



Secretaria de Estado para o
Apoio e Promoção do Setor Privado



TIMOR-LESTE TOURISM RESEARCH AND DEVELOPMENT



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ABBREVIATIONS

BOSS	Business Opportunities and Support Services
CCI-TL	The Chamber of Commerce and Industry – Timor-Leste
IADE	Institute of Business Support
ILO	International Labour Organization
NZAID	New Zealand Aid
SEAPRI	Secretary of State for the Promotion and Support of the Private Sector

1. Timor-Leste Tourism Sector

1.1. Introduction



Timor-Leste is a small country, 15,000 km² and a population just over 1 million, with beautiful and varied landscapes. It has tropical waters rich in marine life, some white sandy beaches and rugged hill country / mountain ranges. Natural features include caves systems and hot water springs. It is culturally interesting with Portuguese colonial heritage, resistance history and Timorese culture. Timorese are generally extremely friendly and very welcoming to visitors, especially in the districts. A 'trickle' of international holiday makers to this 'new' destination is definitely starting to emerge and these are arriving for quite a diverse range of reasons.

Timor-Leste tourism is at an early stage of development and, not surprisingly, following its recent long struggle for independence, receives extremely low numbers of international visitors. The previous presence of the United Nations Integrated Mission in Timor-Leste contributed to the development of an artificial tourism industry where the restricted mobility of the international staff created a captive market and a false impression that tourist volume is achievable with little or no effort. Since the departure of the peace keeping mission in December 2012, the occupancy rate of Dili's hotels and visitors to the districts in general have declined substantially.

It will take time to (re-)build up international visitor arrivals through a combination of targeted tourism marketing / development and ensuring those few visitors that are arriving receive a satisfying / good value holiday experience (i.e. thereby generating positive 'word of mouth' recommendations in the market place). In addition, it is likely to take time for other countries to soften their travel advisories on Timor-Leste, an important step in making the country more attractive for holidaying.



What currently are commonly referred to as 'tourists' in Timor-Leste are mostly those who visit for business reasons, to see family and friends and to work for international / government organizations in Dili. Only an intrepid few are actually visiting Timor-Leste with the main purpose of 'holiday'. Some of these are engaging in general sightseeing and others are enjoying more special interest pursuits. Timor-Leste is well suited to providing a wide range of such activities including diving / snorkelling, marine wildlife viewing, trekking, caving, motorbike / 4-wheel drive tours and cultural / education tourism.

Although Timor-Leste is a relatively expensive and time consuming location to visit (compared to some neighbouring destinations), it does have good tourism development potential for specific market segments i.e. those travellers seeking new and largely untouched destinations offering natural beauty, an interesting culture and keen to participate in special interest activities (especially marine).

In addition it is likely some travellers will be prepared to pay the extra dollars needed to visit Timor-Leste if it is able to deliver the corresponding higher 'quality', more unique holiday experiences they are seeking e.g. pristine reefs with abundant marine life. While tourism is obviously a massive sector worldwide, it also is extremely competitive as international visitors have a huge range of destinations / holiday experiences to choose from. For this reason conversely it is unlikely tourists will visit Timor-Leste in any number for a similar (or replica) tourism experience, such as a constructed attraction, that is more readily available / better value in a nearby competing destination.

1.2. Government Policy



Timor-Leste has strong aspirations for tourism growth at a national level as outlined in the 'Timor-Leste Strategic Development Plan 2011 – 2030':

"The petroleum sector...will provide an industrial base to our economy. Tourism, and in particular eco-tourism will be a major contributor to the national economy... (Economic Development – p 108)

Development of the Timor-Leste economy will be built around the growth of three critical industries: agriculture, tourism and petroleum. In these industries, Timor-Leste has significant advantages due to our natural resources, geographic location and economic profile."

"In a global market seeking new and authentic tourist offerings, Timor-Leste will position itself to provide a range of tourism experiences that take advantage of our natural beauty, culture and heritage. This will allow Timor-Leste to differentiate itself from mass market tourist offerings and appeal to the growing market segment seeking boutique and unique experiences and locations.

Timor-Leste will also develop the niche market offerings for visitors seeking adventure tourism, scuba diving and marine tourism, trekking or cultural and historical tourist experiences." (Strategy and Actions – p 144)

By 2030: Timor-Leste will have a well developed tourist industry attracting a large number of international visitors, contributing substantially to national and local community income and creating jobs throughout the region." (Targets – page 152)

Tourism is a nascent industry in Timor-Leste with good potential. With the withdrawal of the United Nations mission signalling to the world that the country is peaceful and stable, it is now time to realise the ambitions of the Strategic Development Plan.

2. RESEARCH AND DEVELOPMENT

2.1. BOSS Project and Tourism Value Chain



The inherent characteristics of the tourism sector being labour-intensive and providing job opportunities, particularly for women and people with lower-skills, makes it an appealing sector for projects with job creation as a mandate such as the *Business Opportunities and Support Services* (BOSS) Project.

BOSS is a 5 year project (2010 - 2015) jointly funded by Irish Aid and New Zealand Aid (NZ Aid) with the key objective of contributing directly to the generation of pro-poor economic development and quality employment for women and men and indirectly to peace consolidation and conflict prevention. BOSS offers a unique and innovative approach in Timor-Leste by working from a market-based approach to development through value chain and enterprise development within the Institute of Business Support (IADE), the implementation arm of the Secretary of State for the Support and Promotion of the Private Sector (SEAPRI).

The BOSS Project originally commenced value chain development in the beef cattle and horticulture sectors. Then in 2013 it conducted research on the tourism sector, with the results presented in this report. Tourism is the first service sector investigated by BOSS and its characteristics differ substantially from the other two product value chains. A value chain describes "the full range of activities that are required to take a product (or service) from its conception, through design, sourcing of plant and equipment, raw materials, skills and intermediate inputs, its processing, marketing and distribution to the final consumer".

The term 'value chain' refers to the fact that value is added to preliminary products (services) through the combination of other resources as the product (service) moves up the chain towards purchase by the end consumer.



Surrounding the value chain, where the core transactions take place, there are supporting, enabling functions (e.g. finance and business development services, information, infrastructure etc) and rules and regulations (e.g. standards, regulations, licenses, certifications, informal norms etc) that provides the environment and services to optimise the performance of the value chain.

Tourism is a very complex sector involving a web of multiple interrelated stakeholders. In addition to the role of government agencies in providing a legislative and policy framework, infrastructure, a destination marketing 'umbrella', information services etc, the tourism industry for a country is typically made up of a few large private sector players (e.g. airlines, hotel chains, transport etc), some medium sized businesses and very many small businesses (activity operators, local transportation, guest houses, restaurants, event managers etc). Also included are the travel trade based locally and offshore (e.g. wholesalers, travel agents, online agents etc) which usually operate on a commission payment system.

Some stakeholders interact directly with the visitors (e.g. accommodation, transport, activities / attractions, restaurant, souvenir retailers etc), while others have more indirect linkage (e.g. governance, banking, laundry services, food producers etc). So many different parties are required because visitors on holiday need to be accommodated, transported, entertained, fed etc. They also want to be safe, have fun and experience something new and different from their normal existence whether it is relaxation, culture, adventure etc.



Due to the inter-related nature and complexity of relationships / transactions within the tourism sector and the fact that value is not added in a linear way as in a product value chain, the BOSS Project started questioning the value chain model's suitability and usefulness for analysing and describing the sector. A simple internet search on 'value chain' and 'tourism' showed that where the term value chain was used the 'tourist' was the item that moved up (and down as the arrows often went two ways) the value chain.

In terms of value, the spending of the tourist at each link (travel to destination, accommodation, restaurant, entertainment, local transport etc) was accounted for, spending presumably as a proxy for value. However the BOSS Project felt that applying the value chain analytical model was artificial and contrived, and not helpful in explaining what services make up the tourism delivery experience and how these are interlinked.

In addition, using spending as a proxy for value does not correspond to reality, especially in Timor-Leste where high expenses and low quality service delivery is the reality. Secondly, attempting to track spending of tourists in Timor-Leste would be an impossible and not very useful or enlightening exercise as data is extremely scarce and usually unreliable. Very few guesthouses, restaurants and other relevant services keep records, especially in the districts.

As a result from this point onward the BOSS Project will refer to the tourism [sector](#) instead of the tourism [value chain](#).



2.2. Research Objectives and Methodology

To identify and subsequently implement Timor-Leste tourism interventions requires a thorough understanding of the sector and the BOSS Project believed that those parties already involved in this nascent industry had an important contribution to make. On this basis they were consulted as to their opinions and experiences at the commencement of the tourism research.

The tourism sector research was initially conducted by a team of IADE staff and additional information then was contributed by the Tourism Development Advisor that later joined IADE.

