

TIMOR-LESTE 2025: THE 11TH ASEAN MEMBER AND NEW CHALLENGES¹

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Diplomatic activity and the associated calendar of commemorations were exceptionally dense in 2025, particularly regarding the preparations for and subsequent official accession of the country to the Association of Southeast Asian Nations (ASEAN) on 26 October. The ceremony served as a masterful and poignant victory for East Timorese political figures, most notably the Prime Minister and former resistance leader Xanana Gusmão, and the President and former resistance representative in exile, José Ramos-Horta. Today, there is a profound hope that this regional integration will stimulate economic diversification and bolster both national and local economies through an anticipated increase in foreign direct investment. Concurrently, Timor-Leste has undeniably strengthened its ties with other ASEAN nations since the end of 2022—as evidenced by its relations with Singapore and Malaysia.

In this trend, Indonesia is playing a special role, considering the common past and the progress made in reconciliation, even though negotiations are ongoing concerning maritime boundaries. The year 2025 was also significant due to the sheer volume of commemorations organized in Dili and throughout the municipalities to mark the 50th anniversary of the «first» unilateral declaration of independence, which took place on 28 November 1975, a mere ten days before the Indonesian invasion. On the front of economic development, within a context where the «blue economy» has become a prominent policy objective, maritime activities are either currently operational or in the development pipeline. Meanwhile, the joint exploitation with Australia of the Greater Sunrise gas field—which remains untapped—is progressing slowly. Finally, 2025 may be remembered as the

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year when Timor-Leste was identified as a new target for transnational organized crime which has spread at an increasing speed in Southeast Asia. Nevertheless, the country has continued to demonstrate robust indicators in the fields of human rights and democracy, maintaining a standard it has upheld since achieving independence.

KEYWORDS – Timor-Leste; Indonesia; ASEAN; Australia; blue economy; youth.

1. Introduction

The image of Prime Minister Xanana Gusmão wiping away tears during the official ceremony marking East Timor's accession to ASEAN at the 47th summit in Kuala Lumpur (26–28 October) will remain etched in people's memories [DRM News 2025, 26 October]. The 2025 event resonates as a masterful victory for the former leader of the East Timorese resistance, as well as for President José Ramos-Horta (in office since 2022), who has continuously championed this project. Although the country had been a candidate since 2011, the dream of membership dated back to 2002, and even earlier, to the 1970s.

At the same time, commemorations of the 50th anniversary of the unilateral declaration of independence, held not only in Dili but also in all municipalities, were highlighted in a special light. Far from being merely festive, these celebrations were also moments of reflection and remembrance regarding the invasion of the territory less than 10 days after independence. In the economic sphere, a number of major government projects are underway, such as those associated with Tasi Mane, a petrochemical hub on the south coast. Major foreign direct investment (FDI) is also expected in the maritime sector, which represents one of the possible avenues for the country's necessary economic diversification and increased employment opportunities. Nevertheless, public servants must remain vigilant: on the one hand, to avoid indulging in financial and material advantages that fuel the mistrust of the population—particularly young people—towards the authorities; and on the other hand, because of the increased influx of dubious FDI, some of which originates directly from Asian criminal organizations involved in online gambling and scams.

2. The ASEAN's 11th member

On 26 October, Timor-Leste officially became the eleventh member of ASEAN. Although the event was sometimes overshadowed in certain Western media by Donald Trump's presence at the ASEAN Summit and the related diplomatic and trade issues, Timor-Leste's entry into the organization received extensive coverage in the regional media. It has to be remembered as a general analysis background that the membership to the regional grouping is anchored in a strong and long-term political will of the East-Timorese leaders, and that the diplomatic relation with ASEAN member states since the independence and moreover since 2022 showed how transformative has been the experience, not only for Timor-Leste but more generally for all the ASEAN countries.

