THE WAVERLEY SERIES

SEYCHELLES

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

LORD WAVERLEY

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SEYCHELLES — AT A GLANCE

Capital	Victoria
Population	≈ 100,000–120,000, across an archipelago of 115 islands
GDP	USD 2.32 billion (2025)
GDP per capita	USD 17,670 as of April 2026 — the highest in Africa (IMF)
Real GDP growth	IMF projects 3.4% for 2027
Credit rating	BB (Fitch Ratings), with no foreign exchange controls in place
Currency	Seychellois rupee (SCR)
Key sectors	Tourism, fisheries (particularly canned tuna processing), financial services, and a diversifying Blue Economy
Principal partners	India, Mauritius, Egypt (new visa-exemption agreement), European and Gulf tourism source markets; World Bank, UN Economic Commission for Africa
Governing framework	President Patrick Herminie, inaugurated 26 October 2025 following a competitive runoff election; United Seychelles party holds a parliamentary majority; a new independently managed sovereign wealth fund is being established

Seychelles marks 50 years of independence in 2026 having just completed a genuinely healthy, competitive democratic transition. President Patrick Herminie took office in October 2025 after defeating incumbent Wavel Ramkalawan in a real electoral contest, with Ramkalawan publicly praising his successor and ensuring an orderly, dignified handover of power — a notable contrast to the political dynamics seen in several neighbouring markets this series covers. Herminie inherits Africa's highest per-capita income economy, now backed by a newly announced $2 billion sovereign wealth fund and a World Bank roadmap identifying a credible path to 13% GDP growth by 2040, even as tourism income cools from recent record highs and public debt continues rising.

1. INVESTMENT & FDI

A newly announced $2 billion sovereign wealth fund and a World Bank productivity roadmap together define Seychelles' most consequential investment-policy developments this year.

Finance Minister Pierre Laporte announced on 1 September 2026 that Seychelles aims to transfer approximately $2 billion into a new, independently managed sovereign wealth fund within five years, with returns directed toward health, education and infrastructure including housing and roads. Separately, the World Bank's 2026 Seychelles Country Growth and Jobs Report, released 17 September 2026, found that productivity-focused reforms could increase GDP by 13% by 2040, create 2,900 additional jobs, and generate the equivalent of more than 7,600 better-paying positions, with real wages potentially rising by almost 8%.

- **A significant new sovereign wealth vehicle:** the planned $2 billion fund, to be independently managed and targeted specifically at health, education and infrastructure, represents a genuinely substantial new instrument for channelling Seychelles' resources toward long-term development priorities.
- **A credible, quantified growth pathway:** the World Bank's 13% GDP increase projection by 2040, alongside specific job-creation and wage-growth figures, provides investors with a concrete, evidence-based benchmark against which to measure the government's reform implementation over time.
- **An open, well-rated formal investment environment:** the absence of foreign exchange controls, combined with a BB credit rating from Fitch, reflects a genuinely stable and accessible formal investment framework relative to many frontier markets.
- **A minister's direct reform commitment:** Minister Laporte has stated Seychelles has 'no choice but to accelerate investment climate reforms,' particularly in strengthening the financial sector's offering to international investors.

2. TRADE & BUSINESS

Tourism and fisheries remain Seychelles' twin economic pillars, with canned tuna providing a genuine manufacturing counterweight to seasonal tourism.

Canned tuna production rose 8.5% through September 2025 according to central bank figures, a genuinely significant contribution given that tuna processing represents manufacturing activity employing people year-round, making it less exposed to the seasonal shocks that affect visitor-dependent tourism revenue. Tourism itself delivered record income under the previous administration, though recent reporting describes the sector as cooling as President Herminie takes office.

