



BUSINESS ACTIVITY SURVEY OF TIMOR-LESTE 2011



PREFACE

We are very proud and happy to be able to present the second edition of the Business Activity Survey (BAS) in Timor-Leste. With two years of BAS data, the results of the survey give the Government and other interested parties a clear picture of the performance, composition and growth of the non-petroleum producing business sector and the size of its contribution to the national economy and our Gross Domestic Product (GDP).

The BAS 2011 comprises a sample of 1,073 out of 5,278 businesses of the kind considered in this study. These non-petroleum producing businesses are spread out across the country and mainly located in the major towns of each district. The BAS includes all public and private financial enterprises (banks and insurance companies) as well as all public and private non-financial businesses, with a few major exceptions: general government agencies (administration, health, education etc), and agricultural production and other informal economic activities conducted by households. So-called not-for-profit institutions (NGOs, charities, churches etc) were surveyed only if they earned more than 50 per cent of their income in 2011 from trading activities. Estimates of the economic contribution of subsistence farming and other informal economic activities can be made based on data previously collected in household surveys.

The BAS is a vital source of information for the development and monitoring of economic policies. The data will help the Government identify and address policy issues concerning the performance of the Timorese business environment as a whole, or related to the progress of specific sectors of the economy. The survey also gives the Government and other stakeholders, including the business sector itself, an idea of employment numbers and the size and composition of the revenues, expenses and profits of enterprises acting in different parts of the economy. In fact, such is the importance of having access to reliable information of this kind that the General Directorate of Statistics is planning to continue conducting Business Activity Surveys on an annual basis.

A closer look at the results of BAS 2011 indicates that between 2010 and 2011 total income increased by 38 per cent. Dili continued to employ over 80 per cent of all persons employed (58,200) and generated over 90 per cent of total income during 2011. However of particular interest is the 39 per cent income growth in Dili compared with 25 per cent in the districts outside of Dili.

The BAS was conducted by the General Directorate of Statistics (GDS) with technical support from the Australian Bureau of Statistics, which in turn received financial support from AusAid, the Australian international aid agency. We are very grateful for the support of both institutions in assisting us with the development of official statistics in Timor-Leste.

Finally we would like to express our immense gratitude to the business community for its support of this survey and to the specific businesses that provided us with detailed information about their activities.



Antonio Freitas
General Director of Statistics

Dili, May 2013

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BUSINESS ACTIVITY SURVEY OF TIMOR-LESTE 2011

INTRODUCTION

This publication presents the results from the second Business Activity Survey (BAS) of Timor-Leste, conducted by the Directorate General of Statistics (DGE), Ministry of Finance, in respect of the 2011 calendar year. The BAS provides detailed measures of the performance and structure of non-petroleum producing businesses operating in Timor-Leste.

The scope of the BAS includes the non-petroleum producing business sector of Timor-Leste that actively traded during the 2011 calendar year. This includes:

- private non-financial enterprises (excluding agricultural production)
- private financial enterprises
- public non-financial and financial enterprises where more than 50 per cent of their revenue was generated from trading activities
- not-for-profit institutions earning more than 50 per cent of their revenue from trading activities

The survey scope excludes petroleum producing businesses, general government agencies (e.g. administration, health, education) and the informal economic activity of households. The informal sector is expected to involve a large number of very small businesses, however their collective contribution to the economic estimates for industries presented in this report is expected to be very small.

Results are presented in two chapters, with chapter one including details on employment, income, expenses and profit. Chapter two presents BAS results using national accounting concepts. The results are presented by geography (Dili and Districts) and by industry.

Technical notes, a glossary of terms and the questionnaire are presented at the end of this report.

The DNE is fully committed to improving the statistical information released to the public. The DNE welcomes comments and suggestions from users regarding future surveys of Timor-Leste businesses.

The BAS was conducted with financial support from AusAID and with technical support from the Australian Bureau of Statistics. DGE wishes to express its appreciation to both organisations for their support in developing official statistics in Timor-Leste.

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ABBREVIATIONS

BAS	Business Activity Survey
COE	Compensation of Employees
DNE	Directorate of National Statistics, Ministry of Finance
ISIC	International Standard Industrial Classification
IVA	Industry Value Added
RSE	Relative Standard Error

CHAPTER 1 KEY DATA ITEMS

This chapter contains summary information about non-petroleum producing businesses for selected employment, income, expense and profit data items.

Employment

As at December 2011 there were 58,200 persons employed in Timor-Leste businesses. This represented 20.2 per cent growth in employment since December 2010. About 75 per cent of the total persons employed were male (or 43,400 persons). Between 2010 and 2011, growth in male employment was stronger than female employment (25 per cent and 7 per cent growth respectively).

The majority of the persons employed in Timor-Leste were employed in businesses operating in Dili (81 per cent or 46,900 persons).

In 2011 average wages per employee was \$2,000 in Timor-Leste. The wages per employee was higher in Dili (\$2,300) than in the other Districts (\$1,100).

The 'Construction' industry had the highest level of employment, accounting for 31 per cent (or 18,000 persons) of all employed persons. The second largest individual industry was 'Retail and Wholesale Trade' industry contributing 23 per cent (or 13,600 persons) to total employment.

