



TradeInvest Timor-Leste
Investment & Export Promotion Agency

Export Capacity and Capability Assessment for M-SMEs in Timor-Leste

**Technical
Report
2018**





Technical Findings
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Export Capacity and Capability Assessment for M-SMEs in Timor-Leste



Export
Promotion
Directorate

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TERMS AND ABBREVIATIONS

ACELDA	Name of local company – candlenut oil production
AEMTL	Associação Empresarial Das Mulheres Timor-Leste
AVANSA Agricultura	USAID's Agriculture Project
AVI	Australian Volunteer International
BAS	Business Activity Survey
DAF	Directorate of Administration and Finance
DEP	Directorate of Export Promotion
DPI	Directorate of Investment Promotion
DREM	Directorate of External Relations and Marketing
FDI	Foreign Direct Investment
GDS	General Directorate of Statistics
IADE	Instituto de Apoio Desenvolvimento Empresarial
JICA	Japan International Cooperation Agency
MAF	Ministry of Agriculture and Fisheries
MCI	Ministry of Commerce and Industry
MDF	Market Development Facility
M-SMEs	Micro-Small and Medium Enterprises
NCS	Nova Casa Fresca –(Name of a local company)
NDI	National Direct Investment
NGOs	Non-Governmental Organizations
SERVE	Business Registration and Verification Services
TITL	TradeInvest Timor-Leste
TOMAK	To'os Ba Moris Di'ak – (Farming for Prosperity)



PREFACE

TradelInvest Timor-Leste (TITL) is pleased to present this survey report as part of its activity to promote and facilitate export growth in Timor-Leste. As embedded in the Decree Law Number 45/2015, 30th of December, TITL is the prime facilitator for private investment and export promotion. The Directorate of Export Promotion (DEP) has been tasked to promote, facilitate, monitor, advocate and conduct research on export and re-export of goods and services in Timor-Leste.

There is a large export market for the organic products of Timor-Leste. TITL receives a steady stream of enquiries from overseas buyers but is often unable to meet the demand because of capacity constraints or product testing compliance issues. A large majority of the people of Timor-Leste is engaged in agriculture with the difficulty being the farmers are mainly subsistence. The Ministry of Agriculture and Fisheries (MAF), private enterprises and NGO's are working to improve this situation in order to enhance capacity for Timor-Leste to provide organic agricultural products for export. The role of DEP is to facilitate communication between these players by supporting the supply side and link them with the market opportunities. In addition, the DEP identifies suppliers with export potential and supports them in building their capacity and capability.

Currently, Timor-Leste exports small amount of frozen fish, dried fish and seaweeds to China. In fact, the quantity market demand is huge. The National Directorate of Fisheries of MAF is actively promoting aquaculture through the National Aquaculture Development Strategy. The DEP conducts a market survey and visits program with potential buyers of fish based products, then, in collaboration with producers, identify the best opportunities and support producers to meet export requirements.

Potential products that are well suited for process manufacture (home-industry) in Timor-Leste include: agricultural raw materials, such as rice, coffee, soybean, edible oils and fats (including coconut oil), candlenut oil, soaps, corn flour, animal feed and peanuts. Wood and bamboo based products such as furniture as well as handicraft products are also very potential. The DEP is actively reviewing value added products available or potentially available from suppliers in Timor Leste with export potential. The DEP is, then, reviewing the highest potential products with the suppliers and potential buyers to develop a road map for export.

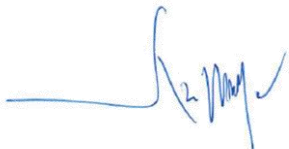
TITL expects that the findings of this survey work will help key players to focus and plan strategic actions to reduce current burden around private investment and export key growth sectors.

The constraints identified in this survey will allow TITL to play its advocacy role by communicating the constraints to relevant government ministries for possible reform.

Finally, this piece of work serves as an internal document that will guide TITL in implementing and executing its annual actions and budget plan for the period of 2018-2021.

TITL will utilize the data and information provided in this report to better promote investment and export opportunities in Timor-Leste, hence, to attract more private investments with export orientation in productive sectors.

TITL would welcome any constructive comments from users of this publication for improving the future work of TITL.



Eng. Arcanjo da Silva
Executive Director
TradInvest Timor-Leste

EXECUTIVE SUMMARY

TITL is the government agency focused on diversifying the country's economy by promoting and facilitating private investment and export. TITL has undergone a strategic review and identified its mission to make it easy for investors and exporters to do business.

DEP of TITL has conducted an extensive survey of businesses (particularly M-SMEs), relevant government agencies and development partners via a series of questionnaires and face to face interviews. This work has four objectives: 1). Establish an up to date database of suppliers and buyers involved in export or have the potential for export; 2). Enhance the informed knowledge of the DEP to support the strategic plan and associated actions and provide advice to stakeholders; 3). Build stronger relationships between TITL, its clients and development partners working on export promotion; and 4). Identify challenges and constraints faced by business with export orientation.

As a result of the survey work, there have been some useful findings regarding a pathway to a successful exporting economy, which is the main question this work attempts to answer. Most suppliers and buyers engaged in export activities were small and medium enterprises. Suppliers engaging in horticulture sector dominated export business (40%). Agriculture and fisheries seem to be key sector for economy growth. The findings of this survey point out that horticulture and aquaculture sector have contributed 85% of exports (mainly coffee) and over 70% of total local employment.

The coffee industry, in particular, has established itself as a niche provider of high value and quality products. There are many agricultural producers of commodity products in the domestic market. Some of these, together with players in other productive sectors offer opportunities to grow exports with support from TITL, relevant government ministries and development partners.

In addition, the survey identifies there is a high demand for local commodities such as vegetables, fruits and spices to be supplied to buyers in Dili. As population is projected to grow in Dili, the demand for local commodities (fresh and organic vegetables and fruits) will increase. These commodities have potential to replace imported products; however, greater attention needs to be given to price and quality of supply.

The report concludes with internal and external recommendations for follow up actions to drive and support the continued growth of export in Timor-Leste.

I. INTRODUCTION

As per Decree Law number 45/2015, 30th of December; the Directorate of Export Promotion (DEP) of TradelInvest Timor-Leste (TITL) is the “prime facilitator” for export and re-export of goods and services in Timor-Leste. Under Ministerial Diploma number 39/2016, 27th of July, the DEP has been tasked with main responsibilities to promote, identify, monitor, advocate, and conduct research to support export growth.

In 2018, TITL has embarked upon a strategic planning process in order to clarify and communicate a three-year (2018-2021) plan for the organization.

TITL’s mission is to make it easy for investors and exporters to do business (a one stop shop). TITL strives to enable Timor-Leste to achieve its economic transformation to an upper-middle income country by 2030.

Under TITL’s strategic objective, the DEP is responsible for “**grow exporters**” initiative – to grow the number of export businesses by at least 50% by 2021. To achieve TITL’s strategic objective, the mission of DEP is to facilitate export growth in four (4) key sectors: agriculture, fisheries, tourism and processing industry; and identify and support building of exporter capacity and capability. Micro, Small and Medium Enterprises (M-SMEs) are vital to DEP mission as they drive the local revenues, and as local economies grow, communities grow.

For the purpose of this assessment and taking into account the business environment in Timor-Leste, M-SMEs have been defined as follows:

1. Micro enterprise has up to 2 employees, deals in a small number of products and turns over less than US\$50,000 per year.
2. Small enterprise employs up to 50 people and turns over between US\$50,000 and US\$500,000 per year.
3. Medium enterprise employs more than 50 people and turns over more than US\$500,000 per year.



According to 2016 Business Activity Survey (BAS) conducted by General Directorate of Statistics (GDS) of the Ministry of Finance that there are about 1,349 enterprises existing across 13 municipalities of Timor-Leste. The majority of them are micro enterprise, which accounts for 68%, followed by small enterprise accounts for 30% and medium enterprise accounts for 2%. M-SMEs play critical roles as driving force for local income in Timor-Leste. Currently, the capacity and capability of M-SMEs in Timor-Leste are lacking and need more attention for development.

