

Timor-Leste: Undiscover destination to explore in Asia-Pacific

TradeInvest Timor-Leste

September 2023

5 Reasons to invest in tourism in Timor-Leste

- 1 Newest country to explore in the heart of Asia-Pacific, with great investment opportunities
- 2 Undiscovered destination with rich biodiversity & unspoiled scenery
- 3 Young market with outstanding growth & large potential
- 4 Attractive tax incentives & competitive labor costs
- 5 Peaceful & stable country, committed with the environment protection

Contents

1. Who we are
2. Tourism at a glance
3. Touristic products
4. Reasons to invest & opportunities





Who we are?

TradeInvest Timor is dedicated to support investors like you

Investment & Export Promotion Agency: Non-profit public institution, offering free professional & confidential services to investors & exporters



1



Market analysis &
custom-made
information



2



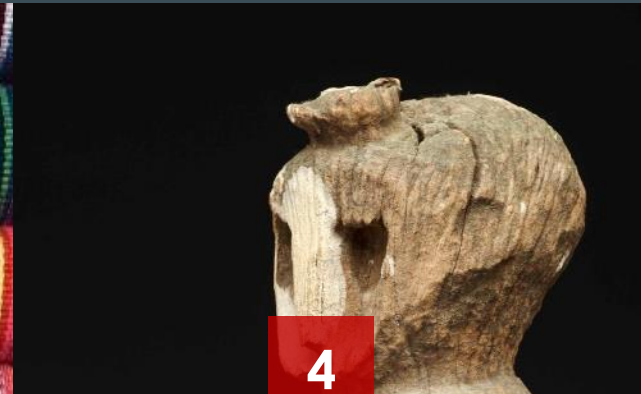
Institutional &
commercial linkages
(agendas)



3



Soft-landing support



4



Tax incentives
certificates



Welcome to Timor-Leste!



2nd newest country in the world after its independence in 2002 (from Indonesia - former Portuguese colony).



Semi-presidential republic with 13 municipalities, 1 special administrative region (Oecussi), & Dili as capital.



Half island nation in Southeast Asia. 14,9K Km² of territory with 783 Km of coastline & +72K Km² of exclusive economic zone water.



1,3m inhabitants (+75% under 35 years).



American Dollars as currency.



Portuguese & Tetum as official language. English & Bahasa Indonesian working languages.



Christian (mainly Roman Catholic).



Tropical climate (hot & humid) all year. Rainy season Dec.-May & dry season Jun.-Nov.





2

Tourism at a glance



The relevance of tourism in our economy



91% of industry revenues comes from international tourism

While the other 9% corresponds to domestic tourism

\$115 million

Is the total tourism industry revenue

7.1% of non-oil GDP share

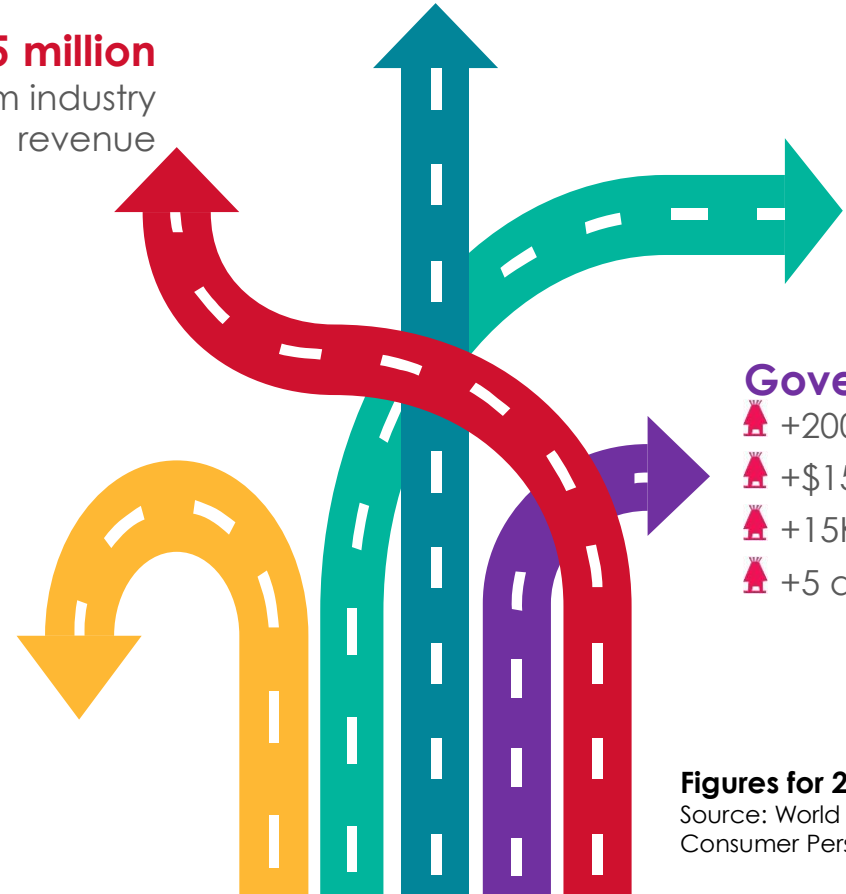
And 5.8% of total GDP, is the contribution of tourism industry to the economy

Governmental goals for 2030*

- +200K international visitors
- +\$150 million revenue
- +15K jobs
- +5 days of stay (average)

+5K direct jobs

Of which 62% are women



Figures for 2019

Source: World Bank Baseline Supply and Demand with Consumer Perspective, 2021 - *Tourism National Policy 2030.

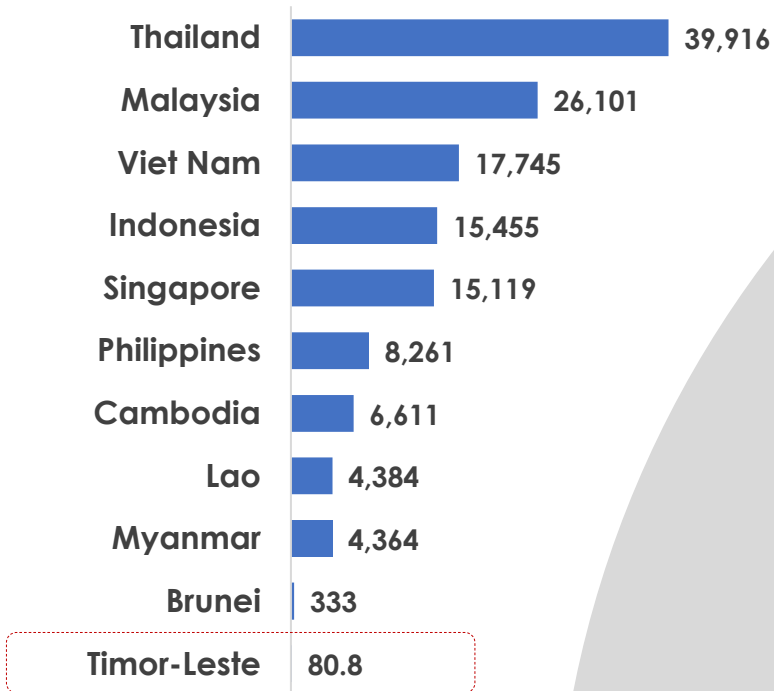


Young & small market with rapid high potential

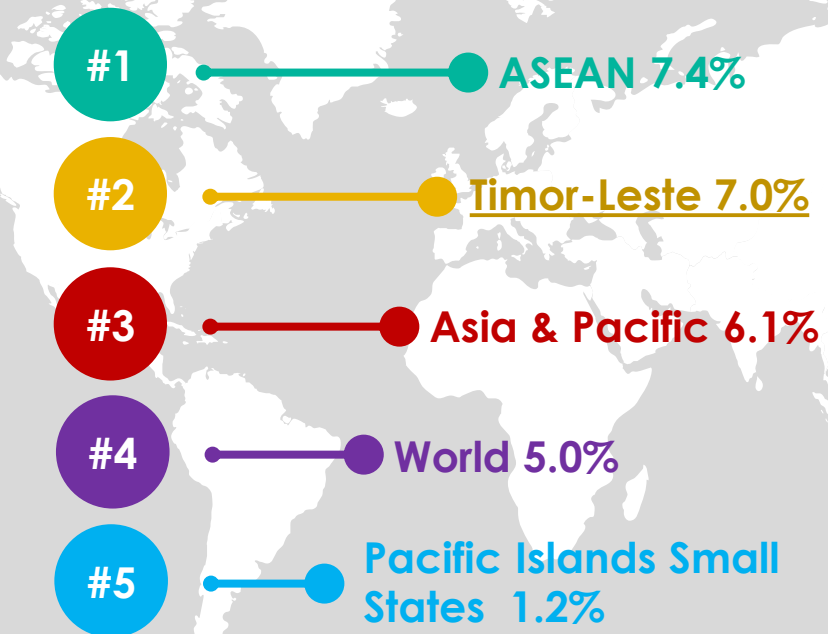
Arrivals in Timor-Leste

-  Smallest market in ASEAN region with 80.8K visitors.
-  Despite its size, Timor-Leste is a fast-growing market (7.0%), outperforming Asia & Pacific (6.1%), the World (5.0%) & Pacific Small Islands States (1.2%) rates.

