



GROWING TOURISM TO 2030

Enhancing a National Identity

TIMOR-LESTE NATIONAL TOURISM POLICY



“Taking into account the growth of tourism in the South-East Asia region, and the high priority that the Government of Timor-Leste (GOTL) is attaching to tourism development, the new National Tourism Policy will certainly be a very important document to further guide the growth of tourism in Timor-Leste in a sustainable and inclusive manner”.

UNWTO 2017

“A beautiful country like East Timor, with its determined and heroic history, must not be promoted through a tourist industry which creates a small modern world of luxury hotels, but rather we should accelerate the creation of conditions for ecotourism as a means to promote the unique identity, personality and character of our people, with a dimension of more humane relationships between people.

It is necessary that we are uncompromising in our defence of the environment, with all the consequences this may bring, because we should never lose sight of the small language of the land which is our nation, which has to be preserved as our birthplace and as the green lawn from where the future generations will grow, and as a grave full of flowers for all the generations that have gone before”.

XANANA GUSMÃO, 1999

“For the sector to thrive, and for Travel & Tourism to develop in a sustainable manner, governments need to provide a supportive physical, regulatory, fiscal and social environment – one which is also conducive to business development. This means adequate infrastructure, incentives for private sector investment, easy access – including good transport connectivity and visa facilitation – and intelligent taxation, as well as the appropriate policies to encourage growth in demand.”

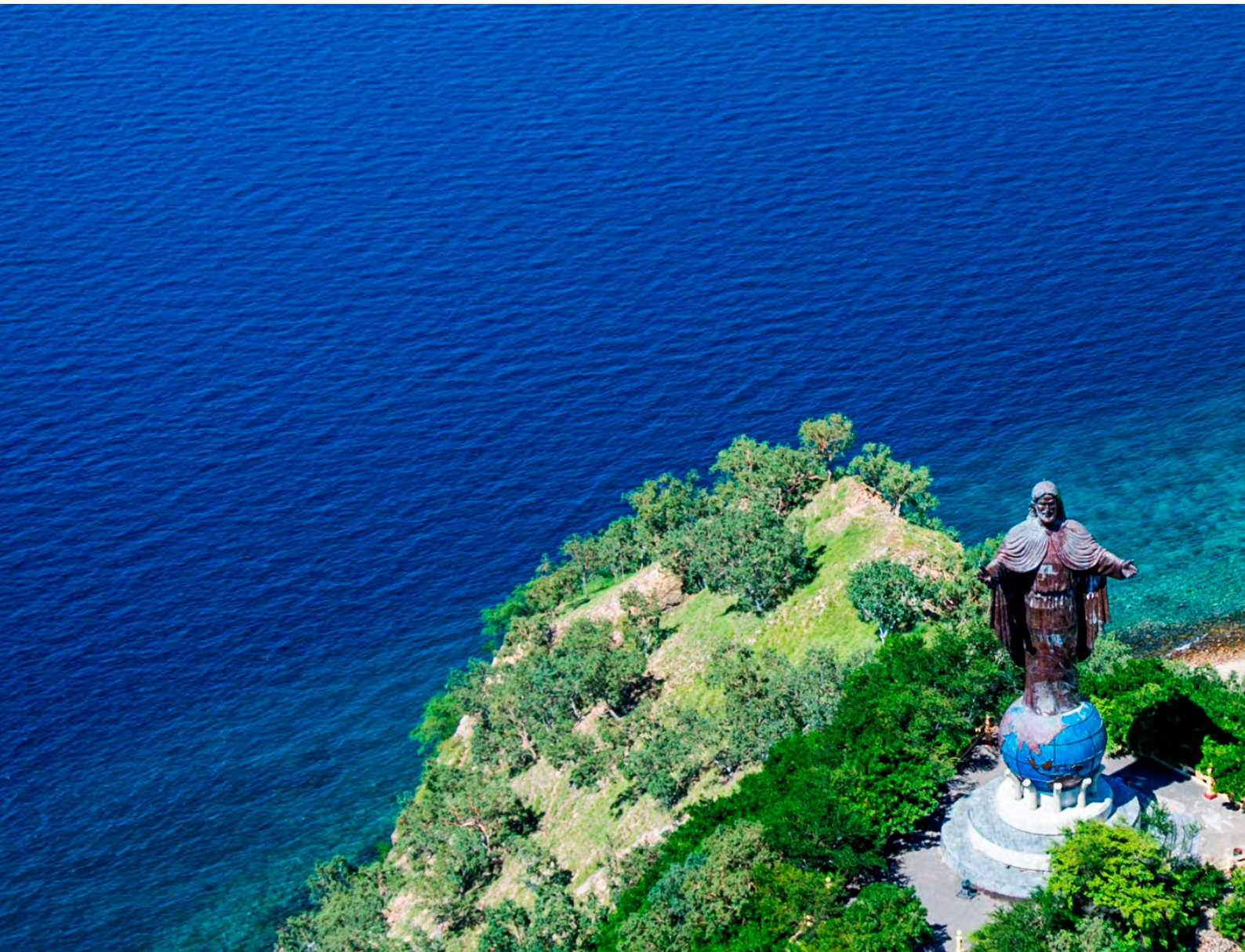
WORLD TRAVEL & TOURISM COUNCIL 2015



CONTENTS

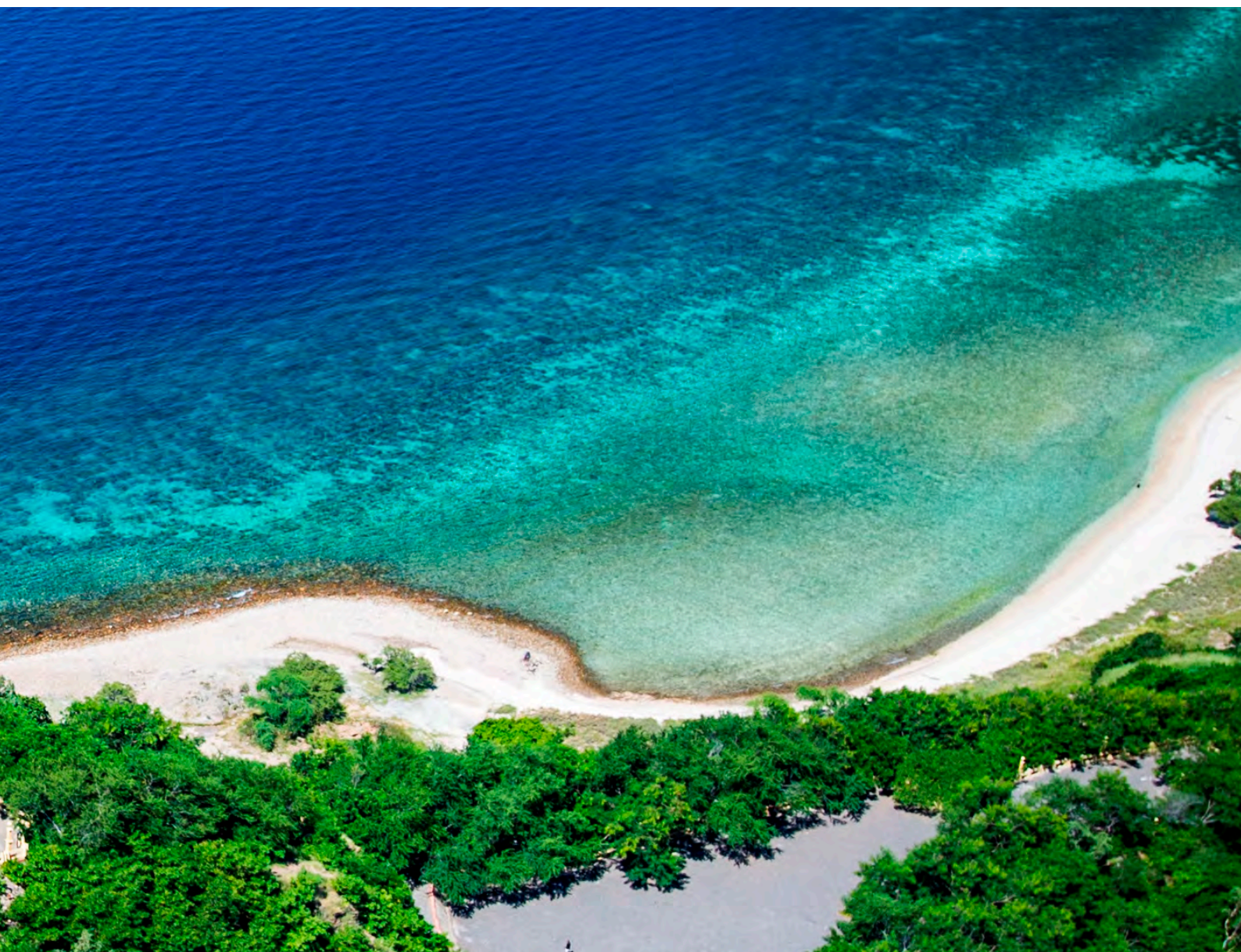
Contents

MESSAGE FROM THE PRIME MINISTER	6
EXECUTIVE SUMMARY	9
METHODOLOGY	11
INTRODUCTION	14
UNDERSTANDING TOURISM AS A COMPLEX ECOSYSTEM	18
Business Environment	20
Safety and Security	20
Health and Hygiene	20
Human Resources and Labour Market	20
Information Communication Technology Readiness	21
TRAVEL AND TOURISM POLICY AND ENABLING CONDITIONS	21
Prioritisation of Travel and Tourism	21
International Openness	22
Price Competitiveness	22
Environmental Sustainability	23
INFRASTRUCTURE	23
Air Transport Infrastructure	23
Ground and Port Infrastructure	24
Tourist Service Infrastructure	24
NATURAL AND CULTURAL RESOURCES	25
Natural Resources	25
Cultural Resources and Business Travel	25
SETTING A PATH FOR TIMOR-LESTE TOURISM	26
PRIORITY	29
PROSPERITY	31
PROTECTION	34
PARTNERSHIP	36
PEOPLE	38
CONCLUSION	41
ANNEXES	42



MESSAGE FROM THE PRIME MINISTER

Timor-Leste has considerable tourism potential and the sector is of critical importance to the future of the economy. To ensure the industry is developed in a sustainable, effective and efficient manner, a clear policy framework must be in place. This National Tourism Policy, titled *Growing Tourism to 2030 – Enhancing a National Identity*, is a call to action for all stakeholders to work collectively towards achieving the true potential of our country as an international tourism destination.



