

Investment Overview

Foreign Investment Climate

Background

In late 1999, about 70 percent of the economic infrastructure of East Timor was laid waste by Indonesian troops and anti-independence militias, and 300,000 people fled westward. Over the next three years, however, a massive international program, manned by 5,000 peacekeepers (8,000 at peak) and 1,300 police officers, led to substantial reconstruction in both urban and rural areas. By the end of 2005, all refugees either returned or resettled in Indonesia. The country faces great challenges in continuing the rebuilding of infrastructure, strengthening the infant civil administration, and generating jobs for young people entering the work force. The development of oil and gas resources in nearby waters has begun to supplement government revenues ahead of schedule and above expectations - the result of high petroleum prices - but the technology-intensive industry does little to create jobs for the unemployed, because there are no production facilities in Timor and the gas is piped to Australia. The parliament in June 2005 unanimously approved the creation of a Petroleum Fund to serve as a repository for all petroleum revenues and preserve the value of East Timor's petroleum wealth for future generations. The mid-2006 outbreak of violence and civil unrest disrupted both private and public sector economic activity. Real non-oil GDP growth in 2006 is estimated to have been negative. The underlying economic policy challenge the country faces remains how best to use oil-and-gas wealth to lift the non-oil economy onto a higher growth path and reduce poverty.

Foreign Investment Assessment

East Timor is now in the process of reconciliation and rebuilding. Given the need to develop many areas of the economy simultaneously, foreign investment has been identified as one of the key areas that will contribute towards the development of East Timor. With the establishment of the Investment Promotion Unit in the Governance and Public Administration pillar of the transitional administration, UNTAET has set up a mechanism for providing a coordinated response to investment proposals, to develop an investment policy and to promote East Timor as an investment destination.

Note: As of May 15, 2001, there were 4,286 businesses registered with the East Timor Transitional Administration. Of these, 806 were foreign investors involved either in independent trading or in joint ventures.

Labor Force

Total: N/A

By occupation: N/A

Agriculture and Industry

Agriculture products: coffee, rice, maize, cassava, sweet potatoes, soybeans, cabbage, mangoes, bananas, vanilla

Industries:

printing, soap manufacturing, handicrafts, woven cloth

Import Commodities and Partners

Commodities: food, gasoline, kerosene, machinery

Partners: Indonesia, Australia, Singapore, Vietnam, Portugal, Malaysia, China

Export Commodities and Partners

Commodities: coffee, sandalwood, marble; note - the potential for oil and vanilla exports

Partners: Portugal, Taiwan, Germany, U.S., Indonesia, Australia

Telephone System

Telephones- main lines in use: N/A

Telephones- mobile cellular: N/A

General Assessment: N/A

Domestic: N/A

International: N/A

Internet

Internet Hosts: N/A

Internet users: N/A

Roads, Airports, Ports and Harbors

Railways: N/A

Highways: 3,800 km

Ports and harbors: Dili

Airports: 8; w/paved runways: 3

Legal System and Considerations

The legal system in East Timor is a U.N.-drafted legal system based on Indonesian law remains in place but will be replaced by civil and penal codes based on Portuguese law

Corruption Perception Ranking

As rated by Transparency International, on a ranking from 1 to 163, from least corrupt to most corrupt, East Timor ranks 111, making it one of the most corrupt countries in the world.

Cultural Considerations

Greetings are relatively Westernized in nature. One should shake hands with people upon meeting for the first time and again upon each subsequent meeting. Women may "cheek kiss" although this must be done European-style on both sides of the face. It is also noteworthy that, in East Timor it is considered impolite to refuse to partake in food and drink offered by the native peoples.

For More information see:

United States' State Department Commercial Guide

Taxation

Information on the taxation in East Timor is not yet available.

Stock Market

There is no stock market currently operating in East Timor. Please see other Asian countries for stock market information about this region of the world.

