

Annex 6 Budget Law

DEMOCRATIC REPUBLIC OF TIMOR-LESTE

PROPOSAL OF LAW N.º /2008

of June 2008

First amendment to Law No 10/2007, of 31 of December, which approves the General Budget of the State for 2008

The present Law aims to complement and bring up to date the General Budget of State for 2008.

The Budget Rectification encapsulates an update of revenue and expenditures of the State of Timor-Leste.

Annex I establishes the estimated total of state revenues from January to December 2008 derived from all sources: petroleum, non petroleum, funds from development partners, autonomous agency charges and other revenue. The total estimated revenue from all of these sources is now US\$2,025.6 millions.

The Annex modifies the budgetary appropriations for each Agency of the State systemised in the following form:

1. \$58.884 Million for Salaries and Wages;
2. \$447.409 Million for Goods and Services;
3. \$39.249 Million for Minor Capital;
4. \$115.553 Million for Capital and Development;
5. \$ 112.217 Million for Public Transfer Payments.

The total budget appropriations are \$773.312 million.

Excluding the autonomous agencies, the total budget appropriations for the GBS is \$750.996 million.

The Treasury Account of the State includes all the revenue and expenditure of the “Autonomous Agencies” which are self financed, nominally, Electricity of Timor-Leste (EDTL), the Aeroports and Air Navigation Administration of Timor Leste, the Ports Authority of Timor-Leste and the Institute of Equipment Management. The revenue from those categories is included in the appropriations for “Revenue Collections for Autonomous Agencies” at Annex I, whilst proposed budget expenditure is shown at Annex III.

Total estimated expenditure for the self financed “Autonomous Agencies” in 2008 is \$22.346 million (including an additional amount transferred of \$15.358 million which is transferred from the Central Government, with an end to subsidising expenditures which are superior to estimated revenue).

The total estimate of expenditure for the GBS is \$773.3 million, estimated non petroleum revenue is \$86.5 million. The non petroleum fiscal deficit is \$686.8 million.

The Government presents to the National Parliament under the cover of line c) of No 1 of Article 97 and No 1 of Article 145 of the Constitution of the Republic the following proposal of law:

Article 1.º

Alteration of the General Budget of the State 2008

- 1- The GBS for 2008 approved by the Law No10/2007, of 31 December is altered in relation to the tables contained at Annexes I,II and III, to this law, the terms of following articles shall be included.

- 2- The Alteration referred to in the previous number, constant with the tables of Annex I, II and III the present law substitutes those tables in Annexes I, II and III of Law no 10/2007 of 31 December
- 3- Articles No 4 and 8 of Law No 10/2007, of 31 December, will now have the following wording:

“Article 4.º

[...]

In terms and for the effect of the use in Article No 7. of the Law n.º 9/2005, of 3 of August, the sum of transfers from the Petroleum Fund for 2008 shall not exceed the 686.8 million US dollars.

Article 8

[...]

[...]

a) [...]

b) [...]

c) [...]

d) [...]

e) [...]

f) [...]

g) [...]

h) [...]

i) [...]

j) [...]

k) [...]

l) [...]

m) [...]

n) [...]

o) Economic Stabilisation Fund

Article 2.º

Amendment to the General Budget of State for 2008

É aditado um novo artigo 2.º-A, com a seguinte redacção:

“Article 2.º-A

Budget for Pluri-Annual Investments

1. The budget for multi-year investment projects applies to projects with a horizon superior to one year in duration.
2. The multi year investment plan lists all the projects of this nature, and discriminates the annual budget impact during the life of the project.
3. The elaboration of the annual multi-year plan must take into account the budget execution of the previous year.

4. The total expenditure for multi-year projects constant with Annex IV of the present diploma is approved, of which it is an integral part.

Article 3.º

Entered into Force

The present law will enter into force immediately after the publication in the Journal of the Republic, with effect from 1 July 2008.

Approved by the Council of Ministers 18 of June of 2008,

The Prime Minister,

(Kay Rala Xanana Gusmao)

Annex I

Estimate of Revenue Colected in the Rectified Budget of State for 2008⁵

(US\$ million)

1.	Total Revenue	2,025.6
1.1.	Petroleum Revenue	1,939.1
1.1.1.	Petroleum Profits Tax	976.7
1.1.2.	Timor Sea Royalties	143.2
1.1.3.	Income Tax	266.5
1.1.4.	Additional Profits Tax	441.6
1.1.5.	Other Taxes and Petroleum Revenue	17.9
1.1.6.	Interest from the Petroleum Fund	93.3
1.2.	Non Petroleum Revenue	79.5
1.2.1.	Direct Taxes	12.8
1.2.2.	Indirect Taxes	17.5
1.2.3.	Other Fees and Charges	45.9
1.2.4.	Interest from the Treasury Account	3.4
2.	Grants from Development Partners	0.0
3.	Autonomous Agency Revenue	7.0

The totals presented may not sum exactly as they are unrounded.

Annexo III

Autonomous Agencies which are partially self funded by own revenue collections for 2008

	Expenditure	Revenue	Government Subsidy
EDTL			
Salaries and Wages	782		
Goods and Services	3,392		
Minor Capital	1,944		
Capital and Development	5,726		
Total	11,844	4,200	7,644
ANATL			
Salaries and Wages	243		
Goods and Services	601		
Minor Capital	16		
Capital and Development	4,689		
Total	5,549	910	4,639
APORTIL			
Salaries and Wages	129		
Goods and Services	2,254		
Minor Capital	115		
Capital and Development	100		
Total	2,598	1,800	798
IGE			
Salaries and Wages	263		
Goods and Services	2,067		
Minor Capital	25		
Capital and Development	0		
Salaries and Wages	2,355	78	2,277
Total for the Autonomous Agencies	22,346	11,148	15,358

Annex IV
Table 1 - Multi-Year Direct Investment Projects

Ministry	Project	2008	2009	2010	2011	Total
Minsitry of Economy and Development	Construction of a Complex to collect and recycle used oil	300	300	-	-	600
Ministry of Infrastructure	Construction of infrastructure for electricity generation	5,000	35,000	35,000	30,000	105,000
Ministry of Infrastructure	Construction of infrastructure for electricity transmission	5,000	95,000	95,000	90,000	285,000
Ministry of Agriculture and Fisheries	Instlatation of an irrigation system in Uatalari	1,100	4,000	3,900	-	9,000
FALINTIL - FDTL	Construction of two patrol boats to prevent illegal fishing	3,000	24,000	-	-	27,000
Ministry of Tourism, Industry and Commerce	Construction of Silos for warehousing of Food	3,000	12,000	-	-	15,000

Table 1 - Multi-Year Indirect Investment Projects

Ministry	Project	2008	2009	2010	2011	Total
Ministry of Agriculture and Fisheries	Purchase of Tractor and Equipment	5,000	12,000	-	-	17,000
Secretary of State for Energy Policy	Alternative Energy Study	1,000	1,700	-	-	2,700
Ministry of Infrastructure	Infrastructure Study	1,000	4,000	-	-	5,000