



Timor-Leste



Trade Facilitation Challenges for Women Traders and Freight Forwarders

Survey findings and recommendations



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Acknowledgements

This report presents the results of a survey undertaken in Timor-Leste from February to March 2020 with the intention to identify specific challenges cross-border traders are facing related to trade facilitation at the firm level.

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Timor-Leste

Number of active cross-border trading firms (2018): 939²

Capital City: Dili

Region: East Asia & Pacific

Income category: Lower-middle income³

Population (2018): 1,267,972

GDP (current US\$ millions, 2018): 1,568.61⁴

Est. GNI per capita women/men (2018 based on 2011 PPP\$):

\$5,389 / \$9,619⁵

Labor force participation rate

(% ages 15 and older, 2018) women/men:
62.1 / 72.9

Merchandise exports and imports (% of GDP): 36

Main exports:

Coffee, candle nut, aluminum⁶

Main imports:

Mineral fuels, vehicles (other than railway or tramway rolling stock) and parts thereof, paper and paper-board, electrical machinery and equipment and parts thereof machinery and mechanical appliances/parts thereof, beverages/spirits/vinegar, cereals, textiles, plastics, iron or steel articles⁷

WTO Trade Facilitation Agreement

ratification date: Not yet acceded to the WTO

² This number is based on a list of firms provided by the Directorate General of Customs and reflects initial efforts to exclude duplicates, government entities, etc. that would not be eligible for the survey. Some ineligible firms may still be included in this number, which further remediation work subsequently identified.

³ Based on WBG fiscal year 2020 (calendar year 2018) data calculation: lower-middle income is GNI per capita between \$1,026 and \$3,995.

⁴ World Development Indicators database.

⁵ Human Development Report, UNDP.

⁶ General Directorate of Statistics, External Trade Statistics, 2018.

⁷ Ibid.

Key recommendations based on survey findings:

Initial findings demonstrate an **opportunity for the Government of Timor-Leste** to improve the design of trade facilitation interventions to better address traders' needs (women in particular), e.g. by:



Reducing time to release goods by implementing recommendations from recent Time Release Study (TRS)



Publishing the recent TRS study to increase transparency and predictability for traders



Strengthening the roles of the National Trade Facilitation Committee (NTFC) and the National Trade Consultative Forum



Improving availability of information on official border processes and procedures, including through a Trade Information Portal



Raising awareness among private sector stakeholders, and women in particular, of consultation mechanisms



Strengthening the roll-out of automation among all border agencies through a one-stop shop

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More women-led firms import
agriculture products in Timor-Leste
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1 Executive summary

Trade is widely recognized to be an engine of growth that creates jobs, reduces poverty, and increases economic opportunity. Generally speaking, trade facilitation measures are non-discriminatory and apply to all traders in their design; however, these measures may not necessarily impact or benefit all traders in similar ways. There is a global lack of data on how trade facilitation interventions impact traders by gender at the firm level.^{8,9} There is also a global vacuum of knowledge of the exact proportion of cross-border traders that are women. Few countries, if any, can easily confirm the number of women that undertake cross-border trade in their respective countries.

Designing interventions that are inclusive—benefiting women as well as men—is difficult without accurate data on the gender of those who participate actively in cross-border trade. Without this knowledge and that of the exact challenges faced by both genders, it is also hard to tell how much any subset of the economy would be impacted by any intervention. This lack of data may also reinforce the bias against women in trade policy making.

To help fill the data gap with an aim to better inform future design and implementation of trade facilitation projects, the World Bank Group (WBG) has collected data – through a survey – on cross-border trade challenges faced by both women and men at the firm level in the Pacific Islands region.^{10,11}

Countries in the Pacific Islands region face unique development challenges: they are physically detached from major markets, tend to have high levels of inequality in many areas, and confront the worst impacts of climate change, making them some of the most vulnerable countries to natural disas-

ters in the world.¹² These challenges increase trade costs and make it difficult for the Pacific Island countries to trade effectively and competitively. To overcome the challenges of size and isolation, trade capacity should be increased so that the countries can more effectively integrate into the global trading system and thus improve their economic opportunities.¹³ One way to do this is through the implementation of trade facilitation measures that lower time and costs to trade.

Survey respondents include:

- Firms that engage in cross-border trade of goods (disaggregated by the gender of the firms' owner or manager)
- Freight forwarders (not disaggregated by gender due to the small sample population)

This note presents findings of the survey work in Timor-Leste.¹⁴ Timor-Leste is a small island country within the Malay Archipelago. It includes the enclave of Oecussi-Ambeno, situated on the Western (Indonesian) part of the island and the islands of Ataúro and Jaco.¹⁵ There are ports on Oecusse and Atauro Island that provide domestic ferry traffic, and Dili Port operates as the only international port for Timor-Leste.¹⁶ Indonesia is Timor-Leste's biggest trading partner.¹⁷

The survey in Timor-Leste was launched prior to the outbreak of COVID-19 in the region. The pandemic has demonstrated that women are particularly vulnerable and disproportionately affected during a pandemic due to their multiple roles in society.¹⁸ Maintaining trade flows as much as possible during

⁸ Higgins, Gender Dimensions of Trade Facilitation and Logistics: A Guidance Note, 2012.

⁹ In this note, "traders" is used interchangeably with "firms" but should be understood to represent registered firms undertaking cross-border trade and not individual, private traders.

¹⁰ Target countries for the project in the Pacific region are Fiji, Papua New Guinea, Samoa, Timor-Leste, and Vanuatu. "Women-led" versus "men-led" is used in the report when a firm is either owned and/or managed by a woman or man. A firm is "woman owned" if (1a) ≥ 51% of the shares are owned by a woman or (1b) ≥ 20% is owned by a woman; (2) it has ≥ 1 woman as CEO/COO/President/Vice President; and, (3) has ≥ 30% of the board of directors composed of women (where a board exists). "Managed" refers to the highest management individual in the firm.

¹¹ The survey questionnaire focuses on main areas of the WTO Trade Facilitation Agreement. The WTO TFA came into force on February 22, 2017, and contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between Customs and other appropriate authorities on trade facilitation and customs compliance issues.

¹² World Bank, 2019.

¹³ Pacific Islands Forum Secretariat, A strategy to support development in the Pacific, 2013.

¹⁴ Timor-Leste is on the fiscal year 2020 list of fragile and conflict-affected situations (FCS) released annually by the World Bank Group. FCS have high levels of institutional and social fragility and/or are affected by violent conflict. This classification is used as a tool to help the WBG adapt its approaches, policies, and instruments in difficult and complex environments.

¹⁵ Government of Timor-Leste (Online: <http://timor-leste.gov.tl/?p=547&lang=en>).

¹⁶ Asian Development Bank, Country Partnership Strategy: Timor-Leste 2016-2020, 2016.

¹⁷ General Directorate of Statistics, External Trade Statistics, 2018.

¹⁸ WBG, Policy Note: Gender dimensions of the COVID-19 pandemic, 2020; Tralac, Blog: COVID-19 and its implications for women, 2020.

a pandemic is crucial as trade has a direct impact on public health through the finance, provision, and distribution of health-related goods, services, and people.¹⁹ Continued access to essential food and medical items through trade will limit the negative impacts of the pandemic both in the short term and in the recovery process. The pandemic has highlighted the urgent need for trade facilitation reforms, such as paperless and automated systems, to keep critical goods flowing through borders. The survey findings, though studied prior to the pandemic, should be viewed in this context and used to raise awareness around the importance of trade facilitation in expediting the movement, release, and clearance of goods.

Some of the key findings on the trade facilitation challenges that surveyed traders at the firm level face in Timor-Leste, regardless of the gender, include:

- Around three-quarters of traders and freight forwarders²⁰ report that their imported goods require 10 or more days for release from customs.
- Around half of the traders and the majority of freight forwarders need to go to more than one source for information on official border processes and procedures.
- A large majority of traders and freight forwarders do not know of the National Trade Facilitation Committee's existence.
- Around a quarter of traders, and over half of the freight forwarders, do not believe their feedback is taken into consideration when consulted on official border processes and procedures.
- Most traders and freight forwarders rely on bank transfers to pay official fees and charges because an e-payment system has not been fully implemented.
- Around a quarter of traders paid unofficial fees in the last year to speed up the processing of their shipments.

Women-led firms surveyed experience greater challenges in many cross-border trade activities compared to men-led counterparts, including for example:

- Very few traders and freight forwarders, especially women traders, are members of industry/trade associations.

- Fewer women traders are regularly consulted on changes to official border processes and procedures.

- There is an information gap in that fewer women traders are likely to be aware that import/export declarations can be submitted electronically, fewer women traders know that customs allows the pre-declaration of shipments, and fewer women traders know that official fees and charges can be paid electronically.

- Slightly more women traders have had their goods detained without being promptly informed, and around half of the traders believe grievance procedures do not exist for when shipments are withheld.

The survey has highlighted several areas that could be addressed by the Government of Timor-Leste to improve the trade facilitation environment in the country. Specific emphasis in the recommendations has been made to address asymmetric gender barriers that occur in cross-border trade (see **section 4** of this report).

¹⁹ Smith R. D., Trade and public health: facing the challenges of globalization. Journal of epidemiology and community health, 2006.

²⁰ In this note, a freight forwarder is a firm that arranges the imports and exports of goods for other companies.



Bernadete runs a successful bakery wholesale business © Sarah Wiles



2 Description of the sample and methodology

Efforts to identify the universe of traders in Timor-Leste preceded the survey. Based on data from the ASYCUDA World System provided by the Directorate General of Customs in Timor-Leste, there were 939 trading firms in 2018.²¹ Remediation of the list reduced the number of firms eligible to participate in the survey because some of the entries were either (1) agents and not traders, (2) further duplicates, or (3) missing valid contact. On-the-ground approaches by the field team were undertaken to identify additional possible candidates for the survey, bringing the total number of firms with contact information for the survey to 296.²² A list of 19 freight forwarding firms was compiled using online sources.²³

A questionnaire that was designed to collect data in the Pacific Islands region was translated into the local Tetum and Portuguese languages for use in Timor-Leste in addition to English. All active cross-border trading firms with valid contact information were contacted to participate in the survey. A total of 186 women and men traders were interviewed in Timor-Leste over the telephone between 20th February to 31st March 2020.^{24,25} Based on the total number of traders with a valid contact telephone number, a 69 percent response rate was achieved.²⁶ Of the 186 firms interviewed, 140 are led

by men and 46 are led by women traders working with different sized firms and sectors in Timor-Leste.²⁷ All traders surveyed are importing goods, and 4 percent reported that they both export and import goods. None of the traders surveyed exclusively export goods.

