

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

**December 21, 2010
Díli, Timor-Leste**



2010 Tax Petroleum Revenue sets all time record beyond expectations

As the year draws to a close, it was announced as of December 17 2010, US\$2.172 billion had been collected in petroleum revenues in 2010, 29% above the estimations made in the 2010 Mid Year Budget. Included in this figure is the highest sum ever collected in tax revenues by the National Directorate of Petroleum Revenue (NDPR) from petroleum operators of almost one billion dollars (US\$914 million).

The petroleum tax revenue collection for 2010 represents an increase of approximately 38% from 2009. For perspective, the 2010 US\$914 million petroleum tax collection portion of the 2010 petroleum income eclipses the total amount allocated for the total 2010 General State Budget of the nation, US\$838 million.

By law all funds from petroleum activities flow into the nation's sovereign wealth fund, with a transparent mechanism for world's best management of Timor-Leste's assets. Revenue includes money from royalties and profit oil, petroleum tax, ancilliary taxes, pipeline and other payments and petroleum fund interest.

Royalties and Profit Oil currently constitute US\$1.099 billion of the total income excluding payments for November and December to be received in January and February of 2011. Pipeline and other payments received in 2010 were \$7 million and Petroleum Fund Interest had reached \$153 million as of September 30 with further income expected.

Secretary of State Pereira noted "Timor-Leste as a people are impoverished; but let us not forget, as a nation we are not poor. Our circumstances are a product of 400 years of occupation, 24 years of war and the near total destruction of our country only a decade ago. Our nation and our people began only eight years ago to build our future from scratch. Every institution, every service, every sector. Now we will utilize our revenue stream from our natural resources to invest and transform our nation, with one key performance indicator; to lift our people from poverty. We are able to achieve this by utilizing our Petroleum Fund as a vehicle to stabilize peace, to spur economic growth, to build social, human and physical capital and to develop our non-oil economy. Poverty in Timor-leste has been reduced through our policies and implimentation by 9%. Regional lessons have demonstrated that in two to three decades we can achieve our goals to become an upper middle income country.'

'Our thanks go to the National Directorate of Petroleum Revenue for their work on behalf of Timor-Leste and also to the other authorities that have worked diligently this year in the service to our citizens. We have a long journey on our path to development but all our indicators demonstrate that our development is upwardly mobile. The Xanana Gusmão Government is committed to making sure the nation continues to receive the income it is due and that income is invested prudently for the sustainable future of our nation.' **ENDS**

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