



**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
AT THE 2013 SOUTH SUDAN INVESTMENT CONFERENCE**

Juba, South Sudan

5 December 2013

Excellencies,
Ladies and gentlemen,

It is a great pleasure to speak at this important Investment Conference that will explore the tremendous economic promise of the newest nation in the world, South Sudan.

I am visiting South Sudan from Timor-Leste on an Official Visit and I am pleased that this means that I can also address this conference.

The participants in this conference are here because they see the potential of a new frontier. In Timor-Leste we know what this can mean as we have seen our economy take off, creating jobs and providing good returns on investment for the private sector.

When we achieved our independence in 2002 we were then the youngest nation in the world. We were poor and fragile, with limited resources and with most of our infrastructure destroyed from conflict. And yet, despite the state of our nation, we saw business people with foresight investing in our country. They saw an opportunity and they took a risk.

Early investors in Timor-Leste built hotels and apartments, opened restaurants and retail outlets, established construction companies and coffee businesses. At the time, many people laughed at them, saying they were unwise. But they are not laughing now. With strong and growing demand, and limited supply, many of these early investors were hugely successful. And so, we say in Timor-Leste that our early investors enjoyed a "First Mover Advantage".

Timor-Leste is in Southeast Asia and we have seen dynamic growth throughout our region. Indonesia and Malaysia have taken off, Vietnam and Cambodia are rising and, of course, we are witnessing the history changing growth of China. With Asia driving world economic growth we are fortunate to be located in our region.

Africa can be the next Asia.

Africa has huge potential with abundant natural and human resources, an entrepreneurial spirit and so much scope for expansion. Taking advantage of increased domestic and foreign capital, global technological advances and improved human resources, the African story will be remarkable.

South Sudan presents so many opportunities as it begins on its path to development. With great need and scope for investment across all sectors, and with a Government that understands the importance of building a strong diversified economy, and the

critical contribution that domestic and foreign investment can make, South Sudan is well placed for growth.

The parallels with Timor-Leste are hard to ignore. When our nation was born we started from nothing. Once we had secured peace and stability, however, the foundation was set for rapid expansion. With expansive fiscal policy and a growing sovereign wealth fund; Timor-Leste now enjoys some of the strongest rates of growth in the world. Since 2007, our average growth rate has been 11.9% and these rates are predicted to continue into the future.

I am confident that South Sudan will not only follow in our path but that it will exceed all expectations. As finance from South Sudan's petroleum resources begin to flow into the general economy we will see a surge in confidence. South Sudan also has other great natural resources which include an abundance of land for agriculture and significant demand for hospitality and construction.

Now I am not an investor and must say that business has never been my strength. When I was leading our resistance during the time of Timor-Leste's occupation my vision was for a free country and a free people – not a booming economy. But one thing I can comment on is government.

It is clear to me that the Government not only understands the importance of a diversified economy to create jobs and prosperity but will take positive action to support investment and the development of the private sector. The Government will be a true partner.

Ladies and gentlemen,

This takes me to my next point and one that I ask you to take seriously. You are not just here to make money or to seek returns on your investments. The private sector should be an important partner with government in nation building.

Business people have a responsibility to also look to the common good and to support the nation, and the society, which gives them the opportunities. This means investing in productive projects, employing local labour, buying local content and reinvesting profits back into the South Sudanese economy.

I ask you to look at how you can work with the government in diversifying the economy and to building sectors that are important to South Sudan's future. This may mean investing in health care, building schools or constructing the nation's productive infrastructure.

Ladies and gentlemen,

I would like to add one last but important point about investment in fragile States. South Sudan is fortunate to have significant natural resources. My advice to the Government and the people of South Sudan is to encourage the exploitation of those resources but to make sure that contracts and arrangements for this are ethical.

In October I addressed the World Bank in Washington and stressed the need for international contracts and arrangements to be fair, transparent and a true partnership and to ensure that fragile States are not taken advantage of. Timor-Leste has learnt this the hard way as we have suffered from unfair international arrangements with Australia which we are currently taking legal action to remedy.

Today, in The Hague, at the international arbitration, the two parties will meet with the arbitration team to discuss the procedures for this arbitration process, where we will ask for protection for our witness. Regrettably, two days ago, Australia used the excuse of national security to raid our lawyer's premises and detain our witness. We reject the excuse of national security being used because this issue is one of commercial interests and negotiation over a petroleum treaty. This is a situation that I urge South Sudan to be alerted to.

Ladies and gentlemen,

Since I was in South Sudan two years ago there has been remarkable progress and growth. There is more traffic, more construction, more hotels, more businesses and a sense of great promise.

I know that if I was to come back in another two years I will see a country transformed. I urge you to be part of this transformation and to work together with the government as partners in the development of the great country of South Sudan.

Thank you very much.

5 December 2013
Kay Rala Xanana Gusmão