



PRIMEIRO
MINISTRO

2ª CONFERÊNCIA INTERNACIONAL SOBRE O INVESTIMENTO EM TIMOR-LESTE

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Discurso de S. E. o Primeiro-Ministro, Dr. Mari Alkatiri

Excelências

Senhoras e senhores,

Sejam bem-vindos a Timor-Leste! Espero que tenham sido bem recebidos neste país que também é vosso, e que ao longo dos próximos dias tenham uma estadia agradável e frutuosa que vá de encontro às vossas mais altas expectativas.

Para que todos os presentes possam acompanhar esta minha curta intervenção, deixarei de falar a nossa língua oficial e passarei a utilizar a Língua Inglesa que, como sabem, é uma das línguas de trabalho do nosso país.

Excellencies, Ladies and Gentlemen

Welcome to Timor-Leste, a country proudly getting ready for more business, investment and trade on the pathway towards development.

First of all, I would like to congratulate *INFORMA* and *TradeInvest* Timor-Leste for this initiative and reiterate the Government's continued commitment to transform that public agency into a one-stop-shop for private investment in the country in order to better serve as a facilitating entity in providing effective investor and exporter care for every business venture.

Your presence in this Second International Investment Conference is not only a great encouragement for the 7th Constitutional Government and the East Timorese People, but also an irrefutable indicator that choosing the private sector as a propelling element in our economy is the right way forward in order to achieve sustainable development while assuring equal opportunities for all.

For a young and small country, we are blessed with a generous amount of natural resources to jump start our development. Since the Restoration of our Independence, these resources have helped us secure the foundations for a sustainable and growing economy and an optimistic future. We have been cautious in managing the windfall from our natural resources development and have avoided the perils of plenty – known as *Dutch Disease*. Up to now, our resources have been a blessing, not a curse as has been the experience of many other countries.

We strongly believe you join us because you mean business, you see investment opportunities in Timor-Leste and you are interested in making investments with considerable economic returns, in a business-friendly environment, whereby doing business is neither too cumbersome nor too costly. And the country must deliver. Fortunately, Timor-Leste is proudly getting ready for business. The country is endowed with economic potentials and the Government has been deeply engaged in promoting economic reforms to diversify the economy.

With the help of the petroleum resources, we are now on path to diversify our economy and reduce our dependency on petroleum resources. We are deeply committed to building an inclusive market economy and a brighter future for our people. To that end, there is a vision in place, a strong political will and commitment that cuts across all partisan lines which includes legal reforms, to develop a better enabling business environment along with an economic infrastructure development program.

To date, petroleum resources have been our most valuable commodity. Since 2006, revenues from the mineral extraction in the Timor Sea have helped to finance most of our expenditure and stimulate our economy. As the operations in the Timor Gap, namely in the Kitan and the Bayu Undan fields, come to an end, we are preparing to take on an even bigger oil field to the east, the Greater Sunrise field.

The Greater Sunrise field can soon be developed now that Timor-Leste and Australia have reached an historic maritime boundary agreement in Copenhagen on 30

August this year, not only setting a permanent maritime boundary, but also establishing the regime for governing Greater Sunrise as a shared resource. We are very optimistic for a rewarding outcome. Yet, our natural resources potentials are not limited to the Greater Sunrise gas fields.

Ladies and Gentlemen,

There are also great potentials for **mining onshore**, for metal and non-metal minerals. Geological surveys and research have identified the existence of gypsum, sand & gravel, talc, wollastonite, phosphate, marble, limestone, kaolin, clay and bentonite. Metallic mineral deposits identified so far include manganese, copper and gold, chromite, silver and iron sand.

There is ample evidence attesting to the distribution of these mineral across the island and we are eager to engage mining companies to carry out further prospecting in order to determine the commercial viability of the deposits and extract them accordingly. We have started to grant licenses to firms to start onshore extraction and other related activities and our national oil company, Timor GAP, is ready to partner with any serious investor in these ventures.

We also plan to develop the necessary infrastructure to support a petroleum industry. The plans for a supply base in the south-eastern corner of the country, in Suai, and a petroleum hub in south-central coast, Beaçó, are underway. These two bases will be linked by a corridor through the southern plains of the country. The

infrastructure will support the development of an onshore processing centre and develop other potentials in the south of the country.

