

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



**November 20, 2009  
Díli, Timor-Leste**

**Xanana Gusmão Government starts budget debate with confidence and responsibility**

Moving against the established norms pertaining to the debate of the General State Budget, the Parliament, for the first time and without prior notice, asked the Government to respond to the report of Commission C which integrates recommendations from other Standing Committees.

Within hours of preparation, Prime Minister Xanana Gusmão and Minister of Finance Emilia Pires pointed to a number of inaccuracies in the report of Commission C, defended the IV Constitutional Government's priorities and budget rationale, and provided the National Parliament with the most recent data, demonstrating that the reforms to the nation combined with strong public policy had produced results.

Reforms to public finance management, the first legally compliant regime, combined with the introduction of the decentralization policy in line with international practice allowed the Government to triple budget execution between 2007 to 2008.

In 2009 there has been more improvement. In 2008, the Government injected into the economy a total of \$440 million in cash. By November 2009, the Government had already injected a total of \$484.5 million in cash. (figures as of 18 November, 2009).

Prime Minister Xanana Gusmão noted the increase in budget execution demonstrated the growing professionalism and the increasing capability of the staff to ensure that the funding allocated in the Budget is translated into effective service delivery to the people of Timor-Leste, an essential part of ensuring poverty reduction.

Vital issues like food security were being addressed, with a policy to shift subsistence farming to market oriented agro-business.

To increase productivity, targeted expenditure, like the provision of tractors, Agriculture extension workers assigned to almost 442 villages for technical support, and training to provide extension delivery systems and new technologies like Integrated Crop Management (ICM) and System Rice Intensification (SRI).

There was an increase of rice production from 1.5 ton per ha in 2007 to 2.5 ton per ha in 2009. Land cultivation has increased from 31,000 ha in 2007 to 45,000 ha in 2009. The Government's fisheries scheme increased fish production by an estimated total of 107,000 kg per year. The two patrol boats, expected to be delivered to Timor-Leste in March 2010, were purchased to combat the \$36 million in losses per year due to illegal fishing exploits.

The Government trial policy OVOP (One Village One Product) is being tested in three districts with a focus on developing local products, training local workers and empowering women's groups in the rural areas for wage generation. Jam, Fish and Broad beans are just a few of the products being manufactured for local production.

To support the Agricultural policy, vital infrastructure like roads and bridges are currently

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being built as part of the referendum package in all 13 districts, which will give farmers greater access to transport goods; increasing opportunities for trade.

The referendum package has taken a giant step toward depoliticizing and empowering the private sector with a policy of Timorese National Inclusion, generating a new spirit responsibility, ownership and nationalism in project distribution.

Economy watch, the leading provider of Economy, Economics and Investing Reports estimates Timor-Leste will be in the top ten fastest growing economies in the world for 2010.

The Xanana Gusmão Government continues to have a growing sense of confidence that the policies they have introduced to the country have resurrected hope for the nation and for the people of Timor-Leste. **ENDS**

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