Out of the 19 freight forwarders identified in Timor-Leste, 11 were surveyed in the same time frame using a simplified version of the trader questionnaire. Based on the number of freight forwarders that were identified and eligible to participate, a high response rate of 61 percent was achieved (see **Table 1** for breakdown of survey respondents).

The survey was limited to identifying constraints that existing traders face. Therefore, it may suffer from a selection bias in that it did not explore obstacles to engaging in trade among women firms who currently only trade domestically (possibly as a result of barriers to cross-border trade). Exploring the reasons of non-engagement in cross-border trade would require a deeper assessment of why non-trading women firms do not trade, which goes beyond the scope of this survey and likely also the WTO Trade Facilitation Agreement (additional details of the sampling strategy and survey methodology are provided in **Annex 1**).

Given that 96 percent of survey respondents exclusively import, the survey findings in Timor-Leste do not distinguish between importers and exporters unless otherwise specified. This, however, may be possible in other countries and could provide additional insights once the survey is rolled out in other regions.

Table 1. Breakdown of Trader Survey Respondents by Gender and Size of Firms

	Traders			Freight forwarders		
	Women	Men	Total	Women	Men	Total
Micro (1-5 employees)	11	42	53	0	4	4
Small (6-19 employees)	21	54	75	0	5	5
Medium (20-99 employees)	11	35	46	0	2	2
Large (100 employees and above)	3	9	12	0	0	0
Total	46	140	186	0	11	11

21 Work to compile the population list for the sample frame began in 2019, and at that time, 2018 data was the latest available.

22 To validate and identify additional trading firms, door-to-door visits on the ground were made.

23 Tools used to validate and identify additional freight forwarding firms were www.cargoyellowpages.com, https://www.easttimor-timorleste.com/Shipping_Import_Export_East_Timor_Dili.htm, and the Online East Timor-Accommodation and Business register.

24 Interviews were administered by phone and responses recorded via a Computer Assisted Telephone Interviewing (CATI) system in English as well as in the local languages.

25 The survey results have been analysed and synthesized to identify key takeaways. Survey participants are not identified in the report in order to preserve confidentiality.

26 The response rate excludes from the denominator phone numbers that have been disconnected. Because the numbers are disconnected, it is not possible to determine whether these firms are still an operation; and thus, whether they were eligible to participate in the survey.

27 The eligibility criteria for the survey included firms of any size engaged in cross-border trade (import and/or export), as well as whether the respondent owns/manages the firm. State-owned enterprises were excluded. In addition to gender, sectors were analysed using the Harmonized Schedule as such: HS Sections 1-4 (animal, vegetable products, beverages, tobacco), HS sections 5-10 (minerals, chemicals, rubber, leather, wood, paper products), HS sections 11-12 (textile, footwear), HS sections 13-15 (stone, glass, precious stones, metals), HS sections 16-19 (machinery, transport equipment, medical instruments, ammunitions), and HS sections 20-21 (artwork/collectors' pieces/antiques and miscellaneous manufactured articles). In addition, the World Bank Enterprise Survey's definition of firm sizes is used: micro (1-4 employees), small (5-19 employees), medium (20-99 employees), and large (100 employees and above). Annex 1 provides additional details on the survey methodology and rollout.



Timorese women are active in trading and are estimated to lead 46 percent of small firms
© World Bank

3 Survey findings

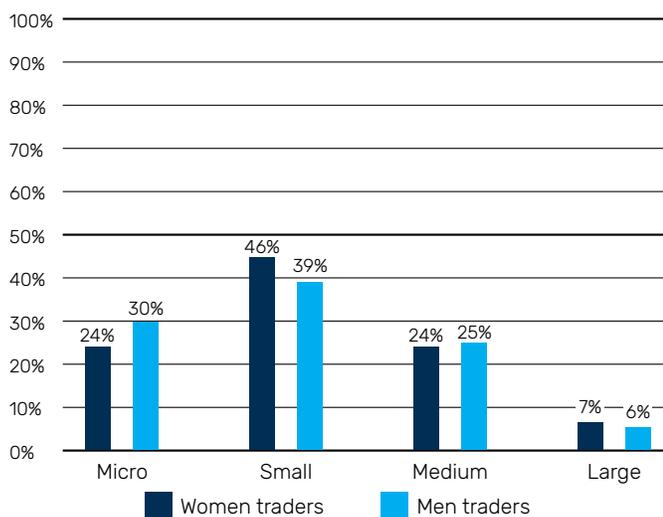


General trader and freight forwarder findings

■ **A majority of surveyed traders and freight forwarding firms are led by men.** Overall, only 25 percent of the traders surveyed in Timor-Leste are led by women. Of the 11 freight forwarders interviewed, all are led by men.

■ **More men than women traders lead micro-sized firms,** which differs from the regional pattern of more women being represented in micro-sized firms. Among the women traders, 24 percent lead micro firms, 46 percent lead small firms, 24 percent lead medium firms, and 7 percent lead large firms. Among the men traders, in comparison, 30 percent lead micro firms, 39 percent lead small firms, 25 percent lead medium firms, and 6 percent lead large firms.

Figure 1. Firm Size by Gender



■ **Women traders tend to be younger,** with 78 percent under the age of 46 years compared to 59 percent of men traders. Forty-one percent of men traders are older than 46 years old compared to 22 percent of women traders over that age. Ninety-two percent of traders have undertaken a minimum

of secondary school level education. Both women and men traders have similar levels of university level education and above (46 percent for women and 49 percent for men).

■ Of the freight forwarders in Timor-Leste, 81 percent (9 out of 11) are under 46 years of age. All freight forwarders have a minimum of secondary school education, with 46 percent having a university level education or above.

■ **Traders that have been engaged in cross-border for a longer period tend to lead larger firms.** Fourteen percent of traders have been engaged in cross-border trade for four years or less, 30 percent for 5-9 years, 25 percent for 10-14 years, and 31 percent for 15 years or more. Minimal gender differences are seen in the survey results. There are, however, some differences when comparing firm sizes. Thirty percent of traders leading micro-sized firms have engaged in cross-border trade for four years or less, while no traders of large firms have been engaged in cross-border trade for the same short duration of time. Overall, large firms tend to be led by traders that have 15 years or more of cross-border trade experience.

Imports and Exports

■ **More women-led firms import agriculture products than men-led firms.**²⁸ Women traders (33 percent) import goods within HS section 1-4 (animal and vegetable products, beverages) compared to men traders (16 percent). Around half of the men (54 percent) and women (48 percent) traders also import goods within HS section 16-19 (machinery, vehicles, arms).²⁹ The spread of traders importing in each product category aligns with national data in which the top imports include mineral fuels, vehicles (other than railway or tramway rolling stock) and parts thereof, paper and paperboard, electrical machinery and equipment and parts thereof, machinery and mechanical appliances/parts thereof, beverages/spirits/vinegar, cereals, textiles, plastics, iron or steel articles.

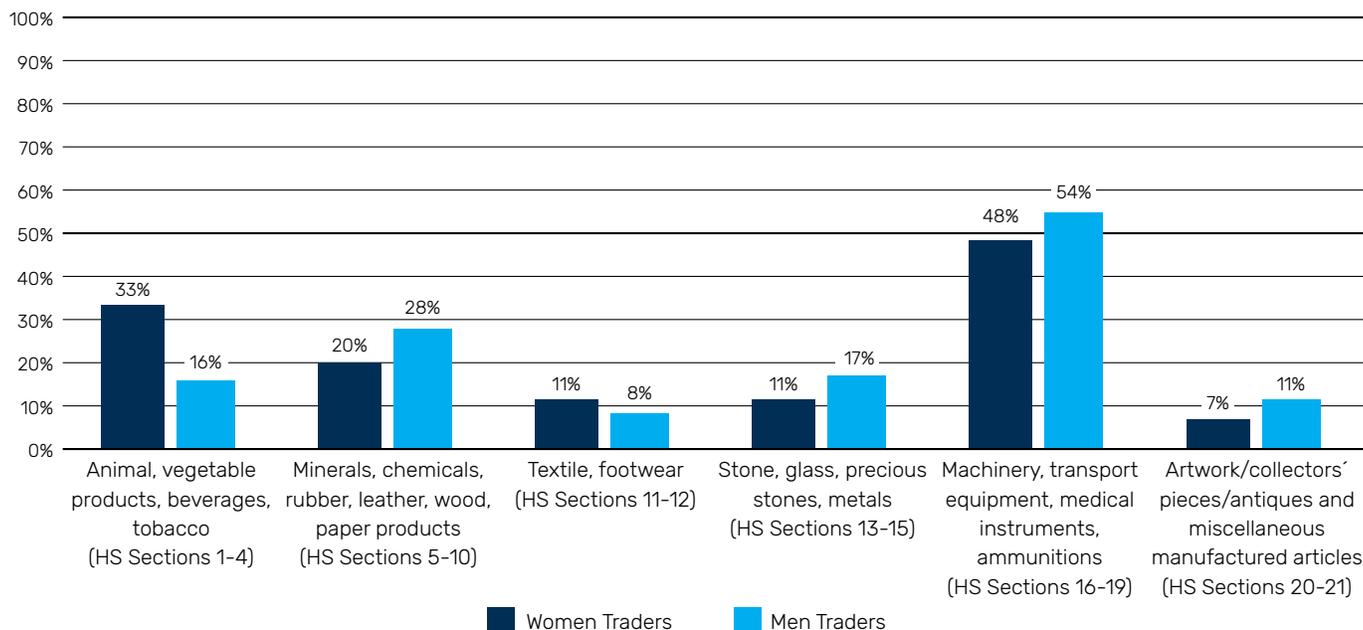
■ **Very few traders in Timor-Leste export goods.** The survey identified no women traders in Timor-Leste that export goods. Only 6 percent (8 out of 140) of men traders reported that they export goods. For the few traders that do export, they export within HS sections 1-4 (animal and vegetable products, beverages) and HS sections 5-10 (mineral, plastic and rubber products). This aligns with national data trend wherein Timor-Leste has had a negative trade balance between 2014 and 2018.³⁰

²⁸ Refers to number of firms surveyed that import within this HS category, not volume imported within this HS category.

²⁹ See HS Nomenclature 2017 edition for details on the types of products that fall into each HS category (Online: <http://www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/hs-nomenclature-2017-edition/hs-nomenclature-2017-edition.aspx>).