International visitors arrivals in ASEAN, 2019 (Thousands)



International visitor growth, 2015-2019



PSIDS: Pacific Small Islands Developing States
 *International visitor arrivals annual growth rate (CAGR) in Timor-Leste, PSIDS & World, 2015-2021
 Source: UNWTO (<https://www.unwto.org/tourism-statistics/key-tourism-statistics>)

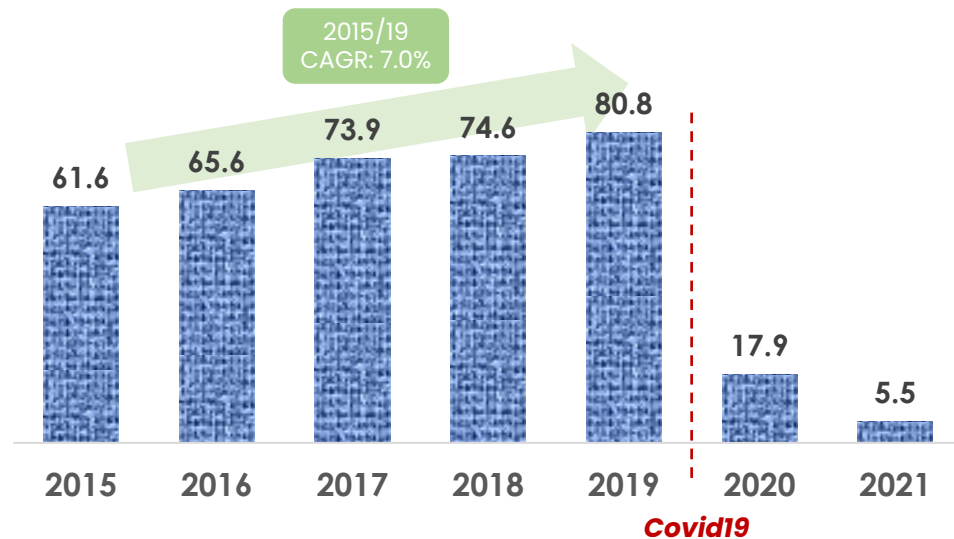
Constant growth of international visitors

Arrivals in Timor-Leste

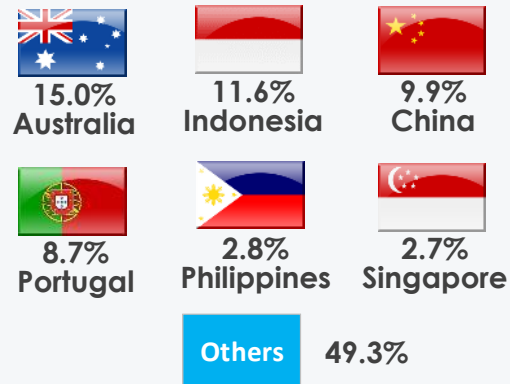


- 7% annual average growth rate of international visitors during the 5-years period prior the pandemic.
- +35% of tourist come from Australia, Indonesia & China.

International visitors Arrivals in Timor-Leste, 2015-2021 (Thousands)



International visitor arrivals by origin (2019 – 2021)



Tourist: A visitor taking a trip including overnight stay to a main destination outside their usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose), other than to be employed by a resident entity in the country or place visited (UNWTO).

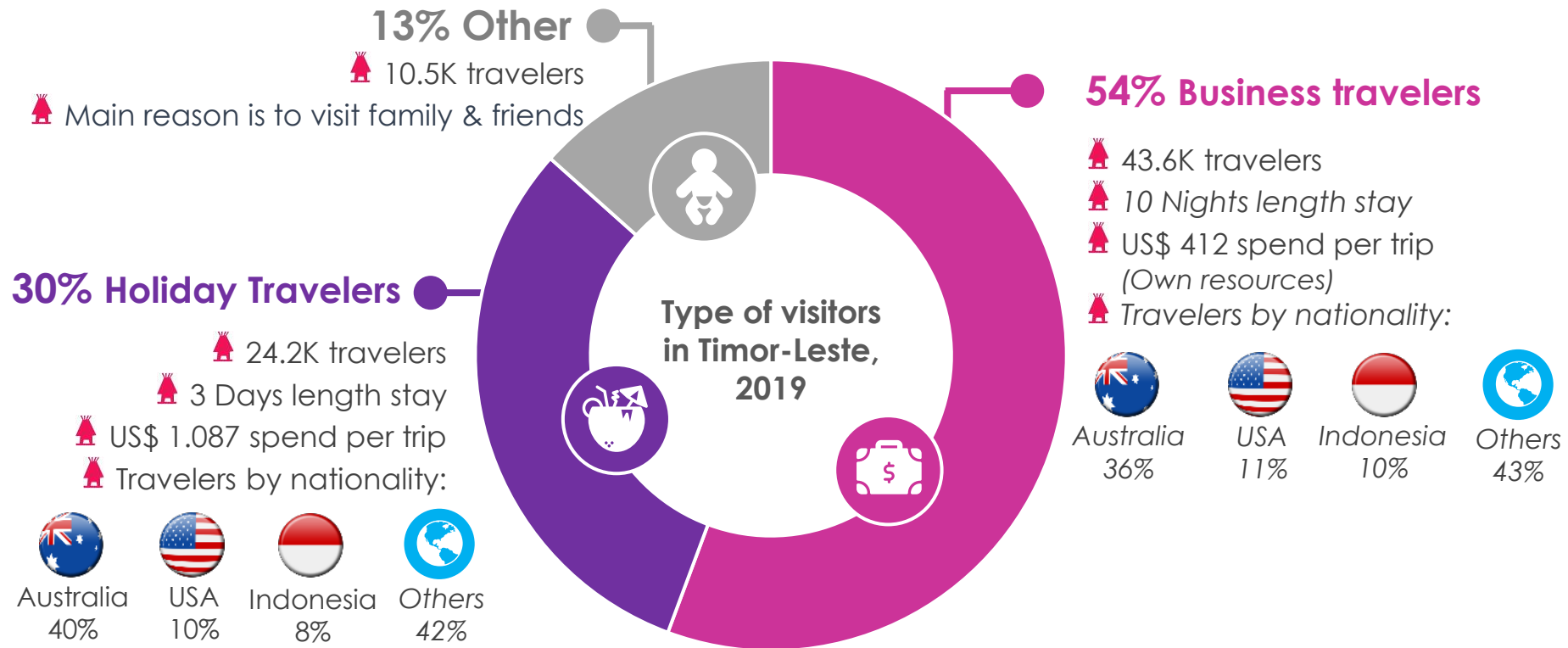
CAGR: Compound Annual Growth Rate.

PSIDS: Pacific Small Islands Developing States

Source: UNWTO (<https://www.unwto.org/tourism-data/global-and-regional-tourism-performance>) - General Directorate of Statistics Timor-Leste (<https://www.statistics.gov.tl/category/publications/>)

Reasons why international travelers visit us

Arrivals in Timor-Leste






Total number of international travelers in 2019 was 80,800.
Source: The Asian Foundation Tourism Survey 2019

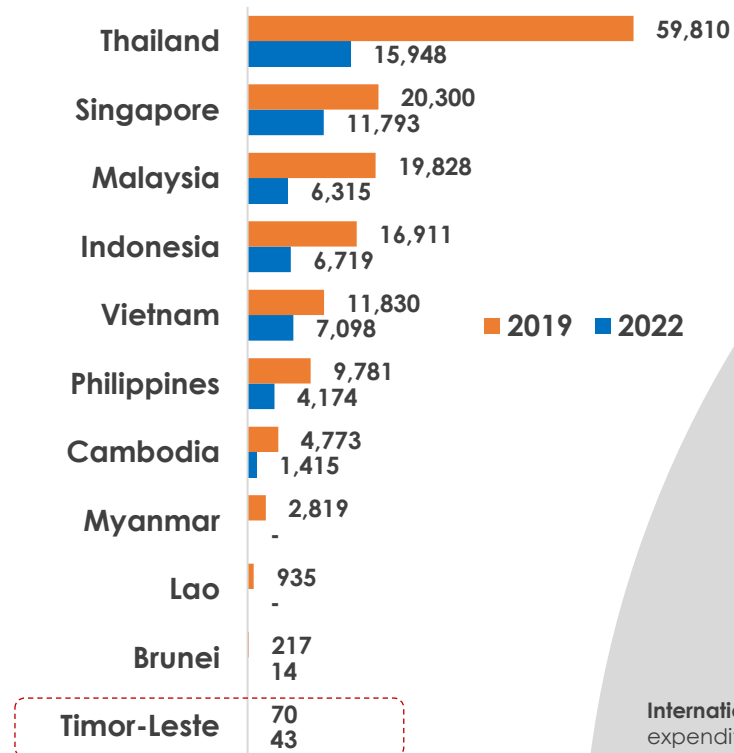


Young & small market with rapid growth & high potential

International tourism revenues (expenditure)

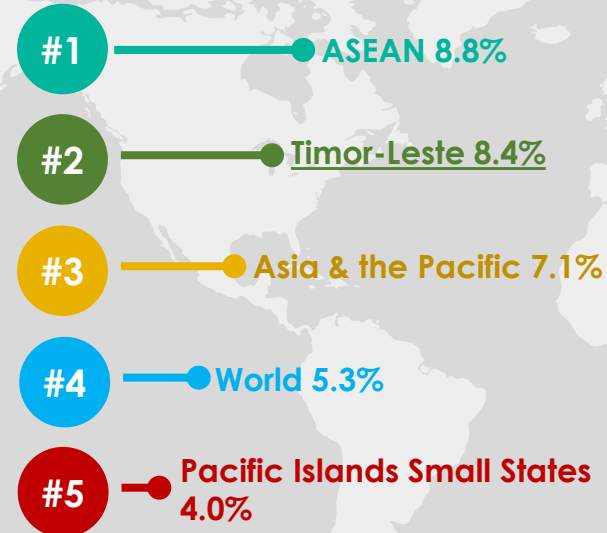
-  Timor-Leste ranks as the smallest market among ASEAN countries.
-  Despite its size, during the 5-years period prior the pandemic (2015-2019), Timor-Leste grew (8.4%) faster than Asia & the Pacific (8.4%), World (5.3%) and Pacific Islands Smalls States (4%).
-  Timor-Leste has registered an accelerated recovery, reaching 60.6% of pre-pandemic levels, has overpassed Asia & the Pacific (54.7%), Pacific Islands Smalls States (46.2%) and ASEAN (36.3%).

