

## Prime Minister presents 2022 General State Budget to National Parliament



(Image Tatoli/Egas Cristóvão)

**DILI, 1 december 2021 (TATOLI)** – The 8th Constitutional Government presented today, December 1, 2021, in the National Parliament, the 2022 fiscal year General State Budget (GSB).

The 2022 General State Budget Law Proposal draft that the VIII Constitutional Government presents to the National Parliament represents the continuity of the VIII Constitutional Government’s political commitment to the Timorese citizens until the end of its mandate in 2023.

In his presentation, Prime Minister Taur Matan Ruak states that: “We have set four clear goals that we want to achieve in the coming year, including i) fighting Covid-19 pandemic, ii) protecting citizens, iii) economic recovery and iv) jobs creation and recovery from the COVID-19 pandemic.

“A total budget of 1.675 billion for the 2022 Fiscal Year is appropriate to realize what we want to do in the next budget year,” Ruak made the comments in his presentation of the 2022 General State Budget, at National Parliament, on wednesday.

He said that the reduction in the 2022 budget was aimed at putting public finances on a sustainable path to preserve the nation’s, Petroleum Fund.

Even with a 17 percent reduction in the budget ceiling compared to this year’s GSB, household consumption will continue to grow in 2022, and the number of public-private partnership projects will increase.

Last year, on december 12th, 2020, the 2021 General State Budget (GSB), with a total amount of US\$ 1.895 billion, was approved by the National Parliament.

In his presentation, Prime Minister proposed a robust increase in public investment, with an emphasis on six major areas of action:

- For Social Capital, the government proposes US\$226.5 million, which represents 13.5 percent of the General State Budget (OGE), to invest in Education, Professional Training, and Health, to qualify workers in key sectors of the economy and essential services, responding to the needs of the Public Administration and the private sector, and to reinforce the response to the COVID-19 pandemic and continue the vaccination program.

- For Housing and Social Inclusion, the governments propose US\$387.3 million, or 23.1 percent of the State General Budget (SGB) to continue the focus on improving access to safe drinking water, sanitation, and electricity throughout the territory, as well as developing affordable housing programs.
- For Productive Sectors, Environment, and Connectivity, the government propose US\$345.9 million, which represents 20.7 percent of the State Budget, to increase agricultural productivity and food safety by building new infrastructure, distribution channel, and agricultural storage structures, developing the hospitality industry by training professionals in the sector, and inducing more sustainable behavior in the population by reducing the use of non-biodegradable materials and increasing recycling and reuse of materials to increase the country's resilience to climate change.
- For Private Sector Development, the government proposes US\$78.6 million, which represents 4.7 percent in the State Budget, because the Government wants to bet on the recovery of the economy, especially weakened as a result of the recession caused by the impact of COVID-19, and the confinement imposed in 2020 and 2021, facilitating investment and supporting small and medium enterprises and job creation, to increase national productivity and reduce the unemployment rate, helping to recover the economy.
- For Rural Development, the governments propose US\$72.2 million, or 4.3 percent of the General State Budget (OGE), to continue the decentralization agenda, establishing strong institutions and strengthening the capacities of local structures to act, and ensuring the provision of quality public services throughout the national territory, and to promote national identity and territorial cohesion.
- For Good Governance, the government proposes US\$116.3 million, representing 6.9 percent of the General State Budget (GSB), which will fund a wide range of thematic and cross-cutting reforms with special emphasis on the introduction of medium-term planning in all public institutions and the development of performance indicators, as part of the Public Finance Management Reform and Tax Reform.

He said of the 2022 State Budget (US\$1.675 billion), the government will spend US\$25 million on Monthly Food Allowance for public officials, US\$ 13 million on the Bolsa da Mão program, US\$13 million on emergency response fund, US\$ 13 million for the Ataúro Municipality Investment Fund, US\$12 million for the upcoming presidential election, US\$5 million for the Small and Medium Business Development Support, US\$3.9 million for the purchase of vehicles and equipment for the Fire Fighter Department, US\$ 3.1 million for Population Census, US\$3 million for Unique Identification System, and US\$1.2 million for the Salaries for 1.200 newly recruited soldiers of Timor-Leste's National Defense Force.

In the budget proposal submitted to the National Parliament for the 2022 Fiscal Year, the Government proposes to withdraw US\$1.042 million from the Petroleum Fund, exceeding the Estimated Sustainable Income (ESI) figure by US\$488 million.

Of the US\$ 1.675 of the General State Budget for the Fiscal Year 2022, US\$566 million to be allocated on public transfers, US\$ 450 million for goods and services, US\$402 for development capital, US\$ 233 million for salaries and wages, and US\$24 million for minor capital.

The discussion of the General State Budget in generality has been scheduled to take place between 1 to 3 december 2021, while the specialty discussion had been set to take place from 6 to 17 december, 2021.

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