

Bringing about the Blue Economy

INTERVIEW WITH H.E. JAMES MICHEL

PRESIDENT OF THE REPUBLIC OF SEYCHELLES



JAMES MICHEL became involved in politics in the Seychelles before its independence in 1976 serving as a member of the Executive Committee of the Seychelles People's United Party from 1974. Following the coup by France-Albert René in 1977 he became Minister of Public Administration and Information and served in a variety of portfolios in successive governments before becoming vice-President under René in 1996. When the latter stepped down in 2004 he became President and subsequently won the presidential election of 2006. He was elected for a second full term as President in May 2011.

Your government is leading calls for a more inclusive global development agenda emphasising the economic potential of the seas while protecting maritime resources: a 'blue economy'. What are the main advantages of developing this concept and how do you see the future exploitation of the oceans and their resources?

For Seychelles, and other island states, the future has to be the Blue Economy. We are small pieces of land scattered over a vast area of the ocean. Seychellois own 1.3 million square kilometres of this ocean. Our successful tourism and fishing industries, two key sectors of the economy, are the products of our waters. Taking stock of the economic potential in the waters around our islands, we find that the Blue Economy gives us a big new space for development. And we want the world to give greater value to that space and the wealth within it. To own, to protect, to exploit. That is why Seychelles is leading calls for a more inclusive global development agenda, which emphasises the riches of the seas while protecting maritime resources. Port Victoria is already the main tuna port in the Indian Ocean, transshipping over 200,000 metric tons of the fish a year. But we realise that less than 20 per cent of the tuna is processed in Seychelles. Therefore, there is huge scope to increase the processing capacity in Seychelles. More jobs, more value-added benefits, more prosperity for our nation.

The Blue Economy concept is gaining importance among island states worldwide, and also among bigger countries. In Seychelles, there is now a Ministry of Finance, Trade and the Blue Economy. The newly created Blue Economy department is coordinating what all government departments are doing in relation to developing the ocean. The Blue Economy is now a key component of our commitment to work with the private sector on how to grow the economy, open up new business opportunities and reduce the vulnerabilities Seychelles faces as an island nation. Our Blue Economy message has made history on the world stage. In February this year, our proposal for a partial exchange of our debt in return for financing action to mitigate climate change was accepted by the Paris Club. About US\$30 million of debt will be transferred to a fund for the protection and development of our marine space. Through this debt exchange we shall be better able to protect our oceans, and create opportunities for artisanal fishing.

How can Seychelles make a stronger impact internationally, and what role can the Commonwealth play in supporting Seychelles' regional and foreign goals?

As long as we have unity, stability and sustainable development in a preserved environment, we remain a good example to the world. This is also our vision for the world. We are a melting-pot society, living together in harmony and peace. These are values we want to share with the world. We are already making an impact on the world stage through our actions in support of small island developing states. We want the world to adopt a vulnerability index for Small Island Developing States (SIDS). The investment burden for infrastructure on SIDS is bigger because of their small populations. Per capita investment is heavier. We want some relief. We are determined in voicing our climate change concern. We are not responsible for the warmer temperatures and sea-level rise, yet we are the first to face existential threat because of them. We will continue resolutely to speak in favour of environment protection. We do not shy away from our international responsibilities, be they small or large. In the fight against piracy in the Indian Ocean we punch well above our weight. We are proud of the actions of our armed forces. We took steps to adapt our laws, which has allowed us to prosecute the pirates. Today the Indian Ocean region is safer and maritime traffic is once again high. It was the Commonwealth that helped Seychelles and Mauritius to make a joint submission to the United Nations for access to additional areas of seabed and associated resources. It is an important partner in our aim to further develop the Blue Economy concept. The Commonwealth is the bigger voice for small island states and it continues to provide SIDS with the right platforms to discuss issues pertinent to us, such as financing for development for small states, which was the theme of a recent Commonwealth conference held in Barbados in March 2015. It is natural, therefore, that the Commonwealth helps Seychelles and other SIDS nations in international activities such as trade negotiations, petroleum laws, environmental protection, climate change mitigation, building democracy and good governance. One of our foreign policy goals is to take a non-permanent seat on the United Nations Security Council for the 2017-2018 term. The Commonwealth, as a group of countries, can support our bid.

