



## CENTRAL BANK OF SEYCHELLES

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### PRESS RELEASE

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#### **Central Bank of Seychelles publishes its Annual Report and International Reserves Management Report for 2023**

The Central Bank of Seychelles (CBS) has today published its Annual Report for the year 2023. The publication includes a certified copy of CBS' Financial Statements and Auditor's Report for the year ending December 31, 2023, which is based on the outcome of an independent assessment by Grant Thornton Audit and Accounting Limited (UAE) on behalf of the Auditor General, as per section 19 of the Auditor General Act, 2010, read with Section 47(3) of the CBS Act, 2004.

The Annual Report 2023 provides an overview of developments across various sectors of the Seychelles economy, including the country's interactions with the rest of the world and economic relations with our main development partners.

The report highlights that the domestic economy remained resilient despite numerous challenges. The elevated inflation and high interest rate environment on the external front led to tight financial conditions, which in addition to the lingering effects of the Russia-Ukraine conflict, led to a slowdown in global economic growth relative to 2022. Tourism remained the main contributor to the domestic economy, with an expansion of 5.7 per cent in visitor arrivals and a growth of 5.8 per cent in estimated tourism earnings compared to 2022. The positive performance of the tourism sector supported a sustained inflow of foreign exchange in the domestic market, which in year-on-year terms, led to an annual average appreciation of the Seychelles rupee relative to the US dollar. With regard to average prices, based on official figures compiled and published by the National Bureau of Statistics, a deflationary trend was observed for the most part of the year. In December 2023, the year-on-year inflation rate stood at *negative* 2.7%, whilst the 12-month average inflation rate was *negative* 1.0%. Throughout 2023, the Central Bank maintained an accommodative monetary policy stance to support economic growth.

As customary, CBS also published the 2023 International Reserves Management Annual Report - its ninth edition. The publication is in line with international best practices and the values of accountability, transparency and integrity upheld by CBS.

The report provides an overview of the governance and operational structure which supports the management of the country's international reserves. It contrasts the performance over the past years, challenges encountered, as well as capacity building and risk management initiatives undertaken during the year to enhance activities related to reserves management. The report also provides an outlook for 2024 and beyond.

Gross International Reserves improved by 6.7% compared to 2022, from US\$639 million to US\$682 million at the end of 2023. The improvement was supported by the inflow of funds from the country's multilateral and bilateral partners. Net International Reserves (NIR) increased by 12 per cent compared to 2022, from US\$472 million to US\$529 million. NIR serves as a key performance criterion under the Extended Fund Facility programme supported by the International Monetary Fund (IMF) and the level recorded surpassed the target of US\$478 million set for 2023. In terms of reserves adequacy, despite the high global commodity prices and heightened demand for imports domestically, the months of imports coverage increased from 3.4 at the end of 2022 to 3.8 months at the end of 2023.

The CBS Governor, Ms Caroline Abel, accompanied by the First Deputy Governor, Mr Brian Commettant, presented a copy of the Reports to the President and the National Assembly this morning.

To note, also included in the CBS Annual Report is CBS' Access to Information Annual Report 2023, in accordance with the Access to Information Act, 2018, Section 54(3).

The respective reports are available on the CBS website via the following links:

Annual Report 2023:

<https://www.cbs.sc/Publications/AnnualReports.html>

International Reserves Management Report 2023:

<https://www.cbs.sc/Publications/ReservesManagementReports.html>

Access to Information Annual Report 2023:

<https://www.cbs.sc/AccessToInfo/AnnualReports.html>