A little assessment has been undertaken to investigate the capacity and capability of enterprises in various productive sectors in the country. TradeInvest has, then, taken an initiative to identify the capacity and capability of its direct clients who are mainly M-SMEs; and some of them are categorized as export oriented businesses (20 existing exporters and 34 potential exporters as recorded in DEP internal database).

This specific assessment was carried out to investigate capacity and capability of export businesses and to identify M-SMEs with export potential in Timor-Leste.

II. PURPOSE

This report provides overview findings of the export capacity and capability for M-SMEs. The assessment attempts to answer the following questions:

1. What are the sectors that most M-SMEs engage in for supply chains of local and export commodities?
2. What is the production capacity (quantity) from suppliers and buyers for commodity markets and import substitution?
3. How many people are employed by suppliers and buyers in different sectors?
4. What are export value chains and market potential?
5. What are the opportunities to attract more private investments (both NDI and FDI) in productive sectors with export orientation?
6. What are the partnership opportunities for TITL with other agencies and development partners to support a joint approach to export capacity development?

III. METHODOLOGY

III.1. Respondents

The respondents of the survey were local suppliers and buyers in Timor-Leste.

In this assessment, the *supplier* is captured as micro, small and medium enterprises (M-SMEs) that provide local goods and services for sales in domestic and export (niche) market. For example, companies, foundations and group of cooperatives.

The *buyer* is captured as individuals or organizations that are prepared to pay for goods and services such as supermarkets and local restaurants.

Those suppliers and buyers are identified as existing and potential exporters. Some of them were issued with Investor Certificates from TradeInvest.

Out of 40 respondents identified as local suppliers, 30 participated in the survey (75% response rate). Those suppliers were identified by geographically (West, Middle and East Region).

In addition, 12 local buyers were identified and all of them participated in the survey (100% response rate). The buyers comprised of 11 big supermarkets and 1 local food restaurant in Dili that buy commodities from local suppliers.

III.2. Questionnaire

Two questionnaires were designed, each for local suppliers and buyers in Timor-Leste to collect *quantitative information* related to production capacity (volume), supply chain, number of employees, types of commodities, etc. The questions were framed based on experience sharing and discussion with suppliers and buyers at the initial meetings. The questions reflected the actual conditions of supply chains in Timor-Leste.

The questionnaire in Excel form was distributed in both hard and soft copy. The complete questionnaire was collected before and during site visits. The data was stored in DEP database and analyzed using Excel.

III.3. Interviews

Upon collection of the survey data, site visits and individual interviews were carried out from June to August 2018. The interview was done with the owner of the company and their management staff to collect *qualitative information* about issues and opportunities framed in business enabling environment in Timor-Leste.

In parallel, DEP conducted a series of interviews with a selection of overseas funded agencies to establish synergies between their work and the work of DEP.

III.4. Information material

Flowcharts of export and import procedures as well as checklist for documents required for export and import were designed by DEP. These were distributed to M-SMEs during site visits. The objective was to provide one source of information on the regulations, documentation requirements and procedures for export and import in Timor-Leste.

The information for the flowcharts and checklist was collected through face-to-face meetings with relevant government entities such as Customs office of the Ministry of Finance, Business Registration and Verification Services (SERVE) office, Tax Authority office of the Ministry of Finance, External Trade Directorate of the MCI and Quarantine and Bio-security office of the Ministry of Agriculture and Fisheries (MAF).

IV. FINDINGS

IV.1. Quantitative findings

IV.1.1. Type of enterprises

The diagram below illustrates the percentage of type of enterprises participating in this survey. It points out that most suppliers and buyers engaged in export activities were small (74%) and medium (21) enterprises by definition stated above in the introduction.

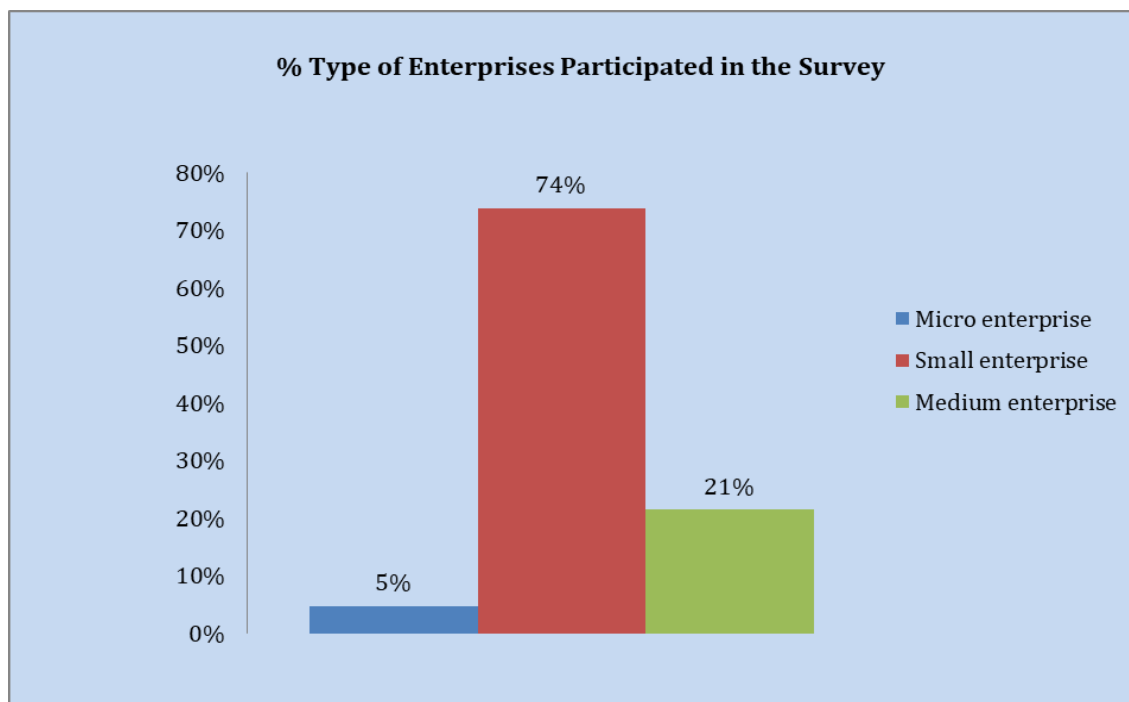


Figure 1. Proportion of type of enterprises participated in the survey

IV.1.2. Supplier capacity

The following diagram shows the percentage of suppliers by sector. It can be seen that horticulture dominated the business sector (40%). In contrast, about 27% of suppliers engaged in small industry (food processing) sector. The rest of suppliers involved in small industry (non-food) (20%) and aquaculture sector (13%) respectively.

