PRESS RELEASE

Extraordinary meeting of the Council of Ministers of the 11th November 2010

The Council of Ministers met, this Thursday, the 11th November 2010, in the Council of Minister’s meeting room in the Government Palace, in Dili, and approved:

1. Law Proposal that approves the General State Budget of the Democratic Republic of Timor-Leste for the year 2011

The Law Proposal for the General State Budget (Portuguese acronym: OGE) for 2011 encompasses all the revenues and expenses of the State of Timor-Leste and covers the period between 1st January and 31st December 2011. The total estimate for revenues from all sources (oil, non-oil, funds from development partners and nontax revenues) for the OGE during this period is $2,398 million American dollars. The budget allocations are as follows:

1 - $115.909 million American dollars for Salaries and Wages;
2 - $270.459 million American dollars for Salaries and Wages, of which $25 million American dollars are assigned to the Human Capital Development Fund;
3 - $164.456 million American dollars for Public Transfers;
4 - $28.252 million American dollars for Minor Capital;
5 - $405.924 million American dollars for Development Capital, of which $317.306 million American dollars are assigned to the Infrastructure Fund;

The total of the budget allocations is therefore $985 million American dollars, of which $317.306 million American dollars are assigned to the Infrastructure Fund and $25 million American dollars to the Human Capital Development Fund.

This OGE for 2011 is coherent with the policies and reforms that the VI Constitutional Government has implemented up to now, reflected in a positive way by the economic and social indicators from 2010, and establishes a fundamental basis for the continuity and attraction of investment – essential for the development and growth of Timor-Leste in an accelerated and sustainable way.
The Government is in the final phase of developing the National Strategic Development Plan (2011-2030) that aims to transform Timor-Leste (a low income country) into a medium-high income country, within a time-frame of 20 years, as well as diversify the economy, transforming an economy based on oil into a non-oil economy, which implies substantial financing in the area of infrastructures and capital development – two fundamental pillars in the creation of basic conditions that allow for the attraction of private investment and achieve growth and sustainability of the economy.

In order to achieve these objectives in an effective and efficient way, the Government plans to create two funds: Infrastructure Fund and Human Capital Development Fund. The National Development Agency (Portuguese acronym: AND) will also be created, composed of qualified technicians, to control the quality of projects and assure that the specifications and costs are appropriate.