Income

During 2011 non-petroleum producing businesses in Timor-Leste generated a total income of \$1478.7m, up 37.8 per cent since 2010. About 94 per cent (or \$1390.7m) was generated by businesses operating in Dili.

The 'Retail and Wholesale Trade' and the 'Construction' industries together accounted for the majority (70 per cent or \$1,039.5m) of total income generated in Timor-Leste during 2011.

Expenses

During 2011 total operating expenses incurred by non-petroleum producing businesses in Timor-Leste was \$1,123.6m, up 37.4 per cent since 2010.

About 95 per cent (or \$1,069.0m) of total operating expenses was incurred by businesses operating in Dili. Purchases of supplies, materials and finished goods accounted for 64 per cent (or \$724.6m) of all operating expenses of which the 'Retail and Wholesale Trade' industry accounted for \$323.3m. Total labour costs accounted for 14 per cent (or \$153.9m) of total operating expenses.

Profit

Total profit generated by Timor-Leste businesses during 2011 was \$355.1m. This represented a 39.2 per cent increase since 2010. The 'Retail and Wholesale Trade' industry accounted for 33 per cent (or \$117.0m) of all profit generated during the year.

Profit per person employed (defined as the ratio of profit to total employment) was \$6,106. Profit per person employed was higher for 'Dili' (\$6,858) compared with the 'Districts' (\$2,968). The highest profit per person employed was in the 'Retail and Wholesale Trade' industry recording \$8,610 in profit for every person employed. The 'Construction' industry recorded the second highest at \$5,510 per person employed.

Capital Expenditure

During 2011 the purchase of capital assets was \$46.6m. The 'Retail and Wholesale Trade' and 'Construction' industries reinvested the greatest proportion of their profit into capital expenditure, \$19.4m and \$16.4m of capital purchases respectively.

Table 1.1 Key structural data by geography, non-petroleum producing businesses, 2010-2011

		Dili		Districts		Total Timor-Leste		
		2010	2011	2010	2011	2010	2011	% Change
Employment								
Male *	n	28,700	34,000	5,900	9,400	34,600	43,400	25.4
Female *	n	12,200	12,900	1,600	1,800	13,800	14,800	7.2
Total employment *	n	40,900	46,900	7,500	11,200	48,400	58,200	20.2
Income								
Income from sales of goods and services	\$m	962.2	1,338.6	67.0	82.2	1,029.2	1,420.8	38.1
Other income	\$m	40.6	52.2	3.2	5.8	43.7	57.9	32.4
Total income	\$m	1,002.7	1,390.7	70.2	88.0	1,072.9	1,478.7	37.8
Expenses								
Labour Costs								
Wages and salaries	\$m	85.9	107.2	6.5	11.9	92.4	119.2	29.0
Non-wage benefits	\$m	35.4	32.9	0.8	1.8	36.1	34.7	-3.9
Total labour costs	\$m	121.3	140.1	7.3	13.8	128.5	153.9	19.7
Purchases of supplies, materials and finished goods	\$m	449.9	689.8	29.1	34.9	478.9	724.6	51.3
Other expenses	\$m	208.2	239.1	2.1	6.0	210.3	245.1	16.5
Total expenses	\$m	779.4	1,069.0	38.5	54.6	817.8	1,123.6	37.4
Profit	\$m	223.4	321.7	31.7	33.4	255.1	355.1	39.2
Average wages per employee **	\$	2,100	2,300	900	1,100	1,900	2,000	5.3
Capital expenditure	\$m	45.1	28.1	8.4	18.5	53.5	46.6	-13.0

* Estimates of employment have been rounded to the nearest 100 persons.

** Estimates of average wages per employee have been rounded to the nearest \$100.

Table 1.2 Key structural data by industry, non-petroleum producing businesses, 2010-2011

		Manufacturing		Construction		Retail and Wholesale Trade	
		2010	2011	2010	2011	2010	2011
Employment							
Male *	n	2,700	4,000	7,800	16,300	7,400	8,800
Female *	n	600	500	800	1,700	4,500	4,800
Total employment *	n	3,400	4,400	8,600	18,000	11,800	13,600
Income							
Income from sales of goods and services	\$m	49.6	54.2	278.8	542.2	395.4	474.6
Other income	\$m	3.2	2.9	2.8	9.6	8.7	13.2
Total income	\$m	52.8	57.1	281.6	551.8	404.1	487.8
Expenses							
Labour Costs							
Wages and salaries	\$m	5.9	7.9	14.9	36.1	19.8	25.1
Non-wage benefits	\$m	0.5	0.4	31.3	28.9	3.4	2.9
Total labour costs	\$m	6.4	8.3	46.2	65.1	23.2	28.0
Purchases of supplies, materials and finished goods	\$m	22.6	26.7	98.3	250.2	276.3	323.3
Other expenses	\$m	4.3	4.4	99.7	137.4	19.2	19.5
Total expenses	\$m	33.3	39.4	244.1	452.7	318.7	370.8
Profit	\$m	19.5	17.7	37.5	99.1	85.4	117.0
Average wages per employee **	\$	1,800	1,800	1,700	2,000	1,700	1,800
Capital expenditure	\$m	8.9	1.5	7.2	16.4	27.8	19.4

