

Democratic Republic of Timor-Leste: Statistical Appendix

This Statistical Appendix paper for the **Democratic Republic of Timor-Leste** was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with the member country. It is based on the information available at the time it was completed on **June 29, 2004**. The views expressed in this document are those of the staff team and do not necessarily reflect the views of the government of **Democratic Republic of Timor-Leste** or the Executive Board of the IMF.

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INTERNATIONAL MONETARY FUND
DEMOCRATIC REPUBLIC OF TIMOR-LESTE

Statistical Appendix¹

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Approved by the Asia and Pacific Department

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¹ Background information on key issues associated with the Timor-Leste economy, including the National Development Plan, the development of oil/gas resources, public finance, monetary developments, and the power sector, is provided in the *Selected Issues and Statistical Appendix* (IMF Country Report No. 03/228), which was issued in connection with the 2003 Article IV consultation.

Table 1. Timor-Leste: Selected Economic Indicators, 1999–2003

	1999	2000	2001	2002	2003
	Est.				
Output and prices					
GNP at current prices (in millions of U.S. dollars)	270	329	400	397	372
GDP	270	321	387	381	341
Oil/gas income	0	8	13	17	31
Real GDP growth (percentage change)	-35	15	15	3	-3
Inflation (percentage change at end-period) 1/	140	3	0	10	4
	(In percent of GDP)				
Investment-saving balance					
Gross investment 2/	21	33	31	29	27
Gross national savings	-13	-53	-47	-43	-32
External savings	34	85	78	73	60
Government budget (CFET) 3/					
Revenues	...	7.7	8.1	13.5	17.7
Domestic revenues	...	4.0	5.3	5.3	8.2
Oil/gas revenues	...	3.7	2.8	8.2	9.5
Expenditure	...	14.5	13.7	19.6	22.1
Recurrent expenditure	...	8.4	10.7	15.6	19.0
Capital expenditure	...	6.1	3.0	4.0	3.1
Overall balance	...	-6.8	-5.5	-6.1	-4.4
Combined sources fiscal operations 3/4/					
Revenues	...	8	9	15	19
Expenditure	...	122	121	105	91
Recurrent expenditure	...	96	97	82	72
Capital expenditure	...	26	23	22	19
Overall balance	...	-114	-111	-90	-72
Money and credit					
Broad money (end-period) 5/	48	6	13	14	21
Net domestic assets (end-period)	47	-4	-4	-9	-11
	(In millions of U.S. dollars)				
External sector					
Current account excl. official transfers	-92	-279	-309	-292	-230
Current account incl. official transfers	6	48	54	44	43
Trade balance	-67	-235	-264	-245	-195
Merchandise exports 6/7/	52	5	4	6	7
Merchandise imports 6/	-119	-240	-268	-251	-203
Overall balance	0	16	8	20	18
	(In percent of GDP)				
Current account excl. official transfers	-34	-87	-80	-77	-67
Current account incl. official transfers	2	15	14	12	13
Trade balance	-25	-73	-68	-64	-57
Merchandise exports 6/7/	19	2	1	2	2
Merchandise imports 6/	-44	-75	-69	-66	-59
Overall balance	0	5	2	5	5

Sources: Data provided by the Timor-Leste authorities; and Fund staff estimates.

1/ Rupiah-based CPI for Dili through 2000 and, thereafter, dollar-based CPI for Dili.

2/ Excludes investment relating to the oil/gas sector.

3/ On the basis of fiscal year (July-June); for example, 2000 relates to FY2000/01.

4/ Include fiscal and quasi-fiscal expenditure programs undertaken by bilateral donors and international financial institutions outside the central government budget.

5/ Figures after 1999 exclude currency holdings by the public, on which no data are available.

6/ Figures before 2000 include unrecorded border trade.

7/ Excludes oil/gas revenues, which are recorded under the income account (royalties) and transfers (tax revenues).

Table 2. Timor-Leste: Selected Social Indicators 1/

	Timor-Leste	East Asia and Pacific island countries	Low income countries
Per capita income (U.S. dollars, 2003)	415	1,267	432
Area (in thousands of square kilometers)	15	...	...
Demography			
Total population (in thousands)	825	1,838,371	2,495,033
Population growth (in percent)	1.9 2/	1	2
Life expectancy and mortality			
Life expectancy at birth (years)	57	69	59
Male	56	68	58
Female	59	71	60
Infant mortality (per thousand live births)	80	33	81
Male	88	...	...
Female	72	...	...
Under 5 mortality rate (per thousand live births)	144	41	115
Male	156	...	...
Female	132	...	...
Education			
Illiteracy rate (in percent) 3/	57	13	37
Male	57	7	28
Female	57	18	47
Net primary school enrollment rate (in percent)	76	93	74
Health			
Number of hospitals (per thousand)	0.5	...	...
Number of doctors (per thousand)	0.2	...	...
Number of nurses (per thousand)	1.4	...	...
Other indicators			
The population below the poverty line 4/	41	29	...
Households with access to electricity 4/	36	...	...
Households with access to drinking water 4/	65	75	76

Sources: UNDP Human Development Report 2003, World Bank, and Fund staff estimates.

1/ Relate to 2002, unless otherwise indicated.

2/ Average rate for the 1990s.

3/ Relates to the population of ages 15 and above.

4/ In percentage share of the total.

Table 3. Timor-Leste: Gross Domestic Product by Sectoral Origin, 1998–2003 1/

	1998	1999	2000	2001	2002	2003
	Est.					
	(At current market prices)					
Agriculture, forestry, and fishery	160.6	116.6	83.3	99.9	104.6	104.0
Mining and quarrying	2.5	2.7	3.1	3.4	3.6	3.8
Manufacturing	10.7	7.5	8.7	9.8	10.5	11.0
Electricity, gas, water	3.0	2.1	2.6	3.1	3.2	3.2
Construction	41.3	33.0	45.9	55.1	57.5	55.9
Trade, hotels, and restaurants	28.4	15.1	25.1	32.7	33.4	29.9
Transport and communications	47.0	14.6	23.2	29.2	30.1	27.5
Finance, rents, and business services	15.1	10.8	21.1	26.7	26.5	23.8
Public admin. and defense 2/	78.3	66.2	106.3	125.0	108.7	79.9
Private services	3.5	1.6	1.9	2.4	2.5	2.3
Total	390.4	270.1	321.2	387.4	380.7	341.2
	(At constant 2000 market prices)					
Agriculture, forestry, and fishery	98.7	95.1	83.3	96.0	96.7	92.5
Mining and quarrying	3.6	3.1	3.1	3.2	3.3	3.4
Manufacturing	15.9	7.9	8.7	9.4	9.7	9.8
Electricity, gas, water	4.7	2.3	2.6	3.0	3.0	2.9
Construction	47.3	34.4	45.9	52.8	53.0	49.8
Trade, hotels, and restaurants	40.5	17.4	25.1	31.2	30.7	26.7
Transport and communications	37.4	15.9	23.2	27.9	27.7	24.6
Finance, rents, and business services	38.3	16.9	21.1	25.4	24.4	21.2
Public admin. and defense 2/	141.8	83.5	106.3	116.9	128.2	135.9
Private services	2.9	1.7	1.9	2.3	2.3	2.1
Total	431.0	278.2	321.2	368.2	379.1	368.7

Sources: Data provided by the Timor Leste authorities; and Fund staff estimates.

1/ Figures prior to 1999 are based on data provided by the Indonesian authorities. Figures for 2000 are partially based on estimates made under a World Bank-supported technical assistance project.

2/ Includes the value-added of services provided by UNTAET/UNMISSET and donor-supported agencies acting on behalf of the Timor-Leste government.

