THE MEASURES ANNOUNCED BY BUKELE DO NOT SOLVE THE HIGH PRICES OF BASIC FOOD PRODUCTS

July 21 statement by the Popular Resistance and Rebellion Bloc (translation by CISPES)

1. Faced with the excessive rise in food prices, the *de facto* president, Nayib Bukele, announced a series of measures that will not help to lower prices and will exacerbate the domestic agricultural crisis.

2. Bukele promised to remove tariffs (import taxes) on staple foods and other basic goods and services to allow them to enter the country cheaply, thereby lowering their prices. However, there are no tariffs on staple foods (such as tortillas, French bread, and sugar) and for others, such as beans, rice, vegetables, fruit, and meat, a certain amount is imported, but they are not subject to tariffs because they are purchased from Central America, the United States, Mexico, and other countries with whom there are free trade agreements that have eliminated tariffs. Taxes have already been removed for many products.

3. The other basic goods and services are housing and essential services (which are not subject to tariffs because they are not imported) and clothing, which are both produced domestically and imported, but the imports are not charged tariffs.

4. Therefore, Bukele's announcement makes no sense and is yet another lie, since you cannot remove tariffs from a product that does not have them. In 2022, Bukele announced the same measures and prices did not go down. Today, vegetables, fruits, and other products are very expensive, but not because of tariffs. It is because the cost of production and transportation in the countries where they are bought have gone up.

5. Bukele also said that he will remove tariffs on 116 food products and added that “we are going to invest in food security which is why the zero tariffs will last for 10 years”. This is absurd because, if this tax is removed, the country will be flooded with imported products, bankrupting domestic producers.

6. Another promise was the creation of privately controlled supply centers. And what benefits would that bring? None, because the country's problem is not the lack of importers and businesses, but the lack of food production and the dependence on expensive imports. As proof, see the following decline in domestic production of some basic foodstuffs in the growing seasons between 2019-2020 and 2022-2023:

    - Rice production dropped 37.5%
    - Bean production dropped 9.3%
    - Corn production dropped 1%
    - Fruit production dropped 35%
    - Vegetable production dropped 14%

7. This collapse in production is due to the fact that the government eliminated five agricultural sector support programs, it no longer offers the school milk program that supported the dairy industry, and credit to the agricultural sector decreased 79% in these years. The population employed in the countryside decreased by 60,000 people between 2019 and 2023.

Bukele's announcement is simply another lie. If he is really interested in solving the problem of rising food prices, he should announce an agricultural development program that increases production and provides agricultural inputs, credits, and technical assistance so that more basic grains, vegetables, fruit, dairy products, and meats are produced throughout the country.

The truth is that these measures respond to the deceptive neoliberal idea that it is cheaper to import than to produce. Bukele is not thinking about domestic producers, much less about the consumer population that suffers every day from the increase in prices. His goal is to favor large importers, which are his business partners and political allies.