

**The Secretary of State for the Council of Ministers and
Official Spokesperson for the Government of Timor-Leste
Ágio Pereira**

**June 19, 2010
Díli, Timor-Leste**



2010 Mid Year Supplementary Budget to fast track Timor-Leste's development plans

Infrastructure, food security, social payments for vulnerable groups, and agriculture are areas targetted for supplementary expenditure to fast track development for the people of Timor-Leste in the mid-year supplementary budget.

Given the continued levels of global food insecurity, especially in developing nations, the Government has stepped up measures to enhance short and long term food security schemes. To meet demand, 17.5 million USD has been allocated for the purchase, storage and distribution of rice and \$1.16 million has been allocated to purchase thousands of materials, machinery and seeds to accelerate agriculture production in the country.

Increased public transfers for humanitarian and social measures include payments to veterans (\$25.5 million); funds allocated to the resolution of pending cases regarding IDPs (\$4 million); allocations for victims of natural disasters (\$1 million); and medical treatment abroad for citizens (\$2 million).

Communities will benefit from the School Meals Program and the Maternal Language Program (\$1.125 million); provision for students in Cuba (\$1.9 million) mainly studying medicine and additional funds for specialized doctors (\$1.6 million) to improve the health and well being of the Timorese.

The Government will continue strengthening the Timorese private sector, create employment opportunities and rebuild communities with publicly funded local infrastructure works through the Decentralization Development Package. \$31.356 million will be used as transfers from line ministries for contracting civil construction works up to \$250,000 to local companies located in the sub-districts.

Local communities will play a vital role in identifying and implementing local projects encouraging national participation which began with the Pakote Referendum last year.

\$8.35 million is earmarked for the construction of Naval facilities with a port to be developed in Hera for the new patrol boats along with an associated barracks.

Importantly, to rid visual memories of past devastations, \$5.5 million has been allocated to demolish those building burned in 1999 in preparation for a new landscape. In turn, a payment of \$3.5 million for the new diocese in Maliana and renewal of Churches in the districts will begin to re-establish those places of worship and solace which are so vital to the Timorese.

The Government is confident that the additional spending is supported by a strong fiscal environment. The 2010 State Budget is \$660 million. The increase in the supplementary budget is \$177.985 million making the estimated total expenditure for 2010, \$837.981 million.

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On 31 December 2009, the balance of the Petroleum Fund was \$5,377 million, a surplus of \$107 million in relation to the estimate made in the 2010 Budget. This is proportionate to the actual average price of petroleum in 2009 which was 62 USD per barrel, \$2 higher than the estimate made in the Budget.

The WTI average price of petroleum during the first four months of 2010 was \$80. At the end of May 2010 the price was \$74 per barrel. So in fact, for the first four months of 2010, petroleum revenues were \$651 million, or \$162.75 million per month.

At the end of April 2010, because the price of oil was higher than expected, there was an increase of \$450 million of estimated petroleum revenues. The total revenue from taxes and fees also grew by an impressive 93% in 2009. **ENDS**

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