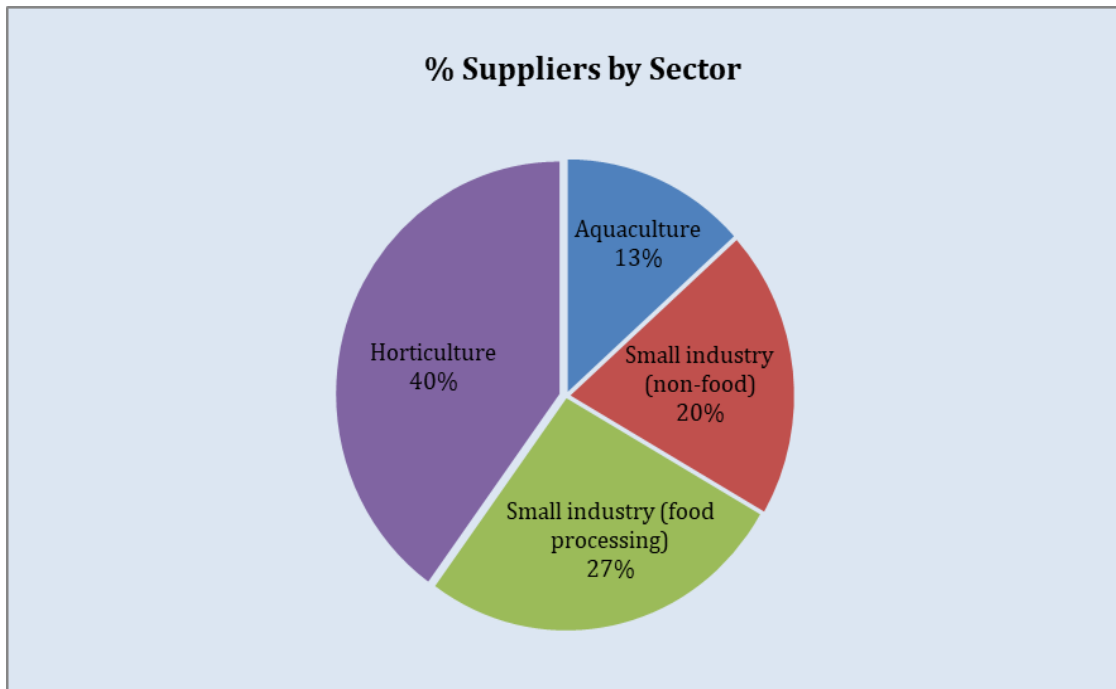


Figure 2. Percentage of suppliers by sector

The horticulture sector involved businesses such as production of following commodities - vegetables, fruits, coffee, candlenut, coconut, rice, vanilla, konjac and pepper. The small industry (food processing) included businesses in banana chips, honey, jam, spices, pickles, tea, powder, peanut butter, cookies, candy and alcoholic beverages, The small industry (non-food) included businesses in garment, body scrub, soaps, bike racks, bio-septic tank production, virgin coconut oil, salt and egg production. Finally, the aquaculture sector covered businesses in fish, seafood (prawns) and seaweed farming production.

Reflecting Timor-Leste context, the small industry in this assessment has been defined as small-scale businesses that engage in manufacturing or processing of raw materials into finished products to sell at the local and niche market.

The diagram below illustrates the proportion of local employment by suppliers by sector. It clearly shows that in total of 968 local workers (did not include farmers); most of them were employed by suppliers in horticulture businesses (73%). By comparison, suppliers in small industry (food processing), small industry (non-food) and aquaculture sector provided only 16%, 7% and 4% of local employment respectively.

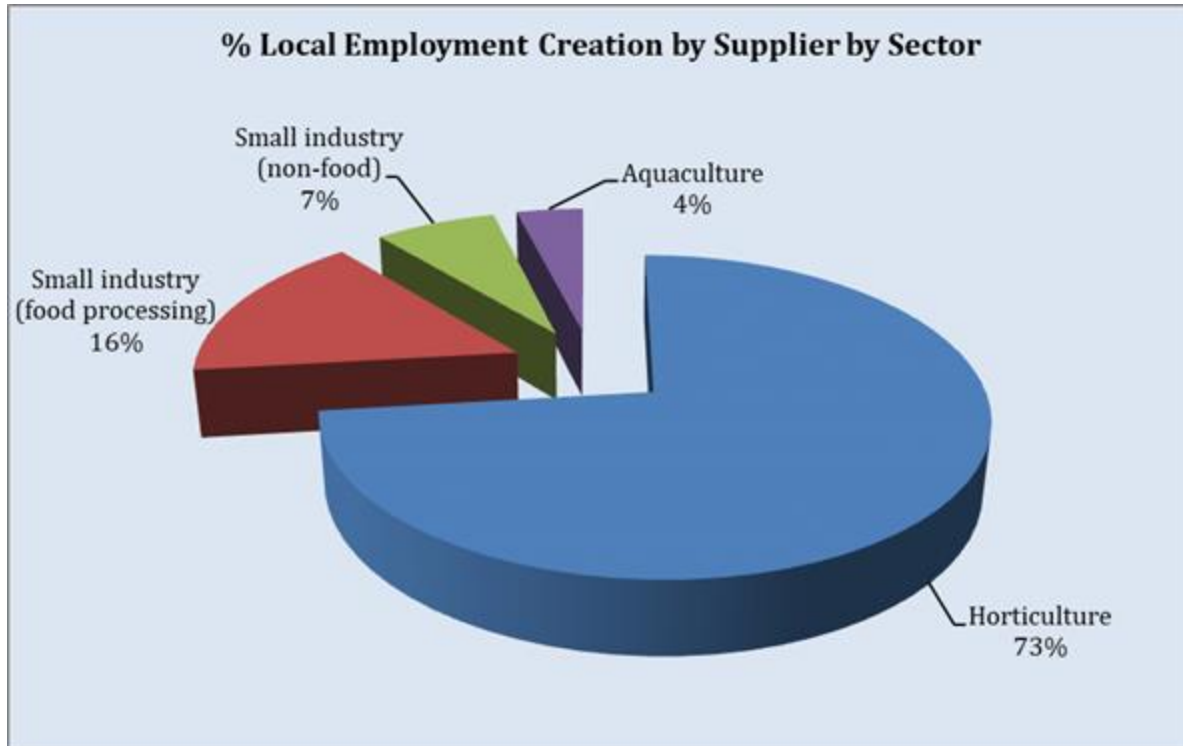


Figure 3. Percentage of local employment creation by suppliers by sector

The findings highlight that horticulture, aquaculture and processing industry are productive sectors that most M-SMEs engage in for domestic market supply and export businesses. This aligns with government's development priorities for economic growth of non-oil sector, focusing on agriculture, fisheries and manufacturing sector.

Furthermore, the findings validate the government of Timor-Leste's priority focus on economic diversification by creating more employment for Timorese nationals in order to reduce unemployment rate.

The diagram below identifies the top ten export commodities by annual volume and country of destination. Coffee (70% Arabica and 30% Robusta) was the main export commodity with annual volume of 7190 tonnes. This commodity was exported to Germany, Netherlands, South Korea, Taiwan, USA, Australia and New Zealand mainly in the form of parchment (75%) and smaller amount in processed coffee (25%).

The second biggest export commodity was fish and seaweed (annual export production of 836 tonnes) with main export destination to China, followed by other commodities such as konjac (China and Indonesia), candlenut with shell and without shell (China), iodized salt (Singapore), tamarind (Indonesia), vegetables (Singapore), candlenut oil (USA and China) and bike racks (Australia).

The findings highlight that apart from coffee, which dominates export, there are other potential commodities that can be further developed (by significantly increasing production volume) for export markets such as aquaculture commodities (fish and seaweed), horticulture commodities (konjac, tamarind, candlenut and salt) and industrial products (bike racks). The findings point out the fact that the coffee value chain may provide guidance on the approach, which could be applied to grow export in other sectors and product groups.

