

The background of the entire page is a photograph of a large school of fish swimming in clear, bright blue water. The fish are silhouetted against the light, creating a dense pattern of dark shapes. The image is framed by dark blue geometric shapes: a large triangle on the left and a smaller one at the bottom left.

ANNUAL REPORT 2017-2018

Excellence in sustainable
fisheries management and
development

Seychelles Fishing Authority
ANNUAL REPORT
2017 - 2018

Dear Minister,

We have much pleasure in presenting to you, this Integrated Annual Report of Seychelles Fishing Authority for the period endings of 2017 and 2018. This report also includes SFA Annual Performance Statement for 2017-2018.

This report was approved by the Board of Directors on October 22nd 2021.



Radley Weber
CHAIRPERSON



Nichol Elizabeth
**CHIEF EXECUTIVE
OFFICER**

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SFA Strategy KEY PILLARS



Our Vision

Excellence in Sustainable Fisheries Management and Development.



Our Mission

To ensure optimal utilisation of the fisheries resources for the benefit of the Seychellois people through sustainable management, ecosystem-based approaches and integrated development.



Our Goals

Our strategic goals are based on the four main components of fisheries management:

- **Goal 1:** Effective governance arrangements.
- **Goal 2:** Institutional strengthening of SFA.
- **Goal 3:** Ensure the sustainability of fisheries resources.
- **Goal 4:** Optimize the economic and social benefits of fisheries.

Our Core Values



Integrity & Professionalism

Work with highest level of professional ethics, responsibility and respect to gain the trust of our constituents.



Stewardship

Promote sustainable resource management and ecosystem-based approaches among all stakeholders.



Leadership

Consistently leading the way by empowering and developing staff to own and drive work programs.



Adaptability

Be proactive and flexible in our approaches and make use of best available science and technology to execute our duties in line with the social and economic priorities.



Inclusiveness & Team-work

Promote team work, engage our co-workers and stakeholders and valorize the diversity of our workforce and stakeholders while working towards common results.



Equity

Be fair and provide equal opportunity to present and future generations.

Section 1

OVERVIEW & STRATEGY

Strengthen organizational planning and strategic management
to improve service delivery



Chairperson's STATEMENT



Radley Weber, Chairperson SFA (From February 2021)

On behalf of the Board of Directors, I am pleased to present the Seychelles Fishing Authority's Annual Report for 2017-2018, which outlines the significant programme of work that was undertaken in line with its mandate and as part of its transformation plan, as well as the progress that was achieved during these two very important year.

As the new Chairman of SFA effective May 2021, I would like to thank the past Chairperson, CEO and Board members for their invaluable contribution to the development of SFA for the reporting period 2017-2018.

The Seychelles has one of the largest Exclusive Economic Zone (EEZ) in the Western Indian Ocean and fisheries has played a major role in the lives of our people. Revenue from fisheries have played a major role in helping our country to attain the highest level of Gross Domestic Product (GDP) per capita in Africa. While we recognise that the fishing industry can contribute much more to the economy, having good

regulations in place to safeguard the development and exploitation of our resources is of utmost importance. As the Authority responsible for developing the fishing industry to its fullest potential while safeguarding the resource base for sustainable development, we are dedicated to implementing our mandate in a manner which promotes good governance, transparency, participation and accountability in accordance to internationally recognized best practices in fisheries management.

As Chairman of this new Board of Directors and with the incredible cooperation of the Directors, CEO and support staff, we have started to identify several dysfunctional issues which we are trying our utmost to remove from the agenda of SFA. Over the coming years, we are hoping to improve the performance of the SFA and to substantially increase the income generated by the fishing industry for our country. We will be working closely with the Ministry of Fisheries and the Blue Economy in conformity with the country's vision for the fishing industry and the sector's national policies, strategies, plans.



Radley Weber

Chief Executive Officer's STATEMENT



Nichol John Elizabeth, Chief Executive Officer, SFA (From September 2020)

I took over as the Chief Executive Officer of the Seychelles Fishing Authority in October 2020 after having dedicated most of my work life to the cooperate side of the fish processing industry. Having had a strong footing in business side of fisheries, I am keenly aware of the transformation that needs to occur, both within the SFA and in the fisheries sector, to optimise fisheries contributions in the socio-economic development of our country.

On joining the SFA, my first set of priorities was to bring new vigour to the staff, ensure that they are working in safe and healthy environments and that priority projects, many of which had been delayed for years, were being implemented. My second set of priorities was to improve reporting and accountability to our parent Ministry, our stakeholders at all levels in the fisheries value chains and the Seychellois public. I am tremendously proud to present the long-overdue SFA Annual Report for the year 2017/2018, including the audited accounts and financial statements. Our next hurdle is to audit the accounts for the year 2019

and 2020 and to publish the 2019/2020 Annual Report by the end of the first quarter of 2022, thereby bringing our reporting requirements up to date.

Upon joining the SFA, I took great interest in the Fisheries Transparency Initiative (FiTI), a global initiative that is promoting greater transparency in the World's fisheries, and to which Seychelles is a proud member. Transparency in the fisheries sector is something that I strongly believe in. During my tenure I will make it my mission to transform the SFA into an organisation that is fully transparent and accountable, and through such actions catalyse the transformation of the fisheries sector into the pillar of our economy that we want it to be.

Fisheries sector transformation will be my mantra for the years to come. The SFA will collaborate with the Ministry of Fisheries and the Blue Economy and all of our partners, both local and international, to ensure that, where needed, the right fisheries infrastructure are put in place and above all, maintained. Equally important is the need to manage the resource base in a manner that promotes sustainability of fisheries stocks and the ecosystems upon which they depend.

I take the opportunity to thank my staff for their dedication and hard work and invite them to join me in the transformational journey of the SFA and the fisheries sector to their full potential.



Nichol Elizabeth

2017

AT A GLANCE



ARTISANAL FISHERIES

No. Licence: 484
Est. Catch: 4,356 Mt

SEM-INDUSTRIAL FISHERIES

No. Licence: 29
Est. Catch: 1,108 Mt

INDUSTRIAL FISHERIES

Revenue: SCR 2,006 Million

Purse Seine Fishery

No. Licence: 68
Catch: 366,757 Mt
Landing: 51,427 Mt
Transshipment:
290,443 Mt

Long line Fishery

No. Licence: 213
Catch: 23,594 Mt
Landing: 8,404 Mt
Transshipment:
15,190 Mt

PORT INSPECTION INDUSTRIAL

No. Insp: 289
Insp Rate: 34%

SURVEILLANCE

Land Patrols: 29
Aerial Patrols: 2
Regional Patrols: 1

CERTIFICATES ISSUED

Catch: 2,941
Statistical: 2,174
Others: 72

DOMESTIC PRODUCTION

Sey Flag Catch: 142,370 Mt
Fish Products: 49,533 Mt

SFA FINANCIAL

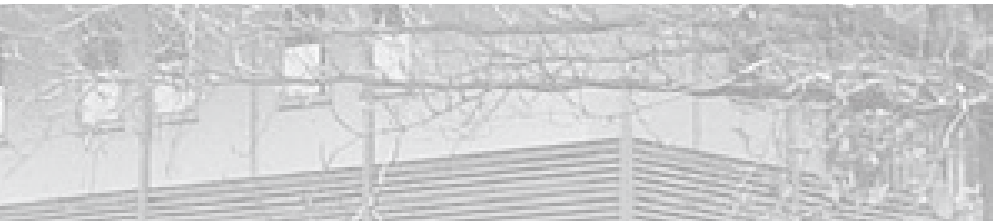
Income: SCR 125.3 Million
Fixed Assets: SCR 215.4 Million
Grants Utilised: SCR 52.5 Million
Operating Profit: SCR 35.5 Million

EXPORTS

49,180 Mt
SCR 3,796 Million

IMPORTS

77,700 Mt
SCR 2,268 Million



2018

AT A GLANCE

ARTISANAL FISHERIES

No. Licence: 379
Est. Catch: 4,187 Mt

SEM-INDUSTRIAL FISHERIES

No. Licence: 18
Est. Catch: 1,267Mt

INDUSTRIAL FISHERIES

Revenue: SCR 2,233 Million

Purse Seine Fishery

No. Licence: 66
Catch: 439,831 Mt
Landing: 53,742 Mt
Transshipment:
369,999 Mt

Long line Fishery

No. Licence: 208
Catch: 24,727 Mt
Landing: 7,719 Mt
Transshipment:
17,008 Mt

PORT INSPECTION INDUSTRIAL

No. Insp: 218
Insp Rate: 27%

SURVEILLANCE

Land Patrols: 8
Aerial Patrols: 2
Regional Patrols: 1

CERTIFICATES ISSUED

Catch: 3,466
Statistical: 2,177
Others: 661

DOMESTIC PRODUCTION

Sey Flag Catch: 146,322 Mt
Fish Products: 60,900 Mt

SFA FINANCIAL

Income: SCR 170.6 Million
Fixed Assets: SCR 206.8 Million
Grants Utilised: SCR 53.2 Million
Operating Profit: SCR 71.9 Million

EXPORTS

57,040 Mt
SCR 4,501 Million

IMPORTS

79,494 Mt
SCR 2, 328 Million

About the Authority

The Seychelles Fishing Authority (SFA) was created in August 1984 by the Seychelles Fishing Authority Act, as an executive arm of the Government of Seychelles in the field of fishery, to develop the fishing industry to its fullest potential and to safeguard the resource base for sustainable development.

The Authority is a parastatal organisation. It works closely with the Ministry of Agriculture and Fisheries and is governed by a Board of Directors, which is responsible for its policy, control and management over-sight. A Chief Executive Officer (CEO) has supervision over and directs the day-to-day affairs of the Authority.

For the period starting January 2017 to April 2017, the board's Chairperson was Phillippe Michaud and other members were, Glenny Savy, Dolor Ernesta, Andrew Jean-Louis and Keith Andre. From May 2017 to end of December 2018, the Chairperson was Dr. Nirmal Jivan Shah and the CEO was Ronny Renaud, both took office in May 2017 after resignation of the previous Chairperson and CEO. Other Board members included Rebecca Loustau-Lalanne, Keith André, Roy Clarisse and Eugène Vidot

Mandate

The functions of the SFA as defined in article (5) of the Seychelles Fishing Authority (Establishment) Act (1984) are to:

- Promote, organize and develop fishing, fishing industries and fishing resources in Seychelles;
- Assist in the formulation of the national policy with respect to fishing, fishing industries and fishing resources and in the implementation of that policy;
- Identify the manpower training requirements of Seychelles with regard to fishing and fishing industries;
- Conduct negotiations, or engage in meetings, seminars or discussions, with regard to fishing or fisheries or the establishment or operation of fishing industries, whether at a national or international level, on behalf of the Republic or otherwise.

Subject to the Act, the Authority has the power to do all things necessary or convenient in connection with, or incidental to, the performance of its functions and these includes:

1. Own, lease or dispose of movables or immovables;
2. Own, operate and charter any vessel;
3. Form companies under the Companies Act;
4. Enter into partnership or joint-ventures;
5. Act as agent for the purpose of the management of any business or enterprise, or for any other purpose;
6. Hold shares in, or debentures of any company;
7. Carry on any business or enterprise for or in connection with fishing or fisheries including; processing, transporting, handling, marketing or distributing fish or fish products, exporting fish or fish products, the sale of equipment or apparatus to be used for fishing, or any other matter relating to its functions where, in the opinion of the Authority, the carrying out of such a business or enterprise is in the best interest of the Republic;
8. Conduct surveillance operations, in conjunction with the Department of Defence, in relation to fishing operations in the Exclusive Economic Zone (EEZ) or in waters adjacent to the continental shelf.;
9. Monitor the catch of all fishing vessels;
10. Carry out scientific and development research.



SFA Launch its Strategic Plan 2018-2020

Excellence in Sustainable Fisheries Management & Development



In June 2018, after the approval of the Board of Directors, SFA launched its long awaited Strategic Plan 2018-2020. With the aim of ensuring the sustainable management and development of the fisheries sector, the Strategic Plan aligned the priority actions of the SFA with the national fisheries policies that had been developed pre-2017 as well as new policies and the sector development plan that was being developed, including the National Aquaculture Policy, the Management of By-Catch Policy, the Fisheries Sector Development Plan and the Aquaculture Sector Development Plan.

An institutional analysis was undertaken as part of the Strategic Plan formulation process. It indicated that most of the challenges came from within the organization and that most could be overcome through improved planning, risk management, consultation, coordination,

performance evaluation and through the capacity development of the workforce to improve efficiency and the ability to tackle challenges and seize new opportunities. The Strategic Plan was formulated through a participatory approach, which saw the involvement of SFA staff at all levels. It set out the organization's long-term vision, mission, core principles and values as well as the four principal institutional goals.

Vision: Excellence in sustainable fisheries management and development

Mission: To ensure optimal utilization of the fisheries resources for the benefit of the Seychellois people through sustainable management, ecosystem-based approaches and integrated development.

Core Principles: To implement our mandates in a manner which promotes good governance, transparency, participation and accountability and according to internationally recognized best practices in fisheries management.

Strategic Goals:

- Put in place effective governance arrangements;
- Institutional strengthening of SFA;
- Ensure the sustainability of fisheries resources;
- Optimize the economic and social benefits of fisheries.

Detailed action plans for each of the strategic goals were developed along with a Performance Measurement System to facilitate assessment of the plan's implementation. Also included was a recommendation to implement a comprehensive capacity building programme to build core competencies in areas where SFA was under performing. A budget of SCR124.6 million will be required to support the implementation of the Strategic Plan, and SFA will make use of funding it receives from the annual Government Budget and from the EU/Seychelles Fisheries Partnership Agreement. Certain activities will be financed under other financial mechanisms such as the SWIOFish3 Project, the GEF6 allocation and the Blue Bonds.



Expansion of Providence Fishing Port

Phase 2 Completion



On 12th April 2017, the Ground Breaking Ceremony for the “Project for Construction of Artisanal Fisheries Facilities in Mahé Island (Phase 2)” took place at the Providence Port with Vice President Mr Vincent Meriton, H.E. Ambassador Toshitsugu Uesawa, Ambassador of Japan, Minister of Fisheries and Agriculture, Mr. Micheal Benstrong and other official from both countries participating in the ceremony.

Funded by the Japanese Corporation Agency (JICA) for a total of USD10 million (SCR135 million equivalent), the project has extended the Fishing Port by some 216 meters with a new landing shed providing additional berthing and mooring spaces and a 10 tons per day ice making facility ice to improve supply to the artisanal and semi-industrial fishing fleet.

Construction work on the facility was undertaken by Penta Ocean Construction Co. Ltd. Work also included the removal of armour stones and excavation on the quay area, dredging on the seaside of the quay and pile driving. The Providence quay now measure about 330 m in length. With expansion of the berth and provision of ice plant, ice storage and other facilities, this project has ensured that there is adequate mooring space for artisanal fishing boats and has allowed for more efficient port operations as well as product quality assurance, thereby contributing to the development of the country’s fishing industry.

The team from the Infrastructure Development Division had the responsibility for the overall project management and organised frequent progress and quality control meetings with the aim of removing bottle necks and ensuring that the project was delivered according to plan. The facility was handed over on 18th September 2018.



CLIENT: FIC OAFIC CO.,LTD in Consortium with ECOH CORPORATION



CONTRACTOR: PENTA-OCEAN CONSTRUCTION CO., LTD



Section 2

PERFORMANCE & DEVELOPMENT

Improve institutional infrastructure, build core competencies and strengthen the internal procedures of SFA to build and inspire human capacity for better service delivery



CEO's Secretariat

For the period 2017/2018, the SFA's key focus was on developing its long overdue strategic plan, with the aim of setting clear strategic directions to improve the quality of service that it provides to its staff and stakeholders in the fisheries value chains, as well as enhancing the management of fisheries resources and the socio-economic benefits derived from the fishing industry.

Strategic Plan 2018-2020

In May 2017, Ronny Renaud was appointed CEO of SFA and Calvin Gerry as Deputy CEO after the resignation of Bernard Arnephy as CEO in the same month. A new SFA Board was also appointed with Dr. Nirmal Jivan Shah as the Chairperson. It is to be noted that as at the time of producing this report both the CEO and the Chairperson had been replaced.

With the support of the new Board, the Authority's main focus in 2017 was to formulate its Strategic Plan 2018-2020 to align the priority actions of the SFA with the national fisheries policies that had been developed pre-2017 as well as new policies and the sector development plan that was being developed.

After carrying out an institutional analysis with participation of SFA staff at all levels, where challenges and the opportunities in the fisheries sector development were taken into consideration, the Strategic Plan for the year 2018– 2020 was formulated, setting out the new vision, mission, values and the following core strategic goals for the two-year period:

- 1. Put in place effective governance arrangements:** Project SFA as the legal authority among various stakeholders through acceptance of responsibility for its decision and actions and reinforcing mechanisms for accountability and good governance. This includes SFA gaining autonomy over its operation and administration.
- 2. Institutional strengthening of SFA:** Improve institutional infrastructure, build core competencies and strengthen the internal procedures of SFA to build and inspire human capacity for better service delivery.
- 3. Ensure the sustainability of fisheries resources:** Manage fisheries resources through ecosystem-based approaches and ensure that policies, legislations and infrastructure development are aligned towards achieving sustainability, taking into account climate change and global developments.
- 4. Optimize the economic and social benefits of fisheries:** Ensure that the fisheries sector continues to play a key role in the sustainable development of the country and the socio-economic well-being of the Seychellois nations.

Detailed action plans for each of the strategic goals were developed implementation was monitored against the targets defined in the plan's Performance Measurement System.

Preparation work for SFA Autonomy

A major component in the implementation of the SFA's Strategic Plan was to gain financial and administrative autonomy from the Government. Preparatory work for its autonomy started after the approval of the Strategic Plan in Q2 2018, when the SFA's Establishment Act was updated to reflect the new status.

Capacity Building

The authority embarked on a new capacity building plan identifying new positions, training requirements for its existing staff and designing new scheme of service for different cadres to retain and attract potential staff. In 2018, it started recruitment for the different divisions, to support the transition to its autonomy. Key staffing positions were identified including, Business Development Manager, Property Manager, Project Director, Procurement Officer (Projects), Internal Auditor and other support.

Legal

During the 2017-2018 period, several new MOUs, lease agreements, policies and regulations were developed while others were revised by the legal unit, in line with the development goals of SFA. These included:

- The Review and modernisation of SFA's Establishment Act (2014) to reflect its new status as a Financial Autonomy entity and to cater for the domestication of relevant Indian Ocean Tuna Commission resolutions and other international fisheries instruments.
- Completion of the Environmental and Social Impact Assessment (ESIA) for aquaculture development in Aquaculture Development Zones.
- Amendment of the Fisheries Development Fund criteria with the Development Bank of Seychelles to reduce funding towards high-risk activities.
- Update on the Marine Spatial Plan (MSP).
- MOUs with the Seychelles Coast Guard, University of Seychelles, Development Bank of Seychelles, Ministry of Environment, Energy and Climate Change and Fishermen Associations.
- Fifteen lease agreements for parcels at Zone 14 Ile du Port, which had been earmarked for fisheries related activities supporting the industrial fisheries sub-sector were drafted and signed.
- Six IUU fishing cases involving foreign flagged vessels were successfully prosecuted, with the vessels forfeited to the Republic and auctioned.



Presentation of draft Strategic Plan 2018-2020 to staff.

International Agreements

New agreements and communications with various international partners/forums continued in 2017-2018, to ensure alignment in the application of regulations and adoption of best practices as well as in areas of potential development. This included working with the European Union to ensure that the EUR 5.1m from the sector policy support funds of the EU/Seychelles Fisheries Protocols under the Fisheries Partnership Agreement was being promptly and effectively used in the implementation of the approved fisheries development projects. As at end of December 2018, the full budget of EUR12.7 for the period 2014 to 2018 had been disbursed. Preparation work also started for the new agreement and protocol 2020-2026.

The new Seychelles/Mauritius Fishing Agreement which replaced the old 2005 agreement between Seychelles and Mauritius came into force on 15th February 2018. The aim of the new agreement was to ensure fairness in the licensing fees as under the old agreement Mauritius-flagged fishing vessels were being charged far less for fishing in the Seychelles waters than what the Seychelles was charging its own flagged vessels.

Seychelles remained a very active member of IOTC during the two-year period and SFA participated in the 21st and 22nd commission meetings, during which major decision were taken for rebuilding the Indian Ocean stock of Yellowfin tuna in the IOTC Area of Competence and the creation of a Working Party on the Implementation of Conservation and Management Measures (WPICMM). Other major decisions included: a ban on discard of Bigeye tuna, Skipjack tuna, Yellowfin tuna, and non-targeted species caught by purse seiners, prohibition of the use large-scale driftnets in the IOTC Area and work on FAD policies.

Bilateral agreements with other countries like Ghana, India and South Africa were signed during the two-year period with the objective of enhancing cooperation in rational management, conservation, research and utilisation of marine resources.

Information & Communication Technology (ICT)

As part of its effort to improve institutional infrastructure, the SFA implemented a number of initiatives in support of the work of various Sections. This included the new Allegro software for artisanal fishery which have replace the old ARTFISH software, upgrading of the Observe software to cater for both the purse seine and longline fishery, thus replacing the FINSS software. SFA will continue to further develop automation in the fishery statistics collection and reporting system in order to have accurate reporting data that will be readily available.

To support new work practices, SFA upgraded its ICT's environment to enable a mobile and collaborative workforce. Email has been migrated from Exchange server to cloud services Microsoft 365, thus providing a more efficient system, access to genuine Microsoft office tools and providing back-up and protection of email.

To provide access to information to all of its stakeholders, work on revamping SFA website started in 2018 as well creation of Facebook pages for the institution and departments.

Workshops and Conferences

Both Senior and Junior Management staff participated in several international workshops and conferences over the two years with aim of building staff capacity and to ensure that Seychelles' positions were being represented.

Stakeholders Engagement

The SFA actively supports stakeholders engagement and strives to maintain a good relationship with all parties involved. SFA held meetings with major stakeholders in the development and amendments of the different policies and organised several workshops in aquaculture and the development of value added fisheries products. These meetings provided a platform for discussions and made it easier for stakeholders to better engage in the development of the fisheries sector.

2019/2020 Outlook

For the 2019-2020 period, the major focus for the SFA will be on its transformation to financial and administrative autonomy. This transformation will require the revision of the SFA Establishment Act, aligning its expenditures with its mandates, the recruitment of key staff and finalising the requirement of the new SFA Board in the setting up of steering and technical committees to ensure that the Authority is able to better fulfill its mandates.

The Authority will also continue to simplify regulations to reduce operational and cost burdens for the industry, manage compliance risks, deter illegal unreported and unregulated fishing and increase engagement with its stakeholders. SFA strongly believe in scientific and economic research to assist in decision making and therefore will continue to increase its research capability working with local and international partners to support with evidence-based decision making.

Economics Management

The Economic Management Division is responsible for collating socio-economic information on the fishing sector and undertaking analysis to assist with policy decisions, as well as providing advice on the development and management of the sector.

The Economic Management Division employs three economists. In 2018, the Senior Economist proceeded to study for a Doctorate in Environmental Economics and Environmental Management. A new economist was recruited in October 2018.

During the 2017/2018 period, the Division continued with the preparation of reports that analysed the economic impact of the fisheries sector and its contribution to the national economy. The team received advanced training in the use of Excel spreadsheets during the year to build capacity in data analyses and data visualisation.

In addition to collating information of the foreign fishing vessels licensed to fish in the Seychelles waters to prepare the annual report, the Economics Management team completed the following key projects:

- Formulation of the SFA's Statement of Corporate Intent in preparation for the Authority's shift to financial and administrative autonomy;
- Development of a Concept Note of Guidelines for fish processing;
- Formulation of a Concept Note on the ease of doing business in the Seychelles fisheries sector;
- Drafting of a Cabinet Memorandum on the gradual reduction of subsidies on fuel in the fisheries sector;
- Review of subsidies provided to the artisanal fisheries sub-sector.

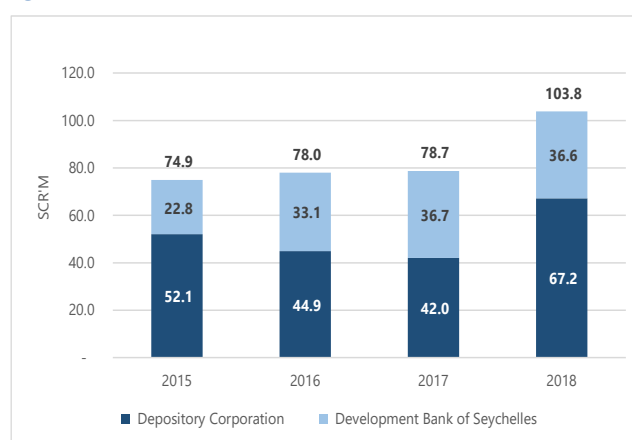
The fisheries sector plays a key role in the socio-economic development of the country and as such it is important that the players are provided with financial support and incentives to further develop the industry. The Economic Management Division works with different entities, including the government, financial services institutions and other partners to ensure that the right financial facilities are put in place to promote the sustainable development of the fishing industry. The Division plays a major role in assessing applications for access to these facilities and in making recommendations based on the fit of proposed projects to the agreed development paths of the fisheries sector. The available financial facilities include credit availability for the fishermen and value-added producers, insurance to protect their investment and their employees as well as Value Added Tax (VAT) and Excise Tax incentives.

Credit Facilities to the Fisheries Sector

Access to credit facilities provides a plethora of opportunities to both the public and private sector. It furthers economic growth by raising capital for a given operation which usually leads to multiple spillover effects in the economy through creation of jobs and businesses opportunities. Thus, the ability to gain access to capital is vital for fisheries development.

According to figures from Central Bank of Seychelles annual report 2018, total loans and advances balance to the fisheries non-government sector reached a record SCR103.8m, a 33% growth of 2016 balances. The highest increase in loan balance was from depository corporation (Banks and Credit Union), which although the balance decreased by 6% from 2016 to 2017, a 60% growth was observed in 2018.

Fig 1: Loans and advances balance to fisheries sector (SCR'M)



By economic sectors, credit to fisheries sector ranks amongst one of the lowest at 2.4%, displaying the lack of investment towards the fisheries sector by commercial banks possibly due to the relatively high risk of the sector.

Table 1: Loans and advances balance to fisheries sector (SCR'M)

	2015	2016	2017	2018
Depository Corporations	52.1	44.9	42.0	67.2
Development Bank of Seychelles	22.8	33.1	36.7	36.6
Total Balance Fisheries Sector	74.9	78.0	78.7	103.8
Total Balance all private sectors	3,144.4	3,447.7	3,968.7	4,271.3
% Fisheries sector	2.4%	2.3%	2.0%	2.4%

Source: Central Bank of Seychelles annual report 2019

Loan balance from the Development Bank of Seychelles (DBS), which includes the Small-Medium Enterprise scheme, given mainly to operators in the artisanal and semi-industrial fisheries sub-sectors for the purchase, construction and repair of fishing boats and equipments reached a record SCR36.7m in 2017, a growth of 11% over 2016, however the balance remained steady in 2018 at SCR36.6m.

The number of new loans approved by the DBS for the sector reduced substantially from 51 for the period 2015/2016 to 28 for 2017/2018, while total value of loans approved dropped by 72%, from SCR38.5m in 2015/2016 to SCR10.7m for 2017/2018, again reflecting the drop in credit for the fisheries industry. Although SCR24.5m was approved for 2016, SCR5.8m of that amount was cancelled due primarily to lack of security from the borrower. The lack of security is one of the main reasons for the reduced number of loan approval for the subsequent years.

Table 2: Number and value of loans approved by DBS to the fisheries sector

	2015	2016	2017	2018
Number of new loans approved	20	31	12	14
Value of new loans approved (SCR'M)	14.0	24.5	5.3	5.4

Fisheries Development Fund

The Fisheries Development Fund (FDF) was launched in July 2009 and had an allocation of € 2.7 million. It is funded through the European Union's sectoral support to Seychelles under the EU/Seychelles Fisheries Partnership Agreement. This fund aims to boost investment in fisheries value addition and processing, the purchasing of new longline vessels and the upgrading of existing ones.

The loan facility, which is administered by the DBS on behalf of SFA, has a maximum limit of €500,000 per applicant, attracts a 3% annual rate of interest and has a maximum repayment period of 10 years. The loan is available exclusively to Seychellois investors or joint partnerships where the majority shareholder is Seychellois. The Investors are asked to contribute a minimum of 5% of the total project cost.

For the period 2017/2018, no loans were approved under the FDF. This was due to lack of security from the investor and also change in policy regarding purchase of new vessels for semi-industrial fishery due to over-capacity in that fishery, as well as a shift in focus supporting the approval of new loans only for investments in fisheries value-added projects. For the period 2015/2016, a total of SCR9.22m loans were disbursed, while for 2017/2018 only SCR0.2m were disbursed for loans approved in 2016. The number of active loans as at end of 2018 was 14 with a balance of SCR43.99m.

Table 3: No. and value of loans under the FDF programme

	2015	2016	2017	2018
Number of new loans approved	1	1	-	-
Value of new loans approved (SCR'M)	0.36	2.00	-	-
Number of loans disbursed	3	3	2	-
Value of loans disbursed (SCR'M)	7.23	1.99	0.2	-
Outstanding Balance of FDF (SCR'M)	48.07	49.87	44.98	43.99
FDF Funds available (SCR'M)	10.88	10.88	18.72	22.22
Total FDF Asset (SCR'M)	58.95	60.75	63.70	66.21



Agriculture Disaster and Fisheries Insurance Scheme (ADFIS)

The ADFIS, a voluntary insurance scheme available to fishermen registered with SFA with a maximum vessel value of SCR2m, provides coverage for damage to their vessels and its machinery as a result of perils such as fire, piracy, lightning, tsunami for up to SCR2m per vessel. It also provides third party liability cover, covering loss or damage or injury caused by the insured to a third party, such as to any other vessel or property, accidental loss of life or bodily injury up to SCR500,000 and finally it also provides up to SCR100,000 personal accident cover for the crew which ranges from 3 fishermen on a Mini-Mahe to seven on a schooner.

Premium for the comprehensive package is 4% of the total insured boat value of which, 50% is subsidised by the Seychelles government. Therefore, the net premium rate to be paid by the beneficiary is only 2% of the sum insured.

By the end of December 2018, 55 policies for a total premium of SR 0.86m had been issued. This shows a very low participation level of boat owners in the scheme. The department will continue to educate the fishers on the importance of the protection.

Value Added and Trades Tax Concessions

In 2018, 396 applications with a CIF value of SCR 81.04m were processed for VAT and Trades Tax concessions on imported materials, for fisheries-related businesses. These included various items such as fishing vessels, engines, commercial vehicles, equipment and spare parts. Applications were received from boat owners (individuals as well companies) and companies processing and exporting fish and other fish related products.

Table 4: Application for VAT and Trade tax concession

	2016	2017	2018	% Change 2018
No. Applications	356	341	396	16%
Est. Value (SCR'M)	98	98	81	-17%

Over the time frame from 2017 to 2018 the number of applications has increased by 16% whereas the estimated value has fallen by 17.45%. For 2016, the biggest concession was on a tuna longline fishing vessel valued at SCR 35.45m, 2017 a fish processing facility complete with accessories valued at SCR 16.25m and in 2018 a fishing boat valued at SCR 25.42m

Statistics Management

The Statistics Management Division of SFA is the custodian of numerous valuable fisheries data sets. Its mandate is to ensure fisheries information is provided at the highest quality, optimal speed and easy retrieval. It also conducts comprehensive statistical analyses on these fisheries data to enable sound scientific and economic analysis, for better management decisions in the long-term sustainable fisheries management.

The division also ensures that SFA meets its obligations in timely dissemination of fisheries related information to all its stakeholders and international organizations.

During the period 2017/2018, the Statistics Management Division implemented several key projects with regards to data capture and data management. Work began in 2017 to develop a new software for artisanal fishery data capture to replace the old ARTFISH software which was developed in 1985 and was no longer compatible with the fast-paced IT environment. Following implementation of a new data capture system for the artisanal fishery in 2016, it was also necessary to develop new data processing scripts to estimate total catches from the catch assessment survey data output from the SIH.

Additional development work was done on the Observe software, which had been developed for the purse seine fishery observer program to integrated data from the long line fishery and thereby replacing the FINSS software which was becoming obsolete.

The statisticians in the division, are members of the Tropical Tuna Treatment (T3) technical committee with the role of preparing data and updating the software to run the T3 process, which estimates the catches of the EU tropical purse seine fisheries and associated coastal countries (Seychelles, Senegal and Mauritius). During the two-year period the team collaborated with Institut de Recherche pour le Développement (IRD) and Institute of Oceanography (IEO) to upgrade the T3 processing software for purse seine fishery.

Published Reports

Several reports were produced by the division, often in partnership with other co-authors, for the period 2017/2018 and those included the bi-annual Fisheries Statistical Bulletin for and IOTC scientific and committee reports which included:

- The Seychelles purse seine fishery observer program: Overview, challenges, and perspectives.
- Potential applications and methodologies for AIS use in Seychelles deep-water tuna fisheries.
- CPUE standardisations of the Seychelles Indian Ocean longline fleet 2004–2015.
- Increased Billfish by-catches of the Seychelles Industrial Longline Fishery.
- Collaborative study of tropical tuna CPUE from multiple Indian Ocean longline fleets in 2017.
- Data-derived fishery and stocks status indicators for Skipjack tuna in the Indian Ocean.
- Seychelles National Report to the Scientific Committee of the Indian Ocean Tuna Commission, 2017 and 2018.

Staffing and development

For the 2017-2018 period, the division, continued to build its data collection capability for all the types of fisheries, including industrial, semi-industrial and artisanal fisheries. As at end of 2017, the number of staff stood at 35 with 33 data capture personnel and 2 statisticians. In 2018, six additional data capture/sampling staff were recruited for the Industrial fishery category, while one additional was recruited for artisanal fishery bringing the total number of staff to 42 at the end of the year.

Fig 2: No. Staff in Statistics division

Fisheries	Main tasks	2017	2018
Industrial purse seine	Data capture of logbook (PS & SV) plus verification, validation	5	6
Industrial purse seine	Sampling onboard vessels	8	11
Industrial long line	Data capture of logbook, landing and license	2	2
Industrial long line	Data capture of sampling data	1	3
Semi-industrial long line	Data capture of logbook & landings	1	1
Artisanal	Data collection on site	13	14
Artisanal	Date capture of sampling data	3	3
Statistician	All fisheries	2	2
Total		35	42

In order to increase the knowledge and capability of the team in the collection of data, several trainings were conducted during the two-year period. These included:

- Training in data collection, species identification, SIH software data capture tools and artisanal data processing tool for technicians and statisticians. The focus of training for the Statistics Section was on upgrading the processes for the artisanal fisheries statistical operations.
- The technicians enhanced their capacity in how to conduct a boat frame survey, in which they were also interviewers.
- The statisticians attended training in CPUE standardisation for the longline fishery with the aim of better understanding the background processes and to improve data management and the supervision of data collection from the longline fishery.

Fisheries Management

The Fisheries Management Division within SFA has the responsibility to develop management plans for various exploitable marine living resources, through participatory multi-stakeholders processes and to work with other divisions within SFA, as well as with other institutions, (including NGOs), to effectively implement those management plans, which may at times involve developing new regulatory framework and/or amending existing ones.

The division is also responsible in ensuring that fishing and other related activities are undertaken in accordance to the Fisheries Act and other regulations as may be prescribed by any International arrangements/agreements to which Seychelles is a party to. This includes the Indian Ocean Tuna Commission (IOTC) Conservation and Management Measures (CMM's) and fishing agreements that Seychelles has signed.

During the reporting period, the focus was to improve the efficiency of the division, enhance teamwork and create a positive working environment. Work plan was developed for the division, encouraging empowerment and delegation of duties to staff members. Meetings were conducted to discuss progress, constraints and solutions. To motivate staff, the division implemented a new staff performance monitoring system with regular appraisal and the development of a training plan.

Fisheries Resource Management Planning and Management Plan implementation

To improve fisheries governance and ensure sustainability of the fishing industry and fisheries resources (demersal resources), the division undertook the following activities during the two-year period:

- Set up steering committee and implemented the Implementation Plan for Demersal fisheries on Mahe Plateau including the Praslin Co-management area.
- Set-up steering committee for the National Plan of Action (NPOA) for Sharks Conservation and Management;
- Drafted licensing framework for domestic fisheries (commercial, recreational and sport fisheries) and created database for all fisheries;
- Submitted report to IOTC on the Implementation of the Drifting FADs Management Plan for Seychelles registered purse seine fleet. Seychelles was 100%

compliant to IOTC resolution 15/08 and 100% of Seychelles-flagged purse seiners respecting the relevant yearly DFAD's quota.