³⁰ General Directorate of Statistics, External Trade Statistics, 2018.

Figure 2. Main Products Imported by Gender



Note: Traders can nominate more than one import category, so totals add to more than 100 percent.

Frequency of Trade

- **The frequency of trading for men and women traders in Timor-Leste is low**, with 72 percent of firms trading four times a year or less. The difference in frequency of trading by men and women is minimal, with 70 percent of women trading four times a year or less compared to 73 percent of men; 17 percent of women trading once every month compared to 16 percent of men; and only 13 percent of women trade more than once a month compared to 11 percent for men.

- **The frequency of trading differs by firm size.** The majority of micro firms (77 percent) and small firms (76 percent) stated they trade four times a year or less while 65 percent of medium firms and 50 percent of large firms trade in the same frequency. Medium to large-sized firms generally trade more frequently, with 17 percent of medium firms and 25 percent of large firms trading more than once a month compared to 9 percent of micro and 7 percent of small firms trading just as frequently.

- Around 90 percent of women and men traders indicated that they work full time in the firm. Four percent of traders reported that they work in the business seasonally.

Caretaking

- **Regardless of gender, traders reported that caretaking responsibilities for children or elderly in their household do not affect their ability to trade across borders.** However, there are some traders with the burden of double duty (having both household and professional work responsibilities) with 9 percent of women and 4 percent of men traders stating they have caretaking responsibilities that impact their ability to trade across borders. Seventy-three percent of traders stated that their caretaking responsibilities are only in the mornings and evenings, so their ability to trade is not impacted.

Figure 3. Time Spent on Family Care Obligations

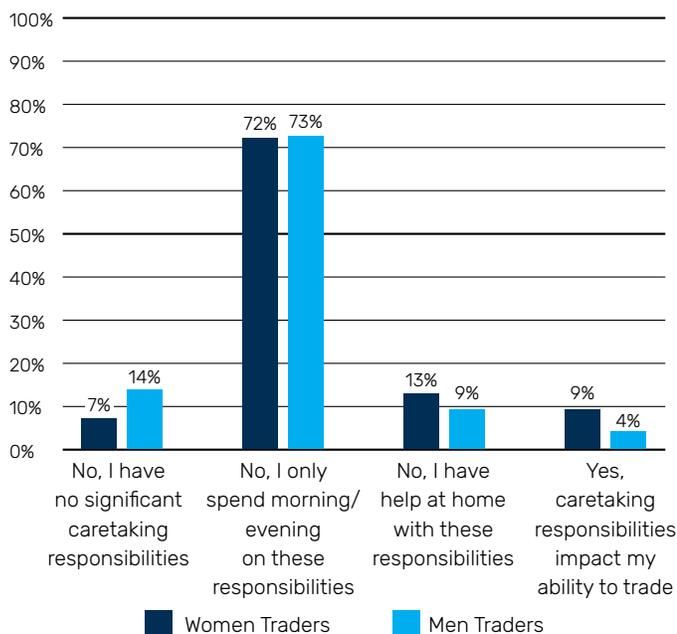
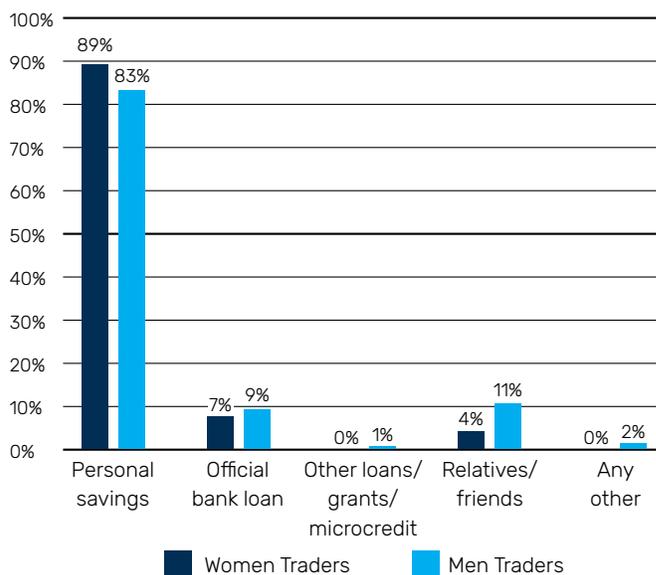


Figure 4. Sources of Financing by Gender



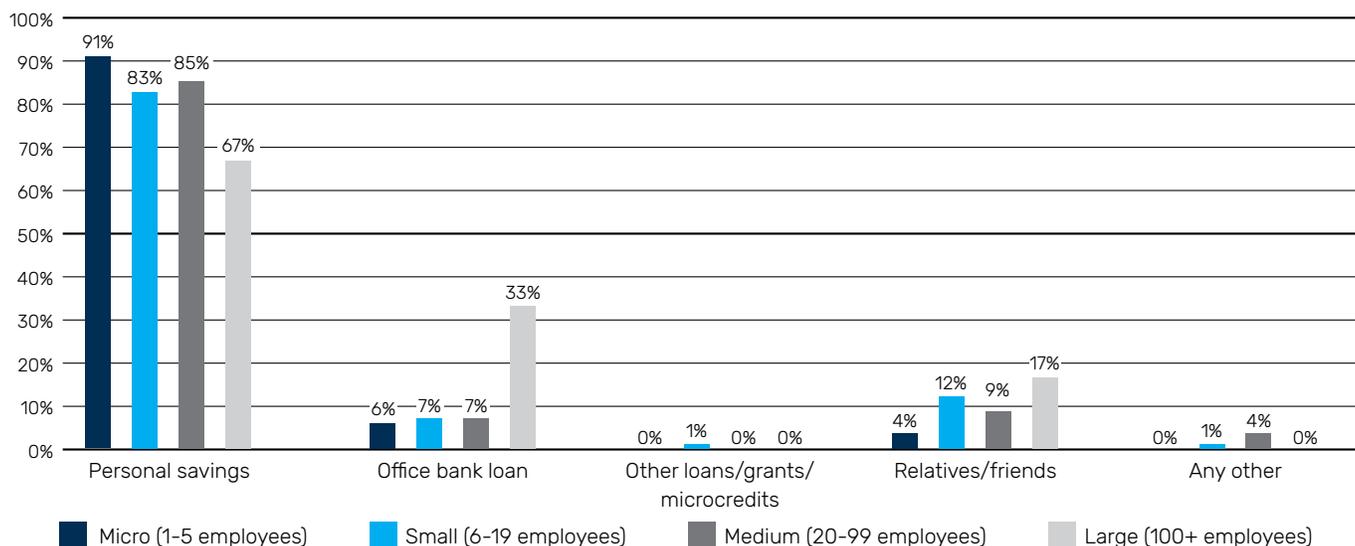
Financing

■ **The majority of traders use personal savings to finance their businesses.** Eighty-nine percent of women and 83 percent of men traders use personal savings to finance their businesses. Ninety-one percent of micro, 83 percent of small, and 85 percent of medium firms reported that they use personal savings. In comparison, 67 percent of traders that lead large firms use personal savings as a main source of financing. Only 8 percent of the traders stated that they use official bank loans to finance their businesses, with large firms using official bank loans more than the other firm sizes.



Local market in Dili © World Bank

Figure 5. Sources of Financing by Firm Size



Moving Goods and Use of Intermediaries

■ **More men than women traders regularly visit the border³¹ to undertake trade.** Forty-one percent of women traders visit the border regularly compared to 73 percent of men. Regardless of gender, more traders of large (75 percent) and medium-sized (72 percent) firms regularly visit the border than traders of micro (64 percent) and small (60 percent) firms.

■ **The majority of traders use freight forwarders and customs brokers and agents.** Over 90 percent of both men and women traders use freight forwarders to handle paperwork, with 67 percent and 47 percent handling transport and shipping, respectively. Only 10 percent of traders stated that they use freight forwarders to handle warehousing.

■ Eight of the 11 freight forwarders surveyed reported that the main services they provided to traders were customs documentation and transport services.

■ **One-third of all traders reported that they use freight forwarders to avoid safety issues at the border.** Another main benefit highlighted by traders from using freight forwarders is speeding up the process (70 percent) in addition to them handling all the paperwork (73 percent). Only 12 percent of women traders, compared to 34 percent of men traders, reported that it is mandatory by law to use a freight forwarder. In addition, 67 percent of large firms believe it is mandatory by law to use a freight forwarder compared to 31 percent for micro, 19 percent for small, and 29 percent of medium-sized firms.

³¹ "Borders" refers to seaports, airports, and in the case of Timor-Leste, it may also include usage of the land border it shares with Indonesia on Timor Island.

