

SEYCHELLES

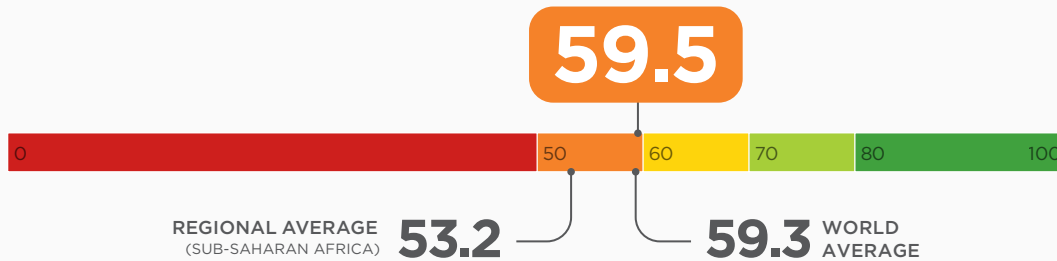
WORLD RANK: **87** | REGIONAL RANK: **8**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Seychelles' economic freedom score is 59.5, making its economy the 87th freest in the 2023 *Index*. Its score is 1.6 points lower than last year. Seychelles is ranked 8th among 47 countries in the Sub-Saharan Africa region, and its overall score is above the world and regional averages.

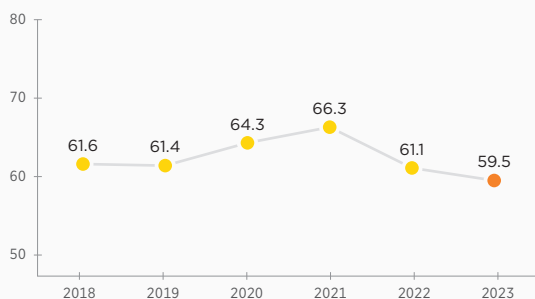
Efforts to enhance the economy's efficiency continue. Despite some progress, the entrepreneurial environment remains hampered by an inefficient regulatory framework, poor access to financing, and the state's pervasive presence in the economy. The judicial system is unable to defend property rights effectively. Corruption continues to undermine long-term economic development.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2009): +11.7

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
0.1 million

GDP (PPP):
\$3.1 billion
8.0% growth in 2021
5-year compound annual growth 2.2%
\$32,000 per capita

