



CORONAVIRUS LOCKDOWN: REGULATIONS ON PRICE INCREASE PROTECTION FACT SHEET

South Africans are protected against excessive pricing.

- The regulations protect consumers from unfair price increases of goods and services during the COVID-19 disaster period.
- It also covers any unreasonable, unjust or improper commercial practices during this time.
- It applies to basic food and consumer items; emergency products and services, medical and hygiene supplies, and emergency clean-up products and services.
- It specifies products such as: Toilet Paper; Hand Sanitiser; Facial Masks; Disinfectants Cleaners; Surgical gloves; Surgical masks; Baby Formula; Disposable Nappies; Cooking Oils; Wheat Flour; Rice; Maize meal; Long-life Milk and Canned and Frozen Vegetables.
- Members of the public are urged to contact the Competition Commission on ccsa@compcom.co.za for more information or to report excessive pricing.

Firms found guilty of excessive pricing will be held to account.

- A price increase is prohibited when it does not correspond to the increase in the cost of providing that good or service.
- Companies may not increase their net margin above the average margin recorded in the three month period prior to 1 March 2020.
- Companies found to be in contravention of the regulations will be liable for penalties as provided for in the Competition Act.
- In terms of the regulations, a firm which contravenes the regulations could have the following penalties imposed:
 - A fine of up to R1 000 000;
 - A fine of up to 10% of a firm's turnover; and
 - Imprisonment for a period not exceeding 12 months.

The regulations promote a continuous and equitable supply of goods.

- Suppliers need to maintain adequate stocks of basic foods, emergency products, hygiene supplies and emergency clean-up products.
- The regulations compel a supplier to implement reasonable measures to ensure the equitable distribution to consumers.
- These measures may include limiting the number of items, which a consumer may purchase.
- A wholesaler must also take all reasonable steps to ensure that purchases by customers adhere to the regulations.
- To ensure a continuous supply, certain essential goods are not allowed to be exported except through an export permit issued.