



**VICE-PRIMEIRO-MINISTRO
MINISTRO COORDENADOR DOS ASSUNTOS ECONÓMICOS
E MINISTRO DO TURISMO E AMBIENTE
IX GOVERNO CONSTITUCIONAL**



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Speech by the Vice Prime Minister, Coordinating Minister for Economic Affairs, Minister of Tourism and Environment of Timor Leste during a Plenary Session of TLDPM,
17 May 2024

H.E. Prime Minister,
Vice Prime Minister, for Social Affairs,
Colleague Members of the IX Constitutional Government,
Ambassadors, Development Partners Representative:
Ladies and Gentlemen,

It is an honour to address you today, for Timor Leste's-economic transformation and sustainable development. Our nation stands at an essential stage where we must connect our potential and address our challenges with strategic Strength and collective effort.

In the stages of our nation's development, as the Coordinating Minister for Economic Affairs recognizes the importance of advancing productive sectors, which hold massive potential for economic diversification. Among these sectors, tourism stands out as a particularly promising asset for economic transformation. Our rich cultural heritage, pristine landscapes, and vibrant communities offer diverse opportunities in ecotourism, community tourism, religious tourism, and mass tourism. We must promote sustainable practices to preserve our environment while enhancing the visitor experience. Community involvement in tourism initiatives will ensure that the benefits of tourism are shared widely, fostering local economic growth and social cohesion.

Agriculture, fisheries, forestry, and livestock sectors are the bedrock of our rural economy. Despite the low contribution to national income, these sectors have great potential. We must diversify our crops, enhance agricultural productivity, and adopt modern planting techniques to modernize farming practices, aiming to increase the yields.

Supporting cooperatives and family economy growth will empower our rural communities, reduce unemployment, and ensure food security. Our economic landscape is shaped by various factors, including labor market dynamics, monetary policies, and trade and industry development. The global geopolitical instability has contribute to the country inflation and unemployment rates pose significant challenges. Investing in skill development and education



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is crucial to transform our youthful population into a skilled workforce that can drive our economic engine.

In rural areas, where forests are often abundant, green economic strategies will be employed to generate income and create employment opportunities. For example, agroforestry practices can empower farmers to cultivate crops alongside trees, diversifying their sources of income while maintaining the health and productivity of the land. Additionally, sustainable forestry practices can support the responsible harvesting of timber and non-timber forest products, providing livelihood opportunities for local communities without reducing forest resources.

Similarly, coastal communities can benefit from blue economic initiatives that harness the wealth of resources found in marine ecosystems. Sustainable fisheries management can ensure that fish stocks are harvested at levels that maintain their long-term productivity, providing a steady source of income for fishermen while safeguarding marine biodiversity. Additionally, marine ecotourism ventures can capitalize on the natural beauty of coastal areas, attracting visitors and creating jobs in hospitality, guiding, and related services.

To effectively implement these initiatives, it's crucial to involve local communities in decision-making processes and ensure that they have access to the necessary resources and support. This may include providing training in sustainable resource management practices, facilitating access to markets, and improving infrastructure such as roads and processing facilities

Infrastructure development is key to our progress. Improving terrestrial, sea, and air transport will enhance connectivity, facilitating trade and tourism. Efficient sea port management will position Timor Leste as a regional economic hub, boosting our trade capacity. The ongoing fiber optic development project will improve telecommunications, fostering digitalization and innovation.

Ensuring the safeguarding of the environment and the preservation of marine ecosystems are of greatest importance. Sustainable management of our natural resources will ensure long-term prosperity. We must balance economic growth with environmental sustainability, protecting our biodiversity and marine ecosystems for future generations.

Timor Leste's small economic size and high import dependency are challenges, but they also present opportunities. High remittance inflows from overseas Timorese workers provide vital support to our economy. We must leverage these remittances to outgrowth local investment and development. Therefore, the IX Constitutional Government's policy is committed to



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supporting and developing the growth of Micro, Small, and Medium Enterprises (MSMEs) across all productive economic sectors.

Our economic growth rate is commendable, yet we must try for more. Accessing the global market through full membership in the World Trade Organization (WTO) and our impending membership in ASEAN opens vast opportunities. The ASEAN market, with over 600 million people and a 4.5 million square kilometre area, presents enormous potential for our exports and economic partnerships.

Legislative frameworks have been established to support our economic goals. Recent laws concerning ship registration and inspection, customs harmonization, industrial property rights, and investment policies—including business licensing, insolvency regulations, the Investment Reform Map (IRM), Investment Guide, competition laws, trade remedies, advanced intellectual property (IP) laws, Sanitary and Phytosanitary measures, and regulations that promote exports, import licensing, and fiscal reform—are fundamental in attracting and assisting both local and international entrepreneurs. These measures significantly contribute to the country's economic development and enhance global and regional integration.

In conclusion, given our understanding of both our challenges and potential, the question arises:

what direction will development partners take in supporting Timor Leste's development?

Will development partners collaborate with Timor Leste or work independently in its development journey?

Thank you.