



**P R I M E  
M I N I S T E R**

**LECTURE BY HIS EXCELLENCY THE PRIME MINISTER OF THE  
DEMOCRATIC REPUBLIC OF TIMOR-LESTE  
KAY RALA XANANA GUSMÃO  
ON TIMOR-LESTE'S ROLE AND FUTURE IN A RISING ASIA PACIFIC  
DELIVERED AT THE S. RAJARATNAM SCHOOL OF INTERNATIONAL  
STUDIES, SINGAPORE**

**Singapore**

**4 June 2013**

Mr Barry Desker, Dean, S. Rajaratnam School of International Studies  
Excellencies,  
Ladies and gentlemen,

It is a great pleasure to be here today to speak at the S. Rajaratnam School of International Studies.

The RSIS is a leading educational institution and makes a valuable contribution to strategic thinking on national security, defence, diplomacy and international affairs in the Asia Pacific. Indeed, it is an honour to give a lecture for such a prestigious School.

The importance of critical thinking and discussion on these issues cannot be overstated in this uncertain and changing world. We were reminded of this, over the weekend, during the Shangri-La Dialogue, at which I was pleased to be a participant. This Dialogue presents another important international forum, for discussing regional security challenges and international cooperation.

At the Dialogue, I intervened on the topic 'defending national interest and defence'. Today, I have been asked to speak about a topic closer to home: Timor-Leste's role and future, in a rising Asia-Pacific.

Last month we celebrated the 11-year anniversary of the Restoration of our Independence and our nation is now moving towards greater international engagement, as we look beyond our shores to how we can contribute to the global community. However, before discussing our nation's future, I will speak briefly of our country's past and our current context. In this way, we can all consider the best course for Timor-Leste to chart, as we engage with the Asia Pacific and beyond.

Ladies and gentlemen,

I became aware that the motto of the RSIS is "Ponder the Improbable." This is a clever motto, as the path of human history is marked by unexpected twists and turns.

The dramatic fall of the Soviet Union, the Asian Financial Crisis, the development of the internet, the September 11 attacks, the Global Financial Crisis and even the Arab Spring – these were all events that both dramatically changed the world and were unexpected by most.

Another recent example is in Southeast Asia, where few predicted the remarkable pace of reform and progress that we are witnessing in Myanmar.

But even after these events occurred, their consequences were not fully known and we saw how they played out in unpredictable ways. The Asian Financial Crisis, in the late 90s, led to the establishment of democracy in the world's largest Muslim nation. The Global Financial Crisis denounced the unfairness of the practices of financial institutions, affecting world commerce and gave rise to the sovereign debt crisis, which

is causing havoc across the European Union. And we have seen the hopes and dreams of the Arab Spring turn into a nightmare for the people of Syria.

I see many young students in the audience today and we can all ponder the dramatic turns in history that you will experience in your life. The RSIS does us all a service by engaging us in thinking about the international scenarios we may face. This allows us to undertake strategic planning and preparation. And it reminds us that the future belongs to those that are ready for it.

Ladies and Gentlemen,

Today I want to start by talking about another event that was considered improbable by most – a free Timor-Leste.

The path of our history led us into a guerrilla war with a regional giant, with most of the world giving us little chance of success.

In fact, our past is similar to that of many Southeast Asian nations, which experienced a long history of European colonialism, followed by a difficult transition to independence, after the Second World War.

Along the centuries of Portuguese colonial rule, our people attempted, unsuccessfully, various revolts and also resisted in the period of occupation during the Second World War. And then, in 1974, a revolution in Portugal changed the system, by granting the right to self-determination to its colonies.

This was at a time of high international political tension in Southeast Asia. The war in Vietnam was raising western fears of the spread of communism and a year later, in April 1975, Saigon fell and communist governments came to power in Vietnam, Cambodia and Laos.

It was against this political backdrop, that we decided to take control of our destiny and, on 28 November 1975, we made an unilateral declaration of independence. Nine days later we were invaded.

Thanks to the courage and leadership of Foreign Minister S. Rajaratnam, Singapore was one of the very few nations to immediately denounce the invasion. I am, of course, grateful that His Excellency was on the right side of history.

