



H.E. Kay-Rala Xanana Gusmão the Prime Minister of RDTL,
H.E. Mariano Asanami Sabino, the Vice Prime Minister for Social Affairs, and
Rural Development
Excellencies Members of the National Parliament and the IX Constitutional
Government of RDTL,
Excellencies Ambassadors, Distinguished Development Partners, Excellencies,
Representatives of the United Nations and International Financial Institutions,
Ladies and Gentlemen,

Good afternoon and welcome.

It is my honour to open this afternoon session of the Timor-Leste Development Partners Meeting under the theme **“Promoting inclusive and sustainable economic growth through sound policies, innovation, and strong partnerships”**. I want to begin by expressing our profound gratitude for your continued partnership and solidarity, which are essential as we work together to promote sustainable development, resilience, and shared prosperity for the people of Timor-Leste.

We meet at a time of profound global uncertainty. The world today is far more interconnected than it was even two hundred years ago; a ripple in one region quickly becomes a wave for us all. Geopolitical tensions, particularly in the Middle East, serve as a stark reminder of this vulnerability. With the Strait of Hormuz, the Suez Canal, the Panama Canal, and especially the Malacca Strait handling 30% of all global trade, any disruption is felt globally. We have seen this clearly in recent years: the conflict between Russia and Ukraine destabilized global wheat prices, while tensions involving Iran and the United States have repeatedly spiked oil prices. These challenges are particularly severe for small island developing states like Timor-Leste, where increased fuel costs, inflation, and risks to food security directly impact our economic stability and the livelihoods of our people.

Despite global challenges, we remain vigilantly optimistic. Our Non-Oil GDP achieved a projection of 4.6 percent in 2025, up from 4.3 in 2024. reflecting steady progress fuelled by public investment supported by the Petroleum Fund and gradually increasing private sector engagement. Furthermore, our inflation



remains strong and stable, currently at 0.72 percent. Yet, structural constraints persist, and we recognize that sustainable development requires sustained effort and effective collaboration.

Our economic priorities focus on sectors with significant growth potential, including agriculture, fisheries, tourism, and renewable energy. Agriculture, which remains largely subsistence-based, is benefiting from improvements in irrigation, extension services, and rural infrastructure that promise to increase productivity and food security. Meanwhile, fisheries reforms aim to promote sustainability and improve value-added processing, enhancing both livelihoods and export potential. Tourism, particularly within the blue economy, offers substantial opportunities but requires better connectivity, skills development, and investment to fully realize its benefits. In all these areas, long-term partnerships are vital to jointly address infrastructure and capacity gaps and to promote sustainable value chains.

In parallel, we have strengthened our legislative and regulatory environment by adopting important reforms, including the Insolvency Law, Private Investment Law, Competition Law, and Export Promotion Law. We are committed to aligning our systems with ASEAN integration frameworks and WTO accession requirements. This includes integrating our Single Window system with the ASEAN Single Window and developing national quality infrastructure to meet international sanitary, phytosanitary, and technical barrier for Trade standards. These reforms are already encouraging greater investor confidence, as reflected in a projected 9.7 percent rise in private investment in 2025.

Ensuring energy security remains a strategic priority in light of global market volatility. While hydrocarbons have historically supported our economy, we are accelerating diversification into renewable energy, particularly solar and wind, and enhancing grid infrastructure. Regional cooperation will be central to overcoming financial and technical challenges.

Food security is equally important, and we are transforming subsistence agriculture toward commercial systems by investing in irrigation, cold storage, feed mills, and agro-processing facilities. Strengthening domestic production capacity is essential to reducing import dependency, particularly as exports grew by over 20 percent last year despite ongoing logistical and skills challenges.



As we prepare for Timor-Leste's ASEAN Chairmanship in 2029 and progress towards full ASEAN membership and WTO, we reaffirm our commitment to regional integration as a pathway to expand trade, investment, and shared development opportunities. To maximize the impact of development cooperation, alignment with our national frameworks including the Strategic Development Plan 2011–2030, Nationally Determined Contributions, the National Adaptation Plan, and sectoral strategies is imperative. This ensures that external assistance complements and strengthens national systems rather than duplicating existing efforts.

In this context, we emphasize the importance of national ownership, strong institutions, and human capital development. Empowering Timorese professionals and embedding capacity within government systems are fundamental to ensure that knowledge transfer is practical, measurable, and sustainable beyond project cycles. True progress is measured not only by immediate outputs but by the lasting institutional resilience and capabilities we build.

Excellencies, Ladies and Gentlemen, our vision is to firmly establish Timor-Leste as financial hub of the region, with Total Foreign Direct Investment (FDI) inflows into ASEAN now reaching \$226 billion, the opportunity for our nation is immense. We see a future where a diversified economy, a highly skilled workforce, and complete energy independence. By modernizing our connectivity to the world and fostering an environment of absolute security and trust, we will not only navigate the uncertainties of the global market but rise above them, securing our place as a cornerstone of international trade and a safe haven for global investment.

Thank you. I look forward to our discussions and to strengthening our partnership further.