

Two major suppliers of face masks charged for price gouging

The Competition Commission has referred two major suppliers to the Competition Tribunal for prosecution for allegedly charging excessive prices on face masks.



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Sicuro Safety CC (Sicuro) and Hennox 638 CC t/a Hennox Supplies (Hennox) have been charged with the contravention of section 8(1)(a) the Competition Act, read with Regulation 4 of the Consumer Protection Regulations.

This follows the Commission's investigation which found that the two firms' prices for the Filtering Face Piece 1 (FFP1) mask increased astronomically by more than 969.07% and 956%, as charged by Sicuro and Hennox, respectively. The firms have not furnished the Commission with any reasonable explanation for such excessive price increases.

The two cases follow the Commission's earlier prosecutions in respect of excessive prices charged for face masks against Babelegi Workwear and Industrial Supplies CC (Babelegi) and Dis-Chem Pharmacies Ltd (Dis-Chem). In Babelegi a price increase of 1241% was levied, while in Dis-Chem the price increase for face masks increased by as much as 317%.

The Commission contends that Sicuro's and Hennox's pricing was a direct reaction to the Covid-19 pandemic and its

unprecedented impact on the world in general and South Africa in particular.

In order to address this concern, the Commission has asked the Tribunal to issue an interdict prohibiting the firms from continuing with any excessive pricing conduct, together with such pricing order as may be necessary to remedy this conduct.

The Commission has also asked the Tribunal to impose a maximum penalty.

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