



**competition commission**  
*south africa*

**Media Statement**

**For Immediate Release**

**21 August 2020**

**COMMISSION WELCOMES WITHDRAWAL OF APPEAL BY DISCHEM**

The Competition Commission (Commission) welcomes the withdrawal of the appeal lodged by Dis-Chem Pharmacies Limited (Dis-Chem) after being found guilty by the Competition Tribunal (Tribunal) on 7 July 2020 during the state of national disaster.

On Thursday, 21 August 2020 Dis-Chem filed a notice of withdrawal to appeal at the Competition Appeals Court.

“I am pleased that Dis-Chem has made this decision. The price increases that occurred during the state of national disaster were regrettable. We believe that the Tribunal made a right call by condemning the conduct. We have been consistent in arguing that price gouging in a pandemic deprives consumers, particularly poor consumers, of access to essential goods that are necessary to prevent a further escalation of the pandemic,” says Competition Commissioner Tembinkosi Bonakele.

In its investigation, the Commission 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%.

**[ENDS]**

**Issued by:**

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