

# NCC: Challenges Experienced by the Trade Landscape

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## About this document

The purpose of this document is to present tangible solutions that are both practical and supportive of legitimate trade facilitation whilst simultaneously maintaining the highest levels of compliance, protecting local industry and in parallel supporting the flow of legitimate international trade which equally contributes to the growth of our economy,

### Current NCC Constraints

- Identify risk remedies and appropriate measures associated therewith
- Adopt a SLA, SOP and MoU that supports improved efficiency by way of adopting communication mechanisms, escalation protocol and capacity building re HS classification, understanding product literature and equally important, appropriate application of the provisions contained in the National Consumer Act 68 of 2008

Unfortunately, the various requirements by the entities and documents outlined above do not always assist in the smooth function of trade flows, creating several constraints. To illustrate the current constraints, hereafter follows several areas which affect suppliers and end-users. The industry is critical of the requirements of the NCC for the following reasons:

- The costs incurred on inspection of regulated products
- The timeframe for approval inspections (up to 90 calendar days)
- The manual process for inspection, lack of human resources, lack of regional representation
- SARS P&R Index S 113(8)(a) does not provide for NCC regulated commodities, lack of monitoring and evaluation (CUSRES Code 4 to CUSRES Code 1 and consequent record of inspection times.
- The NCC regulations cover components that are commonly used in the manufacture of articles that are subject to NCC control, potentially leading to a system of double control and double levy payments
- NCC's processes are unpredictable, which is not conducive for trade (lack of SOP)
- NCC's capacity constraints and the subsequent administrative delays as a result
- The cost of the delays in obtaining documents, hence the pre-manifest proposal. The impact results in additional costs incurred by trade through storage and demurrage charges while waiting for their applications to be approved
- The opportunity cost due to trade as without specified requirements (care instruction labels etc.), goods cannot be imported or sold since trade cannot by law sell any non-compliant goods
- NCC's lack of communication and awareness towards the public regarding restricted items and associated requirements. Furthermore, a lack of communication between the NCC and stakeholders on technical issues concerning product scope was covered yet not covered by the compulsory specification.

**Our proposed solutions:**

- Pre-manifest / pre-loading verification by the NCC office so that contraventions / findings are avoided upon inspection (ensuring compliant imports)
- SARS to support NCC by appointing SARS officers duly trained by NCC and working under directive of the NCC to conduct inspections (due to NCC human resources capacity challenge)
- Adoption of SOP, SLA, and improved communication guidelines via the adoption of the service charter.
- Skills development and capacity building – especially with correct adherence to and application of legislative provisions of the Consumer Protection Act 68 of 2008