

Timor-Leste

HUMAN DEVELOPMENT REPORT 2011

**MANAGING NATURAL RESOURCES
FOR HUMAN DEVELOPMENT**

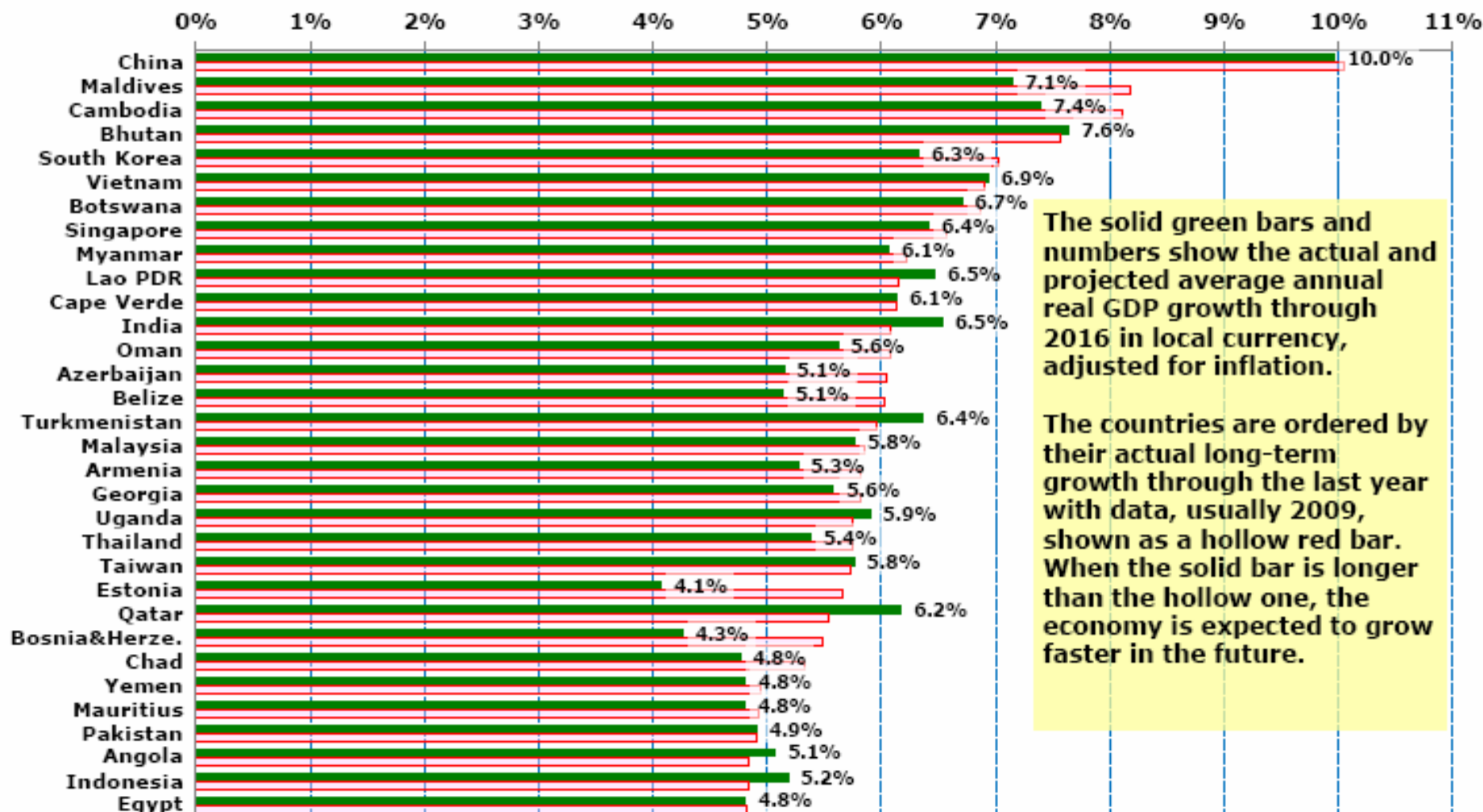
DEVELOPING THE NON-OIL ECONOMY TO ACHIEVE THE MDGs