International Tourism Revenues in ASEAN, 2019-2022 (US\$ Mn)

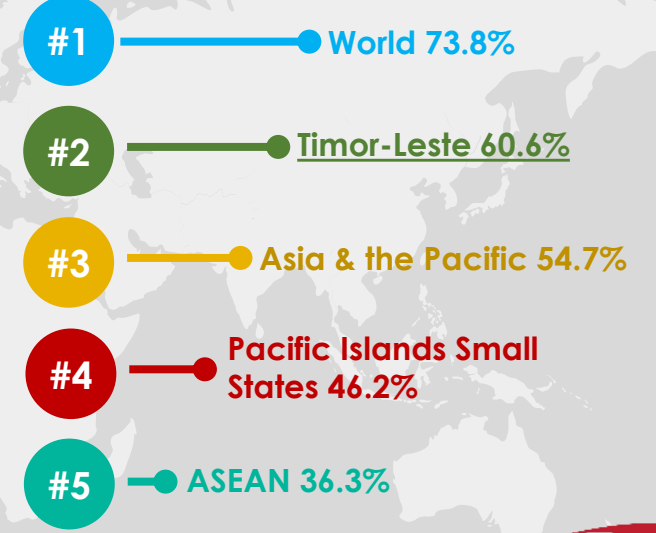


International Tourism Revenues growth (%)

2015-2019 growth



2019-2022 recovery






International Tourism Revenues: Also known as International inbound tourism expenditure, Travel exports or International tourism receipts, are expenditures by international inbound visitors for goods or services received in the destination country, including payments to national carriers for international transport.
Source: Trademap.org



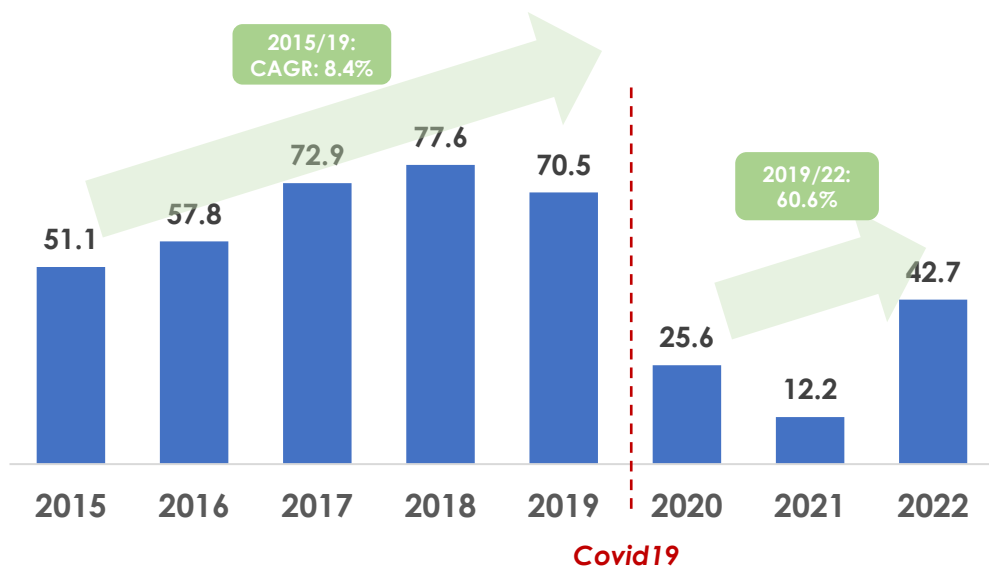
Outstanding growth & importance in the export basket

International tourist expenditure in Timor-Leste

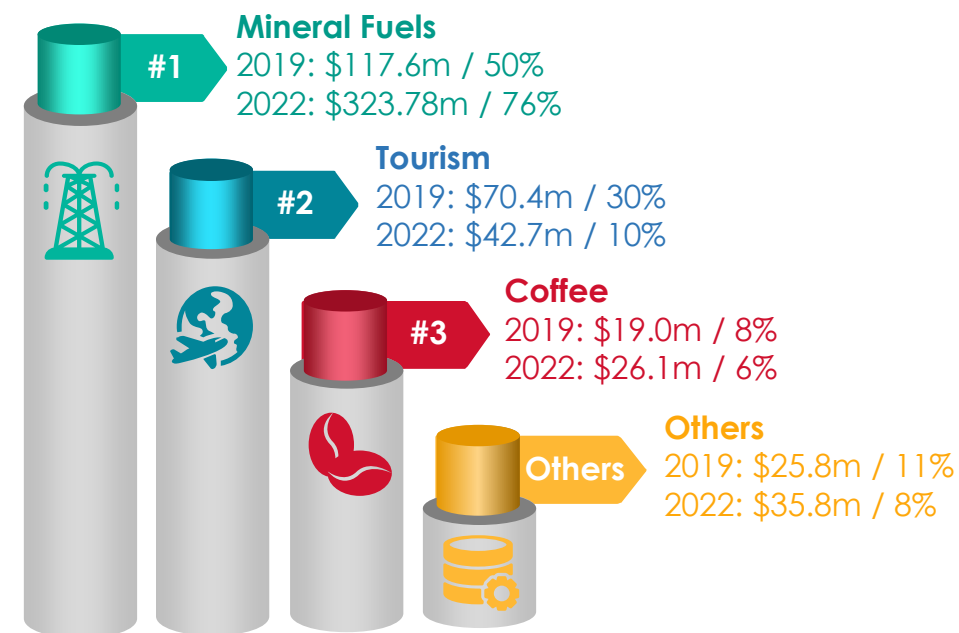


-  **8.4% annual average growth rate in international tourism revenues, during the 5-years period prior the pandemic (2015-2019).**
-  **Fast recovery after borders reopened reaching 60.6% of pre-pandemic levels in 2022, reaching similar levels to 2015.**
-  **Tourism, second largest exports industry in the country, overpassing coffee.**

International Tourism Revenues in Timor-Leste, 2015-2022 (US\$ Million)



Top Export Industries, 2019-2022



Inbound tourism expenditure: Also known as International Tourism Revenues, Travel exports or International tourism receipts, are expenditures by international inbound visitors for goods or services received in the destination country, including payments to national carriers for international transport.

CAGR: Compound Annual Growth Rate.





Source: Trademap.org

Strategic location connecting 2 continents

+30 direct flights per week from 4 destinations



Domestic flights

-  **9 airports:** Atauro, Baucau, Dili, Fuliro, Maliana, Oecusse, Suai, Viqueque, & Manufahi.
-  **4 international airports*:** Dili, Baucau, Oecusse, & Suai.
-  **2 Domestic flights carriers:** Mission Aviation Fellowship - MAF (Australia), & ZIIPS.
-  **5 Routes:** Dili-Atauro; Dili-Baucau; Dili-Maliana, Dili-Suai, Dili-Oecusse.

*Currently only Dili (International Airport President Nicolau Lobato) host regular international flights.


Note: The airport is operated by ANATL (Airports and Air Navigation of Timor-Leste). Flights are limited to daylight hours (no light). The maximum size aircrafts capable of landing are B737 & equivalent (short runway).

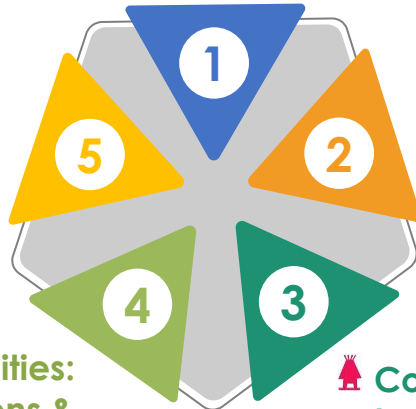
Source: <https://www.flightconnections.com/> - TITL - World Bank

Improving aerial connectivity & cargo capacity

International airport expansion project in Dili


 **US\$135 million**
investment. Completed
end 2025/26.

 **Increase cargo & traffic capacity from 200K passengers to 1 million.**



 **Runway extension from 1,850m to 2,100m.**

 **Expanding aircraft size capacity from B737 to B787, allowing to reach further destinations (India, China, Japan & New Zealand).**

 **Reconfiguration of facilities: taxiways, aprons & aeronautical ground lighting system.**

 **Construction of a new air traffic control tower.**



Supported by:



Where to stay in Timor-Leste?

Accommodation supply in Timor-Leste



5 high-end hotels* with +70 rooms each. Smaller hotels with +35 each.

45% occupancy, peaking 60% in high season (May to Sept.)

+180 accommodation facilities, +2,4K rooms & +2,9K beds

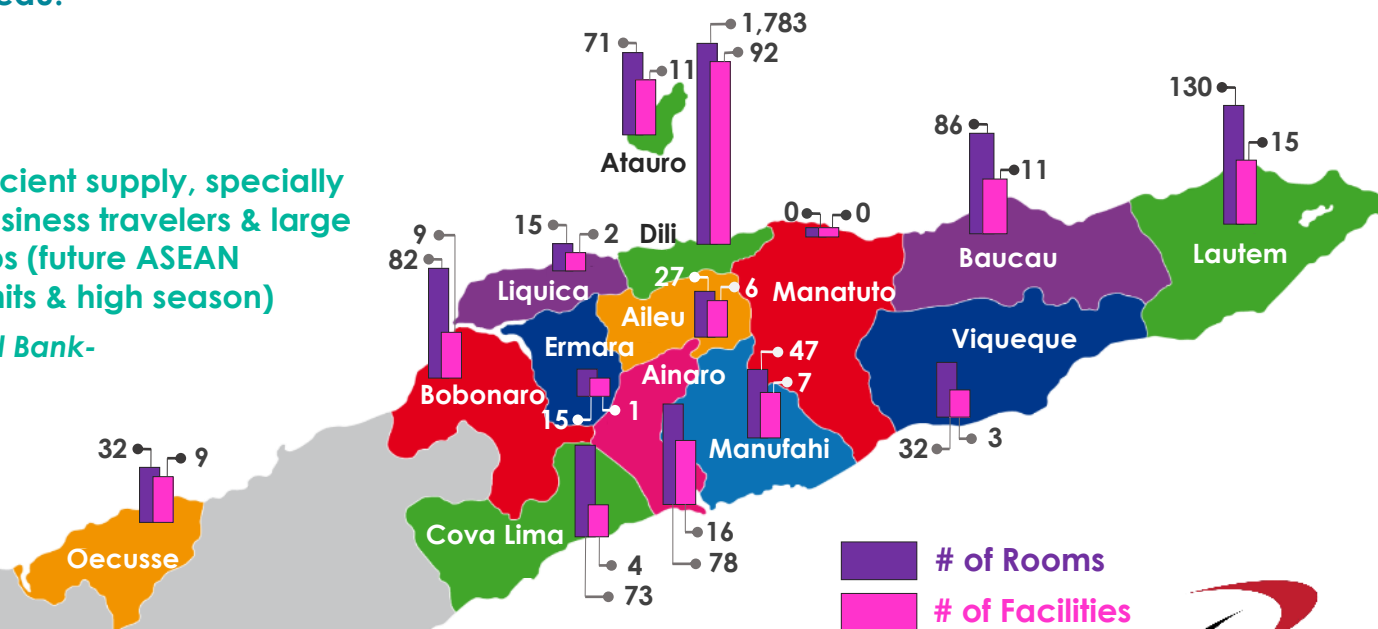


Dili accounts for 72% of rooms & 49% of facilities, followed by Ainaro, Lautem & Baucau.

