

Government submits Amending Budget to National Parliament

The Vice-Minister of Parliamentary Affairs, Adérito Hugo da Costa, and the Vice-Minister of Finance, Helder Lopes, handed over today, on August 10th, 2023, the draft proposal for the Amended Budget Law for 2023 to the Acting President of the National Parliament, Alexandrino Afonso Nunes.



With this draft Law Proposal, the total expenditure of the Public Administrative Sector for 2023 will have a total consolidated value of US\$ 1,771,867,112. The central administration has an estimated expenditure of US\$ 1,633,000,000. Without the Social Security Reserve Fund, Social Security amounts to US\$ 130,965,306 (the consolidated total does not include US\$ 75,860,306 from Central Government transfers to avoid double counting). The Special Administrative Region of Oe-Cusse Ambeno (RAEOA) has a planned expenditure of US\$ 83,762,112.

Following the parliamentary election of May 21st, 2023, and the inauguration of the 9th Constitutional Government, the new organic structure of the Government was approved, so it is necessary to make some adjustments to the titles of the organic classification of the General State Budget.

Given the budget execution data to date and the Government's intention to achieve greater restraint in public accounts for greater efficiency in the use of public money and greater effectiveness of public investment, a comprehensive assessment exercise was carried out, which resulted in the identification of savings in several services and entities of the Public Administrative Sector and which justify a decrease in the expenditure foreseen in the 2023 General State Budget, as well as in the amount of the transfer from the Petroleum Fund.

As proposed in its programme, the 9th Constitutional Government intends to ease the impact of inflation and the increase in the cost of living on citizens by boosting their purchasing power. To this end, an adjustment is made to the excise duty and customs import duty rates applicable in 2023, which had been increased at the beginning of the year through Law No. 15/2022 of December 21st, the 2023 General State Budget.

Thus, the excise duty on sugar is eliminated, as well as the increase in customs duties on imports, reverting to the previous rate of 2.5%.

Furthermore, amendments are made to two pieces of legislation closely linked to the General State Budget, Law no. 2/2022, of February 10th, Framework of the General State Budget and Public Financial Management, and Law no. 8/2008, of June 30th, Tax Law, amended by Law no. 5/2019, of August 27th, to ensure greater rigour and transparency in the execution of the General State Budget and public accounts. This amendment includes changes to the budget amendments to provide greater stability to the approved General State Budget, the elimination of the Major Planning Options law, and the creation instead of the Annual Strategic Investment Plan, a technical document that presents the annual planning with an impact on the budget and which is presented together with the General State Budget law proposal, and adjustments to the budget execution regime in the period between the appointment of the Government and the appraisal of the Government programme, as well as in the period between the rejection of the Government programme and the appointment of a new Government.