



INVEST TIMOR-LESTE 2026



Australian Government

INVESTMENT PROSPECTUS

Agriculture in Timor-Leste

Opportunities for Investment in a Frontier Market



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ABOUT THIS PROSPECTUS

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Executive Summary

Timor-Leste is one of Southeast Asia's youngest nations, with a small but growing economy actively diversifying away from dependence on oil and gas revenues. Agriculture is the country's largest non-petroleum sector, contributing almost 20% of GDP and providing livelihoods for around 70% of households.

The sector remains predominantly subsistence-based, but a transition toward commercial agriculture is underway. This creates opportunities across the value chain: from input supply and on-farm production through to aggregation, processing, and market access. Recent milestones including WTO accession in 2024 and ASEAN membership in 2025 have improved Timor-Leste's trade position and signalled its commitment to economic integration.

This is an early-stage market. Investors should expect the challenges typical of frontier economies: limited infrastructure outside the capital, nascent supply chains, and thin market data. To date, agricultural investment in Timor-Leste has been most successfully pursued by local players, impact-oriented investors, and those with a historical or personal connection to the country, including veterans, development organisations, and those seeking social impact alongside financial returns. However, as the enabling environment matures, the opportunity set is broadening.

This prospectus provides a realistic overview of Timor-Leste's agricultural sector, the market opportunity, sub-sector profiles, key risks, and the practical framework for investment. It is intended to help prospective investors assess whether and how to engage.

1.4m

POPULATION

~70%

HOUSEHOLDS RELYING ON
AGRICULTURE

2024

WTO ACCESSION

2025

ASEAN MEMBERSHIP

01 Country Context

Timor-Leste is a small Southeast Asian nation with a population of almost 1.4 million. It is large relative to most Pacific Island states but small within the ASEAN context. Since independence in 2002, the country experienced significant economic growth, averaging 4.8% real GDP growth through to 2012, driven largely by oil and gas revenues from the Timor Sea¹. Growth has since slowed, with limited growth in real GDP per capita, as the economy seeks to diversify away from petroleum dependence.

Urbanisation is low at 30%, and the majority of households rely on small-scale agriculture for their livelihoods. Government spending leads the economy, sustaining a large public workforce and extensive social transfer programs, which has produced consistent demand for consumer goods and services. However, with a relatively small manufacturing sector, the country is heavily reliant on imports, and the trade deficit is funded by revenues from oil and gas.

There is widespread recognition of the need for economic diversification, including to create economic opportunities and employment for a large and growing population of young adults. The government is actively promoting investment in agribusiness, light manufacturing, tourism and related services.² Timor-Leste maintains a strong commitment to economic openness, with low tariffs, minimal non-tariff barriers, incentives for foreign investment, and acceptance of foreign workers. Recent accession into the WTO and ASEAN reflect this commitment and provide new opportunities for international engagement.

Timor-Leste is a stable democracy, ranking first in Southeast Asia on Freedom House's Freedom in the World index.³



