



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

**SPEECH BY HIS EXCELLENCY THE PRIME MINISTER OF THE
DEMOCRATIC REPUBLIC OF TIMOR-LESTE, DR. RUI MARIA DE ARAÚJO,
ON THE OCCASION OF TIMOR-LESTE ASSUMING THE PRESIDENCY OF
THE CPLP BUSINESS CONFEDERATION AND THE STATUTORY BOARD
BEING SWORN-IN**

Dili, Timor-Leste

28 February 2015

Your Excellency Former Prime Minister and President of the Authority of the Special Administrative Region of Oe-Cusse Ambeno, Dr. Mari Alkatiri

Your Excellency the Honorary President-Elect of the CPLP Business Confederation and President of ANJET, Mr Jorge Manuel de Araújo Serrano

Your Excellency the Chairman of the Business Confederation, Dr Salimo Abdula

Your Excellency the Chairman of the General Meeting of the Business Confederation, Commander Jorge Rocha de Matos

Your Excellency the President of the Business Confederation Tax Council, Dr José Severino

Your Excellencies the Businesspeople from the CPLP Member States

Your Excellencies,

Ladies and Gentlemen,

It is with great honour and satisfaction that Timor-Leste assumes the Presidency of the CPLP Business Confederation for the first time, as a result of Timor-Leste currently holding the rotating Presidency of the CPLP.

This is the first of several meetings and reunions within the scope of the CPLP that we will be organising and hosting in Timor-Leste this year. And I would say that it is fitting that the first initiative under our Presidency should concern the business and economic sector, which is the cornerstone of our action program!

As such, I want to thank all of you from the national private sector, and in particular those who travelled to Timor-Leste in order to take part in this meeting.

As you know, one of the objectives of the Business Confederation is promoting relationships between companies in the Portuguese-speaking countries, thereby promoting business development and strengthening trust between economic partners and financial institutions within the CPLP member states. Evidently, these objectives move side by side with the vital goals we want to achieve in our countries – the eradication of poverty, the promotion of sustainable development and the reduction of asymmetries between CPLP countries.

The Timorese Presidency has chosen the subject “CPLP and Globalization” for the 2014-2016 biennium, seeking to frame and guide the strategy that we consider to be essential to the future of the organisation. This strategy requires us to acknowledge that we must project and open our community to the world. In other words, we must understand that

one of the unique features of our organisation, in addition to the things that unite us and bring us closer, such as our history, our language and our culture, is our distance. The CPLP member states cover four different continents, which truly opens a sea of opportunities.

Indeed, we believe that this geographical distance should be seen as both an advantage and an opportunity. We must make use of the privileged location of Timor-Leste in what is currently considered the economic, financial and strategic hub of the world – the Asian continent. The economic growth we are trying to create among the CPLP member States requires us to create new synergies, to consider new investments and to establish new partnerships, not only within the privileged space of this community but also outside of it, within the global space we have mentioned.

Here I must mention the initiative of creating a technical study group that is open to the participation of the member States, seeking the eventual joint exploitation and production of hydrocarbons and the creation of a consortium that is open to companies from the CPLP countries. This is a project to be nurtured and which, if achieved, will unquestionably represent the joining of forces and the sharing of experience and knowledge so that we may exploit an asset that is bound to strengthen our countries.

I must underline that next June we will have the First Conference on Energy for Development, to be held in Lisbon. I am certain that this Conference will enable important steps towards the creation of new partnerships within this key sector.

Your Excellencies

Ladies and Gentlemen,

As I have stated, one of the cornerstones of the Action Plan of the Timorese Presidency of the CPLP, presented at the Dili Summit in July of last year, is economic and business cooperation.

We believe that, in addition to the relevant work that is being done in terms of consolidating political, diplomatic, cultural, educational and development cooperation relations, it is vital to strengthen economic and business cooperation among the CPLP member states. Each should contribute to the creation of new opportunities in the privileged spaces of our regions, as well as maximise our potential in other aspects.