Figure 6. Reasons for Using Freight Forwarders and Customs Brokers and Agents

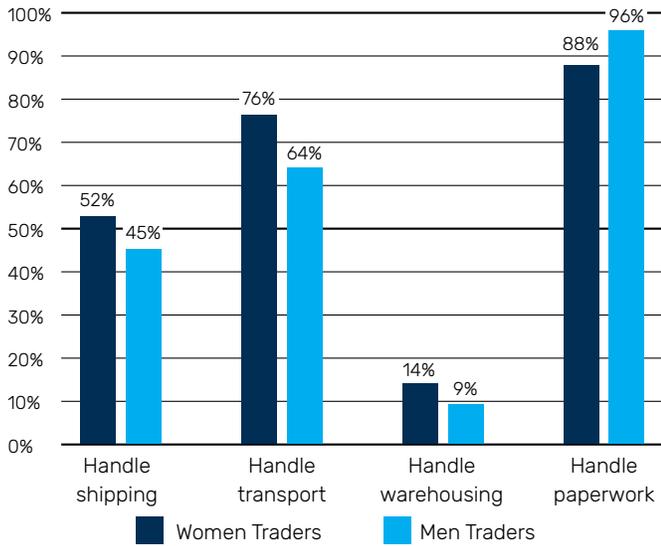
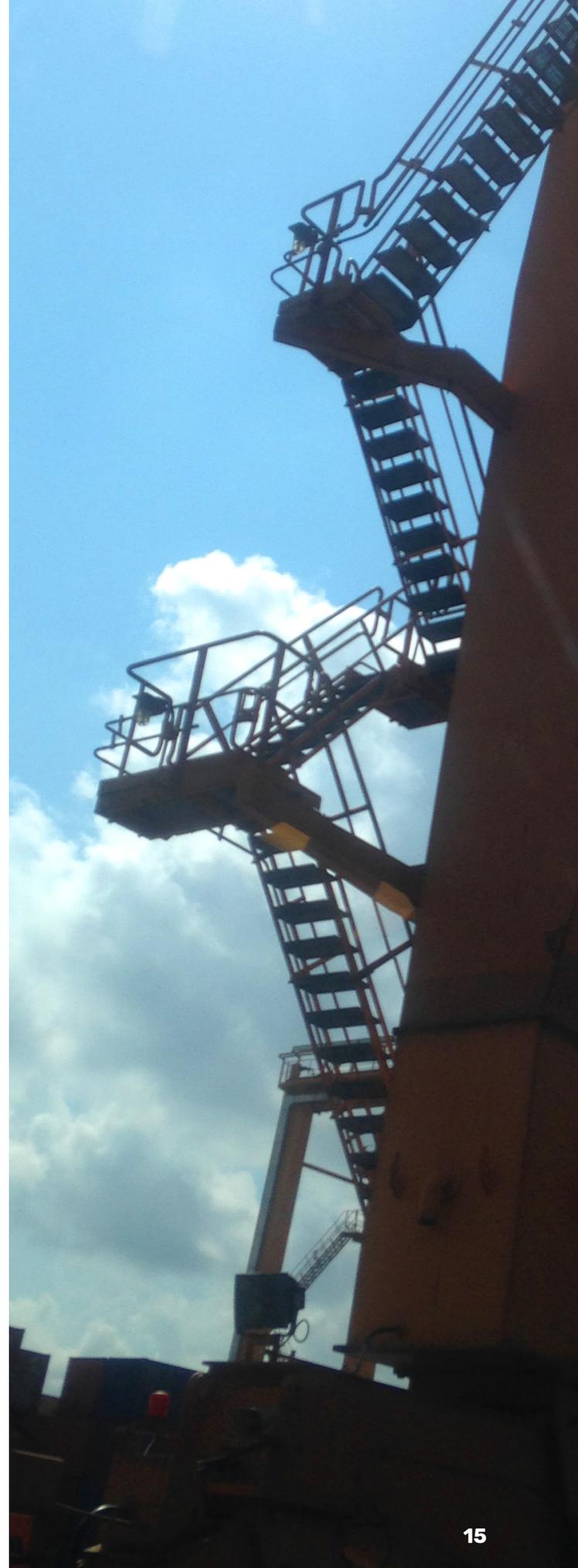
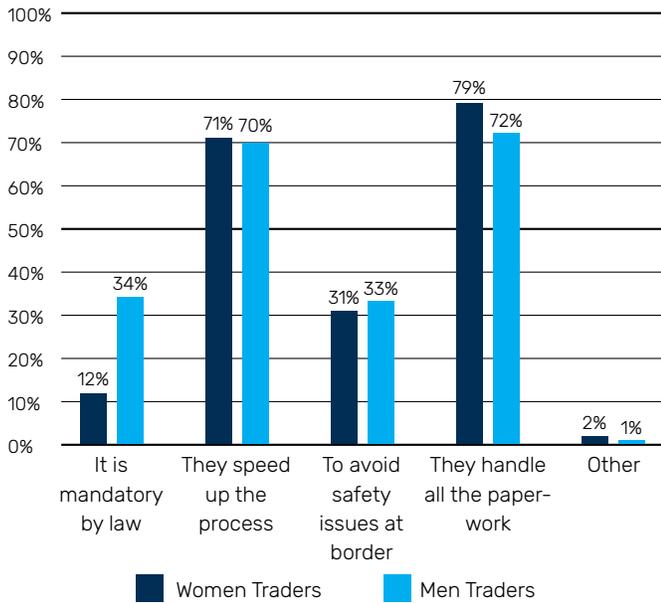


Figure 7. Reasons for Using Freight Forwarder/ Customs Broker/Agent





Cargo ship © World Bank

Trade facilitation-specific findings

i. Port Opening Hours

Restrictive port opening hours can have a negative impact on international trade and on supply chains. If goods are delayed at ports awaiting physical inspection and clearance, the increased time to clear goods at ports will adversely affect the cost of doing business and increase trade costs. Longer clearance times, as a result of restrictive hours or inefficient border processes, have been found to significantly increase the cost of trading, and therefore, reduce international trade. Global supply chains can be affected when restrictive port opening hours delay the intermediate goods required as inputs for production. Additionally, there can be an increased risk of theft and spoilage if goods are not adequately secured or stored while waiting for border clearance.

Related survey finding(s):

■ **Opening hours of ports do not impose a hindrance for conducting cross-border trade for a majority of traders.**

Regardless of gender, around 95 percent of traders do not see airport or seaport opening hours restricting their ability to trade. All freight forwarders surveyed reported that opening hours are not restrictive.

ii. Consistency in Implementation of Border Procedures

The consistent application of border procedures provides predictability and certainty for businesses engaging in cross-border trade. If border procedures are inconsistently implemented, traders may face additional costs of complying with regulations and thereby contributing to increased time and costs of international trade.

Related survey finding(s):

■ **Many of traders believe that border processes and procedures are consistently implemented by border officials either always or most of the time.** Of traders that interact with border officials, 75 percent of women and 68 percent

of men traders stated that official regulations and procedures are consistently implemented by border officials. A further 20 percent of women traders and 28 percent of men traders believe there is consistent implementation of border processes and procedures most of the time. Regardless of gender, large firms (82 percent) are more likely to report that official regulations and procedures are consistently implemented by border officials than micro (67 percent), small (69 percent), and medium-sized (71 percent) firms.

The majority of freight forwarders (9 out of 11) reported that official regulations and procedures are consistently implemented by border officials, with the remainder being unsure.

iii. Time to Release Goods

Unnecessary delays at borders – including long wait times to release goods by border officials – increase trade costs and can also erode the competitiveness of traders.³² Transparent, efficient, and predictable trade can lead to significant reduction in trade costs, particularly allowing traders the benefit of just-in-time services and reduced inventory costs.³³ Knowing the average time it takes to clear goods at the border helps businesses make important decisions such as planning stock levels.

Related survey finding(s):

■ **Surveyed traders reported to have very few inspections of their goods at the border.** Ninety-one percent of women and 88 percent of men traders stated that their goods are never inspected at the border. Only 5 percent of traders indicated that their goods are inspected all of the time, 5 percent have their goods inspected around 50 percent of the time, and 1 percent have their goods inspected 25 percent of the time or less. Generally, trade in agricultural products entails SPS and biosecurity concerns; however, in the case of Timor-Leste, a significant 92 percent of firms that import products within HS section 1-4 (animal, vegetable products, beverages) indicated their goods are never inspected. The survey findings in this aspect are different from those of the TRS undertaken in 2019 that found 57 percent of single administrative documents (SADs)³⁴ in the first six months of 2019 were directed through the red channel and only 31 percent through the green channel.³⁵

³² World Customs Organization, *World Customs Organization and Management System Handbook: strategic and practical information*, 2007.

³³ International Trade Centre, *Faster customs, faster trade: Using technology for trade facilitation*, 2018; World Bank Group, *Contribution and Effectiveness of Trade Facilitation Measures*, 2018.

³⁴ Single administrative documents are customs declarations.

³⁵ Red channel means the shipment will undergo physical control. Green channel means the shipment will not undergo control.

■ **Traders reported that a considerable amount of time is taken to release imported goods after submission of customs declaration**, with 78 percent stating that it takes 10 days or more. This finding was similar among men and women traders (74 percent of women traders and 79 percent of men traders reported that goods are released in 10 days or more). By firm size, 77 percent of micro firms, 76 percent of small firms, 76 percent of medium, and 100 percent of large firms report it requires 10 days or more for the release of imported goods.

■ Around 70 percent (8 out of 11) of the freight forwarders surveyed indicated that it takes 10 days or more to release imported goods.

Figure 8. Time Taken to Release Imported Goods by Gender

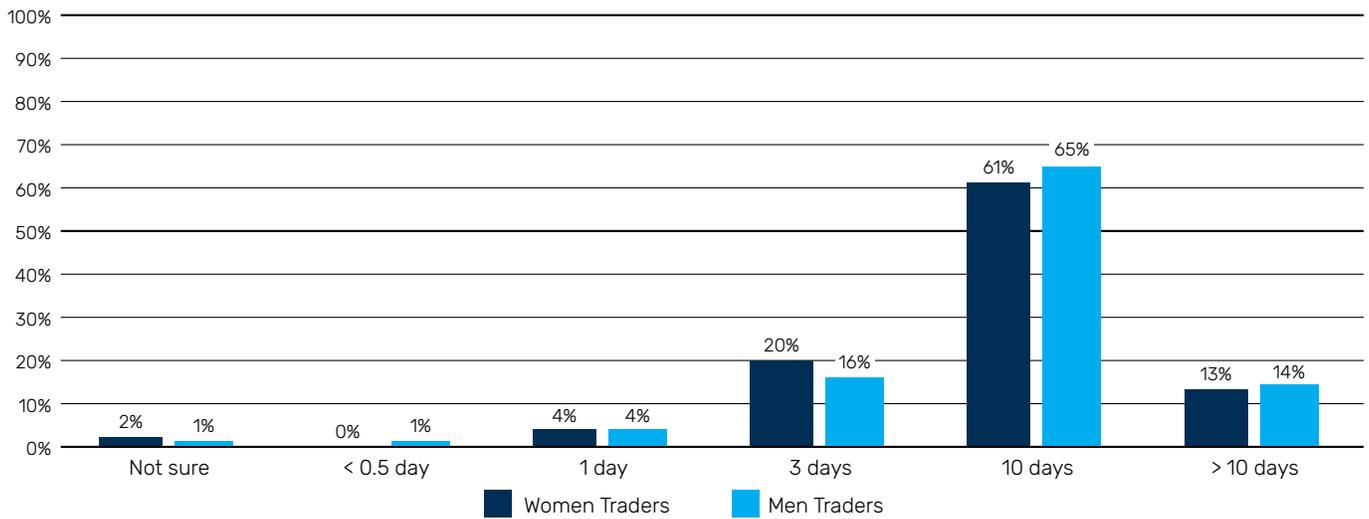
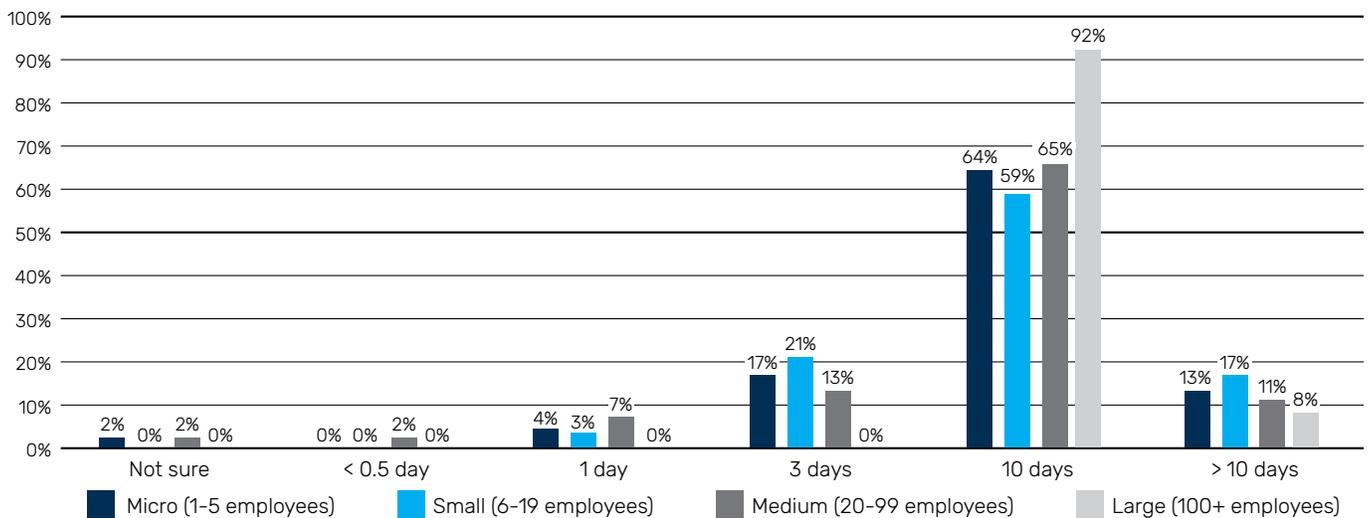


