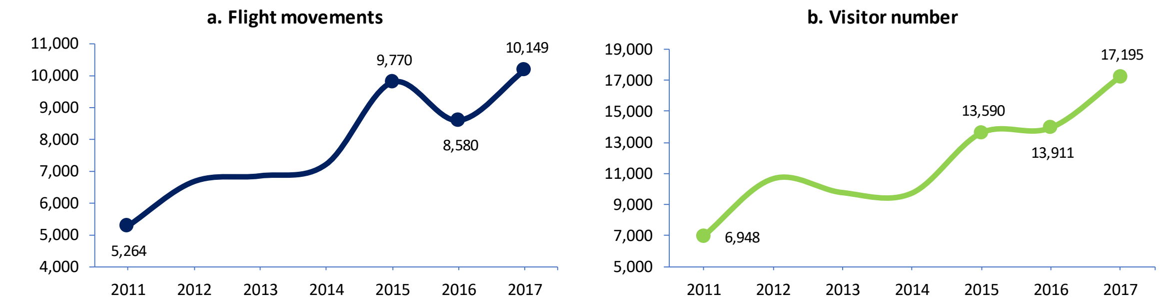
Sources: Analysis by Valsen Consulting based on information provided by Seychelles Civil Aviation Authority, Air Seychelles (23 January 2018) and Seychelles News Agency.

11.1.3 Helicopter services

Currently, ZilAir is the only company offering helicopter services in Seychelles. The company started operations in 2007, and has three helicopters and one fixed wing aircraft in commercial operations. It offers air limousine services including scenic flights, private transfers and excursions. It has access to 21 licensed helipads and 7 landing strips for private transfers in Seychelles[135].

Chart 11.2 shows the number of helicopter movements and the number of passengers travelling on helicopters from 2011 to 2017. The number of movements almost doubled from 5, 264 in 2011 to just over 10, 000 in 2017, while the number of passengers almost trebled from 6, 948 in 2011 to 17, 195 in 2017.

Chart 11.2: Helicopter movements and number of passengers, 2011-2017*



Source: Analysis by Valsen Consulting based on data from Seychelles Civil Aviation Authority| Helicopter Seychelles re-commenced operations in November 2011 and stopped operating all together during the first quarter of 2012. A helicopter movement consists of two movements, landings and take-offs.

11.2 Sea transportation

Although the majority of international visitors travel to Seychelles by air, a small percentage travel on cruise ships (see section 5.4). Within the country, tourists, both domestic and international, use three main types of sea transportation – ferries, yachts and boats. Yachts and boats were discussed in Section 9.

11.2.1 Cruise ships

Thirty-five cruise ships visited Seychelles in 2017 carrying just over thirty-two thousand visitors, a record for the number of cruise visitors to Seychelles (Table 5.2). The recovery, which is also reflected in a commensurate increase in the number of cruise passengers, follows five years of decline from 2009 to 2014 due mainly to an increase in piracy in the Indian Ocean. This was partly the result of the endeavours of the Ports Association of Indian Ocean Islands that was instrumental in convincing cruise ship owners to return to the Indian Ocean following the ongoing containment of pirate attacks in the region (see Section 3.3).

Ministers responsible for tourism of the Vanilla Islands (see Section 3.3.) have since built upon the anti-piracy efforts of the Seychelles Ports Authority and the Ports Association of Indian Ocean Islands to bring cruise ships to the islands of the Indian Ocean[136]. The alliance of islands signed an agreement with Costa Cruises at the Top Resa Tourism Trade

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[135] ZilAir offer helicopter services to the following destinations: Arid; Bird Island; Cap Lazare; Cerf Island; Chateau de Feuille; Cousine Island; Denis Island; Ephelia; Felicite; Fregate; Grand Barbe; Grande Soeur; Kempinski; La Digue; Lemuria; Mahe; Marie Anne; North Island; Praslin; Round Island; Silhouete; and Ste. Anne (ZilAir (n.d.). The aircraft flies to Alphonse, Darros, Desroches, Marie Louise, and Remire.
[136] http://www.virtualseychelles.sc/index.php/2013-08-21-07-36-58/tourism/3275-cruising-to-seychelles-costa-cruises-vanilla-islands-passengers-set-to-reach-15-000-by-2017

Fair in Paris in September 2015 (see Box 11.3). Under the agreement, Costa Cruises has pledged to not only increase the number of ports of call but also to extend the length of time the ships spend at the Indian Ocean ports as well as extending the cruise season itself to accommodate more voyages and passengers. These measures look set to increase the number of travellers, most of whom will be European, from the current 6,800 this year to 15,000 during the extended 2016-2017 winter season (see Chart 5.10).

The promotion of cruise tourism is an important aim of the Seychelles Ports Authority's long-term plan. The Authority is exploring different target cruise routes beyond the Indian Ocean, the most important of which are the North-South strategy - which involves cruise ships commencing their journey in India, via the Indian Ocean, to South Africa – and the South-North strategy. This will involve working closely with cruise lines and attending trade fairs.

BOX 11.3 AGREEMENT BETWEEN COSTA CRUISES AND THE VANILLA ISLANDS

An agreement was signed on 30 September 2015 during the IFTM/Top Resa travel trade show in Paris between Costa Cruises, the Seychelles Ministry of Tourism and the Vanilla Islands to increase in the number of cruises in the Indian Ocean. The first of a total of 11 cruises is scheduled to depart on 15 October 2016 and the last on 4 March 2017. All cruises are for 14 days on board the Costa neo Romantica. The cruise will depart from Mauritius and then to the fabulous Seychelles Islands, where the ship will berth for two days and two nights. The cruise will continue to Madagascar, with day calls to Nosy Be, Diego Suarez and Tamatave; the next stop, one day and one night, will be the island of Réunion; then the return to Mauritius, with a final one day and one-night call, before returning to Europe.

Source: Costa Cruises (2015).

Despite the potential benefits in terms of foreign currency earnings, government revenue and employment that cruise tourism can bring (see Section 5.5), 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. Key stakeholders recommend 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. Such a working group could include representatives of the Ministry of Tourism and Culture, Seychelles Tourism Board, Seychelles Ports Authority, hotels, destination management companies, the Seychelles Police, the Seychelles Taxi Operators Association, tour guides, and craft vendors.

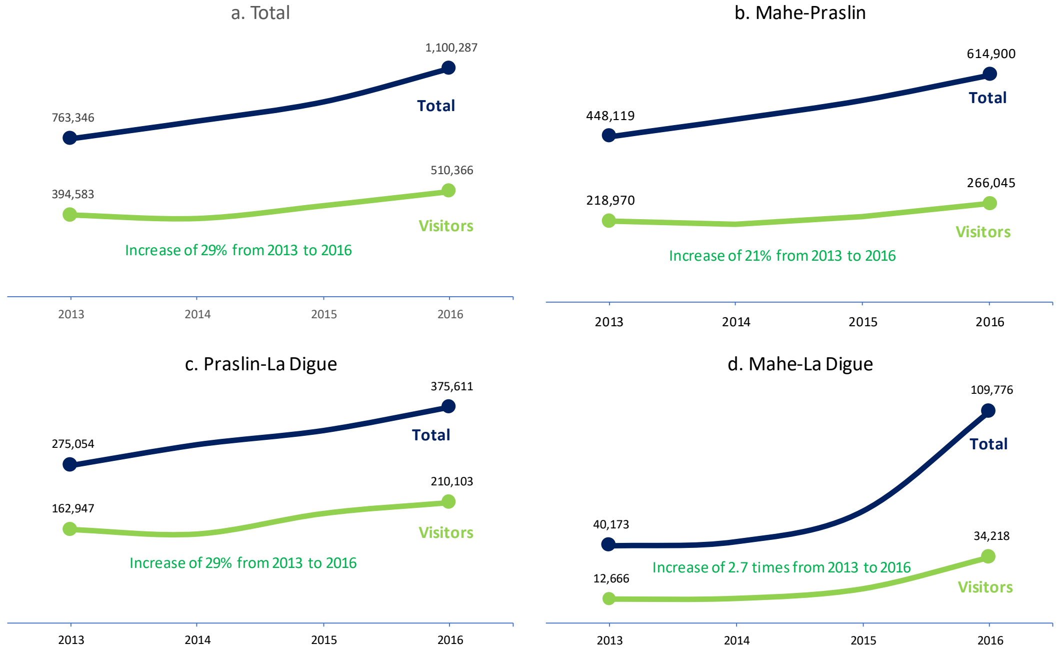
A policy for managing cruise tourism is therefore needed to assess the costs and benefits of this market and decide how to reap the maximum benefit from it without impacting adversely on the other types of tourism. The formulation and implementation of such a policy should be based on quality data not only on the number of cruise ships and passengers as is currently being done but should also include the expenditure of the sub-sector within the country (see Box 5.2 for the example of Antigua and Barbuda).

11.2.2 Ferry services

Two companies operate regular inter-island ferry services between Mahe, Praslin and La Digue. These are 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. Launched in 2006, the Inter Island Boat Limited has a fleet of 3 catamarans and operates between Mahe, Praslin and La Digue. The company started operating between Mahe and La Digue in 2011.

The number of passengers ferried between the three islands increased from 763, 346 in 2013 to over 1.1 million in 2016 (Chart 11.3a), which represents an increase of 29 per cent. The total number of visitors ferried between the three islands in 2016 was 510, 366, which represents 46 per cent of passengers using inter-island ferry services. Fifty-six percent passengers ferried between the three islands in 2016 travelled between Mahe and Praslin (Chart 11.3b), compared to 34 per cent traveling between Praslin and La Digue (Chart 11.3c) and 10 per cent travelling between Mahe and La Digue (Chart 11.3d).

Chart 11.3: Number of inter-island passenger trips between Mahe, Praslin and La Digue, 2013-2016



Source: Analysis by Valsen Consulting based on data from Seychelles Ports Authority | The figures are for the total number of passenger carried to and from the islands involved.

11.3 Ground transportation

The main means of transportation for getting around the main islands of Seychelles are taxis, hire vehicles and buses. In addition to taxis, bicycles, ox-cart and, increasingly, golf carts are popular means of transport on La Digue.

11.3.1 Taxis

Overview. All taxis in Seychelles are individually owned and the activity of taxi operations is exclusively reserved for Seychellois citizens. Any taxi operator who imports a new vehicle as a taxi is given a tax deduction on the import duty of SCR 50,000. Taxi stations can be found at all major hotels, the Seychelles International Airport, Praslin Airport, Victoria Taxi Stand as well as Seychelles Trading Company and Quincy Street Car Parks.

Policy framework. The *Road Transport (Taxi) Regulations, 2013* sets clear guidelines for taxi operations in Seychelles. The Road Transport Commission is the body delegated with the power to set and amend regulations for taxi operations. The *Seychelles Taxi Policy for Seychelles, 2015* explains the rules and procedures for taxi operation in the Seychelles (see Box 11.3). The *Licenses (Road Transport) Regulations* set the condition that a taxi operator is permitted to have a taxi licence. The regulatory body is the Seychelles Licensing Authority, which have the power to issue the licence as well as revoke the licence if there is evidence that the condition of the licence is not being followed. A taxi association, the Seychelles Taxi Operators Association (STOA) also exists, which negotiates with government on behalf of its membership and set general guidelines for members to follow.

Performance. There were 431 taxis operating in Seychelles of which 370 and 59 operated on Mahé and Praslin respectively, and 2 operated on La Digue (Table 8.3). However, according to STOA there are currently 525 taxis, of which 440 are based on Mahe, 80 on Praslin and 5 on La Digue. Only 85 taxi operators are members of STOA.

BOX 11.4 THE MAIN REQUIREMENTS OF THE TAXI POLICY OF 2014

The main requirements of the *Taxi Policy for Seychelles, 2015* are as follows:

Age of vehicle: New taxi operators must use vehicle not older than 3 years, although vehicles of up to 7 years may be allowed as a taxi in the event of adverse economic conditions in the country. Vehicles can be used up to 10 years, after which they have to be replaced by a newer one. An existing taxi operator cannot change/replace his/her present vehicle with an older one.

Frequency of vehicle testing: A vehicle being used as taxi must undergo vehicle test at the beginning of operation, and twice yearly thereafter.

Taxi Signs: The vehicle must be fitted with an illuminated external sign on its roof that has the word "TAXI" on it.

Taxi Meters: An approved taximeter must be fitted, and illuminated throughout any part of the hiring of a taxi. Taxi meters must be sealed and calibrated, with only the fare rates approved by the Department of Transport installed.

Fares: Taxi fares are based on distance travelled, and are applicable day and night, weekdays, Saturdays, Sundays, and Public Holidays. Current fares are as follows: SCR50, SCR53 and SCR55 for the first kilometer on Mahe, Praslin and La Digue respectively; and SCR30, SCR32 and SCR35 for additional kilometres on Mahe, Praslin and La Digue respectively.

Code of conduct: (see *Annex 8*)

Source: Government of Seychelles (2015b).

Issues raised by stakeholders. Stakeholders consulted as part of the update of this present document raised the following issues regarding the taxi industry.

- *Access to finance.* Taxi operators complained that lending rates are high, which make it difficult for taxi operators to replace their cars after 10 years of operations as recommended by regulations (see Box 11.4). They noted that the Development Bank of Seychelles discontinued concessionary loans for small businesses. Furthermore, they noted that there was a lack of incentives to the taxi industry except for a levy of SCR5, 000 rather than the full rate.

- *Infrastructure and insurance.* Taxi operators noted that there is a lack of parking spaces for taxis and the high insurance premiums on new cars.

- *Competition in the provision of taxi services.* A point of consensus among taxi operators was the increased competition in the provision of taxi services is affecting their livelihoods. The increased competition is due to a number of factors, of which the most important are as follows:

    - An increased number of taxi licences being issued.

    - Competition from new taxi operators, car hire and tour operators, tour guides with vehicles, and owners of private vehicles. Sometimes such competition amount to unfair competition when these operators engage in activities reserved for taxi operators for which they are not licensed. Also, these operators do not follow regulations or fare structure and are sometimes are underinsured.

    - Small hotels and persons with interest in small hotels may also own car hires further put pressure on taxi operators (see Table 8.5 and Box 11.5).

    - Collusion between the management of some large hotels and providers of unlicensed taxi services.

- *Non-standard fares.* A common complaint by visitors is the high and non-standard fares charged by taxi operators (Table 5.3). This view is also echoed by other tourism operators. The authorities have introduced taxi meters to deal with this issue, which is not always well enforced. Although acknowledging that some licenced taxi operators are overcharging clients which they attribute to inadequate enforcement of regulations by the authorities, the STOA argue that when visitors report cases of overcharging they do not differentiate between licensed and unlicensed providers of taxi services.

- *Illegal activities by taxi drivers.* Tour guides complain that taxi operators sometimes engage in guided tours of natural and cultural assets with their clients even if they are not licensed to engage in such activities. This may also lead to misrepresentations through uninformed interpretations.

- *Enforcement.* Taxi operators highlighted the need for more effective enforcement of the regulations governing the supply of taxi services. For example, the Code of Conduct that is part of the *Taxi Policy for Seychelles, 2015* (see Box 11.4) is not being enforced with some taxi operators driving under the influence of alcohol and not wearing appropriate attire. Some taxi operators are being issued with a taxi licence even with previous convictions for committing a serious offence.

11.3.2. Car hire industry

Overview. The ownership or investment in a car hire business is reserved to Seychellois.

Policy framework. The Seychelles Licensing Authority (SLA) is responsible for the issuance of car hire licences, while the Road Transport Commissioner is the primary body responsible for the administration and regulation of car hire operations. For new applicants the operator is required to apply directly to SLA for approval, which consults with the Office of the Road Transport Commissioner prior to the issuance of the license. A car hire licence is issued for 1 year after which it has to be renewed. A moratorium on new car hire applications was put in place in 2009 and subsequently removed in 2011. The Car Hire Policy adopted by the Cabinet of Ministers in 2008 guides and regulates the development of this activity. The policy was amended by a series of decisions approved by Cabinet in May 2015 based on a set of proposals made by SCHOA[137]. The salient requirements of government policy following the 2015 amendments are highlighted in Box 11.5. The Seychelles Car Hire Operators Association (SCHOA), which includes most of the car hire operators as members, and represents their interest with Government.

[137] Government of Seychelles (21 May 2015).

BOX 11.5 THE MAIN REQUIREMENTS OF THE CAR HIRE POLICY, 2015

- **Size and age of car fleet:** The minimum number of cars for a new operator is 5 new cars to begin with. The maximum number of cars in fleet should be 50 cars. Only new cars may be imported for use in the car hire industry. Second hand cars may be added to the fleet as long as they are purchased locally and are not older than 2 years. The age of vehicles in a care hire fleet can be up to 8 years old.
- **Testing of vehicles:** New vehicles should be tested once a year for the first 2 years, and thereafter twice yearly.
- **Scope of licence:** Car businesses are allowed to specialize in either chauffeur-driven or self-driven cars or a combination of the two.
- **Office:** All car hire offices must have an office for the administration of the business with access to toilet facilities for clients. Parking space must be made available for at least 2 vehicles at the business office with proper signage to the operation's office.
- **Standards for employees:** Well-attired employees should handle all car hire operations.
- **Small hotel:** A small hotel or a person having interest in a small hotel may own a car hire at the same time (or vice versa) only on Mahé (see Box 11.5 for the situation on Praslin).
- **Integration policy:** A person may not have interest in more than one car hire.

rce: Government of Seychelles (21 May 2015).

Performance. There are currently 159 licensed car hire operators, of which 133 are based on Mahé and 26 on Praslin (Table 8.3). Sixty-five car hire operators – 64 of which are on Mahe representing about 60 per cent of cars – are members of SCHOA.

Availability of statistics. Trend analysis of demand and supply data for car hires by island is needed to guide policy formulation for this business activity. Statistical information on car hire supply (number of cars per operator per year) are not automatically updated and disseminated by the Seychelles Licensing Authority. In order to appropriately respond to planning needs, it is also important to monitor the supply of cars in parallel with that of room supply. Such information should be made available to the public in order to guide Seychellois investors in their market research and investment decisions. On the demand side, no data on "car occupancy" (i.e. number of rental days per car hire) are currently available. This statistical information is however not less important than that of the bed occupancy rate of hotels/guest-houses/self-catering establishments as it gives indication to the authorities on the demand level and on the business performance of the sector. Data on visitor and resident demand for car hires should be presented separately by the operators.