Indeed, the country's membership is the fruit of a long quest for ASEAN, which can be tracked back to 1974–1975, when the country was moving towards independence in the aftermath of the Carnation Revolution in Portugal, which brought an end to the dictatorship and the Portuguese colonial system, and even more for the 2002 independence, on the grounds that under Indonesian occupation, the territory was considered a part of ASEAN. Reflecting this dream, as early as 2000, then under the United Nations Transitional Administration in East Timor (UNTAET, 1999–2002), the Ministry of Foreign Affairs and Cooperation (MoFAC) established a position for ASEAN affairs. Before having a state secretary for ASEAN in 2012, in line with Timor-Leste's official application submitted to ASEAN in 2011, who was elevated to vice-ministership in 2023. From 2013 onward, MoFAC had organized regular official visits to ASEAN member states, as well as national informative and consultation tours, both in the perspective of its desired membership.

Looking back, the process began to accelerate in November 2022 with the acceptance in principle of East Timor's membership at the 40th and 41st summits, and even more so since June 2023, when the ASEAN Secretariat sent Dili a roadmap listing a significant number of requirements with which Timor-Leste had to comply. These included: the ASEAN Charter; all ASEAN treaties, conventions, and agreements; and trade regulations. In addition, the country needed the preparation of a sufficient number of English-speaking and security personnel, as well as the construction of physical infrastructure, namely hotels, conference centres, airports, and health facilities. While several years of preparation could reasonably have been expected, the announcement in May by Anwar Ibrahim—the Prime Minister of Malaysia, who chaired ASEAN in 2025—came as a surprise, given the speed of integration into a regional organization that is more often criticized for its slow decision-making.

Precisely because the length of the process, with an in-principle acceptance given 11 years after Timor-Leste's application (2011) and a membership itself 14 years after it, many observers wondered if the membership would one day become reality. The lengthy timeline has prompted numerous academic and press articles, most of which question ASEAN's alleged resistance to Timor-Leste joining the regional bloc. Quite a number of press articles were released on this topic especially in 2019, 20 years after the self-determination popular consultation (often wrongly called a referendum). For some, the lengthy process reflected the ASEAN general reluctance to integrate a «poor country» [Ortuoste 2019, 28 September], while for others, the problem was the country's good democratic performance [Chongkittavorn 2019, 21 May] or the increasing presence of China [Tobin 2019, 3 August]. The observed acceleration in 2022 was supposedly due to the normal process of ASEAN scrutiny of Timor-Leste membership, but possibly shaken by Ramos-Horta's viral declaration «It's easier to reach heaven than the gate of ASEAN» [Observer ID 2022, 22 July], triggering a new salvo of press articles. We need to keep in mind that at all times, the economy (from the poverty rate to the GDP per capita and to the absence in Dili of large-scale shopping malls, hotels and convention centres of comparable size to those existing in other Southeast Asian capital cities) was seen as one of the main, if not the main, factor playing negatively in Timor-Leste membership.

As most articles pointed out also in 2025, the issues surrounding accession to ASEAN remain economic in nature. Because of the uncertainty in state revenues brought by Australia's hesitation to develop the yet untapped gas field of Greater Sunrise (see below) and knowing the intra-ASEAN economic dynamics and GDP's growth rate, the country hopes to benefit from the opening up of new markets and the attraction of foreign direct investment from other member states, which are very limited today. The aim also concerns developing partnerships with the region in various sectors and strengthening trade. Trade with ASEAN member states has long been the main source of imports. However, this is also on economic grounds that are based today critical opinions regarding ASEAN membership among East Timorese observers [Cruz Cardoso 2025, 14 October]. These opinions highlight the country's particularities, such as the fact that 70% of the population still lives in rural areas, and the fear of an influx of goods produced at lower cost in other ASEAN countries—which is already occurring—and even of labour. Without denying these potential negative effects, many comments seek to essentialize the country as fundamentally «unready» and «distinct from others».

However, although the economy is a leading factor in the understanding of Timor-Leste's accession to ASEAN, the political,

geopolitical, and security issues should not be underestimated, as all these areas are of direct concern to Timor-Leste, as the author of this article has long pointed out. In particular, time was needed, since the topic of Timor-Leste remained sensitive for some years, for Indonesia, but also for the other ASEAN countries [Cabasset 2020]. While the latter had sided with Suharto's orientation during the 24 years of conflict, the current situation represents a major reversal, particularly with a strong and visible strengthening of Timor-Leste's ties with other ASEAN countries since independence and, even more, since the end of 2022; this is evident in the cases of Singapore and Malaysia. In this respect, accession is a significant victory for the country, as membership of the regional organization and its dynamics will bring it greater security and credibility.

