



DEMOCRATIC REPUBLIC OF TIMOR-LESTE

SPEECH BY
HIS EXCELLENCY THE PRIME MINISTER
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ON THE OCCASION OF THE TIMOR-LESTE
AND DEVELOPMENT PARTNERS' MEETING
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Excellencies,

Two years have gone by since the last Timor-Leste and Development Partners' meeting. During this period many events took place and many challenges had to be faced by this young democratic State. Many still are the challenges ahead of us, **towards the construction of the bases for Peace and Stability and for improving the living situation of the Timorese.**

We started off with the firmness and determination that have always characterized the Timorese people, knowing that **by working together**, the Government of Timor-Leste and the Development Partners can put the Nation in the irreversible path to development, with the missteps of the past acting as indicators, hard as they may be, of what must undoubtedly be corrected in the future.

This is the first meeting with the development partners after the political crisis of 2006, which shook the foundations of our Democratic State under the Rule of Law and subjected our people to unforeseeable and unfair suffering and anguish. We are still dealing with its painful consequences today, of which the attempts of February 11th are a dramatic example. These harmonized attacks on the Head of State and the Head of Government of Timor-Leste represented a serious threat against the democratic constitutional order.

At the time, the 2006 crisis also caused disruptions in two vital democratic institutions: the Armed Forces experienced serious problems that led to the departure of almost a third of its personnel, and the National Police collapsed. This demonstrated how frail their foundations were, despite the recurring concerns expressed in meetings with the partners – I recall the first one, held in Japan in 1999, but also others in which I participated – in which the creation of a professional police force and an efficient development model for the Armed Forces was always an issue of concern for the stability of the young democracy of Timor-Leste. These fundamental problems, ever since the reconstruction of the Country, remain current at this time, and continue to deserve a special attention.

Also as a result of the crisis, we currently have thousands of internally displaced persons and about six hundred petitioners, whose resolution can be delayed no more. We are aware that peace and stability cannot be achieved without returning dignity and justice to these sectors of the population, which deserve the protection from the State and the

material and spiritual wellbeing to enjoy the freedom that they gained through so great a sacrifice.

During these last two years, Timor-Leste was once again very much discussed everywhere. A lot has been said and written about our Country, including that we were going to transform into a “failed State” or be held hostages by powerful global, political, military or economic interests. Fortunately there are still many who continue to believe in us, because they know that a People who resisted for more than two decades against all forms of intimidation – from the most brutal subjugation to the most malicious seduction – never gives up!

Still during these difficult times, Timor-Leste carried out successful presidential and legislative elections, with international support. The outcome of these elections opened a new cycle in the political life of the Country. The Timorese elected their representatives in the National Parliament, forming a parliamentary majority that was given a clear mandate to create a stable Government.

Excellencies,

The IV Constitutional Government is a Government of Alliance between several parties (and I am not referring only to the four parties that formally make up the Alliance) willing to make changes and with a reforming political project, supported by a set of principles and values: civic and human rights; tolerance and respect; transparency and good governance; social participation; and compliance with justice and law, in order **to mobilize internal and external efforts for improving the living situation of the Timorese people, rescuing it from poverty and instability.**

In the next month of May Timor-Leste will be celebrating six years of Sovereignty and Independence. However it will not yet be celebrating the true sense of freedom, because a Country in which about 40% of the population live below the poverty line (with less than 55 cents per day) cannot be considered truly free.

When we speak of poverty, we cannot limit ourselves to income economic indicators. Social and human development is also a poverty indicator, and in this Timor-Leste is well below the ideal values: the illiteracy rate is high; health care does not yet reach the entire population, and there is a high mortality rate associated to malaria, dengue and tuberculosis; maternal and child undernourishment and mortality rates are high;

habitations and precarious; basic infrastructures are insufficient – I underline the lack of piped water, sanitation and electric power, communications and transportation – and increase regional asymmetries even more.

Unemployment among the youth is an affliction, especially considering that half the population is less than 18 years old. This suggests that urban unemployment will tend to increase, unless immediate measures are taken for creating employment. Private investment is very small and, together with the lack of conditions for stimulating the private sector, this makes Timor-Leste one of the countries with less capacity to attract foreign investment in the worlds.

Legislative structure remains incomplete and the legal system continues to be fragile. Women continue to have a subordinated position within the Timorese society, and it will be a challenge to improve their status and their participation and representation in all walks of life.

