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NRCS improves turnaround times for LOA's processing

The National Regulator for Compulsory Specifications (NRCS) has improved its turnaround times for processing letters of authority, but still has a significant backlog to address, CEO Edward Mamadise told members of the Portfolio Committee on Trade and Industry in parliament recently.

Letters of authority are required by importers before their goods can be released by customs. NRCS approval ensures products and imported goods meet the required specifications.

The backlog and delay in issuing these letters of authority has been a cause of major frustration by commerce and industry, particularly as they have to bear the cost of storage until the imported goods are removed from customs warehouses.

Madamise noted in a presentation to Parliament's trade and industry portfolio committee that in 2016-17 only 37% of applications were processed within 120 days, which is the set turnaround time. In 2017-18, this had doubled with the NRCS processing 74% of applications within 120 days.

"By June 5, there were no applications [of longer than] 120 days," Madamise said.

However, a total of 5,236 applications were carried over from the 2017-18 financial year when there were a total of 16,034 applications to deal with. Of these, 2,907 were carried over from the previous year.

The regulator has adopted a risk-based approach to dealing with applications for letters of authority and will be separating the goods into low, medium and high risk and thereafter being processed accordingly.

"The impact of the risk-based approach on approvals is that in the case of low-risk applications we will be able to process those applications more quickly. It also increases the output of our inspectors in terms of the targets they have to reach," CEO said.

The normal target per inspector is six applications a day, but with the implementation of the risk-based approach, this target has been increased to about 12 applications a day.

A further step in the implementation of the policy is the identification of applications that have a certificate from a conformity assessment scheme for electro-technical equipment and components. Applications accompanied by such a certificate will be processed more quickly as the NRCS will know the products have been tested according to its standards. They will be treated as low risk. At the end of May, 600 applications had these certificates.

Other bottlenecks in the approval process had also been addressed, Madamise said.

We have also embarked on an IT modernisation project with a view to automating its processes. This was not moving at the pace anticipated, Madamise said, due to capacity challenges in the department.

The department's director-general Lionel October said the NRCS would be prioritising the electro-technical area, as well as processed food, which is a new responsibility. Additional inspectors would be appointed, with 19 already having been approved for food products.

Quality standards are key to global trade - Davies

The South African government recognises the increasingly instrumental role that quality standards play in international trade, hence its focus on strengthening the country's technical support institutions, says Trade and Industry Minister Rob Davies.

Speaking at the World Accreditation Day celebrations in Pretoria, he said South Africa could not afford to be found wanting in regards to standards.

The event also marked the opening of the new offices of the South African National Accreditation System (Sanas) in Equestria, east of Pretoria. World Accreditation Day is celebrated globally on June 9 every year with the aim of raising awareness of the importance of accreditation. This year's theme is delivering a safer world.

"Since we launched the industrial policy action plan (IPAP) nearly a decade ago, we have deliberately and with strategic foresight tried to foreground the work of technical infrastructure institutions," Davies said.

"This is due to the fact that in a variety of ways standards and adherence to standards, the ability to write your own standards, and the ability to implement quality assurance measures have increasingly become critical elements of international trade."

As an important player in global trade South Africa could not afford to be found wanting in regards to standards, as there was an increasing demand in the international market for high standards.

"If we cannot write our own standards and establish testing facilities that enable us to demonstrate that our products meet certain standards, we will become prey to other people's institutions, rules, and agendas. We need to be very much aware that the issues of standards are used as a non-tariff barrier, a way of keeping products out of other markets," Davies said.

South Africa's four technical support bodies - Sanas, National Regulator for Compulsory Specifications (NRCS), South African Bureau of Standards (SABS), and National Metrology Institute of South Africa (NMISA) - had a critical role to play in ensuring that the country met high quality international standards.

"The important role played by these four institutions is to lock in South African products into exports markets and to lock out unsafe products which are harmful to our people and create unfair competition to local manufacturers and producers who work hard to meet our standards," Davies said.

South Africa was facing a challenge of imported products coming into the country not meeting the local standards and competing with locally-produced products in price but not in quality.

"We need to up our game in dealing with these sub-standard products, as some of them cause harm to our people, such as the paraffin stoves," Davies said.



Joburg EMS to conduct Winter Fire Safety Campaigns focusing on NRCS regulated products

The City of Johannesburg Emergency Management Services (EMS) will this year target all 189 informal settlements throughout the City of Johannesburg to conduct winter fire safety door to door campaigns.