		Accommodation and Food		Other industries		Total Timor-Leste	
		2010	2011	2010	2011	2010	2011
Employment							
Male *	n	1,700	2,900	15,000	11,400	34,600	43,400
Female *	n	3,900	4,100	4,000	3,700	13,800	14,800
Total employment *	n	5,600	7,000	19,000	15,100	48,400	58,200
Income							
Income from sales of goods and services	\$m	59.2	64.4	246.2	285.4	1,029.2	1,420.8
Other income	\$m	1.3	1.2	27.8	31.1	43.7	57.9
Total income	\$m	60.5	65.6	273.9	316.5	1,072.9	1,478.7
Expenses							
Labour Costs							
Wages and salaries	\$m	7.8	11.1	44.1	39.1	92.4	119.2
Non-wage benefits	\$m	0.2	0.9	0.8	1.6	36.1	34.7
Total labour costs	\$m	7.9	11.9	44.9	40.6	128.5	153.9
Purchases of supplies, materials and finished goods	\$m	14.4	19.6	67.3	104.8	478.9	724.6
Other expenses	\$m	12.2	12.9	75.0	70.9	210.3	245.1
Total expenses	\$m	34.5	44.4	187.2	216.3	817.8	1,123.6
Profit	\$m	25.9	21.2	86.8	100.2	255.1	355.1
Average wages per employee **	\$	1,400	1,600	2,300	2,600	1,900	2,000
Capital expenditure	\$m	3.9	3.7	5.6	5.6	53.5	46.6

*Estimates of employment have been rounded to the nearest 100 persons.

** Estimates of average wages per employee have been rounded to the nearest \$100.

CHAPTER 2 ECONOMIC DATA ITEMS

This chapter presents data and analysis of some key economic data items.

Industry Value Added

Industry Value Added (IVA) is a measure of industry contribution to the national economy. It is calculated as the difference between the market value of the output of an industry (output) and the purchases of materials and expenses incurred in the production of that output (Intermediate use).

During 2011 total IVA for all non-petroleum producing businesses operating in Timor-Leste was \$581.5m. This was 31.0 per cent more than 2010. Businesses operating in Dili accounted for 93 per cent (\$540.2m) of total IVA.

The 'Construction' industry was the largest contributor to IVA, accounting for 42 per cent (\$242.0 m) of total IVA in 2011. The 'Retail and Wholesale Trade' industry contributed 23 per cent (\$136.0m) to total IVA.

Compensation of Employees

Compensation of employees (COE) is a measure of the total remuneration, in cash or in-kind, payable by a business to an employee in return for work done by the employee during the calendar year. COE includes salaries and wages, non-wage benefits such as meals and private use of motor vehicles and own account capitalised wages.

During 2011 the total COE for all non-petroleum businesses operating in Timor-Leste was \$194.4m, 21.1 per cent more than 2010. Businesses operating in Dili accounted for 93 per cent (\$180.6m) of total COE. The 'Construction' industry accounted for 53 per cent of total COE (\$103.5m).

Table 2.1 Key economic data by geography, non-petroleum producing businesses, 2010-2011

		Dili		Districts		Total Timor-Leste		
		2010	2011	2010	2011	2010	2011	% Change
Output								
Income from sales of goods and services	\$m	962.2	1,338.6	67.0	82.2	1,029.2	1,420.8	38.1
(less) Purchases of finished goods	\$m	271.6	316.2	13.3	10.0	284.9	326.2	14.5
Other output	\$m	75.0	80.5	-	-	75.0	80.5	7.3
Total output	\$m	765.5	1,102.8	53.7	72.2	819.2	1,175.0	43.4
Intermediate use								
Purchases of supplies and materials	\$m	178.3	373.5	15.8	24.9	194.1	398.4	105.3
Other intermediate use	\$m	179.3	189.1	2.1	6.0	181.4	195.1	7.6
Total intermediate use	\$m	357.5	562.6	17.9	30.8	375.5	593.5	58.1
Industry value added	\$m	408.0	540.2	35.8	41.4	443.8	581.5	31.0
Compensation of employees	\$m	153.2	180.6	7.3	13.8	160.5	194.4	21.1

- Nil or rounded to zero.

Table 2.2 Key economic data by industry, non-petroleum producing businesses, 2010-2011

		Manufacturing		Construction		Retail and Wholesale Trade	
		2010	2011	2010	2011	2010	2011
Output							
Income from sales of	\$m	49.6	54.2	278.8	542.2	395.4	474.6
(less) Purchases of							
finished goods	\$m	-	2.8	3.2	1.3	262.7	311.3
Other output	\$m	0.2	-	45.6	70.8	3.6	3.9
Total output	\$m	49.8	51.4	321.1	611.7	136.3	167.2
Intermediate use							
Purchases of supplies	\$m	22.6	23.9	95.1	248.9	13.6	12.0
Other intermediate	\$m	3.0	2.1	76.0	120.7	15.7	19.2
Total intermediate use	\$m	25.6	26.0	171.1	369.6	29.3	31.2
Industry value added	\$m	24.2	25.4	150.1	242.0	107.0	136.0
Compensation of	\$m	6.4	8.3	76.3	103.5	24.3	29.0

