




Proposal on Unlocking Timor-Leste' s Potential as a Sustainable Tourism Destination in Southeast Asia

**Institute of Finance and Sustainability
14 October 2024**



**This
proposal
includes**

- 1. Tourism Market Potential in Timor-Leste**
- 2. Sample 6-Day Tourist Experience in Timor-Leste**
- 3. Green Energy, Green transportation, and Green Building as the Foundation for Sustainable Tourism**
- 4. Policy Recommendations**



Part 1

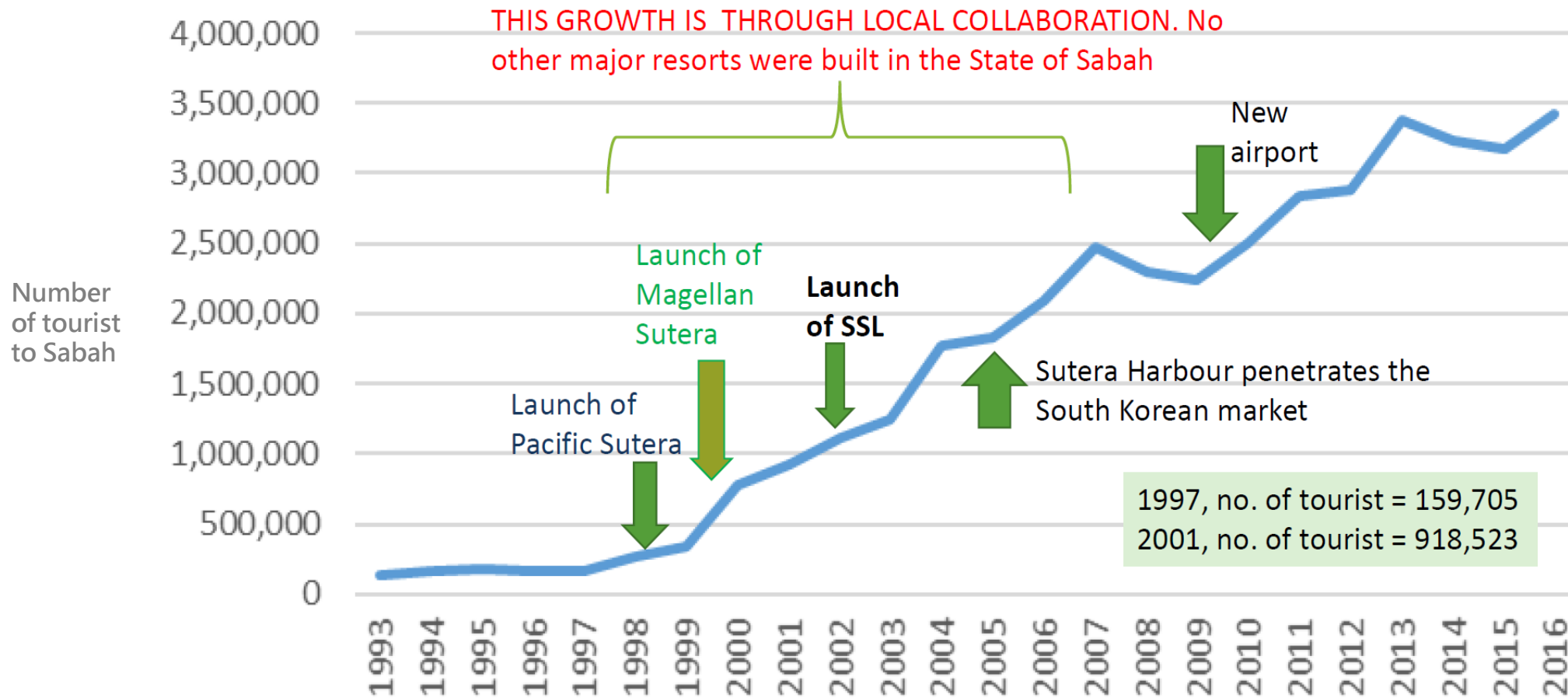
Tourism Market Potential in Timor-Leste

Objectives Of Developing A Green Tourism Industry in Timor-Leste

- Positioning Timor-Leste as an leading tourism destination in Asia
- Boosting economic growth potential significantly
- Creating jobs and sustainable fiscal revenue
- Reducing dependency of the economy on oil and gas
- Achieving carbon neutrality earlier than peers in Southeast Asia
- Turning natural beauty and culture heritage to “gold” – sustainable revenue

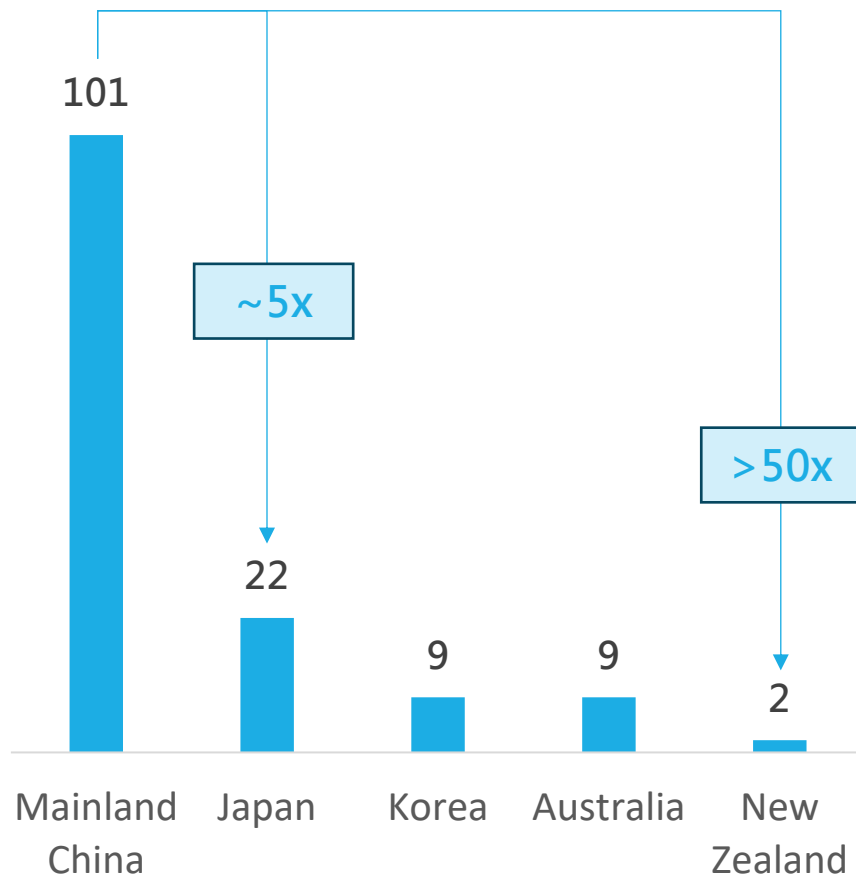
The Case of Sabah—A City Can Achieve Rapid Tourism Growth with the Right Strategy