- Completed Draft for implementation of National Plan of Action on Seabirds as per the requirement of IOTC. Seychelles was 100% compliant with IOTC obligation (Resolution 12/06).
- Produced two fleet management plans for industrial and semi-industrial fisheries, targeting tuna and tuna like species in the IOTC area of competence.
- Developed strategies for Fisheries Improvement Programme (FIP) for the Seychelles purse seine fleet to assist in rebuilding the stock of Yellowfin tuna in the Indian ocean.
- Produced report to develop and implement a right base fisheries management system.

Reviewing, development and implementation of new fisheries policies and strategies

The division continued to play its role to improve fisheries management and ensure that fishing activities are undertaken in accordance with the national legislations and international standards. Over the two-year period the division:

- Participated in the drafting of the new fisheries regulations in line with the new Fisheries Act of 2014.
- Drafted the New Fisheries Strategy/Policy for the 2017-2021 period.
- Produced action plan for Sea Cucumber fishery management.
- Conducted survey and produced report on Spiny Lobster Fishery to manage the stock.
- Completed report on frame survey for commercial, recreational and sport fishing sub-sectors.
- Drafted Fleet capacity Management plan for artisanal and semi-industrial fishery.



Promoting responsible fisheries practice in line with international standards and obligations.

The division also worked towards ensuring that fisheries practices in Seychelles remained in line with international standards. During the period 2017-2018, the following were achieved:

- The country implemented 80-90% of IOTC Conservation and Management Measures.
- To improve data collection on industrial fishing fleet in the Indian Ocean, the observer program was intensified and 75% of observer data collected were verified and transferred in the central database while all observer reports were disseminated to IOTC and other relevant partners. A minimum 5% of Seychelles flagged vessels trip per year were covered under the observer program and thus Seychelles was 100% compliant with IOTC resolution 11/04.
- To ensure Seychelles fleet targeting tuna and tuna-like species in IOTC area of competence do so in accordance with relevant international regulation, 90% of vessels were inspected and 100% of Seychelles Flagged vessels were issued with Certificate of Authorization (COA) thus in compliance with IOTC's Conservation and Management Measures.

Reporting

The division actively participated and contributed to national and international forums over the two years, producing seven reports, which included those mandatories for IOTC committees, including IOTC Scientific Committee, IOTC Compliance Committee, IOTC Working Party on Tropical Tuna, IOTC Working Party on Ecosystem Bycatch and IOTC Working Party on Billfish. SFA presented and defended Seychelles' position at the IOTC Working party on Quota Allocation Criteria as well as producing report for the SWIOFC Scientific Committee and the British Seychelles Fisheries Commission.

2019-2020 Outlook

For the period 2019-2020, the Fisheries Management Division will focus on completion of the Demersal Fishery Management Plan and the setting up of the ICCP committee to oversee the implementation of the plan. The division's target is to improve the coverage for the observer program and review the drifting FAD management plan, while ensuring that there is improvement in compliance level on all IOTC committees.



Mahe Plateau Fishery for Demersal Fish Resources Management Plan

The Mahé plateau supports a demersal artisanal fishery that is critically important in providing local food security and economic development in Seychelles. The main species targeted by the plan are snappers, groupers and emperors by the hand line fishery, whereas the trap fishery targets Rabbitfish, Parrotfish and Emperors.

In recent years, fishers have raised concerns over decreasing catch rates and sizes of target species. This has been supported by recent risk and stock assessments undertaken by the Authority. It is to be noted that the Seychelles fisheries for demersal finfish are open access with no limits on the number or type of domestic fishing vessels that can acquire a license and enter a fishery. As a result, there is overcapitalisation of the domestic fleet and a situation of economic inefficiency which is exacerbated by high levels of dependency on Government subsidies. Consequently, fishing effort is too high and the catches of many species comprise of an increasingly high proportion of juveniles.

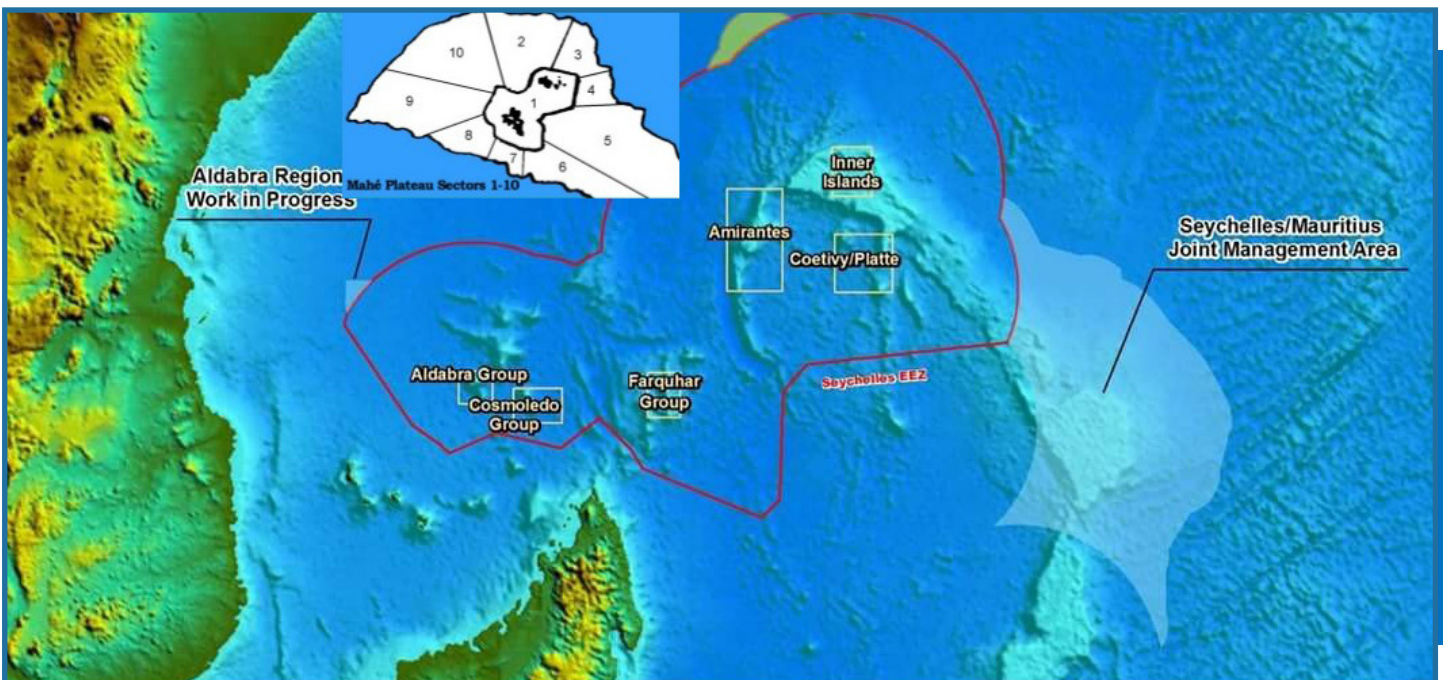
However, it was felt that the plan was not comprehensive enough and lacked management strategies and thus, with the support of UNDP-GEF Programme (Mainstreaming Biodiversity Management into production sector Activities), the programme was revised and a more comprehensive plan was completed in 2015 with key management strategies and new regulations, that were developed to address fisheries issues identified and prioritised by stakeholders.

To allow for key management strategies to be understood and accepted, The Mahe Plateau Fishery for Demersal

Fish Resources Management Plan will be implemented in phases, with nine softer measures within 24 months of its implementation and the more stringent measures thereafter as per table below. A penalty fee of SCR20,000 will apply for any person who contravenes these regulations.

Fig 3: 24-months management measures

Management Measures	
1	A minimum size limit for Bourzwa (<i>Lutanus sebae</i>) of 32cm (fork length)
2	A bag limit (per person per day) that applies to recreational fishers (including fishers on sport-fishing/charter vessels) for: Bourzwa = 5; Zob gris = 5.
3	A maximum limit of 20 active traps per licensed (commercial) fishing vessel .
4	A demersal fish bag limit of 20 fish per semi-industrial vessel.
5	No traps to be left in the sea overnight on listed Kordonyen (Rabbitfish spawning sites from September to April inclusive)
6	A minimum size limit for Zob gris (<i>Aprion virescens</i>) of 32 cm (fork length)
7	A combined demersal species bad limit for recreational fishers of 20 fish per person per day.
8	A maximum vessel limit of 2 traps for recreational fishers.
9	Licensed fishers limited to a maximum of 6 traps per boat per day for 7 days spanning the full moon (3 days prior and 3 days post) on listed Kordonyen (Rabbitfish) spawning from September to April inclusive.



Implementation of obligations to the Regional Fisheries Management Organisation

Seychelles has been a member of the Indian Ocean Tuna Commission, the Regional Fisheries Management Organisation (RFMO), responsible for the management of tuna and tuna-like species in the Indian Ocean (FAO Statistical Areas 51 and 57) since the 26th July 1995. As a Contracting Party (member) Seychelles has to comply with Conservation and Management Measures (CMM's) adopted by this RFMO as well as other obligations in regards to data submission and the implementation of Port State measures.

For the period 2017-2018, the Authority implemented two key measures under its IOTC obligations, namely the monitoring of the Yellowfin tuna quota and the implementation of the observer program on purse seiners.

Monitoring of Yellowfin tuna

An assessment of the yellowfin tuna stock of the Indian Ocean, undertaken by the IOTC Working Party on Tropical Tuna (WPTT) in 2015, found the stock to be overfished and being subjected to over fishing. The 2016 assessment although more optimistic, gave the same conclusion. The IOTC Scientific committee recommended that the catches of Yellowfin tuna be reduced by 20% of the 2015 levels to recover the stocks to levels above the interim target reference points. Subsequently the Commission at its 2016 meeting adopted IOTC resolution 16/01, an interim plan for rebuilding the Indian Ocean Yellowfin tuna stock in the IOTC area of competence. The resolution recommended reduction of catch level across several fleets and for the Seychelles purse seine fleet, this entailed a 15% reduction from the 2015 catch level of 39,071 Mt to 33,211 Mt.

To manage the quota, the overall allocation was linearly distributed amongst the 13 Seychelles flagged purse seine vessels, with an annual allocation of 2,555 Mt of Yellowfin tuna per vessel. In order to monitor the consumption near real time, monitoring and enforcement mechanism were put in place. These included amongst others:

- New and simplified logbook for weekly electronic reporting;
- New form for landing declarations;
- A mandatory 48 hours notification for port entry;
- A 48 hours limit for well plans and complete trip logbook to be transmitted to the Authority prior to port entry;
- Mandatory scientific port sampling to establish species composition of landings;
- Port inspection to monitor landings.

The monitoring of Yellowfin tuna quota consumption proved to be a real challenge as data reporting system which were in place was not designed for near real time monitoring. Consequently, in 2017, the Authority was unable to ensure compliance with the resolution. The total catch for the fleet was about 8000 Mt above the quota. The introduction of more stringent measures, concurrent with human capacity enhancement in 2018, ensured that this over-catch was further reduced to only about 2000 Mt. Further capacity enhancement is expected in 2019 to ensure that Seychelles remain within the allocated catch limit for Yellowfin tuna and is compliant with this IOTC Conservation and Management Measure (CMM).



Implementation of Observer Programme on Industrial Purse seiners

The National Scientific Observer Programme was initiated in July 2013, to address the objectives of the IOTC Regional Observer Scheme (ROS; Res. 11/04) of collecting verified catch data and other scientific data related to the purse seine component of the Seychelles tuna fishing fleet. The programme is implemented by the SFA. During 2013, it comprised mainly of preliminary trials and officially kicked off in 2014.

A total of 328 fishing trips were observed on Seychelles purse seiners during 2014-2018. This represents about 8,223 days of observation at sea with more than 7,672 fishing sets observed, with a total catch of 240,145 Mt of tuna and tuna-like species. Over the years, observer coverage has improved both in terms of quality and quantity. In 2018, 68% of all Seychelles purse seine fishing sets were observed, representing ~2,000 fishing operations. This is proof that the learning process has been quite effective. Observer data have been presented at the IOTC Working Party on Ecosystems and Bycatch (IOTC-2018-WPEB14-15).

Table 5. Annual observer coverage for the Seychelles purse seine fleet

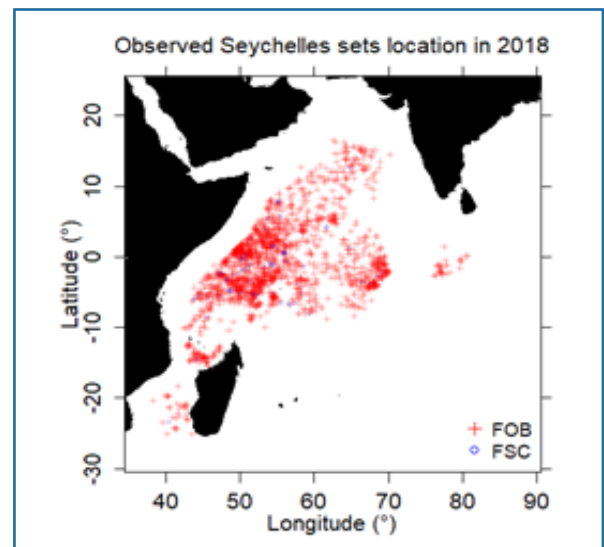
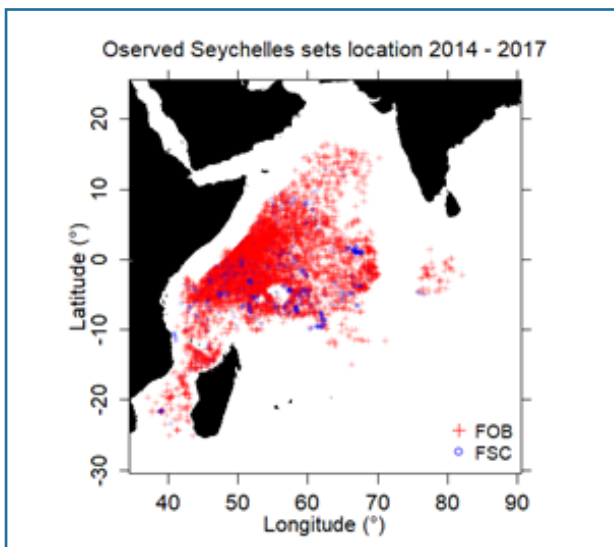
Year	Trips	Days at sea	Sets	Catch (Mt)
2014	7	173	132	3,153
2015	65	1,928	1,577	41,319
2016	68	2,026	1,917	44,162
2017	96	2,103	2,048	67,034
2018	92	1,993	1,998	84,477

Whilst it is mandatory for Seychelles to cover only 5% of its fleet targeting tuna and tuna-like species within IOTC area of competence, over the years SFA have exceeded this requirement. Furthermore, observers are also deployed on foreign fishing vessels fishing within the Seychelles' waters based on obligation under fisheries agreement.

To complement the data collected by human observers, SFA is evaluating the possibility of implementing Electronic Monitoring (EM) for scientific data collection as well as for compliance purposes. The successful implementation of a pilot EM project in 2016, concluded that current EM technology can greatly enhance data collection, as it caters for simultaneous observations at various input sources. SFA is expected to roll-out EM system on its purse seine as well as industrial longline fleets in the coming years.



Fig. 4. Map showing spatial distribution of the fishing sets observed onboard Seychelles purse seiners during 2014-2017 (left) and 2018 (right). (FOB = School associated with drifting floating object; FSC = Free Swimming School).



Spiny Lobster Fishery

Fishery season remain closed for 2017-2018 period

The spiny lobster fishery has traditionally been managed with seasonal closures and limited access, on the account that fishers primarily exploit the shallow water and coastal stocks, where abundance is limited. Consequently, with high fishing pressure, this has caused rapid localized depletion of stocks. In recent years, there have been substantial declines of these coastal stocks when too many licenses have been allocated, or when the fishery has remained opened for more than three successive seasons.



The stock status of the Spiny rock lobster is determined through stock indicators, whereby the index of abundance is established through catch per unit effort during the period when the fishery is open and from annual fishery independent surveys.

After remaining open over two consecutive seasons, 2015/2016 and 2016/2017, the fishery was closed for the period (2017-2018 and 2018- 2019) to allow the stock to recover following drop in index of abundance over the 2015/2016 and 2016/2017 season. One of the major challenges faced with managing this fishery is the ongoing illegal fishing for lobsters taking place throughout the year. Over the coming two years the SFA will improve it capacity with the aim of strengthening its monitoring, control, and surveillance to combat illegal fishing activities. Furthermore, an education and awareness campaign will be implemented to educate fishers and the general public on the management of Spiny rock lobster as well as on the regulations and penalties for illegal fishing of these species.



Four main species of lobster found in the Seychelles waters from left to right: Pronghorn Spiny lobster (oumar gro latet), longlegged Spiny lobster (oumar rouz), Painted Spiny lobster (oumar ver) and Ornate Spiny lobster (oumar blan)



Fisheries Research

The Fisheries Research Division primary role is to develop and carry out research to improve understanding of fisheries, fisheries resources and the ecosystems that supports it. This involves collecting, managing, assessing data and reporting on the status of fisheries resources in collaboration with national and international partners, to provide robust advice to resource managers, fisheries stakeholders, partners and the general public on the management and development of Seychelles fisheries.

The division also engages in collaborative partnerships with national and international partners (NGOs, Universities, Institutions), to promote collaborative research and capacity building and ensure that the research findings are communicated in a timely manner through appropriate mediums to the broader scientific community, stakeholders and general public.

Research to support stock management plans and assess stock levels

During the 2017/2018 period, the research team, which increased to nineteen staff by the end of 2018, delivered on key researches that supported SFA in its development and implementation of fisheries management plan including assessment of different stock levels of fisheries. These included:

SEACUSEY Project

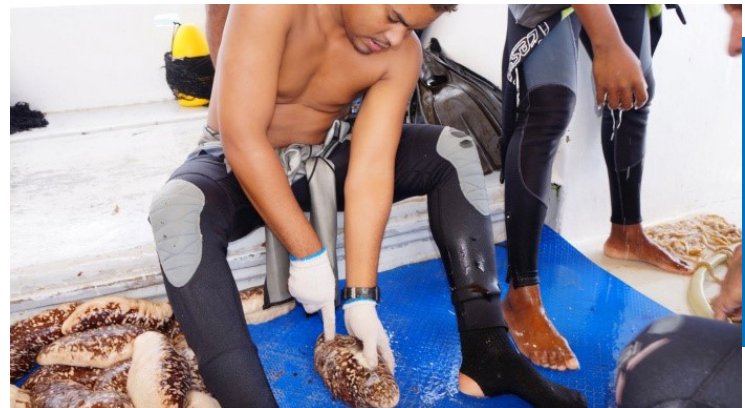
Initiated in May 2017 and led by the Institut de Recherche pour le Développement (IRD) in collaboration with the Seychelles Fishing Authority (SFA), the Association of Members of the Sea Cucumber Industry in Seychelles (AMSSI) and the Sea Cucumber Harvesting Association (SCHA), this project had the objective of defining and implementing operational management measures for sea cucumber fisheries that are adapted to the diversity, genetic structure, abundance, distribution and evolution of stocks of the four main commercial species (*Holothuria* "Pentard", Black teatfish *H. nobilis*, White teatfish *H. fuscogilva*, and Sanpye *Thelenota ananas*).



Participant in the SEACUSEY research

Sea cucumber fishery stock assessment

The Sea cucumber fishery stock assessment was carried out by MRAG international consulting firm with the support of SFA in 2017. The result showed evidence of decline of the population with prominence on some specific species. A number of measures were introduced to limit effort in the fishery which included the introduction of a species specific quota system, reduction of the length of the fishing season to eight months and a prohibition on the retention of the Black teatfish.



Collection of biometric data on sea cucumber species

Independent lobster assessment survey

Under the Participatory Lobster Monitoring Programme (2017/2018), the survey was conducted with the participation of lobster fishers alongside SFA's technicians and scientists at 20 indicator sites. The research observed a significant decline in stock indicators and as a result the lobster fishing season remained closed for seasons 2017-2018 and 2018- 2019 to allow the stock to recover.



Collection of size data as part of the lobster assessment survey

Research to support understanding of fish resources and its ecosystem

To improve understanding of fisheries and the ecosystem that supports it, the division worked in collaboration with several local and international partners on several research projects, such as:

- Science based restoration of commercially important Spiny lobster habitats to help develop a sustainable fishery (2018) in collaboration with Marine Conservation Society Seychelles (MCSS) and other local partners. The project was funded by SeyCCAT. Its principal objective was to improve the understanding of the Spiny lobster (*Panulirus sp.*) life-cycle and its ecological implications for fisheries management;
- Improving the understanding of Red Snapper (*Lutjanus sebae*) stock structure on the Seychelles Bank;
- Green Jobfish study;
- Understanding key population dynamics parameters of *Carangidae*;
- SeyCATT funded "Spatial ecology and response to catch-and-release of recreationally targeted fish species on St. François and Alphonse Atolls, Alphonse Group, Seychelles Outer Islands: Implications for conservation and management" IRD (international), FBOA (local) (2018).
- Sea cucumber fishery stock assessment.

Promoting collaborative research

To promote collaborative research and capacity building, the SFA worked with several local organisations, including the Seychelles Island Foundation, Island Conservation Society, Fishing Boat Owners Association and international bodies such as the Institut de Recherche pour le Développement (IRD), Littoral Environnement et Sociétés (LIENS), The Arctic University of Norway (UIT), The Commonwealth Scientific and Industrial Research Organisation (CSIRO) on research activities. Some results have been published as part of the British/Seychelles Fishing Committee papers. .

Capacity development & Knowledge sharing

To further develop staff capacity and knowledge sharing, staff attended the following international workshop/symposium where they also made oral presentations:

- Meeting of the Working Group on Demersal Resources organised by the SWIOFC from 2-10 October 2017 in Maputo, Mozambique.
- 10th WIOMSA Symposium, Dar es Salaam, Tanzania (2017).
- 8th Session of the Scientific Committee of the South West Indian Ocean Fisheries Commission, Maputo, Mozambique (2018).

Several local workshops were also organised to disseminate the result of key research findings including:

- Lobster Workshop, January 2018, to present the result of the assessment done during the lobster fishing season.
- National Sea Cucumber Workshop, September 2018, to present finding of SEACUSEY survey result.

2019/2020 Outlook

For 2019 and 2020 the division will continue to build its capacity through new recruitment and training, to effectively undertake fisheries research projects. The aim is to develop a research strategy/plan which will guide the development of research projects based on the priority of fisheries management and availability of resources. Research projects will be aligned with the priorities defined in the SFA Strategic Plan 2018-2020, the Seychelles Fisheries Sector Policy and Strategy (2019) and the Fisheries Comprehensive Plan (FCP).



SeyCCAT Spiny Lobster Workshop with Marine Conservative Society Seychelles, University of Seychelles and SFA

SEYCUSEA PROJECT

Diversity, status and co-management of the sea cucumber fishery in the Seychelles

In May 2017, led by the Institut de Recherche pour le Développement (IRD) in collaboration with the Seychelles Fishing Authority (SFA), the Association of Members of the Sea Cucumber Industry in Seychelles (AMSSI) and the Sea Cucumber Harvesting Association (SCHA), the SEACUSEY project was launched, with the aim of ensuring the sustainability of the sea cucumber resources in Seychelles through adaptive co-management.

Through various activities which included: estimating sizes of the sea cucumber at sexual maturity, studying the intraspecific genetic structure, estimating the abundance of the resource using fisheries dependent data, developing an electronic information system, defining resource management measures and finally optimizing the participatory and operational monitoring of fishing activities, the project aimed to define and implement operational management measures for sea cucumber fisheries that are adapted to the diversity, genetic structure, abundance, distribution and evolution of stocks of the four main commercial species (*Holothuria* "Pentard" or Flower tear, *H. nobilis* (Black teat), *H. fuscogilva* (White teat), *Thelenota ananas* (Prickly red).



Several research trips were undertaken onboard the SFA research vessel R/V L'Amitie, to collect sea cucumber samples from the four main target species to determine the genetic markers for the genetic study and to determine the size at maturity. Moreover, an experimental survey was conducted to determine the relationship between the catch per unit of effort (CPUE) and the density of the sea cucumber resource. In addition, several workshops and meetings were conducted with the stakeholders, such as skippers, fishers, processors, involved in the fishery to get their perspective on the management of the sea cucumber fishery and train them in new data collection methods using smartphones.

At the end of the project in 2018, an electronic data collection system and data analysis tool (BDMer 3.0) was developed. The length at sexual maturity of Pentard was estimated to be between 285 mm to 332 mm and genetic studies revealed that there was a high gene flow between the different sites sampled for Pentard, thus indicating that there is a single stock of this species. However, for White teatfish, there were limited connectivity between some of the sites sampled, possibly due to the lower abundance of this species. The results of the project were presented at a National Workshop which was attended by over 40 people from different stakeholder groups.



Monitoring Control & Surveillance

The Monitoring Control & Surveillance Division, which is made up of the Monitoring and Control Section (MCS) and the Fisheries Enforcement Section (FCS), supports the successful implementation of the agreed fisheries management policies, plans and strategies, by ensuring compliance with fishing conditions, management measures and fisheries legislations, both domestic and international through effective flag state, coastal state and port state controls.

Fisheries Monitoring

The Monitoring Unit ensures the compliance of all fishing vessel's reporting requirements, monitoring of catch, effort and other fisheries activities using satellite technology such as Vessel Monitoring System (VMS) and Electronics Reporting System (ERS). The unit is also responsible for the validation of Catch Certificates as required by market states, Trade Documents (statistical documents) as required by various regional fisheries management organizations such as the International Commission for the Conservation of Atlantic Tuna (ICCAT) and the Indian Ocean Tuna Commission (IOTC).

During the period 2017/2018, one of the key focus of the Monitoring section was to ensure that Seychelles was in full compliance to the new IOTC Resolutions 16/01 and 16/11. This included the implementation of a new inspection plan to ensure a 5% minimum port inspection rate as required by Resolution 16/01, which also required the readjustment of data collection procedures to reduce delays in data availability to allow the monitoring of the catch of Yellowfin tuna being made by industrial purse seiners after the introduction of the quota limit for the aforementioned species.

VMS in local fishing vessels

The VMS system, allows for collection of spatial and temporal data on the activity of local fishing vessels at sea for management purposes as well as provides additional safety for the local artisanal vessel as most of these vessels are not equipped with safety equipment. Although there is no legal requirement for local artisanal vessels to install and have operational VMS terminal. SFA aims to have 100% coverage for all Schooners and Whalers under artisanal fisheries. As at the end of 2018, a total of 133 vessels had VMS compared to 147 in 2017. This slight drop was mainly the result of a reduction in the number of licensed semi-industrial vessels.

Table 6: VMS installed in relation to total local licensed vessels

	2016	2017	2018
No. VMS installed in local vessels	141	147	133
No. Purse seiner & supply vessels licensed (Sey Flag)	22	20	21
No. Long liners licensed (Sey Flag)	46	54	55
No. Semi-industrial licensed	28	29	18
No. Schooners	13	56	63
No. Whalers	94	65	61
Total No. Local licensed	203	224	218
% VMS installed	69%	66%	61%

VMS/Electronic reporting system

The VMS data collected are used to validate activity positions declared on the logbook for industrial vessels using specialised software developed for purse sein fishery. It is also used to correct species composition declared in the logbook. There was a 12.6% increase in data for the period 2017 over 2016 from both local and foreign vessels and the level was maintained in 2018.

Table 7: Volume of data transmitted from all vessels

	2016	2017	2018
China	25,833	30,863	48,990
France & Mayotte	44,406	58,974	49,789
Sey Flag (Artisanal vessels)	379,166	538,678	522,742
Sey Flag (Industrial vessels)	1,029,085	1,173,244	1,197,011
Spain	56,484	59,547	54,400
Taiwan	460,962	422,203	401,131
Italy	-	-	1,974
Korea	81,743	53,976	29,493
Thailand	1,542	-	-
Tanzania	1,030	-	-
Mauritius	8,846	15,299	14,663
Total	2,089,097	2,352,784	2,320,193



Catch certificates & trade documents

Illegal, unreported and unregulated (IUU) fishing depletes fish stocks, destroys marine habitats, distorts competition and puts honest fishers at an unfair disadvantage. In order to close the loopholes that allow illegal operation to profit from their activities, fish and fishery products that are traded in and outside of Seychelles are subject to additional control which includes catch and trade certificates in line with article 12 of COUNCIL REGULATION (EC) No 1005/2008.

In 2017, a total of 5,644 catch certificate and statistical documents consignments were validated for export, representing an increase of 12% over 2016. The same trend continued in 2018, increasing to 6,304 validation. The increase was mainly due to increase in export to Europe, Mauritius, Reunion and U.A.E amongst others.

Table 8: No. Catch certificate & trade documents issued

	2016	2017	2018
No. Non-EU catch certificates	230	363	474
No. EU catch certificate for local vessels	290	274	463
No. EU IUU catch certificates	1,691	1,633	1,694
No. EU foreign catch certificates	510	243	346
No. EU Seychelles catch certificates	426	428	489
No. Statistical certificates	1,206	2,174	2,177
No. Non-Manipulation certificates	668	457	568
No. Re-export catch certificates	13	72	93
Total	5,034	5,644	6,304

Table 9: Export volume (Mt) and destinations of catch from artisanal and semi-industrial vessels

	2016	2017	2018
Sri Lanka/Colombo	1,295.7	1,014.4	920.4
USA	156.7	293.9	271.0
Reunion	15.8	55.6	114.3
France	138.6	42.9	104.2
United Kingdom	115.1	72.0	77.5
Mauritius	22.7	6.0	45.7
Spain	2.3	17.3	39.1
Italy	2.5	13.9	25.0
Vietnam	24.4	76.7	19.7
U.A.E	1.4	4.8	10.1
Russia	42.4	2.6	7.9
Germany	20.8	11.1	3.4
Japan	0.4	1.3	3.0
Netherlands	0.6	0.5	0.7
Australia	0.5	-	0.1
Others	49.6	24.8	-
Total	1,888.7	1,638.1	1,642.1

Fisheries control

The Fisheries Control unit is responsible for processing and issuing fishing licenses, and sea cucumber processors permits as well as controlling access to managed and regulated fisheries and fisheries related activities.

A total of 397 local fishing licenses were issued in 2018, a 22% reduction over 2017 and 45% decline over 2016. The biggest reduction was from artisanal fishery which dropped by 209 over 2016 and a further 91 in 2018. The main reason being over capacity in the artisanal fishery and reduction of manpower in this fishery. A reduction of 11 licenses was also observed in semi-industrial fishery and again this was due to overcapacity. The lobster fishing season was closed for both 2017 and 2018 and thus no license was issued.

Table 10: No. Local fishing license issued

	2016	2017	2018
Artisanal fishery licence	643	434	343
Semi-industrial fishery licence	28	29	18
Net licence	15	24	10
Sea cucumber licence	20	22	22
Process & export of sea cucumber licence	-	4	4
Lobster licence	15	-	-
Total licences	721	513	397

Foreign fishing vessel licences

The number of licences in the industrial fishery increased from 2919 in 2016 to 223 in 2017, However the number of licences issued decreased by 23 in 2018, primarily due to a decrease in the number of supply vessels and purse seiner license. . It is to be noted, that even though the number of licenses decreased in 2018, as a result of better effort, 2018 catch was a record for industrial purse seine fishery at 439,831 Mt with a record catch rate of 40 Mt per fishing days.

Table 11: No. Foreign fishing licences issued

	2016	2017	2018
Long liner licence	152	154	151
Purse seiner licence	46	48	37
Supply vessels licence	21	21	12
Total foreign licences	219	223	200

Fisheries Enforcement

The Enforcement Section carries out all inspectorate duties with regards to port state inspection, land inspection, sea and air surveillance duties pertaining to national and regional requirements. An annual compliance inspection is carried out on all vessels 24m and above, and for vessels below 24m that are authorised to operate outside the Seychelles EEZ.

In 2017, a total of 289 port side inspections, which was 37% of the number of vessels that visited the port, were conducted, while in 2018, 27% of the vessels were inspected, a slight drop, mainly due to human resources capacity, which SFA is working on. However, it is to be noted that, inspection rate still exceeded the IOTC's 5% minimum inspection rate.

Table 12: No. Inspections and compliance for industrial fishing vessels

	2016	2017	2018
No. Visits to port	902	840	820
No. Port side inspections	331	289	218
Inspection rate	37%	34%	27%
No. Vessels compliant	14	19	8
Compliance rate	4%	7%	4%

The compliance rate for Industrial fleet, saw a slight increase to 7% in 2017, but was back to 2016 at 4% in 2018. The biggest compliance issue concerned the reporting standards, which in strict legal respect, there are no proper prescribed standard for reporting, which makes enforcement an issue. This was further exacerbated with the coming into effect of the Yellow fin quota established by the IOTC, where an increase in false catch composition was observed to reduce recorded Yellow fin catch. The SFA has initiated the needful to review the concerned regulation, but its completion and implementation was not ascertained. To mitigate this impact, SFA expedited amendment to license and COA conditions. Further to this, anecdotal evidences suggest that discards, catching of prohibited species, and high grading is still prevalent in those fisheries. The SFA had begun looking at other measures to monitor the fishing activities of its flagged vessels, including electronic reporting and monitoring.

Patrols

SFA's at sea inspections beyond the coastal areas up to the outer limits of the EEZ, are carried out with the assistance of the Seychelles Peoples Defence Forces (SPDF) through their Coast Guard wing (SCG). The SPDF also supports the SFA with aerial surveillance through their Air Force wing. This allows SFA to further supervise fishing activities at sea for compliance. Land patrols are carried out on a regular basis, with key landing sites inspected.

The number of land patrol increased to 29 in 2017, but was reduced to 8 in 2018 due to capacity and focus on ensuring compliance with IOTC resolution 16/01 and 16/11. The number of aerial patrol by the Air Wing was two in both 2017

and 2018 compared to four in 2016. This was mainly because of aircraft unavailability from the Air Wing.

SFA also participated in the Regional Fisheries Surveillance Program (Plan Regionale de Surveillance de Peches, PRSP), under the auspices of the Indian Ocean Commission, with financial support from the SMARTFISH Project.

Table 13: No. Patrols undertaken

	2016	2017	2018
Land patrol	8	29	8
Aerial patrol	4	2	2
Regional surveillance mission	3	2	1
Total No. Patrols	15	33	11

Training and development

MCS staff participated in several training organised by the IOTC in 2017 as part of the SMARTFISH Regional Fisheries Surveillance Plan. This included training on the system itself, risk management in fisheries surveillance & AIS and satellite imagery technology, which SFA is investigating for implementation.

2019/2020 outlook.

The division focus for the period 2019/2020 is geared towards bringing improvement in MCS processes and the conditions in which fisheries operate. This will primarily include increase in the number of staff, as well as focusing on increasing maritime domain awareness and establishment of systems to improve reporting of fishing activities. These will include deployment of new technologies within the FMC such as AIS, electronic reporting and monitoring, and satellite imagery which will greatly improve the FMCs capacity to detect potential illegal activity and support risk management



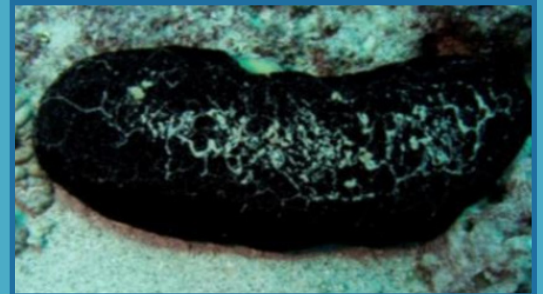
Sea Cucumber Fishery

Fishery season remains closed for 2017-2018 period

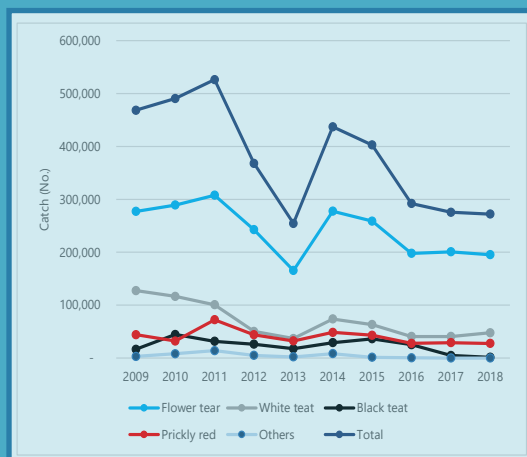
Following the commercialization of the sea cucumber fishery, the number of sea cucumber harvested reached a peak in 2011, but declined thereafter to reach a record low of 254,499 in 2013 and after a slight pick-up in 2014, again dropped by 37% to reach 272,066 in 2018. This trend of boom and decline (bust) is common in sea cucumber fisheries around the world, where they decline as quickly as they expand, and if not managed properly, results in the collapse of the fishery.

