



COA - Vol. 9



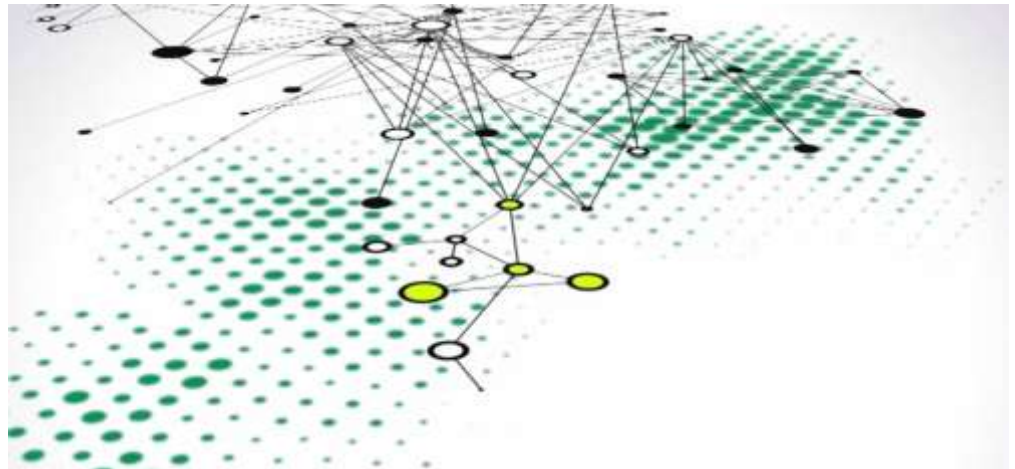
DEMOCRATIC REPUBLIC OF TIMOR - LESTE

Ministry of Finance

Quarterly Fiscal Bulletin

January - March 2015

Chart of Accounts (COA)



Executive Summary

By the 31st March 2015, the General Government of Timor-Leste (GGoTL) including the Petroleum Fund (PF) is running a surplus of \$169.3 million. This means that the Government, including the PF, can sustain its current level of operations and is investing its surplus on purchasing financial assets in the PF.

GENERAL DIRECTORATE STATE FINANCE
NATIONAL DIRECTORATE FOR ECONOMIC POLICY
DILI - 2015

FISCAL BULLETIN TIMOR-LESTE

CHART OF ACCOUNTS

1. Overall Fiscal Position (Oil and Non-oil)

Table 1. Overall Fiscal Position¹

Petroleum Fund and General Government		
	2015 Act Q1	Total Actual
A. Total Expenditure	217.2	217.2
Recurrent Expenditure	214.1	214.1
Capital Expenditure	3.1	3.1
B. Total Revenue	386.5	386.5
Non-oil Revenue	34.2	34.2
Oil Revenue	352.3	352.3
<i>Petroleum Fund Gross Receipts</i>	<i>273.2</i>	<i>273.2</i>
<i>Investment Income</i>	<i>79.1</i>	<i>79.1</i>
Surplus of (A-B):	169.3	169.3
Financing	-169.3	-169.3
Foreign Loans	0.2	0.2
Net Purchase of Financial Assets	-133.1	-133.1
Use of Cash Balance*	-36.4	-36.4

Total expenditures for the GGoTL and the PF reached \$217.2 million the end of the first quarter of 2015. \$214.1 million was spent on recurrent expenditures, whilst \$3.1 million was spent on capital expenditures.²

At the end of the first quarter of 2015, total revenues amounted to \$386.5 million. From oil revenues, \$352.3 million were recorded and \$34.2 million were obtained from non-oil revenues. PF revenues include PF gross receipts (taxes, royalties and second tranche petroleum) and investment income (dividends, interests and trust income, but exclude fair value gains and losses on profit/loss).³

Total surplus stood at \$169.3 million by the 31st March 2015, which is calculated as total revenue minus total expenditure. This means the GGoTL, including the PF, is in a strong fiscal position to make investments in financial assets.

Financing is broken down into three components. The GGoTL added \$36.4 million to the cash balance, \$0.2 was received from loans and \$133.1 million was used to purchase financial assets in the PF.

¹ All data in this document refers to unaudited accounts and is thus subject to change.

² This includes expenditure from loans under capital and development.

³ The reason for excluding gains and losses on profit/loss and on exchange rates is due to these items being accrued but not cashed.

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2. General Government's Fiscal Position

Table 2. Non-Oil Fiscal Position

General Government				
	2015 Budget	2015 Act Q1	Total Actual	% Execution
Total Expenditure by Appropriation Category	1,570.0	213.0	213.0	13.6%
Recurrent	1,147.8	209.9	209.9	18.3%
Salary and Wages	177.5	41.9	41.9	23.6%
Goods and Services (including HCDF)	515.8	45.0	45.0	8.7%
Public Transfers	454.5	123.0	123.0	27.1%
Capital	422.3	3.1	3.1	0.7%
Minor Capital	31.0	0.9	0.9	2.8%
Capital and Development (including all Inf. exp.)	391.3	2.2	2.2	0.6%
Domestic Revenue ***	170.4	34.2	34.2	20.1%
Non-Oil Fiscal Balance	-1,399.6	-178.8	-178.8	12.8%
Financing	1,399.6	178.8	178.8	12.8%
Estimated Sustainable Income (ESI)	638.5	215.0	215.0	33.7%
Excess Withdrawals from the PF	689.9	0.0	0.0	0.0%
Use of Cash Balance	2.1	-36.4	-36.4	NA
Borrowing/Loans	70.0	0.2	0.2	0.3%

*Including HCDF.