Timor-Leste Must Win Independence from Petroleum

**Comments from Charles Scheiner, La'ó Hamutuk
3 May 2011**

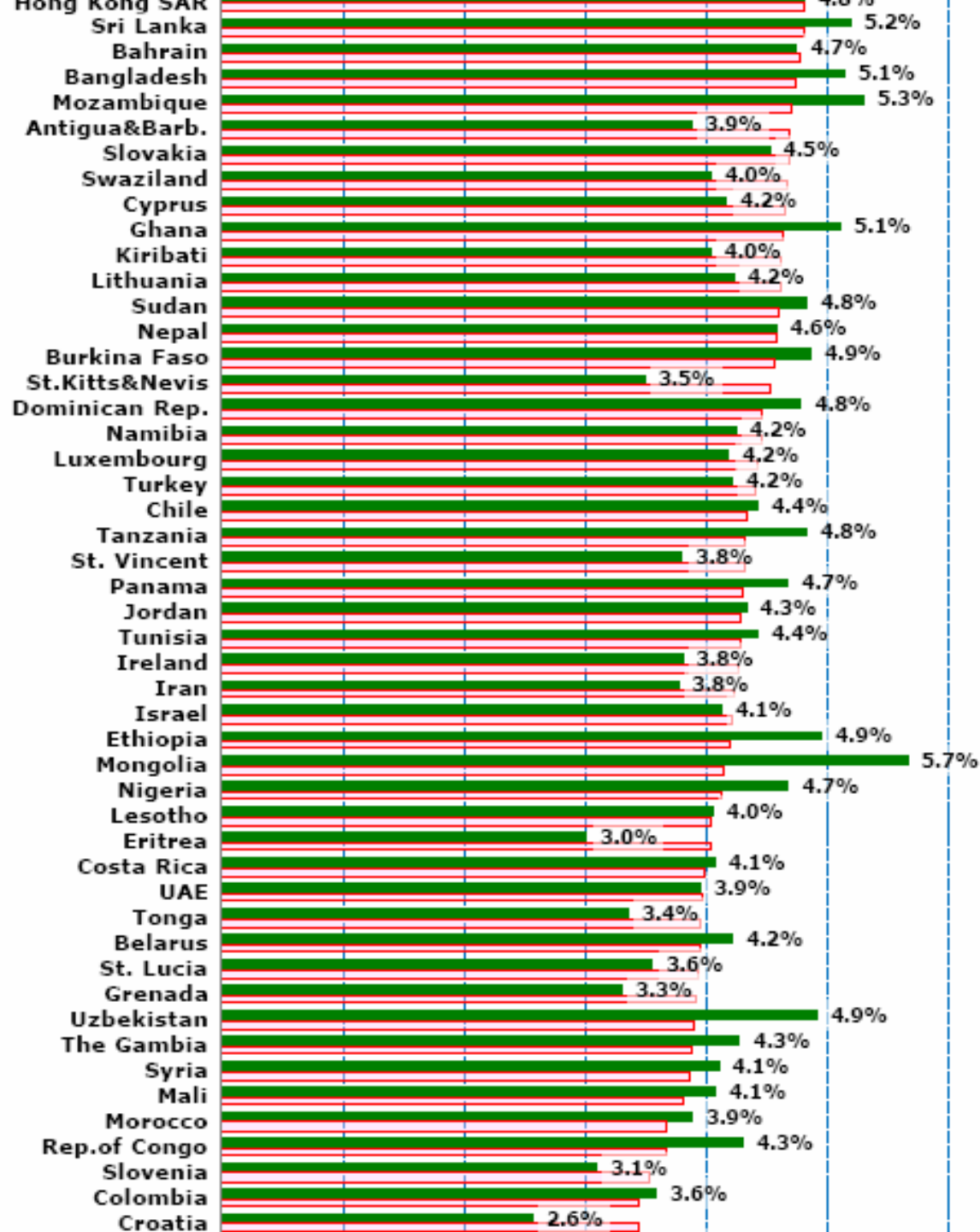
Can Timor-Leste achieve the fastest economic growth in the world?

