



## SPOKESPERSON V CONSTITUTIONAL GOVERNMENT



## MEDIA RELEASE

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Díli, Timor-Leste

### **2014 State Budget before the National Parliament**

Timor-Leste's 2014 State Budget is now before National Parliament for analysis, discussion and debate. Once the Parliamentary Commissions have finished their scrutiny and the final report of Commission C (Public Finance) is submitted, the National Parliament will begin the Budget Debate in Generality, followed by the Debate in Speciality. The Plenary Sessions, in the interests of transparency, will be broadcast live on National Radio and TV.

This year the Budget process has included the Yellow Road Workshops held in May when the Government, in an effort to encourage national inclusion, worked with a broad group of community stakeholders to identify, analyze and discuss annual priorities and other matters vital to the nation building process. In the following months Ministries and Secretariats continued to refine their fiscal planning. On the 26<sup>th</sup> of September the Council of Ministers approved \$1.5 billion for the 2014 Budget. The draft budget law for 2014 was then approved on the 22<sup>nd</sup> of October. Subsequently the Budget was delivered to National Parliament on the 25<sup>th</sup> of October and in continuing efforts to promote a transparent process and encourage public access to information, the Ministry of Finance posted the Budget Books to their website on the same day.

The Budget Books outline how the government intends to pursue its policy priorities for 2014 to meet the Government's priority of creating a higher standard of living for all citizens achieved via strong, inclusive and high-quality economic growth. Health, education and security sectors are prioritized along with spending on developing infrastructure on a small and large scale.

The total Government expenditure proposed for 2014 of \$1.5 billion is a 9% decrease from 2013. In the allocations recurrent expenditure is up 11% with \$292 million for Public Transfers, \$476 million for Goods and Services and \$167 million for Salary and Wages. On the other hand allocations for Capital Development have been reduced to take into account conditions on the ground with the Infrastructure Fund allocated \$179 million, approximately 28% less than last year.



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Domestic revenue in 2014 is set to continue its upward trend in terms of taxes and other charges increasing to \$166 million, over 13% more than the forecast for 2013 in last year's budget. The Government is committed to increasing domestic revenues in order to move to a less petroleum dependent economy and to better integrate into the global economy.

The 2014 Budget is to be financed by withdrawals from the Petroleum Fund of the Estimated Sustainable Income [\$632 million], excess withdrawals from the Petroleum Fund [\$271 million], the use of Cash Balance [\$378 million] and Loans [\$51 million].

The balance of Timor-Leste's Petroleum Fund has grown to \$14.6 billion and Timor-Leste's non-oil growth is forecast to be 8% for 2013, one of the highest economic growth rates in the region.

Spokesperson for the V Constitutional Government Agio Pereira noted "as the Government enters this very busy period in the process of the State Budget we remain committed to a transparent process and to the ultimate goal of our Strategic Development Plan to achieve the collective vision of the Timorese people for a peaceful and prosperous future."**ENDS**