Impact of the Development of Sutera Harbour Resort on Tourism in Sabah



Whole China seeking warm destination, Timor-Leste is the best choice!

Number of Outbound Tourists from Major Source Countries 2023 (in million people)



winter swimming only available in tropical Sanya



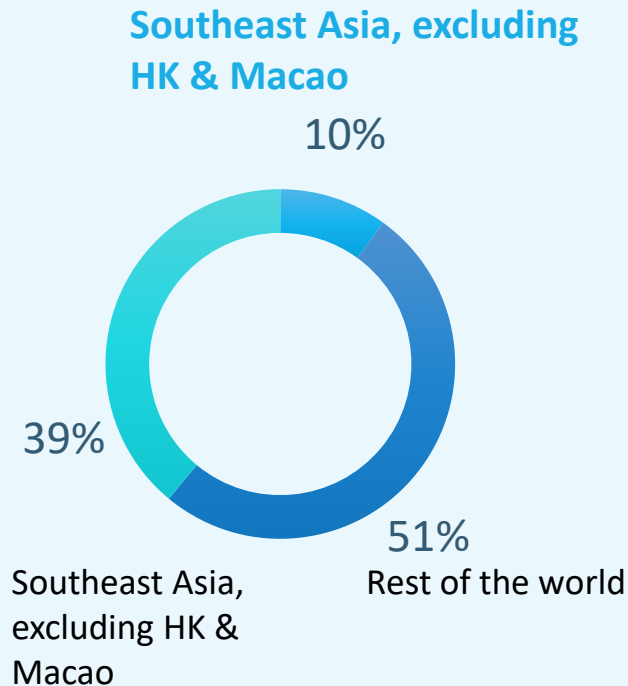
China fueling southeast Asia tourism recovery



Number of Chinese tourist arrivals, in million people

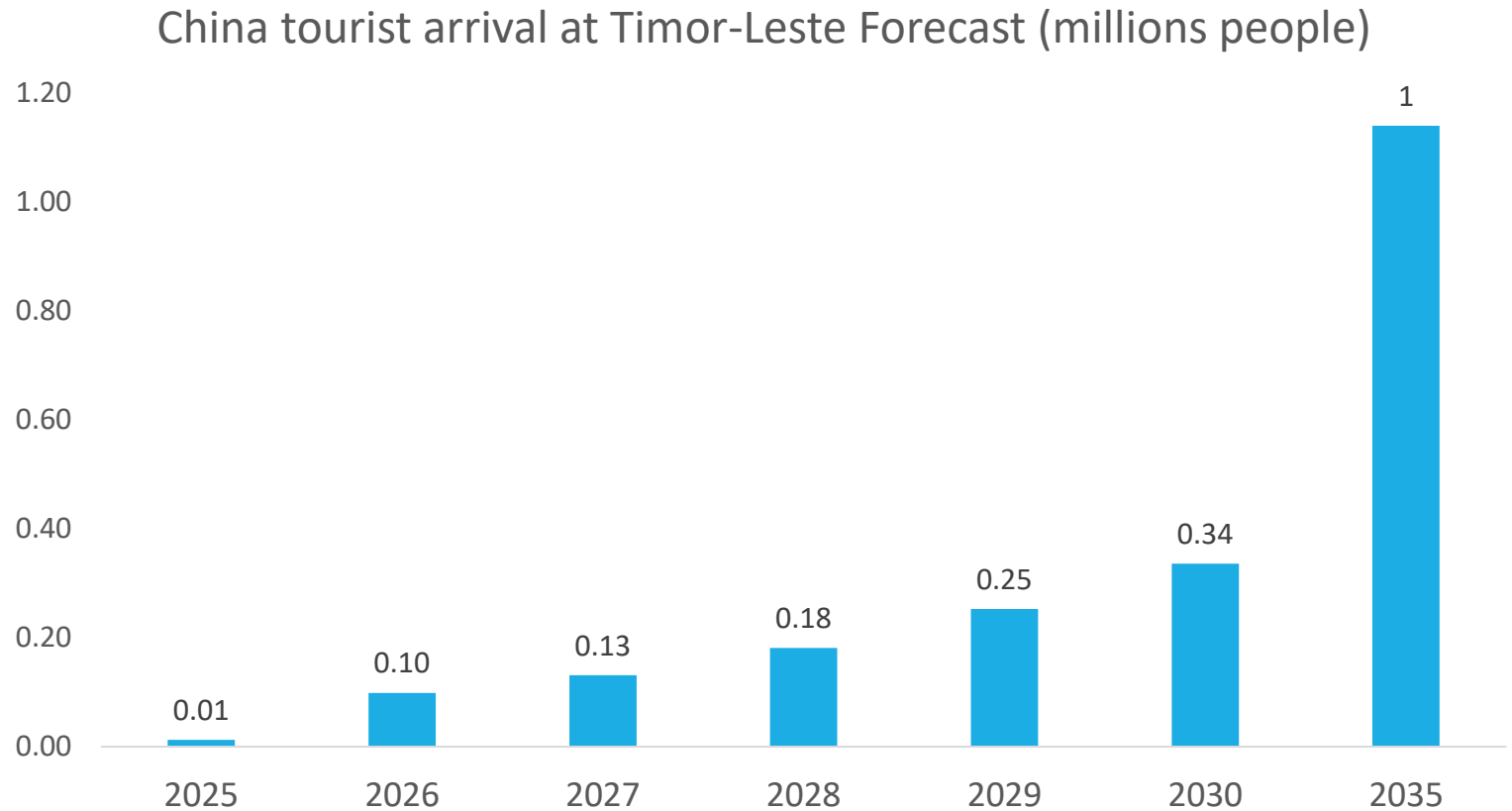
	2023	2022	2021
Indonesia	0.79	0.17	0.05
Thailand	3.51	0.27	0.03
Malaysia	1.47	0.21	0.07
Singapore	1.13	0.13	0.08
Hong Kong	26.7	0.37	0.06
Macao	19.1	5.11	7.05
Timor-Leste (estimated)	0.01	0.005	0.003