Singapore, which for a long time embodied ASEAN's real or supposed reluctance to integrate Timor-Leste into the economic sphere, has become one of its main supporters, particularly in the field of training East Timorese diplomats and civil servants. From 2022 to July 2025, more than 1,100 people benefited from the «STARS» programme (Singapore-Timor-Leste ASEAN Readiness Support programme), which provides assistance with economic agreements, leadership, and university scholarships [Baharudin 2025, 14 July]. Cooperation has since intensified with the renamed «eSTARS» programme, which is set to run until December 2028. According to Singapore, these good relations are rooted in «small country diplomacy», with all the appeal of Singapore's success acting as an economic model for Timor-Leste [Cabasset 2026]. Another special relationship has developed with Malaysia and its Prime Minister, Anwar Ibrahim, who paid an official visit to Dili on 23–24 September. Ibrahim was awarded the Grand Collar of the Order of Timor-Leste, the highest East Timorese distinction, for «Malaysia's support, from the peacekeeping mission (1999–2002) to Timor-Leste's accession to ASEAN». Alongside Thai soldiers, who were the most numerous within Southeast Asian troops, but also Filipino and Singaporean soldiers, Malaysia had indeed deployed soldiers in the country. The high-level meetings also resulted in the reaffirmation and signing of a defence cooperation agreement, ratified in early November, concerning the strengthening of defence relations, dialogue, information and experience sharing, technical and military training, joint exercises, and cooperation in the fields of defence-related industry, technology, and science [Fonseca 2025, 4 November]. At the 19th ASEAN Defence Ministers' Meeting (ADMM) at the end of October, Timor-Leste's Minister of Defence, Donaciano Gomes, emphasized his country's interest in joining the regional bloc's security network, particularly with regard to maritime security. Other areas of cooperation are

being explored with a view to boosting trade and investment. In November, a delegation of 19 Malaysian companies visited Timor-Leste.

It should also be noted that one of Timor-Leste's objectives is to strengthen connectivity with countries in the region. Thanks to a new route (three flights per week) between Kuala Lumpur and Dili, operated by the Malaysian airline Batik Air since June 2025, Dili is now connected to the ASEAN region by direct flights to Indonesia, Malaysia, and Singapore. This is in addition to daily flights to Australia since independence and, a new development for 2025, to Xiamen in China.

3. Bilateral peace with Indonesia, Timor-Leste's special partner

Of course, ASEAN membership resonates with the special relationship between Timor-Leste and Indonesia. Dili submitted its application in March 2011 while Indonesia held the ASEAN chairmanship, and during the following chairmanship in 2023, Indonesian President Joko Widodo regularly called for accession to take place that year. Since then, in addition to the numerous cooperation initiatives that have developed between the two countries since independence, Indonesia has been one of the member states that has most significantly helped East Timorese officials prepare for ASEAN accession in various sectors: foreign affairs, trade, industry, customs, and excise tax.

Since independence, even though some issues inevitably will take time to resolve, the two countries have adopted a cooperative tone and normalized their relation quite quickly in order to feed a «reconciliation» process. This continued even while Prabowo Subianto, a general whose 20-year career is inextricably linked to the Indonesian occupation of Timor-Leste, acceded to Indonesia's presidency, an event that has often been met with a high dose of pragmatism in both countries [Cabasset 2025]. Today, around 50 Indonesian companies are established in Timor-Leste, including the national oil company Pertamina, the banks BRI and Mandiri, and the telecommunications company Telkomsel. In addition, many bonds—family, friendship, professional, and economic—contribute also to the bilateral peace, such as the presence of thousands of East-Timorese students enrolled every year in Indonesian universities, as well as the presence of thousands of Indonesian citizens living and working in Timor-Leste, some of whom are hired by Ministries or government agencies [Cabasset 2026].