Since gaining independence, Timor-Leste tourism has encountered periods of growth and decline, with wider political and economic trends at home and abroad significantly influencing overseas visitor numbers. Nonetheless, tourism is one of the nation's most important economic sectors and has significant potential to play a central role in Timor-Leste's pivot from an economy reliant on revenues from oil extraction.

In 2014, tourism related activities generated an estimated US\$14 million¹ in direct benefits to our

economy. The sector supports about 4,300 jobs² in the accommodation, restaurant and other tourism related services. However, tourism's contribution is not confined to directly generating employment, economic activity and exports. It also contributes to social inclusion of Timorese women and youth. Tourism has the potential to reduce poverty and promote entrepreneurship, which will provide much needed opportunity to our people.

Given Timor-Leste's position as a small island economy,

¹ 2014 Survey of Travelers to Timor-Leste. The Asia Foundation and the Ministry of Tourism, Arts and Culture. <https://asiafoundation.org/resources/pdfs/VisitorSurvey2014English.pdf>

² Estimate from the 2014 Business Activities Survey conducted by the General Directorate of the National Statistics Department

we are heavily dependent on the exporting sectors to generate the revenue that fuels domestic economic activity and provides a significant contribution to taxation that helps fund public services. The focus of the Timor-Leste National Tourism Policy must therefore be to maximise the export contribution of tourism, while protecting the invaluable assets that are our natural, built and cultural heritage.

This involves a concerted effort by all Ministries, the private sector and civil society to work in a unified fashion in which tourism success is a national priority. In terms of specific targets, by 2030 the Government of Timor-Leste's goal is that revenue from international tourists and visitors will reach US\$150 million and employment in the sector will reach 15,000. This will be underpinned by 200,000 international visits per year by 2030, compared to 55,000 in 2014.

In the past, our natural and cultural heritage has been consistently cited as the primary motivating factors for people choosing to visit in the first place and for subsequently enjoying their holiday experience in Timor-Leste. For the future, our people, nature and culture will be the key pillars around which our tourism offer will be built.

Now, for the first time, we will also have an agreed policy framework in place that focuses on priority, prosperity, protection, partnership and people as the key drivers of our tourism success. The Government is committed to the guiding principles set out in this National Tourism Policy, and in the coming months, we will develop a complementary implementation strategy and action plan to set out specific measures that will be implemented to advance the development of Timor-Leste tourism.

Our ambitions are not without their challenges. Benchmarked against international tourism competitiveness indicators and neighbouring ASEAN countries, Timor-Leste has a fragile enabling environment that has limited the ability of our tourism sector to grow. Our policy and enabling conditions must be strengthened if we are to reach our ambitions for tourism in Timor-Leste. In the past, there have been limitations to tourism sector expansion due to poor or non-existent infrastructure, however this situation has improved drastically in recent years. To succeed, we must place the offer of our natural and cultural resources at the centre of our tourism development and

at the same time acknowledge our limitations.

Now is the time to put tourism at the heart of our political agenda and plant the seeds that, if nurtured, will bear economic fruits for our people and have lasting positive impacts on future generations of Timorese.

Our vision is that by 2030 we will have a vibrant, attractive tourism sector that makes a significant contribution to employment across the country, is economically, socially and environmentally sustainable, helps promote a positive image of Timor-Leste overseas, and is an industry that people wish to work in.

This National Tourism Policy provides the framework to deliver on this ambition and we look forward to working with the industry, tourism agencies, government departments, academic institutions and everybody with an interest in Timor-Leste tourism to ensure we achieve our vision.

The Government of Timor-Leste would like to express our thanks to the International Labour Organisation, New Zealand Agency for International Development and all stakeholders for their contribution and cooperation in developing Timor-Leste's National Tourism Policy.

Dili, March 2017

Signed

Dr. Rui Maria de Araújo

Prime Minister





EXECUTIVE SUMMARY

Timor-Leste's National Tourism Policy is an overarching policy with broad principles set out for the development of the country's tourism sector in the period up to 2030. It sets a framework for placing tourism at the core of national socio-economic expansion and calls on all stakeholders to coordinate, collaborate and partner in order to earn foreign exchange, create jobs and alleviate poverty.

It states that public bodies, private enterprises and civil society must ensure that social, economic and environmental sustainability is central to Timor-Leste's tourism offering in order to maximise the future competitiveness of the country as a visitor destination. It also recognises that Timor-Leste's cultural heritage and natural environment is delicate and integral to the country's tourism offering and endorses the protection of natural and built heritage in a manner that is sustainable from an environmental, economic and societal perspective.

This Timor-Leste National Tourism Policy is the first

step in setting a direction for sector development and will be underpinned by a Tourism Implementation Strategy and Action Plan which will be developed and continually updated in a consultative fashion. This National Tourism Policy serves as a commitment and framework against which future strategies will be assessed and through which informed decisions that may impact the tourism sector will be made.

The principles set forth in this National Tourism Policy are founded on and benchmarked against good international practice as defined by internationally competitive destinations in relation to the enabling

environment, political will, infrastructure and tourism resources. The current situation of industry development and national aspirations for a thriving economy that is less dependent on oil as a mainstay are also considered.

As identified below, the National Tourism Policy posits five overarching themes through which government, industry, civil society, academia and development partners should view tourism and focus their efforts in order to achieve the goal of sector prosperity and sustainability for Timor-Leste.

Purpose

This National Tourism Policy makes the sector a priority for the GOTL and communicates the ambition of placing the tourism industry as a widely recognised pillar of economic development that will be embraced by government, the private sector and civil society. This will be achieved by committing public funding and resources required to place tourism at the forefront of national economic development and by a strong internal marketing campaign that will communicate the priority placed on tourism across all departments and institutions. Through advocacy efforts by leading public figures, the people of Timor-Leste will better appreciate their role as tourism hosts and embrace the national aspiration of ‘tourism for all and all for tourism’.

Prosperity

Timor-Leste tourism will be recognised for its price competitiveness and as a value for money destination, which will be achieved and supported by macro-economic policies and spending priorities at government level to drive growth in tourism; facilitating and encouraging linkages with local industries; and implementing supporting fiscal measures, based on close monitoring of economic and market trends in Timor-Leste and the wider ASEAN region. Timor-Leste tourism will be characterised by delivering employment and creating new opportunities to all parts of society through local community-based tourism enterprises. This will be achieved through partnerships between entrepreneurs and government to create new ventures and local employment that are linked to and integrated within the wider tourism offerings of the country.

Protection

Timor-Leste tourism will be recognised for valuing and protecting the natural environment and its unique cultural heritage. This will be achieved through the enactment of legislation that affords full protection for the natural and built environment that ensures sustainable development and supports community-based tourism ventures. The country will be recognised as a safe, secure and healthy tourism destination that operates to the highest of international standards. This will be achieved by continuous investment in training staff in support industries, such as security, health and environmental monitoring, and the coordination of such services at governmental level.

Partnership

Timor-Leste tourism will be characterised by a range of public and private partnerships that stimulate, develop and grow a diverse portfolio of tourism products ranging from community-based initiatives to foreign direct investment. This will be achieved through inter-ministerial cooperation and engagement with the private sector with the shared vision of creating an economically viable tourism industry. This will drive the integration of public and private investment to stimulate and develop a diversified tourism industry. Tourism partnerships will be exemplified by a shared commitment and voice at the national and local district levels in relation to strategy development and implementation.

People

Timor-Leste tourism will be characterised by a workforce that is trained and educated to internationally recognised standards to ensure the highest quality of visitor experience. This will be achieved through partnership between industry and education/training providers to design and deliver programmes at all levels in a manner that facilitates access for participants at all stages of their careers. The government and private sector will commit to fund and resource these education and training initiatives on an on-going basis. This will be further supported by the private sector releasing managers to act as mentors to entrepreneurs to encourage new community-based ventures. Tourism awareness will be improved by introducing introductory courses in secondary school curricula.



METHODOLOGY

Development of the Timor-Leste Tourism Policy began in 2008 when an initial draft document was prepared by the United Nations World Tourism Organisation (UNWTO)³. In subsequent years, local tourism stakeholders from government, industry, civil society, development partners and academia endeavoured to nurture the growth of the sector with varied results, in large part due to external factors.

In late 2015 and early 2016, the Ministry of Tourism, Arts and Culture conducted a tourism situational analysis to identify the opportunities and challenges of developing the sector. This work served as an important baseline for the development of the Timor-Leste Tourism Policy and will influence any complementary strategies and action plans that may follow to support the achievement of specific national objectives, such as employment, sustainability, regional integration, and economic diversification.

In support of tourism development, valuable

evidence-based research has been conducted in recent years by a number of development partners active in Timor-Leste, including: the Asia Foundation in collaboration with Australian Aid⁴; the United States Agency for International Development⁵; the Asian Development Bank⁶; and the International Labour Organisation (ILO) with funding from New Zealand Aid and Irish Aid⁷. The South Pacific Tourism Organisation, of which Timor-Leste is a member, has also conducted research pertinent to island nation tourism development from a regional perspective⁸.

In mid-2016, at the request of the Ministry of Tourism, Arts and Culture and the Minister of State for Coordinating Economic Affairs, ILO through its

³ Draft Timor-Leste Tourism Policy (2008)

⁴ 2014 Survey of Travelers to Timor-Leste.

⁵ Timor-Leste Diversification Analysis (August 2015)

⁶ Growing the Non-Oil Economy: A Private Sector Assessment for Timor-Leste (2015)

⁷ Business Opportunities and Support Services (BOSS) Project (2013).

⁸ Pacific Regional Tourism Strategy 2015-2019

New Zealand Aid-funded Business Opportunities and Support Services Project procured the services of international tourism advisors to support the development of a Timor-Leste Tourism Policy for the period 2017-2030. This action corresponds with Decree-law No. 24/2014, of September 3rd, which creates the legal regime that establishes the base for a tourism policy in Timor-Leste, identifying the tourism planning instruments to be developed. In particular, a national tourism policy, a strategic plan for tourism development, and plans to regulate spatial planning in special touristic zones⁹.