Timor-Leste should capture a portion of this growth



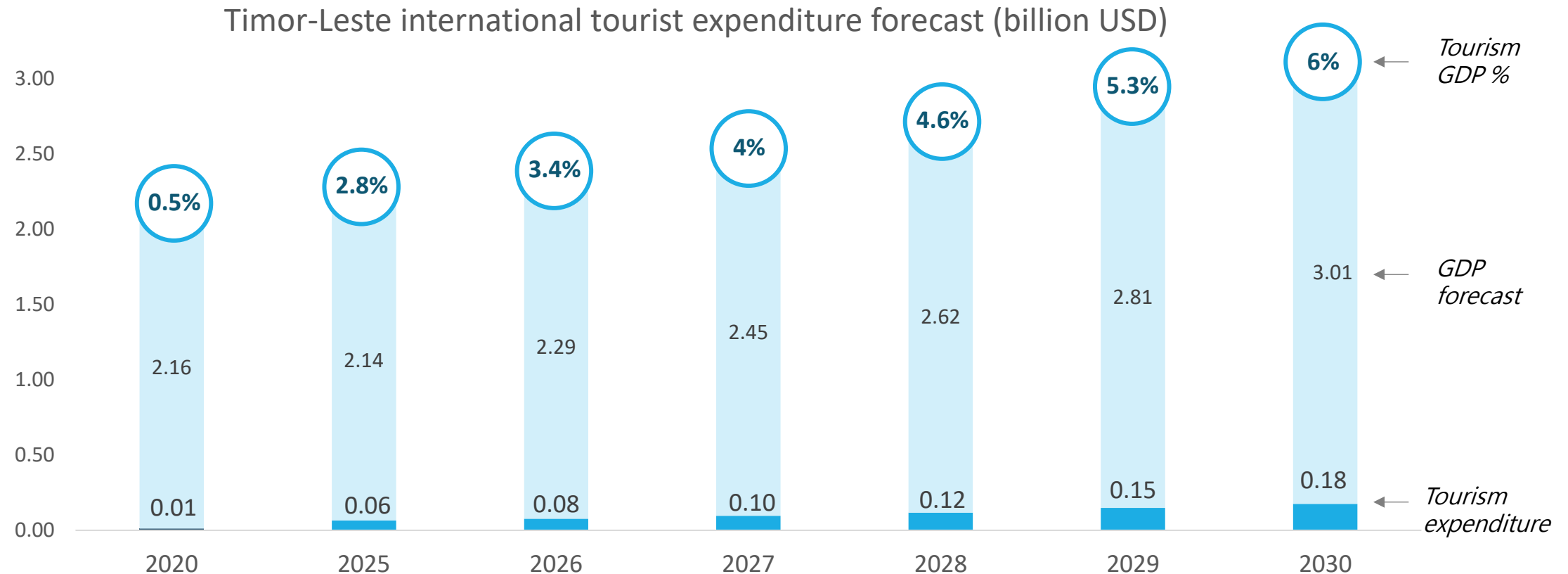
2023 China outbound tourists' destination

Timor-Leste can attract around 1 million Chinese tourists by 2030 cumulatively, potentially reaching over 1 million annual arrivals in 10 years.