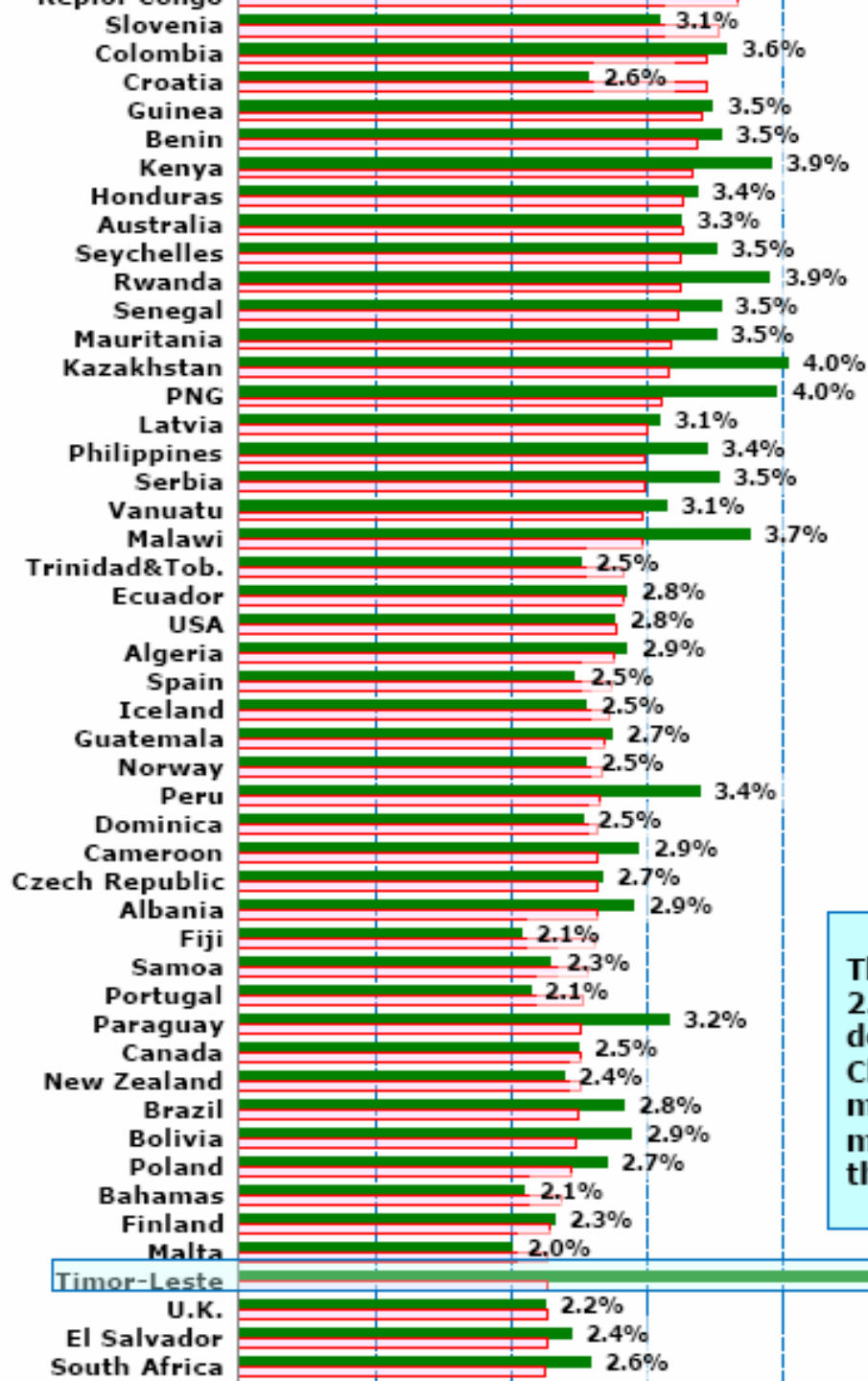
Long-term average annual real GDP growth (1980 or available data - 2016)



The solid green bars and numbers show the actual and projected average annual real GDP growth through 2016 in local currency, adjusted for inflation.

The countries are ordered by their actual long-term growth through the last year with data, usually 2009, shown as a hollow red bar. When the solid bar is longer than the hollow one, the economy is expected to grow faster in the future.





