

Introduction

Timor-Leste is a country located in Southeastern Asia bordering the Ombai Strait, Wetar Strait, and the Banda Sea. It comprises the eastern half and a northwest enclave of the island of Timor and the islands of Pulau Atauro and Pulau Jaco. Timor-Leste occupies the island of Timor with Indonesia. The geography of Timor-Leste is mountainous. The government system is a republic; the chief of state is the president, and the head of government is the prime minister. Timor-Leste has a mixed economy in which there is limited private freedom, but the economy remains highly controlled by the government.



Location: South-Eastern Asia

Capital City: Dili (+9 GMT)

Chief of State: President José Ramos-Horta

Head of Govt.: Prime Minister Kay Rala Xanana Gusmao

Currency: U.S. Dollar (USD)

Major Languages: Tetun Prasa 30.6%, Mambai 16.6%, Makasai 10.5%, Tetun Terik 6.1%, Baikenu 5.9%, Kemak 5.8%, Bunak 5.5%, Tokodede 4%, Fataluku 3.5%, Waima 1.8%, Galoli 1.4%, Naueti 1.4%, Idate 1.2%, Midiki 1.2%, other 4.5% (2015 est.)

Primary Religions: Roman Catholic 97.6%, Protestant/Evangelical 2%, Muslim 0.2%, other 0.2% (2015 est.)

Calling Code: 670

Voltage: 220

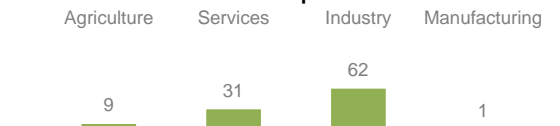
Key Websites

Main Government Page: timor-leste.gov.tl

Key Economic Facts

Income Level (by per capita GNI):	Lower Middle Income
GDP, PPP (current international \$):	\$6.48 billion (2022)
GDP growth (annual %):	-17.49% (2022)
GDP per capita, PPP (current international \$):	\$4,828.33 (2022)
External debt stocks, total (DOD, current US\$):	\$278,614,052.20 (2021)
Manufacturing, value added (% of GDP):	0.75% (2021)
Current account balance (BoP, current US\$):	\$1.02 billion (2021)
Inflation, consumer prices (annual %):	0.96% (2019)
Labor force, total:	586,337 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	4.86% (2022)
Imports of goods and services (current US\$):	\$1.31 billion (2021)
Exports of goods and services (current US\$):	\$2.31 billion (2021)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	81 / 178
Index of Economic Freedom	159 / 176
KOF Index of Globalization	157 / 185

Risk Assessment (Provided by Coface)

Country rating: D - A high-risk political and economic situation and an often very difficult business environment can have a very significant impact on corporate payment behavior. Corporate default probability is very high.

Business Climate rating: C - The business environment is difficult. Corporate financial information is often unavailable and when available often unreliable. Debt collection is unpredictable. The institutional framework has many troublesome weaknesses. Intercompany transactions run major risks in the difficult environments rated C.

Strengths

- Oil and gas reserves in the Timor Sea
- Sovereign wealth fund (1200% of GDP)
- Total dollarization limiting the inflationary risk
- Support from the Community of Portuguese Speaking Countries
- Attractive tourist destination (protected natural sites, rich cultural heritage)
- 44th out of 167 in the EIU Democracy Index 2020 (5th Asian country/ 7th with Australia and New Zealand)

Weaknesses

- Vulnerability to natural disasters (landslides, typhoons, floods), underdeveloped infrastructure (health, education, transportation)
- Very high dependence on oil revenues and food imports (low agricultural development)
- Deficit in human capital
- Almost half of the population lives below the poverty line
- High unemployment rate among young people (40%)
- Weak banking intermediation

U.S. Embassy

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