



Doing Business in Timor-Leste: 2013 Country Commercial Guide for U.S. Companies

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- [Chapter 1: Doing Business In Timor-Leste](#)
- [Chapter 2: Political and Economic Environment](#)
- [Chapter 3: Selling U.S. Products and Services](#)
- [Chapter 4: Leading Sectors for U.S. Export and Investment](#)
- [Chapter 5: Trade Regulations, Customs and Standards](#)
- [Chapter 6: Investment Climate](#)
- [Chapter 7: Trade and Project Financing](#)
- [Chapter 8: Business Travel](#)
- [Chapter 9: Contacts, Market Research and Trade Events](#)
- [Chapter 10: Guide to Our Services](#)

[Return to table of contents](#)

Chapter 1: Doing Business In Timor-Leste

- [Market Overview](#)
- [Market Challenges](#)
- [Market Opportunities](#)
- [Market Entry Strategy](#)
- [Market Fact Sheet link](#)

Market Overview

[Return to top](#)

Timor-Leste is a small, developing nation that occupies half an island located between Indonesia and Australia. It is one of the world's youngest democracies. Since 2007, it has boasted one of the world's fastest-growing economies, buoyed by revenues from its modest petroleum resources. It remains a country with enormous poverty, however, with high unemployment and underemployment rates, incomplete infrastructure, and low social development indicators, especially in health and education.

Oil and gas revenues have surged in recent years as projects in the Joint Petroleum Development Area that Timor-Leste shares with Australia have come online. The government set up a sovereign Petroleum Fund to ensure the sustainable use of its revenues over the long term. Government spending is mostly financed by withdrawals from the Fund. Fund assets exceeded \$13.6 billion as of June 2013. Government spending, largely on infrastructure and social transfers, drives economic growth. Private sector development has been slow due to human capital shortages, an incomplete and bureaucratic regulatory environment, and basic infrastructure inadequacies.

According to the government's General Directorate for Statistics, Timor-Leste imported goods worth \$670 million in 2012. Principal import categories in 2012 were electrical machinery (\$244 million), fuel (\$104 million), vehicles and parts (\$53 million), iron and steel products (\$35 million), cereals (primarily rice, \$31 million), and machinery and parts (\$30 million).

Timor-Leste's non-oil exports totaled \$30.8 million in 2012, of which over 60% was coffee destined for Europe or the United States.

The United States designated Timor-Leste as a Least Developed Beneficiary Developing Country under the Generalized System of Preferences (GSP) program in 2007. The United States and Timor-Leste concluded a handicraft certification agreement in February 2009 that makes certified hand-loomed and folklore textile articles from Timor-Leste eligible for GSP duty-free tariff treatment. More information on the GSP program is available at <http://www.ustr.gov/trade-topics/trade-development/preference-programs/generalized-system-preference-gsp/gsp-program-inf>.

Market Challenges

[Return to top](#)

The World Bank ranks Timor-Leste as one of the most difficult places in the world to do business, at 169 overall out of 185 countries. Timor-Leste ranked last in the world in terms of the ease of registering property, enforcing contracts, and closing a business. It also ranked near the bottom for getting credit, protecting investors, and starting a business. Timor-Leste's relative strengths were paying taxes and trading across borders.

The government established [SERVE \(Service for Registration and Verification of Entrepreneurs\)](#) in May 2013 as a one-stop shop for both foreign and domestic investors to register their businesses. SERVE seeks to streamline the registration process to five business days.

The country's regulatory environment is complicated by a blend of laws that draws upon colonial Portuguese law, Indonesian law, and post-independence legislation. The lack of defined property laws -- either real or intellectual -- is a major barrier to investment, both foreign and domestic. The government hopes to enact legislation on real property in 2013. Timor-Leste is not a member of the World Trade Organization.

Timor-Leste experienced major instances of political violence in 1999 in the wake of a referendum on independence from Indonesia and again in 2006 when internal civil order collapsed and international peacekeepers returned to restore stability. The security situation has improved considerably in recent years and the last international peacekeepers departed at the end of 2012.

Market Opportunities

[Return to top](#)

Timor-Leste's economy has three main engines: a subsistence agriculture sector that occupies the majority of Timorese workers and is slowly taking on a more commercial approach; a goods and services sector driven by private consumption; and public spending on infrastructure development. The latter two sectors in particular are reliant on imports to meet rising levels of demand, given the lack of local production.

The government plans to spend considerable amounts on infrastructure development over the coming years. Many projects offer opportunities for American business. The 2013 budget contains \$752.9 million for infrastructure development including: \$139 million for the South Coast ("Tasi Mane") complex of projects that include a supply base for offshore petroleum operations, an LNG plant, and a petrochemical complex along with associated infrastructure, housing, and other facilities; \$123 million for electricity; \$106 million for road and bridge projects; \$40 million for public building construction; \$9 million for school construction; \$2 million for health facilities; and \$10 million for clean water projects.

Opportunities also exist to improve low-productivity agricultural sectors. Output and yields could be increased for current or potential cash crops such as coffee, coconut, green beans, soybean, and peanuts as well as for staple consumption foods such as paddy, cassava, sweet potato, and corn.

Timor-Leste's fishing industry is underdeveloped despite the country's natural endowment of marine resources. The introduction of better harvesting and processing techniques would allow the local industry to support greater domestic consumption and exports.

Finally, the country's tourism potential remains largely untapped. Miles of unspoiled beaches, green mountains, and plentiful outdoor activities offer prospects in ecotourism, scuba diving, whale watching, mountain biking, and the like. Tourism development awaits the provision of the necessary transportation, communication, and accommodation infrastructure.

Market Entry Strategy

[Return to top](#)

In this country with no strong history of private sector-led development, still-developing rules, and little reliable market research, personal relationships remain key to understanding the Timorese market. Regular visits and contact with local representatives are essential to enter the market and remain on top of market conditions. Local partners can also be useful in bidding on government contracts.

Timor-Leste has established a specialized agency for investment, [TradeInvest Timor-Leste](#), with a mandate to help foreign companies register their businesses and find potential Timorese local partners or representatives. The [U.S. Embassy's Economic Section](#) can assist U.S. companies in identifying qualified Timorese business partners and provide advice on potential business opportunities.

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

(The following is the new link to the Background Notes)

<http://www.state.gov/r/pa/ei/bgn/index.htm>

<http://www.state.gov/r/pa/ei/bgn/35878.htm>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 3: Selling U.S. Products and Services

- [Using an Agent or Distributor](#)
- [Establishing an Office](#)
- [Franchising](#)
- [Direct Marketing](#)
- [Joint Ventures/Licensing](#)
- [Selling to the Government](#)
- [Distribution and Sales Channels](#)
- [Selling Factors/Techniques](#)
- [Electronic Commerce](#)
- [Trade Promotion and Advertising](#)
- [Pricing](#)
- [Sales Service/Customer Support](#)
- [Protecting Your Intellectual Property](#)
- [Due Diligence](#)
- [Local Professional Services](#)
- [Web Resources](#)

Using an Agent or Distributor

[Return to top](#)

In general, foreign businesses supply goods and services to Timor-Leste using subsidiaries, distributors or wholesalers. While there are established distributors familiar with the international environment, the number of small and medium size enterprises that can potentially be used as distributors is rising. Most of them are based in the country's capital, Dili; few have an online presence.

U.S. companies are invited to get in touch with the [Business Development Institute \(IADE\)](#) or [TradeInvest Timor-Leste](#) to obtain more detailed information on qualified local agents and distributors for their particular product line.

Establishing an Office

[Return to top](#)

Timor-Leste's [Law No.4/2004 on Commercial Companies](#) defines the legal framework for business incorporation in the country. Registering a business in Timor-Leste and obtaining a Ministry of Commerce, Industry and Environment license costs approximately \$115 and has been made faster with the recent establishment of a one-stop shop called [SERVE \(Service for Registration and Verification of Entrepreneurs\)](#). Foreign companies that wish to do business in Timor-Leste are required to either establish a subsidiary or appoint a permanent representative. The representative can be a Timorese citizen or a foreign citizen with a residence in Timor-Leste. The subsidiary or the representative office must be registered at and obtain a commercial license from [SERVE \(Service for Registration and Verification of Entrepreneurs\)](#) prior to operating a business in Timor-Leste.

Franchising

[Return to top](#)

There are no local laws on franchising, but several international firms have local franchises in Timor-Leste, principally in the services sector.

Direct Marketing

[Return to top](#)

Timor-Leste does not have regular mail delivery, and only a handful of Timorese have access to the Internet, making traditional direct marketing difficult. The direct marketing that takes place is usually through hand distribution of pamphlets and flyers.

Joint Ventures/Licensing

[Return to top](#)

Joint ventures are becoming more common, particularly in construction and government contracting, and are encouraged by the government as a means of knowledge transfer. Joint venture partnerships can take the form of a Limited Liability Company (Ltd.) or a Joint Stock Company (S.A.).