At the same time, however, the two countries have yet to define their borders. With no maritime boundaries yet drawn, the two countries began negotiations in August and December. Regarding the land border, two segments, both located in Oecusse, have yet to be definitively fixed since

independence. The Bidjael-Sunan-Obe segment near Passabe was reportedly settled in 2025 [Soares 2025, 1 December], although the author of this article has been unable to confirm this information. Resolving these issues is important not only because they are a source of dispute, but also because the Noel-Besi Citrana segment—concerning the Naktuka region—is coastal and therefore essential for defining maritime boundaries. As demonstrated by the long-running border dispute between Timor-Leste (70,000 km² for Timor-Leste's maritime area) and Australia (approximately 10 million km²), the latter of which was resolved in 2018, and because also in this case the significant disparity between the respective maritime areas (approximately 6 million km² for Indonesia), a compromise will not necessarily be reached quickly. One of the factors complicating the settlement of the dispute is the need for Indonesia to amend several of the legal instruments it adopted between the late 1990s and 2002, which directly affect the maritime boundaries between the two countries on the northern coast of Timor-Leste [Cabasset 2025, 9 December].

The organization of two international conferences in Dili in May, dedicated to the resolution of disputes including those related to maritime boundaries, brought together high-level experts on these issues and demonstrated Dili's considerable experience in this area. The first, on 14 May [Government of Timor-Leste 2025, 14 May], was devoted to the Permanent Court of Arbitration (PCA, The Hague), to which Timor-Leste became the 124th contracting party in September 2024 by acceding to the 1907 Convention for the Pacific Settlement of International Disputes. It is worth noting that the PCA is a well-known organization in Timor-Leste, which in 2016 initiated conciliation with Australia under its auspices to define maritime boundaries. The other conference, on 15 and 16 May [Government of Timor-Leste 2025, 15 May], was the second of its kind on the law of the sea and the resolution of maritime disputes, following a first edition more than ten years earlier, in 2014. Although the government had already made border demarcation a priority since 2015 under the leadership of Xanana Gusmão, this was reiterated in the programme of the current government in place since 2023. The motivations are linked to national sovereignty, but also to the access and exploitation of resources, such as fisheries and oil.

Apart from that, and for reasons of timing, issues of memory were especially salient in 2025. The ceremony in 2024 marking the 49th anniversary of the first declaration of independence was memorable for bringing together two high-ranking figures emblematic of the New Order and the occupation of East Timor, Generals Wiranto and Kiki Syahnakri, as representatives of the Indonesian Presidency. However, it was also controversial in the country. The commemoration of the 50th anniversary

on 28 November returned to more consensual forms of remembrance: speeches, masses, and exhibitions, including those on the resistance. This did not prevent the event from being both solemn and forward-looking [Ramos-Horta 2025, 28 November].

While the «reconciliation» with Indonesia as a state policy promoted by East Timorese leaders is sometimes criticized locally for being detrimental to justice, the long-standing approach taken by the two countries seems exemplary, despite the undeniably different triggers on either side of the border [Cabasset 2026]. In contrast to the personal and collective amnesia that dominated Indonesia for decades after the «coup» and the events of 1965–1966, in Timor-Leste, the policy of reconciliation has never implied the need for forgetting: every year, the deadly events are commemorated locally or nationally, such as the «Santa Cruz Cemetery massacre in Dili» on 12 November 1991, in which at least 250 young people were killed. As 2025 marks the 50th anniversary of Timor-Leste’s first independence—and its subsequent invasion—several events have been commemorated, such as the creation of the Timor-Leste National Liberation Armed Forces (Forças Armadas da Libertação Nacional de Timor-Leste—Falintil), which at the time of the 2002 independence provided the basis for the establishment of a professional national army called F-FDTL (Falintil-Defence Forces of Timor-Leste). Furthermore, the «Balibo 5» were commemorated in Balibo, a small border town in the north-west. On 16 October 1975, as the Indonesian army began its invasion of Portuguese Timor from the western towns (Operasi Flamboyan), it killed five young journalists from Australia, Britain, and New Zealand who had come to cover the events for Australian television. Representing the Prime Minister at the commemoration ceremony, the Minister of the Presidency of the Council of Ministers, Agio Pereira, gave a detailed account of the events [Government of Timor-Leste 2025, 16 October]. The feature film *Balibo* by Australian director Robert Connolly, released in 2009, is based on the memory of these events.