Table 4. Timor-Leste: Gross Domestic Product by Expenditure, 1998–2003 1/

	1998	1999	2000	2001	2002	2003
	Est.					
(In millions of U.S. dollars)						
GDP at current prices	390.4	270.1	321.2	387.4	380.7	341.2
Consumption	375.1	305.3	498.1	580.4	562.6	483.0
Private	316.5	264.8	308.1	361.1	352.1	310.9
Public 2/3/	58.6	40.5	190.0	219.4	210.5	172.1
Gross investment 4/	136.6	56.7	105.7	120.7	111.3	93.6
Private	39.0	13.5	24.3	30.2	27.6	23.0
Public 2/	97.6	43.2	81.5	90.5	83.7	70.6
Net exports of goods/non-factor services	-121.3	-91.9	-282.6	-313.8	-293.2	-235.4
GNP at current prices	390.4	270.1	329.3	399.9	397.3	372.4
GDP	390.4	270.1	321.2	387.4	380.7	341.2
Oil income	0.0	0.0	8.1	12.5	16.5	31.2
Gross national savings	15.4	-35.2	-168.8	-180.5	-165.3	-110.6
Private	23.2	-32.5	4.5	9.0	8.8	9.6
Public 2/	-7.8	-2.7	-173.3	-189.5	-174.1	-120.1
External savings	121.3	91.9	274.5	301.3	276.6	204.2
(In percent of GDP)						
GDP at current prices	100.0	100.0	100.0	100.0	100.0	100.0
Consumption	96.1	113.0	155.1	149.8	147.8	141.6
Private	81.1	98.0	95.9	93.2	92.5	91.1
Public 2/3/	15.0	15.0	59.2	56.6	55.3	50.5
Gross investment 4/	35.0	21.0	32.9	31.2	29.2	27.4
Private	10.0	5.0	7.6	7.8	7.2	6.7
Public 2/	25.0	16.0	25.4	23.4	22.0	20.7
Net exports of goods/non-factor services	-31.1	-34.0	-88.0	-81.0	-77.0	-69.0
GNP at current prices	100.0	100.0	102.5	103.2	104.3	109.1
GDP	100.0	100.0	100.0	100.0	100.0	100.0
Oil income	0.0	0.0	2.5	3.2	4.3	9.1
Gross national savings	3.9	-13.0	-52.6	-46.6	-43.4	-32.4
Private	5.9	-12.0	1.4	2.3	2.3	2.8
Public 2/	-2.0	-1.0	-53.9	-48.9	-45.7	-35.2
External savings	31.1	34.0	85.5	77.8	72.7	59.9

Sources: Data provided by the Timor-Leste authorities; and Fund staff estimates.

1/ Figures prior to 1999 are based on data provided by the Indonesian authorities. Figures for 2000 are based partially on estimates made under a World Bank-supported technical assistance project.

2/ Includes fiscal and quasi-fiscal activities undertaken by multinational institutions and bilateral donors.

3/ Does not necessarily correspond to recurrent expenditures shown in Table 16 due to differences in the coverage of data (particularly those relating to technical assistance).

4/ Excludes investment relating to the oil/gas sector.

Table 5. Timor-Leste: Consumer Price Index, 2000–2004 1/
(April 2000 = 100.0)

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual average
2000													
Index	...	...	...	100.0	108.4	110.4	111.3	110.4	110.2	111.1	110.3	114.6	109.6
Month-to-month percentage change	...	...	...	...	8.4	1.8	0.8	-0.8	-0.2	0.8	-0.7	3.9	...
Year-on-year percentage change	...	...	...	...	...	...	...	...	...	...	...	...	...
2001													
Index	113.6	114.1	112.7	111.4	111.9	115.8	115.6	113.0	112.9	113.4	113.9	114.2	113.5
Month-to-month percentage change	-0.8	0.4	-1.2	-1.2	0.4	3.6	-0.2	-2.2	-0.2	0.5	0.5	0.3	...
Year-on-year percentage change	...	...	...	11.4	3.2	4.9	3.9	2.4	2.4	2.1	3.3	-0.3	3.6
2002													
Index	115.3	115.3	115.0	115.6	116.5	117.8	118.7	119.7	121.8	121.3	124.7	125.1	118.9
Month-to-month percentage change	0.9	0.0	-0.3	0.6	0.7	1.2	0.7	0.8	1.8	-0.4	2.8	0.3	...
Year-on-year percentage change	1.5	1.1	2.0	3.8	4.1	1.7	2.7	5.9	7.9	6.9	9.4	9.5	4.7
2003													
Index	124.9	125.0	126.8	125.8	125.6	127.5	128.0	128.8	128.4	128.6	129.4	130.3	127.4
Month-to-month percentage change	-0.2	0.1	1.4	-0.7	-0.2	1.5	0.4	0.6	-0.3	0.2	0.6	0.7	...
Year-on-year percentage change	8.3	8.4	10.3	8.8	7.8	8.2	7.8	7.6	5.4	6.1	3.8	4.2	7.2
2004													
Index	130.0	130.1	130.3	130.9	...	...	...	...	...	...	...	...	...
Month-to-month percentage change	-0.3	0.1	0.2	0.5	...	...	...	...	...	...	...	...	...
Year-on-year percentage change	4.1	4.1	2.8	4.0	...	...	...	...	...	...	...	...	...

Source: Data provided by the Timor-Leste authorities.

1/ The price index relates to Dili.

Table 6. Timor-Leste: Monetary Survey, 2000-04 1/

	2000		2001			2002			2003			2004	
	Dec.	Dec.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	Mar.
Net foreign assets	33.8	65.4	72.9	68.9	77.3	89.9	92.8	99.7	103.1	108.3	133.7		
Assets	33.8	72.9	80.9	72.7	80.5	93.3	97.0	104.7	106.0	141.6	154.1		
Cash holdings	6.3	11.7	12.1	7.7	12.4	18.1	15.1	10.5	15.3	19.0	28.6		
Claims on foreign banks	27.5	61.2	68.8	65.0	68.1	75.3	81.9	94.1	90.7	122.6	125.6		
Other	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Liabilities	0.0	7.5	8.0	3.8	3.1	3.5	4.2	5.0	2.9	33.3	20.4		
Net domestic assets	-13.8	-14.3	-17.7	-18.5	-22.5	-35.3	-38.4	-41.9	-37.6	-36.0	-58.7		
Claims on government (net)	-19.0	-21.1	-22.3	-19.2	-20.9	-33.7	-36.3	-41.5	-28.3	-49.7	-74.3		
Loans and advances to private sector	0.3	3.0	3.5	4.4	4.5	5.1	6.1	7.8	12.6	22.1	32.4		
Other items (net)	4.9	3.8	1.2	-3.6	-6.2	-6.7	-8.1	-8.2	-21.9	-8.4	-16.8		
Broad money 2/	20.0	51.1	55.2	50.4	54.8	54.6	54.4	57.7	65.5	72.3	75.0		
Demand deposits	19.3	36.9	40.1	36.1	39.6	39.1	37.5	39.2	43.1	40.1	44.0		
Saving deposits	0.0	8.2	9.7	8.4	9.4	10.2	11.7	13.7	16.6	22.6	25.1		
Time deposits	0.7	6.0	5.4	5.9	5.8	5.3	5.2	4.9	5.8	9.6	6.0		
							(In percent of GDP)						
Net foreign assets	10.5	16.9	19.1	18.1	20.3	23.6	27.2	29.2	30.2	31.7	40.8		
Net domestic assets	-4.3	-3.7	-4.6	-4.9	-5.9	-9.3	-11.2	-12.3	-11.0	-10.5	-17.9		
Broad money 2/	6.2	13.2	14.5	13.2	14.4	14.3	15.9	16.9	19.2	21.2	22.9		
Demand deposits	6.0	9.5	10.5	9.5	10.4	10.3	11.0	11.5	12.6	11.7	13.4		
Saving deposits	0.0	2.1	2.5	2.2	2.5	2.7	3.4	4.0	4.9	6.6	7.7		
Time deposits	0.2	1.5	1.4	1.6	1.5	1.4	1.5	1.4	1.7	2.8	1.8		
Memorandum item:													
Bank loan/broad money ratio (in percent)	1.5	5.9	6.3	8.6	8.2	9.4	11.1	13.5	19.2	30.6	43.1		

Source: Data provided by the Banking and Payments Authority.

1/ The banking system consists of the Banking and Payments Authority (BPA), three commercial banks, and one microfinance institution.

2/ Excludes currency in circulation, on which no data are available due to dollarization of the financial system.

