

**The Secretary of State for the Council of Ministers and
Official Spokesperson for the Government of Timor-Leste
Ágio Pereira**



**January 20, 2011
Dili, Timor-Leste**

Timor-Leste predicted to be one of the top ten fastest growing economies for 2011

Predictions have emerged estimating Timor-Leste to top the global scale in accelerated economic growth for 2011, with ten nations announced to rank as the fastest growing economies for the year. From the Economist to the Central Asian newswire, the news spread world wide of those countries expected to achieve the highest economic growth rates in 2011. Timor-Leste was ranked in the top ten for 2008 and reached the highest economic growth rate in the region for 2009.

The prediction for Timor-Leste comes after three years of solid double digit growth rates and record petroleum revenue. As of December 17 2010, US\$2.172 billion had been collected in petroleum revenues in 2010, 29% above mid-year budget estimations, with the highest sum ever collected in tax revenues by petroleum operators of almost one billion, a 38% increase from 2009. For scale, the 2010 collection of petroleum revenue eclipses the total amount allocated for the 2010 and 2011 General State Budget combined, US\$838 million and \$985 million respectively.

The growth prediction comes as the Government utilizes the 2011 State budget to launch major investment plans into core infrastructure, human capacity, and sector development. Two major funds, the Infrastructure Fund and Human Capital Development Fund, will be the vehicles to drive a more streamlined, coordinated and efficient investment into targeted sectors. The initiative was considered necessary to mobilize the economy and fast track human, social and economic development while the young nation of eight years continues to build on institutional foundations.

While Timor-Leste remains the highest oil dependent country in the world with non-oil GDP per capita one of the lowest in the region, in 2007 a reformist agenda fuelled by expansionary fiscal policies radically changed the nation's social and economic landscape. Between 2007 and 2009, 96,000 people rose from extreme poverty, a 9% decrease. Timor-Leste has since become a global case study for post conflict and fragile nations. From 167 episodes of conflict in 81 countries, the average growth rate achieved five years after conflict was 5%, Timor-Leste experienced an approximate 15% growth rate in a relatively shorter time frame benchmarked from 2006.¹ High budget execution rates and reform to Public Finance Management in tandem with the World Bank has been the hallmark to improving economic growth.

The 2011 State Budget of US\$985 million has been passed in generality by National Parliament and is the largest to date to dedicate to rebuilding the nation and the People by providing employment opportunities, education and training opportunities, continued cash transfers for the most vulnerable and increasing food security measures amongst other initiatives. The full Budget period is aired nationally so full transparency prevails as the People now have the opportunity to watch or listen daily to the debates in entirety.

Secretary of State Ágio Pereira noted "Timor-Leste is at the dawn of a new era where our national identity will be served through fostering collectivism and national integration by continuing to stimulate our economy. We are proud of what we have achieved together through political maturity and determination. We have a long journey but are solidly on the path now with peace and stability as the main artery that has and will allow us to continue to grow. We are also very appreciative that the global community is recognizing Timor-Leste's achievements." **ENDS**

¹ Davies and Collier, 2008

Ágio Pereira+670 723 0011
E-mail:agio.pereira@cdm.gov.tl
or
govtlmedia@gmail.com
Website:
www.timor-leste.gov.tl