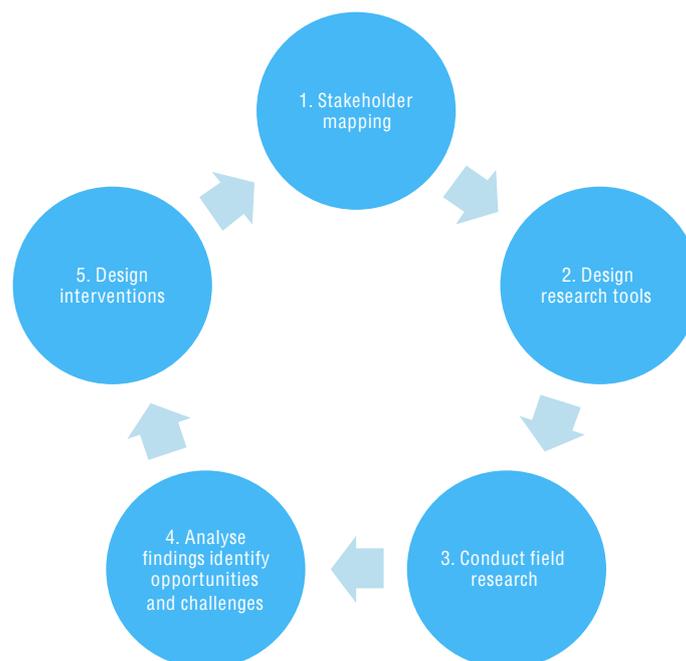
The main objectives of the tourism research undertaken were:

- ◆ Gain an understanding of tourism development aspirations, constraints and potential in Timor-Leste and priority districts
- ◆ Review existing tourism visitation and experience delivery
- ◆ Review international and domestic market potential
- ◆ Identify priority actions that will increase visitor arrivals / expenditure and associated employment opportunities in the districts of Timor-Leste
- ◆ Identify the most useful areas for IADE to action directly and liaise with others regarding their possible involvement

The research team, made up of eight IADE and two ILO staff (value chain and gender experts) and in each district one local IADE staff supporting the team, spent three weeks between January and February 2013 in the initial target districts of the BOSS Project - Bobonaro, Ainaro and Lautem.

(Note: Based on the recommendations of the Tourism Development Advisor, Atauro was later added as a target location to the BOSS Project as it already received the highest number of international 'holiday' visitors outside of Dili and appeared to have lower constraints to development).

The tourism sector research was planned and undertaken as follows:





Steps in the research process :

1. Stakeholder Mapping

The team prepared the research by firstly meeting with key tourism stakeholders in Dili to gain an initial understanding of the sector, which facilitated the design of the research tools. This stage included meetings with the Minister of Tourism and some of his key staff, representatives of the former tourism business association and selected tour and accommodation operators.

The team then did an initial mapping of known stakeholders and sites in the three priority districts including accommodation, restaurants, transport, tour operators (leaving from Dili), local tour guides etc. (Note: While in the districts the stakeholder list was supplemented by new individuals found during the visits).

2. Design Research Tools

The team then designed questionnaires and interview guides for the different stakeholder groups.

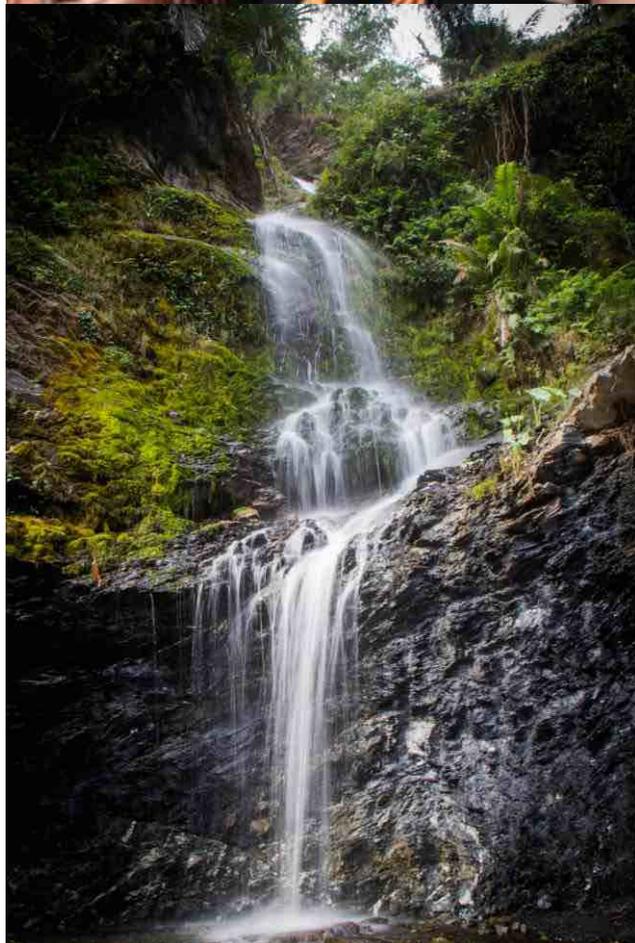
3. Conduct Field Research

The district field research was conducted between January and February 2013. It started in Bobonaro district where the focus was the Marobo hot springs, then Hato Bulico and Maubisse sub-districts in Ainaro, followed by a week recouping in Dili before the last trip to Lautem.

Each evening while in the districts the team gathered to compare notes, identify additional information needed and plan for the following day.

The investigation undertaken involved the following:

- ❖ Conducting individual interviews with local government representatives, private sector representatives (CCI-TL), tourism operators and visitors (when encountered)
- ❖ Reviewing guest house accommodation visitor registers / comment books (when available)
- ❖ Observation visits to key tourism locations and attractions



In March 2013, a Tourism Development Adviser from New Zealand, Mana Robyn Jebson was recruited to assist IADE in developing the tourism sector. Following a review of the information collected by her IADE / ILO colleagues she visited the three priority districts to get a firsthand experience of their potential and tourism service delivery, plus travelled to other Timor-Leste locations which appeared promising from a tourism perspective due to natural / cultural attributes.

Mana Jebson also reviewed additional information able to be sourced on Timor-Leste tourism (reports and arrival statistics etc), met with key tourism contacts at national level – Ministry of Tourism, NGOs and private sector, interviewed visitors holidaying in the districts (when encountered) and other local tourism operators (when they had not already been interviewed by the BOSS team).

As mentioned before, the Tourism Development Advisor suggested at the conclusion of her review that Atauro be added as a target area for the BOSS Project interventions, due to the Island's potential for tourism growth and there being less apparent constraints to development in the short term (i.e. road access is not required from Dili and there are no crocodiles).

4. Analyze Findings

When analyzed the results of the IADE research coupled with the Tourism Development Advisor's findings gave a clear picture of the state of the tourism sector in Timor-Leste. The opportunities and constraints stemming from this research and subsequent analysis formed the basis of identifying tourism development solutions and designing an action plan.

5. Design Interventions

The main research results are presented in the next section of this report followed by suggested actions for the development of the Timor-Leste tourism sector.

The final part of the report presents the interventions that the BOSS Project plans to implement in 2014.

3. TOURISM SECTOR RESEARCH FINDINGS

3.1. District Level

The BOSS Project team research in Bobonaro, Ainaro and Lautem found a range of existing accommodation properties (hotels, guest houses and eco-lodges) and restaurants / warungs, mostly of quite basic standard. These were family owned with the exception of a few government owned pousadas (Maliana, Hato Bulico, Maubisse and Tutuala) and the local co-operative managed Valu-Sere and Hakmatek eco-complexes.

Existing tourism attractions and organized activities included guiding services (e.g. Mount Ramelau and Ili Kere Kere Caves), Marobo Hot Springs, local fishing boat transport (e.g. Jaco Island) and various historic and culturally important sites and buildings (e.g. uma luliks, Portuguese forts, etc). Such guiding activities were small scale and operated intermittently and the attractions were generally rather dilapidated and run down.

On visiting Atauro, Mana Jebson found accommodation (guest houses, an eco-lodge and an eco-safari camp), boat operators (transport, diving / snorkeling, fishing), guided walking and two shops selling local crafts.

At district level the BOSS Project team identified very good potential to expand tourism and great keenness for this to happen as tourism development was seen as a way of generating dollars and creating local employment. Some respondents mentioned however that they do not really know what tourism is and what international tourists want.

A few also expressed apprehension regarding the potential impact on their culture and community from more visitor arrivals (i.e. they did not want Timor-Leste to become like Bali). Nervousness was also expressed regarding what tourism development might mean in terms of land ownership, access to precious resources (e.g. fresh water) and protection of important natural and cultural sites (e.g. caves). Their main concern however regarded the potential for negative influence (impairment of conservative social norms e.g. revealing clothing). Most however felt that the benefits of well managed and appropriately scaled tourism definitely would outweigh any negatives.



The recent research undertaken by Mana Shirley Carlos (Timor Adventures) and Maun Jose Ximenes (Alola Foundation) provides some useful insights in this regard (refer insert).

The Potential for Cultural Tourism Bobonaro, Ainaro and Lautem Districts

“Timor-Leste has a strong, unique traditional cultural heritage with major influences from Portuguese and Indonesian eras. Local leaders are justly proud of their cultural heritage and keen to share this with visitors.”

“All respondents felt that cultural tourism would bring benefits...primarily economic in the form of income and job generation...Secondary benefits were expressed as the opportunity to reinvigorate traditional culture...rebuild uma luliks, traditional cultural ceremonies, recording and relating myths and legends and stories related to sacred sites and objects...teach younger people about their culture before it is lost...While all respondents did have something to say about potential risks...A number of respondents voiced the opinion that Timorese culture is strong enough to withstand any risks tourism might bring and many had ideas for safeguards that could be put in place.”