Table 7. Timor-Leste: Balance Sheet of the Banking and Payments Authority, 2000-04
(In millions of U.S. dollars; end of period)

	2000		2001			2002			2003			2004	
	Dec.	Dec.	Dec.	March	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	
Net foreign assets	16.0	23.7	28.2	26.7	26.7	33.2	43.5	46.3	51.4	42.3	61.3	86.8	
Assets	16.0	23.7	28.2	26.7	26.7	33.2	43.5	46.3	51.4	42.3	61.3	86.8	
Cash in vault	1.3	4.9	8.7	5.7	5.7	8.5	13.0	12.2	7.7	10.1	6.9	20.4	
Claims on central banks	14.7	18.8	19.5	21.0	21.0	24.8	30.5	34.1	43.6	32.1	54.4	66.4	
Reserve Bank of Australia	14.7	18.7	19.5	20.8	20.8	24.8	30.5	34.1	43.6	32.1	54.4	66.4	
Timor Sea account 1/	3.1	7.4	7.4	7.4	7.4	7.4	7.5	10.5	10.5	10.6	10.6	13.9	
Current accounts with RBA	11.6	11.4	12.2	13.5	13.5	17.3	23.0	23.6	33.1	21.6	43.9	52.5	
Other foreign banks	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net domestic assets	-16.0	-22.7	-25.7	-23.1	-23.1	-27.8	-39.1	-42.3	-46.6	-34.8	-55.0	-80.9	
Government (net position)	-19.0	-21.1	-22.3	-19.2	-19.2	-20.9	-33.7	-36.3	-41.5	-28.3	-49.7	-74.3	
Budget	-16.0	-13.8	-15.0	-11.9	-11.9	-13.4	-26.2	-25.8	-31.0	-17.7	-39.1	-60.4	
Timor Sea account 1/	-3.1	-7.4	-7.4	-7.4	-7.4	-7.4	-7.5	-10.5	-10.5	-10.6	-10.6	-13.9	
Claims on financial institutions	3.0	3.5	1.7	2.4	2.4	0.9	2.4	1.7	2.1	1.6	3.4	2.5	
Commercial banks	3.0	3.5	1.7	2.4	2.4	0.9	2.4	1.7	2.1	1.3	3.0	2.1	
Microfinance institution	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.4	0.4	
Other items (net)	0.0	-5.0	-5.1	-6.3	-6.3	-7.8	-7.8	-7.7	-7.2	-8.1	-8.8	-9.2	
O/w: capital and reserves	-0.7	-5.0	-5.0	-5.6	-5.6	-6.9	-6.9	-7.4	-7.4	-7.7	-7.7	-7.7	
Liabilities	0.0	1.0	2.5	3.6	3.6	5.5	4.5	4.0	4.8	7.5	6.3	5.9	
Financial institutions	0.0	1.0	2.5	3.6	3.6	5.5	4.5	4.0	4.8	7.5	6.3	5.9	
Commercial banks	0.0	1.0	2.5	2.4	2.4	3.4	2.3	1.9	2.5	5.7	4.5	4.1	
Microfinance institution	0.0	0.0	0.0	1.2	1.2	2.1	2.2	2.2	2.3	1.8	1.8	1.8	
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

Source: Data provided by the Banking and Payments Authority.

Table 8. Timor-Leste: Consolidated Balance Sheet of Financial Institutions, 2000-04 1/
(In millions of U.S. dollars; end of period)

	2000		2001		2002			2003			2004		Memorandum items Interest rates 2/	
	Dec.	Dec.	Dec.	Dec.	March	June	Sept.	Dec.	Mar.	June	Sept.	Dec.		Mar.
Net foreign assets	17.8	41.7	44.7	42.2	44.1	46.4	46.4	46.5	48.3	60.8	47.0	47.0	47.0	
Assets	17.8	49.2	52.7	46.0	47.2	49.8	49.8	50.7	53.3	63.7	80.3	80.3	67.4	
Cash holdings	5.0	6.8	3.4	2.0	3.9	5.0	5.0	2.9	2.8	5.2	12.1	12.1	8.2	
Claims on foreign banks	12.8	42.4	49.3	44.0	43.3	44.8	44.8	47.8	50.5	58.5	68.2	68.2	59.2	
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Liabilities	0.0	7.5	8.0	3.8	3.1	3.5	3.5	4.2	5.0	2.9	33.3	33.3	20.4	
Net domestic assets	5.2	12.9	12.3	10.6	11.6	10.7	10.7	9.7	11.5	6.2	28.8	28.8	30.6	
Deposits with BPA	0.0	1.0	2.5	3.6	5.5	4.5	4.5	4.0	4.8	7.5	6.3	6.3	5.9	
Claims on government (net)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Loans and advances to private sector	0.3	3.0	3.5	4.4	4.5	5.1	5.1	6.1	7.8	12.6	22.1	22.1	32.4	
Other items (net)	4.9	8.9	6.3	2.7	1.7	1.1	1.1	-0.4	-1.1	-13.9	0.4	0.4	-7.7	
Deposit liabilities	20.0	51.1	55.2	50.4	54.8	54.6	54.6	54.4	57.7	65.5	72.3	72.3	75.0	
Demand deposits	19.3	36.9	40.1	36.1	39.6	39.1	39.1	37.5	39.2	43.1	40.1	40.1	44.0	0.00-0.25
Saving deposits	0.0	8.2	9.7	8.4	9.4	10.2	10.2	11.7	13.7	16.6	22.6	22.6	25.1	0.00-0.50
Time deposits	0.7	6.0	5.4	5.9	5.8	5.3	5.3	5.2	4.9	5.8	9.6	9.6	6.0	0.20-0.80
Liabilities to BPA	3.0	3.5	1.7	2.4	0.9	2.4	2.4	1.7	2.1	1.6	3.4	3.4	2.5	
Memorandum items:														
Total loans	1.8	7.0	6.8	7.1	6.5	6.8	6.8	7.2	8.6	13.4	22.9	22.9	33.2	
Bank loans	0.3	3.0	3.5	4.4	4.5	5.1	5.1	6.1	7.8	12.6	22.1	22.1	32.4	14.0-19.0
On lending under SEP 3/	1.5	4.0	3.3	2.7	2.0	1.7	1.7	1.1	0.8	0.8	0.8	0.8	0.8	10.0

Source: Data provided by the Banking and Payments Authority.

1/ Comprise three commercial banks and the microfinance institution.

2/ Refers to annual rates as of March 2004.

3/ Refers to loans extended under the Small Enterprise Project funded by the Trust Fund for East Timor (TFET).

Table 9. Timor-Leste: Central Government Budget Operations (CFET), FY2000/01–FY2004/05 1/

	FY2000/01	FY2001/02	FY2002/03	FY2003/04			FY2004/05
				Budget	Revised 2/	Est. 3/	Budget
(In millions of U.S. dollars)							
Revenue	27.1	31.3	48.8	59.8	45.1	59.3	67.2
Domestic revenues	14.1	20.5	19.3	17.6	20.3	27.5	23.0
Direct taxes	0.6	5.4	5.3	4.7	5.4	6.1	5.4
Indirect taxes	11.6	12.7	11.7	10.2	11.8	16.9	13.6
Nontax revenues and other	1.9	2.4	2.3	2.7	3.1	4.5	4
Oil/gas revenues	13.1	10.8	29.5	42.2	24.8	31.8	44.2
Tax revenues	9.9	6.5	26.4	29.3	17.1	27.2	18.3
Royalties and interest	3.1	4.3	3.1	12.9	7.7	4.6	25.8
Royalties	3.0	4.2	3.0	12.3	7.6	4.5	25.5
Interest	0.1	0.1	0.1	0.6	0.1	0.1	0.3
Expenditure	51.3	52.6	70.8	79.1	74.6	74.1	75.1
Recurrent expenditure	29.6	41.1	56.2	66.8	64.2	63.7	64.9
Wages and salaries	13.9	18.8	21.9	27.0	26.1	25.6	28.2
Goods and services	15.7	22.2	34.3	39.8	38.1	38.1	36.7
Capital expenditure	21.7	11.5	14.5	12.3	10.4	10.4	10.2
Overall balance	-24.2	-21.3	-22.0	-19.3	-29.5	-14.8	-7.9
Financing	24.2	21.3	22.0	19.3	29.6	14.8	7.9
Grants 4/	31.6	22.7	32.5	28.0	33.8	35.6	30.8
Changes in CFET cash balances (increase -)	-4.2	2.7	-8.6	4.2	3.5	-16.2	3.0
Oil/gas revenue savings (increase -) 5/	-3.1	-4.3	-3.1	-12.9	-7.7	-4.6	-25.8
Other	-0.1	0.2	1.1	0.0	0.0	0.0	0.0
(In percent of GDP)							
Revenue	7.7	8.1	13.5	18.0	13.5	17.7	20.4
Domestic revenues	4.0	5.3	5.3	5.3	6.1	8.2	7.0
Direct taxes	0.2	1.4	1.5	1.4	1.6	1.8	1.6
Indirect taxes	3.3	3.3	3.2	3.1	3.5	5.0	4.1
Nontax revenues and other	0.5	0.6	0.6	0.8	0.9	1.4	1.2
Oil/gas revenues	3.7	2.8	8.2	12.7	7.4	9.5	13.4
O/w: Tax revenues	2.8	1.7	7.3	8.8	5.1	8.1	5.6
Expenditure	14.5	13.7	19.6	23.9	22.3	22.2	22.8
Recurrent expenditure	8.4	10.7	15.6	20.1	19.2	19.0	19.7
Wages and salaries	3.9	4.9	6.1	8.1	7.8	7.6	8.5
Goods and services	4.4	5.8	9.5	12.0	11.4	11.4	11.1
Capital expenditure	6.1	3.0	4.0	3.7	3.1	3.1	3.1
Overall balance	-6.8	-5.5	-6.1	-5.8	-8.8	-4.4	-2.4
Financing	6.8	5.5	6.1	5.8	8.8	4.4	2.4
(In millions of U.S. dollars unless otherwise indicated)							
Memorandum items:							
Cumulative oil/gas savings (end-period)	3.1	7.4	10.5	22.4	18.3	15.1	41.0
(In percent of recurrent expenditure)	10.6	18.1	18.7	33.6	28.4	23.8	63.1
CFET cash balances (end-period) 6/	8.9	6.3	14.8	6.0	11.3	31.0	28.0
Non-oil overall fiscal balance	-37.3	-32.0	-51.4	-61.5	-54.3	-46.6	-52.1
(In percent of GDP)	-10.5	-8.3	-14.3	-18.6	-16.2	-13.9	-15.8

