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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR ORAL REPLY

QUESTION NO. 205

Mr A M Shaik Emam (NFP) to ask the Minister of Trade, Industry and Competition:

With reference to the top 10 investigations into overpricing in the Republic during the Lockdown to curb the spread of COVID-19, what (a) are the names of the companies that were involved in the specified overpricing? (b) is the status of the specified investigations? [NO1434E]

REPLY

Government recognised that in circumstances where demand globally outstripped supply of critical products to fight Covid, aggravated by the urgency with which consumers needed face masks and sanitisers, unscrupulous entrepreneurs could exploit the situation to make unjustified profits, at enormous harm to communities and citizens.

For this reason, shortly after the President declared a state of disaster, we published a set of regulations and directions addressing overpricing.

The regulations on excessive pricing and price gouging covered a range of goods and services including:

- basic food and consumer items;
- emergency products and services;
- medical and hygiene supplies; and
- cleaning products and services.

A toll-free complaints-line for members of the public was publicised to bring allegations of over-pricing to the attention of regulators.

Between the Competition Commission and the National Consumer Commission, several investigations were pursued. I am advised that investigations by the Competition Commission involving numerous complaints were conducted or are currently underway, involving various over-pricing allegations.

The National Consumer Commission finalised investigations and referred matters to the National Consumer Tribunal, which imposed penalties on 4 companies for over charging consumers.

Following work done by the Competition Commission, the Competition Tribunal imposed fines and other payments on 21 companies over the period, totalling more than R13 million.

There are two contested cases which are subject to further processes at the Competition Tribunal or the Competition Appeal Court, involving the following two companies:

- Dischem, a large pharmacy chain and
- Babelegi Workwear Overall Manufacturers and Industrial Supplies Cc

Examples of companies that had fines imposed, and consent orders confirmed by the Competition Tribunal, include:

- Matus, a supplier of surgical masks operating in different parts of the country, found to have inflated prices of face masks in March 2020. They had to pay a fine of R5.9 million as well as contribute a R5 million donation to the Solidarity Fund.
- Two companies Hennox and Sicuro, suppliers of face masks based in Boksburg, Gauteng. The Competition Commission found that Sicuro and Hennox had increased their prices dramatically between December 2019 and March 2020 without corresponding increases to their costs. Hennox imports face masks while Sicuro purchases face masks from Hennox and on-sells them to customers. The two companies were required to jointly pay a fine of R1.5 million and make a R200 000 donation directly to the Solidarity Fund.
- Other companies which have been fined include:
 - Caprichem
 - Domoney
 - Van Heerden Pharmacy
 - Centrum Pharmacy
 - Weleda Pharmacy
 - Sunset Pharmacy
 - Seaside / Merlot Pharmacies
 - Evergreens Fresh Market
 - Belkem Pharmacy
 - Manhattan Cosmetics

Further information on these may be found on the website of both the Competition Commission (<http://www.compcom.co.za/2020-media-releases/>) and the Competition Tribunal (<https://www.comptrib.co.za/info-library/case-press-releases>).

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