STRATEGIC LOCATION

~720 km

DILI TO DARWIN

~2,600 km

DILI TO SINGAPORE

~2,300 km

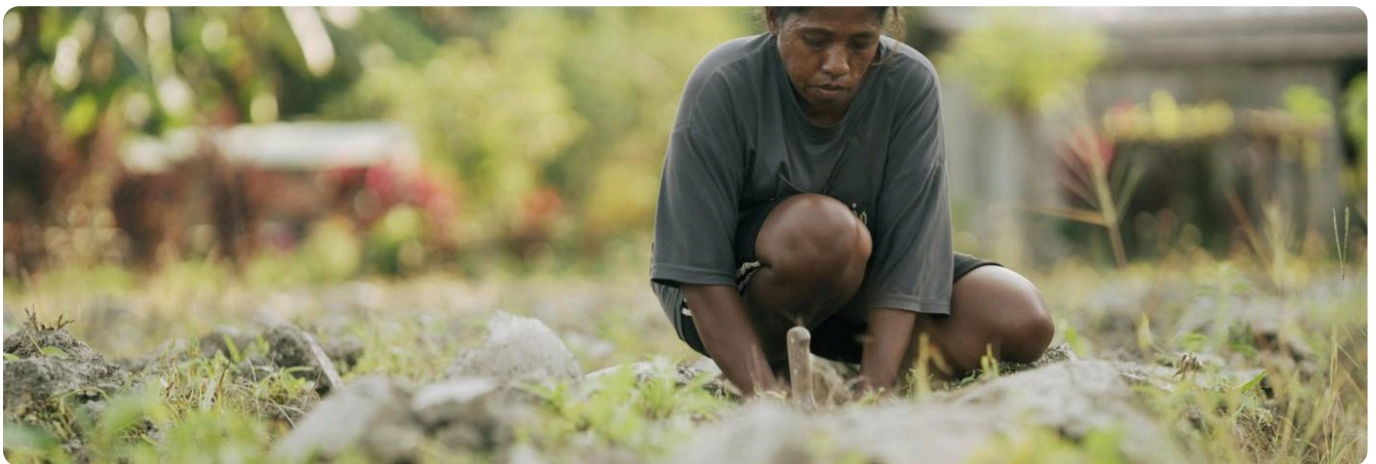
DILI TO JAKARTA

Indicative great-circle distances.

Investment Enablers

Several structural features position Timor-Leste favourably for investment, particularly in a regional context:

- **Young workforce.** More than half the working-age population is under 30.⁴
- **Competitive labour costs.** A minimum wage of US\$115 per month compares favourably with most of the Southeast Asian region.
- **Currency stability.** The US dollar is the national currency, eliminating exchange rate risk and providing long-term macroeconomic stability. Inflation has remained below 3% per annum every year since 2014, except during the COVID period.⁵
- **Improving infrastructure.** The main road network is improving, the national port at Tibar Bay has been recently redeveloped, and the Dili International Airport redevelopment is underway.
- **Energy and connectivity.** Large-scale renewable energy investments such as the 72 MW Manatuto solar project will reduce energy costs. The Timor-Leste South Submarine Cable entered commercial operation in July 2026, delivering the country's first international undersea fibre-optic connection and replacing relatively costly satellite services.
- **Modern port capacity.** The new port at Tibar Bay, only a few kilometres from Dili, has capacity for 250,000 twenty-foot equivalent units (TEUs) annually and is currently operating at less than 20% utilisation. Total trade through the port exceeded US\$850 million in 2023.⁶
- **Preferential market access.** As a Least Developed Country, Timor-Leste benefits from duty-free access to most global markets under the Generalised System of Preferences.⁷ ASEAN membership also provides mostly tariff-free trade with other ASEAN countries under the ASEAN Trade in Goods Agreement.⁸



02 The Agriculture Sector

Agriculture, forestry and fisheries together comprise Timor-Leste's largest industry, contributing almost 20% of GDP. Around 70% of households are rural, and rely on small-scale agriculture or fisheries as their primary livelihood. Small-scale subsistence farmers typically cultivate around one hectare of land using basic tools and minimal paid inputs.⁹

Existing medium-scale commercial operations include commercial egg and broiler chicken production, tomato farming, several coffee processing and export businesses, agricultural input importers and retailers, bamboo production and furniture manufacturing, peanut processing and export, and coconut oil production.

Businesses working in the sector should recognise that it is largely comprised of remote, low-income, vulnerable communities with strong attachment to land.

Policy Environment

The government is focused on increasing agricultural production for food security, domestic consumption, and international export. It has articulated a clear vision for the sector's transition from subsistence to commercial farming, supported by several key policy frameworks:

- **Strategic Development Plan 2011–2030**² – sets out goals for self-sufficiency in staple foods (rice and maize), promotion of high-value cash crops such as coffee, spices and horticulture, and development of agro-industries for value addition.
- **Agricultural Policy and Strategic Framework (2017)**⁰ – focuses on climate-resilient agriculture, sustainable practices and improving extension services.
- **National Coffee Sector Development Plan (2019–2030)**¹¹ – identifies that demand for Timorese coffee is not the constraint; the priority is to increase supply and smallholder production.
- **Agriculture Sector National Adaptation Plan (2021)**¹² – outlines a pathway towards sustainable and resilient agri-food systems.

Modernising the Sector

Modernisation of Timor-Leste's agriculture sector is emerging in some areas, with significant potential for more. Scaling commercial agriculture will require investment across the value chain, and each segment offers opportunities for private sector participation.

Agricultural Inputs

The supply chain for inputs such as fertiliser, herbicide, improved seed varieties, animal feed and basic mechanisation tools is developing, and farmer demand is growing rapidly, but large gaps remain. Opportunities exist for businesses to strengthen input supply chains for some commodities, including import and distribution networks, and farmer extension work that builds demand while ensuring safe use of products.

On-Farm Production

Small-scale production continues on households' traditional land, but with quality inputs, appropriate technology and skills development, productivity can be significantly improved and production fed into scalable supply chains. This model already operates in the coffee sector, where producers are almost exclusively small-scale but aggregators connect production to international markets.

