

FRETILIN

Media Release

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Parliament vetoes government move to create State investment company

A cross-party alliance in Timor-Leste's parliament has defeated an attempt by Xanana Gusmao's de facto government to set up a State-owned investment company financed by the national petroleum fund.

Parliament today voted in favour of a FRETILIN, PD (Democratic Party), and PUN (National Unity Party) motion to delete from the 2012 State Budget Law a Gusmao administration proposal to create a wholly State-owned investment company with a starting capital of USD\$200 million.

FRETILIN MP and spokesperson Jose Teixeira said today the successful motion was co-signed by former Deputy Prime Minister and Social Democratic Party (PSD) founder Mario Carrascalao, and approved by a majority of MPs from four parties, including two that are part of Mr Gusmao's governing coalition. Five MPs from Mr Gusmao's own CNRT party abstained from the vote.

"The vote is to strike from the 2012 state budget USD\$200 million, which would have been taken from the petroleum fund to capitalize the Timor-Leste National Investment Company (CNIT)," Mr Teixeira said.

"The Gusmao administration claimed that CNIT was to be modeled on the Singapore government-owned Temasek holding company," Mr Teixeira said.

"However, MPs from all sides including the PM's own CNRT expressed their concerns about the huge amount of money involved, the lack of transparency and the lack of detail about both how the company would be managed and its proposed investments.

"Many MPs also questioned the absence of a transparent legal base for the proposal. The government passed a decree law to create the company, which we argue should have gone to parliament.

"The government did not offer any feasibility studies concerning investments, or say what the company was supposed to invest in.

"Many MPs felt money was better invested in vital sectors such health, education and agriculture which together receive only a little over ten percent of the total budget," Mr Teixeira added.

Debate on the 2012 state budget law will continue until end of this week.

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