Issues raised by stakeholders. Stakeholders consulted as part of the update of this present document raised the following issues regarding the car hire industry.

- *Human resources.* The issues discussed for human resources for other tourism operators discussed in Sections 9 and 10 also apply for car hire operators.
- *High cost of cars.* Car hire operators noted that the costs involved in importing cars are too high. The high cost of new cars is the result of taxes. Although they are commercial businesses, car hire operators pay taxes similar to private owners unlike taxi operators. The tax incurred to import a small car amounts to 140% of the cost of the car, which includes: levy at 25%; excise tax of SCR45, 000; customs duty at 25%; and Value Added Tax at 15%.
- *Access to finance.* As for taxi operators, car hire operators complained that the high cost of new cars and high lending rates make it difficult for them to replace their cars after 8 years of operations as recommended by regulations (see Box 11.5). They noted that the Development Bank of Seychelles discontinued concessionary

loans for small businesses.

- *Minimum of cars in car hire fleet.* Operators noted that a fleet of 5 cars, which is the minimum required by current regulations is not viable given the capital intensity of the industry and the need to allow for cars being out of service for a considerable amount of time. Instead the industry association, SCHOA, highlighted that the minimum efficient number of cars in a fleet should be 10.

- *Competition in the provision of car hire services.* Like with taxi operators, a point of consensus among car hire operators was that the increased competition in the provision of car hire services is reducing the profitability of the industry and affecting their livelihoods. On average, the cost of new cars has increased by a factor of 5 while the daily car rental rate has only doubled in the past 15 years. The increased competition is due to a number of factors, of which the most important are as follows.

    - An increased number of car hire licences being issued.

    - Competition from new car hire operators, taxi omnibus and tour operators, tour guides with vehicles, and owners of private vehicles.

    - Small hotels and persons with interest in small hotels may also own car hires (see Box 11.5).

    - Competition for office space with parking spaces (see Box 11.5).

    - Collusion between the management of some large hotels and providers of unlicensed taxi services.

Enforcement. Some aspects of the *Car Hire Policy, 2015 are not being effectively enforced. For example, a*nnual inspections encourage some operators to cut costs by not keeping an office for the whole year over which the licence is valid. Also, some operators are using creative ownership structures to get around the limit on the number of car hire businesses that an individual can own, while foreigners are using similar schemes to get around the requirements for Seychellois ownership of car hire operations.

Policy uncertainty. Car hire operators noted that they face policy uncertainty resulting from frequent changes in the parent ministry of the Department of Transport.

BOX 11. 6 INTEGRATION OF THE ACCOMMODATION AND CAR HIRE INDUSTRIES ON PRASLIN

According to the tourism integration policy statements adopted by the Cabinet of Ministers in December 2008, a small hotel or a person having interest in a small hotel may own a car hire at the same time (or vice versa) only on Mahe. The decision to exclude Praslin was premised on the fact that the majority of hotels on Praslin were Seychellois owned, noting that allowing small hotels and car hires to be integrated on this island could deprive independent operators from business opportunities. Cabinet suggested that this policy restriction could be revisited as and when new hotels open on Praslin and sufficient new car hire demand was generated. Data shows that an additional 231 rooms (462 beds) came into operation on Praslin between 2008 and mid-2011. Large hotels and fast-track accounted for over 85% of this growth.

11.3.3 Public transportation

The primary means of public transport on Mahé and Praslin is public buses operated by the Seychelles Public Transport Corporation (SPTC). STPC operates a network of 41 routes with 1, 100 trips daily running according to well-defined schedules[138]. Bus trips are charged at a flat rate of SCR7 per trip for normal services. An air-conditioned bus service offers commuters a greater standard of comfort at a slightly higher fare of SCR15, while special night circular services on the Northern and Southern part of Mahe cost SCR10 per trip. 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 (see Table 6.1).

[138] Seychelles Tourism Board (n.d.).

11.3.4 Ground transportation on La Digue[139]

According to the La Digue Business Association, there are currently 61 motorised vehicles on La Digue although there were supposed to be 49. There are two private 15-seater buses providing public transport services. A camion service is dedicated to contract services including providing transfer for groups of tourists, hotel transfers, and public service.

The five taxi operators currently operating on the island is deemed to be inadequate to meet the transportation needs of visitors and residents. As a result, some owners of guesthouses and hotels are using golf carts to transport residents and visitors around the island. According to the conditions for obtaining a licence, owners of golf carts who do not have a tour guiding licence cannot transport residents and tourists around the island. Activities that can be undertaken by a golf cart licensee include day-to-day transfer of clients to and from the jetty and helipad, and to service the needs of their establishments.

Popular means of land transportation with visitors include bicycles and ox-carts. Government is considering the use of electric bicycles on the island under special conditions.

A policy that will regulate land transport on La Digue is being considered by the Department of Transport. The requirements of the policy that are relevant to the present document include:

- The number of non-conventionalised motorised vehicles on the island should not exceed 50. This quota does not include golf carts as their number will be determined by the number of hotels and guesthouses.

- All hire and private bicycles should be tested once a year and all bicycles in a rental fleet should be fitted with a disc as means of recognition.

- Bicycle hire fleets should not be less than 15 bicycles and not more than 100.

- The oxen that drives ox-carts has to be examined by a veterinary physician, and the ox-cart structures should be modified so as to reduce undue burden and pain on the oxen.

11.3.5 Road infrastructure

The total length of Mahé's road network is 508 km. The increase in Seychelles' fleet of motorized vehicles has not been accompanied by a timely maintenance, expansion or redesign of Seychelles' road network hence traffic congestions and shortage of parking space particularly in the city of Victoria. A number of projects are underway to address this challenge. The Department of Transport is currently working on a concept aimed at alleviating traffic congestion in Victoria. The Victoria Traffic Management Plan aims at limiting traffic congestion in and around the capital. A dual carriageway from Victoria to La Retraite (North Mahé) is being built which to serve new reclaimed areas and to reduce congestion in the northern part of Victoria. The upgrading of the Providence to Victoria road can also be cited.

11.4 Developments and emerging issues since the last update

Since the last update in 2016, the following developments have taken place which will have implication on transport infrastructure.

- *Overcapacity.* 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

[139] This section is based on Seychelles Nation (6 July 2015).

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 percent. 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 worry. Even if the airlines are successful in attracting more visitors, this will also put more leading to more pressure on the infrastructure and ecosystem.

- *Pressure on parking space for aircrafts.* Currently, 13 airlines have scheduled services to Seychelles. British Airways and Air France's subsidiary Joon began direct flights from March 2018 from London and May 2018 from Paris respectively. In addition, Swiss Edelweiss has announced plans to introduce flights from Zurich to Seychelles starting from September 2018. This is resulting in 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.

- *Air Seychelles.* 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 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. 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 (Box 11.7 presents some of the benefits of having a national flag carrier). However, a consensus view is the need to streamline the cost structure of the airlines including by finding ways to reduce salary costs of expatriate managers.

BOX 11. 7 THE BENEFITS OF HAVING A NATIONAL AIRLINE.

The following are some of the main benefits of having a national airline.

- Showcasing the natural and cultural assets of the country.
- Greater sovereignty over tourism sector and national development strategy.
- Job creation for engineers; pilots; flight attendants; cleaners, booking agents; and caterers.
- Higher foreign exchange earnings.
- Reduced leakages from the tourism sector as there will be greater local participation in the local aviation, ground handling and maintenance, repair and overhaul facilities sectors.
- Better able to provide essential transportation services to Seychellois.
- Better utilization of bilateral air service agreements.
- 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.

Source: Forbes Africa (2018).

- *Cruise tourism.* The Seychelles Ports Authority has signed a memorandum of understanding with the Vanilla Island Association to undertake a study to ascertain the capacity of Seychelles to host cruise ships and cruise passengers. The study will also undertake a cost-benefit analysis of cruise tourism in Seychelles.

12 Destination marketing and product development

Destination marketing and product development have to be well integrated for promotion and marketing activities to be successful. The destination's products should meet the needs of the relevant tourism segments being targeted, while destination marketing should convey and reinforce such alignment.

12.1 Destination marketing

Destination marketing influences visitors' preferences and intentions to travel by successfully communicating the values, vision and attributes of a destination. This requires a good understanding of the motivational factors of demand and involves identifying visitor markets that are responsive to the destination attractions, experiences and community values.

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' presence in the press/media (notably through the *Friends of Seychelles Press* initiative), and to increase the 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. The specific strategic objectives for 2016 included:

- *Brand awareness.* Strengthening the visibility of the Seychelles Brand, highlighting the Seychelles experience through: extensive public relations; trade and consumer fairs; undertaking joint marketing activities with trade partners; and increased use of the media and press releases.

- *Market segmentation.* Targeting new market segments by: identifying appropriate tour operators and assisting them in developing holiday packages; promoting the new segments by building awareness and profile of market segments using industry publications; attending specialized fairs and events; and conducting dedicated niche educational. In response to the increasing number of accommodation establishments that have the necessary facilities, one segment that STB will focus on starting in 2016 is conference tourism or the so-called meetings, incentives, conferences and events (MICE).

- *E-marketing.* Increasing the use of electronic tools and social media platforms to communicate special offers and engage with potential visitors. This include the increased use of e-marketing to promote small Seychellois-owned accommodation establishments as part of the "Seychelles Secrets" campaign (see below).

- *Events.* Increasing the demand for Seychelles holidays via promotions at high-profile events and with high-profile organizations.

- *Training.* Providing on-going training to travel agents including the Seychelles SMART programme (see Box 12.1) to ensure that they have the requisite knowledge to promote Seychelles effectively.

- *Support to trade partners.* Supporting tour operators and travel agents to sell Seychelles by providing them with relevant news and information.

BOX 12.1 THE SEYCHELLES SMART PROGRAMME

The Seychelles SMART was launched in 2007. It is an online distant learning programme aimed at foreign tour operators and travel agents to educate them about Seychelles. It consists of a combination of theory and practical and destination experience. Upon completion of the programme, travel agents are certified 'Seychelles Travel Agency'.

Source: Seychelles Tourism Board (n.d.)

STB maintains the official Seychelles tourism destination website under the theme "***The Seychelles Islands: Another World***"[140]. 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 "***Sesel Sa***".

Marketing budget. In 2011, the overall STB marketing budget represented SCR41.9 million, equivalent to SCR239 per visitor. In 2016, SCR85 million was allocated to STB for destination marketing compared to SCR80 million or SCR290 per visitor in 2015. In 2017 and 2018, SCR90 million was allocated for marketing; the budget for 2017 translated to SCR257 per visitor.

Seychelles Tourism Offices and Tourism Ambassadors. STB is currently represented by 12 tourism offices and representatives based in Brazil, China, France, Germany, Italy, Mauritius, Russia, South Africa, South Korea, Spain, United Arab Emirates, and United Kingdom. There are also five local tourist information offices – two on Mahe, two on Praslin and one on La Digue. In addition, since January 2010, 102 Seychellois living in 30 countries have been appointed by STB as "Seychelles Tourism Ambassadors" under the "*Once a Seychellois, always Seychellois*" motto, in order to actively and on a voluntary basis, involve the Seychellois diaspora in the promotion of Seychelles tourism and support the overseas tourism offices or representatives.

Marketing campaigns. As part of its mandate to promote and market Seychelles as a tourism destination, the Seychelles Tourism Board are undertaking a number of marketing campaigns. The most important are highlighted below.

- *"Seychelles Secrets"*. The Tourism Department manages the Small Establishment Enhancement Programme, a marketing initiative that has been developed to help promote the country's smaller establishments under the brand name "*Seychelles Secrets*". Launched in 2005, the "*Seychelles Secrets*" campaign is an e-marketing initiative aimed at increasing visitors' awareness of the opportunity of enjoying an affordable and authentic Creole experience in small Seychellois-owned tourism accommodations that are not carried by tour operators in their marketing campaigns. Establishments wanting to be part of the "*Seychelles Secrets*" campaign have to meet certain quality standards. However, there are marketing advantages embodied in the "*Seychelles Secrets*" brand. As at the beginning of March 2018, 526 rooms or 1, 052 beds in guest houses, self-catering establishments and small hotels have acceded to the "*Seychelles Secrets*" brand (Table 12.1). These represent 9 per cent of total land-based room stock in Seychelles. Over four fifths of these rooms (428 rooms) are self-catering, with 61 and 37 rooms in guesthouses and small hotels respectively. Mahe accounted for 293 of these rooms, while 135 were on Praslin, 93 were on La Digue and 5 were on "Other islands". Based on initial feedback, owners of the tourism accommodation establishments that are participating in the campaign are very satisfied with it.

Table 12.1: Number of rooms under the "Seychelles Secrets" programme*

	Mahe	Praslin	La Digue	Other islands	TOTAL
Self-catering	245	112	68	3	428
Guesthouses	33	11	16	1	61
Small hotels	15	12	9	1	37
TOTAL	293	135	93	5	526

Source: Tourism Department| * as at 1 March 2017.

[140] http://www.seychelles.travel/

- *“Affordable Seychelles” campaign.* Another important STB marketing campaign is the “*Affordable Seychelles*” campaign launched in early 2009 in partnership with the tourism accommodation industry. It aims to promote accommodation establishments that are not as well established and known as luxury resorts. Whereas the “*Seychelles Secrets*” campaign is aimed at increasing the visibility of “value for money” of Seychellois-owned establishments, the “*Affordable Seychelles*” campaign was a destination marketing operation aimed at increasing visitor arrivals in a climate of international economic crisis. The campaign now focusses on markets such as La Reunion, Germany and France where affordable accommodation are in demand.

- *Regional co-operation.* At the regional level, STB signed a cooperation agreement as part of the Vanilla Islands initiative under the aegis of the Indian Ocean Commission (see Section 3.3). Under the agreement, the islands of Comoros, Madagascar, the Maldives, Mauritius, La Reunion and Seychelles are marketed as a single destination.

BOX 12.2 MARKETING ISSUES CONCERNING CHINA

Marketing issues

- **Market size.** Around 250 million Chinese are financially able to travel overseas and spend around US$3, 000 when traveling. The distribution of outbound travellers is shifting from first-tier and eastern cities to second- and third-tier cities, middle and western area in China.

- **Visitor profile.** Chinese travellers seek authentic local experiences such as activities, culinary, cultural, culinary and natural attractions, history, shopping, and social life.

- **Mobile bookings.** Chinese travellers are increasingly using mobile devices to book their travel with over 53 per cent doing so through mobile apps especially for the category of independent travellers under 35 years old.

- **Air connections.** From 27 January 2016, Air Seychelles flies once a week directly to Beijing. However, the flight was suspended in February 2017.

- **Use of Union Pay Cards.** Union Pay Cards is the world's most popular card brand. The service is now available from MCB and Nouvobanq in Seychelles.

- **Visitors to Seychelles.** The number of Chinese visitors to Seychelles increased by 13½ times between 2010 and 2016 from 1, 072 to 14, 459 (Chart 5.3k). Arrivals fell to 12, 006 in 2017. The peak month is February, but a significant number of Chinese visitors visit Seychelles during the months of July through October.

Feedback from Chinese visitors and tourism operators

- **Affordability.** Hotel prices are much higher than similar destinations.

- **Language.** There is not enough tourist information in Chinese including signage; not enough staff in accommodation establishments and at the airports, tourist guides and tour operators who speak Chinese; and there is a need for more Chinese movies on airplanes.

- **Choice of cuisine.** There should be greater choices of cuisine including Chinese.

- **Internet.** There is a need to improve Wi-Fi speed and availability in the rooms of accommodation establishments and at the airports.

- **Security.** There should be an increase of security in public areas including on beaches.

- **Double standards.** There is a perception that Chinese visitors are treated differently from visitors from other countries in accommodation establishments and on airplanes.

- **All-inclusive holiday packages.** There should be more all-inclusive holiday packages targeted at the Chinese market.

- **Airport transfers.** Airport transfers should be more efficient.

- **Shopping.** There is not enough opportunity for shopping including a lack of locally produced products and souvenirs at the airports.

Source: Seychelles Tourism Board (2016b).

- *Local events.* STB is involved with a number of cultural and eco-tourism annual events, which serve as important marketing platforms for the tourism sector in Seychelles. These include Carnaval Internationale de Victoria, Eco-friendly Marathon, Festival Kreol, Lafet La Digue, Miss Seychelles, and Seychelles Ocean Festival (see Section 7.2.1). Although in the past STB has been involved in the organisation of some of the events, it has divested itself of the organisation of these activities so as to focus more on core marketing activities. These events are now being organized by CINEA that is responsible for organizing all national events (see Section 7.5.1). STB includes a number of cultural events in its calendar of marketing activities. STB is also trying to explore how to make more strategic use of the Tourism Week to increase the efficacy of its marketing activities. One of the main ideas being considered is using the Tourism Week to promote the participation of local people in the tourism sector through awareness campaigns to reinforce the importance of the sector to the Seychelles economy and to promote domestic tourism.

- *Co-operation with airlines.* STB has joint marketing programmes with a number of airlines flying to Seychelles. It has 3-year marketing programmes with British Airways, Condor and Swiss Edelweiss, and is planning a similar marketing initiative with Austrian Airlines. It also has joint marketing activities with Air France.

- *New marketing strategy for China*. Since 2017, STB has repositioned its marketing strategy for China. The current marketing focus is the luxury segment of the Chinese market, targeting the cities of Beijing, Guangzhou and Shanghai.

Strategic issues raised by stakeholders. Stakeholders raised the following issues regarding destination marketing.

- *Marketing focus.* 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 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. Yacht operators perceive that Eden Island contributes more to market the yachting industry than STB (see Section 9.1). Despite of government policy, the Seychelles experience is not being marketed. Visitors comment that more should be done to promote the culture and history of the country (Table 5.3). In addition, there is a perception that tour operators are not being 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 STB's quality standards and aligned with the marketing philosophy of the destination.

- *Marketing budget.* 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[141]. 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[142]. 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 Box 12.2).

- *Mix of rooms.* STB noted that one of the challenges that they are facing is insufficient number of rooms at the 3- and 4-star level, particularly in the peak months of March to April, July to August and October. In those periods there are usually rooms available in smaller establishments which either are not carried by the tour operators (see discussions in Section 10.5) or are not of the appropriate quality standards.