There are limited opportunities for medium and large-scale commercial farms, which remain few and small by international standards. The nucleus farm model, where a large farm supports neighbouring smallholders with production quality and market access has particular potential.

Markets and Processing

Effective aggregation is needed: buyers who can assist with post-harvest processing and storage, and connect farmers to formal markets with consistent demand. Downstream processing facilities such as feed mills, abattoirs, bakeries and other value-addition operations are largely absent. Reaching the consumer market requires local producers to deliver adequate quality, consistent supply and competitive pricing. Export markets can also be created or extended for select commodities. Semi-processing, such as cleaning, peeling, drying or snap-freezing before export, is a particularly suitable entry point for foreign investors. It adds value, suits a higher minimum investment, and reduces the biosecurity and quarantine risk that often holds up exports of fresh produce.

03 Market Opportunity

The domestic market is relatively small: a population of almost 1.4 million, comparatively low incomes, and low food consumption per capita. However, domestic consumption is growing as more people enter the middle class, shift from subsistence production to market-based consumption, and move from traditional markets to commercial retail channels. Data on exports, imports and domestic production helps quantify the opportunity.

Exports

The chart below provides a snapshot of the main commodity exports for 2018 and 2023, the most recent year for which detailed data is available. Coffee dominates, but several niche products contribute to a small export base. Export values move considerably year to year with coffee harvest cycles and global prices, and the 2018–2023 comparison spans the COVID-19 disruption; it underscores how narrow the current export base is, and how much headroom exists to rebuild volumes.

AGRICULTURAL COMMODITY EXPORTS, 2023 (USD)



TABLE 1: AGRICULTURAL COMMODITY EXPORTS (USD)

COMMODITY	2018	2023
Coffee	\$19,243,641	\$14,469,536
Vanilla	\$492,427	\$580,287
Copra	\$231,554	\$383,276
Candlenut	\$425,049	\$198,712
Konjac chips	\$2,380,666	\$90,415
Dried sea cucumber	\$25,404	\$25,146
Fish	\$68,215	\$1,128

Source: Timor-Leste Customs

Imports

A wider range and significantly higher volume of food products are imported, many of which present opportunities for import substitution.

LARGEST FOOD IMPORTS, 2023 (USD)

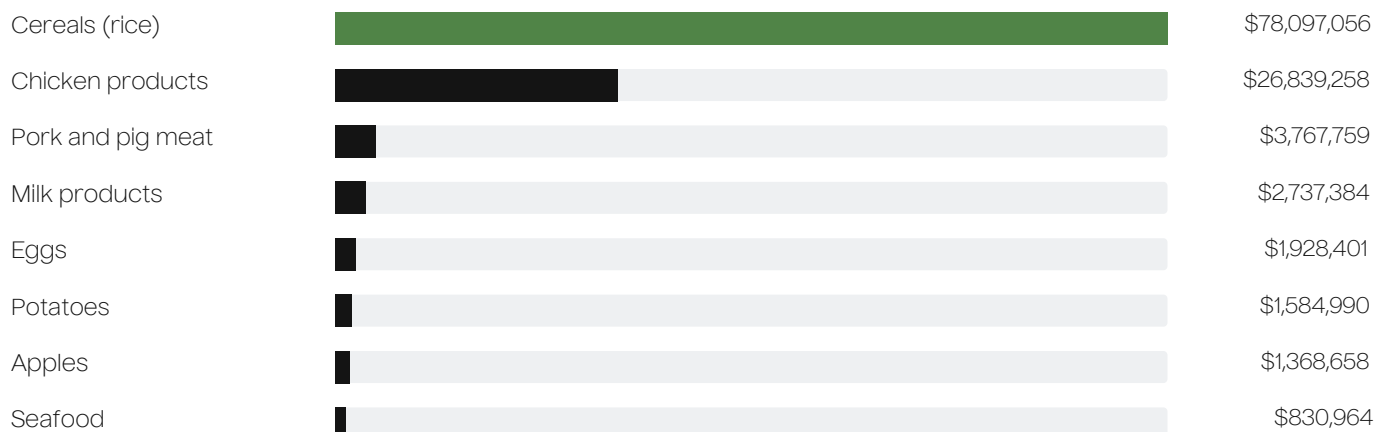


TABLE 2: IMPORTS OF FOOD PRODUCTS (USD)