In July 2016, the experts were mobilised and commenced an extended public consultation process. In the first instance, tourism stakeholders were interviewed individually and in focus groups to acquire an understanding of current sentiment in relation to tourism development in Timor-Leste. This, coupled with an extensive literature review, formed the basis for the draft Timor-Leste Tourism Policy, which was completed in September. A second round of consultations was conducted in October and November when the draft was shared with key line Ministries and made available to the public through

a dedicated webpage¹⁰ that was promoted through social media networks such as Facebook. Additionally, a round-table discussion on the draft was included in the agenda of the International Conference on Emerging Tourism Destinations: Challenges and Opportunities held in Dili from 24 to 26 October with a number of internationally acclaimed tourism academics and experts participating. As a result of these public consultations, over 40 unique comments were received, which were subsequently considered and where appropriate incorporated into this final Timor-Leste Tourism Policy. The final Tourism Policy was also vetted and endorsed by the UNWTO, which issued the following statement: “Taking into account the growth of tourism in the South-East Asia region, and the high priority that the GOTL is attaching to tourism development, the new Tourism Policy will certainly be a very important document to further guide the growth of tourism in Timor-Leste in a sustainable and inclusive manner.”

9 <http://www.mj.gov.tl/jornal/?q=node/5710>

10 <https://tourismpolicytimorleste.wordpress.com/>





VI CONSTITUTIONAL GOVERNMENT

Government Resoluition n.º /2017

NATIONAL TOURISM POLICY

GROWING TOURISM TO 2030: ENHANCING A NATIONAL IDENTITY

With the inauguration of the VI Constitutional Government, the Tourism sector was considered one of the driving sectors for the country's socioeconomic development.

The Government of Timor-Leste, through the Ministry of Tourism, Arts and Culture and in conjunction with civil society, is carrying out various strategic interventions to place Timor-Leste as a tourist destination of choice, given its unique characteristics and the country's natural beauty.

This requires continuous effort from the relevant institutional actors and the creation of the necessary conditions to promote private investment and create employment for such a key sector for our development.

In 2014, the legal regime establishing the basis of a tourism policy in Timor-Leste was approved, defining the objectives and underlying guiding principles for the sector, as well as identifying the instruments for its implementation.

To this end, it is key to develop a national tourism policy that, on the one hand, identifies the main needs and challenges and, on the other hand, promotes an environmentally sustainable development of the sector while creating favourable conditions for increasing investment, essential for sustainable economic growth.

With the approval of the National Tourism Policy, the Government complies with the provisions in its Program, continuing to support the development of tourism and encouraging investors to contribute to income and employment generation, as well as socioeconomic development.

Thus, the Government resolves, in accordance with article 116 a) of the Constitution of the Republic, the following:

To approve the National Tourism Policy, annexed to this Resolution and it will form an integral part thereof.

Approved in the Council of Ministers on March 7th, 2017.

To be published.

The Prime Minister,

Signed

Dr. Rui Maria de Araújo



INTRODUCTION

Currently, the business volume of global tourism equals or even surpasses that of oil exports, food products or automobiles. Tourism has become a major player in international commerce, and represents one of the main income sources for many developing countries. This growth goes hand in hand with increasing diversification and competition between tourist destinations.

Tourism represents a complicated web of inter-relationships that centres on the tourist, but also importantly involves the local community, the environment, public and private stakeholders, and civil society. Tourism is a dynamic phenomenon that not only influences a country's economy, but also its environmental, political, social and cultural dimensions.



International tourism now accounts for 30 percent of the world's exports of services and six percent of all global exports¹¹. According to the UNWTO, total export earnings generated by international tourism in 2015 was US\$1.232 trillion dollars on expenditures for accommodation, food and drink, entertainment, shopping and other services and goods. For Asia and the Pacific these earnings have tripled since 2005 reaching an impressive US\$418.9 billion in 2015¹².

Global tourism arrivals surpassed the one billion mark in 2012 and have continued robust growth reaching 1.184 billion in 2015. For Asia and the Pacific, tourism

arrivals have nearly doubled in the past decade from 154 million in 2005, to just shy of 300 million in 2015. These revenue figures equate to a staggering average daily spend of US\$3.375 billion on global services delivered at the destination. The daily regional spend for Asia and the Pacific destinations equates to US\$1.150 billion on average.

The World Travel and Tourism Council (WTTC) estimates that around 284 million people are engaged in some form of direct work in the global tourism sector, which accounts for one in 11 jobs worldwide¹³. When considered on a broader scale, experts argue that the tourism value chain provides a multiplier effect resulting in an additional 1.4 jobs per sector

¹¹ UNWTO *Tourism Highlights 2015 Edition*.

¹² UNWTO *World Tourism Barometer Volume 14 May 2016*.

¹³ WTTC *Travel and Tourism Economic Impact 2016*.

employee. That suggests that 638 million jobs are stimulated through global tourism related activities. This is significant for a region where many countries are working to mitigate challenges of alleviating poverty; satisfying basic human needs; ensuring human welfare; promoting political stability; ensuring national security; and seeking equality for ethnic groups, women and other vulnerable segments of their populations. In short, tourism presents an amazingly efficient and effective system for transferring wealth from more developed economies, where the bulk of tourists originate, to less developed countries making the sector compellingly pro-poor.

The GOTL sees the potential for tourism growth as part of a five-pillar economic development strategy and a means for broader inclusion of its 1.2 million people. There is consensus, among public and private stakeholders, that a substantive tourism planning mechanism is urgently required to set policy principles and serve as the roadmap for a unified tourism strategy and action plan for the country.

This Timor-Leste National Tourism Policy is predicated on the stated objectives of the Strategic Development Plan – 2011-2030 (SDP), which is a 20-year vision reflecting the aspirations of creating a prosperous and strong nation. The SDP has been developed to inspire change, support collective action, and plan for a better future. The SDP vision is that by 2030 Timor-Leste will have joined the ranks of

upper middle-income countries, eradicated extreme poverty, and established a sustainable and diversified non-oil economy. The Guide for Economic Reform and Growth of Timor-Leste, 2015-2017 (GRFE), is the VI Constitutional Government's strategy to increase private investment, sustainable employment and economic diversification. The GRFE is drawn from the Strategic Development Plan and the VI Constitutional Government Program. The GRFE identifies the five main economic growth pillars for Timor-Leste as being: oil and gas, agriculture, fisheries, tourism, and manufacturing.

For the tourism sector, which is Pillar 4 of the GRFE, the establishment of a National Tourism Policy for Timor-Leste is the main priority and will be a key tool to comply with the provisions of Decree Law No. 24/2014, of September 3rd, which approves the legal framework for a Tourism Policy to be established in Timor-Leste.

Since restoration of independence in 2002, the GOTL has aspired to use tourism as a central driver of the economy in order to reduce its heavy reliance on extraction. As early as 2003 the Government expressed a keen interest in developing tourism as an economic locomotive for the country. In a keynote address by then President Xanana Gusmão at the Pacific Asia Travel Association's Travel Mart in Singapore, he said, "Tourism will be an important provider of economic growth behind oil and gas. We are now developing



this industry from ground zero and we will bring to the world our culture and our people.”

Timor-Leste is situated in one of the most competitive tourism regions in the world. The Asia Pacific region experienced the fastest growth across world regions in 2015, with an eight percent increase in international tourist arrivals and a four percent increase in tourism receipts. According to UNWTO reports, in 2015 Southeast Asia earned US\$108 billion from 104 million international visitor arrivals. The WTTC estimates that tourism directly employs 65 million people in the Asia Pacific region.

This growth in tourism economies in Southeast Asia stems from several factors:

- Economic and demographic factors, such as: strong growth in large developing economies like China, rising middle classes, increased holiday entitlements, recently favourable exchange rates, and low oil prices;
- Tourism sector growth factors, such as: the continued expansion of low cost airlines, increased connectivity, more frequent business travel and city-break vacations;
- Technology factors, such as: the further development of the internet, increased social media presence, and expanded digital platforms;
- National Tourism Policy factors, such as: greater commitment to tourism by governments and a demonstrated improvement in the sophistication of destination marketing and management organisations.

Estimates suggest that in 2014 Timor-Leste received US\$14 million¹⁴ from 55,000 visitors¹⁵ and that the tourism sector directly employed around 4,300 people¹⁶. While the economy is still predominated by oil and gas revenues, declining prices and production is compelling the Government of Timor-Leste to diversify its economy, and tourism is viewed as a high potential substitute for the oil economy.

These key economic indicators lead to the question of how Timor-Leste will nurture the tourism sector as a key economic driver for the country. This National Tourism Policy aims to provide answers and direction for this pivot away from a reliance on oil and gas to greater diversification in which tourism is at the centre of economic activity and growth.

14 2014 Survey of Travelers to Timor-Leste. The Asia Foundation and the Ministry of Tourism, Arts and Culture.

15 2014 Survey of Travelers to Timor-Leste. The Asia Foundation and the Ministry of Tourism, Arts and Culture.

16 Estimate from the 2014 Business Activities Survey conducted by the General Directorate of the National Statistics Department



UNDERSTANDING TOURISM AS A COMPLEX ECOSYSTEM

The GOTL understands tourism to be a complex ecosystem entailing the movement of people to countries and places outside their usual environment, where they interact with the physical environment and local community. The complexity of the tourism ecosystem requires that there is collective action at all levels of society and there must be a universal appreciation that sector success is everyone's business.





The World Economic Forum (WEF) publishes the biennial Travel and Tourism Competitiveness Report, which establishes and measures a set of factors and policies that enable the sustainable development of a country's tourism sector and contribute to the overall competitiveness of a country. In order to establish a true reflection of the current state of the tourism sector, the GOTL has chosen to use the WEF Index as an internationally relevant benchmark. Refer to Annex 1 for further information on the WEF Index.

While Timor-Leste is not yet included in the WEF Index, many of the Southeast Asian countries in its competitive set are, including: Singapore (11th); Malaysia (25th); Thailand (35th); Indonesia (50th); the Philippines (74th); Vietnam (75th); the Lao People's Democratic Republic (96th); Cambodia (105th); and Myanmar (134th).

The following analysis provides an overview of where Timor-Leste stands in each of the 14 pillar criteria included in the WEF Index. Collectively, and by way of this National Tourism Policy, the GOTL is convinced that these criteria provide an approach to tourism development that will reduce barriers to economic growth and job creation in Timor-Leste.