- *Dealing with seasonality*. Related to the above point, one of the main issues that STB is dealing with relates to seasonality in visitor numbers. Chart 5.6 would suggest that, if anything, seasonality in visitor numbers is

[141] Seychelles Tourism Board (2016a).
[142] *Ibid.*

becoming more pronounced. STB is looking at ways to have visitor numbers to be more evenly spread throughout the year.

12.2 Product development

Until the middle of 2015, STB had the responsibility for product development which is now the remit of the Tourism Department. The Department has defined its strategic plan and the associated organisational structure to go with it. In the area of product development, the Department has the following responsibilities (see Table 8.1):

- Develop and establish appropriate standards and guidelines for all tourism activities;
- Implement hotel grading programmes with a view to ensure that the local tourism product matches the image of the destination;
- Advocate for sustainable tourism development through responsible tourism practices and implementation of the Seychelles Sustainable Tourism Label; and
- Identify possibilities for diversification of the tourism product to guide future investments in the tourism sector.

In addition, the Standards Monitoring Section is responsible for:

- Monitoring and inspecting licensed tourism enterprises based on set standards with a view to ensure that standards within the industry are maintained and raised to an optimum level.
- Maintaining up to date inventories of all tourism products and activities.

Strategic issues raised by stakeholders. Stakeholders raised the following issues concerning product development.

- *Standards and guidelines.* Tourism operators highlighted that the Tourism Department should do more to set standards and guidelines for the various tourism industries and ensure that these are effectively enforced. One area that should be given priority is the tourist accommodation establishments that were licensed via the change-on-use route (see Box 10.2).
- *Inventory of tourism products and services.* One of the major activities that the Tourism Department should undertake as a major priority is an inventory of the facilities and services provided to tourist in Seychelles. This exercise would ascertain the availability and quality of the tourist facilities and services in Seychelles and should cover, at a minimum the facilities and services listed in Table 12.2. The inventory should also document the number of visits to natural and cultural attractions, and the number of visitors participating in tourism activities. It should also highlight any statistical gaps and make recommendations to address these gaps.

Table 12.2: Availability of tourist products and services

Access and transport services	
External	Airlines
	Cruise ships
Internal	Inter-island air services
	Helicopters and helipads
	Inter-island ferries
	Charter boats
	Glass-bottomed boats
	Yachts
	Taxi services
	Car hire services
	Chauffeur-driven cars
	Courtesy buses
	Buses
	Bicycles
	Ox-carts

Attractions	
Natural attractions	Beaches
	Protected areas
	UNESCO World Heritage Sites
	Forests
	Scenic lookouts
	Nature trails
	Fauna
	Flora
	Botanical gardens
	Aquariums
Cultural and heritage attractions	Museums
	Buildings
	Monuments
	Historic sites
	Art galleries
	Exhibitions
	Performing arts and music
	Craft markets
	Handicrafts and souvenirs
Special events and festivals	Sporting
	Cultural
	Heritage
	Arts
	Ocean
	Agricultural and horticultural
	Conferences
Special interest	Bird watching
	Photography

Activities and facilities	
Recreational activities and facilities	Golf courses
	Swimming pools
	Walking trails
	Cycling trails
	Recreational fishing
	Tours and excursions
	Tennis courts
Adventure activities	SCUBA diving and snorkelling
	Canoeing/ surfing
	Motorised water sports
	Horse riding
Entertainment	Cinemas
	Gaming
	Night clubs
Other	Weddings

Accommodation and hospitality services	
Accommodation	Hotels
	Guest houses
	Self-catering establishments
	Luxury villas
	Yachts
Hospitality services	Conference venues
	Restaurant
	Cafeterias
	Fast-food outlets
	Bars
	Spa and "wellness"

Amenities	
Visitor information services	Visitor information centres
	Road signage
	Maps of tourist attractions
	Destination official website
	Touring routes
	Travel advisory
	Lists of licenced operators
	Tourist guiding services
Support services	Public toilets
	Banks/ ATMs
	Foreign currency dealers
	Medical services
	Post offices
	Telecommunication services
	Internet services including Wi-Fi
	Utility services

Source: Analysis by Valsen Consulting.

13. Human resources management and development

As a service sector, tourism depends on people. Businesses need to attract and retain high quality staff to be able to deliver tourism and hospitality services effectively. The key human resources issues facing the tourism sector in Seychelles are: tourism and hospitality training; skill shortages; retention, and productivity of local staff; reliance on expatriate workers and their effective recruitment; and workforce planning for the tourism sector at the national level.

13.1 Policies on human resources management and development

There are a number of policies concerning human resource management and development that govern the activities of tourism industries. These are highlighted below.

Accommodation establishments. According to the *Policy on Tourism Accommodation* of 2015, for establishments with 25 rooms or more, the general manager, human resource manager and chef must possess the necessary qualifications and expertise to the satisfaction of the ministry responsible for employment, Tourism Department, and Seychelles Licensing Authority (see Box 10.2). For establishments with 24 rooms or less, if the manager is a foreigner, s/he must possess the necessary qualification and expertise to the satisfaction of the three entities. In addition, all accommodation establishments should have a training and human resource development plan with a budget that is in line with the requirements of the Ministry. In cases where expatriates are employed, a plan for their replacement should be implemented in line with the requirements of the Ministry.

Boating charters. The *Boat Charter Policy, 2008* dictates that boat charter operators employ properly qualified personnel. Although the policy does not define what constitutes "properly qualified personnel", boat charter operators are expected to employ certified skippers (see Box 9.4).

Yachting. The *Policy on Yachting Tourism, 2008* included the development of a human resource development programme to train staff for the industry (see Box 9.2).

Recreational diving. According to the *Policy for Recreational Diving Business, 2015,* the head of the diving personnel of a dive operator should be a Dive Master (see Box 9.5).

Tourist guiding. The *Policy on Tourist Guides, 2015* (see Box 10.5) prescribes that a person must obtain the necessary qualification determined by the Seychelles Licensing Authority and Tourism Department to practice tour guiding. Tourist guides are required to attend and successfully complete courses recognized by the Department and other bodies necessary for their continued professional development. Qualification also includes successful completion of first aid courses approved or endorsed by the Ministry of Health.

Tax incentives. Under the *Business Tax (Amendment) Act, 2010* tourism operators are allowed deductions from taxable income for expenditures on training activities certified by the Seychelles Tourism Board (see Section 8.4). Furthermore, emoluments paid to part-time students and qualified graduates of the Seychelles Institute of Technology, Seychelles Farmers Training Centre, Seychelles Maritime Academy, and Seychelles Tourism Academy are allowed as deductions from taxable income.

13.2 Training for the tourism sector

Seychelles Tourism Academy[143]. STA is Seychelles' main source of local supply of employees for the tourism sector. It is a professional institution operating under the *Tertiary Education Act, 2011*, and is the main government centre mandated to offer training in tourism and hospitality from Certificate to Advanced Diploma level (i.e. from level 3 to

[143] This section draws on Seychelles Tourism Academy (2014).

level 6 of the National Qualification Framework). STA was formed in 2007 replacing the Seychelles Hospitality and Tourism Training College. It consists of an academic entity and a business entity – the Clear View Hotel (see below) – that will to be launched in 2017. The academy is headed by a Principal who manages both the academic and business entities. The Ministry of Tourism and Culture is the parent ministry of the academy. Since 2015, the management of academic programmes is overseen by a Board consisting of professionals from the hospitality and tourism industry. The STA work programme for 2015 to 2019 is set out in its Strategic Plan (see Box 13.1 for details).

BOX 13.1 VISION, MISSION AND STRATEGIC GOALS OF THE 2015-16 STA STRATEGIC PLAN

Vision: To be recognised as a leading hospitality training academy in the region, reputed for the programmes on offer and the quality of its graduates.

Mission: To train, develop and upgrade committed school leavers and tourism employees with the aim of ensuring a highly competent tourism workforce in order to enhance the country's overall competitiveness towards the achievement of sustainable tourism development.

Strategic goals: Selected strategic goals of the strategic plan are as follows:

- Improve the quality and standards of training offered to pre-service students and in-service personnel from the tourism sector;
- Provide professional development and training opportunities for all staff in order to improve on the quality and standards with respect to their present and future roles and responsibilities at the academy;
- Upgrade facilities and infrastructure at the academy in alignment with the academy's mission and vision, international norms and standards and taking into account the present and future needs of the Seychelles tourism sector;
- Liaise with and gain the support of all partners including the Seychelles government through the Ministry of Tourism and the Seychelles Tourism Board and the private sector in support of the academy's mission, vision and strategic goals;
- Diversify and expand on the range of pre-service and in-service training programmes offered at the academy through collaborative efforts and sustained partnerships with the academy's local and international partners;
- Attract and offer international students pre-service and in-service training opportunities at the academy; and
- Establish strong partnerships with the community and engage with them through activities and initiatives for the overall advancement of tourism in Seychelles.

Source: Seychelles Training Academy (2014).

STA offers full-time and apprentice courses in Accommodation operations and services, Food production and culinary arts, and Restaurant and bar. Reception operations and services, Tourism and tour guiding and Wellness and spa are only offered on a full-time basis. It has two campuses – one on Mahe and the other on Praslin. In 2007, it overhauled its curriculum and a competency-based approach programme was implemented for all the courses in order to capture high quality students. All programmes are validated by the Seychelles Qualification Authority. New courses are being considered in Travel agency and airline operations, Pastry arts and baking, and Butler and Oenology.

In 2018, a total of 256 full-time students were enrolled on certificate and advanced certificate programmes run by STA courses, down from 291 in 2017 and 319 in 2016 (Table 13.1). This decrease in enrollment is mainly due to strict adherence to the entry criteria for the various courses. Female students accounted for 77 per cent and 82 per cent of those enrolled in 2017 and 2018 respectively. The most popular course at the certificate level between 2016 and 2018 was *Food production and culinary arts* followed by *Restaurant and bar*.

Of the 160 students that enrolled on certificate programmes in 2016, 64 graduated in 2017. Completion and graduation statistics provided by STA point to high attrition rates, especially for the *Certificate in Food Preparation* *and Culinary Arts*, *Certificate in Accommodation Operations and Services* and *Certificate in Restaurant and bar.* The latter is a demanding course and those with only this qualification have limited avenues for career progression. Out of the 166 students that enrolled on the two-year advanced certificate programmes in 2015, 106 graduated in 2017. Those enrolled for the *Advanced Certificate in Tourism and Tour Guiding* and the *Advanced Certificate in Wellness and Spa* programmes in 2015 were more likely to complete their courses and graduate in 2017. According to STA, attrition rates for all courses fell from 45 per cent in 2007 to 20 per cent in 2014. The academy aims to bring that rate down to 10 per cent.

In addition to the academic programme, STA has since 2017 been managing the Clear View Hotel. The hotel will operate as a commercial enterprise and will offer conference, hotel, spa, and training services. Its main purpose is to support teaching and learning activities by offering opportunities for students of the academy to enhance their industry experience.

Table 13.1: Enrolment of students on STA courses for 2016-2018

	Number of students enrolled								
	2016			2017			2018		
A. Certificate programmes (1 ½ years)	**M**	**F**	**T**	**M**	**F**	**T**	**M**	**F**	**T**
Food Production and Culinary Arts	26	32	58	29	26	55	17	23	40
Restaurant and Bar	7	39	46	6	39	45	7	31	38
Accommodation Operations and Services	1	41	42	0	33	33	0	24	24
Reception Operations and Services	3	11	14	0	17	17	2	18	20
Sub-total	37	**123**	**160**	**35**	**115**	**150**	**26**	**96**	**122**
B. Advanced certificate programmes (2 years)	**M**	**F**	**T**	**M**	**F**	**T**	**M**	**F**	**T**
Tourism and Tour Guiding	3	26	29	6	19	25	2	24	26
Restaurant and Bar	6	25	31	10	23	33	6	22	28
Wellness and Spa	1	24	25	0	24	24	0	24	24
Reception Operations and Services	2	35	37	1	29	30	1	28	29
Food Production and Culinary Arts	23	14	37	14	15	29	12	15	27
Sub-total	**35**	**124**	**159**	**31**	**110**	**141**	**21**	**113**	**134**
TOTAL	**72**	**247**	**319**	**66**	**225**	**291**	**47**	**209**	**256**

Source: Seychelles Tourism Academy, May 2018| F= number of females; M = number of males; and T = total.

In the most recent Tracer Study undertaken by STA in 2013 for 2011/2012 graduates, 87 per cent were found to have stayed in the tourism sector. The first edition of the *Tourism Master Plan 2012-2020* reported that the retention rate of STA students in the tourism sector increased from 87 per cent to 95 per cent between 2007 and 2008. It also reported that out of the 148 students who graduated in 2009, 59 per cent were already in employment in the first quarter of 2010 of which 54 per cent were employed in the tourism sector and 41 per cent in tourism accommodation establishments. The relatively high absorption and retention rates of STA graduates by the tourism sector reflects the growing workforce need of the sector. Furthermore, graduates now have other avenues for career development beyond the accommodation industry including Air Seychelles, spa and wellness, and yachts.

Advanced Diploma Programme in Hospitality Management. In response to concerns regarding the shortage of Seychellois managers in the tourism and hospitability industry, STA introduced the *Advanced Diploma Programme in Hospitality Management* in 2008. This programme leads to a Bachelor of Arts degree with the Shannon College of Hospitality Management, based in Ireland. The course is accredited by the National University of Ireland. It is a four-year course, and students spend three years in Seychelles and one year in Ireland. Since its inception, 45 students have graduated from the programme. In 2017, 14 out of the 18 students who enrolled in 2014 graduated. Upon graduation, students are required to work for 18 months in the tourism sector in Seychelles as "Trainee

Managers".

Seychelles University. In 2009, the Seychelles University 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. However, to achieve this goal it is important to ensure that the two organizations function in synergy rather than in competition.

Seychelles Maritime Academy. SMA, formerly the Seychelles Maritime Training Centre is a key training institution for marine-based tourism activities. Since Seychelles was declared a "White List" country by the International Maritime Organisation (IMO)[144] in July 2015, the certificates issued by the academy would now be recognised internationally.

The number of students enrolled on SMA courses increased from 79 in academic year 2009-10 to 143 in academic year 2013-15 before falling to 137 in academic year 2014-15 (Table 13.2). The most popular courses in recent years have been the *Advanced Certificate in Fishing Technology* followed by *Advanced Certificate in Navigation and Seamanship* representing 76 per cent and 79 per cent of total students enrolled in academic years 2013-14 and 2014-15 respectively. However, in the academic years 2012-13 and 2013-14 at least half of those who enrolled on the *Advanced Certificate in Navigation and Seamanship* course did neither graduate nor completed the course. In 2013-2014, half of enrollees on *Advanced Certificate in Fisheries Science and Fishing Technology* graduated and completed the course, 13 students out of the 18 who enrolled on the course *Advanced Certificate in Marine Mechanic* completed the course and graduated, and 35 students out of the 55 who enrolled on the course *Advanced Certificate in Fishing Technology* completed the course and graduated.

Table 13.2: Number of students enrolled on and graduated from SMA courses, 2009-2014

	2009-10		2010-11		2011-12		2012-13		2013-14		2014-15
Course	E	G	E	G	E	G	E	G	E	G	E
Advanced Certificate in Fisheries Science & Fishing Technology	15	13	19	16	25	16	21	15	16	8	18
Advanced Certificate in Navigation & Seamanship	23	21	24	22	32	25	37	18	54	27	45
Advanced Certificate in Marine Mechanics	19	14	17	14	28	17	22	14	18	13	11
Advanced Certificate in Fishing Technology	22	16	25	24	31	26	41	28	55	35	63
TOTAL	79	64	85	76	116	84	121	75	143	83	137

Source: Seychelles Maritime Academy, October 2015| E=number of students enrolled at the beginning of January; G= number of students graduating at the end of the course; and number of students who completed the course.

SMA is the only public institution that offers basic dive courses to Seychellois students under navigation courses. Limited to the students of the Academy, *Advanced open water* is delivered by designated dive centres through a special agreement between SMA and private dive centres. In 2013 and 2014, 26 SMA students were trained as divers compared to 50 in 2011 and 51 in 2012 (Table 13.3). Forty-six per cent of those trained in 2012 and 2014 were female students, while females accounted for 52 per cent and 53 per cent of those trained in 2011 and 2013 respectively.

Table 13.3: Divers trained from the different cohorts at SMA, 2011-2014

	TRAINED DIVERS FROM:										
	Advanced Navigation		**Advanced Mechanics**		**Advanced Fisheries**		**Basic Fisheries**		**Total**		
Year	M	F	M	F	M	F	M	F	M	F	T
2011	12	4	11	1	2	7	8	5	**33**	**17**	**50**
2012	15	2	11	0	5	10	4	4	**35**	**16**	**51**
2013	17	2	0	0	0	7	0	0	**17**	**9**	**26**
2014	9	6	1	0	4	6	0	0	**14**	**12**	**26**

[144] White-listed countries make it mandatory for all working seafarers to have undergone the Basic Standards of Training and Certification of Watchkeeping (STCW). STCW includes courses in: (a) *Fire Prevention and Fire Fighting*; (b) *Personal Survival Techniques*; (c) *Personal Safety and Social Responsibility*; (d*) First Aid*; and (e) *Maritime Security Awareness*.

Source: Seychelles Maritime Academy, October 2015 | F= number of females; M = number of males; and T = total.

In practice, only a limited number of students (4 out of less than 70 in 2010) opted for a career in recreational diving at the end of the navigation course, with the majority pursuing careers in navigation (Table 13.3). 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 per cent Seychellois (see Box 9.5).

The Seychelles policy on yachting projected that 400 Seychellois should be trained to take charge of yachts and for manning related support facilities[145]. To that end, SMA was expected to provide training required in the field of seamanship, navigation and other skills required to crew a yacht, with the Seychelles Maritime Safety Administration certifying graduates. 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.

Other training institutions serving the tourism sector are the: Seychelles Farmers' Training Centre (production), Guy Morel Institute and the University of Seychelles (finance and accounting), Seychelles Institute of Technology (maintenance), and Seychelles School of Business Studies (business and clerical functions). Like the situation of skippers working in the tourism sector, training in customer service and hospitality should be provided to those students who show a willingness to enter a career in the tourism sector.

Tourism operators. Apart from the STA and Seychelles University, some large hotels offer in-house on-the-job hospitality training for their employees. The Agency for National Human Resource Development reported that these training courses range from *Reception operations and services* to *Food Preparation and Culinary Arts*, *Food and Beverage service*, *Accommodation Operations and Services*, and *Management*. Some accommodation establishments indicated a reluctance to invest in staff training deterred by the risk of poaching of their trained staff by other establishments.