PRODUCT	2018	2023	PRODUCT	2018	2023
Cereals (rice)	\$38,525,000	\$78,097,056	Grapes	\$120,937	\$659,004
Chicken products	\$16,601,270	\$26,839,258	Butter	\$266,673	\$581,059
Pork and pig meat	\$2,138,435	\$3,767,759	Coconut	\$13,231	\$525,870
Milk products	\$8,366,866	\$2,737,384	Coffee	\$1,782,153	\$407,086
Eggs	\$1,770,166	\$1,928,401	Mandarin	\$106,174	\$327,271
Potatoes	\$1,016,391	\$1,584,990	Nuts	\$22,737	\$265,401
Apples	\$783,711	\$1,368,658	Tea	\$290,026	\$249,243
Oranges	\$281,225	\$981,147	Spices	\$120,335	\$241,272
Garlic	\$580,468	\$861,066	Mushrooms	\$63,349	\$120,923
Seafood	\$1,899,513	\$830,964	Carrots	\$38,191	\$99,672
Onion	\$488,679	\$766,628	Pears	\$90,929	\$94,444
Beef	\$450,236	\$682,757	Melon	\$17,806	\$73,800
Cheeses	\$268,093	\$661,698	Lamb	\$50,457	\$30,323

Source: Timor-Leste Customs

Domestic Production

The tables below show FAO estimates for domestic food production in 2024, grouped by category for ease of reference. This excludes fish, seafood and forestry activities.

**TABLE 3: DOMESTIC PRODUCTION OF FOOD PRODUCTS,
2024 (TONNES)**

Cereals & Grains

Maize (corn)	70,000
Rice	62,000
Beans, dry	10,779
Groundnuts, excl. shelled	3,351
Soya beans	861

Livestock & Animal Products

Other meat of mammals	17,080
Meat of pig with bone	10,803
Raw milk of goats	5,179
Hen eggs in shell	1,750
Edible offal and fat of pigs	1,571
Meat of cattle with bone	1,275
Hen eggs in shell (additional)	1,164
Cattle / Goat / Sheep fat, offal, skins	965
Meat of buffalo	706
Meat of chickens	492
Meat of goat	379

Other (Coffee, Spices, Honey)

Coffee, green	9,523
Other stimulant/spice/aromatic crops, Cocoa	629
Natural honey	590

Vegetables & Root Crops

Coconuts, in shell	33,023
Edible roots/tubers (high starch)	27,293
Other vegetables, fresh	27,081
Cassava, fresh	17,373
Sweet potatoes	4,825
Other beans, green	3,796
Cabbages	2,724
Potatoes	1,217
Cucumbers and gherkins	1,179
Tomatoes	597
Green garlic	394

Fruits

Mangoes, guavas, mangosteens	7,476
Avocados	4,481
Papayas	2,211
Oranges	1,929
Other tropical fruits	999
Bananas	560
Pineapples	135

Source: FAOStat (<https://www.fao.org/faostat/en/>)

Where Are the Opportunities?

Export Markets

Timor-Leste's proximity to the large Southeast Asian population base provides access to markets where niche products can command higher margins. However, exporting is challenging, with high transport costs, slow services, limited sanitary and phytosanitary facilities, high costs for sending samples, and certification difficulties all present barriers. To date, successful exports have been concentrated in high-margin products, ethically traded goods, or a limited range of higher-volume commodities – principally coffee.

A longer-term opportunity is to position Timor-Leste as a production base for partner countries that have limited land but strong food-security needs. This follows the model used between Singapore and Brunei, where one partner provides technology, capital and offtake and the other provides land and production. Timor-Leste has under-utilised arable land and can offer incentives and secure tenure, and could supply a defined commodity back to the partner market. Off-season banana production for Singapore, filling the window when Philippine supply is low, is one worked example. These arrangements need to be actively developed and are best treated as a multi-year and longer-term prospect.

Import Substitution

The imports data identifies several categories where substantial domestic demand is currently met by imports. Import value signals demand, but it is only half the test. The other consideration is competitiveness: whether a product can be made locally at a price and quality that compete with imports. Screened on both, the categories with the clearest potential are:

- **Rice** – the largest import by far, at US\$78 million in 2023, but also the most exposed on competitiveness: imported white rice is cheap, and domestic production has historically cost substantially more. The clearer investor openings are in mechanisation, irrigation-enabled new-area development, and higher-value niche varieties rather than wholesale replacement of staple white rice imports.
- **Meat and animal products** – chicken, eggs, beef, pork, and seafood.
- **Selected vegetables** – particularly potato, garlic and onion.
- **Fruits** – a range of tropical fruits where domestic production already exists.
- **Milk products** – a relatively large import market with virtually no domestic production.