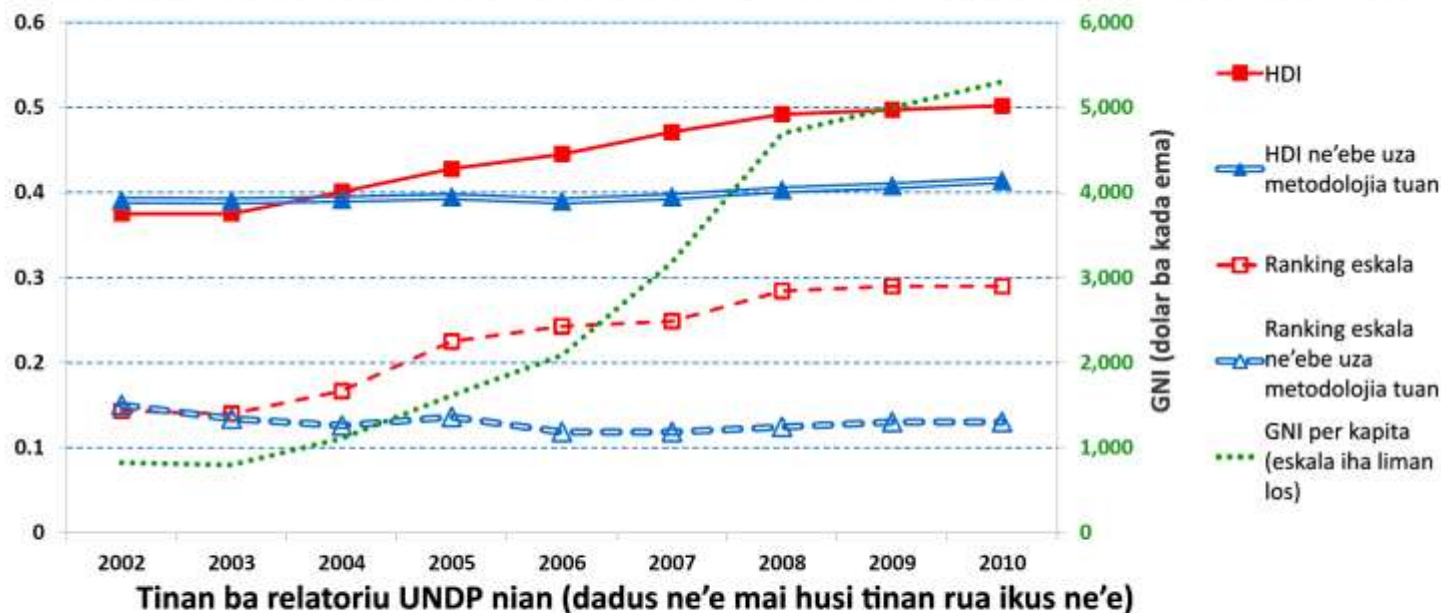
The IMF projects Timor-Leste to grow faster than the 2.3% annual GDP growth seen from 1999-2006, but does not envision double-digit levels, which only China has achieved over the long term. If Timor-Leste matches the fastest-growing comparable countries, it might achieve 6-7% annual long-term growth, but the 8.3% modelled in the HDR is probably impossible.

HDI doesn't represent people's lives.

Timor-Leste: Human Development Index Trends, 2005-10

Year	Life expectancy at birth	Expected Years of Schooling	Mean years of schooling	GNI per capita (PPP US\$)	HDI value
2005	59.7	11.2	2.8	1,167	0.428
2010	62.1	11.2	2.8	5,303	0.502

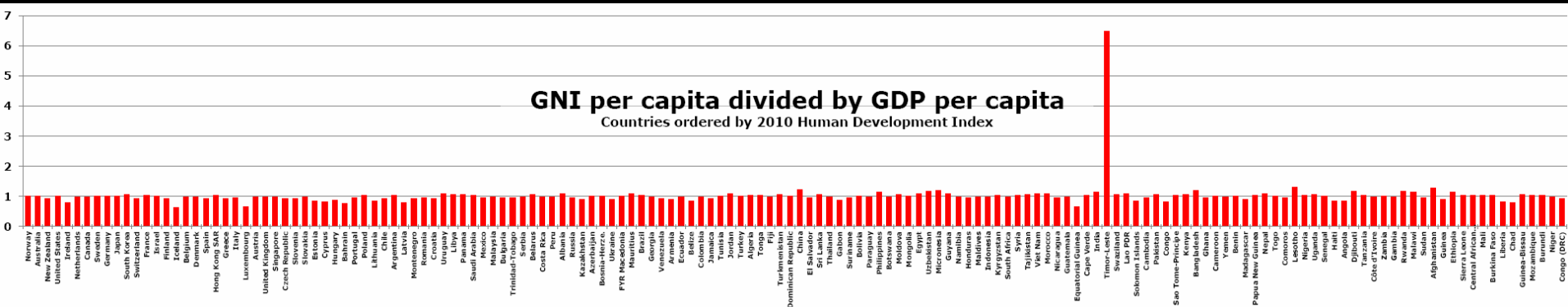
Indeks Dezenvolvimentu Humanu Timor-Leste nian Durante ne'e



Linha mean ketak mak metodolojia foun ne'ebe kalkula HDI ne'ebe institusiona iha 2010, bazeia ba GNI, no linha kor azul dobel uza hela metode tuan nian (ne'ebe Timor-Leste besik la aumenta).