Carlos C and Ximenes J, 2013

There was general consensus by those spoken to in the districts that they need to be involved in any tourism development at a local level. Government leadership and investment with upgrading of infrastructure (e.g. roads, fresh water) and attractions (both natural and cultural) and human resource training, marketing etc also was required.

Those with more exposure to tourism, for example from Atauro, spoke of wanting to be able to own and operate tourism businesses in the future i.e. they wanted involvement in tourism to not just mean working for others. They mentioned the challenges associated with doing this i.e. lack of tourism knowledge and difficulties sourcing investment dollars and that they felt disadvantaged in this regard compared to potential developers from elsewhere, both Dili and overseas.

In the districts the main constraints to tourism development mostly overlapped with those identified by Dili based stakeholders at a national level and these related to:

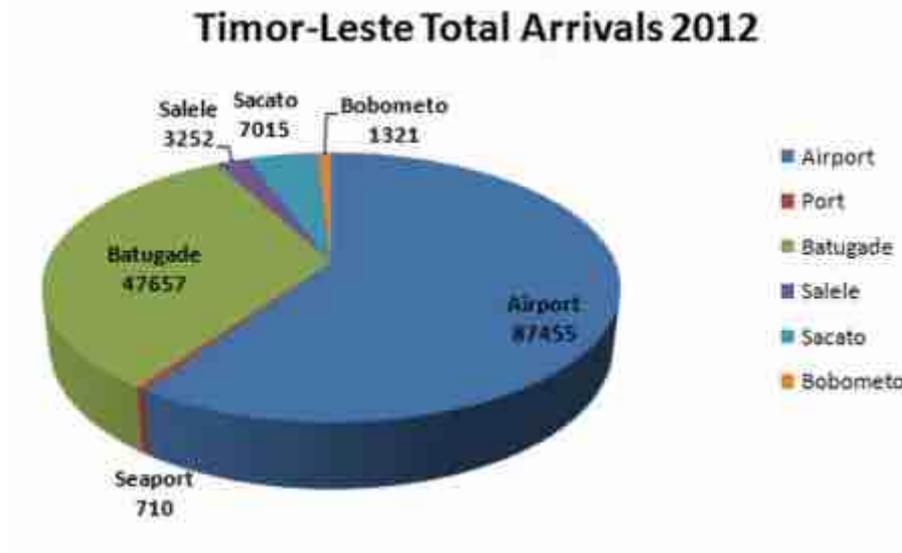
- ◆ Very low visitor numbers
- ◆ Lack of marketing
- ◆ Poor infrastructure
- ◆ Very low business and hospitality skills etc

In addition some districts had specific constraints e.g. crocodile risk and the need to develop a particular attraction / activity such as a hot springs, caves, cultural sites, trekking or diving etc that would be a draw-card for visitors.

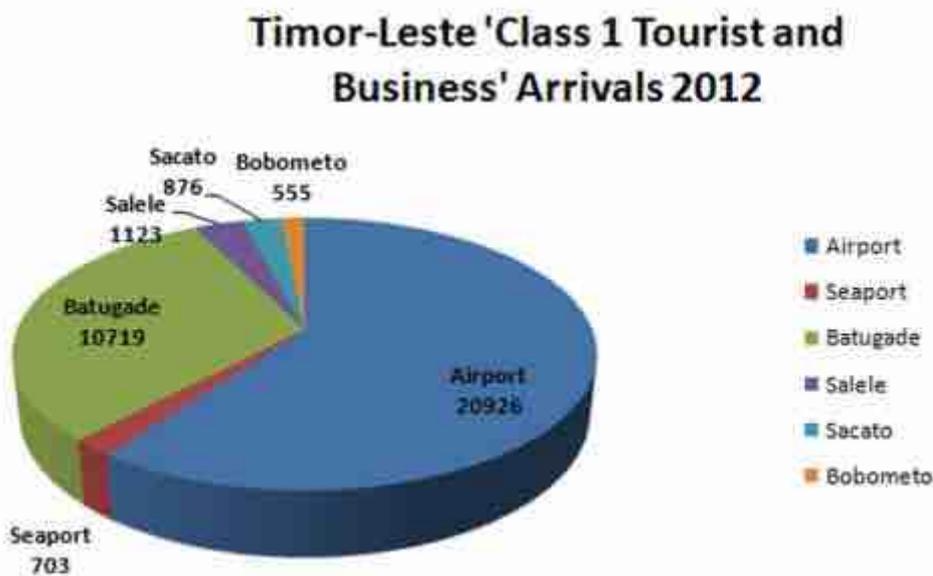
3.2. Visitation

Data available from official governmental sources indicated that tourist arrivals to Timor-Leste currently are extremely low.

147,410 total arrivals are recorded entering Timor-Leste in 2012 via entry points – airport, seaport and land crossings. This total includes those visiting for all reasons, including returning Timor-Leste residents.



34,902 visitors were recorded entering Timor-Leste in 2012 under the Class 1 'Tourist and Business' category via the airport, seaport and land crossings.



(Note: The BOSS Project unfortunately was unable to source the Class 1 'Tourist and Business' nationality breakdown which would be very useful for marketing / development purposes. It would also be extremely valuable in the future to be able to break down the 'Tourist and Business' category into the following categories – 'holiday', 'business' and 'visiting friends and relations (VFR)'. Collection of visitor arrival data at Timor-Leste's borders is the one opportunity available to get accurate information for all arrivals and such visitation data is highly useful for developing tourism investment feasibility plans and designing marketing campaigns etc).

Anecdotal feedback from Timor-Leste tourism operators suggested the majority of the 34,345 visitors entering under this Class 1 'Tourist and Business' category in 2012 were primarily arriving in Timor-Leste for 'business' or 'visiting friends and relations' reasons as opposed to 'holiday'.

This distinction is important as while other non-holiday sub-categories of short-term visitor arrivals are also positive for the tourism sector their motivations for travel are not the same and they tend to display very different travel and expenditure patterns. For example 'business' travelers tend to have very limited disposable time available for holidaying at a destination / exploring outside of Dili, but reasonably high daily spend. In contrast the 'VFR' sector tends to have variable disposable time for engaging in activities etc but exhibit much lower daily spend as they tend to stay in private residences / travel in private vehicles etc.

Assuming the majority of visitors arriving in Timor-Leste under the Class I category are 'business', and to a lesser extent 'VFR', would mean that Timor-Leste receives around 10,000 international 'holiday' visitors per annum (and probably significantly less than 10,000).

Tourism operator feedback indicated Timor-Leste 'holiday' visitor arrivals over a year currently had a nationality breakdown similar to that below:

Timor-Leste 'Holiday' Visitor Arrivals 2012	
Australia	50 %
UK/Europe	25 %
Rest of the World (North America, Asia, NZ etc)	25 %
TOTAL	100 %

(Note: Operators differed in their views as to the international demographic profile with Australian 'holiday' visitor estimates ranging between 35% - 60% of total arrivals. With regard to Europeans visiting the districts, most operators mentioned how diverse origin countries were which surprised the BOSS Project team as they had been expecting more Portuguese 'holiday' arrivals than was the reality).

Whatever the actual number and demographic split, current international 'holiday' arrivals are extremely low and the impact of this is felt most strongly in the districts.

In the BOSS Project priority districts – Lautem, Ainaro, Bobonaro and Atauro tourism operator feedback and accommodation guest book reviews suggested that many of these international 'holiday' arrivals to Timor-Leste were not going far afield from Dili, as so-called 'popular' tourism locations such as Maubisse, Hato Builico, Com, Valu, Beloi, Vila etc appear to receive only a very small proportion.

The research undertaken showed most district locations only achieve between 1,500 – 3,000 visitors in total staying overnight in commercial accommodation. These numbers include international travelers (around 500 – 1,500 per annum) with the balance primarily made up of domestic holiday-makers (mostly Malae *i.e.* *Expats*) taking a holiday break from Dili over a weekend / public holiday and those traveling for work. In some cases, domestic business travelers (Timorese and Malae) made up the majority of the total visitors staying in commercial accommodation at district locations.



As a result of visitor scarcity, the majority of existing accommodation properties in the districts achieved very low occupancy levels. For example, the Maubisse Pousada reported receiving only 850 visitors staying overnight in 2012 (250 Malae and 600 Timorese).

It should be noted that visitor data available at the district level is very patchy as not all accommodation properties record visitation and some appeared unsure of the numbers they had staying. Most mentioned that visitor numbers staying varied considerably i.e. wet / dry season, weekend / public holidays.

The few accommodation exceptions which had good occupancy levels appeared to have significant 'business' guests (e.g. Baucau pousada) or are very dominant in the location where they are based (e.g. Barry's eco-lodge on Atauro). Their success is likely to also be reflective of the quality of their facilities and service delivery.

The recent UN mission pull-out has definitely been felt in the districts e.g. Com, Valu, Maubisse, Maubara and etc. and this has exacerbated the precarious financial nature of some of the tourism businesses due to the resultant drop-off in visitation.

