3 Major Historical Events that impacted on our private sector development where we were BACK TO ZERO twice:
- 1975 – Civil War
- 1999 – Referendum for Independence
- 2006 – Political Crisis

Our Nation has moved from “Peace Building” to “Nation Building” in line with our Government’s 20 Year Strategic Plan.

**Background – Timor-Leste Private Sector**

**Major Progress & Achievements (Public)**
- Basic Infrastructure Improvements
  - Power supply
  - Telecommunication (choice of 3 providers)
  - Roads & Bridges
  - Water & sanitation
- Tourism Facilities Refurbishments & Investments
  - Tourist attractions for e.g. Cristo Rei, Largo Lecidere Park
  - “General Cleaning Day”

**Major Progress & Achievements (Private Investment of well over $50 mil)**
- Manufacturing & Production
  - Cement packing
  - Food canning
  - Water bottling
- Hotel & Accommodation
  - Good quality hotels are being built continuously
- Food Services & Hospitality
  - Better quality restaurants
  - Better quality food
- Retail Sector
  - Supermarkets/retail outlets with wider range of food and consumables
  - Shopping Centre and Plaza
- Real estate and property development
- Services sectors – including finance, insurance, legal & accounting.
Major Progress & Achievements

- VOICE for Private Sector
  - Private Sector has established the Chamber of Commerce and Industry of Timor-Leste (CCITL) and district Chambers to:
    - Represent our Common Interests
    - Advance our Policy, Advocacy and Representation agenda.
    - Become the Government Focal Point for Liaison with private sector
    - Build the skills and capacities of private sector
    - Facilitate networking amongst businesses both national and international.

Key Challenges – Difficult Business Environment

- Import challenges and impediments leading to:
  - Rising business costs (often unnecessary) due to inefficiency at Port, Customs, Quarantine and related agencies.
  - Lost opportunities
  - Damaged goods or goods being “out of date”
  - Difficulty in meeting market demands and needs
  - Inflation – rising cost of goods and services
  - Lack of skills and resources in business sectors
  - Businesses have difficulty in accessing finance to support business growth.
  - Uncertainty in land titles leading to confusion & disputes.

Key Challenges – High Cost of Doing Business

- High cost of electricity
- US Dollar economy
- Lack of Buying power
- Lack of skilled labour and professional resources
- High freight costs – due to empty vessels/containers in return journey.
- Import dependent economy
- Lack of/under utilization of raw materials and supplies.
- Bureaucracy and red tapes

Key Challenges – Infrastructure

- Lack of Infrastructure to support business growth:
  - Port congestions
  - Lack of airport facilities
  - Lack of roads & bridges
  - Lack of transportation facilities

The Way Forward

- Strong Partnership (through CCITL) with Government, supported by IFC, ILQ, World Bank, VECCI, BFZ and other strategic partners will make it easier for investment.
- Private sector has a role to play in Job Creations and economic development and sustainability.
- Private sector has never been so united.
- Strong private sector unity will lead to continuous reforms and improvements to our business environment.