Figure 9. Time to Release Imported Goods by Firm Size





Over 88 percent of Timorese women work in the agricultural sector © Jen Hardy

iv. Access to and Understanding of Official Border Regulations and Procedures

Accessing and understanding official regulations and procedures is important for transparency, compliance, and predictability of the trading environment. The publication and dissemination of changes to relevant laws and regulations must be done with sufficient advance notice and in easy-to-understand language. If traders are unaware of new customs rules and regulations, or if they cannot understand them, they may face additional compliance burdens and costs, or even face penalties for not properly meeting requirements.

Related survey finding(s):

- The majority of traders reported it easy to find information on border regulations and procedures.** Ninety percent of both men and women traders respectively reported that information on official border regulations and procedures is easy to find. Only 10 percent of women and men traders that seek information on official border regulations and procedures stated that information is difficult to find. Eight percent of all traders in the overall survey sample stated they do not need to search for information, and the majority of traders that stated they do not need to search for information do not visit the border.

- Fewer women traders use online sources as source of information compared to men traders.** For those that can find information easily, the main source of information on official border regulations and procedures is border officials (81 percent). Women traders (17 percent) reported a greater reliance on government offices compared to men traders (3 percent). Men traders (21 percent) use online sources much more than women traders (6 percent).

- Seventy-three percent (8 out of 11) of the freight forwarders surveyed indicated information on official border regulations and procedures is easy to find. Border officials (63 percent) and online resources (50 percent) are the main sources of information for freight forwarders.

- Information on official regulations and processes is generally easy to understand.** The majority (78 percent) of traders that need to find information said that it is easy to understand (83 percent of women and 76 percent of men traders). Another 18 percent of women and 22 percent of men traders find the information sometimes easy to understand.

Around 55 percent (6 out of 11) of freight forwarders reported that official regulations and processes are easy to under-

stand all the time, with the remainder indicating the information is sometimes easy to understand.

- More freight forwarders than traders have to use multiple sources for information on changes to official regulations.** Forty-eight percent of women and 56 percent of men traders that require information on changes to official border regulations and procedures generally have to go to more than one source. Eighty-two percent (9 out of 11) of freight forwarders stated that they generally have to go to more than one source for information on changes to official border regulations and procedures.

- For traders, freight forwarders/agents (88 percent) are reported as the most popular avenue to find information on changes to official regulations and procedures related to the traders' cross-border trade activities. Minimal use was reported for government sources and for the internet. These findings are consistent across genders. For freight forwarders, the more popular source is government officials at the border/enquiry points (64 percent).

Figure 10. Traders Sources of Information on Official Border Regulations and Procedures

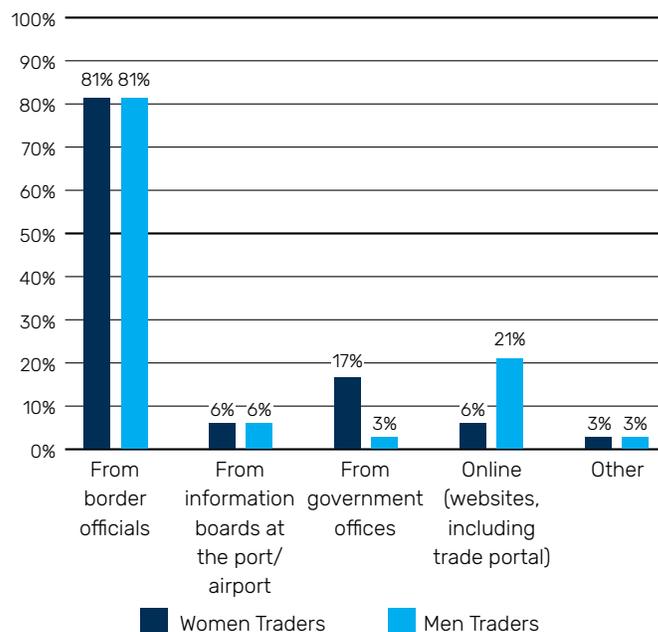
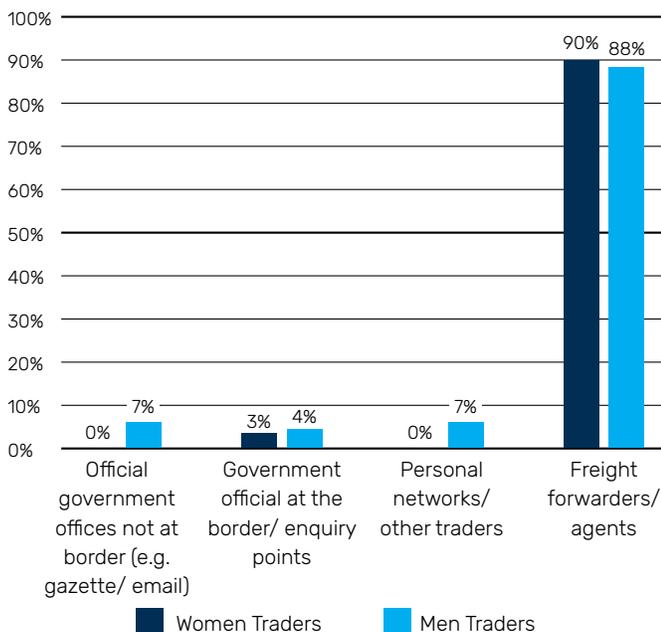


Figure 11. Top Four Sources of Information on Changes to Official Border Regulations and Procedures



v. The National Trade Facilitation Committee (NTFC) and Membership in Trade/Industry Associations

The NTFC’s role is to streamline procedures and implement trade facilitation measures at the national level. It is also an important mechanism for domestic coordination and stakeholder (public and private) engagement on trade facilitation.

The Government of Timor-Leste approved the creation of the National Trade Facilitation Committee in 2016.³⁶

Related survey finding(s):

■ **Hardly any traders or freight forwarders are aware of the NTFC’s existence in Timor-Leste.** Ninety-eight percent of traders and 9 out of 11 freight forwarders are not aware of the committee.

■ **Very few traders and freight forwarders reported to be members of business or trade/industry associations.** Only 9 percent (2 percent of women and 11 percent of men traders) reported that they are a member of business or trade/industry association, with membership higher for firms of large-sized (25 percent) compared to 4 percent for medium firms, 9 percent for small firms, and 8 percent

for micro firms. Eighteen percent (2 out of 11) of freight forwarders stated that they are members of a trade/industry association.

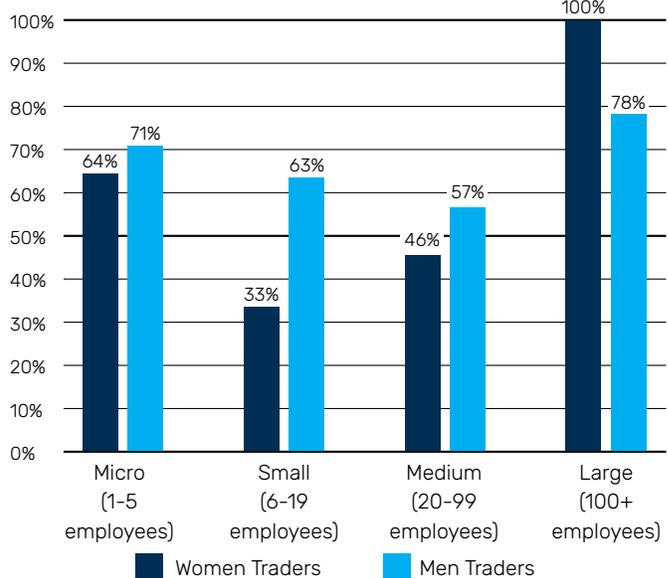
vi. Consultation Mechanisms

A mechanism whereby stakeholders are consulted on any changes to official border processes and procedures can alleviate misinformation regarding planned changes related to their cross-border trade activities and can improve compliance. Equally important is a consultation mechanism that takes into consideration the feedback provided by stakeholders before any changes are implemented.

Related survey finding(s):

■ **Women traders are less likely to be consulted on changes to official trade processes and procedures than men.** Forty-eight percent of women and 65 percent of men traders stated that their businesses are regularly consulted on changes to official trade processes and procedures. The biggest gap is with small firms, where more men traders (63 percent) are regularly consulted than women traders (33 percent). Seventy-four percent of firms that are consulted stated that consultation is via government entities, with only 5 percent consulted by trade/industry associations.