		Accommodation and Food		Other industries		Total Timor-Leste	
		2010	2011	2010	2011	2010	2011
Output							
Income from sales of	\$m	59.2	64.4	246.2	285.4	1,029.2	1,420.8
(less) Purchases of							
finished goods	\$m	0.3	2.5	18.6	8.4	284.9	326.2
Other output	\$m	0.1	1.4	25.4	4.4	75.0	80.5
Total output	\$m	59.0	63.3	253.0	281.5	819.2	1,175.0
Intermediate use							
Purchases of supplies	\$m	14.1	17.2	48.7	96.4	194.1	398.4
Other intermediate	\$m	11.1	11.6	75.6	41.4	181.4	195.1
Total intermediate use	\$m	25.2	28.8	124.3	137.8	375.5	593.5
Industry value added	\$m	33.7	34.5	128.7	143.6	443.8	581.5
Compensation of	\$m	7.9	12.9	45.5	40.7	160.5	194.4

- Nil or rounded to zero.

TECHNICAL NOTES

Introduction

This publication presents results from the BAS of Timor-Leste for the 2011 reference period.

Although financial estimates relate to the full twelve months, employment estimates relate to the last day of December 2011. As a result, estimates of wages and salaries per person employed may be affected by fluctuations in employment during the reference period.

All financial estimates in this report are in \$US.

Classifications

The businesses that contribute to the statistics in this publication are classified by:

- Industry – in accordance with the International Standard Industrial Classification of All Economic Activities, Rev 4. (ISIC), 2006 edition (<http://unstats.un.org/unsd/default.htm>)
- Geography – Dili and the remainder of Timor-Leste under the category 'Districts'

Data are presented for the four largest non-petroleum producing industries operating in Timor-Leste – 'Manufacturing', 'Construction', 'Retail and Wholesale Trade' and 'Accommodation and Food Services'. The remaining industries, as defined in ISIC, were combined into an 'Other Industries' category.

Scope

The scope for the BAS includes the non-petroleum producing business sector of Timor-Leste that actively traded during the 2011 calendar year.

The scope includes businesses whose primary income is generated from the following activities:

- Private non-financial businesses, including 'Manufacturing', 'Construction', 'Retail and Wholesale Trade', 'Accommodation and Food Services' and other service providers
- Private financial services
- Aid/charitable organisations where the majority (more than 50 per cent) of revenue was generated from trading activities in Timor-Leste

Public trading enterprises where a majority of their income (more than 50 per cent) was generated from the direct provision of services were also in-scope of BAS.

The scope excludes the following types of businesses:

- The petroleum producing businesses that submit tax through the National Directorate of Petroleum Revenue
- General government agencies (such as administration, education and health)
- Public trading enterprises, where the majority of their income was received from government transfers or payments
- Non-businesses or non-trading enterprises (such as embassies and missions)
- The informal sector of the economy, including:
 - Subsistence agricultural production
 - Piecemeal and informal manufacturing
 - Street vendors

The BAS does not include the informal sector as there are no robust survey frames from which to survey these micro-businesses. Although this sector is expected to involve a large number of very small businesses, their collective contribution to gross domestic product is expected to be very small. Included in the informal sector are a large number of own account taxi and truck drivers, a large number of (mostly female) piecemeal manufacturing contractors and businesses in agriculture production (subsistence farming). However, in terms of agriculture production, some coffee cooperatives were included.

Survey Frame

A list frame was used for the BAS. The 2010 survey frame was used as the starting point for 2011, with updates and adjustments applied. It comprised of businesses:

- from the 2010 frame that had not ceased operations during the 2010 reference year
- that remitted tax for the 2011 calendar year (or were expected to do so) to the National Directorate of Domestic Taxes (approximately 3,100 businesses)
- awarded government contracts that were not on the tax list (198 businesses). The list was obtained from the National Directorate of Treasury. Businesses on this list were included on the frame if they were not required or expected to remit tax through Domestic Revenue for the calendar year 2011. (Please note these businesses were not included in the BAS 2010 results. See revisions for 2010 for the impact on the estimates)

The survey frame consisted of 5,278 businesses, of which 243 were in the completely enumerated strata. 4,024 businesses were in Dili and 1,254 businesses in the other Districts.

Coverage

The primary coverage source for non-petroleum producing businesses was the list of businesses as described under 'Scope' above.

A number of administrative data sources were used for compiling information on the banking industry and the Public Trading Enterprises.

Financial data for the banking sector were obtained directly from the Banking and Payments Authority, from which consolidated balance sheet and profit/loss statements were available. Employment data for the financial sector were sought directly from the banks operating in Timor-Leste.

Statistical Unit

The statistical unit is the business or entity associated with a tax identification number (TIN) as assigned by the National Directorate of Domestic Tax. For businesses taken from the eProcurement Portal the statistical unit is the vendor identification.

Survey Design

A stratified simple random sample was used to collect data from 1,073 businesses from a total survey frame count of about 5,278 businesses.