Sources: Data provided by the Timor-Leste authorities; and Fund staff estimates.

1/ Fiscal year: July-June.

2/ Revised estimates made at the mid-year budget review (November 2003).

3/ Staff estimates based on the actual outcome through March 2004.

4/ In the official presentation, grants are shown "below the line" to highlight the amount of donor assistance required to close financing gaps.

5/ Under the current oil/gas saving policy, royalties and interest income are automatically saved and only tax revenues are available for budget financing.

6/ The budget estimate for FY2003/04 was derived on the basis of CFET cash balances (\$10.2 million) projected during the 2002 mid-year budget review.

Table 10. Timor-Leste: Central Government Domestic Revenues, FY2000/01–FY2004/05 1/

	FY2000/01	FY2001/02	FY2002/03	FY2003/04			FY2004/05
				Budget	Revised 2/	Est. 3/	Budget
(In millions of U.S. dollars)							
Total domestic revenue	14.1	20.5	19.3	17.6	20.3	27.5	23.0
Tax revenue	12.2	18.1	17.0	14.9	17.2	23.0	19.0
Direct tax	0.6	5.4	5.3	4.7	5.4	6.1	5.4
Wage tax	0.5	2.5	2.7	2.6	3.0	2.7	2.7
Government	0.5	0.5	0.5	0.6	0.7	0.5	0.5
Other	0.0	1.9	2.2	2.0	2.3	2.1	2.2
Corporate income tax	0.2	1.7	1.7	1.3	1.5	1.8	1.2
Special withholding tax	0.0	1.3	0.9	0.8	0.9	1.7	1.5
Indirect tax	11.6	12.7	11.7	10.2	11.8	16.9	13.6
Tax on goods and services	8.8	9.6	8.7	7.5	8.7	13.1	10.4
Sales tax 4/	3.0	3.3	3.4	3.0	3.4	4.1	3.3
Excise duty 4/	4.1	4.3	3.4	3.0	3.5	6.6	5.0
Service tax 5/	1.7	2.0	1.9	1.5	1.7	2.5	2.1
Tax on international trade	2.8	3.1	3.0	2.7	3.1	3.8	3.2
Import duty	2.6	3.1	3.0	2.7	3.1	3.8	3.2
Export duty 6/	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Non-tax revenue	1.9	2.4	2.3	2.7	3.1	4.5	4.0
Fees and charges	1.2	1.8	2.1	...	...	4.1	3.7
O/w: Property rental	1.1	1.1	1.1	...	...	1.2	1.2
Interest receipts and other	0.6	0.6	0.2	...	...	0.4	0.3
(In percent of GDP)							
Total domestic revenue	4.0	5.3	5.3	5.3	6.1	8.2	7.0
Tax revenue	3.4	4.7	4.7	4.5	5.1	6.9	5.8
Direct tax	0.2	1.4	1.5	1.4	1.6	1.8	1.6
Wage tax	0.1	0.6	0.7	0.8	0.9	0.8	0.8
Corporate income tax	0.0	0.4	0.5	0.4	0.5	0.5	0.4
Special withholding tax	0.0	0.3	0.2	0.2	0.3	0.5	0.5
Indirect tax	3.3	3.3	3.2	3.1	3.5	5.0	4.1
Tax on goods and services	2.5	2.5	2.4	2.3	2.6	3.9	3.2
Sales tax 4/	0.8	0.8	0.9	0.9	1.0	1.2	1.0
Excise duty 4/	1.2	1.1	1.0	0.9	1.1	2.0	1.5
Service tax 5/	0.5	0.5	0.5	0.5	0.5	0.7	0.6
Tax on international trade	0.8	0.8	0.8	0.8	0.9	1.1	1.0
Non-tax revenue	0.5	0.6	0.6	0.8	0.9	1.4	1.2
Memorandum item:							
Taxes collected at the border	9.9	10.7	9.8	8.7	10.0	14.4	11.5
(In percent of GDP)	2.8	2.8	2.7	2.6	3.0	4.3	3.5

Sources: Data provided by the Timor-Leste authorities and Fund staff calculations.

1/ Fiscal year: July-June.

2/ Revised estimates made at the mid-year budget review (November 2003).

3/ Staff estimates based on the actual outcome through March 2004.

4/ Currently collected only at the border.

5/ Turnover tax on hotel, restaurant, and transportation rental services.

6/ Abolished in July 2001.

Table 11. Timor-Leste: Oil/gas Revenues, FY2000/01–FY2004/05 1/

	FY2000/01	FY2001/02	FY2002/03	FY2003/04			FY2004/05
				Budget	Revised 2/	Est. 3/	Budget
(In millions of U.S. dollars)							
Total oil/gas revenues	13.1	10.8	29.5	42.2	24.7	31.8	44.2
Tax revenues	9.9	6.5	26.4	29.3	17.1	27.2	18.3
Income tax	6.2	4.1	7.4	3.2	3.3	8.8	10.7
VAT	3.1	1.7	10.9	20.7	15.8	12.3	8.2
Withholding tax	0.7	0.7	6.7	3.8	3.4	4.1	1.1
Wage tax 4/	0.0	0.0	1.4	1.6	1.5	8.4	0.9
Tax refunding 5/	0.0	0.0	0.0	0.0	-7.0	-6.5	-2.5
Royalties and interest	3.1	4.3	3.1	12.9	7.7	4.6	25.8
Royalties	3.0	4.2	3.0	12.3	7.6	4.5	25.5
Interest income	0.1	0.1	0.1	0.6	0.1	0.1	0.3
(In percent of GDP)							
Total oil/gas revenues	3.7	2.8	8.2	12.7	7.4	9.5	13.4
Tax revenues	2.8	1.7	7.3	8.8	5.1	8.1	5.6
Income tax	1.7	1.1	2.0	1.0	1.0	2.6	3.2
VAT	0.9	0.4	3.0	6.2	4.7	3.7	2.5
Withholding tax	0.2	0.2	1.9	1.1	1.0	1.2	0.3
Wage tax 4/	0.0	0.0	0.4	0.5	0.5	2.5	0.3
Tax refunding 5/	0.0	0.0	0.0	0.0	-2.1	-1.9	-0.8
Royalties and interest	0.9	1.1	0.9	3.9	2.3	1.4	7.8
Royalties	0.9	1.1	0.8	3.7	2.3	1.3	7.7
Interest income	0.0	0.0	0.0	0.2	0.0	0.0	0.1
Memorandum items:							
Cumulative oil/gas savings (end-period)	3.1	7.4	10.5	22.4	18.2	15.1	41.0
(In percent of GDP)	0.9	1.9	2.9	6.8	5.4	4.5	12.4

Sources: Data provided by the Timor-Leste authorities; and Fund staff estimates and calculations.

1/ Fiscal year: July -June.

2/ Revised estimates made at the mid-year budget review (November 2003).

3/ Staff estimates based on the actual outcome through March 2004.

4/ Wages paid by oil/gas companies operating in the Timor-Sea became taxable upon signing of the Timor Sea Treaty in May 2002.

5/ Due to the retroactive application of changes in the tax arrangement following the finalization of the Bayu-Undan project and other ad-hoc factors.

