

Agreements reached on Covid-19 excessive pricing

The Competition Tribunal has confirmed three consent agreements relating to Covid-19 excessive pricing complaints.



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The Commission concluded the consent agreements with the firms after receiving and investigating complaints from the public.

The level of cooperation by the firm in question with the competition authorities as well as how timely a firm settles a complaint against it are some of the factors considered by the Tribunal in consent agreements.

“In these three matters there was such cooperation as well as timely conclusion of the consent agreements by all three firms,” said the Tribunal in a statement on Thursday.

Sanitiser supplies

The first of the three cases involves Green Hygiene, a company that distributes and supplies washroom dispensers and associated consumables to the away-from-home market.

The company supplies shopping centres, airports and restaurants, among others.

The agreement was reached after the Competition Commission received a complaint on 30 March 2020 relating to the company's inflation on the price of 700ml Betasan auto spray sanitiser dispensers.

"Following an investigation, the Commission found that Green Hygiene's mark-up on Betasan auto spray hand sanitiser dispensers during March 2020 contravened section 8(1)(a) of the Competition Act (the Act) read with Regulation 4 of Consumer Protection Regulations (the Regulations)," said the Tribunal.

In terms of the consent agreement, Green Hygiene has agreed to contribute R8,079 to the Solidarity Fund.

The company has also undertaken to, among others, immediately cease excessive pricing conduct as described in the agreement; reduce its gross profit margin on facemasks to an agreed maximum percentage for the duration of the state of national disaster; and implement a competition law compliance programme.

Facemasks and fines

Meanwhile, the Commission investigated Eldopark Pharmacy, a community pharmacy in Centurion, for alleged excessive pricing of three types of facemasks.

These are 3-ply loop surgical masks; 3-ply KN90 grade surgical masks and FFP1 masks, during the state of national disaster and found that its mark-ups on these products were unreasonably high.

The pharmacy admitted that its mark-ups for all three types of masks during March and April 2020 contravened section 8(1) (a) of the Act read with Regulation 4 of the Regulations.

In terms of the agreement, Eldopark Pharmacy has also agreed to, among others: donate R5,500 to the Solidarity Fund; immediately stop the pricing conduct as described in the agreement; immediately reduce its gross profit margin on facemasks to an agreed maximum percentage; and implement a competition law compliance programme.

On 2 April 2020, the Commission received a complaint against Mica Barberton, a hardware retail store in Mpumalanga, for the alleged inflated pricing of facemasks (FFP2 NR masks) in March 2020.

The Commission, after investigation, found that Mica Barberton's price increases in March 2020 contravened section 8(1) (a) of the Act read with Regulation 4 of the Regulations.

"In terms of the consent agreement, Mica agrees to donate R10,000 to the Solidarity Fund. It also agrees to immediately desist from the pricing conduct as described in the agreement; immediately reduce its gross profit margin on face masks to an agreed maximum percentage for the duration of the state of national disaster; and implement a competition law compliance programme," said the Tribunal.