

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



January 3, 2011  
Díli, Timor-Leste

**Government of Timor-Leste welcomes 2011 with resolve and support of  
the People**

“2010 marked a milestone in Timor-Leste” noted Secretary of State Ágio Pereira, “For 430 years, we have been subject to the trials of occupation, war, transitional authorities and subsequent uncertainty and instability. This year, however, we stand in a new Timor-Leste. A Timor-Leste deserving of the peace attained. One that is bustling with markets and parks, children in school and people filling our churches during this holiday season. We are united in a common vision with a focussed purpose, a direction which has been fostered by the uncompromised determination of our People.”

The eight year old, half island country in South East Asia of less than 1.2 million citizens will bring in the new year with a resounding level of nationalism having surfaced from cyclical crises since 2002, to reach some of the most notable economic and social improvements globally in 2010. Prime Minister, His Excellency Xanana Gusmão, and his Government have been credited for uniting the country by aggressively pursuing an agenda of reformist policies and establishing the primary conditions for the People to rebuild their nation.

Timor-Leste now reflects an upwardly mobile and stable nation emerging from poverty. Some 96,000 people rose from extreme poverty after US\$1.4<sup>i</sup> billion of public spending delivered a 9%<sup>ii</sup> decrease in poverty, reversing the trend of rising poverty revealed in 2007 which had peaked at 50%<sup>iii</sup>. Unemployment has plummeted with latest statistics revealing an average of 95% of men age 30-49<sup>iv</sup> and approximately two in five women aged 15-49<sup>v</sup> were classified as currently employed. The development trend towards progressive urbanization is emerging. In 2007 85% of all Timorese were employed in the agriculture sector, now 67% of employed men and 61% of employed women are engaged in agricultural jobs with the sales and service sector now employing 22% of women and 14% of men.<sup>vi</sup>

Health indicators are improving rapidly. 78% of children are now treated for basic illnesses<sup>vii</sup>, 86% of mothers now receive antenatal care of some degree (an increase of 41%)<sup>viii</sup>. The incidence of malnourished women has decreased by 29% in the past decade<sup>ix</sup>. Millennium Development Goals have been reached for infant and under five mortality rates. Successful treatment of TB patients reached 85%<sup>x</sup> and in 2010 the fertility rate fell to 5.7<sup>xi</sup>, a decrease from 7.8 in 2003<sup>xii</sup>.

Living conditions have improved. Overcrowding which increases the risk of contracting infectious diseases has been reduced with half of the households in Timor-Leste have three or more rooms for sleeping<sup>xiii</sup>. Nearly one in two households now has access to drinking water on the premises.<sup>xiv</sup>

The proportion of households with electricity has increased 12% since 2003, 83% of households in urban areas have electricity, compared with about one in four (24%) households in rural areas. The Gusmão Government has now promised 100% coverage, a primary condition for all social and economic growth.

Benchmarked against global indices, Timor-Leste’s economic growth in 2009 of 12.9%<sup>xv</sup> was the highest growth rate in the region and the national economy was ranked as one of the top ten fastest growing economies in the world for both 2008 and 2009.<sup>xvi</sup>

Reforms to Public Finance Management have been a hallmark to growth. In the World Bank Doing Business Report, reforms to the taxation system increased the global rank from 75 to 19 and overall Doing Business improved by 7 places<sup>xvii</sup>. The 2010 United Nations Human Development Index records an increase in rank of 11 places since 2005 with Timor-Leste

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now in the medium human development category<sup>xviii</sup> and the recent 2010 Corruption Perception Index from Transparency International shows an increase in rank of 19 places over the past 12 months<sup>xix</sup>.

Timor-Leste was the third country in the world to achieve full compliant status with the Extractive Industries Transparency Initiative. Revenue Watch Institute and Transparency International ranked Timor-Leste in 2010 as being in the top group of countries with comprehensive revenue transparency.<sup>xx</sup> Petroleum revenues skyrocketed in 2010. Timor-Leste recorded an increase of 38% from 2009 levels with the highest petroleum revenues on record of US\$2.172 billion; funds which will be utilized now and in the future to heavily invest into the nation and the People.

Secretary of State for the Council of Ministers Ágio Pereira noted “Our people are diversifying, becoming entrepreneurial and innovative, we are working together to overcome extreme obstacles and challenges inherent to our conditions as a young, fragile nation. While we are an impoverished nation, we are not poor; and we will mobilize our resources to ensure peace, growth and a prosperous Timor-Leste for all future generations. However, it is our past generations and this generation that can be credited for today, for our successes in 2010 and for what we are to achieve in 2011. Our biggest asset is the profound sense of dignity of our People which ensured us freedom and sovereignty. It remains the overriding foundation of success, for the present and future generations.” **ENDS**

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<sup>i</sup> Ministry of Finance, Macro Directorate, a sum of the “Executed Actual” from the 2008 and 2009 budgets plus a portion of 2010

<sup>ii</sup> World Bank, A 2009 Update of Poverty Incidence in Timor-Leste using the Survey-to-Survey Imputation Method, <http://siteresources.worldbank.org/INTTIMORLESTE/Resources/tlpovertynote.pdf>

<sup>iii</sup> Timor-Leste Standard of Living Survey 2007

<sup>iv</sup> Ibid page 38

<sup>v</sup> Timor-Leste Demographic Health Survey 2009-2010 page 40

<sup>vi</sup> Ibid page 41 and 42

<sup>vii</sup> Ibid Summary of Findings page xxii

<sup>viii</sup> Ibid page 114, the rate reported in the Demographic Health Survey of 2003 was 61% so the new result represents a 41% improvement

<sup>ix</sup> Ibid Summary of Findings page xxiii

<sup>x</sup> Ministry of Health 2010 Proportion of TB cases cured detected under DOTS

<sup>xi</sup> Ibid page 50

<sup>xii</sup> TFR estimate based on Timor-Leste Demographic Health Survey 2003, Ministry of Health 2004 page 70

<sup>xiii</sup> Timor-Leste Demographic Health Survey 2009-2010 page 26

<sup>xiv</sup> Ibid page 24

<sup>xv</sup> Ministry of Finance, Macro Directorate, 2010

<sup>xvi</sup> CIA World Factbook

<sup>xvii</sup> Doing Business 2010 Reforms Through Difficult Times, World Bank/IFC, page 157

<sup>xviii</sup> UNDP Timor-Leste Human Development Index, Press Release 8 November 2010

<sup>xix</sup> Corruption Perceptions Index 2010, Transparency International, page 9

<sup>xx</sup> The Revenue Watch Index 2010 - Transparency, Governments, and the Oil, Gas and Mining Industries