That said, during our trips to the districts in Timor-Leste we noticed there is some accommodation construction (including extensions) currently in progress e.g. Baucau pousada, Balibo guest house, Alecrim guest house in Hato Bulico, Lakumorre guest house in Valu, Barry's eco-lodge on Atauro etc. plus other properties which are newly opened e.g. Maubisse eco-lodge.

Tour, transport and activity operators (e.g. diving) also report very low numbers of tourists carried. In general, such operations are finding it very hard from a business perspective as visitors are scarce in number and there are few barriers to new entrants (from within or based outside of Timor-Leste) setting up in competition. Entrepreneurs are continually looking for opportunities to enter the tourism sector and in this process are frequently focused on taking share off existing operators rather than growing new business. As a result some tourism businesses recently have ceased to operate.

Legislation gaps including the lack of enforced intellectual property, commerce and fair trading legislation was a frustration mentioned by a few during discussions.

The few international arrivals currently visiting Timor-Leste primarily for 'holiday' reasons are reported to either be travelling around independently utilizing scheduled transport (buses, microlets, water taxis, ferry etc) or rental vehicles – with or without driver, travelling in small group tours (4 wheel drive / motorbike etc), engaging in special interest activities such as cultural and education tourism, diving, fishing, etc or participating in sporting events (e.g. Tour de Timor).

Barry's Eco-lodge on Atauro also seemed to be attracting a small number of more 'stay-put' style visitors who like its casual and friendly atmosphere, beach and local marine activities.



3.3. Access



Tourism development in Timor-Leste will always be dependent on the existence of reliable competitively priced air services due to the country's geographic location and being an island nation (with shared border). Via air services, Timor-Leste is currently linked directly from Denpasar, Darwin and Singapore.

As demand for travel to (and from) Timor-Leste builds up there will be an increase in carriers flying these (and possibly other) short haul routes. The reintroduction of competition on the Dili / Denpasar route, with the recent commencement of airline Sriwijaya, suggests there are few legislative / policy constraints to establishment of new competing carriers / additional flights apart from market demand and financial feasibility. This however may not be the case on all routes (e.g. the Darwin / Dili route, where Air North currently effectively has a monopoly and as a result enjoys relatively high ticket pricing).

Potential direct flights from other longer haul locations appear constrained by both the inability of Dili airport to cater for larger aircraft and much more importantly the lack of sufficient demand for 'holiday' travel to Timor-Leste to make such longer haul flights viable. While the majority of passengers will always prefer to fly direct to a destination, Timor-Leste is advantaged in that it is linked to both Bali and Singapore with their excellent flight connectivity to a very wide range of international markets. The retention and hopefully development of more competitively priced, conveniently timed Darwin air services similarly is vital in growing visitor numbers from Australia.

Timor-Leste's location to the east of Bali and the island hopping Nusa Tenggara backpacker / independent traveler route, means some international visitors from further afield than Indonesia (i.e. mostly Australians / Europeans) are arriving across the land border by public transport / vehicle. One significant challenge to access via this route (suggested by the local tourism industry) is the onerous time consuming requirements for non Indonesian and Portuguese nationals to obtain a 'visa application authorization' in advance, prior to arriving at the land border crossing.

Usually a stay of minimum 3 working days is required in Kupang to obtain the necessary paperwork from the embassy (and at times we understand this service has not been available e.g. over the 2012 Christmas holiday period, a traditionally busy travel time). This requirement appears to be a significant deterrent to growing backpacker visitation to Timor-Leste, and is probably costing Timor-Leste significantly in terms of foregone revenue (e.g. 2,000 backpackers x \$50 per day x 10 days = \$1 million revenue). The impact of any restraints on the backpacker sector will be felt most strongly in the districts due to their visitation patterns (i.e. backpackers tend to spread out and explore a country). In addition they play a very important role in the establishment of a new tourism destination because in addition to having a much higher tolerance of rough travel and lower quality accommodation (provided they get to see and experience what they want) they are great at 'spreading the word' via social media etc.

A relatively small number of 'Holiday' arrivals also arrive at Dili Port by sea – i.e. private yacht crews.

At a district level most key tourism locations are currently severely hampered in their development by the state of their access roads and in some cases the lack of regular scheduled transport. This is a major problem for travelers wanting to visit places such as Valu (Jaco Island) and Hato Bulico (Mount Ramelau) and such travelling challenges due to their severity currently are resulting in very bad negative 'word of mouth' feedback to aspirant travelers seeking information on exploring Timor-Leste.



3.4. Tourism Experience Delivery



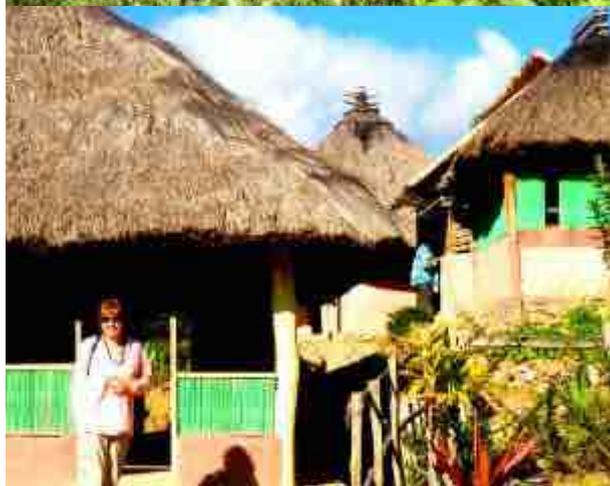
Timor-Leste does have good potential to develop tourism but based on current delivery, growth in arrival numbers is not going to be achieved easily due to the extent of constraints (e.g. bad roads, fresh water availability, accommodation standards in the districts, increasing crocodiles, human resource capacity etc) and the country's physical and social attributes.

Those holidaying in Timor-Leste comment, when compared to other international tourism destinations, it offers beautiful, but not stunning, scenery including some very rugged hills (mountains) and mostly pretty, but relatively small, beaches. Although not always readily accessible, they find Timor-Leste's history and culture interesting. The natural friendliness of Timorese in the districts usually is remarked upon. *(Note: This attribute should not be taken for granted / underestimated as to its importance, and its continuation will depend on whether Timorese feel tourism is of benefit to their local communities).*

Therefore, while current 'holiday' visitors to Timor-Leste's districts mostly report lots of shortcoming in their experience such as hard to find out information, lack of scheduled public transport, guest house hygiene / food standards, value for money etc they also mention the positive aspects of this newly opened holiday destination. Some really like it – the spirit of the country and its people.

Such tourism attributes commented on included:

- ◆ Timor-Leste's raw undeveloped freshness – it offers a truly intrepid experience – it is challenging and fun
- ◆ Diverse beautiful natural landscape – they report there is a lot to see even if this involves bumping over some horrendous road, travelling on crowded buses / ferry etc
- ◆ Interesting culture – including the villages with their tradition houses / lifestyle
- ◆ Friendly, helpful people
- ◆ Suitability for touring (4-wheel drive, motor bike etc)
- ◆ Opportunities for adventure activities, especially walking and marine



All four priority districts / sub-districts identified under the BOSS Project – Lautem, Bobonaro, Ainaro and Atauro have good tourism potential.

In the short term Lautem's main draw cards appears to be Jaco Island, Com and eventually the adjoining Nino Konis Santana National Park.

Mount Ramelau and the beautiful hill country around Maubisse and Hato Bulico in Ainaro have strong tourism appeal.

The Marobo Hot Springs and surrounding ranges will attract visitors to Bobonaro in the west.

These districts also all offer interesting cultural experiences (e.g. local villages, sacred houses, weaving etc).

Atauro Island definitely has its own tourism charms with beautiful beaches, excellent diving and snorkeling, whale and dolphin watching in the Wetar Strait, walking opportunities and very friendly people.

