national regulator for compulsory specifications

PRESENTATION TO THE PORTFOLIO COMMITTEE ON TRADE INDUSTRY AND COMPETITION



NRCS 2025/26 FY ANNUAL REPORT

11 November 2026

"Protecting health, safety, and the environment while ensuring fair trade."

SCOPE OF PRESENTATION

Background

NRCS mandate • Strategic Goals • Regulated industries • Human Resources

Strategic Focus Areas

Illicit Economy / Non-compliances • Trade • Collaboration • Alignment to Government priorities

Key Performance Areas

Compulsory specifications • Enforcement of Technical Regulations • Stakeholder engagement • Financial Management • Human Resource Management

Finance

2025/26 Audited financials • Audit Outcome

NRCS mandate

The broad mandate of the NRCS is to protect public health, safety and the environment through compulsory specifications and technical regulations.

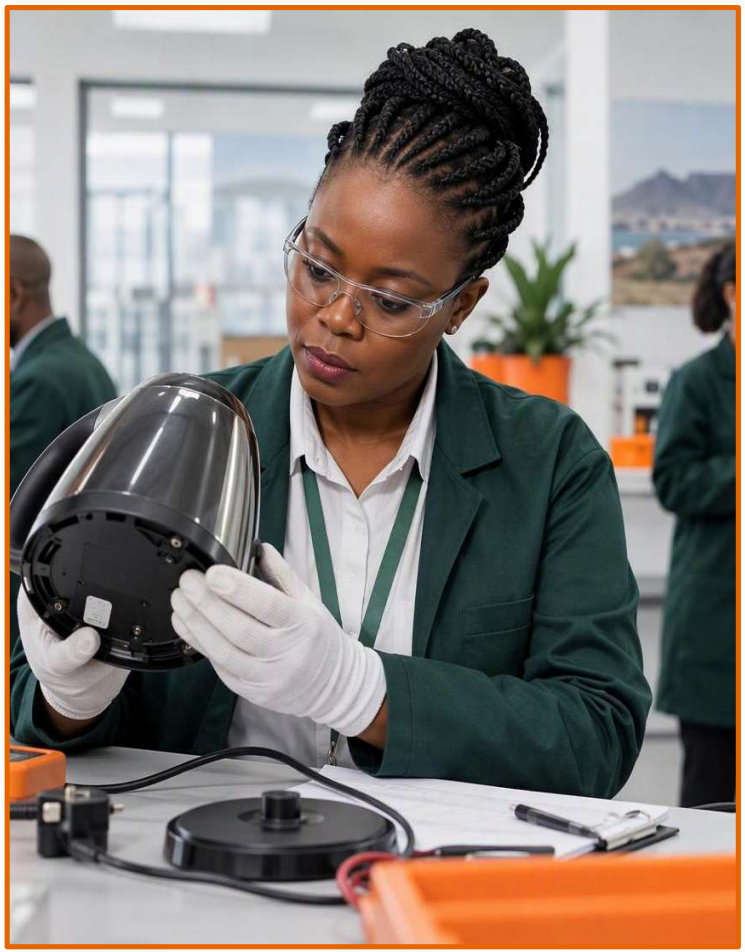
Institutional role

The National Regulator for Compulsory Specifications is a Schedule 3A Public Entity within the portfolio of the Department of Trade, Industry and Competition (**the dtic**).

Regulatory scope

The NRCS regulates products in the interests of public health, safety and the environment.

It regulates products and services under the NRCS Act and the Legal Metrology Act, where a Compulsory Specification or Technical Regulation applies.



NRCS LEGISLATIVE MANDATE

NRCS Act

National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008)

Legal Metrology Act

Legal Metrology Act, 2014 (Act No. 9 of 2014)

