



**OFFICE OF THE PRIME MINISTER**

**ADDRESS BY HIS EXCELLENCY THE PRIME MINISTER  
KAY RALA XANANA GUSMAO  
AT THE AUSTRALIA/TIMOR-LESTE BUSINESS COUNCIL  
RECEPTION**

**Sydney, Australia**

**20 February 2012**

Thank you Denis Fernandez for your inspiring words and your excellent work as President of the Australia Timor-Leste Business Council.

I'd also like to acknowledge:

H.E Secretary of State, Council of Ministers, H.E. Agio Perreira

H.E. Abel Guterres, Ambassador to Australia and New Zealand

H.E. Miles Armitage, Australia's Ambassador to Timor-Leste

Mr Barry Grant, President of the Commando Association of Australia

H.E. Estela Ferreira – Goodwill Ambassador for Timor-Leste

Representatives from the NSW Government

My very good friend Mr Jerry De Susa

And all the friends of Timor-Leste here with us tonight - thank you for coming.

I would like to thank the Council for organising this event and for its ongoing and strong support of business relationships between our two countries.

I am always pleased to address an Australia Timor-Leste Business Council event.

I did so in 2006 as President and in 2008 as Prime Minister.

Today, I am particularly pleased to be speaking to you.

Not only because it is good to be back in Sydney to meet with many friends who are here today.

But because today I have a brighter story to tell.

Some of you may have heard me speak in December 2006.

It was a terrible time.

In 2006 we tripped and fell. We became caught up in a terrible internal conflict, with widespread civil unrest, that tore at the fabric of our young nation.

At that time I did my best to encourage the business people who had showed faith in our nation.

But the reality was we had just began our process of State building and peace building and our institutions were very fragile.

The business environment in Timor-Leste was poor. We had out-dated and complex business processes, taxation systems and a lack of insurance.

When I spoke at an Australia Timor-Leste Business Council event in 2008 we were in a much better position.

We were making reforms to our State and its administration and we were building peace and security.

At that time I encouraged you all to make the most of the 'first mover advantage' and invest in Timor-Leste.

Looking back, 2008 was a perfect time to invest as Timor-Leste was emerging as a growing economy. Those with the vision and foresight to invest then would have been well rewarded.

And today, I am pleased to say, is an even better time to do business and invest in Timor-Leste.

It has been a long road to get where we are today but we have made much progress and we must not turn back, and we must not gamble with our future.

Ladies and Gentlemen,

In March this year, under the watchful eye of international election observers, we will have the first round of our Presidential elections.

And then in June the Timorese people will go to the polls to elect their next Parliament.

It is critical to our nation's future that we continue on our current path. We must not – and will not - go backwards.

So our fight now is different to our fight for independence, but no less passionate.

We are fortunate that our nation is blessed not only with natural beauty, but with rich natural resources. This includes large reserves of oil and gas.

This petroleum wealth gives us the tools to develop our nation and to invest for our future.

We do not want to be a poor people in a rich country. So we need to use those tools in the right way to develop our nation.

We also recognise that to build a strong nation we need to build a strong private sector.

This is why we are looking to work in partnership with the private sector and to attract foreign investment.

Our sovereign wealth fund, the Petroleum Fund, has a balance of around \$10 billion US this is rising every day.

The Petroleum Fund will get a further boost once the Sunrise field is developed and as we look for more natural resources both on-shore and off-shore.

We were also the 3<sup>rd</sup> country in the world, and the first Asia, to be a fully compliant with the international transparency criteria of the Extractive Industries Transparency Initiative.

And so, while we are still a poor country we are positioned well for the future.

Last year, Timor-Leste released its 20 year Strategic Development Plan.

The Plan sets out a path to transform Timor-Leste from a low income to an upper middle income country by 2030 in 3 ways:

- Firstly, building our infrastructure
- Secondly developing our economy - with a focus on our petroleum, tourism and agricultural industries; and lastly by
- Improving our human resources.

In line with the Plan, we are starting a major infrastructure program including the building of ports, airports and a national road system.

We will also begin a large investment program to develop our south coast - which faces Australia and is less than an hour's flight from Darwin.

The implementation of the Strategic Development Plan will provide investment opportunities across all sectors of the economy.

This will include tourism, hospitality, property development, infrastructure, communications, basic manufacturing and agriculture.

We have invested in power generation and a national grid so that every household in Timor-Leste will have access to electricity.

This is going to transform the lives of our people and stimulate economic growth.

We have introduced one of the world's most attractive tax regimes.

We are already enjoying economic expansion with growth rates averaging 12% since 2007.

In its annual report on Timor-Leste released last month, the International Monetary Fund – the IMF- predicts that our economic growth will continue to be strong over the medium term.

The IMF also found that while access to credit has been poor it has started to grow.

And as credit expands, so will our economy.

That is why we are we are establishing a National Development Bank to help the Timorese private sector to establish international joint ventures.

Happily, our economic growth can be easily witnessed by walking our streets.

We can see new shops, restaurants and businesses opening all the time and there is a building boom in our capital.

Traffic congestion is now, for the first time, a problem! Perhaps people from Sydney don't see that as something to aspire to – but it is an indicator of development none the less.

But most of all, we see our people's growing sense of hope, belief and optimism.

Ladies and gentlemen,

When we celebrate our 10 year anniversary in May we have good reason to celebrate.

On our half island nation, we have established a free and democratic state, with the rule of law and a safe and secure society.

While, we are a small nation, we have an emerging economy and we have entered the fight to build that economy, pull our people from poverty and consolidate our nation.

It is true that we face large challenges, but also true that we have big dreams for our country.

We look to the future with a strong sense of hope and great optimism – a future including a strong private sector and vibrant foreign investment.

Last Wednesday, we approved a law on Public Private Partnerships to attract foreign investors and international joint ventures.

And so I repeat what I said in 2008, Australian businesses should make the most of the 'first mover advantage'.

I never went to China to spread this message – but the Chinese heard it clearly!

And so I hope, that because of today, more Australian businesses come to Timor-Leste to enjoy the first mover advantage in our country.

Thank you again to the Australia Timor-Leste Business Council for your on-going support and to everyone here tonight for being part of the exciting future of our country.

Thank you very much.