THE ENABLING ENVIRONMENT

Business Environment

Timor-Leste's business environment, relative to its ASEAN neighbours, is fledgling and there is an urgent need to streamline processes and establish concrete policies to ensure a stable operating environment for its predominantly micro, small and medium enterprise business community. The GOTL is aware that many entrepreneurs view investing in Timor-Leste as high risk and remain cautious in establishing and expanding their businesses due to issues related to land tenure and bureaucratic processes. Although government authorities have established many procedures related to incorporation and licensing, these are often misunderstood and not readily available to the public. According to the World Bank, Timor-Leste ranks 173 out of 189 countries in terms of ease of doing business ¹⁷.

¹⁷ World Bank Group – June 2015

Safety and Security

Due to its relatively recent independence, Timor-Leste's history of occupation has meant that from an outsider's perspective peace and stability are only recent phenomena. The GOTL is aware that the country suffers from an unfortunate reputation for petty crime against women and reports of crocodile sightings around beachfront areas frequented by tourists. Intense work is under way to tackle the still general lack of public safety standards and enforcement to ensure an overall sense of security for international visitors.

Health and Hygiene

Although there is a provision for universal health care in Timor-Leste, the GOTL is aware that basic services are still weak when set against international standards. Although the country is known for its rich and diverse marine life, which is a major draw for the international diving community, the country lacks the capacity and facilities to deal with serious accidents that may occur, such as a decompression chamber. There is a general lack of understanding of minimal standards in regards to food hygiene among many hotel and food and beverage establishments in the country.

Human Resources and Labour Market

Timor-Leste, like many countries in Asia and the Pacific, does not yet have the desired level of endogenous capacity to develop talent that can be responsive to the needs of the burgeoning tourism sector. The GOTL recognises that stronger partnership between the Ministry of Tourism, Arts and Culture, the Ministry of Education, and education providers, is critical and that curricula are not yet aligned to the tourism potential of Timor-Leste and prospective career paths of young people. For example, there is a need for a greater emphasis on subjects related to eco-tourism, community-based tourism, marine tourism and entrepreneurship, all of which are considered high potential growth areas for Timor-Leste's tourism. Courses on tourism are not offered in secondary schools leading to an overall lack of public awareness of the sector as a key driver of the economy. There are over a dozen tourism-related diploma and degree programs in the country, however many are heavy on



theory and do not allow for practical application of learning objectives. There is little incentive for young people to consider a career in tourism either as a member of staff or as an entrepreneur.

Information Communication Technology Readiness

Internet and mobile access in Timor-Leste is of acceptable quality in key urban areas and penetration continues to develop in more remote regions of the country. However, there is limited capacity, particularly among small and medium sized locally owned businesses, to fully engage in the digital economy as a tool for business development and operations. While a number of quality websites have been developed, sophistication in the usage of social media as an interactive marketing platform to attract international visitors remains in its infancy. The GOTL also recognises that Timor-Leste still lags behind in its capacity to process online payments, which is critical for accepting bookings and doing business in the digital era.

TRAVEL AND TOURISM POLICY AND ENABLING CONDITIONS

Prioritisation of Travel and Tourism

The GOTL is committed to pivoting towards tourism as a mainstay of the national economy. There is a clear willingness by government to invest in tourism and provide requisite annual budgets to nurture the growth of the sector. Focus and purpose in allocating these resources in a meaningful results-oriented fashion is a priority. While ecotourism is widely identified as the best path forward for tourism in Timor-Leste, the GOTL recognises the existing lack of consensus by government agencies and civil society actors in this vision. The objective of this National Tourism Policy is to provide a clear path forward for the sector through the policy and complementary strategy and action plans. Furthermore, the GOTL understands that data collection related to tourism statistics is fragmented,

incomplete, and does not allow for accurate analysis, monitoring, and evaluation of progress in sector development.

International Openness

There are few restrictions to entering Timor-Leste with the exception of acquiring a visa on arrival, which costs US\$30 for up to a one-month stay. Bi-lateral air service agreements are limited due to Timor-Leste's remote location and infrastructure challenges, and the country relies exclusively on access routes from Bali, Singapore and Darwin. The aviation policy towards traffic rights under these air services agreements will be determined according to the net benefits that are expected to flow to Timor-Leste, taking particular account of the Government's commitment to develop its tourism sector.

Although not yet a member of the ASEAN Economic Community, Timor-Leste enjoys positive trade relations with many of its Southeast Asian neighbours as well as Australia. Due to its colonial heritage, the country is an active member of the *Community of Portuguese Speaking Countries* (CPLP) ensuring

Timor-Leste's open engagement in the broader international community.

Price Competitiveness

Due to the remote location of the country, still developing infrastructure, low productivity and the fact that the economy operates in United States dollars, Timor-Leste is relatively expensive compared to countries in its competitive set and lacks the value for money proposition of many of its neighbours. The GOTL comprehends this is an inhibiting factor for the budget travel tourism segment, which often serves as an early adopter and pioneer for destinations. Due to the fact that very little is produced in the country, there is a heavy reliance on imported goods for use in the tourism economy, which leads to significant economic leakages. Compounding this phenomenon is the currently low number of tourism arrivals, which prohibits businesses from enjoying the benefits of economies of scale. Although there is a robust agriculture and fisheries sector in Timor-Leste, there are few linkages with the tourism economy and this remains a missed opportunity that should be rectified.





Environmental Sustainability

The GOTL appreciates that one of the greatest appeal factors of Timor-Leste as a tourism destination is its natural environment, which is relatively untouched compared to neighbouring Bali and other ASEAN locations. The country's marine habitats are among the most unique on the planet with many rare and near extinct aquatic species identified. The forests in the highlands of the country are also relatively untouched and pristine. However, with the pressures of development and a weak regulatory framework, these environments are at risk. While policies are in place to preserve the natural environment, there are gaps in implementation and enforcement. Timorese people and communities are under pressure to develop and often do not recognise the value of natural assets, particularly in terms of tourism. Waste management approaches in the country are still weak and improving their capacity to absorb additional demand that may be placed on them by the expansion of tourism is needed. Stretching the existing carrying capacities of communities and

developing tourism in an uncontrolled manner may result in polluted beaches and oceans and the degradation of Timor-Leste's pristine environment.

INFRASTRUCTURE

Air Transport Infrastructure

The GOTL recognises the need to grow the market and it is committed to working with the airlines in order to improve the sustainability of scheduled services. The current length of the runway and landing equipment allows aircraft similar to Airbus A320s to land at restricted weights and during daytime hours only, which is not a major challenge to growth at this time. Nevertheless, the GOTL's SDP recognises the importance of infrastructure and it aims to upgrade the facilities at Presidente Nicolau Lobato International Airport to cater for growth in traffic and to serve tourists.

Ground and Port Infrastructure

Ground Infrastructure:

In recent years the GOTL, supported by development partners, has significantly improved the quality and quantity of roads. Many tourist destinations are now accessible by private car and public transport. An inhibiting factor for tourists using public transport is a lack of a proper terminal and easily understood and accessible information on schedules and routes.

Port Infrastructure:

The GOTL appreciates that there is a notable increase in cruise ship calls in Dili and that basic facilities to ensure passenger comfort and safety and allow for maximisation of income by businesses and residents is still lacking. Although there is a long term plan to move port facilities from central Dili, in the short-term simple port amenities, such as public toilets and better information dissemination will be considered to improve the visitor experience. There is also recognition that access to key tourist destinations, such as Atauro, is limited and inconsistent and that

there is scope for improving the regularity and quality of ferry services.

Tourist Service Infrastructure

Based on current tourism demand, Timor-Leste has sufficient supply of hotel rooms in Dili and key tourism destinations. However, the GOTL is aware that this situation may change as the number of visitors to the country increases, as predicted by this National Tourism Policy, and that additional hotel investment may be required. The GOTL appreciates that there is a lack of variety of activities for visitors to engage in and this is a challenge in promoting visits to the country. There is significant scope for local entrepreneurs to develop additional tourism products to appeal to tourists' need for entertainment and activities. Accessing and visiting more remote parts of the country is still challenging and there is great opportunity for local communities to develop tourism products and services based on ecotourism approaches.





NATURAL AND CULTURAL RESOURCES

Natural Resources

To date, none of Timor-Leste's remarkable natural resources have been recognised by UNESCO. Marine protected areas are in the early stage of development and provide significant scope for enhancing the tourism appeal of the country. While there is recognised opportunity for developing multi-day treks in the highlands of the country, this remains underdeveloped. The GOTL knows that the natural resources of Timor-Leste are unique and represent an untapped resource at present. There is little in the way of community-based tourism development, which has significant potential for the country. The natural resources of the country are one of its strongest selling points and are underutilised. An example is coffee, which is internationally recognised and has considerable potential for development as a natural tourism attraction.

Cultural Resources and Business Travel

Timor-Leste enjoys a rich history both from its cultural roots and Portuguese colonial heritage. The country's resistance movement and fight for independence from Indonesia are celebrated internationally and has the potential to be a significant draw card for tourists. The GOTL knows that these unique assets all have potential for further development and that what is lacking in many cases is accurate and appealing story telling that fully animates this unique history for the benefit of international visitors. There is limited access to Timorese culture and features like the sacred *Uma Lulik* house, and dance performances are not well publicised or available as a visitor experience due to lack of information and access. While business travel is an emerging focus for the government, there are limited activities beyond the meeting room for delegates to engage in.



SETTING A PATH FOR TIMOR-LESTE TOURISM

This Timor-Leste National Tourism Policy is a pledge by the Government of Timor-Leste to develop a unified and holistic tourism sector that places emphasis on sustainability, community, quality and business competitiveness. The policy is the first step in a long, participatory process to build up a tourism sector-enabling environment that will be inclusive, viable and beneficial for all Timorese people.



The vision for tourism is that by 2030 Timor-Leste will have a vibrant and attractive tourism sector that makes a significant contribution to employment across the country; is economically, socially and environmentally sustainable; helps promote a positive image of Timor-Leste overseas; and is an industry that people wish to work in.

There is broad agreement that tourism in Timor-Leste should be small, gradual and sustainable in its development and encourage local ownership through strong linkages between sectors and along the entire tourism supply chain.

The key minimum headline goals of this National Tourism Policy are that by 2030:

- Revenue from overseas tourism and international visitors, excluding carrier receipts (air fares and ferry charges) will be at least US\$150 million per year (*at 2016 prices i.e. adjusted for inflation between now and 2030*).
- Employment in tourism will exceed 15,000 (approximately 4,300 at present)¹⁸.
- At least 200,000 international tourists will visit Timor-Leste annually with an average stay of five days.

