

## Economic Diversification “Very Urgent”: President Lú Olo



President Guterres Lú Olo said oil revenue dependence "makes the country weak" (Image/Antonio Gonçalves)

**DILI, 28 November 2019 (TATOLI)** – President Francisco Guterres Lú Olo said Timor-Leste has an “urgent” need to diversify its economy away from oil and gas, and invest in local agriculture and manufacturing.

In a speech at the Government Palace in Dili for Timor-Leste’s Independence Day, President Lú Olo said the country cannot expect to attract foreign investment until it demonstrates sustainable development.

“An economy that only depends on one product makes the country weak and it can lose its sovereignty. Hence it is very urgent to diversify our economy, to get rid of dependency to oil and gas through the development of the private sector, such as agriculture... manufacturing and tourism,” he said.

In a scathing assessment of the ongoing Budget 2020 (OJE) discussions, President Lú Olo said the government spending continues to well outpace its revenue.

“Every year [the OJE] become bigger and more unrealistic, because we don’t want to spend time for on detailed discussion about the fundamental issue of budget balance,” he said.

The Petroleum Fund, a US \$17.55 billion fund comprised mostly of oil revenues, is responsible for around 90 per cent of the revenue in the OJE. But the government has extracted more from the fund — above the ‘Estimated Sustainable Income’ benchmark — every year for the last five years. NGO La’o Hamutuk has estimated that, at current spending rates, the fund will be [depleted as soon as 2023](#), unless further revenue is sourced.

The issue of resource dependency is a concern for many stakeholders in Timor-Leste. In its [Country Partnership Framework for Timor-Leste 2020-2024](#), released this week, the World Bank warns Timor cannot rely on public spending on infrastructure projects to sustain economic growth.

“The public sector-driven growth model has run its course,” the report reads.

“Economic diversification in the face of large petroleum rents requires strict limits on the domestic absorption of such rents to dampen Dutch-disease effects and permit investment resources to flow into the traded goods sector.”

Dutch-disease refers to slump in demand in the wider economy, such as local manufacturing, which can occur in resources-dominated countries.

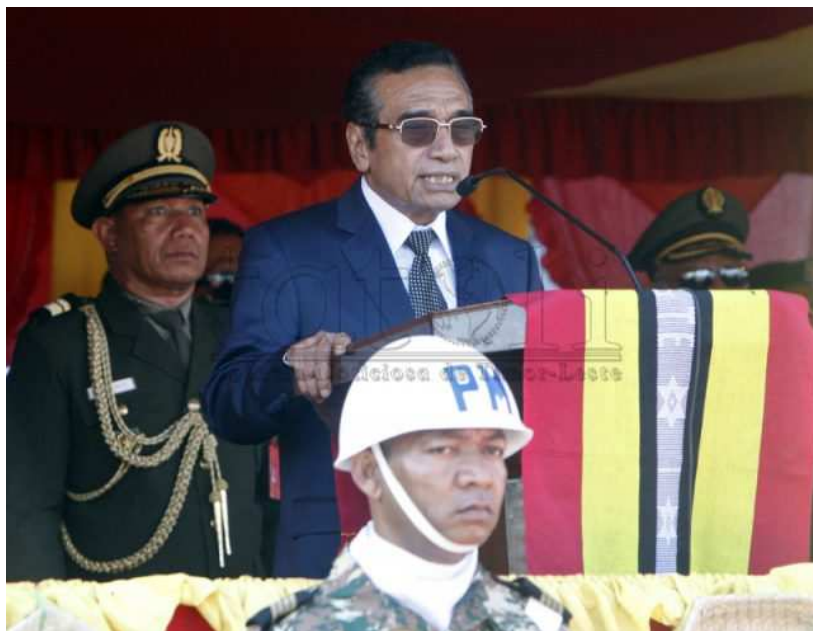
President Lú Olo said he doesn’t want to see the freedoms won during independence 20 years ago to be squandered. “We feel that is easy to take the budget from the oil and gas fund to cover all the public expenses that used to come from hard work, discipline, sacrifice and intelligence. All the value that we learned from our fight for national liberation, yet today we move all away,” he said.

