**MEDIA STATEMENT**

**TRADE AND INDUSTRY COMMITTEE BRIEFED ON PRICE GOUGING ON ESSENTIAL ITEMS**

**Parliament, Tuesday, 19 May 2020**– The Portfolio Committee on Trade and Industry today heard that the Competition Commission has, since the beginning of the national disaster declared on 17 March 2020, received a total of 1 354 complaints and tip offs from the public regarding inflated prices.

The committee was told that these complaints concern allegations that retailers, traders, suppliers and pharmacies are charging excessive prices for Covid-19-related products, including masks and sanitisers, personal protective equipment (PPE) and other essential goods and basic food items. The complaints have been investigated in terms of Section 8 of the Competition Act, which prohibits excessive pricing.

Some of the complaints relate to price increases of 1 000%. In two instances, firms pleaded guilty and agreed to pay a fine after the matter was handed over to the Competition Tribunal.

Covid-19-related pricing investigations by the tribunal have so far led to 13 settlements through consent orders. The total value of the settlements is R12 854 694. Special Tribunal Rules for Covid-19 price-gouging matters to be heard on an expedited basis were also published.

The committee heard that government regulations relating to the national disaster prohibit dominant suppliers from charging excessive prices for certain specified goods and services – mainly basic food and consumer items, medical and hygiene supplies, and other emergency products and services.

The Block Exemption regulations exempt categories of anticompetitive agreements or practices in some industries from applying Sections 4 and 5 of the Competition Act. The Commission said that authorities should be on high alert as the economy opens up, as some companies, such as airlines, may be planning to increase prices by up to 50%.

Regarding the National Consumer Commission (NCC), the committee heard that from 23 March to 12 May 2020, the NCC received 2 900 calls on its Covid-19 toll-free hotline. A total of 2 533 (87,3%) calls were answered and 367 (12,7%) were lost/abandoned. Of the 2 533 complaints received to date, 1 618 complaints alleged price gouging relating to regulated essential products. The remaining 915 complaints were not related to the regulation. These complainants were referred to the relevant platforms.

Committee Chairperson Mr Duma Nkosi, said: “The committee will continue to engage with all its entities and the department in order to monitor their work, progress and support provided to South Africans, especially during the national disaster period.”

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON TRADE AND INDUSTRY, MR DUMA NKOSI.**