In order to achieve these rather modest goals, a range of policy focuses have been identified that will assist in marshalling the efforts of the government, the tourism industry, development partners and the wider community. There are five key elements, which collectively provide a national vision and direction for tourism:

- A universally acknowledged and understood sense of **priority** behind developing tourism as a tool for national economic and social development.

- A commitment to improved **prosperity**, particularly for young Timorese and local communities, who will be gainfully employed in the tourism sector as service providers and entrepreneurs.
- A spirit of stewardship focused on the **protection** of the nation's natural and culture resources and ensuring a safe visitor experience.
- A commitment to **partnership** in which all stakeholders have a voice and shared responsibility in how tourism is developed and implemented at the national and local levels.
- An acknowledgement that **people** are at the core of tourism and as such must be given appropriate knowledge, skills, and attitude.

This National Tourism Policy considers the myriad of challenges that Timor-Leste faces in developing an internationally competitive tourism sector and provides guiding principles for achieving success. It represents a long-term goal of the GOTL and transcends any change in government leadership that may transpire between now and 2030. It is respectful of the reality that policy is most meaningful when it is 'set in stone' with unwavering stakeholder commitment. It recognises that tourism development is a collective effort that requires harmonised action by government, industry, academia and civil society.

There will be supporting strategies and action plans put in place to scaffold this Timor-Leste National Tourism Policy that will take into consideration and be responsive to external factors both at home and abroad. These will be organised in a consultative fashion in a regular planning cycle by relevant government ministries and departments as well as other tourism stakeholders. The GOTL will ensure that there is a framework for implementation that addresses both the political dialogue and the technical operational levels.

¹⁸ Estimate from the 2014 Business Activities Survey conducted by the General Directorate of the National Statistics Department





PRIORITY

For the GOTL, priority represents both the reason for this Timor-Leste National Tourism Policy and the goal of inspiring the Timorese people to resolutely embrace tourism as a core element of our country's future.

First and foremost, this National Tourism Policy serves as a call to action for the GOTL and all stakeholders to acknowledge the centrality of tourism for the development of the Timor-Leste economy in the coming decades. The message is that tourism matters and that the GOTL intends to work towards collective success.

As one of the youngest countries in the world, Timor-Leste is endowed with a unique blend of cultural heritage and pristine environments. Timor-Leste has an exceptional opportunity to develop a distinctive tourism sector that is respectful of the environment, profitable to communities and pleasing to international visitors. This should be done in a small, gradual, and sustainable fashion in line with the country's carrying capacity and development goals.

This moment in time both represents an opportunity

and a threat. It is an occasion for Timor-Leste to position itself as a desirable destination with a unique tourism offer that can contribute significantly to economic development and poverty alleviation. There is also cause for concern that the country's delicate social and cultural fabric is vulnerable to negligent decision-making that will have likely negative impacts and quickly diminish its allure and tourism potential.

Timor-Leste's neighbours and competitors in the Asia Pacific region provide numerous examples of development that exemplify both the benefits and risks of tourism. While the island of Bali enjoys a robust economy centred on the leisure industry, it has also suffered detrimental impacts to its cultural, environmental and social balance. Evidence from Thailand and Vietnam also demonstrate that there is a significant cost associated with haphazard tourism development geared towards catering to mass tourism markets.

This National Tourism Policy recommends the creation of an inclusive tourism industry that is environmentally and economically sustainable and that promotes, values, recognises and protects the unique culture, environment and heritage of Timor-Leste. It aspires for tourism to be a driver of the

country's economic growth, a standard bearer of national pride and the essence of an internationally recognised country brand that increases the awareness of Timor-Leste as an international travel destination.

Achieving this aspiration will require harmonisation of all tourism stakeholders, both public and private, as well as civil society which must rally around the vision for tourism as defined in this National Tourism Policy.

This National Tourism Policy expresses a commitment by the GOTL that all related ministries, departments, agencies and institutions will work collaboratively and invest in enabling infrastructure and execution of policies, legislation and regulations that respect and protect the unique culture and environment of the country.

The private sector must strive to deliver internationally recognised standards of quality and service through a diversified range of tourism products that are attractive to a wide range of visitors from around the world.

The workforce must be educated and trained to accredited international standards and there must be continual investment in developing requisite knowledge, skills, and attitude.

The Timorese people and civil society actors must be empowered to fully participate in the tourism economy and embrace a role of stewardship.

The Government will:

- Enforce the recognition of the critical role of tourism in the wider economic and social fabric of Timor-Leste by all government ministries and institutions.
- Commit funding and resources that place tourism at the forefront of the national economic development agenda.
- Initiate an internal marketing campaign that communicates the priority of tourism across all ministries, departments, agencies and institutions.
- Orchestrate, through advocacy efforts by leading public figures, a communication process whereby the people of Timor-Leste will better appreciate their role as tourism hosts and embrace the national aspiration of 'tourism for all and all for tourism'.
- Prepare and regularly update a tourism strategy and corresponding action plans that are compatible and consistent with this National Tourism Policy.

- Create confidence in the private sector to invest in products and services that are of a high international standard and broadly appealing to potential visitor markets.
- Encourage the development of tourism that respects the country's natural and cultural assets by embracing the ethos of small, gradual and sustainable.
- Continue to improve the business environment to allow increased participation of the private sector in tourism development plans.

The Private Sector will:

- Commit to placing tourism at the heart of national economic development by engaging with and supporting government initiatives.
- Share widely this National Tourism Policy with partners, employees and business networks.
- Commit to share, where appropriate, funding and resources as recommended by government aimed at tourism development and destination marketing.
- Support and promote the proposed internal marketing campaign to staff, employees and investor communities and act as advocates and champions for change to enhance business confidence.
- Contribute to the development, implementation, and updating of tourism strategies and action plans as active participants.

Civil Society will:

- Recognise the critical role of tourism in the social and economic fabric of Timor-Leste and support its Cooperatives development through civil society institutions, cooperatives, organisations and activities.
- Share widely this National Tourism Policy with partners and community networks.
- Participate in the development and instigation of tourism strategies and action plans.
- Support increased awareness of tourism to the people of Timor-Leste, particularly in rural communities, through all available communication channels.



PROSPERITY

For the GOTL prosperity in the context of this National Tourism Policy is a state of flourishing and thriving good fortune and success that encompasses health, wealth and happiness for the Timorese people as an outcome of a robust tourism economy.

The five pillars that are identified in the GRFE as the locomotive of the economy are oil, agriculture, fisheries, tourism and manufacturing. The GOTL recognises that as the nation's oil reserves deplete, it is critical to pivot to other economic sectors to ensure medium- to long-term fiscal stability.

Tourism represents a significant opportunity to stimulate the Timor-Leste economy through foreign exchange, investment, job creation and sector linkages. It can also ensure the sharing of benefits to rural areas of the country where people suffer from poverty and lack of opportunity.

There are numerous challenges in positioning tourism at the centre of the Timorese economy. Relative to other destinations in Asia and the Pacific, the country suffers from a low value for money tourism offer due

in large part to its US dollar-based economy. A large proportion of the products consumed within the tourism economy are imported, resulting in high levels of economic leakage. And current tourism activities are concentrated in the capital of Dili allowing for low levels of participation by the country's 1.2 million people.

To face these challenges, the GOTL will foster a concerted effort to improve economies of scale; develop linkages with agriculture, fisheries and other sectors of the economy; and encourage greater dispersion of tourism to communities outside of Dili.

From a tourism supply-side perspective, there is significant room for improvement in ensuring that the entire tourism supply chain is delivering food, handicrafts and other indigenous products and services that are of sufficient quantity and quality. By substituting imports, the country will be able to lower the high level of leakages currently experienced in the Timor-Leste tourism economy. In order for this to occur, improvements in the business environment are necessary to enable the private sector to invest in and operate small and medium sized profitable enterprises. There is also the potential to develop homestay and

community accommodation options that will enable communities to directly engage in the tourism sector and allow for a higher percentage of revenues to be retained within Timor-Leste and in particular rural communities.

Some initiatives are already assisting rural farmers and fishermen to access formal markets, and the GOTL is now committed to prioritising the creation of well-functioning markets to facilitate agricultural and fisheries growth. This transfers into increased productivity and household incomes.

Linking food production to the tourism sector is a natural progression as businesses rely heavily on food that is clean, sustainably produced and consistently supplied.

Although the GOTL has introduced several initiatives to improve the investment climate, including: establishing an open trade and investment environment; liberalisation of the telecommunications market; initiation of tax reform; establishment of TradeInvest; and streamlining of business registration processes, the GOTL acknowledges that more needs to be done to establish a more transparent and secure business environment.

In relation to international demand for Timorese products and services, tourism can play a central role in promoting Timor-Leste as a country that is 'proud and ready for business'. Through a strong national brand, that communicates authenticity and uniqueness, key economic and business linkages can be forged, not only within tourism but also across the other pillars of national economic growth. A strong country brand requires a national effort to identify the strengths and opportunities of the country along with

its competitive advantages.

It also requires a concentrated effort to tap into the emotional value that comes from people who have visited Timor-Leste. A national brand can be communicated to both tourists and inhabitants to create a new narrative for Timor-Leste; one that reflects the unique and authentic character of the country.

The country image at home and abroad must be more than a logo and a slogan. It will be a message that communicates international competitiveness across the economy while protecting and valuing society including the natural resources, environment, cultural heritage, social values and communities. The brand of Timor-Leste should not be treated as a single marketing campaign, but rather as a continuous and dynamic story of places, people and products. Integrating the culture, history, products, and services into the touristic offerings and narrative will enhance the country's unique identity while at the same time growing the commercial value of its resources.

The Government will:

- Establish a country brand to present a Timor-Leste narrative of unique places, people, products and services within the globally competitive market place.
- Conduct destination marketing activities to increase regional and international awareness of Timor-Leste, particularly through social media channels.
- Monitor trends to ensure regional price attractiveness and improve value for money propositions.