Eskala *ranking* nian mak parte ki'ik husi nasaun sira ne'ebe nia skor HDI menus husi Timor-Leste. Ranking iha 120 husi 169 sei hetan eskala 0.29.

GNI doesn't measure Timor-Leste's economy



GNI doesn't measure Timor-Leste's economy

GNI per capita divided by GDP per capita
Countries ordered by 2010 Human Development Index



Table 14 from the UNDP NHDR

Sectoral Distribution of Public Expenditure Share (%)

	State Budget ^a			Including Donors 2010 Budget
	2009 Budget	2010 Budget	2011	
Executive	21.5	21.9	17.3	20.3
Legislative	2.0	2.5	1.7	2.2
Judiciary	3.0	2.8	1.7	3.6
Social Protection ^b	12.4	9.7	13.7	8.6
Directly Productive Activities	14.5	9.3	6.2	9.2
Social Services	14.0	15.6	9.6	18.3
Physical Infrastructure	19.5	26.1	41.4	24.7
Defence and Security	9.6	7.1	4.3	8.9
Autonomous Agencies	2.9	4.6	3.8	3.5
Others	0.6	0.4	0.2	0.5
Total	100.0	100.0	100.0	100.0

^a Recurrent and capital expenditure combined by government line departments and autonomous agencies, excluding donors

^b Does not include transfers and subsidies which are shown also in the heads of executive and economy and development

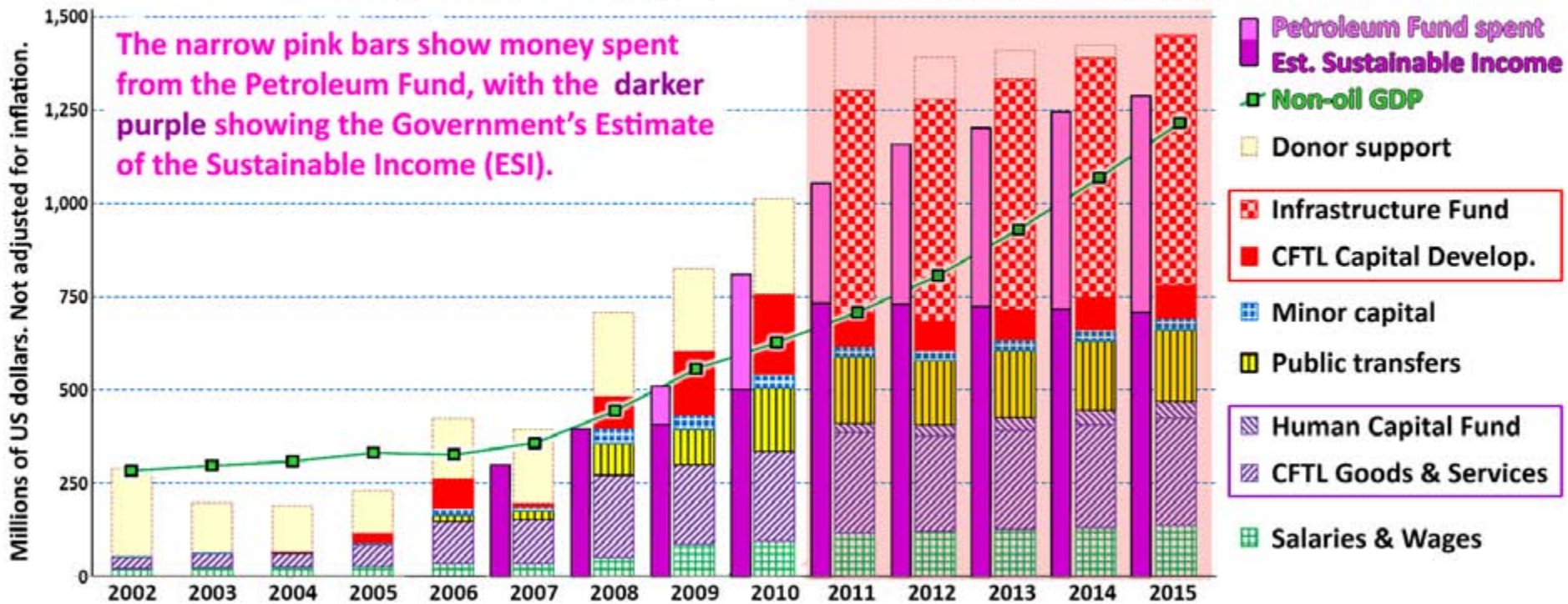
The 2011 State Budget prioritizes physical infrastructure over health and education.