Other legislative mandates

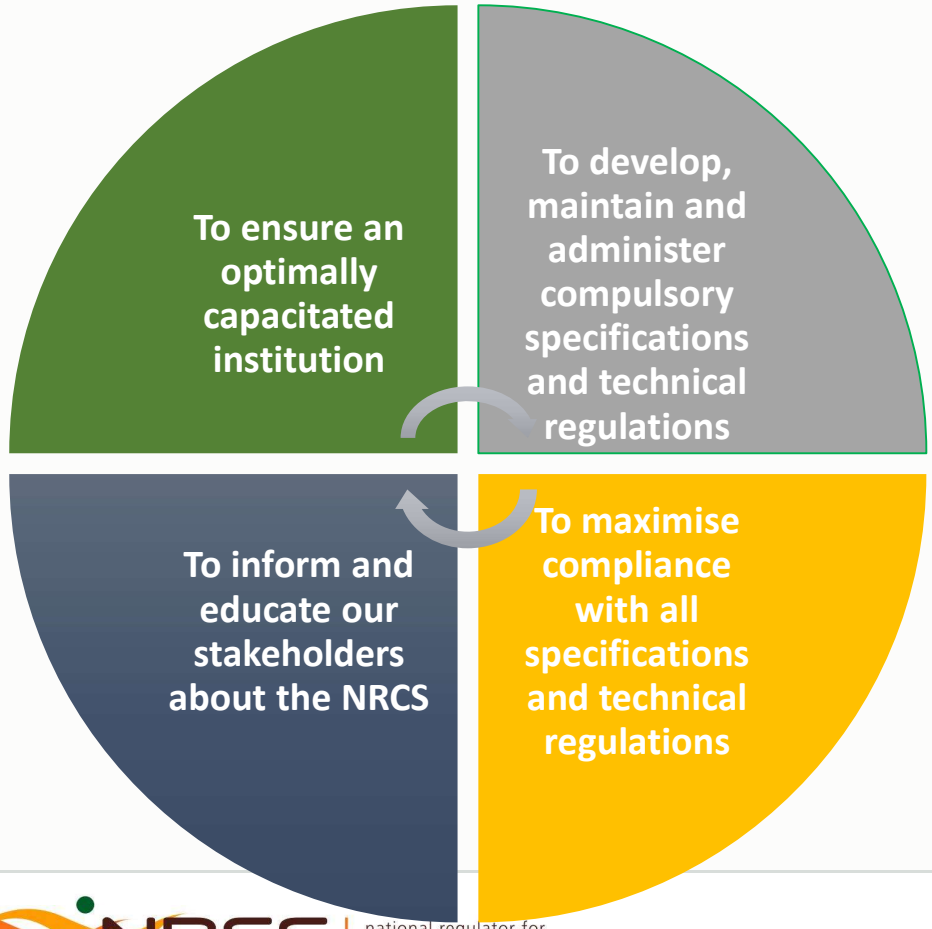
National Building Regulations and Building Standards Act (Act No. 103 of 1977) • National Road Traffic Act (Act No. 93 of 1996)

Intergovernmental instruments

Various memoranda of understanding (MOUs) with other government departments

MISSION, VISION AND STRATEGIC GOALS

NRCS Strategic Goals (SG)



Mission and Vision

Mission

To protect public health and safety, safeguard the environment and facilitate fair trade

Vision

A safe, sustainable South Africa where people and businesses can trade and purchase with confidence

Audit Opinion

Unqualified audit opinion with findings

Overall Performance

67%

Overall Performance (10/15)

Surplus for the year

R26.97mil

Surplus for the year



INDUSTRIES REGULATED BY THE NRCS

Automotive

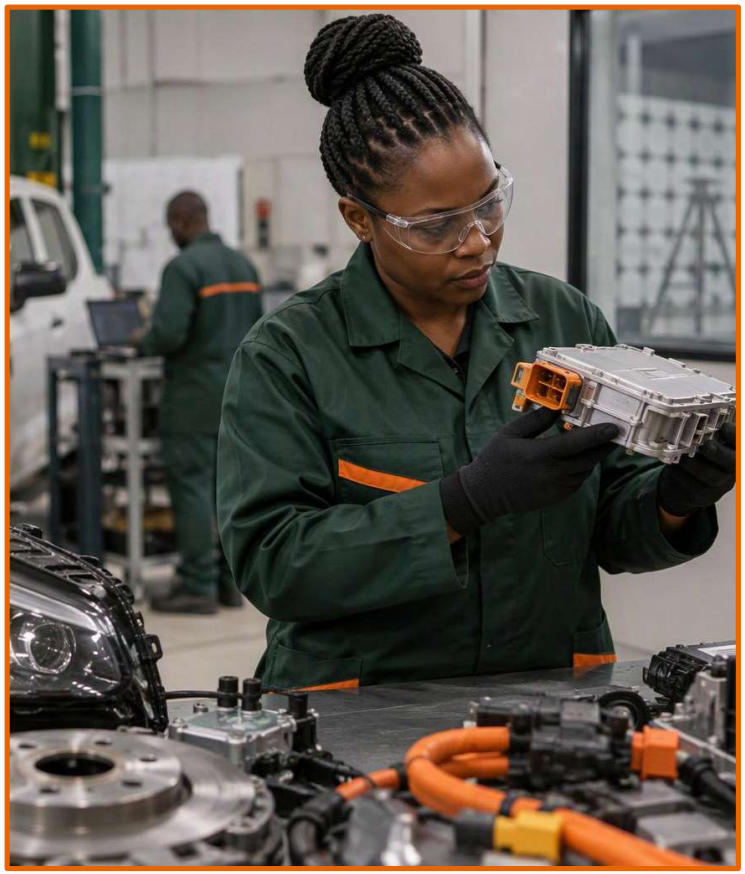
Vehicles, replacement components, and registration of manufacturers, importers and builders of motor vehicles.