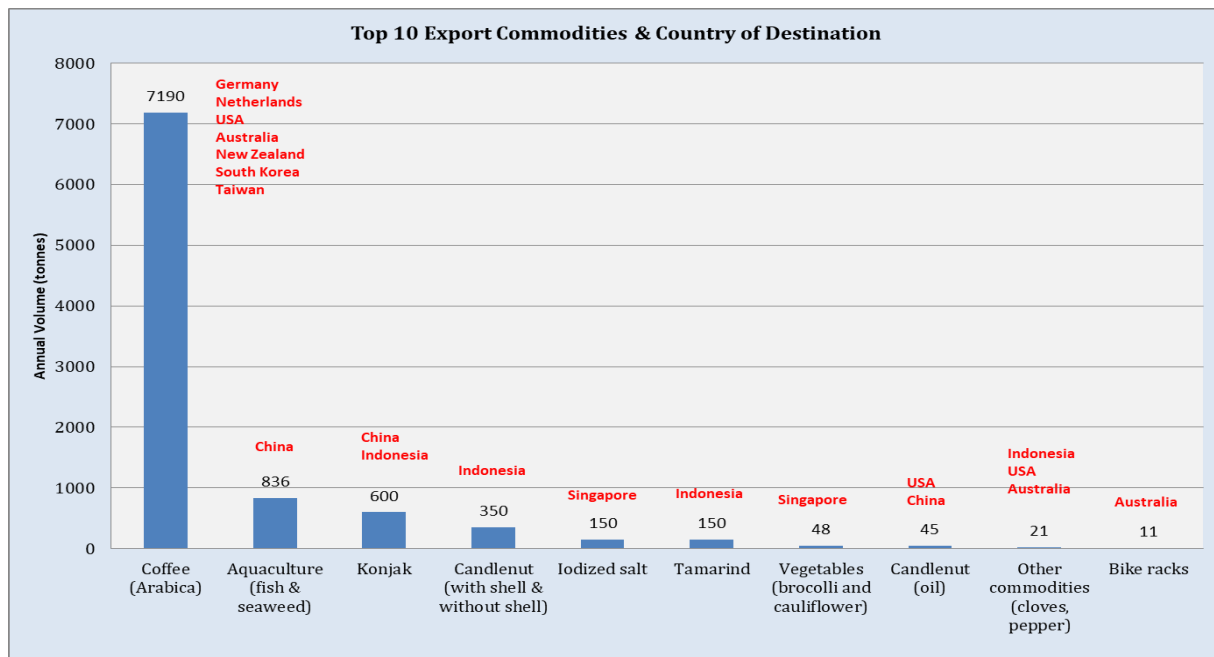


Figure 4. Top ten export commodities by annual volume and country of destination

The following diagram demonstrates the top ten export commodities by annual revenues. It clearly shows that coffee was the biggest export commodity that generated annual revenues of about US\$10 million.

The figure from these findings (given the incomplete sample size) is estimated to close enough to annual export values for coffee in 2016 (16.8 million) as reported by Timor-Leste Balance of Trade (Statistics Office of Ministry of Finance and World Bank).

Fish and seaweeds were the second biggest commodity that generated annual revenue of US\$716,000. In addition, candlenut oil with main export destination to Hawaii and Hongkong generated revenues of US\$250,000 per year.

Other commodities such as vegetables generated annual revenues of US\$132,000, fabricated bike racks US\$30,000, vanilla US\$25,000, iodized salt US\$24,000, konjac US\$20,190, candlenut (with shell and without shell) US\$20,000 and tamarind generated US\$5,000 respectively.

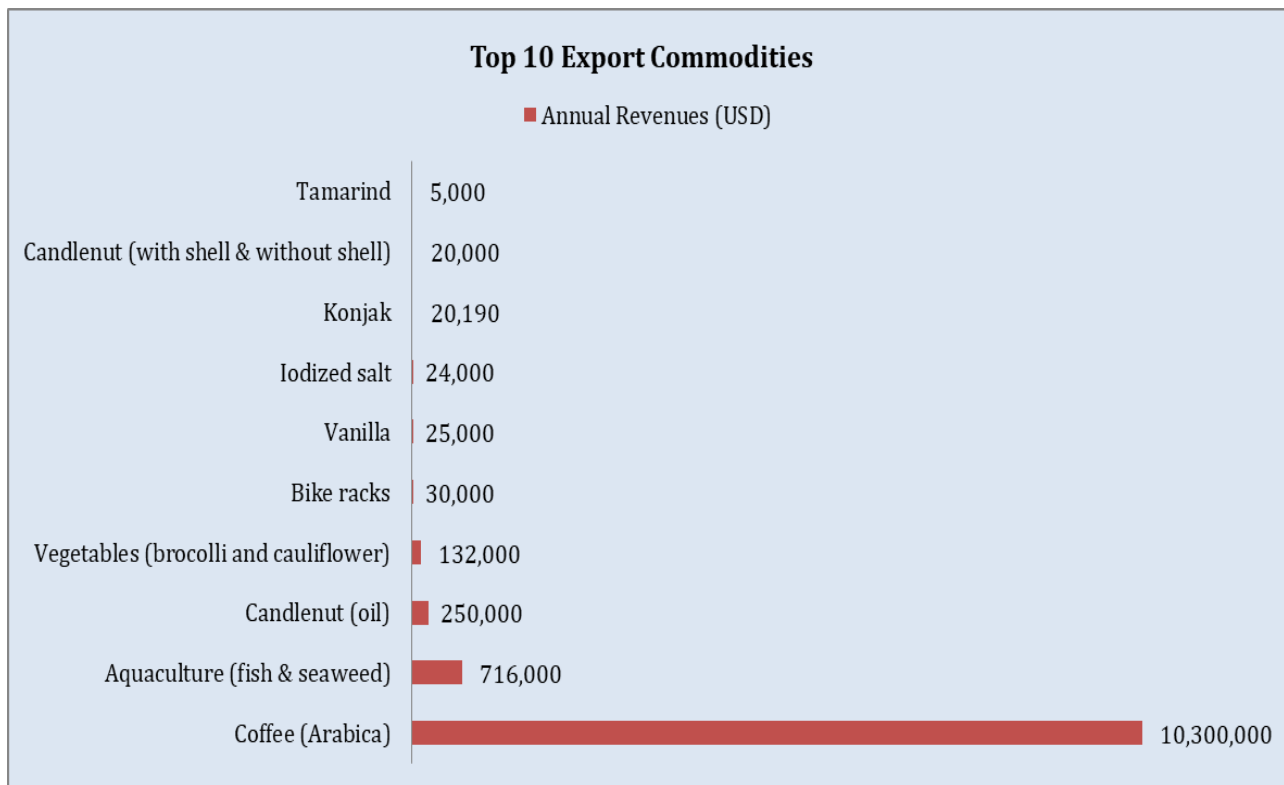


Figure 5. Top ten export commodities by annual revenues

IV.1.3. Buyer capacity

The diagram below provides benchmark capacity for buyers (supermarkets and restaurant) to purchase commodities from local suppliers. It illustrates that vegetables dominated the local purchase with annual capacity of 723 tonnes. This was followed by fruits (148 tonnes/year) and spices (68 tonnes/year). Buyers also purchased other products from local source such as peanuts, corn, rice, frozen chickens, coconut oil and peanut butter.

It highlights that there is a high demand for local commodities such as vegetables, fruits and spices to be supplied to buyers in Dili. As population is projected to grow in Dili, the demand for local commodities (fresh and organic vegetables and fruits) will increase.

These and other commodities are sustainable and have potential to substitute imported products. However, in order to compete with imported products, greater attention needs to be given to price and quality of supply.