Figure 12. Regularly Consulted on Changes to Official Trade Processes and Procedures



■ **Traders’ feedback is taken into consideration.** Of traders that reported that they are consulted on changes to official trade processes and procedures, 73 percent of women and 79 percent of men believe that their feedback is taken

³⁶ República Democrática De Timor – Leste, Resolução Do Governo N.o 6/2016: Cria A Comissão Nacional Para Facilitação Do Comércio (CONFAC), 2016.

into consideration. A lower 43 percent (3 out of 7) of freight forwarders that are consulted believed that their feedback is considered.

vii. Electronic Import/Export Declarations

Aimed at facilitating and reducing the cost of trade, the ability to submit import and export declarations through an electronic system reduces time to comply with documentary requirements by functioning as a single point of entry/exit for all regulatory documentation for internationally traded goods. Benefits to traders include faster clearance times, transparent and predictable processes, and less bureaucracy.

Timor-Leste has an automated customs system (ASYCUDA World). However, there is no one-stop-shop connecting the key border agencies (and the quarantine authority uses an entirely manual system).

Related survey finding(s):

- More men than women traders are aware of the possibility to submit import/export declarations electronically (i.e., through electronic Single Window systems or other electronic systems).** Fifty-four percent of women and 76 percent of men traders reported that it is possible to submit declarations electronically. The other half of women traders either believe electronic declarations is not possible or simply do not know whether it is possible.

- More men than women traders reported that they use an electronic declaration system.** Seventy-four percent of men traders submit electronic declarations at least half the time compared to 50 percent of women that submit electronic declarations in the same frequency.³⁷

- All freight forwarders surveyed reported that it is possible to submit import/export declarations electronically. Fifty-five percent (6 out of 11) of the freight forwarders use the system 100 percent of the time and the remaining five use it 50 percent of the time.

- The majority of traders find electronic submissions has helped to reduce paperwork.** Women traders that use the electronic declaration system reported that it assists their business by reducing paperwork (91 percent), simplifying trading procedures (61 percent), and saving money (22 percent). Four percent of women stated that it helps to avoid

hassles at the border. Firms of large size are more likely to state that the electronic declaration system simplifies trading procedures (88 percent) than firms of other sizes; however, no large firm indicated it saves money or helps to avoid hassles at the border while the firms of other sizes reported saving money (12-21 percent) or avoiding hassle (3-9 percent) to some degree.

Figure 13. Usage of Electronic Import/Export Declarations System

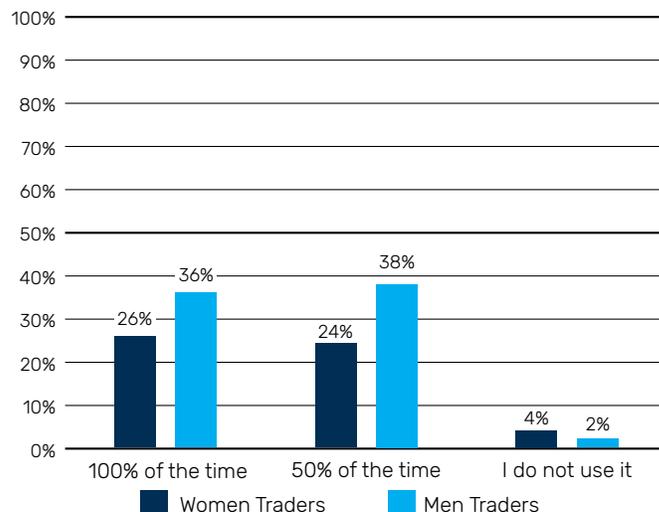
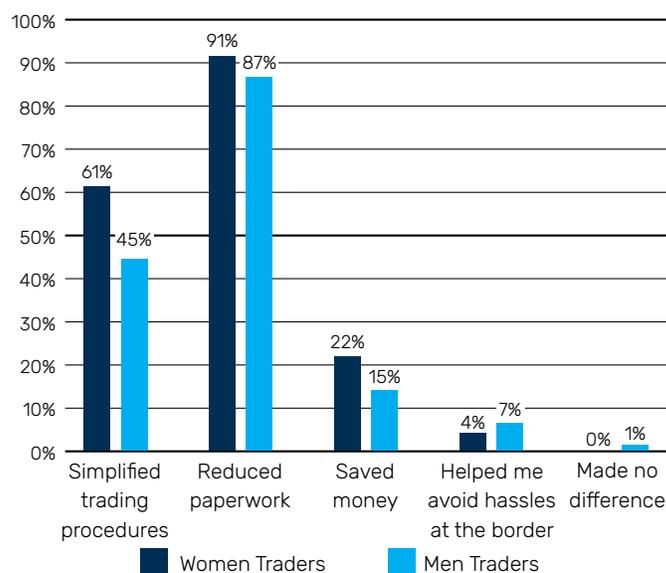


Figure 14. Benefits of Submitting Declarations Electronically



³⁷ All imports in Dili must be cleared online through ASYCUDA World (AW), but a paper copy is also made. Without access to AW, a trader cannot lodge his/her own declaration.

viii. Pre-Declaration of Goods

Pre-declaration of goods allows traders to notify border authorities of future arrival of goods and enables traders to save time if done correctly.

Related survey finding(s):

■ **More men than women traders stated that customs allows pre-declaration of shipments prior to arrival at the seaport or airport.** Awareness of whether pre-declaration of shipments is possible is higher among men (73 percent) than women (59 percent) traders. Twenty-four percent of women traders reported that they do not know whether pre-declaration of shipments prior to arrival at the seaport or airport is allowed compared to 13 percent of men. The biggest gender gap by size of firm on whether pre-declaration of shipments is possible is among micro firms, where 55 percent of women and 79 percent of men traders stated customs allows pre-declaration of shipments prior to arrival at the seaport or airport.

■ **More men than women traders pre-declare shipments prior to arrival.** Sixty-nine percent of men and 54 percent of women traders stated that their business pre-declares shipments to customs prior to arrival at the seaport or airport. Thirty-seven percent of women traders make pre-declarations all the time compared to 44 percent of men traders. A further 15 percent and 23 percent of women and men traders respectively indicated that they pre-declare 50 percent of the time. Of the firms that pre-declare, 75 percent of large-sized firms state that they pre-declare all the time compared to 49 percent of micro; 32 percent of small, and 43 percent of medium-sized firms. The highest incidence for pre-declaring all the time is among traders importing products within HS sections 5-10 (mineral, plastic and rubber products) (46 percent), HS sections 16-19 (machinery, vehicles) (46 percent), and HS sections 13-15 (stone, glass and metals) (41 percent).

More than half of the freight forwarders (64 percent or 7 out of 11) reported that Timor-Leste Customs allows pre-declaration of shipments prior to arrival at the seaport or airport. Thirty-six percent (4 out of 11) and 27 percent (3 out of 11) of all freight forwarders surveyed make pre-declarations 100 percent and 50 percent of the time respectively.

■ The two traders that do not pre-declare either do not find any benefit to it or do not find instructions to be clear.

ix. Electronic Payments and Other Payments

In 2018, Timor-Leste introduced a mandatory e-payment system using TPA/POS for customs duties, fees and charges at Dili Airport Customs and the Central Services Office.³⁸ Generally speaking, in the absence of an electronic payments system, using cash for payment may carry risks such as theft and threats to personal safety and may increase the likelihood of corruption and the payment of “speed money”. In addition, clearance times for checks and money orders may tie up working capital, which can pose constraints on smaller firms.

Related survey finding(s):

■ **Women traders are less likely to report that official fees associated with cross-border trade can be paid electronically.** Fifty-two percent of women and 65 percent of men traders indicated that all or some official fees associated with cross-border trade can be paid electronically. Regardless of gender, large firms (83 percent) are more likely to report that official fees associated with cross-border trade can be paid electronically. This is compared to 60 percent for micro, 61 percent for small, and 59 percent for medium traders.

■ The most frequent method of payment for official fees and charges relating to goods for traders is bank/telegraphic transfer (91 percent). Eighteen percent of men and 17 percent of women traders also use cash.

■ Only 18 percent (2 out of 11) of freight forwarders reported that all official fees associated with cross-border trade can be paid electronically, with 36 percent (4 out of 11) indicating that some official fees can be paid electronically. Almost all freight forwarders surveyed use bank/telegraphic transfer as their payment method.

■ Almost all traders and freight forwarders reported that they receive receipts for all fees and charges that are paid either every time or half the time.

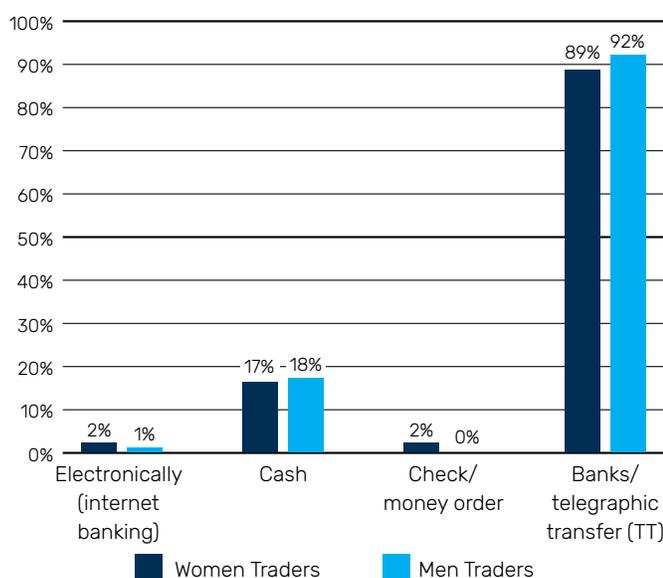
■ **Smaller firms seem to pay more unofficial fees to facilitate the processing of shipments than larger ones.** Twenty-eight percent of women and 23 percent of men traders reported that they had paid speed money or unofficial fees to facilitate the processing of shipments in the last year, with 5 percent of men and 9 percent of women traders declining to answer the question. Smaller-sized firms have slightly higher incidences of having paid speed money in the last year than

³⁸ Fiscal Reform Commission, Customs Authority Public Notice (Online: https://www.mof.gov.tl/wp-content/uploads/2018/07/CA-Public-Notice-1_-_Electronic-Payment_ENG.pdf).

the larger firms (23 percent of micro firms, 28 percent small, 22 percent medium, and 17 percent large paid speed money). Nine percent of all traders surveyed reported that these payments were made every time, with a further 12 percent stating that it was paid 50 percent of the time. As a percentage of the value of the business' goods, 15 percent of traders estimate that the payments cost 5-10 percent, with a further 9 percent indicating that the payments cost less than 5 percent.

- No freight forwarders reported that they paid speed money or unofficial fees to facilitate the processing of shipments, with a few refusing to answer.