Chemicals, Mechanical & Materials

Personal protective equipment; shooting ranges and associated industries; chemical disinfectants and microbiological safety cabinets; plastic carrier and flat bags; flame-producing devices; and construction materials.

Electrotechnical

Electrical and electronic products.



INDUSTRIES REGULATED BY THE NRCS

Food and associated industries

Fish and fishery products, canned meat and processed meat.

Legal Metrology

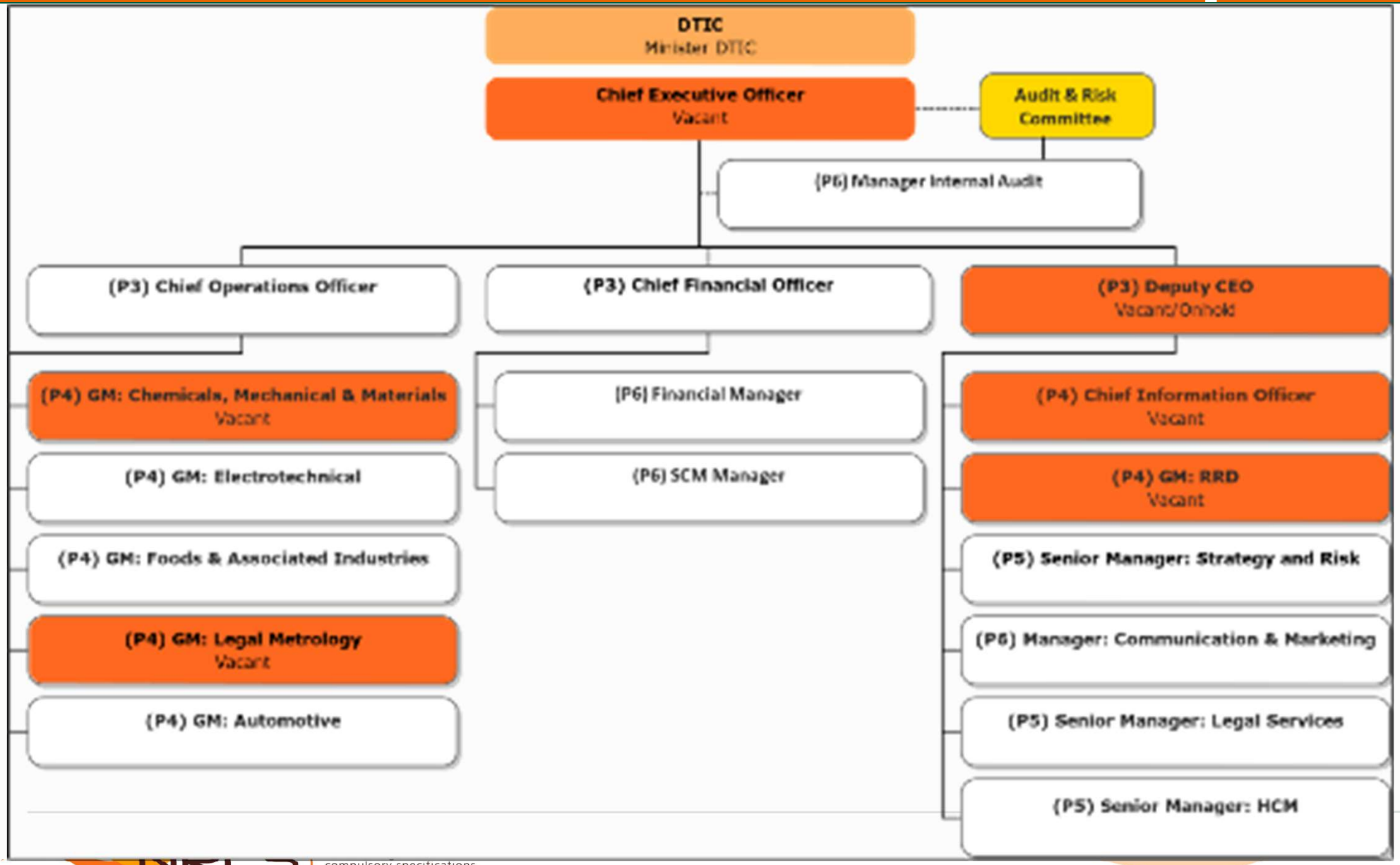
Regulation of measurable products and services; measurements in trade, health, safety and the environment; and measuring instruments used for prescribed purposes.

