

Meeting of the Council of Ministers on April 26th, 2022

Presidency of the Council of Ministers

Eighth Constitutional Government

Press Release

The Council of Ministers met at the Ministry of Finance, in Dili, and approved the draft Law Proposal, presented by the Minister of Finance, Rui Augusto Gomes, for the **first amendment to Law no. 1/2022, of January 3rd, the 2022 State Budget Law, for the second amendment to Law no. 8/2008, of June 30th, the Tax Law, and the establishment of the National Liberation Combatants Fund.**

Given the international economic situation and the substantial increase in the inflation rate, it has become necessary to implement measures to mitigate its economic impact, providing the necessary budgetary allocations to fund this set of measures, of which the most important are:

1. Allocation of a thirteenth-month payment for each family (except civil servants);
2. *Uma Kbiit Laek Plus* Project;
3. Scholarship for the best students in primary and secondary education;
4. Establishment of the Veterans Fund
5. Administrative Post manpower program;
6. Construction of the Martial Arts and Ritual Arts Headquarters;
7. Home-schooling program (*eskola iha uma*);
8. Free Internet in schools;
9. Employment for the best university students;
10. Establishment of the Secretariat of State for the Affairs of Workers Abroad and the Timorese Community in Diaspora;
11. Revitalization of coffee plantations and subsidy for *Lakuten* coffee;
12. Housing allowance for PNTL and F-FDTL;
13. Payment of the PNTL remuneration difference, with the new salary regime, for a total of 4,096 beneficiaries.

These measures will have a total amount of 1,129,857,250 US dollars.

Thus, to finance these measures, there will be an increase in the allocation for the title Allocations for the Whole of Government, compensated by an increase in the transfer from the Petroleum Fund.

The Excise Tax rates for various unhealthy or luxury products are also changed, which will help to offset the increase in expenditure and eventually to reduce the amount of the transfer from the Petroleum Fund.

This Law Proposal also establishes the National Liberation Combatants Fund, worth one billion US dollars, to ensure the adequate funding of support programs to the National Liberation Combatants, namely in the areas of social support, education, health, employment, access to credit, and income-generating activities.

Lastly, the Minister of Finance **gave a presentation on the budget execution for the first quarter of 2022**. In the period from January 1st to March 31st, the budget execution reached 8%, with an amount of US\$ 160.8 million. Of this amount, 24% (60.5 million) corresponds to the Salaries and Wages category, 9% (US\$ 46.4 million) was used in Goods and Services, in Transfers 7% (US\$ 49.6 million) were executed, in Development Capital there is an execution of 1% (US\$ 4 million) and in Minor Capital, in the first quarter, there was an execution of 0.4% (US\$ 206 thousand). The ministries with the highest percentages of execution in this period are the Ministry of Foreign Affairs and Cooperation, which reached 33% (US\$ 8.3 million), the Presidency of the Council of Ministers, with 26% (US\$ 1.2 million) already executed, and the Ministry for National Liberation Fighters Affairs, with a total of 24% (US\$ 23.6 million) of execution. **END**