- **A durable manufacturing counterweight to tourism:** canned tuna processing's 8.5% production growth and year-round employment profile make it a genuinely valuable diversification asset distinct from tourism's inherent seasonality and exposure to global travel-demand shocks.
- **Tourism cooling from record highs:** the transition from a record tourism boom to a cooling sector represents a genuine near-term revenue headwind the new administration must manage alongside its broader reform agenda.
- **A long-horizon cruise tourism repositioning:** the Seychelles Cruise Tourism Strategy, covering 2026 to 2033 and developed with the UN Economic Commission for Africa, deliberately positions the archipelago toward smaller, premium and expedition vessels rather than mass-market cruise volume, with cruise calls rising from 35 in the 2024-25 season to 41 in the season closing June 2026, including eight maiden calls.

3. MAJOR ECONOMIC DEVELOPMENTS

A genuinely competitive, peaceful democratic transition installed a new president just as tourism cools and debt rises.

Following a first round on 27 September 2025 and a runoff held 9-11 October, Patrick Herminie of the United Seychelles party defeated incumbent President Wavel Ramkalawan by 52.7% to 47.3%, with United Seychelles also securing a parliamentary majority. Ramkalawan conducted what both sides described as an orderly and dignified transfer of power, meeting Herminie at State House to discuss the transition and later stating at the results announcement that he left office 'with a legacy that makes many presidents blush.' Herminie was inaugurated as Seychelles' sixth president on 26 October 2025 at Stade Linité in Victoria, an event attended by foreign dignitaries including India's Vice President and Mauritius's Prime Minister, and pledged in his victory speech to lower the cost of living, revive public services and unite the nation.

- **A genuine, competitive electoral contest:** the run-off format, the closeness of the final result, and both candidates' public commitment to a peaceful transition together represent a healthy democratic process, distinct from the single-party-dominant or disputed-election dynamics seen in several neighbouring markets this series covers.
- **A president inheriting both prestige and structural exposure:** Herminie takes office with Africa's highest per-capita income economy, but also a cooling tourism sector and rising public debt, meaning his administration's reform agenda begins from a position of genuine but narrowing fiscal comfort.
- **A symbolic fiftieth-anniversary milestone:** Seychelles marks 50 years of independence in 2026, a moment the government has used to frame its next half-century of economic ambition around high-value, innovation-driven sectors.
- **International diplomatic engagement at the inauguration:** the attendance of India's Vice President and Mauritius's Prime Minister at Herminie's swearing-in reflects Seychelles' continued diplomatic weight within the Indian Ocean region despite its small size.

4. MAJOR PROJECTS & INFRASTRUCTURE

Port and hospitality infrastructure investment continues alongside a long-horizon cruise tourism strategy running through 2033.

- **Cruise Tourism Strategy investment requirement:** the 2026-2033 strategy carries an investment requirement of SCR 2.32 billion, to be met through a blend of public funds, public-private partnerships, development partners and industry contributions, with priorities including upgraded port infrastructure and improved data systems.
- **Sovereign wealth fund infrastructure allocation:** the new $2 billion fund's explicit targeting of housing, roads and broader infrastructure alongside health and education represents a significant, dedicated long-term infrastructure financing mechanism.
- **Inherited infrastructure ambitions:** the previous administration's stated goals of a new hospital, airport and modern port provide context for the infrastructure priorities the current government continues to weigh against its fiscal constraints.

5. CONFERENCES, FORUMS & EXHIBITIONS

The Cruise Tourism Strategy's validation stakeholder workshop, held on Mahé in April 2026 following roughly two years of analysis by the tourism department and the UN Economic Commission for Africa, represented the most significant sector-specific investment-planning gathering identified for this period.

6. BUSINESS & INVESTMENT EVENTS

Finance Minister Laporte's direct international engagement, from Accra to international business media, reflects an active push to market Seychelles' investment case.

- **Sovereign wealth fund announcement in Accra:** Minister Laporte unveiled the new fund's details on the sidelines of an African Union event in Accra, Ghana, using a major continental gathering to project Seychelles' fiscal ambitions to a pan-African audience.

- **International business media engagement:** Minister Laporte and business leader Pascal Morin's joint appearance discussing Seychelles' investment climate reforms and financial-sector strength reflects sustained government effort to market the country's investment case internationally.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

A stated policy of strategic neutrality continues underpinning Seychelles' relationships with major global and regional powers.