State Budgets 2002-2015

Showing Non-oil GDP Growth

State Expenditures over Time (including autonomous agencies)

2002-2010: Executed budget. 2011-2015: Planned budget.

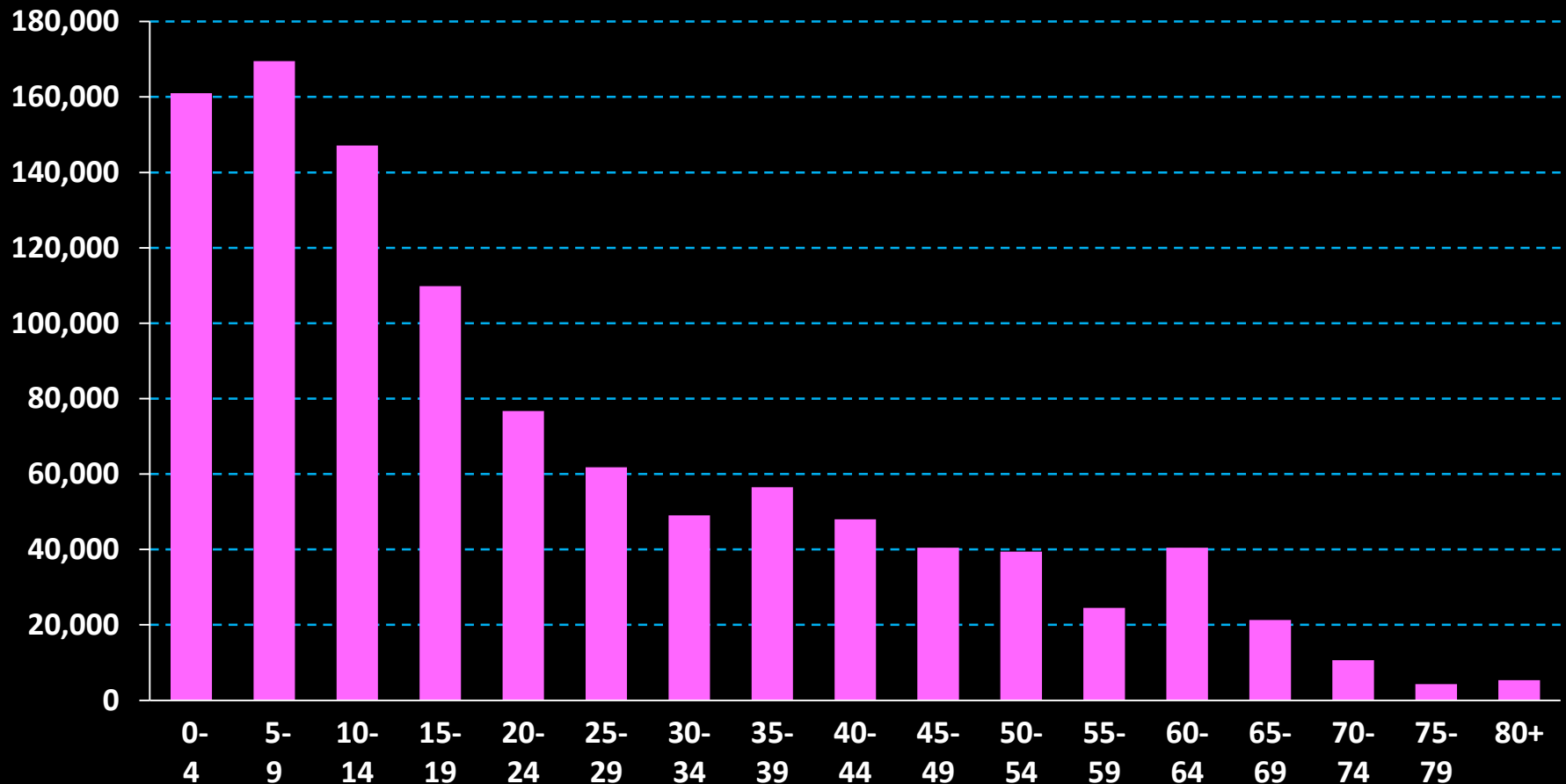