He said a sustainable Timor-Leste must invest in the health and quality of life of its citizens.

“Healthy people, quality education [is needed] for us to have a society that lives with good services and progress, according to our constitution,” he said.

Journalist: Cipriano Colo; additional reporting by Robert Baird. Editor: Xisto Freitas Translation: Nelia Borges

## PR Lú Olo Konsidera Urjente Tebes Diversifika Ekonomia



Prezidente Repúblika, Francisco Guterres Lú Olo, bainhira halo diskursu iha selebrasaun Loron Proklamasau Independénsia 28 Novembru 1975 ba dala-44, iha Palásiu Governu, kinta (28/11). Imajen Tatoli/António Gonçalves

**DILI, 28 novembru 2019 (TATOLI)** – Prezidente Repúblika (PR), Francisco Guterres Lú Olo, konsidera bainhira país ida orienta ona dezvoltimentu ba rai ho ninia riku-soin no ema, signifika katak hakarak hala’o dezvoltimentu ida ne’ebé proteje meu-ambiente no hasa’e produsaun ba bens no servisu, tanba ne’e presiza diversifika ekonomia.

“Ekonomia ne’ebé depende de’it ba produktu ida, halo país fraku no bele lakon nia soberania. Tanba ne’e urjente tebes atu diversifika ita-nia ekonomia, hodi halakon dependénsia ba mina rai no gás liuhosi dezvoltimentu iha setór produtivu hanesan agro prosesamentu, manufatura no turizmu, peska no sira seluk tán”, diskursu Xefe Estadu iha selebrasaun Loron Proklamasau Independénsia 28 Novembru 1975 ba dala-44, iha Palásiu Governu, kinta ne’e.

Nia dehan, bainhira país ida sai ezemplu di’ak kona-ba dezvoltimentu sustentável no ambiente di’ak, liuhosi energia renovável, mak Povu bele moris di’ak liu no bele atrai investimento esternu.

Xefe Estadu observa, durante ne’e Governu koko implementa modelu balun dezvoltimentu nian, nu’udar prosesu hametin soberania ekonomia país, tanba ne’e bainhira harii Fundu Minarai iha tinan 2005 liubá no osan hahú tama maka’as iha fundu soberanu, Governu hili hasa’e despeza públika maka’as liu fali reseita ne’ebé hetan liuhusi impostu no taxa.

“Kada tinan Orsamentu Estadu hetok boot ba beibeik no la realista, tamba ita rasik lakohi lakon tempu hodi diskute kle’an kona-ba kestaun fundamentál ida mak desekilíbriu orsamentál”, nia akresenta.

Nia nota, reseita ne’ebé tama iha kofre Estadu boot liu mak husi minarai no gás, liu porsentu 90, enkuantu reseits ne’ebé mai husi produsaun rasik hanesan kafé no produktu balun kuaze porsentu 10 de’it, no hetan impostu kiik tamba osan husi mina no gás mak troka fali.

“Ita sente katak fásil liu foti de’it osan husi Fundu Minarai atu taka despeza públika duke uza osan-sira ne’ebé mai liuhosi ita-nia servisu badinas, disiplina, sakrifísiu no matenek rasik. Valór-sira ne’ebé ita aprende liuhusi ita-nia luta libertasaun nasionál, maibe ohin loron ita tau ses tiha”, nia dehan.

Biban ne’e PR mós afirma importánsia atu investe iha setór sosiál ba sidadaun sira hodi bele iha kualidade moris di’ak.

“Urjente tebes atu ita investe maka’as liu iha área saúde no edukasaun ba ita-nia sidadaun sira, hodi hanoin ba jersaun foun sira no ba ita-nia beioan sira. Ho Povu ida ne’ebé saudável ka ho saúde di’ak, ho edukasaun ida ho kualidade mak ita bele hetan sosiedade ida ne’ebé moris ho bein-estar no progresu, tuir ita-nia Konstituisaun haruka.