- **A consistent neutrality principle:** Seychelles has long positioned itself as welcoming naval and diplomatic engagement from France, the United States, Britain, China and India alike without taking sides in their broader geopolitical disputes, a principle the previous administration articulated explicitly and which continues shaping the country's foreign-relations posture.
- **World Bank and UN Economic Commission for Africa:** both institutions represent Seychelles' most substantive recent multilateral technical-assistance relationships, respectively producing the 2026 Growth and Jobs Report and co-developing the Cruise Tourism Strategy.
- **Egypt:** a memorandum of understanding on visa exemption for nationals, signed in April 2025, represents a concrete, if modest, bilateral relationship-building step relevant to tourism and business travel specifically.
- **India and Mauritius:** high-level attendance at President Herminie's inauguration reflects continued close diplomatic ties with both nations, consistent with Seychelles' longstanding Indian Ocean regional relationships.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

The World Bank's productivity report identifies real structural private-sector constraints even in Africa's highest-income economy.

Despite Seychelles' status as Africa's highest-income economy, the World Bank's 2026 report identifies genuine structural challenges: an aging population, skill shortages, and geographic isolation, compounded by an inefficient regulatory framework, poor access to financing, an underdeveloped formal labour market, and an outsized state presence in the economy beyond the tourism sector. The report's recommended reforms specifically target labour-market modernisation, human-capital investment, and accelerated digital transformation to address youth skills gaps and foster a more dynamic private sector.

- **Genuine structural constraints acknowledged:** the World Bank's explicit identification of financing access, regulatory inefficiency and state-sector dominance as constraints represents an honest diagnostic that should inform investor expectations about the pace of private-sector-led diversification.
- **A clear reform roadmap for private-sector dynamism:** the report's specific focus on digital transformation and youth-skills gaps offers a concrete framework for identifying where near-term private-sector investment and partnership opportunities may emerge as reforms proceed.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Premium cruise tourism, blue economy diversification and productivity-linked reforms define the newest openings identified for investors.

- **Cruise tourism infrastructure:** the SCR 2.32 billion investment requirement under the 2026-2033 strategy, structured to blend public, private and development-partner financing, offers a concrete, multi-year opportunity for port and hospitality infrastructure investors specifically.
- **Private-sector participation in the sovereign wealth fund model:** the government's stated openness to private-sector contribution alongside its own $2 billion commitment, particularly in tourism and energy, suggests genuine co-investment opportunities as the fund's structure is finalised.
- **Digital transformation and human capital sectors:** the World Bank-identified reform priorities point toward education, workforce-training and digital-services investment as emerging areas of government focus over the coming years.
- **Fisheries processing expansion:** continued growth in canned tuna production suggests further capacity for investment in fisheries processing and related manufacturing infrastructure.

SUMMARY ASSESSMENT

Seychelles enters its fiftieth year of independence having just completed a genuinely healthy, competitive democratic transition. President Herminie's October 2025 inauguration followed a real electoral contest and a dignified handover from his predecessor, a marked and welcome contrast to the political dynamics in several neighbouring markets this series covers. He inherits Africa's highest per-capita income economy, now backed by a newly announced $2 billion sovereign wealth fund and a World Bank roadmap identifying a credible, quantified path to 13% GDP growth by 2040.

Set against this genuine institutional stability: tourism income is cooling from record highs, public debt continues rising, and the World Bank's own analysis identifies real structural constraints, an aging population, skill shortages, and an outsized state role in the economy beyond tourism, that will require sustained reform to overcome. These are structural and demographic challenges rather than political or governance risks, a meaningful distinction for investors weighing Seychelles against other markets in this series.

For investors, the coming months offer concrete signals to watch: how quickly the new sovereign wealth fund's independent management structure and investment mandate are finalised, whether the World Bank's recommended productivity reforms begin translating into measurable labour-market outcomes, and whether the cruise tourism strategy's premium-positioning approach succeeds in offsetting broader tourism-sector cooling.