Stratified number raised estimation was used for the BAS. Weights were applied to businesses that participated in the survey to account for those businesses that were either not surveyed or did not participate in the survey.

Forms Strategy

A two questionnaire strategy was adopted to limit the reporting load on small businesses. A long questionnaire consisting of about 32 questions was used for larger businesses operating in Dili, while a short questionnaire of 14 questions was used for all other businesses.

The content of the long questionnaire included finer level breakdowns of income, expenses, taxes, inventories and capital acquisition and disposal of assets. This additional content is considered essential for compiling detailed national accounting aggregate data (see attached questionnaire).

Rounding

Where figures have been rounded, discrepancies may occur between totals and the sums of the component items. Proportions, ratios and other calculated figures shown in this publication have been calculated using unrounded estimates and may be different from, but are more accurate than, calculations based on the rounded estimates.

Estimates of employment have been rounded to the nearest 100 persons. Estimates of average wages per employee have been rounded to the nearest \$100.

Reliability of data

The data estimated from the BAS have been obtained from a sample of businesses. As such, these data are subject to sampling variability, that is, they may differ from the figures that would have been produced if the data had been obtained from all businesses in the population.

One measure of the likely difference is given by the standard error, which indicates the extent to which an estimate might have varied by chance because the data were obtained from a sample of units. There is about a 67 per cent chance that a sample estimate will differ by less than one standard error from the figure that would have been obtained if all units had been included in the survey, and about a 95 per cent chance that the difference will be less than two standard errors.

Sampling variability can also be measured by the relative standard error (RSE) which is obtained by expressing the standard error as a percentage of the estimate to which it refers. The RSE is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to the effects of random sampling and this avoids the need to refer also to the size of the estimate.

To illustrate, the estimate of total income for Timor-Leste in 2011 was \$1478.7m (see Table 3.1). The RSE of this estimate is shown as 7.0 per cent, giving a standard error of approximately \$103.5m. Therefore, there is a 95 per cent chance (i.e. a confidence interval of 95 per cent) that the figure is within two standard errors (or \$207.0m) and would have been within the range of \$1,271.5m to \$1,685.7m.

Table 3.1 Relative standard errors by geography, non-petroleum producing businesses, 2011

		Dili		Districts		Total Timor-Leste	
		Estimate	RSE	Estimate	RSE	Estimate	RSE
Total employment	n	46,900	5.6	11,200	8.2	58,200	5.4
Total income	\$m	1,390.7	7.5	88.0	10.2	1,478.7	7.0
Total expenses	\$m	1,069.0	8.8	54.6	8.2	1,123.6	8.4
Output	\$m	1,102.8	9.1	72.2	11.6	1,175.0	8.6
Intermediate use	\$m	562.6	13.9	30.8	10.8	593.5	13.2
Industry value added	\$m	540.2	7.2	41.4	16.1	581.5	6.8
Compensation of employees	\$m	180.6	8.9	13.8	10.9	194.4	8.3

Table 3.2 Relative standard errors by industry, non-petroleum producing businesses, 2011

		Manufacturing		Construction		Retail and Wholesale Trade	
		Estimate	RSE	Estimate	RSE	Estimate	RSE
Total employment	n	4,400	21.5	18,000	10.1	13,600	6.1
Total income	\$m	57.1	24.3	551.8	16.7	487.8	11.0
Total expenses	\$m	39.4	12.9	452.7	19.0	370.8	12.2
Output	\$m	51.4	26.7	611.7	16.4	167.2	7.7
Intermediate use	\$m	26.0	13.3	369.6	21.2	31.2	7.3
Industry value added	\$m	25.4	49.5	242.0	14.2	136.0	9.0
Compensation of employees	\$m	8.3	26.4	103.5	14.9	29.0	6.9

		Accommodation and Food Services		Other industries		Total Timor-Leste	
		Estimate	RSE	Estimate	RSE	Estimate	RSE
Total employment	n	7,000	11.6	15,100	13.1	58,200	5.4
Total income	\$m	65.6	10.7	316.5	9.3	1,478.7	7.0
Total expenses	\$m	44.4	10.5	216.3	9.9	1,123.6	8.4
Total income	\$m	63.3	11.0	281.5	10.2	1,175.0	8.6
Total expenses	\$m	28.8	11.8	137.8	12.9	593.5	13.2
Output	\$m	34.5	11.9	143.6	11.9	581.5	6.8
Intermediate use	\$m	12.9	11.4	40.7	12.8	194.4	8.3

Revisions to BAS 2010

In this publication the results for BAS 2010 have been revised to account for the broadening of the BAS 2011 frame. Specifically, employment and financial data have been revised to include the contribution of businesses receiving government contracts in 2010 that had not been included in the tax list of businesses for that year. These amendments to the 2010 data ensure greater comparability with BAS 2011 results.

The majority of the BAS 2010 data revision was to the 'Construction' industry. The impact of these revisions is shown in Table 3.3. The original published data are presented next to the revised data. The percentage change between the two estimates is in the last column. In summary the 2010 revisions increased employment by about 3.8 per cent, income by 20.2 per cent and IVA by 34.8 per cent.

