

## **PRICE STABILIZATION MEASURES TO FIGHT INFLATION AND SPECULATIVE PREVENTION**

**Ministerial Diploma 06/2008, of 24 December 2008**

Considering that in the last few months we have seen a rise in the prices of essential goods, as opposed to what would be more logical to expect given the significant reduction in the tax burden with the entry into force of the new Tax Law, with some products being exempt from import taxes;

Bearing in mind that there is also an abusive price markup in supermarkets and pharmacies, increasing prices of essential goods that entered in stock at lower cost levels;

Considering that among the competences of the Government is to direct and regulate economic activity and the activity of the social sectors, as well as protecting consumers, who are all of us;

Without interfering in the free dynamics of price formation in the market, it is necessary to establish some regulatory measures, in the name of market transparency to consumers' satisfaction, whose duration will depend on the national market itself.

As such,

The Government orders, by the Minister of Tourism, Commerce and Industry, under the provisions of articles 53 and 117, paragraph 2, point a) of the Constitution of the Republic and in execution of the Government Program, published in the *Jornal da República* on 26 September 2007, Series I, to publish the following legal diploma:

### **Article 1 Scope**

1. The provisions of this legal diploma are applicable to warehouse storekeepers, importers and to the retail trade of essential goods listed below and do not interfere in the free formation of the original sale prices to the public by the merchants covered.
2. Goods covered by the present regime and considered to be of social interest, are the following:
  - a) All food products without alcoholic additions;
  - b) Powdered milk for children up to 1 year old;
  - c) Essential products for newborns, diapers, baby bottles and mosquito nets;
  - d) Tampons and sanitary pads for women.
  - e) Medicines and pharmaceutical products in general.
3. The retail traders are obliged to display the selling prices to the public, under the applicable regulatory terms.

## **Article 2**

### **Definitions**

For the purposes of the provisions of this order, the following definitions apply:

- a) ***Price rescheduling*** - the act or effect of setting a new price ceiling on products or their packaging, of the same stock, previously marked and sold at a lower price;
- b) ***Pharmaceutical products in general*** - all products sold in pharmacies or clinics with services for selling these products;
- c) ***Price for sale to the public (PSP)*** - the total price, to be paid by the final consumer, to acquire the good, with all taxes and charges included.
- d) ***Initial PSP*** - Price for sale to the public fixed and freely displayed by the retailer for the first time, in relation to the same purchase from a wholesaler or the same import.

## **Article 3**

### **Accounting transparency of stocks**

- 1. It is mandatory that all importers, storekeepers, supermarkets and stores selling food products, as well as pharmacies, have a clear and simple system for recording the respective quantities and prices of the goods purchased, the respective stocks to which they belong and sales.
- 2. For the purposes of applying the provisions of the preceding paragraph, the entry and exit records, identified by prices and quantities, in accordance with the rules universally used in the movement of stocks must exist in these accounts.

## **Article 4**

### **Prohibition of redial to higher price**

Price rescheduling, as defined in article 2 of this order, is prohibited.

## **Article 5**

### **Inspection**

- 1. The Ministry of Tourism, Commerce and Industry is responsible for monitoring compliance with the present legal diploma, and the Food and Economic Inspection Unit is competent to promote the respective actions and, if applicable, launch the respective sanctioning processes.
- 2. Consumers can submit their complaints to the Food and Economic Inspection Unit.

## **Article 6**

### **Sanctions**

It is the responsibility of the Food and Economic Inspection Unit to propose the imposition of fines, under the legal regime of food and economic infractions and, in subsidiarity, under the general regime of administrative infractions.

**Article 7**  
**Entry into force**

This order enters into force on the first business day of the month following its publication.

Dili, December 18, 2008

The Minister of Tourism, Commerce and Industry

Gil da Costa A. N. Alves