Seychelles is the only country in the region with a formalized approach of co-management of the sea cucumber fishery, which was implemented in 2013. A Management Advisory Committee, made up of relevant stakeholders, was set up to strengthen the collaboration between SFA and other relevant partners as well as improve the management of Seychelles sea cucumber resources. Between 2013 and 2016, SFA in collaboration with the industry, has been able to significantly improve the quality and quantity of fishery dependent data collected via self-declared logbook. This has led to a comprehensive stock assessment in 2017, which revealed evidence of significant population decline from the pre-exploitation state. One species with major concern was the Black teat fish (Kokosye nwar) due to significant decline in catch in certain areas.

To prevent further over-exploitation and to allow the stock to slowly recover, it was recommended that catch is maintained at the 2016 level. A yearly quota based on Total Allowable Catch (TAC) was also recommended and was introduced at the beginning of the 2017-2018 fishing season. This allowed a maximum of 375,000 units of sea cucumber to be harvested annually as follows: Flower teat fish at a quota of 281,250 units, White teat fish at a quota of 56,250 units and Prickly red fish at a quota of 37,500 units. The harvesting of Black teat fish and any other sea cucumber species was prohibited. When distributed equally amongst the 25 licencees, the allocation is translated to; Flower teat fish at 11,250 units, White teat fish at 2,250 units, and Prickly red fish at 1500 units per vessels per year.



It was recommended that the quota is reviewed after three years or three consecutive opening seasons. There was also a recommendation to undertake a comprehensive fishery independent survey to re-assess the status of the stock. For the two fishing seasons 2017-2018 and 2018-2019, the implementation of the quota system has been successful with catches remaining within the overall quota. It is to be noted that activity was reduced during this period due to lack of man-power. Once this constrain is addressed, and most vessel become active, a close monitoring of quota consumption must be implemented to ensure that the limits are respected. The SFA will schedule an assessment of sea cucumber populations through fisheries independent scientific surveys within the coming two years, to establish the abundance of sea cucumber and determine the stock status. Upon completion of this survey, the management of the Seychelles sea cucumber fishery will be reviewed to ensure optimal utilisation of this resource and long-term sustainability.



Infrastructure & Development

The Infrastructure and Development Unit is responsible for the development and modernization of all the fishing ports and quays as well as adoption of new technologies and practices, to improve and support the growth of the fishing sector, while ensuring that ports and facilities are used optimally, to generate maximum revenue in terms of fishing port activities. The unit is also responsible for ensuring adequate supply of ice for fisherman.

Fishing Ports Infrastructure & Management Projects

SFA manages the Providence, Victoria and Bel Ombre fishing ports and during the period 2017-2018, several major projects funded by the EU and Japan International Cooperation Agency (JICA) to the total value of SCR182m were undertaken and these included the projects in Table 14 below.

Table 14: Major project status at end of 2018

	Program	SCR'M	Status
MCS Office extension	EU	4	In progress
Providence fishing port phase 2 to provide more mooring for artisanal fishery including 10 tonnes ice plant	JICA	135	Completed
Ile Du Port phase 3 - Construction of road and utilities	EU	32	In progress
Fencing of net repair area to control access to the yard	EU	1	Completed
Construction of Generator room at Victoria Fishing Port	EU		Tender
Construction of Bel Ombre Ombre Processing plants & Sewage Treatment plan	EU	10	Completed
Construction of Bel Ombre Ombre Landing Shed	EU	0.69	Completed
Total		182	

To better manage the Fishing Ports, in consultation with various stakeholders, SFA drafted a Port Management Plan in 2018 which is yet to be implemented to its fullest. For the Bel Ombre Fishing Port, given the mixtures of users, ranging from fishing boats, leisure boats and hire crafts, SFA in consultation with the Bel Ombre District Authority, the Bel Ombre Fishermen Association, Seychelles Port Authority, Seychelles Maritime Safety Administration and Ministry of Land Use and Habitat formed a joint committee to see how best to manage the Bel Ombre Fishing Port. A draft TOR for Providence Fishing Port was also produced.

Regional Fishing Facilities Infrastructure Projects

Under its mandate to facilitate and support construction of regional fisheries facilities, seven projects were undertaken including fish markets and gear stores under the EU program in the districts of La Digue, Glacis, Anse Aux Pins and Anse Royale. La Digue, Anse Royal and Cascade markets were completed by end of 2018. Other projects under the same program that were initiated included, reclamation at La Retraite, tender for Baie Ste. Anne Jetty, Cascade reclamation work and the concept draft for the construction of the Perseverance market and boat repair.

Management of existing fisheries infrastructure

Under its mandate of ensuring that required maintenance are undertaken on port facilities, infrastructures and promotion of safety at sea, annual maintenance was done on all navigation aids (buoys) around Mahé and Praslin. Surveys were done on the four La Digue channels to see how best they could be deepened and enlarged to provide safe passage for the fishermen during low tides and bad weather.

A comprehensive maintenance program on all ice plants were also implemented to ensure fewer breakdowns and optimum production to meet fisherman's expectations. The existing ice plants produced 57.5 tons of ice which was 82% capacity and this was mainly due to the age of the majority the refrigerators. SFA is making provision for the gradual replacement of the old ice plants as well as purchasing additional ice machines to be installed in new locations to facilitate the lives of fishermen.

For the period 2019-2020, the department will continue to focus on improvement of facilities for the fishermen, ensuring the timely delivery of existing projects as well as undertaking new projects which includes, construction of new fuel depots and office for the Victoria Fishing port, construction of container bay and upgrading of power supply at Providence Fishing port amongst other projects.



Post Harvest & Value Addition

The Post-Harvest & Value Addition (PHVA) Division, is responsible for research, development and promotion of local post-harvest processing and value addition, as well as providing technical and scientific support to promote the standardization and adoption of best practices throughout the sector, with the aim of allowing Seychelles to gain competitive advantage and thereby contributing to the country's overall economic growth.

The division also assist in reviewing and assessment of seafood processing projects in collaboration with other governmental organizations, on the basis of quality assurance, food safety, good manufacturing practices and business financial feasibility. During the period 2017-2018, a total of thirty-nine projects were implemented by the division in support of the PHVA sub-sector and these included:

- Production of guidelines for Product/Recipe Development and Fish processing business.
- Delivery of two workshops for introduction and advanced Hazard Analysis Critical Control Point (HACCP) Implementation for existing/new food processors, to increase capacity in the sector so that the businesses are able to set up their own HACCP plans.
- Hosted five training workshops on Post Harvest as part of National School Level Awareness Program, to introduce the concept of value addition to the general public with emphasis on the youth.
- Development and launch of fourteen new sea-food products using low value fish and by-catch.
- Evaluation of nine sea-food processing plants projects.
- Participation in several local trade fairs to promote the Post-Harvest department and showcase the different value-added product that have been developed to encourage usage of under-utilised fish and hence promoting sustainable fishing.

- Attended together with fish processors four, sea-food international expo to allow local processors to meet potential international clients/ partners, as well as gather information for local investors and processors to improve processing capacity and build capability.

The division is also responsible for issuing sea-food processing license as well as quarterly compliance inspection of all post-harvest facilities. There was no sea-food incident for the period 2017-2018. No new sea-food processing license was issued during the period, mainly due to incomplete business plans and inability to secure funding from the Fisheries Development Funds (FDF). SFA will be working with the government and the Development Bank of Seychelles to establish clear guidance on types of projects to be implemented in order to better assist the prospective investors.

For 2019-2020 period, the department will continue to focus on New Product Development and creating public awareness, Market Research & Exportation and Fish Quality enhancement to further support SFA's strategic goal of optimising the economic and social benefits of fisheries. Under the SWIOFish3 project, SFA is working on the development of a new framework for the monitoring and assessment of Post-Harvest Losses (PHL) from all processing plant as well development of a National fish Quality Assessment Scheme.



Staff participate in the 2018 National Show to promote the Post Harvest department and showcase the different value-added product that have been developed during the year

Fisheries Value Addition

School Awareness Program 2018

To create awareness amongst youth on value-addition to fishes that are under-utilised, the Division of Post-Harvest & Value Addition organised a series of workshops in 2018 at its SFA headquarters, for five groups of secondary school students as part of its National School Level Awareness Program.

The workshops had a combination of theory and practical sessions in which the students gained valuable insights in the different value-addition activities that can be undertaken to transform low value fish species into higher value fish products as well as on the importance of ensuring the quality of products and services for customer satisfaction. The value-addition activities covered as part of the workshops included primary transformations

such as cleaning, filleting and deboning and secondary transformations whereby fish are transformed into items such as burgers, sausages, nuggets, fish fingers and ready to eat canned fish which can be preserved in a wide array of condiments. As part of the practical sessions, the students had opportunity to participate in the production of a number of value-added fish products from a list of available recipes under the direction of a qualified Chef.

Under the guidance of the Development and Assessment manager, Mr. Ronny Antat, the students learnt about the importance of the fisheries value-addition in the fisheries sector as an avenue for increasing the revenue that Seychelles gets from its fisheries resources. Value-addition usually leads to an increase in the market value of our fish products, provides competitive advantage, create sustainability in fisheries and creates job opportunities. The workshop participants also discovered available career paths and prospective business opportunities in this field.

The workshops will be an annual event going forward.



Aquaculture Development

The Aquaculture Division was created in 2015 to support the development of the aquaculture sector in the Seychelles. The initial objectives of the division was to set up the required institutional, policy and regulatory framework to encourage the orderly development of the aquaculture sector. The division is also responsible for undertaking research to support sustainable and economically viable aquaculture development, as well as facilitating and supporting the construction of aquaculture facilities.

Staffed initially only by a Principle Aquaculture Officer and a Senior Aquaculture Technician, six Technicians and a Facility Supervisor were recruited during 2017-2018 period to support the implementation of the Mariculture Master Plan. The division was assisted by the consultancy firm, Advance Africa Management Services in supporting the implementation of the Mariculture Master Plan (MMP 2015-2020). The division forged ahead with its development plan for the aquaculture sector after the approval of the Environmental Social Impact Assessment (ESIA) of the MMP in early 2017.

High Level Aquaculture Committee

After the Cabinet decision to proceed with the Aquaculture sector development in February 2017, a High-Level Aquaculture Committee (HLAC) chaired by the Vice President with other Ministers as committee members and its associate sub-committees were created to assist the SFA with the development of the Seychelles aquaculture sector. The mandate of the HLAC and its subcommittees included to: provide an inter-departmental structure for policy coordination, align legislative and institutional structures, drive the development of the sector by attracting private and institutional investment capital to pioneer the sector; promote public and institutional awareness of aquaculture, assess requirement for land and infrastructure required to support the expansion of the sector; create opportunities for local investment and participation throughout the aquaculture value-chain, develop the human capital required and foster international collaboration.

Master Plan development & awareness

The Mariculture Master Plan (MMP), which was developed within the overarching framework of the Food and Agriculture Organization (FAO) Ecosystem Approach to Aquaculture (EAA), the FAO Code of Conduct for Responsible Fisheries (CCRF), Best Aquaculture Practices of the Global Aquaculture Alliance, and in accordance with Seychelles Sustainable Development Strategy (SSDS) 2012, was finalised in 2017. In 2018, SFA was confirmed as the Aquaculture Regulator and after the approval of the Seychelles National Aquaculture Policy, it started to educate the public on aquaculture.

Infrastructure development

During the period 2017-2018, several key milestones were achieved including securing of the site for the Brood stock Acclimation and Quarantine Facility (BAQF), its final design and start of civil construction work. Bathymetry survey

and marking out seawater abstraction pipe for the BAQF was undertaken. Land was also secured for infrastructure projects together with early-stage infrastructure funding and investor interest. The Outer Island Aquaculture EIA was also launched and the R&D centre design and specification was also completed.

Research and development

In 2017/2018 period the following key research and development work were undertaken:

- Drafting of the Human Capital Development Plan, the section's HR requirement, and the international marketing and brand development plan.
- Production of the Outer Islands Aquaculture Opportunities Report on Silhouette, Coetivy, the Alphonse Group, Desroches and Poivre Atolls.
- Presentation of the roadmap for alignment of fisheries and aquaculture strategies to the strategic plans of the SFA and the Ministry of Fisheries.
- Seychelles water sampling study/protocol 2017. Three samples sites located at Providence and distance from shore were identified.
- Assessing the PIT tag retention ability of the *Tripneustes gratilla* (collector urchin) found in the Seychelles Ocean.
- A survey of potential land sites in Grand Anse Mahe was undertaken to assess the potential for a land-based Aquaculture Development Zone (ADZ) for private sector facilities.



Staff and contractor at the Broodstock facility at Providence

Training

As the development of the aquaculture sector progressed, training and exposure of staff and other key partners were undertaken during the two-year period and those included:

- Aquaculture technician attended International Training on fisheries for Asia Pacific and Aquaculture for African Countries in Indonesia;
- Eight SFA staff attended the 9th Regional Training on Marine Finfish Seed Production and Grow-out in Thailand,
- Four staff (including a vet) attended fish health and biosecurity training at Rhodes University in South Africa in 2018;
- Ten candidates (SFA and private sector) attended The Aquaculture Training Course and Mentoring, focusing on sea urchin hatchery basic operations at the Marine Research Facility, Sea Point Cape Town, South Africa;
- Study Tour on Aquaculture in Kenya and Tanzania by members from SFA, TGMI and Ministry of Education and Human Re-sources Development to better understand and gather information about the farming techniques, products and business models for small scale community-based aquaculture;
- Staff also participated in several local and internal conferences to develop their knowledge.



Participants at the fish health and biosecurity training at Rhodes University in South Africa in 2018

Education and awareness

As part of its sensitisation and awareness program, the division launched its website and Facebook page in 2017 and participated in television and radio programs. The department also participated in public events such as the National Show and Food week. They also produced print media materials.



Participants at the 9th Regional Training Course on Marine Finfish Seed Production and Grow-out in Thailand

Aquaculture licence issued

Since the Aquaculture Regulation had not been Gazetted, no licences were granted in 2017 or 2018. The Praslin Black Pearl farm, which operates within a sea concession of around 19 ha. in the Curieuse Marine National Park, producing around 2000 round pearls per annum from Black lipped pearl oyster (*Pinctada margaritifera*) and Winged oyster (*Pteria penguin*), is still operating under on a concession basis given that they obtained permission before the establishment of the Aquaculture division at SFA. There are also some restorative aquaculture setups such as coral farming at different sites. These are mostly for research and restoration and thus are not commercially oriented operations which were not captured by the SFA in view of the absence of proper regulatory mandates. Once the regulation is gazetted, such activities will automatically be regulated accordingly.

The division, will continue with the implementation phase of the masterplan for the period 2019-2020.



Candidates observing sea urchin reproductive techniques at the Marine Research Facility, Sea Point Cape Town, South Africa.

Aquaculture for the Future

SFA launch its Education and Awareness Program

In developing any new sector, the competent authority must be mindful of public perceptions and how this might impact on the proposed development. Sensitisation and raising awareness of all stakeholders, and in the case of aquaculture includes food producers, users of the maritime and coastal environments (e.g., dive tourism operators, fishermen) as well as society at large is an important set of activities to maintain their support and reduce the potential for conflict. Equally important is the raising of awareness among the youth of the potential employment opportunities offered by a new aquaculture sector.



It was for these reasons that SFA developed its Aquaculture Education and Awareness Programme in 2017 after conducting a national survey that was used to assess the views and perceptions and current understanding of aquaculture by all sectors of society. The program was developed to target stakeholders through direct interactions, website and social media as well as other media forms such as television, radio and newspaper.

Early 2017, the Aquaculture division website www.seyaquaculture.com was launched as well as its Facebook page; Seychelles Aquaculture | Facebook. providing general information about the division and aquaculture and a contact page whereby the aquaculture team could be reached for any Aquaculture related issues. The website also consists of a blog page with stories on the progresses and developments being made in the aquaculture development in Seychelles, while the Facebook page, which is more interactive and in line with more modern communication medium of the Seychellois population, is used to showcase our activities and progresses and provides a platform to capture feedback.

Following our website and Facebook launch, the Principle Aquaculture Officer, Mr. Aubrey Lesperance, has participated in several television and radio interviews during 2017 and 2018 including on Seychelles Broadcasting Corporation (SBC) and Telesesel and K-Radio. Several of the interviews were on live shows where the general public were able to interact.

During the 2017-2018 period, the department has also produced several printed media materials including handouts/leaflets, pull up banners, posters and Infographics and as part of our direct marketing campaign, the division participated in the National shows and Sea food week.

A key element of our awareness campaign was targeted at the youth, showing them potential employment opportunities offered by a new aquaculture sector. Over the two years, the department have organised several talks at all the post-secondary institutions



Artisanal Fishery gets Modern Management Information System

Artisanal fisheries play a very important role in terms of food security and employment in Seychelles and as such ensuring its sustainability is one of the key goals of the Seychelles Fishing Authority (SFA). Information gathering and data analyses can often lead to improvement in understanding of artisanal fisheries, the resources upon which the fisheries depend, the ecosystems that supports the targeted species and allows for better decision making. Having an efficient and modern Fisheries Information Management System provides SFA with the capability to hold and process the vital data that are collected.



After 30 years of using the ARTFISH program for data management of the Artisanal fishery, The SFA in 2014 started implementation of a new and modern data management system for this fishery. The new system, Allegro, which is a customization of the System Information Halieutique' (SIH) used by France, Reunion island and Mayotte became operational in mid-2018.

It was in 2006 that SFA took the decision to revise the whole system of data management for artisanal fishery as the ARTFISH software, based in FoxPro could not be upgraded as it was still running on a diskette, only allowing data capture by species group rather than disaggregated species and could not be troubleshoot when the output was believed to be possibly erroneous. With the assistance of IFREMER and the European Union (EU), the statistical operation from data collection to processing were reviewed and upgraded and new data collection forms were designed with additional data to be collected.



The Allegro system was customised for SFA by the Environment Information System (EIS) based in France and after delays due to resignation of key project personnel, the project was reinstated in 2014 and was fully operation by mid-2018. With the new system, SFA could now not only capture data on different species but could also integrate various data sources (CAS, Logbooks, VMS) into one system. The new system also allows for reconstruction of a vessel calendar of activities for the whole year.

The next phase in the development of the software is to integrate other coastal fishery such as Lobster, Sea cucumber, dropline, sport fishery in-to the same system and create a web-based version that could be use remotely to capture data at landing site.



Section 3

FISHERIES STATISTICS

Improve understanding of fisheries, fisheries resources and the ecosystems that supports fisheries through targeted research and surveys



Overview

For the period 2017-2018, the total estimated catch for all types of fisheries by boat licensed to fish in the Seychelles EEZ was 865,827 Mt, a growth of 24% (169,602 Mt) over the period 2015-2016. This was due to increase in catch of 24% (165,574 Mt) for Industrial, 105% (1,214 Mt) Semi-Industrial and 49% (2,813 Mt) for Artisanal Fisheries.

Fisheries catch

In 2017, the total catch was 395,815 Mt, of which 98.6% came from industrial fisheries, 0.3% from semi-industrial fisheries, and 1.1% from artisanal fisheries. Whereas, in 2018, a total catch of 470,012 Mt was recorded with the highest volume growth in industrial fishing, therefore slightly increasing its contribution to 98.8% of total fisheries catch. All types of fisheries, except for artisanal which saw a 4% drop, grew over the two-year periods.

Table 15: Catch by fishery category (Mt)

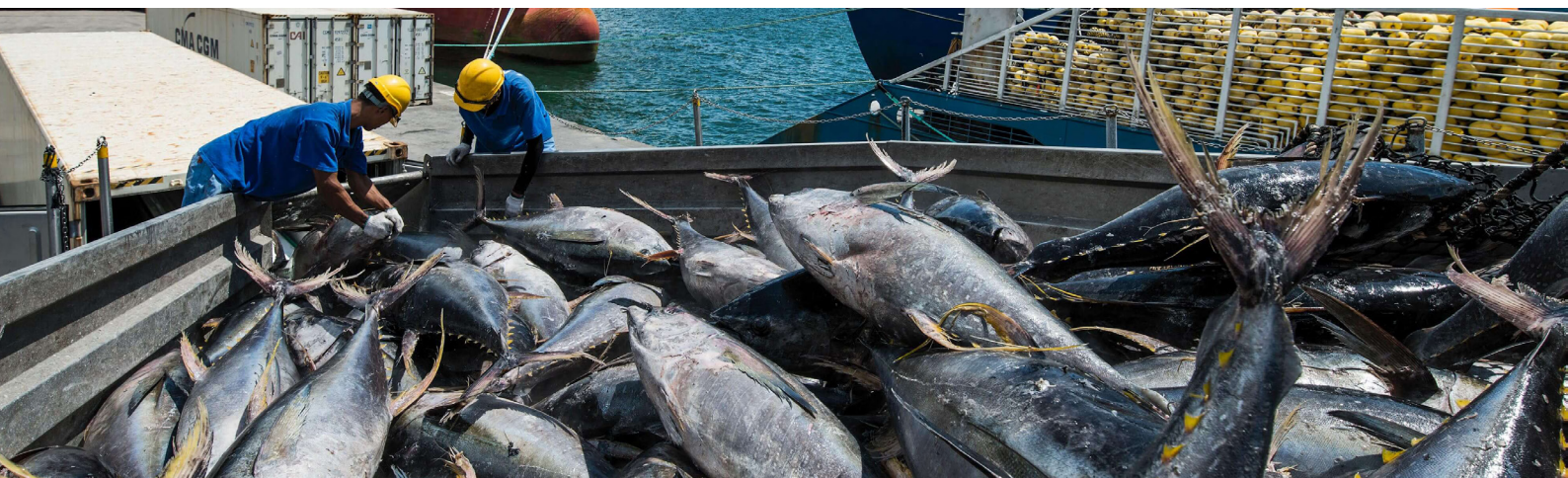
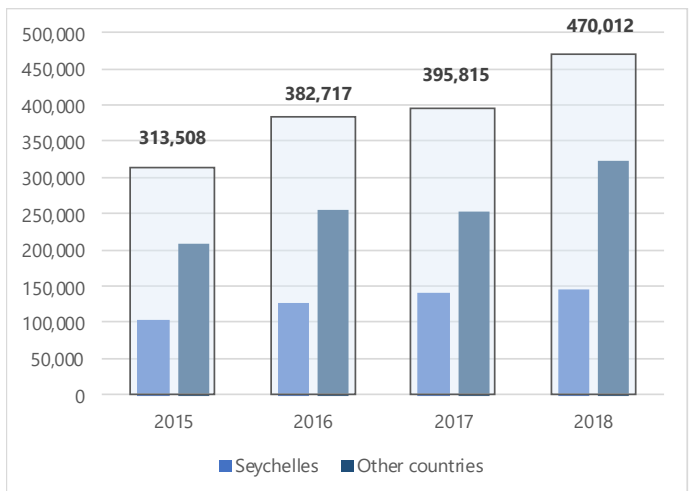
	2015	2016	2017	2018
Artisanal fisheries	3,214	2,516	4,356	4,187
Semi-industrial fisheries	195	966	1,108	1,267
Industrial fisheries				
<i>Sey-flagged purse seine</i>	88,740	108,613	122,202	123,310
<i>Sey-flagged long line</i>	12,520	15,009	14,704	17,558
<i>Other countries industrial</i>	208,840	255,614	253,445	323,690
Total industrial	310,100	379,236	390,351	464,558
Total Catch	313,508	382,717	395,815	470,012

After a fall in catch in 2016, artisanal fisheries catch grew by 73% to a record 4,356 Mt in 2017 over 2016 as a result of increase in fishing effort, but witnessed a slight drop of 4% in 2018 to 4,187 Mt. Semi industrial catch which saw a 396% increase in catch in 2016 as a result of increased number of vessels, stabilized at an average growth of 15% in 2017/2018 period to reach 1,267 Mt in 2018. In terms of industrial fishing, consisting of purse seine and longline fishing, a growth of 19% was observed in 2018 compared to a minor growth of 4% in 2017 over 2016. The reduced growth in 2017 was mainly due to reduction in long liners' catch which then substantially increased in 2018. Purse seine fishery on the other hand grew by 4% in 2017 and 20% in 2018 as a result of increased number vessels, increased storage capacity and improved catch techniques.

Fisheries Catch By Flag

In terms of fisheries catch by flag, in 2017, 36% (142,370 Mt) of the total catch was by Seychelles flagged vessels (artisanal, semi-industrial, and industrial fishery), an increase of 12% over 2016, while other countries flagged vessels recorded a 1% decrease in total catch for the year. However, in 2018, there was a 28% increase in total catch from the other countries flagged vessels, thus increasing its contribution from 64% to 69%.

Figure 5: Total catch (Mt) and the breakdown by country flagged vessels

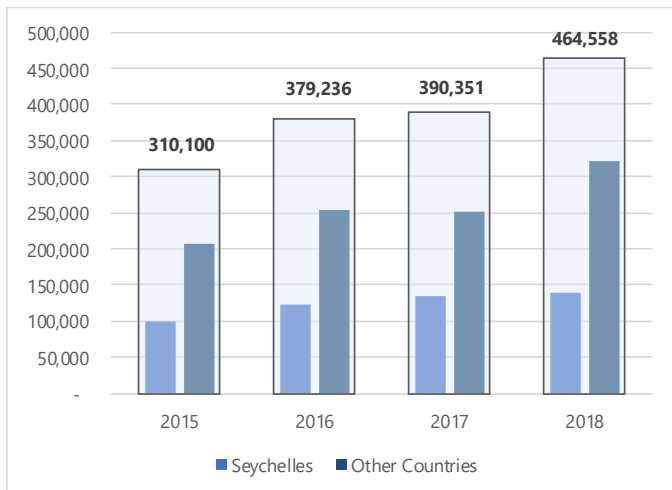


Industrial Fisheries

Industrial fisheries, consisting of purse seine and long line fisheries, contributes on average of 98.8% of total fisheries catch. For the period 2017/2018, 854,909 Mt catch was recorded, a growth of 24% over 2015/2016. Total industrial catch by Seychelles flagged vessels, was 277,774 Mt 2017/2018, an increase of 24% (52,893 Mt) over 2015/2016, while Other Countries flagged vessels, licensed to fish in the Seychelles EEZ, recorded 577,135 Mt in 2017/2018, a 24% increase over 2015/2016 period.

The 2018, total industrial catch, which includes all catches in the Western Indian Ocean (WIO) by vessels licensed to fish in the Seychelles EEZ was 19% above 2017, at a record 464,558 Mt, from 390,351 Mt, while 2017 catch was only 3% above 2016. While catch by Seychelles flagged vessels increased by 11% and 3% in 2017 and 2018 respectively, other countries catch decrease by 1%, but then increased by 28% in the same period due to increased number of licenses issued over the years.

Fig. 6: Total industrial catch by flag (Mt)



Purse seine fishery

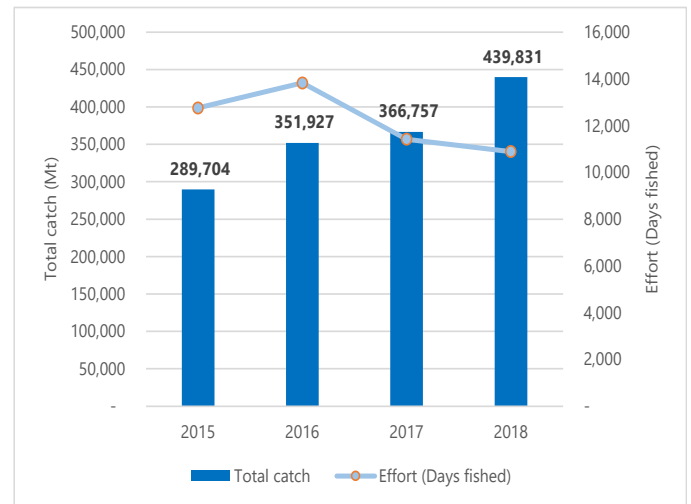
Catches, fishing effort, catch rates and species composition

The total purse seine catch in 2017 was 366,757 Mt, a 4% increase over the 2016 total which was 351,927. This slight increase was due to the reduced total allowable catch (TAC) imposed in 2017 for Yellowfin by IOTC. However, a significant increase of 20% was observed in 2018 with a total catch of 439,831 Mt over the year 2017. This can be attributed to an increase in storage capacity and fishing techniques (e.g., utilization of Fish Aggregating Devices and support vessels) used by these fishing vessels over the past few years.

Fishing effort of Purse Seiners in 2017 was estimated to be 11,418 days, a 17% decrease over the 2016, which again may be the result of the IOTC imposed restriction. The fishing effort continued to decrease in 2018 to 10,889 days resulting in a 5% decrease over the year 2017.

But despite the continuous decrease in fishing effort over the last 3 years, the total catch from Purse Seine had consistently increased over those years which is likely attributed to increase in catch rate from 25.46 Mt per day in 2016 to 40.39Mt per day in 2018.

Fig. 7: Total catch (Mt) and effort (days fished) from purse seine fishery



Since 2016, Skipjack has dominated the purse seine total tuna catches, followed by Yellowfin then Bigeye, and others respectively. In 2017, the Skipjack catch was 197,680 Mt accounting for 53.9% of the total catch, an increase of 9% over 2016. While in 2018, Skipjack catch increased by 39% over 2017 to 274,315 Mt and accounted for 62.37% of the total catch.

Table 16: Total purse seine catch by fish category (Mt)

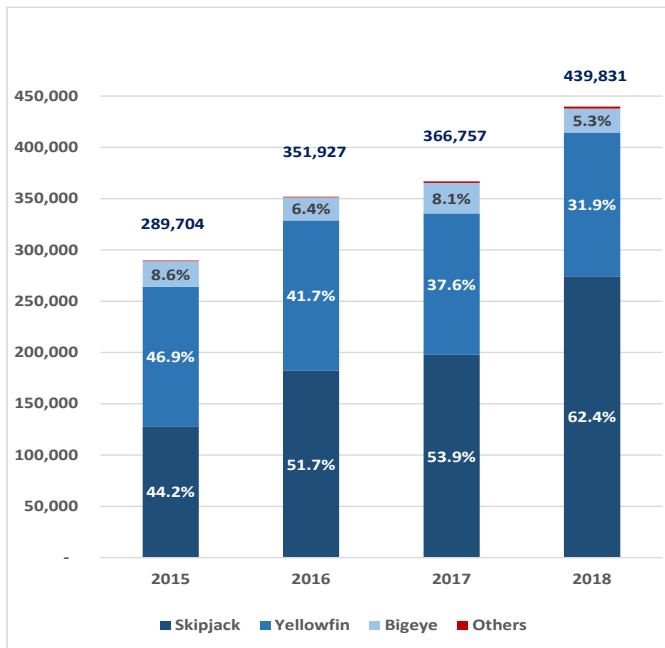
	2015	2016	2017	2018
Yellowfin	135,797	146,763	137,970	140,273
Skipjack	128,143	182,024	197,680	274,315
Bigeye	25,039	22,435	29,608	23,261
Others	725	705	1500	1,962
Total	289,704	351,927	366,757	439,831

The Yellowfin catch was 137,970 Mt in 2017 accounting for 37.62% of the total catch, a decrease of 6% over 2016, while 2018 saw an increase of 2% over 2017 to 140,273 Mt (31.89% of the total catch).

The Bigeye tuna catch in 2017, accounting for 8.1% of total catch, increased by 32% over 2016 to 29,608 Mt. In 2018 23,261 Mt catch was recorded, a decrease of 21% over 2017. The other type of tuna catches has remained consistently under 0.5% of the total catch over the years.

Though the total catch for both Skipjack and Yellowfin tuna have kept growing since 2016, the proportion of the total catch of Skipjack tuna catch has grown, while that of the Yellowfin tuna catch has decrease due to quota imposed by IOTC.

Fig 8: Purse seine catch proportion by fish category (Mt)



Catches and effort by flag

Catches by flag have been dominated by the Spanish fleet, followed by the Seychelles flagged fleet, the French fleet and other countries flagged respectively.

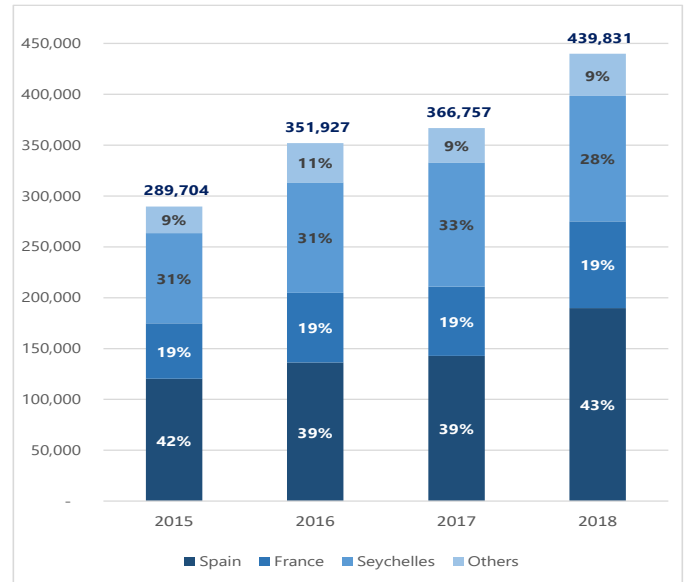
In 2017, the Spanish fleet catch was 142,818 Mt, accounting for 39% of the total catch by Purse Seiners, an increase of 5% over 2016. While in 2018, their total catch was 189,868 Mt, accounting for 43% of the total catch, an increase of 33% over 2017. The Spanish fleet catch had continuously increase through the years.

Table 17: Fishing catch and effort by flag

Flag	2017			2018		
	Catch (Mt)	Effort (Days fishing)	CPU (Mt/ Days fishing)	Catch (Mt)	Effort (Days fishing)	CPU (Mt/ Days fishing)
Spain	142,818	3,523	41	189,868	3,477	55
Seychelles	122,202	3,271	37	123,310	2,786	44
France	67,997	3,418	20	85,220	3,288	26
Others	33,739	1,207	28	41,433	1,337	31
Total	366,757	11,418	126	439,831	10,889	156

The Seychelles flagged fleet catch was 122,202 Mt in 2017 accounting for 33% of the total catch, an increase of 13% over 2016. 2018 saw only a marginal increase of 1% in its total catch over 2017, at 123,310 Mt, accounting for 28% of the total catch. Similarly to the Spanish fleet catch, the Seychelles flagged fleet catch has continuously increase yearly from 2015 to 2018.

Fig 9: Total purse seine catch (Mt) and proportion by flag



Fishing effort decreased from 2016 to 2018 for all flagged vessels with exception of other countries' fleet. There was a decrease of 1% by the Spanish fleet from 3,523 to 3,477 fishing days, a 4%, from French fleet from 3,418 to 3,288 fishing days and a 15% by the Seychelles fleet from 3,271 to 2,786 fishing days, while the other countries' fleet had an 11% increase from 1,207 to 1,337 fishing days. This decrease in fishing effort may be explained by the continuous improvement in their catch rates and total catches from 2016 to 2018.

Purse Seiners' catches in the Seychelles EEZ

Catch within the Seychelles EEZ was 20% of total catch in the whole WIO region by Purse Seiners licensed to fish in the Seychelles EEZ for both 2017 and 2018, a decrease of 6% from 2016. Total catch within Seychelles EEZ decreased by 15% in 2017 driven by the quota reduction for Yellow-Fin catch but increased by 21% in 2018, driven by 71% increase in Skipjack catch. Catch by Seychelles flagged vessels accounted for 27% of total catch in Seychelles EEZ in 2018, a 6% increase from 2017.

Table 18: Fishing catch in Seychelles EEZ (Mt)

	2015	2016	2017	2018
Skipjack	21,348	46,042	31,383	53,899
Yellow fin	23,985	42,273	36,032	30,322
Bigeye	3,558	4,431	5,651	4,255
Others	155	212	294	172
Total	49,046	92,958	73,360	88,649

Table 19: Fishing catch by flag in Seychelles EEZ (Mt)

Flag	2015	2016	2017	2018
Seychelles	11,650	21,187	15,572	24,812
Others	37,396	71,771	57,788	63,837
Total	49,046	92,958	73,360	88,649

Landing and transshipment in Port Victoria

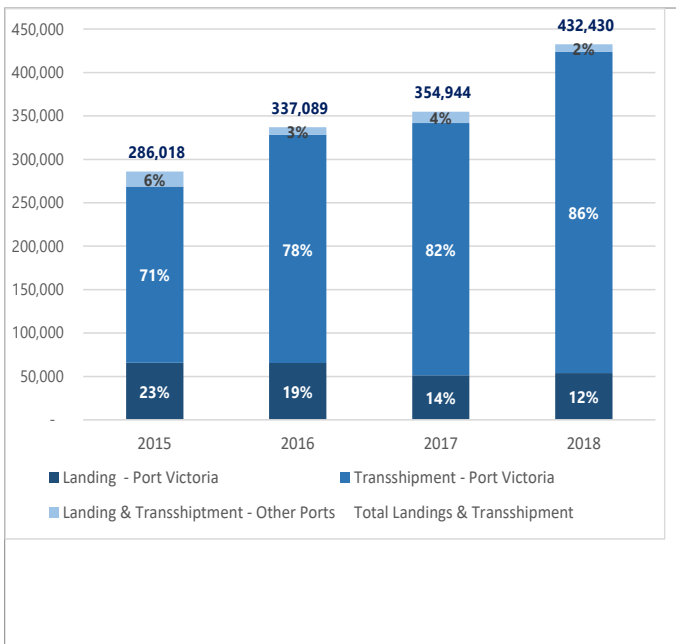
Port Victoria remained the principal port for tuna landing and transshipment for Purse Seiners licensed to fish in the Seychelles' EEZ. During 2017 and 2018, a total of 341,870 Mt and 423,740 Mt of tuna was unloaded through Port Victoria, accounting for 96% and 98% respectively of total landing and transshipment in all ports by the Purse Seiners. This represented a growth of 4% of total landings and transshipment in Port Victoria over 2016 and a further growth of 24% in 2018.