13.3 Productivity and retention of local employees

The *Seychelles Tourism Value Chain Analysis* of 2010 noted that over staffing and poor productivity level of Seychellois employees working in operative activities are common features in many hotels [146]. It therefore recommended the need to target productivity gains and increased wages. Average earnings in tourism-related industries increased by 15.2 per cent between 2012 and 2015 compared to average increases of 25.5 per cent and 20.2 per cent for all industries and the private sector respectively[147].

On the other hand, it has also been reported that 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 of 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 the full attention of policy makers.

13.4. Expatriate employment

Another important pattern related to tourism employment concerns the increasing reliance of the sector on expatriate workers. The Agency for National Human Resources Development, which replaced National Human Resources Development Council in 2014, reports that 6, 691 expatriate workers or 21.5 per cent of the total expatriate workers in Seychelles were employed in the tourism sector in 2015 (Table 13.4). This represent an increase of almost 14 per cent of the figure for 2014 and a more-than-doubling the number for 2013.

[145] Seychelles Tourism Board (2008b).
[146] Government of Seychelles and Commonwealth Secretariat (2010).
[147] National Bureau of Statistics (March 2016a).

Table 13.4: Expatriate employment in tourism, 2016-2018

Year	Total expatriate employment	Expatriates working in tourism		Expatriates working in hotels
		Total	% of total expatriate employment	
2016	10,722	1,514	14.1%	1,446
2017	16,871	2,394	14.2%	2,192
2018	19,235	3,911	20.3%	3,644

Source: Immigration Division, March 2019.

The number of foreign employees in tourism businesses increased 2.5 times from 1,514 in 2016 to 3,911 in 2018 whereas the number of expatriates employed in the country increased 1.8 times over the same period from 10,722 to 19,235. This sudden increase in expatriate employment coincides with the removal of Seychellois only restrictions on some posts. Presently, only the position of Human Resources Manager is reserved for Seychellois only.

In its *Expatriate employment report* of 2010, the National Human Resources Development Council noted that foreign workers in the tourism sector is "more visible in five star hotels, where high standards and high quality services are expected. It must also be noted that most Managerial and Professional positions in tourism are occupied by expatriates and in the five star hotels the ratio of employee to guest is on average 3:1."

Data from the Agency for National Human Resources Development for 2014 shows that the areas where expatriate employment is mostly concentrated in hotels are: accounting, the culinary arts, housekeeping, maintenance, security guards/officers, spa therapists and waitressing. At least 73 foreign security guards/officers worked in hotels in 2014 compared to 136 in 2010.

Regarding managerial positions, the NHRDC's *Report on Tourism* of 2010 noted that "despite the effort to continuously train as many Seychellois as possible to join the industry, there will always be some positions, most particularly in the large hotel category, that will probably never be localized, given the fact that the major shareholders of some of these tourism establishments are not Seychellois and therefore top management positions are normally held by expatriates. However, there are signs that more local entrepreneurs are venturing into that business, most particularly in the small hotel category, and this is in accordance with the new tourism vision, the "Seychelles Brand" which encourages greater participation by Seychellois in the tourism industry." In this quotation small hotels also refer to self-catering establishments and guest-houses.

In addition to the issue of foreign ownership discussed above and considering the very small size of the country's working-age population and that only a small number of Seychellois students enter tourism studies, it is expected that the tourism sector will continue to rely on expatriate workers to compensate for shortages in skilled local labour. Assuming a 50 per cent project implementation rate in the hotel industry, it has been estimated that new hotels would recruit 2,000 persons from 2016 to 2020. If it is assumed that 200 graduates from STA and other training institutions enter a career in the hotel industry per year, it can be estimated that by 2020, the hotel industry will have to recruit another 1, 000 expatriate workers[148]. This illustrates that the extent to which Seychelles will be able to curb its reliance on expatriate workers in tourism will heavily depend on the capacity of the local training institutions to increase both the volume and competence of their graduates.

13.5. Workforce planning for the tourism sector

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. Towards that end, each sector of the economy has to undertake analyses of the skills available and lacking, identify training needs and develop plans and strategies to deal with skills shortages. In the case of the tourism sector, The Tourism Department has the responsibility to undertake the human resources analyses and draw up the human

[148] 200 graduates per year for 5 years amounts to 1, 000 graduates entering the tourism sector in the period 2016-2020. The number of expatriate workers required = 2, 000 – 1, 000.

resource development plan for 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.

13.6. Strategic issues

The following highlights the key strategic human resource issues for the tourism sector raised by stakeholders.

STA courses. The management of the Seychelles Tourism Academy highlighted that given the quality of entrants on their courses, there is a need to re-orient their approach to training and introduce more vocational courses earlier in the educational cycle. In addition, there may be a need to introduce foundation courses to prepare students for the certificate programmes. On the other hand, the value chain analysis of the tourism sector undertaken in 2016 with the assistance of the World Bank recommended that STA should introduce more specialised training courses. These two-year, higher-level advanced certificate level courses include:

- Events management courses to meet the needs of CINEA;
- Spa management courses that go beyond the current technical courses and focus on management roles; and
- Courses in sommelier skills.

Training of skippers. Although, there is enough local skippers who are licensed to operate in the below-10 and below-60 nautical miles categories, there is a shortage of local skippers licensed to trade over 60 nautical miles that would allow them to take boats and vessels outside the Seychelles' territorial waters. There is therefore a need for SMA to facilitate the training of skippers in the above-60-nautical-miles category so that Seychellois skippers reap the maximum benefit from marine-based activities.

Another important aspect of the training of skippers that the SMA does not currently provide is hospitality training. As a large number of yachts are generally crewed, the crews need to be not only sailors but must also be able to receive and look after guests as they would in a small hotel, having culinary and housekeeping skills, and generally be able to look after all the needs of their clients for periods of a week at a time (see Box 13.2). Such training in the hospitality field could be provided by the STA and it may be necessary that a special course of study be put in place for this particular industry[149]**.** SMA and STA should explore the possibility of re-introducing the module on *Maritime Tourism* which was previously offered by STA but has since been discontinued.

[149] This paragraph is based on Seychelles Tourism Board (2008b).

BOX 13.2 DUTIES OF A SKIPPER

The International Labour Organization defines occupational categories and the associated tasks for each category through the International Standard Classification of Occupations. Under ISCO, skippers are included under 'Ships' deck officers and pilots'. The tasks for this category include:

(a) commanding and navigating ship or similar vessel at sea or on inland waterways;

(b) controlling and participating in deck and bridge-watch activities;

(c) navigating vessels into and out of ports and through channels, straits and other waters where special knowledge is required;

(d) ensuring safe loading and unloading of cargo and observance of safety regulations and procedures by crew and passengers;

(e) performing technical supervision of maintenance and repair of ship to ensure compliance with specifications and regulations;

(f) applying knowledge of principles and practices relating to ship's operation and navigation in order to identify and solve problems arising in the course of their work;

(g) ordering ship's stores and recruiting crew as required and maintaining record of operations;

(h) transmitting and receiving routine and emergency information with shore stations and other ships; and

(i) supervising other workers.

Source: International Labour Organization, International Standard Classification of Occupations at: http://www.ilo.org/public/english/bureau/stat/isco/isco88/3142.htm

Other tourism operators employing skippers including boating charters, marine national parks and recreational diving operators also voiced similar issues. In addition, boating charters and recreational diving operators highlighted the lack of focused practical application of navigational skills of SMA students on work attachment with them. This is made worse by too many varied work attachments that students have to fulfil. The Seychelles National Park Authority noted that apart from navigational skills, SMA does not prepare students for most of the roles that are expected of a park ranger (see Box 13.3).

BOX 13.3 DUTIES OF A PARK RANGER

Park rangers are responsible for protecting designated state lands and sites, including: (a) national parks; (b) nature reserves; (c) beaches; (d) historic sites; (e) cultural sites; (f) national monuments; and (g) recreational areas. The duties of a park ranger may involve the following:

- *Law enforcement*: Patrolling, including by boats for marine national parks, the designated site to enforce relevant regulations and laws.
- *Interpretation and education*: Providing informational services to visitors and the public.
- *Site management*: Fostering stewardship of site and associated facilities, and natural resource protection.
- *Emergency response*: Including search and rescue, first aid, and fire-fighting.
- *Maintenance:* Performing routine maintenance on facilities and grounds, including trails and other recreational areas.

Source: Based on ParkRangerEDU.org (n.d.).

Further training. Stakeholders noted that there is a need for the Agency for National Human Resources Development to prioritise other sub-sectors besides the hospitality industry in particular the maritime tourism sub-sector. The development of the maritime tourism strategy (see Section 9) affords an opportunity to undertake a thorough human resource audit of the industries that constitute maritime tourism, and develop a human resource development plan for the sub-sector. ANHRD awards scholarships to both pre-service and in-service students. In addition to academic studies, the Agency is increasingly awarding scholarships to students to pursue technical and vocational studies.

Seychellois employees. The ministry responsible for employment has expressed concerns regarding the high level of local labour turnover in the hotel sector, which, in an increasing number of cases, is also attributed to limited human resource management capacity, particularly in establishments managing more than 15 employees but without the assistance of a trained human resource assistant, officer or manager. A persistent complaint by the Ministry and other stakeholders is that expatriate managers in accommodation establishments are abusive towards local employees (see Section 10.2). The management of the Seychelles Tourism Academy underscored that in the main there is a lack of succession planning and clear career path for graduates of its *Advanced Diploma Programme in Hospitality Management* (see Section 13.2). Other tourism operators especially from the accommodation, catering and boating charters industries retort that local employees are not reliable, are ill-disciplined and have a negative attitude, and that they are therefore forced to hire expatriates even if they are not knowledgeable about the tourism sector in Seychelles.

Recruitment of expatriates. Considering the continued need for expatriate labour in the foreseeable future, tourism operators underscored the need to reduce the administrative burden they face in obtaining Gainful Occupational Permit. In addition to this recommendation, the Seychelles value chain analysis of 2016 recommended the removal of the Seychellois-only designation for the positions it currently applies to. Furthermore, there is a need for the ministry responsible for labour to standardise post titles to ensure that statistics on expatriate employment are understandable to facilitate monitoring, analysis and reporting of expatriate workers in the tourism sector and guide both human resources planning in the sector. In 2014, the ministry in charge of employment introduced a new quota system to facilitate the procedures for recruiting and managing non-Seychellois workers (see Section 10.8). The ministry noted that delays in approval of requests for Gainful Occupational Permits was usually the result of inadequate planning by tourism operators.

Some of the other strategic issues discussed in the previous section include:

- The difficulty in finding qualified and reliable local staff, especially on Praslin and La Digue because of the unavailability of affordable housing (Section 10.2).
- There is a perception that the training programme offered by the Seychelles Tourism Academy is oriented towards the needs of large hotels and is often not customized for smaller establishments (Section 10.2).
- Although the Seychelles Tourism Academy offers a course on tour guiding, there not enough tour guides are being produced for the market (Section 10.4).

14 Security, safety, health, and risk management

The decision to travel is determined by a series of domestic and external factors. In addition to price competitiveness, value for money, destination's accessibility and visibility, and environmental quality, safety, security, the absence of health epidemics and political stability can be cited as major domestic determinants affecting the decision to travel to a particular destination. Relative to other countries, Seychelles is generally known as an attractive destination with respect to political stability, safety, security, and public health.

14.1 Safety and security

Table 5.3 shows that although visitors reported a general feeling of safety in Seychelles, insecurity is a concern to visitors. Stakeholders from the private and public sectors also 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.

The number of criminal acts reported by visitors to the police increased from 125 in 2016 to 204 in 2017. Burglary and theft at tourism accommodation establishments doubled from 36 in 2016 to 72 in 2017. There were 54 cases of beach theft in 2017 compared to 42 in 2016. There were five reported cases of death by drowning in 2017. Four cases were reported of visitors being attacked by stray dogs in 2017.

It is the responsibility of accommodation establishments to report criminal cases against their clients to the police. Anecdotal evidence suggests that the majority of crimes are not reported to the police because either the crimes are minor or the perception on the part of visitors that they will not get assistance from the police or a reluctance on the part of accommodation establishments to report cases on account of any risk to their reputations if this information was to become public.

The *Visitor safety and security survey* undertaken by the National Statistics Bureau for the fourth quarter of 2017 shows that 9.2 per cent of the visitors surveyed reported that they were concerned about safety and security compared to 7.9 per cent and 5.1 per cent in the same quarter of 2016 and 2017 respectively (Table 14.1). The pattern is similar for the first quarter of 2015, 2016 and 2017. The percentage of visitors surveyed who reported having been either threated or attacked was on average higher in 2015 compared to 2016 and 2017, except for the fourth quarter of 2015. The percentage of visitors who reported having witnessed a serious attack was less that one per cent for all quarters of 2015, 2016, and 2017 except the second quarter of 2016.

Table 14.1: Visitors who experienced safety and security issues, 2013-2015 (%)

	2015				2016				2017			
	Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Concerned	5.0	8.3	8.7	5.1	5.1	7.5	6.7	7.9	**7.0**	**7.2**	**7.7**	9.2
Threatened	3.1	3.5	3.9	1.6	2.1	1.5	2.7	2.2	**2.7**	**3.0**	**4.2**	3.2
Attacked	1.2	0.8	1.0	0.2	0.6	0.7	0.4	0.7	**1.2**	**0.2**	**0.5**	0.3
Witnessed serious attack	0.8	0.6	0.6	0.5	0.8	1.1	0.3	1.0	**0.7**	**0.4**	**0.9**	0.8

Source: National Bureau of Statistics (various quarters (b)).

The *Visitor safety and security survey* also highlighted that visitors are concerned about the safety of swimmers in noting that there are very few life guards even on very popular beaches, and concerns about reckless driving by local drivers (Table 5.3). Visitors also commented that there is insufficient information on which areas to avoid for safety reasons.

In response to the perception of insecurity, the Risk Management Section of the Tourism Department has stepped up its awareness and educational campaigns to inform accommodation establishments of the importance of reporting criminal cases against visitors and ensuring that precautionary measures are taken to prevent criminal activities.

14.1.1 Maritime safety and security

In 2009, the sailing area was restricted to zones around Mahé, Praslin, Curieuse and la Digue in response to the risks associated to piracy activities. This, is turn, translated into increased traffic density at sea. However, as a result of the dramatic fall in piracy activities the restrictions on sailing have now been reduced. Currently, there is no security requirements for all Inner Islands of Seychelles up to Platte Island.

Another critical security aspect concerns the increasing frequency of thefts reported by visitors, and boat and yacht operators. Most of these incidents took place around popular beaches during day time and night time, thus pointing to the need for increased security patrols.

The fact that there are no enforced clearance procedures at the Victoria Port constitutes an important security breach. Evidence shows that information on the number of yachts clearing in/out, information on the yacht route, on the number of passengers and crew members on board are either not collected from the operators or not processed by the authorities.

An important maritime safety issue relates to the so called "bare-boating" whereby a ship or boat is chartered without a skipper or crew. The bareboat charter industry has boomed in the last decade. It is estimated that bareboat represents more than 50 per cent 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.

14.1.2 Other safety and security issues

Other safety and security issues raised in previous sections are listed below.

- Non-enforcement of designated areas by the Seychelles National Park Authorities and the Marine Police (Section 7).
- Operators of unlicensed boats are providing excursion services using fake HC numbers to pass as licenced operators (Section 9.2). There are reports that on one occasion, visitors who used unlicensed boats have been left stranded on an outer island.
- Unlicensed tourist guides harassing cruise ship visitors at Victoria Port (Section 10.4).
- Licenced taxi drivers driving under the influence of alcohol (Section 11.3.1).
- Unlicensed and underinsured vehicles providing taxi services (Section 11.3.1).
- A common concern expressed by visitors is the large number of stray dogs (Table 5.3).

14.2 Health and risk management

Seychelles represents limited health risks to visitors. On the main island of Mahe, the Seychelles Hospital in Victoria has modern facilities and is open 24 hours a day. There are also health clinics in most districts on the three main islands. However, medical facilities on the more remote islands are limited.

Hairy caterpillar currently represents a significant health risk. A number of visitors has reported to the Victoria Hospital with the health effects of these caterpillars which were introduced to Seychelles.

The failure to make having travel health insurance compulsory is an important issue that exposes Government to unnecessary liabilities in the event of unforeseen negative occurrence to visitors while on holidays in Seychelles. The negative consequences of a lack of travel health insurance in the case of an incident includes Government foregoing health fees and bearing the costs to repatriate visitors to their home countries.

According to the relevant policy documents, all licensed diving businesses (Box 9.5 in Section 9.3), tourism accommodation establishments (Box 10.3 in Section 10.2), tourist guides (Box 30 in Section 10.4), and tour operators (Box 10.5 in Section 10.4) should have a risk management plan for risk reduction and disaster preparedness and should also have appropriate insurance cover. In addition, for large hotels these plans should be updated annually based on emerging risk management issues. The Risk Management Section of the Tourism Department provides guidance to tourism operators to develop and update their plans by developing procedures, guidelines and manual, and assisting operators to stress-test their plans.

14.3 Strategic issues

The key strategic issues raised by stakeholders in relation to safety, security, health, and risk management are discussed below.

Reporting of crimes against visitors. Despite the on-going sensitization and awareness campaigns undertaken by the Risk Management Section of the Tourism Department, crimes against visitors remain under-reported.

Lifeguards. A consensus opinion is that there are insufficient lifeguards at popular beaches. A proposal to privatise the provision of life guard services is being considered by the Government. Under this proposal, the Rescue Services Agency will regulate the activity, set standards, certify life guards and operate on beaches where it is not financially viable for the provision of private services.

Security on the beach. Although insecurity on beaches remains an important issue, the Marine Police has been strengthened to address this issue. Marine Police now specialises in marine and beach control. With the assistance of the Seychelles Marine Safety Administration, members of the Marine Police have received training and now have three boats to enable them to discharge their responsibilities effectively. As a consequence, there are reports of a reduction in the number of thefts in boat.

Travel medical insurance. Currently, it is not compulsory for visitors to have travel medical insurance. This state of affairs exposes Government to unnecessary liabilities in the event of unforeseen negative occurrence to visitors while on holidays in Seychelles.

