



competition commission
south africa

**PRESS RELEASE
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COMPETITION TRIBUNAL CONFIRMS ORDER AGAINST CAPRICHEM FOR PRICE GOUGING

The Competition Commission (Commission) welcomes the decision of the Competition Tribunal on 06 July 2020, that confirms as an order the settlement agreement between the Commission and Cape Town based company, Caprichem (Pty) Ltd (Caprichem).

In terms of the settlement agreement, Caprichem has agreed to pay a settlement amount, comprising of an administrative penalty and contribution to the Solidarity Fund totalling R600 000.00 for allegedly charging excessive prices in breach of Consumer protection regulations. Caprichem will pay an administrative penalty of R500 000.00, and a contribution of R100 000,00 to the Solidarity Fund.

Caprichem has agreed to reduce its gross profit margin on 5L hand sanitizers for the duration of the state of the national disaster.

The settlement follows the Commission's complaint referral against Caprichem for excessive pricing of 5L hand sanitizer to the detriment of customers and consumers. The investigation had revealed that Caprichem had excessively increased its gross profit margin by as much as 91% and its net profit margins by as much as 1918% on such products.

To date, the Commission has referred and settled 25 COVID-19 related cases to the total value of R14 052 552.21 of which R5 564 649.51 has been donated to the Solidarity Fund. Donations of essential goods to the total value of R508 360.70. The Commission has encouraged firms to reach settlements in order to speed up the processing of excessive pricing cases. In most settlements, firms had undertaken to correct prices/margins and make a donation to a public interest organisation or the Solidarity Fund.

[ENDS]

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