For the period 2017 a significant drop in landings of 21% was observed and although a 5% increase was observed in 2018, the volume remained well below 2016. Transshipment witnessed continuous growth of 11% and 27% for the period 2017 and 2018 respectively.

Table 20: Purse seine landings and transshipment (Mt)

	2015	2016	2017	2018
Landing	65,880	65,500	51,427	53,742
Transshipment	202,970	262,798	290,443	369,999
Landings/Transshipment in other ports	17,169	8,791	13,074	8,690
Total	286,018	337,089	354,944	432,430

Fig 10: Purse seine landing and transshipment in Port Victoria (Mt)

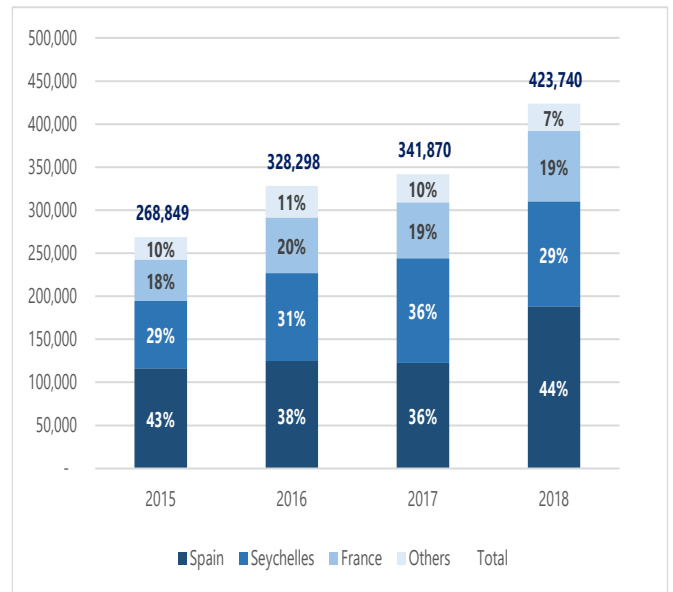


During 2017 and 2018, the Spanish vessels again accounted for the majority of landing and transshipment in Port Victoria as it was the case during 2015 and 2016 followed by Seychelles flagged vessels.

Table 21: Purse seine landings and transshipment in Port Victoria by flag (Mt)

Flag	Activity	2015	2016	2017	2018
Spain	Transshipment	96,973	99,186	105,998	168,058
	Landing	19,226	25,467	16,627	20,362
France	Transshipment	32,579	46,648	47,436	65,915
	Landing	15,572	18,243	17,486	15,782
Seychelles	Transshipment	51,570	85,495	107,730	107,561
	Landing	26,856	16,579	13,876	14,346
Others	Transshipment	21,847	31,469	29,279	28,465
	Landings	4,223	5,211	3,439	3,252
Total	Landings & Transshipment	268,849	328,298	314,870	423,740

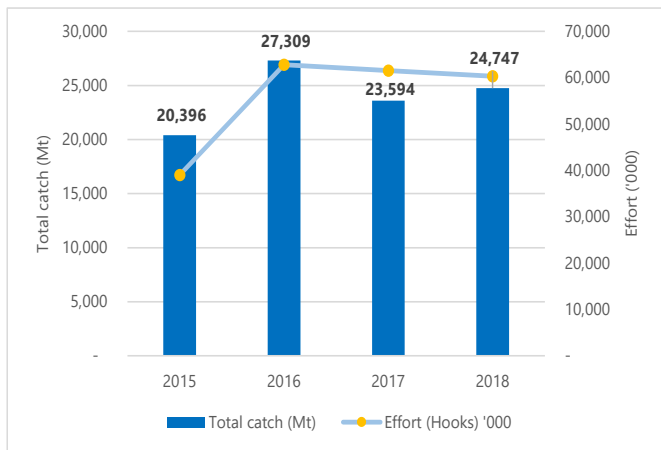
Fig 11: Purse seine landing and transshipment in Port Victoria by flag (Mt)



Industrial longline fishery

With respect to industrial longline fishery, the total catch reported from 154 long liners licensed to fish in the Seychelles EEZ, which includes all catches made in the Western Indian Ocean region (WIO) in 2017, was 23,594 Mt, a 14% drop over the 2016's 27,309 Mt with 152 licensed vessels, compared to the 34% increase from 2015 to 2016 where there was an increase in number of licenses from 123 to 152. This drop could be due to the reduced total allowable catch (TAC) imposed in 2017 for Yellowfin by IOTC. An increase of 5% was observed in 2018 with a total catch of 24,747 Mt and 151 licensed vessels. As it can be noted from the graph, the total catch from industrial long liners fluctuated over the years 2015 to 2018, and after the huge increase in effort from 2015 to 2016, the effort has been on the decline thereafter till 2018.

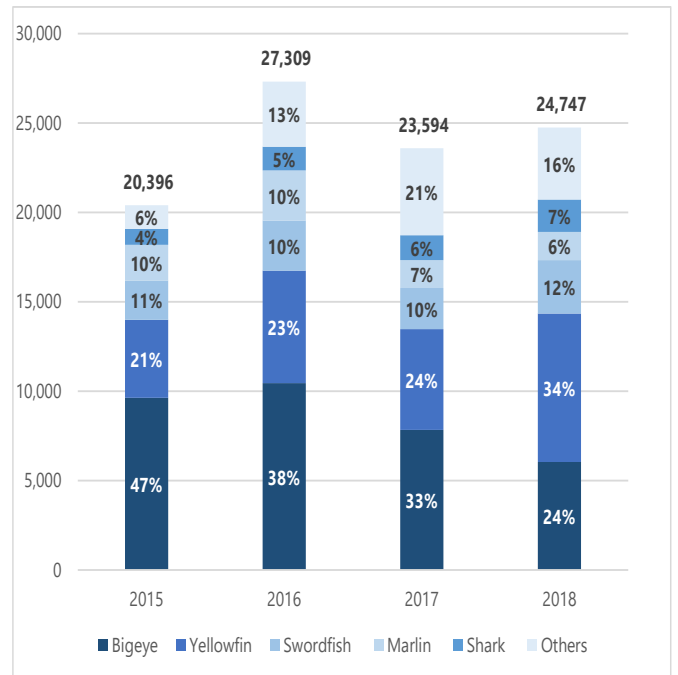
Fig 12: Total Catch and effort from industrial longline fishery



Catch rate of the Long liners has remained more or less constant ranging between 0.38 Mt/1,000 hooks and 0.41 Mt/1,000 hooks for the period 2017/2018. In terms of effort, a drop from 61.5 million hooks to 60.3 million hooks was observed. 2015 appeared to be a special year in terms of effort against the catch rate as much less effort was used while achieving better catch rate than the years that followed (2016 - 2018).

In terms of catch composition by fish type, Bigeye tuna had been the dominant species caught in longline fishery from 2015 to 2016 while Yellowfin was the best catch in 2018 at 8,307 Mt. In 2017, the dominant species caught was Bigeye tuna which accounted for 33% of the total catch at 7,825 Mt.

Fig 13: Total Catch from industrial longline fishery by fish category in WIO



In 2017 There was a decrease of 5% in Bigeye tuna catch, 1% in Yellowfin, and 3% in Marlin whereas increases could be observed Shark catch by 1% and Others by 8%. Swordfish catch remained the same. In 2018 Bigeye tuna catch remained on the decline by 5% and so was Marlin by 1%. Others catch also decreased by 5%. Whereas the Yellowfin catch made a significant gain of 10%, a slight gain of 2% for Swordfish, and a marginal gain of 1% for Shark.

Table 22: Total Catch from industrial longline fishery by fish category in WIO (Mt)

	2015	2016	2017	2018
Yellow fin	4,375	6,291	5,642	8,307
Bigeye	9,621	10,446	7,825	6,033
Swordfish	2,201	2,811	2,307	2,985
Marlin	1,993	2,797	1,553	1,585
Shark	884	1,332	1,397	1,816
Others	1,321	3,631	4,870	4,021
Total catch	20,393	27,309	23,594	24,747



Industrial longline fishery by flag

The catch reported in 2017 for the Seychelles flagged fleet, in WIO was estimated at 14,704 Mt (62% of total catch), which was achieved from a fishing effort of approximately 35.2 million hooks with a mean catch rate of 0.42 Mt/1000 hooks compared to 15,009 Mt achieved from a fishing effort of 34.2 million hooks and mean catch rate of 0.43 Mt/1000 hooks reported for the year 2016. This meant a drop of 20% in catch by the Seychelles fleet in 2017 compared to 2016 after a huge increase of 20% in 2016 compared to 2015. This could be due to the significant drop in fishing effort despite the better catch rate during that year. Catch from Taiwan (China flag) declined for both 2017 and 2018 after picking up in 2016.

Table 23: Industrial long line fishery catches in WIO by flag (Mt)

Flag	2015	2016	2017	2018
Seychelles	12,520	15,009	14,704	17,578
Taiwan	6,831	11,144	7,534	5,754
Others	1,045	1,156	1,356	1,414
Total catch	20,396	27,309	23,594	24,747

In 2018, the catch reported for the Seychelles fleet was 17,578 Mt which was achieved from a better fishing effort of approximately 39.4 million hooks and a much better mean catch rate of 0.45 Mt/1000 hooks. That meant an increase of 20% in catch over 2017. Taiwan Province of China fleet remains the main Long liners' fleet with the highest catch over the years of 2015 to 2018, followed by the Seychelles fleet, and then the Others flagged fleet.

Table 24: Industrial fishing effort, catch and catch rate in WIO by Flag

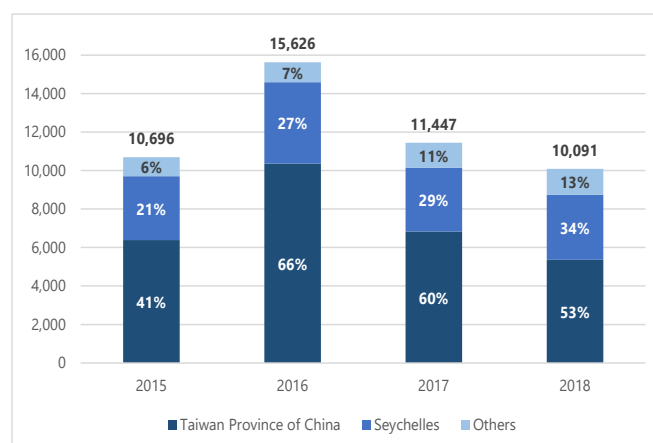
Flag	2017			2018		
	Fishing effort (000's hooks)	Catch (Mt)	Catch rate (Mt 1000 hooks)	Fishing effort (000's hooks)	Catch (Mt)	Catch rate (Mt 1000 hooks)
Seychelles	35,281	14,704	0.42	39,424	17,578	0.45
Taiwan	21,932	7,534	0.34	15,977	5,754	0.36
Others	4,335	1,356	0.31	4,918	1,414	0.29

In terms of catch of long liners within the Seychelles EEZ, this has been on the decline for 2017 and 2018, with the biggest decrease in catch from the Taiwan Province of China fleet. They accounted for 60% of the total catch (Mt) in 2017 (6,829 Mt), which was a 34% drop in catch from 2016 when they accounted for 66% of catch. This decline in catch continued in 2018, to reach 5,359 Mt (decreased of 21%).

Table 25: Industrial long line fishery catches in Seychelles EEZ by flag (Mt)

Flag	2015	2016	2017	2018
Seychelles	3,314	4,240	3,328	3,382
Taiwan	6,391	10,385	6,829	5,359
Others	991	1,028	1,291	1,349
Total catch	10,096	15,626	11,447	10,091

Fig 14: Total Catch of industrial longline licensed to fish in Seychelles EEZ by flag (Mt)



Catch from Seychelles flagged industrial long liners also declined by 21% in 2017 to 3,328 Mt and have remained stable over the two-year period 2017/2018. This indicated therefore that the overall increase in catch of 2018 from long line fishes as shown in table 6, was mainly due to increase in catch of Seychelles flagged vessels, outside the Seychelles EEZ. See Appendix 2 for fishing ground exploited for long line fisheries.

Transshipment

Both number and volume of transshipment of industrial longline has increased over the period 2017/2018 to a record 17,008 Mt in 2018 from only 11,364 in 2016 (46% increase), however it is very clear that both number and volume of transshipment at sea has been on the increase, while transshipment at port has decreased. Development of new storage facilities will hopefully reverse this trend.

Table 26: Industrial long line transshipment

	2015	2016	2017	2018
No. Transshipment at sea	35	129	143	219
No. Transshipment in port	126	40	97	84
Total No. Transshipment	161	169	240	303
Volume transshipment at sea (Mt)	2,895	7,841	7,131	10,332
Volume transshipped at port (Mt)	4,645	3,523	8,059	6,675
Total volume transshipped (Mt)	7,739	11,364	15,190	17,007

Semi-Industrial Fisheries

Semi-industrial fisheries contributed 0.9% of total catch by vessels registered under Seychelles flag in 2018. For the period 2017/2018, 2,431MT catch was recorded, a growth of 109% over 2015/2016 and for the same period its total contribution to total catch by vessels registered under Seychelles flag increased from 0.5% to 0.8%.

In 2018, a total catch of 1,267 Mt was recorded from 30 active Semi-industrial vessels that made a total 297 fishing trips, with an average 15 days per trip and a catch rate of 0.6 Mt/1000 hooks. 2017 had 31 active vessels, and a record number 330 of trips was undertaken, resulting in a 15% increase in catch over 2016 to 1,108 Mt. The increase in activity and catches from 2016 upwards followed the resumption of tuna and swordfish export to EU markets.

Trend analysis for the year 2017 and 2018 showed constant decline in catch rate of semi-industrial fishery over the years 2015 to 2017, although an improvement of 13% occurred in 2018 over 2017. On the other hand, after continuous growth, effort per thousand hooks stabilized from 2017 to 2018 to around 2 million hooks.

Fig 15: Total catch and catch rate from semi-industrial

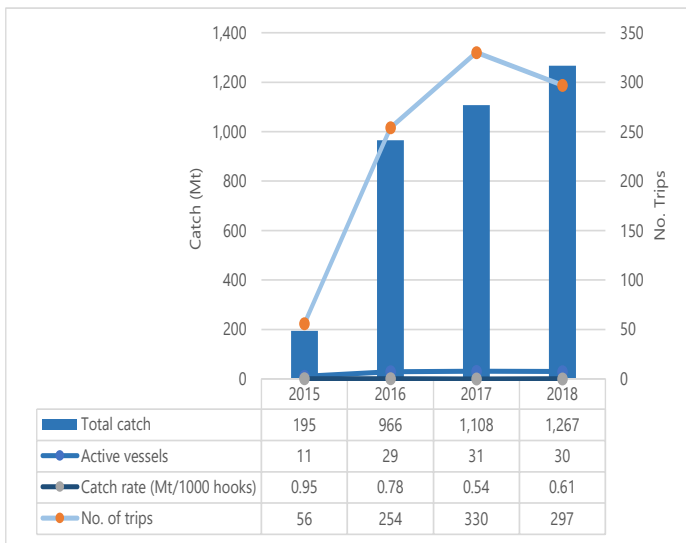
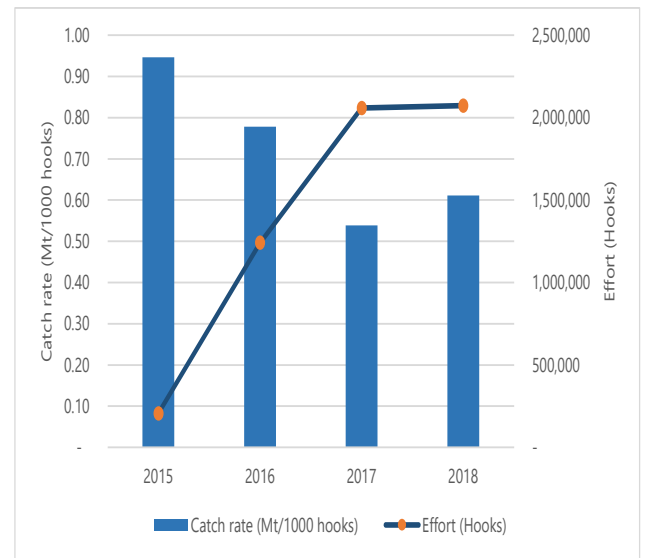


Fig 16: Catch rate and effort from semi-industrial fishery



Picture Credit to Laurence Hislop, 2010

In terms of catch composition, Yellowfin tuna has been the dominant species caught in this fishery from 2015 to 2018, followed by Swordfish, Bigeye tuna, Marlin, Sailfish, and a few from others such as Shark. In 2017, Yellowfin tuna accounted for 64% of the total catch (831 Mt), Swordfish for 17% (191 Mt), Bigeye, 10% (117 Mt), Marlin for 5% (58 Mt), Sailfish for 2% (23 Mt) and Shark & Others for 1% (8 Mt). Similar composition trend could be observed in the previous years (2015 & 2016) and the follow-on year (2018). In 2018, there was increase in catch for all types of fish except for Bigeye, Sailfish, Sharks and others, with biggest drop of 62% in Sharks

Fig 17: Total catch composition from semi-industrial fishery by fish category (Mt)

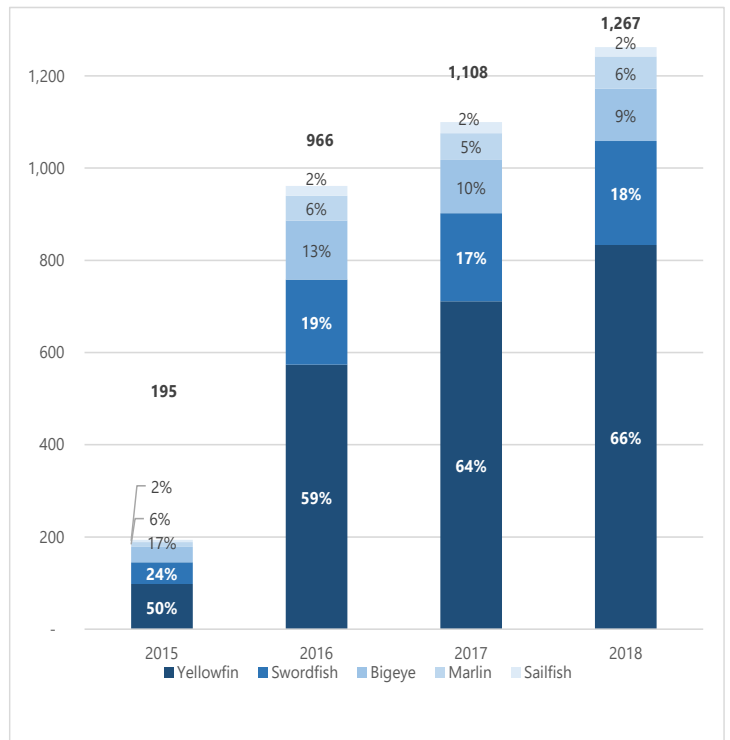


Table 27: Semi-industrial catch by fish category (Mt)

	2015	2016	2017	2018
Yellowfin	97.9	574.0	711.0	833.0
Swordfish	47.2	184.5	191.0	226.0
Bigeye	33.2	128.0	116.7	113.0
Marlin	10.9	53.4	58.0	70.0
Sailfish	4.5	21.5	23.8	20.2
Shark	0.8	2.3	2.0	0.8
Others	-	2.0	5.9	4.0
Total catch	194.6	955.6	1,107.7	1,267.0



Artisanal Fisheries

Artisanal fisheries contributed 2.9% of total fishery catch by vessels registered under Seychelles in 2018. For the period 2017/2018, 8,543 Mt catch was recorded, a growth of 49% over 2015/2016 and for the same period its total contribution to total fishery caught by vessels registered in Seychelles increased from 2.5% to 3%.

A total catch of 4,356 Mt from 483 active boats was recorded in 2017, an increase of 73% over 2016 which had 476 boats operating. A decrease of 4% in catch was however observed in 2018 to 4,187 Mt despite an increase in active boats to 498.

Table 28: Number of active boats by type & their catch

	2016		2017		2018	
	No. Boats	Catch Mt	No. Boats	Catch Mt	No. Boats	Catch Mt
Outboard	356	1,309.4	352	2,654.8	358	2,332.9
Whaler	94	958.7	79	875.4	71	889.5
Schooner	13	223.2	43	645.7	56	685.6
Semi-industrial	3	8.7	5	78.6	9	150.1
Others	10	15.8	4	101.7	4	128.6
Total Active	4746	2,515.8	483	4,356.2	498	4,186.7

All boat types recorded and increase in catch in 2017, with outboard which brought in 61% of total catch, recording an increase of 1,345 Mt despite a decrease in number of boats. However although number of outboards increased in 2018 to 358, a 12% decrease in its catch was observed, while all other boats types saw increase in catch.

Table 29: Total catch from artisanal fisheries by gear type (Mt)

	2015	2016	2017	2018
Handlines	1,920.9	1,502.2	2,734.5	2,816.8
Encircling gillnets	694.9	458.4	1,012.6	703.5
Static traps	260.1	291.9	392.7	358.6
Active traps	46.7	92.1	164.8	145.0
Others	289.9	171.2	51.6	162.8
Total catch	3,214.1	2,515.8	4,356.2	4,186.7

Handline catches, the dominant type of gear used in artisanal fisheries, contributing 85% of total catch in 2017, increased by 82% over 2016 to 2,735 Mt. A further increase of 3%

was observed in 2018, taking total catch to 2,817 Mt. The Encircling gillnets catches increased by 121% in 2017 to 1,013 Mt but dropped by 31% in 2018 to 704 Mt. The Static trap catches increased by 35% in 2017 to 393 Mt, but recorded a 9% decrease in 2018. Though the Active trap catches composition ranged from 1% to 3% of the total catch, its catches have consistently increase from 2016 to 2018 while the other types of gears' catches has been fluctuating over the same period.

Catches for all species, with the exception of Maquereau doux, Cordonier and crabs saw an increase in 2017. Cordonier and Maquereau doux continued its decline in 2018, while crab catch increased. In 2018, Carangues, Capitaine, Bonito, Octopus, and other less fished species recorded a decline over 2017. Carangues catches was a record, at 1,357 Mt in 2017 as well as Bonito, while Becune, Red Snapper and crab recoded their highest catch in 2018.

Table 30: Artisanal fisheries catch by fish category (Mt)

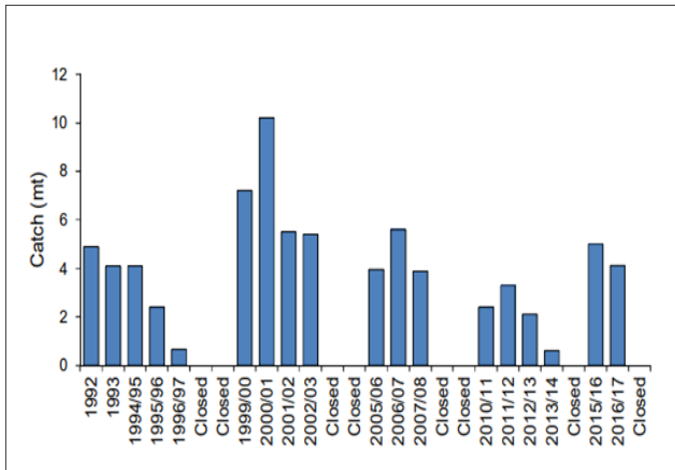
Fish species	2015	2016	2017	2018
Carangue	830.8	733.0	1,357.0	1,248.6
Job	360.4	237.7	432.1	458.2
Bourgeois	215.7	200.4	289.1	297.5
Maquereau doux	530.4	220.4	309.4	361.6
Capitaine	119.3	117.4	309.8	276.0
Cordonie	215.9	301.3	254.6	225.3
Becune	130.2	124.2	159.1	196.8
Other trap fish	96.0	85.3	201.8	202.9
Vielle	88.6	34.7	97.5	134.9
Crab	24.8	34.3	27.4	90.2
Red snapper	91.2	53.0	145.3	179.4
Bonite	103.6	75.7	216.7	124.6
Other pelagic	116.2	18.3	119.1	119.1
Maconde	36.9	46.0	70.1	94.7
Octopus	15.1	10.8	34.0	31.6
Other maquereau	139.0	129.5	192.8	78.2
Sharks and rays	26.6	31.0	33.7	41.7
Others	73.6	62.8	106.7	25.5
Total catch	3,214.3	2,515.8	4,356.2	4,186.7

Lobster fishery

The lobster fishery is managed as a limited entry and seasonal fishery. The fishery is traditionally only opened for a period of three consecutive months during a year. The Research Section of the Seychelles Fishing Authority (SFA) assesses the status of the lobster stock annually, using fisheries dependent and fisheries independent (surveys) data. Following the assessments, the scientists provide scientific advices to the Managers on whether the fishery should be opened or remain closed.

Further to independent survey carried out in October 2016 and 2017, which was in line with the Participatory Lobster Monitoring Programme (PLMP), where the long-term recovery of the stocks at 20 sites around Mahé are assessed, decision was taken to close the lobster fishery season for 2017-2018 and 2018/2019. Below is the lobster catch over the period 1982 to 2018

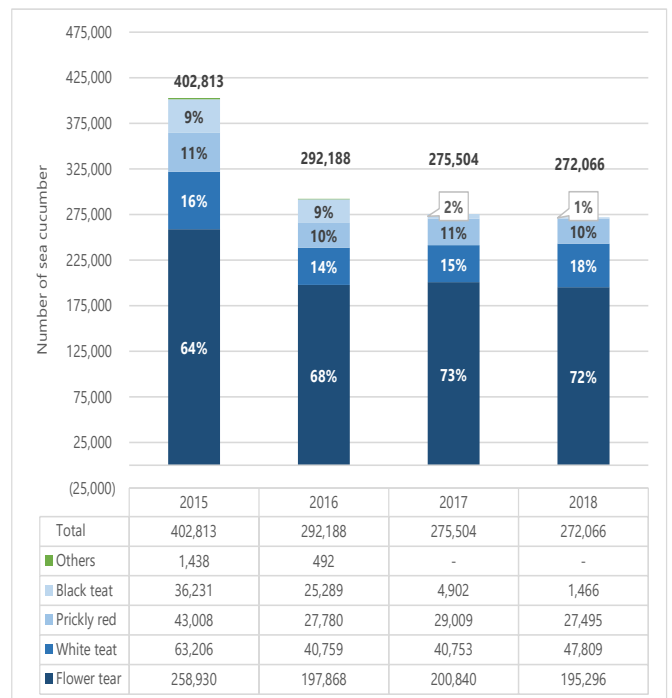
Fig 18: Lobster catch from 1992 to 2018 (Mt)



Sea cucumber fishery

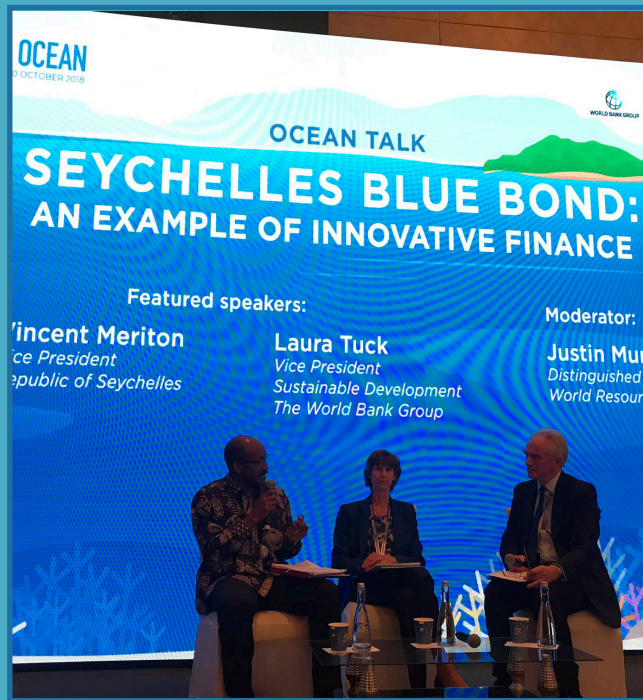
The total number of sea cucumber harvested annually decreased by 6% and 1% to 275,504 and 272,066 in 2017 and 2018 respectively as a result of restrictions imposed on catches. Black teat, which in 2015 accounted for 9% of total catch at 36,231 was completely banned in 2018. On the other hand, White teat, which made up of 18% of total catch (47,809) in 2018 grew by 17% in 2018. Prickly heat catch remained fairly constant at 27,495 catch in 2018, while Flower tear, which accounted for 72% of total catch (195,296) decreased by 3% over 2017 after a 2% growth in 2016. In 2017, the total licences issued was 22, same as 2016.

Fig 19: Sea cucumber annual catch and proportion by species



Seychelles Launches First Blue Bond

Supporting sustainable fisheries and marine projects.



At the fifth edition of the Our Ocean Conference in Bali in October 2018, Seychelles made history in launching the first ever sovereign blue bond worth US\$15 million to assist the country in achieving a transition to sustainable fisheries and safeguard its oceans while sustainably developing its blue economy.

The Blue Bond, which is an innovative financial instrument, which combines public and private investment to mobilize resources to empower local communities and businesses by financing ocean and marine-based projects that have positive economic, environmental and climate benefits, was developed with the assistance of The World Bank. Through the World Bank's IBRD, which also provided a US\$5 million guarantee for the repayment of the bond, Seychelles was able to reach out to the three main

investors, Calvert Impact Capital, Nuveen and Prudential Financial, Inc who all shared its vision of sustainable development of its blue economy.

Proceeds from the US\$ 15 million bond, which is also supported by a US\$5 million concessional loan from the Global Environment Facility (GEF) to be used to partially cover its interest payments, will provide support for the expansion of marine protected areas, improved governance of priority fisheries and the development of the Seychelles' blue economy. This will be achieved under two programs, The Blue Grants Fund (US\$3 million) and Blue Investment Fund (US\$12 million), which will be managed respectively by the Seychelles' Conservation and Climate Adaptation Trust (SeyCCAT) and the Development Bank of Seychelles (DBS).

The Blue Grant Fund, provides grants ranging from SCR100,000 to SCR1 million to citizens of Seychelles, businesses with majority Seychellois ownership, government agencies and local NGO's to generate new learning, bold action and sustainable blue prosperity in Seychelles. The Blue Investment Fund on the other hand provides loans of up to US\$3 million at an affordable 4% interest rate to support the expansion of sustainable fishery value chains in Seychelles.

"We are honored to be the first nation to pioneer such a novel financing instrument. The blue bond, which is part of an initiative that combines public and private investment to mobilize resources for empowering local communities and businesses, will greatly assist Seychelles in achieving a transition to sustainable fisheries and safeguarding our oceans while we sustainably develop our blue economy,"

- Vincent Meriton, Vice-President of the Republic of Seychelles -

Section 4

ECONOMIC CONTRIBUTION OF THE FISHERIES SECTOR

Ensure that the fisheries sector continues to play a key role in the sustainable development of the country and the socio-economic well-being of the Seychellois nations

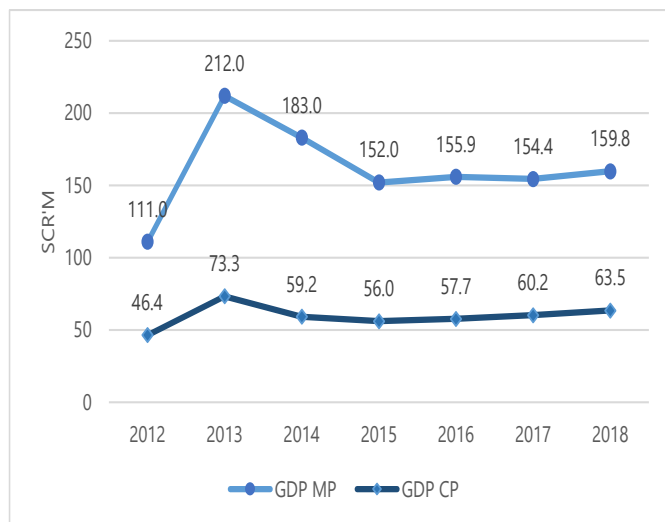


Overview

The fisheries sector contributes significantly to the wealth of the country and is an important source of employment, export revenue and food security. According to Central Bank of Seychelles (CBS) report of 2018, from 2016 to 2017, Gross Domestic Product (GDP) contribution from the sector at market prices, increased by SCR3.9 million (2.5%) to SCR159.8m from 2016 to 2018, while GDP at constant prices increased by 10% to SCR63.5m over the same period.

In 2017, GDP contribution at market prices fell by SCR0.4m (0.3%) to SCR154.4m but increase to SCR159.8m (3.5%) during the same interval. This translated in fishing, contributing 0.72% of total GDP of SCR9.1b at current prices in 2018. This value is considerably low due to fishing in the System for National Accounts (SNA) reflecting only the first point of sales value of artisanal and semi-industrial fisheries while industrial fishery contribution as well as tuna production from IOT is not included under fisheries category..

Fig 20: GDP trend between 2012 and 2018 from CBS annual report 2018



Following a recent study in 2018 by the National Bureau of Statistic (NBS), supported by the Japanese Overseas Fishery Cooperation Foundation (OFCF) to evaluate the true contribution of fisheries to GDP in order to create a Fisheries Satellite Account for Seychelles, industrial fishing contribution for 2015 was added to the GDP fisheries for that year and this resulted in an increased from SCR 152m, 0.8% of GDP, to SCR 2,261m, 12% of GDP. Tuna production from IOT was also revised for the same period to from SCR329m to SCR1,492m, leading to total fisheries contribution of SCR4,923m for 2015, accounting for 27% of the Total Gross Value Added (GVA) compared to a previous 2010 estimate of 7% contribution. These results indicate that the overall GDP contribution of fisheries and fisheries-related activities is considerably high, therefore supporting the general notion that fisheries and tourism are the two main pillars of our national economy.

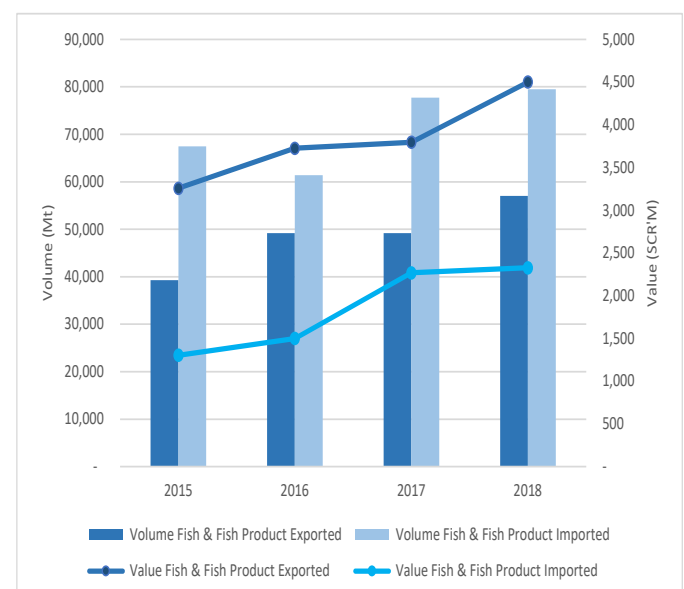
Key investment developments during the 2017/2018 period included the launch of the world's first ever Sovereign Blue Bond in October 2018, which raised US\$15m from international investors with the support of the World Bank.

The proceeds will go towards the support for the extension of marine protected areas, improved governance of priority fisheries and the development of the Blue economy in Seychelles.

New facilities were built/installed during the period, including installation of modern machinery and equipments at the port for the benefit of semi-industrial and industrial fishing at a value of US\$18m by Ile Du Port Handling Services (IPHS) in 2018 and extension of the Providence Artisanal Fishing Port costing US\$10m financed by Japan International Cooperation Agency (JICA).