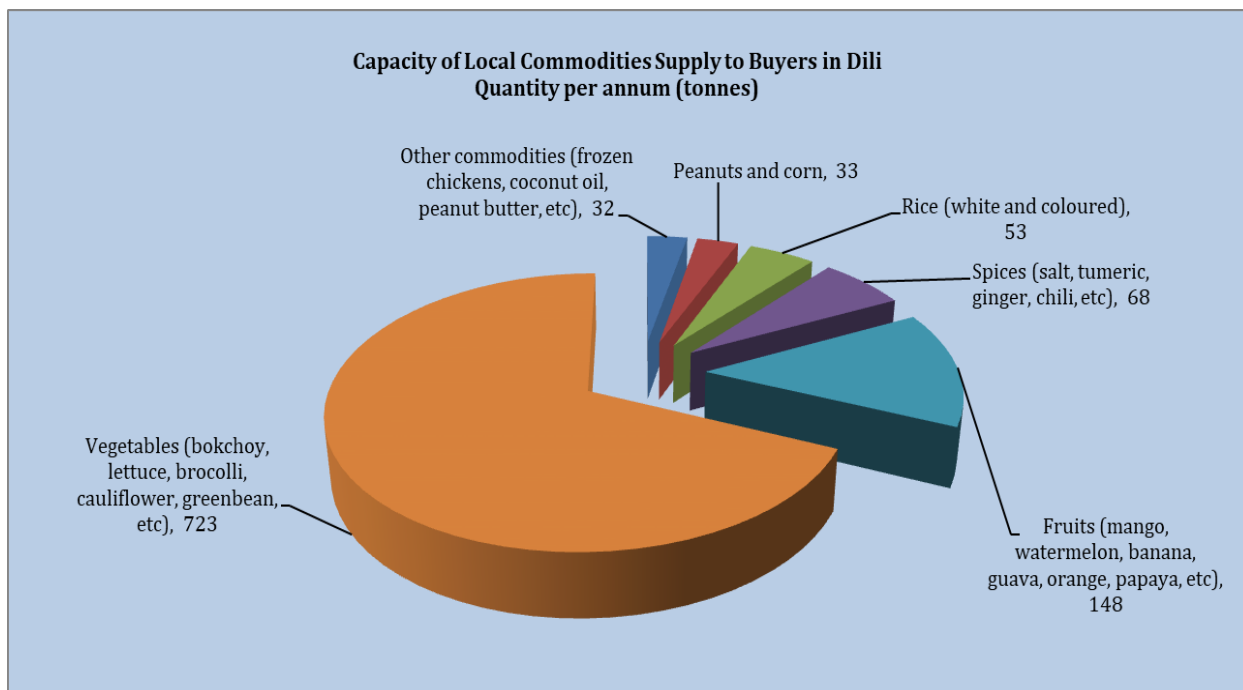


Figure 6. Annual capacity of local commodities supply to buyers in Dili

Moreover, the diagram below demonstrates employment creation by buyers in Dili. It seems likely that 96% of jobs were created for Timorese nationals, while only 4% for foreign workers by buyers in Dili. This diagram did not capture occupational category, which was not the main focus in the survey.

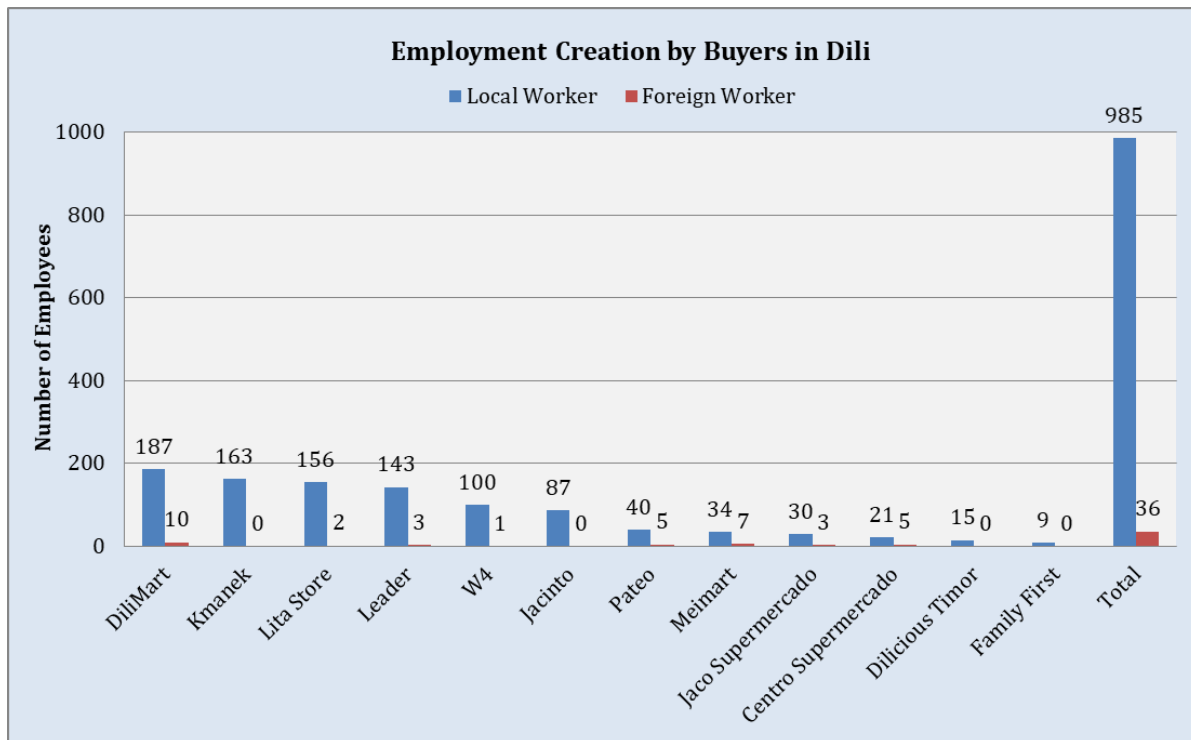


Figure 7. Local and foreign employment creation by buyers in Dili

IV.1.4. Gender participation

The following diagram demonstrates the proportion of enterprise ownership by gender. Overall, it appears that male dominated as enterprise ownership for both buyers (75%) and suppliers (73%) services.

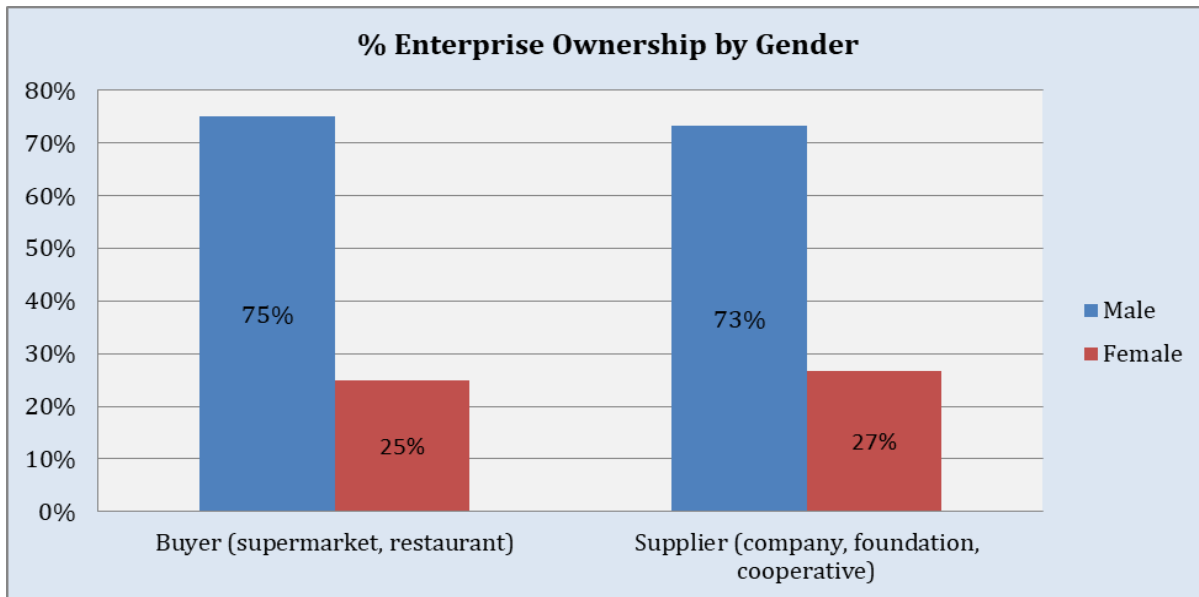


Figure 8. Percentage of enterprise ownership by gender

The below diagram illustrates the proportion of local employees by gender from both buyers and suppliers. It clearly shows that both buyers and suppliers employed more male (56% and 76%) compared to female (44% and 24%).