Insufficient supply, specially for business travelers & large groups (future ASEAN summits & high season)

-World Bank-

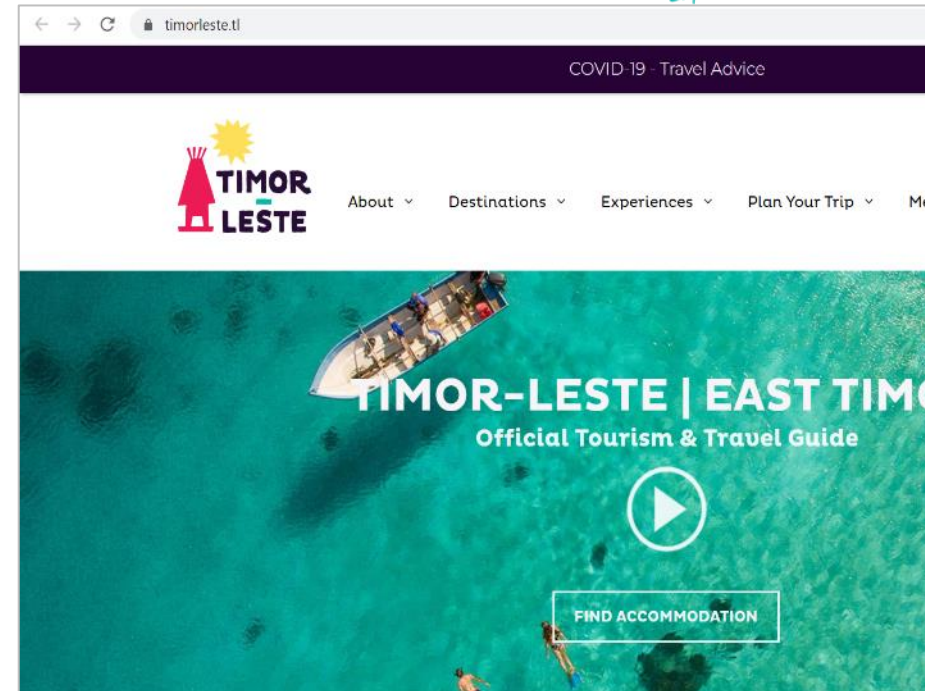
High-end* accommodation in Dili



*High-end refers to 3-4 stars. Currently there is no 5 stars hotel in the country.
Note: Figures may vary according to recent developments.
Source: World Bank Baseline Supply and Demand with Consumer Perspective, 2021

Our official travel site & some international tourism guide

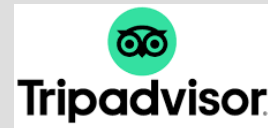
Timor-Leste tourism country brand



Government's official tourism website

- Established in 2016 by Ministry of Tourism, Arts and Culture.
- Aiming to promote Timor-Leste as a peaceful & welcoming destination that offers unspoiled natural beauty, rich history & unique cultural experience.

Other international travel guides of Timor-Leste



Timor-Leste travel guides: <https://www.lonelyplanet.com/east-timor> - https://www.tripadvisor.com/Attractions-g295117-Activities-East_Timor.html - <https://theworldtravelguy.com/destinations/timor-leste-travel-guide/> - <https://www.worldtravelguide.net/guides/asia/east-timor/> - <https://visiteasttimor.com/> - <https://ataurotourism.org/>



Become part of a diverse & dynamic tourism ecosystem



Governmental institutions



Minister of Tourism, Trade & Industry.

🏠 Authority of Tourism of Timor-Leste*.

🏠 Tourism Advisory Board*.

🏠 Tourism Fund*.



Secretary of State for Arts and Culture.



Interministerial Commission & Technical Unit for Tourism Development.

Tourism Associations



Chamber of Commerce & Industry



Hotel Owners Association (HOTL)



Marine Tourism Association (ATMTL)



Tour Operators Association (ADTTL)



Coffee Association (ACT)



Association of tourism from Atauro (ATKOMA)

🏠 Association Tourism Ramelau Blehиту & Kablake (ASTRABEKA)

🏠 Religious Tourism Association (ARTL)

Tourism Stakeholders & Ecosystem

Legal framework

🏠 Timor-Leste Strategic Development Plan 2011-2030.

🏠 Tourism National Policy 2030.

🏠 National Strategic Plan for the Development of Tourism 2023-2030 (Gov. Res. 16/2023).

🏠 Decree Law for bases of Tourism Activities 2023.

🏠 Decree Law Tourism Authority 2023.

🏠 Tourism business licensing.

Development Institutions



Australian Government
Department of Foreign Affairs and Trade



NEW ZEALAND
FOREIGN AFFAIRS & TRADE



USAID
FROM THE AMERICAN PEOPLE



WORLD BANK GROUP



International
Finance
Corporation
WORLD BANK GROUP



The Asia Foundation



Market
Development
Facility
An Australian multi-country initiative



UNWTO
World Tourism Organization

Interna. Memberships:



Pacific Asia Travel Association



Pacific Tourism Organization



World Tourism Organization

*Currently under process.

Timor-Leste, a destination full of opportunities

International investment stories

Hilton Palm Springs Dili (Timor-Leste)

- 🏠 +\$45 million investment
- 🏠 +450 direct jobs
- 🏠 5-star hotel with 150 rooms, restaurant, rooftop bar, fitness centre, spa, & outdoor pool
- 🏠 Opening Q1 2024



Pelican Paradise Group (Singapore)

- 🏠 +\$300 million investment
- 🏠 +1.5K direct jobs
- 🏠 5-star hotel, convention facilities, youth development center, school, hospital, golf course, commercial hub, & residences in 556 hectares.
- 🏠 Under construction



Timor Marina Square (Singapore)

- 🏠 +\$50 million
- 🏠 +250 direct jobs
- 🏠 2 towers of 19 & 23 storeys, with office & residential apartments, hotel, & retail.
- 🏠 Under construction



Hotel Timor (Portugal)

- 🏠 +\$4.5 million
- 🏠 Hotel, restaurant & convention center
- 🏠 In operations since 2006



Hotel The Ramelau (Korea)

- 🏠 +\$8 million
- 🏠 Hotel, restaurant & convention center
- 🏠 In operations



Compass Diving (Australia)

- 🏠 +US\$6 million
- 🏠 Diving academy, ecolodge, tour operator and boat charter.
- 🏠 In operations



Our vocational training centers & language skills



+12 Tourism Vocational Training Institutions



STVJ -
Youth vocational
training center



ETDA - East Timor
Development
Agency



CNEFP - Centre for
Employment and
Professional Training of
Tibar



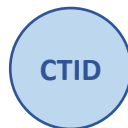
SENAI
Becora



Don Bosco
Comoro
Training Centre



DIT - Dili Institute of
Technology*



CTID- Centre for
Integrated
Development of
Training



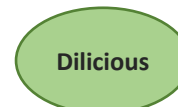
Agora Food Studio
(social enterprise)



Pro Ema
(Social Enterprise)



Aroma Timor



Dilicious



Universidade Nacional
Timor Lorosa'e*

Population language skills



+62% Fluent
Tetum



+36% Fluent
Bahasa Indonesian



+31% Fluent
Portuguese

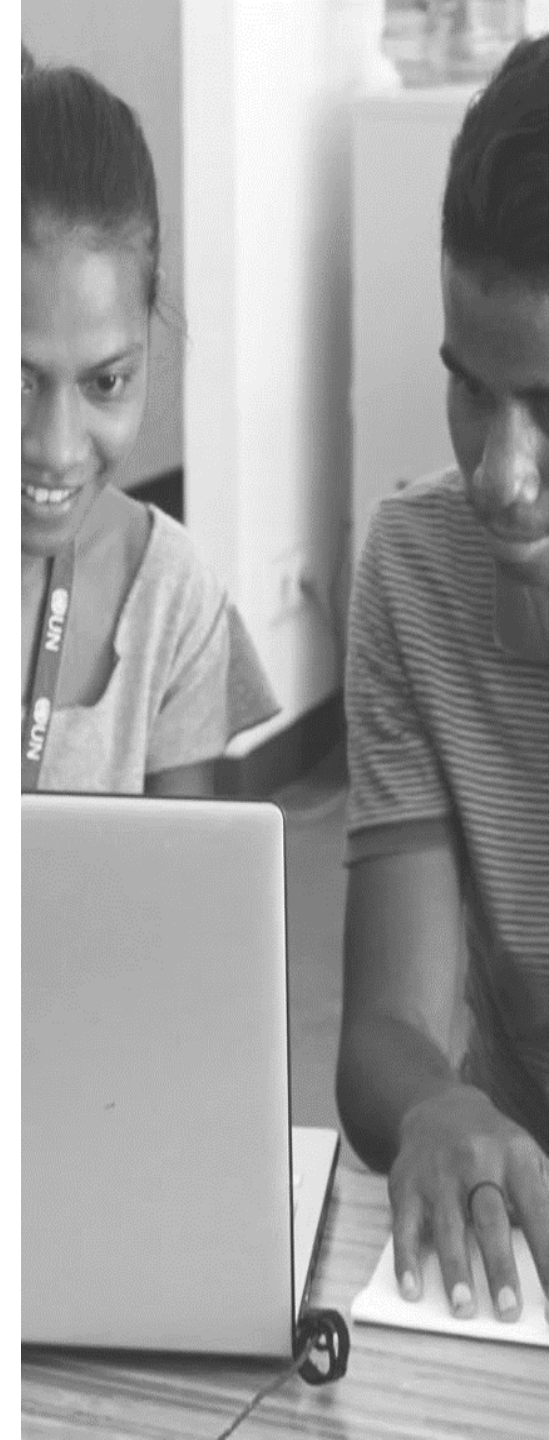


+16% Fluent
English

*Professional training programs (bachelors)