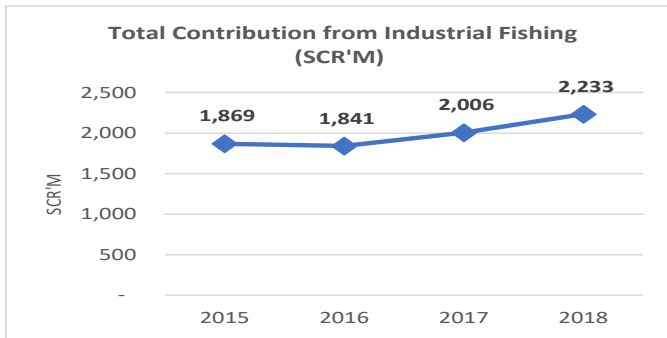
In terms of export trade, which is a vital source of foreign currency earnings for the country and contributes positively to the national trade balance of the current account, both volume and value of export of fish and fishery products increased for the period 2017-2018. While volume increased to a record 57,040 Mt in 2018, a 16% growth over 2016 as a result of a substantial increase in fresh & frozen fish and fish oil production, in terms of revenue, a record SCR4,501m export was achieved in 2018, a 21% growth over 2016, driven by increase in revenue from tuna canning and fish oil export. Contribution to total domestic export from fish and fish product was 97.8% for 2018 from 99.2% in 2016 as gross domestic export reached record SCR4,601m in 2018. Fish and fishery products import also increased to a record SCR2,328m and 79,494 Mt in 2018, an increase of 55% and 29% respectively over 2016 due to rise in internal and external demand.

Fig 21: Volume and value of fish and fish product exported/imported.



Total expenditure from industrial fishery reached a record SCR2,233m in 2018, an increase of 21% over 2016 and therefore the net forex contribution reached SCR4,407m, an increase of 8% over 2016.

Fig 22: Total annual contribution from industrial fishery expenditure.



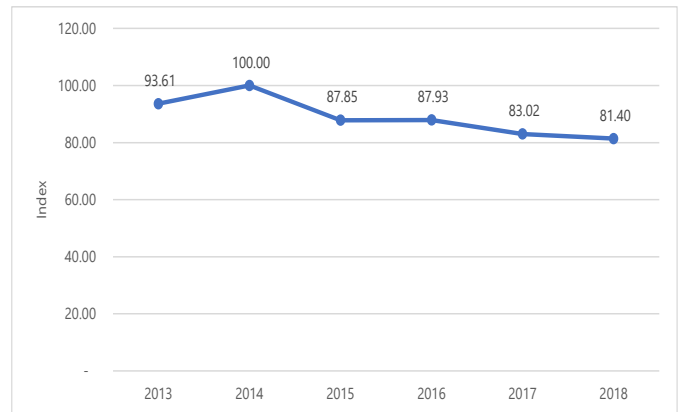
Total Fish & Fish Production, which includes both catches from all Seychelles flagged vessels including artisanal and semi-industrial fishing and production of fish products reached a record 207,221 Mt in 2018 after a previous record growth of 19,981 Mt (12%) in 2017. The 2017 growth in catch was driven by 73% growth in artisanal fishery, 15% increase in semi-industrial and 13% increase in purse seine fishery, while in 2018, the major increase was from longliners at 19%. In terms of fish production, the main reason for the record achievement in 2018 was growth of 26% in canned tuna production, which reached a record 51,077 Mt in 2018. Fish meal, canned tuna and sharks & Rays achieved 3%, 14%, 200% increase in production respectively in 2017. As a whole domestic production maintained its gradual upward trend over the period 2017/2018.

Table 31: Production of fish and fish products (Mt)

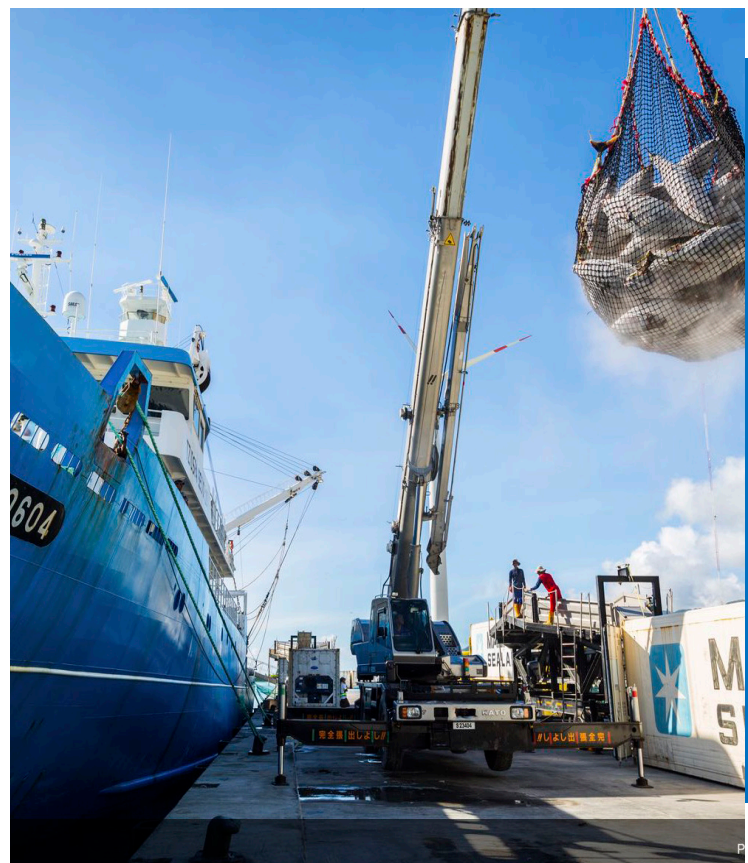
	2015	2016	2017	2018
Total catch by Sey flagged vessels	104,668	127,103	142,370	146,322
Total production of fish and fish products	39,897	44,819	49,533	60,900
Total	144,565	171,922	191,903	207,221

The Consumer Price Index (CPI), which is used to measure inflation, continued to decrease over the 2017-2018 period to reach a CPI of 81.4, a 7% decrease over 2016 and a 19% over the peak of 2014, demonstrating an effective government policy. Based on figures by NBS from 2017 to 2018 the inflation rate for fish on an average annual basis fell by 2% compared to the 3.7% increase for All Items. In terms of inflation volatility, fish remains more volatile compared to other measurable items over the year.

Fig 23: Consumer price index for fish



Finally, it is estimated that employment in the fisheries sector including related activities have grown over the past two years given the coming into operation of new processing facilities, a tuna handling company and most importantly the high increase in the number of semi-industrial fishing vessels. Additionally, it is projected that the number of foreign workers in the sector have increased as a result of the rise in the number of semi-industrial longline vessels and the fall in the number of local workers entering the subsector. Recent study by the Blue Economy Department (2018) shows that the level of employment in the industrial tuna fishing and related activities, is estimated to be around 6,900 people (both full/part-time). The number of people employed in the harvest sector (fishing) which are mainly expatriate, accounts for 23% (1590 employees) of the total number of people employed in the industrial tuna fishery.



Domestic Production of Fish and Fish Products

Total domestic production of fish and fishery products, including canned tuna, production of fish meal and fish oil as well as total catch by Seychelles-flagged vessels recorded a substantial improvement whereby total production grew from 144,565 Mt in 2015 to reach 207,221 Mt in 2018, a growth of 43%.

The growth was primarily due to a rise in the production of fish meal, canned tuna and an increase in the catch from semi-industrial longliners and industrial purse seiners flying the Seychelles flag. After a fall in canned tuna production for two straight years in 2014 and 2015, production levels have been on an upward trend whereby up until 2018, there has been an increase of 59% over 2015. In 2018, the production of canned tuna made tremendous strides whereby it recorded a 26% increase, registering a record 51,077 Mt production. Tuna canning remains the most dominant fish product being produced, representing almost 77% of total domestic fish and fisheries product (excluding industrial catch from Seychelles flagged vessels).

Table 32: Production of fish and fish products (Mt)

	2015	2016	2017	2018
Artisanal catch	3,214	2,516	4,356	4,187
Semi-industrial catch	195	966	1,108	1,267
Canned tuna	32,068	35,569	40,480	51,077
Fish meal	6,820	8,084	8,322	8,061
Fish oil	885	1,037	572	1,641
Sea cucumber	65	55	59	46
Others (Sharks & rays)	1	24	72	57
Total domestic production	43,305	48,300	54,996	66,353
Sey flagged purse seiner catch	88,740	108,613	122,202	123,310
Sey flagged long liner catch	12,520	15,009	14,704	17,558
Total industrial catch	101,260	123,622	136,906	140,868
Grand Total	144,565	171,922	191,903	207,221

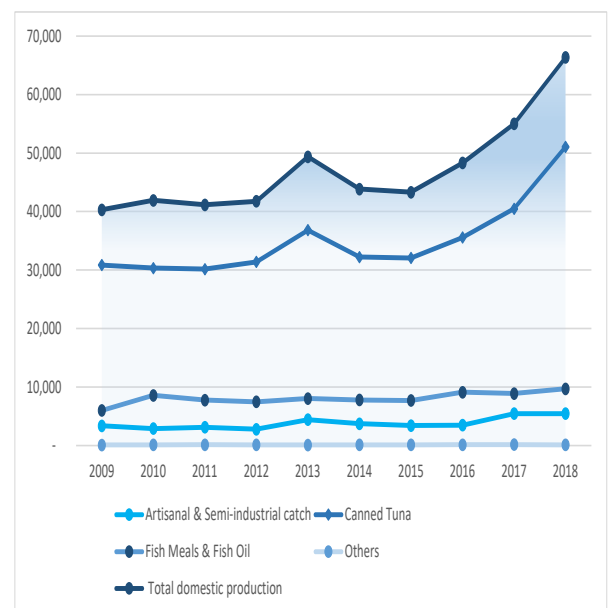
Production of dried sea cucumbers, which had been falling over the recent year from 109 Mt in 2011 to 55 Mt in 2016 as a result of stringent management measures introduced to ensure its sustainability, including ban in 2017 on three species, recorded a 7% increase in 2017 to 59 Mt. However, this declined by 22% in 2018 to 46 Mt as a result of the full effect of the ban.

Production of sharks and rays on the other hand experienced an upward trend from 2016 with production increasing by 200% in 2017 over 2016 to 72 Mt. In 2018, however a 21% decrease in production was experienced reducing total production to 57 Mt.

Fish meal is a by-product produced from the tuna factory trimmings and fish oil is obtained during the reduction process by which fish meal is produced. They are both important by-products of the tuna canning industry and in 2018 production of fishmeal and fish oil stood at 8,061 Mt and 1,641 Mt respectively. While fishmeal production saw no growth over 2016, fish oil production grew by 58% over 2016 after seeing a drop in 2017.

Trend analysis of the relative contribution of each fish and fishery products over the last ten years, indicates that total output (excluding industrial catch by Seychelles Flagged vessels) seems to be regaining momentum since the drop in 2014 and 2015 caused by a fall in the production of canned tuna. This reveals the high correlation and significant effects canned tuna output has on total domestic output. The other categories such as Artisanal, Semi-industrial, Fish meal & Fish Oil and others appears to have less of an effect on total output due to carrying less weight in terms of volume produced.

Fig 24: Domestic production trend of fish and fish products (Mt)



Revenue From Industrial Fisheries

Industrial fishing activities from the Tuna Industry continues to be one of the leading sources of foreign currency earnings in the economy. The gross income from the sector is derived primarily from foreign fishing vessels' expenditures on goods and services in Port Victoria, as well as through payments for licenses and other financial compensations.

After a slight drop in 2016 primarily due to decrease in bunkering revenue, as a result of decrease in price of fuel and decrease in industrial fishing company expenditure, the overall contribution from industrial fishing increased by 9% and 11% for the period 2017 and 2018 to reach a record SCR2,233m in 2018.

Table 33: Annual contribution breakdown from industrial fishing (SCR'M)

Expenditure Type	2015	2016	2017	2018
Bunkering	1,395.1	1,262.0	1,353.1	1,691.8
Other vessels expenditure	277.9	363.9	413.2	291.1
Licence/Access fees, Excess catch and Sectoral Support	172.3	195.7	197.7	211.5
Company expenditure	22.4	18.3	20.6	37.9
Seamen compensation	1.0	1.1	21.4	1.1
Total contribution	1,868.8	1,841.0	2,006.0	2,233.4

The number of industrial vessel's licences issued and the total number of days spent in port both increased by 23 and 304 days respectively in 2017, thus an increase in all lines of expenditure was observed in 2017. In 2018, the number of licences issued dropped by 7 (2 purse seiners and 5 longliners), however the number of days spent in port by the licensed vessels increased by 813 days (15%) and thus an 81% increase in company expenditure was observed. Although as a result, volume of fuel sold by SEYPEC reduced to 158,854 Mt in 2018, its continuous increase in price (US\$/Mt) resulted in the revenue from bunkering increasing substantially by 25% (SCR339m) to SCR1,692m.

Table 34: Number of industrial licences issued, number of port calls, days spent and volume of fuel sold.

	2015	2016	2017	2018
No. Industrial licence issued	225	258	281	274
No. Port calls	748	900	831	811
Days spent in port	3,920	5,043	5,347	6,160
Fuel sale (Mt)	166,297	191,180	166,037	158,854

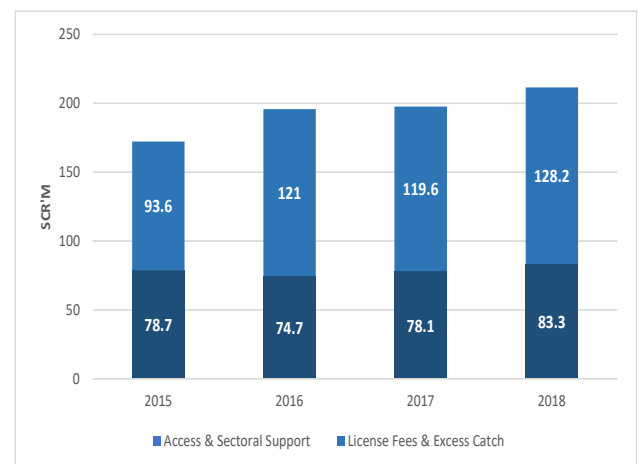
Fig 25: Price of fuel quoted by SEYPEC Jan 2004 – Dec 2018



Bunkering continued to be the largest proportion of revenue from industrial accounting for 67% in 2017 and 76% in 2018 as the price of fuel increased. Other vessel expenditures which accounted for 21% of total expenditure in 2017, (an increase of SCR49m), fell by SCR122m in 2018. Company expenditure on the other hand which accounted for 10% and 8% of total revenue for the period 2017 and 2018, continued an upward trend for the two-year period to reach SCR37.9m in 2018.

License fees, excess catch and sectoral support (EU), experienced a gradual rise up to 2018 to reach SCR211.5m. While access and sectoral support remained constant at EUR5m the increase of SCR8.6m from 2016 figure to SCR83.3m was due to a depreciation in the SCR versus EUR. Although number of license issued increased in 2017 which resulted in an increase of SCR2.3m in license fee, excess catch revenue decreased by SCR4m leading to a slight 1% decrease in revenue earned over 2016 to SCR119.6m, however increase in excess catch revenue in 2018 by SCR9.2m despite a reduction in number of licenses in addition to slight devaluation of the rupee against EUR resulted in a 7% increase in revenue to SCR128.2m.

Fig 26: Licence/Access fee, excess catch and sectoral support revenue breakdown



Seamen compensation, which averaged SCR1.1 over the period 2015/2016 rose to a record SCR21.4m in 2017 due to back payment to the seamen, in order to bring their salary in line with fishing protocol from the EU fleet, as they were previously not being paid according to the minimum ILO wages. The revenue returned back to its SCR1.1m in 2018.

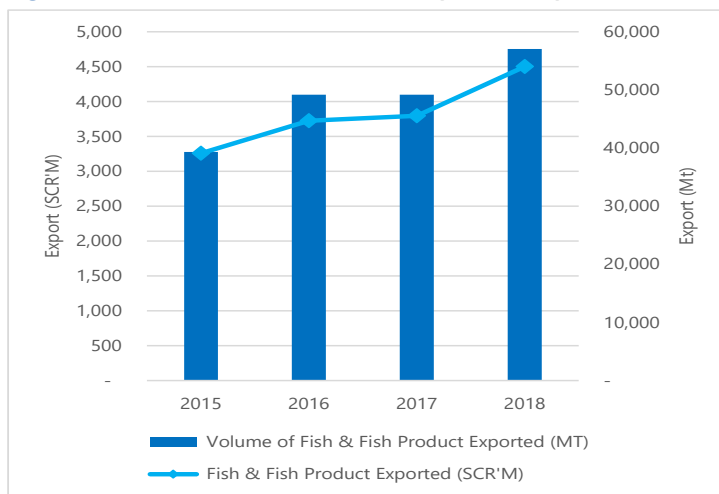
Trade in Fish and Fisheries Products

Fish and fisheries products are one of the most traded commodities in Seychelles and as such constitute an important growth and income generating activity for the national economy. It is expected that the demand of these valuable goods by external agents will continue to rise due to its nutritional benefits and commercial value. Therefore, this acts as an incentive for domestic exporters to undertake new innovative global outreach techniques to exploit potential markets.

Exports of fish and fisheries products

The total export of fish and fish products indicates a continual growth both in volume and value for the period 2017/2018. Although there was no growth in volume in 2017, a 16% growth was observed for 2018 from 49,181 Mt in 2016 to 57,040 Mt in 2018. The corresponding value of export grew by 1.9% (SCR71m) in 2017 and 18.6% (SCR705m) in 2018 to reach SCR4.501m.

Fig 27: Value and volume of fish and fish product export



In 2017, export of Fresh and Frozen fish saw the biggest increase in volume and value by 2,462 Mt (79%) and value by SCR39m (56%) over 2016. The trend continued in 2018 which saw a further increase of 97% in volume to a record 10,966 Mt in 2018 and a 106% increase in value of to SCR223m.

Table 35: Volume and value of fish and fish product exported

	2016		2017		2018	
	Volume (Mt)	Value (SCR'M)	Volume (Mt)	Value (SCR'M)	Volume (Mt)	Value (SCR'M)
Canned tuna	36,904	3,473	34,665	3,494	36,356	3,817
Fish oil	1,037	41	572	35	1,641	293
Fish meal	8,084	103	8,322	115	8,029	127
Fresh and frozen fish	3,099	69	5,561	108	10,966	223
Dried sharkfin & sea cucumber	57	36	60	44	49	41
Others	49,181	3,725	49,180	3,796	57,040	4,501

It is to be noted that in 2017, the largest export destination for the fresh and frozen fish was Sri Lanka, however a downward trend was observed to this market for both 2017 and 2018, whereas the highest increase for 2017 was recorded to USA which saw an 87% (137.2 Mt) increase in volume. Other countries which recorded increase in 2017 included Reunion, Spain, Italy, Vietnam, U.A.E and Japan. For the period 2018, export to Mauritius saw a six-fold increase, Reunion and France doubled, while Spain, Italy and U.A.E also saw large increases as a result of resumption of tuna and swordfish to the European market. It is to be noted that the large increase to Mauritius, Reunion and France are destined for canned tuna production in those markets.

Table 36: Export Destination of catch from artisanal and semi-industrial fishery (Mt)

	2016	2017	2018
Sri Lanka/Colombo	1,295.7	1,014.4	920.4
USA	156.7	293.9	271.0
Reunion	15.8	55.6	114.3
France	138.6	42.9	104.2
United Kingdom	115.1	72.0	77.5
Mauritius	22.7	6.0	45.7
Spain	2.3	17.3	39.1
Italy	2.5	13.9	25.0
Vietnam	24.4	76.7	19.7
U.A.E	1.4	4.8	10.1
Russia	42.4	2.6	7.9
Germany	20.8	11.1	3.4
Japan	0.4	1.3	3.0
Netherlands	0.6	0.5	0.7
Australia	0.5	-	0.1
Others	49.6	24.8	-
Total	1,888.7	1,638.1	1,642.1

Canned tuna export, which made up 70% of total volume of production and 92% of total value of production in 2017, actually saw a 6% decrease in volume (2239 Mt) in 2017 but saw a slight increase of 5% in 2018 to reach 36,356 Mt. In terms of value of export, it increased to SCR3,817m (9%) in 2018 over 2017 accounting for 84% of total value of production.

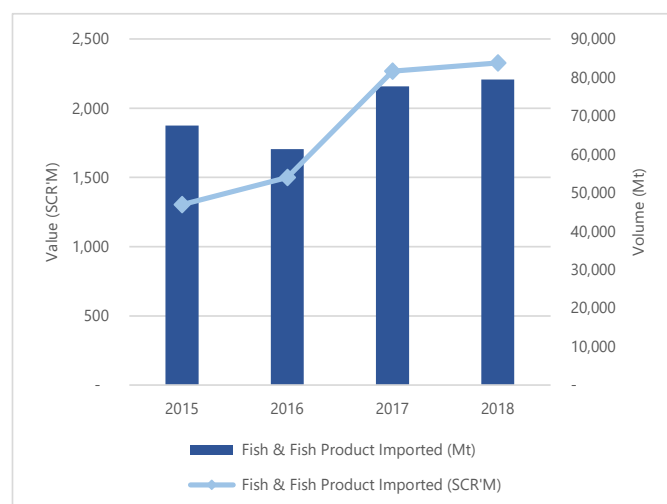
Fish oil export after a decrease of 45% in volume and 15% value in 2017 over 2016, saw a substantial increase of 1,069 Mt (186%) in export volume in 2018 and subsequently an increase of SCR258m (737%) in value of export. Similarly, the value of fish meal exported increased by 12% in 2017 and 10.4% in 2018 to reach a record SCR127m export contribution.

Export of sea cucumber and dried shark fins experienced a growth of 5% in volume and 12.8% in value in 2017 to reach SCR44m in export revenue, however this declined in 2018 by 6.8% to SCR41m in value. The main export markets of these exotic seafood remained the Asiatic countries whereby China was the dominant importer.

Import of fish and fishery products

For the past few years, it has been observed that the growing demand for imported seafood is on a steady rise. Between 2016 to 2018, the surge in both volume and value amounted to 29% on average for the former and 55% on average for the later to reach a record SCR2,328m in 2018.

Fig 28: Value and volume of fish and fish product import



As the main raw material for the IOT factory for canning, frozen fish namely tuna, remained the dominant import commodity, accounting for over 99% of total imports of fish and fishery products in terms of volume and close to 95% in terms of value in 2018. Over the period 2017/2018, the value of frozen fish imported has substantially increased by SCR803m and stands at SCR 2.2 billion at the end of 2018, a 56.7% growth over 2016.

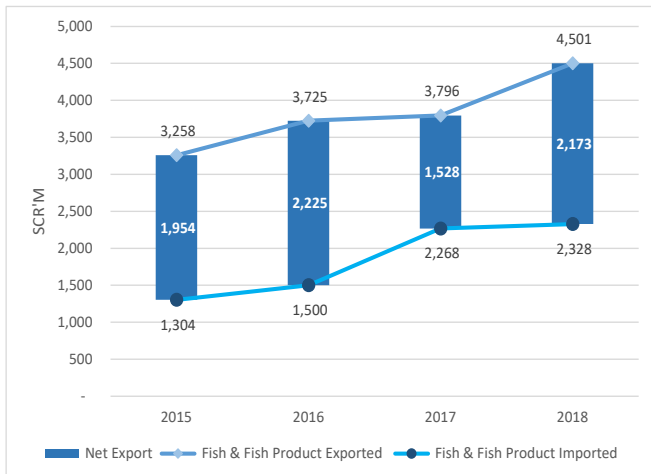
Table 37: Volume and value of fish and fish product imported

	2016		2017		2018	
	Volume (Mt)	Value (SCR'M)	Volume (Mt)	Value (SCR'M)	Volume (Mt)	Value (SCR'M)
Fish fresh or chilled	25	4	15	3	19	4
Fish frozen	60,689	1,415	76,945	2,176	78,663	2,218
Fish fillet & other fish meat	5	1	4	1	8	1
Fresh dried & salted	60	8	54	8	40	7
Mollusc & Crustacean prepared or preserved	618	73	683	80	762	98
Others	61,397	1,500	77,700	2,268	79,494	2,328

The other commodities not destined for processing in the cannery were supplied to hotels, local markets and bait for the domestic fishing industry. The second category with the biggest portion behind frozen fish is molluscs and crustaceans, accounting for SCR98m worth of imports in 2018, a 34% increase over 2016. The other categories had less of an effect on overall import, but they still attributed to a significant portion of foreign currency outflows at SCR12m in 2017 and 2018.

The balance of trade measures the flow of exports and imports over a given period of time. From the chart below, in terms of the fisheries industry there is a constant and high positive net export for fish and fish product for the years of 2015 to 2018. This points to the great importance of the fisheries sector to the country's balance of payments since it assist in covering the economy's trade deficit.

Fig 29: Trade balance for fish and fishery products (SCR'M)



Inflow of foreign currency

The fisheries sector is part of the many channels in which foreign currency flows in and out of the economy. The inflow of foreign currency injects various foreign currencies in the economy which in turn allows households, businesses and the government to import overseas products which will be used as intermediate and consumption goods. The table below illustrates the inflow of the fisheries sector. From the table it could be said that the sector has an inflow of around SCR6.69b in 2018 and this represents a proportion of 27% in the current account receipts.

Table 38: Inflow of foreign currency from export(SCR'M)

	2015	2016	2017	2018
Visible Export	3,258	3,725	3,796	4,501
Revenue from industrial tuna fishery	1,849	1,841	2,001	2,189
Gross inflow from fisheries (a)	5,108	5,566	5,797	6,690
Current account receipts (b)	18,269	19,032	22,513	24,994
<i>(a) as % of (b)</i>	28%	29%	26%	27%

According to the Central Bank of Seychelles' annual reports, earnings from tourism in 2017 and 2018 stood at US\$483m and US\$564m respectively. Total gross inflow from fisheries amounted to US\$429.4m and US\$484.74m respectively for the same period. This clearly shows the vital importance of fisheries and related activities to the national economy and in the development of the country. It also reaffirms the industry's position as the second pillar of the economy. In addition, there is future potential to further develop the sector's potential contribution to the blue economy through value addition and continued development of the semi-industrial fishing industry.





Seychelles Fisheries Satellite Account

Establishing the actual contribution of Fisheries and Fisheries related activities to the Seychelles economy

Fisheries and fish processing are two of the most important economic activities in Seychelles. However, in the System of National Accounts (SNA), only Gross Value Added (GVA) contribution from the catch of artisanal and semi-industrial long line fishery were recorded under the fishery industry. The GVA from catch of industrial fishing consisting of Seychelles Flagged Purse Seiners and Long liners were not included due to unavailability of data, although their contributions to other economic activities, including that of foreign flags purse seiners and long liners licensed to fish in Seychelles EEZ, such as license & access fees, bunkering, port services and other company expenditures were being recorded under their respective industry.

To establish the true contribution of fisheries and fisheries related activities to the GDP of Seychelles, in 2018, the National Statistics Bureau (NSB), with participation of Seychelles Fishing Authority (SFA) and Indian Ocean Tuna Ltd (IOT) supported by the Japanese Overseas Fishery Cooperation, re-evaluated the 2015 contribution of fisheries GVA to include the contribution from the industrial fishery category.

Table 1: Contribution of Fish & Fishery activities to GVA 2015

	2015 (Initial)	2015 (Revised)
Artisanal & Semi-industrial	152	205
Industrial Purse Seine	-	1,147
Industrial Long Line	-	909
Manufacturing of food (IOT)	329	1,492
Other Manufacturing (Fishmeal/Oil)	115	115
IOT Utilisation in other economic activities	153	153
Bunkering (Fuel)	212	212
Food & Other supplies of services at Port & IOT	259	259
Port Access fees & License fees	433	433
Total GVA for Fishery Account	1,653	4,925
Total GVA Economy	15,200	18,471
% Contribution fisheries	11%	27%

Source: National Statistics Bureau

Data on catch of Industrial Purse Seine and Industrial Long Line fishery from Seychelles flagged vessels collected from SFA and unit cost of tuna fish from IOT, showed that the Industrial Purse Seine and Long Line fishery GVA contribution was SCR1,147m and SCR909m respectively. An additional GVA contribution of SCR53m was also recorded under Artisanal fishery from the contribution of sea-cucumber and sharkfin, which had not previously been recorded as shown in Table 1.

As a result of the above, contribution from fisheries in the SNA of 2015, increased from SCR152m to SCR2,261m. Additional data received from IOT for 2015, also led to a revision in the GVA for manufacturing of food for the year from SCR329m to SCR1,492m and thus a revision in total GVA value for the whole economy to SCR18,471m from SCR15,200m report before.

To assess the total GVA contribution that fisheries contributes to economy, the value of direct contributions from activities of IOT operation into the GVA of various part of the economy, such as utilities, transportation, real estate etc., were calculated as well as the value of contribution from industrial, semi-industrial and artisanal fisheries such as fuel consumption, license fees, access fees etc.. As a result, the total GVA contribution for fishery and fisheries related activities for 2015 was revised to SCR4,925m equating to 27% of the total revised GVA in the National Account compared to a previous estimate of 7% reported in 2010. This result re-affirms that fisheries and fisheries related activities is a major contributor to the economy of Seychelles. As at time of publishing this report, NSB is in the process of revising the National Accounts of previous years to include the updated numbers.



Section 5

MANAGEMENT & ACCOUNTABILITY

Project SFA as the legal authority among various stakeholders through acceptance of responsibility for its decision and actions and reinforcing mechanisms for accountability and good governance



Corporate Governance Practice

The Authority is a parastatal organisation, created under the FSA Act 2004, and works closely with the Ministry of Fisheries. It is governed by a Board of Directors appointed by the President of the Republic, which is responsible for its policy, control and management. The Chief Executive Officer has supervision over, and direction of the day-to-day affairs of the Authority.

Organisation Structure

SFA's organisation structure as at end of December 2018 is presented below:

SFA Board of Director Chairperson: Dr. Nirmal Jivan Shah	
SFA Chief Executive Ronny Renaud	
Administration & Services	Operations
Deputy Chief Executive Calvin Gerry	Fisheries Resource Manager Vincent Lucas
Legal Advisor Yannick Roucou	Aquaculture Manager Aubrey Lesperence
Human Resource Manager Jessy Roseline	Development & Assessment Manager Ronny Antat
Procurement Manager Elvis Stravens	International Collaboration Manager Nan Constance
Financial Controller Paul Lesperence	Infrastructure Project Andrew Bristol
IT Manager Slim Dogley	Development and Port Manager Georgie Nicette
Health & Safety Manager Michael Gill	Monitoring Control & Surveillance Manager Johnny Lous
	Fisheries Research Manager Rodney Govinden
	Fisheries Statistic Manager Juliette Lucas
	Fisheries Economic Manager Michel Marguerite
	Property Manager Marlene Kahn

Ronnie Renaud was appointed CEO in May 2017, after the resignation of Bernard Arnephy. Dr. Nirmal Jivan Shah and the new board was appointed in May 2017.

Corporate governance

The SFA act 2004 sets out governance requirements which the Authority have to comply to and SFA has ensured that it complied over the two-year period.

Authority meeting

There were 8 Authority Governance meeting held in 2017 and 10 held in 2018. There were between 3 to 5 directors present during board meetings for the period of review.

Board member remuneration

Board members appointed in May 2019 included Dr. Nirmal Jivan Shah (Chairperson) earning SCR4,573 per month, while other directors included, Keith Andre, Roy Clarisse, Eugene Vidot and Rebecca Lousteau-Lalande, all earning SCR3,800 per month.

Disclosure of interests

Board members must disclose to the board any interest directly or indirectly they may have in contracts with the authority. No board members had any contract with the authority for the reporting period.

Access to information Act 2018

The Access to information act 2018 was ascended on 20th July 2018 with aim to foster good governance through enhance transparency, accountability, integrity in public service and administration. SFA is subject to this act and is required to therefore create, organise, keep and maintain its information in a manner which facilitates access to information as stipulated by the act. SFA started work in 2018 to ensure that the authority is in full compliance with the new regulation and this included advising the public how to access information from the authority, appointing the HR Manager as the information officer and guiding staff accordingly. Work on new website began to ensure all information are available.

Audit assessments

The Authority is requirement to carry out independent audit for both its financial reporting as well as for the Sectoral Support Fund from the EU. The financial audit for the period 2017/2018 was finalised as at end of June 2021. As part of its autonomy status, SFA will be recruiting an internal auditor.

Corporate planning and reporting

The authority is required to submit its annual corporate plan and the required budget to the government based on a Priority Performance Based Budgeting (PPBB) and thereafter monitoring and reporting on the performance. The Budget and the associated detailed project plans were produced and performance monitored for the different programs.

Procurement

SFA is guided by the Public Procurement Act 2008 and Public Procurement Regulations 2014 for acquiring of goods, consultancies, services and civil works. During the period 2017/2018 all procurement processes abided to the regulations, whereby all purchases above SCR150,000 were directed to Procurement Oversight Unit for processing, while those below this threshold were carried out with the principles of transparency, fairness to obtain favourable competitions of bids/quote in line with the Act & Regulations in the most economical interest for SFA.

Environmental, Occupational Health & Safety

Working to ensure a safe working environment for all SFA staff and other partners that SFA interacts with, remained a key focus for the management of SFA. As part of the strategy for institutional strengthening, restructuring and capacity building, work started on the creation of an environmental/occupational health and safety unit in 2018.

The Authority maintained a strong commitment to provide a Safe and Healthy work environment for all SFA personnel and other partners that worked directly with the authority.

While during the period 2017/2018 all units ensured that they conducted their duties and responsibilities in compliance with applicable health and safety laws and regulation, such as the; National occupational health and safety Policy, National Public Health Policy, Environment Protection Acts and Occupation Safety and Health Decree Chapter 151 (Laws of Seychelles) and Standards and best practices pertaining to Health and Safety, with oversight of the deputy ceo's office, the need for the creation of a separate unit to manage the overall health and safety procedures and the recruitment of a manager started in 2018.

The new Environmental, Occupational & Health & Safety unit which was subsequently set-up in 2019, has as its vision:

- **To create a safe and healthy work environment, free from occupational accidents and occupational diseases and to promote a preventative safety and health culture in the Seychelles Fishing Authority.**

And its mission is:

- **To motivate and mobilize Seychelles Fishing Authority managers, workers and other key partners to ensure systematically minimize occupational accidents by being equip with the necessary tools to nurture a culture of health and safety from the conception of any work plan to its final consistent accomplishment.**

The new unit will be responsible for health and safety across the whole fishing sectors, partners, contractors, fisherman and fish processors that directly or indirectly evolve around fisheries and fish product daily, including Seychellois as well as expatriate seamen and services providers to the fishing industry.

The new unit aims to:

- Adopt a zero tolerance towards Health and Safety, consistent with its zero-harm philosophy.
- Provide a framework for measuring performance and ensuring continuous improvement by setting auditing and reviewing occupation health and safety objectives and target.

- Prevent occupational accident and occupational diseases and occupational injuries, so far as reasonably practicable, through consultative mechanisms at sectional and departmental levels.
- Protect all workers against health and safety risks and hazards by implementing effective OSH measures;
- Commit to the preventing and reducing pollution, especially oceanic pollution, minimizing waste in all its forms by efficient and sustainable use of energy, fish (as raw materials), water and packaging.
- Committed to continually enhance the Post-Harvest and Value Addition Section In their commitment to produce and maintain the consumer confidence both local and international client in local products by enforcing strict food safety requirements.

As part of its role, the Environmental, Occupational Health & Safety unit will ensure that all new recruits undergo medical/toxicology test being confirmed in post as well as provide first aid courses for new recruits and refresher courses for existing staff members. Evaluation and risk assessment of all potential hazard will be carried out on a regular basis, while demarcation of all Exit route, Emergency exit and Fire Assembly Point will be carried out and a basic ice plant safety protocol will be developed.



Agreements, Policies and Regulations

Policies and regulations

The authority is mandated in preparing and updating of local policies and ensuring that they are abided to. It also forms part of international commissions and needs to ensure that it complies with them.

Local policies & regulations

During 2017-2018 period, several new or revised policies and regulations were completed, which are in line with the development goals of SFA and these included:

- Review and modernisation of the SFA establishment Act to reflect the new status of SFA as a Financial Autonomy entity
- Completion of the Environmental and Social Impact Assessment (ESIA) for aquaculture development in Aquaculture Development Zones
- Completion of market studies on the establishment of export markets for Seychelles aquaculture products
- Amendment in the Fisheries Development Fund criteria to reduce funding towards high-risk activities
- Update on the Marine Spatial Plan (MSP)

International agreements

New agreements and communications with various international partners/forums continued in 2017-2018 to ensure alignment in the application of regulations and adoption of best practices as well as areas of potential development.