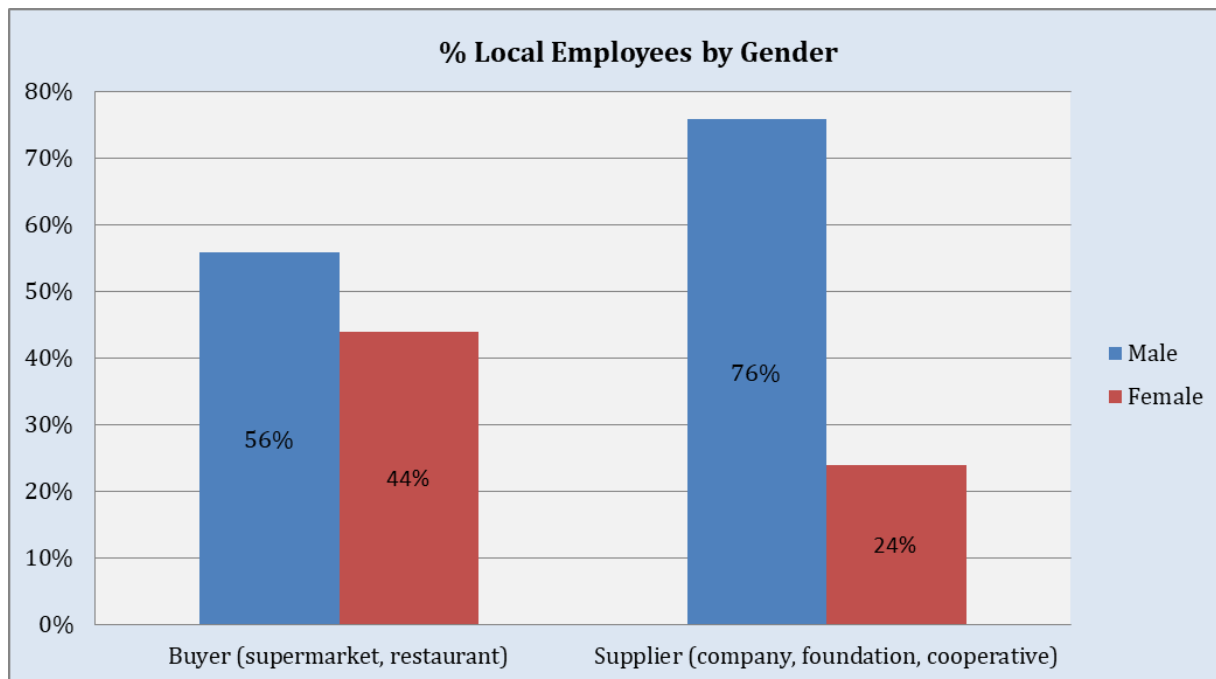


Figure 9. Percentage of local employees by gender

IV.1.5. Supply chains modality in Timor-Leste

This assessment identifies the concept of supply chains in Timor-Leste. The flow of products and services is very important in any business activities. As illustrated in the diagram below that supply chain in Timor-Leste varies in size, length and complexity.

Intermediate suppliers (companies) are likely to have direct supply chain from raw material suppliers (farmers/producers). This flow involves transport, packaging and storage activities from companies themselves. The products and services are then supplied to export market and wholesalers/distributors, which include supermarkets. Some products such as salt, spices and vegetables from companies are also directly supplied to retailers (restaurants and small kiosks) and consumers.

Then, products from supermarkets are supplied directly to retailers (restaurants and small kiosks) before selling to consumers. Some products such as seafood (prawns) are packed and stored by wholesalers/distributors for exporting to niche markets.

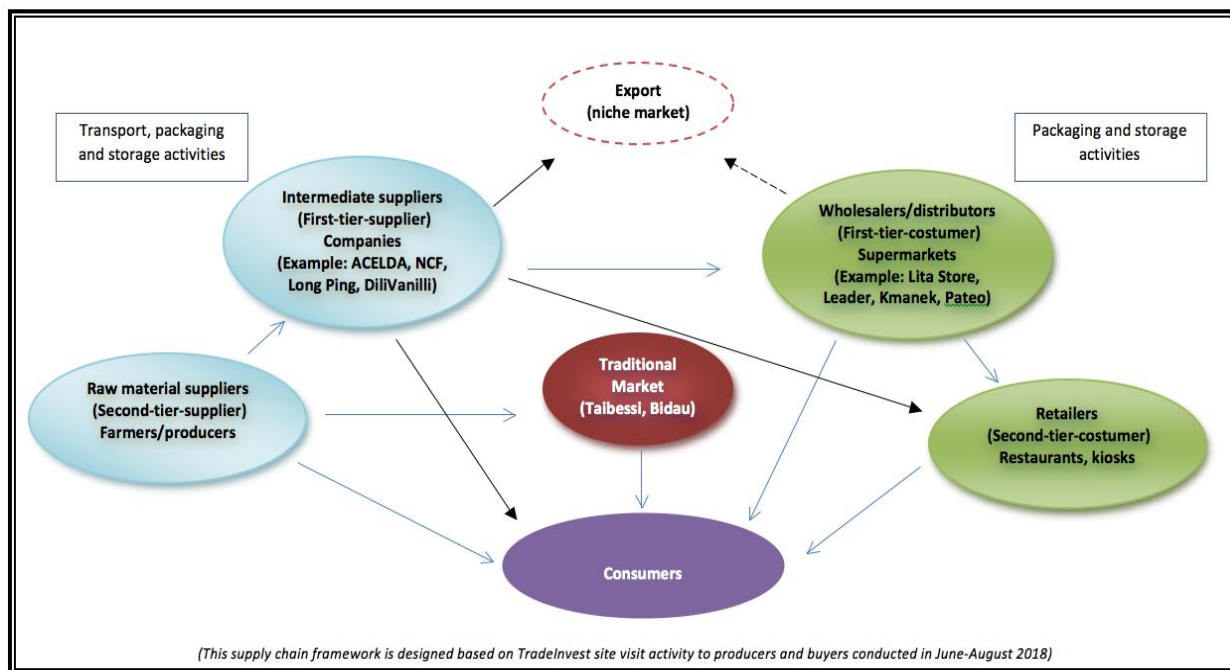


Figure 10. Supply chains (products and services flow) model in Timor-Leste

IV.2. Qualitative findings

IV.2.1. Generic issues affecting capacity of enterprises in Timor-Leste

Based on the outcomes of the individual interviews, the following points were raised as generic constraints/issues affecting the capacity of M-SMEs in Timor-Leste:

1. Difficulty in land access for business expansion
2. Bureaucratic process and services from relevant government institutions (Custom procedures for pre-approval for specific export products like garments)
3. Lack of channels for export market access (niche markets)
4. Expensive import and export process (penalty fee for discharging container from port for specific products such as lettuce)

V. LIMITATIONS

One of the limitations from this assessment is that the limited number of respondents cannot be generalized to represent all SMEs across the country (small sample size).

Due to budget regime change from central government (changing in government structure), the survey cannot be conducted to all identified local suppliers in other municipalities.

Moreover, some questions in the survey were not answered appropriately such as quantity of commodities purchased by buyers and some were unanswered such as revenue generated from export commodities by suppliers. This resulted in exclusion of the data when generating the figures.

VI. OPPORTUNITIES

The findings of this assessment provide opportunities for producers (farmers) to grow more commodities (such as vegetables, fruits, spices, rice) that are suitable for domestic and import substitution markets.

By increasing the production volume, those commodities can contribute more to generation of export revenues, hence reducing trade deficits in Timor-Leste.

At the import substitution level, the key is to build a consistent production capacity. This work is being done by MAF and other development agencies referred to in this report. DEP can assist by linking these suppliers with buyers. There is also a role for DEP to facilitate knowledge sharing among the agencies.

In addition, coconut and candlenut are two traditional commodities that have already been produced for export markets in Timor-Leste. Both commodities can be considered as opportunistic crops. There is an opportunity to attract FDI to invest (in the form of joint venture) with existing NDI in agriculture industry.

For example, candlenut has been processed into organic oil by a local company ACELDA in Baucau (production capacity of 45 tonnes per year as shown in Figure 3 above). This product has been exported to Hawaii and Hongkong market. Upgrading of agricultural industry process and production is required.

This means that an opportunity for FDI to invest is available by transforming candlenut oil (raw material) into final products such as ingredients for cosmetics (soaps, shampoo and body cream).

It is evident that opportunities are available for NDI and FDI to invest with more value added approach in Timor-Leste (example: roasting coffee and packaging). This can command a better price and compete at global market level.

VII. POTENTIAL DEVELOPMENT PARTNERS

To'os Ba Moris Diak (TOMAK)

Tomak is an Australian funded (US\$25M between 2016 and 2021) agency working to improve farming productivity.