But our people were forsaken by the major western powers that remained silent or supported our annexation. For 24 years, we fought a war without any external military support, while developed nations supplied weapons, tanks, aircraft and training to the occupying forces to destroy the resistance of the small Timorese guerrilla army. We were so small, and so ill equipped, and we were fighting a giant and its allies.

But we had a dream as our ancestors had a dream that inspired us to persist in the

guerrilla campaign in the mountains and valleys of Timor, as we never gave up in the diplomatic campaign at the United Nations and around the globe.

And finally, in 1999, our people were allowed to vote in a referendum on independence, supervised by the United Nations. On 30 August 1999, our people bravely voted for independence in the Referendum – but the vote brought more violence which left much of our country destroyed.

We did, however, achieve what most thought was improbable, if not impossible - the independence of our people and the establishment of a sovereign and democratic State of Timor-Leste.

I tell this story to you today, not only to share some of the background of Timor-Leste's place in the Asia Pacific. I also tell it, as a case study so that we can all ponder the improbable path that history can take.

Ladies and gentlemen,

For almost three years the United Nations administered our country, until our Restoration of Independence on 20 May 2002. After that, other missions remained in Timor-Leste to support our development. At the end of last year, we said good-bye to the last one, the United Nations Integrated Mission in East Timor. We are thankful for the international community support, through the UN, but now we walk on our own two feet as a nation.

Our early years of nationhood were not easy. Our legacy of colonialism and occupation left us with very limited human resources and almost no infrastructure. And we had no money. This meant that we had great challenges in building the foundations of our new nation.

Further, we were still, socially and psychologically, exposed to the trauma of the past, incapable of avoiding its consequences. We suffered setbacks and came through a cycle of violence, commonly experienced by post-conflict nations around the world.

The worst incidence of unrest occurred in 2006, through 2007, when we feared our country would be torn apart. Lingering disputes and conflict, between our police and military, led to widespread violence and burning houses. As a result, around 150,000 Timorese left their homes and became Internally Displaced People.

Those terrible events shocked us all and, as a nation, we realised that we had to come together, conciliate our differences and deeply reflect about the destructive way we were paving our future.

And so, we began a dialogue with all Timorese people, and started to address the root causes of the problems. It was only then that we were able to work through the issues facing our country and secure a lasting peace.

Our difficult process of dialogue took all the year of 2008 but was successful and, since 2009, we have enjoyed stability and we have a growing sense of hope and confidence in our future.

Timor-Leste is a small but emerging economy, with open and free markets. Since 2008, we have enjoyed average rates of economic growth above 10%, our sovereign wealth fund, the Petroleum Fund, has grown to over \$13 billion and we have some of the world's most competitive tax rates.

We still face many challenges as a nation. We need to radically improve our human resources, build core national infrastructure and eliminate extreme poverty.

But after building peace, we are now embarked on the process of State building. Having overcome a period of crisis, in which we had no option but to focus on resolving issues of the short term, we can look now to the future, which we want to be a bright one for our country.

After an extensive period of nation consultation, we released a long-term plan for the future: our *Strategic Development Plan 2011-2030*. This Plan provides a framework to move our country from a low-income country to an upper middle income country, with a healthy, well educated and safe population by 2030.

To implement this Plan, we are asking our people to demonstrate the same dedication and commitment to building the nation, as they did to the struggle for self-determination. Where once we dreamt of independence, we now dream of development.

Ladies and gentlemen,

Being part of Southeast Asia, and the broader Asian Pacific region, gives us reason for confidence in our future.

At a time of global economic weakness, the Asian region continues to make incredible progress. It is home to emerging economies that are driving world growth, lifting millions from poverty and shifting international economic and strategic weight to our region.

And Southeast Asia is a central part of this remarkable Asian transformation. The ASEAN group of nations together have a larger economy than India, Singapore has consolidated its place as a global financial centre and Indonesia is one of the great emerging economies of the world.

Improved governance, investment in human and physical development, along with its access to foreign and domestic capital, has helped power this incredible rise of Asia.

Singapore is the perfect example of this transformation. As a global centre of both knowledge and capital, and with its good governance, Singapore provides a model of success.