Safety and security information. Tourism operators underscored the need for visitors to have sufficient information on safety and security. In particular, visitors should be made aware of illegal tourism operators and unsafe practices.

Capacity of regulators. Although steps have been taken to capacitate the agencies and departments that deal with safety and security, the Risk Management Section of the Tourism Department, the Seychelles Maritime Safety Administration and the Marine Police still face human capacity challenges. This makes it difficult for them to discharge their responsibilities effectively.

15 Statistics and economic evaluation

Under the *National Statistical Act, 2010* it is offence not to provide information to the National Bureau of Statistics for the compilation of statistics[150]. In addition, the policies on boat charters (Box 9.4), recreational diving (Box 9.5), tourism accommodation establishments (Box 10.3), restaurants (Box 10.4), and tour operators and travel agents (Box 10.7) have requirements for the operators to submit statistics to the relevant authorities.

15.1 Available tourism statistics

The National Bureau of Statistics compiles statistics on the tourism sector which are summarized in Table 15.1. As far as possible, the statistics are compiled based on the International Recommendations for Tourism Statistics (see Annex 9). These are published online. Other important sources of tourism statistics are summarized in Table 15.2.

14.4 The need for better statistics and economic evaluation

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 (GDP), both directly and indirectly (see Section 4). Given the importance of the sector to the Seychelles economy, more needs to be done to quantify its economic impact.

This will involve:

- Improving the measurement of tourism revenue, foreign exchange leakages from the sector, and the employment and fiscal contribution of the sector, both directly and indirectly;

- Developing methodologies including the introduction of Tourism Satellite Accounts (TSA) within the national accounting system to have a comprehensive measure of the tourism economy and to define the linkages among its constituent parts (see Box 15.1); and

- Undertaking regular value chain analyses of the tourism sector.

BOX 15.1 THE TOURISM SATELLITE ACCOUNT

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.

Source: Organisation for Economic Co-operation and Development (2014).

The TSA provides the true contribution of the tourism sector to the economy. This is critical in informing the development of targeted and comprehensive policies and programmes that take account of the linkages between the tourism sector with other productive sectors in the economy, and reduce economic leakages from the tourism sector.

A working group under the leadership of National Bureau of Statistics was set up in 2011 with the aim of compiling a TSA for Seychelles. Until now no roadmap for the development of the TSA has been discussed. However, another committee was constituted in 2015; it had its first meeting in July 2015. The committee is made up of representatives

[150] Government of Seychelles (2010).

of the Central Bank of Seychelles, the Chamber of Commerce and Industry, Ministry of Finance and Blue Economy, National Bureau of Statistics, Seychelles Civil Aviation Authority, Seychelles Tourism and Hospitality Association, Seychelles Port Authority, Seychelles Tourism Board, and the Tourism Department. The United Nations World Tourism Organization undertook a fact finding mission in 2017 to assist the Government of Seychelles to compile the TSA. The compilation of the TSA is slated to be completed in 2020.

Table 15.1: Tourism statistics produced by the National Bureau of Statistics

Publication	Frequency	Indicator	Sources
Visitor Arrivals	Weekly	Visitor arrivals by country of residence, purpose of visits, and type of transport carrier	Immigration cards
Visitor Arrival Statistics	Monthly	- Visitor arrivals by country of residence, purpose of visits, type and mode of transport, and type of transport carrier - Visitor stay by location and type of accommodation - Average length of stay of visitors - Number of cruise ship passengers	- Immigration cards - Information on cruise ships: Seychelles Port Authority
Hotel Statistics	Quarterly	- Beds and rooms available by type of accommodation and islands - Beds and rooms occupancy by type of accommodation and islands	Licensed accommodation establishments
Formal Employment and Earnings	Quarterly	- Average employment of tourism related activities by industry - Average earnings of tourism related activities by industry	Payroll register at the Seychelles Treasury Department; DICT; public sector organizations; SRC
Visitor Expenditure Survey	Quarterly	- Purpose of visit - Islands visited, average length of stay, sites/ attractions visited, and activities participated in by country of residence - % of visitors by travelling arrangement - Place of stay of visitors - % of first and repeat visitors - % of visitors coming only to Seychelles and visiting other countries - Actual reported expenditure	Surveys administered to departing visitors at the Seychelles International Airport
Visitor Safety and Security Survey	Quarterly	- Purpose of visit - % of visitors who experienced safety and security issues - Loss of property by location - % of visitors who believed property was stolen and whether or not they reported incidents to the police - % of visitors approached to exchange foreign currency - % of visitors who would recommend Seychelles as a holiday destination - Visitor comments and recommendations on safety and security; customer service; and the environment	Surveys administered to departing visitors at the Seychelles International Airport
Household Budget Survey	Periodically	Domestic tourism consisting of domestic and international travel of Seychellois	Most recent survey in 2013

Source: National Bureau of Statistics (n.d.) | DICT = Department of Information, Communication and Technology and SRC = Seychelles Revenue Commission.

A value chain analysis of the tourism sector was undertaken in 2009 prepared by Consultants from the Commonwealth Secretariat. Its recommendations are summarised in Chart 4.3. The World Bank assisted the Tourism Department to undertake a second value chain analysis of the tourism sector in 2016.

Other statistical gaps and other issues related to economic evaluation identified in previous sections and possible solutions to address them are summarised in Table 15.3.

Table 15.2: Tourism statistics produced by other stakeholders

Source	Statistics compiled	Comments
Central Bank of Seychelles	Tourism earnings	Published annually as part of annual report
National History Museum	Visitors to the National History Museum	Not published but available upon request
Public Utilities Corporation	Consumption of utility services by the tourism sector	Not published but available upon request
Seychelles Civil Aviation Authority	- Passengers flying between domestic airports - Scheduled flights, seat capacity, passengers carried and load factor of airlines - Helicopter movements and passengers	Not published but available upon request
Seychelles Island Foundation	Number of visitors to Valle-de-Mai	Published in annual report
Seychelles Licensing Authority	Number of licensed tourism operators	Not published but available upon request
Seychelles Maritime Safety Administration	Number of yachts registered in Seychelles	Published by National Bureau of Statistics
Seychelles Port Authority	Inter-island marine transport statistics	Not published but available upon request
	Number of cruise ships and cruise passengers	Published by National Bureau of Statistics
Seychelles Revenue Commission	Contribution of tourism to domestic taxes	Not published but available upon request
Seychelles Tourism Board	-Licensed accommodation establishments with facilities and services offered, and published rates -Key tourism attractions with details	Available through website at: http://www.seychelles.travel/

Source: Analysis by Valsen Consulting.

Table 15.3: Tourism statistical and economic evaluation issues

Section	Statistical and economic evaluation issue
4.3	Actual value of direct tourism gross domestic product is not being compiled.
5.4	Statistics on domestic tourism are not being compiled regularly.
5.5	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.
7.3 and 7.6	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.
9	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.
9.1	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.
9.2-9.4	No statistics are being collected on boat charters, recreational diving and water sports, except for the number of licenced operators.
10.1	No projections on bed supply are being produced.
10.1	No statistics are being compiled on bed and room occupancy for yachts liveaboards.
10.3	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.
10.5	No statistics are being compiled on the ownership structure of tour operators.
15.1	The production of and dissemination of tourism statistics is fragmented and uneven.
4, 5, 9, 10, 11, 12 and 13	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.

Table 15.4: Indicators for measuring the competitiveness of the tourism sector

Category	Indicator	Status
A. Core indicators		
Tourism performance and impacts	*1. Tourism Direct Gross Domestic Product (GDP):* measure of the tourism contribution to GDP.	Calculated using the Tourism Satellite Account. Data not currently being compiled.
	2. Inbound tourism revenues per visitor by source market: measure of the economic activity of visitors.	Collected by NBS through *Visitors' Expenditure Surveys* and CBS, which is reported in CBS' *Annual Reports*.
	3. Overnights in all types of accommodation: measure of tourism flows in accommodation.	Collected by NBS through *Monthly Visitor Statistics.*
	4. Exports of tourism services: measure showing the contribution of tourism to exports.	Collected by CBS and reported in CBS' *Annual Reports*.
Ability of a destination to deliver quality and competitive tourism services	*5. Labour productivity in tourism services:* provides evidence of the productive potential of the tourism economy.	Not currently being collected.
	6. Purchasing Power Parity (PPPs) and tourism prices: measure showing tourism price competitiveness using PPPs.	Not currently being collected.
	7. Country entry visa requirements: measure of entry visa requirements including methods of visa issuance.	Not applicable: no visa requirements.
Attractiveness of a destination	*8. Natural resources and biodiversity:* measure of a country's stock of natural assets.	Information currently available but not readily accessible.
	9. Cultural and creative resources: measure of a country's cultural and creative attractions, activities and events.	Information not currently being collected on a systematic basis.
	10. Visitor satisfaction: measure of demand side attractiveness value, based on current and future competitiveness.	Collected by NBS through *Visitors' Safety and Security Survey*.
Policy responses and economic opportunities	*11. National Tourism Action Plan:* indicates effectiveness in assisting to improve the competitiveness of tourism.	Easily collected if National Tourism Action Plan available.
B. Supplementary indicators		
Tourism performance and impacts	*Market diversification and growth markets:* Measure to capture the broad basis of performance in several source markets.	Collected by NBS through *Monthly Visitor Statistics*.
Ability of a destination to deliver quality and competitive tourism services	*Employment in tourism by age, education levels and type of contracts:* measure that would assess ability to attract, retain and develop talent in the industry to enable improved competitiveness.	Not currently being collected. But NBS compiles average employment in tourism.
	Consumer Price Index for tourism.	Not currently being compiled.
	Air connectivity and inter-modality: measure of competitiveness revealed in air routes, flight time from main markets and passenger numbers.	Currently collected by SCAA but not being published.
C. Future development indicators		
Ability of a destination to deliver quality and competitive tourism	*Government budget appropriations for tourism:* measure of national government tourism expenditure per capita.	Available from the Ministry of Finance. Possible to calculate tourism per capita visitor.
	Company mortality rate: measure of the enterprise activity and business churn.	Not currently being collected but statistics should be available from SLA and the Company Registrar.
Policy responses and economic opportunities	*Use of e-tourism and other innovative services:* measure on innovation and use of social media in the tourism industry.	Not currently being collected. Need to administer innovation survey.
	Structure of tourism supply chains: measure of industry thickness, clusters and competitiveness, existing/ potential.	Not currently being collected. Will require special surveys and regular value chain analyses.

Source: Analysis by Valsen Consulting based on Organization for Economic Co-operation and Development (2013) | CBS = Central bank of Seychelles; NBS = National Bureau of Statistics; SCAA = Seychelles Civil Aviation Authority; SLA = Seychelles Licensing Authority.

Strategic issues raised by stakeholders. Stakeholders raised the following issues concerning statistics and policy development.

- *Capacity of the Tourism Department.* The Policy Development, Research, Monitoring and Evaluation Section of the Tourism Department is responsible for ensuring that the data, statistics and research are available to inform policy formulation, implementation, monitoring and evaluation. However, a consensus view is that the Department does not have the 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.

- *Coordination of data production.* 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. For example, data for the number of visitors landing on the various islands are not collected in a systematic manner because it is not clear if the responsibility lies with the Seychelles Ports Authority or the Seychelles Marine Safety Administration. 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.

RECOMMENDATIONS OF THE TOURISM MASTER PLAN 2010-2020 (AS REVISED IN 2018)
A. Overarching recommendations

Recommendation 1 – Sustainable tourism strategy. The Tourism Department should urgently develop a strategy for the tourism sector based on sustainability principles (Section 6.4). In developing the strategy, the Department should ensure that stakeholders from as many tourism industries as possible are consulted and participate in the process. The strategy should be informed by the recommendations outlined below and the outcome of the Tourism Value Chain Analyses. It should be clear about the positioning of the Seychelles tourism sector, and plan for the implications of the vision that is chosen. Box 6.7 highlights the key elements involved in developing a sustainable tourism strategy.

Recommendation 2 – Capacity of government ministries, departments and agencies. A consensus opinion was that government ministries, department and agencies should be more knowledgeable of the business of the tourism operators (Section 6.4). Of particular importance, is the lack of capacity of the Tourism Department. This is important to ensure that policies, regulation and laws that affect operators take account of business realities, as well as government priorities.

Recommendation 3 – Revision of Licences Act, 2010. The Seychelles Licensing Authority is in the process of reviewing the *Licences Act, 2010* (Section 6.5). The exercise will also revise Licences Regulations and conditions of licences in line with the new Act. The revision should include outlining which commercial activities should be licenced, clearly state whether business operations or business operators should be licenced and a rationalization of licensing fees across business activities to create a level playing field. The regular collection of statistics on business operations which will be shared with the National Bureau of Statistics should also be included as one of the conditions of licences.

B. Natural and cultural heritage assets

Recommendation 4 – Supporting the development of authentic natural and cultural heritage products. The Tourism Department working alongside the Department of Culture, Seychelles National Parks Authority, Seychelles Tourism Board, other relevant ministries, departments and agencies and non-governmental organizations responsible for the management of natural and cultural resources should support the development of authentic natural and cultural heritage products. This could include:

- Improving the services provided by heritage assets (see Recommendation 5).
- Developing capacity development programmes for tourist guides to ensure that natural and cultural resources are not misrepresented through uninformed interpretations at tourist venues.

Recommendation 5 – Improving services provided by heritage assets. The Tourism Department working alongside the Department of Culture, Seychelles National Parks Authority, Seychelles Tourism Board, other relevant ministries, departments and agencies and non-governmental organizations responsible for the management of natural and cultural resources should to improve the services provided by existing heritage attractions. This could include:

- Well-designed multi-year management plans to manage the resources, including the judicious use of co-management mechanisms.
- Seeking UNESCO World Heritage Site listing to generate increased visitation by tourists.
- Improving the quality of heritage attractions, products, tourist guides, security, safety and sanitation facilities.
- Making more active use of the Internet for social networking, online sales, reservations, marketing and promotion.
- Improved coordination between operators of heritage attractions and tour operators, tourist guides, travel agents, and tourist accommodation establishments in the promotion and scheduling of activities at heritage attractions.

- Encourage existing and new tourism-related enterprises to operate after working hours and on weekends to serve domestic and international tourists, including cruise ship visitors.

Recommendation 6 – Ensuring the financial sustainability of natural and cultural attractions. The organizations responsible for the management of natural and cultural resources should ensure the sustainability of natural and cultural attractions. The steps that could be considered include:

- Highlighting the importance of natural and cultural resources by imputing a value on the economic significance of these resources.

- Encouraging private sector investment in and management of, attraction, including by setting up private-owned businesses to support attractions such as cafes, galleries, museums, and shops.

- Expanding the revenue base through ticketing, entrance fees, merchandise sales, corporate sponsorships, donations, and royalties.

- Charging more realistic entrance fees to at least recover costs of operation.

- Reinvesting surpluses in conservation, preservation, maintenance and development of natural and cultural heritage assets.

- Improving revenue management including through reduced entrance fees for residents in off-peak seasons.

- Improving intellectual property protection and raise awareness among operators of heritage attractions of the importance of intellectual property exploitation.

Recommendation 7 – Natural and cultural attractions in destination marketing. In order to ensure that policy interventions do not affect the competitiveness of Seychelles as a tourism destination, the Tourism Department should be consulted when they are being formulated and implemented. The organizations responsible for the management of natural and cultural resources, in collaboration with the Tourism Department and the Seychelles Tourism Board should ensure that the quality of services provided by these resources are in line with the ethos underpinning the marketing of Seychelles as a tourism destination. They should ensure that the management plans for natural and cultural resources (see Recommendation 3) should include funds for marketing and promotion, including provisions for staff. Furthermore, they should coordinate the operational and strategic management plans of natural and cultural resources with the STB's marketing and strategic plans.

Recommendation 8 – Strategy on natural and cultural heritage tourism. The Tourism Department should collaborate with the organizations responsible for the management of natural and cultural resources to develop a strategy on natural and cultural heritage tourism. The strategy should be in line with the overall strategy for the tourism sector (Recommendation 1) and the management plans discussed in Recommendation 5.

C. National development, institutional, policy and regulatory framework

Recommendation 9 – Implementation of strategic actions for the tourism sector. The Tourism Department should urgently undertake an assessment of the status of implementation of the strategic actions for the tourism sector defined in national development frameworks particularly the *Seychelles Strategy 2017*, the *Seychelles Sustainable Development Strategy 2012-2020*, and the *Seychelles Strategic Plan 2015-2040*. The main strategic actions are:

- Encouraging Seychellois ownership and management representation in the tourism sector through legislation and the judicious use of quotas.

- Promoting support services including farms producing quality food products for hotels and small retail trade.

- Creating a centre of excellence to meet the labour force needs of the industry and reduce reliance on expatriate labour, with the participation of the private sector.
- Diversifying away from traditional market sectors to non-traditional western European destinations and environmental, historical, cultural and culinary holidays, and broadening marketing expenditures, and improvement in transport infrastructure to support the objective.
- Supporting the growth of eco-tourism.
- Supporting the growth of marine tourism activities including diving, snorkelling, yachting, water-skiing, water boarding, boat based fishing, wildlife watching, scenic boat cruising, and kayaking.
- Supporting the enhancement of existing cultural and heritage facilities – including national cultural centres, artists' villages, museums, galleries, cultural and heritage trails and markets - and the provision of new assets.
- Opening more islands to tourists and improve associated infrastructure to accomplish the objective.
- Targeting the upper end of the tourism market by offering distinctive branded products relative to competitor destinations.
- Aiming for at least 60 per cent bed occupancy rate for 4-star and above hotel establishments.

Recommendation 10 – Improving national tourism coordination. The Tourism Department should institute a public-private consultation framework where key tourism policy and strategic issues are discussed which will guide its work. The department should ensure that stakeholders from as many tourism industries as possible participate in the framework.

Recommendation 11 – Clarifying roles and responsibilities in the tourism sector. The Tourism Department should take the lead to clarify the roles and responsibilities of different 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.

Recommendation 12 – Improving coordination at the industry level. The Tourism Department should encourage as many tourism industries as possible to be organized under an association including by developing guidelines and standards for the setting up of these associations. This is important to provide a platform for the industries to voice common concerns, effectively channel these concerns to the relevant authorities, and facilitate coordination between the industries and the Department, other relevant government entities and other stakeholders.

