



TIMOR-LESTE TOURISM INVESTMENT FORUM - 2024

SPEECH OF HE, THE MINISTER OF PLANNING AND STRATEGIC INVESTMENT

Gastão Francisco de Sousa

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Ladies and Gentlemen,

It is a true pleasure to address you today at the 2024 Timor-Leste Tourism Investment Forum.

This event is envisioned as an annual event, so today marks a significant milestone in our collective journey to establish Timor-Leste as a globally recognized tourism destination.

The Timor-Leste Tourism Investment Forum has been created not just a platform for dialogue, but its **creation is actually a reflection of our commitment to fostering partnerships and exploring, together, innovative solutions**. This is an event that – this Government hopes – will grow in tangible results, and in impact and effectiveness, with each passing year.

All the national entities involved herein are indeed privileged to have the support of esteemed international entities, **with a special thank you to the IFC**. Their expertise, global perspective and most of all, availability and perseverance in working side-by-side with our government, are invaluable, as our nation – an emerging destination – navigates the complexities of sustainable tourism development.

The theme of this forum, “Fostering a Business-Friendly Environment for Tourism: Overcoming Challenges and Unlocking Potential,” is particularly relevant. My task today is to present – as possible, or at least introduce herein the thematic of “**Strategic Investments to Improve Connectivity**,” a crucial area for the growth of any tourism sector.

Ladies and Gentlemen, esteemed Guests, dear All,

Connectivity is the backbone of tourism.

Without efficient and accessible transport infrastructure, our efforts to promote Timor-Leste as a premier tourist destination will be immensely limited. Improving connectivity facilitates visitor access to our natural and cultural attractions. And furthermore, it promotes regional development and integrates local communities, all over the country, into the tourism economy and into Blue Economy – as we need to be able to help all of Timor globally, and not only certain sections.

As Minister of Planning and Strategic Investment, I take great pride in sharing the pivotal **role our ministry plays in improving connectivity**.

Connectivity is what links our attractions, connects visitors to our communities, and integrates tourism into the broader economy. To strengthen connectivity, the task of this Ministry is indeed to undertake significant infrastructure projects.

Over the years, we have prioritized the construction and rehabilitation of **roads** connecting key tourist areas, aiming to reduce travel times and improving not only the quality of the travel, but also and mainly



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the accessibility. Modernization projects for ports and airports are also underway to increase capacity and efficiency, facilitating the greater flow of visitors.

Through the **Infrastructure Fund**, we allocate substantial resources to large-scale projects that enhance national connectivity, including roads, bridges, and port facilities. These projects not only support tourism but also contribute to regional development and the integration of remote areas into our economy.

The Fund's budget for 2023 was of USD 177,743,720.00. For the current year, the projected amount is of USD 301,354,787.00, and for 2025, we foresee an investment in the amount of **USD 310,750,000.00**.

The **State Budget for 2025**, currently under discussion and pending approval by the National Parliament, also reflects our continued commitment to connectivity improvements. As a significant portion of the budget is dedicated to building and maintaining roads that link key tourist destinations, fostering regional growth and accessibility.

Furthermore, we also believe that openness to future investments in regional airports modernization may enable more frequent and accessible domestic flights, better connecting the diverse regions of Timor-Leste.

Recognizing the **importance of technology**, we are also investing in expanding digital infrastructure to provide high-speed internet access in tourist areas, enhancing visitor experiences and the efficiency in the operation of all related local businesses.

This year marks the implementation of Timor-Leste's first submarine fiber optics cable, connecting Dili to Darwin - which is a transformative step for our digital connectivity and a great milestone of this Government as well.

Ladies and gentlemen,

As we see it, Timor-Leste stands at a crossroads of opportunity and responsibility.

And the responsibility we hold now, is great.

I would take this moment to mention previous administrations, as it were the IV and V Constitutional Governments of Timor-Leste who laid the groundwork for the country's connectivity and infrastructure development, recognizing that robust infrastructure is vital for national growth and integration. These administrations prioritized large-scale investments in roads, bridges, and essential transport infrastructure, connecting remote regions to economic and social hubs.

A defining achievement was the construction of over 2,000 Km of new roads, significantly enhancing access to previously isolated areas and reducing travel times across the nation. In addition to road development, these governments initiated key projects to modernize ports and airports, laying the



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foundation for increased domestic and international connectivity. Their efforts not only boosted economic opportunities for local communities but also set the stage for Timor-Leste's emerging tourism sector, providing essential links to its natural and cultural attractions.

Such is the responsibility that this current Government has recognized as its **legacy**, and that is thus wishes to further develop and further implement. But the truth is we also see this responsibility is also our opportunity!

Ladies and Gentlemen,

Our nation is blessed with a rich tapestry of cultural traditions, historical landmarks, and natural wonders. All the municipalities' unique characteristics, from Jaco island all the way to Ataúro Island worldwide recognized rich waters, Timor-Leste offers indeed unparalleled experiences for those seeking authenticity and beauty.