These indicators, allied to the scarceness of qualified human resources, the cultural and social characteristics of our society and, inevitably, the fact the Timor-Leste is a Country in post-conflict situation, making us more vulnerable to internal conflicts, make us progress very slowly in the path towards development.

While I do not want to make little of the progress achieved by the previous Governments, which made decisive and structuring steps towards developing the national economy and in particular towards building the democratic institutions, the Government that I head, upon entering office, vowed to change the status quo and to place Timor-Leste in a more free, more fair and more dignified position, through a new political attitude.

Therefore this Government, within seven months, presented to the National Parliament a reforming five-year Program; a State General Budget for a six-month transition period; a State General Budget for the fiscal year of 2008, which for the first time will correspond to the civil year. Presently we are reviewing the 2008 Budget in order to fix some gaps, caused mostly by deficiencies in terms of data surveying. Some allocated sums turned out to be misadjusted, in a clear example of how it is urgent to improve the professional skills of the civil servants.

Ladies and Gentlemen,

The Government's program reflects the main priorities of the Country, including objectives to be reached in the short, medium and long terms, together with strategies for combating poverty that have already proved successful in other countries, as well as regional and international programs, out of which we can highlight the Millennium Development Goals that we want to achieve in 2015.

For this first year of governance, the Government will be concentrating on four vital aspects in order to transform society thoroughly, removing Timor-Leste from these crossroads where the reduction of poverty is the goal, but in which the obstacles to get there cannot simply be navigated, rather requiring elimination. In my perspective as Head of Government, the providences needed in the short term for ensuring long term sustainable development are the following:

1. Structural and balanced change in the administration of the State, so as to ensure a more efficient and functional Public Administration, supported by anti-corruption mechanisms. A strong, qualified and independent public service is able to handle any government professionally and to give an efficient contribution towards the creation of infrastructures, improve service provision and create mechanisms boosting the economy through the rational use of public resources.

Some more critical minds may question the way in which this strategy is fundamental for transforming society and contributing towards the reduction of poverty. In other words, why should this Government give priority to the reform of the administration of the State, when there are so many other priorities to be considering, leading to more clear and popular outcomes?

Because the institutions are the people! What good is it to have sophisticated buildings, technologically advanced equipment and enough financial resources to invest in the provision of essential services to the population if we do not have qualified, motivated and righteous personnel? When one asks the State, when one asks the Government to take action, to create conditions for reducing poverty, consolidating national stability and security, and achieve social justice, this request is being made to the democratic institutions, which ultimately consist of people.

This Government is aware that this is not an equal fight, since it is not possible to change mentalities and work routines and to move away from a culture of "laissez faire, laissez passer" in a few years, much less in a few months. Nevertheless, the Government headed

by me is determined not to yield, striving for a more efficient civil service and implementing reforms that will make a difference in the long term.

During these seven months of governance this executive has already approved the Civil Service Career Regime and reviewed other diplomas, contributing to a more effective, qualified and motivated Public Administration, at the same time that it fights partisan influence in recruitments and promotions, modernizing the system in general.

Throughout this year the Government will also establish the Civil Service Committee, which will advise the Government in matters related with public administration and human resource management. An Anti-Corruption Committee shall also be created, which, along with the independent audits that have been taking place, and the boost to the Office of the Inspector General later this year, will enable the creation of clear and coercive mechanisms for an efficient fight against corruption.

On the other hand, the Ministry of Finance is currently being reformed. This includes the optimization of the management of procurement and the enabling of the decentralization of these services, thereby ensuring the maximization of acquisitions and a good public service. This initiative, together with the development of a new macroeconomic policy, will facilitate transparency, accountability and efficiency in the management of public finance.

2. Ensure the consolidation of National Security and Stability, since without them there is no room for national consensus, or opportunity to promote any economic growth policy, as effective as it may be.

Concerning this, allow me to expand on several of the concerns that have been keeping this executive busy – concerns that I know the international community also shares. We have inherited a package of interrelated problems that have been a heavy destabilizing burden, and which, should they fail to be solved in full, will hardly let us focus on other priorities.

I refer in first place to the issue of the petitioners. The State is not exempt from responsibility here, since it did not acknowledge their aspirations, and therefore contributed to have about 600 Armed Forces personnel becoming part of a problem for the stability of the Country, instead of being part of its solution. The Government is optimistic with the latest progress achieved, with almost all the petitioners being

currently stationed in Dili and receptive to dialogue with the Government and other partners of society.