However, in this Asian Century, our region is still not without its challenges. Some of our economic growth has not been balanced and extreme poverty remains. Inequality is also rising which presents risks to our social fabric and progress. While the Asia Pacific region is home to many of the world's great economic powers, it is also home to nearly two-thirds of the world's poor. We are also seeing a worrying rise in gender inequality and violence against women and girls.

There are also growing regional strategic tensions, many of which are fuelled by a number of complex competing territorial claims. These tensions are rising, at the same time as the region's growing prosperity allows nations to modernise and expand their defence forces.

Now, as much as ever, we need to step up our defence and security dialogue. And we need institutions like the RSIS to help us navigate our future towards cooperation and stability.

This is because the continued growth of our region depends on its security. We need stable relations between nations and a focus on building positive relationships of respect and friendship.

We need to see international leaders moving beyond words of good faith to taking constructive actions - and participating in real dialogue and active engagement – in the best interests of our common security. Part of the solution to calm some regional tensions will also involve reconciling a past of conflict and building upon our shared interests.

This brings to mind North East Asia where we see a need to improve relationships between key players in the rise of Asia. We are in a historic period in which we have new leaders in China, Japan, the Republic of Korea and North Korea.

At the Shangri-la Dialogue, the Japanese Defence Minister, publicly expressed the apology of the Japanese Government and People to all the nations that suffered under Japanese occupation in World War Two. This was a sincere and courageous political gesture.

This should help provide an opportunity for progress and we all hope that this moment is seized.

And so, while the Asia Pacific has made tremendous progress, there remain challenges, that no nation can address alone.

Ladies and gentlemen,

This brings me to speak directly about Timor-Leste's role and future in the Asia Pacific.

We may be a small nation, but we are part of our interconnected region. Our nation shares an island with Indonesia. We are part of the fabric of Southeast Asia. And we are on the cross road of Asia and the Pacific.

We want to participate in the growing prosperity and success of the region, as well as contribute together to addressing our common challenges. Timor-Leste also knows that our future depends on our regional integration.

To develop our country, we need to invest in our people and our economy. And so, we have established a Human Capital Development Fund and are spreading our students throughout Asia, to learn the skills that are necessary for building our State. Timor-Leste is also open to foreign capital and investment, with some of the world's lowest tax rates, which are helping to power our positive economic growth.

Timor-Leste is also committed to greater political integration in the region. Closer to home, Timor-Leste has forged the most positive of relations with Indonesia. Many would have thought this too would be improbable.

In a model of reconciliation, and with a firm commitment to focus on the future, we have built a strong relationship of trust and friendship. Rather than being enslaved by the trauma of our history, we are instead honouring our struggle by working towards a better future for our people. We know that Indonesia and Timor-Leste not only share an island, we share a future.

We have also begun to hold trilateral meetings between the leaders of Australia, Indonesia and Timor-Leste. Last November, we held the first trilateral meeting with the President of Indonesia and the Prime Minister of Australia. Last weekend, the Ministers of Defence of the three countries held their first trilateral meeting, agreeing to meet on an annual basis for consultation and cooperation.

Again, if just over a decade ago someone had suggested that the three of us would be meeting in such a trilateral arrangement it would have been dismissed as more than improbable.

And as you know, Timor-Leste has made an application to join ASEAN. ASEAN has been a global success story in establishing a region of peace, cooperation and development. It should provide a model, and an aspiration, for so many regions of the world.

As Timor-Leste is part of Southeast Asia, we also want to be part of ASEAN and, together, contribute to regional growth, social progress and cultural development in a spirit of partnership. We feel like an integral part of our neighbourhood and have a

strong sense of regionalism and solidarity with our Southeast Asian Nations – we are one of you.

We also know we must work together on regional issues, including the management of cross border security threats and cooperate on humanitarian assistance, disaster relief, environmental management and the tackling of climate change.

Timor–Leste can also offer ASEAN the benefits of our special historical and ongoing ties and relationships across the globe. This includes with the Community of Portuguese-Speaking Countries, from Africa to Brazil.

Timor-Leste knows that it has to build its human resources to enable us to contribute fully to ASEAN. That is why we are training our people so that they can join the organisation, as a key part of our future role in Asia.