These fires have led to unnecessary deaths and loss of property leaving communities in a vulnerable state. These unforeseen circumstances are preventable if people use proper cooking and lighting equipment and know how to identify the risks in their households and remove them.

These fires are mostly caused by the following:

- 1 Lighting and heating appliances that are not regulated by the National Regulator for Compulsory Specifications (NRCS) and in most cases they explode and start fires.
- 2 Candles that are not placed on proper candle safety jars to prevent them from falling.
- 3 Using open fire for cooking in a confined space with highly flammable materials, for example, imbaulas (braziers) which are also causes of death when people inhale its toxic smoke.
- 4 Illegal connections of electricity which also has bad consequences such as electrocutions for young children in those areas.
- 5 The most recent causes which are difficult for the city to deal with are the fires started by love triangles, where couples fight and deliberately set the whole settlement on fire.

During winter last year, EMS responded to about 242 fire incidents within the CoJ's informal settlements. It is unfortunate that eight people died during these fire incidents. In most of these fire incidents, young children are left alone at home to look after other young children and are also given the responsibility to cook for themselves in the processes, being vulnerable to these fire incidents. Even though there was a reduction in terms of the fatalities compared to the winter of 2016 where about 23 people lost their lives, we cannot celebrate until we have zero fire incidents throughout the city.



NRCS Excels at the 2018 Rand Easter Show

The National Regulator for Compulsory Specifications (NRCS) was recognised for its excellent performance at the 2018 Rand Easter Show, in Johannesburg.

The Regulator stand was amongst the busiest stalls people visited at the show, wanting to know more about the role of the organisation and its regulator activities.

The Regulator interacted with thousands of consumers who visited the show to know more about the role of government and many of its entities. Randshow is the biggest consumer show in Africa attracting more than two hundred thousand consumers.



Minister Davies and Gauteng Premier launch InvestSA Gauteng

The Minister of Trade and Industry, Dr Rob Davies and Gauteng Premier, Mr David Makhura launched the Gauteng InvestSA One Stop Shop (OSS) in Sandton.

The objective of the provincial InvestSA OSS is to provide professional service to all investors through specialist advisory, reduce regulatory inefficiencies, and reduce red tape for investors looking to invest in Gauteng.

Speaking at the launch, Minister Davies said InvestSA Gauteng One Stop Shop (OSS) is part of a Presidential priority to improve South Africa's service delivery to all investors. He said the launch is a partnership from national government into the provinces and an excellent model of intergovernmental collaboration between the 3 spheres of government.

Since the launch of the National One Stop Shop in March 2017, government has hosted 624 investor consultations. As per these interactions 21 regulatory issues were escalated to the relevant departments and subsequently unblocked. This facilitation and aftercare service has contributed to operationalising, expansion and committed investments.

Gauteng Premier, Mr David Makhura said the province is not only home to multinationals that have invested in South Africa but also a gateway for such companies to invest in the rest of Africa. Makhura expressed his satisfaction with national government in terms of the partnership and value-added product offerings that the One Stop Shop will offer investors.

The launch of the Gauteng InvestSA One Stop Shop was amongst others attended by the United Kingdom Minister of State for Trade Policy Greg Hand, South African Ministers, Diplomats, investors and senior government officials.



How InvestSA's One Stop Shops boost investor confidence

With warm lighting and a can-do attitude at the no-queue-in-sight, just-walk-up-and-chat reception desk, this is not your average 'government office' - this is the InvestSA One Stop Shop (OSS). Here's how it's set to boost the ease of doing business locally and how your business can take advantage.

Salman Kajie, centre manager for the Western Cape InvestSA One Stop Shop invited me for a quick tour and interview at the premises, a centre of calm in the bustle of St George's Mall.

In his 2015 State of the Nation Address, then-President Jacob Zuma announced the fact that he was going to launch what they called at that point in time, 'investment clearing houses'.

These were intended to assist multinational corporations and domestic companies with expediting regulatory approvals, influencing policy at national level, all the while assisting with the overall 'ease of doing business' indicator in the macro environment.

This is a manifestation of that. Of course, different permutations took place between 2015 and 2017, but fast-forward to May 2018 and I was standing in the provincial InvestSA One Stop Shop in the Western Cape, a division of the department of trade and industry. Before the Western Cape version, **the dti** had established the national One Stop Shop in Pretoria at **the dti** Campus and we were officially the next One Stop Shop that **the dti** launched.