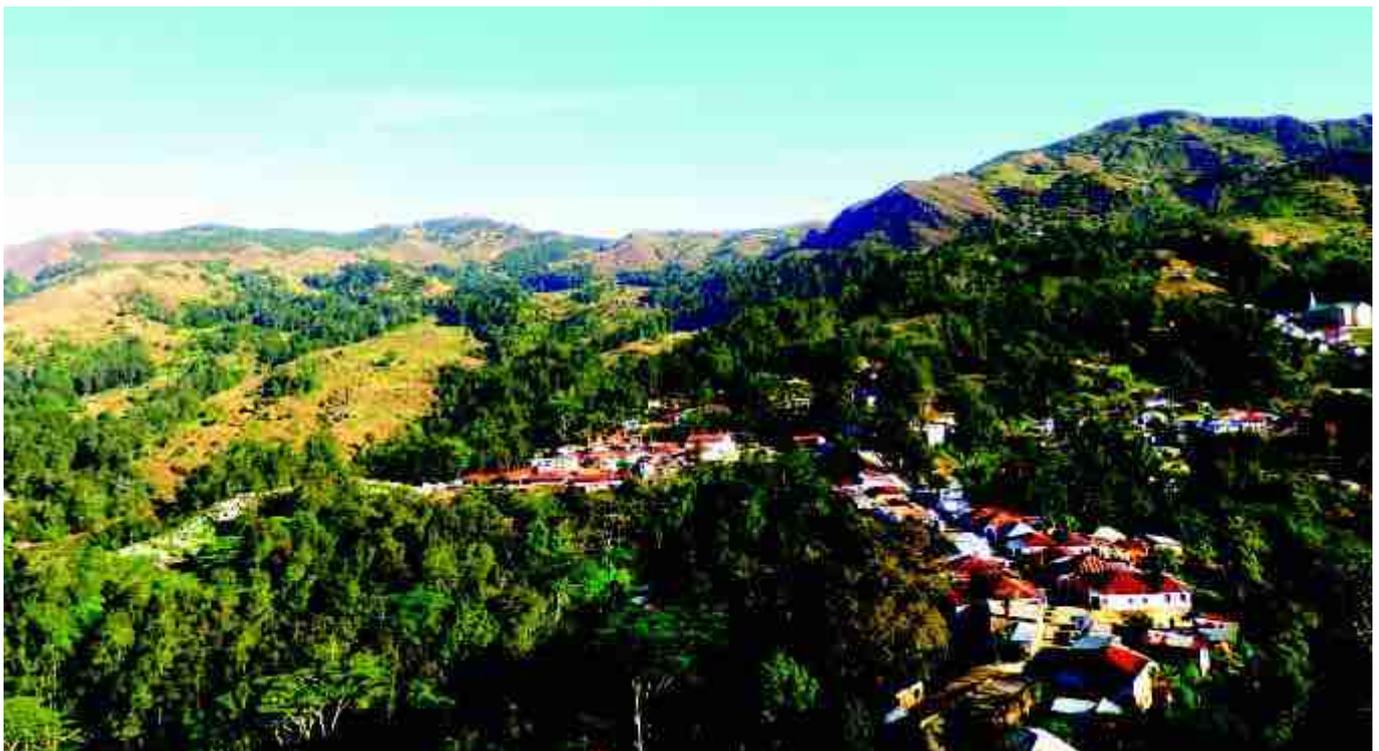
In terms of tourism experience delivery, in the last decade there has been a lot done to facilitate tourism development in Timor-Leste (i.e. infrastructure projects etc) and to improve service delivery (e.g. human resource training). Anecdotal feedback from current visitors in terms of satisfaction levels however (and as you would expect with such a newly liberated country) confirm much is still to be accomplished.

While in Dili there are many accommodation properties (mostly used by people working in Timor-Leste or visiting for 'business' reasons), a significant number of restaurants and some publically owned tourism attractions, out in the districts tourism is still in its infancy. Currently there is little public transport, accommodation and restaurants (plus very limited information). What facilities and services are available mostly operate at a very low standard. There also are very few constructed attractions and organized activities at the majority of locations.

(Note: Currently there is mostly very low visitor demand for such tourism facilities and services, which creates a 'chicken and egg' situation for those keen to invest – i.e. which should come first - the demand or the investment?).

District location examples visited by the BOSS Project:

- ◆ **Lautem - Com** – Accommodation generally run down and location negatively impacting on main beach; pretty nearby beaches but difficult to access without private transport; few other activities currently available apart from swimming / fishing / diving; increasing crocodile attack risk; poor road access; visitors hassled by local children selling coral and shell souvenirs (including turtle shell).
- ◆ **Lautem - Valu / Jaco / Tutuala** – Extremely bad road access / no transport from Tutuala; stunning Jaco Island scenery; very good water based activities (but need own snorkel gear etc); crocodile attack risk; very basic and in some cases run down accommodation (plus Tutuala pousada still not open); very basic food offering / not good value; lack of fresh water for washing; nearby caves have poor access / poor infrastructure (i.e. tracks / safety rails) and guiding standard is not good / variable pricing.
- ◆ **Ainaro - Hato Bulico** - Beautiful hill scenery and interesting villages; good walking options; extremely bad road access / very limited transport from Maubisse; accommodation standard low (local pousada closed) and food very basic; guiding standard mostly poor (language skills etc) and variable pricing.
- ◆ **Ainaro - Maubisse** – Beautiful scenery and interesting villages; apart from walking / relaxation not much obvious to do; accommodation mostly lower end; Maubisse pousada is open but very run down and service is low standard; very limited food options locally.
- ◆ **Bobonaro - Maliana / Bobonaro / Marobo** – Excellent scenery and traditional villages; very limited accommodation; Maliana pousada operating but doesn't serve dinner; very basic food options; hot springs extremely difficult to access and no facilities apart from main pool; no other activities / attractions readily available.
- ◆ **Atauro – Vila / Beloi / Adara** – Beautiful Island with limited accommodation and few restaurant options. Reasonably accessibility from Dili by water taxi (although very limited ferry service – Saturday only). Some beautiful natural beaches provide swimming / relaxation – no crocodiles. In places excellent diving and snorkeling. Rugged hills and shoreline offer walking opportunities. Very good dolphin / whale viewing at times in Wetar Strait.



Outside of BOSS Project priority districts tourism potential also recognized in other locations of Timor-Leste such as Baucau, Maubara, Mount Matebian and Mundo Perdido.

Growth of the tourism sector out in Timor-Leste's district locations is going to require significant investment by the government in both tourism marketing and development i.e. the private sector cannot afford to market Timor-Leste as an overall tourism destination (as no opportunity to recoup such investment due to fragmented spend by visitors), fund the infrastructure needed or (with few exceptions) make significant investment in developing tourism facilities / services until visitor arrivals build up further (as it is impossible to get satisfactory financial return from very low visitation).

For Timor-Leste to get a positive return from tourism investment the scale and pace of tourism development will also need to be closely aligned with the increasing level and type of market demand (i.e. a simple 'build it and they will come' approach would appear extremely high risk due to the extent of market place competition).

Gender Equality and Tourism – Main findings from visiting Bobonaro, Anairo and Lautem:

- ◆ Most women working in the district based restaurants, hotels and guesthouses are employed as contributing family workers
- ◆ The females usually perform cooking and cleaning work and security/logistics work is assigned to men
- ◆ The work performed by both sexes is paid on average between USD100-50 per month (note: several women interviewed were instead paid in kind i.e. accommodation, food, school fees and money for necessary personal items)
- ◆ With one exception nobody interviewed reported pay discrimination based on gender
- ◆ The majority of respondents had completed primary education but none have received any specialized tourism, foreign language or hospitality training
- ◆ Both women and men were found in tourism management position

Cormaci S, 2013 (abridged)

3.5. Market Place Awareness



Currently, Timor-Leste is practically 'invisible' internationally as a tourism holiday destination. Most potential international visitors have never heard of Timor-Leste, and those that have usually still believe it is a dangerous place to visit as they associate it with the recent conflict i.e. Indonesian occupation.

Tourism is a massive industry worldwide and competition is very strong between different destinations – all countries are chasing the tourist dollar. Due to the intense level of competition, changing such perceptions and building awareness of Timor-Leste as a holiday destinations, will require considerable marketing effort and a targeted market segment approach to ensure return on investment. It will take investment and time to build awareness in the market place i.e. to build the brand 'Timor-Leste' (and also of course to develop tourism on the ground).

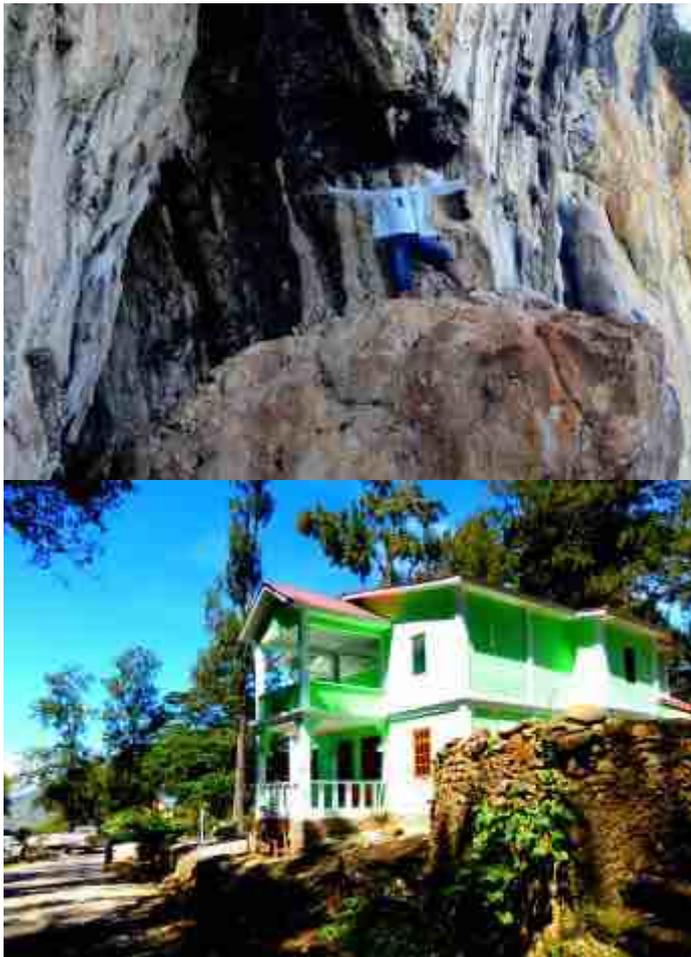
In the long-term, the main influence on whether a tourism destination succeeds or not, is whether it generates 'positive word of mouth' feedback (in person and via social media). Visitor expectations created through destination marketing must be delivered on – there are no shortcuts - as with social media it is not possible to control the message in the market place.