**Including Infrastructure exp.

As seen in Table 2, by the 31st March 2015 the GGoTL, excluding the PF, had a non-oil deficit of \$178.8 million. \$215.0 million of this deficit was financed through the ESI, \$0.2 million was financed through loans and \$36.4 million was added to the cash balance.

2.1 General Government Expenditures

At the end of the first quarter of 2015, expenditures amounted to \$213.0 million. This was 13.6% of total budgeted expenditures for the year.

2.1.1. Expenditure by Appropriation Category

Total expenditures are divided into recurrent and capital expenditures. Recurrent expenditures totalled \$209.9 million at the first quarter of 2015, which was an execution rate of 18.3%. In comparison, capital expenditures reached \$3.1 million by the 31st March 2015, which meant an execution rate of 0.7%.

Recurrent expenditures are divided into:

Salary and Wages totalled \$41.9 million at the first quarter of the 2015, reaching an execution rate of 23.6%. This is 19.2% higher than the \$35.2 million incurred in the same period of 2014.

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Goods and Services reached \$45.0 million by the 31st March 2015. Expenditures on goods and services to date in 2015 represented an increase of 25.2% compared to the \$35.9 million spent in the same period of 2014. This increase was mainly due to growth in district imprested advance (increased by 145%), professional services (increased 26%) and other miscellaneous services (grew by 81%). Expenditures on human capital through the HCDF reached \$1.08 million, 9.4% more than those recorded in the first quarter of 2014.

Public Transfers totalled \$123.0 million by the end of the first quarter of 2015 and thus presented an execution of 27.1%. This expenditure was much higher than the \$21.7 million recorded by the 31st March 2014. This increase was mostly due to a rise in public grants, which reached \$101.9 million by the end of the first quarter 2015.

Capital expenditures are composed of:

Minor Capital totalled \$0.9 million by the first quarter of 2015, which represented an execution rate of 2.8%. Total minor capital expenditure by the end of first quarter of 2015 presented a strong increase compared to the \$0.08 million by the same date of 2014. This was mostly due to a rise in other miscellaneous equipment purchased during the first quarter of 2015.

Capital & Development was \$2.2 million by the end of the first quarter of 2015, thus presenting an execution rate of 0.6%. Expenditure in the Infrastructure Fund in particular was 73.3% lower by the end of the first quarter of 2015, compared to the same period in 2014 (reaching \$2.02 million by the first quarter of 2015). This was mostly due to institutional changes in the Government during the first quarter of 2015.

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2.2 Non-oil Revenues

Table 3. Non-oil Revenues

General Government				
	2015 Budget	2015 Act Q1	Total Actual	% Execution
Total Domestic Non-oil Revenues	170.3	34.2	34.2	20.1%
Tax Revenue	125.5	23.4	23.4	18.6%
Taxes on commodities	76.1	12.5	12.5	16.5%
Taxes on income	45.7	10.1	10.1	22.2%
Service tax	3.6	0.7	0.7	19.2%
Other tax revenues	0.2	0.03	0.03	15.2%
Non tax Revenue (non-oil)	37.2	9.3	9.3	24.9%
Revenue Retention Agencies	7.6	1.6	1.6	20.6%

The Government has increased non-oil revenue in recent years and is planning further reforms to increase non-oil revenue collections going forward. Total domestic non-oil revenues were \$34.2 million by the first quarter of 2015, which represented 20.1% of the total revenue budgeted for the year. This was divided into:

Tax Revenue, which was the largest category and is divided into:

Taxes on commodities, was the largest tax category reaching \$12.5 million at the first quarter of 2015. This was 14.3% lower than the \$14.6 million collected in the same period 2014 due to reductions in sales tax, excise tax and import duties.

Taxes on income, totalled \$10.1 million at the first quarter of 2015, 1.6% higher than the \$10.0 million collected in the 2014.

Service tax, decreased 25.3% compared to the \$0.9 million collected by the first quarter 2014, totalling \$0.7 million by the end of the first quarter of 2015.

Other tax revenues reached \$0.03 million at the end of the first quarter of 2015.

Non-tax revenue totalled \$9.3 million by the end of the first quarter of 2015, 24.9% of the total forecasted for the year. This was more than double the non-tax revenue collected in the first quarter of 2014, due to the recent reallocation of electricity fees and charges under this category.

Revenue Retention Agencies recorded 71.4% lower revenues than \$5.5 million during the same period of 2014, reaching \$1.6 million at end the first quarter of 2015. This was due to the reallocation of electricity fees from revenue retention agencies to non-tax revenue.

3. Financing

Non-oil expenditures incurred by the GGoTL were financed through a combination of loans, ESI and use of the cash balance and totalled \$178.8 million. \$215.0 was received from the PF in the form of the ESI, \$0.2 million through loans the first quarter of 2015 and \$36.4 million added to the cash balance.