

GOVERNMENT RESOLUTION No. 20/2008
Of 13 August 2008

ON PUBLIC SUPPLY OF ESSENTIAL GOODS

Considering that guaranteeing public supply, in order to satisfy the needs of the population, is an obligation constitutionally imposed on the Government;

Considering that in Timor-Leste, the food supply of local production is clearly insufficient to meet domestic demand, with the importation of large quantities of essential food products, mainly rice and edible oils, to satisfy consumption needs of the population;

Assuming that excess demand inevitably leads to a disruption in supply if there is in fact no security stock to avoid price speculation;

Bearing in mind that currently there is a situation of generalized rise in the prices of food products, as well as the abnormal evolution of fuel prices and, consequently, of cement, iron and derivatives, essential goods for the reconstruction and development of the country;

Aware that the market must operate freely, adjusting prices through the mechanism of supply and demand and whereas the practice of fixing price administratively, in order to cope with an abnormal rise in the prices of staple products, must be a transitional, exceptional and last resort measure in particularly difficult situations;

Thus,

The Government resolves, under the terms of point i) and o) of paragraph 1 of article 115 and of point a) of article 116 of the Constitution of the Republic, the following:

1. Choose as an effective measure to combat rising prices, intervention in the market, through the launch of significant quantities of basic goods, capable of meeting the immediate needs of families, at reduced or subsidized prices.
2. Assume the guarantee of public supply of essential goods, as an adequate constitutional and moral obligation. This imposes a differentiation of criteria and priorities, according to the assets to be considered and also presupposes a well-defined strategy and time duration.
3. Exercise vigilance, for possible interventions, on the prices and supply of essential food goods in general, as well as on goods essential to civil construction and public works, creating a specific supply regime and defining the types of measures and instruments intervention for each of them.
4. To guarantee, temporarily and occasionally, the import and supply of rice and edible oils, assuming the expenses inherent to transport, stocking and making it available free of charge to the recipients who are entitled to it, as well as safeguarding the participation of wholesalers in the sector, at subsidized prices.
5. Intervene occasionally, in the sector of essential raw materials for civil construction and public works, specifically in cement, tar, irons and the like, namely but not limited to nails, plates and roofs in zinc, triplex, plasterboard and wood, regardless of designations and categories. This, directly importing these goods to make them available to duly licensed wholesalers in the sector, at reduced prices and without profit, but without subsidy.
6. Study the implementation of a temporary grant capable of guaranteeing a social price for users of public passenger transport, including properly licensed taxis, in order to prevent uncontrolled and distorted increases in prices in the sector.

7. To admit the surveillance of other basic products, in situations of serious risk of stock rupture or that are being subject to hoarding, speculation or other practices that are harmful to the market and the population.
8. Pay particular attention to the preventive aspects of fraud and diversions that may distort intervention actions, from provisioning and transportation of essential goods to the effective delivery to the population or use in public and civil construction works.
9. The intervention regimes and measures foreseen and stipulated in the present diploma are of a transitory nature and are intended to supply the deficiencies and risks induced in the supply of the Country, motivated by the abnormal conjuncture of high international prices on essential goods.

Approved by the Council of Ministers on June 25, 2008.

Be it published.

The Prime Minister,

Kay Rala Xanana Gusmão