Other categories may also suit local growing conditions, though import volumes alone do not indicate potential for sizeable market growth.

Emerging Consumption Patterns

Consumer tastes are evolving as the middle class grows, suggesting new market opportunities for businesses positioned to shape future demand:

- Modern supermarkets are expanding in Dili, stocked almost exclusively with imported non-perishable and frozen foods. Locally produced goods are mostly limited to fresh vegetables, fruit and a small range of meat products.
- There is growing demand for fresh, quality local produce from restaurants and hotels.
- Consumption is shifting toward meat products.
- There is anecdotal evidence that demand for white rice is shifting toward locally produced red and black rice varieties and imported wheat products.

Input Supplies

The sector relies heavily on imported inputs, and there is potential for both import substitution and greater competition among importers. Examples include day-old chicks for broiler production, animal feed, fertiliser and herbicide, fingerlings, and seedlings. Distribution networks are limited and reach to farmers is patchy.



04 Sub-Sector Opportunities

The following opportunities are not exhaustive but capture some of the more commonly discussed investment opportunities, focusing on areas where activity is currently progressed and where new investment can add momentum.

Coffee

Coffee is Timor-Leste's most established agricultural export, with over 20,000 smallholder farmers and more than a dozen exporters. Production has fallen to less than half the levels of 25 years ago, and there is long-term scope to recover volumes. For an investor, however, the opportunity is unlikely to lie in scaling production directly. Holdings are small and fragmented, plantation coffee remains constrained by land availability, and there is no straightforward way to generate a return by lifting smallholder output. The more accessible openings sit further along the value chain.

One such example is dry milling. A growing number of specialty processors have challenges accessing dry milling facilities and are not at a scale to build their own, which is delaying exports. Investment that closes this gap would benefit producers across the sector. Comparable openings exist in aggregation, quality improvement, and the development of specialty grades and brands. Timor-Leste cannot compete on volume with regional producers such as Vietnam and Indonesia, but it can command higher prices through specialty grade, origin and certification, where margins are more defensible.

Horticulture

There is currently a reasonable level of domestic vegetable production supplying local markets and supermarkets. The opportunity lies in scaling up production of a focused range of high-quality vegetables for both local consumption and potential export markets.

Livestock

Opportunities exist across the livestock value chain, with the strongest near-term prospects in poultry and cattle. Demand is evident from the import data, where chicken products and beef are among the larger food imports, and there is established domestic capability to build on.

In poultry, locally produced broiler meat is broadly cost-competitive with imported frozen chicken, but two gaps constrain the supply chain. The first is aggregation: producers struggle to reach supermarkets at scale, and there is a clear need for aggregators who can purchase from producers and prepare products for retail. The second is upstream, in the supply of day-old chicks and feed, most of which is imported. A substantial share of feed could be produced domestically, and local day-old chick production would lower costs and improve competitiveness further.

In cattle, productivity and quality remain low relative to potential. The opportunity lies in partnering with established domestic operators to lift both through better genetics, husbandry and feed. Local feed production and processing capacity are related opportunities in their own right.

CASE STUDIES

TRADEINVEST BENEFICIARY

Funan Santalum

A national broiler business and TradeInvest beneficiary that has moved upstream into domestic day-old chick production, establishing a hatchery to substitute for imported chicks. It is seeking partners and improved technology to raise the quality and scale of its day-old chick production.

BEEF · SOUTH COAST

Prime Timor Enterprises

A domestic beef operation running around 273 hectares at Suai, on the south coast, and seeking partners to improve its production technology and beef quality. It is based on extensive grazing rather than irrigated pasture.

Forestry, Aquaculture and Fisheries

Forestry

Legal restrictions currently limit the harvesting of domestic sandalwood, as well as processing of imported sandalwood. There is however potential for investment in sandalwood oil extraction should the regulatory environment change. Importing raw sandalwood for processing in Timor-Leste could offer an alternative pathway. Other forestry investments may present opportunities, though these are likely to require longer time horizons.

Bamboo

A government-owned Bamboo Institute supports production by small-scale farmers and processes bamboo primarily for furniture. There is potential for expansion and diversification through private sector partnership with the Institute.

Plywood

Imports of timber products total around US\$5 million per year,¹³ of which approximately 80% is plywood.¹⁴ There is an opportunity for small-scale plywood production, potentially using bamboo as a feedstock.