Table 3.3 Revisions to BAS 2010 data

		Total Timor- Leste 2010 (Original)	Total Timor- Leste 2010 (Revised)	% Change
Total employment	n	46,653	48,434	3.8
Total income	\$m	892.3	1,072.9	20.2
Total expenses	\$m	657.4	817.8	24.4
Output	\$m	589.8	819.2	38.9
Intermediate Use	\$m	260.5	375.5	44.1
Industry Value added	\$m	329.3	443.8	34.8
Compensation of employees	\$m	94.1	160.5	70.6

GLOSSARY

Accommodation and food services

Accommodation and food services refers to the industry defined under 'Section I – Accommodation and food service activities' of the International Standard Industrial Classification of All Economic Activities, Revision 4.

This industry includes the provision of short-stay accommodation for visitors and other travellers and the provision of complete meals and drinks fit for immediate consumption.

Average wages per employee

Average wages is a measure of the average annual cash wages and salaries paid by businesses to persons working for that business.

Average wages per employee is defined as wages and salaries *divided by* total employment.

Capital expenditure

Capital expenditure refers to the expenditure on capital assets.

Capital expenditure includes expenditure on:

- land
- dwellings
- other buildings and structures
- plant, machinery and equipment
- motor vehicles

Capitalised purchases of materials

Capitalised purchases of materials refer to capitalised purchases of goods for use in capital work done by the employees or proprietors of a business, for the business' own use.

Capitalised wages and salaries

Capitalised wages and salaries refers to capitalised payments for work done by own employees in manufacturing, constructing, installing or repairing assets.

Change in inventories

Change in inventories is equal to the value of total inventories at the end of the reference period, *less* the value of total inventories at the start of the reference period.

Change in inventories is defined as:

- closing inventories of raw materials
- *plus* closing inventories of work in progress
- *plus* closing inventories of finished goods
- *less* opening inventories of raw materials
- *less* opening inventories of work in progress
- *less* opening inventories of finished goods

Change in inventories of finished goods

Change in inventories of finished goods is equal to the value of inventories of finished goods at the end of the reference period, *less* the value of inventories of finished goods at the start of the reference period.

Inventories of finished goods include goods, merchandise and trading stock that are bought with the intention of resale, without transformation.

Change in inventories of raw materials

Change in inventories of raw materials is equal to the value of inventories of raw materials at the end of the reference period, *less* the value of inventories of raw materials at the start of the reference period.

Inventories of raw materials include supplies and materials used as inputs, by a business, in producing goods and services.

Change in inventories of work in progress

Change in inventories of work in progress is equal to the value of inventories of work in progress at the end of the reference period, *less* the value of inventories of work in progress at the start of the reference period.

Inventories of work in progress include manufacturing and construction projects that have commenced but are not completed at the end of the reference period.

Construction

Construction refers to the industry defined under 'Section F – Construction' of the International Standard Industrial Classification of All Economic Activities, Revision 4.

This industry includes general construction and specialized construction activities for buildings and civil engineering works. It includes new work, repair, additions and alterations, the erection of prefabricated buildings or structures on the site and also construction of a temporary nature.

Compensation of employees

Compensation of employees (COE) is a measure of the total remuneration, in cash or in-kind, payable by a business to an employee in return for work done by the employee during the accounting period.

COE is defined as:

- wages and salaries
- *plus* non-wage benefits
- *plus* capitalised wages and salaries

Dili

Dili refers to the district of Dili, including the island of Atauro.

Districts

Districts refer to all 12 districts in Timor-Leste outside of Dili. This includes the districts of Ainaro, Aileu, Baucau, Bobonaro, Covalima, Ermera, Liquica, Lautem, Manufahi, Manatuto, Oecusse and Viqueque.

Employment

Employment refers to all employees on the payroll during the last pay period ending in December 2011. Employees absent on paid or prepaid leave and owners of the business who also work for the businesses are included. This item includes both Timorese and foreign nationals.

Income from sale of goods and services

This item includes both income from the sales of goods and income from the provision of services.

Income from the sale of goods includes income from the sale of goods:

- not produced (e.g. imported goods, retail or wholesale sales)
- produced (e.g. goods manufactured)

Income from the provision of services includes:

- income generated from restaurant and hotel operations
- income from accounting, legal service or consulting services
- income from repair and maintenance services
- rent leasing and hiring income
- management fees and charges
- installation charges (e.g. air conditioning installation)
- income from construction services
- income from transport services
- bank fees and bank charges
- other income from the provision of services

Income from sales of goods and services excludes interest income and the profit on the sale of assets.

Industry value added

Industry value added (IVA) is a measure of industry contribution to a national economy. It represents the value added by an industry to the intermediate inputs used by the industry. IVA is calculated as the difference between the market value of the output of an industry (output) and the purchases of materials and expenses incurred in the production of that output (intermediate use).

IVA is defined as output *less* intermediate use.

Intermediate Use

Intermediate use is a measure of the value of inputs required by an industry to produce that industry's outputs.

Intermediate use is defined as:

- purchases of supplies and materials
- *plus* other intermediate expenses
- *plus* capitalised purchases of materials
- *less* change in inventories of raw materials

Intermediate use does not include any labour costs or any other remuneration payable to employees. It also excludes bad and doubtful debts, interest expenses and depreciation and amortisation.