4. *A blue and oil economy*

In the last few years, the «blue economy» became the new government mantra, especially promoted by Xanana Gusmão. This is a highly relevant area for Timor-Leste and for the region as a whole, which has a recognized high level of marine biodiversity, and it provides ways for cooperation with neighbouring countries since the release in 2023 of the first ASEAN Blue Economy Framework. In Timor-Leste, this vast sector is being invested as a way for needed economic diversification in a context where revenues are

still dominated by hydrocarbon exploitation and where the country is in the expectation of the development of the large Greater Sunrise gas field. Linked to that, a number of maritime-related projects have been emerging in Dili.

4.1. *Budgets, large-scale projects and banking initiatives*

Following approval by the National Parliament, President Ramos-Horta promulgated the General State Budget for 2026 at the end of November 2025, entitled *Investing in National Transformation, Regional Integration and Inclusive Development*. Out of the total consolidated budget of US\$ 2.445 billion, US\$ 2.215 billion will be allocated to the central administration, US\$ 170.4 million to social security, and US\$ 60 million to the Oecusse Ambeno Special Administrative Region (Região Administrativa Especial de Oecusse Ambeno-RAEOA). In total, social transfers for veterans' support and social security amount to US\$ 354.6 million. While the government is prioritizing infrastructure, more than US\$ 400 million is allocated to roads and bridges, the energy sector (including renewable energy), water and sanitation, and air connections.

After the economic recession of 2017 and 2018, followed by the negative socio-economic effects of the COVID-19 pandemic, the figures are on the rise again. The Asian Development Bank forecasts that the country will maintain its economic stability and growth (4.1% in 2024, 3.8% in 2025, and 3.4% in 2026), supported by domestic demand and low inflation [Asian Development Bank 2025, 30 September]. In addition, in October, the petroleum fund (created in 2005) reached nearly US\$ 19 billion.

A new development in the economic landscape is the arrival of two new East Timorese private banks, alongside the existing Central Bank of Timor-Leste, the National Bank of Commerce of Timor-Leste, and a few foreign commercial banks—ANZ (Australia), BNU Timor (Portugal), BRI and Mandiri (Indonesia)—with the aim of improving access to credit for East Timorese citizens and businesses. In doing so, they hope to boost the private sector. The decree-law establishing the National Development Bank of Timor-Leste SA (BNDTL) was approved by the Council of Ministers at the end of July 2025 [Government of Timor-Leste 2025, 1 August; Vieira 2025, 4 August]. Created with the support of the Asian Development Bank, the new bank (with a capitalization of US\$ 55 million) aims to stimulate productive investment by offering, for example, subsidized loans and credit guarantees to small and medium-sized enterprises, start-ups, young people, and women in rural areas, for projects involving business development or acquisition, or skills enhancement. The project could benefit from technical

assistance from Brazil, based on the Brazilian experience of the National Bank for Economic and Social Development (BNDES). As for the Bank of Our Future (*Banco do Nosso Futuro*, or BNF in Portuguese), founded and owned by the Council of National Liberation's Veterans, it was inaugurated in Dili on 4 September. A private bank with East Timorese capital, it reflects the desire of veterans of the struggle for independence to «take an active role in national economic development», although the bank is open to all [Government of Timor-Leste 2025, 5 September].

Alongside ongoing maritime activities (see below), major infrastructure projects that had been in the pipeline for several years were launched, such as the expansion of Dili International Airport. On 20 May 2025, Xanana Gusmão, holding a pickaxe—as he often does for construction projects, whether large or small—launched the project, which is scheduled for completion in 2028 [Tatoli 2025, 20 May]. The project consists of a general expansion of the infrastructure to increase its capacity to one million passengers per year, in particular by extending the runways from the current 1,800 metres to a total of 3,000 metres in three successive phases of extension. The project also includes the construction of a new passenger terminal, which will be designed and built by a Japanese business consortium, with the structural work for the entire project to be carried out by the Indonesian company Waskita Karya.

Another major project is the construction of the country's first solar power plant, with a capacity of 72 megawatts and a 36-MW energy storage system, by the Japanese company Itochu Corporation and the French company Electricité de France (EDF) [Varadhan and Tang 2025, 17 October]. Work is scheduled to begin in 2026 and, under a 25-year agreement, the project is expected to supply the state-owned company Eletricidade de Timor-Leste (EDTL). While Timor-Leste has been in a state of electricity overproduction since 2012 with the Hera power plant and associated plants, the aim is to reduce the costs associated with diesel imports, lower the tax burden and, supposedly, kick-start the energy transition. It should be noted that in 2012, Timor-Leste succeeded in electrifying more than 90% of the country's households thanks to this power plant. Since then, it has been attempting to complete coverage of isolated areas using solar power.