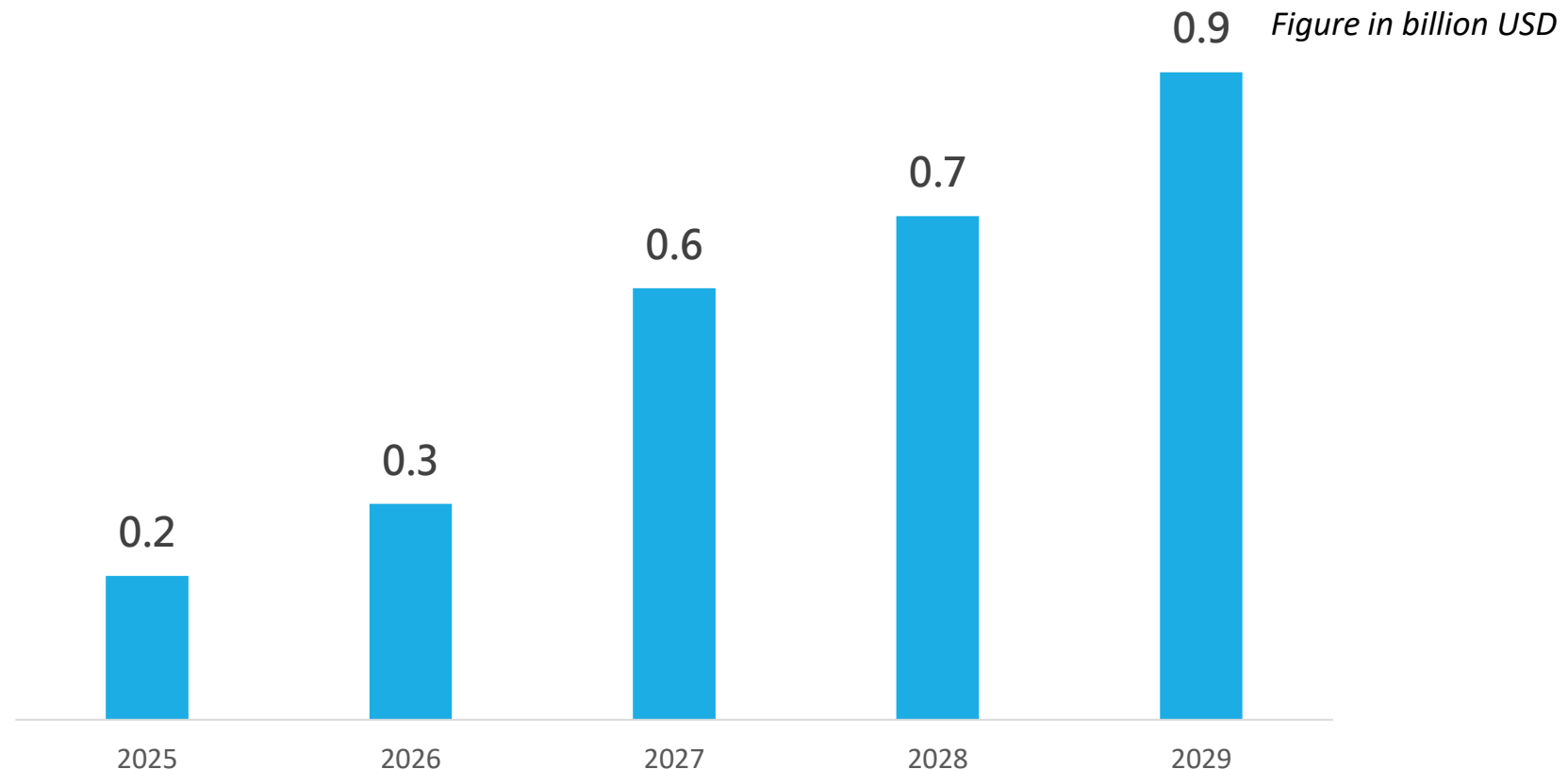
Surge in tourism will contribute to economic growth

- Chinese tourists can bring in over USD 680 millions expenditure in Timor-Leste for the next 6 years, a strong potential driver of economic growth
- Increasing tourism sector GDP contribution from 0.5% to near 6% by 2030.



Infrastructure investment for the green tourism industry

Total investment of around USD3bn in the coming five years is needed for developing the infrastructure of a green tourism sector. This investment could boost GDP of Timor-Leste by as much as 20-30%. It would lead to significant job creation and fiscal revenue.



Green finance can support most projects in this plan

- Use green finance products to fund green infrastructure, such as renewable energy, eco hotels and green transportation systems.
- Use sustainability-linked financial products to incentivize tourism businesses to meet environmental and social targets.

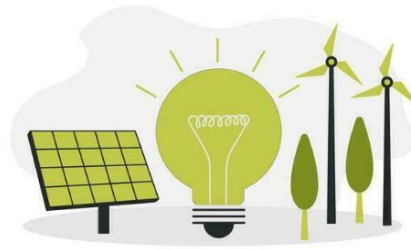
————— *Example areas qualified for green finance support* —————



Clean
transportation



Green buildings and
energy efficiency



Renewable
energy



Nature conservation

Key Drivers to Boost Tourist Arrivals in Timor-Leste



Visa-Free Arrangement for Chinese Tourists

Lower entry barriers and increase tourism flow from China, making Timor-Leste an accessible destination



Establish Flight Connectivity

Launch *direct flights* between major Chinese cities and Timor-Leste and set up cruise lines linking to other regional ports



Develop Sustainable Tourism Infrastructure

Invest in infrastructure (e.g., power, roads, airports, and cruise terminals) for attracting private investment (e.g., in hotels and shopping malls and tourist attractions)

Leveraging Bilateral Policy Support

A seven-day visa-free policy for Chinese citizens could potentially attract approximately 200,000 Chinese visitors to Timor-Leste annually.

4x

Year-on-year increase of Chinese tourists visited Malaysia for the first 3 months after visa-exemption

3x

Chinese tourists visited Singapore in 5 months after visa-exemption

>2x

Year-on-year increase in number of flights between China and Thailand for the first 7 months after visa-free policy



Part 2

Sample 6-Day Tourist Experience in Timor-Leste

Tourism Complex:

Timor-Leste National Resort

10-20 sq
km

10,000
hotel beds

Golf
course

Duty-free
shopping
center

Themed
attractions



The National Resort & Themed Attractions System



Vacation Hotels

- Construct a variety of hotel complexes, including five-star luxury hotels, boutique hotels, with about 1000 hotel beds.
- Focus on developing seaside resorts, timeshare communities, offering luxurious villas, ocean-view rooms, and comprehensive resort services.