Graph by La'o Hamutuk based on IMF forecasts and RDTL Ministry of Finance data and projections.

Many children will become youth

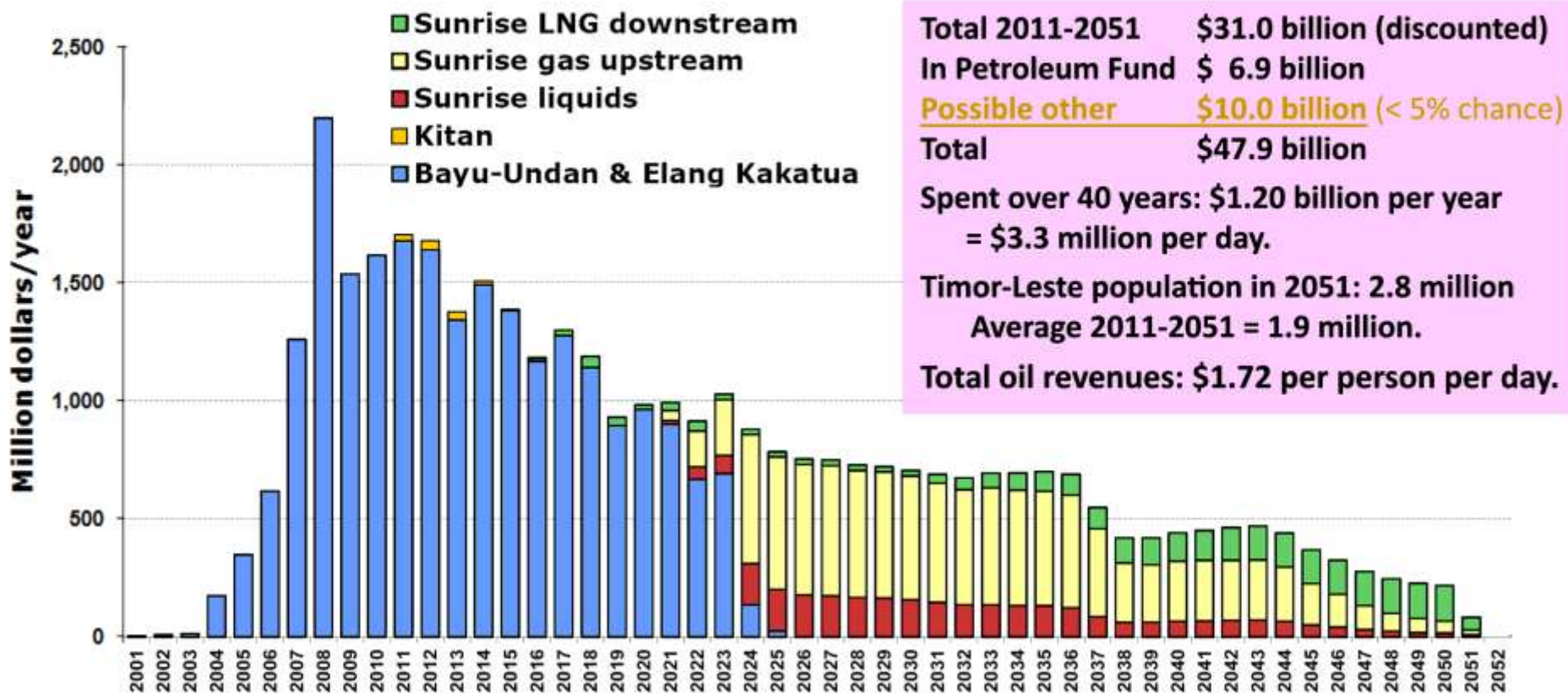
Timor-Leste Population by Age

(From DHS 2009-2010)