Tomak is working with the Department of Agriculture on supporting the improved capacity of farmers to supply commodity products to wholesalers (Aggregators) in Timor Leste.

Tomak has done a study on aggregators – traders who buy and consolidate goods for onward sale, facilitating the movement of agricultural commodities from producers to consumers in the domestic market. The study focused on mung beans, red rice, red beans, peanuts, and red onions. Work was undertaken in 2017 in Viqueque, Baucau, and Bobonaro.

Market Development Facility (MDF)

MDF aims to create 800 additional Full Time Equivalent (FTE) jobs and increase incomes for 9,000 small farms and firms, relevant for improving the livelihoods of 10,600 women, men and children over a five year period (2012–2017).

“The private sector is the engine of economic growth. MDF supports businesses with innovative ideas, investment and regulatory reform that will increase business performance, stimulate economic growth and ultimately provide benefits for the poor – as workers, producers, and consumers.”

To achieve this, MDF stimulates growth in sectors that represent a major part of the economy, have long-term growth prospects and are relevant for poverty reduction. The three sectors chosen in Timor-Leste are Agribusiness, Processing and Rural Distribution, Greenfield Industries (Manufacturing and Tourism) and Promoting Investment and Local Entrepreneurship.

MDF has worked with a range of private organisations and provided grant funding for training, market studies, agricultural inputs and even capital equipment (example: alfatoxin testing at Timor Global).

Japan International Cooperative Agency (JICA)

JICA provides research based policy input to MCI in Timor Leste. They also provide grant funding for certain projects.

The key areas they have been focussing on over the last 3 years are as follows:

1. Supporting a cassava processing project in Manatuto in the south
2. Improving fishery distribution particularly in Dili with proposal to repair and upgrade a building in Bidau Santa Ana
3. Donation of compost making machine to organic farmers
4. Organising tourism conference in cooperation with the Bali tourism promotion group
5. Recommending a rice import tariff quota system to make local rice production more competitive

AVANSA Agricultura

AVANSA is a USA Aid funded (US\$19.2 M between 2015 and 2020) operating in the municipalities of Aileu, Ainaro, Bobonaro, Dili and Ermera.

The aim of the project is to accelerate sustainable economic growth in the agriculture sector. At the end of the project, USAID anticipates some 5,500 households will be earning higher incomes with improved nutrition and better managed economic assets. The long-term sustainability will be ensured by strengthening the links between the private sector and local partners that deliver services to rural farmers.

Implications for the work of DEP

There is a strong alignment between MDF (already in partnership with TradeInvest), TOMAK and AVANSA and to a lesser extent JICA. The German NGO GIZ is yet to be interviewed.

VIII. CONCLUSION AND RECOMMENDATION

Conclusion

DEP now has an excellent and up to date database of suppliers and buyers across a range of sectors. This assessment has provided a deeper understanding of the capacity and constraints for export.

A lot of work has been done by existing buyers and agencies such as supermarkets and restaurants together with relevant government ministries and development programs such as MAF, TOMAK, MDF, AVANSA Agricultura and JICA in the area of import substitution of agricultural and aquaculture commodities.

As capacity improves and constraints to export are eliminated, domestic suppliers who are import substituting today will become the exporters of tomorrow. It is important that DEP supports this process at the same time as continuing to work with existing exporters.

Coffee stands out as a success story for Timor-Leste. It is exported as a lower value added commodity (parchment), but increasingly it is being processed to a higher value specialty product such as roasted and ground coffee. This is an important lesson for commodity producers who need to move up the value chain to supply high quality niche products that can compete in the international market.

A major constraint to exporters is access to specialized knowhow and capital to scale up production to meet export opportunities.

DEP reviewed a range of reports from various Aid Agencies and found that there was much duplication of effort, but there has been a range of success stories across all sectors where they have provided support.

Recommendations

This assessment consists of internal and external recommendations as follows:

Internal recommendations:

1. TITL through the DEP leverages from the database of buyers and sellers to facilitate increased import substitution and growth in exports.
2. TITL works with MDF to identify candidates with “productive capacities that are sustainable and employment intensive” (UNDP Country Program Action Plan September 2015) and facilitate access to capital to build export business.
3. TITL works with development partners (MDF, AVANSA Agricultura, TOMAK and JICA) by facilitating a quarterly forum to review, prioritize and target effort in improving capacity, quality and stability of supply.
4. TITL reviews the constraints identified in the interview process and works with stakeholders to “make it easier” for business.
5. TITL further reviews the success of the coffee industry and translates the learning to other organizations that are exporting or those that have export potential.
6. TITL through the DEP conducts joint field trips with TOMAK and AVANSA to better understand on the ground, the work they do.
7. TITL works with institutions such as Women Business Association (AEMTL) and Institute for Private Sector development (IADE) to support positive gender quality outcomes.

External recommendations:

1. Department of Land and Property should review and socialize land access policy to facilitate and empower business expansion.
2. Customs office should reduce bureaucratic process by simplifying import and export processes and standardize and minimize the price for import and export services for specific products.
3. MAF should provide more support in improving farming systems for local producers in order to boost the production side of commodities that are suitable for export markets.

IX. ASSESSMENT TEAM

This assessment is composed of the following team members:

1. Decio Ribeiro Sarmento, Director of Export Promotion (Team Leader) – responsible for overall supervision, reviewing related documents (questionnaires, flowcharts, and checklist), drafting, analyzing and finalizing the assessment report.
2. Davida Mesquita, Export Promotion Manager (Coordinator for buyer survey) – responsible for designing questionnaire, organizing site visits, interviewing and collecting questionnaires.
3. Nidia Preza, Technical Support for Export Promotion (Coordinator for supplier survey) – responsible for designing questionnaire, organizing site visits, interviewing and collecting questionnaires.
4. Eusebio dos Santos, Junior Technical Support for Export Promotion – (Coordinator for export/import information material) – responsible for collecting information from relevant government entities, designing flowcharts and checklist, distributing to suppliers and buyers as well as maintaining database for clients' enquiries.
5. David Baker, Trade Promotion Strategist from AVI – responsible for reviewing related documents (questionnaires, flowcharts, and checklist) and analyzing the assessment report.

X. ACKNOWLEDGMENT

The assessment team would like to acknowledge the participation and collaboration of all respondents (suppliers and buyers) for their valuable time to fill out and return the questionnaire and host the site visits and interviews.

Special thanks is also dedicated to directors and technical staff from relevant government entities (Finance Ministry, MCI, MAF, SERVE) for providing information about export and import procedures and regulations.

The assessment team also would like to acknowledge TradeInvest under the leadership of Executive Director, Eng. Arcanjo da Silva and the rest of the team (DPI, DREM, DAF, Advisors) for the support, coordination and team work.

XI. ANNEX

XI. 1. List of suppliers

No	Company	Location	Product
1	Timor Mariscos	Dili	Prawn
2	Rotomor	Dili	Septic tanks
3	Best Sea Food	Dili	Fish and Seaweed, Konjac and coffee
4	Empreza Di'ak	Dili	Seaweed
5	Gajah Mada	Dili	Candlenut, Konjac, cashew
6	Hafoti	Dili	Coconut oil, cloves, Keripik hudi, pepper, red rice, body Scrub
7	People's Trade Company	Dili	Virgin coconut oil, salt, banana chips, cassava chips, marmalade, tamarind candy, body scrub, vanilla, and cloves.
8	Figus Sol Nascente	Dili	Fig tea, fig seasoning, fig flavored coffee, Liquor
9	Mahanaim garment	Dili	Women's clothing
10	Esmélia Unipessoal	Dili	Candlenut, Corn, Coprah
11	Cooperativa Café Timor	Dili	Coffee and vanilla
12	Peace Coffee	Dili	Coffee
13	Kaffe U'ut	Dili	Coffee
14	Tokodede	Dili	Coffee
15	Alter Trade Timor	Dili	Coffee
16	Outspan/Olam	Dili	Coffee and Cacao
17	Nova Casa Fresca	Dili	Fresh vegetables, Coffee
18	Nazareth Foundation	Dili	Bicycle racks
19	Stev MRN	Dili/viqueque	Black Rice
20	CFS Unip. Lda.	Viqueque	Honey
21	Happy Farm	Liquiça	Eggs
22	Grasia Farm	Ermera	Eggs
23	Makikit	Lospalos	Virgin coconut oil, papaya soap, akapulko soap, cooking oil
24	Aelda	Baucau	Rice and candlenut oil
25	NPM	Liquiça	Iodized salt
26	Long ping	Liquiça	Prawns
27	Tais Timor/ Virgo	Liquiça	Coffee/ Tabaco
28	DiliVanilli	Aileu	Vanilla
29	Feliz Farm	Ermera	Organic vegetables
30	Lospalos Coconut Oil	Lospalos	Coconut Oil



