# 11<sup>th</sup> Annual African Consumer Protection Dailogue

**Virtual Conference** 

13<sup>th</sup> - 14<sup>th</sup> October 2020



#### Disaster Management in Eswatini – Response to COVID-19

- Disaster Management Act, 2016 gives powers to the Deputy Prime Minister (DPM) to declare state of emergency and disaster, and issuance of Regulations for the mitigation.
- DPM issued Regulations Coronavirus (COVID-19) Regulations, 2020:
  - Excessive and unfair pricing
  - Misleading conduct in general
  - Stock control
  - Offenses liable, on conviction, to E500000.00 fine.



### COVID- 19 Regulations on product recall

- The Competition Act, 2007 instrumental, Regulations are silent;
- The Act Provides for functions of the Commission relative to Recall:
  - provide information for the guidance of consumers regarding their rights under this Act;
  - co-operate with and assist any association or body of persons to develop and promote the observance of the standards of conduct for the purpose of ensuring compliance with the provisions of this Act;
  - do all such acts and things as are necessary, incidental or conducive to the better carrying out of its functions under this Act.
- Collaborations:
  - Ministry of Health
  - Municipalities Issuance of Condemnation orders



#### Recent Product recalls

• 330m Grape juice cans, manufactured by Pionner Foods in South Africa, suspected to contain glass shard.





#### Recent Product recalls

• Canned Pilchards, with manufacturing deficiencies which lead to defective products





- COVID-19 Regulations relevant:
- Regulations 17 20
  - Excessive/ unfair price
    - Direct increase as a result of unfair conduct
    - Detrimental to consumers
    - Does not correspond to increase in costs
    - Increase not relative to average mark-up of goods
  - unfair conduct
    - Offer unfair price to consumers
    - Unfair marketing tactics



- Enforcement based on criminal procedure:
  - Stakeholders
    - Police officers
    - Director of Public prosecutions Prosecute alleged contraventions
    - Judiciary (magistrates Court) Search warrant court orders
  - Process
    - Induction of stakeholders
    - Complaints investigations lead by Police
    - Evidence collection Court orders
      - Supplier invoices
      - Proof of purchase
      - History of prices (mark-up and percentage price increase)
    - Analysis
    - Hand-over DPP



- Major commodities (complaints received)
  - Eggs
  - Rice
  - Milk
  - Fresh garlic and ginger
  - Mealie-meal
- Other complaint
  - Refusal to return clothes
  - Tying and bundling
  - Unfair restrictions on supply



- Findings:
  - Criminal process lengthy and involves too many stakeholders;
  - Price increase of commodities up by average of 4.1% for food and 3.56% for overall commodities since March 2020;
  - As of July 2020 prices began reducing;
  - Supply chain at supplier indicates increase in price due to increased exchange rates.



- Next steps:
  - Amendment of Regulations
  - Make enforcement purely administrative (Competition Act and Fair Trading Act)
  - Continue with inspections to test market.



## Questions and Answers THANK YOU