Table 12. Timor-Leste: Central Government Expenditure Composition, FY2001/02–FY2004/05 1/

	FY2001/02	FY2002/03	FY2003/04			FY2004/05
			Budget	Revised 2/	Est. 3/	Budget
(In millions of U.S. dollars)						
Total expenditure	52.6	70.8	79.1	74.6	74.1	75.1
Wages and salaries	18.8	21.9	27.0	26.1	25.6	28.2
Salaries	18.8	21.9	26.8	25.9	25.4	28.1
Overtime/allowances	0.0	0.0	0.2	0.2	0.2	0.1
Goods and services	22.2	34.3	39.8	38.1	38.1	36.7
Travel	1.0	1.7	1.6	1.8	1.8	2.1
Vehicle	1.6	4.6	4.3	4.2	4.2	4.1
Utilities	0.4	1.5	2.3	2.3	2.3	2.5
Fuel for generators	0.0	6.2	5.1	4.8	4.8	4.5
Materials and supplies	6.5	8.4	8.7	8.2	8.2	7.5
Other operational expenses	10.4	3.6	6.4	6.4	6.4	6.1
Training/workshops	0.3	0.7	1.1	1.0	1.0	1.0
Services	2.1	7.6	10.3	9.3	9.3	9.1
Capital expenditure	11.5	14.5	12.3	10.4	10.4	10.2
Infrastructure	1.7	5.1	7.4	7.0	7.0	8.4
Purchase of equipment	6.0	4.7	3.3	2.1	2.1	1.3
Other	3.8	4.7	1.6	1.3	1.3	0.6
(In percent of GDP)						
Total expenditure	13.7	19.6	23.9	22.3	22.2	22.8
Wages and salaries	4.9	6.1	8.1	7.8	7.6	8.5
Goods and services	5.8	9.5	12.0	11.4	11.4	11.1
Capital expenditure	3.0	4.0	3.7	3.1	3.1	3.1

Sources: Data provided by the Timor-Leste Authorities.

1/ Fiscal year: July June.

2/ Revised estimates made at the mid-year budget review (November 2003).

3/ Staff estimates based on the actual outcome through March 2004.

Table 13. Timor-Leste: Public Sector Employment and Wages, FY2000/01–FY2004/05
(In number of employees unless otherwise specified)

	FY2000/01		FY2001/02		FY2002/03		FY2003/04		FY2004/05		Monthly wage 2/3/
	Budget	Act.	Budget	Act.	Budget	Act.	Budget	Act. 1/	Budget	Act.	
Total government employees	11,164	10,012	14,817	12,569	16,387	13,170	17,150	14,300	17,175	17,175	
L1	2,263	1,995	3,013	2,594	3,440	2,601	2,696	1,385	1,517	1,517	85
L2	789	557	1,283	1,362	2,024	2,018	3,228	3,472	4,180	3,472	110
L3	4,958	4,713	6,402	5,395	6,793	5,187	6,698	5,862	6,826	6,826	123
L4	2,599	2,360	3,119	2,678	3,357	2,920	3,658	2,972	3,741	3,741	155
L5	359	255	693	392	549	320	622	454	666	666	201
L6	162	104	261	121	201	112	225	128	223	223	266
L7	34	28	46	27	23	12	23	27	22	22	361
Total non-police/defense	9,648	8,499	11,894	9,839	12,139	9,474	12,442	10,087	12,459	12,459	
L1	763	495	892	825	839	562	669	304	666	666	85
L2	779	548	885	662	970	688	1,074	794	1,105	1,105	110
L3	4,952	4,709	6,153	5,344	6,380	5,164	6,516	5,680	6,484	6,484	123
L4	2,599	2,360	3,003	2,479	3,222	2,630	3,367	2,739	3,384	3,384	155
L5	359	255	661	383	513	309	584	418	611	611	201
L6	162	104	256	119	194	110	213	126	189	189	266
L7	34	28	44	27	21	11	19	26	20	20	361
Police (PNTL)	916	913	2,050	1,864	2,855	2,581	3,362	3,033	3,281	3,281	
L1	900	900	1,435	1,083	1,400	1,126	1,082	267	221	221	85
L2	10	9	347	649	1,000	1,207	1,887	2,549	2,665	2,665	110
L3	6	4	205	7	370	2	100	5	90	90	123
L4	0	0	39	124	55	245	250	189	240	240	155
L5	0	0	20	0	24	0	30	22	31	31	201
L6	0	0	3	1	5	1	10	1	33	33	266
L7	0	0	1	0	1	0	3	0	1	1	361
Defense (FDTL)	600	600	873	866	1,393	1,115	1,346	1,180	1,435	1,435	
L1 Recruit/ DEF01-02	600	600	686	686	1,201	913	945	814	630	630	85
L2 DEF03-05	0	0	51	51	54	123	87	129	410	410	110
L3 DEF06-08	0	0	44	44	43	21	262	177	252	252	123
L4 DEF09-10	0	0	77	75	80	45	41	44	117	117	155
L5 DEF11-12	0	0	12	9	12	11	8	14	24	24	201
L6 DEF13	0	0	2	1	2	1	2	1	1	1	266
L7 DEF14	0	0	1	0	1	1	1	1	1	1	361

Sources: Data provided by the Timor-Leste authorities and Fund staff estimates and calculations.

1/ As of December 2003.

2/ Figures relate to the average wage for each grade in U.S. dollars.

3/ The public sector pay-scale has not been changed since FY2000/01.

Table 14. Timor-Leste: Autonomous Agencies Operations, FY2000/01–FY2004/05 1/

	FY2000/01	FY2001/02	FY2002/03	FY2003/04			FY2004/05
				Budget	Revised 2/	Est. 3/	Budget 4/
(In millions of U.S. dollars)							
Total retained revenues	1.4	4.4	4.9	6.9	5.9	5.3	8.4
Aviation	0.4	1.1	1.0	0.9	0.9	1.1	0.9
Port	0.7	1.3	1.1	0.7	0.7	0.8	1.0
Power	0.3	2.0	2.9	5.3	4.3	3.4	6.5
Total expenditures	8.8	9.1	12.6	13.5	13.5	12.7	13.6
Aviation	0.1	0.2	0.8	0.9	0.9	0.9	0.9
Port	0.1	0.2	0.5	0.5	0.5	0.5	0.6
Power	8.6	8.7	11.2	12.1	12.1	11.3	12.1
Wages and salaries	0.4	0.4	0.5	0.6	0.6	0.5	0.7
Aviation	0.0	0.0	0.1	0.1	0.1	0.1	0.2
Port	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Power	0.4	0.3	0.3	0.4	0.4	0.3	0.4
Goods and services	7.8	7.9	9.5	12.0	12.0	11.3	12.1
Aviation	0.0	0.1	0.5	0.5	0.5	0.5	0.6
Port	0.0	0.1	0.2	0.2	0.2	0.2	0.2
Power	7.8	7.6	8.8	11.3	11.3	10.6	11.3
Capital	0.6	0.9	2.5	0.9	0.9	0.9	0.8
Aviation	0.1	0.0	0.2	0.2	0.2	0.2	0.2
Port	0.0	0.0	0.3	0.2	0.2	0.2	0.3
Power	0.5	0.8	2.0	0.5	0.5	0.5	0.4
Overall balance	-7.4	-4.7	-7.7	-6.6	-7.6	-7.4	-5.3
Aviation	0.3	0.9	0.2	0.0	0.0	0.2	0.0
Port	0.6	1.1	0.5	0.2	0.2	0.3	0.4
Power	-8.4	-6.8	-8.3	-6.8	-7.8	-7.9	-5.7
Financing	7.4	4.7	7.7	6.6	7.6	7.4	5.3
Transfers from the budget	8.4	6.8	8.4	6.8	6.8	6.8	5.7
Aviation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Port	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Power	8.4	6.8	8.4	6.8	6.8	6.8	5.7
Other (Increase -)	-0.9	-2.0	-0.8	-0.2	0.8	0.6	-0.4
Aviation	-0.3	-0.9	-0.2	0.0	0.0	-0.2	0.0
Port	-0.6	-1.1	-0.5	-0.2	-0.2	-0.3	-0.4
Power	0.0	0.0	-0.1	0.0	1.0	1.1	0.0
(In percent of GDP)							
Total retained revenues	0.4	1.1	1.4	2.1	1.8	1.6	2.5
Aviation	0.1	0.3	0.3	0.3	0.3	0.3	0.3
Port	0.2	0.3	0.3	0.2	0.2	0.2	0.3
Power	0.1	0.5	0.8	1.6	1.3	1.0	2.0
Total expenditures	2.5	2.4	3.5	4.1	4.0	3.8	4.1
Aviation	0.0	0.1	0.2	0.3	0.3	0.3	0.3
Port	0.0	0.0	0.1	0.2	0.2	0.2	0.2
Power	2.4	2.3	3.1	3.7	3.6	3.4	3.7

Sources: Data provided by the Timor-Leste authorities, and Fund staff estimates and calculations.

