

New price caps for basic foodstuffs in force



Private grocery store in Havana (Source: [Oncuba](#))

They were supposed to go into effect last Monday, but did not. Today, the Cuban government finally [introduced](#) price caps for six basic products. The measure was postponed last week because of the need to continue ongoing consultations with private sector stakeholders, said Lourdes Rodríguez, Cuba's deputy finance minister.

Meetings with representatives of the private sector had been held and by Sunday a total of 50,000 people had taken part, the party newspaper "Granma" [reported](#) on Monday, while also emphasizing that the move was a "temporary measure".

The new maximum prices apply with immediate effect to six products that are in high demand and are sold in private stores. For example, a kilo of chicken meat may not cost more than 680 pesos (approx. 2 USD at the current market rate). A liter of cooking oil (except olive oil) is limited to 990 pesos (approx. 3 USD). The price of powdered milk has been capped at 1675 pesos (approx. 5 USD) per kilogram, pasta at 835 pesos (approx. 3 USD), sausages at 1045 pesos (approx. 3 USD), and washing powder at 630 pesos (approx. 2 USD) per kilogram.

These are the same limits that were discussed last week. However, there was an important change that was apparently not previously part of the measure: commercial imports of the products mentioned are now **exempt from customs duties**. This means that the costs for imports will fall significantly in some cases, which will increase the scope for small and medium-sized enterprises (SMEs) involved in import and trade. A kilogram of chicken meat currently costs around 800 pesos in Havana, so the new upper limits would result in a reduction of 15 percent.

With this step, the government wants to take action against "speculative and abusive prices" and combat inflation. Economists have repeatedly criticized price caps as an instrument because products then disappear from the shelves and are sold more expensively under the table - although this time, unlike in the past, tariff reductions have been introduced at the same time. On the other hand, readers of the state news portal "Cubadebate" have criticized the fact that the upper limits are still too high and that many of the prices mentioned are not affordable for the average consumer. ([Cubaheute](#))