



competition commission
south africa

Media Statement

For Immediate Release

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**COMPETITION TRIBUNAL FINDS DISCHEM GUILTY OF INFLATING MASK PRICES DURING
COVID-19 DISASTER**

The Competition Commission (Commission) welcomes the decision of the Competition Tribunal (Tribunal) for finding Dis-Chem Pharmacies Limited (Dis-Chem), a national wholesale distributor and retailer of pharmaceutical products, guilty of excessive pricing of surgical face masks during the state of national disaster as declared by President Cyril Ramaphosa.

The Tribunal has ordered Dis-Chem to pay an administrative penalty of R1 200 000 (one million two hundred thousand rand).

This follows an investigation by the Commission which found that that Dis-Chem has charged excessive prices on essential hygienic goods to the detriment of customers and consumers, in contravention of Section 8(1)(a) of the Competition Act read together with Regulation 4 of the Consumer Protection Regulations.

These essential items are surgical face masks blue 50PC, surgical face masks 5PC and surgical face masks folio dress blue. From at least 28 March 2020, the Commission received several complaints from the public against several retail stores owned by Dis-Chem for engaging in excessive pricing of face masks, specifically dusk and surgical masks.

The Commission's investigation established that prior to the declaration of a national state of disaster, Dis-Chem was selling the three types of masks, namely, surgical face masks blue 50PC, surgical face masks 5PC and surgical face masks folio dress blue at far lower prices.

For surgical face mask blue 50PC, the average price was inflated from R43.47 (excl VAT) per unit (50 masks) in February 2020 to R156.95 (excl VAT) per unit (50 masks) in March 2020, a price increase of 261%.

The surgical face masks 5PC, the average price increased from R13.27 (excl VAT) per unit (5 masks) in February 2020 to R19.03 (excl VAT) per mask (1 mask) in March 2020, a price increase of 43%. Dis-Chem's surgical face masks folio dress blue prices increased by 25% while costs declined by 0.1%.

"This judgment reaffirms our work as the Commission on price gouging. It sends a strong message that the Commission will spare no efforts to protect the South African consumers against abusive pricing behaviour by firms whether small or large," says Competition Commissioner Tembinkosi Bonakele.

[ENDS]

Issued by:

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