1/ Fiscal year: July-June.

2/ Revised estimates made at the mid-year budget review (November 2003).

3/ Staff estimates based on the actual outcome through March 2004.

4/ Partially staff estimates.

Table 15. Timor-Leste: Operations of the Power Authority, FY2000/01–FY2004/05 1/

	FY2000/01	FY2001/02	FY2002/03	FY2003/04			FY2004/05
				Budget	Revised 2/	Est. 3/	Budget
(In thousands of U.S. dollars)							
Revenue collection 4/	258	1,997	2,871	5,300	4,300	3,376	6,450
Expenditure	8,639	8,749	11,204	12,134	12,134	11,320	12,102
Wages and salaries	364	309	312	389	389	307	416
Goods and services	7,782	7,618	8,843	11,287	11,287	10,555	11,295
Fuel	7,523	5,596	7,950	8,300	8,300	8,300	8,150
Maintenance	...	...	386	1,500	1,500	1,433	1,800
Management contract fees	0	0	0	1,200	1,200	535	1,000
Other	...	...	507	287	287	287	345
Capital expenditure	493	822	2,049	458	458	458	391
O/w: Prepayment meter project 5/	0	0	1,900	0	0	0	0
Operating balance	-7,887	-5,929	-6,284	-6,376	-7,376	-7,486	-5,261
Overall balance	-8,380	-6,751	-8,333	-6,834	-7,834	-7,944	-5,652
Financing	8,380	6,751	8,333	6,834	7,834	7,944	5,652
Budgetary transfers	8,380	6,751	8,442	6,834	6,834	6,834	5,652
External assistance	0	0	0	0	1,110	1,110	0
Other	0	0	-109	0	-110	0	0
(In percent of GDP)							
Revenue collection 2/ 3/	0.1	0.5	0.8	1.6	1.3	1.0	2.0
Expenditure	2.4	2.3	3.1	3.7	3.6	3.4	3.7
Wages and salaries	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Goods and services	2.2	2.0	2.4	3.4	3.4	3.2	3.4
Capital expenditure	0.1	0.2	0.6	0.1	0.1	0.1	0.1
Budgetary transfers	2.4	1.8	2.3	2.1	2.0	2.0	1.7
(In percent of total CFET expenditure)							
Budgetary transfers	16.3	12.8	11.9	8.6	9.2	9.2	7.5
(In thousands of U.S. dollars)							
Memorandum item:							
Average monthly revenue collection	29	166	239	442	358	281	538

Sources: Data provided by the Timor-Leste authorities, and Fund staff estimates and calculations.

1/ Fiscal year: July-June.

2/ Revised estimates made at the mid-year budget review (November 2003).

3/ Staff estimates based on the actual outcome through March 2004.

4/ Includes interest income; electricity bill collection started in October 2000.

5/ The total cost of prepayment meter project was \$2.7 million, of which \$1.9 million was provided from the budget, with the remainder financed by Norad and TFET.

Table 16. Timor-Leste: Combined Sources Fiscal Operations, FY2000/01–FY2003/04 1/

	FY2000/01	FY2001/02	FY2002/03	2003/04
	Est.			
(In millions of U.S. dollars)				
Revenue	29	36	54	65
CFET	27	31	49	59
Autonomous agencies	1	4	5	6
Total expenditure	432	463	378	305
CFET 2/	43	46	62	67
Non-CFET	389	417	317	238
Autonomous agencies	9	9	11	15
TFET	47	46	25	20
Bilateral	139	161	153	126
UNTAET/UNMISSET 3/	194	201	128	77
Recurrent expenditure 4/	340	374	297	241
CFET 2/	22	35	47	56
Non-CFET	318	339	250	184
Autonomous agencies	8	8	9	13
TFET	24	23	12	10
Bilateral	92	106	101	84
UNTAET/UNMISSET 3/	194	201	128	77
Capital expenditure	92	89	81	65
CFET 2/	21	11	15	11
Non-CFET	71	78	66	54
Autonomous agencies	1	1	2	1
TFET	23	23	12	10
Bilateral	47	55	52	43
UNTAET/UNMISSET 3/	0	0	0	0
Overall balance	-403	-428	-324	-241
Financing	403	428	324	241
CFET 2/	23	19	19	17
Non-CFET	380	408	305	224
TFET	47	46	25	20
Bilateral	139	161	153	126
UNTAET/UNMISSET 3/	194	201	128	77
(In percent of GDP)				
Revenue	8	9	15	19
Total expenditure	122	121	105	91
CFET 2/	12	12	17	20
Non-CFET	110	109	88	71
Recurrent expenditure 4/	96	97	82	72
CFET 2/	6	9	13	17
Non-CFET	90	88	69	55
Capital expenditure	26	23	22	19
CFET	6	3	4	3
Non-CFET	20	20	18	16
Overall balance	-114	-111	-90	-72
Financing	114	111	90	72
CFET	7	5	5	5
Non-CFET	107	106	85	67

Sources: Data provided by the Timor-Leste authorities; and Fund staff estimates.

1/ Include expenditure programs undertaken by bilateral donors, UNTAET/UNMISSET, and international financial institutions outside the central government budget. The coverage of UNTAET/UNMISSET operations differ from the official budget presentation.

2/ Net of CFET budget transfers to autonomous agencies.

3/ Excludes military expenditures and those not directly related to government operations.

4/ Includes technical assistance.

Table 17. Timor-Leste: Balance of Payments, 1999–2003

	1999	2000	2001	2002	2003
	Est.				
	(In millions of U.S. dollars)				
Current account excl. official transfers	-92	-279	-309	-292	-230
Current account incl. official transfers	6	48	54	44	43
Trade balance	-67	-235	-264	-245	-195
Exports of goods 1/2/	52	5	4	6	7
O/w: Coffee	...	4	3	5	6
Imports of goods 1/	-119	-240	-268	-251	-203
O/w: International assistance-related	-58	-125	-129	-126	-104
Services (net)	-25	-48	-49	-48	-40
Income (net)	0	3	5	1	6
O/w: Oil/gas royalty and interest	0	3	4	0	4
Current transfers (net)	98	327	363	336	273
O/w: Oil/gas tax revenues	0	5	8	16	27
International assistance	43	315	347	314	240
Capital and financial accounts	-3	-54	-61	-36	-16
Official capital transfers	0	71	74	71	58
Financial accounts	-3	-125	-134	-107	-74
Errors and omissions (net)	-3	23	14	12	-10
Overall balance	0	16	8	20	18
Changes in foreign assets (increase -)	0	-16	-8	-20	-18
Oil/gas revenue savings (increase -)	0	-3	-4	0	-3
Other	0	-13	-3	-20	-15
	(In percent of GDP)				
Current account excl. official transfers	-34	-87	-80	-77	-67
Current account incl. official transfers	2	15	14	12	13
Trade balance	-25	-73	-68	-64	-57
	(In millions of U.S. dollars)				
Memorandum items:					
Oil/gas revenues	0	8	13	17	31
Gross foreign assets (end-period)	0	16	24	44	61
O/w: Oil/gas revenue savings	0	3	7	7	11

Source: Data provided by the Timor-Leste authorities, and Fund staff estimates.

1/ Figures before 2000 include unrecorded border trade.

2/ Exclude oil/gas revenues, which are recorded under the income (royalties) and transfers (tax revenues) because of lack of detailed data on the oil/gas sector.

Table 18. Timor-Leste: Oil/Gas Receipts, 2000–2003

	2000	2001	2002	2003
	Est.			
(In millions of U.S. dollars)				
Total oil/gas receipts	8.1	12.5	16.5	31.2
Royalties (first tranche petroleum) 1/	3.1	4.2	0.0	4.3
Elang-Kakatua-Kakatua-North field	3.1	4.2	0.0	4.3
Bayu-Undan field	0.0	0.0	0.0	0.0
Tax revenues	5.0	8.2	16.4	26.8
Elang-Kakatua-Kakatua-North field	5.0	8.2	7.4	9.7
Bayu-Undan field	0.0	0.0	9.0	17.0
Interest income	0.0	0.1	0.1	0.1
(In percent of GDP)				
Total oil/gas receipts	2.5	3.2	4.3	9.1
Royalties (first tranche petroleum) 1/	1.0	1.1	0.0	1.3
Elang-Kakatua-Kakatua-North field	1.0	1.1	0.0	1.3
Bayu-Undan field	0.0	0.0	0.0	0.0
Tax revenues	1.5	2.1	4.3	7.9
Elang-Kakatua-Kakatua-North field	1.5	2.1	2.0	2.9
Bayu-Undan field	0.0	0.0	2.4	5.0

Sources: Data provided by the Timor-Leste authorities; and Fund staff estimates.