Every partner is bound to contribute capital or human resources to the company and to share losses, except where otherwise stated in the articles of association. All partnerships must be registered at [SERVE](#) (Service for Registration and Verification of Entrepreneurs).

U.S. companies seeking to establish a joint venture should contact TradeInvest Timor-Leste for more information on other government regulations that might affect their specific type of business.

Licensing arrangements exist in Timor-Leste but are still relatively rare, and the lack of a supporting legal structure can make them risky.

Selling to the Government

[Return to top](#)

The government has two types of tender -- national public tender and international public tender.

All procurements under \$100,000 are national public tenders. To bid on a national public tender, foreign companies are required to establish a local presence or form a joint venture with a local business in which Timorese ownership constitutes at least 51 percent. The bid documents for national public tenders are generally in the Portuguese and Tetum languages.

International public tenders are open to all companies, foreign and domestic, and are published in the English language. According to [Timor-Leste's Procurement Law](#), the use of an international public tender is compulsory for the following types of tenders:

- Public construction work with an estimated value exceeding \$1 million;

- Contracts for purchase of goods or technical services with an estimated value exceeding \$250,000; and
- Consultancy services with an estimated value exceeding \$200,000.

Although not technically required to compete for an international public tender, partnering with a Timorese firm may improve your company's chances for success, particularly if the partnership envisions the building of local capacity for future projects.

Timor-Leste's government has established an e-procurement system that is intended to eventually list all public tenders at www.eprocurement.gov.tl. Compliance with the listing requirement is still uneven, however, and some tenders are advertised only in local newspapers.

Emergency tenders are also not necessarily routed through the online portal. Information on national or international tenders can also be accessed on the [Ministry of Finance's website](#).

Distribution and Sales Channels

[Return to top](#)

Most imports into Timor-Leste are handled by distributors and wholesalers located in the capital of Dili, who then route the products overland to rural districts.

All imports enter Timor-Leste through the country's sole international sea port and airport (both in Dili) or by land over the border with Indonesian West Timor. The government is currently planning to build several new seaports and is examining the possibility of additional cargo airports.

Selling Factors/Techniques

[Return to top](#)

Selling products in Timor-Leste does not necessarily require a special practice or technique. Although most Timorese speak multiple languages, providing product information or sales material in Tetum would allow for the broadest market penetration, especially in rural districts where foreign languages are less common.

Electronic Commerce

[Return to top](#)

Because only a minority of Timorese has regular Internet access and there are limited options for local delivery of goods, e-commerce is rare in Timor-Leste except for travel services. Some companies do maintain web presences, but they tend to use them for marketing purposes rather than direct sales.

Trade Promotion and Advertising

[Return to top](#)

Most local advertising involves the use of billboards, banners hung above roads, storefront signage, and the pages of the daily local newspapers, [Suara Timor Lorosa'e](#), [Timor Post](#), [Jornal Nacional Diario](#), and the local business-oriented newspaper [Business](#)

Timor. English-language newspapers include the [Dili Weekly](#) and [East Timor Guide Post](#) as well as [Timor-Leste's Online Business Register](#).

Radio is the most widely accessible form of public communication. There is one public radio station, several commercial radio stations based in Dili, and at least one community radio station in each district. The public and commercial stations all run advertisements. The [U.S. Embassy's Economic Section](#) can assist U.S. companies to get in touch directly with either public or commercial stations in the country.

Timor-Leste has one nationwide public TV channel, [TVTL](#), and one private channel, [STL TV](#). Both channels broadcast programs in Tetum and Portuguese and show advertisements. Many Indonesia-based channels are also widely available via satellite.

Pricing

[Return to top](#)

Timorese consumers tend to be price conscious and will not always pay a premium for quality. Because Timor-Leste uses the U.S. dollar as its official currency, there is no exchange risk for U.S. firms, but local inflation (which has averaged in the double digits for the last several years) should factor into pricing considerations.

Pricing for imported products should take into account the relatively low tariffs and customs duties. Because almost all products are imported, however, and tariffs are uniform across all countries, there is a generally level playing field, and U.S. products can be competitive.

Sales Service/Customer Support

[Return to top](#)

After-sales service is not generally expected in Timor-Leste, although the practice is starting to become more common in certain areas such as automotive sales. Most products are sold as-is with no follow-on customer service.

Protecting Your Intellectual Property

[Return to top](#)

Your U.S. trademark and patent registrations will not protect you in Timor-Leste. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country.

Timor-Leste's constitution guarantees the protection of intellectual property rights, but there is no subsidiary law to describe how those protections are provided or enforced. The government is preparing a draft law on intellectual property rights, but in the interim you should not assume that you have any intellectual property protection under Timorese law.

It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government generally cannot enforce rights for private individuals in Timor-Leste. It is the responsibility of the rights' holders to register, protect, and enforce

their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Timorese law. The U.S. Embassy can provide a list of local lawyers upon request. A current list can be found [here](#).

While the U.S. government stands ready to assist, there is little we can do if the rights holders have not taken steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the U.S. government can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a lawsuit. In no instance should U.S. government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Timor-Leste require constant attention. Work with legal counsel familiar with Timorese laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the United States and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.

- For more information about registering trademarks and patents (both in the United States as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the United States, contact the U.S. Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the United States as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.

Due Diligence

[Return to top](#)

It can be very difficult to conduct due diligence on a local business or potential business in Timor-Leste. As the country is only eleven years old, most companies are new and many companies have only rudimentary recordkeeping and filing systems.

Taxation records are also unreliable and may not have been filed even by legitimate businesses. There are no local credit rating agencies.

Hiring a local attorney to research and conduct due diligence can be a good step toward ascertaining the reliability of your potential partner.

Local Professional Services

[Return to top](#)

Most local professional services are located in the capital of Dili. Please refer to [IADE's Enterprise Directory](#), [Guide Post](#) or [Timor-Leste Business Register](#) for lists of professional service providers in Timor-Leste. The [U.S. Embassy's Economic Section](#) can also provide advice on specific service providers and can be reached at: SilvaF@state.gov.

Web Resources

[Return to top](#)

- Anti-Corruption Commission
<http://cac.tl/>
- Timorese Judicial System
<http://www.tribunais.tl/>
- Ministry of Justice
<http://www.mj.gov.tl/>

- Office of the Prosecutor General
<http://www.mp.tl/>
- Ministry of Finance
<http://www.mof.gov.tl>
- Timor-Leste's Customs Service
<http://www.mof.gov.tl/customs>
- Government e-Procurement System
<http://www.eprocurement.gov.tl>
- Ministry of Tourism
<http://www.tourismtimorleste.com>
- Ministry of Commerce, Industry and Environment
<http://www.mcia.gov.tl>
- State Secretariat for Employment and Training Policy
<http://www.sepfope.gov.tl>
- Institute of Business Development (IADE)
<http://www.iade.gov.tl/>
- IADE's Enterprise Directory
<http://www.iade.gov.tl/en/tis/enterprises/directory/>
- Specialized Agency for Investment
<http://www.tradeinvest.gov.tl>
- Service for Registration and Verification of Entrepreneurs (SERVE)
<http://www.serve.gov.tl>
- Radio Television Timor-Leste (RTTL)
www.rttlep.tl
- Suara Timor Lorosa'e Television (STL TV)
<http://suara-timor-lorosae.com/stl-tv-pagina.html>
- Suara Timor Lorosa'e (STL)
<http://suara-timor-lorosae.com>
- Business Timor
<http://jornalbisnistimor.com>
- The Dili Weekly
<http://www.thediliweekly.com>
- Timor-Leste's Business Register
<http://www.easttimor-timorleste.com>
- Timor Post
<http://www.diariutimorpost.tl>
- East Timor Guide Post
<http://www.guideposttimor.com>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

- [General and Household Consumer Goods](#)
- [Building Products/Building Materials](#)
- [Construction Equipment](#)
- [Oil, Gas Mineral Production and Exploration Services](#)
- [Travel and Tourism Services](#)
- [Airport/Ground Support Equipment](#)
- [Agricultural Machinery and Equipment](#)

Agricultural Sectors

- [Poultry and Meat](#)

General and Household Consumer Goods

Overview

[Return to top](#)

Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	n/a	n/a	n/a	n/a
Total Imports	66,672	105,557	121,000	139,000
Imports from the U.S.	168	85	n/a	n/a
Exchange Rate: 1 USD	1	1	1	1

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Imports: General Directorate for Statistics (<http://www.dne.mof.gov.tl/>)

Imports from U.S.: U.S. Census Bureau

Timor-Leste does not produce and export general and household consumer goods. Timor-Leste depends on imports for almost all of its retail consumer goods. Timor-Leste's General Directorate for Statistics reported total merchandise imports of \$664 million in 2012. The top five categories were electrical equipment, fuel, vehicles, iron/steel articles, and cereals, but the value of consumer goods has been relatively large and growing. The main sources of imported consumer goods are Indonesia, China, Singapore, and Australia, but U.S. products -- frequently transshipped via Singapore -- are common. U.S. import data are based on U.S. Census Bureau data and likely significantly understate the availability of U.S.-origin goods.