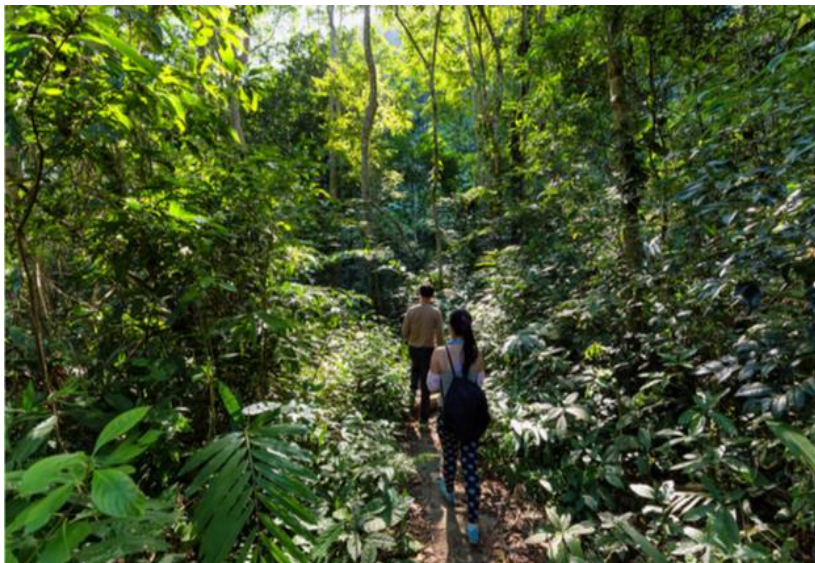
Diving Sports & Marine Wildlife Tourism (Atauro Island)

Carry out diving, sightseeing and marine wildlife tourism at Atauro and surrounding seas, fully leveraging Timor-Leste's maritime resources



Rainforest Adventure and Luxury Camps

Offer guided rainforest adventures and construct luxury wilderness camps, enhancing vacation experience with distinctive Timorese characteristics.



Green Golf & Stone Village

Develop green golf courses and traditional stone village tourism in rural areas

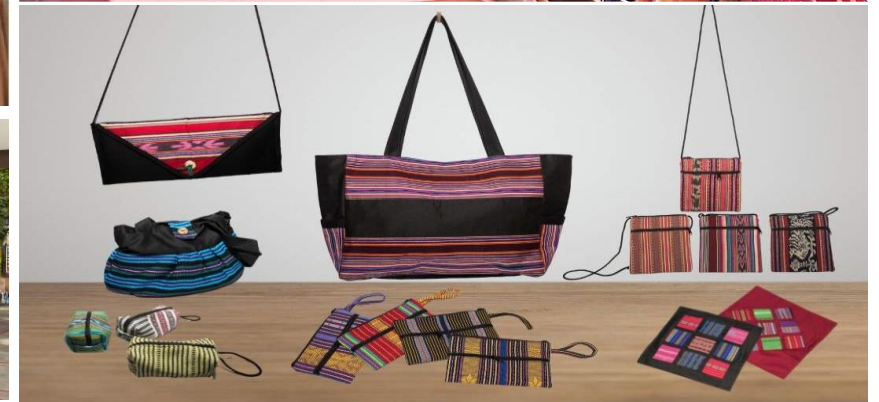


Shopping Metrix – Duty free + local souvenir

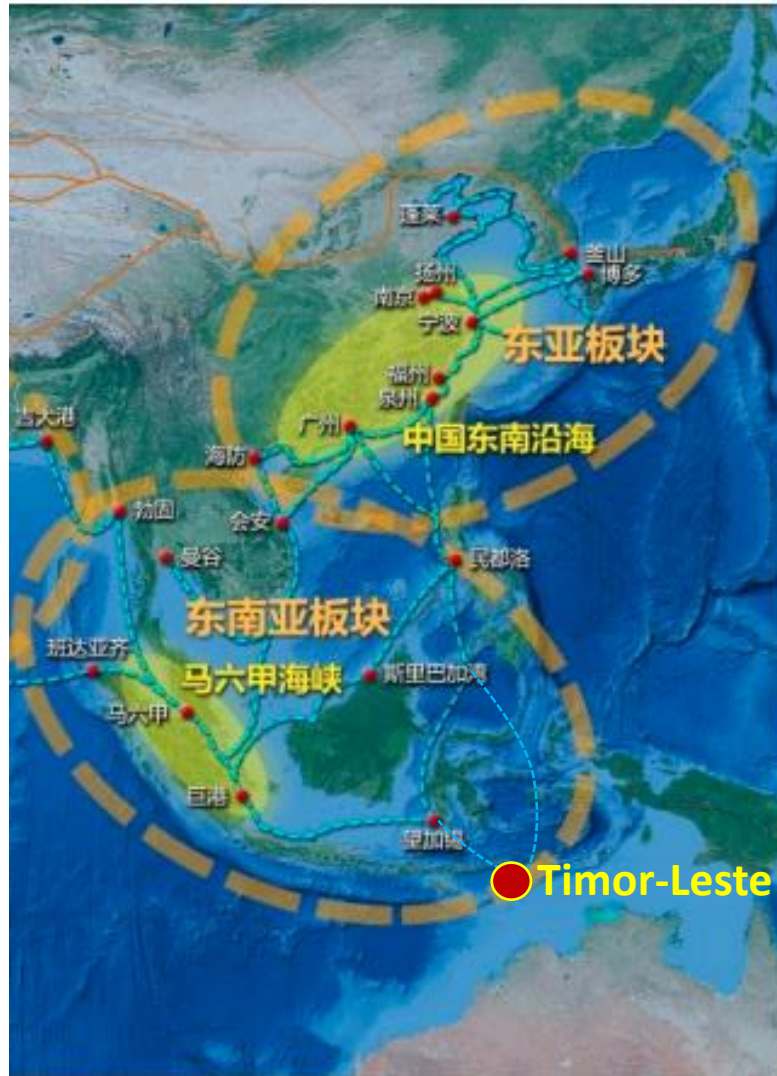
Build shopping mall offering international brands, local specialty goods, and comprehensive entertainment facilities.



