



**PERMANENT MISSION OF THE DEMOCRATIC REPUBLIC OF TIMOR-
LESTE TO THE UNITED NATIONS OFFICE AND OTHER
INTERNATIONAL ORGANIZATIONS IN GENEVA**

**Statement delivered by H.E. Mr. Marciano da Silva
Ambassador and Permanent Representative**

13 July 2017

Your Excellency the Deputy Director General David Shark, Chairman of the Forum;

Your Excellencies Representatives of WTO Members and Observer Governments;

Distinguished Officials of WTO Secretariat and development partners;

Ladies and Gentlemen;

It is a great honour to be here representing my country, the Democratic Republic of Timor-Leste, to address this forum on WTO Accession in regards to Technical Assistance and Capacity Building. As it was clearly stated during the Doha Ministerial Conference 2001, technical assistance and training are core elements of the development dimension of the Multilateral Trading System. And we acknowledge that it is indeed the essential pillar in the WTO accession process, especially, as an LDC, the importance to elevate and align our capacity at each stage in the accession and post-accession process and post-accession.

May I reiterate in this forum that Timor-Leste remains committed to WTO membership, i.e. to abide by the principles, objectives and rules of the WTO, and to implement domestic structural, legislative and policy reforms needed to comply with WTO commitments, to be defined in accordance with Article XII of the Marrakesh Agreement. We have demonstrated our commitment by the formal submission of the MFTR to the WTO Secretariat on 20 June 2017, in less than seven months after granting Timor-Leste the observer status, and we note the challenges ahead

Although we have been fortunate to count on technical assistance from development partners, there are still significant amount of work to be done across several areas, such as customs, agriculture, fisheries, trade facilitation, quarantine, tourism, mining, business environment, legal framework, among others, as we strengthen the foundation of an independent State, whereby the rule of law prevails and a market economy driven by private sectors can grow.

Ladies and Gentlemen,

As an LDC country, we acknowledge that, the accession process is technically and financially challenging for us. There are lots of requirements to comply with the WTO's obligations and commitments. However, with the support of WTO members and development partners along this accession journey, we are strongly confident that we will be able to succeed in our membership negotiations.

Therefore, I would like to take this opportunity to share, in this occasion, our technical assistance and capacity building needs in order to achieving cumulative and sustainable capacity in Timor-Leste. Some of the priority areas and sectors are as follows:

1. **Trade policies and capacity building:** Timor-Leste has one of the most liberal trade policy regimes in the world. Limited institutional capacity and an overall lack of knowledge and skills in trade policy analysis that need to be addressed as part of capacity development efforts, as follows:
 - a. Support for development of trade policy and WTO-trade related negotiation strategy;
 - b. Develop training programs in trade policy formulation, analysis and negotiation techniques;
 - c. Develop Capacity building in key Ministries and engage them in the national process of WTO accession, and continue to provide advisory services to facilitate the internal reforms; and
 - d. Support in formulating the schedule of commitments for goods and services;
2. **Customs:** Timor-Leste has implemented a forward-looking Customs Reform to restructure the customs organization and to simplify procedures by way of a new customs code, including the adoption of the ASYCUDA-World software as the technological platform for all customs procedures and documentation, which allows the country to develop a National Single Window. Nevertheless, there are needs to improve customs operations in the following areas:
 - a. Technical expert in goods tariff classification, including providing capacity building for customs staff
 - b. Support in the development of Rules of Origin regulatory framework (including certification capacity);
 - c. Support in the development of National Single Window including infrastructures; and

- d. Support in the Inter-Border Agency Cooperation.
3. **Quarantine:** Timor-Leste currently has very limited Sanitary and Phytosanitary (SPS) certification capacity, this is an issue the Government is currently addressing. Though there is no SPS related restriction on exports so far , this has become an urgent issue. There is a number of challenges to develop and implement the SPS system including:
 - a. Technical and financial resourcing of the National Directorate of Quarantine and Biosecurity;
 - b. Support SPS regulatory frameworks (including certification capacity);
 - c. Support for quarantine staff capacity building (such as in inspection, testing and certification);
 - d. Infrastructure (laboratory and testing capacity);
 - e. Expert to develop an Action Plan for the Implementation of WTO Agreement on the application of SPS Measures.
4. **Agriculture Sector:** one of the non-oil and gas sectors is agriculture, which has a major potential to expand exports whilst impacting positively on poverty alleviation and to create job opportunities. It is also critical to consolidate peace and stability. Currently, agriculture export potential is constrained by the internal supply side and weak market linkage factors and no trade policies or external barriers. To address these constraints, Timor-Leste needs the following priority assistance:
 - a. Support for development of trade infrastructure including cold chain equipment to facilitate horticulture exports;
 - b. Industry experts are required to develop training materials in order to promote specific technologies, techniques and to address specific constraints, such as diseases for specific crops.
5. **Fisheries:** this sector becomes an important source of export earnings and generating employment. Yet, an appropriate policy environment and the institutional capacity (including a marine resources research unit) need to be developed in accordance with the conditions of the country. To develop export potential in the fisheries sector, stringent sanitary (food safety) standards and the capacity to implement these standards are required. In view of the potential importance of the fisheries sector and the complexities of the policy, legislative, and resource management, experts are needed in order to conduct a separate study.
6. **Industry:** The Government of Timor-Leste aims to promote manufacturing as one of the priority sectors of the economy. In the

medium-term, manufacturing development will focus on the processing of agricultural products such as coffee, candlenut and forestry. The Government is also encouraging investment in food processing and beverage manufacturing. Timor-Leste is currently developing an Industrial Policy and action plan to promote manufacturing. The Industrial Policy will not include any subsidy or tax incentives to promote manufacturing in specific sub-sectors. Technical assistance is required to develop standard and conformity assessment procedures (CAP) and certification capacity.

7. **Services related:** Timor-Leste needs technical assistance to establish a regulatory framework for licensing, accreditation and certification of services, such as professional services in Tourism and Transport.
8. **Outreach and consultation:** Timor-Leste also needs assistance to design and implement outreach programs and activities for government, parliament, private sector, academia and non-governmental organizations related to WTO accession.

Ladies and Gentlemen,

Timor-Leste is a young country and we count on the assistance of WTO's multilateral and bilateral development communities to assist us with necessary support and resources to help us in keeping the steps of our reforms on track, as well as to ensure full implementation of our commitments in a smooth and timely manner.

Mr. Chairman,

Excellencies,

Timor-Leste expresses its deep appreciation for the support we have received since we started the process. We take this opportunity to thank the Director General, and the Deputy Director-General, Mr. David Shark. We also thank the Accession Division of the WTO Secretariat and we look forward to working closely with them and the Working Party.

Timor-Leste is excited to work with WTO in this very important process and we stand ready for business and trade.

Thank you very much.