4.2. *Blue economy and ongoing maritime activities*

In 2025, the Timor-Leste government has refined its strategy in the form of an action programme, *Blue Economy: Policy and Action Plan for the Promotion of a Resilient and Sustainable Economy of the Sea in Timor-Leste 2025–2035*. In September, the 300-page document was made

available online for public consultation before being presented to municipal authorities, community leaders, and other key partners. While this may come as a surprise, it is no coincidence that it is the Land and Maritime Boundary Office, and its central figure, Xanana Gusmão, that has taken ownership of the maritime economy theme, as well as the design and promotion of the associated action plan. Prime Minister from 2007 to 2015, before resigning and becoming Minister of Planning and Strategic Investments (2015), Gusmão was already the chief architect of Timor-Leste's *Strategic Development Plan 2011–2030*. With the sea and its resources now at the heart of current geopolitical issues, if not a new battlefield, it is being claimed, here as elsewhere, as a national issue. As a sign of the increased interest in this area, in November, the American private research vessel *OceanXplorer* conducted a 14-day scientific mission aimed, among others, at identifying species and mapping the seabed off the north coast of Timor-Leste and around the island of Atauro [Government of Timor-Leste 2025, 10 November].

Japan, one of Timor-Leste's major development partners, whose companies are involved in oil and gas consortia exploiting the Bayu-Undan and Greater Sunrise fields alongside Australian and East Timorese oil companies, has long shown an interest in the maritime sector. The Japan International Cooperation Agency (JICA), which is very active in this field, for example, drew up and published a master plan for port development in Timor-Leste in 2024. Within this framework and thanks to a financial grant, the small port of Carabela near the country's second city, Baucau, is undergoing rehabilitation. Others are expected to follow, in order to facilitate the transport of goods and people, even during the rainy season, which regularly damages the road network. The Tsuneishi Group, established in Dili since 2023, is continuing with its project to set up a shipyard on the north coast of the country, near Manatuto. Pending the actual construction, the company has already organized two training sessions for East Timorese trainees in Japan in 2025.

While China apparently remains relatively uninvolved in the maritime sector, despite having shown interest in it for a long time, the Chinese company South Timor Fisheries Development Lda. states that it wants to invest in a major aquaculture project worth more than US\$ 600 million in Laleia on the north coast [Tatoli 2025, 28 April].

4.3. *Still under negotiation: joint exploitation with Australia of the Greater Sunrise gas field*

The exploitation of Greater Sunrise, a large gas field discovered in 1974, remains under negotiation between the various stakeholders in Timor-Leste

and Australia. While the end of 2024 had seen promising progress in favour of the Timor-Leste option—namely, with facilities built and the pipeline landing on the southern coast, as opposed to the Darwin option long preferred by Australia—little progress has been made since then [Government of Timor-Leste 2024, 23 December; Yihe 2025, 27 May]. Observers met by the author in the field pointed out that an intergovernmental agreement was one thing, but an agreement between private companies was another, referring to Woodside Energy Ltd, Australia's largest oil and gas company and the main operator in the exploitation consortium. However, a statement issued by the East Timorese government at the end of November indicated that a cooperation agreement had been signed between the East Timorese Ministry of Petroleum and Mineral Resources and Woodside [Government of Timor-Leste 2025, 25 November].

Under this agreement, studies as well as technical and commercial activities would be carried out to develop the option of building a liquefied natural gas plant that would produce around 5 million tonnes per year, as well as a helium extraction plant. These activities would be pursued in parallel with ongoing negotiations on the legal, regulatory, and fiscal framework to support the upstream development of Greater Sunrise between the Sunrise Joint Venture consortium and the governments of Timor-Leste and Australia. Earlier this year, in May, the government resumed public information sessions with communities affected by the Tasi Mane project, a major petrochemical development project on the south coast. But while the supply base for the Greater Sunrise gas pipeline is still planned in Suai, the liquefaction plant is now planned to be located in Natarbora, along with other potential petrochemical projects, rather than in Betano and Beaçu.

