

**The Secretary of State for the Council of Ministers and  
Official Spokesperson for the Government of Timor-Leste  
Ágio Pereira**

**March 27, 2012  
Dili, Timor-Leste**



**Gusmão Government delivers promised Telecom reforms**

The final steps in the process of telecom liberalisation are being completed.

The Telecommunications Decree Law, establishing a modern regulatory framework for a competitive telecoms sector, was promulgated yesterday. Today the Government and Timor Telecom have signed an agreement that provides for the termination of Timor Telecom's monopoly and the introduction of competition.

In the coming days, the Government will launch a tender for 15 year rights to use the radio frequency bands that permit mobile telecommunications services for voice and data.

From the beginning of its' mandate in 2007 the Gusmão Government has acted to take the steps necessary to equip Timor-Leste for sustainable long-term economic development. Along with building the physical and human infrastructure needed for private sector growth, telecom reform was recognised as essential for ongoing national development. Throughout his term the Prime Minister has emphasised that the introduction of reforms would "support the creation of more jobs, boost productivity and enhance the incentive to invest and innovate."

The liberalisation takes effect upon the publication of the Telecommunications Decree-law in the Gazette and the issuance of the new licences to Timor Telecom, planned in the next few days. Then for the first time the telecommunications market in Timor-Leste will be fully open to competition with new service providers permitted to provide domestic and international services for mobile, landline, data and Internet, or any other telecommunications services for which they can find demand. The people and businesses of the Nation will be free to choose their service providers, who will have to make their offers appealing to customers in terms of quality and price. With sector liberalisation countries worldwide have experienced reduced costs and improvements in the quality and availability of services. The people and businesses of Timor-Leste are now poised to join the rest of the world in enjoying these benefits.

Since 2002, Timor Telecom, a subsidiary of Portugal Telecom, has had a monopoly over telecommunications in Timor-Leste under an exclusive Concession contract. In June 2011, the Government adopted the National Telecommunications Policy setting the course to open the sector to competition. The Government committed to negotiate a consensual end to Timor Telecom's exclusive Concession contract and the terms of transition to a competitive market. The parties have reached an agreement that allows Timor-Telecom to continue to operate in Timor-Leste.

The recently promulgated Telecommunications Decree Law encourages improvements in access to telecommunications services, including voice calls and Internet, for areas currently without service. The legislation provides for an initial period to see how far operators' incentive to seek business will lead them to build new infrastructure in such areas. After two years, service providers may be required to fund a scheme to subsidise greater network coverage to such communities. Competition will be the main driver of the market with prices only controlled where service providers have so much power in the marketplace that they are unaffected by competitors. Licences will be issued for radio spectrum and service providers will be permitted to use State-owned land. The telecommunications regulator will target its intervention on dealing with anticompetitive behaviour, problems arising from any operator having significant market power, and technical radio interference issues. It will encourage the liberal provision of

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The Government of Timor-Leste invites service providers to enter the market and the business community eagerly looks forward to the arrival of sophisticated and high quality services that will meet their needs. Timor-Leste's strong economic growth can expect to receive a substantial boost from the enabling impact of information and communication technologies.

Prime Minister Xanana Gusmão said, "The Government is delivering on its promise to bring the benefits of competition to the people of Timor-Leste. The telecommunications market is open for business." **ENDS**

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