Labour costs

Labour costs are defined as wages and salaries *plus* non-wage benefits.

Manufacturing

Manufacturing refers to the industry defined under 'Section C – Manufacturing' of the International Standard Industrial Classification of All Economic Activities, Revision 4.

This industry includes the physical or chemical transformation of materials, substances or components into new products.

Non-wage benefits

Non-wage benefits are the estimated costs of providing in-kind and non-cash remuneration to employees in return for labour. Examples include meals provided to employees or an employee's private use of a business's motor vehicle.

Other expenses

Other expenses refer to all expenses other than labour costs and the purchases of supplies, materials and finished goods. Other expenses exclude capitalised expenditure, but includes.

- contract, subcontract and commission expenses
- rent, leasing and hiring expenses
- telecommunication services
- payments for electricity
- transportation and storage services
- printing and marketing services
- legal and accounting services
- bad and doubtful debts
- depreciation and amortisation
- interest expenses
- other payments for services

In contrast other intermediate expenses do not include bad and doubtful debts, interest expenses and depreciation and amortisation.

Other income

Other income includes all income other than income from the sales of goods and income from the provision of services.

Other income includes:

- interest income
- income from the sale of assets
- donations

Other industries

Other industries refer to all industries other than 'Manufacturing', 'Construction', 'Retail and Wholesale Trade' and 'Accommodation and Food Services'.

Other industries are defined as being the industries that make up the following sections of the International Standard Industrial Classification of All Economic Activities, Revision 4:

- A Agriculture, forestry and fishing
- B Mining and quarrying
- D Electricity, gas, steam and air conditioning supply
- E Water supply; sewerage, waste management and remediation activities
- H Transportation and storage
- J Information and communication
- K Financial and insurance activities
- L Real estate activities
- M Professional, scientific and technical activities
- N Administrative and support service activities
- P Education
- Q Human health and social work activities
- R Arts, entertainment and recreation
- S Other service activities

As the petroleum producing industry of Timor-Leste is out of scope of this survey, estimates of other industries are exclusive of petroleum producing businesses.

Other intermediate expenses

Other intermediate expenses are the value of inputs used by an industry in creating outputs other than purchases of supplies and materials.

Other intermediate expenses are defined as:

- other expenses
- *less* bad and doubtful debts
- *less* interest expenses
- *less* depreciation and amortisation

Other intermediate expenses exclude capitalised expenditure.

Other intermediate use

Other intermediate use refers to all intermediate use other than purchases of supplies and materials.

Other output

Other output refers to all output other than income from the sales of goods and income from the provision of services.

Output

Output is a measure of the market value of production in an industry. It includes the value of goods produced by an industry, *plus* the value of services provided by an industry, *plus* the margin on goods resold by an industry.

Output is defined as:

- income from the sale of goods and services
- *less* purchases of finished goods
- *plus* change in inventories of finished goods
- *plus* capitalised purchases of materials
- *plus* capitalised wages and salaries
- *plus* change in inventories of work in progress

Profit

Profit is a measure of operating profit (or loss) during the reference period. Profit is derived as:

- total income
- *less* total expenses
- *plus* change in inventories

Purchases of finished goods

Purchases of finished goods are purchases of goods, merchandise and trading stock that are bought with the intention of resale, without transformation. Purchases of finished goods are the major cost incurred by businesses in the 'Retail and Wholesale Trade' industry.

Purchases of finished goods exclude purchases of supplies and materials, payments for services and capitalised purchases.

Purchases of supplies and materials

Purchases of supplies and materials are the cost of non-capitalised goods used in the production of the output of a business.

Purchases of supplies and materials include:

- raw materials used in manufacturing and construction
- foodstuffs for use in preparing meals and take away food
- parts and fuels for motor vehicles
- guest supplies for use in hotel rooms
- other purchases of supplies and materials

Purchases of supplies and materials exclude purchases of finished goods and trading stock that are resold without transformation. It also excludes contract, subcontract and commission expenses, payments for services and capitalised purchases.

Purchases of supplies, materials and finished goods

Purchases of supplies, materials and finished goods are defined as purchases of supplies and materials *plus* purchases of finished goods.

Retail and wholesale trade

Retail and wholesale trade refers to the industry defined under 'Section G – Wholesale and retail trade; repair of motor vehicles and motorcycles' of the International Standard Industrial Classification of All Economic Activities, Revision 4.

This industry includes wholesale and retail sales (that is, sales without transformation) of any type of goods and the provision of services incidental to the sale of these goods. Also included in this industry are the repair of motor vehicles.

Wages and salaries

Wages and salaries refer to the cash wages and salaries paid to employees of the business in return for labour.

QUESTIONNAIRE

A questionnaire was used to collect data on individual businesses operating in Timor-Leste. A two questionnaire strategy was used to collect these data. Specifically, a long questionnaire was used to collect business activity from the largest businesses operating in Dili. A shorter questionnaire was used for all other businesses to reduce reporting burden imposed on the smaller operations.