- Ensure grassroot community-based tourism development to ensure dispersion of benefits, particularly beyond Dili.
- Identify and exploit opportunities for convergence between tourism and other economic sectors.
- Ensure accurate collection of statistics to support evidence-based decision-making, through the development of a 'Tourism Observatory', in partnership with national academic institutions.
- Support innovation and continual improvement in the competitiveness and sustainability of the tourism offering in order to most effectively meet the needs of future visitors.
- Set up a mechanism for access to finance for the promotion of Timorese entrepreneurship and the development of local businesses, homestays and other tourism-related enterprises.
- Support community-based entrepreneurs and cooperatives through funding or in-kind benefits that support and enhance the tourist experience.
- Ensure that all tourism support services are delivered in a coordinated manner to optimise the tourist experience.
- Commit to developing innovative products and strive to continually improve the quality and standards of service to world-class levels.

Civil Society will:

- Encourage wide participation in the tourism economy through grassroot networks.
- Support entrepreneurship in collaboration with international development partners and the private sector.
- Ensure grassroot community-based tourism activities to ensure broad dispersion of sector benefits to rural communities, and in particular supporting rural cooperatives.
- Identify and exploit opportunities for convergence between the tourism and agricultural sectors.

The Private Sector will:

- Support and promote the Timor-Leste country brand through commercial activities.
- Capture market trends and accurate tourist data to provide to central government to inform strategic decision-making.

PROTECTION

For the GOTL protection in the context of this National Tourism Policy encompasses the conservation, preservation and safeguarding of Timor-Leste's natural environment, cultural heritage and vulnerable segments of society. It also aims to ensure the well-being of international visitors.

The pristine environment of Timor-Leste presents exceptional opportunities for the development of specialised tourism in the country, particularly ecotourism and community-based activities, which was highlighted in a recent report prepared by the UNWTO's ST-EP Foundation¹⁹. The rather undeveloped state of the country is a unique selling point and the absence of intensive tourism development means that environmental problems linked to tourism are not yet evident. The protection of Timor-Leste's natural and built heritage in a manner that is sustainable from an environmental, economic and societal perspective is essential to future success of the country's tourism industry.

Serious consideration must be given to the potential of community-based ecotourism as a core tourism development approach that will maximise economic benefits and minimise negative impacts. This model will allow for Timor-Leste to offer a product distinct from that of its regional competitors, many of which have embraced a mass tourism approach rather than a small, gradual and sustainable type of sector development. It also gives the Timorese people a financial incentive to protect the biodiversity of their ecosystems.

The country's stunning and relatively untouched landscapes and seascapes present an opportunity for Timor-Leste to position itself as a clean and green country. The development of public infrastructure and private construction activity should be carried out with as much sympathy as possible for the natural landscape and regard for the value of built heritage. Effective and balanced management of these assets is essential for tourism development that is both economically and environmentally sustainable. Measures to mitigate negative impacts of the host-guest relationship, such as sexual exploitation, begging and infringements of

human rights, must also be considered.

The recent discovery of rare species of marine life should be carefully considered and, where possible, marine and other protected areas should be established, regulated and enforced. These national treasures have potential for UNESCO world heritage recognition, which could bring significant international attention to the country and support the further development of niche markets such as scuba diving.

The highlands of Timor-Leste also present opportunities for ecotourism in the form of trekking, bird watching, coffee tours and other soft adventures. There is considerable scope for supporting this type of tourism development and for engaging local communities. However, success in this area is contingent upon good stewardship and conservation so as to ensure that tourism is not the cause of destruction of these unique assets and the communities that inhabit these areas.

The country's rich colonial heritage is also an important element of tourism development and concerted efforts should be placed on ensuring that these national treasures are preserved and that accurate interpretation is provided to allow visitors to fully appreciate them. Equally important is the local culture and heritage, which should be accessible to visitors in the form of performing arts.

Local communities are integral to natural and cultural preservation and should be encouraged to respect the value of their assets and understand their importance to tourism development. Communities should also understand the vulnerabilities posed by tourism and be supported to mitigate negative impacts that may occur to their people, particularly women and children, both collectively and individually.

Equally critical to the successful implementation of tourism is the provision of sufficient measures to ensure the well being of international visitors during their stay in Timor-Leste. The safety of visitors is a priority action within the National Tourism Policy, which recognises that female travellers may encounter significant risks and commits the GOTL to taking additional actions to protect the safety of these travellers.

The GOTL recognises that public safety is still identified as a challenge in the country and that international perceptions suggest Timor-Leste

¹⁹ *Community-based Ecotourism Marketing Strategy for Timor-Leste*



remains fragile with many potential visitors associating the country with war and instability. There is also awareness among international markets of a high incidence of crocodile-related injuries and death, particularly along coastal areas, which acts as a major deterrent for leisure tourists. These images need to be converted to positive ones of pristine beaches, rich culture, unspoilt nature, warm people and a safe tourist-friendly environment in which visitors are protected from potential dangers during their stay in Timor-Leste. Therefore, it is important for authorities to establish mechanisms to prevent and respond to such incidents and ensure the highest level duty of care.

This requires that measures are in place to prevent accidents from occurring and that emergency responders are readily accessible and trained to take action effectively and efficiently if and when visitors to the country are put in harm's way.

Preventative actions should also be considered by encouraging good practice in business operations, particularly among restaurants, hotels, and attractions where minimal standards in food hygiene and health and safety should be met.

The Government will:

- Guarantee the conservation and preservation of the natural environment and where possible create and enforce marine protected areas.
- Place sustainable and community-based ecotourism at the forefront of the tourism offer.
- Feature Timorese arts and culture as a distinct tourism attraction.
- Ensure the safety and security of international visitors, particularly female tourists, through coordinated measures among institutions responsible for public safety.
- Support the mitigation of risks through the dissemination of minimal operational health and safety and hygiene standards for hotels, restaurants, and other tourism attractions.
- Plan for responses to a variety of tourism related emergencies.
- Establish a code of conduct of Do's and Don'ts guidelines for international visitors to prevent unethical practices to people and the environment.

The Private Sector will:

- Commit to the conservation and preservation of the natural environment and ensure that new and existing developments minimise negative impacts and ensure that all developments are designed and operated in an environmentally sustainable manner.
- Where appropriate place Timorese arts and culture at the heart of tourism offerings.
- Commit to continual investment in staff development to ensure all tourism services are operating to the highest standards of safety and food hygiene.
- Mandate that large-scale tourism development projects contain corporate social responsibility measures that contribute to environmental and social economic benefit.
- Disseminate the code of conduct of Do's and Don'ts to guests and encourage ethical behaviour in visitors to Timor-Leste.

Civil Society will:

- Support local education and training on sustainable development, environmental awareness and conservation.
- Celebrate and encourage national pride in Timor-Leste culture and arts at the community level.
- Improve the quality of the host-guest encounter through education and awareness building to ensure an equitable and balanced approach to tourism development.
- Ensure that visitors abide by the code of conduct of do's and don'ts in communities.

PARTNERSHIP

For the GOTL partnership allows for the multiple stakeholder groups to increase the likelihood of achieving their mission and amplifying their reach. This National Tourism Policy acknowledges the complexity of the tourism ecosystem as described in this document and calls for mobilising broad support from government, industry, academia, civil society, and the Timorese people to be effective and successful.

There are distinct roles and responsibilities of public and private sector actors at the various stages of the tourism development cycle and given the very early stages of tourism development in Timor-Leste, it is crucial for the GOTL to play a leading role. The GOTL is committed to developing tourism as a central driver of its economy, and therefore it is essential that a proper framework for development is established.

There are many good practice examples in the ASEAN region, where a number of countries have enjoyed notable success in building partnerships through tourism. In all cases, there are mechanisms and platforms for ensuring a healthy balance between political and implementation functions. The GOTL accepts that the National Tourism Policy should be led by a government department in charge of the tourism sector with the capacity to influence dialogue and action across all government ministries, departments, agencies, and institutions. A supporting Strategy and Action Plan is also critical and non-government actors should be fully engaged in its development to ensure relevance and professionalism that is results oriented.

The Timor-Leste public sector has a key role in coalescing the myriad of actors, facilitating quality improvements, and marketing the destination. At the same time, the private sector's responsibility is to deliver a variety of appealing and consistent tourism products and to support the actions of the GOTL.





As tourism is currently in a nascent stage of development, the GOTL will stimulate growth and commitment to the sector through bold, dynamic, and considered investments, incentives, and initiatives. This is evident in other destinations where the early stages of tourism development and investment are public sector driven and as the industry matures, the private sector assumes an increasing role for the marketing and delivery of quality tourism products and services.

In light of its ambitions for tourism development, the GOTL will adopt some of the institutional models and good practice approaches established by similarly positioned countries in developing their respective tourism economies. The GOTL will undertake a review of its current institutional models and establish an approach that abides with core principles, including: working in partnership with the private sector; providing necessary financial and human resources; and ensuring efficiency and effectiveness in implementation.

The GOTL notes that global good practice includes different roles and responsibilities for tourism stakeholders, ranging from purely public sector structures within Ministries to semi-autonomous

public private partnerships to locally led destination management organisations. The best-suited implementation model will be identified and implemented to ensure the greatest positive impact on the development of tourism in Timor-Leste.

The GOTL acknowledges that any new organisational structure must allow flexibility in structure and be responsive to the changing circumstances of tourism in Timor-Leste. The organisational structure will be determined based on the respective roles of the government and the private sector in the management of tourism development in Timor-Leste.

The Government will:

- Ensure a mechanism for inter-ministerial and inter-departmental cooperation for the development of tourism in Timor-Leste.
- Undertake a review of current institutional models and approaches and implement the outcomes of this exercise in the medium term.
- Establish destination management organisations at the local level to support local level tourism development in partnership with the private sector and relevant community networks.

- Collaborate with the private sector in destination marketing activities.
- Actively explore opportunities for partnership with the private sector in the management and operation of public assets.
- Encourage greater participation of cooperatives in the tourism sector.
- Encourage the sharing of information and analysis between government, private sector, academia, and civil society to assist all stakeholders to make best use of scarce resources.

The Private Sector will:

- Support the GOTL and actively contribute to strategy development and implementation of action plans.
- Participate in destination marketing activities in partnership with the government departments in charge of tourism, arts and culture.
- Support and actively participate in destination management organisations to support local community development.
- Partner with the GOTL to explore opportunities in the management and operation of public assets.

Civil Society will:

- Support and actively participate in tourism strategy development and implementation.
- Support and actively participate in destination management organisations to encourage local community development.
- Participate in destination marketing activities.
- Partner with the private sector, including cooperatives in developing community-based tourism attractions.