Note: On second quarter 2022 new educational census is taking place. Results are expected by early 2023

Source: Timor-Leste Education Monograph 2015



Timor-Leste Tourism SWOT analysis

- 🏠 Pristine & unspoiled nature (marine & mountains).
- 🏠 Diverse native cultures.
- 🏠 Rich history (Portuguese col., WW2, Resistance, & Independence).
- 🏠 Government's commitment.
- 🏠 Monetary stability due to USD\$ as currency.
- 🏠 Friendly locals.
- 🏠 Famous coffee
- 🏠 Tais: World Intangible Cultural Heritage by UNESCO..
- 🏠 Trends in "Off-the-beaten-track" destinations & sustainable tourism.
- 🏠 Investment opportunities in tourism (accom., connectivity, infra., sustainable energy & tech.).
- 🏠 Proximity to ASEAN (high growth region).




- 🏠 Negative perceptions & low awareness (conflict, poverty, unsafe).
- 🏠 Poor touristic packages coordination.
- 🏠 Limited air connectivity & high fares.
- 🏠 Restrictive logistics to travel & access to cultural activities.
- 🏠 Limited accommodation capacity & infrastructure (internet, roads, utilities).
- 🏠 Land tenure & access.
- 🏠 Lack of IATA country code.
- 🏠 Digital payment (gateway platform, card payment, currency exchange).
- 🏠 High costs (dollar – operations).
- 🏠 Limited skilled talent (hospitality).
- 🏠 Limited medical capacity.
- 🏠 Competition with powerhouse tourist locations in the region.
- 🏠 More affordable price similar competitors offers.
- 🏠 Environment & social degradation due to unsustainable tourism.



3

Tourism Products

Explore the undiscover in Timor-Leste

A scuba diver in a black wetsuit and blue mask is swimming underwater. Bubbles are rising from the diver's regulator. The background is a deep blue ocean with some rocky structures.

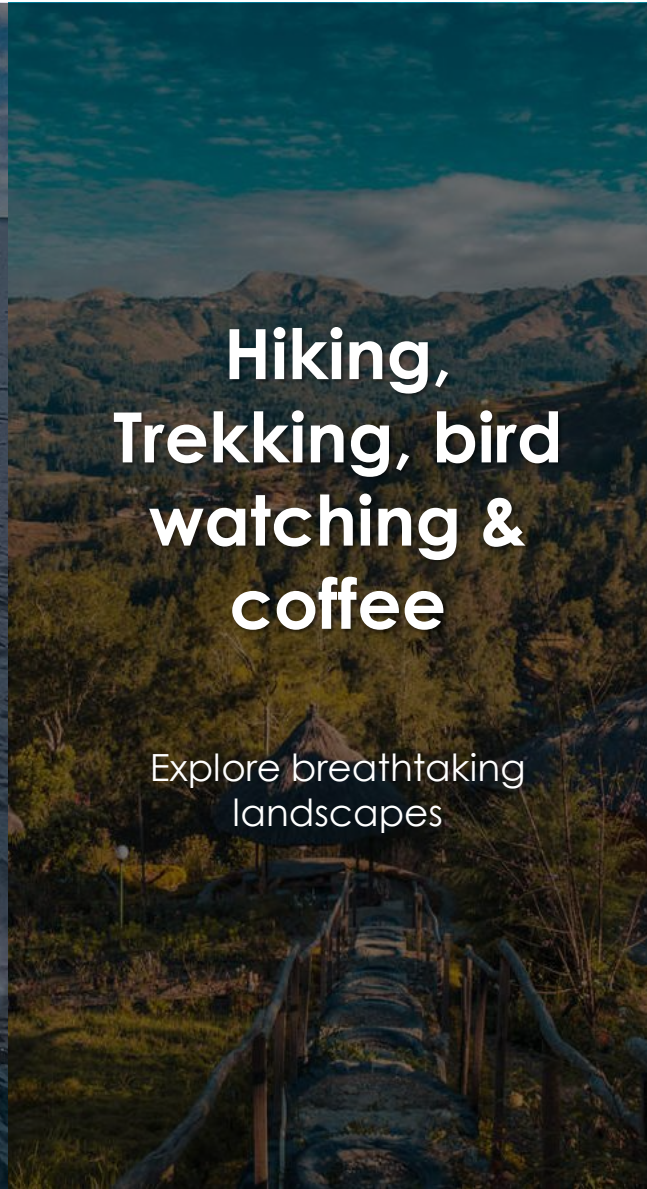
Scuba diving & snorkel

Immerse yourself in the most biodiverse waters in the world

A whale is breaching the surface of the ocean, creating a large splash of white water. In the background, a white boat with several people on board is visible on the horizon under a cloudy sky.

Whale watching

Embark on an adventure in one of the world's hottest spots

A wooden boardwalk path winds through a lush, green forest. In the distance, there are rolling hills and mountains under a clear sky.

Hiking, Trekking, bird watching & coffee

Explore breathtaking landscapes

A close-up profile of a woman wearing a traditional, ornate headdress made of metal and wood. She has a serene expression and is looking towards the right.

History, culture & heritage

Explore a country where culture & traditions are suspended in time

Most biodiverse waters in the world

Scuba diving & snorkel



Located in the Coral Triangle*, the hotspot with the most species in the world




 +1,2K reef fish species (**among highest in the World**), +600 reef-building species, 7 seagrasses genera, & sloping coastal providing megafauna habitats.

 **24 whales & dolphin species** & **5** endangered sea turtles.

 Recognized as high level marine biodiversity by global diving community.

Uncrowded dive sites with clear waters



 **+17** dive sites in **4** locations (Dili, Dili-Manatuto-Liquiça, Atauro Island & Lautem).

Nearly 10 tour operators and dive resorts.



The Guardian

Atauro Island: scientists discover the most biodiverse waters in the world

Michael Slezak

@MikeySlezak

Wed 17 Aug 2016 02:45

Conservation International finds 643 species around Timor-Leste island, some of which are believed to be entirely new



*The Coral Triangle is a marine area located in the western Pacific Ocean including waters of Indonesia, Malaysia, Philippines, Papua New Guinea, Timor Leste and Solomon Islands. Named for its staggering number of corals.

Source: <https://www.timorleste.tl/> - World Bank Baseline Supply and Demand with Consumer Perspective, 2021

Global hotspot for whale & dolphins' observation



September to December Timor-Leste becomes a major migratory route between Pacific and Indian Oceans



+100 species of cetaceans spotted off the coasts. +1K individuals can be spotted per day.

Whales such as blue, beaked, humpback, sperm, killer, short-finned pilot and melon-headed, & large pods of dolphins.



6 key locations: "Wetar Strait" between Dili and Atauro Island, the northern coastal road between Dili and Manatuto, Carambola (Liquiça), Oecussi, Com, and Jaco Island.

Some local operators:



The Guardian

Timor-Leste a mecca for whales, but they face threats







Johnny Langenheim

One third of all cetacean species are found in the waters off Timor-Leste, but measures are needed to protect them






Coastal & mountain hikes with bird diversity & international awarded coffee



-  Hot springs, cave systems, villages, temples, fortresses, costal views, coffee plantations & rice paddies.
-  **+9 hikes & +10 walking trails sites** in 10 municipalities from 1.5hr up to 3 days.
-  **62% of territory is forest** with pristine mountainous landscapes.
-  10 mountain ranges. "Ramelau" highest mountain reaching 2,963mt.
-  **International high-quality coffee beans.** May to Sept. harvest season.
-  Coffee route packages include growing, processes, techniques & tasting in 3 municipalities.

High diversity of birds mixing Asian, Australian & endemic



-  **+240 species:** 139 land-birds, 109 migratory, 89 water-birds & 18 sea-birds & 23 endemic species.
-  **16 key sites** according to "Birdlife International".
-  Some agencies:



Trekking East Timor

hatobuilico.com

6 Reasns to Visit Timor-Leste (CNN): 1. Spectacular diving, 2. Beaches you can call your own, 3. Unspoilt scenery, 4. Breathtaking biking, 5. Calm life and silent nights, 6. Fresh, \$1 coffees.

Source: Timorleste.tl - Birdlife.org - World Bank Baseline Supply and Demand with Consumer Perspective, 2021



travel

6 reasons to visit East Timor

By Simon Roughneen, CNN

Updated 9:44 PM EDT, Wed July 12, 2017







Unique culture with 4 different influences

History, culture & heritage



Native sites, culture heritage & religious diversity

-  **+14** sites in 3 municipalities with traditional dance, performing music, rituals, ceremonies & festivals, with several ethnic groups & languages.
-  Rock art painting sites, traditional-sacred houses (Uma lulilk) & handcraft.
-  **Tais Cloth** – World Intangible Cultural Heritage by UNESCO*.
-  **+5** religions with several holy sites & temples.



Portuguese architecture sites

- +8** sites in 6 municipalities with fortresses, prisons, colonial buildings & old military bases.



