

Ministerial Decision No 246 of 2024
On the Monitoring of Basic Consumer Goods Prices

The Minister of Economy,

After perusal of Federal Law No. (1) of 1972 on the competencies of Ministries and the powers of Ministers and its amendments, and
Federal Law No. (15) of 2020 concerning consumer protection and its amendments, and its implementing regulations, and
Cabinet Decision No. (120) of 2022 on the rules and conditions for pricing consumer goods in the State.

Decided:

Article 1
Definitions

The same definitions mentioned in Cabinet Decision No. (120) of 2022 on the rules and conditions for pricing consumer goods in the State shall apply to this decision. Otherwise, the following words and phrases shall have the meanings indicated next to each of them, unless the context of the text dictates otherwise:

The Supreme Committee: The Supreme Committee for Consumer Protection.

The Administration: The Consumer Protection and Commercial Control Administration at the ministry.

The Team: The Basic Consumer Goods Price Monitoring Team.

Gross Profit Margin: The profit that the retailer charges from the consumer, calculated as the difference between the retail selling price and the supplier's price.

Net Profit Margin: The total costs that the retailer charges the supplier to enable the listing of basic consumer goods, including discounts, listing fees, promotion fees, marketing, and other fees charged by the retailer to the supplier.

Article 2
Objectives

This decision aims to achieve the following:

1. Establish a mechanism for pricing basic consumer goods in the state between the retailer and the supplier in a way that serves the consumer.
2. Monitor the prices of basic consumer goods to ensure fair competition and consumer protection.
3. Establish balance in the contractual relationships for the trade of basic consumer goods between the retailer and the supplier.

Article 3
Scope of Application

1. The provisions of this decision apply to the following:
 - a. Basic consumer goods mentioned in Cabinet Decision No. (120) of 2022 referred to above, and any other goods for which a decision is issued by the Cabinet.
 - b. Retailers and suppliers concerning basic consumer goods traded through physical or virtual commercial activities via modern technology means.
2. The basic consumer goods mentioned in item (1) of this article are classified into the subcategories listed in the table attached to this decision, and any amendments thereto.

Article 4
Basic Consumer Goods Price Monitoring Team

1. A task force called the "Basic Consumer Goods Price Monitoring Team" shall be formed by a decision from the Minister, specifying in its formation decision the team leader, its members, and its working mechanism.
2. The team shall perform its duties in monitoring the prices of basic consumer goods according to this decision, including:
 - a. Monitoring the price movements of any basic consumer goods.
 - b. Studying requests for price increases for any basic consumer goods and submitting recommendations regarding them to the minister.
 - c. Reviewing the back margins and front margin profits of basic consumer goods according to the subcategories listed in the table attached to this decision.
 - d. Studying complaints submitted regarding actions committed in violation of the provisions of this decision.
 - e. Any other tasks assigned to it by the minister or the Supreme Committee regarding the monitoring of basic consumer goods prices.

Article 5
Monitoring the Price Fluctuation of Basic Consumer Goods

1. Any increase in the price of any basic consumer goods is prohibited without obtaining prior approval from the Ministry, in accordance with item (3) of Article (5) of Cabinet Decision No. (120) of 2022 mentioned above.
2. The competent authorities and the Ministry, as appropriate, shall monitor the price fluctuations of basic consumer goods to ensure the following:
 - a. No increase in the price of any basic consumer goods occurs without obtaining the required approval in accordance with the provisions of Articles (6) and (7) of this Decision.
 - b. Stability or decrease in the selling prices of basic consumer goods to the consumer concerning the subcategories listed in the table attached to this decision.

- c. Absence of any suspicious or misleading practices intended to circumvent the application of the provisions of this decision.
 - d. If a price increase is approved, no further increase for the same good may be approved until at least six months have passed since the approval of the previous increase, unless there are exceptional justifications approved by the Basic Consumer Goods Price Monitoring Team.
- 3. Monitoring the price fluctuations of basic consumer goods shall be through mechanisms approved by the Basic Consumer Goods Price Monitoring Team, in accordance with the nature of the subcategories of basic consumer goods listed in the table attached to this decision, including:
 - a. Studying supplier requests for an increase in the selling price to the retailer for basic consumer goods.
 - b. Studying retailer requests for an increase in the shelf selling price to the consumer for basic consumer goods.
 - c. Setting a maximum price for the basic consumer goods when displayed for sale on the shelf to the consumer by the retailer, according to the subcategories listed in the table attached to this decision.
 - d. Setting a maximum for back margins and front margin profits for basic consumer goods, according to the subcategories listed in the table attached to this decision.

Article 6 Supplier's Obligations and Rights

1. The supplier is prohibited from increasing the selling price to the retailer for any of the basic consumer goods according to the subcategories listed in the table attached to this decision, without prior approval.
2. The supplier, in light of new circumstances that necessitate it, may submit a written request to the administration to request an increase in the selling price to the retailer, supported by data, documents, and justifications, to be studied by the team.
3. The team shall study the request within a period not exceeding thirty (30) days from the date of submission, which can be extended for an additional fifteen (15) days. During this period, the team may request the supplier to provide any additional data or documents or engage a consulting firm at their expense to provide a study on the basic consumer goods concerned with the price increase request.
4. The team shall submit the report on the study of the request and its recommendations to the Minister, who shall refer them to the Supreme Committee for recommendation during an in-person, virtual, or circulation meeting for approval of the submitted request according to item (1) of this article or not.
5. The Minister shall issue his decision based on the recommendation of the Supreme Committee and notify the supplier within a period not exceeding five (5) working days from its issuance.