5. Youth take to the streets to protest against inequality

While demonstrations remain relatively uncommon in the country, on 15 and 16 September, Dili was marked by protests by young people, particularly students, against the planned purchase of 65 SUVs for all members of the National Parliament, at a total cost of US\$ 4 million [Le Monde 2025, 16 September]. Although the government cancelled the controversial purchase the day after the demonstration, the protesters continued their campaign to denounce the lifetime pension system (*pensão vitalícia*) introduced in 2007 and to demand its abolition. This law grants presidents, ministers, and parliamentarians who have served for at least 42 months and find themselves unemployed the right to receive 100% of their

salary for life, as well as various benefits for themselves and their families paid for by the state—for example, medical treatment at home or abroad, the provision of an office, employees, a car, and security. This is not the first time that protests have targeted these benefits; similar demonstrations took place in 2015 [Timor Post 2015, 30 September] and 2017, for instance. On those occasions, too, the government backtracked on the issue. In 2025, MPs quickly decided—on 25 September—to abolish the lifetime pension.

Several factors led to the street protests. Like the Gen Z movements organized in Indonesia, Sri Lanka, and Nepal during the same period, the two measures targeted by the protests are considered to be out of touch, unfair, and drivers of increasing inequality, in a situation where the majority of East Timorese face great difficulties in meeting their daily needs and where public services remain of poor quality, especially for those without networks or good incomes. As Cezario Cesar, one of the protest organizers, put it: «People don't have access to quality education, water and sanitation ... many services are still lacking, but they continue to create laws that directly benefit them.» [Ewe and Ng 2025, 17 September]. The reference was to the basic annual salary of East Timorese MPs, which was US\$ 36,000 in 2023—about ten times the average income in the country. At the same time, the presence of a large youth population in the country is an important factor, with those aged under 30 representing more than 60% of the total population, as is the fragility of the economic fabric, with approximately 77% of the population deriving their income from the informal economy, according to the International Labour Organization.

However, given the limited opportunities to find well-paid jobs in Timor-Leste, emigration has increased and remittances to the country have become a significant source of income for both households and the national economy. The effects are all the more beneficial as these transfers potentially boost domestic consumption. On a less positive note, while there have been no bookshops in Dili since the COVID-19 pandemic, a significant number of money transfer shops, such as MoneyGram and Western Union, have sprung up. In this context, organized labour mobility schemes with some countries for seasonal or longer term jobs are among the most popular projects. Every year but increasingly, thousands of East-Timorese benefit the mobility schemes, especially the already well established one with Australia (over 5,000 workers), but also with New-Zealand, South Korea, and more recently Japan, generating millions in money transfers to Dili. This does not include the thousands of young people who left spontaneously for Portugal and the United Kingdom, for example. According to the United Nations in Timor-Leste [2022], 'from 2015 to 2021, the level of total remittances inflow to Timor-Leste has more than doubled from 62 million US\$ to an estimated 171 million US\$ in

2021', making it the largest source of non-oil income for Timor-Leste. While the lack of jobs and its consequence in terms of emigration are regular targets of criticism, it has to be said that emigration provides not only valuable income to the East-Timorese, but also to youth who emigrate, offering the means of emancipation from strict family and social structures and ways for new knowledge and experience acquisition.

6. Timor-Leste: a new target for infiltration by transnational organized crime

Breaking with the isolation it experienced during the Indonesian occupation, the country has, since independence, sought to attract domestic and foreign investment in order to diversify its economy and boost its still embryonic non-oil sector. In doing so, it has attracted not only different companies, but also gangsters of all kinds whose activities could, if left unchecked, severely affect the country. Agio Pereira, a senior East Timorese politician, sounded the alarm in September about the risks posed to the country by organized crime. As Minister of the Presidency of the Council of Ministers—a position he knows well, having held it for approximately 15 years in total since 2007—and overseer of the National Intelligence Service, Pereira is known for his commitment and integrity. In a *Manifesto for the Defence of Timor-Leste* posted in Portuguese and Tetum on Facebook, he stated he had «irrefutable and overwhelming evidence» that US\$45 million had been brought into the country by crime syndicates from Cambodia, Malaysia, Macau, Hong Kong, and «triads» [UNODC 2025, 11 September; Rose 2025, 8 October].