Figure 15. Methods of Payment for Official Fees and Charges



x. Detention of Goods

Customs has the power to search imports and exports and exclude, detain and/or seize, and destroy counterfeit and infringing products. To avoid time and financial loss to traders, best practice is for customs to promptly inform traders that goods have been detained for inspection.

Related survey finding(s):

- **Based on survey data, agriculture products, textiles and footwear are more likely to be detained.** Twenty percent of women and 14 percent of men traders reported that they have had their goods detained without being promptly informed. Overall, 8 percent of traders reported that they had goods detained between 50 percent and 100 percent of the time, with another 8 percent of traders having had

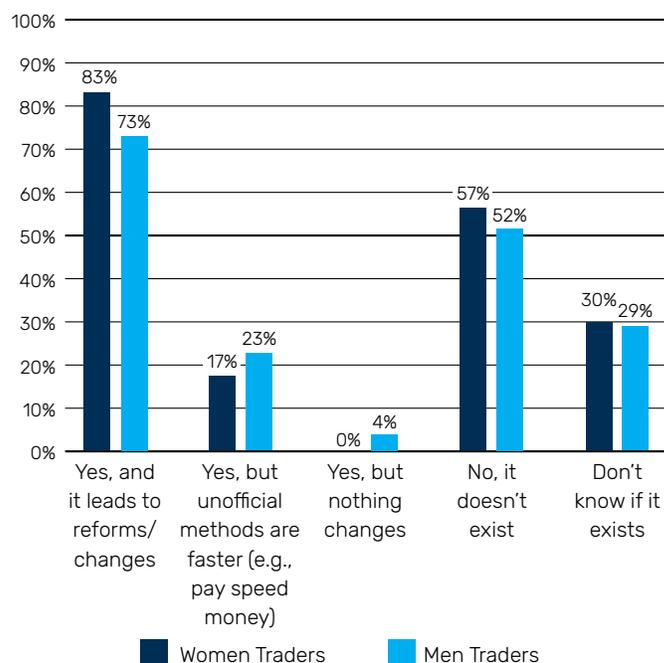
their goods detained up to 25 percent of the time. Traders importing animal and vegetable products (35 percent) and textiles and footwear (25 percent) are more likely to have their goods detained.

xi. Official Grievance Procedures

An official grievances mechanism is important to enable traders to contest and appeal against border agencies' decisions regarding a detained shipment or non-compliance.

Timor-Leste has published the official process for mounting an appeal against a decision to seize goods.³⁹

Figure 16. Traders' Awareness of the Existence of Official Grievance Procedures



Note: The percentages for the first four categories are based on the sample population subset that responded "yes, there are formal complaint/grievance procedures in place" (i.e., N=26 for men traders and N=6 for women traders). The percentages for the remaining two categories are based on the overall sample population (i.e., N=140 for men traders and N=46 for women traders) as a proportion of all traders that either believe the procedures do not exist or do not know whether they exist.

Related survey finding(s):

- **The majority of traders and freight forwarders are not aware of the existence of any formal grievance procedures or believe it does not exist.** Fifty-seven percent of women and 52 percent of men traders stated that there is no formal grievance procedure in Timor-Leste for consignments that are withheld. In addition around 30 percent of

³⁹ Timor-Leste Ministry of Finance: *Appealing the Decision to Seize Goods* (Online: <https://www.mof.gov.tl/customs/seizure-of-goods/appealing-the-decision-to-seize-goods/?lang=en>).

both men and women traders do not know whether formal grievance procedure is available.

■ **Though the sub-sample is small, a majority of traders that are aware of the existence of grievance procedures view the procedures favorably.** Seventy-three percent of men traders and 83 percent of women traders reported that formal grievance procedures exist, and it leads to reform and changes. Twenty-two percent of traders believe that unofficial methods are faster than using the formal grievance procedures.

■ Eighteen percent (2 out of 11) of freight forwarders reported that formal complaint/ grievance procedures are in place if consignments are withheld, with 46 percent (5 out of 11) stating that there is no grievance process and 36 percent (4 out of 11) indicating that they do not know. Of the two freight forwarders that know about the grievance procedures, both believe it leads to reform and changes.

xii. Safety and Security at the Border

Safety and security issues at the border can arise from unwelcome attention, requests for favors, and other verbal or physical conduct by both officials and non-officials. These behaviors create and foster hostile or offensive environments that may impact a trader's ability or desire to undertake trade.

Related survey finding(s):

■ **More women than men feel unsafe at the border.** Ninety-six percent of the traders reported that they go to the seaport or airport themselves. Of those that go to the border, 11 percent (5 out of 46) of women and 4 percent (5 out of 140) of

men traders feel unsafe to varying degrees (from sometimes to every time). Women traders that have felt unsafe attribute it to the border being too crowded while men attribute it to lack of clear organization. No freight forwarder that visit borders (e.g. airport or seaport) reported that they have felt unsafe.

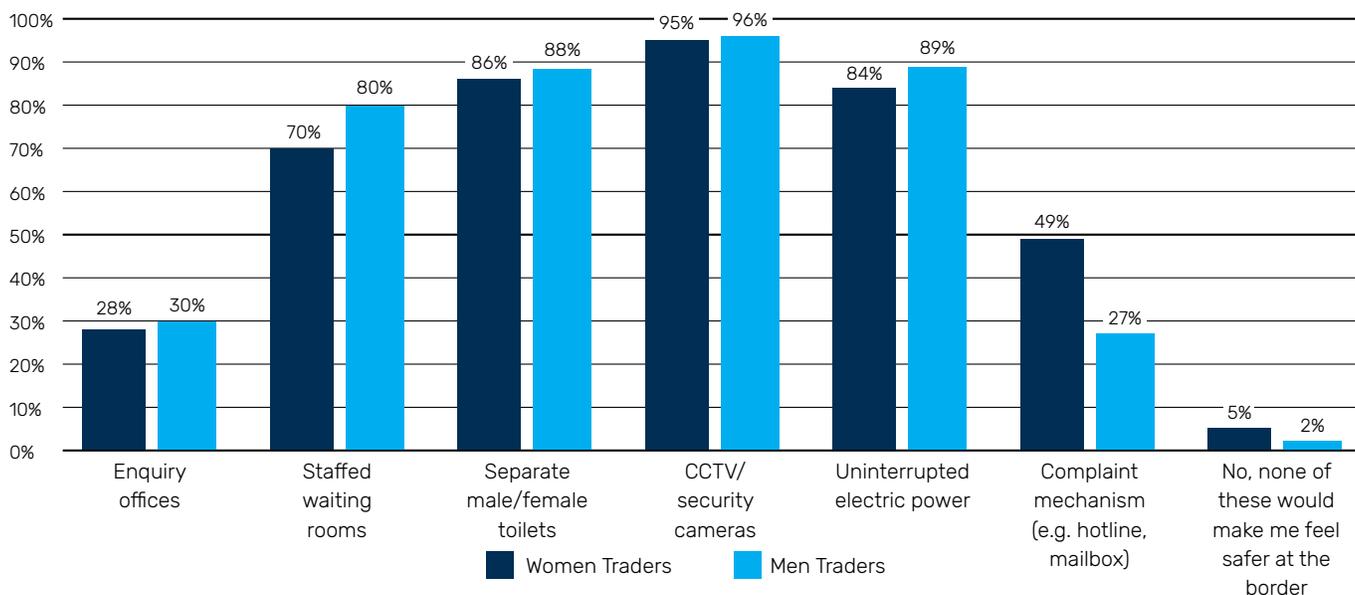
■ Of the traders that undertake processes at airport or seaport, 98 percent reported that they have experienced no harassment at the border.

■ Traders that visit borders reported that officials are generally identifiable either by their uniform (83 percent) or visible ID (82 percent).

■ **Traders reported that the range of facilities available at the seaport/airport that they most frequently use are limited.** Staff waiting rooms (24 percent), uninterrupted electric power (13 percent), enquiry offices (12 percent), and a complaint mechanism (1 percent) are identified by a minority of traders. Seventy percent of traders stated that separate men/women toilets are available, and 53 percent noted the presence of CCTV cameras.

■ **Both men and women traders support improvements in a range of facilities at seaport/airports to make them feel safer and more comfortable.** Regardless of gender, traders indicated that they would feel safer and comfortable if the seaport/airport had more staff waiting rooms (78 percent), more separate men/women toilets (88 percent), more CCTV/security camera (96 percent), and fewer electric power interruptions (88 percent). Women (49 percent) are more likely than men (27 percent) traders to report they would feel safer if more complaint mechanisms (e.g. hotline, mailbox) available.

Figure 17. Traders' Would Feel Safer/More Comfortable if the Seaport/Airport Had More





Coffee grower – a key export
from the island © Tom Perry

4 Recommendations based on survey responses

The survey has highlighted several areas that could be addressed to improve the trade facilitation environment in Timor-Leste. The following recommendations relate to the trade facilitation quality and experience of traders and freight forwarders when importing or exporting goods. Specific emphasis in the recommendations has been made to address some asymmetric gender barriers that occur in cross-border trade.⁴⁰

An overarching recommendation for Timor-Leste is to prioritize accession to the WTO. The WTO principles of transparency and non-discrimination provide good foundations for trade facilitation. Meanwhile, Timor-Leste could model any reforms on the Trade Facilitation Agreement in support of future WTO accession.

1. Reduce the time to release goods.

The time to release goods at the borders was found to be 10 days or more for most traders and freight forwarders, with more than two-thirds of those firms being micro and small traders. Clearing customs efficiently and expediting the release of goods at the border reduces time and trade costs and increases trade volumes. Efficient release of imported goods is critical for perishable goods especially because the productivity of most agricultural activities in Timor-Leste is very low. Delays in the clearance of food imports may cause the goods to spoilage, further worsening the food deficit in the country.⁴¹ Training and education in trade facilitation for border officials is an important avenue for ensuring an efficient border crossing process as well as for the implementation of trade facilitation measures.⁴²

Recommendations for reducing the time required to release goods include:

- Make use of data from recent Time Release Studies to identify bottlenecks and inefficiencies in the border processes. This is particularly important to address the significant delays faced by micro and small traders. In addition, further investigation is necessary to identify why micro and small traders are experiencing these delays. The TRS should be made public as it is a useful tool for traders as it supports increased predictability of release times.

⁴⁰ The survey results indicate that women traders are more likely to be trading in goods with high tariffs (e.g., food and agricultural products). There is an opportunity to reduce tariffs to increase women's income (see WBG and WTO, *Women and Trade: The Role of Trade in Promoting Women's Equality, 2020*), but specific recommendations related tariffs are not included in this report because tariffs fall outside the scope of the WTO TFA.