Friends,

A few kilometres from here, a world class port in Tibar will commence construction soon. The new international cargo terminal will contain a 630-metre two-berth facility and a container terminal capable of handling over 870,000 containers annually at full capacity.

We will also overhaul our international airport in Dili and move towards modern facilities to accommodate increased demand in the medium term.

Nevertheless, we are not blinded by the prospects in our oil, gas and mining sectors and ignore our other potentials.

In the medium-term, our non-oil exports will focus on **agricultural** cash crops including coffee, spices and other niche products. We are also emphasizing integrated farming methods in our agriculture to achieve greater sustainability and exploit the potentials for organic products.

In the long-term, Timor-Leste has considerable potential to develop a profitable commercial **forestry industry**. High value species such as sandalwood, teak, rosewood and mahogany are each well suited to Timor-Leste's climatic and soil conditions. Forestry has the potential to also supply wood processing and furniture industries for the domestic market.

The **Fisheries** sector also has significant potential to be expanded. Timor-Leste has recently licensed foreign investors in the maritime fishing sector. In the medium term, the Government is planning to develop port and fish processing facilities to capture increased economic value from this natural resource.

Tourism is also nominated by Timor-Leste's Strategic Development Plan as a priority sector. The Government of Timor-Leste has adopted a Tourism Policy and is undertaking intensive planning in the public sector to support growth in tourism. Besides the traditional sun, sand and sea tourism, Timor-Leste has great potential for niche tourism markets such as scuba diving, cultural and historical tourism.

For example, the island of **Atauro**, to the north of Dili, boasts one of the most biodiverse marine ecosystems in the world. The Ombai Strait between Dili and Atauro is a major migratory route for whales, migrating between Pacific and Indian oceans. Tourists will experience a truly unique experience in this region.

Friends, Ladies and Gentlemen

Another region with great niche potential due to its biodiversity, history, tradition and culture is **Oé-cusse Ambeno** – a territory of Timor-Leste's main island. In that territory, we are embarking on an inclusive development model of agriculture and cattle raising where an integrated system has been implemented since 2014 aiming to improve the living standards of the local communities and, at the same time, to involve them in the development

process of a social economy, always having the market as cornerstone for development.

I will not expand further on Oé-cusse Ambeno given that the Acting President of the Special Region will be speaking on this topic. Nevertheless, I would like to tell you that I was particularly happy to know that some of you will visit the territory and see by yourselves the development which is taking place and making on the ground assessment of the potentials in that region.

Currently, most of our visitors come from Australia, Indonesia, Singapore and Portugal. But we hope to drive growth in visitor numbers in the medium term. The minimum target is to increase visitors from the current 55,000/year to 200,000/year by the year 2030, requiring further infrastructure development, particularly our airports.

Most importantly, we are making every effort **to improve ease of doing business** in Timor-Leste. We have started the process to streamline business activities and ensure predictability of investment returns and legal protection of investments for generations to come. To that end, a legal framework compliant with international best practices, particularly ASEAN guidelines, for private business/investment is being developed.

This encompasses the replacement of obsolete frameworks with more modern and simplified laws and regulations, such as the Law on Commercial Companies, Commercial Registration, Commercial Licensing and the Private Investment Law, which will enter into force as of 1st

January next year. We are also approving key commercial laws that meet international standards, such as arbitration and mediation, bankruptcy and insolvency, as well as laws covering secure transactions, and intellectual property.

Also, the present Government is accelerating the process to regulate land and property as well as to promote access to land for investment. A major outcome has been the recent approval of the Land and Property Base Law already in effect.

In addition, my Government is working to eliminate unnecessary and excessive bureaucracies that raise costs for doing business, and provide inputs to the private sector at a reasonable cost, including access to financial services, while streamlining import and export processes, and improving public service delivery.

Friends, Ladies and Gentlemen

In concluding my remarks, I am calling for your attention to the existing potentials and attract your interest to invest in Timor-Leste. Join us in building a peaceful and prosperous nation and in return you will count on our full support every step of the way.

Thank you. Muito obrigado.