There are very few national retail chains. The country has one modern mall, opened in December 2011, but most retail sales occur through small stores and kiosks. Rather than marketing directly to these small-scale operations, U.S. firms looking to sell products may find it more useful to target the wholesalers and distributors who supply these retailers.

Sub-Sector Best Prospects

[Return to top](#)

While the entire range of retail products is imported, the best prospects for large-scale sales would likely be low-cost, commodity-type products. There is a growing market for luxury goods and high-value food products, but the scale is still relatively small and the channels for marketing such goods are limited.

Opportunities

[Return to top](#)

As the economy continues to move away from subsistence agriculture, there will be a growing demand for all types of consumer goods. The major competitors for U.S. firms in this sector will be Indonesian and Chinese producers.

Opportunities also exist for investors to establish retail operations in Timor-Leste.

Web Resources

[Return to top](#)

Ministry of Commerce, Industry and Environment
Institute for Business Development
Timor Plaza Retail Opportunities

<http://www.mcia.gov.tl>

<http://www.iade.gov.tl>

<http://www.timorplaza.com/retail.html>

Building Products/Building Materials

Overview

[Return to top](#)

Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	n/a	n/a	n/a	n/a
Total Imports	49,051	70,989	93,000	122,000
Imports from the U.S.	0	0	n/a	n/a
Exchange Rate: 1 USD	1	1	1	1

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Imports: General Directorate for Statistics (<http://www.dne.mof.gov.tl/>)

Imports from U.S.: U.S. Census Bureau

Note: trade data understate U.S.-origin imports, many of which are re-exports from other countries.

The Government of Timor-Leste's Infrastructure Fund accounts for 36% of the 2013 national budget. Most of the funds will go to the Tasi Mane projects on the south coast, electricity generation and distribution facilities, roads and bridges, and public buildings as described in Chapter 1.

In addition, demand for private office space and residential facilities is rising as government spending increases disposable incomes and supports growing economic activity, particularly in Dili.

Construction projects use almost entirely imported basic materials; furnishings and accoutrements are almost all imported as well.

Sub-Sector Best Prospects

[Return to top](#)

- Composite
- Steel
- Furnishings
- Fire extinguishing equipment
- Air conditioning systems
- Electrical systems

Opportunities

[Return to top](#)

- Public works (roads, highways, ports, airports)
- General industry construction
- Private buildings (hotels and resorts)
- Industrial facilities
- Educational and private health facilities

Web Resources

[Return to top](#)

Timor-Leste's E-Procurement Portal
Ministry of Finance
Ministry of Infrastructure

<http://www.eprocurement.gov.tl/>
<http://www.mof.gov.tl/>
<http://moi.gov.tl/>

Construction Equipment

Overview

[Return to top](#)

Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	n/a	n/a	n/a	n/a
Total Imports	45,043	29,574	20,000	45,000
Imports from the U.S.	0	0	n/a	n/a
Exchange Rate: 1 USD	1	1	1	1

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Imports: General Directorate for Statistics (<http://www.dne.mof.gov.tl/>)

Imports from U.S.: U.S. Census Bureau

Note: trade data understate U.S.-origin imports, many of which are re-exports from other countries.

Timor-Leste imports all of the heavy equipment used in the country. The government's infrastructure investments, from major road projects financed with World Bank, Asian Development Bank, and Japan International Cooperation Agency loans to district-level drainage and waterworks, have generated a boom in the construction industry.

Major construction equipment suppliers include China, Japan, and Indonesia. U.S. brand equipment is also prominent.

Sub-Sector Best Prospects

[Return to top](#)

Best prospects for U.S. companies include asphalt / pavers / concrete equipment, loaders, forklifts, and excavators. The main competitors are China and Indonesia.

Opportunities

[Return to top](#)

As the country invests in infrastructure, there will be growing demand for all types of construction equipment. For any project financed by the government, official tenders are published on [the Ministry of Finance](#) website and the government's [procurement portal](#). Since the launch of an e-procurement system in mid-2011, construction opportunities have accounted for about 40 percent of all tenders.

Web Resources

[Return to top](#)

Timor-Leste's E-Procurement Portal
Ministry of Finance
Government of Timor-Leste

<http://eprocurement.gov.tl/>
<http://www.mof.gov.tl/>
<http://www.timor-leste.gov.tl>

Oil, Gas, and Mineral Production and Exploration Services

Overview

[Return to top](#)

Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	47,654	104,335	n/a	n/a
Total Local Production	213,995	228,377	n/a	n/a
Total Exports	213,995	228,377	n/a	n/a
Total Imports	47,654	104,335	n/a	n/a
Imports from the U.S.	0	0	n/a	n/a
Exchange Rate: 1 USD	1	1	1	1

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: National Petroleum Authority (ANP) <http://www.anp-tl.org>

Total Imports: General Directorate for Statistics <http://www.dne.mof.gov.tl/>

Total Exports: National Petroleum Authority (ANP) <http://www.anp-tl.org>

Timor-Leste's petroleum operations are located offshore in the Joint Petroleum Development Area (JPDA) that Timor-Leste and Australia jointly administer in the absence of agreed maritime boundaries. Petroleum extraction contributes over 90 percent of the government's revenue, and it is the main source of the country's income.

The Bayu-Undan gas field located in the JPDA is operated by ConocoPhillips in a joint venture with several other foreign firms. A separate consortium headed by Eni operates the Kitan field in the JPDA. As of April 2013, the total national output in barrels of oil equivalent is 197,300 bbl/day.

The Government of Timor-Leste is embarking on the "Tasi Mane" cluster of projects along 155 km of Timor-Leste's south coast. The projects include a supply base for offshore oil operations, a petrochemical complex, and an LNG processing facility along with associated residential and other facilities. The government hopes the development of Tasi Mane will attract foreign investment.

Timor-Leste imports fuel for electricity generation and other domestic consumption from neighboring countries such as Indonesia, Malaysia, Singapore, and Australia.

Sub-Sector Best Prospects

[Return to top](#)

The best prospects for U.S.-based companies are in petroleum infrastructure, exploration, extraction, refining, and transportation.

Opportunities

[Return to top](#)

Timor-Leste is considering making available additional offshore acreage in its territorial waters and in the JPDA for production sharing contract ventures. In addition, upon enactment of laws on land ownership, the government may consider licensing onshore exploration as well.

Australian company Woodside Energy is the lead contractor for the Greater Sunrise field, which under the current legal framework lies partially in the JPDA. If agreement is reached on that project and development ensues, there will be opportunities for American companies.

American companies should monitor progress toward implementation of the Tasi Mane south coast projects as they could offer significant opportunities. The government's petroleum company, Timor GAP, has the lead on the Tasi Mane projects (<http://www.timorgap.com/databases/website.nsf/vwAllNew/SOUTHERN%20COAST%20PROJECT>).

Web Resources

[Return to top](#)

Timor-Leste's National Oil Company
National Petroleum Authority

<http://www.timorgap.com/>
<http://www.anp-tl.org>

Travel and Tourism Services

Overview

[Return to top](#)

Unit: Numbers of people

	2011	2012	2013 (estimated)	2014 (estimated)
Total Outbound Travelers	69,208	84,816	100,000	115,000
Total Inbound Travelers	76,053	96,698	105,000	120,000
Total Travelers from U.S.	2,207	2,211	2,250	2,300
Total Travelers to U.S.	n/a	n/a	n/a	n/a

Data Sources:

- Total Outbound Travelers: General Directorate for Statistics
<http://www.dne.mof.gov.tl/>
Immigration Department, Timor-Leste's National Police
Note: this is total number of departures, not individuals.
- Total Inbound Travelers: General Directorate for Statistics
<http://www.dne.mof.gov.tl/>
Immigration Department, Timor-Leste's National Police
Note: this is total number of arrivals, not individuals.
- Total Travelers from the U.S.: General Directorate for Statistics
<http://www.dne.mof.gov.tl/>
Immigration Department, Timor-Leste's National Police
Note: this is total number of arrivals, not individuals.

Timor-Leste has untapped tourism potential due to its natural beauty, history, and distinctive cultural heritage. It is home to rich marine life, white sand beaches, traditional sites and houses, ruins of Portuguese colonial forts and buildings, and former hiding places of Timorese resistance members. Those who seek eco-tourism experiences and adventures will find Timor-Leste an interesting place to visit.

Four airlines now serve Timor-Leste, with flights to/from Darwin (Australia), Denpasar (Indonesia), and Singapore. Despite the departure of international peacekeepers at the end of 2012, anecdotal evidence indicates that demand for seats has remained solid. There are no domestic flights yet, although the government plans to rehabilitate or build airports in Dili and the districts.

