

4TH CONSTITUTIONAL GOVERNMENT
SECRETARIAT OF STATE FOR THE COUNCIL OF MINISTERS

Briefing

2008 Amending Budget contemplates Stabilization Fund:
Attending to People's Needs

Dili, 2 July 2008

The proposal for changes to the State's 2008 General Budget – also known as Amending Budget – contemplates the establishment of the Stabilization Fund, with reserves around USD 240mi and constitutes an important tool created by the AMP Government facing global economic recession, namely the food crisis and the rise on food item prices around the world, thus fighting eventual negative repercussions stemming from the surge on fuel and construction item prices.

The recent Global Food Crisis Summit, which gathered representatives of 180 countries in Rome, concluded that prices of food items are going to remain at the current levels in the mid term. That is, the prices of consumer goods shall remain high, which has caused negative impacts over people's livelihoods and health in several countries.

On the other hand, the rise on construction material prices is also a reason for great concern, because it can hinder or delay Government's Development Plans and discourage private sector investment.

In order to reduce the impact caused by the rise on food item and construction material prices over the national economy and the people in Timor-Leste, the Government created a Stabilization Fund with 3 main goals:

- Guarantee the supply of goods and food security;
- Stabilize prices by means of market interventions; and
- Secure the supply of construction materials.

Thus, the Government is able to guarantee the supply of essential items at reasonable prices and secure the continuity of the development process.

The Government cannot afford waiting for the emergency support from development partners to materialize while the population is suffering!

The AMP Government is building the Future of the Nation today and with the Amending Budget, which is currently being debated at the National Parliament, 100 young Timorese students may continue their studies abroad by means of the Government-subsidized “Timor-Leste International Scholarship Fund”.

With the support of the Ministry of Education, the 4th Constitutional Government has already started the process intended to enroll 100 young Timorese students who will be able to continue their studies abroad in Post-graduate, Master's and PhD levels.

This change to the State's 2008 General Budget elevates the skills of the Timorese youth, which is a great benefit not only to the youth itself, but to the people of Timor-Leste, who consequently have more reasons to believe and trust in the Future of the Nation.

Although we are all familiar with the difficulties related to the resolution of the situation of the IDP's, a result of the 2006 crisis not solved by the previous government, the AMP Government has closed, among others, the IDP camps at Hospital Guido Valadares, Jardim and the camps across from the Dili Seaport and the former Chinese Consulate, enabling 2,300 families to return to their homes!

Other camps are to be closed soon and the Amending Budget will enable the continuity of the policies implemented by the 4th Constitutional Government and which translate into considerable benefits to public health and well-being of the families that were forced to leave their homes once.

The AMP Government has chosen 2008 as the Year of the Reform, preparing the State and its Institutions for the challenges faced by the country.

The amendment of the State's 2008 General Budget caters to the needs of the people and builds the Future of the Nation today.

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