



SPOKESPERSON SIXTH CONSTITUTIONAL GOVERNMENT



**MEDIA
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Government's 2017 General State Budget presented to National Parliament

H.E. Dr. Rui Maria de Araújo, has presented the Government's proposed law for the 2017 General State Budget to National Parliament. In his speech given on the morning of the 23rd of November, the Prime Minister noted that the preparation of the budget "requires great responsibility and transparency, rigor and realism" and that the 2017 budget "was based on established national priorities including education, health, agriculture and the development of basic infrastructure."

He explained that the budget had been developed mindful of six key factors: fiscal sustainability, the capacity for quality budget execution, the continued implementation of the second phase of the Strategic Development Plan, integration of the United Nations Sustainable Development Goals, the impact of next year's Presidential and Parliamentary elections and the global economic outlook for 2017.

The proposed budget for 2017 includes total State expenditure of \$1,386.8 million. This is significantly less than 2016 and takes into account increased capital allocations in 2016 for projects advancing ahead of schedule and the historical trend of lower budget execution in election years.

The main categories of expenses are: Salaries and Wages \$208.8 million, Goods and Services \$395.8 million, Public Transfers \$421.3 million, Minor Capital \$11.9 million and Capital Development [including the Infrastructure Fund and loans] \$349 million.

Principal expenditures in the category of Goods and Services are towards maintaining and running the electricity supply, activities at the municipal level including the School Feeding program and the running of the national elections. Within Public Transfers the biggest allocations are to the Special Administrative Region of Oecusse Ambeno and the Oecusse Ambeno and Atauro Special Zones for Social Market Economy, and to the Ministry of Social Solidarity for social programs including veterans, old age and disability pension schemes, Bolsa de Mãe, support for victims of natural disasters and the medical treatment of veterans. Within the Infrastructure Fund the roads program is a central focus taking 38.6% of the allocation.

The Prime Minister noted the encouraging trend of rising domestic revenues which increased by 31% over the period 2013-2016 and are projected to be able to finance 30% of public spending by 2021, reducing reliance on withdrawals from the Petroleum Fund.



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The general debate on the proposed law for the 2017 General State Budget in National Parliament takes place on the 23rd, 24th and 25th of November. The Parliament will then vote on the draft law of the budget in generality. Discussion and voting in specialty, whereby each article of the law is scrutinized, begins on the 30th of November and is due to end on or before the 14th of December. After the conclusion this process there will be a final overall vote.

The Prime Minister concluded his speech saying that the Sixth Constitutional Government welcomed the opportunity to discuss the budget and engage in frank and constructive debate in National Parliament. He emphasized “the Government’s commitment to continue on the right track, even if it still needs some adjustments, in order to achieve the State’s goal of bringing prosperity to our people.”**ENDS**



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