XI. 2. List of buyers

No	Name	Location
1	Kmanek	Dili
2	Dili Mart	Dili
3	Jacinto	Dili
4	Leader	Dili
5	W-Four	Dili
6	Pateo	Dili
7	Jaco Supermercado	Dili
8	Centro Supermercado	Dili
9	Meimart	Dili
10	Family First	Dili
11	Lita Store	Dili
12	Dilicious (local restaurant)	Dili


**XI. 3. Checklist distribution list**

No	Company	Location
1	Cooperativa Café Timor	Dili
2	Cooperativa Café Timor	Lospalos
3	Peace Coffee	Dili
4	Kaffe U'ut	Dili
5	Kafe Tokodede	Dili
6	Tais Timor/ Virgo unip. Lda	Liquica
7	Alter Trade Timor	Dili
8	Makikit	Lospalos
9	Acelda Unip. Lda.	Buacau
10	CFS Unip. Lda.	Dili
11	NPM	Dili
12	FarmPro	Ermera, Gleno
13	Nova Casa Fresca	Ai-Leu
14	Happy Farm	Liquica, Loes
15	Long ping	Liquica, Loes
16	Nazareth foundation	Dili
17	Dilicios	Dili
18	Mega Tours	Dili
19	Dilivanilli	Dili
20	Mahanaim garment	Dili
21	Montain Top Coffe (MTC)	Dili
22	Meimart/Jim yuang tranding	Dili
23	W-Four	Dili
24	Dilimart	Dili
25	Kmanek	Dili
26	Centro Supermercado	Dili
27	Family First	Dili
28	Jaco Supermercado	Dili
29	Pateo	Dili
30	Jacinto	Dili
31	Leader	Dili
32	Lita Store	Dili
33	East Timor Roofing	Baucau

**XI. 4. Flowcharts distribution list**

No	Company	Location
1	Timor Mariscos	Dili, Metinaru
2	Rotomor	Dili
3	Best Sea Food	Dili, Hera
4	Empreza Di'ak	Dili
5	People's Trade Company	Dili
6	Figus Sol Nascente	Liquica
7	Esmélia	Dili
8	Cooperativa Café Timor	Lospalos
9	Cooperativa Café Timor	Dili
10	Peace Coffee	Dili
11	Kaffe U'ut	Dili
12	Kaffe Tokodede	Dili
13	Tais Timor/ Virgo unip. Lda	Liquica
14	Alter Trade Timor	Dili
15	Outspan/Olam	Dili
16	Makikit	Lospalos
17	Acelda Unip. Lda.	Baucau
18	CFS Unip. Lda.	Dili
19	NPM	Dili
20	Nova Casa Fresca	Aileu
21	Happy Farm	Liquica, Loes
22	Long ping	Liquica, Loes
23	C-CAT	Dili
24	Farm Pro	Ermera, Gleno
25	Mega Tours	Dili
26	DiliVanilli	Dili
27	Mahanaim garment	Dili
28	Montain Top Coffe (MTC)	Dili
29	Nazareth Foundation	Dili
30	Grasia Farm	Ermera, Railako
31	Dilicios	Dili
32	W-Four	Dili
33	Dilimart	Dili
34	Kmanek	Dili
35	Centro Supermarket	Dili
36	Family First	Dili
37	Jaco Supermerkadu	Dili
38	Pateo	Dili
39	Jacinto Supermekado	Dili
40	Leader	Dili
41	East Timor Roofing	Baucau

XI. 5. Supplier survey form

 TradeInvest Timor-Leste Agência de Promoção de Investimento e Exportação, I.P. DIRECÇÃO de PROMOÇÃO da EXPORTACÃO		
<div style="border: 1px solid black; padding: 10px; background-color: #e6f2ff; margin: 10px auto; width: 80%;"> <p>Company's name :</p> <p>Owner/Director :</p> <p>Company Address :</p> <p>Telephone # :</p> <p>Email :</p> <p>Company's start date :</p> <p>Interviewer :</p> <p>Date :</p> <p>Product :</p> </div>		
Questionnaire for Supplier		
No.	Questions	Answers
1	Minimum and maximum quantity export (kgs, sacks, tonnes etc.)	
2	Source (where from?)	
3	Market (where to? Domestic or export?)	
4	Revenue by exported product (annually)	
5	Volume by exported product (annually)	
6	Capacity by product per year (Units, Kgs, bags, etc.)	
7	Seasonal availability	
8	Means of transport and cost for domestic market	
9	Means of transport and cost for overseas market	
10	Time in transit (domestic)	
11	Time in transit (overseas)	
12	Export opportunities and constraints/challenges	
13	What can TradeInvest do to help?	
14	Certification/quarantine (origin, organic, content analysis, phytosanitary)	
15	Government subsidies received (financial or technical support)	
16	Other subsidies received from non-government institution	
17	Number of employees (Local & Foreigner)	
18	Anything else?	

XI. 6. Buyer survey form

	Questions	Answers
	1 Vegetables bought locally and monthly quantity (current)	
	2 Vegetables you would like to buy locally if you had reliable supply and monthly quantity (other vegetables you want/plan to buy)	
	3 Fruit bought locally and monthly quantity (current)	
	4 Fruit you would like to buy locally if you had reliable supply and monthly quantity (other fruits you want/plan to buy)	
	5 Spices (e.g. salt, turmeric, ginger, chili, etc.) bought locally and monthly quantity (current)	
	6 Spices you would like buy locally if you had reliable supply and monthly quantity (other spices you want/plan to buy)	
	7 Products such as peanuts and corn bought locally and monthly quantity	
	8 Products such as peanuts and corn you would like buy locally if you had reliable supply and monthly quantity	
	9 Rice (red, black or white) bought locally and monthly quantity	
	10 Rice (Red, black or white) you would like buy locally if you had reliable supply and monthly quantity	
	11 Other products (e.g. chickens, coconut oil, peanut butter) bought locally and monthly quantity	
	12 Other products you would like buy locally if you had reliable supply and monthly quantity	
	13 Do you arrange your own transport - How?	
	14 Do you sell to other supermarkets?	
	15 Do you buy from other supermarkets?	
	16 Are you looking to export? If so, which products?	
	17 How many employees do you have? (Local and foreign)	
	18 Challenges and constraints in sourcing products locally	
	19 How can TradelInvest help you?	
	20 NGOs and Government Departments that you have worked with?	
	21 Anything else?	

**XI. 7. List of documents reviewed as part of this report**

No	Document
1	JICA Project Completion Report – June 2017
2	JICA Project Completion Report – July 2016
3	TOMAK Aggregator Study Technical Report – December 2017
4	UNDP Strategy Document for Timor-Leste – 2015-2019
5	Balance of Trade – Timor-Leste Statistics and World Bank Report – 2017
6	Business Activity Survey, General Directorate of Statistics, Ministry of Finance – 2016
7	Timor-Leste Strategic Development Plan 2011-2030
8	Baseline study on the Identification of local products in RAEOA, Covalima and Baucau that have potential for export and attract foreign investments in agricultural sector – National Center for Scientific Research UNTL and TradelInvest – 2017

Assessment Team Out In the Field





TradInvest Timor-Leste
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