Photo: USAID's Tourism For All Project/Ann Turner



Cruise Tourism



Construct cruise terminals capable of hosting international cruise ships, enhancing Timor-Leste's international tourism appeal.



UNESCO World Heritage Site (potential)

Apply for UNESCO World Heritage, to be a model of multicultural integration



Austronesian culture



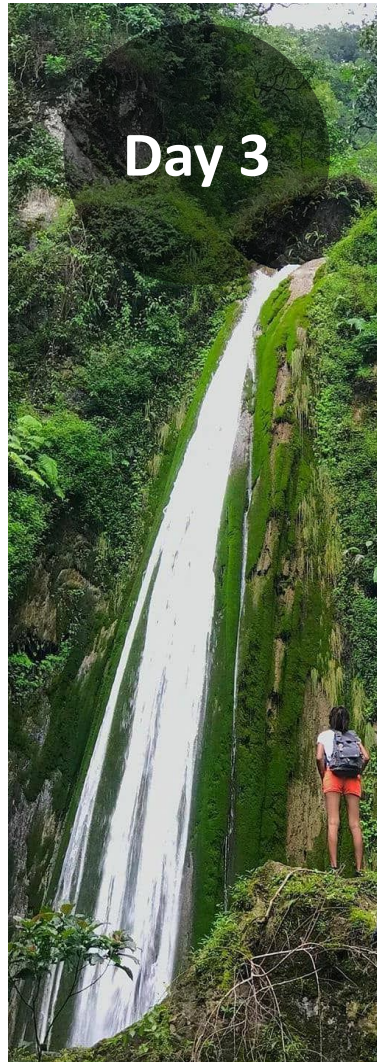
Portuguese culture



National Museum to display the unique culture



Sample 6-Day Holiday in Timor-Leste



DAY 1

MORNING→

Sail to sea to watch whale and dolphins,
go fishing, scuba diving/snorkeling,
attractive to young couples and kids



AFTERNOON

DAY 2

Visit cultural and historical sites, museums,
attractive to seniors and whole family

MORNING →



AFTERNOON

DAY 3

MORNING

Rainforest hiking, stream trekking, etc.
stay overnight at camps,
attractive to young couples and kids



AFTERNOON

DAY 4

Play golf at green golf courses,
visit traditional stone houses in rural areas,
attractive to whole family

MORNING



AFTERNOON

DAY 5

Do yoga and spa at the resort,
go duty-free and **local souvenir** shopping,
attractive to ladies

MORNING



AFTERNOON

DAY 6

VISIT OECUSSE

Fly/drive to Oecusse, visit its historical and scenic sites,
an option for whole family





Part 3

Green Energy, Green Transportation, and Green Building as the Foundation for Sustainable Tourism








Timor-Leste Tourism Should Be Powered by Green Energy

Example 1

Renewable Energy Platform

The Renewable Platform owns and operates wind, solar and CSP power assets across Africa and the Middle East with aggregate capacity of approximately 1.6 GW

Markets	 South Africa	 Morocco	 UAE	 Egypt	 Jordan
Technology	CSP, Solar PV, Wind				
Capacity	~1.6 GW				
SRF Stake	49%				



Timor-Leste Tourism Should Be Powered by Green Energy

Example 2

Dubai Concentrated Solar Power Project

Dubai CSP Project is the world's largest CSP project with installed capacity of 950 MW, located in Mohammed Bin Rashid Al Marktuum Solar Park, United Arab Emirates

Offtaker	Dubai Electricity & Water Authority
Capacity	950MW
Model	PPA – BOT – 35 years
EPC	
SRF Stake	24.01%
Investment	USD 4.32 Billion
COD	April 2022

