

East Timor's Xanana Gusmão returns to power as prime minister

Patrick O'Connor
28 June 2023

A new government in East Timor will be sworn into office this Saturday, with 77-year-old Xanana Gusmão as prime minister.

The government will be a coalition of Gusmão's National Congress for Timorese Reconstruction (CNRT) and the Democratic Party. In the national election held on May 21, the CNRT received 41.6 percent of the vote and 31 of the 65 parliamentary seats, just short of a majority. The Democratic Party won 9.3 percent and 6 seats.

The result indicated deep dissatisfaction with the previous Fretilin-led government, which was in office since May 2020. Parties within the incumbent ruling coalition suffered significant losses. Fretilin won four fewer seats than it did after the last parliamentary election in 2018, with 25.7 percent, down from 34.2 percent. The People's Liberation Party of outgoing Prime Minister Taur Matan Ruak also lost four seats, winning just 5.9 percent of the vote.

The previous government presided over the COVID-19 pandemic, which triggered a severe recession in East Timor while the global supply line crisis fuelled inflation, including for rice and other basic food staples. Last March the government issued a report acknowledging that in 2022, nearly one quarter of the population, 300,000 people, faced "acute food insecurity."

The country remains among the world's most impoverished, and, more than two decades of after receiving formal independence, there is a lack of basic infrastructure including a reliable electricity supply and paved roads in rural areas. In the capital Dili, there is enormous youth unemployment and a lack of affordable education courses. The country has a significant youth population—the median age is just 21—and many voters were participating in elections for

the first time.

Gusmão made a populist pitch in the election campaign, portraying himself as a champion of the poor. The incoming prime minister was a guerrilla leader during the Indonesian occupation of East Timor (1975–1999) and subsequently served as both president (2002–2007) and prime minister (2007–2015).

Gusmão represents not the interests of Timorese workers and rural poor, but rather the nascent capitalist elite. His bourgeois nationalist perspective centres on the drive to create a local oil and gas processing industry based on the extraction of the still untapped Greater Sunrise energy field, worth approximately \$A70 billion. Gusmão's return as prime minister will see stepped up efforts to pressure the Australian government to back his campaign to construct pipelines from Greater Sunrise to Suai, in Timor's south.

The Greater Sunrise field is co-owned by the Timorese state-owned Timor Gap's 56.56 percent stake, and Australian energy giant Woodside Petroleum, which has a 33.44 percent stake, and Japan's Osaka Gas with 10 percent.

Woodside has for years effectively vetoed the construction of a pipeline to Timor, insisting instead that any extracted oil and gas be processed either in northern Australia or on a floating facility in the Timor Sea. Woodside executives have previously questioned the viability of the entire project. In 2020 they wrote down the value of their stake to zero dollars amid a collapse in world energy prices.

Subsequent changes in the global oil market, including as a result of the US-NATO proxy war against Russia in Ukraine, have changed such calculations. In 2022, Woodside chief executive officer Meg O'Neill stated Greater Sunrise was likely a profitable venture, though she refused to commit to a

pipeline to Timor.

Any development of Greater Sunrise will not be based on purely commercial considerations. The formation of the new Gusmão-led government coincides with stepped up preparations for a war of aggression against China by the United States and its allies including Australia. Every effort is being made to militarily and diplomatically isolate and encircle China, including by challenging its growing economic and strategic influence in the South Pacific and South East Asia.

East Timorese President José Ramos-Horta, elected last year with Gusmão's backing, has warned the Australian government that Dili could look to China to provide the necessary investment to develop Greater Sunrise.

In September last year, when he visited Australia, Ramos-Horta told the media that he had been involved in "informal discussions" for several years with Chinese officials about their potential involvement. "They are very interested and they even told me they are very interested even to be the sole partners," he stated.

China already has relatively small, but strategically significant investments in East Timor. These include highway construction, deep-sea port development, and electricity grids that are connected with the Tasi Mane infrastructure project that is being prepared to process Greater Sunrise oil and gas.

The Timorese president made little effort to conceal his leveraging of the threat of a heightened Chinese presence in East Timor. Noting the Solomon Islands' signing of a security pact with Beijing—a development met with howls of outrage in Canberra and Washington—Ramos-Horta stated that Timor would never house a Chinese military base. He added, however: "Timor-Leste is very strategic. When you look at the map, far more strategic than Solomon Islands. We are a one-hour flight to Darwin, one hour to Indonesia, three hours to Singapore, in a very vital strategic waterway."

The development of Greater Sunrise is an existential issue for the Timorese ruling elite. The Bayu-Undan gas field, which has provided the vast majority of government revenue over the last two decades, is nearly dry. The state is threatened with outright bankruptcy, as its sovereign wealth fund, currently worth \$US17

billion, will be depleted within a decade unless replenished with new sources of revenue.

Australian imperialism has a filthy record in East Timor and the Timor Sea. In 1975, the Labor government of Gough Whitlam supported the Indonesian invasion of the former Portuguese colony, and in 1991, the Labor government of Bob Hawke signed the Timor Gap Treaty, carving up stolen energy resources between Indonesian and Australian corporations. In 1999, Canberra spearheaded a military operation into Timor, waving the bogus banner of "humanitarian intervention," which in reality prioritised the maintenance of Australian imperialist interests after continued Indonesian control became untenable.

Canberra's contempt for East Timor's sovereignty and for basic precepts of international law has since been demonstrated on numerous occasions. In 2004, Australian spies posing as aid workers planted listening devices in the Timorese prime minister's office, in order to gain an advantage in negotiations over the Timor Sea's energy reserves. Successive Australian governments subsequently have hounded the whistleblower "Witness K" and his lawyer, Bernard Collaery. In 2006, Canberra launched another military intervention as part of a campaign to destabilise and remove the Fretilin government led by Mari Alkatiri.

The Australian government will likely be satisfied with the failure of the latest Fretilin-led coalition government to be elected. During the campaign, Alkatiri publicly called for the renegotiation of Timor's maritime border with Australia. The boundary, imposed by Canberra through threats and intrigue, allows Australia to claim 20-30 percent of oil and gas revenues from Greater Sunrise, even though under international legal conventions the entire field ought to lie in Timorese territory.



To contact the WSWs and the Socialist Equality Party visit:

[wsws.org/contact](https://www.wsws.org/contact)