Partner Links

CountryWatch Selected International Links

International Partner Links

- to international business and country sites

Regional Partners

- by major world geographic regions

Country Partners

- providing information on individual countries

International Trade and Investment

- for statistics, policies, regulations

Business Magazines

- to search archives and companies

International News

- from leading international business media

Company and Country Reference

- for background and historical development

International Partner Links

InternationalAffairs.com - Oxford Analytical

InternationalAffairs.com

International BizTech network - Brint.com

International Business & Technology: World Level: @Brint.com

Internet Resources for International Business - Columbia University

Watson Library Business and Economics Internet Resources

International Business and Economics on the Web - Longwood College

International Business

Business and Economics Information

Foreign Economic Statistics on Web - University of Michigan

Statistical Resources on the Web/Foreign Economics

International Business Sources on the WWW - Michigan State University

International Business Resources on the WWW

Virtual International and Business Sources - University of North Carolina

New Vibes

International Trade and Business Links - University of British Columbia

Center for International Business Studies

WebEc International Economic Data - University of Helsinki

WebEc - Economic Data

Regional Partners

Asia-Pacific

Far Eastern Economic Review Issues and Archives

Far Eastern Economic Review

AsiaWeek Issues and archives - Time and CNN.com

AsiaWeek.com | Archives | 2000

Asia Source Business & Economics - Asia Society

AsiaSource: Business & Economics - A Resource of the Asia Society

Economics and Statistics - Asia Development Bank

Economics and Statistics - ADB.org

Individual Economy Reports - APEC

APEC - Member Economies

Asian Country Information

Asia/Pacific UN Statistics

Europe

Economy and Finance - Eurostat

Eurostat: Economy and Finance

Financial and Economic Statistics - European Central Bank

ECB - European Central Bank

European Business Directory - EuroPages

Europages: The European Business Directory

Central and Eastern Europe Business and Economic Resources - Gonzaga University

CEESource

Business, Markets, Stocks, Currencies - Central and Eastern Europe Online

Central Europe Online Investor Insight - Central Europe - Investor Insight

Latin America

Latin America Network Information Center

LANIC

Business News Americas

Daily Business News from Latin America

Latin America Newsletters

Political and Economic Information

Latin Focus - On Line Source to Economy

LatinFocus

Political Database of the Americas

A Political Database Covering the Americas

Economic Commission for Latin America (ECLAC) Statistics

Statistics

Inter-American Development Bank (IADB) Research and Statistics

Inter-American Development Bank: Research and Statistics

Latin World Country Information

Latin America on the Net: Regions

Zona Latina Media and Marketing

Zona Latina: The Latina America Media Site

Organization of America States (OAS) Information, News, Reports

Organization of American States

Africa

African Business and Economy

African Business Information Services

All Africa On Line Business

allAfrican.com: Business

African Business Network - International Finance Corporation

The African Business Network

Lex Africa Business Guides

Lex Africa: A Network of Laws Firms in Africa

Africa Business Website - MBendi

Africa's Leading Business Website

News Africa On Line

Business, News, and Culture

Africa Economic Analysis

Headlines and Articles

Africa South of Sahara Business & Economy

Africa South of the Sahara - Business & Economy

Middle East

Arabia On Line and Business Directory

Arabia.com

Arab Net Country Information

ArabNet

Arab World On Line Country and Business Information

Country Information

Middle East Economic Survey of Oil, Banking, Finance, Politics

[The Middle East Economic Survey](#)

[Euro Mediterranean Investment Guides](#)

[Euromed Internet Forum on the Euro-Mediterranean Partnership](#)

[Doing Business in Arab Mid East Countries - Ali](#)

[Middle Eastern Laws](#)

Country Partners

[Infonation - UN data comparisons by Country](#)

[WebEC - Economics Data](#)

[Regions and Countries - World Bank](#)

[The World Bank Group Countries and Regions](#)

[Business and Technology - BizTech - Brint.com](#)

[International Business & Technology: Country Level: @Brint.com](#)

[Area and Ethnic Studies Country Information - Galileo Internet Resources](#)

[Country Information](#)

[Destination Guides - Expedia.com](#)

[Travel Information for the World Guide](#)

[PricewaterhouseCoopers Doing Business Guides](#)

[Publications: PricewaterhouseCoopers: Global](#)

[Quick Tax Guides to 82 Countries - Deloitte Touche](#)

Deloitte Touche Tax

Doing Business in 141 Countries - Tax, Investment, Corporate Structure, Accounting - Ernst & Young

Ernst & Young's Doing Business In

Political, Economic, Business Reports - Economist Intelligence Unit

EIU

Business Information on the Net - University of Strathclyde

Business Information Sources on the Internet: Country Information

International Data Base - US Census Bureau

International Data Base (IDB)

International Trade and Investment

Trade Statistics - US Office of Trade and Economic Analysis

The Office of Trade and Economic Analysis

Web Resources for International Trade - Federation International Trade Associations

FITA | International Trade Web Resources

International Trade Statistics - International Trade Center

Infobases, Products, and Services

Global Statistics - United Nations, Agencies, Autonomous Organizations

United Nations and International Statistics Programmes

OECD Statistics

Industry Sectors, Economic, and Other

International Corporate Information

Business Magazines

Business Week Issues and Archives

The New York Times: BusinessWeek.com

Forbes Issues and Archives

Forbes Magazine Archives

Fortune Issues and Archives

FORTUNE.com

The Economist Issues and Archives

The Economist

International News

Financial Times - FT.com

Home

New York Times International

The New York Times: International

Wall Street Journal

Wall Street Journal Interactive Edition

Business News from Reuters

Reuters | Breaking News from Around the Globe

BBC OnLine World News

BBC Online WorldNews

World Business Review - BBC

BBC World Service

CNN.com World News

CNN.com - World News

Company and Country Reference

Companies and Industries - Hoovers On Line

Hoover's Online - Companies & Industries

Companies - Annual Reports Library

The Annual Report Library

Countries - Britannica.com

Brittanica.com

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