Ladies and gentlemen, it is recognizing this potential why we have positioned tourism as a cornerstone of our **30-Year Strategic Plan**.

This plan envisions tourism as a sustainable alternative to our traditional reliance on oil and gas revenues. While these resources are and have been vital to our economy, we understand the need for diversification to ensure long-term stability and growth. Tourism, with its capacity to create jobs, empower communities, and generate revenue, is a natural choice.

But our vision for tourism goes beyond economic benefits.

It is deeply rooted in sustainability and in developing Blue Economy, aiming to protect our environment, celebrate our heritage, and promote inclusivity. As we strive to meet the goals outlined in our Strategic Plan, we are committed to balancing growth with responsibility, ensuring that our tourism sector contributes to global efforts to combat climate change and preserve biodiversity.

We believe that tourism in Timor-Leste holds immense potential across multiple dimensions. Our cultural heritage is a treasure of traditions, languages, and artistry that provides a unique window into our identity.

Religious tourism, rooted in our deep spiritual traditions and landmarks, offers another avenue for attracting visitors. Our historical sites, including those that narrate our struggle to regain our independence, serve as touching reminders of our resilience and history.

Nature-based tourism, however, is where Timor-Leste truly shines. Our natural attractions are unmatched in their beauty and ecological significance.



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And this is one of the most important points I would wish to highlight here – and to invite you all to consider, in my quality of Minister not only for Strategic Investment, but also for Planning – which is the need for **tailored and truly adapted planning**.

As it is precisely because of the various perspectives that exist, and to fully realize this potential, that **we are working to develop a comprehensive tourism model tailored to our unique strengths and challenges**.

And I wish to take you a brief moment and request particular attention to this point from the following perspective: we have the possibility and the privilege to learn from the international community, from all the representatives here today – but with all the studies and analysis and adaptations that may be done, one thing is certain, because it's a fact: **there is no other country like Timor**.

Not for its culture or nature, as there are many wonders to explore worldwide – but because it is a country **whose people and Government have the responsibility and immense privilege of building the youngest nation in the world. There is no other country going through all the same struggles or that is exactly on the same path. This allows us a great freedom, but also maybe an even greater responsibility**.

Of course, luckily for us, we have many similarities with many other points of the world – which I will mention in a moment. But I cannot stress enough the need for a very tailored solution. **Which is the great task we have ahead**.

But also the greatest opportunity.

There are various strengths that we hope to invite all present here.

One in particular – speaking of the tailored model for our country – I would wish to take this moment also for a special mention to the Strategic Plan's strong emphasis on **agrotourism** and organic tourism. It is indeed an integral part of our national strategy.

Timor-Leste has vast fertile lands and traditional farming practices that we wish to preserve. However, this may also be aligned with our growing commitment to sustainable agriculture.

The Government understands that Timor-Leste offers unique opportunities to develop tourism centered around agricultural and organic experiences. And the Government also recognizes the potential of these sectors to drive rural development, create jobs, and promote environmental sustainability. Thus, the Government is naturally open to encouraging public-private partnerships which may provide technical assistance to local farmers and fostering connections between agricultural communities and the tourism industry.

This is why, ladies and gentlemen, the Government has been studying the experiences of other countries, particularly those with similar characteristics or challenges.



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The **ASEAN** region offers a wealth of lessons for Timor-Leste. We are learning from the examples of our neighbor countries, who demonstrate how in line with the already mentioned agrotourism and organic tourism, eco-tourism and community-based tourism can integrate remote communities into the tourism economy while preserving their cultural heritage. We also understand that public-private partnerships may indeed facilitate the development of critical infrastructure, enabling sustainable tourism growth. And countries like **Indonesia**, with its emphasis on inter-island connectivity, showcase how a dispersed geography can be transformed into a strength through strategic branding and investment. And here we see the possibility of an inter-island connectivity even if in different national territories.

Beyond ASEAN, we are taking bold steps to enhance connectivity and tourism in Timor-Leste.

The recently approved Strategic Cooperation Program with **Portugal** for 2024-2028 is a landmark initiative. With a EUR 75 million budget, this program focuses on sustainable development across key areas, including public administration, infrastructure, and youth employment.

I could also not refrain from mentioning Portugal's "REVIVE" initiative is a masterclass in leveraging cultural heritage for tourism. By rehabilitating historical sites and integrating them into the tourism economy, Portugal has successfully preserved its heritage while boosting economic activity.

The development of modern transport systems and digital connectivity has further cemented its status as a global tourism leader.

If I may share, ladies and gentlemen, the Government conclusions based on the experience of the Azores and Cabo Verde, two island regions that share similarities with Timor-Leste in terms of geography and tourism potential. We were very happy to see that Cabo Verde's focus on aviation and maritime infrastructure has transformed it into a well-connected and globally accessible destination.