Without sustainable and transparent development of our countries' private sectors we will not be able to respond to one of the greatest problems that affects every CPLP member state – unemployment. Unemployment means vulnerability, inequality and lack of opportunities. It also means that any possible welfare scheme will not be sustainable.

Ultimately this leads to insecurity and to threats to peace and stability, and I believe that we all agree that these situations are undesirable.

As such, it is in everyone's interest to make sustainable economic development a reality, based on the creation of business and investment opportunities, on the creation of partnerships between companies in our countries and on the sharing of expertise and technology, enabling us to do more and to do better, with a focus on competitiveness. Sustainable economic development should also be nurtured by mutually beneficial relations that enable human and social development in our countries.

As you know, Timor-Leste is a young country that has recently come out of a very violent conflict that left us in a situation of great vulnerability. The lack of basic infrastructure for providing services to the population, the near total inability to produce goods for meeting the basic needs of a population that was already fragile and traumatised by war, were elements that naturally made the path towards development a very difficult and challenging one.

This is why Timor-Leste drafted an inclusive development strategy, known as the *Strategic Development Plan 2011-2030*, in which all the agents in this process take on leading roles. Consequently, the success of the Plan is truly dependent on the performance of the agents involved.

Therefore, in addition to significant public investment for building the vital basic infrastructure, the creation and consolidation of State agencies, the delivery of services to the people and, the training and capacity building of human resources and the strategic investment in the most important economic sectors, such as agriculture, petroleum and tourism, we have been working in order to create and strengthen a private sector in Timor-Leste.

I am speaking of cooperatives, small and medium companies, economic and business groups and consortiums, as well as the creation of agencies for attracting foreign investment and enabling the internationalisation of our products. Our goal is to have a strong private sector that can mobilise the interests of businesspeople, particularly within the Portuguese-speaking world, and open doors to partnerships and to the execution of projects and businesses in Timor-Leste and in this rich region in which we live.

Obviously, it is difficult to speak about economic activity without speaking about financial activity. Companies, particularly small and medium ones, require access to capital in order to grow and to diversify and increase their economic activity. We have not neglected this reality, and in addition to creating the National Commercial Bank we are about to establish the National Development Bank, which will certainly support the Timorese private sector so that it can grow and obtain the necessary means for

expanding its activity. This in turn will create jobs, which are essential in a country where more than 50% of the population is under the age of 19.

Another strategic option we have adopted to transform Timor-Leste into a country that is attractive to foreign investment, was to create a competitive tax policy and of improving the company registration process. These measures, as well as others, are essential for putting us in a position where we are able to compete with other emerging economies also seeking to attract foreign investment, particularly in this already long period of global economic weakness.

Together with public investment, these policies allowed Timor-Leste to stand out in having a double-digit economic growth rate over recent years. We want to strengthen the policies promoting this growth and to adapt them to the ever-changing new world order. A country like Timor-Leste that is highly dependent on petroleum, which is a non-renewable resource, must strive for diversification. A country that is fiscally competitive cannot neglect the need for sustainability, so that the wealth from progress can reach everyone.

As such, it makes perfect sense to develop a project such as the Special Zones of Social Market Economy in Oecusse Ambeno and Atauro. We are allying the promotion of and investment in the private sector to the improvement of the living situation of our people. In other words, we require everyone to contribute to development through work, education, investment and technology.

Before I conclude, I would like to wish success to the new Statutory Board of the CPLP that is being sworn-in today.

I rely on your support and collaboration so that we may realise the proposals made to strengthen economic and business cooperation under the program of the presidency of the CPLP. Indeed, one example of this cooperation is the GLOBAL ECONOMIC FORUM OF THE CPLP, to be held in Dili, in close partnership with the Business Confederation. This will display our commitment in bringing companies, businesspeople, government leaders and the civil society to the development arena, so that by working together we may create synergies and new strategies for promoting integrated, inclusive and sustainable economic development.

“One for All and All for One” which is the motto of our Government.

Thank you very much.

Dili, on 28 February 2015

Dr. Rui Maria de Araújo