The lack of tourism infrastructure still presents challenges. Limited accommodation options, relatively expensive air links to Timor-Leste, and the poor condition of the road network are particular challenges for the industry. Timor-Leste's Strategic Development Plan recognizes these challenges and is committed to devote resources for the development of the sector.

Sub-Sector Best Prospects

[Return to top](#)

Best prospects for U.S. companies include development of tourism infrastructure, including hotels and eco-tourism resorts.

Opportunities

[Return to top](#)

As tourism facilities expand, there will be opportunities to provide international reservations and tour services. Small-scale cruising opportunities could open up. Scuba diving tourism also presents opportunities.

Web Resources

[Return to top](#)

Ministry of Tourism

<http://www.tourismtimorleste.com/mhci/>

Airport/Ground Support Equipment

Overview

[Return to top](#)

Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	n/a	n/a	n/a	n/a
Total Imports	n/a	n/a	n/a	n/a
Imports from the U.S.	n/a	n/a	n/a	n/a
Exchange Rate: 1 USD	1	1	1	1

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Timor-Leste's government is embarking on Public Private Partnership (PPP) projects with support from the International Finance Corporation (IFC). One project is the rehabilitation and expansion of Dili's President Nicolau Lobato International Airport, the country's only international airport, which handles 150,000-180,000 passengers per year. With construction planned to begin in 2015, private developers are being invited to finance, build, and operate the airport.

The government has further plans to re-develop the airfield in Baucau, Timor-Leste's second largest city, and to rehabilitate or construct airports in other districts as well.

Sub-Sector Best Prospects

[Return to top](#)

Best prospects include engineering and construction services, electrical works, navigational and air traffic control equipment, and ground support equipment. Eventually, demand for in-flight catering services could emerge.

Opportunities

[Return to top](#)

The IFC's website and its office in Dili can provide further information on the Dili airport Public Private Partnership opportunity

(<http://timorpppinvestor.wordpress.com/2013/03/20/upgrade-of-presidente-nicolau-lobato-international-airport/>).

Web Resources

[Return to top](#)

STAT Cargo

[Air North](#)

[Air Timor](#)

<http://www.statdili.com>

<http://www.airnorth.com.au>

<http://www.air-timor.com>

Agricultural Machinery and Equipment

Overview

[Return to top](#)

Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	n/a	n/a	n/a	n/a
Total Imports	366	n/a	n/a	n/a
Imports from the U.S.	n/a	n/a	n/a	n/a
Exchange Rate: 1 USD	1	1	1	1

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Imports: General Directorate for Statistics (<http://www.dne.mof.gov.tl/>)

One of the most promising areas for Timor-Leste's development is agriculture. Coffee is well established as a major export crop. Production of other crops, including rice and high-value vegetables, is expanding, while cocoa, cassava, spices, and livestock have additional potential. The government supports programs to promote the commercialization of these crops and to transform the remainder of the sector from largely subsistence agriculture to market production. National investment in the road network should facilitate farmers' market access. Mechanization of agriculture is limited.

Sub-Sector Best Prospects

[Return to top](#)

Best prospects include tractors, hand tractors, and implements designed for small-scale truck farm-style operations and basic agricultural processing equipment.

Opportunities

[Return to top](#)

The government's [e-procurement](#) website lists upcoming tenders.

Web Resources

[Return to top](#)

Timor-Leste's E-Procurement Portal
Ministry of Agriculture and Fisheries
Government of Timor-Leste

<http://eprocurement.gov.tl/>
<http://www.maf.gov.tl/>
<http://www.timor-leste.gov.tl>

Poultry and Meat

Timor-Leste imports poultry from Brazil, Australia, and the United States; most U.S. chicken is transshipped through Singapore. Sales were estimated at \$6 million in 2011 and \$4 million in 2012. Timorese consumers prefer chicken leg quarters, drumsticks, and thighs.

As incomes rise, demand for protein will increase. In addition to the already established poultry market, opportunities to market other meats, particularly beef and processed pork, should emerge

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 5: Trade Regulations, Customs and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
- [Customs Regulations and Contact Information](#)
- [Standards](#)
- [Trade Agreements](#)
- [Web Resources](#)

Import Tariffs

[Return to top](#)

Most goods imported to Timor-Leste are subject to a uniform import tariff of 2.5 percent. This duty is imposed on the "customs value" of the goods, meaning the fair market value including cost, insurance, and freight.

All goods are also subject to an additional 2.5 percent sales tax, and certain categories of imports (alcohol, tobacco, gasoline, and vehicles) are subject to an excise tax that varies depending upon the product. More information on the excise taxes can be found at the [Ministry of Finance website](#).

A few categories of goods are exempt from import tariffs. For a complete list, visit the [Ministry of Finance's website](#).

Trade Barriers

[Return to top](#)

Currently there are no trade barriers for goods imported to Timor-Leste.

Import Requirements and Documentation

[Return to top](#)

U.S. companies interested in exporting goods and/or services to Timor-Leste, whether independently or using a local customs broker, must obtain a Tax Identification Number (TIN) and Business Certificate, both available through SERVE (Service for Registration and Verification of Entrepreneurs).

According to Timor-Leste's customs requirements, any company importing air or seaborne cargo must use a local customs broker.

U.S. Export Controls

[Return to top](#)

At this time, the U.S. Government maintains no export controls specific to Timor-Leste. Normal controls are maintained on military equipment, high-tech information systems, and equipment of a highly sensitive nature. Items on the Munitions Control List are also a controlled export to nearly all countries worldwide, including Timor-Leste, requiring special licenses from the State Department or Commerce Department depending upon the item.

You can see the current list of export controls at the U.S. Bureau of Industry and Security (BIS) website:

<http://www.bis.doc.gov/>

For information on controls on exports of defense articles, see the State Department's Directorate of Defense Trade Controls (DDTC) at:

<http://www.pmddtc.state.gov>

Labeling and Marking Requirements

[Return to top](#)

There are no specific labeling and marking requirements in Timor-Leste.

Prohibited and Restricted Imports

[Return to top](#)

The importation of weapons and quarantine-restricted items is prohibited in accordance with Government [Decree Law 11/2004](#). For more information on Prohibited and Restricted Imports, visit the [Ministry of Finance's Website](#).

Customs Regulations and Contact Information

[Return to top](#)

It is important to comply closely with Timorese customs regulations, as even minor errors in paperwork can result in substantial delays in customs clearance. Customs regulations are set out in [Decree-Law No.8/2006](#), although several other laws also affect specific entry requirements. Timor-Leste's Customs Law can be accessed through the [Ministry of Finance's Website](#).

For any question or queries regarding Customs, please contact the Director General of Customs at bdasilva@mof.gov.tl

Timor-Leste Customs operates at the following posts:

- Dili Sea Port
- President Nicolau Lobato International Airport in Dili
- Dili Post Office
- Maliana Customs (western border area)
- Batugade Customs (western border area)
- Salele - Suai Customs (western border area)

- Baucau Customs (eastern part of the country)
- Oecusse Customs (Sakato and Bobometo in the exclave of Oecusse).

For quarantine queries, please contact the Quarantine Office at Dili Airport at +670 333 1010.

For information on customs regulations and contact information, visit the [Ministry of Finance's website](#).

Standards

[Return to top](#)

- [Overview](#)
- [Standards Organizations](#)
- [Conformity Assessment](#)
- [Product Certification](#)
- [Accreditation](#)
- [Publication of Technical Regulations](#)
- [Labeling and Marking](#)
- [Contacts](#)

Overview

[Return to top](#)

Timor-Leste does not yet have a defined technical standards regime.

Standards Organizations

[Return to top](#)

Timor-Leste does not have a national standards organization.

NIST Notify U.S. Service

Because Timor-Leste is not a member of the World Trade Organization, it is not subject to WTO requirements under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries.

Conformity Assessment

[Return to top](#)

Timor-Leste does not have a national testing organization or conformity assessment body.

Product Certification

[Return to top](#)

There are no requirements for product certification.

Accreditation

[Return to top](#)

The National Agency for Academic Evaluation and Accreditation ([NAAAA](#)) certifies the credentials of institutions of higher learning.

Timor-Leste does not yet have a Bar Association. In order to be a certified lawyer in Timor-Leste, a candidate must be initially registered at and fulfill the requirements of Timor-Leste's Legal Training Center. The Lawyers Disciplinary Management Council, upon the request of the candidate, will issue the certification and professional license.

Publication of Technical Regulations

[Return to top](#)

All legislation and technical regulations are published in the national gazette, the [Jornal da República](#), which is generally released only in Portuguese. The searchable online portal for the Jornal is updated infrequently, but paper copies of the Jornal can be obtained directly from the Office of the Presidency.

Labeling and Marking

[Return to top](#)

There are no requirements for labeling or marking in Timor-Leste.

