



SPOKESPERSON SIXTH CONSTITUTIONAL GOVERNMENT



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Government pursues its plan for economic diversification

From its inauguration on the 16th of February 2015, the Sixth Constitutional Government has undertaken its activities recognizing that for Timor-Leste “sustainability and economic diversification are pressing needs”. The importance of this priority was immediately demonstrated by the new Government when it undertook a substantial structural reorientation creating the portfolio of Minister of State, Coordinator of Economic Affairs, and establishing the Ministry of Planning and Strategic Investment. Then, in addition to the growth focused Government Program 2015-2017, a specific Guide for the Economic Reform and Growth of Timor-Leste 2015-2017 [GRFE] was developed and approved to coordinate the Government’s efforts to promote private investment, encourage economic diversification and support sustainable employment.

Since the adoption of the Guide in November 2015 the Government has been relentlessly pursuing its recommendations which are seen as essential to “accelerate the process of economic development in the short and medium term, while setting the foundations for the long term development of Timor-Leste.”

The GRFE sets out measures to be taken in five Priority Economic Sectors - Oil and Gas, Agriculture, Fisheries, Tourism, and Manufacturing, and in seven Reform Areas – Land and Property Regulation, Development of Economic Infrastructure, Labor Regulations and Work Force Development, Business Environment Reform, Fiscal Reform, Reform of the Private Investment Regime and Development of the Private Sector.

Nearly all Press Releases of the Council of Ministers meetings of the Sixth Constitutional Government contain information regarding the progress of these reforms, including the most recent announcing the adoption of the National Tourism Policy of Timor-Leste, a significant step for a key Priority Sector. Amongst the 137 reports preceding it are announcements of Government approval of laws and regulations such as the Mining and Forestry Code, the Private Investment Law, the Arbitration, Mediation and Conciliation Law, the Special Regime on the Ownership of Immovable Property [Land Law], and scores of other pro-growth measures including the reorganization and strengthening of TradeInvest, the pursuit of World Trade Organization and ASEAN membership, and the establishment of bodies such as the Trade Facilitation Committee and the National Coffee Association.

In 2017 the creation and consolidation of economic infrastructure continues at pace. Efforts in the last two years have resulted in the building of 860 kilometers of national roads, the installation of over 2,000



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kilometers of low and medium voltage electricity lines, the completion of water supply systems, a 60% completion of the physical work on the new airport at Suai and commencement of Timor-Leste's primary sea port at Tibar, expected to be operational by 2020.

The completion of irrigation systems, development of fish farming, upgrading of coffee production techniques, blossoming of micro and small enterprises, and reorientation of education to embrace technical training, are all examples of the steps being taken towards fostering economic diversity.

To ensure optimal use of public resources work on economic modeling is being developed for agriculture, livestock, forestry and fisheries. A Coffee Sector Development Plan and Forest Investment Plan have already been approved, and a review into Public Expenditure in the Agriculture Sector and a Study on the Economic Potential of the Manufacturing Industry completed. Concurrent with this activity the emerging success stories of foreign direct investment, with outcomes benefiting national workers and international entrepreneurs, are sending signals that raise the confidence of those investors considering the Timor-Leste option.

Spokesperson for the Sixth Constitutional Government, Minister of State Ágio Pereira noted "the economic diversification of Timor-Leste is a goal reflected in all of our planning and actions. As we increase our productivity, encourage business growth, improve our skills and consolidate our economic infrastructure we position our nation well for the years ahead. We are on the path and the Government will press on to do all that it can to ensure this journey is a success."**ENDS**



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