World War II sites

- +7** sites in 5 municipalities offering attractions such as Australian memorial, hideout caves, battle sites, & military posts.



The resistance sites

- +14** sites in 7 municipalities with museums, cultural centers, hideout sites, training camps, former military bases, battle sites & route.

* Tais: Used for decoration & traditional clothing for men & women in traditional ceremonies & festivals.
Source: Timorleste.tl - World Bank Baseline Supply and Demand with Consumer Perspective, 2021 - <https://ich.unesco.org/en/>



Ten Places That Deserve More Travelers

BY TARA ISABELLA BURTON
PUBLISHED JUNE 9, 2016 • 30 MIN READ

Timor-Leste



Other segments

Community-based tourism



Sportfishing

- 🏠 Inshore fishing with local fishers in their wooden craft or larger boat for the deep.
- 🏠 **+1,2K** species of coral reef fish (among the highest in the world).
- 🏠 Home of big fish (giant trevally, yellow fin tuna, Spanish mackerel, sailfish & marlins).
- 🏠 Large potential as few resorts are offering it.



Volunteer Tourism

- 🏠 Focus: Education, government, human rights, health, agricultural, gender equality, empowering women & handcrafts.
- 🏠 Activities: Shore cleaning, cultural workshops, short hikes through villages, cultural tours & dive.
- 🏠 Most volunteers come from Australia, New Zealand & Singapore.



Australian
Volunteers

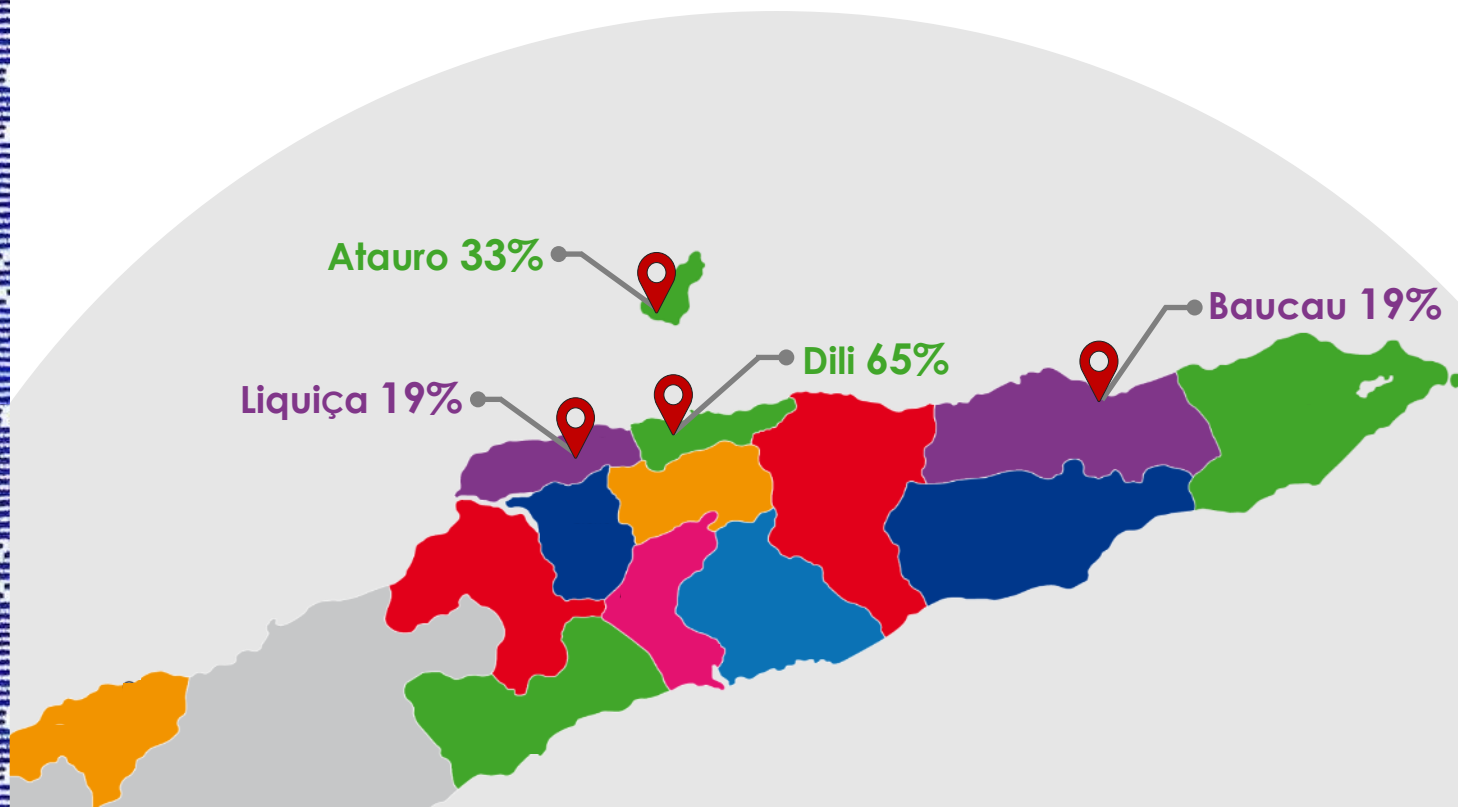


Most popular touristic locations & activities

According to international inbound travelers



-  Dili & Atauro stand out as the 2 main destinations for those traveling for leisure.
-  Diving, beach activities & visits to historical sites, are the top 3 activities in the country.



Leisure activities in Timor-Leste



*Include whale & bid watching
Source: The Asian Foundation Tourism Survey 2019

What international media say about us

Timor-Leste also known as East Timor



The Guardian
Timor-Leste: what it's like to travel in a land without tourists



6 reasons to visit East Timor

Simon Roughneen, CNN • Updated 12th July 2017



10 Facts About The Lesser-Known Timor-Leste

The Asian nation of Timor-Leste should not be overlooked because it has great diving spots.

BY AUNINDITA BHATIA PUBLISHED MAY 29, 2022



Timor-Leste a mecca for whales, but they face threats

Johnny Langenheim



ADVENTURE & EXPERIENCE | DIVING | ASIA

East Timor: A young nation reviving ancient laws

By Richard Collett 19th May 2021

Traditional East Timorese resource-management laws are helping to preserve the most biodiverse coral reef in the world.



Ten Places That Deserve More Travelers

BY TARA ISABELLA BURTON

PUBLISHED JUNE 9, 2016 • 30 MIN READ

Timor-Leste

The New York Times

Tourists Could Be East Timor's Lifeline. But Will They Ruin Its Reefs?

The Sydney Morning Herald

Blue whales spotted off East Timor in record numbers 'extremely hungry'



QUEST'S WORLD OF WONDER

Why you should go to the world's least-visited countries

Jen Rose Smith, CNN • Updated 30th December 2019

16. Timor Leste

Better known to aid workers than tourists, Timor Leste had a chaotic few decades as it emerged as Asia's newest country.

ESCAPE

10 reasons Timor-Leste should be on your travel bucket-list

It's just a stone's throw from Australia, but Timor-Leste is still largely untapped by Aussie holiday-makers. Get there, before everyone else cottons on to it.

Sam McCue

3 min read April 14, 2022 - 3:34PM



The multicoloured wonders of Atauro Island - in pictures

Where to go in Timor-Leste?

Map of touristic sites



-  Diving
-  Birding
-  Swimming
-  Snorkelling
-  Mountain biking
-  Fishing
-  Trekking
-  Culture
-  Off road 4WD



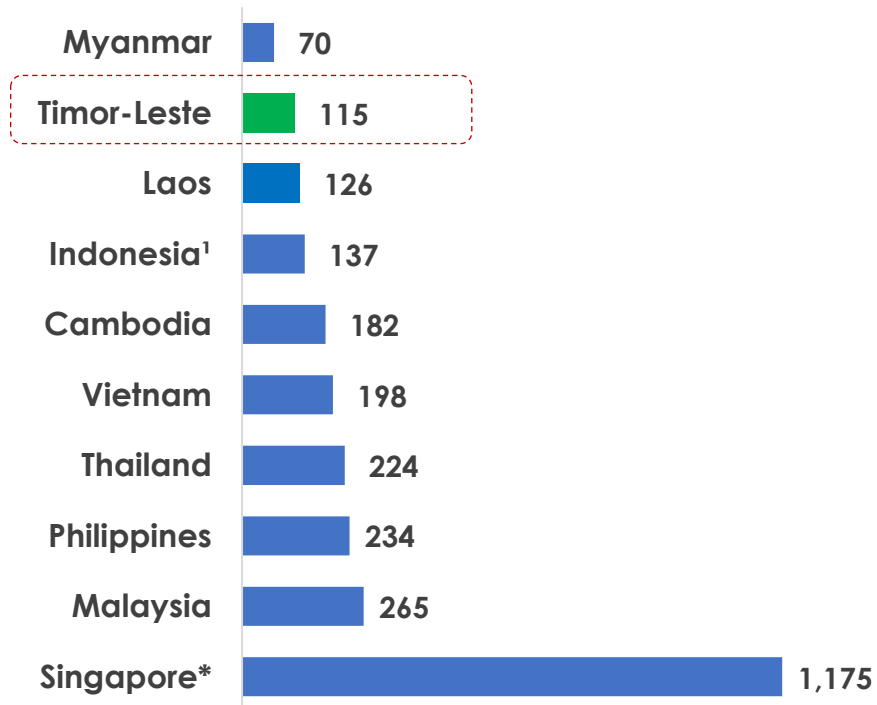
4

Reasons to invest

2nd most competitive salary in Southeast Asia



Monthly Minimum Wage in Southeast Asia, 2023 (US\$/Month)*



US\$ 115/month
Monthly
minimum wage

- 10% social security rate: 6% employer & 4% employee
- 13 salaries per year
- US\$280/month average salary



*Values may change according to exchange rate fluctuations. These figures are only for reference.

