

## **Price Cuts Anger Shopkeepers**

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Small businessmen fear government move on prices will destroy them.

The government, anxious to protect living standards following 23 years of war and four years of drought, has slashed the prices of all goods and set up complaints offices authorised to close down overcharging shops.

Predictably the cuts are bitterly opposed by shopkeepers, who say they cannot make a living on them, and according to Kabul residents many shops are simply ignoring the new prices. Meanwhile, both sides accuse the complaints offices of being ineffective or corrupt, or both.

“If we sell things at the government prices we will make a loss. I have to make profits, not losses,” Mohammad Shafi, a 29-year-old butcher, told IWPR.

The Kabul city government has been controlling prices since the new interim administration headed by President Hamed Karzai took power following the collapse of the hard line Taleban regime, during which prices of staples such as flour, oil and sugar rose sharply, leaving many families close to starvation.

With the introduction of new bank notes last October in an attempt to curb inflation and drive counterfeiters out of business, Karzai set up a seven-member commission drawn from various government departments with orders to review prices every 15 days and ensure there was no profiteering by shops over the currency change.

Their first act was to slash prices of staple products by an average of 20 per cent. Flour came down from 12 to nine afghanis (28 to 21 US cents) a kilo, cooking oil dropped from 45 to 38 a litre, rice was cut from 30 to 25 and sugar from 22 to 17. Under the Taleban, flour was 16 afghanis a kilo, oil was 50 and sugar was 28.

The city government also set up five offices across the city where people can come and complain over overcharging shops. “For a first offence we can close the shop for three days. On a second offence we impose a fine of 100-400 afghanis. If he does it again we take away his license and close his shop for good,” Mohammad Shoib Gran, head of the city’s price control department, told IWPR.

“We haven’t enough price controllers, because we haven’t the funds for more. However, we appeal to all citizens to become controllers and inform us about shopkeepers who are ignoring the new prices.”

Wahidullah, who heads one of the complaints offices, said they had received a steady stream of Kabul residents complaining about overcharging by shops, “After hearing the complaint we send our man along to ensure that the shopper can buy things at the official prices. If the shopkeeper refuses to accept those prices, we call in the police.”

Some shoppers complained that the controllers were doing little or nothing to stop the overcharging. Janat Gul, who was on a shopping trip in the capital from Paghman province, said, “I saw a list of the new prices posted in every shop, but the shopkeepers are ignoring them, charging higher prices, and the controllers are doing nothing. These commissions are complete nonsense, they don’t solve anything.”

Fauzia, 36, who works in the education ministry, agreed, saying she had gone to the local office in the Makroyan district of Kabul to complain about a shop overcharging, “They told me to buy at another shop, and said they had no time to go with me.”

Some shopkeepers, however, accuse the price controllers of extorting money from them after accusing them of selling short measures. “These people have created a lot of problems for me,” Ahmad Zia, who owns a bakery, told IWPR. “Even if the weight of my loaves is according to regulations, they are still taking money from me. They are swallowing all my profits.”

Another baker, who declined to give his name, said the price controllers were taking 200 afghanis a week from him – a significant sum in a country where the average wage is the equivalent of 50 dollars a month. “If I don’t give them money, they threaten to close my shop. Police are taking five loaves a day from me, without paying. Their excuse is they are working for the government,” he said.

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