



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

**ADDRESS BY
HIS EXCELLENCY THE PRIME MINISTER
KAY RALA XANANA GUSMÃO
ON THE OCCASION OF THE LAUNCH OF THE GOVERNMENT
MEDIUM-TERM PLAN 2027-2030
AND THE PROGRESS REPORT ON THE MONITORING OF THE 2011–
2024 NATIONAL DEVELOPMENT PLAN**

**“Strengthening Strategic Planning for Sustainable and Inclusive
Development”**

Kay Rala Xanana Gusmão Auditorium, Ministry of Finance
1 October 2026



Palácio do Governo
Avenida Marginal
Dili, Timor-Leste

Your Excellencies
Members of Parliament
Members of Government
Ambassadors, Representatives of International Organisations and other
Members of the Diplomatic Corps
Distinguished Development Partners
Representatives of the Private Sector, Civil Society and the Academic
Community

Ladies and Gentlemen,

Allow me first of all to warmly welcome each one of you to this ceremony.

Your presence today demonstrates our shared commitment to the future of Timor-Leste and gives this moment special significance for our people.

We are here today for the launch of two important documents, which also mark a national moment of accountability and the renewal of a political commitment.

The first tells us how far we have progressed under the Strategic Development Plan for the period 2011 to 2024. The second sets out the work of the Government from 2027 to 2030.

Both are presented to the Timorese people as a pact: the assurance that the vision of 2011 remains alive, and that the final phase of the Strategic Development Plan will be carried through to completion with discipline and unity of purpose.

Before we look at the numbers and the targets, we should remember why the Strategic Development Plan was prepared.

In the early years of our independence, our task was clear. We had to secure peace and build a State.

We were a new country that still carried the deep scars of conflict. Our institutions were weak and much of the national infrastructure our people needed did not exist.

We gave priority to reconciliation within our country and with Indonesia because we knew that without peace there could be no sustainable development.

After a series of setbacks and challenges, in 2009 the Timorese people came together and declared: “Goodbye Conflict, Welcome Development”.

The achievement of peace allowed us to begin long-term planning and to consult our people about the future they wanted for our country.

In 2011, the Timorese people set out that vision in the Strategic Development Plan. Its objective was to strengthen our sovereignty and to build a nation with a strong economy and a healthy, well-educated population.

The Strategic Development Plan extends beyond the term of any one Government. It was developed through an open consultation process across Timor-Leste, and endorsed by the President of the Republic and the National Parliament.

Over successive Constitutional Governments, of different political orientations and under the leadership of different Prime Ministers, the SDP has been preserved, adjusted and implemented as our long-term strategic roadmap.

This continuity, as well as being essential for development, is also proof of the growing institutional maturity of our State.

This broad national support is why it continues to guide our development.

Over the last fifteen years, our country and the world have changed. We have faced the COVID-19 pandemic, the floods of April 2021, rising food and fuel prices, and the growing effects of climate change.

Our population has also continued to grow. Each year, more young Timorese need education, training and work.

The SDP Progress Monitoring Report allows us to look honestly at how we have responded and where we now stand.

Excellencies

Ladies and Gentlemen,

After thirteen years of implementation, the Government assessed 199 short and medium-term targets across sectors of the Plan.

Of these, 106 targets or 53.3 per cent have wither been completed or reached an advanced stage of implementation.

A further 43 per cent have recorded partial progress, while around 3 per cent have recorded limited progress.

These figures show substantial progress.

Over this period, we have consolidated our State and established a peaceful, cohesive and democratic nation with respect for the rule of law and the dignity of our people.

Timor-Leste is now the sixth most peaceful country in the Asia-Pacific and continues to be recognised as one of the strongest democracies in Southeast Asia.

This is something of which all Timorese should be proud.

We realised a long-held national aspiration by becoming a member of ASEAN. We also joined the World Trade Organization, which gives our country greater access to international trade and investment.

We have made important progress in the lives of our people. Childhood immunisation has reached 98 per cent. Infant mortality and under-five mortality have fallen significantly, and the national literacy rate has reached 72.4 per cent.

We have also made significant investments in the infrastructure our country needed.

Electricity now reaches more than 99 per cent of our towns and villages. We have built roads to connect communities and businesses. The Tibar Port connects us to international trade.

The Presidente Nicolau Lobato International Airport is being modernised, and Timor-Leste's Submarine Cable now links our country directly to international digital networks.

These investments and social gains are the foundations for better public services and for future economic development.

But the report also shows where our progress has not been enough.

Business registrations have increased, agricultural productivity has improved and the formal private sector created 14,400 jobs between 2021 and 2024.

Even so, our economy has not grown fast enough to create the jobs and opportunities our people need.