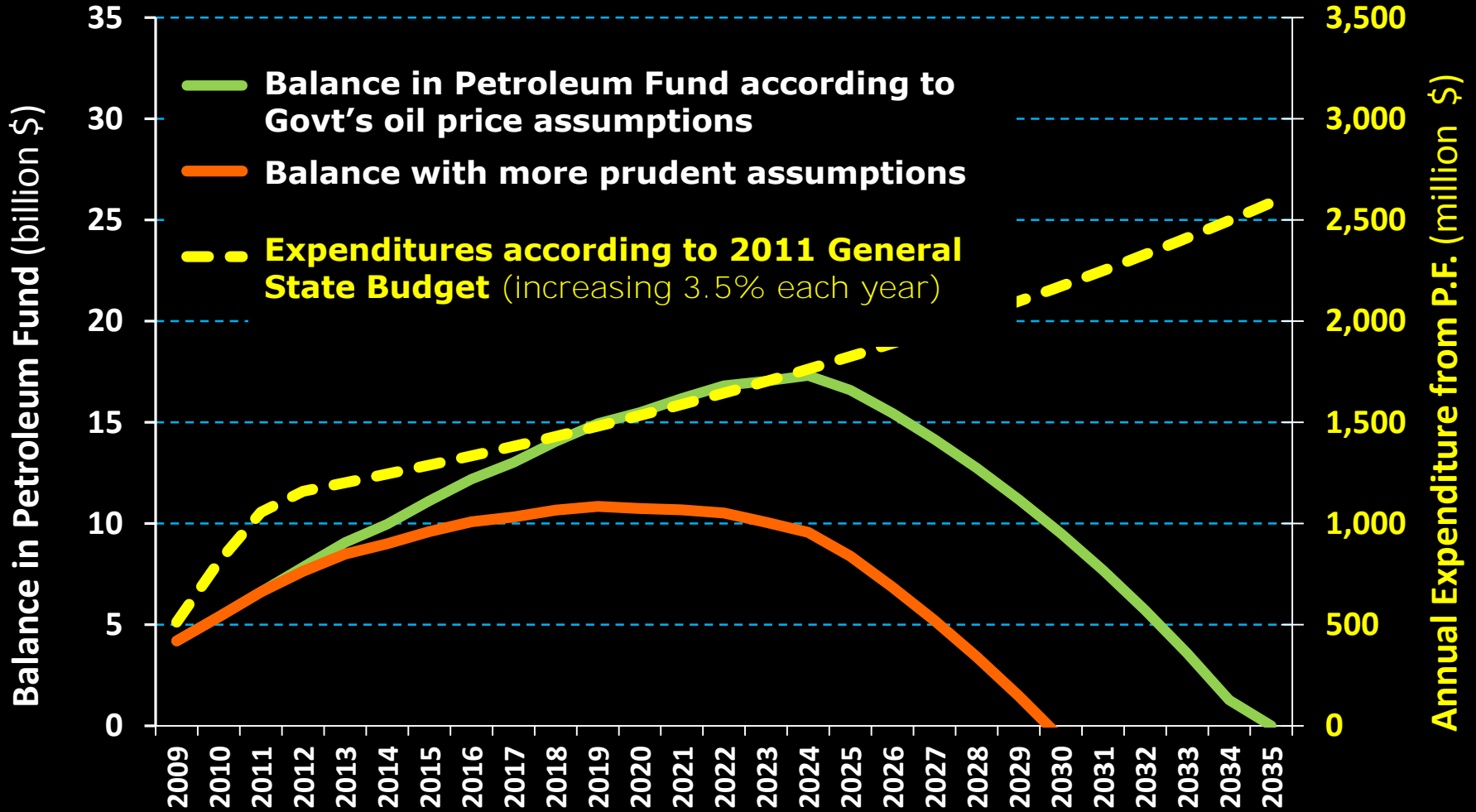
Our oil and gas wealth is very limited.

Timor-Leste's Annual Petroleum Revenues (discounted 4.0% / year) If Sunrise construction starts in 2016.



Graph by La'o Hamutuk based on government and company estimates. April 2011

Petroleum Fund Balance in the Future



Thank you.

**You can find this presentation
and more information from**

- **La'ó Hamutuk's website**
<http://www.laohamutuk.org>
- **La'ó Hamutuk's blog**
<http://laohamutuk.blogspot.com/>