**GOVERNMENT RESOLUTION No. 13/2012**

**of 9 May 2012**

**ESTABLISHES THE REGIME FOR SETTING**

**MAXIMUM MARKETING MARGINS FOR**

**CERTAIN ESSENTIAL GOODS**

**AND OTHER MEASURES TO COMBAT INFLATION**

Decree-Law no. 29/2011, of 20 July came to enshrine and enable the Government to establish the intervention mechanisms in the formation of the prices of products considered fundamental for the well-being of families, as well as for the development of the country's infrastructure;

Through the practice of fair prices, it is intended to avoid and correct imbalances or dominant positions in the supply that lead to the practice of a price that is higher than what would be fixed in normal circumstances, in favor of the financially needy population and avoiding the perverse effects of excessive increased inflation;

In these terms, considering that it is up to the Government to direct and regulate economic activity so that market mechanisms work in the most regular manner possible, in particular, protecting the most vulnerable consumers;

Considering that Decree-Law no. 29/2011, of 20 July, established, in article 5, four types of price control practiced in the market, in particular those of fixing maximum prices; setting maximum marketing margins; prices contracted with the commercial and services sector, and prices monitored;

Bearing in mind that the essential products for families include rice and cooking oils and, indirectly, through the development of the construction of houses and public works, cement, iron and zinc for roofs;

Considering that the levels of inflation reached, in 2011, values much higher than those of the same period of 2010 (6.8%), standing at average levels in the order of 13.5%;

Thus:

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

1. Pursuant to the provisions of article 7 of Decree-Law no. 29/2011, of 20 July, the regime for fixing maximum marketing margins is declared, which consists of fixing the percentage of the value, as profit margin, that the economic agent can increase to the price acquisition of the asset in question.
2. This regime is transitory and is intended to correct market prices and the risks induced in the population's access to essential goods and infrastructure, reintroducing the fair price of these goods.
3. The goods listed below are subject to the maximum marketing margin regime:
   a) Rice with 5% or less breakage: 10% at the wholesaler and 15% at the retailer;
   b) Rice with a 5% drop: 8% at the wholesaler and 10% at the retailer;
   c) Edible oils: 8% at the wholesaler and 10% at the retailer;
   d) Cements: 10% at the wholesaler and 15% at the retailer;
   e) Zinc in sheet metal for civil construction: 10% at the wholesaler and 15% at the retailer;
   f) Iron rod for civil construction: 10% at the wholesaler and 15% at the retailer
4. The marketing margins fixed for the wholesaler and the retailer are charged on the purchase or replacement price, with no price markdown.

5. Price rescheduling means the act or effect of setting a new, higher price on products or their packaging, of the same stock referring to the same acquisition, previously marked and sold at a lower initial PVP. Under the terms of article 4 of Decree-Law no. 29/2011, of 20 July, price redial is prohibited.

6. To prove the replacement price, the buyer must show the supporting documents of the order or purchase made, when requested by the competent authorities.

7. The price at the importer corresponds to the customs value declared in the Single Customs Document (SAD), plus taxes, customs and port clearance expenses, transportation and others necessary for placing for sale.

8. Wholesale companies, whether importers or not, who also sell directly at retail, may accumulate all or part of the marketing margin, provided that they are proven to carry out both commercial operations.

9. Regardless of the number of agents involved in the circuit, the use of a margin that, as a whole, exceeds the limit resulting from the application, for the corresponding product, of the maximum margins fixed is not allowed.

10. All importers, stockholders, supermarkets and stores selling the goods referred to in article 1, must 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 their sales. There must be, at least, in said accounts, the registration of entries and exits, identified by prices and quantities, according to the rules universally used in the movement of stocks.

11. Producers, importers, wholesalers and retailers are obliged to prepare price lists corresponding to the different sales conditions they practice and to provide these tables to their customers and to the General Food and Economic Inspectorate, or other competent entities, when requested.

12. Importers and traders consider themselves notified for the purpose of communicating to the Directorate of Commerce, the prices charged in the last 30 days immediately fundamental for the well-being of families, as well as for the development of the country's infrastructure;

13. Following Order No. 20 / GPM / IX / 2009, issued on September 7, 2009 by the Prime Minister, the Standard Unit Price System for State Supply, published periodically by the Ministry of Tourism, Commerce and Industry is observed by all Public Procurement Services. In the case of the provision of goods or services that are not included in the respective Standard lists, the Services must accompany the acquisition proposals with appropriate and specific justification notes.

14. The present price regime enters into force on the day following its publication and remains in effect until it is expressly revoked and, or replaced by a new diploma, in accordance with the provisions of Decree-Law No. 29/2011, of 20 July.

Approved by the Council of Ministers on March 14, 2012.

Be it published.

The Prime Minister,

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**Kay Rala Xanana Gusmão**