Contacts

[Return to top](#)

For further information on standards in Timor-Leste, contact the [Economic Section at U.S. Embassy Dili](#) at SilvaF@state.gov

Trade Agreements

[Return to top](#)

Timor-Leste is not a party to any bilateral or multilateral trade agreements. It is pursuing membership in the Association of Southeast Asian Nations (ASEAN).

The Government of Timor-Leste and the U.S. Overseas Private Investment Corporation (OPIC) have signed an Investment Incentive Agreement.

Web Resources

[Return to top](#)

National Agency for Academic Accreditation
Jornal da República
U.S. Embassy Dili

<http://www.anaaa.gov.tl>
<http://www.jornal.gov.tl>
<http://timor-leste.usembassy.gov>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 6: Investment Climate

- [Openness to Foreign Investment](#)
- [Conversion and Transfer Policies](#)
- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
- [Transparency of Regulatory System](#)
- [Efficient Capital Markets and Portfolio Investment](#)
- [Competition from State Owned Enterprises](#)
- [Corporate Social Responsibility](#)
- [Political Violence](#)
- [Corruption](#)
- [Bilateral Investment Agreements](#)
- [OPIC and Other Investment Insurance Programs](#)
- [Labor](#)
- [Foreign-Trade Zones/Free Ports](#)
- [Foreign Direct Investment Statistics](#)
- [Web Resources](#)

Openness to Foreign Investment

[Return to top](#)

Independent since 2002, Timor-Leste is still establishing legislative, executive and judicial institutions, developing laws and regulations, and equipping government personnel with knowledge and skills. Although instability and periods of violent upheaval marked the early years of Timor-Leste's history, the country has taken advantage of sustained domestic tranquility since 2008 to focus on its national priorities, laid out in 2011 in the *Strategic Development Plan 2011-2030*. The primary focus is on development of infrastructure and human resource capacity, with the goal of becoming a middle-income country by 2030. The United Nations Integrated Mission in Timor-Leste (UNMIT) peacekeeping operation and the International Stabilization Force (ISF) departed from Timor-Leste at the end of 2012.

Government of Timor-Leste policy welcomes foreign direct investment. It has contracted with foreign firms to explore for and develop offshore oil and gas deposits; royalties and taxes are deposited in a sovereign Petroleum Fund, which totaled US\$13.6 billion in June 2013. The vast majority of government expenditure is funded by withdrawals from the Petroleum Fund. Outside the oil and gas sector, government spending, small-scale retail activity, and subsistence agriculture are primary sources of employment and contributors to Gross Domestic Product. Although Timor-Leste has only 1.1 million people, it has one of the world's most rapidly growing populations, and Timorese

authorities are interested in expanding private sector economic activity to provide employment for new labor market entrants.

Commerce is picking up in Timor-Leste as consumers and business people gain confidence in political stability and growing government budgets fund a larger public service and more public works. In addition to oil and gas prospects, investment opportunities exist, particularly in the services, tourism, and agriculture sectors. Obstacles to investment include bureaucratic inefficiency; paucity of local financing options; absence of rules governing real property ownership and other essential legislation; uncertain implementation of government procurement procedures; significant skill shortages; and perceptions of malfeasance, conflict of interest, and corruption.

The legal system rests on a mix of Indonesian laws and regulations that have not yet been replaced, acts passed by the United Nations Transitional Administration over a decade ago, and post-independence Timorese legislation. The country has two official languages, Tetun and Portuguese, and two working languages, Indonesian and English. All new legislation is enacted in Portuguese and is based on the civil law tradition.

The Private Investment Law specifies the conditions and incentives for both domestic and foreign investment, and guarantees full equality before the law for international investors. Other major laws affecting incoming foreign investment include the Companies Code of 2004, the Commercial Registration Code, and the Taxation Act of 2008. A government agency, TradeInvest Timor-Leste, reviews foreign investment applications and is tasked with helping applicants navigate licensing and registration procedures. All investors, both foreign and domestic, are required to obtain an Investor's Certificate, which costs \$500 for domestic investors and \$2,000 for foreign investors and takes approximately 30 days to obtain.

Foreign investments in natural gas and oil, minerals, wholesaling, and retailing fall outside the scope of the Private Investment Law and are handled through different mechanisms. In the case of foreign investments that are of particular value to the national development strategy, the option of a special investment agreement is available; such an agreement must be authorized by the Council of Ministers and provides the possibility of tax reductions or exemptions, customs incentives, leases of state property and up to a 100-percent cost sharing in the training of employees.

Foreign investors may invest in all sectors that are not specifically reserved to the State (such as postal services, public communications, protected natural areas, and weapons production and distribution) or otherwise restricted by law (such as criminal and immoral activities).

Only Timorese nationals, either individuals or corporate entities, have the right to private land ownership; foreigners may conclude long-term (up to 50-year) leases. The lack of a land law complicates all ownership issues, and investors who wish to lease property must often sort through competing claims from the Portuguese colonial administration, the Indonesian occupation era, and the post-independence period.

Business organizations are allowed to take the form of a general partnership, limited partnership, limited liability company or joint stock company; foreign companies may also register as a local branch. Foreigners may serve as members of domestic company boards, but at least one of a company's directors must live in Timor-Leste.

The justice system -- police, prosecutors, and courts -- is still evolving and short-staffed. The government has targeted justice sector development as a priority and has continued to call upon significant numbers of foreign experts and advisors to augment local resources. The Office of the Prosecutor General has continued to accumulate experience and to establish case management and other essential systems. Timor-Leste has established courts of first instance and a court of appeal. Additional courts foreseen in the Constitution and legislation, such as specialized tax courts, have not yet been established. The U.S. Embassy is not aware of a major court case testing the sanctity of contracts or enforcement of contracts that has been processed to conclusion.

Measure	Year	Index/Ranking
TI Corruption Index	2012	33/113
Heritage Economic Freedom Index	2012	43.3/169
World Bank Doing Business	2013	169/185
MCC Gov't Effectiveness	2013	-0.68
MCC Rule of Law	2013	-0.72
MCC Control of Corruption	2013	-0.53
MCC Fiscal Policy	2013	50.6
MCC Trade Policy	2013	73.0
MCC Regulatory Quality	2013	-0.69
MCC Business Start Up	2013	0.928
MCC Land Rights Access	2013	0.00
MCC Natural Resource Mgmt	2013	34.8
MCC Access to Credit	2013	21
MCC Inflation	2013	13.5

Conversion and Transfer Policies

[Return to top](#)

The U.S. dollar is the official currency of Timor-Leste. There are no official currency controls, although the Central Bank of Timor-Leste imposes reporting requirements for the importation or exportation of cash above certain amounts. Three foreign banks operate in Timor-Leste as branches of their home institutions -- Bank Mandiri (Indonesia), ANZ Bank (Australia) and Banco Nacional Ultramarino (Portugal). They require certain reporting for larger transactions to comply with home country anti-money laundering and related statutes and Central Bank instructions. Bankers report that they have no difficulties meeting customer demand for foreign currency.

Expropriation and Compensation

[Return to top](#)

Article 54 of the Constitution states that requisitioning and expropriation of property for public purposes shall only take place following fair compensation in accordance with the law. The Private Investment Law provides for the equal treatment of foreign and national investors in expropriation cases. The same law prohibits the adoption of policies of nationalization or land policies that deliberately target the property of investors, but does permit the expropriation or requisition of private property in the public interest, provided that just compensation is paid to the investor. Legislation on expropriation is part of the package of laws on land ownership that the National Parliament hopes to enact soon.

Dispute Settlement

[Return to top](#)

Timor-Leste is party to the Convention on the Settlement of Investment disputes between States and Nationals of Other States (the ICSID Convention). It is not party to the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards. The Court of Appeals must recognize a foreign judgment or arbitral award for its enforcement in Timor-Leste. In 2012, the government agreed to international arbitration of a tax dispute with a major investor.

Civil dispute cases are generally handled through the court system, which faces substantial operational challenges, including shortages of qualified judges and attorneys. Parliament has not yet completed enacting a full a set of national legislation. Hence, the legal foundations are an uncertain and changing mix of Portuguese and Indonesian laws, United Nations interim administration regulations, and Timorese jurisprudence. New legislation is enacted in Portuguese. Many legislators, prosecutors, judges, attorneys, police officers, plaintiffs, and defendants lack the mastery of Portuguese to operate effectively in the legal system. The court system also lacks specialized technical expertise to address complicated commercial or tax cases. A World Bank study found that it takes on average 1,285 days to settle a contract enforcement dispute, one of the slowest and most expensive processes in the world.

Timor-Leste does not have a commercial code or bankruptcy law.

Performance Requirements and Incentives

[Return to top](#)

To qualify as a foreign investment, a direct investment must meet certain conditions including: the transfer of freely convertible currency from overseas to a financial institution legally established in Timor-Leste, or the importation of goods and services purchased using overseas financial resources; the incorporation of a business or purchase of national assets; and a total value of transferred resources to exceed US\$100,000.