Aquaculture

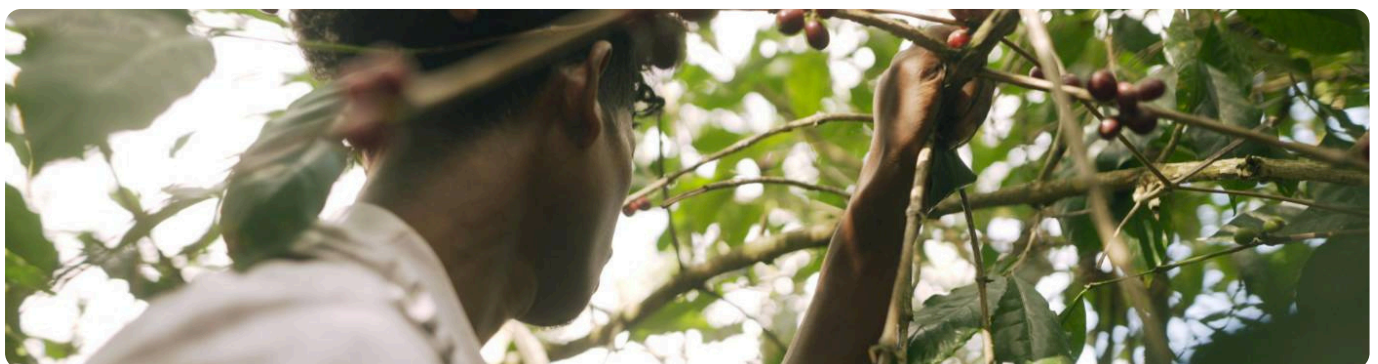
Development programs have established small-scale aquaculture facilities across the country, supported by specialised fingerling production centres. The industry relies on imported feed, but the model has proven successful and offers clear potential for scaling. Opportunities exist to address supply chain gaps, particularly in local feed production and distribution.

Fisheries

The fisheries industry is currently small-scale and non-commercial. There is virtually no cold storage or processing capacity for local retail, making this a greenfield investment area. Investors should note that there has not been a recent stock assessment of Timorese waters and the regulatory environment is not yet clearly defined.

Dried Fish

There is high regional demand for dried fish, a product well suited to small-scale production. A viable operation would require aggregation, simple processing, and relatively uncomplicated transportation.



05 Key Players and Ecosystem

This section provides an overview of key actors. It is not exhaustive and is intended as a guide.

Government Institutions

- **Ministry of Agriculture, Livestock, Fisheries and Forestry** – policy development, program implementation, coordination and evaluation. Supported by Secretaries of State for Fisheries, Livestock, and Forestry. Also holds regulatory responsibility for the import and export of certain goods.
- **National Directorate of Quarantine and Biosecurity** – safeguards agricultural resources and protects against invasive pests and diseases.
- **Timor-Leste Customs Authority** – launched the Trade Information Portal in April 2024 to facilitate cross-border trade.
- **National Logistics Centre** – purchases staple crops from local farmers and manages the national food reserve through six warehouses.
- **Secretary of State for Cooperatives** – promotes cooperative development in rural areas.
- **Banco Nacional de Comércio de Timor-Leste** – state-owned commercial bank providing agricultural loans at 7.5% flat annual interest.

Development Partners

- **Australia¹⁵** – supports agriculture through the Australian Centre for International Agricultural Research (research on crops, soil, fisheries, forestry and livestock) and the Market Development Facility (economic diversification, investment facilitation and value chain resilience).
- **Japan (JICA)** – previous projects on agricultural development and irrigation infrastructure.
- **Republic of Korea (KOICA)** – agricultural value chain improvement projects (concluded 2025).
- **FAO** – food systems transformation, biodiversity-friendly agrifood systems, mangrove conservation, fisheries and aquaculture.
- **World Food Programme** – school meals program connecting local farmers to schools; food systems reporting.
- **European Union and International Labour Organization** – jointly delivering an agroforestry skills project across coconut, vanilla, konjac and coffee value chains.
- **Asian Development Bank** – Coffee and Agroforestry Livelihood Improvement Project.

Industry and Supply Chain

Exporters and Processors

- **Cooperativa Café Timor (CCT)** – the largest coffee player; processes and exports organic coffee and other products including cloves.
- **Timor Global** – coffee and agricultural products processor and exporter.
- **Olam/Outspan** – coffee processor and exporter.
- **Café Brisa Serena** – manages the Letefoho specialty coffee brand in collaboration with the Letefoho Specialty Coffee Association.
- **Orijem Timor, Karst Organics, Mara Mresa** – coffee processors and exporters.
- **ACELDA** – candlenut processing and export; also produces locally packaged rice.
- **Lospalos Coconut Oil** – virgin coconut oil processor and exporter.