1/ May not correspond to flow data calculated from monetary statistics (Timor Sea Account, Table 7) due to differences in the timing of data recording.

Table 19. Timor-Leste: Summary of Tax System (as of March 2004) 1 / 2/

Tax	Nature of Tax	Exemptions and Deductions	Rates
1. Direct Taxes			
1.1. Income tax	<p>Timor-Leste has inherited the Indonesian income tax system with some modifications.</p> <p>The income tax applies to all taxable income other than that subject to withholding taxes (1.3) or wage income tax (1.4), and is supplemented by the minimum income tax (1.2).</p> <p>In the case of a legal person, income from dividends, interest, royalties and rent is included in the taxable income, with a credit for withholding tax.</p> <p>Progressive rates with three brackets are applicable in the case of a natural person, and a flat rate is applicable in the case of a legal person.</p>	<p><u>Depreciation</u></p> <p>Business building - Straight line depreciation</p> <ul style="list-style-type: none"> - 20 years useful life at 5 percent - 10 years useful life at 10 percent <p>Depreciable assets</p> <p>Individual depreciation</p> <ul style="list-style-type: none"> - 1-4 years useful life at 25 percent - 5-8 years useful life at 12.5 percent - 9+ years useful life at 6.25 percent <p>Pooling depreciation</p> <ul style="list-style-type: none"> - 1-4 years useful life at 50 percent - 5-8 years useful life at 25 percent - 9+ years useful life at 12.5 percent <p><u>Amortization of intangibles</u></p> <ul style="list-style-type: none"> - 1-4 years useful life at 25 percent - 5-8 years useful life at 12.5 percent - 9+ years useful life at 6.25 percent 	<p>[Natural person]</p> <p>Income brackets and tax rates:</p> <ul style="list-style-type: none"> 0 - \$3,368 10% \$3,368 - \$6,737 15% \$6,737 - 30% <p>[Legal person]</p> <p>Income tax rate: 30%</p>
			<p><u>Deductible expenses include:</u></p> <p>bad debt, interest, foreign exchange losses, salary and wages, contractor expenses, R&D expenses, and losses from sale/transfer of property.</p>

Table 19. Timor-Leste: Summary of Tax System (as of March 2004) 1/2/

Tax	Nature of Tax	Exemptions and Deductions	Rates																								
1.2. Minimum income tax	Minimum income tax is levied on the taxpayer's total turnover for the year. The ordinary income tax payable is credited against the minimum tax payable for the year.	The taxpayer's total turnover does not include any amount derived by the taxpayer that is subject to the withholding taxes.	1 percent of the total turnover																								
1.3. Withholding taxes	Income earned from designated sources (including dividend, interest, royalty, and rent) is subject to withholding tax at a variety of rates. The tax is withheld by a person making payments to the recipient of the income. The withholding taxes are final, except for dividends, interest, royalties and rent paid to a legal person.	Tax rates vary according to the source of income: <i>Payable to residents and non-residents with permanent establishment:</i>	<table border="0"> <thead> <tr> <th data-bbox="673 380 696 548"><u>Type of income</u></th> <th data-bbox="673 149 696 243"><u>Tax rate</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="711 275 734 548">dividend/ interest/ royalty</td> <td data-bbox="711 138 734 184">15%</td> </tr> <tr> <td data-bbox="748 275 771 548">rent from land/ building</td> <td data-bbox="748 138 771 184">10%</td> </tr> <tr> <td data-bbox="786 394 808 548">income from :</td> <td></td> </tr> <tr> <td data-bbox="823 327 846 548">prizes and lotteries</td> <td data-bbox="823 138 846 184">15%</td> </tr> <tr> <td data-bbox="860 296 883 548">construction activities</td> <td data-bbox="860 138 883 184">2%</td> </tr> <tr> <td data-bbox="898 275 920 548">construction consulting</td> <td data-bbox="898 138 920 184">4%</td> </tr> <tr> <td data-bbox="935 243 958 548">provision of transportation</td> <td data-bbox="935 138 958 233">2.64%</td> </tr> <tr> <td data-bbox="972 243 995 548">petroleum drilling/ mining</td> <td data-bbox="972 138 995 233">4.5%</td> </tr> <tr> <td data-bbox="1010 138 1032 548">provision of selected services</td> <td data-bbox="1010 138 1032 184">0%</td> </tr> <tr> <td data-bbox="1047 205 1117 548"><i>Payable to non-resident without permanent establishment:</i></td> <td></td> </tr> <tr> <td data-bbox="1122 436 1144 548">all income</td> <td data-bbox="1122 138 1144 184">20%</td> </tr> </tbody> </table>	<u>Type of income</u>	<u>Tax rate</u>	dividend/ interest/ royalty	15%	rent from land/ building	10%	income from :		prizes and lotteries	15%	construction activities	2%	construction consulting	4%	provision of transportation	2.64%	petroleum drilling/ mining	4.5%	provision of selected services	0%	<i>Payable to non-resident without permanent establishment:</i>		all income	20%
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provision of selected services	0%																										
<i>Payable to non-resident without permanent establishment:</i>																											
all income	20%																										
1.4. Wage income tax	The wage income tax is withheld by the employer.	Each employee is allowed a monthly tax credit of \$10 against the wage income tax payable for the month. Excess credit is neither refunded nor carried forward.	<table border="0"> <thead> <tr> <th data-bbox="1203 205 1260 548"><i>Resident with Tax Identification Number (TIN)</i></th> <th data-bbox="1271 170 1294 264"><u>Monthly wage income</u></th> <th data-bbox="1271 170 1294 264"><u>Tax rate</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="1308 380 1331 548"></td> <td data-bbox="1308 380 1331 474">\$0 to \$550</td> <td data-bbox="1308 212 1331 258">10%</td> </tr> <tr> <td data-bbox="1346 380 1369 548"></td> <td data-bbox="1346 380 1369 474">above \$550</td> <td data-bbox="1346 212 1369 258">30%</td> </tr> <tr> <td data-bbox="1383 405 1406 548"><i>Non-resident</i></td> <td data-bbox="1383 405 1406 548"></td> <td data-bbox="1383 212 1406 258">20%</td> </tr> </tbody> </table> <p>Exempt wages include: (a) wages received for official duties by diplomatic staff</p>	<i>Resident with Tax Identification Number (TIN)</i>	<u>Monthly wage income</u>	<u>Tax rate</u>		\$0 to \$550	10%		above \$550	30%	<i>Non-resident</i>		20%												
<i>Resident with Tax Identification Number (TIN)</i>	<u>Monthly wage income</u>	<u>Tax rate</u>																									
	\$0 to \$550	10%																									
	above \$550	30%																									
<i>Non-resident</i>		20%																									

Table 19. Timor-Leste: Summary of Tax System (as of March 2004) 1/2/

Tax	Nature of Tax	Exemptions and Deductions	Rates						
1.5. Presumptive income tax on coffee exports	Imposed on exports of coffee beans, whether processed or unprocessed, at the time of export. Not applicable for coffee export after 05/31/01	<ul style="list-style-type: none"> of a foreign government's representative office (b) wages of a public servant of a foreign government (c) wages of an employee of the UN or its agencies 	<i>Resident without TIN</i> 30%						
2. Indirect Taxes									
2.1 Border Taxes	All taxes in this category are levied at the border.								
2.1.1. Import duty	Applicable to all imports at an ad-valorem rate except for selected import items.	<p>Imported goods that are exempt include:</p> <ul style="list-style-type: none"> (a) when accompanying an arriving person <ul style="list-style-type: none"> - 200 cigarettes and 2.5 liters of excisable beverages - non-commercial goods for personal use up to \$300 - household effects (returning former residents) (b) imports by diplomats, UN and specialized agencies. (c) re-imported goods (d) goods for which import duty is less than \$10. 	<p>6 percent of the customs value.</p> <p>The customs value is the transaction value of the goods, including cost, insurance and freight.</p>						
2.1.2. Excise tax	Excise tax is levied on designated goods at specific or ad-valorem rates.	<p>Exemption is given to:</p> <ul style="list-style-type: none"> (a) Goods exported from Timor-Leste within 28 days of importation. (b) Goods that are exempt from import duty. 	<p>Rates for major excisable goods: <i>Specific rates on quantity</i></p> <table border="0"> <tr> <td>Soft drinks</td> <td>\$0.65 per liter</td> </tr> <tr> <td>Beer</td> <td>\$1.90 per liter</td> </tr> <tr> <td>Wine</td> <td>\$2.50 per liter</td> </tr> </table>	Soft drinks	\$0.65 per liter	Beer	\$1.90 per liter	Wine	\$2.50 per liter
Soft drinks	\$0.65 per liter								
Beer	\$1.90 per liter								
Wine	\$2.50 per liter								
Excise taxes on imported goods are levied on the excise value, or									