EU/Seychelles Sustainable Fisheries Partner Agreement

The Seychelles-EU Sustainable Fisheries Partnership Agreement (SFPA) came into force in January 2014, with a six-year validity for a value of EUR 30.7m, giving the opportunity for 40 tuna purse seiners and 6 surface longliners flying the flag of a member country of the European Union (EU) to fish for tuna and tuna like species in the Seychelles Exclusive Economic Zone at a reference tonnage of 50,000 Mt per year. The EUR30.7m is broken down as follows:

- An annual amount of EUR2.75m was available for 2014/2015 and EUR2.5m annually thereafter for remaining years based on a reference tonnage of 50,000 Mt per year.
- A specific amount of EUR2.6m for 2014/2015 and EUR2.5m annually thereafter for the remaining years was available for the support and implementation of Seychelles sectoral fisheries policy and marine policy with priority in aquaculture development plan, infrastructure development and capacity building. Funds under this program is released based on achievement of at least 75% utilisation of the previous year budget, and any unused budget from a previous year can be carried over to the new year.

In 2017, the total budget under the sectoral program was EUR3.699m, as per breakdown in Table 31 below. As at end of December 2017, 80% of the budget had been used, thus qualifying for the disbursement of EUR 2.5m plus EURO.727m unused budgets of 2017 for 2018 development program.

Table 39: Budget utilisation 2017

	2017 Budget (EUR'M)	2017 payment (EUR'M)	Budget execution Dec 2017
Development & implementation of fisheries & aquaculture management plan	1.342	1.150	86%
Fisheries infrastructure development for artisanal and industrial sector	1.878	1.382	74%
Capacity building	0.479	0.439	92%
Total	3.699	2.972	80%

For 2018, the total budget was EUR3.198m as per breakdown below. At the end of November 2018, 79% of the budget had been utilised.

Table 40: Budget utilisation 2018

	2018 Budget (EUR'M)	2018 payment (EUR'M)	Budget execution Nov 2018
Development & implementation of fisheries & aquaculture management plan	1.154	0.973	84%
Fisheries infrastructure development for artisanal and industrial sector	1.676	1.239	74%
Capacity building	0.368	0.303	83%
Total	3.198	2.517	79%

As at end of December 2018, the full EUR12.7m of the total allocated under the sectoral program had been disbursed.

Joint Commission meeting

During 2017, two Seychelles/EU Joint Commission Meeting were held, where the approval of the Sectoral support fund disbursement was given as well as other discussion centered on the 2016 catch situation, the Seamen embarkation situation, the Scientific Observer Scheme and the Inspection Platform. Discussion also took place on the Electronic Report System.

Indian Ocean Tuna Commission (IOTC)

Seychelles is an active member of the IOTC and participated in the 21st and 22nd commission which took place in 2017 and 2018 respectively.

During the 21st session, a total of 8 Conservation and Management Measures were taken with the main one being Resolution 17/01 on an interim plan for rebuilding the Indian Ocean Yellowfin tuna stock in the IOTC Area of Competence, while Resolution 17/02 called on the creation of a working party on the implementation of Conservation and Management Measures (WPICMM). The other resolutions were on:

- Establishment of list of vessels that had carried IUU fishing in the IOTC region.
- Ban on discard of Bigeye tuna, Skipjack tuna, Yellowfin tuna, and non-targeted species caught by vessels in the IOTC Area of Competence;
- Conservation of sharks.
- Establishment of a programme for transshipment by large-scale fishing vessels.
- Prohibition to use large-scale driftnets in the IOTC Area.
- Amendment in procedures on a fish aggregating devices (FADs) management plan, including a limitation on the number of FADs, more detailed specifications of catch reporting from FAD sets, and the development of improved FAD designs to reduce the incidence of entanglement of non-target species.

The 22nd session of the IOTC Committee meeting took place in June 2018, where a total of 10 Conservative and Management Measures were adopted, with the rebuilding plan for the Yellowfin tuna stock still being the highest on the agenda under resolution 18/01 and 18/02 being measures for the management of the Blue shark.

Other resolutions included:

- Establishment of list of IUU vessels.
- Bio FAD experimental project.
- Management measures for the conservation for the conservation of Billfish, Striped marlin, Black marlin, Blue marlin and Indo-Pacific sailfish.
- Programme for transshipment by large-scale fishing vessels.
- Measures applicable in case of non-fulfillment of reporting obligations in the IOTC.
- Procedures on a Fish Aggregating Devices (FADs) Management.
- Scoping study of socio-economic indicators of IOTC fisheries.
- Vessel chartering in the IOTC Area of Competence.

British Seychelles Fisheries Commission (BSFC)

The British Seychelles Fisheries Commission was established in 1995 to promote, facilitate and coordinate conservation and scientific research. The 22nd meeting of the commission took place in November 2017 with both the Chairman and the CEO of SFA participating where the commission was updated on the progress on the various programs within the Scientific sub-committee as well as other programs that Seychelles were developing or implementing.

The Scientific Sub-committee met for the 29th and 30th session for the period 2017, 2018 respectively and the main focus was on the status of the British Indian Ocean Territory (BIOT) Marine Protected Area (MPA) and progress on the science and management framework, environmental monitoring conducted and compliance with IOTC obligations. Other discussion included presentation on recreational fisheries, the need to start gathering data on oil fish fishery by the industrial purse seiners and the implementation of the different fisheries management plan for Seychelles.



Seychelles delegation at the IOTC 22nd session Bangkok, Thailand, May 2018

Seychelles/Mauritius Fishing Agreement

The 2005 fishing agreement between Seychelles and Mauritius was finally replaced with a new agreement that became in force on 15th February 2018. The aim of the new agreement was to ensure fairness in the licensing fees as previously Mauritius fishing vessels were being charged far less for fishing in the Seychelles waters compared to what Seychelles licensed fishing vessels were being charged to fish in the Seychelles waters. Under the new agreement which was finalised at the commission's bilateral meeting in October 2017, the rules and procedures in regards to economic, financial, technical and scientific corporation to ensure responsible fishing with the two countries EEZ were established as well as the condition of access and the development and implementation of monitoring mechanism. The new agreement allowed 15 purse seiners, 20 long-liners with 7 supply vessels to fish in the two parties' respective waters at the following fees:

Table 41: New License fee of Seychelles/Mauritius Protocol

	Seychelles License fee (USD)	Mauritius License fee (USD)
Purse seiner license	110,000	24,000
Long liner license	30,000	30,000
Supply vessel license	5,000	5,000

Other Agreements and MOUs

During the period 2017/2018 SFA participated in several other agreements and MOUs namely:

- Seychelles/Ghana MOU 2017 aimed at enhancing corporation in national management, conservation and utilisation of marine resources. Steering Committee and two working groups for Research and Post-Harvest were set-up in 2018.

- Joint Commission Meeting with India and Seychelles in May 2018.
- 2nd South Africa and Seychelles Joint Commission of cooperation in March 2018 where MOU was signed for collaboration in fishery science with South African Institute of Bio-diversity (SAIB) and Rhodes University to include fisheries exchange programme of students and staff.

Workshops and conferences

Senior Management staff continued to participate in international consultative meetings and conferences to enhance their development to lead in sustainable development of fisheries, and these included:

- 2nd Consultative Workshop for Eastern Africa, Southern Africa and Indian Ocean (EA-SA-IO) region and the 5th Meeting of the SADC Task Force on IUU fishing, July 2017 in South Africa.
- Large Ocean Nations Forum Programme; October 2017 in Malta.
- Consultative meeting to establish mechanism for the coordination of common position and voice and to provide support to AU member states in the implementation of Regional Fisheries Management Organizations (RFMOS) recommendations, March 2017 in Kenya.
- The United Nation's Ocean Conference to support the implementation of the Sustainable Development Goal 14: Conservation and sustainability use the oceans, seas and marine resources for sustainable development. June 2017 in New York, USA.



Seychelles/Ghana MOU signature ceremony, May 9, 2017, Seychelles.

Human Resources

The focus for period 2017-2018 has been on building core competencies across the organization to enable the execution of the SFA mandate and support the achievement of the 2018-2020 Strategic Plan. SFA had 135 staff members as at end of December 2017 and 149 at the end of December 2018.

Capacity building

A detailed need assessment was carried out for all departments and a total of 44 positions were filled during the two-year period as per table below.

Table 42: New Recruitment for 2017-2018

	2017	2018
Secretariat	2	2
Human Resources	1	1
Accounts	1	-
Information Technology	1	1
Research	1	4
Aquaculture	1	5
Post Harvest & Value Addition	3	-
Port Management/Development	3	5
Projects	1	-
Statistics	3	6
Economics	1	1
Monitoring Control & Surveillance	-	1
Total	18	26

Planning for the recruitment of key staffing positions that will facilitate SFA's transition to autonomy started in 2018 and these included new recruitment for posts of Business Development Manager, Property Manager, Project Director, Procurement Officer (Projects), Internal Auditor and other support staff. New schemes of service for Technical cadre, Scientist cadre, and Support Cadre, were finalized in 2018 to assist with retention and recruitment.

Training and development

SFA continued to focus on enhancing the knowledge and developing the capacity of its staff during the two-year period. Staff at all levels participated in several local and international training, workshops and conferences as per table below.

Table 43: No. Staff participated in training & workshops 2017-2018

	2017	2018
Diploma	2	1
Advanced Diploma	1	-
BSc. Degree	1	3
Master's Degree	2	3
PHD	1	1
International workshops, meetings & conferences	81	47
Total	88	55

SFA has also established strategic partnerships with local and international scientific research and other institutions as part of its staff development strategy.

Staff welfare

SFA strongly believe in the importance of the welfare of its staff and a Staff Welfare Committee was created in 2017 to address certain gaps in staff welfare and other pending policies pertaining to other incentives to ensure staff welfare. During the two-year period the SFA Social Club conducted several committee meetings with the assistance of the HR Section to undertake several activities on the Calendar of activities which had been agreed with the Ministry of Fisheries and Agriculture.

2019/2020 Outlook

The HR department key focus for 2019/2020, will be to continue with the capacity building to support the SFA autonomy status with a new salary grid and allowances in plan to support this. A new HR and welfare policy will be drafted and various schemes of service for the different sections will be developed.



SFA staff participate in Office Choir Competition 2018

Seychelles signs new fishing agreement with Mauritius

On February 20, 2017, after three rounds of negotiations that started in 2015, the then Minister for Agriculture and Fisheries, Michael Benstrong and the Mauritian Minister for Ocean Economy, Marine Resources, Fisheries and Shipping, Premdut Koonjoo, signed a new fishing agreement between the two countries, bringing the license fees for Mauritian fishing vessels licensed to fish in the Seychelles EEZ in par with the applicable license fees of Seychelles flagged vessels fishing in the Seychelles EEZ.

Prior to 2017, Seychelles flagged vessels fishing in the Seychelles EEZ were charged a license fee of US\$90,000, while Mauritian flagged vessels fishing in the Seychelles EEZ was charged US\$70,000. This situation emanated from the initial fisheries agreement signed between Mauritius and Seychelles in Port Louis, Mauritius in 2005, when the license fee for fishing in the Seychelles EEZ for Seychelles flagged vessels was then US\$60,000 per year and the license fee for Mauritius flagged vessels licensed to fish in the Seychelles EEZ was US\$70,000 and the agreement was automatically renewed every two years thereafter. However, in 2013, Seychelles increased the license fee for Seychelles flagged vessels to fish in the Seychelles EEZ to US\$90,000 per year but the license fee for Mauritius flagged vessels remained at US\$70,000, thus the fee was more favourable to the Mauritians than our own vessels fishing in our waters and therefore, the then Ministry of Natural Resources initiated the process for the termination of the 2005 fishing agreement with Mauritius and for new negotiations to take place for a new agreement taking into account the unfairness, and the development in the fisheries sector at that time. For various reasons including logistics, the first round of negotiations only took place in February 2015 in Seychelles.

The new agreement signed in 2017, makes provision for 15 purse seiners and 20 long-liners with 7 supply vessels to fish in the two parties' respective waters. The Mauritian flagged purse seiners will now pay a license fee of US \$110,000 per vessel per annum (up from US \$70,000) and their long liners will pay a fee of US \$30,000 each per annum (up from US \$24,000), to fish in Seychelles waters while Seychelles' purse seiners will pay license fees of US \$24,000 (up from US \$20,000) and long liners will pay US \$30,000 (up from US \$24,000) per annum. The new agreement will ensure smoother supply of tuna to the Indian Ocean Tuna canning factory as well as continue to support the local economy through stevedoring and handling services by local companies, port dues and berthing fees, landing and processing of tuna and by-catch for the local processors and diversification of the fisheries value addition locally, among others. The calling to port of the purse seiners and the development of local ship chandlers also present the opportunity for local produce to find additional markets in the tuna fisheries sector.



Section 6

FINANCIAL PERFORMANCE REPORT AND STATEMENTS

Enhance the organization financial, administrative and risk
management capability



General INFORMATION

DIRECTORS

DIRECTORS OF THE AUTHORITY

During 2017/2018 Period

- Nirmal Jivan Shah (Chairperson)
- Eugene Vidot
- Keith Andre
- Roy Clarisse
- Rebecca Loustau-Lalanne

CURRENT

DIRECTORS OF THE AUTHORITY

- Radley Weber (Chairperson)
- Roy Clarisse
- Eugene Vidot
- Aubrey Harris
- Beatty Hoarau
- Marc Gonthier
- Joseph Tirant
- Audrina Dine
- Franky Laporte

CHIEF EXECUTIVE OFFICERS

- Bernard Arnephy (January to March 2017)
- Rohnny Renaud (May 2017 onwards)
- Nichol John Elizabeth (current)

SECRETARY

Nane Constance

REGISTERED OFFICE

P.O. Box 449, Fishing Port, Mahé, Seychelles

PRINCIPLE PLACE OF BUSINESS

Fishing Port, Mahé, Seychelles

AUDITOR

Baker Tilly
Chartered Accountants, Seychelles

BANKERS

- ABSA Bank (Seychelles) Limited
- Seychelles International Mercantile Banking Corporation Ltd.

Statement of Financial Performance - 2017

Section 22 of the FSA Act 2004 requires the Authority to prepare, keep proper records in relation to accounts and prepare for each financial year a statement of account in compliance with commercial standard after being audited by an auditor appointed by the Authority.

Financial result summary 2017

SFA reported a surplus of SCR35.53m in 2017 compared to SCR139.53m in 2016 before transfer to consolidated fund. The reason being delay in implementation of capital projects. More income was generated in 2016 mainly from fishing licenses of industrial fishing vessels. The accumulated deficit after transfer to consolidated fund as of December 2017 was SCR51.48m whereas 2016 was SCR12.53m respectively.

Over the year of 2017, a total of SCR125.30m was received from the prime source of income, which was SCR33.96m below budget and 13% lower than previous year. More income was generated from licenses of Non-Eu fishing vessel which was SCR30.9m above budget.

Table 44: Income

SCR'000	Actual 2017	Actual 2016	Budget 2017
Annual EU Fishing License	6,904.48	35,689.00	38,532.35
EU Fishing License: Vessel Fee	29,493.98	32,843.78	42,351.45
Non EU Fishing License Fees	79,633.84	64,234.02	48,729.63
Local Fishing License Fees	244.82	517.94	712.99
Sales of Fish Posters	-	-	4.63
Sale of engine & spares	-	41.40	-
Fuel Depot Operation	-	-	-
EEZ Application Fee	82.06	379.38	357.61
Sales of Ice/Other	2,611.64	2,489.91	1,808.27
Registration Fee	23.6	24.65	32.11
Sundry Income	10.45	705.36	868.97
VMS Management Fee	636.33	538.60	985.00
Aqua Culture Concession	55.00	50.00	78.86
Inspection of Sea Cucumber	12.00	10.00	65.78
Management Fee Sea	1000.07	1,430.13	2,349.51
Seaman Fishing Protocol	1,027.16	1,513.30	4,724.17
Nets & Container Fees	2,298.22	2,214.07	8,551.40
Building & Land Lease	128.00	374.32	277.50
Lease of zone 14	134.31	-	4,078.88
Ile Du Port	-	-	4,368.50
Lease of Warehouse	665.28	120.00	136.59
Training Room	61.11	66.18	69.88
Gear Store Rental	280.09	250.05	182.03
Total	125,302.44	143,492.09	159,266.11

SFA total departmental expenditure was SCR91m against budget expenditure of SCR88m with an increase of SCR3m mainly due to an increase in administration expenses.

Table 45: Program Expenditure

SCR'000	Actual 2017	Actual 2016	Budget 2017
Governance, Management and administration	38,397.06	26,119.71	33,832.71
Fisheries Management	35,225.36	38,236.93	36,450.81
Fisheries Research	4,805.55	3,997.40	4,985.75
Fisheries Development	8,856.88	9,868.41	8,889.87
Monitor Control & Surveillance	3,753.69	2,799.35	3,755.21
Total	91,038.54	81,021.80	87,914.35

Employee expenditure was SCR4.99m lower than budgeted, mainly due to delay in recruitment of new staff.

Table 46: Employee expenditure

SCR'000	Actual 2017	Actual 2016	Budget 2017
Wages and Salaries in Cash	20,721.38	21,723.61	25,702.23
Total	20,721.38	21,723.61	25,702.23

Use of Goods and Services was SCR2.13m higher than planned, due to payment of fuel incentive scheme for fisherman, which was above budget at 1m and Administration expenses, which exceeded budget at 1.1m

Table 47: Use of goods and services expenditure

SCR'000	Actual 2017	Actual 2016	Budget 2017
Office Expenses	13,981.27	14,879.43	12,866.41
Transportation and Travel Cost	1,237.05	1,467.14	866.43
Maintenance and Repairs	1,324.39	4,819.97	1,645.91
Materials and Supplies	86.48	-	146.82
Other Uses of Goods and Services	30,987.99	40,247.27	29,995.80
Total	47,617.18	61,413.81	45,486.97

In terms of Capital Expenditure, the actual spent was SCR5.88m below budget as a result of delay in completion of the Providence Port.

Table 48: Capital expenditure

SCR'000	Actual 2017	Actual 2016	Budget 2017
Building and Infrastructure	11,355.59	11,001.16	17,239.38
Non-produced Assets	-	-	-
Total	11,355.59	11,001.17	17,239.38

Grants utilized was SCR62.47m, 43% above previous year.

Total Fixed Asset of the Authority was SCR215m. This represented a 4% decline over the previous year.

Directors Report - 2017

The Directors present their report together with the audited financial statements of Seychelles Fishing Authority ("the Authority") for the year ended December 31, 2017.

Principal activities

The Authority is a parastatal organization which functions as the executive arm of Government for fisheries and related matters. There has been no significant change in the nature of these activities during the financial year under review.

Results

	2017 SCR	2016 SCR
Surplus for the year:	<u>35,531,515</u>	<u>139,533,833</u>

Property, Plant and Equipment

Additions of SR. 877,294 to property, plant and equipment during the year comprised office and research equipment and ice plants (2016: SR. 3,009,290). To the best of knowledge and based on the information and records made available to the Current Directors, the Directors are not in a position to confirm that there were no disposals during the financial year under review (2016: SR. Nil).

Property, plant and equipment are stated at cost less accumulated depreciation. To the best of knowledge and based on the information and records made available to the Current Directors, the Directors are not in a position to confirm whether the carrying amount of property, plant and equipment at the balance sheet date approximates its fair value.

Directors and Directors' interest

The Directors of the Authority appointed by the President of Seychelles since the date of the last report and the date of this report are:

Chairperson

- Radley Weber (Appointed effective February 8, 2021)
- Philippe Michaud (Term ended on February 8, 2021)

Directors

- Roy Clarisse (appointed effective February 8, 2021)
- Eugene Vidot (appointed effective February 8, 2021)
- Aubrey Harris (appointed effective February 8, 2021)
- Beatty Hoarau (appointed effective February 8, 2021)
- Marc Gonthier (appointed effective February 8, 2021)
- Joseph Tirant (appointed effective February 8, 2021)
- Audrina Dine (appointed effective February 8, 2021)
- Franky Laporte (appointed effective February 8, 2021)
- Glenn Savy (term ended on February 8, 2021)
- Dolor Ernesta (term ended on February 8, 2021)
- Andrew Jean-Louis (term ended on February 8, 2021)
- Keith Andre (term ended on February 8, 2021)

Dividends

No dividends were paid but an amount of SR. 75,604,412 (2016: SR. 139,439,966) was transferred to the Consolidated Fund at Treasury Department, Ministry of Finance.

Statement of Directors' Responsibilities

The Board of Directors is responsible for policy, control and the overall management of the affairs of the Authority including the operations of the Authority and making investment decisions. The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with requirements of the Seychelles Fishing Authority (Establishment) Act, 1984 and Generally Accepted Accounting Standards in Seychelles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies that fall within the accounting policies adopted by the Authority; and making accounting estimates that are reasonable in the circumstances. The Board of Directors has the general responsibility of safeguarding the assets, both owned by the Authority and those that are held in trust and used by the Authority.

However, since the Board of Directors responsible for operations, preparation and presentation of the financial statements and for its audit for the year ended December 31, 2017 did not complete their responsibilities within the mandated time and left with incomplete books of accounts and missing supporting documents, the current Board of Directors for the purpose of continuity and legal compliance, made its best endeavor to ensure accuracy and reliability of the available information and provided them to the Auditors to obtain an independent audit opinion on them. The new Board of Directors do not and will not under any circumstances accept responsibility and liability for actions undertaken or not undertaken in relation to these financial statements by the then Board of Directors in the financial year 2017.

Auditor

The retiring auditor Messrs. Baker Tilly, Chartered Accountants, Seychelles being eligible offer themselves for reappointment.


Radley Weber
Director


Roy Clarisse
Director


Aubrey Harris
Director


Beatty Hoarau
Director


Marc Gonthier
Director


Joseph Tirant
Director


Audrina Dine
Director


Franky Laporte
Director


Eugene Vidot
Director

Independent Auditor Report - 2017

We have audited the accompanying financial statements of Seychelles Fishing Authority set out on pages 79 to 92, which comprise the statement of financial position as at December 31, 2017, the statements of profit or loss, cash flows and changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Responsibilities of the Directors and those charged with governance for the financial statements

The Board of Directors is responsible for keeping proper accounting records and for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the Seychelles Fishing Authority (Establishment) Act, 1984, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and ensure that the financial statements give a true and fair view of the Authority's affair. In preparing the financial statements, the Board is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Directors disclaimer

Reference is made to the third paragraph under Statement of Directors Responsibilities on Page 74 of the Directors Report. The Directors have explicitly stated that they do not and will not under any circumstances accept responsibility and liability for actions undertaken or not undertaken in relation to the financial statements by the then Board of Directors in the financial year 2017. This is one of the reasons for our disclaimer opinion.

Other information

Management is responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor Report - 2017

Unavoidable scope limitation due to inadequacies in the Authority's accounting records

Since the year 2014, there have been significant and continued changes to key personnel upon whom the Authority's system of control was dependent. In particular, changes in the key finance personnel.

In addition to the above, the Authority's accounting information were incomplete and did not provide a complete audit trail. The Authority's primary records do not provide sequential and complete information of each transaction and the nominal and subsidiary ledgers were incomplete in all respects. Therefore, the accounts from the Treasury Information System were used for the purpose of this audit. Whilst the Treasury Information System records formed a basis for us to undertake the review of the financial statements, numerous corrections were required during the course of our audit. The Treasury Information System records, all incomes and expenses on a receipt basis, therefore a process was undergone to try and convert the set of financial data to represent a set of accrual based accounting figures. After year end receipts and payments was also used as a basis to validate certain account balances.

Due to changes in personnel, incomplete accounting information and lack of adequate external records; we have preferred to provide a long form audit report covering major line items of the statement of financial statements.

(A) Statement of Financial Position

Property, Plant and Equipment - SR. 215,407,505

The register recording Property, Plant and Equipment contains fully depreciated assets dating back to the year 1998 which may be no longer in use. Treasury has implemented a fixed asset register module in the year 2016 for Government entities to manage and record their assets. The Authority started implementing the software but the assets in the register did not reconcile back to the Treasury asset Public Sector Investment Programme ("PSIP") accounts, and therefore the register was not used for the purpose of accounting for additions to the Property, Plant and Equipment in the Authority's accounting records. Instead, additions were accounted for as per the PSIP TIS (Treasury Information System) accounting entries.

Purchase and replacement of assets were also found incorrectly recorded in repairs and maintenance accounts. Internal controls were inadequate in ensuring that an accurate up-to-date fixed assets register is maintained by the Authority, therefore we cannot conclude on whether Property, Plant and Equipment is free from material misstatements.

The Authority is not the legal owner of certain properties on which certain Property, Plant and Equipment are situated.

Capital work in progress - SR. 26,773,885

Certain large projects continued from prior years, a few of them being the construction of roads and utilities at Ile du Port as well as a processing building in Bel Ombre. We are satisfied that work in progress is correctly stated in the annual financial statements with regards to the ongoing projects.

Fisheries Development Fund - SR. 63,703,821

We obtained external confirmation for the Fisheries Development Fund for the year 2017 and are satisfied that the balance has been correctly stated in the financial statements.

Fuel inventories - SR. 388,177

We noted that no fuel count was performed at the Providence fuel station at year end. Consequently, we were unable to ascertain that the fuel inventory at the end of the financial year is appropriately stated. The inventory balance only includes the fuel inventories counted at Victoria station. Victoria's fuel balance was agreed to the signed fuel measurement sheets for fuel counted in liters. The fuel inventories balance has not been correctly stated in the annual financial statements and is currently understated. We could not carry out a physical count since we were appointed Auditors in the year 2020.

Trade and other receivables - SR. 9,412,909

Due to the lack of controls over the collection and management of debtors and the conversion of the accounts from a receipts basis to an accrual basis, we cannot be satisfied that the Trade and other receivables are completely recorded in the annual financial statements. We are satisfied, based on a subsequent receipts test, that the reflected balance is recoverable or the Authority has made adequate provision for bad and doubtful debts.

Cash and bank balances - SR. 10,249,900

We have obtained external confirmation to satisfy ourselves of the existence of this asset, with the exception of four accounts amounting to SR. 1,954,693.

Employee benefit obligations - SR. 6,943,319

We are satisfied that the Authority had made adequate provisions for gratuity and compensation in its financial statements.

Deferred Grants - SR. 250,734,030

Deferred grants represent an unamortised balance for corresponding fixed assets acquired by the Authority and we are satisfied that the deferred grants are correctly stated in the financial statement. Deferred grants are recognized on the same basis as Property, Plant and Equipment and reliance should only be placed in accordance with the reliance placed on the accuracy of Property, Plant and Equipment.

Independent Auditor Report - 2017

Credits held for future projects- SR. 13,332,362

These represent amounts received as grants/subsidies for specific projects to be undertaken by the Authority with a reporting requirement to the donor. The largest credit carried forward represents SR 4,035,980 from European Union for fisheries development. Expenditure incurred in the year under this project amounted to SR. 46,466,886.

The records maintained by the Authority did not specify the project for which expenditures were incurred. Therefore, there is a possibility of error in allocation of expenditures to the appropriate project accounts.

Other payables and accruals - SR. 48,766,711

Based on the conversion from a receipts based accounting approach to an accrual basis, we cannot safely conclude that Trade and other payables are completely recorded at year end. There is a probable risk of unrecorded liabilities that may not have been detected during the audit.

During the financial year under review, an amount of SR. 42,906,379 was identified as license fees paid for the year 2018 and these amounts were reclassified from Revenue to Prepaid licenses in the Statement of financial position. In the prior years receipt of license fees was accounted on cash basis.

(B) Statement of Profit or Loss

Annual subvention - Nil

The Authority represented to us that no Annual subvention was received from the Government of Seychelles during the financial year under review. In the absence of any external evidence, we had to rely on the representation of the Management.

Rental income - SR. 1,207,681

Rental of areas under its control at the Fishing Port forms a significant part of the income of the Authority. We were unable to review lease agreements as these were not available. Furthermore, the Authority does not maintain a site map of all properties under its control. Therefore, we cannot confirm that the rental income has been correctly stated in the financial statements, since these are currently still reflected on a receipts basis and not an accrual basis. During the financial year under review certain rentals received after the end of the year were adjusted to rental income based on subsequent review of their receipt.

Fuel operations from fuel depot

We were unable to separate the movements in the fuel treasury suspense account between fuel purchases and sales; other miscellaneous income and expenses; and Illegal, unreported and unregulated ("IUU") fishing vessel fines and costs. Therefore we are not satisfied that fuel surplus from depot operations has been correctly stated in the financial records, not taking into account the omission of the Providence fuel station stock in the accounting records of the Authority.

Other revenues

Based on the conversion from a receipts based accounting approach to an accrual basis, we cannot safely conclude that the other revenues are completely stated in the financial statements.

Operating and other expenses - SR. 32,875,483

We are satisfied that expenses have been properly authorized and accurately accounted for in terms of the required processes. The expenses have not been recorded on an accrual basis therefore we cannot safely conclude that the balance is free from material misstatement.

Employees Salaries and benefit expenses - SR. 20,721,377

Staff cost incurred by the Authority has been properly accounted and the Authority has complied with the provisions Personal Income Tax and the Pension Acts.

Depreciation and amortisation - SR. 10,939,215 & transfer from deferred grants SR. 10,596,587

We are satisfied that the financial statements correctly reflect depreciation in accordance with stated accounting policies. We have also verified amortisation of deferred grants and confirm it complies with the accounting policy note 2.2.

Research and development costs - SR. 12,557,603

We are satisfied expenditure has been appropriately authorized and correctly recorded in the financial statements. However, classification within the head of account could vary due to incomplete transaction details.

Monitoring, Control and Surveillance and Enforcement - SR.16,221,521

We are satisfied expenditure has been appropriately authorized and correctly recorded in the financial statements. However, classification within the head of account could vary due to incomplete transaction details.

Independent Auditor Report - 2017

Our observations with respect to Fisheries Facilities Development of SR. 59,964,012 are stated below:

(i) Fuel claims paid in the year - SR. 30,987,991

We are satisfied that fuel claims paid during the year are correctly stated in the financial statements.

(ii) Fisheries Development expenditure from EU funding - SR. 27,159,699

We are satisfied expenditure has been appropriately authorized and correctly recorded in the financial statements.

Utilities - SR. 12,678,619

We are satisfied that Utilities has been correctly stated in the financial statements. Since we did not receive the response to the confirmation circularisation, we cannot conclude completeness on accrual basis.

Indian Ocean Tuna Commission expenses - SR. 233,067

We are satisfied that the rental and housing allowance paid for the Indian Ocean Tuna Commission has been fairly stated in the financial statements.

Other expenses

Based on the conversion from a receipts based accounting approach to an accrual basis, we cannot safely conclude that the other expenses are completely stated in the financial statements.

Operational controls

1. Our review of internal controls revealed that there is an apparent lack of controls over the revenue collection processes of SFA leading to an increased risk of fraudulent activity and mismanagement. In addition to this, rates and revenue prices have not been increased for a number of years which has consequently undermined the earning potential of SFA over the course of time.
2. Controls over invoicing and debtor management are limited and do not adequately ensure timely and accurate collection of outstanding receivables.
3. No use is made of subsidiary ledgers to ensure maintenance of accurate and complete financial information.
4. There are no controls over the accounting for fixed assets of the Authority. Proper record of fixed asset additions are not kept and the maintenance of asset register is incomplete.

5. Payments for non-fuel related expenses were made from the Treasury suspense account during the year. This account is supposed to be used explicitly for the collection of fuel revenues and payments for fuel from SeyPec.
6. Lease agreements for rental of premises owned by SFA were not obtainable and potentially do not exist at the current point in time.

Other matters

We have no relationship with, or interests, in the Authority other than in our capacity as auditors and arms length dealing with the Authority in the ordinary course of business.

To a larger extent we were able to obtain maximum information and explanations we have required.

The financial statements of the Authority for the year ended December 31, 2016 was audited by another auditor who expressed a disclaimer opinion on March 20, 2018.

We draw attention to the disclaimer of responsibility of the Current Board of Directors to the financial statements for the financial year under review detailed under the Statement of Directors' Responsibilities on Page 74 of the Directors' Report.

Opinion

Whilst the figures provide a general appreciation of the financial position and performance; due to matters stated above, disclaimer of responsibility by the Current Directors with respect to preparation and fair presentation of financial statements; and limitations in internal controls, we are unable to express and we do not express an opinion that the accompanying financial statements set out on page 79 to 92 give a true and fair view of the financial position of the Authority as at 31 December 2017, and of its financial performance for the year then ended.


BAKER TILLY
 Chartered Accountants



Statement of Financial Position 2017

Statement of Financial Position As at December 31, 2017

	Notes	2017 SCR	2016 SCR
ASSETS			
Non-current Assets:			
Property, plant and equipment	5	215,407,505	225,469,426
Capital Work in progress	6	26,773,885	15,990,321
Investment	7	54,986	54,986
Fisheries Development Fund	8	63,703,821	60,745,550
		305,940,197	302,260,283
Current Assets			
Inventories	9	388,177	317,903
Trade and other receivables	10	9,412,909	1,689,986
Cash and cash equivalent	11	10,249,900	22,784,093
		20,050,986	24,791,982
		325,991,183	327,052,265
EQUITY AND LIABILITY			
Equity and Reserves			
Assigned capital	12	1,122,800	1,122,800
Excess transfer to consolidated fund	13	(52,598,503)	(12,525,606)
Total Equity		(51,475,703)	(11,402,806)
Non-current liabilities			
Deferred grants	14	250,734,030	250,547,053
Credit held for future projects	15	13,332,362	21,414,623
Credit held for Fisheries Development Fund	8	57,690,464	57,690,464
Excess transfer to consolidated fund	16	6,943,319	7,871,791
		328,700,175	337,523,931
Current liabilities			
Other payables and accruals	17	48,766,711	931,140
		48,766,711	931,140
Total Liabilities		377,466,886	338,455,071
Total Equity and Liabilities		325,991,183	327,052,265

Statement of Profit or Loss 2017

Statement of Profit or Loss For year ended 31 December 2017

	Notes	2017 SCR	2016 SCR
Income			
Revenue	18	125,148,806	233,208,795
Other Income	19	153,622	1,151,276
Grants utilised	15	52,471,615	29,735,843
		177,774,043	264,095,914
Expenditure			
Employee costs	20	(20,721,377)	(21,723,607)
Operating and other expenses	21	(32,875,483)	(33,271,041)
Research and development costs	22	(12,557,603)	(8,001,457)
Monitoring Control Surveillance and Enforcement costs	23	(16,221,521)	(16,880,726)
Fisheries facilities development	24	(59,964,012)	(44,481,743)
Foreign exchange (loss)/gain		440,096	(48,895)
		(141,899,900)	(124,407,469)
		35,874,143	139,688,445
Amortisation of deferred grants		10,596,857	10,845,104
Depreciation	5	(10,939,215)	(10,999,716)
Surplus for the year		35,531,785	139,533,833

Statement of Cash Flow 2017

Statement of Cash Flow For year ended 31 December 2017

	Notes	2017 SCR	2016 SCR
OPERATING ACTIVITIES			
Surplus for the year		35,531,515	139,533,833
Adjustments for:			
Depreciation of property, plant and equipment	5	10,939,215	10,999,716
Amortisation	14	(10,596,587)	(10,845,104)
Movement in employee benefit obligations provision	16	(928,472)	1,788,826
Operating profit before working capital changes		34,945,671	141,477,271
Changes in working capital:			
Inventories	9	(70,274)	221,396
Trade and other receivables	10	(7,722,924)	(22,050)
Other payables and accruals	17	47,835,571	309,186
Net cash inflow from operating activities		40,042,373	508,532
INVESTING ACTIVITIES			
Additions to property, plant and equipment	5	(877,294)	(3,009,290)
Movement in capital work in progress	6	(10,783,564)	(13,234,487)
Net cash outflow from investing activities		(11,660,858)	(16,243,777)
FINANCING ACTIVITIES			
Grants received	14	10,783,564	16,243,778
Paid to Government of Seychelles		-	(10,931,360)
Movement in credits held for future projects		(13,998,803)	(19,597,468)
Transfer to consolidated fund		(75,604,411)	(139,439,866)
Movement in Fisheries Development Fund	8	2,958,271	1,795,124
Net cash outflow from financing activities		(75,861,379)	(151,929,792)
Net change in cash and cash equivalents		(12,534,193)	(26,187,766)
Movements in cash and cash equivalents:			
At January 1,		22,784,093	48,971,859
Increase/(decrease)		(12,534,193)	(26,187,766)
At December 31,	11	10,249,900	22,784,093

Statement of Changes in Equity 2017

Statement of Changes in Equity For year ended 31 December 2017

	Assigned Capital SCR	Excess Transfer To Consolidated Fund SCR	Total SCR
Balance at January 1, 2017	1,122,800	(12,525,606)	(11,402,806)
Surplus for the year	-	35,531,515	35,531,515
Transfer to consolidated fund	-	(75,604,412)	(75,604,412)
Balance at December 31, 2017	1,122,800	(52,598,503)	(51,475,703)
Balance at January 1, 2016	1,122,800	(1,688,213)	(565,413)
Surplus for the year	-	139,533,833	139,533,833
Receipt of Government loan via capital funding		(10,931,360)	(10,931,360)
Transfer to consolidated fund	-	(139,439,866)	(139,439,866)
Balance at December 31, 2016	1,122,800	(12,525,606)	(11,402,806)

Notes to the Financial Accounts

For the Year Ended December 31, 2017

1. General information

Seychelles Fishing Authority is incorporated by statute (Seychelles Fishing Authority (Establishment) Act, 1984) with the aim of developing the industry to its fullest potential and to safeguard the resource base for sustainable development.