Timor-Leste does not impose performance requirements such as local partnering, gradual nationalization, domestic marketing obligations, domestic sourcing of inputs or technology transfer. An entity with foreign investor status may be 100-percent foreign equity. Specific conditions may apply to investments in specific sectors, such as the financial or petroleum sectors. The investment laws do not impose restrictions on the sale of investments by a foreign investor.

In the *Strategic Development Plan 2011-2030* and in its five-year program approved in September 2012, the government announced that it would develop a National Labor Content policy that would require both domestic and foreign investors to devote a minimum percentage of the value of "major projects" to either the employment or training of Timorese citizens. Details of the policy have not yet been clarified.

Timor-Leste is not a member of the World Trade Organization (WTO), so does not have any obligations under the WTO's Trade Related Investment Measures provisions.

The Government of Timor-Leste offers investment incentives, including tax credits and import duty exemptions. In general, for domestic investments worth over \$50,000 and foreign investments of over \$1.5 million, investors benefit from five years of exemption from income tax, sales tax, and services tax, as well as exemptions of customs duties for goods and equipment used in the construction or management of the investment. The period of exemption is extended to eight years for investments in Rural Zones (outside of the cities of Dili and Baucau) and to ten years for investments in Peripheral Zones (the exclave of Oecusse and the island of Atauro). Even after these periods have expired, investors may deduct from their tax obligations up to 100 percent of the costs of constructing or repairing transportation infrastructure.

The Private Investment Law guarantees the right of investors to contract foreign workers, in accordance with relevant immigration regulations. Applications for work visas can be lengthy and bureaucratic, but are generally granted upon presentation of the appropriate documents.

Right to Private Ownership and Establishment

[Return to top](#)

Foreign and domestic entities may establish and own business enterprises and engage in remunerative activity. Private entities may establish, acquire, and dispose of interests in business enterprises.

Protection of Property Rights

[Return to top](#)

Only Timorese individuals and corporations may own land; foreign entities may lease land for up to 50 years. Other forms of property rights established under Portuguese and Indonesian legislation have been in effect in Timor-Leste in the past and may still enjoy recognition. Timorese law provides for pledges on corporate shares.

Due to the destruction of the property registry in 1999 and absence of authorizing legislation, it is not possible to register title deeds. Nonetheless, the notion of property ownership persists, properties are bought and sold, and the courts deal with real estate issues. Competing claims on property arising from various occupancies during the Portuguese, Indonesian, and post-independence eras are common. The government is making efforts to map properties and adjudicate conflicting claims. Parliament passed a package of land laws in 2012, but the President vetoed the legislation and new drafts are under debate.

Timor-Leste is not party to any international agreements on intellectual property rights and does not have any domestic legislation protecting such rights. Some international companies print cautionary notices in local newspapers to establish claims to their trademarks and patents, but the extent of legal protection this affords is unclear.

Transparency of Regulatory System

[Return to top](#)

The regulatory system is still in its formative stages. It appears that existing tax, labor, environment, health and safety, and other laws and policies as written do not particularly distort or impede investment. Uncertainty about the content of future regulation, uneven implementation, and non-enforcement are impediments to investment.

In 2011 and 2012, the government issued a number of tax assessments on private firms (both foreign and domestic) stretching back several years, with compounded interest plus penalties. Several of the affected firms have contested these assessments, and the disputes are still being addressed through the courts or international arbitration.

The Ministry of Finance launched an online Procurement Portal in 2011, intended to provide equal access to information on government tenders and procurement contracts; updates are inconsistent and not all tenders appear to be included in the site. In 2012, the government hired an internationally-recognized firm to serve as its procurement agent for major projects but there are still concerns about nontransparent and unfair procurement practices.

Since the establishment of one-stop shop [SERVE](#), it now takes an average of 5 days to register a business.

Parliament and parliamentary committees regularly hold hearings about and debates on proposed laws. For certain major legislation, the government holds public consultations or solicits public comment.

Efficient Capital Markets and Portfolio Investment

[Return to top](#)

The three foreign bank branches operating in Timor-Leste have modest loan portfolios. According to Central Bank data, commercial bank credits to the private sector totaled

\$161.8 million as of March 2013, about 40 percent to individuals and almost half split between construction and trade/finance. The overall non-performing loan rate as of June 2013 was 45.3 percent. The government and non-governmental organizations operate microfinance institutions that cater to very small Timorese entrepreneurs. In 2011, the government converted its microfinance institution into the National Commercial Bank of Timor-Leste (BNCTL) and expanded its mandate to include the provision of credit to small and medium-sized enterprises. While it has begun to implement some functions such as government payroll and the payment of social transfers, the BNCTL is still seeking international partners to meet its increased lending responsibilities. There are no capital markets yet.

Competition from State Owned Enterprises

[Return to top](#)

The Government of Timor-Leste has shares in one private company, Timor Telecom, a telecommunications provider. It owns 20.6 percent, while Telecomunicações Públicas de Timor (TPT), of which Portugal Telecom is the major shareholder, owns 54 percent. In 2012, the government ended Timor Telecom's monopoly of the fixed and mobile network and granted telecommunications licenses to two private foreign companies that began operations in 2013. In exchange for the early end of the monopoly, Timor Telecom acquired certain equipment procured by the government and will retain no-cost usage rights of some government-owned infrastructure and equipment until 2062.

In mid-2011, the government established Timor GAP, a 100-percent state-owned petroleum company intended to partner with international firms in exploration and development of Timor-Leste's petroleum resources and to provide downstream petroleum services. Timor GAP is supervised by the Minister of Petroleum and Mineral Resources but is governed by an independent Board of Directors. Firms that partner with Timor GAP are to receive a preference in tenders for petroleum projects.

Several autonomous government agencies are active in the economy, including Electricity of Timor-Leste (EDTL), the Dili Port Authority, and the National Aviation Authority. Postal and communications services may shift from the Ministry of Transportation and Communications to autonomous agency-status eventually. Other public sector institutions include Radio and Television of Timor-Leste (RTTL), the National Petroleum Authority (ANP, which regulates the oil and gas sector), and a lottery operated by the Ministry of Tourism.

Established in 2005, the Petroleum Fund is Timor-Leste's sovereign wealth fund. The Minister of Finance is responsible for its overall management and investment strategy; the Central Bank of Timor-Leste is responsible for its operational management, although the Minister of Finance has the authority to select a different operational manager. By law, all petroleum and related revenues must be paid into the Fund, with the balance of the Fund invested in international financial markets for the benefit of present and future

generations of Timor-Leste citizens. Most of the Fund's receipts are invested in U.S. Treasuries, but the Petroleum Fund Law permits the investment of up to 50 percent of the Fund in equities, 10 percent of which may be in exotic investments. The Petroleum Fund publishes monthly, quarterly, and annual reports on-line. As of June 2013, Petroleum Fund assets stood at \$13.6 billion. The law governing the Fund provides that there shall at all times be appointed an independent auditor, which shall be an internationally recognized accounting firm (most recently Deloitte Touche Tohmatsu). In 2012, the Sovereign Wealth Institute rated the Petroleum Fund as an 8 out of a possible 10 points for transparency. The Petroleum Fund is the primary source of funding for the government budget, with a ceiling on annual withdrawals set by law at 3 percent of Timor-Leste's total petroleum wealth (defined as the current Petroleum Fund balance plus the net present value of future petroleum receipts). Recent budgets have exceeded the annual ceiling, with the approval of Parliament.

In July 2010, Timor-Leste became the third country in the world and the first in Asia to be certified as compliant with the Extractive Industries Transparency Initiative (EITI). EITI is a G-8 endorsed undertaking that involves a country's government, extractive-sector companies, and civil society in ensuring transparency of relevant payments and revenues.

Corporate Social Responsibility

[Return to top](#)

Many firms, including leading foreign investors, support community activities, ranging from sponsoring the Tour de Timor bicycle race and other high-profile events to investing in education and rural employment, including partnering with USAID-funded activities. A Chamber of Commerce and Industry has been established and there is an active Rotary Club, but general awareness of corporate social responsibility is low.

A new Labor Law in 2012 put in place regulations for labor conditions, including a 44-hour work week, standard benefits such as leave and premium pay for overtime, and minimum standards of worker health and safety. In June 2012, the government set the minimum wage for full-time employment at \$115 per month. Enforcement of labor laws is uneven, but increasing.

Political Violence

[Return to top](#)

Under an agreement between the United Nations, Portugal, and Indonesia, a popular consultation was held on August 30, 1999 to allow the Timorese people to vote on whether to remain part of Indonesia or to become independent. The majority chose independence; Timorese militias supported by the Indonesian military commenced a campaign of retribution. Approximately 1,300 Timorese were killed and as many as 300,000 people were forcibly relocated into West Timor as refugees. The majority of the country's infrastructure, including homes, irrigation systems, water supply systems, and

schools, and nearly 100 percent of the country's electrical grid were destroyed. On September 20, 1999, Australia led a deployment of peacekeeping troops (the International Force for East Timor, INTERFET), which brought the violence to an end.