The money was intended to buy local complicity to enable the issuance of fraudulent licences and the construction of protected enclaves where illegal gambling, cyber fraud centres, and human trafficking could operate under the guise of legality. Among the many casinos that have sprung up in Dili and the online gambling industry that has grown just as significantly, one project in particular has come under scrutiny in the town of Pante Macassar, in the East Timorese enclave of Oecusse. Based on the renovation and expansion of a five-star hotel built in 2017–2018 and never completed, new casino and online scam activities had already established themselves. According to observations made by the author in the field, the region—which is very rural—was now being promoted as a «digital hub», «at the cutting edge of modernity», and set to become a «source of significant revenue» thanks to a «very quiet clientele coming only for gambling».

As regularly pointed out by various observers and the United Nations Office on Drugs and Crime (UNODC), these peripheral locations, beyond the reach of scrutiny, control, and the law, are multiplying in special economic zones, especially on borders, as illustrated by the border areas of Cambodia and Myanmar [UNODC 2024, January; Bonnet, Miko and Siegel 2024]. Timor-Leste has been increasingly targeted since online casinos hosting illegal activities were banned in the Philippines in July 2024. As a result, Timor-Leste is about to join the very open club of Southeast Asian countries affected by organized crime, particularly cyber-crime. Nevertheless, on 1 October, the draft resolution presented by Agio Pereira—concerning the cancellation of all licences already granted to online gaming and betting operators, as well as all ongoing procedures for the granting of new licences—was approved [The Macau News 2025, 3 October]. Like in other countries in the region, Timor-Leste is vulnerable to organized crime because of a combination of reasons, such as: the attraction of the «easy money», the credulity of the victims, but also of the low-profile perpetrators, and the lack of governance especially when applied to high level business and businessmen. In the country, the vulnerability is even reinforced by young institutions, the cash-based economy (using the US dollar), porous borders, and the absolute need for foreign investment.

7. Conclusion

Diplomatic activity was eventful in 2025, particularly with the preparation for and subsequent official accession to ASEAN, upon which East Timorese leaders are counting to stimulate economic diversification and the national and local economies. The calendar of commemorations was also particularly full this year. Their growing importance—particularly through extensive communication regarding the unilateral declaration of independence, which had remained discreet and localized until then—illustrates the increased politicization of the «duty to remember». The fact remains that the «50th anniversary» provides an opportunity to remind everyone, both East Timorese and foreigners, of the time, ambitions, and lives lost, and how much these losses, alongside the necessary reconstruction efforts, have hampered the country's human and economic development.

Nevertheless, opening up to ASEAN and, more broadly, to globalization comes at a price. Alongside the increased and rapid arrival in previous years of environmentally undemanding hotel and real estate projects, 2025 marks the arrival of organized crime in the form of illegal online activities and cyber scams. While the news itself is not new, the

documented evidence is. We can only hope that the warning issued by the Minister of the Presidency of the Council of Ministers, Agio Pereira, and the bilateral and multilateral cooperation established in this area since then, will prove beneficial. Indeed, in December, the Minister of Foreign Affairs and Cooperation, Bendito dos Santos Freitas, participated in the 11th session of the Conference of the States Parties to the United Nations Convention against Corruption in Doha (Qatar). On the sidelines of the event, and with a view to establishing cooperation on the fight against corruption and transnational crime, meetings were held with partners such as Interpol, the Australian delegation [Gama 2025, 10 December], and the United Nations Office on Drugs and Crime (UNODC).

However, the country cannot be summed up by this alone; progress has been made. For example, Timor-Leste emerged as one of the vice-presidents of the 80th Session of the United Nations for the period from 9 September 2025 to 8 September 2026, it holds the presidency of the Least Developed Countries Group from 2026 to 2028, and it has been appointed interim president of the Community of Portuguese Language Countries (CPLP) in response to the political crisis in Guinea-Bissau. In the field of the blue economy, projects related to the maritime sector and marine biodiversity are continuing, moving towards economic diversification. Similarly, in the field of «democracy», the country continues to enjoy good indicators—indeed, the best in the region—for 2025, as reported by *The Economist*, Freedom House, Reporters Without Borders, and the Global Peace Index.

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