Agricultural Input Suppliers

- **Vinod Patel** – irrigation equipment, fencing, bulk fertilisers, tractors.
- **Loja Agi Agrikultura** – specialised retail chain for pesticides, herbicides, improved seeds, with farmer training.
- **Ministry of Agriculture, Livestock, Fisheries and Forestry** – largest input distributor (subsidised), operates seed multiplication centres, distributes tractors and hand-tillers.
- **CCT** – provides coffee seedlings and organic-compliant fertilisers to member farmers.
- **TILOFE** – organic fertiliser producer in Ermera.

Agribusinesses, Logistics & Retail

- **Poultry.** Grasia Farm, Happy Farm and Galhos International supply eggs and poultry products.
- **Piggeries.** Most Timorese households raise pigs. The Market Development Facility has supported the industry and Gold Coin Indonesia recently announced expansion to Timor-Leste for pig and poultry feed.
- **Butcheries.** Several operations in Dili, including Talho Moris and Shalom Farm.
- **Rice millers.** ACELDA, Graça Agro Trading (partnered with WFP on rice fortification), and Timor Global.
- **Shipping and freight.** ANL, Swire, ASL, DHL, Crossland, among others.
- **Air freight.** Services to Australia, Indonesia, Malaysia, China and Singapore via Aero Dili, Qantas, Air North, Batik Air and Citilink.
- **Supermarkets.** W-Four, Leader, MeiMart, Centro, Basic Home Mart, Lita and several smaller chains source directly from farmers.
- **Restaurants and hotels.** The majority use a combination of internationally and locally sourced ingredients.

06 Risks and Considerations

Timor-Leste is an emerging market. Investors should approach opportunities with a realistic understanding of the operating environment. The following risks and challenges are common across the agriculture sector:

- **Land access.** Acquiring land for primary production requires local cooperation, likely through partnership with a local organisation or community. Large contiguous areas are limited. Foreign investors cannot own land, but state land leases of up to 50 years (renewable to 100 years) are available, and surface rights ownership is permitted (see Section 7).
- **Water and irrigation.** Water management systems are patchy, relying on groundwater or diverted surface water. Many areas lack irrigation, leaving productive land underutilised.
- **Rural infrastructure.** Road quality is poor in many rural areas, particularly during the wet season (November to April), though main arterial connections are improving with ongoing government investment.
- **Supply chain constraints.** A significant proportion of equipment and consumables must be imported, and investors may need to manage the entire supply chain. Partnership with established local operators and input suppliers can reduce this burden.
- **Certifications and standards.** Limited product certification capacity, limited in-country testing, incomplete traceability, and challenges meeting different import requirements across destination markets.
- **Biosecurity and plant health.** Pests and diseases raise both production and market-access risk. In coffee, pest pressure such as coffee berry borer is rising, and heavier reliance on pesticides to manage it can jeopardise organic status, which is central to the country's premium positioning. Investment in farm-level and export biosecurity protects both yields and market access.

Risks and Considerations continued

- **On-farm productivity.** Low yields due to soil quality, erosion, and limited use of inputs and fencing for pest and weed management. Timor-Leste's modernisation agenda is focused on addressing these constraints through improved inputs, extension and technology.
- **Labour availability.** Many working age people have left rural areas, though evidence shows productive labour can be attracted when economic returns are healthy.
- **Climate vulnerability.** Extreme rainfall and rising temperatures affect production of Timor-Leste's largest commodities including coffee, rice and maize. Coffee yields fluctuate annually due to climatic conditions and warmer conditions will reduce the area suitable for coffee production while increasing pest and disease pressure.¹⁶ Around 12% of rice and 5% of maize crops were affected by flooding and strong winds in 2021. There is a need for strategic irrigation to extend growing seasons and regions.
- **Skills gaps.** The education and training sector is relatively young, creating both an opportunity for skills investment and a practical challenge. Many investors rely on some foreign labour during early operations; the investment incentive framework provides for at least five skilled foreign staff visas.
- **Fisheries uncertainty.** There has been limited assessment of Timor-Leste's fisheries stock and potential. No commercial fishing fleets currently operate in Timor-Leste, and investors will have minimal market intelligence to work with. The regulatory environment around the fisheries industry is also unclear.

IN SHORT

These are the challenges typical of a frontier economy. Most are best managed through partnership with established local operators, staged entry, and the incentives and facilitation set out in the investment framework.

