

## Government begins preparation of the 2019 General State Budget (OGE)

The Eight Constitutional Government met from the 12th to the 18<sup>th</sup> of September in the auditorium of the Ministry of Finance for the “Budget Days”, formerly called “Yellow Road Workshop.”

In the first three days of the meeting the discussion was attended exclusively by members of the Government and a public seminar was held on September 17 and 18, with the participation of the President and Commissioners of the Public Service Commission (CFP), representatives of the Central Bank Committee, the Coordinator of the Fiscal Reform Committee, Directors-General and National Directors, representatives of Autonomous Public Agencies, Representatives of the Authority of the 12 municipalities and the RAEOA Authority and representatives of civil society.

The Seminar “Budget Days” is an annual meeting that marks the beginning of the budget process and in this case for the year 2019, and is aimed at defining the National Priorities for the General State Budget (OGE), working in a way that is coordinated and adequate to the planning and implementation of the Strategic Development Plan 2011 – 2030, the Sustainable Development Objectives, the Program of the Eight Constitutional Government Program and the Annual Action Plans.

During the two days of the seminar “Budget Days”, information was shared on the public finance planning and management system, and the national priorities and the fiscal limit for 2019 were defined, guaranteeing the principles of fiscal sustainability, rationalization of spending and quality use of the public finance resources of by looking at the questions “Where are we?”, “Where are we going?” and “What actions should we take?”.

To determine the national priorities and the budget limit, in a rational, effective and sustainable manner, the discussion dealt with matters such as planning and budgeting, socio-economic performance evaluation with analysis of current expenditure performance, economic and fiscal reform, and oil fund investment.

Acting Finance Minister Sara Lobo Brites said that the preparation of the OGE for 2019 will be based on five main principles: fiscal sustainability, focus on national priorities, rationalization of spending, capacity to execute and economic capacity to absorb the budget.

Prime Minister Taur Matan Ruak stressed that the main goals of the five-year plan for governance are to reduce poverty by 10%, create 60,000 new jobs and diversify the economy. He also pointed out as priorities for the 2016 Budget the control of expenses and the increase of non-oil revenues.

The Ministry of Finance presented three possible scenarios for the fiscal limit for fiscal year 2019 that will be considered by the Council of Ministers. The first scenario presents the value of US \$ 1,100 billion, the second of US \$ 1,218 billion and the third of US \$ 1,350 billion. All three options do not include loans. The Ministry of Finance expects the preparation for submission of the budget to the National Parliament to last between 60 and 69 days.

url: <http://timor-leste.gov.tl?lang=en&p=20488>