National Building Regulations

Ensure uniform interpretation of the National Building Regulations and Building Standards Act.



ORGANISATIONAL STRUCTURE



HUMAN RESOURCES

363

APPROVED POSITIONS

NRCS organisational structure

319

EMPLOYEES

Including 23 interns over and above the staff establishment

47%

WOMEN REPRESENTATION

19%

VACANCY RATE

70 vacant positions across all positions

Budgeted vacancies

14% budgeted vacancy rate • 52 budgeted vacant positions

Key challenges

- Inadequate human capital resources;
- Scarce specialist skills; and
- Inadequate budget availability.

Process optimisation is to be conducted.

STRATEGIC FOCUS AREAS

TRADE FACILITATION

- Support food and associated-industry exports worth about **R30 billion** over the medium term.
- Enable compliant, safe and competitive products in domestic and export markets.

STAKEHOLDER ENGAGEMENT

- Collaborate with SARS, NCC, SAPS and relevant government departments.
- Engage industry, associations and businesses to strengthen e-commerce compliance.

ALIGNMENT TO GOVERNMENT PRIORITIES

- Advance growth, industrialisation, job creation and faster regulatory turnaround.
- Align with digitalisation, decarbonization, diversification and government priorities.

ILLICIT ECONOMY / NON-COMPLIANCES

- Dedicate about **40%** of medium-term resources to non-compliance.
- Identify and sanction products worth approximately **R9 billion** over the medium term.

"Protecting health, safety and the environment while ensuring fair trade."

IMPACT STATEMENT | Safe and compliant products in South African markets

26%	100%	100%	R10.13bn	R707mil
SANCTIONING RATE	**IMPORTED PRODUCTS**	**FOOD PRODUCTS**	**EXPORTS**	**SANCTIONED**
Illicit and non-compliant products removed from the market across Automotive, CMM, Electrotechnical and Legal Metrology.	Compliance rate for all imported NRCS-regulated products.	Compliance rate for locally produced and exported food and associated products.	Value of products exported from South Africa.	Value of illicit and non-compliant products sanctioned. **

** *Audit finding*

WORK OF THE NRCS

Market surveillance

- 42,009 Market surveillance inspections conducted across all regulated industries
- 30,286 Pre-market approvals finalised during the year
- Inspected 100% of all declared NRCS regulated foods consignments

Food and Associated Products Exports

- 11,481 export inspections conducted and 8,963 health guarantees issued.

Illicit economy

- Collaborate with SARS, NCC and SAPS and undertake high-impact projects to remove illicit and non-compliant products, supporting fair trade for compliant local businesses.
- 26% illicit/non-compliance rate leading to R707 million worth of illicit/non-compliant products sanctioned

Industrialisation

- 10 – SMMEs assisted to participate in the regulated value chain
- 119 private laboratories designated to conduct work in Terms of the Legal Metrology Act

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Indicator / Measure	Target 2025/26	Actual Performance	Reason for variance
Outcome Strategic Goal 1: A safer society protected from unsafe products			
Number of new, amended and withdrawn VC's/TR submitted to **the dtic**	6 new, amended and withdrawn VC's/TR submitted to the dtic	6 new, amended and withdrawn VC's/TR submitted to the dtic	None
Approved Interim technical requirements for Electric Vehicles Charging Stations	Approved Interim technical requirements for Electric Vehicles Charging Stations	0	Interim requirements were not finalised due to the need for further stakeholder engagement