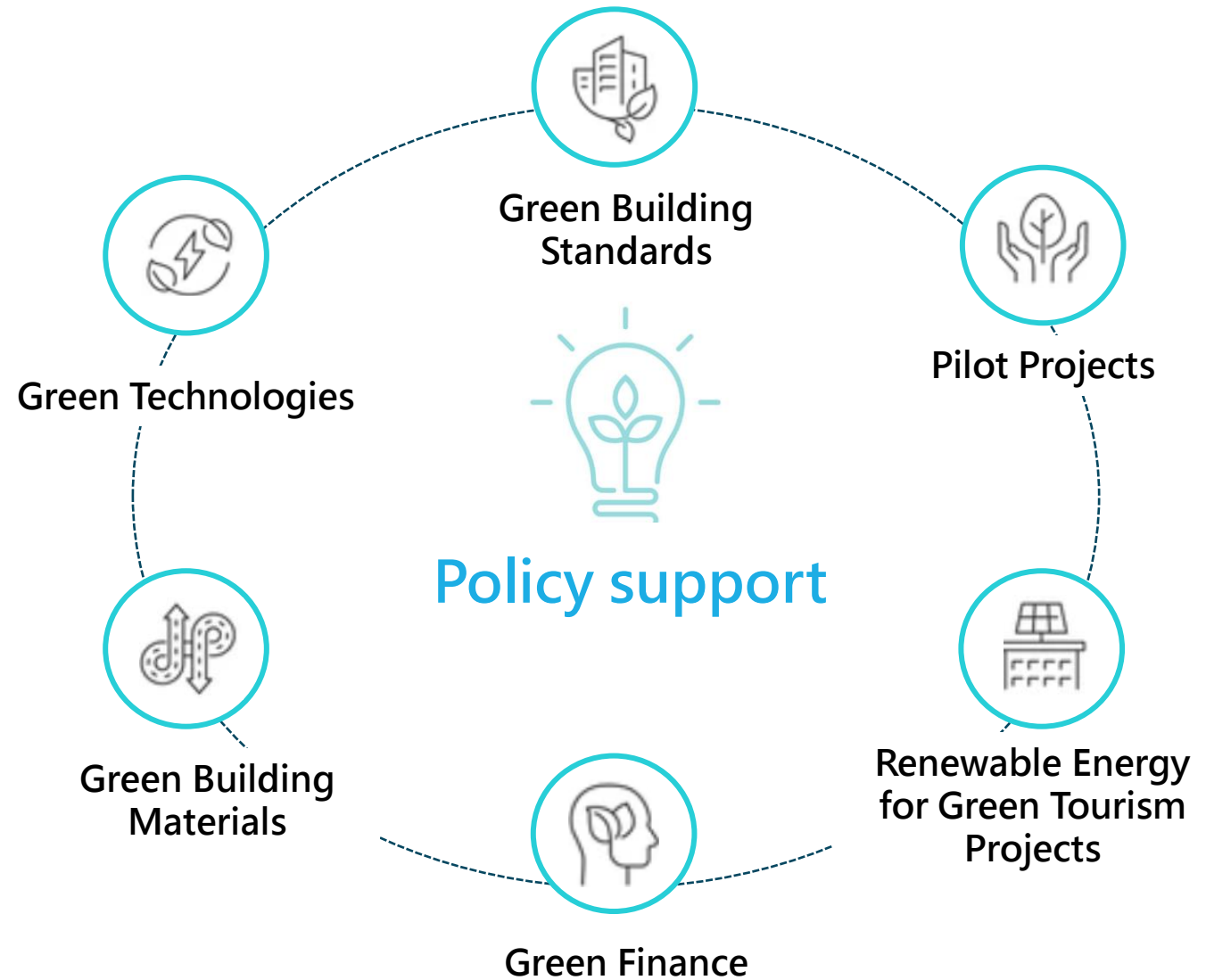


EVs Should Be Used for Tourism Transportation

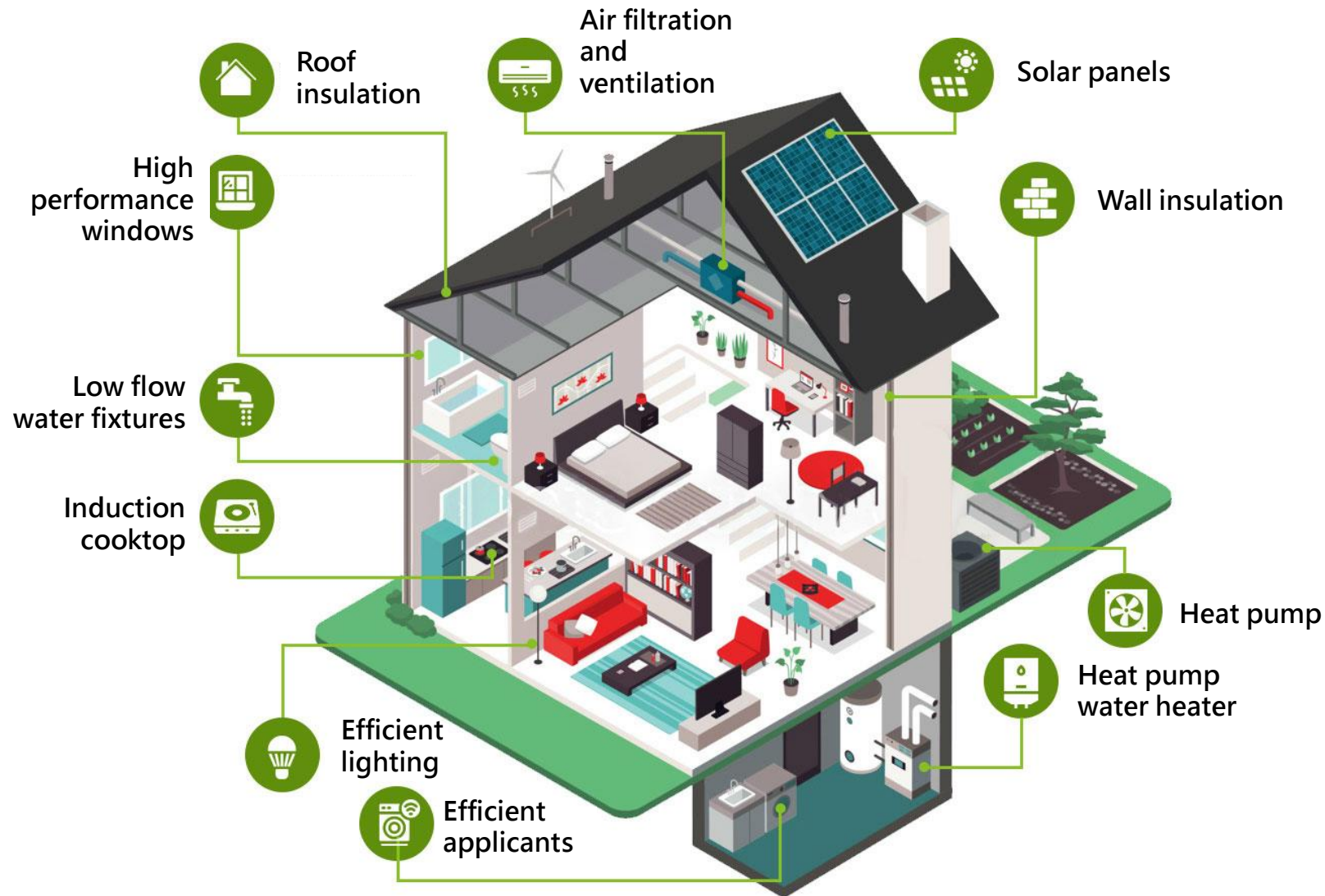
- For example, Shenzhen, a city in China, changed the entire city's taxi fleet and buses to electric vehicles.