To progress our ascension to ASEAN, and to build Timor-Leste’s relationship with the South East Asian region, this year I will be visiting most ASEAN nations. Singapore is the second ASEAN country I have been to, on this program of Official Visits, and I am very grateful to the Government of Singapore for being so enthusiastic and supportive of this visit.

In April this year, Timor-Leste was honoured to take over the Chair of the 69<sup>th</sup> session of the United Nations Economic and Social Commission for the Asia Pacific. And so I have the privilege to Chair this session over the next year and work with ESCAP, and the nations of the Asia Pacific, to make further progress and improve human development. Again, this contribution is an important part of Timor-Leste stepping out, to be a part of not only the Asian region, but the Asia Pacific.

And we must not forget that an important part of the Asia Pacific is the great island nations of the Pacific. At times, Timor-Leste feels like a bridge between Southeast Asia and the Pacific Islands. We share so many of the challenges and the opportunities that the Pacific Islands face and we contribute strongly as an observer to the annual Pacific Islands Forum, which Timor-Leste always attends.

Our solidarity with the Pacific Islands runs deep. We will be ever thankful for the unwavering support of Vanuatu in our struggle for independence. We are working together with our close friend, the Solomon Islands, on tackling the shared fragility of our countries. And we are in solidarity with the Republic of Kiribati, the Marshall Islands and Tuvalu that are slowly sinking into the vastness of the ocean, because of the perils of climate change.

Ladies and gentlemen,

The people of Timor-Leste want to contribute solutions to some of the human development challenges facing the Asia Pacific. We know that, to do so, involves not only local and regional responses but also global commitments and action.



I have already mentioned some of the development challenges that the Asia Pacific faces. This includes widespread poverty, rising inequality and violence against women. Regrettably, these are development challenges that are common through much of the world. They are also the challenges that the Millennium Development Goals were designed to address.

As you know, the world is now in a dialogue to develop the post-2015 development agenda, on the expiry of the MDGs. Timor-Leste is proud of having our Finance Minister, Emilia Pires, as a member of the High Level Panel. I can inform that the Minister has just returned from New York in that role, having the Panel finalised the report to the Secretary General. This report will be presented to the United Nations General Assembly in September.

We are determined to ensure that the United Nations is aware that not one fragile or conflict affected nation has achieved even one Millennium Development Goal.

That is why in 2010, Timor-Leste hosted an international conference with the theme “peace building and State building”. A significant outcome of the conference was the formation of the ‘g7+’, an international forum that provides a united voice for fragile countries to advocate for change in global development policies.

The ‘g7+’ countries know, from bitter experience, that it is not possible to eradicate poverty without peace and stability. That is why the ‘g7+’ nations are working together to ensure that the post-2015 development agenda addresses the need for peace and stability, and that the perspectives of fragile States are central to the global dialogue.

This message was repeated loudly and clearly, when the ‘g7+’ nations, and some of our neighbours from Asia and the Pacific Islands and also from Africa and Middle East, met in Dili, in February of this year, at an international conference, hosted by my Government with the theme “Development for All”. The Conference agreed on the “Dili Consensus”, that set out our priorities, and hopes, for the post-2015 development agenda.

The ‘Dili Consensus’ recognised that the standard approaches to development have failed to acknowledge that the challenges we face vary depending upon local context. That means the problems and solutions to achieving human development will differ from a Southeast Asian nation, compared to one of the Pacific island nations and that it will not be possible to eradicate poverty in the Asia Pacific, and across the world, without first addressing the issues of fragile and conflict affected countries.

Ladies and gentlemen,

Timor-Leste is not only a small country; we are also the youngest nation in the Asia Pacific. Precisely because we are small, and because we are young, it is important that

we work together with our neighbours to improve the lives of our people and the human development of our region.

I have covered a lot of ground today, setting out the history of Timor-Leste in the context of the rise of the Asia Pacific and charting a course for our nation's international engagement. I know in doing so, I have touched on many issues and I hope that, in at least a small way, this provokes some of you to ponder the future, and importantly, to ponder the improbable.

Thank you very much.

Kay Rala Xanana Gusmão