Note: Salaries do not include mandatory social benefits

Source: <https://countryeconomy.com/national-minimum-wage/> / <https://tradingeconomics.com/country-list/minimum-wages?continent=asia> / <http://www.salaryexplorer.com/> - <https://taxsummaries.pwc.com/new-zealand/corporate/other-taxes>

Solid and stable legal framework for investors

Investments regulation

- 🏠 State duty to promote national & foreign investment: Constitution Article 140.
- 🏠 Private Investment Law: Law 15/2017.
- 🏠 Regulation of Private Investment Law: Governmental Decree 2/2018.
- 🏠 International commercial & investment disputes arbitration resolution (New York Convention): Voluntary Arbitration Law No. 6/2021.

Investors rights (9)

- 🏠 Free initiative.
- 🏠 Equal treatment of national & foreign.
- 🏠 Free transfer of funds abroad.
- 🏠 Employment of foreign for qualified workers.
- 🏠 Access to courts and dispute settlements.
- 🏠 Respect for previously signed international agreements or incentives packages.

Restricted activities

- 🏠 Public communication service & media.
- 🏠 Passenger land transport.
- 🏠 Air transport.
- 🏠 Gambling & other recreational activities.
- 🏠 Insurance.

Forbidden activities

- 🏠 In environmental protected areas.
- 🏠 Related to offensive of traditional customs.
- 🏠 Postal & courier services.
- 🏠 Funeral service.




Note: As a complement to the investment regulation, the Company Act should be taken into consideration. It is established by Law Nr. 10/2017, Decree Law Nr. 16/2017 on Business Registration, and Decree Law Nr. 34/2017 on Economic Activities (licensing).

Source: TradeInvest Timor-Leste



One of the most attractive tax incentives in the region





Land Leasing Agreements

-  50 years contract to lease land state property.
-  Renewable for 25 years up to 100.
-  Free leasing costs up to 10 years.

Declaration of Benefits (tax exemptions)

-  100% exemption in Income & Service tax.
-  100% exemption on Custom duties & Sales tax for capital goods & equipment used in the project.

Special Investment Agreement

-  Legal agreement between investor & government to set a permanent legal framework applying to project.
-  Up to 50 years stability.

Working visas

A minimum of five business visas for qualified employees with directing or technical functions.



Location & time benefits: Up to 5 years in Dili in administrative posts of Cristo Rei, Dom Aleixo, Na'i Feto and Vera Cruz (zone A). Up to 8 years outside urban area of Dili (zone B). Up to 10 years for special zones Oe-Cusse Ambeno and Atauro (zone C).



Application procedure through TradeInvest Timor-Leste. Up to 18 working days for Declaration of Benefits & 35 days for Special Investment Agreements.



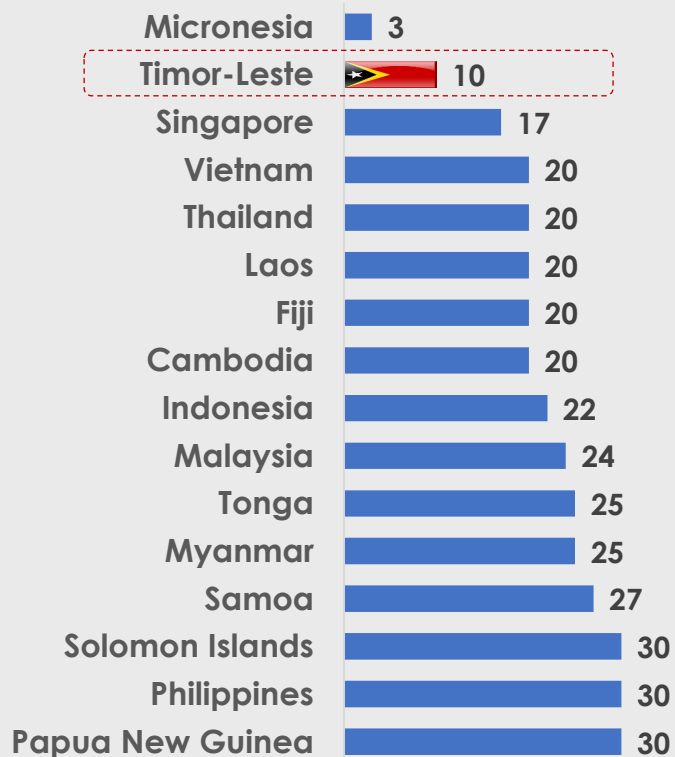
Investment amount of at least \$500K. It must be executed within 1 year counted from the issue of the Declaration of Benefits. If not, it shall be revoked.

Second lowest tax regime in Southeast Asia & Pacific

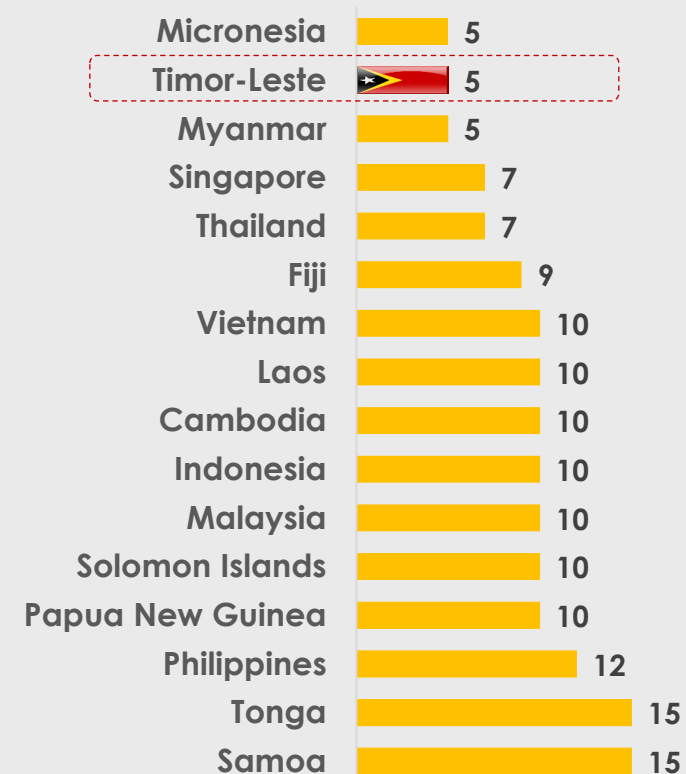
Timor-Leste tax regime comparison



Corporate income tax rate in Southeast Asia & Pacific, 2022 (%)



Sales tax rate in Southeast Asia & Pacific, 2022 (%)



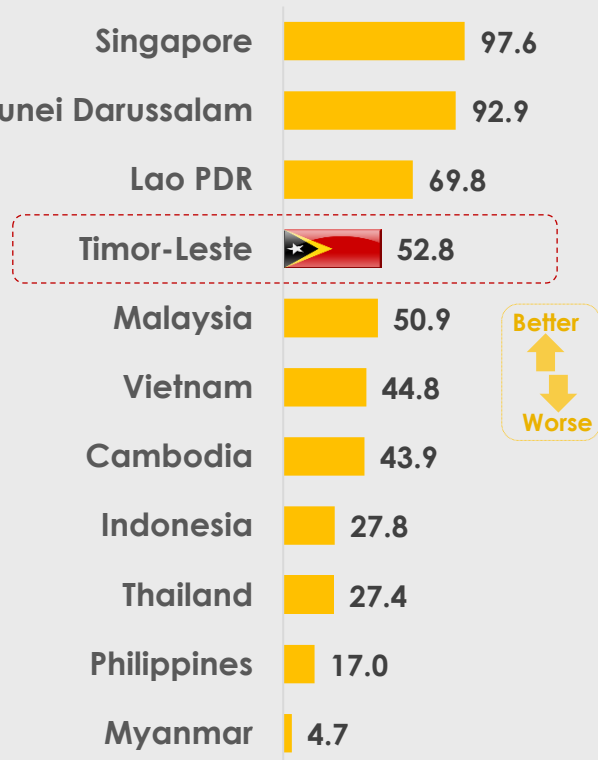
Note: income may vary according to the company size revenues and sales tax according to the products.

Source: TradingEconomy (<https://tradingeconomics.com/country-list/sales-tax-rate>)

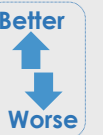
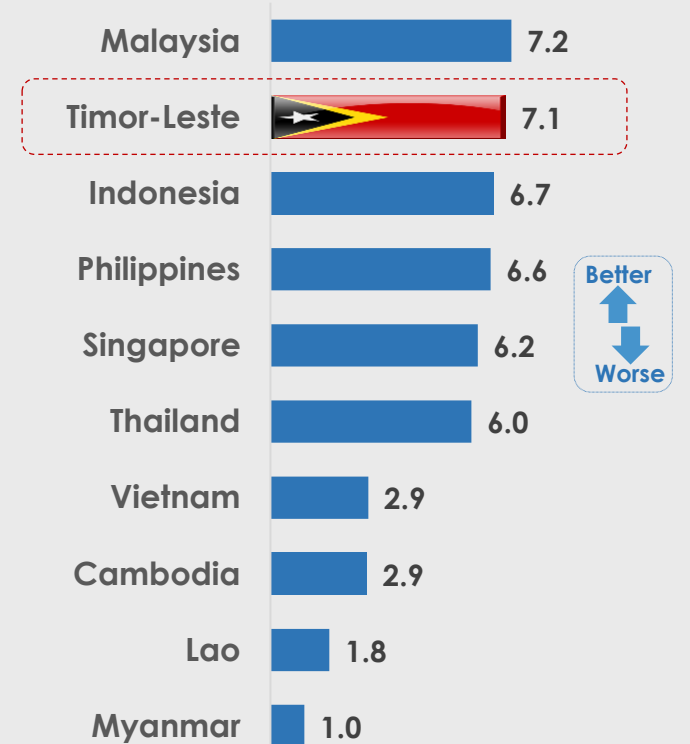
Timor-Leste: Stable & democratic country in Southeast Asia

Perception Vs Reality

Political Stability & Absence of Violence Index in Southeast Asia, 2021 (Rank)