Even within Timor-Leste, amongst potential domestic visitors (i.e. Malae and Timorese) there does not appear to be much awareness or knowledge on what is available in the districts from a tourism perspective. This is understandable as it is relatively difficult to find out information and contact details for accommodation etc and when events are being staged. As a comparison, from within Timor-Leste it is much easier to book and organize an external holiday to Bali than a domestic holiday. The Lonely Planet guidebook, although a little dated, is still the best source of information for independent travelers to the districts in Timor-Leste.

Timor-Leste does however offer a range of activities and experiences that together can provide an enjoyable and very interesting holiday. Consequently for Timor-Leste to realize its tourism potential and benefit from related investment, an approach of developing for and strategically targeting those visitors with holiday aspirations which offer a good match for what it can offer competitively with other destinations would appear the better path.

In general, the more difficult for competing destinations to replicate the experiences promoted / delivered the less impact of competition on price etc – e.g. viewing wildlife in a natural environment is a harder experience to replicate compared to a water theme park.

3.6. Marketing and Trade Distribution



Tourism appears on the surface to be a fairly simple sector, but it is complex both in regard to marketing and in terms of actual delivery at a destination. There are many ways of increasing awareness in the market place (e.g. advertising, public relations, social media, staging events etc) and in enacting bookings (both direct and indirect via third parties collectively known as the tourism trade i.e. - travel agents, tour operators, online agents, ground agents etc). In general the tourism trade is stronger at making packages / bundling / itinerary planning rather than creating initial demand for holidaying at a destination.

Websites / mobile phones are definitely now the dominant resource visitors use to find out information and book travel internationally.

A good quality, up-to-date tourism consumer website is therefore essential for any tourism destination to capitalize on interest resulting from marketing activity. A tourism destination website, in addition to providing information on the destination (e.g. Timor-Leste) from a holiday perspective, provides a useful 'umbrella' under which individual tourism operators can be listed / linked.

In Timor-Leste, currently there appears to be relatively limited international marketing investment by either the government or private sector, into online resources or via more traditional promotion channels. For example, the current official tourism website only provides very basic information and links to a relatively small number of mostly Dili based accommodation properties.

In addition to tourism investment and policy development, the Ministry of Tourism's current strategy appears to be primarily focused in the shorter term on staging events (with a mostly domestic audience) and attending international travel expos (some of which are travel trade focused and others more conferences).

The BOSS Project team is not aware of the existence yet of a detailed strategy and action plan for developing and marketing Timor-Leste as a tourism destination. (i.e. including identified target markets, brand development, marketing campaign, website development etc).

Individual tourism operators (airlines, accommodation, activity / attraction, rental vehicle, tour operators etc) are also doing their own promotion but much of this is at a fairly localized level and appears very fragmented (i.e. not part of a wider 'umbrella' campaign to grow awareness of Timor-Leste as a tourism destination). Understandably, operators are mostly focused on taking business off each other and converting existing awareness in the market place to actual bookings.

The Timor-Leste tourism trade includes a small number of local tour operators / travel agencies / transport operators (e.g. Timor Adventures, Mega Tours, Island Explorer Tours, Eco Discovery Tours, Compass Charters) based on-shore and a few off-shore that feature Timor-Leste as one of a number of tourism destinations (e.g. Intrepid Travel). In some cases, such tour operators specialize in particular activities such as diving, culture, education, trekking etc.

Many accommodation properties (mostly Dili based) also have contracted online agents to represent them e.g. third-party websites such as hotels.com, agoda.com etc.

The current Timor-Leste visitor information centre in Dili could play an important role in encouraging visitation to Timor-Leste and the districts but this would require:

- ◆ Visitor centre having good information readily available for international / domestic visitors (including online), communications connectivity - email and phone and being in a physical location convenient to visitors
- ◆ Staff having necessary language skills including English and experience in providing information / booking services (or relevant training)

Due to the very fragmented structure of the tourism sector, the establishment of a unified Timor-Leste tourism organization representing all private sector stakeholders is critical. This is needed so that the tourism industry has a 'more unified voice' and can work effectively as a partner with government in terms of tourism development / marketing etc.



3.7. International and Domestic Market Potential

Current visitation and an assessment of market potential / air access / Timor-Leste's tourism destination attributes, suggests that in the short term Australia is the priority tourism source market for 'holiday' visitors. Secondary markets for 'Holiday' arrivals are Europe, Asia and North America.

Roughly, these international 'Holiday' arrivals can be broken down to the following categories:

- ◆ **Independent Travelers / Small Group Tours** – average-higher daily spend, shorter stay, more pre-arranged travel; use mostly overnight guest houses / hotels; arrive by air; travel by rented transport (often with driver); strong draw cards include Jaco Island, Atauro, Mount Ramelau, but also scenery generally and opportunity to experience culture; lower tolerance of non-international standard facilities / service; tend to purchase more souvenirs
- ◆ **Backpackers** - lower daily spend but usually longer stay than other types of visitors (and due to expenditure patterns high retention of dollars spent); overnight mostly in backpackers / guest houses; travel by both public and rented transport (self-drive); arrive both by air and to a lesser extent land crossing; Jaco Island, Mount Ramelau, Atauro main draw cards for district travel; higher tolerance of lower standard accommodation (provided clean / safe) and transport etc. (Note: Backpackers play an important role in establishing most new tourism destinations)
- ◆ **Special Interest** - average-higher daily spend, usually shorter stay and majority pre-arranged travel. Sub-sector includes diving, fishing, 4-wheel drive, motor cycle, bird watching, culture, education etc.

At this stage In Timor-Leste there does not appear to be strong international potential for larger scale 'fly and flop' stay-put resort tourism (despite this being an extremely massive sector internationally). This is due to the current relatively high cost of holidaying in Timor-Leste (both air access and land costs) and challenges in terms of travel time required compared to competing neighboring destinations - exception from Northern Territory (i.e. the 'fly and flop' sector tends to be time poor (short stays) and very value (price) focused). Other reasons for this observation include Timor-Leste's physical constraints as most of the more attractive beaches are relatively small and narrow with limited fresh water availability and the lack of compelling associated quality attractions in Timor-Leste for this sector even if large scale resorts were built (e.g. entertainment, shopping, etc).

That said there is definitely demand for more accommodation (small hotels / guest houses) in beautiful readily accessible coastal locations with good beaches offering swimming / relaxation from nearby markets such as Darwin (due to the dangers of swimming in their own waters i.e. stingrays / crocodiles etc).

At a domestic level there is potential to increase the number of people visiting the districts for 'Holiday'. That said, much such visitation will continue to be mostly weekend / public holiday concentrated. Malae / expats working in Timor-Leste have the most potential in terms of booking commercial accommodation etc in district locations as Timorese tend to stay with family when travelling and don't usually engage in commercial recreational activities. Those Timorese who can afford and want to holiday in commercial accommodation are much more likely to go to places like Bali.

3.8. Summary of Constraints



Much has been accomplished in the past decade, but the development of the Timor-Leste tourism sector is still facing many constraints summarized as follows:

- ◆ There is very low awareness in the international marketplace of Timor-Leste as a tourism destination and it is very hard for potential visitors to find out information from both outside and inside the country. Most awareness that does exist is negative relating to the recent invasion i.e. Timor-Leste is still perceived as a dangerous place to visit and this view is reinforced by travel advisories on many foreign government websites. Timor-Leste's branding and positioning etc is yet to be developed and there appears to be very little international marketing activity occurring. In addition the current national tourism website is very basic and of limited use to those wanting to find out more and book accommodation / transport etc.
- ◆ The existing tourism sector is fragmented and significant infighting / distrust between different operators (and nationalities) is reported. The lack of cooperation within the sector means it will be ineffective in terms of both marketing internationally (i.e. competing with other tourism destinations) and in influencing policy development / investment prioritization with regard to needed infrastructure etc. No tourism destination can compete effectively in the international arena in this situation.
- ◆ Timor-Leste is relatively difficult to access from many markets (amount of travel time involved) and it is an expensive destination to visit compared with many Asian and Pacific neighbors (both in regard to flight and land based costs).
- ◆ Timor-Leste is difficult to get around (roads and limited scheduled transport) and many key attractions are as a result very hard to access e.g. Jaco, Hato Builico, and Marobo Springs etc. Bad roads and lengthy travel time involved makes some destinations inaccessible for visitors with limited time available. Vehicle standards are often very poor (e.g. taxis, microlets etc), overcrowding is a problem and service standards are often not good. Rental vehicles (with or without drivers) are available to hire but the need for 4-wheel drives on many roads important to tourism makes this a relatively expensive option.