After almost three years of UN administration, Timor-Leste became a fully independent republic with a parliamentary form of government on May 20, 2002. UN peacekeepers departed in 2005, leaving a special political mission in its stead. In 2006, however, civil order collapsed. In late May 2006, the Government of Timor-Leste urgently requested police and military assistance from Australia, New Zealand, Malaysia, and Portugal. In August 2006, the UN Security Council passed Resolution 1704, creating the United Nations Integrated Mission in Timor-Leste (UNMIT). UNMIT's mandate was to assist in restoring stability, rebuilding security sector institutions, supporting the Government of Timor-Leste to conduct the 2007 presidential and parliamentary elections, and achieving accountability for crimes against humanity and other atrocities committed in 1999. An Australian-led military International Stabilization Force (ISF) supported UNMIT's mission. Timor-Leste held free, fair, and largely peaceful presidential and parliamentary elections in 2007. Nobel Peace Prize Laureate Jose Ramos-Horta assumed the Presidency, while former guerilla leader and outgoing president Kay Rala Xanana Gusmao became Prime Minister.

In February 2008, followers of a fugitive former military police commander attacked President Ramos-Horta, who sustained gunshot injuries. Prime Minister Gusmao escaped unharmed in a separate attack against him the same day. The government, with the approval of Parliament, imposed a state of siege that temporarily enforced a curfew, curtailed freedom of assembly, and gave security forces greater latitude for arrests and searches. These emergency measures were scaled back as conditions stabilized over the following weeks. The state of emergency was lifted completely when the remainder of the rebels surrendered to authorities in April 2008. Most of them were convicted in March 2010 for their involvement in the assassination attempt; the President commuted their sentences later that year.

Since 2008, the government has succeeded in restoring calm and maintaining stability throughout the country. National elections for president and parliament in 2012 were peaceful, free, and fair. UNMIT and the ISF departed Timor-Leste at the end of 2012.

Corruption

[Return to top](#)

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including

foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud/>

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. Timor-Leste is party to the UN Convention, but generally all countries prohibit the bribery and solicitation of their public officials.

OECD Antibribery Convention: The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. Timor-Leste is not a party to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN

Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Timor-Leste ratified the UN Anticorruption Convention in 2009.

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. Timor-Leste does not have a free trade agreement in place with the United States.

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department’s Advocacy Center and State’s Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center “Report A Trade Barrier” Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice’s (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department’s present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ’s Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the

FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce website at http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

The Government of Timor-Leste has taken a multi-pronged approach to combating corruption. In 2010, the Anti-Corruption Commission (CAC), an independent agency, opened its doors. That year, the Office of the Prosecutor General also forwarded its first high-profile corruption case to the courts. Since then, the CAC has referred several cases to the Office of the Prosecutor General and has several ongoing investigations. In September 2012, a former Minister of Justice was convicted of maladministration of funds.

The government is working to establish internal discipline and performance standards. The U.S. and Timorese Governments have agreed on a Millennium Challenge Corporation Threshold Program that focuses on supporting anti-corruption efforts, including through procurement reform and training of personnel in agencies with important anti-corruption roles to play.

Bribery is a crime, subject to up to four years of imprisonment. It is illegal to bribe a foreign official, although Timorese law would not apply to an attempted bribery of a foreign official overseas. Bribes cannot be deducted from taxes.

There are several corruption watchdog organizations active in Timor-Leste, both local and international. A recent survey on perceptions of corruption found that 57 percent of Timorese believe corruption is a serious and growing problem, although not as important a concern as poverty and unemployment.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.

- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

Bilateral Investment Agreements

[Return to top](#)

Timor-Leste and Portugal have signed an Agreement on Mutual Protection and Promotion of Investment. Timor-Leste signed a Bilateral Investment Treaty (BIT) with Germany in 2005, but it has not entered into force. Timor-Leste does not have a BIT or bilateral tax treaty with the United States. Investors cannot deduct taxes paid in foreign jurisdictions on income earned in Timor-Leste from their local tax obligations.

OPIC and Other Investment Insurance Programs

[Return to top](#)

The U.S. Overseas Private Investment Corporation (OPIC) and the Government of Timor-Leste signed an Investment Incentive Agreement in 2002. OPIC is open for business in Timor-Leste and welcomes contact from potential U.S. investors (www.opic.gov). Potential U.S. investors and exporters are encouraged to contact the U.S. EXIM bank (www.exim.gov) and the United States Trade and Development Agency (www.ustda.gov) as well.

Timor-Leste has been a member of the Multilateral Investment Guarantee Agency (MIGA) since 2002. The International Finance Corporation (IFC) maintains an office in Timor-Leste, co-located with the World Bank Country Office in Dili.

Labor

[Return to top](#)

The shortage of skilled labor is a significant constraint on private sector growth in Timor-Leste. Business executives report difficulties locating skilled tradespeople to undertake or manage new construction projects. Public and private sector employers consistently encounter problems locating managerial, clerical, and other office staff. There is a surplus of young, inexperienced unskilled labor, with 15,000 new entrants into the labor market each year in an economy with an estimated total of 75,000 formal sector jobs. The government, donors, and employers place enormous emphasis on education and training in order to build local capacity.

The Government of Timor-Leste has acceded to many of the major international labor and human rights conventions including: International Labor Organization (ILO) Convention No. 29 on Forced Labor; ILO Convention No. 87 on Freedom of Association and Protection of the Right to Organize; ILO Convention No. 98 on the Right to Organize and Collective Bargaining; ILO Convention No. 182 on the Worst Forms of Child Labor; the International Covenant on Civil and Political Rights; the International Covenant on Economic, Social, and Cultural Rights; and the International Convention on the Protection of All Migrant Workers and Members of Their Families.

Foreign-Trade Zones/Free Ports

[Return to top](#)

There are no foreign trade zones or free trade zones in Timor-Leste

Foreign Direct Investment Statistics

[Return to top](#)

The major U.S. investor in Timor-Leste is [ConocoPhillips](#); its Bayu-Undan gas condensate development is located in the Timor Sea Joint Petroleum Development Area

(JPDA) between Timor-Leste and Australia. As operator, ConocoPhillips has a 57.2 percent share; its co-venture partners are Eni Australia, Santos, INPEX, Tokyo Electric, and Tokyo Gas. Other companies that are or have been active in the JPDA include Shell, Woodside Petroleum, BHP Petroleum, Marathon Petroleum, and Enterprise Oil. Eni commenced production at the Kitan field in the JPDA in 2011. Woodside Petroleum leads a consortium, which includes [ConocoPhillips](#), that seeks to develop the Greater Sunrise field, 20 percent of which lies in the JPDA.

Timor-Leste has also released acreage located in waters over which it has exclusive jurisdiction and is interested in pursuing onshore exploration.

Other major foreign investors in Timor-Leste include Portugal Telecom; it holds 76 percent of Telecomunicações Públicas de Timor (TPT), which owns 54 percent of Timor Telecom. Portugal's Entrepoto also maintains a substantial presence in the automotive, construction, contracting and retail sectors. Indonesia's Telkomcel and Vietnam's Viettel both acquired telecommunications licenses in 2012 and entered the market in 2013. Private business partners from Singapore, China, Indonesia, and Australia are among investors in Timor-Leste, particularly in the hospitality, tourism, export-import, logistics, and consumer goods sectors.

The U.S. Agency for International Development (USAID) actively promotes private sector development, including in the agriculture sector. Timor-Leste's second largest export after oil and gas is high-quality organic Arabica coffee, much of it produced through the USAID-supported Cooperativa Cafe Timor.

Total Stock of FDI in U.S. Dollars (source: Central Bank of Timor-Leste)

- 2007 36.4 million
- 2008 70.8 million
- 2009 119.3 million
- 2010 147.8 million
- 2011 194.9 million

Web Resources

[Return to top](#)

OPIC
U.S. EXIM bank
United States Trade and Development Agency

www.opic.gov
www.exim.gov
www.ustda.gov

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

How Do I Get Paid (Methods of Payment)

[Return to top](#)

Three foreign commercial banks maintain branches in Timor-Leste and can support various payment options, including credit cards, open accounts, letters of credit or cash in advance. Cash is the most common form of payment for routine transactions; wire transfers are preferred for larger amounts. There is limited credit card penetration, but some merchant accounts have been established, largely catering to foreign visitors.

How Does the Banking System Operate

[Return to top](#)

There are three foreign commercial banks operating in Timor-Leste and providing access to international transactions:

- BNU/Caixa Geral Deposito (CGD) (Portugal);
- ANZ Timor-Leste (New Zealand/Australia); and
- Mandiri Tbk (Indonesia).