Table 19. Timor-Leste: Summary of Tax System (as of March 2004) 1/2/

Tax	Nature of Tax	Exemptions and Deductions	Rates
2.1.3. Sales tax	the customs value plus the import duty payable.		Alcoholic beverages \$8.90 per liter Tobacco \$19.00 per kg Gasoline, diesel fuel \$0.06 per liter
	Excise tax is also applicable to designated goods produced domestically, but is not collected currently because of the absence of domestic production.		<i>Ad-valorem rates of the excise value</i> Fruit juices/ ice cream 12% cigarette lighter, smoking pipe 12% Audio electronic goods 12%
	Some of the excises (e.g., those on private yachts and aircrafts) bear characteristics of a luxury goods tax.		Mobile phones, TV, videos 12% Perfumes 18% Fireworks, arms/ammunition 120% Motor cars: the greater of 36% excise value, or \$500 + 36% over \$20,000 private yachts/aircrafts 12% in excess of US\$20,000 36%
	Sales tax is applicable to imported goods, and goods sold and services provided domestically. For imported goods, the tax base consists of customs value, and the import duty and excise tax payable.	Sales tax does not apply to imported goods exempt from import duty.	6 percent of the sum of : the customs value of the goods; the import duty payable; and the excise tax payable.
	Sales tax applicable to goods sold and services provided domestically is not collected currently.		

Table 19. Timor-Leste: Summary of Tax System (as of March 2004) 1/2/

Tax	Nature of Tax	Exemptions and Deductions	Rates
2.2. Service tax	<p>The service tax applies to designated services, which comprise:</p> <ul style="list-style-type: none"> (a) hotel services (b) restaurant and bar services (c) telecommunications services (d) rental services of: <ul style="list-style-type: none"> (i) cars, trucks, omnibuses, etc (ii) helicopters and airplanes (iii) seagoing vessels 	<p>Service tax is payable by providers of services, with monthly turnover of \$500 or more.</p>	<p>A uniform 12 percent.</p>

Source: Information provided by the Timor-Leste authorities.

- 1/ The tax system of Timor-Leste was established by UNTAET Regulation (No. 2000/18 June 30, 2000), modifying then applicable Indonesian Law on Income Tax. After independence, the tax system was amended by the Revenue System Amendment Act (applicable on July 1, 2002).
- 2/ These taxes are not applicable to oil/gas activities in the Timor Gap.

Table 20. Timor-Leste: Summary of the Exchange and Payments System
(Position as of April 30, 2004)

I. Status Under IMF Articles of Agreement

1. Date of membership	Yes	July 23, 2002.
Article VIII	Yes	Date of acceptance: July 23, 2002

II. Exchange Arrangement

1. Currency		The currency of the Democratic Republic of Timor Leste is the U.S. dollar.
a. Other legal tender	Yes	On November 10, 2003, Timorese coins were introduced to serve as fractional currency to the U.S. dollar.
2. Exchange rate structure		
a. Unitary	Yes	
3. Classification		
a. Exchange arrangement with no separate legal tender	Yes	The dollar is legal tender and circulates freely. Foreign exchange transactions are effected through three (foreign-owned) commercial banks and one licenced currency exchange bureau.
4. Exchange tax	No	
5. Exchange subsidy	No	
6. Forward exchange market		
a. Official cover of forward operations	No	

III. Arrangements for Payments and Receipts

1. Prescription of currency requirements		
a. Controls on the use of domestic currency		All domestic transactions and settlements must be in the domestic currency (U.S. dollar).
b. Use of foreign exchange among residents		Withdrawals from bank accounts denominated in foreign currencies must be made in U.S. dollars, though bank transfers from foreign currency accounts abroad may be made in foreign currencies.
2. Payments arrangements	None	
3. Administration of control		Overall responsibility for the administration of exchange controls rests with the BPA, which has the power to regulate payment and settlement systems in domestic and foreign currency.
4. International security restrictions	No	
5. Payments arrears	No	
6. Controls on trade in gold (coins and/or bullion)	No	
7. Controls on exports and		

imports of banknotes

- a. On exports No
- b. On imports
 - 1. Domestic currency No
 - 2. Foreign currency No

IV. Resident Accounts

1. Foreign exchange accounts permitted

- a. Held domestically No restriction There are no restrictions on the holding of foreign exchange accounts, but withdrawals from the accounts should be made in domestic currency (U.S. dollar).

Approval required No

- b. Held abroad No restrictions

Approval required No

2. Accounts in domestic currency held abroad No restrictions

- 3. Accounts in domestic currency convertible into foreign currency** Restricted Withdrawals from bank accounts in foreign currency are prohibited.

V. Nonresident Accounts

1. Foreign exchange accounts permitted No restrictions

- a. Approval required No

2. Domestic currency accounts No restrictions

- a. Convertible into foreign currency Withdrawals from bank accounts in foreign currency are prohibited.

- b. Approval required No

3. Blocked accounts No

VI. Imports and Import Payments

1. Foreign exchange budget No

2. Financing requirements for imports No

3. Documentation requirements for release of foreign exchange for imports No

4. Import licenses and other nontariff measures No

5. Import taxes and/or tariffs

a. Taxes collected through the exchange system

There are no quantitative restrictions on imports. With the exception of selected items (e.g., cigarettes and alcohol with certain limits, household effects of returning former residents), a uniform ad-valorem tariff (6 percent) is levied on all imports. Also, excise taxes are levied on imports of selected goods at specific or ad-valorem rates (10-170 percent) depending on types of goods. In addition, the sale tax (6 percent) is levied on the sum of customs value, import duty, and excise payable.

6. State import monopoly No

VII. Exports and Export Proceeds

1. Repatriation requirements No

2. Financing requirements No

3. Documentation requirements No

4. Export licenses No

5. Export taxes No

VIII. Payments for Invisible Transactions and Current Transfers

Controls on transfers No

IX. Proceeds from Invisible Transactions and Current Transfers

1. Repatriation requirements No

2. Restrictions on use of funds No

X. Capital Transactions

A. Controls on capital transactions

1. Controls on capital and money market instruments No

No domestic capital and money markets have developed yet.

2. Controls on derivatives and other instruments No

3. Controls on credit operations No

4. Controls on direct investment No

5. Controls on liquidation of direct investment No

6. Controls on real estate transactions

a. Purchase abroad by residents	No	
b. Purchase locally by nonresidents	Yes	The constitution prohibits ownership of land by foreigners.
c. Sale locally by nonresidents	Yes	The constitution prohibits ownership of land by foreigners.
7. Controls on personal capital transactions	No	
8. Provisions specific to commercial banks and other credit institutions		
a. Borrowing abroad	No	
b. Maintenance of accounts abroad	No	
c. Lending to nonresidents (financial or commercial credits)	No	
d. Lending locally in foreign exchange	Yes	All domestic transactions must be made in the domestic currency.
e. Purchase of locally issued securities denominated in foreign exchange	Yes	All domestic transactions must be denominated in the domestic currency.
f. Differential treatment of deposit accounts in foreign exchange	No	
g. Differential treatment of deposit accounts held by nonresidents	No	
h. Investment regulations	No	
i. Open foreign exchange position limits	No	
9. Provisions specific to institutional investors	No	
10. Other controls imposed by securities laws	No	

Changes During 2003

Exchange arrangement	Nov. 10	Timorese coins were introduced to serve as fractional currency to the U.S. dollar.
Arrangements for payments and receipts	Nov. 13	A new currency law revoked the restrictions on importing foreign currencies. (Previously, imports of foreign currencies exceeding the equivalent of \$2,000 are prohibited without a permit from the BPA. Also imports of currencies issued by countries which maintain export restrictions were limited to the equivalent of \$500 without BPA approval.)