These financial statements will be submitted for consideration and approval at the forthcoming Annual General Meeting of Board of Directors of the Authority.

2. Summary of principal accounting policies

A summary of the significant accounting policies, which have been applied consistently, are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Authority have been prepared in accordance with requirements of the Seychelles Fishing Authority (Establishment) Act, 1984, Public Financial Management Act, 2012, Public Finance Management Regulations 2014 and PEMC Act, 2013 and Generally Accepted Accounting Standards in Seychelles.

(a) Accounting convention

These financial statements have been prepared in accordance with the historical cost convention and the accruals basis. In the prior years accrual basis was not applied consistently to income and expenses.

(b) Reporting and functional currency

The reporting and functional currency of the Authority is Seychelles Rupee ("SR"), as most of the transactions are effected in Seychelles Rupees.

2.1 Off balance sheet transactions and activities

From time to time, transaction, which are not related to the operations of the Authority are undertaken as a proxy of the Seychelles Government. The management confirm no such transactions were undertaken during 2017 (2016: nil).

2.2 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value recognised at the date of acquisition. Initial cost of property, plant and equipment comprises its purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Such cost also include the cost of replacing components of the property, plant and equipment. Borrowing costs for long-term construction projects are capitalised only if the recognition criteria is met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost can be reliably measured.

Properties in the course of construction for operation purposes are carried at cost less any recognised impairment loss. Cost includes professional fees for qualifying assets and borrowing costs capitalised only if the project is viable and the Authority would pursue it further. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Costs incurred for major maintenance are recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are charged to the statement of profit or loss.

Depreciation of property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual values over their expected useful lives as follows:

	Years
Leasehold buildings	50
Furniture and office equipment	3 to 10
Motor vehicles	4
Computer equipment	5
Ice plant	10
Boats	10

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or following disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed periodically and adjusted prospectively, if appropriate. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount or amortised over a period determined by the management.

2.3 Investments

Investments classified as non-current are carried at cost, less amounts written off to recognize other than temporary declines in the values of the investments.

Notes to the Financial Accounts

For the Year Ended December 31, 2017

2.4 Inventories

Inventories comprising fuel and equipment, are stated at the lower of cost (determined on a first in first out basis) and net realisable value. Net realisable value is the estimated selling price in ordinary course of business and applicable variable selling expenses. Net realisable value is determined after review of individual items of inventories by management for any required impairment. Marine chandlery received as part of foreign aid are stated at values per the aid agreement.

Provisions are made for obsolete inventories based on Management's appraisal.

2.5 Grants and credit for future projects

Grants are recognized at the fair value in statement of profit or loss where there is reasonable assurance that the grant will be received and the Authority has complied with their attached conditions. Grants received where the authority has yet to comply with the attached conditions are recognised as deferred income and released to income when all attached conditions have been complied with.

Subventions and grants are recognized in the income statement as follows:

- Grant towards acquisition of a property, plant and equipment are amortized over estimated useful lives of assets.
- Grant for recurrent expenditure is credited to revenue on an accrual basis.
- Grants from donors for development and other expenditure is offset against approved costs.

2.6 Cash and cash equivalents

Cash and cash equivalents comprises cash in hand, at banks and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, against which the bank overdrafts, if any, are deducted. Overdrafts are shown within borrowings under current liabilities on the Statement of Financial Position.

2.7 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in the statement of profit or loss.

The carrying amount of trade and other receivables approximate their fair value.

2.8 Deferred Grants

Grants from Government, International Organisations and third parties are recognised where there is reasonable assurance that the grant will be received and on compliance with all the attached conditions thereof. Grants are classified as current and non-current based on their expected utilisation pattern.

When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income in the Statement of Financial Position until it is complete for intended use and then recognised in the statement of profit or loss as Grants Income.

2.9 Employee benefits obligations

Provision is made for the end of service benefits due to employees in accordance with current applicable Labour Laws for their periods of service up to the reporting date. The provision for the end of service benefits is calculated annually based on their current basic remuneration.

Defined benefit plans

A defined benefit plan is a post employment benefit other than a defined contribution plan. The Corporation currently operates an unfunded scheme for employees' end of service benefits that follows relevant local regulations and is based on periods of cumulative service and levels of employees' final basic salaries. The liability for staff terminal benefits is determined as the liability that would arise if employment of all staff was to be terminated at reporting date. Provision for post-employment benefits with respect to long service compensation commences and recognized as soon as the employees meet the eligibility criteria specified under the Seychelles Employment Act with respect to completion of 5 years of continuous employment.

At the end of the each reporting period, accumulated post-employment benefits are measured in line with the applicable regulations for completeness. Shortfall, if any, is provided by a charge to the statement of profit or loss. Further provision is required for past services in the year if there is an increase in basic salary, since the effect of the increased salary would

Notes to the Financial Accounts

For the Year Ended December 31, 2017

impact the existing provision. Provision is reversed to the statement of profit or loss when an employee defaults on the eligibility criteria at the time or before termination of his employment. The liability recognized in the statement of financial position is the present value of the defined obligation at the reporting date.

A defined contribution plan is a post-employment benefit plan under which the Authority pays fixed contributions to the Seychelles Pension Fund and the Authority has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of profit or loss in the periods during which services are rendered by employees.

2.10 Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether claimed by the supplier or not.

Monies received in advance for goods or services to be provided subsequent to the year end are recognised as advances from customers in current liabilities.

The carrying amounts of trade and other payables approximate their amortised cost.

2.11 Provisions

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Authority expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement.

2.12 Current and deferred taxation

Income tax expense normally comprises current and deferred tax. Current tax is recognised in profit or loss. Current tax is the expected tax payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

As per the current tax regime, income of the Authority is not liable to tax. Hence no provision is considered for current tax as on the reporting date and consequently no provision is required for deferred tax.

2.13 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Authority has a legal enforceable right to set off the recognised amounts and the Authority intends either to settle on a net basis, or to realise the asset and liability simultaneously.

2.14 Foreign currencies

Transactions in foreign currencies are translated to Seychelles Rupees at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to Seychelles Rupees at the exchange rate at that date. Foreign currency gains or losses on monetary items are the differences between the amortised cost in Seychelles Rupees at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on the translation are recognised in the statement of profit or loss.

As at year end, the main exchange rates against the Seychelles Rupees were as follows:

Currencies	Exchange rates		Changes in %	
	2017	2016	2017	2016
United States Dollar	13.83	13.50	-2.44%	-2.82%
Euro	16.54	14.04	-17.81%	1.68%

2.15 Contingent liabilities

A contingent liability is disclosed when the Authority has a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Authority; or when the Authority has a present legal or constructive obligation, that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Notes to the Financial Accounts

For the Year Ended December 31, 2017

2.16 Assigned Capital

The Authority received contributions from the Government of Seychelles for certain assets on inception, there have been no further subsequent movements in this balance and have been classified as Assigned Capital representing contribution other than cash from the owner of the Authority.

2.17 Revenue recognition

Revenue is recognised when the performance obligation is being satisfied. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(i) Subvention

Subvention is recognized as it accrued on monthly basis.

(ii) Rental income

Rental income is recognized on accrual basis unless collectability is in doubt.

(iii) Other income

Other income is recognized on the accrual basis. Net gains and losses on the disposal of property, plant & equipment, after deducting from proceeds on disposals, the carrying amount of the assets and related selling expenses.

(iv) Government grants

Grants that are received for compensation of expenses or losses already incurred, or for the purpose of giving immediate financial support to the Authority with no future related costs, are recognised in the statement of profit or loss in the period in which reasonable assurance is established that the entity will comply with the conditions attached to the Grant and that the Grant will be received.

Grants that compensate the Authority for expenses to be incurred are initially recognised in the statement of financial position as a deferred income. Subsequent to initial recognition, such grants are recognised in the statement of profit or loss as Grants Income.

3. Risk management

3.1 Financial risk management objectives and policies

The activities of the Authority expose it to different financial risks, market risks (including currency and fair value interest risk), credit and liquidity risk. The Board of Directors have the overall responsibility for the establishment, overseeing and monitoring of the Authority's risk management

framework and are assisted by the senior management. Senior management is responsible for designing, developing and monitoring the Authority's risk management policies, which are approved by the Board of Directors.

The Authority's risk management policies are established to identify and analyse the risks faced by the Authority, focusing on the unpredictability of financial markets, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Authority's activities and its role in the Republic of Seychelles. The Authority, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The following are the Authority's exposures to each of the above risks, the Authority's objectives, policies and processes for measuring and managing risk, and the Authority's management of capital. Further quantitative disclosures are included throughout these financial statements.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates and can arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Authority is exposed to currency risk arising from future commercial transactions and liabilities that are denominated in currencies other than the functional currency. The currencies in which these transactions are primarily denominated are Euro ("EUR") and United States Dollar ("USD"). The Authority aims to aggregate a net position for each currency. Foreign currency risk is not hedged.

(b) Credit risk

The Authority's credit risk arises when a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Authority's receivables from trade and other receivables.

The Authority establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets and the current economic environment.

Notes to the Financial Accounts

For the Year Ended December 31, 2017

4. Significant accounting estimates, judgments and assumptions

The preparation of the Authority's financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the process of applying the Authority's accounting policies, management has made the following estimates and judgments, which have the most significant effect on the amounts recognised in the financial statements:

4.1 Government Grants

The Authority receives contributions from the Government of Seychelles towards investments in capital projects for improvements of infrastructure and ameliorating services being offered. Significant judgment is required to determine whether these contributions are in the nature of government grants, in which case they are recognized in the statement of profit or loss systematically in accordance with the related liability or expense, or in the form of equity, in which case they are recognized in the statement of financial position as capital contributions.

4.2 Impairment of assets

Decline in the value of property, plant and equipment could have a significant effect on the amounts recognised in the financial statements. Management assesses the possible impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include:

- (i) Significant change in the useful life which would be expected from the passage of time or
- (ii) Evidence that the performance of the plant and equipment could have a negative impact on the operating results, hence the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

4.3 Depreciation policies

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Authority would currently obtain from its disposal, if the asset was already of the age, and in condition expected at the end of its useful life. The Board of Directors therefore make estimates based on historical experience and use their best judgment to assess the useful lives of assets and to forecast their expected values at the end of their expected useful lives.

4.4 Estimated useful lives of property, plant and equipment

Estimated useful lives and residual values of property, plant and equipment are assigned based on the intended use of the respective assets and their economic lives. Subsequently, if there are changes in circumstances, such as technological advances or prospective utilisation of the assets concerned that could result in the actual useful lives or residual values differing from initial estimates, the estimated useful lives and residual values need to be adjusted in line with the current circumstances. The Board of Directors review the residual values and useful lives of major items of property, plant and equipment and determine necessary adjustments.

4.5 Limitation of sensitivity analysis

Sensitivity analysis demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Authority's assets and liabilities are actively managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Authority's views of possible near-term market changes that cannot be predicted with any certainty.

Notes to the Financial Accounts

For the Year Ended December 31, 2017

5. Property, plant and equipment

	Buildings	Office and research equipment	Ice plants	Boats and Motor vehicles	Total
	SR	SR	SR	SR	SR
COST					
At January 1, 2016	208,120,748	30,489,480	56,205,525	18,214,766	313,030,519
Additions	1,853,130	246,010	910,150	-	3,009,290
Disposals	-	-	-	-	-
At December 31, 2016	209,973,878	30,735,490	57,115,675	18,214,766	316,039,809
Additions	-	640,619	236,675	-	877,294
At December 31, 2017	209,973,878	31,376,109	57,352,350	18,214,766	316,917,103
ACCUMULATED DEPRECIATION					
At January 1, 2016	16,278,880	27,389,524	20,205,198	15,697,065	79,570,667
Charge for the year	4,512,434	828,875	4,853,704	804,703	10,999,716
Disposal	-	-	-	-	-
At December 31, 2016	20,791,314	28,218,399	25,058,902	16,501,768	90,570,383
Charge for the year	4,199,477	1,318,506	4,889,236	531,996	10,939,215
At December 31, 2017	24,990,791	29,536,905	29,948,138	17,033,764	101,509,598
NET BOOK VALUE					
At December 31, 2017	184,983,087	1,839,204	27,404,212	1,181,002	215,407,505
At December 31, 2016	189,182,564	2,517,091	32,056,773	1,712,998	225,469,426

6. Capital work in progress

(a) The Capital work in progress comprise of the following projects:

	2017	2016		2017	2016
	SR	SR		SR	SR
At January 1,	15,990,321	2,755,834	Ile du Port Road & Utilities construction	16,994,986	8,100,238
Expenditure during the period	10,783,564	13,234,487	Bel Ombre processing building	7,717,149	7,717,149
At December 31,	26,773,885	15,990,321	Facility Providence	1,888,816	-
			Other projects	172,934	172,934
				26,773,885	15,990,321

Notes to the Financial Accounts

For the Year Ended December 31, 2017

7. Investment in financial assets

	2017	2016
	SR	SR
Financial assets at amortised cost:		
Ordinary shares (unquoted) in:		
Indian Ocean Marine Limited	29,986	29,986
Praslin Ocean Farm Limited	25,000	25,000
	<u>54,986</u>	<u>54,986</u>

8. Fisheries Development Fund

(a) Movements in balances held with Development Bank of Seychelles:

	2017	2016
	SR	SR
At January 1,	60,745,550	950,426
Additional capital disbursed during the year	6,000,000	-
Movement during the year	(3,041,729)	1,795,124
At December 31	<u>63,703,821</u>	<u>60,745,550</u>

(b) Status of fund

	2017	2016
	SR	SR
Capital	57,703,821	57,703,821
Retained surplus	6,000,000	3,041,729
	<u>63,703,821</u>	<u>60,745,550</u>
Loans made	45,239,059	50,393,810
Balance held with Development Bank of Seychelles	18,719,823	10,832,024
Management fee payable	(255,061)	(480,284)
	<u>63,703,821</u>	<u>60,745,550</u>

The revolving fund, managed by the Development Bank of Seychelles, finances development of local fishing industry by enabling local investors to participate in long line fishing ventures. The loans are granted over 1 to 10 years and bear interest at rate of 3% per annum.

9. Inventories

	2017	2016
	SR	SR
Fuel and lubricants	<u>388,177</u>	<u>317,903</u>

10. Trade and trade receivables

	2017	2016
	SR	SR
Gross trade receivables	4,507,993	1,951,469
Less: provision for credit impairment (note (a))	(836,480)	(386,480)
Net trade receivables	3,671,513	1,564,989
Prepayments for fuel purchase	5,061,550	-
Other receivables	679,846	124,997
	<u>9,412,909</u>	<u>1,689,986</u>

(a) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable. The Authority does not hold any collateral as security. Movement in the provision for credit impairment of trade and other receivables is as follows:

	2017	2016
	SR	SR
At January 1,	386,480	72,000
Increase in provision for credit impairment	450,000	314,480
At December 31,	<u>836,480</u>	<u>386,480</u>

11. Cash and cash equivalent

	2017	2016
	SR	SR
Cash on hand	8,000	8,000
Treasury deposits	10,241,900	22,776,093
	<u>10,249,900</u>	<u>22,784,093</u>

12. Assigned capital

	2017	2016
	SR	SR
Assets from government on inception	<u>1,122,800</u>	<u>1,122,800</u>

The Authority received contributions from the Government of Seychelles for certain assets on inception, there have been no further subsequent movements in this balance and have been classified as Assigned Capital representing contribution other than cash from the owner of the Authority.

Notes to the Financial Accounts

For the Year Ended December 31, 2017

13. Excess transfer to consolidated fund

In accordance of Section 19 of the Seychelles Fishing Authority (Establishment) Act, the Authority shall pay the surplus income remaining for each financial year into the Consolidated Fund. Debit balance in the 'Excess Transfer to consolidated fund' represents excess transfers by the Treasury on a yearly basis.

14. Deferred grants

Deferred Grants for Property, plant and equipment

	2017	2016
	SR	SR
At the beginning of the year	250,547,053	245,148,379
Received from Government of Seychelles	-	1,156,160
Received from European Union	10,783,564	15,087,618
	261,330,617	261,392,157
Less: Amortisation for the year	(10,596,587)	(10,845,104)
	250,734,030	250,547,053
Analysed as:		
European Union	130,237,888	124,557,495
Japanese Corporation	111,935,897	116,237,992
African Development Bank	1,995,599	2,089,684
Government and other projects	6,564,646	7,661,882
	250,734,030	250,547,053

15. Credits held for future projects

	2017	2016
	SR	SR
At January 1,	21,414,623	48,353,200
Received during the year	44,863,717	11,039,731
Utilised during the year:		
Fisheries facilities development	(15,662,921)	(5,656,903)
Research and development costs	(12,557,603)	(7,305,296)
Monitoring control, surveillance and enforcement costs	(16,221,521)	(16,467,216)
Other expenditure	(49,282)	(257,533)
Transfer to deferred grants for capital assets	(8,894,747)	(8,242,465)
Exchange rate fluctuation	440,096	(48,895)
	13,332,362	21,414,623

Source of funding for the above projects:

	2017	2016
	SR	SR
European Union	4,035,981	14,728,866
Japanese Corporation	4,414,175	4,414,175
Other projects	4,882,206	2,271,582
	13,332,362	21,414,623

European Union

The Authority is responsible for managing the fishing licenses agreement between the European Union and the Government of Seychelles and overseeing the compliance of conditions stipulated in the agreement. Funds received were utilized to support the development of sustainable fisheries policy and fisheries infrastructure. The European Union is also the main source of finance for major projects such as the Ile Du Port and Providence fishing quay which were completed during the year.

Japanese Corporation

The Japanese Government awarded a grant to the Government of Seychelles consisting mainly of equipment and fishing gear. The Authority is responsible for managing the equipment and disposal of the fishing gear and for the management of the proceeds in accordance with the conditions of the grant. At the end of 2014, the unutilised credits were still being held by the Ministry of Finance.

Other projects

Multiple minor grants were received in the year. Funds received, were utilized for consultancy services and other miscellaneous expenditure.

16. Employee benefit obligations

(a) Statement of financial position

Movement in length-of-service compensation payable under the Seychelles Employment Act is given below:

	2017	2016
	SR	SR
At January 1,	7,871,791	6,082,966
(Write back)/Provision made for the year (note (c))	(928,472)	1,788,825
At December 31,	6,943,319	7,871,791

(b) The Authority recognised and provided for employee benefit obligations arising on account of gratuity based on the regulations applicable to parastatal organisations and length of service severance compensation based on the applicable regulations of Seychelles Employment Act, 1999 (as amended).

Notes to the Financial Accounts

For the Year Ended December 31, 2017

(c) The amount of write back/provision is net of payments made during the year.

17. Other payables and accruals

	2017	2016
	SR	SR
Prepaid license fee	42,906,379	-
Accrued expenses and other payables	5,860,332	931,140
	48,766,711	931,140

18. Revenue

	2017	2016
	SR	SR
Subvention from government of Seychelles	-	85,438,267
Income for ice operations	2,611,640	2,489,906
Income from sea cucumber fishery	1,012,067	1,440,126
Net & container fees	2,298,218	2,214,074
Fees from embarking seamen	1,027,141	1,513,295
Registration & license fee (local)	244,821	517,942
Registration & license fee (foreign)	116,032,306	132,766,795
VMS management and communication fee	659,932	563,248
Rental	1,207,681	744,370
Other revenue	55,000	5,520,772
	125,148,806	233,208,795

19. Other income

	2017	2016
	SR	SR
Sundry income	10,450	705,716
EEZ application fees	82,060	379,383
Rental of training room	61,112	66,177
	153,622	1,151,276

20. Staff costs

	2017	2016
	SR	SR
Salaries and wages	21,392,167	19,681,975
Chairman's emoluments	41,157	54,876
Directors' emoluments	216,525	197,930
(Write back)/Provision for Employee benefit obligation	(928,472)	1,788,826
	20,721,377	21,723,607

21. Operating and other expenses

	2017	2016
	SR	SR
Auditor's remuneration	339,028	387,500
Advertising and sales promotion	213,609	92,698
Bad debts	450,000	314,480
Contracted services	5,411,789	8,350,145
Electricity and water charges	12,678,619	8,719,677
Fuel and local conveyance	721,991	963,812
Indian ocean tuna commission expenses	233,067	1,407,005
Insurance	543,100	715,259
IUU vessel costs	-	462,667
Printing, stationery and postage	886,913	813,962
Refuse removal	322,275	185,000
Rental expenses	1,082,202	177,100
Repairs and maintenance	1,774,484	4,819,971
Security expenses	1,881,529	1,679,996
Training expenses	180,446	155,000
Travelling expenses	148,447	16,532
Telephone and internet	896,809	969,810
Vehicle expenses	366,608	486,797
Movement in fuel incentive account	2,971,084	980,605
Other expenses	1,773,483	1,573,025
	32,875,483	33,271,041

Notes to the Financial Accounts

For the Year Ended December 31, 2017

22. Research and development costs

	2017	2016
	SR	SR
Aquaculture Master Plan project	509,048	3,794,110
Research boat expenses - fuel and insurance	7,924,668	254,990
Research boat expenses - repairs and maintenance	1,019,762	220,461
Sundry research projects	3,104,125	3,731,896
	<u>12,557,603</u>	<u>8,001,457</u>

23. Monitoring control, surveillance and enforcement costs

	2017	2016
	SR	SR
Satellite communication costs	8,649,784	5,672,526
Patrol expense	7,571,737	11,208,200
	<u>16,221,521</u>	<u>16,880,726</u>

24. Fisheries facilities development

	2017	2016
	SR	SR
Fuel claims paid in the year	30,987,991	40,247,267
Fishing boat owner association - coastal fishery development	364,566	242,397
Publication and awareness	206,400	51,080
Surplus on fisheries development loans (note 8)	(2,958,271)	(1,795,124)
Training and university costs	4,917,050	1,404,909
Workshop, conferences and travelling	2,969,344	1,604,805
Construction of mini-market store - Anse Royale	-	(1,366,315)
Infrastructure development	11,212,021	-
Transfer to Fisheries Development	6,000,000	-
Salaries and wages	441,652	-
Consultancy expenses	1,041,966	-
Renovation and maintenance of fishing facilities	2,964,971	1,360,094
Utilities	1,623,650	-
Other expenses	192,672	-
	<u>59,964,012</u>	<u>44,481,743</u>

Fuel subsidy to fishermen

As part of promoting artisanal fishing, the Government of Seychelles, through the Authority, subsidizes this activity through refund for the cost of fuel utilized by the fisherman.

25. Capital commitments

	2017	2016
	SR	SR
Approved and contracted regarding work in progress	5,848,831	5,270,620
Approved but not contracted	-	-
	<u>5,848,831</u>	<u>5,270,620</u>

26. Contingent liabilities

There were no other contingent liabilities as at December 31, 2017 (2016 : SR. Nil).

27. Events after the reporting date

There have been no material events occurring after the reporting date that require adjustment to, or disclosure in, the financial statements.

Statement of Financial Performance - 2018

Financial result summary 2018

SFA reported a surplus of SCR71.97m compared to 2017 which was SCR35.53m before transfer to consolidated fund. The reason being more income generated from fishing licenses in 2018 than in 2017 mainly from Non-EU fishing license fees which was SCR29.17m above budget. The accumulated deficit as of December 2018 was SCR53.31m after transfer to consolidated fund.

Over the year a total of SCR170.62m was received from the prime source of income which was 14% higher than budgeted. Total license fee received was SCR23.4m above budget.

Table 49: Income

SCR'000	Actual 2018	Actual 2017	Budget 2018
Annual EU Fishing License	35,329.67	6,904.48	38,532.35
EU Fishing License: Vessel Fee	35,154.92	29,493.98	37,301.62
Non EU Fishing License Fees	82,975.88	79,633.84	53,808.07
Local Fishing License Fees	2,391.03	244.82	557.99
Sales of Fish Posters	-	-	4.91
Sale of engine & spares	-	-	-
Fuel Depot Operation	-	-	-
EEZ Application Fee	407.31	82.06	379.06
Sales of Ice/Other	3,291.96	2,611.64	1916.77
Registration Fee	141.65	23.6	34.04
Sundry Income	1,342.27	10.45	921.11
VMS Management Fee	537.44	636.33	1044.10
Aqua Culture Concession	60.00	55.00	83.60
Inspection of Sea Cucumber	15.00	12.00	69.72
Management Fee Sea	565.62	1,000.07	2,490.48
Seaman Fishing Protocol	1,126.78	1,027.16	5,007.62
Nets & Container Fees	2,029.77	2,298.22	9,064.48
Building & Land Lease	263.86	128.00	291.43
Lease of zone 14	2,893.26	134.31	5,830.88
Ile Du Port	-	-	4,630.61
Lease of Warehouse	1,441.77	665.28	143.42
Training Room	14.70	61.11	73.38
Gear Store Rental	636.45	280.09	191.13
Total	170,619.34	125,302.44	164,636.12

SFA total departmental expenditure was SCR67m against budget expenditure of SCR72.6m which was lower than planned. However departmental expenditure incurred in 2018 was higher than 2017.

Table 50: Program Expenditure

SCR'000	Actual 2018	Actual 2017	Budget 2018
Governance, Management and administration	33,327.65	38,397.06	36,542.97
Fisheries Management	7,741.37	6,469.87	8,225.25
Fisheries Research	4,279.00	4,805.55	5,158.03
Fisheries Development	17,215.10	8,856.88	18,413.00
Monitor Control & Surveillance	4,543.01	3,753.69	4,255.36
Total	67,106.13	62,283.05	72,594.61

Employee expenditure was some SCR0.72m lower than budgeted, mainly due to delay in recruitment of new staff.

Table 51: Employee expenditure

SCR'000	Actual 2018	Actual 2017	Budget 2018
Wages and Salaries in Cash	26,304.80	20,721.38	27,029.78
Total	26,304.80	20,721.38	27,029.78

Use of Goods and Services was SCR1m lower than planned, mainly due to decrease in transportation and travel cost which was lower than budgeted however office expenses was higher than budgeted.

Table 52: Use of goods and services expenditure

SCR'000	Actual 2018	Actual 2017	Budget 2018
Office Expenses	19,871.88	13,981.27	15,999.45
Transportation and Travel Cost	2,070.76	1,237.05	7,194.02
Maintenance and Repairs	3,362.79	1,324.39	3017.82
Materials and Supplies	155.57	86.48	238.99
Other Uses of Goods and Services	23,718.36	30,987.99	23,698.23
Total	49,179.36	47,617.18	50,148.51

In terms of Capital Expenditure, the actual spent was SCR2.7m below budget as a result of delay in capital projects.

Table 53: Capital expenditure

SCR'000	Actual 2018	Actual 2017	Budget 2018
Building and Infrastructure	28,846.10	11,355.59	31,548.29
Non-produced Assets	-	-	161,007.80
Total	28,846.10	11,355.59	192,556.09

Grants utilized in 2018 was SCR53.23m in 2018 with an increase of SCR0.76m from the previous year.

Total Fixed Asset of the Authority was SCR206.78m, representing 1.5% increase over the previous year.

Directors Report - 2018

The Directors present their report together with the audited financial statements of Seychelles Fishing Authority ("the Authority") for the year ended December 31, 2018.

Principal activities

The Authority is a parastatal organization which functions as the executive arm of Government for fisheries and related matters. There has been no significant change in the nature of these activities during the financial year under review.

Results

	2018 SCR	2017 SCR
Surplus for the year:	<u>71,969,761</u>	<u>35,351,515</u>

Dividends

No dividends were paid but an amount of SR. 73,799,485 (2017: SR. 75,604,412) was transferred to the Consolidated Fund at Treasury Department, Ministry of Finance

Property, Plant and Equipment

Additions of SR. 1,681,255 to property, plant and equipment during the year comprised office and research equipment, motor vehicles and ice plants (2017: SR. 877,294). To the best of knowledge and based on the information and records made available to the Current Directors, the Directors are not in a position to confirm that there were no disposals during the financial year under review (2017: SR. Nil).

Property, plant and equipment are stated at cost less accumulated depreciation. To the best of knowledge and based on the information and records made available to the Current Directors, the Directors are not in a position to confirm whether the carrying amount of property, plant and equipment at the balance sheet date approximates its fair value.

Directors and Directors' interest

The Directors of the Authority appointed by the President of Seychelles since the date of the last report and the date of this report are:

Chairperson

Radley Weber (appointed effective February 8, 2021)

Directors

- Roy Clarisse (appointed effective February 8, 2021)
- Eugene Vidot (appointed effective February 8, 2021)
- Aubrey Harris (appointed effective February 8, 2021)
- Beatty Hoarau (appointed effective February 8, 2021)
- Marc Gonthier (appointed effective February 8, 2021)
- Joseph Tirant (appointed effective February 8, 2021)
- Audrina Dine (appointed effective February 8, 2021)
- Franky Laporte (appointed effective February 8, 2021)

Statement of Directors' responsibilities

The Board of Directors is responsible for policy, control and the overall management of the affairs of the Authority including the operations of the Authority and making investment decisions.

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with requirements of the Seychelles Fishing Authority (Establishment) Act, 1984 and Generally Accepted Accounting Standards in Seychelles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies that fall within the accounting policies adopted by the Authority; and making accounting estimates that are reasonable in the circumstances. The Board of Directors has the general responsibility of safeguarding the assets, both owned by the Authority and those that are held in trust and used by the Authority.

However, since the Board of Directors responsible for operations, preparation and presentation of the financial statements and for its audit for the year ended December 31, 2017 did not complete their responsibilities within the mandated time and left with incomplete books of accounts and missing supporting documents, the current Board of Directors for the purpose of continuity and legal compliance, made its best endeavor to ensure accuracy and reliability of the available information and provided them to the Auditors to obtain an independent audit opinion on them. The new Board of Directors do not and will not under any circumstances accept responsibility and liability for actions undertaken or not undertaken in relation to these financial statements by the then Board of Directors in the financial year 2018.

Auditor

The retiring auditor Messrs. Baker Tilly, Chartered Accountants, Seychelles being eligible offer themselves for reappointment.


Radley Weber
Director


Roy Clarisse
Director


Aubrey Harris
Director


Beatty Hoarau
Director


Marc Gonthier
Director


Joseph Tirant
Director


Audrina Dine
Director


Franky Laporte
Director


Eugene Vidot
Director

Independent Auditor Report - 2018

We have audited the accompanying financial statements of Seychelles Fishing Authority set out on pages 99 to 112, which comprise the statement of financial position as at December 31, 2018, the statements of profit or loss, cash flows and changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Responsibilities of the Directors and those charged with governance for the financial statements

The Board of Directors is responsible for keeping proper accounting records and for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the Seychelles Fishing Authority (Establishment) Act, 1984, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and ensure that the financial statements give a true and fair view of the Authority's affair. In preparing the financial statements, the Board is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Directors disclaimer

Reference is made to the third paragraph under Statement of Directors Responsibilities on Page 94 of the Directors Report. The Directors have explicitly stated that they do not and will not under any circumstances accept responsibility and liability for actions undertaken or not undertaken in relation to the financial statements by the then Board of Directors in the financial year 2018. This is one of the reasons for our disclaimer opinion.

Other information

Management is responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor Report - 2018

We communicate with management, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Unavoidable scope limitation due to inadequacies in the Authority's accounting records

Since the year 2014, there have been significant and continued changes to key personnel upon whom the Authority's system of control was dependent. In particular, changes in the key finance personnel.

In addition to the above, the Authority's accounting information were incomplete and did not provide a complete audit trail. The Authority's primary records do not provide sequential and complete information of each transaction and the nominal and subsidiary ledgers were incomplete in all respects. Therefore, the accounts from the Treasury Information System were used for the purpose of this audit. Whilst the Treasury Information System records formed a basis for us to undertake the review of the financial statements, numerous corrections were required during the course of our audit. The Treasury Information System records all incomes and expenses on a receipt basis, therefore a process was undergone to try and convert the set of financial data to represent a set of accrual based accounting figures. After year end receipts and payments was also used as a basis to validate certain account balances.

Due to changes in personnel, incomplete accounting information and lack of adequate external records; we have preferred to provide a long form audit report covering major line items of the statement of financial statements.

(A) Statement of Financial Position

Property, Plant and Equipment - SR. 206,781,289

The register recording Property, Plant and Equipment contains fully depreciated assets dating back to the year 1998 which may no longer in use. Treasury has implemented a fixed asset register module in the year 2016 for Government entities to manage and record their assets. The Authority started implementing the software but the assets in the register did not reconcile back to the Treasury asset Public Sector Investment Programme ("PSIP") accounts, and therefore the register was not used for the purpose of accounting for additions to the Property, Plant and Equipment in the Authority's accounting records. Instead, additions were accounted for as per the PSIP TIS (Treasury Information System) accounting entries.

Purchase and replacements of assets were incorrectly recorded in repairs and maintenance accounts. Internal controls were inadequate in ensuring that an accurate up-to-date fixed assets register is maintained by the Authority, therefore we cannot conclude on whether Property, Plant and Equipment is free from material misstatements. The Authority is not the legal owner of certain properties on which certain Property, Plant and Equipment are situated.

Capital work in progress - SR. 51,065,766

Certain large projects continued from prior years, a few of them being the construction of roads & utilities at Ile du Port as well as Port construction. We are satisfied that work in progress is correctly stated in the annual financial statements with regards to the ongoing projects.

Fisheries Development Fund - SR. 66,213,891

We obtained external confirmation for the Fisheries Development Fund for the year 2018 and are satisfied that the balance has been correctly stated in the financial statements.

Fuel inventories - SR. 728,655

We noted that no fuel count was performed at the Providence fuel station at year end. Consequently, we were unable to ascertain that the fuel inventory at the end of the financial year is appropriately stated. The inventory balance only includes the fuel inventories counted at Victoria station. Victoria's fuel balance was agreed to the signed fuel measurement sheets for fuel counted in liters. The fuel inventories balance has not been correctly stated in the annual financial statements and is currently understated. We could not carry out a physical count since we were appointed Auditors in the year 2020.

Trade and other receivables - SR. 6,507,872

Due to the lack of controls over the collection and management of debtors and the conversion of the accounts from a receipts basis to an accrual basis, we cannot be satisfied that the Trade and other receivables are completely recorded in the annual financial statements. We are satisfied, based on a subsequent receipts test, that the reflected balance is recoverable or the Authority has made adequate provision for bad and doubtful debts.

Cash and bank balances - SR. 46,567,126

We have obtained external confirmation to satisfy ourselves of the existence of this asset, with the exception of three accounts amounting to SR. 249,298.

Employee benefit obligations - SR. 7,980,336

We are satisfied that the Authority had made adequate provisions for gratuity and compensation in its financial statements.

Deferred Grants - SR. 264,278,543

Deferred grants represent an unamortised balance for corresponding fixed assets acquired by the Authority and we are satisfied that the deferred grants are correctly stated in the financial statement. Deferred grants are recognized on the same basis as Property, Plant and Equipment and reliance should only be placed in accordance with the reliance placed on the accuracy of Property, Plant and Equipment.

Independent Auditor Report - 2018

Credits held for future projects- SR. 48,913,307

These represent amounts received as grants/subsidies for specific projects to be undertaken by the Authority with a reporting requirement to the donor. The largest credit carried forward represents SR 40,065,876 from European Union for fisheries development. Expenditure incurred in the year under this project amounted to SR. 45,269,355.

The records maintained by the Authority did not specify the project for which expenditures were incurred. Therefore, there is a possibility of error in allocation of expenditures to the appropriate project accounts.

Other payables and accruals - SR. 52,362,362

Based on the conversion from a receipts based accounting approach to an accrual basis, we cannot safely conclude that Trade and other payables are completely recorded at year end. There is a probable risk of unrecorded liabilities that may not have been detected during the audit.

During the financial year under review, an amount of SR. 39,212,608 was identified as license fees paid for the year 2019 and these amounts were reclassified from Revenue to Prepaid licenses in the Statement of financial position. Similarly for the first time in the year 2017, an amount of SR. 42,906,379 was reclassified from Revenue to Prepaid licenses to move them from cash to accrual basis

(B) Statement of Profit or Loss

Annual subvention - Nil

The Authority represented to us that no Annual subvention was received from the Government of Seychelles during the financial year under review. In the absence of any external evidence, we had to rely on the representation of the Management.