The trade finance services of some of these banks also offer services such as documentary credits, collections, bonds, and guarantees.

Foreign-Exchange Controls

[Return to top](#)

There are no foreign exchange controls in Timor-Leste.

U.S. Banks and Local Correspondent Banks

[Return to top](#)

ANZ Timor-Leste

U.S. Correspondent Bank: JP Morgan Chase

Mandiri Tbk.

U.S. Correspondent Banks: JP Morgan Chase, Bank of New York.

BNU/CGD

U.S. Correspondent Bank: Citibank

Currently, no U.S. bank operates in Timor-Leste.

Project Financing

[Return to top](#)

Timor-Leste continues to receive donor support for its infrastructure development. It receives significant funding from the [Asian Development Bank \(ADB\)](#). Between 2005 and 2012, the ADB provided over \$122 million for projects that include road upgrades and water supply development.

The [World Bank](#) reports that as of April 2013, it had provided approximately \$58 million for eight ongoing projects. The portfolio is concentrated on roads, youth, and education. In 2011, the [World Bank](#) (IBRD/IDA) approved \$20 million for a Timor-Leste Road Climate Resilience Project to deliver a climate resilient road infrastructure in the country.

Information on projects and procedures is available through U.S. Commercial Service officers assigned to each multilateral development bank as well as commercial officers in individual countries. See web home pages, including <http://www.ita.doc.gov/mdbo>, for information on all development banks.

Web Resources

[Return to top](#)

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

World Bank: <http://www.worldbank.org>

Asian Development Bank (ADB): <http://www.adb.org>

ANZ Timor-Leste: <http://www.anz.com/timorleste>

Mandiri Tbk.: <http://www.bankmandiri.co.id>

BNU/GGD Timor-Leste: <http://www.bnu.tl>

Timor-Leste Chamber of Commerce and Industry: <http://www.ccitl.tl>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 8: Business Travel

- [Business Customs](#)
- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
- [Transportation](#)
- [Language](#)
- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Temporary Entry of Materials and Personal Belongings](#)
- [Web Resources](#)

Business Customs

[Return to top](#)

It is highly recommended to have a pre-arranged appointment with prospective partners; it is also advisable to confirm the meeting again the day before. Be prepared to reschedule at the last minute. Upon beginning the meeting, it is polite to wait until your host invites you to sit down or to eat and drink. The handshake is the most common form of greeting in Timor-Leste.

Timorese business attire tends to be modest. Garments above the knee (for both men and women) are rarely acceptable in professional or even social occasions. A relaxed dress code applies, however, with a collared shirt and slacks appropriate for most business meetings. Light-colored, natural fabrics such as cotton and linen are recommended for protection against mosquitoes and heat. Few offices are air conditioned. More formal attire is suggested if visiting senior Timorese business and political leaders.

Travel Advisory

[Return to top](#)

Travelers visiting Timor-Leste may wish to review the State Department's Country Specific Information for Timor-Leste at http://travel.state.gov/travel/cis_pa_tw/cis/cis_1105.html

Visa Requirements

[Return to top](#)

To enter Timor-Leste, you need a passport valid for six months beyond the date of arrival in Timor-Leste. If you are arriving by air, you can obtain a visa upon arrival at a cost of \$30. Visas on arrival are no longer available at the land border with Indonesia. If you are arriving to Timor-Leste by land, you will need a visa prior to entry, which can be obtained outside of Timor-Leste only from the Timorese Consulate in Kupang, Indonesia. You will also have to pay an additional fee for each 30-day renewal of your visa. Please see the website of the [Timor-Leste Immigration Department](#) for additional

information on visas and extensions. U.S. visitors traveling via air must transit Singapore, Darwin (Australia) or Bali (Indonesia) en route to Timor-Leste and may be subject to visa requirements in those transit locations.

State Department Visa Website: <http://travel.state.gov/visa/>
<http://timor-leste.usembassy.gov/service3.html>

Telecommunications

[Return to top](#)

High-speed Internet access is unreliable and expensive. Only 0.3% of internet subscribers have access to broadband service. Liberalization of the telecommunications sector in late 2012 is expected to eventually result in lower prices and better service.

Land line telephone connections are limited, but mobile phones are widely used, generally with prepaid cards. There are currently three telecommunications providers in Timor-Leste -- [Timor Telecom](#) (TT), [Telkomcel](#), and [Telemor](#) (Viettel).

Transportation

[Return to top](#)

Two Indonesian Airlines, Merpati Nusantara and Sriwijaya Air, provide service to Dili with daily flights from Denpasar, Bali. Air North operates at least one flight a day to Dili from Darwin, Australia. Air Timor flies from Singapore up to three times a week.

There are no regularly scheduled domestic flights.

Taxis are available in the capital of Dili, but business travelers may wish to rent a vehicle and driver, which can be arranged quickly with various rental companies.

Language

[Return to top](#)

Tetum and Portuguese are the official languages. English and Bahasa Indonesia are also widely used as official working languages. There are 32 other languages and dialects. However, the majority of the population speaks or understands Tetum.

Health

[Return to top](#)

Dengue and malaria are common. Light-colored, natural fabrics such as cotton and linen are recommended for protection against mosquitoes, as well as regular use of mosquito repellent.

Contact the U.S. Embassy's Economic Section for a list of private clinics in Dili at SilvaF@state.gov or mobile phone +670 7704-7794.

The majority of restaurants around Dili and hotels or guest houses in the districts provide reasonably clean, hygienic food. Be careful of foods sold by street vendors. Also be cautious with fresh salads, which may be washed in unsafe water.

Tap water in Timor-Leste is not potable. Bottled water is widely available and generally safe.

Local Time, Business Hours, and Holidays

[Return to top](#)

Timor-Leste has only one time zone. Local business hours are 8:00 a.m. to 12:00 noon and 2:00 p.m. to 5:30 p.m., Monday through Friday.

Holidays for the U.S. Mission in Timor-Leste in 2013

January	1	Tuesday	New Year's Day	U.S., Timor-Leste
January	21	Monday	Martin Luther King, Jr. Day	U.S.
February	18	Monday	George Washington's Day	U.S.
March	29	Friday	Good Friday	Timor-Leste
May	1	Wednesday	Labor Day	Timor-Leste
May	20	Monday	Restoration of Independence Day	Timor-Leste
May	27	Monday	Memorial Day	U.S.
May	30	Thursday	Corpus Christi	Timor-Leste
July	4	Thursday	Independence Day	U.S.
August	8	Thursday	Eid Al-Fitri	Timor-Leste
August	30	Friday	Popular Consultation Day	Timor-Leste
September	2	Monday	Labor Day	U.S.
October	14	Monday	Columbus Day	U.S.
October	15	Tuesday	Idul Adha	Timor-Leste
November	1	Friday	All Saints Day	Timor-Leste
November	11	Monday	Veterans Day	U.S.
November	12	Tuesday	National Youth Day	Timor-Leste
November	28	Thursday	Thanksgiving Day/ Proclamation of Independence Day	U.S., Timor-Leste
December	25	Wednesday	Christmas Day	U.S., Timor-Leste

Temporary Entry of Materials and Personal Belongings

[Return to top](#)

Materials and personal belongings of business travelers that will not remain in Timor-Leste are exempt from customs duties.

Web Resources

[Return to top](#)

U.S. Embassy in Dili	http://timor-leste.usembassy.gov
Timor-Leste Immigration Department	http://migracao.gov.tl
Timor Telecom	http://www.timortelecom.tl
Telkomcel	http://www.telkomcel.tl
Telemor	http://www.telemor.tl
RentLo Car Hire	http://www.rentlocarhire.com
E-Silva Rental	http://www.esilvacarrental.com

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 9: Contacts, Market Research and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

Contacts

[Return to top](#)

Ministry of Commerce, Industry and Environment	http://www.mcia.gov.tl
TradeInvest	http://www.tradeinvest.tl
State Secretariat for Support for Private Sector	http://www.tradeinvest.tl
Ministry of Tourism	http://www.tourismtimorleste.com
Institute of Business Development (IADE)	http://www.iade.gov.tl

Market Research

[Return to top](#)

To view market research reports produced by the U.S. Commercial Service please visit the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are available only to U.S. citizens and U.S. companies. Registration to the site is required and is free.

Trade Events

[Return to top](#)

Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling federal agencies to prepare U.S. companies to export successfully, connect them with trade opportunities and support them once they do have exporting opportunities.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the federal government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: <http://www.export.gov/indonesia/servicesforu.s.companies/index.asp> (please note that there is no U.S. Commercial Service presence in Timor-Leste. The Commercial Service office in Jakarta, Indonesia covers Timor-Leste).

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the U.S. Department of Commerce's Trade Information Center at (800) USA-TRAD(E).

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, the Department of Commerce does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. The Department of Commerce can assist companies in these endeavors.

[Return to table of contents](#)