

Companies fined for Covid-19 price gouging

The Competition Tribunal has been clamping down on companies that have been hiking prices of sanitisers and masks since the Covid-19 outbreak.



Photo by Anna Shvets from [Pexels](#)

On Friday, the Tribunal said it had confirmed two consent agreements relating to Covid-19 exorbitant pricing complaints, bringing the total to 20 since April.

“All of these agreements relate to the alleged excessive pricing of goods, such as sanitisers and face masks, used by consumers in the context of the Covid-19 pandemic,” the Tribunal said.

After investigating complaints from the public, the Tribunal found a Bloemfontein-based company, Vasilis Supermarket T/A Vasilis Cleaning Supplies, has contravened the Competition Act.

The store sells products online for nationwide distribution and does not manufacture its products but sources these locally and internationally, the Tribunal said.

The Tribunal received information about the alleged excessive prices charged by Vasilis for different types of surgical

gloves, surgical masks and dust masks.



Competition Tribunal fines more mask producers

3 Jun 2020



“The Commission concluded that Vasili’s conduct of significantly escalating margins on surgical gloves and face masks without any corresponding increases in costs during the period February to April 2020, is a contravention of section 8(1) (a) of the Competition Act read together with Regulation 4 of the Consumer Protection Regulations,” the statement said.

Vasilis does not admit that its conduct constitutes a contravention of the Competition Act.

However, they have agreed to desist from pricing excessively by reducing its gross profit margins applicable to the sale of surgical gloves and facemasks to an agreed maximum percentage with immediate effect for the duration of the State of National Disaster.

The company says it will also donate essential goods amounting to R243,148.70 to three charities, Mangaung Society for Care of the Aged, Boiketlong Old Age Home and the Hearts2Hand Foundation.

The company will also contribute R44,128.51 to the Solidarity Fund and develop and implement a competition law compliance programme.



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Bobedi Seleke 24 Apr 2020



Meanwhile, Sanitech, a division of Waco Africa, has also been accused of inflating prices.

Sanitech is a supplier of sanitation facilities and offers professional washroom hygiene services through several branches nationwide.

“The Commission accuses the company of charging excessive prices for five-litre hand sanitisers during March and April 2020,” the Tribunal said.

In addition, while the company does not admit to any wrongdoing, Sanitech agrees to resolve the complaint through several remedies set out in the consent agreement.

Sanitech has also agreed to donate R65,028 to the Solidarity Fund; stop the excessive pricing; reduce its gross profit margin on hand sanitisers for the duration of the State of National Disaster.

They will also develop and implement a competition law compliance programme.