- ◆ Much infrastructure requirements (roads, water supply, waste disposal, electricity, telecommunications etc) are still being developed and most accommodation facilities etc, especially outside of Dili, don't meet international visitor requirements in terms of physical amenities, cleanliness or service standards.
- ◆ Most accommodation in the districts badly needs maintenance (i.e. low occupancy levels and low profit are not surprisingly resulting in little reinvestment).
- ◆ Other constraints include lack of readily available banking facilities outside of Dili, few businesses accepting credit cards and high costs / challenges for short-stay visitors wishing to use mobile devices.
- ◆ In general human resource capacity building is required in areas such as business skills, hospitality and guiding etc. Most people working in the tourism sector (for understandable reasons) appear to have very limited experience of international tourism in action (i.e. they haven't travelled outside Timor-Leste and visitation is currently very low) and there does not appear to be a strong customer service culture nationally. Language skills (i.e. few English speakers) are also a constraint hindering tourism growth as many (of the limited) visitors arriving travelling in the districts don't speak Tetun, Portuguese or Indonesian.
- ◆ In addition much planning and some key legislation (e.g. land property law) still needs to be finalized and various management plans important to tourism development etc require actioning (e.g. Nino Konis Santana National Park). Current legislation gaps / lack of management plans create difficulties / uncertainty for investment and vulnerabilities in terms of local community interests / environmental protection.
- ◆ The potential risk of crocodile attacks (no matter how low compared to road accidents etc) is a significant constraint to tourism development for mainland Timor-Leste. For tourism to grow visitors must feel both welcomed and safe in Timor-Leste.

Such constraints to tourism sector development in Timor-Leste obviously have a knock-on impact to building tourism numbers in the districts.



4. CONCLUSION



Development of the tourism sector is an obvious choice for Timor-Leste with its social and physical environmental attributes and location in the Asia / Pacific area. Growth in tourism will bring much needed foreign exchange earnings and employment, both in Dili and the districts.

Building visitor arrival numbers however will not be an easy process due to the extent of current constraints and Timor-Leste being surrounded by highly competitive holiday destinations, both established e.g. Bali and Singapore and emerging e.g. Cambodia, Nusa Tenggara and eastern Malaysia.

Going forward successfully attracting increasing holiday visitors will be dependent on good flight connectivity, easier land travel and, aligned with market demand, improved facilities, attractions, activities and services, especially in the districts.

Achieving success in tourism will also depend on those visitors currently holidaying in Timor-Leste having a good experience, the physical environment being protected and the communities of Timor-Leste benefiting directly from tourism so they remain welcoming.

Due to the nature of the tourism sector, the involvement of both the private sector and a wide range of government ministries are needed - as highlighted in the following table.

Viva Timor-Leste

5. TOURISM DEVELOPMENT PRIORITY INTERVENTIONS

Recommended actions that will directly or indirectly lead to significantly improved 'holiday' visitor arrivals in Timor-Leste's districts.

	ACTIONS	AGENCY	TIMING	COMMENTS
1	<p>TOURISM STRATEGY Lack of communicated clear direction for Timor-Leste tourism going forward Develop a detailed tourism strategy 10 years (spatial planning, tourism development, target markets, branding etc)</p>	Ministry of Tourism with support Tourism Assoc	2013	<p>The main tourism focus at a government level currently appears to be developing human resources, infrastructure investment, staging domestic events and attending international tourism expos. Many tourism stakeholders appear confused as to what is the development strategy for Timor-Leste – nature base tourism or stay-put resorts / man-made attractions i.e. casinos, golf courses, theme parks etc</p>
2	<p>TOURISM ASSOCIATION Tourism industry very fragmented Establish a Timor-Leste Tourism Association Encourage increased tourism co-ordination at District level</p>	Chamber of Commerce and Industry with support IADE / Ministry of Tourism	2013	<p>To date no functioning tourism association appears to be operating. For Timor-Leste to compete internationally as a tourism destination the industry needs to work collaboratively. A more co-ordinate tourism approach at district level in key locations would likely also be beneficial.</p>
3	<p>MARKETING PLAN Low awareness in marketplace of Timor-Leste as holiday destination Develop / implement a more detailed annual marketing plan – advertising, media communications, trade support activity, etc</p>	Ministry of Tourism with support Tourism Assoc	2014	<p>Timor-Leste is practically invisible internationally as a place to holiday.</p>
4	<p>WEBSITE Very difficult to find out information / make bookings prior to arrival Invest in a more 'compelling' comprehensive Timor-Leste 'umbrella' consumer focused website (with campaign to drive online traffic)</p>	Ministry of Tourism	2014	<p>Currently it is extremely difficult for international visitors to find up-to-date tourism information on Timor-Leste as a holiday destination in a time efficient manner. The Ministry of Tourism has a basic website and there are some existing generalist Timor-Leste consumer websites (but these tend to be mostly outdated in layout / content). Also, most of the larger tourism operators have their own websites, but the priority of these is their own sales conversion (understandably) and not the promotion of Timor-Leste overall as a holiday destination.</p>

	ACTIONS	AGENCY	TIMING	COMMENTS
5	<p>VISITOR CENTRE Very difficult to find out information / make bookings once in Timor-Leste (Dili and district level) Establish a visitor information / booking centre at a convenient central Dili location (includes staff training and development sales collateral) Improve visitor information availability in districts e.g. road signage etc</p>	Ministry of Tourism	2013	<p>Currently, with the exception of the airlines and a few larger operators / hotels, it is very difficult / time consuming for visitors to find out tourism operator contact details / information and it is usually very difficult to make bookings (language barriers etc). It is also difficult to find out information on events / celebrations etc happening in the districts at an early enough stage.</p>
6	<p>ARRIVAL CARDS Inability to track visitor 'Holiday' arrivals Redesign visitor arrival cards so genuine 'Holiday' arrivals can be identified</p>	Ministry of Security and Defense	2013	<p>Currently impossible to accurately identify 'holiday' arrivals and the availability of such statistics is important in assessing the scale of the tourism sector / contribution to the economy and impact of future marketing / development activities. Also important for investment feasibility studies etc.</p>
7	<p>LEGISLATION / MANAGEMENT PLANS / BUSINESS LICENSING Significant gaps in Timor-Leste legislation, need for management plans and concern expressed regarding current business relicensing practices Complete legislation needed for tourism development (to provide community and environment protection) Establish management plans for important natural and cultural assets Investigate modifying business licensing practices (complexity, time required)</p>	Various Ministries	2013+	<p>Stronger, more comprehensive legislation framework (and implementation) would encourage investment. Management plans needed for Nino Konis Santana Park and other natural / cultural sites requiring protection longer term e.g. Ili Kere Kere area, Marobo Hot Springs, Mount Ramelau, Mount Matebian, Mundo Perdido etc).</p>
8	<p>LAND BORDER Time consuming land border requirements turning off potential visitors Investigate streamlining requirements for 'Holiday' travelers wishing to enter via land borders</p>	Ministry of Security and Defense	2013	<p>While there are likely good reasons why the 'visa application authorization' process has been established, its implementation is definitely impacting negatively on Timor-Leste's potential tourism earnings.</p>

	ACTIONS	AGENCY	TIMING	COMMENTS
9	<p>FRESH WATER Availability of fresh water constraining tourism development at key locations Provide specialist assistance with sourcing fresh water and reticulation / storage upgrades at key tourism locations</p>	Ministry of Public Works	2014+	The tourism sector unfortunately has high demand for freshwater due to the amenities visitors require. In addition most key locations unfortunately are by nature dry i.e. either immediately beside the ocean (or other water bodies) or on elevated sites offering excellent viewing opportunities.
10	<p>ROADS Bad state of several priority roads (from tourism perspective) resulting in some key locations being extremely difficult to access Upgrade Maubisse – Hato Bulico, Tutuala - Jaco, Com-Fuiloro and Bobonaro-Marobo Hot Springs roads</p>	Ministry of Public Works	2014+	Currently ‘strong’ 4-wheel drive vehicles are required to access some of Timor-Leste’s most important and scenic tourism attractions. Even then, stretches of these access roads are relatively dangerous to traverse and not suited to public transport (apart from back of trucks), significantly reducing potential visitation.
11	<p>TRANSPORT Timor-Leste very difficult to travel around by public transport Following road upgrades encourage establishment of scheduled public transport Also encourage improvement of visitor transport options within Dili</p>	Ministry of Transport and Communication	2014+	The lack of scheduled public transport to some key tourism locations is causing considerable frustration and negative feedback from those visitors wishing to travel independently by public vehicle. The lack of regular departures and published timetables are also deterring travel to the districts as this makes it very difficult to plan trip itineraries. Standard of visitor transport options within Dili also is a problem (i.e. taxis, microlets).
12	<p>FINANCE Limited access to affordable finance for those wanting to invest, few businesses accepting credit card usage and difficulties for visitors accessing banking facilities in the districts Increase financial services available</p>	Ministry of Finance	2013+	Definitely currently difficult for some district based tourism businesses to secure investment finance. The need for visitors to carry cash for payment of tourism accommodation / services is potentially a security risk.
13	<p>CROCODILES / VISITOR SAFETY Ongoing visitor safety concerns - general security, crime, health risks e.g. dengue outbreaks and increasing crocodile attacks Implement crocodile management at key tourism locations Maintain / enhance general visitor security as people only holiday where they feel safe</p>	Ministry of Commerce, Industry and Environment (crocodiles), Ministries of Security and Health (general)	2013+	The steady build up of crocodile attacks around Timor-Leste is a huge negative for tourism and it would be almost impossible to significantly grow visitor ‘holiday’ arrivals without Timor-Leste being perceived as a safe place to engage in marine and beach activities. To develop the tourism sector it is important international travel advisories on Timor-Leste are ‘softened’.