PEOPLE

For the GOTL, 'people' refers to the ability of the Timorese workforce to support the delivery of quality experiences for all visitors to Timor-Leste. The interaction between tourists and those working in the industry is important for creating a positive image of Timor-Leste, growing local entrepreneurship, encouraging stewardship, and attracting foreign investment in tourism.

Considering that everyone in Timor-Leste is a potential contact point for the interaction between host and guest and that the digital economy enables tourists to broadcast opinions to thousands of potential travellers through social media, it is imperative that all Timorese view themselves as tourism ambassadors. The importance of personal service in tourism makes people the number one factor of production for the sector. Due to the fact that the travelling customer is directly in contact with the line staff and the quality of a product is largely reflected in the employees' ability to meet customer expectations, the GOTL recognises that there is a small margin for error when it comes to people.

Planning for the development of human capital will require the GOTL, along with its respective ministries, departments, agencies, and institutions to consider the competitive position occupied by Timor-Leste within ASEAN and Asia Pacific and initiate policies with agreed action plans that support increased destination competitiveness, which in turn requires a focus on achieving national service quality through people.

As tourism development in Timor-Leste becomes more customised, the GOTL recognises new essential competencies, such as soft skills, language and technological know-how, which will be attributes in high demand by the tourism industry across all





operational and managerial levels. The importance of understanding these skill requirements cannot be understated and this requires the creation of a new and coherent approach to developing national curricula for education and training coupled with a solid accreditation system.

Tourism in Timor-Leste is often unknown or widely misunderstood and the GOTL will introduce short courses at the secondary school level to generate interest in the sector among youth. Women will be encouraged to work in the sector as they already comprise a majority of the tourism workforce and can secure opportunities for income generation and entrepreneurship, while at the same time balancing their traditional family roles. However, there is a long way to go in Timor-Leste before women access the higher levels of employment and management within the tourism industry and this will be a medium term goal of the GOTL.

Given the objective of creating community-based tourism that is sustainable and profitable at the local level, the GOTL will increase access to quality entrepreneurship training to facilitate the growth of Timorese owned business economy.

The Government will:

- Plan for the development of human capital with an initial nation-wide assessment of the supply of education and training and reference this against ASEAN standards and labour market needs.
- Support education, training, and career development to maximise the ability of the industry to meet the needs of tourists and to enable those employed in the sector to achieve their potential.
- Encourage the private sector to have a key role in influencing the design of education, training, and skills development programs for the tourism industry in collaboration with government departments in charge of vocational training policy and employment and the Ministry of Education.
- Support the establishment of special courses at the secondary school level to raise awareness of the tourism industry within civil society.
- Promote and finance support for local entrepreneurship through the delivery of widely accessible introductory business and language courses.

The Private Sector will:

- Actively contribute to the on-going and continuous investment in human capital through education and training.
- Commit to resourcing and funding career development of staff and employees through continuous professional development.
- Commit to support government departments of vocational training and education to design and develop relevant education and skills training programmes for the tourism industry.
- Provide senior and middle managers to act as mentors to local entrepreneurs to encourage new community-based ventures.

Civil Society will:

- Ensure social inclusion and gender equality of women within the tourism economy.
- Support avenues for access to tourism activities to disadvantaged groups at the local level.
- Provide informal training in language and other basic tourism skills.
- Collaborate with the GOTL and the private sector to develop and deliver relevant training programs at the local community level.



CONCLUSION

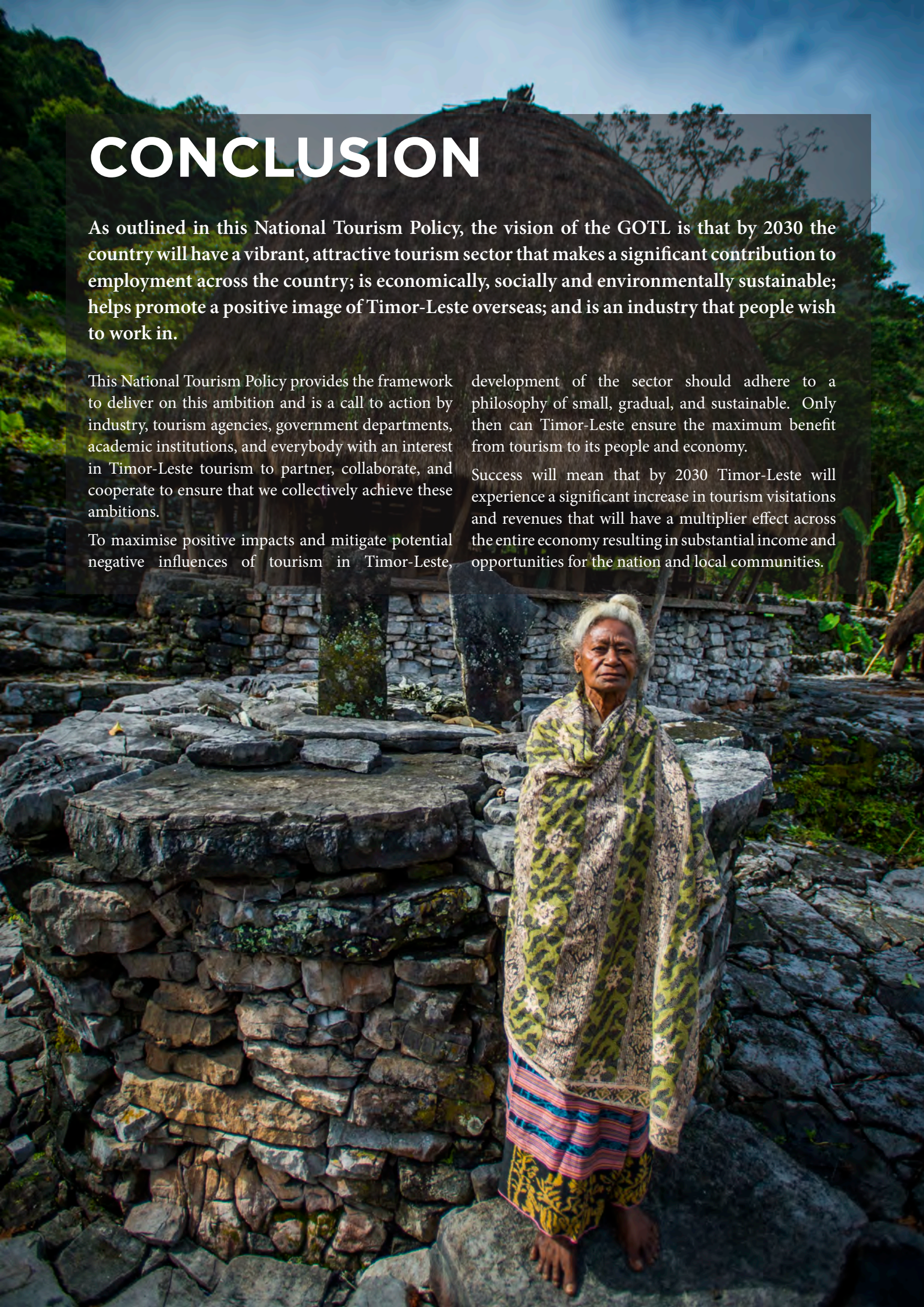
As outlined in this National Tourism Policy, the vision of the GOTL is that by 2030 the country will have a vibrant, attractive tourism sector that makes a significant contribution to employment across the country; is economically, socially and environmentally sustainable; helps promote a positive image of Timor-Leste overseas; and is an industry that people wish to work in.

This National Tourism Policy provides the framework to deliver on this ambition and is a call to action by industry, tourism agencies, government departments, academic institutions, and everybody with an interest in Timor-Leste tourism to partner, collaborate, and cooperate to ensure that we collectively achieve these ambitions.

To maximise positive impacts and mitigate potential negative influences of tourism in Timor-Leste,

development of the sector should adhere to a philosophy of small, gradual, and sustainable. Only then can Timor-Leste ensure the maximum benefit from tourism to its people and economy.

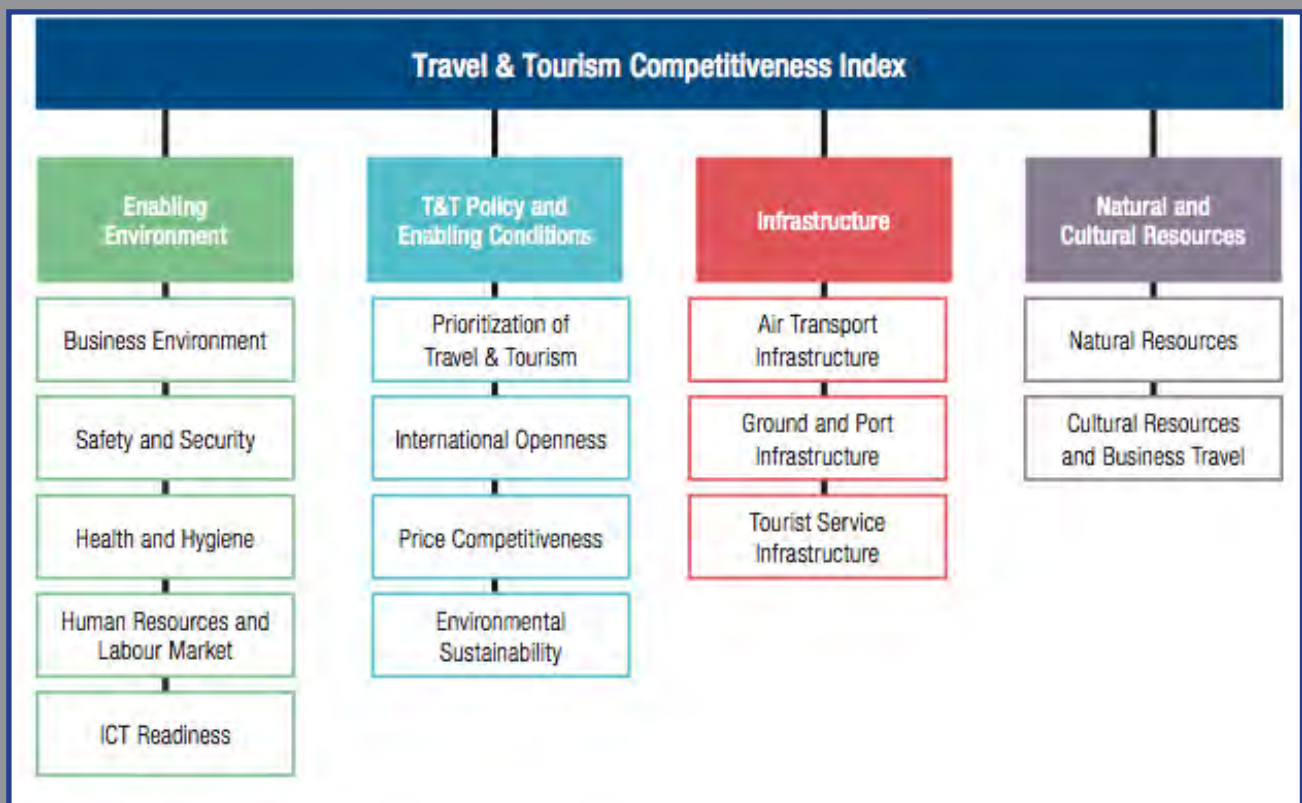
Success will mean that by 2030 Timor-Leste will experience a significant increase in tourism visitations and revenues that will have a multiplier effect across the entire economy resulting in substantial income and opportunities for the nation and local communities.