Admitting that this group is not homogenous, that the reasons that led them to subscribe the petitions have several causes, unlike what was initially thought, and that they require responses case by case made us develop a strategy for a thorough collection of data from the petitioners themselves and for presenting them with two options: accepting economic benefits from the State and being reinserted in civil life; or being reinserted in military life, but in this case they must undergo a new recruitment process.

Secondly, the presence of a dissident armed group, which recently challenged the democratic and constitutional order. This group is still a consequence of the 2006 crisis, and looking back we must recognize that at the time the Government failed to consider it a serious threat to the stability of the Country, thereby allowing the group to set up a strong support network.

Learning from this dramatic episode of our recent history, the Government took strong measures, proposing the declaration of martial law to His Excellency the President of the Republic and applying restrictive measures to, on one hand, carry out special measures for preventing the rise of violence by the support groups, and on the other hand to carry out the necessary investigations for capturing those responsible for the attack.

Within this scope, the Council of Ministers approved a Resolution charging the Chief of the Defence Force with the creation of a joint command, integrating PNTL and F-FDTL, so as to carry out security operations resulting from the declaration of martial law. The creation of this Joint Command and the process through which the operation was planned showed that F-FDTL and PNTL, acting in coordination, operate efficiently and with a good response capability. Most elements of the group have meanwhile surrendered to justice, carrying a significant number of weapons, the illegitimate possession of which constituted a serious risk for national stability and security.

If in more controversial times we can extract positive aspects, I must underline here the coming closer of these two institutions, proving that when confronted with common objectives they can operate well and in good articulation. This is a response to the doubts raised in 2006, suggesting that these two forces would never see eye to eye in the pursuing of the objectives for the consolidation of a Democratic State under the Rule of Law.

It was with this purpose that in the structuring of this Government it was defined that the important briefs of defence and security should be under a single Ministry. It is also with this purpose that the reform of the defence and security sectors and the capacity building and professionalization of the F-FDTL and PNTL are not being developed as autonomous and watertight processes, regardless of their specific characteristics and competences attributed by the Constitution. In view of its importance, this process also involves other sovereignty bodies such as the President of the Republic and the National Parliament.

This is the year of reform, this is the opportunity to achieve the goal that we have been seeking for eight years – the establishment of a National Police and Armed Forces with the human and material resources that enable them to solve conflicts and maintain internal security, correcting the training errors especially in PNTL – provided simultaneously by trainers from different countries, with different chains of operation and command – and fundamentally restoring the trust of the Timorese citizens in our police forces and Armed Forces.

Also regarding the consolidation of national stability, it is clear that ensuring the return to their homes of individuals and families living in IDP camps and their reintegration in society is a duty of the State that can be delayed no more. Still, it is necessary to do this in a sensible manner, so as not to fuel new sparks of conflict.

This is one of the problems that this Government inherited from the past, and one that is rather complex, considering its political, social and economic aspects. On one hand it is imperative to put an end to IPD camps, but on the other hand the State must also respect human rights and protect the most vulnerable persons.

Presently it is estimated that 30,000 IDPs live in Dili and about 70,000 in the other districts, within a total of 58 camps. The figures are overwhelming, but the efforts must be even more so. The strategy for resolving this problem has been studied by the Government and its partners – local communities, social society and international agencies – so as to deal with the humanitarian impact and, at the same time, with the pre-existing vulnerabilities at community level.

Within this context a Recovery Strategy was drafted, called “Hamutuk Hari’i Futuru”. This is nothing more than an expanded strategy for handling the various impacts from

the 2006 crisis, not just the closing of IDP camps. It seems evident to us that this strategy must include an integrated approach, with various components, such as mutual reconciliation and acceptance at community level, as well as the creation of economic, social, legal, political and security mechanisms for providing support to internally displaced persons and to those who will receive them in the communities.

I am sure that you will agree with me when I say the solution must be more than just building houses and providing materials for transferring these citizens from one place to the other. I assure you that this issue has been having the attention of the entire Government, and that this commitment is now bearing fruit. On this date we register the return of 321 families to their homes, i.e. 2,052 persons.

There is no place on earth where there are no people who profit from the misfortune of others, and sadly Timor-Leste is no exception. The camps are now suffering from rural migration (as well as others) and from individuals who have recently settled there, hoping to receive the same status, in order to get the respective assistance. This has been delaying even more the national recovery process, as well as creating situations of injustice towards the true victims of the crisis.

3. Social protection and solidarity are constitutional rights that must be reflected into specific public social policies, guided towards the more vulnerable segments of the population, involving them in the definition of these very policies.

