**MEDIA STATEMENT**

**COMMITTEE URGES DEPARTMENT TO ACCELERATE COVID-19-RELATED PRICE ABUSE INVESTIGATIONS**

**Parliament, Tuesday, 20 October 2020**– The Portfolio Committee on Trade and Industry heard today about the high volume of complaints that the Department of Trade and Industry received within a period of three months during the lockdown on the inflation and abuse of prices on a variety of products that include food, fresh produce and products that are used to curb the spread of Covid-19.

Briefing the committee, the Department of Trade and Industry’s Deputy Director-General, Dr Molefe Pule, told the committee that the department received a total of 1 700 complaints within a period of three months this year, a figure he said the department never received before even in a year. He said the higher percentage of complaints that related to prices on masks and food items came from Gauteng, followed by KwaZulu-Natal and the Western Cape.

Updating the committee, the Commission Tribunal, Commissioner Mondo Mazwai, told the committee about how markets functioned just before and within the lockdown level 5. She mentioned a range of factors that led to price hikes, factors she said included the depreciation of the rand, high demand and limited importation of the products.

Commissioner Mazwai said the Tribunal doesn’t consider an allegation of price inflation or abuse by a micro enterprise whose turnover is less that a threshold of R5 million in a year, and based on that principle, they don’t consider complaints about enterprises who fall in that category. She told the committee that they penalised Gauteng’s Babelegi Workwear and Industrial Supplies for a fine of R76 040 for inflating prices, and penalised Dis-Chem Pharmacies also for inflating prices for a fine of R1.2 million. The committee said the penalty should be felt by the taxpayer in the form of the reduction of the price of the product for some time.

The committee expressed a concern on the delay of the conclusion of the investigations. Commissioner Mazwai said that cases differ, some are simple and all the required evidence is available, and some are complex with complex legal and economic evidence. She told the committee that the turnaround time for each investigation is determined by the Act.

On update on the implementation of the new Competition Amendment Act, the committee heard that the mandate of the new Act is broad and that expansion has financial implications as a result of the appointment of additional new senior managers. The committee highlighted its displeasure about that at a time of the call for cost-cutting.

In welcoming the updates and thanking the committee for them, the Chairperson of the committee, Mr Duma Nkosi, appreciated the department and the commissioners and urged them to continue their appearance before the committee to update it at regular times.

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