UNEMPLOYMENT:
4.3%

INFLATION (CPI):
9.8%

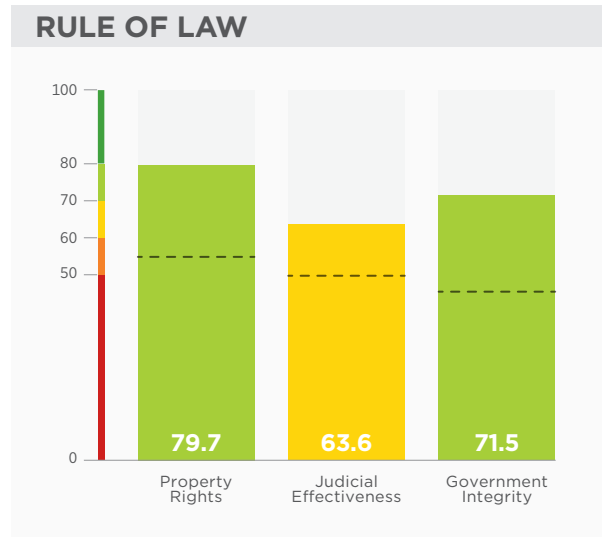
FDI INFLOW:
\$156.9 million

PUBLIC DEBT:
72.9% of GDP

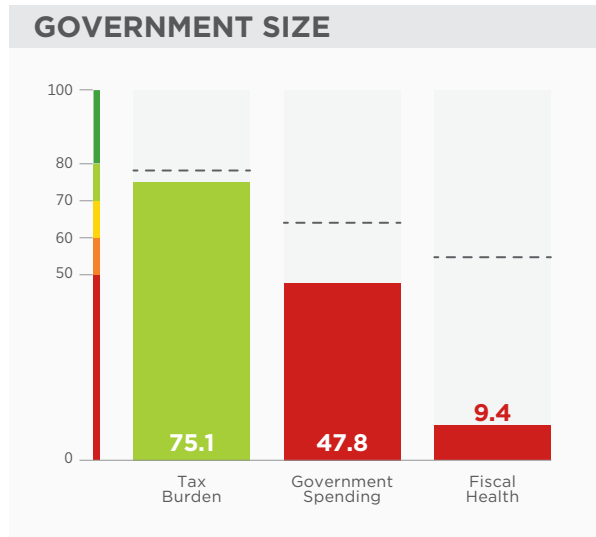
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: The Republic of Seychelles gained independence from the United Kingdom in 1976. France-Albert René of the People's Party seized power in 1977, won Seychelles' first presidential election in 1993, and in 2004 ceded power to Vice President James Michel. Michel resigned in 2016 and transferred power to Vice President Danny Faure. In 2020, Faure was defeated by Wavel Ramkalawan of the Seychellois Democratic Alliance, which increased its parliamentary majority. With a stable economic environment, Seychelles encourages foreign investment to upgrade hotels and other services while promoting the development of farming, fishing, and small-scale manufacturing to reduce its dependence on tourism.

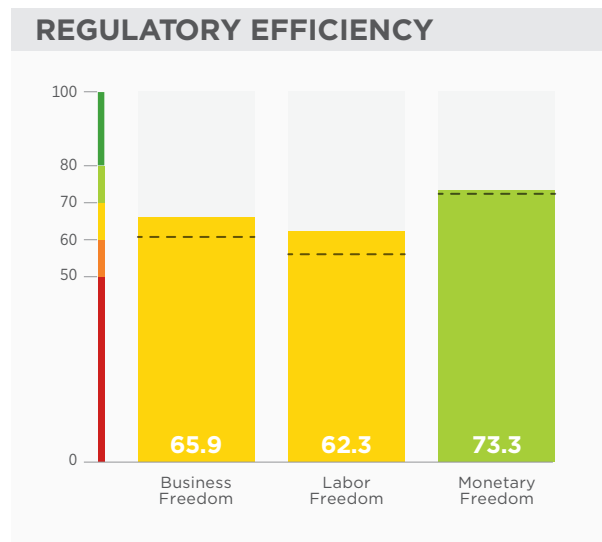
12 ECONOMIC FREEDOMS | SEYCHELLES



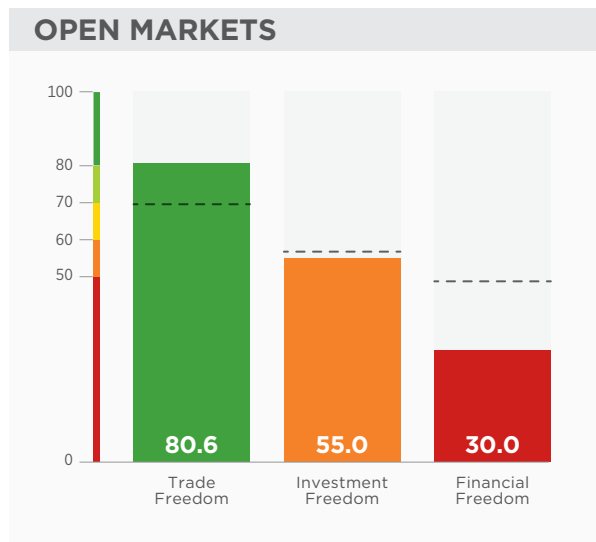
The overall rule of law is well respected in Seychelles. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 15 percent and 33 percent. The tax burden equals 34.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 41.7 percent and -7.2 percent of GDP. Public debt equals 72.9 percent of GDP.



Potential entrepreneurs still face considerable bureaucratic and procedural regulatory hurdles, and continuing reform will be critical. The formal labor market is not fully developed. Monetary stability remains weak, and the most recent available inflation rate is 9.8 percent.



The trade-weighted average tariff rate is 4.7 percent, and nontariff barriers add to the cost of trade. Investment is hindered by bureaucracy. A large part of the population lacks access to formal banking services, and limited capacity for lending to the private sector inhibits growth.