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## **Timor-Leste's Aspiration for ASEAN Membership**

*By Roberto Soares*

### **SYNOPSIS**

*It has been a long time coming but Timor-Leste is on the cusp of being a full member of ASEAN. While Timor-Leste does face challenges, as a peaceful and democratic state, with an open and liberal economy, it is well placed to meet the requirements for ASEAN membership. The inclusion of Timor-Leste will also support regional economic integration and promote peace, unity and prosperity in Southeast Asia.*

### **COMMENTARY**

Timor-Leste first applied for ASEAN membership in 2011, strongly supported by Indonesia, which was Chair of ASEAN that year. While at that time there were feelings of pride and anticipation in Timor-Leste, few would have imagined that their country would still be waiting for admission until today.

In the years following its candidacy, Timor-Leste has remained committed to joining ASEAN and to integration in the shared region of Southeast Asia. It is true that in 2011 Timor-Leste faced many challenges that affected its ability to fully participate in ASEAN's processes and community building. Timor-Leste was consolidating its fragile statehood, building infrastructure, strengthening human resources and developing its diplomatic capacity. Since then, however, Timor-Leste has made significant progress in many areas.

In 2022, Timor-Leste celebrated the 20th Anniversary of the Restoration of Independence. In the same year, the US-based Freedom House ranked Timor-Leste as the only fully free country in Southeast Asia and the World Press Freedom Index ranked Timor-Leste as 17th globally, including having the freest media in Southeast Asia. The country is now preparing for parliamentary elections on 21 May 2023.

### **The Long Road to ASEAN Membership**

Over the years, many delegations have visited Timor-Leste, and numerous reports have been written, to assess its readiness for membership. In July last year, President José Ramos-Horta of Timor-Leste commented that “it seems like the road to heaven – to reach the perfection of heaven – is easier than to reach the gates of ASEAN”.

However, it must also be acknowledged that while this has been a long process for Timor-Leste, it has also been constructive. The wait allowed the country to deepen relations with neighbouring states. Timorese leaders travelled to all ASEAN countries to discuss membership and Timor-Leste opened diplomatic missions in all these countries. During this time, Timorese leaders were impressed by the sense of community in Southeast Asia and the strong support Timor-Leste received across the region.

A breakthrough was achieved at the ASEAN Summit in Cambodia on 11 November 2022. ASEAN leaders agreed in principle to admit Timor-Leste as the 11th member of ASEAN. It was also agreed to grant observer status to Timor-Leste. The ASEAN Coordinating Council (ACC) was tasked to develop the objective criteria-based roadmap for Timor-Leste’s full membership in ASEAN.

On 4 February 2023, Timor-Leste was invited for the first time to participate, as an observer, in the ACC meeting presided over by Indonesia. Timor-Leste warmly welcomed and accepted this consensus invitation. Timor-Leste strongly believes in the ASEAN process and will take all the necessary measures drawn up by the ACC to achieve the milestones of the roadmap.

### **Timor-Leste's Potential Contributions**

Timor-Leste has on numerous occasions affirmed its readiness to join ASEAN and share in its motto, “One Vision, One Identity, One Community”. As Timor-Leste seeks to build and diversify its economy, joining ASEAN and being part of the ASEAN Economic Community (AEC) will yield benefits for the country. The stated aim of the AEC is to free up trade in goods and services, and facilitate freer movement of capital, foreign direct investments (FDI), and skilled workers across the region.

Timor-Leste’s leaders believe their country is well positioned to contribute to the AEC goals as it has an open, free, and liberal economic system. The official currency of Timor-Leste is the US dollar, and there are no capital controls. The AEC is a huge economic community with a combined GDP of over US\$3 trillion and it is still growing with further economic integration within the region. The leaders of Timor-Leste support the AEC vision and its goal of a dynamic regional economy plugged into the global system.

Timor-Leste leaders have emphasised their country’s need for skilled labour to build its infrastructure and economy. Since its independence, Timor-Leste has welcomed skilled labour and encouraged more FDI because these are crucial to its economic advancement.

In 2016, Timor-Leste applied to join the World Trade Organization (WTO) and membership is expected later this year as it has committed fully to become part of the

rules-based global trading system. Timor-Leste respects international law since it was so instrumental in our achievement of self-determination and nationhood.

Timor-Leste's commitment and belief in the rules-based international order was also demonstrated in the establishment of its maritime boundaries with Australia. Timor-Leste was the first country to initiate a compulsory conciliation process under the United Nations Convention on the Law of the Sea (UNCLOS).

Timor-Leste's tax system is very competitive with one of the lowest corporate tax rates in the world – a maximum 10 per cent corporate and individual tax. There is no value added tax (VAT). Timor-Leste continues to expand its infrastructure to support economic development. In November 2022, a new national port was inaugurated in Tibar that will promote trade with regional and global markets.

### **Timor-Leste's Challenges**

There are, of course, challenges for Timor-Leste in meeting the requirements of membership in ASEAN, including the AEC.

Despite its petroleum reserves, Timor-Leste remains a poor country confronted by issues of food security, health care, and education. Great strides in training and educating its people have been made but significant gaps remain in its human resource capability and development. However, a long-term plan to strengthen Timorese human resources has been developed which includes improvements to the health, well-being, and prosperity of the people.

At the Workshop on “Resilience and Change: ASEAN in a Fracturing World”, organised by the RSIS Centre for Multilateralism Studies, on 22 February 2023, the discussion on the implications of decoupling and the unraveling of globalisation, which will diminish connection and integration between countries in Asia and beyond, revealed that ASEAN has an opportunity with Timor-Leste's membership application. It is an opportunity to make an important statement in support of regional cooperation and inclusive regional architecture in an increasingly fragmented world.

This is why I would urge ASEAN to adopt an open mind and embrace a positive vision for regional community building by admitting Timor-Leste. The latest State of Southeast Asia Survey 2023, conducted by the Centre for ASEAN Studies at ISEAS–Yusof Ishak Institute in Singapore, revealed that nearly two-thirds of respondents (61.5 per cent) supported Timor-Leste's membership of ASEAN, with only 15 per cent disagreeing.

### **Timor-Leste's Commitment**

Timor-Leste understands that joining ASEAN is a privilege that carries with it responsibilities. Timor-Leste stands ready to take the necessary steps to join ASEAN and make a positive contribution to peace, progress, and prosperity in Southeast Asia. Timor-Leste and its people look forward to sharing our future with all the nations of ASEAN.

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*Roberto Soares was Timor-Leste's inaugural Ambassador to Singapore, and a former Secretary of State for ASEAN Affairs of Timor-Leste. He is now the Special Assistant to the Chief Negotiator, and Head of Senior Officials Consultation, on Land Boundary Negotiations. This commentary is an adapted version of his speech at the Workshop on "Resilience and Change: ASEAN in a Fracturing World", organised by the Centre for Multilateralism Studies, S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University (NTU), Singapore, 22 February 2023.*

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**S. Rajaratnam School of International Studies, NTU Singapore**  
Block S4, Level B3, 50 Nanyang Avenue, Singapore 639798  
T: +65 6790 6982 | E: [rsispublications@ntu.edu.sg](mailto:rsispublications@ntu.edu.sg) | W: [www.rsis.edu.sg](http://www.rsis.edu.sg)