



P R I M E
M I N I S T E R

**HIS EXCELLENCY THE PRIME MINISTER KAY RALA XANANA
GUSMÃO**

**OPENING SPEECH AT THE SEMINAR ON THE CONCEPT OF
THE NATIONAL DEVELOPMENT BANK**

Ministry of Finance, Dili

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Palácio do Governo,
Avenida Presidente Nicolau Lobato,
Dili, Timor-Leste

Excellencies

Members of Government

Representatives of the Asian Development Bank

Representatives of civil society and the private sector

Distinguished guests,

It is a pleasure to open this important seminar on the concept of a National Development Bank.

The establishment of a National Development Bank will be a critical step towards building a strong, inclusive and diversified economy in Timor-Leste.

The National Development Bank forms an integral part of our national vision, as set out in the Strategic Development Plan and the Government Program.

Since the Restoration of our Independence, Timor-Leste has made great progress. We have built a democratic State with a peaceful and free society and an economy open to the world.

We are investing in education and training to strengthen the human resources we need. And we are laying the foundations for long-term development through building critical infrastructure, including roads and bridges, energy and communications.

But we still have a long way to go. Our people fought a long struggle to achieve our dream of independence. Now, we face a new struggle. Not to dream of a nation, but to build one.

While we have secured our political sovereignty, it is now critical that we secure our economic sovereignty and consolidate our State.

We cannot do this without a dynamic and resilient private sector. Economic growth, jobs and progress depend on it.

That is why we must do more to support small and medium enterprises — the backbone of our economy, the engine of job creation and a key to reducing our dependence on imports.

To do that, we must ensure access to capital.

Access to capital is one of the most powerful enablers of human potential. It allows people not only to imagine better futures, but to invest in them.

Whether it is a family shop adding a second freezer or a business buying a new truck — finance is what turns good ideas into sustainable livelihoods.

And yet, too many of our people are locked out of the economy — not because of a lack of will or ability, but because the economic system does not give them a chance.

I speak to many business owners — in Dili and across the country – and they all tell me the same thing: *‘we want to grow, but we cannot get credit’*.

This is not just frustrating. It is holding back the creation of jobs and development of our country.

We cannot build a sovereign economy if our people are denied the opportunity to participate in it. A lack of capital is not just a technical problem, it is a structural barrier to development.

A vibrant economy is built from the ground up — through people who take risks, build enterprises and create jobs.

The Timorese people are resilient, creative and entrepreneurial.

We need to ensure that they have access to capital to unlock their potential – and the potential of our nation.

Access to capital gives people the confidence to try, the resources to grow and the means to change their circumstances. In doing so, it doesn't just build businesses — it builds dignity, resilience and national prosperity.

Unfortunately, however, the economic system in Timor-Leste does not currently provide the access to capital that is needed.

This prevents our people, our communities and our businesses from participating in the economy.

That is why we need a financial system that works for the people of Timor-Leste, that removes obstacles — not one that excludes them.

That is why the Government is committed to establishing the National Development Bank of Timor-Leste.

This Bank will not be just another institution. It will be a tool of national strategy — a means of directing finance to where it is most needed.

It will support transformative investment — in agriculture, tourism, manufacturing and housing. It will support job creation and raise productivity. And it will help deliver long-term value for the nation.

The Government has a vision for the country's development, ranging from investing in the growth of the oil sector and related industries to opportunities in the Blue Economy, such as sustainable services and industries for people and the environment. However, this development strategy only makes sense if the Timorese people — national and local entrepreneurship — participate in and benefit from national development.

The Bank will act in the national interest. Its mission will not be limited to financial returns, but to unlocking the productive capacity of our people.

It will help turn good ideas into viable projects — especially in sectors where commercial banks are too cautious or too slow.

And most importantly, it will support those who have long been denied access to finance, including rural producers, small business owners, young entrepreneurs and women-led enterprises.

Because development is not just about economic growth — it is about social and economic inclusion and growth that leaves nobody behind.

We are not the first country to walk this path. Across the world — and in our own region — national development banks have been used to drive economic transformation, reduce inequality and build strategic industries.

We can learn from those experiences — from their successes and from their failures.

A good development bank is not just a lender. It is a development partner. Its role is to channel capital into the real economy — into the hands of people who produce, employ and invest.

A strong development bank is guided by public purpose, governed with integrity, accountability and driven by results.

It invests in sectors that deliver long-term national benefit — from food production to energy security, from affordable housing to rural infrastructure.

And it works alongside others — private investors, government agencies and international partners, including multilateral institutions like the Asian Development Bank and the World Bank — to share risk, mobilise capital and increase impact.

As we prepare to join ASEAN and integrate more fully with the regional economy, the need for a more competitive and resilient domestic economy becomes even more urgent.

But let me be clear: this Bank must be built on strong foundations.

It must be financially sound. It must operate independently. And it must be governed to the highest standards.

That means clear credit policies. It means independent oversight. It means protecting the institution from political interference. And it means ensuring transparency, accountability and professionalism at every level.

Excellencies, ladies and gentlemen

Today's seminar is a vital opportunity to shape the concept and design of this institution.

We have brought together government, development partners, financial experts, business representatives and civil society — because we want this to be a shared effort.

I encourage you to engage fully. Please share your knowledge, your experience and your ideas to help us build something that works, and something that lasts.

If we get this right, the National Development Bank will unlock the potential of our people, support the private sector and help us build an economy that reflects our values and strengthens our sovereignty.

Let us establish an institution that serves our people, builds our economy and helps secure the future we have fought so hard to achieve.

Thank you very much.

Kay Rala Xanana Gusmão