How successful has Seychelles been in attracting FDI, and which areas of the economy have benefitted most? What do you consider to be your priority investment sectors?

Over the last decade we have implemented several key initiatives towards improving our business climate, and there has never been a better time to do business in Seychelles than today. In 2010, we established the Seychelles Investment Board (SIB) under the Seychelles Investment Act 2010, with the purpose of promoting and facilitating investment. The board also plays a strong policy advocacy role and advises government on all issues relating to investment policies. Because the SIB serves as mediator between government and the private sector it is able to look at investment policy through both prisms. The Investment Act of 2010 itself provides for effective investor protection, free repatriation of profits and clear definitions as to what constitutes an investment. Moreover, we have also set up a commercial court and, therefore, have a reliable mechanism for dealing with commercial disputes. Obviously, we want to ensure that systems which provide security and a sense of stability to investors continue to be put in place, and I am pleased with the progress so far. So far, we have been very successful in our ability to attract FDI and, understandably, the majority of investments have occurred within the tourism sector, where we have recently seen the construction of several five-star hotels.

Do you think there is sufficient awareness in the Commonwealth of the serious challenges global warming presents?

The Commonwealth comprises 53 nations of varying levels of development and geographic size. Climate change remains one of the greatest challenges facing our world, and regardless of size it affects everyone in the long run. Today, however, the most vulnerable nations, notably SIDS, are experiencing the consequences of a changing climate which are, as a result, stifling social development and economic progress. Helping to build resilience and advocating for better climate mitigation frameworks is a core activity of the Commonwealth. We believe that the organisation is cognisant that over thirty of its members are considered small and vulnerable, and as such is obligated to ensure that awareness is raised to secure a viable future for at least half of its members. The Commonwealth has played an active role in advocating a change in attitude and spearheading projects to secure its members' social and economic aspirations for the future. The organisation must not, however, become complacent in the face of climate change as the phenomenon waits for no nation, big or small. Seychelles will continue to be a voice for vulnerable nations and champion the cause of SIDS both internationally and within the Commonwealth system. In addition, we are certain that as group of like-

minded nations together we will find innovative solutions to mitigate this gravest of problems.

What is your personal opinion regarding the development of hydrocarbons in Seychelles, and how would this fit in with a blue economy and greater use of renewables?

International companies exploring for petroleum in our waters keep finding interesting data. Seychelles and the oil firms together market the data worldwide. In Seychelles, because of our small landmass, hydrocarbons will have to come from beneath the ocean floor. It will be Blue Economy wealth. As a leader in environmental protection, we know that we have to exercise the utmost care when extracting the crude. We are prepared for the delicate exploitation process. I do not think that we will ever encourage massive exploitation of this resource. Crude oil is for the future, to benefit the generations to come. For the time being we continue to work hard, invest in the establishment of a base of emerging renewable power technologies, such as solar panels and wind turbines.

Finally, how important is the Commonwealth to Seychelles, and how you would like to see the organisation change and evolve?

The principles espoused by the Commonwealth and the shared heritage that it offers is something that Seychelles fundamentally believes in. The Commonwealth is an institution promoting discourse between nations, which view themselves as equals, regardless of their size or clout. This mutual respect and the voluntary basis of the association is crucial to encouraging members to raise the bar in terms of good governance, the rule of law and the highest democratic standards. The informal channels and relationships fostered by members of the Commonwealth can ensure security, peace and stability. We are conscious that harnessing these lines of communication offered by the Commonwealth is key to our universal aspirations of global peace, sustainable economic development and liberty. As the Commonwealth grows, we remain strong advocates for greater participation and claiming ownership of what is essentially our common wealth. We would very much hope much that the Commonwealth expands in scope to fulfil its vast potential and establish trade between members. We are in the Commonwealth system not because we are bound by it but because we have an affinity with it and believe in its shared values created through friendship, historic links and tradition. I also strongly believe in the potential of the young people who form an important part of the Commonwealth and who are the future of this distinguished organisation. The younger generations will be the ones who will continue to embrace the fundamental values, principles and aspirations of the Commonwealth. I believe that the future of the Commonwealth is bright. E

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