Rental income - SR. 5,235,344

Rental of areas under its control at the Fishing Port forms a significant part of the income of the Authority. We were unable to review lease agreements as these were not available. Furthermore, the Authority does not maintain a site map of all properties under its control. Therefore, we cannot confirm that the rental income has been correctly stated in the financial statements, since these are currently still reflected on a receipts basis and not an accrual basis. During the financial year under review certain rentals received after the end of the year were adjusted to rental income based on subsequent review of their receipt.

Fuel operations from fuel depot

We were unable to separate the movements in the fuel treasury suspense account between fuel purchases and sales; other miscellaneous income and expenses; and Illegal, unreported, and unregulated ("IUU") fishing vessel fines and costs. Therefore, we are not satisfied that fuel surplus from depot operations has been correctly stated in the financial records, not taking into account the omission of the Providence fuel station stock in the accounting records of the Authority.

Other revenues

Based on the conversion from a receipts based accounting approach to an accrual basis, we cannot safely conclude that the other revenues are completely stated in the financial statements.

Operating and other expenses - SR. 33,353,837

We are satisfied that expenses have been properly authorized and accurately accounted for in terms of the required processes. The expenses have not been recorded on an accrual basis therefore we cannot safely conclude that the balance is free from material misstatement.

Employees' Salaries and benefit expenses - SR. 26,304,801

Staff cost incurred by the Authority has been properly accounted and the Authority has complied with the provisions Personal Income Tax and the Pension Acts.

Depreciation and amortisation - SR. 10,307,471 & transfer from deferred grants SR. 11,024,423

We are satisfied that the financial statements correctly reflect depreciation in accordance with stated accounting policies. We have also verified amortisation of deferred grants and confirm it complies with the accounting policy note 2.2.

Research and development costs - SR. 18,055,649

We are satisfied expenditure has been appropriately authorized and correctly recorded in the financial statements. However, classification within the head of account could vary due to incomplete transaction details.

Monitoring, Control and Surveillance and Enforcement - SR.17,747,969

We are satisfied expenditure has been appropriately authorized and correctly recorded in the financial statements. However, classification within the head of account could vary due to incomplete transaction details.

Independent Auditor Report - 2018

Our observations with respect to Fisheries Facilities Development of SR. 57,062,853 are stated below:

(i) Fuel claims paid in the year - SR. 23,718,359

We are satisfied that fuel claims paid during the year are correctly stated in the financial statements.

(ii) Fisheries Development expenditure from EU funding - SR. 33,295,099

We are satisfied expenditure has been appropriately authorized and correctly recorded in the financial statements.

Utilities - SR. 10,541,550

We are satisfied that Utilities has been correctly stated in the financial statements. Since we did not receive the response to the confirmation circularisation, we cannot conclude completeness on accrual basis.

Indian Ocean Tuna Commission expenses - Nil

We are satisfied that the rental and housing allowance paid for the Indian Ocean Tuna Commission has been fairly stated in the financial statements.

Other expenses

Based on the conversion from a receipts based accounting approach to an accrual basis, we cannot safely conclude that the other expenses are completely stated in the financial statements.

Operational controls

1. Our review of internal controls revealed that there is an apparent lack of controls over the revenue collection processes of SFA leading to an increased risk of fraudulent activity and mismanagement. In addition to this, rates and revenue prices have not been increased for a number of years which has consequently undermined the earning potential of SFA over the course of time.
2. Controls over invoicing and debtor management are limited and do not adequately ensure timely and accurate collection of outstanding receivables.
3. No use is made of subsidiary ledgers to ensure maintenance of accurate and complete financial information.
4. There are no controls over the accounting for fixed assets of the Authority. Proper record of fixed asset additions are not kept and the maintenance of asset register is incomplete.

5. Payments for non-fuel related expenses were made from the Treasury suspense account during the year. This account is supposed to be used explicitly for the collection of fuel revenues and payments for fuel from SeyPec.
6. Lease agreements for rental of premises owned by SFA were not obtainable and potentially do not exist at the current point in time.

Other matters

We have no relationship with, or interests, in the Authority other than in our capacity as auditors and arms length dealing with the Authority in the ordinary course of business.

To a larger extent we were able to obtain maximum information and explanations we have required.

We draw attention to the disclaimer of responsibility of the Current Board of Directors to the financial statements for the financial year under review detailed under the Statement of Directors' Responsibilities on Page 94 of the Directors' Report.

Opinion

Whilst the figures provide a general appreciation of the financial position and performance; due to matters stated above, disclaimer of responsibility by the Current Directors with respect to preparation and fair presentation of financial statements; and limitations in internal controls, we are unable to express and we do not express an opinion that the accompanying financial statements set out on page 99 to 112 give a true and fair view of the financial position of the Authority as at 31 December 2018, and of its financial performance for the year then ended.


BAKER TILLY
Chartered Accountants



Statement of Financial Position 2018

Statement of Financial Position As at December 31, 2018

	Notes	2018 SCR	2017 SCR
ASSETS			
Non-current Assets:			
Property, plant and equipment	5	206,781,289	215,407,505
Capital Work in progress	6	51,065,766	26,773,885
Investment	7	54,986	54,986
Fisheries Development Fund	8	66,213,891	63,703,821
		324,115,932	305,940,197
Current Assets			
Inventories	9	728,655	388,177
Trade and other receivables	10	6,507,872	9,412,909
Cash and cash equivalent	11	46,567,126	10,249,900
		53,803,653	20,050,986
Total Assets		377,919,585	325,991,183
EQUITY AND LIABILITY			
Equity and Reserves			
Assigned capital	12	1,122,800	1,122,800
Excess transfer to consolidated fund	13	(54,428,227)	(52,598,503)
Total Equity		(53,305,427)	(51,475,703)
Non-current liabilities			
Deferred grants	14	264,278,543	250,734,030
Credit held for future projects	15	48,913,307	13,332,362
Credit held for Fisheries Development Fund	8	57,690,464	57,690,464
Excess transfer to consolidated fund	16	7,980,336	6,943,319
		378,862,650	328,700,175
Current liabilities			
Other payables and accruals	17	52,362,362	48,766,711
		52,362,362	48,766,711
Total Liabilities		431,225,012	377,466,886
Total Equity and Liabilities		377,919,585	325,991,183

Statement of Profit or Loss 2018

Statement of Profit or Loss For year ended 31 December 2018

	Notes	2018 SCR	2017 SCR
Income			
Revenue	18	168,855,066	125,148,806
Other Income	19	1,764,285	153,622
Grants utilised	15	53,233,656	52,471,615
		223,853,007	177,774,043
Expenditure			
Employee costs	20	(26,304,801)	(20,721,377)
Operating and other expenses	21	(33,353,837)	(32,875,483)
Research and development costs	22	(18,055,649)	(12,557,603)
Monitoring Control Surveillance and Enforcement costs	23	(17,747,969)	(16,221,521)
Fisheries facilities development	24	(57,062,853)	(59,964,012)
Foreign exchange (loss)/gain		(75,089)	440,096
		(152,600,198)	(141,899,900)
		71,252,809	35,874,143
Amortisation of deferred grants		11,024,423	10,596,857
Depreciation	5	(10,307,471)	(10,939,215)
Surplus for the year		71,969,761	35,531,785

Statement of Cash Flow 2018

Statement of Cash Flow For year ended 31 December 2018

	Notes	2018 SCR	2017 SCR
OPERATING ACTIVITIES			
Surplus for the year		71,969,761	35,531,515
Adjustments for:			
Depreciation of property, plant and equipment	5	10,307,471	10,939,215
Amortisation	14	(11,024,423)	(10,596,587)
Movement in employee benefit obligations provision	16	1,292,017	(928,472)
Operating profit before working capital changes		72,544,826	34,945,671
Changes in working capital:			
Inventories	9	(340,478)	(70,274)
Trade and other receivables	10	2,905,037	(7,722,924)
Other payables and accruals	17	3,595,651	47,835,571
Net cash inflow from operating activities		6,160,210	40,042,373
INVESTING ACTIVITIES			
Additions to property, plant and equipment	5	(1,681,255)	(877,294)
Movement in capital work in progress	6	(24,291,881)	(10,783,564)
Net cash outflow from investing activities		(25,973,136)	(11,660,858)
FINANCING ACTIVITIES			
Grants received	14	24,568,936	10,783,564
Movement in credits held for future projects		30,305,805	(13,998,803)
Transfer to consolidated fund		(73,799,485)	(75,604,411)
Movement in Fisheries Development Fund	8	2,510,070	2,958,271
Net cash outflow from financing activities		(16,414,674)	(75,861,379)
Net change in cash and cash equivalents		36,317,226	(12,534,193)
Movements in cash and cash equivalents:			
At January 1,		10,249,900	22,784,093
Increase/(decrease)		36,317,226	(12,534,193)
At December 31,	11	46,567,126	10,249,900

Statement of Changes in Equity 2018

Statement of Changes in Equity For year ended 31 December 2018

	Assigned Capital SCR	Excess Transfer To Consolidated Fund SCR	Total SCR
Balance at January 1, 2018	1,122,800	(52,598,503)	(51,475,703)
Surplus for the year	-	71,969,761	71,969,761
Transfer to consolidated fund	-	(73,799,485)	(73,799,485)
Balance at December 31, 2018	1,122,800	(54,428,227)	(53,305,427)
Balance at January 1, 2017	1,122,800	(12,525,606)	(11,402,806)
Surplus for the year	-	35,531,515	35,531,515
Transfer to consolidated fund	-	(75,604,412)	(75,604,412)
Balance at December 31, 2017	1,122,800	(52,598,503)	(51,475,703)

Notes to the Financial Accounts

For the Year Ended December 31, 2018

1. General information

Seychelles Fishing Authority is incorporated by statute (Seychelles Fishing Authority (Establishment) Act, 1984) with the aim of developing the industry to its fullest potential and to safeguard the resource base for sustainable development.

These financial statements will be submitted for consideration and approval at the forthcoming Annual General Meeting of Board of Directors of the Authority.

2. Summary of principal accounting policies

A summary of the significant accounting policies, which have been applied consistently, are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Authority have been prepared in accordance with requirements of the Seychelles Fishing Authority (Establishment) Act, 1984, Public Financial Management Act, 2012, Public Finance Management Regulations 2014 and PEMC Act, 2013 and Generally Accepted Accounting Standards in Seychelles.

(a) Accounting convention

These financial statements have been prepared in accordance with the historical cost convention and the accruals basis. In the prior years accrual basis was not applied consistently to income and expenses.

(b) Reporting and functional currency

The reporting and functional currency of the Authority is Seychelles Rupee ("SR"), as most of the transactions are effected in Seychelles Rupees.

2.1 Off balance sheet transactions and activities

From time to time, transaction, which are not related to the operations of the Authority are undertaken as a proxy of the Seychelles Government. The management confirm no such transactions were undertaken during 2018 (2017: nil).

2.2 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value recognised at the date of acquisition. Initial cost of property, plant and equipment comprises its purchase price and any attributable costs of bringing the asset to its working

condition for its intended use. Such cost also include the cost of replacing components of the property, plant and equipment. Borrowing costs for long-term construction projects are capitalised only if the recognition criteria is met. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost can be reliably measured.

Properties in the course of construction for operation purposes are carried at cost less any recognised impairment loss. Cost includes professional fees for qualifying assets and borrowing costs capitalised only if the project is viable and the Authority would pursue it further. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Costs incurred for major maintenance are recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are charged to the statement of profit or loss.

Depreciation of property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual values over their expected useful lives as follows:

	Years
Leasehold buildings	50
Furniture and office equipment	3 to 10
Motor vehicles	4
Computer equipment	5
Ice plant	10
Boats	10

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or following disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed periodically and adjusted prospectively, if appropriate. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount or amortised over a period determined by the management.

Notes to the Financial Accounts

For the Year Ended December 31, 2018

2.3 Investments

Investments classified as non-current are carried at cost, less amounts written off to recognize other than temporary declines in the values of the investments.

2.4 Inventories

Inventories comprising fuel and equipment, are stated at the lower of cost (determined on a first in first out basis) and net realisable value. Net realisable value is the estimated selling price in ordinary course of business and applicable variable selling expenses. Net realisable value is determined after review of individual items of inventories by management for any required impairment. Marine chandlery received as part of foreign aid are stated at values per the aid agreement. Provisions are made for obsolete inventories based on Management's appraisal.

2.5 Grants and credit for future projects

Grants are recognized at the fair value in statement of profit or loss where there is reasonable assurance that the grant will be received and the Authority has complied with their attached conditions. Grants received where the authority has yet to comply with the attached conditions are recognised as deferred income and released to income when all attached conditions have been complied with.

Subventions and grants are recognized in the income statement as follows:

- Grant towards acquisition of a property, plant and equipment are amortized over estimated useful lives of assets.
- Grant for recurrent expenditure is credited to revenue on an accrual basis.
- Grants from donors for development and other expenditure is offset against approved costs.

2.6 Cash and cash equivalents

Cash and cash equivalents comprises cash in hand, at banks and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, against which the bank overdrafts, if any, are deducted. Overdrafts are shown within borrowings under current liabilities on the Statement of Financial Position.

2.7 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in the statement of profit or loss.

The carrying amount of trade and other receivables approximate their fair value.

2.8 Deferred Grants

Grants from Government, International Organisations and third parties are recognised where there is reasonable assurance that the grant will be received and on compliance with all the attached conditions thereof. Grants are classified as current and non-current based on their expected utilisation pattern.

When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income in the Statement of Financial Position until it is complete for intended use and then recognised in the statement of profit or loss as Grants Income.

2.9 Employee benefits obligations

Provision is made for the end of service benefits due to employees in accordance with current applicable Labour Laws for their periods of service up to the reporting date. The provision for the end of service benefits is calculated annually based on their current basic remuneration.

Defined benefit plans

A defined benefit plan is a post employment benefit other than a defined contribution plan. The Corporation currently operates an unfunded scheme for employees' end of service benefits that follows relevant local regulations and is based on periods of cumulative service and levels of employees' final basic salaries. The liability for staff terminal benefits is determined as the liability that would arise if employment of all staff was to be terminated at reporting date. Provision for post-employment benefits with respect to long service compensation commences and recognized as soon as the employees meet the eligibility criteria specified under the Seychelles Employment Act with respect to completion of 5 years of continuous employment.

Notes to the Financial Accounts

For the Year Ended December 31, 2018

At the end of the each reporting period, accumulated post-employment benefits are measured in line with the applicable regulations for completeness. Shortfall, if any, is provided by a charge to the statement of profit or loss. Further provision is required for past services in the year if there is an increase in basic salary, since the effect of the increased salary would impact the existing provision. Provision is reversed to the statement of profit or loss when an employee defaults on the eligibility criteria at the time or before termination of his employment. The liability recognized in the statement of financial position is the present value of the defined obligation at the reporting date.

A defined contribution plan is a post-employment benefit plan under which the Authority pays fixed contributions to the Seychelles Pension Fund and the Authority has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of profit or loss in the periods during which services are rendered by employees.

2.10 Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether claimed by the supplier or not.

Monies received in advance for goods or services to be provided subsequent to the year end are recognised as advances from customers in current liabilities.

The carrying amounts of trade and other payables approximate their amortised cost.

2.11 Provisions

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Authority expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement.

2.12 Current and deferred taxation

Income tax expense normally comprises current and deferred tax. Current tax is recognised in profit or loss. Current tax is the expected tax payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the

reporting date, and any adjustment to tax payable in respect of previous years. As per the current tax regime, income of the Authority is not liable to tax. Hence no provision is considered for current tax as on the reporting date and consequently no provision is required for deferred tax.

2.13 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Authority has a legal enforceable right to set off the recognised amounts and the Authority intends either to settle on a net basis, or to realise the asset and liability simultaneously.

2.14 Foreign currencies

Transactions in foreign currencies are translated to Seychelles Rupees at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to Seychelles Rupees at the exchange rate at that date. Foreign currency gains or losses on monetary items are the differences between the amortised cost in Seychelles Rupees at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on the translation are recognised in the statement of profit or loss.

As at year end, the main exchange rates against the Seychelles Rupees were as follows:

Currencies	Exchange rates		Changes in %	
	2018	2017	2018	2017
United States Dollar	14.00	13.83	-1.33%	-5.33%
Euro	16.01	16.54	3.20%	-15.83%

2.15 Contingent liabilities

A contingent liability is disclosed when the Authority has a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Authority; or when the Authority has a present legal or constructive obligation, that arises from past events, but it is not probable that an outflow

Notes to the Financial Accounts

For the Year Ended December 31, 2018

of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

2.16 Assigned Capital

The Authority received contributions from the Government of Seychelles for certain assets on inception, there have been no further subsequent movements in this balance and have been classified as Assigned Capital representing contribution other than cash from the owner of the Authority.

2.17 Revenue recognition

Revenue is recognised when the performance obligation is being satisfied. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(i) Subvention

Subvention is recognized as it accrued on monthly basis.

(ii) Rental income

Rental income is recognized on accrual basis unless collectability is in doubt.

(iii) Other income

Other income is recognized on the accrual basis. Net gains and losses on the disposal of property, plant & equipment, after deducting from proceeds on disposals, the carrying amount of the assets and related selling expenses.

(iv) Government grants

Grants that are received for compensation of expenses or losses already incurred, or for the purpose of giving immediate financial support to the Authority with no future related costs, are recognised in the statement of profit or loss in the period in which reasonable assurance is established that the entity will comply with the conditions attached to the Grant and that the Grant will be received.

Grants that compensate the Authority for expenses to be incurred are initially recognised in the statement of financial position as a deferred income. Subsequent to initial recognition, such grants are recognised in the statement of profit or loss as Grants Income.

3. Risk management

3.1 Financial risk management objectives and policies

The activities of the Authority expose it to different financial risks, market risks (including currency and fair value interest risk), credit and liquidity risk. The Board of Directors have the overall responsibility for the establishment, overseeing and monitoring of the Authority's risk management framework and are assisted by the senior management. Senior management is responsible for designing, developing and monitoring the Authority's risk management policies, which are approved by the Board of Directors.

The Authority's risk management policies are established to identify and analyse the risks faced by the Authority, focusing on the unpredictability of financial markets, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Authority's activities and its role in the Republic of Seychelles. The Authority, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The following are the Authority's exposures to each of the above risks, the Authority's objectives, policies and processes for measuring and managing risk, and the Authority's management of capital. Further quantitative disclosures are included throughout these financial statements.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates and can arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Authority is exposed to currency risk arising from future commercial transactions and liabilities that are denominated in currencies other than the functional currency. The currencies in which these transactions are primarily denominated are Euro ("EUR") and United States Dollar ("USD"). The Authority aims to aggregate a net position for each currency. Foreign currency risk is not hedged.

Notes to the Financial Accounts

For the Year Ended December 31, 2018

(b) Credit risk

The Authority's credit risk arises when a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Authority's receivables from trade and other receivables.

The Authority establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets and the current economic environment.

4. Significant accounting estimates, judgments and assumptions

The preparation of the Authority's financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the process of applying the Authority's accounting policies, management has made the following estimates and judgments, which have the most significant effect on the amounts recognised in the financial statements:

4.1 Government Grants

The Authority receives contributions from the Government of Seychelles towards investments in capital projects for improvements of infrastructure and ameliorating services being offered. Significant judgment is required to determine whether these contributions are in the nature of government grants, in which case they are recognized in the statement of profit or loss systematically in accordance with the related liability or expense, or in the form of equity, in which case they are recognized in the statement of financial position as capital contributions.

4.2 Impairment of assets

Decline in the value of property, plant and equipment could have a significant effect on the amounts recognised in the financial statements. Management assesses the possible impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying

value may not be recoverable. Factors considered important that could trigger an impairment review include:

- (i) Significant change in the useful life which would be expected from the passage of time or
- (ii) Evidence that the performance of the plant and equipment could have a negative impact on the operating results, hence the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

4.3 Depreciation policies

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Authority would currently obtain from its disposal, if the asset was already of the age, and in condition expected at the end of its useful life. The Board of Directors therefore make estimates based on historical experience and use their best judgment to assess the useful lives of assets and to forecast their expected values at the end of their expected useful lives.

4.4 Estimated useful lives of property, plant and equipment

Estimated useful lives and residual values of property, plant and equipment are assigned based on the intended use of the respective assets and their economic lives. Subsequently, if there are changes in circumstances, such as technological advances or prospective utilisation of the assets concerned that could result in the actual useful lives or residual values differing from initial estimates, the estimated useful lives and residual values need to be adjusted in line with the current circumstances. The Board of Directors review the residual values and useful lives of major items of property, plant and equipment and determine necessary adjustments.

4.5 Limitation of sensitivity analysis

Sensitivity analysis demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Authority's assets and liabilities are actively managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Authority's views of possible near-term market changes that cannot be predicted with any certainty.

Notes to the Financial Accounts

For the Year Ended December 31, 2018

5. Property, plant and equipment

	Buildings	Office and research equipment	Ice plants	Boats and Motor vehicles	Total
	SR	SR	SR	SR	SR
COST					
At January 1, 2017	209,973,878	30,735,490	57,115,675	18,214,766	316,039,809
Additions	-	640,619	236,675	-	877,294
At December 31, 2017	209,973,878	31,376,109	57,352,350	18,214,766	316,917,103
Additions	-	1,172,560	262,695	246,000	1,681,255
At December 31, 2018	209,973,878	32,548,669	57,615,045	18,460,766	318,598,358
ACCUMULATED DEPRECIATION					
At January 1, 2017	20,791,314	28,218,399	25,058,902	16,501,768	90,570,383
Charge for the year	4,199,477	1,318,506	4,889,236	531,996	10,939,215
At December 31, 2017	24,990,791	29,536,905	29,948,138	17,033,764	101,509,598
Charge for the year	4,199,477	660,917	4,907,733	539,344	10,307,471
At December 31, 2018	29,190,268	30,197,822	34,855,871	17,573,108	111,817,069
NET BOOK VALUE					
At December 31, 2018	180,783,610	2,350,847	22,759,174	887,658	206,781,289
At December 31, 2017	184,983,087	1,839,204	27,404,212	1,181,002	215,407,505

6. Capital work in progress

	2018	2017
	SR	SR
At January 1,	26,773,885	15,990,321
Expenditure during the period	24,291,881	10,783,564
At December 31,	51,065,766	26,773,885

(a) The Capital work in progress comprise of the following projects:

	2018	2017
	SR	SR
Ile du Port Road & Utilities construction	25,348,696	16,994,986
Bel Ombre processing building	9,251,885	7,717,149
Port construction	10,386,377	-
Facility Providence	5,905,874	1,888,816
Other projects	172,934	172,934
Total	51,065,766	26,773,885

Notes to the Financial Accounts

For the Year Ended December 31, 2018

7. Investment in financial assets

	2018	2017
	SR	SR
Financial assets at amortised cost:		
Ordinary shares (unquoted) in:		
Indian Ocean Marine Limited	29,986	29,986
Praslin Ocean Farm Limited	25,000	25,000
	54,986	54,986

8. Fisheries Development Fund

(a) Movements in balances held with Development Bank of Seychelles:

	2018	2017
	SR	SR
At January 1,	63,703,821	60,745,550
Additional capital disbursed during the year	2,510,070	6,000,000
Movement during the year	-	(3,041,729)
At December 31	66,213,891	63,703,821

(b) Status of fund

	2018	2017
	SR	SR
Capital	57,703,821	57,703,821
Retained surplus	8,510,070	6,000,000
	66,213,891	63,703,821
Loans made	44,384,675	45,239,059
Balance held with Development Bank of Seychelles	22,218,100	18,719,823
Management fee payable	(388,884)	(255,061)
	66,213,891	63,703,821

The revolving fund, managed by the Development Bank of Seychelles, finances development of local fishing industry by enabling local investors to participate in long line fishing ventures. The loans are granted over 1 to 10 years and bear interest at rate of 3% per annum.

9. Inventories

	2018	2017
	SR	SR
Fuel and lubricants	728,655	388,177

10. Trade and trade receivables

	2018	2017
	SR	SR
Gross trade receivables	6,756,179	4,507,993
Less: provision for credit impairment (note (a))	(836,480)	(836,480)
Net trade receivables	5,919,699	3,671,513
Prepayments for fuel purchase	1,100	5,061,550
Other receivables	587,073	679,846
	6,507,872	9,412,909

(a) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable. The Authority does not hold any collateral as security. Movement in the provision for credit impairment of trade and other receivables is as follows:

	2018	2017
	SR	SR
At January 1,	836,480	386,480
Increase in provision for credit impairment	-	450,000
At December 31,	836,480	836,480

11. Cash and cash equivalent

	2018	2017
	SR	SR
Cash on hand	-	8,000
Treasury deposits	46,567,126	10,241,900
	46,567,126	10,249,900

12. Assigned capital

	2018	2017
	SR	SR
Assets from government on inception	1,122,800	1,122,800

The Authority received contributions from the Government of Seychelles for certain assets on inception, there have been no further subsequent movements in this balance and have been classified as Assigned Capital representing contribution other than cash from the owner of the Authority.

Notes to the Financial Accounts

For the Year Ended December 31, 2018

13. Excess transfer to consolidated fund

In accordance of Section 19 of the Seychelles Fishing Authority (Establishment) Act, the Authority shall pay the surplus income remaining for each financial year into the Consolidated Fund. Debit balance in the 'Excess Transfer to consolidated fund' represents excess transfers by the Treasury on a yearly basis.

14. Deferred grants

Deferred Grants for Property, plant and equipment

	2018	2017
	SR	SR
At the beginning of the year	250,734,030	250,547,053
Received from European Union	24,568,936	10,783,564
	275,302,966	261,330,617
Less: Amortisation for the year	(11,024,423)	(10,596,587)
	264,278,543	250,734,030
Analysed as:		
European Union	149,275,817	130,237,888
Japanese Corporation	107,633,802	111,935,897
African Development Bank	1,901,514	1,995,599
Government and other projects	5,467,410	6,564,646
	264,278,543	250,734,030

15. Credits held for future projects

	2018	2017
	SR	SR
At January 1,	13,332,362	21,414,623
Received during the year	88,814,601	44,863,717
Utilised during the year:		
Fisheries facilities development	(578,724)	(15,662,921)
Research and development costs	(18,055,649)	(12,557,603)
Monitoring control, surveillance and enforcement costs	(9,773,990)	(16,221,521)
Other expenditure	(181,267)	(49,282)
Transfer to deferred grants for capital assets	(24,568,936)	(8,894,747)
Exchange rate fluctuation	(75,090)	440,096
	48,913,307	13,332,362

Source of funding for the above projects:

	2018	2017
	SR	SR
European Union	40,065,876	14,728,866
Japanese Corporation	4,414,175	4,414,175
Other projects	4,433,256	2,271,582
	48,913,307	21,414,623

European Union

The Authority is responsible for managing the fishing licenses agreement between the European Union and the Government of Seychelles and overseeing the compliance of conditions stipulated in the agreement. Funds received were utilized to support the development of sustainable fisheries policy and fisheries infrastructure. The European Union is also the main source of finance for major projects such as the Ile Du Port and Providence fishing quay which were completed during the year.

Japanese Corporation

The Japanese Government awarded a grant to the Government of Seychelles consisting mainly of equipment and fishing gear. The Authority is responsible for managing the equipment and disposal of the fishing gear and for the management of the proceeds in accordance with the conditions of the grant. At the end of 2014, the unutilised credits were still being held by the Ministry of Finance.

Other projects

Multiple minor grants were received in the year. Funds received, were utilized for consultancy services and other miscellaneous expenditure.

16. Employee benefit obligations

(a) Statement of financial position

Movement in length-of-service compensation payable under the Seychelles Employment Act is given below:

	2018	2017
	SR	SR
At January 1,	6,943,319	7,871,791
(Write back)/Provision made for the year (note (c))	1,292,017	(928,472)
Paid during the year	(255,000)	-
At December 31,	7,980,336	6,943,319

Notes to the Financial Accounts

For the Year Ended December 31, 2018

(b) The Authority recognised and provided for employee benefit obligations arising on account of gratuity based on the regulations applicable to parastatal organisations and length of service severance compensation based on the applicable regulations of Seychelles Employment Act, 1999 (as amended).

(c) The amount of write back/provision is net of payments made during the year.

17. Other payables and accruals

	2018	2017
	SR	SR
Prepaid license fee	39,212,608	42,906,379
Accrued expenses and other payables	13,149,754	5,860,332
	52,362,362	48,766,711

18. Revenue

	2018	2017
	SR	SR
Income for ice operations	3,291,964	2,611,640
Income from sea cucumber fishery	580,616	1,012,067
Net & container fees	2,029,766	2,298,218
Fees from embarking seamen	1,126,780	1,027,141
Registration & license fee (local)	2,391,030	244,821
Registration & license fee (foreign)	153,460,474	116,032,306
VMS management and communication fee	679,092	659,932
Rental	5,235,344	1,207,681
Other revenue	60,000	55,000
	168,855,066	125,148,806

19. Other income

	2018	2017
	SR	SR
Sundry income	40,155	10,450
Dividend income	206,100	-
Auction sale income	1,096,018	-
EEZ application fees	407,314	82,060
Rental of training room	14,698	61,112
	1,764,285	153,622

20. Staff costs

	2018	2017
	SR	SR
Salaries and wages	24,768,308	21,392,167
Chairman's emoluments	54,876	41,157
Directors' emoluments	189,600	216,525
(Write back)/Provision for Employee benefit obligation	1,292,017	(928,472)
	26,304,801	20,721,377

21. Operating and other expenses

	2018	2017
	SR	SR
Auditor's remuneration	314,950	387,500
Advertising and sales promotion	227,804	92,698
Bad debts	-	314,480
Contracted services	10,772,361	8,350,145
Electricity and water charges	10,541,550	8,719,677
Fuel and local conveyance	1,083,947	963,812
Indian ocean tuna commission expenses	-	1,407,005
Insurance	572,253	715,259
Printing, stationery and postage	795,056	813,962
Refuse removal	451,303	185,000
Rental expenses	364,500	177,100
Repairs and maintenance	3,466,923	4,819,971
Security expenses	2,369,867	1,679,996
Training expenses	238,103	155,000
Travelling expenses	519,746	16,532
Telephone and internet	1,265,627	969,810
Vehicle expenses	467,063	486,797
Movement in fuel incentive account	(2,493,134)	980,605
Other expenses	2,395,918	1,573,025
	33,353,837	33,271,041

Notes to the Financial Accounts

For the Year Ended December 31, 2018

22. Research and development costs

	2018	2017
	SR	SR
Aquaculture Master Plan project	4,778,284	509,048
Research boat expenses - fuel and insurance	9,962,106	7,924,668
Research boat expenses - repairs and maintenance	1,413,342	1,019,762
Sundry research projects	1,901,917	3,104,125
	<u>18,055,649</u>	<u>12,557,603</u>

23. Monitoring control, surveillance and enforcement costs

	2018	2017
	SR	SR
Satellite communication costs	7,006,100	8,649,784
Patrol expense	10,741,869	7,571,737
	<u>17,747,969</u>	<u>16,221,521</u>

24. Fisheries facilities development

	2018	2017
	SR	SR
Fuel claims paid in the year	23,718,359	30,987,991
Fishing boat owner association - coastal fishery development	475,826	364,566
Publication and awareness	64,240	206,400
Surplus on fisheries development loans (note 8)	(2,510,070)	(2,958,271)
Training and university costs	3,111,979	4,917,050
Workshop, conferences and travelling	2,625,951	2,969,344
Infrastructure development	16,157,092	11,212,021
Transfer to Fisheries Development	-	6,000,000
Salaries and wages	638,885	441,652
Consultancy expenses	955,586	1,041,966
Renovation and maintenance of fishing facilities	3,250,205	2,964,971
Utilities	8,525,405	1,623,650
Other expenses	49,395	192,672
	<u>57,062,853</u>	<u>59,964,012</u>

Fuel subsidy to fishermen

As part of promoting artisanal fishing, the Government of Seychelles, through the Authority, subsidizes this activity through refund for the cost of fuel utilized by the fisherman.

25. Capital commitments

	2018	2017
	SR	SR
Approved and contracted regarding work in progress	10,222,760	5,848,831
Approved but not contracted	-	-
	<u>10,222,760</u>	<u>5,848,831</u>

26. Contingent liabilities

There were no other contingent liabilities as at December 31, 2018 (2017 : SR. Nil).

27. Events after the reporting date

There have been no material events occurring after the reporting date that require adjustment to, or disclosure in, the financial statements.

Section 7

GLOSSARY OF TERMS



Glossary of Terms

ADFIS	Agriculture Disaster and Fisheries Insurance Scheme	FAD	Fish Aggregated Devices
ADZ	Aquaculture Development Zone	FAO	Food and Agriculture Organization
AIS	Automatic Identification System	FBOA	Fishermen and Boat Owners Association
AMSSI	Association of Members of the Sea Cucumber Industry in Seychelles	FCP	Fisheries Comprehensive Plan
BAQF	Brood stock Acclimation and Quarantine Facility	FCS	Fisheries Enforcement Section
BIOT	British Indian Ocean Territory	fdf	Fisheries Development Fund
BSFC	British Seychelles Fisheries Commission	FIP	Fisheries Improvement Programme
CBS	Central Bank of Seychelles	GDP	Gross Domestic Product
CCRF	Code of Conduct for Responsible Fisheries	GEF	Global Environment Facility
CEO	Chief Executive Officer	GVA	Gross Value Added
CIF	Cost Insurance & Freight	HACCP	Hazard Analysis Critical Control Point
CMM	Conservation and Management Measures	HLAC	High-Level Aquaculture Committee
COA	Certificate of Authorisation	HR	Human Resources
COA	Certificate of Authorisation	IBRD	International Bank for Reconstruction and Development
CONSWO	Consumption of Swordfish	ICCAT	International Commission for the Conservation of Atlantic Tuna
CPI	Consumer Price Index	ICCP	Implementation Committee for the Co-Management Plan
CPUE	Catch per Unit Effort	ICT	Information & Communication Technology
CSRO	Commonwealth Scientific and Industrial Research	IEO	Institute of Oceanography
DBS	Development Bank of Seychelles	IOT	Indian Ocean Tuna
DFAD	Drifting Fish Aggregated Devices	IOTC	Indian Ocean Tuna Commission
EAA	Ecosystem Approach to Aquaculture	IPHS	Ile Du Port Handling Services
EA-SA-IO	Eastern Africa, Southern Africa and Indian Ocean	IRD	Institut de Recherche pour le Développement
EEA	European Economic Area	IUU	Illegal, unreported and unregulated
EEZ	Exclusive Economic Zone	JICA	Japanese Corporation Agency
EM	Electronic Monitoring	LIENS	Littoral Environnement et Societes
ERS	Electronics Reporting System	MCS	Monitoring and Control Section
ESIA	Environmental and Social Impact Assessment	MCSS	Marine Conservation Society Seychelles
ESIA	Environmental Social Impact Assessment	MMP	Mariculture Master Plan
Est	Estimated	MOU	Memorandum of Understanding
EU	European Union	MSP	Marine Spatial Plan
EURm	Euro million	Mt	Metric tonne
Exp	Expenditure	NBS	National Bureau of Statistic
		NGO	Non Government Organisation

Glossary of Terms

NPOA	National Plan of Action	UNDP	United Nations Development Programme
PHL	Post-Harvest losses	US\$m	US Dollar million
PHVA	Post-Harvest & Value Addition	USA	United States of America
PIT	Passive Integrated Transponder	VAT	Value Added Tax
PLMP	Participatory Lobster Monitoring Programme	VMS	Vessel Monitoring System
PRSP	Plan Regionale de Surveillance de Peches	WIO	Western Indian Ocean
R&D	Research and Development	WIOMSA	Western Indian Ocean Marine Science Associatio
RFMO	Regional Fisheries Management Organisation	WPEB	Working Party on Ecosystems and Bycatch
RFMO	Regional fisheries management organisation	WPICMM	Working Party on the Implementation of Conservation and Management Measures
RFMOS	Regional Fisheries Management Organizations	WPTT	Working Party on Tropical Tuna
ROS	Regional Observer Scheme		
SADC	Southern African Development Community		
SAIB	South African Institute of Bio-diversity		
SCG	Seychelles Coast Guard		
SCHA	Sea Cucumber Harvesting Association		
SCR'000/m/b	Seychelles Rupee thousand/million/billion		
Sey	Seychelles		
SeyCCAT	Seychelles Conservation and Climate Adaptation Trust		
SFA	Seychelles Fishing Authority		
SIF	Seychelles Island Foundation		
SIH	Système D'Informations Halieutiques		
SNA	System for National Accounts		
SPDF	Seychelles Peoples Defence Forces		
SR	Seychelles Rupee		
SSDS	Seychelles Sustainable Development Strategy		
SWIO	South West Indian Ocean		
SWIOFC	South West Indian Ocean Fisheries Committee		
SWIOFish	South West Indian Ocean Fisheries		
SWIOFish3	Third South West Indian Ocean Fisheries Governance and Shared Growth Project		
TAC	Total Allowable Catch		
TGMI	The Guy Morel Management Institute		
TOR	Terms of Reference		
U.A.E	United Arab Emirates		

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