

Gauteng suppliers warned against price gouging

The Gauteng Department of Economic Development has warned suppliers not to inflate the prices of essential items listed under the Consumer and Customer Protection and National Disaster Management Regulations and Directions. These are items issued in terms of Regulation 350 of Government Notice 43116 (Regulation 350).



Source: Getty

The warning comes after reports of possible food shortages had emerged in Gauteng following recent public unrest.

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 and unjust pricing.

“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,” the department said in a statement.



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The chief director: consumer affairs and business compliance, Adv. Fati Manamela, says 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, supply or enter into an agreement to supply goods and services at a price that is unfair or unconscionable.

“Unfair, unreasonable or unjust pricing (price gouging) is when a supplier increases the prices of goods or services that do not correspond to or not equivalent to the increase of providing that service or good,” Manamela said.

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

Fine or imprisonment>

A supplier or person contravening these regulations could be fined up to R1m, a fine of 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 Gauteng Office of Consumer Affairs 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 consumers,” Manamela said.

Consumers in Gauteng are encouraged to report instances of what they view as unreasonable price hikes to the Gauteng Office of Consumer Affairs on the email address: consumer@gauteng.gov.za for processing and referral to the Competition Commission and the National Consumer Commission.

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