



REPÚBLICA DEMOCRÁTICA DE TIMOR-LESTE
IV CONSTITUTIONAL GOVERNMENT

MEDIA RELEASE

Díli- October 27, 2009

Statement

By

*The Spokesperson of the IV Constitutional Government,
The Secretary of State for the Council of Ministers*

Rural Development and Poverty Reduction the Focus for 2010 budget

The Minister of Finance, Ms. Emilia Pires, will go before Commission C of the National Parliament to present a briefing on the 2010 Combined Sources Budget.

The total expenditure by the State of Timor-Leste in 2010 is estimated to be US \$637 million reflecting a decrease of \$44 million (6.9%) on the total appropriations for 2009.

The non-petroleum revenues were estimated to be USD\$87.3 million. The fiscal deficit of USD \$549.6 million is to be covered by the petroleum fund and cash reserves.

A total of \$199 million will be provided to the Government Sector by development partners in 2010. This represents 23.8% of the total combined sources budget of \$836 million.

The National Priorities set by the IV Constitutional Government led by Prime Minister Xanana Gusmão are **Infrastructure** (water supply and roads); **Food Security** (agricultural productivity); **Human Resources Development** (focusing on Training); **Access to Justice; Social Services and Administrative Decentralization; Good Governance; and Public Security.**

The largest allocation in the budget is for Infrastructure, rebuilding the roads and water supplies of Timor-Leste, particularly in the districts where an estimated US\$96.1 million will be injected into the economy for rural development. The Infrastructure projects are set to stimulate local economies, strengthen the private sector in the districts and create much needed employment opportunities.

In preparation for the 2010 Budget, all Ministers were asked to critically review their budgets and most ministries reduced their goods and services and minor capital development to increase the Government's overall ability to inject funds into capital development works.

District budget allocations were based on **the fairness principle** whereby rural areas are awarded more funding based on the state of their existing infrastructure compared to other districts. Those areas that are below the national average would receive comparably more for upgrading and building infrastructure.

Recurrent Appropriations overall have been reduced from \$475.5 in 2009 to \$405.4 in 2010.

The budget is considered prudent and balanced, focusing on the need to ensure continued economic growth for 2010. **ENDS**

For More Information Please Contact: Ágio Pereira +670 723 0011; E-mail: agiopereira@cdm.gov.tl