D. Cultural tourism

Recommendation 13 – Promotion of cultural tourism. The Tourism Department should work in close collaboration with the Department of Culture and CINEA to ensure the implementation of policy interventions aimed at promoting cultural tourism and providing authentic Seychellois cultural experience for tourists as recommended by the *Creative Industries Policy, 2012*.

E. Maritime tourism

Recommendation 14 – Maritime tourism strategy. The Tourism Department should take the lead in the development of a maritime tourism strategy that brings together all maritime-based tourism activities under one overarching and coherent framework. The framework will facilitate the planning, management, resourcing and marketing of marine-based tourism activities. The process leading to the development of the framework should include relevant ministries, departments and agencies, as well as relevant private and other non-governmental organizations. The strategy should be in line with the overall strategy for the tourism sector (Recommendation 1)

Recommendation 15 – Separate licences for boat charters and yachts. The Tourism Department should work closely with Seychelles Licensing Authority, Seychelles Maritime Safety Administration and Seychelles Ports Authority to have specific licences for boat charters and yachts in line with the *Policy on Yachting Tourism, 2008* and the *Boat Charter Policy, 2008*. Currently, there is one licence for hire craft that covers boat charters, shuttle services, trade vessels, and yacht charters a state of affairs that makes it difficult for relevant departments and agencies to achieve their policy objectives effectively.

Recommendation 16 – Enforcement of regulations. The Tourism Department should collaborate with Seychelles Licensing Authority and Seychelles Ports Authority in order to clarify the status of Eden Island and deal with the perception of unregulated activities in relation to rental of holiday homes and apartments on Eden Island and yachting activities.

Recommendation 17 – Mooring facilities. There is both a lack of mooring buoys to cater for the increasing number of yachts and boats, and poor maintenance of existing buoys. This state of affairs encourages skippers to drop anchor anywhere thus causing damage to coral reefs. The Seychelles National Parks Authority should accelerate the provision and replacement of mooring buoys, and ensure that existing buoys are regularly maintained.

Recommendation 18 – Enforcement of designated areas. Yachts are not observing designated areas in marine national parks and elsewhere. The Seychelles National Parks Authority and the Marine Police should step up their efforts to enforce the observance of designated areas.

Recommendation 19 – Access to outer islands. Government policy allows for access to outer islands. The Tourism Department in consultation with the Island Development Company and owners of private islands should define the procedures to allow charter boats and yachts increased access to the outer islands while ensuring that the safety and security of tourists staying at hotel resorts on the islands are not compromised.

Recommendation 20 – Infrastructure development. The Tourism Department should encourage Government to do more to encourage the development of more marinas and the provision of support services and infrastructure for maintenance and repair of boats and yachts as recommended by government policy on yachting. This could include the development of a policy to guide the development of marinas and related facilities including the use of private sector investment.

Recommendation 21 – Unlicensed boating charters operators. The Tourism Department, Seychelles Licensing Authority and Seychelles Maritime Safety Administration should work together to urgently investigate and find ways to deal with reports that operators of unlicensed boats are providing excursion services using fake HC numbers to pass as licenced operators. This is not only unfair to licensed operators, but raise a number of safety and reputational risks.

F. Tourism accommodation and catering establishments

Recommendation 22 - Local fruits and vegetables. The *Seychelles Value Chain Analysis*[151] recommended that hotels and restaurants should be encouraged to use local produce through a '*Soutiens aux Seychelles*' logo and the '*Seychelles Supreme*' culinary programme, and by linking agricultural suppliers and tourism industry buyers. The Tourism Department in consultation with relevant stakeholders should explore whether such schemes are still relevant and take appropriate actions.

Recommendation 23 - Specialty restaurants. Consistent with the aim for increased product diversification, there is a need to maintain quality creole and other speciality restaurants so as to better respond to visitors' demand. This is especially important for those visitors staying at self-catering establishments. The Tourism Department working with the Seychelles Licensing Authority and other relevant stakeholders to encourage the development of creole and other speciality restaurants.

Recommendation 24 - Price of food and beverage. Visitors perceive that the prices of food and beverage in accommodation establishments and restaurants are relatively high. Accommodation and catering establishments on Praslin and La Digue highlighted the higher cost of operations and services on the two islands and the difficulty of accessing supplies at affordable

[151] Government of Seychelles and Commonwealth Secretariat (2010).

prices. Government should explore ways to bring the cost of operations for tourism operators on Praslin and la Digue more in line with those on Mahe, and facilitate the servicing of accommodation and catering establishments on the two islands.

Recommendation 25 - Customer service. Visitors complained about the lack of hospitality and poor service standards at some accommodation and catering establishments. The Tourism Department should encourage the Seychelles Tourism Academy should put more emphasis on etiquette in the Academy's training programmes. Also, the Department should work with the Ministry of Education to reinforce awareness and sensitisation campaigns on the importance of the tourism sector to the Seychelles economy with increased focus on secondary schools.

Recommendation 26 - Access to the beach. Visitors complain of the limited access to some beaches where hotels are located on the foreshore in contravention of government policy. The Tourism Department should work more closely with the relevant hotel operators to ensure that the regulations on access to the beach are adhered to.

Recommendation 27 - Corporate responsibility. Stakeholders illustrated a number of practices especially adopted by large hotels that are not in line with the corporate responsibility requirements of Government. These include: (a) abusive behaviour by some hotel managers towards employees; (b) the management of some hotels are facilitating illegal taxi operations by car hire operators; and (c) restricting access to their establishments to tourist guides aiming to solicit business from their clients. The Tourism Department and the ministry in charge of employment should investigate these claims and take swift and decisive corrective measures.

Recommendation 28 - Informal businesses. There are an increasing number of informal businesses that are in direct competition with licensed establishments. These businesses have a competitive advantage over their licensed counterparts as they avoid paying taxes and licence fees, and do not have to comply with labour, health and safety regulations. The Tourism Department, Seychelles Licensing Authority and the Seychelles Revenue Commission should intervene to find ways to regulate these businesses.

G. Tourist guides

Recommendation 29 – Tourist information. Tourist guides noted that there is a lack of information about tourist guides at STB tourism offices. The Seychelles Tourism Board should include a corner for licensed tourist guides as part of the tourist information centres at the airport and at tourism accommodation establishments.

Recommendation 30 – Government support. The Tourism Department should encourage Government to explore appropriate social insurance schemes for tourist guides, similar to the ones for farmers and fishermen.

Recommendation 31 – Unlicensed tourist guides. There is an increasing number of unlicensed tourist guides providing tourist-guiding services. These include car hire operators, and large hotels that take advantage of the chauffeur-driven services that they are allowed to offer their clients. Oftentimes the unlicensed guides do not have the requisite knowledge and may misrepresent Seychelles' natural and cultural assets. Also, there have been complaints of harassment of tourists disembarking from cruise ships by unlicensed tourist guides at the Victoria Port. The Tourism Department and Seychelles Licensing Authority should ensure that the relevant regulations are enforced including through regular inspections.

Recommendation 32 - Condition of license. Tourist guides noted that currently the condition of their license put them at an unfair advantage relative to tour operators that are also allowed to offer tourist guiding services. The Seychelles Licensing Authority should review the license conditions for tourist guides with a view to allow individual tourist guides to offer tourist guiding services as a company and to allow tourist guides to drop their clients at tourist accommodation establishments and at the ports.

H. Tour operators and travel agents

Recommendation 33 – Marketing. Some stakeholders commented that tour operators tend to market Praslin, la Digue, glass-bottomed boats and bus tours only at the expense of other tourist attractions. The Seychelles Tourism Board and Tourism

Department in collaboration with tour operators and other tourism operators should explore ways to ensure that as many tourist attractions are marketed taking into account - tourism demand.

Recommendation 34 – Commission agents. A number of complaints have been levelled at commission agents including making airport transfers, soliciting business from tourists on the beach, and taking money from clients for providing services for delivery by other licenced operators, and failing to honour the contracts. The Seychelles Licensing Authority and the Tourism Department should clarify the role of commission agents relative to other operators, particularly tourist guides. The Authority should also strengthen the enforcement of extant regulations relating to commission agents.

I. Transport

Recommendation 35 – Cruise tourism policy. The Tourism Department and Seychelles Ports Authorities in collaboration with other relevant ministries, departments and agencies should develop a policy on cruise tourism in consultation with key stakeholders. The basis for the policy will be an assessment of the costs and benefits of cruise tourism with a view to reap the maximum benefit from it without impacting adversely on the other types of tourism.

Recommendation 36 – Viability of taxi operators. Taxi operators have raised a number of issues affecting their livelihoods. These include: (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. The Commissioner for Road Transport in collaboration with the Tourism Department and Seychelles Licensing Authority should undertake an in-depth study of the market for taxi services to ascertain the needs of taxi operators with a view to take appropriate policy actions. The study 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. The study should recommend appropriate policies and regulations to regulate the market for taxi services, and set taxi fares to ensure the taxi operators make a reasonable return on investment.

Recommendation 37 - Enforcement of licence conditions. A number of complaints pertaining to the deficiencies in the management of the licensing system have been reported. Firstly, the Code of Conduct that is part of the *Taxi Policy for Seychelles, 2015* is not being enforced with some taxi operators driving under the influence of alcohol and not wearing appropriate attire. There are also reports of taxis being used for illegal activities and some taxi operators issued with a taxi licence even with previous convictions for committing a serious offence. Thirdly, there are reports of collusion between the management of some large hotels and providers of unlicensed taxi services. The Commissioner for Road Transport and Seychelles Licensing Authority in consultation with the Tourism Department should: (a) ensure that the relevant regulations are enforced including through regular inspections; and (b) set clear criteria for issuing a taxi license with strict standards and guidelines that should be adhered to.

Recommendation 38 – Viability of car hire operators. Car hire operators have raised a number of issues affecting the viability of the car hire business in Seychelles. These 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. The Commissioner for Road Transport in collaboration with the Tourism Department and Seychelles Licensing Authority should undertake an in-depth study of the market for car hire services to ascertain the needs of car hire operators with a view to take appropriate policy actions. 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 study should recommend appropriate policies and regulations to regulate the market for car hire services.

Recommendation 39 - Enforcement of licence conditions. A number of complaints pertaining to the deficiencies in the management of the licensing system have been reported. These include: (a) collusion between the management of some large hotels and providers of unlicensed car hire services; (b) annual inspections encourage car operators to cut costs by not keeping an office for the whole year over which the licence is valid as required by government policy; (c) foreigners are using creative ownership structures to get around the requirements for Seychellois ownership of car hire operations; (d) some operators are using creative ownership structures to get around the limit on the number of car hire businesses that an individual can own; and (e) car hire business are being used for illegal activities. The Commissioner for Road Transport and Seychelles Licensing Authority in consultation with the Tourism Department should: (a) ensure that the relevant regulations are enforced including through regular inspections; (b) explore the possibility of issuing car hire licences for 5 years as oppose to one under current regulations; and (c) set clear criteria for issuing a car hire license with strict standards and guidelines that should be adhered to.

Recommendation 40 – Condition of licence. Car hire operators noted that although they are commercial businesses, car hire operators pay taxes similar to private owners unlike taxi operators. The Seychelles Licensing Authority and Seychelles Revenue Commission should consider the re-classification of car hire operators as commercial businesses for tax purposes**.**

J. Marketing and product development

Recommendation 41 – Broadening the scope of destination marketing. Stakeholders noted that the marketing of Seychelles as a tourism destination is too much focused on nature, the honeymooner market segment, sea-sand-and-sun holidays, and accommodation establishments. The Tourism Department and the Seychelles Tourism Board should work closely with a broader group of tourism operators in order to increase their visibility and marketing at both domestic and international levels. This may entail reviewing the fairs covered to go beyond the traditional fairs to more specialist ones, targeting more aggressively visitors from emerging markets, and increasing the use of all-inclusive holidays to attract specific demographic including families.

Recommendation 42 – Improving the quality of tourism products. Tourism operators have the responsibility to ensure that their product offerings are in line with the Tourism Department's quality standards and aligned with the marketing philosophy of the destination. The Tourism Department should collaborate with the Seychelles Tourism Board and tourism operators to develop guidelines and quality standards for tourism products.

Recommendation 43 – Inventory of tourist services. The Tourism Department should urgently undertake an inventory of the facilities and services provided to tourists in Seychelles. This exercise would ascertain the availability and quality of the tourist facilities and services and should cover, at a minimum the facilities and services listed in Table 12.2. The inventory should also document the number of visits to natural and cultural attractions, and the number of visitors participating in tourism activities. It should also highlight any statistical gaps and make recommendations to address these gaps.

K. Human resources management and development

Recommendation 44 – Qualified local staff. Tourism operators complain of the difficulty in finding qualified local staff, especially on Praslin and La Digue where affordable housing is unavailable. Furthermore, there is a perception that training programmes offered by the Seychelles Tourism Academy are oriented towards the needs of large hotels and is often not customized for smaller establishments. The Seychelles Tourism Academy 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. The Seychelles Tourism Academy should also expand its in-service training programme for hospitality employees.

Recommendation 45 - Staff turnover and productivity of local employees. Tourism operators complain about the high staff turnover and low productivity among local employees in general, especially in the accommodation industry. The Tourism Department and the ministry in charge of employment should investigate the cause of the high staff turnover and low productivity with a view to formulate corrective measures. These may include revisiting conditions of employment in the tourism sector with a view to retain staff within the sector.

Recommendation 46 - Attitude of local employees. Tourism operators underscored the negative attitude of some local employees. The Seychelles Tourism Academy and Tourism Department should put more emphasis on etiquette in its training programmes. The Tourism Department in partnership with the Ministry of Education should reinforce awareness and sensitization campaigns on the importance of the industry, including in secondary schools.

Recommendation 47 – Recruitment of expatriates. Tourism operators noted the difficulty of recruiting foreign staff to meet the demand of the industry in the short term. The Tourism Department and the ministry in charge of employment should investigate this issue with a view to recommend policy measures for the consideration of Government. Some options that could be considered include: (a) simplifying the process of recruitment from overseas; (b) allowing payments of Gainful Occupational Permit (GOP) in instalments; and (c) allowing GOP for short term technical assignments.

Recommendation 48 – Tourist guiding training. Although the Seychelles Tourism Academy offers a course on tour guiding, there are not enough tour guides being trained. The Academy should consider involving experienced tourist guides in the development and teaching of full-time and in-service courses on tourist guiding.

Recommendation 49 – Internationally certified divers and boat skippers. There is currently a dearth of internationally certified divers and boat skippers to serve the boat chartering recreational diving and yachting industries. There is a lack of skippers in the above-60-nautical-miles category. The Tourism Department in consultation with the Agency for National Human Resources Development should encourage the Seychelles Maritime Academy and Seychelles Maritime Safety Authority to develop courses in consultation with business operators to train local divers and boat skippers, including in the above-60-nautical-miles category. In order not to put local divers and skippers at a competitive disadvantage, these courses should be accredited by the relevant industry standard-setting bodies.

Recommendation 50 – Hospitality training for other tourism-related industries. 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. TD should ensure that Seychelles Tourism Academy in collaboration with other local training institutions explore the 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*.

Recommendation 51 – Human resource development plan for maritime tourism. 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. In particular, there is a focus on human resource development for the hospitality industry. The Tourism Department in collaboration with the Agency for National Human Resources Development, the Department for the Blue Economy, the Department of Environment, Seychelles Fisheries Authority, Seychelles Maritime Academy, Seychelles Maritime Safety Authority, Seychelles Ports Authority, Seychelles Tourism Academy, and Seychelles Tourism Board should undertake a thorough human resource audit of maritime-based tourism activities that will provide the basis for a human resource development plan for maritime tourism. This may form part of the exercise to develop a maritime tourism strategy (see Recommendation 14).

Recommendation 52 – Human resource development plan for tourism. The Tourism Department in consultation with the Agency for National Human Resources Development, Seychelles Tourism Academy, Seychelles Maritime Academy, other relevant ministries, departments and agencies, and operators in the tourism sector should develop a human development plan for the tourism sector. The plan should be informed by the human resource development plan for maritime tourism (see Recommendation 51) as well as human resource development plans of other tourism industries.

Recommendation 53 – Post titles for the tourism sector. The Tourism Department and the ministry in charge of employment should ensure that there is a streamlined and standardized list of post titles for the tourism sector. This is important to facilitate planning, monitoring, analysis and reporting of expatriate employment in the tourism sector.

L. Health, security, safety, and risk management

Recommendation 54 – Compulsory travel medical insurance. The Tourism Department should encourage Government to make it compulsory for visitors to have travel insurance. This can be implemented by requiring that visitors have travel insurance before entry permits are issued.

Recommendation 55 – Reporting of crimes against visitors. The Tourism Department should continue to its endeavour to encourage visitors and tourism accommodation establishments to report criminal activities against visitors in a timely manner.

Recommendation 56 – Travel advisories. The Tourism Department should make considered use of travel advisories to make visitors aware of illegal tourism operators and unsafe practices. However, to ensure that advisories are balanced and avoid excessive travel warnings that can adverse effects on tourism revenue, the Department should follow the Guidelines on Travel Advisories issued by the United Nations World Tourism Organization.

Recommendation 57 – Capacity issues. Government should increase investment in safety and security in general and the capacity of safety and security departments and agencies that work closely with the tourism sector. These departments and agencies include the Seychelles Maritime Safety Administration, Marine Police and the Tourism Department.

M. Statistics and economic evaluation

Recommendation 58 – Tourism satellite accounts. The Tourism Department and National Bureau of Statistics should expedite the work to compile tourism satellite accounts for Seychelles. This should involve reviving the Committee on Tourism Satellite Accounts.

Recommendation 59 – Tourism statistics. The Tourism Department, National Bureau of Statistics and relevant ministries, departments and agencies should develop instruments to collect more comprehensive and disaggregated statistics on the activities of the various tourism industries. The main categories of statistics are as follows:

- Landing statistics – Number of residents and visitors landing on islands.
- Cruise tourism statistics - number of cruise travellers broken down into tourists, excursionists and crew members; and expenditure by cruise passengers, crew members, and ships.
- Natural and cultural attractions - visitations, amount spent and level of satisfaction.
- Maritime tourism statistics - number of visitors using the different marine activities, visitors' satisfaction, expenditure on the activities, and the value of maritime-related tourism activities to the economy.
- Yachting statistics - yacht ownership; and bed and room occupancy for yachts live-a-boards.
- Projected bed capacity – 5-year projections of bed capacity based on approved projects updated annually.
- Statistics on restaurants - number of restaurants owned by Seychellois and foreigners; number of restaurants by speciality.
- Ownership structure of tour operators.