ANNEXES

WORLD ECONOMIC FORUM (WEF) INDEX

As shown in the below figure, the WEF index comprises four sub-indexes, 14 pillars and 90 individual indicators that collectively serve as a baseline for tourism policy and strategic development.



Spain topped the 2015 WEF edition of the global rankings for the first time, followed by France, Germany, the United States, the United Kingdom, Switzerland, Australia, Italy, Japan and Canada.

Overall, countries with the strongest performance are those that are best prepared to capture the opportunities of new trends, like the growing demand from emerging and developing countries, such as India and China; the differing preferences of travellers from aging populations and a new generation of younger travellers; and the importance of online services and marketing, especially through mobile Internet and social media.

In addition, these countries recognise that the development of the tourism industry is complex and requires inter-ministerial coordination and public private partnerships to overcome financial, institutional and organisational bottlenecks.

The following explains in detail the four pillars and 14 supporting criteria that define tourism destination competitiveness.

THE ENABLING ENVIRONMENT

The enabling environment focuses on the extent to which business-friendly conditions are in place to stimulate private sector growth. It recognises that tourism is a business and emphasises important indicators describing the overall investment climate of a destination including, but not limited to, norms, customs, laws, regulations and policies.

BUSINESS ENVIRONMENT

The extent to which a country has in place policies conducive to companies doing business is a key consideration for a nation's tourism economy. Aspects such as how well property rights are protected and the efficiency of the legal framework and ease of licensing are important considerations.

Safety and Security

Safety and security is a critical factor determining the competitiveness of a country's tourism industry. Tourists are likely to be deterred from travelling to dangerous countries or regions. The costliness of common crime and violence as well as terrorism, and the extent to which police services can be relied upon to provide protection from crime should be a key consideration in tourism development strategies and plans.

HEALTH AND HYGIENE

Health and hygiene is an essential element of tourism competitiveness. It is important for the comfort and health of travellers. This includes access to safe drinking water, clean food and sanitation. And in the event that tourists do become ill, the country's health sector must be able to ensure that there are international standard facilities to properly care for them.

Human Resources and Labour Market

Human capital is critical to the success of developing international standard tourism. Quality human resources ensure that the industry has access to the collaborators it needs to deliver products and services to standard. How well countries develop skills through education and training, and enhance the best allocation of those skills through an efficient labour market is an important consideration. Formal educational attainment rates and private sector involvement in upgrading human resources, such as business investment in training on service delivery and customer care is imperative. The depth of the country's talent pool and the effectiveness and efficiency in allocating human resources to their best use within the labour market is also vital.

Information Communication Technology Readiness

Online services and business operations have increasing importance in tourism, with Internet being used for planning itineraries and booking travel and accommodation. Not only is the existence of modern hard infrastructure, such as mobile network coverage and quality of electricity supply important, but also the capacity of businesses and individuals to use and provide online services to facilitate and improve customer satisfaction and fully engage in the digital economy.

TRAVEL AND TOURISM POLICY AND ENABLING CONDITIONS

This pillar focuses on a destination's ability to attract foreign direct tourism investment and visitors. This relates to the building or management of hotels, resorts and attractions. It also highlights the priority given by government from a policy perspective to the minimisation of barriers for visitors (visas, air and sea access, etc.) but also to monitor and influence pricing in the market place. It places a heavy emphasis on environmental conservation which increasingly is demanded by the market.

Prioritisation of Travel and Tourism

The extent to which the government prioritises the tourism sector has an important impact on sector competitiveness. By making clear that the sector is of primary concern, the government can channel funds to essential development projects and coordinate the actors and resources necessary to develop tourism. Measures related to government spending, effectiveness of marketing campaigns and country branding, and the completeness and timeliness of providing tourism data to international organisations, are important indicators of the importance that a country assigns to its tourism sector.

International Openness

Developing a competitive tourism sector internationally requires a certain degree of openness and travel facilitation. Restrictive policies such as cumbersome visa requirements diminish tourists' willingness to visit a country. The openness towards bilateral air service agreements entered by the government which impact on the availability of air connections to the country, is also important. Equally so, the number of regional trade agreements in force, serve as a proxy for the extent to which it is possible to provide world class tourism services.

Price Competitiveness

Lower costs related to travel in a country increase its attractiveness for many travellers as well as for investing in the tourism sector. Among the aspects of price competitiveness taken into account are airfare, ticket taxes and airport charges, which can make flight tickets much more expensive. The relative cost of hotel accommodation, food, and other tourism activities compared to competitors is also an important consideration.

Environmental Sustainability

The importance of the natural environment for providing an attractive location for tourism cannot be overstated, so policies and factors enhancing environmental sustainability are an important competitive advantage in ensuring a country's future

attractiveness as a destination. Policy indicators such as the stringency and enforcement of the government's environmental regulations and variables assessing the status of water, forest resources and sea beds are vital. Given the environmental impacts of tourism itself, the extent to which governments prioritise the sustainable development of the tourism industry in their respective economies should be taken into account.

INFRASTRUCTURE

This pillar focuses on connectivity and infrastructure within a destination to facilitate arrivals and for visitors to experience a high standard of access within a destination. It examines how closely integrated air and ground infrastructure is. It also examines the quality and availability of tourist information and services at key nodes within a destination.

Air Transport Infrastructure

Air connectivity is essential for travellers' ease of access to and from countries, as well as movement within many countries. The quantity of air transport, using indicators such as available seat kilometres, the number of departures, airport density, and the number of operating airlines, as well as the quality of air transport infrastructure for domestic and international flights are important competitive measures.

Ground and Port Infrastructure

The availability of efficient and accessible transportation to key tourist attractions is vital for the tourism sector. This requires sufficiently extensive road and marine networks that meet international standards of comfort, security and modal efficiency. This also accounts for unpaved roads, which enable local connections, and to some extent, can proxy the existence of picturesque roads, which can, in very specific contexts, attract tourists.

Tourist Service Infrastructure

The availability of sufficient quality accommodation, resorts and entertainment facilities can represent a significant competitive advantage for a country. The level of tourism service infrastructure through the number of hotel rooms complemented by the extent of access to services such as car rentals and ATMs is an important measure of tourism sector preparedness.

NATURAL AND CULTURAL RESOURCES

This pillar spotlights the priority given to policies focused on providing access to and preserving the unique nature, heritage and culture of a destination. Increasingly discerning, high value travellers demand an authentic experience presented in an environmentally sustainable manner.

Natural Resources

Countries with natural assets clearly have a competitive advantage in attracting tourists. There is a number of attractiveness measures focused on natural resources, including the number of UNESCO natural World Heritage sites. The quality of the natural environment, the beauty of its landscape, the richness of the fauna in the country, the percentage of nationally protected areas are all important tourism assets.

Cultural Resources and Business Travel

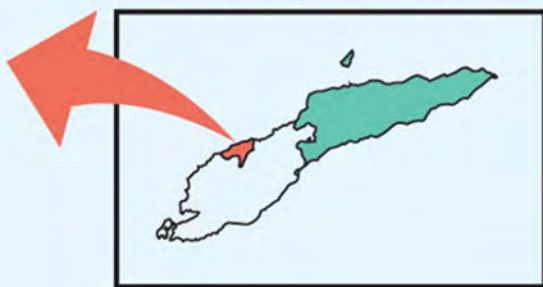
A country's cultural resources are another critical driver of tourism competitiveness. The number of UNESCO cultural World Heritage sites, the number of large stadiums that can host significant sport or entertainment events, the number of online searches related to a country's cultural resources could allow the level of interest to be inferred. The number of international association meetings taking place in a country is also a consideration.





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

Timor-Leste





“Taking into account the growth of tourism in the South-East Asia region, and the high priority that the GOTL is attaching to tourism development, the new National Tourism Policy will certainly be a very important document to further guide the growth of tourism in Timor-Leste in a sustainable and inclusive manner”. – UNWTO 2017

“A beautiful country like East Timor, with its determined and heroic history, must not be promoted through a tourist industry which creates a small modern world of luxury hotels, but rather we should accelerate the creation of conditions for ecotourism as a means to promote the unique identity, personality and character of our people, with a dimension of more humane relationships between people.

It is necessary that we are uncompromising in our defence of the environment, with all the consequences this may bring, because we should never lose sight of the small language of the land which is our nation, which has to be preserved as our birthplace and as the green lawn from where the future generations will grow, and as a grave full of flowers for all the generations that have gone before”. – XANANA GUSMÃO, 1999

“For the sector to thrive, and for Travel & Tourism to develop in a sustainable manner, governments need to provide a supportive physical, regulatory, fiscal and social environment – one which is also conducive to business development. This means adequate infrastructure, incentives for private sector investment, easy access – including good transport connectivity and visa facilitation – and intelligent taxation, as well as the appropriate policies to encourage growth in demand.” – WORLD TRAVEL & TOURISM COUNCIL 2015

The Government of Timor-Leste expresses its gratitude to all stakeholders who assisted in developing the Tourism Policy, including stakeholders from government, private sector, civil society, academic institutions and development partners. The Tourism Policy was developed through financial support from the Government of New Zealand delivered through the International Labour Organisation and a consulting firm, Destination Human Capital.