

Presidency of the Council of Ministers

IX Constitutional Government

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Press release

Meeting of the Council of Ministers of August 12, 2023

The Council of Ministers met at the Government Palace, in Dili, and approved the Draft Government Resolution, presented by the Prime Minister, Kay Rala Xanana Gusmão, which approves the donation of US\$750,000 to be granted to the **Republic Democratic Republic of São Tomé and Príncipe for the organization of the XIV Conference of Heads of State and Government of the Community of Portuguese Speaking Countries (CPLP)**.

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The Council of Ministers approved the draft Bill, presented by the Minister of Finance, Santana José Rodrigues F. Viegas Cardoso, for the **first amendment to Law No. 15/2022, of December 21, regarding the General State Budget for 2023 and to Law n.º 2/2022, of February 10, regarding the framework of the General State Budget and Public Financial Management and for the second amendment to Law n.º 8/2008, of June 30, Law Tax**.

With this bill, the total expenditure of the Administrative Public Sector for 2023 now has a consolidated total amount of 1,771,867,112 US dollars. The central administration has an estimated expenditure of US\$1,633,000,000. Social Security, excluding the Social Security Reserve Fund, amounts to US\$130,965,306 (in the total consolidated amount, the amount of US\$75,860,306 of Social Security from central government transfers to avoid your duplicate count). The Special Administrative Region of Oe-Cusse Ambeno (RAEOA) has an estimated value of 83,762,112.

Following the parliamentary election of May 21, 2023, and the inauguration of the IX Constitutional Government, the new organizational 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.

Considering budget execution data to date and the Government's intention to impose greater restraint on 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 various services and entities of the Administrative Public Sector and which justify a reduction in the expenditure foreseen in the General State Budget for 2023, as well as in the amount of the transfer from the Petroleum Fund.

As proposed in its program, the IX Constitutional Government intends to alleviate the impact of inflation and the increase in the cost of living on citizens, increasing their purchasing power. To this end, an adjustment is made to the rates of excise duty and import customs duties applicable in 2023, which had been increased at the beginning of the year, through Law n.º 15/2022, of 21 December, General State Budget for 2023.

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

It also takes the opportunity to make changes to two diplomas closely linked to the General State Budget, Law No. 2/2022, of February 10, Framework for the General State Budget and public financial management, and Law n.º 8/2008, of June 30, Tax Law, amended by Law n.º 5/2019, of August 27, with the aim of ensuring greater rigor and transparency in the execution of the General State Budget and in the accounts public. This alteration includes changes in the budget amendments, to guarantee greater stability to the General Budget of the State approved, the elimination of the law of the Great Options of the Plan, creating in its place the Annual Plan of Strategic Investment,**END**