Informative Note

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Timor-Leste: preliminary GDP 2023

The growth of Non-Oil GDP expenditure in 2023, measured at 2.3% in constant prices, reflects a drop compared to the 4.0% rise seen in 2022. This decline in growth for 2023 is linked to a slowdown in economic activities during political transitions, resulting in interruptions in government spending.

The 2.3% growth is driven by a diverse array of factors originating from different spending categories:

Public Consumption: The 3.6% increase in public consumption suggests moderate expansion in government spending on goods and services for public use, indicating potential efforts to stimulate economic activity.

Public Investment: The significant 7.8% increase in public investment, particularly in infrastructure and other projects, indicates a robust commitment to capital development, likely aimed at driving economic growth and development.

Development Partners: The 4.4% decline in expenditures from development partners may reflect a decrease in financial support for consumption and investment activities, potentially impacting economic growth and development programs.

Private Investment: The 2.8% rise in private investments, influenced by government spending on capital developments, demonstrates the stimulative effect of public investment on private sector confidence and subsequent investment. The accompanying 11% surge in the import of capital goods further supports this trend.

Private Consumption: The 3.2% increase in private consumption, bolstered by augmented remittances from overseas, indicates growing consumer confidence and additional private income support, which could contribute to overall economic stability.

Exports of Goods and Services: Despite a reduction in coffee production, exports of goods and services increased by 3.0%, primarily driven by growth in services exports. This suggests diversification in export markets and resilience in the face of specific sectoral challenges.

Imports of Goods and Services: The 4.3% increase in imports of goods and services, particularly the strong rise in import of capital goods (21.0%). This is aligned with the growth of public investment.

Change in Inventories: The marginal 0.6% increase in the change in inventories indicates cautious inventory management practices, possibly reflecting uncertainties in the economic environment.

DISCLAIMER: The preliminary GDP 2023, published in March 2024, is based on the latest available information about Timor-Leste's Non-Oil indicators to provide timely information on Timor-Leste's yearly economic performance. For the preliminary version, the best indicators for Non-Oil GDP come from the expenditure side. Final GDP 2023 will be published in September 2024. Therefore, it is more accurate because it will include all data, especially from the production side (Business Activity Survey). For this reason, the final GDP 2023 growth rate in September 2024 can differ from the preliminary one attached.

Annexes

Table 1: Non-Oil Gross Domestic Product by Expenditures 2023

	Annual growth (%)	Contribution to Growth (pp)
Private consumption	3.2	2.2
Private investment	2.8	0.1
Development Partners	-4.4	-0.5
Public consumption	3.6	1.9
Public investment	7.8	0.9
Exports of goods and services	3.0	0.1
Exports of goods	-21.2	-0.2
Exports of services	15.1	0.3
Imports of goods and services	4.3	2.4
Imports of goods	4.9	1.8
Imports of services	3.2	0.7
Change in inventories	0.6	0.0
Non-Oil GDP (e)*	**2.3**	**2.3**