	ACTIONS	AGENCY	TIMING	COMMENTS
14	<p>TOURISM UNDERSTANDING / SERVICE CULTURE Limited understanding of tourism in Timor-Leste (all levels) and lack of a service culture Though training / campaigns increase support for tourism and develop a service culture</p>	<p>Ministry of Tourism, IADE, SEPFOPE and District Administration</p>	2014+	<p>Most Timorese (at all levels) do not appear to understand much about tourism. In addition a 'service' culture amongst frontliners who interact with the visitors is not readily apparent.</p>
15	<p>ACCOMMODATION / RESTAURANTS Few accommodation / restaurant options in districts and majority not to visitor standard Upgrade / open pousadas under private sector management in key locations Provide business management, hospitality and English language skills training as well as business linkages and other associated services</p>	<p>Ministry of Tourism (pousadas) Ministry of Tourism, IADE, SEPFOPE and District Administration (training)</p>	2013+	<p>Current hospitality delivery is mostly not meeting visitor requirements (availability, standard of delivery) and the majority of these businesses are highly marginal operations. Several pousadas are closed (e.g. Atauro, Tutuala, Hato Bulico), others are building 'shells' being renovated (e.g. Maubara) and a few are being operated to variable standards (e.g. Maubisse, Maliana). Baucau pousada, in contrast, operates as a small hotel to a relatively high standard.</p>
16	<p>ATTRACTIONS / ACTIVITIES Limited attractions / activities in Districts readily available Make districts more compelling places to visit through strengthening attractions / activities by improving accessibility and / or upgrading experiences available: Eastern Zone priority: Upgrading tourism experiences Jaco / Valu, Baucau and Com Central Zone priority: Upgrading Mount Ramelau / Hato Bulico / Maubisse (trekking and cultural opportunities) and Atauro Island (beach and reef based activities, marine wildlife viewing, walking and cultural experiences) Western Zone priority: Upgrading of Marobo Hot Springs and local trekking / cultural opportunities</p>	<p>Ministry of Transport, IADE and District Administration</p>	2013+	<p>Visitors need compelling reasons to travel to an area i.e. they want to see and experience new things (than they would get at home) and to have fun doing this. The majority of visitors are seeking a more active experience than simply touring around looking at the scenery e.g. participating in adventure activities, sampling new food, learning about new cultures etc. Visitors often comment that too great a proportion of time currently is spent travelling as compared to doing activities / visiting attractions / relaxing.</p>

6. PROPOSED BOSS INTERVENTIONS FOR 2014

ACTIVITY	Q1			Q2			Q3			Q4		
1. Develop letter of intent between SEAPRI and Ministry of Tourism												
2. Support Tourism Groups in Maubisse / Hato Bulico and Atauro to establish and develop 2014 work plans												
3. Training of Tourism Group members in a range of areas including business and hospitality												
4. Support Tourism Groups to develop and implement marketing strategies												
5. Support market linkages between Tourism Group members and other tourism operators / service providers												
6. Support Timor-Leste National Tourism Association to develop membership database												
7. Support Timor-Leste National Tourism Association to develop a 2014 Action Plan												
8. Support Timor-Leste National Tourism Association during regular meetings (mentoring)												
9. Support Ministry of Tourism (as lead of a joint tourism working group) to develop a tourism marketing plan including destination branding												

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8. ANNEX 1 - Research Team

Name	Position
Ana Maria Parada	Director of Information, Market Research and Enterprise Support Directorate (DNIPMAE)
Aurito Rodrigues Bahan	Head of Market Research and Enterprise Support Department
Filomeno Soares	Market Research
Lourdes de Deus Marques	Market Research
Antonesia Martins	Market Research
Baptista da Silva	Enterprise Support
Helder Mendonca	IADE/CDE Maubisse
Boaco Lopes	IADE/CDE Bobonaro
Palmira de A Piers	IADE/CDE Lautem
Domingos Damiao Ribeiro	IADE Tourism Assistant
Jenny Ikelberg	ILO BOSS Value Chain Development Expert
Silvia Cormaci	ILO BOSS Gender Expert
Robyn Jebson	IADE Tourism Development Advisor

9. ANNEX 2 - List of Respondents

No.	Name of Respondent	Name of Business/Organisation	Type of business/position	Sub-district
AINARO DISTRICT				
1	Tarciso Mota	CCI-TL	Business Association	Ainaro
2	Manuel Ramos	District Administration	District Administrator	Ainaro
3	Domingos Lopes	Sub-District Administration	Sub-District Administrator	Hato Builico
4	Martinho Lopes	Hato Builico	Accommodation	Hato Builico
5	Alberto de Araujo	Pousada Algrin Namran	Accommodation	Hato Builico
6	Claudio Mendonca	Sub-District Administration	Staff	Maubisse
7	Julio da Costa Mendes	Pousada Maubisse	Pousada/Accommodation	Maubisse
8	Diogo Belarmino de Araujo	Café Maubisse	Accommodation	Maubisse
9	Francisco Alberto Carlos	Knua Hakmatek, Suco Liurai	Accommodation	Maubisse
10	Leonia	Bensa Auama	Accommodation	Maubisse
11	Maria Mendonsa	Aimen	Accommodation	Maubisse
12	Maria Mendonca	Sara	Accommodation and Restaurant	Maubisse
13	Maria Bernadete	Amora	Restaurant	Maubisse
14	Tomomi Osaka	PARCIC	NGO	Maubisse
BOBONARO DISTRICT				
1	Domingos dos Santos	CCI-TL	Business Association	Bobonaro
2	Domingos Martins	District Administration	District Administrator	Bobonaro
3	Isabel Val Monis	Laduená Restaurant	Restaurant	Maliana
4	Lidia Adriana	Restaurant Maliana	Restaurant	Maliana
5	Guido dos Santos	Tansos Unipessoal, Ida	Accommodation	Maliana
6	Graciana Manuela Martins	Risky	Accommodation	Maliana
7	Madalena Olo	Pousada	Pousada/Accommodation	Maliana
8	Filomeno P da Cruz	Maun Alin	Accommodation	Maliana
9	Mariano Fernades	Youth Centre	Youth Centre	Maliana
10	Peter Sibly	District Administration	Advisor	Maliana
11	Lize Nipu	OHM	NGO	Maliana

LAUTEM DISTRICT				
1	Jeferino dos Santos Sequeira	District Administration	District Administrator	Lautem
2	Suliationo	Dardil Trading al Com Beach Resort	Accommodation and Restaurant	Com
3	Guido dos Santos	Guesthouse Rosa	Accommodation	Com
4	Yono	Com Beach Resort	Accommodation and Restaurant	Com
5	Satoko Watanabe	AFMET	NGO	Lautem
6	Lucia Pitchler	Many Hands International	NGO	Los Palos
7	Kim Dunphy	Many Hands International	NGO	Los Palos
8	Carlos Alberto Sousa da Silva	Roberto Carlos Hotel	Accommodation and Restaurant	Los Palos
9	Robela Mendes	SINA Guest House	Accommodation and Restaurant	Los Palos
10	Madre Irene/Madre Aurelia	ADM (Amal Kasih Darah Mulia)	Accommodation	Los Palos
11	Ega Gracia Brendega IQ	Rest Angel	Restaurant	Los Palos
12	Arlindo Sanches	Transporte RO Nantilos 56	Boat service between Tutuala and Jaco	Tutuala
13	Albina da Costa da Silva	Restaurante Laku morre Tutuala	Accommodation and Restaurant	Tutuala
14	Angelina Lourdes	Co-operativa Walu Sere	Accommodation	Tutuala
DILI (including ATAURO)				
1	Dan Conroy	East Timor Backpackers	Accommodation	Dili
2	Rogério Valute	Trisan House	Accommodation	Atauro
3	Barry Hinton	Barry's Place	Accommodation	Atauro
4	Adriana Resisi	Dili Beach Hotel	Accommodation	Dili
5	Sean Borrell	Ministry of Tourism	Advisor - Tour de Timor/Dili Marathon	Dili
6	Kathleen Goncalves	CCI-TL	Deputy President	Dili
7	Aquilino Santos Gaeiro	Ministry of Tourism	Director of Marketing	Dili
8	Antonio Ximenes	Ministry of Tourism	Director of Planning and Development	Dili
9	Ann Turner	Free Flow Diving	Diving	Dili
10	Volker Katzung	Dive Timor Lorosae	Diving	Dili
11	Maria Da Penha Pacifico	BFZ	NGO	Dili
12	Teresa Verdial de Araujo	Alola Foundation	NGO	Dili
13	Demetrio Amurof	Haburas Foundation	NGO	Dili
14	Duarte de Araujo	Roman Luan NGO	NGO	Atauro