⁴¹ World Bank, *Timor-Leste Systematic Country Diagnostic: Pathways for a New Economy and Sustainable Livelihoods, 2018*.

- Remove import/export paper declarations and encourage traders to submit documentation via electronic platforms.
- Strengthen and publicize the roll out of automation among all border agencies with a longer-term goal of fully implementing a one-stop-shop for information of border processes and procedures.
- Introduce universal pre-declarations whereby goods can be risk-assessed and released immediately upon arrival.
- Further investigate the discrepancy between the survey finding and the TRS finding on the level of inspections (for instance, by reviewing the rate of inspections and risk-profiling).
- Provide information and training for border officials on expediting the release of certain small and low value consignments using Immediate Release Guidelines and applying de minimis regimes.⁴³
- Administer regular training and capacity building for Customs and other border agency staff, which is important for the implementation of standards, procedures, and regulations. This can mitigate any inconsistencies in implementation and reduce average times to clear customs.

2. Strengthen the role of the NTFC and the National Trade Consultative Forum, and improve the quality of trade/industry associations, while ensuring that membership increases, and women are equally targeted and represented.

Given the importance of the NTFC for planning and implementing trade facilitation reforms, priority should be given to convening and operationalizing the committee. Full use should be made of other available consultation mechanisms, such as the National Trade Consultative Forum and Port User Groups. Raising awareness among private sector stakeholders of the various consultation mechanisms is critical.

⁴² *Doing Business 2019: Trading Across Borders* (Online: <https://www.doingbusiness.org/content/dam/doingBusiness/media/Annual-Reports/English/DB19-Chapters/DB19-Trading.pdf>).

⁴³ WCO *Immediate Release Guidelines* (Online: <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/immediate-release-guidelines/immediate-release-guidelines.pdf?db=web>).

At the same time, private sector representative organizations should be strengthened through advocacy training. Currently, trader and freight forwarder membership of trade/industry associations, regardless of gender, appears to be low in Timor-Leste and should be increased.

Recommendations should focus on the following:

- Steps should be made towards implementing a fully functioning NTFC, including ensuring that trade and industry associations are well-represented so that the trade facilitation needs of traders and freight forwarders are taken into consideration when reforms are proposed. Particular attention should be paid to ensure that women-led entities are represented in the body.
- Support trade/industry associations and the local chambers of commerce by providing advocacy training to strengthen their ability to raise industry concerns. Promote and raise awareness of the NTFC and its important role in trade facilitation to its members. Ensure men, and especially, women traders are targeted.
- Support trade associations in increasing membership, including for example, by:
 - organizing and hosting workshops and events for the business community;
 - advertising in local media and in industry publications highlighting the benefits of membership;
 - having regular membership drives with existing members recruiting from their networks; and
 - ensuring the association has an up-to-date and functioning website with contact information.

3. Introduce and/or strengthen formal trade consultations between customs and representatives of trading communities to consider the needs of the business community.

While a large proportion of men traders are regularly consulted on changes to official trade processes and procedures, many women traders are reportedly not. This points to a need for strengthening or introducing formal trade consultations between customs and traders directly through meetings with representatives via trade/industry associations. This can be achieved through a formal consultative mechanism such as the National Trade Consultative Forum, representing all parties involved in cross-border trade.

At the same time, to address any disadvantages facing women traders during consultation processes, promoting more women representation on trade/industry associations and in the NTFC would ensure that any information gaps between men and women are narrowed.

4. Improve the availability of information on official border procedures.

While most traders found that official regulations and procedures are consistently implemented, there is room for improvement particularly for micro, small and medium-sized firms. The survey respondents also indicated some confusions as to whether the use of a freight forwarder/broker is required by law.

Recommendations include (i) publicizing any changes to procedures at the border posts, making sure all information is published in layperson's terms and in local languages; (ii) informing trader associations promptly of changes, or proposed changes, to official regulations and circulating this to members, (iii) creating a Trade Information Portal.

Based on the survey findings, most traders in Timor-Leste do not use online sources for information on changes to regulations and procedures and rather rely on border officials to be kept up to date. This might be linked to the low percentage of internet usage in the country (27%).⁴⁴ While traders and freight forwarders should be encouraged to increase the use of online resources, it is also critical that officials at the borders are fully informed of processes and procedures so that they can effectively pass the information on to traders and freight forwarders since many of them still rely on border officials for information. This should be supplemented with improved availability of information through TV, radio, trade associations, and other relevant networks. Official websites and other communications material should include detailed information on the trading process, regulations, fees, etc. and be kept up to date, including contact information for various border agencies. In the longer term, it is recommended that a Trade Information Portal is created to consolidate all the information on trade processes into one place online.

⁴⁴ International Telecommunication Union, *World Telecommunication/ICT Development Report and database* (Online: <https://data.worldbank.org/indicator/IT.NET.USER.ZS?locations=TL>).

5. Publicize the official grievance procedure.⁴⁵

Awareness of an official grievance procedure is low among traders and freight forwarders. While the information on the process to appeal against the detention of a consignment are available online, the survey has confirmed that traders don't use online sources to a high degree to gather information related to border processes and procedures.⁴⁶

Recommendations involve:

- Reviewing the official grievance procedures to ensure that they are operationalized as touted to the public to raise traders' good faith in the system.
- Publicizing the appeals process through customs brokers and trader associations and ensuring that an appeals system meets the implementation guide set out under the Revised Kyoto Convention.

6. Increase awareness of electronic import/export declarations and fully implement the pre-declaration of goods, especially among women traders.

Increasing the use of pre-declarations and ensuring that traders and freight forwarders are informed of customs automation will assist Timor-Leste to reduce the time required to release goods once at the border.

Although Timor-Leste has implemented ASYCUDA World and overall many traders are aware of an electronic declaration system, a much smaller proportion of women traders, compared to men, are aware or make use of it.

At the same time, more than two-thirds of traders are aware of the ability to submit pre-arrival declarations, but women traders are less aware of this than men. A larger gap was found between women and men leading micro firms.

Accordingly, a key recommendation includes increasing awareness of the availability of pre-declaration submissions. It would be constructive for the Government of Timor-Leste to communicate the time saving benefits to the trading community through trade associations, radio, TV and/or government and trade related websites (e.g. TradeInvest Timor-Leste).⁴⁷

⁴⁵ See UN Trade Facilitation Implementation Guide: Appeals in Customs Matters (Online: <http://tfig.unece.org/contents/appeals.htm>) for further information and guidance on the implementation and establishment of an appeals system.

7. Strengthen the electronic payments system and encourage traders to pay online.

A longer-term goal should be to ensure that the required laws and infrastructure are in place for electronic banking.

In principle, the ASYCUDA World system allows for electronic payment of customs duties and fees. However, in practice most traders reportedly use bank/telegraphic transfer and a small proportion use cash.

With approximately one-quarter of traders surveyed having paid speed money and unofficial fees, encouraging the use of and improving information on online payments could help reduce the incidences of paying speed money and unofficial fees. This is especially important for micro and small traders and for women traders.

⁴⁶ Timor-Leste Ministry of Finance: *Appealing the Decision of Seize Goods* (Online: <https://www.mof.gov.tl/customs/seizure-of-goods/appealing-the-decision-to-seize-goods/?lang=en>).

⁴⁷ TradeInvest Timor-Leste: *Investment and Export Promotion Agency* (Online: <https://www.tradeinvest.tl>).



Local farmers
© Jen Hardy

Annex 1

Methodology

Questionnaire

Feedback from Focus Group Discussions in Malawi, Zambia, Fiji, and Vietnam with women and men traders, and meetings with government stakeholders, civil society organizations and private sectors representatives helped the team in developing the survey questionnaire. The trader survey rolled out in the Pacific Island region contains 52 questions, is divided into eight sections, and is largely focused on areas related to the WTO Trade Facilitation Agreement, including, but not limited to access to information, electronic payments, seizure of goods, pre-declaration, and the National Trade Facilitation Committee. Some questions outside the scope of the WTO TFA – such as on safety at border posts – are included in the survey to better understand the cross-border trading environment in each of the countries. A simplified questionnaire (with 46 questions) is used for freight forwarders.

Master List

A master list of trading firms was created for the survey based on the complete list of active traders in 2018 that was provided by the Directorate General of Customs of Timor-Leste. NGOs and diplomats were removed from the list. The list contained the company name, address, landline number or mobile phone, and email address. A large number of entries, however, were missing a phone number or email address. A field team conducted phone calls to verify and complete the missing data, such as the name of director, the major shareholder, and his or her gender.

The master list of traders contained a total of 939 firms of which a large portion was pre-screened and deemed ineligible to participate in the survey. Further remediation work was undertaken to identify further duplicates and remove entries that were individuals importing/exporting (i.e., not businesses) – see **table 2** for details. The list was supplemented by the Tebbutt Research field team on the ground in Timor-Leste who conducted door-to-door visits, which identified three more firms to participate in the survey. Ultimately, a list of 296 firms was produced for the survey.

A list of 19 freight forwarders using the online sources www.cargoyellowpages.com, https://www.easttimor-timorleste.com/Shipping_Import_Export_East_Timor_Dili.htm, and Online East Timor-Accommodation and Business Register was constructed.

Table 2. Usable Listings for Survey

Initial list supplied	939
Less removals	
Agents / not traders	24
Duplicates	11
No valid contact	5
Total removals	40
Usable listings	293
Supplemental list exercise	3
Final field list	296

Sampling Strategy

All active cross-border traders with valid contact information were contacted to participate in the survey in Timor-Leste. Interviews were undertaken using computerized aided telephone interviewing (CATI), where traders were selected on a random basis and contacted by enumerators. The enumerators used a call schedule protocol that enabled a wide range of times of day and days of week to call firms, maximizing the chances of reaching respondents. Each phone number was attempted three times a day for the period of the survey before treating the number as “not available”.

A total of 296 firms were contacted by phone with 186 firms successfully interviewed (140 men and 46 women led firms). Interviews were conducted in English, Tetum and Portuguese by telephone. There were 39 interview refusals, 46 no call answers, 11 disconnected numbers, five wrong phone numbers, and nine not eligible for the study because the business neither imports nor exports. Table 1 provides a breakdown of trader interviewees by gender and firm size.

All 19 freight forwarders contained on the list were contacted, and 11 were interviewed. There were three interview refusals, four no answers, and one duplicate listing.

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