07 Investment Framework

Entity Structures

Several structures are available for agricultural investments. The choice has implications for land access, tax incentive eligibility, access to domestic finance, and the speed at which operations can begin.

- **100% foreign-owned investment.** The Private Investment Law permits fully foreign-owned limited liability companies (Sociedade por Quotas), with full operational control and eligibility for investment incentives. These are generally more suited to processing, input supply, or trading operations.
- **Joint venture with local partners.** Where access to farmer networks, community land arrangements and established relationships is important, joint ventures can reduce the time and cost of building these connections. This involves a trade-off between operational control and local knowledge.
- **Public-private partnerships.** PPPs may apply where the scale or public-good nature of an investment warrants government co-investment. To date, these are rare in Timor-Leste, but are potentially relevant to irrigation systems, cold-chain facilities, or agro-industrial zones.

Contract farming and off-take arrangements also offer a means of engaging with the sector without establishing a direct production presence. This model has an established track record in the coffee sector.

CHOOSING A STRUCTURE

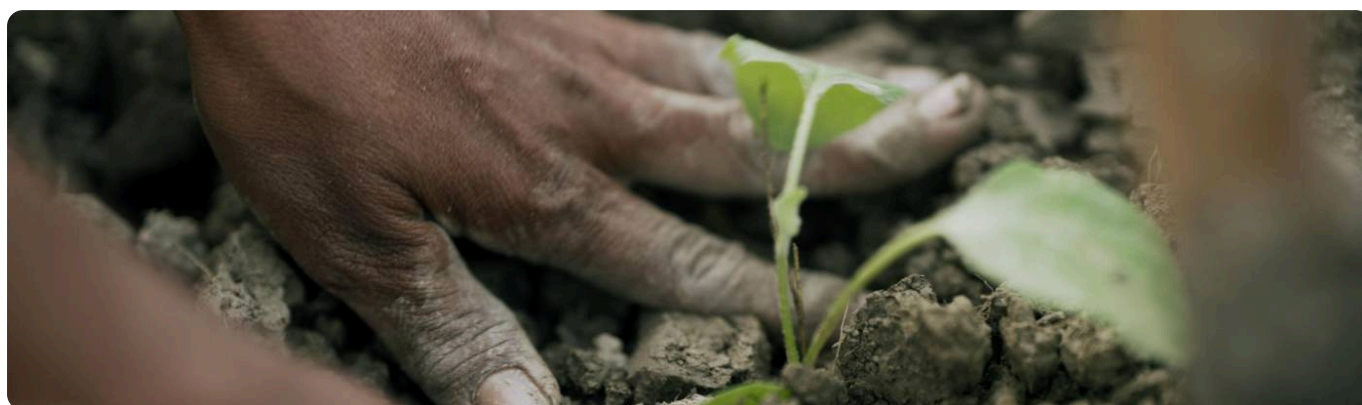
Wholly-owned entities suit processing, input supply and trading. Joint ventures and contract farming are the more practical routes where farmer networks and community land arrangements matter.

Investment Incentives

To access official incentives, investors must secure either a Declaration of Benefit (DoB) or Special Investment Agreement (SIA) through TradeInvest Timor-Leste.

INVESTOR TYPE	MINIMUM INVESTMENT
National investor	US\$50,000
Foreign investor	US\$500,000
Joint venture (foreign + national, nationals hold $\geq 75\%$)	US\$250,000

- **Tax incentives.** Up to 100% exemption from corporate income tax and from sales and services taxes on goods/services used in construction and operations. Duration: 5 years in Dili, 8–10 years elsewhere.
- **Customs incentives.** 100% exemption from import duties on capital goods and equipment.
- **Land access.** Foreign investors cannot own land, but leasing is strongly supported and surface rights ownership is permitted. State land leases available for up to 50 years, renewable to 100 years.
- **Immigration and staffing.** At least five business visas for skilled foreign managers or technical staff, with streamlined processing.
- **Administrative facilitation.** TradeInvest Timor-Leste supports business registration, licensing, visa facilitation and government liaison.



08 Next Steps

Investors interested in exploring opportunities in Timor-Leste's agriculture sector are encouraged to make contact through TradeInvest Timor-Leste, the government's investment promotion and facilitation agency and the primary entry point for foreign investors.

PRIMARY CONTACT

TradeInvest Timor-Leste

Investment promotion and facilitation agency. Entry point for foreign investors, including business registration, licensing, visa facilitation and government liaison.

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