

NCC warns against inflated prices for essential goods

The National Consumer Commission (NCC) has sent a strong message discouraging suppliers from inflating prices of essential items amid the unrest that engulfed the country the past few days.



Source: Getty

According to the NCC, these are the goods listed under Consumer and Customer Protection and National Disaster Management Regulations and Directions, issued in terms of Regulation 350 of Government Notice 43116.

This comes after reports of possible food shortages in both KwaZulu-Natal and Gauteng provinces following the looting of stores and damage to infrastructure.

Profiteering off national disaster

“Regulation 350 read with sections 40 and 48 was gazetted by government to prevent suppliers from profiteering during the period of the National Disaster. This was done to protect consumers against unfair, unreasonable, or unjust pricing,” the NCC explained.

In terms of Regulation 350, the NCC said government intends to promote concerted conduct to prevent an escalation of the national state of disaster. It also aims to alleviate, contain and minimise the effects of the national state of disaster and protect consumers and customers from unconscionable, unfair, unreasonable, unjust, or improper commercial practices

during the national disaster.

“With this said, it is unreasonable and unfair for suppliers of goods to take advantage of this state of national disaster by unfairly increasing the prices of goods without any economic justification to do so.”



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Acting Consumer Commissioner, Thezi Mabuza, said both sections 40 and 48 of the Consumer Protection Act (CPA) make it prohibited conduct for a supplier to increase their prices unconscionably.

“Section 48 states that a supplier must not offer to supply or enter into an agreement to supply goods and services at a price that is unfair or unconscionable. Unfair, unreasonable, or unjust pricing is when a supplier increases prices of goods or services that do not correspond to or not equivalent to the increase of providing that service or good,” she said.

Product categories

She said the goods and services in question are those which relate to basic food and consumer items, emergency products and services, medical and hygiene supplies as well as emergency clean-up products and services.

Some of these items include toilet paper, all-purpose cleaners, baby formula, disposable nappies, bleach, cooking oil, wheat flour, rice, maize meal, pasta, sugar, long-life milk, canned and frozen vegetable and canned, frozen and fresh meat, chicken or fish.



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The regulator said a supplier or person contravening these regulations could be fined up to R1m, up to 10% of a firm's annual turnover, or imprisonment for a period not exceeding 12 months.

Consumers are encouraged to monitor the market and report any suspicious unfair price increases of these goods and services.

“The NCC will continue with its efforts of implementing the provisions of the CPA by reducing and ameliorating any disadvantages experienced in accessing any supply of goods or services by a consumer,” she added.

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