Too many young Timorese still struggle to find work. Too much economic activity still depends on the State. And too much of what we consume is imported rather than produced in Timor-Leste.

Agriculture, tourism and private investment have not yet reached their potential.

This is the central lesson of the SDP Monitoring Report.

The first stage of our development focused on securing peace, establishing our institutions and building national infrastructure.

We must now move to the next task, the building a strong and productive economy.

Ladies and Gentlemen,

The 2027–2030 Medium-Term Plan covers the final years of the Strategic Development Plan.

We must be realistic. We will not achieve all the targets set in 2011 by 2030.

The original Plan was deliberately ambitious, and our development has been affected by domestic and international shocks.

These shocks explain some of the delays but they do not excuse them. Over the next four years we must set our priorities and deliver them.

The Medium-Term Plan sets clear targets. We aim to achieve annual non-oil GDP growth of between 6 per cent by 2030 and 7.5 per cent after 2030.

And we aim to create between 5,000 and 7,000 new formal private-sector jobs each year and to increase the private sector's share of total investment by 15 to 20 percentage points of non-oil GDP.

These are demanding targets. They reflect the scale of the economic change that Timor-Leste needs.

The Plan is organised around four pillars: economic diversification; infrastructure; social and human capital development; and institutional development.

Within these pillars it identifies ten national priorities that will be monitored directly by the Council of Ministers.

The Plan focuses the Government on the work that matters most and requires that our annual budgets support these priorities.

The central question is how we change the structure of our economy.

In the early years of independence, the Government had to take the leading role. We had to build roads, electricity, ports, telecommunications, schools and public institutions.

The Petroleum Fund gave us the resources needed to preserve stability and begin building these national foundations.

But an economy cannot depend indefinitely on public spending. Government cannot remain the main source of economic activity and employment.

We now need Timorese businesses to produce more, invest more and employ more people. We also need responsible foreign investment that brings capital, skills and access to markets.

The Government will remain an active partner in this process. Our role is to provide clear laws, effective institutions, skilled people and reliable infrastructure.

The Plan therefore includes practical measures to expand access to finance.

A Credit Guarantee Scheme and blended finance facility are intended to generate an additional 40 million US dollars in additional lending to micro, small and medium-sized businesses.

The Plan also provides for public–private partnerships in housing, digital infrastructure and renewable energy and for the establishment of the National Development Bank.

Our membership of ASEAN and the World Trade Organization offers Timorese businesses greater access to markets, investment, education and skills.

But membership alone will not transform our economy. We have to build businesses that can compete, produce goods and services that people want to buy and create jobs here in Timor-Leste.

Economic development depends on our people. There is no substitute for investing in education, health and skills.

Young Timorese must have the skills they need for the jobs our economy will create.

Development must reach women, people with disabilities, young people and the families in our rural communities.

It must also be supported by institutions that can implement policy, manage public money and deliver services across the country.

Our people did not struggle for independence just to have our own flag, a national anthem and a seat at the United Nations. Independence must also allow us to improve the lives of our people.

The Petroleum Fund has given Timor-Leste an opportunity that many developing countries do not have. We established it to manage our natural resource wealth responsibly and for the long-term benefit of our people.

Our task is to convert that wealth into a productive economy rather than allow our economy to depend on spending from the Fund.

Sovereignty is not a slogan.

It requires the economic strength to make our own decisions in our own interest.

Sovereignty without economic strength remains incomplete.

Ladies and Gentlemen,

The Timorese people will not measure the success of this Plan by the number of targets listed in its tables. They will measure it by the changes in their lives.

They will ask whether water reaches their homes, whether electricity is reliable, whether roads are maintained and whether drainage systems protect their neighbourhoods.

They will judge us by the quality of our schools, health services and public security.

Above all, our young people will judge us on whether they can find work and build their lives here in Timor-Leste.

For this reason, each annual budget must support the work set out in the Plan and Ministers must be held accountable for its implementation.

This will require clear choices. It will require cooperation with the National Parliament, municipal authorities, the private sector, civil society, development partners and our people.

The work ahead of us is difficult. But we have a plan, a clear direction and the commitment of the Timorese people.

Our responsibility now is to build on what we have achieved and to ensure that our independence continues to deliver greater opportunities and a better life for our people.

This is the “pact” I spoke about at the beginning of this speech.

This is the promise we intend to fulfil.

To fulfil it with courage, with discipline and with precision.

And to fulfil it also through absolute inter-ministerial coordination, extending that coordination to all state actors and institutional partners.

United, in genuine partnership and cooperation, we will ensure that every action has greater reach, greater impact and greater justice for the population we serve.

Thank you very much.

Kay Rala Xanana Gusmão