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2007 Parliamentary Elections

“Defending Timor-Leste’s independence”

Media release

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## FRETILIN pledges to keep Timor-Leste debt free

**FRETILIN will not shift from its goal of keeping Timor-Leste free of debt, party president Francisco Guterres Lu Olo reaffirmed today.**

“We will not burden this or future generations with the vicious cycle of debt that has befallen so many post-colonial developing countries,” said Lu Olo who heads the FRETILIN ticket for the June 30 parliamentary elections.

“There is no need for Timor-Leste to go into debt by borrowing from others. Our Petroleum Fund will provide us with enough money to improve our people’s living standards and develop the economy for many years.”

Lu Olo said he was concerned by talk from some politicians, especially Mr. Gusmão and his CNRT party that they were ‘brave enough to make Timor-Leste indebted’.

“I am very worried about this type of thinking,” Lu Olo said. “I don’t believe Timorese want us to incur debts we will not be able to repay, which as history shows is what happens everywhere.”

Lu Olo said taking the nation into debt would hurt future economic growth. “Our industry and agriculture do not have sufficient capacity to earn the receipts to pay any debts incurred and the debt would keep mounting year by year. Money for education, health care, agriculture development, food security, social welfare and other services would have to be reduced to repay foreign lenders. I do not want that and I am certain Timorese do not want that either,” said Lu Olo.

He said indebtedness would compromise Timor-Leste’s economic and political sovereignty. “There are some countries near us where every child is born with a million-dollar debt hanging over them. People you borrow money from will exert influence over you and your policies both at home and abroad. I lost too many friends in the struggle for our independence to squander it so easily.

“The FRETILIN government resisted international multilateral and bilateral pressure to take up loans and today Timor-Leste is debt free, and has a petroleum fund capable of financing sustainable social and economic development.

“The government has been widely praised for its prudent economic and fiscal management of the petroleum revenues and its budget.”

Lu Olo said economic growth for this fiscal year was forecast at 7% but only reached 5.5% due to the crisis that almost paralyzed the economy for nearly four months.

“The economy is now showing signs of a strong and sustained recovery and we are on track to meet forecast economic growth for the next fiscal year of at least 7%.”

Lu Olo said some politicians had an irrational dislike of FRETILIN’s no-debt policy despite not having put forward a detailed analysis of what they propose and the impact it will have on the economic development of the nation.

“They are screaming for change without thinking of the ramifications. They are opposing and criticizing for the sake of it.

“All parties have to declare where they stand on this issue. The people of Timor-Leste know where FRETILIN stands. They must know where the others stand to judge who can best govern in their and the nation’s best interests,” said Lu Olo.

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