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

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Díli, Timor-Leste

Timor-Leste’s development budget approved by Parliament in Generality

Following the presentation of the 2012 General State Budget by Prime Minister Xanana Gusmão, and three days of debate in the National Parliament broadcast live on radio and television, it was approved in Generality with 37 in favour, 19 against and 3 abstentions.

The Budget reflects the vision of the Strategic Development Plan 2011-2030 which seeks to transform Timor-Leste into the ranks of upper middle income countries, eradicate poverty and establish a diversified non-oil economy. The Budget supports the three key parts of the Strategic Development Plan: social capital, infrastructure and economic development.

With an investment of $1.7 billion the Budget will build essential infrastructure, develop a south coast petroleum sector, promote decentralised development and build human capital.

Capital development spending of $1,055 million, an increase of 209% from 2011, will fund:

- More and better roads and bridges across the country
- Irrigation systems for the agriculture sector
- New schools, health clinics and hospitals
- Police and defence facilities
- Construction of sea ports
- A national electricity distribution grid.

This capital development, together with the Decentralised Development Program which will promote local level small-scale infrastructure, will create jobs and build the private sector.

The Budget also funds the Timor-Leste Investment Company to support transition from an oil to a non-oil economy by promoting investment in areas vital to Timor-Leste’s growth, diversify the economy, create new industries and services and promote foreign investment.

To build human resources this Budget invests strongly in education and training which includes funding of the Human Capital Development Fund which will provide scholarships to train people in key development areas.

The Budget provides a broad package of measures to provide social protection, health and education to the people. Social protection programs will continue to support the elderly, veterans and the vulnerable, providing a safety net and lifting the people from poverty.

The Budget process will now continue with another ten days of discussion in Speciality with more detailed consideration of Ministry level budgets.

Ágio Pereira, Secretary of State for the Council of Ministers, said “This is a Budget for our development. It is ambitious but this is because it seeks to invest in our people and change our nation. This Budget will commence the implementation and delivery of the Strategic Development Plan in creating the necessary conditions to multiply the economic development opportunities in the country. We applaud the National Parliament, all political parties, the civil society, the media and the people of Timor-Leste for being engaged and informed and promoting the democratic process - this is an achievement in itself.” ENDS
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