Democracy Index in Southeast Asia, 2021 (Score)



Rank: From 0 (lowest) to 100 (highest).
 Political Stability and Absence of Violence/Terrorism measures perceptions of the likelihood of political instability and/or politically-motivated violence, including terrorism.
 Source: The World Bank Database

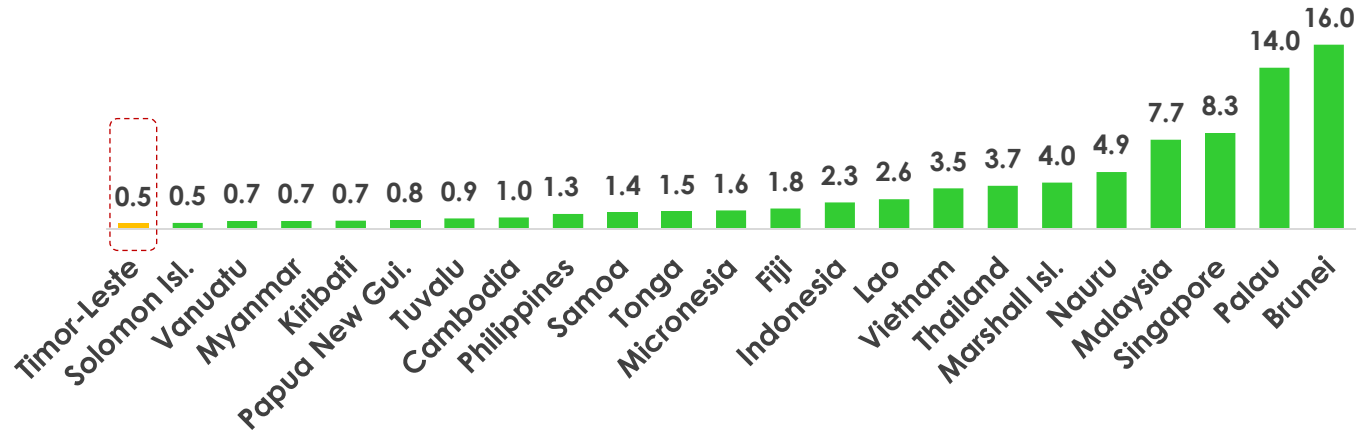
Score: From 0 (lowest) to 10 (highest).
 The Democracy Index is based on five categories: electoral process and pluralism, functioning of government, political participation, political culture, and civil liberties.
 Source: Economist Intelligence Unit (EIU)

Effectively commented with the environmental protection

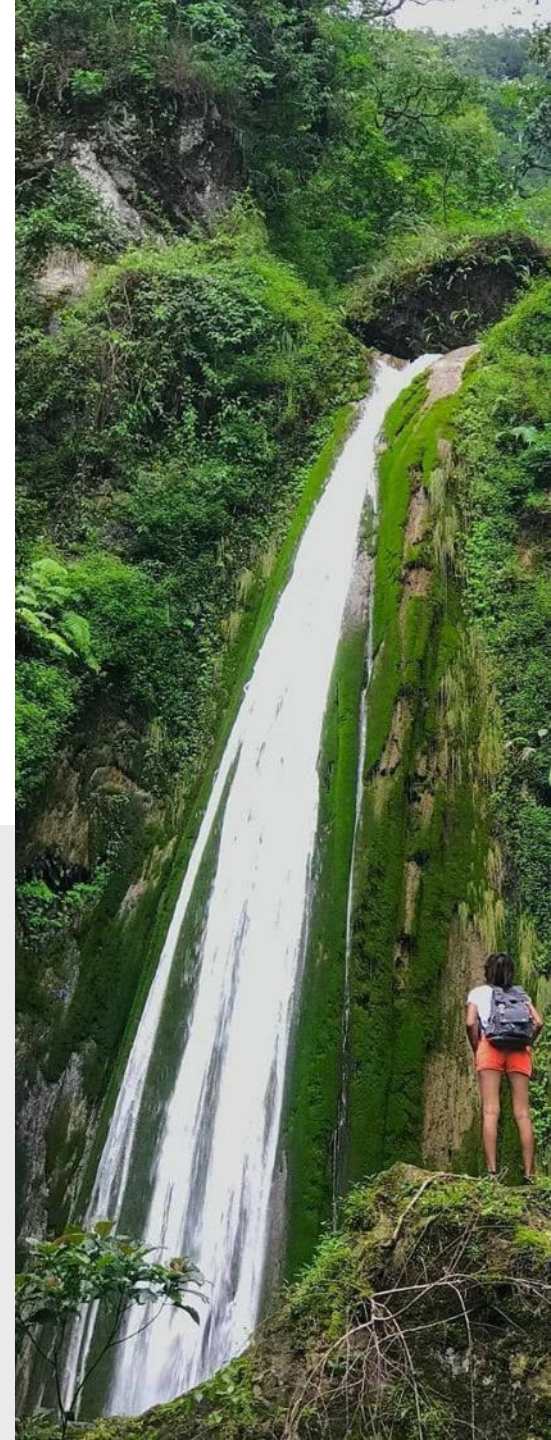
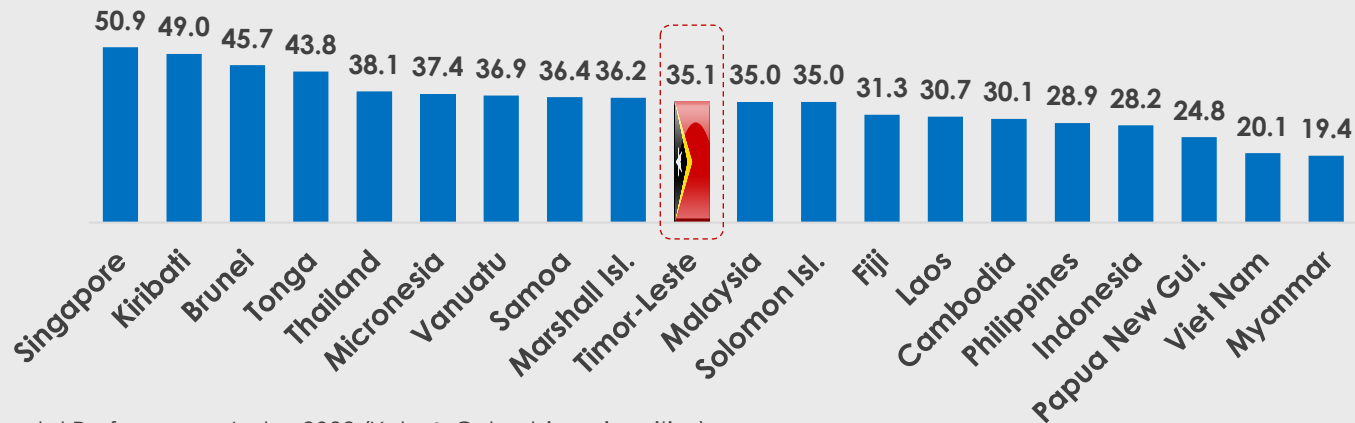
Lowest CO2 emissions & high score in environmental index in Asia & Pacific



CO2 emissions in Southeast Asia & Pacific, 2019 (Ton³ per capita)



Environmental Performance Index in Southeast Asia & Pacific, 2022 (Score)



Utility costs to run your operation

Several infra projects are taking place to make us more competitive (data cable, renewable energy, water & sanitation)



WATER & SEWAGE

85.5% Drinking water services access*

56.8% Sanitation services coverage*

TARIFF

Industry & commercial:
US\$0.6m³



ELECTRICITY

96.1% Total access to electricity*

TARIFF

Industry & commercial:

- 1 to 1,000kWh/month: US\$0.12kWh
- 1,002 to 3,600kWh/month: US\$0.2kWh
- Over 3,600 kWh: US\$0.24kWh



INTERNET

29.1% Population using internet

104.5 Mobile cellular subscribers per 100 people

TARIFF

Average Speed:

- Download 5.34Mbps
- Upload 6.74Mbps

Average price:

US\$1.2 – 1.8 per GBps

telemor



Note: Tariffs subject to change due to current fiscal reform.

*People using basic drinking water services (urban 96.5% - rural 80.5%); Basic sanitation services (urban 73.6% & rural 49.1%); Access to electricity coverage (urban 100% - rural 94.4%) (year 2020 – World Bank).

Water tariffs: Established in 2004 jointly by Ministry of Public Works and Ministry of Finance on Ministerial Diploma 1/2004. Never revised again. (PAD Dili Water Supply Project 2022)

Electricity tariffs: Government Resolution No.33/2010. Power Plants: Hera (120MW) & Betano (135MW).

Internet: Rates may vary according to provider and type of package.



Some identified investment opportunities (11)



Enabling investments & infrastructure

Infrastructure & connectivity

- +Frequencies & new aerial routes.
- Jetties for small boats.
- Cruise/yacht terminals (marina facilities).

Digital payments (gateway platform – card payments).

Tour operators

- Local wholesaler to organize local operators & package the touristic products, to deliver to intel. outbound operators, with professional standards.
- + Local whale watching & dive operators.

Health

- Private hospital & wellness facilities with international standards.
- Decompression chambers for divers.

Large scale investments

Accommodation

- High-end luxury accommodation (Ecolodges – Business).
- Medium-end (3-4 stars) business hotel.
- Budget ecolodge.
- Historical Portuguese pousadas (concessions).

Real Estate

- Dili port redevelopment project (PPP).
- Shopping malls & amusement parks.

Medium scale investments



International vocational training institutes in tourism.



Quality/hygienic/affordable restaurants & bars.



Local mobility

- Inter island fast/safe private transport service (Dili/Atauro/Jaco).
- Luxury land transportation services.
- Car, motorcycle & bike rentals.



Marine tourism

- +Permanent & larger boats for whale watching.
- Live aboard cruise ships.



Portfolio of local investment projects – Joint Ventures.

Let's explore together the undiscovered!

Arcanjo da Silva
Executive Director

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