We all know that long term poverty reduction requires structuring and sustainable measures, not merely short term solutions of dubious sustainability. Still, I dare ask: that Government can close its eyes to the immediate problems of poverty and social inequalities? What Government can stand idle before the current situation in which our elders, after 24 years of sacrifice, continue to suffer from hunger, cold, sickness and isolation in their last few years of life? How can we turn a deaf ear to the disabled, the widows and the orphans of our freedom, who live in conditions that border the disrespect for human condition?

No political process may be successful without considering other fundamental areas to the national stabilization process; areas which are ultimately related to social justice. Therefore we considered it a priority to alleviate the immediate poverty at the more vulnerable segments of the population, through clear projects that ensure their protection.

This Government has had the courage not to cross its arms in view of this situation. Instead, we have made use of the recent increase in petroleum revenue (since we believe that the petroleum fund should remain with a high quality standard, but that the people must also be allowed to enjoy the assets that belong to the Nation), seeking to use public resources in policies that favour the poor, as well as in the creation of social support to the most vulnerable groups.

In this sense, we have already collected data to ensure the payment of pensions and subsidies to the elderly, widows and disabled. Even though the national age average is that of a very young population, it is estimated that we have over 30,000 citizens aged over 65, mostly in rural areas. There are also about 22,000 with different forms of disability.

The Government has also been ensuring support, through the pilot project called “Condition Cash Transfers”, for children and mothers in situation of risk, civil victims seriously hurt and families that have lost their businesses due to the crisis. In addition to this we are continuing the school meals program, supplying one meal a day to school children in all districts, so as to encourage attendance and improve the capacity of the children for learning.

Another priority target indicated specifically by this Government concerns the National Liberation Combatants and Martyrs, from their recognition to their special protection. At the end of last year 2,000,000 dollars were paid as tribute to 205 former guerrilla fighters, including both men and women, who fought in the woods for over 15 years, so that the Country could achieve its independence.

We have been carrying out the constitutional and legal act of having the President of the Republic distinguish combatants. We have started to process the “special identification card”, enabling their bearers to have access to other legal rights that dignify resistance. We have developed institutional coordination actions allowing the assistance to former combatants who are ill or needy at the National Health and Social Assistance Services.

Within this setting of recognizing those who fought for the liberation of the Motherland, we are currently regulating the different types of pensions foreseen in the Statute of the National Liberation Combatants, so as to identify attribution criteria, amounts and the

process for filing the request. Six years after the Independence we will start paying, during this semester, the pensions that our National Heroes so rightfully deserve.

Because social injustice is a national issue that involves the efforts of many persons, most of all those nearer to the communities, we will be attributing funds to religious organizations throughout the Country, namely the Catholic Church and other confessions, as well as other Civil Society organizations, so that they may provide essential services to the population.

The standing of the State could not be any other when confronted by the misery in which its people are living. If there are any doubts as to the sustainability of these measures, I state once more that the public costs are minimum when what is in question is the stability of a considerable part of our society and the evident implication for reducing poverty, since even a slight increase in the purchasing power by these people will stimulate local economy and contribute towards an integrated framework of economic growth.

4. The Youth as a segment for priority intervention by the State is a fundamental strategy towards the sustainable development of Timor-Leste, considering that this is the main human resource of the Country, ensuring the edification of the Nation and the drive in the fight against poverty.

The population aged 15 to 29 represents about a quarter of the total population, and it is estimated that this proportion will increase by 40% until 2010. Being seen as a transitory social condition, youth is presented as a segment of priority intervention by the State, while interface, within a perspective of transmission of knowledge and experience, anticipating modernization on one hand and preserving and consolidating the fundamental values of the Nation on the other.

On one hand, the energy and dissatisfaction always evident in this segment of the population, because they have many aspirations and desire to transform the reality around them, must be the object of a proper approach.

The creation of a Secretary of State for Youth and Sports seeks to provide young people with the opportunity to participate in cultural or artistic activities and to promote initiatives for developing sport activities, according to the objectives set in the National Youth Policy, already approved by this executive. This Policy seeks to mobilize the youth

within the community context, establish the connection between education and post-school reality, provide employment opportunities, alphabetize and support the more underprivileged persons and promote the civic participation by the youth.

In the search for structural solutions to the challenge that sustainable developments places before us, the exponential growth of the population must be the object of a deep reflection, because even if the Government manages to create conditions for a new boost to economic growth, it will be difficult to do it in the same proportion estimated for the growth of the population within the next years, which clearly means that there will be more poor people.