One stop shop to make doing business easier

Investors have lauded the launch of the Invest South Africa One Stop Shop (InvestSA OSS), saying it will go a long way in easing the way business is done in South Africa...

While the One Stop Shop model was previously piloted in Gauteng, the Western Cape version is the first provincial One Stop Shop in existence under the banner of InvestSA. Kajie explained that it provides investment promotion, facilitation and aftercare that's all geared towards improving the quantity and quality of both foreign and domestic direct investment by fast-tracking projects and reducing governmental red tape in order to retain and expand investment into South Africa and Africa.

Simply put, it's an investment recruitment, problem-solving and information service that actively markets, promotes and facilitates investment in key, high-yielding growth sectors of the South African economy.

That's quite a mouthful, here's how they do so...

Walking to the reception desk you have a clear view of the partners in the One Stop Shop: Invest SA is the primary shareholder; and **the dti** and DEDAT have appointed Wesgro as the management entity of the One Stop Shop, Western Cape. A further 12 governmental partners have assumed office in the provincial operation, with an inter-ministerial committee in place to expedite regulatory blockages at a ministerial level.

InvestSA OSS' strategic partners.

You can access national regulators like Home Affairs; Department of Labour; Department of Economic Development (DEDAT); **the dti**; Sars; the National Regulator of Compulsory Specifications (NRCS); South African Bureau of Standards or (SABS); the Department of Environmental Affairs; Business Processes South Africa or Bpesa; and the Companies and Intellectual Property Commission or CIPC. On a provincial level it's

the Red Tape Reduction Unit, under the auspices of the Western Cape government; as well as the Green Cape initiative; and Saldanha Bay Industrial Development Zone or (IDZ).

On a larger governmental level, The City of Cape Town also has a presence for investment facilitation services at a city level. The InvestSA One Stop Shop also engages with other district municipalities who use this space. Kajie says George Municipality is particularly good at this, having been in at least thrice over the past two weeks to engage and bring clients through. So it's by no means just businesses based in the Cape Town CBD that benefit. More on that later!

Kajie then provided a tour of the Invest SA space. Starting with the foyer, Kajie says it wasn't meant to be but is strategic, in that Wesgro and its partners are now able to have larger delegations in the space. Typically this is cinema-style, as with the AfricArena event held a few weeks ago, and they've had delegations from all over the world.

Kajie says probably the best example of an event held in the foyer was when they hosted the exchequer or minister of trade from the UK Liam Fox, in a roundtable with Cape Town's tech industry off the back of Brexit, to see how we can enhance bilateral trade investment for that sector.

To bridge that gap, they have an ultra-modern video conferencing and telecommunication infrastructure with speeds of up to 1,000mbps per second. Each room comes with built-in video conferencing for ease of holding Skype calls with multiple users across the world. When it comes to presentations, they've also gone wireless, with different permutations. So each meeting room has facilities that can connect clients and potential users globally.

Before you bustle through asking to book a conference room though, Kajie explains that they are mandated by stakeholders in foreign and direct domestic investment to deal with investments of R50m and above. That puts special focus on medium- to-large-sized businesses - particularly 'brownfield' companies looking to expand their production capacity, and 'greenfield' or new businesses - Kajie says Hisense's first investment into the Western Cape is an example of this latter target market.

But there's also appeal for multinational corporations based elsewhere to use the space as their 'business home away from home' when they do due diligence on our shores. They can use the space to hold back-to-back meetings with suppliers and potential buyers, use the hot desk/co-working area to do their admin, (thank goodness for good Wi-Fi and strong coffee) and stay at lodgings in walking distance.

Some of the partners like the Green Cape initiative, the Saldanha Bay IDZ, and the Red Tape Reduction Unit are only in on-demand, as and when needed. So they don't require a physical private office but are based in the hot desk space when clients need them.

That's quite an efficient service and it truly is a One Stop Shop from that perspective.

Reducing red-tape to increase ease of doing business

For the next part of our walking tour, Kajie explained the services on offer - the fact that Home Affairs has a presence with its private sector processing arm VSS means from an advisory perspective, they can help multinationals coming to the market as well as those that already have an SA footprint here to navigate the whole immigration train.