Recommendation 60 – Economic valuation of tourism industries. The Tourism Department in collaboration with relevant ministries, departments and agencies should undertake thorough cost-benefit analysis of important sub-sectors of tourism, including natural and cultural heritage tourism and maritime tourism.

Recommendation 61 – Centralisation of production and dissemination of tourism statistics. The production of and dissemination of tourism statistics are fragmented and uneven. The Tourism Department and National Bureau of Statistics should take the lead in the production and dissemination of key tourism statistics. At a minimum, statistics on the core indicators in Table 15.4 should be produced and disseminated on an annual basis.

Recommendation 62 – Tourism projections. The Tourism Department in collaboration with relevant ministries, departments and agencies should ensure that 5-year forecasts on key tourism statistics including: arrivals; tourism earnings; destination marketing; and requirements for accommodation, workforce, airline seats, and utility services are produced and updated at least annually.

Recommendation 63 – Tourism market intelligence. The Tourism Department in collaboration with relevant ministries, departments and agencies should produce regular market intelligence. This should involve the synthesis of official statistics produced by the National Bureau of Statistics and statistics from other sources to produce insights for the benefit of policy makers and tourism operators. Studies on topical tourism issues should also be conducted. Some of the current topical issues include the effect of diversification of visitor arrivals on average length of stay and average spending per visitor, and policies to increase the linkages of the tourism sector with the rest of the economy and to reduce leakages from tourism spending.

Abbreviations and acronyms

ANHRD	Agency for National Human Resources Development
CINEA	Creative Industries and National Events Agency
EEZ	Exclusive Economic Zone
GDP	Gross domestic product
GOP	Gainful occupational permit
GPS	Global positioning system
IMF	International Monetary Fund
IMO	International Maritime Organisation
MICE	Meetings, incentives, conferences and events
NBS	National Statistical Bureau (of Seychelles)
NGO	Non-governmental organization
NHM	National History Museum
NHRDC	National Human Resources Development Council
OECD	Organisation for Economic Cooperation and Development
OTA	Online travel agency
PA	Protected area
PUC	Public Utilities Corporation
SAMOA	SIDS Accelerated Modalities of Action
SASC	Scheduled air seat capacity
SCHOA	Seychelles Car Hire Operators Association
SCR	Seychelles rupee
SDGs	Sustainable development goals
SEnPA	Small Enterprise Promotion Agency
SF	Scheduled flights
SIB	Seychelles Investment Board

SIDS	Small island development states
SIF	Seychelles Islands Foundation
SLA	Seychelles Licensing Authority
SMA	Seychelles Maritime Academy
SMSA	Seychelles Maritime Safety Administration
SNPA	Seychelles National Park Authority
SPA	Seychelles Port Authority
SPTC	Seychelles Public Transport Corporation
SSTL	Seychelles Sustainable Tourism Label
STA	Seychelles Tourism Academy
STB	Seychelles Tourism Board
STHA	Seychelles Tourism and Hospitality Association
STOA	Seychelles Taxi Operators Association
TD	Tourism Department (of the Ministry of Tourism and Culture)
TIES	The International Ecotourism Society
TSA	Tourism Satellite Accounts
T & T	Travel and Tourism
UNCTAD	United Nations Conference on Trade and Development
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
UNWTO	United Nations World Tourism Organization
US$	United States of American dollar
WEF	World Economic Forum
WTTC	World Travel and Tourism Council

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Great Barrier Reef Marine Park Authority: http://www.gbrmpa.gov.au/zoning-permits-and-plans/environmental-management-charge/what-are-the-charges

;
Ports Association of Indian Ocean Islands: http://www.apioi.com/index.php?page=article_left&id_rubrique=19&id_article=22&lang=en

Seychelles National Park Authority: http://www.snpa.sc/

Seychelles Island Foundation: http://www.sif.sc/

Seychelles Tourism Board: http://www.seychelles.travel/

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World Travel and Tourism Council: http://www.wttc.org/

ZilAir: http://www.zilair.com/index.php

Annex 1: List of individuals and organizations interviewed/consulted as part of the revision exercise

ORGANISATIONS/SECTORS	PERSONS CONSULTED
MINISTRIES AND DEPARTMENTS	
Minister of Tourism, Civil Aviation, Ports and Marine	Mr Didier Dogley; Mrs Anne Lafortune, Mrs Bernice Senaratne, Mrs Sinha Lekhovic, Mr Louis Desnousse; Ms Philomena Hollanda, Ms Diana Quatre, Ms Diane Charlot
Ministry of Finance and Trade	Amb. Maurice Loustau-Lalanne; Mr. Patrick Payet
Civil Aviation and Ports & Marine Department	Mr Garry Albert, Ms Valentina Barra;
Land Transport Department	Mr Pat Andre, Mr Desire Payet, Mrs Jane Larue
Agency for National Human Resource Development	Mrs. Nadia Lauricourt
Culture Department	Ms. Cecile Khalebi, Mr Gabriel Essack; Ms Julienne Barra;
Department of Immigration	Mr. Alain Volcere, Mr Paul Didon
Fair Trading Commission	Mr. Francis Lebon
Seychelles Maritime Academy	Captain Taraka Telwatta, Captain Wilton Ernesta
Department of Employment	Mr Jules Baker; Ms Susan Morel; Mr Sandro Ernesta; Ms Vanessa Dugasse;
Department of Environment	Mr. Alain De Commarmond
Department of Energy and Climate Change	Mr. Wills Agricole
Economic Planning Department	Mrs Elizabeth Agathine, Mrs Jennifer Jasmin
Department of the Blue Economy	Mrs Rosemarie Bargain, Mr Philippe Michaud
Ministry of Fisheries & Agriculture	Mr Antoine Marie Moustache
National Arts Council	Mr. Jimmy Savy
National Bureau of Statistics	Ms. Laura Ah-Time; Sheena Saldanha
Planning Authority	Mr. Joseph Francois
Seychelles Civil Aviation Authority	Mr. Gilbert Faure; Mrs Lise Morel
Seychelles Energy Commission	Mr. Tony Imaduwa
Seychelles Investment Board	Mr. Lenny Gabriel
Seychelles Land Transport Agency	Mr. Parinda Herath
Seychelles Licensing Authority	Mr Andre Pool; Ms Angelic Appoo; Ms Flavia Contoret; Ms Judy Sinon;
Seychelles Maritime and Safety Administration	Captain Joachim Valmont
Seychelles Police	Deputy Commissioner Ted Barbe; Chief Superintendent Sean Jacklin
Seychelles Ports Authority	Lt. Colonel Andre Ciseau; Mr David Bianchi; Mr Neil Rene
Seychelles Revenue Commission	Mr Ronald Cafrine; Mr Daniel Dugasse;
Seychelles Tourism Academy	Mr. Flavien Joubert; Mr Peter Moncherry
Seychelles Tourism Board	Ms. Sherin Naiken; Ms Jenifer Sinon
PARASTATAL & AGENCIES	
Seychelles National Parks Authority	Mr Selby Remy
Seychelles island Foundation	Dr. Frauke Fleischer Dogley

ORGANISATIONS/SECTORS	PERSONS CONSULTED
Seychelles Heritage Foundation	Ms. Benjamine Rose
Seychelles Fishing Authority	Mr. Ronny Renaud; Mr Calvin Gerry;
Public Utilities Corporation (PUC)	Mr. Philippe Morin; Ms Doreen Bradburn; Mr Wingate Mondon;
Public Health Authority	Mr Andrew Richard; Ms Brigitte Zelia; Mrs Beltane Raguin; Ms Jeanette Moumou; Ms Shamin Jumaye;
Island Development Company Ltd	Mr. Glenny Savy
Seychelles Agricultural Agency	Mrs Linetta Estico; Mr Wills Dogley
Mayor of Victoria	Mr David Andre
CINEA	Mr. Galen Bresson
TOURISM OPERATORS	
Restaurant owners	Mr. Samad Suleman; Ms. Maria Soubana; Mrs. Micheline Georges; Mr. Muditha Gunatilake; Mr Richard Mancienne; Mr. Marco Rigamonti; Mr. Brett Saunders; Mrs. Silvana Torsi; Mr Anshul Sharma; Ms. Christelle Verheyd en; Ms. Jessica Fonseka; Mr Albert Geers; Mr Alexander Geers; Mr Romeo Radegonde; Mr Gianluca Jauentino; Mr Roy Fonseka; Mrs Tannia Hoareau; Mrs. Fara Noddyn; Mrs Margret Sun
Boat charter operators	Mr Gilly Fideria; Mr. Frank Jean; Mr Curtis Constance; Mr. George Gardette; Mr. Kevin Lesperance; Mr. Rod Thorrington; Mr Simon Laurencine; Mr. George Gardette; Bruce Horner; Mrs Jaqueline Rivolta; Mr. Jurgen Kass; Mr Ralph Tirant; Mr Gerard Larue; Mr. Marcus Simara; Mr. Anthony Payet; Mr. Alain Adrienne; Mr Abdul-Haq Jumaye; Mr. Frank Talma; Mr Lydia & Danny Bastienne; Mr Roland Pate; Mr Stephane Troubellary; Miss Rita Rose; Mr Gerry Rousseau
Yacht charter	Mr Sylvain Caburet; Mr. Stephanie Bonnelame; Mrs. Celeste Roberts; Mr. Roberto; Mr. Jeffery Boucary; Mrs. Benardette Contoret; Ms. Morgane Vaillant; Mr Francois De Lafortune; Mr Sameeh; Ms. Ginny Barbe; Mr. Konrad Tarasiewics; Mr Luc Heymans;
Tour operators	Mr Lenny Alvis; Ms. Ginny Barbe; Mr. Guillaume Albert; Ms. Daniella & Chamika; Ms. Cindy Li; Mr. Kamal Dhanjee; Mrs. Margarita Vladova; Mr. Nitesh Singh; Mr. Kevin Albert; Mr. Ralph Henri; Mr Alan Maison; Ms. Daphnee Hoareau;
Tour guides	Mr Zakhar Liapoun; Mr. Guy Didon; Mr. Darel Simeon; Mr. Cyril Payettte; Mr Bertie Chrisostome; Mr. Johnny Baptiste; Mr. Michel Kouakou; Mr Stevens Duval; Mr Roxy Athanase; Mr. Helvire Riage; Mr Jimmy Rangasamy; Mr Philip Wong; Mr Jacques Souris; Mr. Michel Denousse; Mr G Esparon
Large hotels	Mr Stephane Duchenne; Mr. Andre Borg; Mr. Johannes Steyn; Mr. Sergey Klymenko; Mr. Stephane Vila; Mrs Erica Tirant; Mr. Robert Toussaint; Mr. Alexander Geers; Mr. Lionel Ferrari; Mr. Cyrille Carafano
Guest houses & self-catering establishments	Mr. Jose Saint Ange; Mrs. Alice Tirant; Mrs. Cecile Berlouis; Mr. Sven Awege; Mr. Bertrand Barbier; Mrs Sherille Confait; Mrs. Daniella Vidot; Mrs. Celestine Gedeon; Ms. Anne Seraphine; Ms. Rose Mary Simara; Ms. Theresa Vandagne; Mr. Marlon Montano; Mr. Jean Marc Volcy; Mr James Morel; Mr Marcella Maringo; Mrs Celestine Gedeon; Mrs Marcella Maringo; Mr Jerry Souris; Mrs Noella Shamlaye; Mrs Shana Surman; Mrs Tannia Hoareau; D Chetty; Mrs. Chantale Bijoux; Mr Rupert & Sally Gopal; Ms. Nicole Saint Ange; Ms. Florry Larue
Taxi Operators	Mr Jemmie Bonne; Mr. Justin Francois; Mr. Nicol Labrosse
Car Hire Operators	Mr Jadel Malow; Mr. Vincent Padayachy; Mr. Simon Hoareau

ORGANISATIONS/SECTORS	PERSONS CONSULTED
Commission agents	Mr. Philippe Banane; Mr. James Desaubin; Ms. Nelle Anacoura; Mr Mervin Elizabeth; Ms Lydia Bastienne; Mr. Roberto Delorie; Ms June Mothee; Ms Giovinella Brown
Airlines	Mr Wenco Althius, Mrs. Denise Rassool (General Manager)
Diving	Mrs Glynis Rowat
Seychelles Hotel and Tourism Association	Mr. Jean Weeling, Mr Martin Kennedy, Mrs Sybil Cardon, Mr Eddie D' Offay, Mrs Daniella Alis, Mr Guillaume Albert
Seychelles Sustainable Tourism Foundation	Mrs. Diana Korner, Ms Rosetta Alcindor
Praslin Business Association (PBA)	Mr. Christopher Gill, Mr William Rose, Mr Ronny Arnephy; Mr Pierre Dogley, Nigel Hoareau, Daniel Uzice, Aron Lesperance, Adrian Uzice, Mr Paul Rouillon, Mr Emmanuel Uzice
La Digue Business Association	Mr Jose Saint Ange, Mr Gerard Lablache, Ms Rose Lesperance; Mr Daniel Socrate; Mr Ericssen Larsen; Mr Melton Ernesta, Mr Allen Niole, Mr Perrin Pierre, Ms Ruby Rose, Ms Elna Waye Hive, Jean Armstrong;
Agro-tourism consultant	Mr Guy Pierre Morel
Eden Island	Mr Charles de Clarisse; Mr John Smith
Validation Workshop Wednesday 30th May 2018	
Participants	Minister Didier Dogley, Mr Garry Albert, Mrs Anne Lafortune, Captain Wilton Ernesta, Captain Joachim Valmont, Ms Laura Ah-Time, Ms Sheena Saldanha, Colonel Andre Ciseau, Mr Flavien Joubert, MRs Bernice Senaratne, Ms Francesca de Charmoy Lablache, Ms Philomena Hollanda, Mrs Sinha Levkhovic, MS Diana Quatre, Ms Diane Charlot, Mr Louis Denousse, Ms Sophie Morgan, Ms Maryana Labonte, Mrs Jennifer Jasmin, Mr Lenny Gabriel, Ms Florence Marengo, Mr Jean Weeling-Lee, Ms Amit Wasserberg, Peter MOncherry, Mr Jose St Ange, Mr Georges Gardette, Mr Darel Simeon, Mr Jimmie Bonne, Mr Justine Francois, Ms Benjamine Rose, Mr Guy Morel, Mr Samad Suleiman, Mr Eric Renard, Mrs Christelle Verheyden, Mr Sylvain Caburet, Mr Gilly Fideria, Mr Michel Kouakou, Mr Charles de Clarisse, Mrs Celeste Roberts, Mr Jadel Malow, Mrs stephanie Bonnelame, Mr Rod Thorrington, Mr Lionel Ferrari, Mr Lenny Alvis, Mrs Daniella Payet- Alis, Mr Richard Mancienne, Mr Stevens Duval, Mr Nitesh singh, MRs Noella Shamlaye, Mr Bertrand Barbier, Mr John Sahyoun, Mr Dereck barbe, Mr Nigell Payet, Mr Said Afif, Mr John Quilindo, Mrs Denise Prea, Mrs Sarbina , Ms Sophia Rosalie, Mr Frank Talma, Mr Eddie D'Offay, Ms Valentina Barra, Mr Muditha Gunathilake, Mr Andre Pool, Ms Angelique Appoo, Ms Judy Sinon, Marie Anne Soubaro, Ms Sandra Bastienne, Ms Marie-May Muzungate, Arvind Douchun, James Descale, Alexander Geers;
Validation Workshop Friday 12th April 2019	
Participants	Minister Didier Dogley, MRs Anne Lafortune, Mr Alan Renaud, Ms Nathalie Edmond, Ms j Goorapal, Ceceile Khalebi, Mr Claude Narain, Mr Soobeeraj Goorapol, Sean Jacklin, Flavien Joubert, Mr Jose St, Ange, Ms Kathleen Nicette, Ms Audrey Rath, Ms Dorotha Michel, Ms Brigitte Joubert, MR Kurtis Lespoir, Ms Marie-Alice Amelie, Dr Sanjeev Pugazhendi, Ms Sophie Morel, Mr Lenny Alvis, Mr Andre Pool, Mr Paul Labaleine, Mr Jimmy Lenclume, Mr Adrian Nanty, Mr Frank Ally, Ms Cynthia Alexander, Mr Tony Imaduwa, Mr Aubrey Focktave, Mrs Mermedah Moustache, MR Damien Thesee, Mr Armaan Shah, Mrs Jane Larue, MR Glynn Burridge, Mrs Amia

ORGANISATIONS/SECTORS	PERSONS CONSULTED
	Jovanosevich, Ms Florence Marengo, Ms Sophia Rosalie, Mr Jean Alcindor, Mrs Rose-Marie Bargain, Ms Aicha de Comarmond, Mr P. Herath, Ms Diana Korner, , Ms Maryana Labonte, Ms Sophie Morgan, Mrs Luisa Woodcock, Mr Melton Ernesta, Mr David Bianchi, Mrs Daniella Alis, Mr Christopher Gill, Mr. William Rose, Mr Perrin Pierre, Mr Paul Rouillon, Ms Janice Bristol, Mr Kenneth Tomkin, Ms Naarah Farabeau,

Annex 2: General definitions of commonly used terms used in relation to natural heritage[1]

Biodiversity: The variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems (Convention on Biological Diversity).

Coastal erosion: is the wearing away of land and the removal of beach or dune sediments by wave action, tidal currents, wave currents, or drainage.

Co-management: A partnership in which two or more stakeholders negotiate, agree upon guarantee and implement a shared set of management functions, benefits and responsibilities for a particular protected area.

Conservation: The protection, care, management and maintenance of ecosystems, habitats, wildlife species and populations, within or outside of their natural environments, in order to safeguard the natural conditions for their long-term permanence.

Endemic: Native to, and restricted to, a particular geographical region.

Exclusive Economic Zone (EEZ): A zone under national jurisdiction (up to 200 nautical miles wide) declared in line with the provisions of 1982 United Nations Convention on the Law of the Sea, within which the coastal State has the right to explore and exploit and the responsibility to conserve and manage, the living and non-living resources.

Marine Protected Area: A clearly defined geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values. Marine park areas can offer a spectrum of management strategies ranging from full protection, or no-entry areas, to multiple-use areas which prohibit limited activities. No-take marine park areas are spatial closures that prohibit all forms of resource extraction, especially fishing. Limited take marine park areas include those parks with mixed harvest or restricted harvest prohibition areas.