As this setting is very difficult to be changed in the short term, because its character is mostly cultural and implies the changing of mentalities, we must start by transforming this growth and consequent increase of the young population into an opportunity for national sustainable development.

This design is intrinsically connected to the matter of education, professional training and creation of employment, which must be considered within a holistic and clearly humble manner. For this we must work together with the national forces and mostly with the international development partners, the expertise of which cannot be neglected here.

This is one of the great goals: to invest in human capitals. To develop specific programs giving the Timorese the skills to make them more relevant within the sustainable development of their communities and of the Country in general.

We carry out professional training initiatives with models that are adequate to the real needs of the Country and to the attribution of scholarships to graduates and trainers in priority areas. We have started the Reform of Education, including the introduction of 9 years of mandatory and free education, the drafting of a new curriculum plan for primary and pre-secondary education and the training of teachers on the application of the new curricula, and we have drafted the Basic Law on Education, which will soon be submitted to the National Parliament.

Without harm to the assistance that the Development Partners have been giving us in these structuring areas, as well as the institutional capacity building provided by international advisors and other specific programs, the fundamental issue of investing in

human capital, mostly young people, must be the object of a broader and bolder program, so as to fight one of the main frailties of the construction of Timor-Leste.

Excellencies

Ladies and Gentlemen,

Just because I am giving special attention to these four aspects, that does not mean that other areas of intervention will be neglected. Still, the weight of our history and our social and cultural reality warn us that we have our own rhythm, which cannot be ignored, and that the expectations of the population must not be frustrated. This was our political commitment, to listen to the aspirations of the Timorese people and to correspond to their main needs.

The efficient fight against poverty must be carried out by each Timorese, within an endogenous and sustainable process. The formulation of a second National Development Strategic Plan, to be executed during the five years of the mandate, is a priority, and in order to achieve this the Government has already approved the creation of a National Research and Development Committee, the main task of which will be to draft the State of the Nation Report, to include: proper development indicators for evaluating progress; projection of macro-economy in the medium term; and inventorying data from broad studies on the needs of the Country, always within the spirit of extended consultation that characterizes this Government.

This instrument will ensure a proper planning and indication of goals and performance indicators and, when approved, will be a decision to be followed vigorously. This strategy includes the creation of a Strategic Planning and Investment Unit, which will transform difficulties into challenges and challenges into opportunities for investing in the fight against the obstacles to development.

In order to give the Timorese a greater participation in the decisions that are also their own, as well as to strengthen trust and generate local capacities for exploring resources, we have started the process for studying possibilities in terms of decentralization and local government in Timor-Leste. The strategic framework and the implementation calendar is being discussed broadly at district, sub-district and suco level, so as to draft a bill to be presented to the National Parliament, seeking the creation of a structure of municipalities to replace the current system of districts and sub-districts.

The economic and social plan subjacent to the 2008 State General Budget introduces a new rhythm in the consolidation of a State under the Rule of Law and in the fight against poverty, in particular through:

- The approval of a fundamental legislative package, followed by a reform of the justice administration and the acceleration of the procedural proceedings that, along with capacity development in the criminal area, with an efficient system of preventive arrests and prison establishments, including the creation of a military prison facility (the process for which has already been started), and new approaches for fighting criminality and insecurity, will improve Justice, Security and the Wellbeing of all;
- The promotion of health care with greater quality and accessibility, with a new approach at community level and favouring the more vulnerable persons;
- The improvement of basic water, power and sanitation services, seeking to cover the entire population, will give evidence to the efficiency of this executive. We will also be rehabilitating and building essential infrastructures such as roads, bridges and other ways of communication, but with quality. We are not going after quantity over quality; our intent is to improve the quality of life of our people!
- The training and regulation of the media sector. Legislation is being created, where before there was none, to regulate this sector, ensuring the necessary conditions for the freedom and independency of the media, within a perspective of quality, seriousness and accuracy, at the service of the citizens.

Excellencies

Ladies and Gentlemen

Even though in 2004-2005 there were signs of economic recovery, in 2006 the economic activity practically stopped, leading to a contraction of the non-petroleum GDP of about 6%, interrupting the gradual improvement that was being registered since 2002. Already in 2007, annual inflation reached 17%, due to the lack of rice at regional levels and to interruptions in the local supply caused by disturbances. Presently the consumer prices are in average 13% higher than those registered in March 2006, with no increase in the per capita income.