Attached is a copy of the long questionnaire. Please note, not all data collected were directly published. They were used in the compilation of higher level aggregate data or were not of sufficient quality to publish.

**BUSINESS ACTIVITY SURVEY
2011
BUSINESS QUESTIONNAIRE_L**

PART 1. BUSINESS IDENTIFICATION									
1. TIN	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>								
2. Business Name								
3. District								
4. Name of person completing this form								
5. Contact telephone	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>								

PART 2. ENUMERATION PARTICULARS				
Description	Interviewer	Field Supervisor	Office Editor	Data Entry
1. Name				
2. Code				
3. Date Finalised	(...../...../.....) (Day/Month/Year)	(...../...../.....) (Day/Month/Year)	(...../...../.....) (Day/Month/Year)	(...../...../.....) (Day/Month/Year)
4. Signature				

Purpose of Collection

The Business Activity Survey will provide key measures of the performance of Timor-Leste industries. These data will be used in the compilation of Timor-Leste National Accounts aggregates. The results will be used by analysts to address policy issues and to monitor actual changes in the operation, structure and performance of Timorese businesses.

Collection Authority

The information asked for is collected under the authority of the Democratic Republic of Timor-Leste Government, Decree-Law No. 17/2003 (1st October 2003). Your co-operation is sought in completing and returning this form by the due date. The Act provides me with the power, if needed, to direct you.

Confidentiality

Your completed form remains confidential to the National Directorate of Statistics.

Due Date

Please complete this form by

--	--

 /

--	--

 / 2012.

Elias dos Santos Ferreira
Director
National Directorate of Statistics

PART 3. GENERAL INFORMATION

1. Period covered by financial data on this form

Note: This form is for the period 1 January 2011 to 31 December 2011.

If you were not in business for the whole year, or you had an approved substituted accounting period, please specify the period to which this form relates:

		/			/					to			/			/				
--	--	---	--	--	---	--	--	--	--	----	--	--	---	--	--	---	--	--	--	--

2. Business Type *(please tick one)*

- Private non-financial business
- Private financial enterprise
- Public non-financial enterprise
- Public financial enterprise
- Not-for-profit institution (NPI).....

If NPI:

What is your main activity (e.g. education)? *(please specify)*

.....

Is 50% or more of your revenue from trading activities?
(Please tick one):

- Yes
- No

Other

3. Please indicate (or describe) the activity from which this business/organization derives its main income. (please tick one)

- Agriculture, forestry and fishing
- Mining and quarrying
- Manufacturing
- Electricity, gas, steam and air conditioning supply
- Water supply, sewerage, waste management and remediation activities
- Construction
- Wholesale and retail trade, repair of motor vehicles, motor cycles
and personal household goods
- Accommodation and food services
- Transport and storage
- Information and communication
- Financial and insurance services
- Real estate activities
- Professional, scientific and technical activities
- Administrative and support service activities
- Education
- Human health and social work activities
- Other activities (*please specify*)

.....
.....

PART 6. EXPENSES in 2011

11. Labour costs

(a) Salaries and wages

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

(b) Non-wage benefits

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

12. Purchases

(a) Purchases of trading stock

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

(b) Purchases of supplies and materials

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

13. Payments to other businesses for the provision of labour

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

14. Communication expenses

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

15. Rent paid on land, buildings and equipment.....

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

16. Interest expenses.....

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

17. Depreciation and amortisation

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

18. Bad and doubtful debts

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

19. Other expenses

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

Please specify the nature and amount of the two largest items included in ‘Other expenses’

(a)

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

(b)

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

20. Total expenses for 2011 (Sum of Questions 11 to 19).....

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

21. Total expenses for 2010

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

PART 7. TAXES PAID in 2011

22. Custom duties

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	---	---	---

23. Excise taxes.....

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	---	---	---

24. Business licenses and other indirect taxes.....

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	---	---	---

PART 8. INVENTORIES

25. Inventories

Opening (1 January 2011)

(i)

Closing (31 December 2011)

(ii)

(a) Raw materials

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	---	---	---

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	---	---	---

(b) Work in progress ...

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	---	---	---

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	---	---	---

(c) Trading stock

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	---	---	---

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	---	---	---

TOTAL (a) + (b) + (c) ...

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	---	---	---

\$.	0	0
----	--	--	--	--	--	--	--	--	--	--	---	---	---

PART 9. CAPITAL EXPENSES AND DISPOSAL OF ASSETS in 2011

26. Purchases of land .....	\$																		.	0	0	
27. Direct imports of capital goods .....	\$																			.	0	0
28. Purchases of other capital assets .....	\$																			.	0	0
29. Capitalised wages and salaries.....	\$																			.	0	0
30. Capitalised purchases of materials .....	\$																			.	0	0
31. Disposal of land .....	\$																			.	0	0
32. Disposal of capital assets .....	\$																			.	0	0

ACKNOWLEDGEMENT

The BAS publication draws extensively on information provided freely by individuals, businesses, government and other organisations. Their cooperation is very much appreciated; without it, the range of statistics published by the DNE would not be available. Information received by the DNE is treated in strict confidence as required by the Decree Law 17/2003 (1st October 2003).