No-take zone: A Marine Protected Area that is completely (or seasonally) free of all extractive or non- extractive human uses that contribute impact.

Protected Area: a clearly defined geographical space, recognized, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values.

Zoning: A key management tool for multiple-use protected areas, allowing areas to be set aside for particular activities such as protection of key habitats, research, education fishing and tourism. Zoning helps to eliminate conflict between different users, to improve the quality of activities and to facilitate compliance.

[1] Government of Seychelles (October 2013).

Annex 3: List of national monuments in Seychelles

A. MAHE

1. Beauvoir Cemetery - La Misere
2. Bel Air Cemetery - Victoria
3. Bicentenial Monument - Victoria
4. Botanical Garden - Mont Fleuri
5. Cascade Catholic Church
6. Chateau Mamellles - Les Mamelles
7. Diamond Jubilee Fountain - Victoria
8. Freedom Square - Victoria
9. Kenwyn House - Victoria
10. La Bastille Building - Pointe Conan
11. La Domus (Roman Catholic Priests' Residence) - Victoria
12. La Plaine St André - Eco-Musee - Au Cap
13. Le Palmes Theatre - Mont Fleuri
14. Liberation Monument - Zonm Lib - Victoria
15. Maison Du Peuple - Victoria
16. Mission Ruins Port Glaud District
17. Nageon House - Pointe Larue
18. Old Government Secretariat - Victoria
19. Pierre Poivre Bust - Victoria
20. Saint Paul's Anglican Cathedral - Victoria
21. Sans Souci House or "1776" - Sans Souci
22. SPUP/ SPPF Museum - Victoria
23. State House - Victoria
24. State House Cemetery - Victoria
25. Supreme Court Building - Victoria
26. Domaine De Val Des Près Au Cap
27. Victoria Clock Tower - Victoria
28. Creole Institute - Au Cap
29. Ros Leskalye - Port Launay
30. Ros Cochon - Anse Louis
31. Marie Antoinette Restaurant (Gran Triano) - Victoria
32. Ros Sodyer or Trou Sodyer - Takamaka
33. Victoria Harbour Light House
34. Liberty Monument - Victoria
35. Miray Demon - Pointe Larue

B. PRASLIN

36. Anse Boudin Catholic Church
37. Baie Ste Anne Catholic Church

C. LA DIGUE

38. Granite Boulder - L'Union Estate
39. La Digue Catholic Church - Anse Reunion
40. Plantation House - L'Union Estate
41. Eustaches Sardes House - Anse Reunion
42. Gregoire’s Payet House - Anse Reunion

D. CURIEUSE

43. Doctor’s House

E. SILHOUETTE

44. Plantation House
45. Dauban’s Mausoleum

F. FARQUHAR

46. Plantation House

Source: Seychelles Heritage Foundation, January 2016.

Annex 4: List of national heritage sites in Seychelles by districts

ANSE AUX PINS - Capucins Ruins - Nageon Cemetry - Reef Hotel - Ex-Plantation House, La Plaine **ANSE BOILEAU** - Priest Residence - Notre Dame de Sept Douleur - Ex-Maxime Jumeau's House, Anse a la Mouche **ANSE ETOILE** - World War II Observation Post **AUX CAP** - Charles Zialor's house –Mr Jean 21 (konba) - Port Louise - Kavo (Montagne Posee) - Creole Institute - La Plaine Ste Andre	**ANSE ROYALE** - "Belle Age" - Alibaye Shop **- Anse Baleine Cemetry** **- Anse Baleine House** **- Apasamy's House** - Anse Aux Courbes ruins – (behind Pte Au Sel Creche) - Auberge de Bougainville - Father Philibert's tomb (Sweet Escot) - Grotto on Apasamy's property - Holy Saviour's Church - Jardin du Rois - Liberation Bakery - Mrs Sauzier's House (behind the fuel station) - Priest Residence - Saint Joseph Church - The Anglican Cemetry - Kalorifer (Bougainville)
BAIE LAZARE - Lazare Picault Monument - Anse Poule Bleue Grotto - Mrs Marie-Louise Tirant's House - Saint Francis Church	**BEAU VALLON** - Fishermen's Cove Hotel - Sullivan Property - St.Louis Chapel - Lefevre Property (residence
BAIE STE ANNE PRASLIN - La Plaine Hollandaise Ruins - Sainte Anne Church - Saint Marc	**BEL AIR** - Basen Sarsel (Morne Blanc) - "Mission" First school of slaves
BEL OMBRE - Residence Danzile - Saint Luc Church - 79 Steps property	**CASCADE** - Poussou Cemetry - Saint Andre Church - Saint Mary's Chapel (Anse Dejeuner)
CURIEUSE -Ex-Doctor's House	**DENIS ISLAND** - Denis Island Chapel
ENGLISH RIVER - La Bastille Building - SBC Radio Station **FARQUHAR** - Plantation House **FREGATE ISLAND** - Fregate Chapel **GLACIS** - North Holme Hotel - Saint Jean-Baptiste Church **GRAND ANSE MAHE** - Sainte Famille	**LA DIGUE** - Ros Kriminel - Mr Seraphin Bouchereau/Claude Morel - Mrs Ivy Radegonde (Anse Reunion) - Mr Karl St Ange (Anse Reunion) - Mr Eustache Sardes' House - Mr Arthur Maillet's House - Union Estate Cemetry - Plantation House at L'Union - Kovo hossen - La Digue Church - Grand Kaz, L'Union Estate - Large Granite Boulders, L'Union
GRAND ANSE PRASLIN - Original Site Pierre Possession - St Joseph - St Joseph Hall - Anse Boudin Chapel **LES MAMELLES** - Ex-Chenard's property - Michel Apartment	**TAKAMAKA** - Intendence Hotel - Basin Diri (Petit Boileau) - Lepa Bondye - Mrs Tessie Ellinas Coprah Kiln - Mrs Tessie Ellinas House - Ros Legliz-Point Gaulette - Saint Marie Magdalena's Church
LONG ISLAND - Ruin of Quarantine station **MONT FLEURI** - Headquarter of Mesagerie Maritime - Ex-Regina Mundi School - Army/air/base at Modern School	**VICTORIA** - Fiennes Esplanade - Basen Seval - Carnegie Building - Cathedral of Immaculate Conception - Pirates Arms Restaurant

<table>
<tr><td>- Ex-Seychelles College
- Seychelles Hospital
- War Memorial Cenotaph
- SBC Television Station (Hermitage)
- Mont Royale Building</td><td rowspan="5">- Priest Residence
- Salle d' Oeuvre
- St Joseph Convent
- Ste. Elizabeth Convent
- Victoria Market
- Botanical Garden
- Freedom Square
- State House Cemetery (Ex-Mont Pavillon, State House)
- Les Palmes Theatre
- Maison Blanche, Liberation Road
- Maison du Peuple
- National Library Building
- State House
- Supreme Court Building
- Bicentennial Monument
- Clock Tower
- Liberation Monument (Zonm Lib)
- Pierre Poivre Bust
- Roman Catholic Priest Residence
- Saint Paul Cathedral
- “Kenwyn House”</td></tr>
<tr><td>PLAISANCE
- Beauvoir Cemetery
- Beauvoir Chapel
- Priest Residence
- Sainte Therese Church</td></tr>
<tr><td>POINT LARUE
- Point Larue District Administration’s Office
- Ex-Nageon Estate</td></tr>
<tr><td>PORT GLAUD
- Mahe Beach Hotel
- Saint Peter’s Church
- Ros Leskalye</td></tr>
<tr><td>SILHOUETTE
- Owner’s House
- Plantation House</td></tr>
</table>

Source: Seychelles Heritage Foundation, 2010

Annex 5: Main legislations regulating the management of natural and cultural heritage assets in Seychelles

Legislation	Description
The National Parks and Nature Conservancy Act (1969)	The primary protected area legislation in the Seychelles and it regulates the establishment, management, use and development of the categories of protected areas.
The Protected Areas Act (1967)	Primarily for reasons of national and internal security (i.e. to exclude persons/public access from certain areas), but it has however also been utilised to designate a 'protected area' for environmental reasons.
The Environment Protection Act (1994)	Provides for the protection, preservation and improvement of the environment and for the control of hazards to human beings, other living creatures, plants and property. Administered by the Environment Department.
Environment Protection (Impact Assessment) Regulations, 1994	Requires that an Environment Impact Assessment study be carried out and that an environmental authorisation is obtained if any person commences, proceeds with, carries out, executes or conducts development.
The Wild Animals and Birds Protection Act (and associated regulations) (1966)	Enables the protection of a number of keystone species in Seychelles, in particular all native bird species, turtles, whale sharks and Giant Tortoises. Also provides for the establishment and management of Nature Reserves.
The Forestry Reserves Act (1955)	Sets out provisions for the designation of 'forest reserves' but this category of protected area has to date never been utilised.
The Fisheries Act (1987)	Provides for restrictions on the harvesting of specific sensitive species and regulates marine habitat damage. Designates four Shell Reserves and three Fishery Reserves where licenses are required to undertake the various fishing activities allowed in such zones.
The Town and Country Planning Act (1972)	Provides the basis for land use planning in Seychelles.

Source: Government of Seychelles (October 2013).

Annex 6: Tourism-related activities that require a licence

Tourism activity	Licence fee (1 year)	Licence fee (5 years)
Accommodation		
To Keep/Manage a hotel		SCR100 per room
To Keep/Manage a guest house		SCR1, 200
To Keep/Manage a self-catering establishment		SCR50 per room (minimum fee SCR1, 000)
To keep/manage a Luxury Villa		
To Keep/Manage a restaurant		SCR1, 500
To Keep/Manage a Café		SCR1, 200
To Provide Catering Services		SCR500
To engage in a take-away business		SCR1, 200
Diving business		
Dive Center	SCR10, 000	
Dive Operator	SCR7, 000	
Power Dive	SCR2, 000	
Hirer		
Hirer of Bicycles	SCR400	
Hirer of Bullock Carts	SCR20	
Hirer of Public Omnibus	SCR500	
Hirer Self-Drive	SCR500 per vehicle per 6 months in addition to the road fund licence of SCR1 per CC	
Hirecraft		
- craft not exceeding 3m	SCR500*	
-craft exceeding 3m but nor 6m	SCR1, 500*	
- craft exceeding 6m but not 9m	SCR4, 000*	
- craft exceeding 9m but not 12m	SCR6, 000*	
- craft exceeding 12m but not 20m	SCR8, 000*	
- craft exceeding 20m	SCR10 ,000*	
Beach craft including windsurfing board, sail board and beach sports crafts	SCR100 per non-motorized equipment SCR200 per motorized equipment	
Plying Boat	SCR1, 000	
Trade Vessel	SCR2, 000	
Ferry	SCR2, 000	
Services		
Aircraft Agent		SCR3, 000
Commission Agent		SCR500
Shipping Agent		SCR5, 000
Trade		
Coco-De-Mer Dealer	SCR50	
Ship chandler		SCR2, 250
Tour Operator		SCR2, 000
Travel Agent		SCR2, 000
Tour Guide		SCR1, 000

Source: Seychelles Licensing Authotity, October 2015 |*= Where hire craft belongs to a Seychellois; where the hirecraft does not belong to a Seychellois, each of the fees is doubled.

Annex 7: Definitions of tourism-related terms in policy documents

ACCOMMODATION

Hotel means an establishment containing several rooms or suites, supplemented by one or more separate buildings that provides lodging or sleeping accommodation and ancillary food and beverage areas, includes a reception area, to the public for hire, the rate of which is calculated on a daily basis or for reward of any kind whatsoever.

Guesthouse means an establishment that provides lodging or sleeping accommodation with or without food and drink to the public for hire, the rate of which is calculated on a daily basis, or for reward of any kind whatsoever, in which the common facilities are for the exclusive use of its guests.

Self-catering establishment means an establishment that provides lodging or sleeping accommodation to the public for hire, the rate of which is calculated on daily basis, or for reward of any kind whatsoever, in which the facilities and equipment are provided for guests or clients to cook or prepare their own meals.

RECREATIONAL DIVING

Diving business means the business of a dive centre or a dive operator for the provision of facilities for recreational diving.

Dive centre means a person or a body of persons engaged in the teaching of diving. A dive centre may also offer diving excursions and must operate from a land-based facility.

Dive operator means a person or a body of persons engaged in conducting diving excursions. A dive operator is not allowed to offer tuition dives.

Power diving means a system of diving in which a person is connected to a floating unit that is towed along the surface supporting the air supply.

Recreational diving means diving excursions offered by any one of the diving businesses as a leisure activity and during which the dive does not go beyond the depth of 40 metres.

Confined waters mean a swimming pool or an open water site that offers swimming pool like conditions with respect to clarity, calmness and depth; the depth must allow students to meet all performance requirements outlined for that session.

RESTAURANT

Restaurant means any establishment that prepares, cooks and serves meals and beverages for sale to customers, either on a self-service or full-service basis.

TOURIST GUIDE

Tourist guide means a person who renders service to a tourist or any other person by guiding the tourist or the other person on a tour for remuneration.

TOUR OPERATOR AND TRAVEL AGENT

Tour operator means a person who, on a commercial basis:

(a) makes, directly or indirectly, arrangements for the carriage of tourists, or the carriage of their baggage or goods by any means whatsoever; or

(b) makes arrangements for lodging, transport or other services relating to travel of persons within Seychelles or who arranges entertainment, sight-seeing excursions or guide services, whether such arrangements are made on the basis of comprehensive, all inclusive, rate or on the basis of separate charges in respect of each service provided.

Travel agent means a person who, on a commercial basis, has authority in respect of sales for airlines and other carriers, either directly or indirectly.

Online booking agent acts as booking agent for services provided by other tourism operators, such as booking of hotel rooms or airline tickets, and they operate online only. These online booking agents conduct their operations through the Internet only via their own website. They do not have an office to receive clients.

Commission agent means any person who by way of business transact or arrange business for any person in consideration for a commission or other remuneration.

Annex 8: Code of Conduct for Taxi Operators[2]

Physical appearance

A licensed taxi operator is expected to:

- Always be well groomed, and wear long trousers when on duty. S/he shall not wear flip flops;
- Not use abusive language or be involved in any fight or quarrel with any passenger or any other person whilst on duty;
- Not be involved in any conduct or act which is prejudicial to the professional image to the tourism industry in Seychelles or to the image and good name of the country;
- Always safeguard his reputation and image as a licensed taxi operator;
- Have good public relations value and shall maintain friendly relations with and cooperate with other taxi operators and tourism establishments;
- Always try to understand the character and needs of the passenger under his care;
- Exercise his duty with due care to ensure that the passenger or any other person under his care is not placed under any untoward danger or unnecessary risks due to his actions or omissions;
- Not leave a passenger before the completion of hiring;
- Not pick or choose passengers, or refuse any hire without a valid reason, for example that the passenger is drunk;
- Comply with any reasonable request made by the passenger and shall not refuse any fare, no matter the distance required, except where the client is drunk or where the road is in a bad state of repair;
- Not solicit for passenger;
- Not smoke tobacco in the taxi whilst on hire;
- Not consume alcoholic drinks prior to or whilst on duty.

Operational conduct

A licensed taxi operator is expected to:

- Ensure that his vehicle is kept in a good and clean condition;
- Maintain the vehicle in a sound mechanical and roadworthy condition;
- Display the operator's licence number, with the name and photograph of the authorized driver on the dash-board;
- Have valid insurance cover at all times covering both the passengers and their property;
- Maintain all tyres, including spares, inflated in accordance with the manufacturer's recommendations;
- Not hinder nor obstruct other taxi drivers from picking up passengers;
- Produce vocational licence upon demand;
- Not ignore would-be passengers queuing at a taxi stand;
- Not request any commission from shops, hotels, guesthouses, restaurants, etc. nor shall he solicit for any tips;
- Not overcharge passengers, taxi meters shall be used at all times that a passenger is in the taxi. The fares indicated on the meter shall be the maximum chargeable.
- A receipt book shall be carried at all times and a receipt shall be issued on demand a request of the client;
- Not permit the taxi to be driven by any person other than a named or relief driver;
- Shall respect all the regulations relating to the operation of taxi queues where these are available;
- Shall remain on call 24 hours a day for service from the airport, town and hotels.

General conduct

In general, it is expected that:

- A Taxi Operator shall observe all the Road Transport regulations pertaining to the operation of a motor vehicle on the public road, as well as the specific regulations pertaining to the taxi industry, which may be amended from time to time.
- Any taxi operator who is a full-time driver shall be eligible to receive a taxi operator's licence; Drivers must operate a minimum of 5 hours per week.
- Drivers unable to speak either of these two languages should have a card with signs such as hotel, airport etc. which will enable clients to point out.
- Taxi operators shall sit general knowledge tests as well as driving and vehicle tests, as and when necessary in order to improve their services.
- Taxi operators shall accept the Ministry of Foreign Affairs and transport and or the Seychelles Licensing Authority as arbitrator in case of any litigation.
- Penalties will be laid out for any disciplinary offences, such as, overcharging clients, rudeness to clients, deviating clients, etc.

[2] Government of Seychelles (2015b).

Annex 9: International Recommendations for Tourism Statistics[3]

Tourism can be regarded as a social, cultural and economic phenomenon related to the movement of people outside their usual place of residence. Tourism refers to the activity of visitors.

A **visitor** is a traveller taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed in the country or place visited.

A **tourist** is a visitor if his/her trip includes an overnight stay; otherwise, a visitor is classified as a **same-day visitor** (or excursionist).

Three basic forms of tourism can be distinguished:

- **Domestic tourism** comprises the activities of a resident visitor within the country of reference.
- **Inbound tourism** comprises the activities of a non-resident visitor within the country of reference.
- **Outbound tourism** comprises the activities of a resident visitor outside the country of reference.

Measuring the flows of visitors: Both arrivals and nights are used to assess the flows of visitors. A distinction is made between arrivals at borders and in accommodation and nights spent in accommodation. As far as overnight tourism is concerned, accommodation statistics are an important statistical source of information on domestic and inbound visitors.

Direct tourism gross domestic product is generated by industries directly in contact with visitors.

Indirect tourism gross domestic product is generated by industries supplying inputs to industries directly in contact with the visitors.

[3] Organisation for Economic Co-operation and Development (2014).