



competition commission
south africa

Media Release

For Immediate Release

23 December 2021

BIG THREE PRIVATE PATHOLOGY GROUPS AGREE TO ANOTHER PRICE REDUCTION

The Competition Commission and South Africa's three largest private pathology groups, Pathcare, Lancet and Ampath, have agreed to the price reduction of Covid-19 Rapid Antigen tests to no more than R150 inclusive of VAT with immediate effect. The price reduction shall remain in effect for a period of two years from the date of confirmation of the consent agreements as orders of the Competition Tribunal.

The three laboratories have also undertaken to submit to the Commission, a compliance report that will include financial statements every three months, to monitor prices charged for Covid-19 Rapid Antigen tests and any material changes in costs.

This is a second successive price reduction settlement the Commission has concluded with the three private laboratory groups in less than 14 days.

The Commission is currently pursuing an investigation against Dis-Chem. In its investigation, the Commission found that one of the biggest retailers, Clicks, at present, does not appear to conduct Rapid Antigen testing, so no investigation against Clicks will be pursued at this stage.

The Commission's investigation follows a complaint lodged by the Department of Health (DOH), on 14 December 2021, against service providers delivering Covid-19 Rapid Antigen tests in South Africa to consumers. DOH's complaint is a culmination of the Commission's extensive consultations and engagements with relevant stakeholders in the healthcare sector regarding the pricing of Covid-19 PCR tests, and the successful investigation of the high price of PCR tests. It was during the PCR test investigation (which was concluded by consent orders with Pathcare, Lancet and Ampath, which reduced the price of PCR tests to R500 inclusive of VAT) that the Commission became aware that similar concerns may exist in relation to Covid-19 Rapid Antigen tests.

DOH's complaint alleges that private laboratories and retail distributors have historically charged around R350 for a rapid antigen test, reducing recently to around R250 in November and December 2021. The

DOH alleges that the National Health Laboratory Services (NHLS) charges R150 and that a test kit costs R50 through UNICEF, and therefore prices above R150 could be excessive. The respondents identified for purposes of this investigation included the three major pathology groups, Ampath, Pathcare and Lancet, as well as retail distributors such as Dis-Chem and Clicks.

The Commission therefore decided to pursue an investigation, on an expedited basis, to determine whether the pricing of Covid-19 Rapid Antigen tests may amount to an excessive price in contravention of section 8(1)(a) of the Competition Act read with paragraph 4 of the Regulations.

Following an investigation, the Commission found that *prima facie* that Pathcare, Lancet and Ampath may have engaged in a contravention of section 8(1)(a) of the Act. Unlike a PCR test, a Covid-19 Rapid Antigen test is relatively simple insofar as the test can be administered by a nurse and the result rapidly generated.

“This is yet another major victory for South Africans, particularly the vulnerable groups during the time of a devastating and resilient pandemic. The reduction of Covid-19 Rapid Antigen test prices will help alleviate the plight of consumers and widen accessibility and affordability of Covid-19 Rapid Antigen testing, which is a critical part of the initiatives to avoid the escalation of the pandemic. The Commission will continue with its investigation on supply and delivery of Covid-19 Rapid Antigen tests. We will not hesitate to apply for maximum administrative penalties against companies found guilty of exploiting consumers and customers,” warns Competition Commissioner, Tembinkosi Bonakele.

[ENDS]

Issued by:

Siyabulela Makunga, Spokesperson

On behalf of: The Competition Commission of South Africa

Tel: 012 394 3493 / 067 421 9883/(WhatsApp No: 072 768 0238)

Email: SiyabulelaM@compcom.co.za

Find us on the following social media platforms:

Twitter: @CompComSA

Instagram: Competition Commission SA

Facebook, LinkedIn and YouTube: The Competition Commission South Africa