And the Azores' strategic investments in sustainable tourism and connectivity serves indeed as a model for balancing growth with environmental preservation. Those islands that were recently visited by HE, the Prime-Minister, Kay Rala Xanana Gusmão, where we have identified a tourism sector that is very respecting of their historic heritage, and in general of the day-to-day lives of their people. It is a tourism that is non-intrusive. The tourists are the ones who must adapt themselves to the Azores and not the other way around. The islands have not been reframed to accommodate the tourists.

This is what we intend. To keep Timor-Leste true and natural, while embracing innovation.

Introducing some numbers, those nine little islands in the middle of the Atlantic Ocean, two hours and a half flight from the European Continent, and with nothing else around them, have hosted, according to official numbers, a little over 501 thousand guests in 2021. That number generated approximately EUR 77.7 million of revenue and accounted for 3.5% of Portugal's total tourist arrivals. In 2022, the number of visitors surpassed 1 million and generated EUR 145 million of revenue.



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Given its location, most visitors is, nonetheless, international. Even if mostly from other European Countries. Timor-Leste – despite being far from Europe – is in a truly privileged area of the world for tourism, which is the southeast Asia, and does not have thus the insularity issues that the Azores do.

But the most relevant point I wish to refer is that the boom there began around 2015, when the Regional Government also created a tailored solution for those islands. I wish now to refer three relevant points.

In their case, it as liberalization of airspace, allowing low-cost carriers to operate flights to the islands from mainland Portugal and now also from some European countries. This is because they understood that given that far and fairly remote location, the region would benefit in becoming more accessible and affordable for travelers. Timor-Leste’s location is strategic and privileged, thankfully also to our neighbor countries.

The second fundamental aspect - using the example of the Azores - is, once again, investment in road infrastructure. For instance, the Regional Government, according to official data shared, invested approximately **EUR 175 million** in the construction and rehabilitation of roads - covering around **1,400 Km** of roadways. Currently, an additional investment of **EUR 90 million** is planned for the rehabilitation of these same roads, to be completed by 2026. According to available data, this road rehabilitation coincided with a significant increase in tourism in the region.

We have taken this example, though we could have referred to others as well, because the effort to expand and improve road infrastructure and enable access beyond population centers is undoubtedly the first and most fundamental aspect of connectivity. This Government is well aware of this - and is actively investing in it.

The final fundamental aspect that we believe is indeed applicable to Timor is the region’s commitment to sustainable tourism and its unique natural landscapes. **The growth in tourism must go hand-in-hand with eco-conscious tourism, leveraging on natural beauty and strategic initiatives to become a prominent destination in the global tourism market.** This is only possible if we have the necessary infrastructure in place.

This is also our goal - both in terms of planning and in investments in connectivity structures. **Although these responsibilities fall under the portfolios of various ministries, the goal is a shared one for the Government.**

Such a goal must undoubtedly include openness to investments in eco-friendly transport options, digital connectivity, and renewable energy solutions.

While we have made substantial progress and are in the planning and in the execution phase of so much more, we do recognize that challenges remain.



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Timor-Leste's geography presents unique difficulties in infrastructure development, requiring innovative and sustainable solutions. Additionally, it is essential to invest in training local professionals to ensure effective maintenance and operation of infrastructure.

From the perspective of strategic planning and investment, one of the major challenges is preparing the groundwork to ensure we can meet the requirements of the ASEAN Master Plan on Connectivity (MPAC) when the time comes.

Studies and planning currently being conducted focus precisely on the importance of regional planning, the necessity of economic integration, and the ability to interconnect transport infrastructures with digital infrastructures and institutional connectivity.

We also recognize that overcoming these challenges requires collaboration.

That is why I invite both national and international investors to join us in seizing the opportunities that Timor-Leste has to offer. To address these challenges and unlock the potential of our tourism sector, it is imperative that the government, private sector, and local communities work together.

Ladies and Gentlemen,

Connectivity goes far beyond roads, airports, and digital infrastructure - it is about creating pathways for growth, discovery, and shared prosperity.

By investing in connectivity, we are laying the foundation for a tourism sector that celebrates Timor-Leste's unique beauty while supporting our communities and economy.

With the ongoing support of international partners such as the IFC and other entities and nations that share our vision, we can unlock Timor-Leste's potential as a globally admired destination.

Strategic investments in connectivity improvements are fundamental to the development of tourism in Timor-Leste. We are committed to creating an investment-friendly environment that promotes sustainable and inclusive growth.

Together, we can transform Timor-Leste into a renowned tourist destination, benefiting our communities and preserving our cultural and natural heritage.

Let us work together to build a future of connectivity, sustainability, and opportunity. Thank you very much for your attention!

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