The second service is the company intellectual property commission or CIPC, to assist new companies with company registrations from both the regulatory side and the facilitation side.

Kajie says it's truly end-to-end – from company registration by CIPC right through a company getting an incentive from **the dti**, all the boxes are ticked.

It's not common that a company would come in and want to tick all of those boxes in one visit, though. The InvestSA OSS has been in operation for eight months now, and Kajie says typically speaking, there's a blockage at just one regulator but in some instances, they assist with two or three. No more than that.

OSS success by numbers

The InvestSA has certainly had success since its opening, with a track record for the fourth quarter of 2017 alone showing four regulatory issues facilitated to the OSS and three regulatory issues resolved in terms of investment facilitation.

Under the banner of investment promotion, Wesgro's Trade, Investment and Film Units hosted 13 inward mission strategic conferences and sector events specific to the One Stop Shop, such as the Safta judge's meeting; there were 20 corporate engagements; 9 inward missions with delegations from Asia, Europe and the USA; as well as 17 stakeholder engagements.

Ribbon cutting of the InvestSA OSS.

Kajie adds that the City of Cape Town is present for local investment facilitation. Using Atlantis as an example, they've assisted clients with accessing load curtailment agreements for electricity or energy usage, access to municipal land in the Atlantis area, and have been pretty phenomenal in that sense.

Then there's Sars, on hand to help with customs and tax; Wesgro for assistance on both the trade and investment side; the department of for assistance with the unemployment income fund, compensation fund, and advice on black economic empowerment or BEE for new companies.

It's clear that the customer really is at the centre of InvestSA OSS' operations, especially in terms of driving the ease of doing business at a company level. Kajie says, "...hopefully that will cascade upwards into the macroeconomic environment so that the World Bank views our ease of doing business indicators a lot more favourably than what it is now."

Kajie explains that when it comes to that process of investment promotion, South Africa is darn good at it. Cape Town is currently ranked 21st in the world by the Financial Times for its investment promotion brand strategy.

For globally competitive sector propositions attract large-scale investment into the region, in the form of going overseas and saying 'come and invest in Cape Town, we're globally competitive so headquarter your investment here and target the rest of the continent through exports' – we're winning.

But when it comes to an investor saying, 'I've heard your story and I want to invest,' which is the facilitation side – the regulation and registration in centres and licensing, naturally that's a slightly fragmented process.

It's that need to get facilitation up to the same global standard as a promotion that gave birth to the InvestSA OSS concept and operation. We were ranked 32nd globally on the World Bank Ease of Doing Business Ranking in 2008. But over time, by 2016 we had slipped down to 74th.

So while our promotion is world class, facilitation is stifled. **The dti's** national and provincial One Stop Shops are seen as the solution to this, by first removing red tape for domestic and international investors and second through investment facilitation that's coordinated by, and consolidated, in the One Stop Shop model, thereby enhancing the ease of doing business.

Kajie also answered specific questions about the InvestSA One Stop Shop...

Explain the context of launching the InvestSA One Stop Shop in both the national and provincial Western Cape format.

Simply put, it's about providing companies with end-to-end facilitation services, so that the commercialisation of the investments is expedited or fast-tracked, and so that we can unlock value in that commercialisation that they may not be aware of.

For example, do companies know about **the dti** incentives on offer to them? If they're commercialising business here, do they know about the provincial department incentives such as skills development incentives? Do they know that if they invest in Atlantis, strategically speaking they'll have access to load curtailment agreements and a reduction in infrastructure development fees?

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10TH ITERATION OF THE INDUSTRIAL POLICY ACTION PLAN launched in Cape Town



Trade and Industry Minister Dr Rob Davies recently launched the 10th iteration of the Industrial Policy Action Plan (IPAP) in Cape Town

IPAP 2018/19 is the tenth iteration of a rolling annual action plan aligned to successive three year cycles of government planning. It includes, a Legacy Review which provides a high-level summary of the achievements of industrial policy over nine years.

This iteration puts emphasis on stronger interventions to support transformation led by the flagship Black Industrialists Scheme inclusive of a bouquet of new and creative incentive measures set out in the incentive Section.

It also outlines a stronger emphasis on a stronger export effort focusing on existing lead and dynamic national export champions and new, especially black owned entrants. IPAP 2018 also includes new, significant interventions to gear up and respond to the challenges and opportunities posed by the Digital Industrial Revolution.

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