6. In case of rejection of the request, the supplier may submit a new request after thirty (30) days from the date of rejection, provided that this request includes evidence of new reasons that necessitate reconsideration.

Article 7 Retailer's Obligations and Rights

1. The retailer is prohibited from increasing the shelf selling price to the consumer for any of the basic consumer goods, according to the subcategories listed in the table attached to this decision, without prior approval.
2. The retailer is prohibited from burdening the supplier with any price increases for basic consumer goods that have been approved according to Article (6) of this decision or reflecting that increase on the shelf selling price to the consumer.
3. The retailer is prohibited from increasing back margins or introducing any new margins in the contractual relationship with the supplier concerning basic consumer goods.
4. The retailer is prohibited from pressuring the supplier by any means to obtain net margins in violation of the provisions of this decision.
5. The retailer is prohibited from refusing to deal with or placing restrictions or obstacles on the supplier in supplying basic consumer goods in the state.
6. The retailer is obligated to operate according to reasonable back margins and gross profit margins based on the subcategories of basic consumer goods listed in the table attached to this decision, taking into account consumer rights and fairness in the contractual relationship with the supplier.
7. The retailer, in light of new circumstances that necessitate it, may submit a written request to the administration to request an increase in the shelf selling price to the consumer, supported by data, documents, and justifications, to be studied by the Basic Consumer Goods Price Monitoring Team.
8. The team shall study the request within a period not exceeding thirty (30) days from the date of submission, which can be extended for an additional fifteen (15) days. During this period, the team may request the retailer to provide any additional data or documents or engage a consulting firm at their expense to provide a study on the basic consumer goods concerned with the price increase request.
9. The team shall submit the report on the study of the request and its recommendations to the Minister, who shall refer them to the Supreme Committee for recommendation during an in-person, virtual, or circulation meeting for approval of the submitted request according to item (7) of this article or not.
10. The Minister shall issue his decision based on the recommendation of the Supreme Committee and notify the retailer within a period not exceeding five (5) working days from its issuance.
11. In case of rejection of the request, the retailer may submit a new request after thirty (30) days from the date of rejection, provided that this request includes evidence of new reasons that necessitate reconsideration.

Article 8
Complaints Regarding Violations of Basic Consumer Goods Prices

1. Consumers may file a complaint regarding any actions committed in violation of the provisions of this decision, including an increase in the shelf selling price of basic consumer goods according to the subcategories of goods listed in the table attached to this decision without obtaining prior approval from the Ministry.
2. The supplier may file a complaint about actions committed by the retailer in violation of the provisions of Article (7) of this decision.
3. The retailer may file a complaint about the supplier's increase in the selling price of basic consumer goods, according to the subcategories of goods listed in the table attached to this decision without obtaining prior approval from the ministry.
4. The competent authority shall receive complaints submitted according to items (1), (2), and (3) of this article, and they must include the following information:
 - a. The name, address, status, and date of the complaint of the complainant.
 - b. The name and address of the respondent.
 - c. The name of the category or subcategories of basic consumer goods.
 - d. The subject of the complaint.
 - e. The documents and data on which the complaint is based.
 - f. Any documents or data provided by the complainant related to the subject of the complaint.
5. The competent authority shall verify, study, and decide on the complaint within the period determined according to the nature of the complaint.
6. The competent authority shall notify the complainant of the result of the consideration of their complaint, and a report on these complaints shall be submitted to the ministry.
7. The Ministry may, based on a request from the competent authority or relevant entities or a recommendation from the Supreme Committee, initiate investigation procedures regarding any actions violating the provisions of this decision if there are reasonable grounds and sufficient data indicating actions by the supplier or retailer that conflict with the provisions of this decision.

Article 9
Violations and Administrative Penalties

Administrative penalties determined by a Cabinet Decision shall be applied to anyone who violates the provisions of this decision.

Article 10
Publication and Implementation of the Decision

This decision shall be published in the official gazette and shall come into effect sixty (60) days after its publication.

Abdulla bin Touq Al Marri
Minister of Economy

Issued on 9/12/2024

Table of Subcategories of Basic Consumer Goods¹.

Good Category	Product	Unit Measurement	Source
Dairy	Full fat fresh milk	all weights	Country of origin
	Powder milk	all weights	Country of origin
	Yogourt (Labneh)	all weights	Country of origin
Rice	Basmati rice	all weights	Country of origin
Sugar	Pure white sugar grains	all weights	Country of origin
Chicken	Whole chicken (fresh)	all weights	Country of origin
Wheat	Flour of first and second class	all weights	Country of origin
Legumes	Red lentils (dry and canned)	all weights	Country of origin
	Green lentils (dry and canned)	all weights	Country of origin
	White chickpeas (dry and canned)	all weights	Country of origin
	Kidney Beans (dry and canned)	all weights	Country of origin
	Broad Beans (dry and canned)	all weights	Country of origin
Cooking oil	Sunflower oil	all weights	Country of origin
	Canola oil	all weights	Country of origin
	Corn oil	all weights	Country of origin
Eggs	White eggs (large - medium - small) Brown eggs (large - medium - small) Except organic and free-range eggs	All Units	Country of origin
Bread	Slices of white bread (Bakeries in major outlets are not subject to the decision)	By peace + weight	Country of origin

¹ In addition to any of the sub-products and appropriate units of measurement.