

New regulations to curb stockpiling, price hikes released

Government has imposed regulations that will limit unjustified price hikes and product stockpiling, to protect consumers, as the number of Covid-19 pandemic cases rise to 150.



The regulations, announced by Trade, Industry and Competition Minister Ebrahim Patel during a press briefing on Thursday, deal with pricing matters during the national disaster.

“We are doing this to ensure that we don’t have unjustified price hikes or stockpiling of goods. We are doing this to protect consumers and ensure fairness and social solidarity during this period,” said Patel.

On Thursday, government issued directives under the Disaster Management Act and Regulations under both the Competition Act and Consumer Protection Act.

According to the regulations, prices may not exceed the increase in the cost of the raw material. The profit levels, he added, should not be hiked higher than in the period just before the period of the Covid-19.

“The regulations will cover the full supply chain and will limit price increases of suppliers,” Patel said.

Regarding stockpiling, all retailers will be required to take steps to curb this while ensuring stock availability, including on weekends and month-end. Should companies fail to comply, government may have to set limit prices on certain products.

In the same vein, a breach in the regulations may see the concerned party heavily penalised. These ranged from R1 million fines, 10% of a company's turnover and jail sentences of a year.



Covid-19: SA supermarkets appeal to shoppers to quit panic buying

Lauren Hartzenberg 19 Mar 2020



Patel said these interventions come after government became cognisant of the effect the virus may have on the economy and the Gross Domestic Product.

Government is working with retailers and large food producers to ensure that the food chain – from farm, to manufacturers, to the shops – remains strong and basic foods are available to the public.

“Factories have reported that their production is stable and farms have promised a bumper maize crop this year,” he said.

Government had noted a spike in stockpiling over the past weekend but this has tapered off in recent days.

“At the same time, there is anecdotal evidence in price hikes in areas such as facemasks and hand sanitisers. We are appreciative of the fact that the majority of South Africans have not rushed to shops and have remained calm.”

All major retailers, the Minister said, have since put limits on the most basic products, saying this has helped reduce panic buying.

“There’s also been excellent cooperation from the private retailers with government. They have committed to help us ensure that there are no unjustified price increases in this period.”

The retail groups include Shoprite, Checkers, Pick n Pay, Woolworths, Spar, Game, Dion, Makro, Clicks and Dischem.

Price-controlled products

According to Business Insider South Africa, the list of items that are being price-controlled include the following:

- Toilet paper
- Hand sanitiser
- Face masks
- Disinfectant cleaners
- Surgical gloves
- Surgical masks
- Disinfectant wipes
- Antiseptic liquids
- All-purpose cleaners
- Baby formula
- Disposable nappies
- Bleach
- Cooking oils
- Wheat flour
- Rice
- Maize meal
- Pasta
- Sugar

- Long-life milk
- Canned and frozen vegetables
- Canned, frozen, and fresh meat, chicken, and fish
- Bottled water

For more, visit: <https://www.bizcommunity.com>