Green building plays a key role in tourism development



Green building integrates many green technologies



Green Building Example: Cuba Bellomonte Golf Hotel

Integrated
energy
solutions:

combining
solar, heat
pumps, etc.



Green Building Example: Zigong Cultural and Creative Park Hotel, Sichuan, China

Water
source heat
pump



Green Building Example: Urumqi International Airport (Airport Expansion)

Solar power



Green Building Example: China Pavilion of Beijing International Horticultural Exhibition

PV curtain
walls

Wind power

Rainwater
harvest



Green Building Example: Tianfu Agricultural Expo Park

Solar power

Natural
lighting

Wood/
Bamboo
structures
(carbon
sequestration)



Green Building Example: Tianfu Agricultural Expo Park

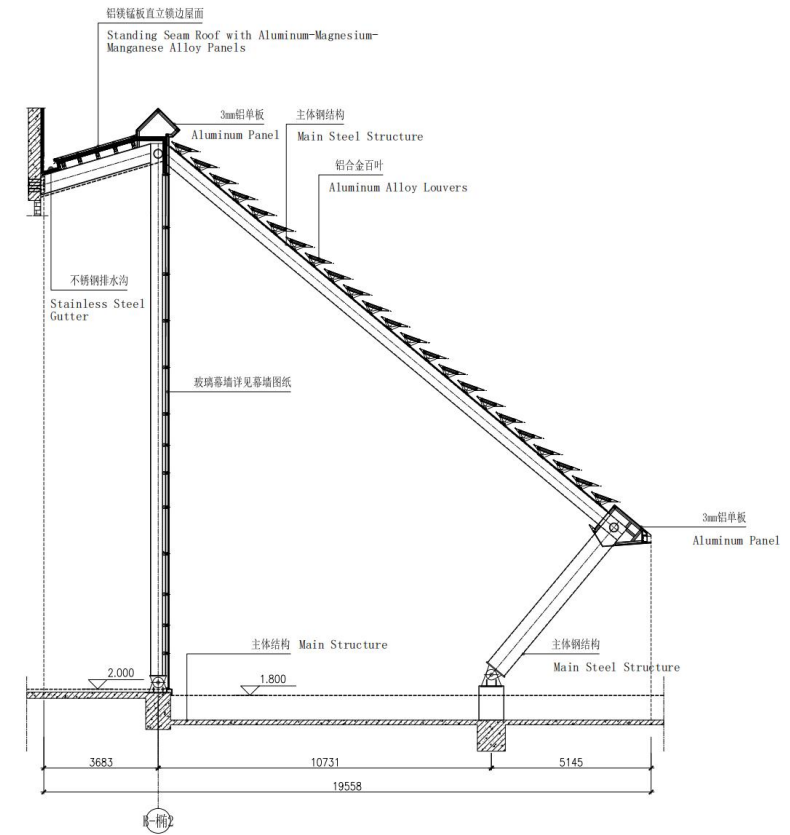


Green Building Example: Weihai Library, Shandong

BIPV -
Building-
integrated
photovoltaics



Green Building Example: Weihai Library, Shandong



幕墙构造节点图



Part 4

Policy recommendations for developing Timor-Leste Sustainable Tourism

Developing an Action Plan for Green Tourism (1)

Targets

- Attracting [1.5-2.0 million] tourists annually by 2035;
- Expanding capacity of tourism infrastructure by 10x (# of hotel beds, # of direct flights, capacity of airports and terminals, etc.) by 2035;
- Attracting infrastructure investment of USD3bn by 2030;
- Achieving 50% renewable energy consumption by 2030;
- Reducing carbon intensity of tourism infrastructure by 50% by 2030

Developing an Action Plan for Green Tourism (2)

Policy actions

Policies and master plan

- Offering **visa free policy** to China and other RCEP countries;
- Originating [#] **direct flights** between Timor-Leste and 5 major Chinese cities;
- Developing a National **Tourism Master Plan** involving positioning, spatial structure, and financing scheme;
- Developing Timor-Leste **National Resort** with [10,000] hotel beds and [10] top tourist attractions with favorable land and tax policies as well as infrastructure investment;
- Initiating World Green Tourism Organization with headquarters and annual conference in Timor-Leste.

Developing an Action Plan for Green Tourism (3)

Policy actions

Demonstration projects

- Ensuring **100% renewable power and EV** for transportation in the National Resort.
- Supporting **demonstration projects** with favorable policies (including government-financed infrastructure for power, water, and waste treatment)
 - ✓ Hotel project
 - ✓ Shopping mall project
 - ✓ Solar project
 - ✓ EV taxi service
 - ✓ Eco-tourism project
 - ✓ Cruise terminal project
 - ✓ Airport upgrading project
 - ✓ Green building material project

Developing an Action Plan for Green Tourism (4)

Policy actions Financing

- Streamlining policies and procedures on land transactions, tax incentives, permits, etc., and establish one-stop-shop for business registration;
- Setting green finance and green building guidelines to ensure project alignment with climate and sustainability goals;
- Seeking support from international organizations in the form of TA and partial funding/guarantee to attract private capital;
- Setting up the Timor-Leste Green Tourism Fund;
- Conducting global roadshows of Timor-Leste green tourism plan and attracting global private sector financing.

Developing an Action Plan for Green Tourism (5)

Policy actions

Coordination and execution

- Establishing **cross-agency working group** (and secretariat) to coordinate policies related to Resort development and to respond to global investor demand;
- Clarifying **division of labor among government agencies** on implementing the Action Plan and monitor and incentivize progress regularly;
- Organizing **training and capacity building** for officials, and preparing for a skilled labor force for the tourism sector.



Thank you