This is the scenario that we have: poverty is going up instead of going down. The low public and private investment resulted in few new employment opportunities, especially comparing with the approximately 15 to 16 thousand young people who enter the labour market each year, and who find an unemployment rate that increased from 40% to 58% after the crisis.

How can we turn this situation around? That is the question we must answer! The priorities in terms of consolidation of stability and security, which I mentioned above, will be the turning point that will enable us to change this situation. On the other hand, our strategy seeks to convert the revenue from natural resources into economic and social progress, even if within a prudent macro-economic management framework.

While the Petroleum Fund should contribute to a sensible management of the exploration of Timorese oil and natural gas, for the benefit of future generations, we believe that a more efficient management can be achieved, using those revenues in order to create sustainable growth, investing in the present generation already. I would like to underline that we are not transferring amounts from the Petroleum Fund that exceed the Estimated Sustainable Income for next fiscal year. What we are doing is considering the current investment and management strategy of the Fund, starting a process of revision, seeking to explore to the utmost the possibilities within the Petroleum Fund Law, in order to maximize the total value of the revenues from the petroleum sector.

Associated to this, I remind you of the 2008 target in terms of capacity building in the sector of natural resources, so as to enable a greater local participation in the management of these goods. Having started the process for establishing a gas pipeline in the south of the Country, we will also finish during this semester the feasibility studies regarding the construction of the liquefied natural gas facilities in Timor-Leste. This project, together with the creation of a National Petroleum Company, also to be launched within the present year, represents important developments in the petroleum sector and has potential in terms of generation of employment and economic growth.

On the other hand, joint efforts for creating mechanisms towards a better budget management, avoiding new disturbances or excessive public spending, preventing the increase of domestic prices and ensuring that real income is not lowered, at the same time we inject a new strength into private sector development makes us envision a non-petroleum GDP real growth rate of around 7% a year.

In order to meet this goal we are implementing a proactive economic policy for mobilizing foreign investment and attracting investors. We believe this is the most immediate way for creating employment, at the same time we transfer the national business environment, namely in what concerns the inherent administrative procedures. Allow me to refer a small victory by this Government, namely the alteration to 3-5 days of the maximum time limit for issuing business activity registration and licence certificates, which in the past could take over 30 days.

The creation of an extended support program to the Microfinance Institute, in order to develop new microcredit programs in rural areas, along with the attribution of money for funding rural communities, seeking to stimulate agricultural productivity, constitutes an economic growth inductor desired at regional level. Agriculture, still the main economic activity of the Country, employing $\frac{3}{4}$ of the workforce in low productivity sustenance agriculture, will be the target of intervention by the Government, so as to improve the competitiveness of the sector, with the support of technological means and human resources, and special attention to the main cultures, such as rice, maize and coffee.

Ladies and Gentlemen,

Objectively speaking, the intention of the Government over which I have the honour of presiding is to go from a stance of reacting to the problems that hit us to one that is preventive and proactive, adopting a tight strategy integrated in matters of security and development, so as to act on the main frailties of the Country. This is a time for cohesion, because if we do not muster synergies towards the major common national goals, the efforts to build a better Timor-Leste will be useless.

Concerning unemployment and income insufficiency, the Government is reviewing the investment laws and other essential ones (such as the land property law) and captivating foreign investment, carrying out the tax reform, reducing taxes in the non-petroleum sector so as to increase private investment. However, if a safe and stable environment cannot be provided to companies and their staff, it will not be possible to make Timor-Leste an attractive place for investment.

While not underestimating the International Assistance that has been precious in nearly every area, and fully aware that we cannot meet all duties of a Democratic State under the Rule of Law or achieve the purposes I have listed without the assistance from our

Development Partners, we still need to give a new boost to the efforts by Timorese authorities.

Working together is working in partnership, rather than some parties merely giving and other parties merely receiving. Working together also presupposes mutual trust and solidarity. Today, more than ever, this is precisely what I ask of you: a vote of confidence!

To the international response to the crisis, translated in the strengthening of the United Nations peacekeeping mission and in the sending of forces within the scope of bilateral cooperation, the Government will respond with the provision of public order and security, as well as with the reintegration of those who were cast aside during the crisis.

The Timorese Government will use the support – both multilateral and bilateral – that the international community has been providing continuously to Timor-Leste to enable a prompt and efficient response in terms of peace building and of improving the quality of life of the Timorese people!

Thank you very much.

Kay Rala Xanana Gusmão

28 March 2008