

Report on the verification of allegation of price gouging of basic commodities by grocers of Dangrina following the recent Dechencholing flood

by

¹Deki Choiden
²Pema²

A. Background

The Competition and Consumer Affairs Authority (CCAA) conducted a two-day inspection on 12 & 14 August, 2024, following the receipt of information on suspected price gouging by business firms in the Dangrina, which had remained cut-off from Thimphu in the wake of the Dechencholing flood on August 10, 2024.

It is necessary to monitor the market prices during such times. Past experience especially during COVID pandemic lockdowns have shown that businesses tend to exploit disruptions in the market for greater profit; which harms consumers whose normal lives are already affected by natural disasters.

B. Surveillance, results & discussion

The CCAA Team inspected 13 grocers in the locality and collected prices of 20 most essential commodities. The average selling prices (ASP) in Dangrina were compared with the average prices collected from five popular grocers located in the Thimphu town (Table I)

Table 1: Average prices of selected goods (Dangrina)

Commodity	Brand & type	ASP in Dangrina (Nu.)	ASP in Thimphu Town (Nu.)	Difference (%)
Rice	Saahi Dinner Tibar (25kg)	1292	1383	-7.04
	Saahi Dinner Tibar (26kg)	1385	1375	0.72
	Real Bhoj (26kg)	1323	1367	-3.33
	Raj Bhog (25kg)	1300	1321	-1.62
	Ranjeet (26kg)	1170	1170	0.00
	Shahi Dinner Dubar (26kg)	1210	1210	0.00
Sugar	Yarana	48	48	0.00
	Krishna Gold	53	50	5.66
	DB Brothers	50	N. A	
	Happy Cystal	50	N.A	
Milk	Go Milk (1L)	74	75	-1.35
	Nutrilife Milk (1L)	74	75	-1.35
Edible Oil	Bengal (3500ml)	386	385	0.26
	Bengal (1500ml)	195	170	12.82
	Saffola (5l)	850	967	-13.76
	First choice (3500ml)	378	365	3.44
	First choice (1500ml)	185	150	18.92
	First Choice (1400ml)	180	170	5.56
	Dalda (1kg)	118	111	5.93
Egg	Egg (1Tray)	308	312	-1.30

¹ Assistant Inspector, Consumer Protection & Competition Enforcement Division, CCAA

² Assistant Inspector, Consumer Protection & Competition Enforcement Division, CCAA

There results varied in that prices were up and down depending on the commodity. However, there was no consistent patterns of higher prices indicate of price exploitation by grocers in Dangrina. However, most grocers in Dangrina did not adequately display prices of goods and were directed to prominently display prices of all goods in the future for the benefit of consumers.

C. Conclusion

Exploitation by unethical businesses are common phenomena during natural disasters when supply of goods is disrupted due to breakage in the supply chain. It is therefore imperative to surveil prices and take actions as per existing consumer protection laws during such times.