



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

**ADDRESS BY HIS EXCELLENCY THE PRIME MINISTER OF
THE DEMOCRATIC REPUBLIC OF TIMOR-LESTE, KAY RALA
XANANA GUSMÃO, ON THE OCCASION OF THE SEMINAR
ON “ECONOMIC GLOBALIZATION AND INVESTMENT
OPPORTUNITIES: THE CPLP AND THE ASIA-PACIFIC
REGION”**

**“Timor-Leste’s Presidency of the CPLP: a Vision towards the
Future”**

Dili Convention Centre

24 July 2014

Your Excellencies,
Ladies and Gentlemen,

I would like to start by thanking everyone here for attending this event: the international representatives who have visited us, our partners in Timor-Leste and the national private sector.

It is also an immense pleasure to host the Prime Minister of Portugal, Mr Pedro Passos Coelho, who is starting today the first Official Visit by a Portuguese Head of Government to our country. This represents one more step in the relationship of friendship and solidarity that has always existed between Timor-Leste and Portugal.

As you know, yesterday Timor-Leste received the rotating Presidency of the Community of Portuguese-Speaking Countries from the President of the Republic of Mozambique. Timor-Leste will hold this Presidency during the biennium 2014-2016.

It was with great honour, but also with responsibility, that we accepted this role. The inauguration of Timor-Leste's Presidency of the CPLP is made even more special because it has brought the highest representatives from the other Portuguese-speaking nations throughout the world to this far away country, a remote half island in the Asia-Pacific.

Created in 1996, the CPLP was born out of a shared cultural identity, seeking to create a space for solutions towards the individual and collective development of our Peoples.

During these almost twenty years of history, the CPLP has focussed primarily in three key areas: diplomatic solidarity, technical cooperation and the development of the Portuguese language, which was the basis for the CPLP.

However, as we prepare to take on the Presidency of this institution with tremendous potential, we believe that the CPLP can and should do more.

Being a group of countries that represents today over 250 million people and that features incomparable natural resources and a cumulative geostrategic position that provides access to the major economic growth regions in the world, Timor-Leste has chosen as the theme for its Presidency "The CPLP and Globalization".

We want this biennium to be characterised by greater economic and business stimulus between member States and their respective key partners. This intention is a key element in the Action Plan for the Presidency that we presented yesterday at the Dili Summit.

As such, our Presidency will seek to encourage the development of business projects between member States strengthening the national private sector and making use of the transfer of technology and expertise within the

Community to promote new strategic partnerships enabled by our integration in different key regions within the globalised economic system.

We want to focus on the hydrocarbon sector, by studying the creation of a consortium between companies from the member States, so as to ensure that the enormous reserves available to us are translated into fair wealth for our nations.

With this goal of nurturing the economies of the CPLP countries, we have started a comprehensive reflection on the mechanisms and instruments that are available to us or that may be created in order to ensure that our development process leads to the improvement of the living situations of our Peoples.

We officially started that reflection at a meeting held on Monday – the findings of which have just been presented by the Minister of Finance – that brought together the Ministers of Finance of the CPLP and their representatives with key partners from other international forums and organisations, so as to discuss the impact of the financial crisis on the public finances of the CPLP.

That meeting already conveyed the intention by the Government of Timor-Leste to make this debate as broad as possible, expanding the influence of the CPLP through dialogue with other agents. We believe that the economic stimulus of this influence must be achieved by having the CPLP open to the outside rather than close in around itself.

We are experiencing this intention today, at this Seminar. In today's globalised world, replicating the fraternity that exists within the CPLP in other spaces of dialogue will strengthen our position in the world.

We rely on everyone in attendance for this process of reflection and debate. The next key event will be the organisation, at the start of 2015, of the Global Economic Forum, to which you are all invited. This will be undertaken in close collaboration with the Business Confederation of the CPLP, which is here today.

Your Excellencies,
Ladies and Gentlemen,

The globalisation of our economies has changed significantly our position within the international framework. The dilution of borders, as a result of the advances in information and communication technologies, has led to the fast expansion of markets and to an enormous interdependency by economies as different as the ones, for instance, of the CPLP countries.

By itself, globalisation creates critical challenges that require greater competitiveness within the international arena. Additionally, it can often nurture individualistic trends, with each isolated State trying to respond to its own pressures. However, this global dynamic also provides exceptional opportunities for boosting strategic synergies that can generate actual social and economic benefits.

Leaving aside the challenges, globalisation can also provide greater access to the world!

The most unique aspect of Timor-Leste's Presidency of the CPLP was clear before we even started setting targets and goals for this period. For the first time in 18 years of existence, the Community was relocating its epicentre from the Atlantic to the Asia-Pacific.

Today, Asia includes two of the three largest economies in the world. These economies have, with great vision, succeeded in combining technological progress, skilled human resources and access to capital in order to become great emerging centres in the international system. Asia's growth is lifting hundreds of millions of people from poverty, while serving as an economic engine for the rest of the world.

This century, which is the great Asian Century, is unquestionably marked by the emergence of China in international markets. China, which is a key partner of Timor-Leste, succeeded in expanding its reach across the entire world and in maximising the potential offered by the new global networks.

In preparation of Timor-Leste's membership in ASEAN, which is also a unique international success story, I visited every ASEAN country and found that they all wanted new investment partnerships.

In view of Asia's current vibrant situation, Timor-Leste wants to make use of its unique geostrategic standing and provide a platform of complementariness between Asia-Pacific and the European, African and Latin American regions to which the CPLP countries have access.

Your Excellencies,
Ladies and Gentlemen,

We know from experience that nowadays strategic partnerships are the cornerstone of an economy that seeks to enter the globalised system. Timor-Leste is, as you all know, a young country that, in trying to find its place in the world, has always sought to learn from other experiences and to apply them to its own intrinsic realities.

We are committed to several regional and international organisations and forums that use dialogue as a catalyst for peace, stability and collective development. The g7+ has been one of the most rewarding experiences within this framework, as a result of the exchange and solidarity that it generates between fragile and conflict-afflicted countries. Having 20 countries speak in one voice, the g7+ has advocated a "New Deal" to ensure that the new post-2015 development agenda puts the perspectives of the fragile States at the centre of the debate.

From the very start, we have been walking side by side with our development partners. The success, albeit modest, that we have been experiencing in

these initial years of independence demonstrates that we are on the right track.

Since 2007 we have been growing at an average of 11.9% per year. While this is undoubtedly positive, it will only have actual meaning if it is translated into sustainable and inclusive growth, which is the main goal of our Strategic Development Plan 2011-2030. The Plan seeks to develop a diversified economy based on three key sectors: tourism, agriculture and petroleum. In order to achieve this, we know that we need a stronger private sector.

Aware that our private sector requires support, we are investing in the building of infrastructure, such as a port, a new international airport and a road network, in order to facilitate trade and attract investment. We also have low tax rates that are attractive for foreign investors.

The priority that we attribute to the consolidation of the institutions enables us to have a structure that generates trust. We are noted for our transparency – indeed, we were the first country in Asia and only the third in the world to achieve compliant status with the EITI (Extractive Industries Transparency Initiative). We have a sovereign wealth fund, our Petroleum Fund, which has already exceeded \$15.7 billion.

We know that it is vital to build the capacity of our human resources and to create jobs for our youth. As such, we are investing in large projects, such as the development of the South Coast and the two projects that you will learn about this morning: the integrated sub-regional development plan involving the nearest provinces in Indonesia and the Northern Territory of Australia, and the Special Zone of Social and Market Economy.

By expanding its horizons, Timor-Leste is strengthening a network of sharing. We want this network to be your network as well.

Your Excellencies,
Ladies and Gentlemen,

Globalisation reduces the distances between us, expands our paths and liberalises connections. It does so within a dynamic network that facilitates the sharing of expertise and experiences, while boosting international trade and investment.

Timor-Leste's vision for the CPLP entails walking those new paths together, in order to achieve development and to provide a better future for our peoples.

Thank you very much.

Kay Rala Xanana Gusmão
24 July 2014