Indicator / Measure	Target 2025/26	Actual Performance	Reason for variance
Outcomes Strategic Goal 2: A safer society protected from unsafe products, Red tape reduction, Promote market access in strategic global & Broadening economic participation			
% sanctioning rate of illicit and non-compliant products sanctioned and removed from the market	20% sanctioning rate of illicit and non-compliant products	26%	The Key Performance Indicator was amended on 24 February 2026 and the variance is mainly due to the performance being calculated over a month period as compared to a full year.
Compliance rate for all imported NRCS regulated food products	99% Compliance rate for all imported food products	100%	None
% Compliance rate for all locally produced and exported food and associated products	99% Compliance rate for all locally produced and exported food products	100%	None
Percentage of all approval applications finalised within 90 calendar days	98% of all approval applications finalised within 90 calendar days	92%	There is inadequate capacity to process pre-market approvals

Indicator / Measure	Target 2025/26	Actual Performance	Reason for variance
Outcomes Strategic Goal 2: A safer society protected from unsafe products, Red tape reduction, Promote market access in strategic global & Broadening economic participation			
% of pre-market approval processes optimised, integrated and harmonised within Automotive, Electro-technical, Chemical Materials and Mechanicals Sectors and Legal Metrology Sectors	20% of pre-market approval processes optimised, integrated and harmonised	0%	Inadequate project management and lack of ICT systems
The value of non-compliant products sanctioned	R430 million	R707 million	Targeted intelligence driven operations against illicit/non-compliant role players
The value of canned meat, fish and fishery products facilitated for export from South Africa	R9 billion	R10.131 billion	Increased exports to existing exports markets and new products being exported to new markets

Indicator / Measure	Target 2025/26	Actual Performance	Reason for variance
Outcomes Strategic Goal 2: A safer society protected from unsafe products, Red tape reduction, Promote market access in strategic global & Broadening economic participation			
Percentage of qualifying BBBEE Level 4 repair bodies and verification laboratories designated as per the Legal Metrology Act	Designate 100% of qualifying BBBEE Level 4 repair bodies and verification laboratories designated as per the Legal Metrology Act	100% qualifying BBBEE Level 4 repair bodies and verification laboratories designated as per the Legal Metrology Act	None
Number of new SMMEs participating in the NRCS regulated value chains	10 new SMMEs participating in the NRCS regulated value chains	10 new SMMEs participating in the NRCS regulated value chains	None

Indicator / Measure	Target 2025/26	Actual Performance	Reason for variance
Outcomes Strategic Goal 3 & 4 : High performing organization			
Percentage implementation of the Stakeholder Engagement Strategy	97%	97%	None
Vacancy rate (Percentage of vacant positions as per the approved NRCS organisational structure)	10% vacancy rate	14% Vacancy Rate	The NRCS placed a moratorium on filling of vacancies in-order to manage its finances
Number of interns employed by the NRCS	35 interns employed by the NRCS	23 Interns employed by the NRCS	Delays in recruitment process and resignation by some of the interns
% implementation of the Customer Relationship Management System/s	100% migration of all electro-technical approvals applications to Energy Efficiency ICT System	100% migration of all electro-technical approvals applications to Energy Efficiency ICT System	None

EXTERNAL AUDIT OUTCOME

2025/26 AUDIT OUTCOME

OUTCOME AREA	2025/26	2024/25	2023/24
Financial Statements			
Annual Performance Report			
Compliance with Legislation			

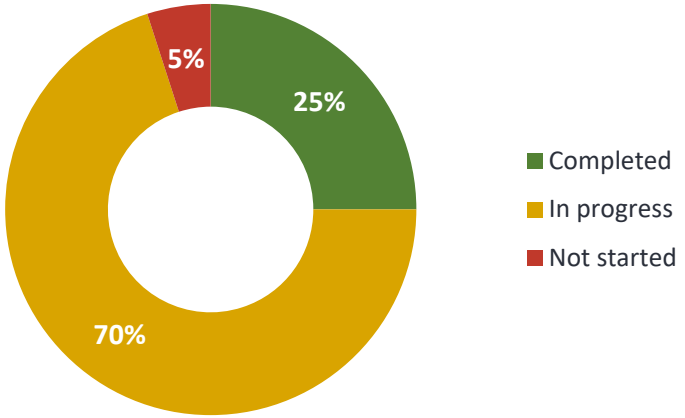
WHAT THE AUDIT TELLS US

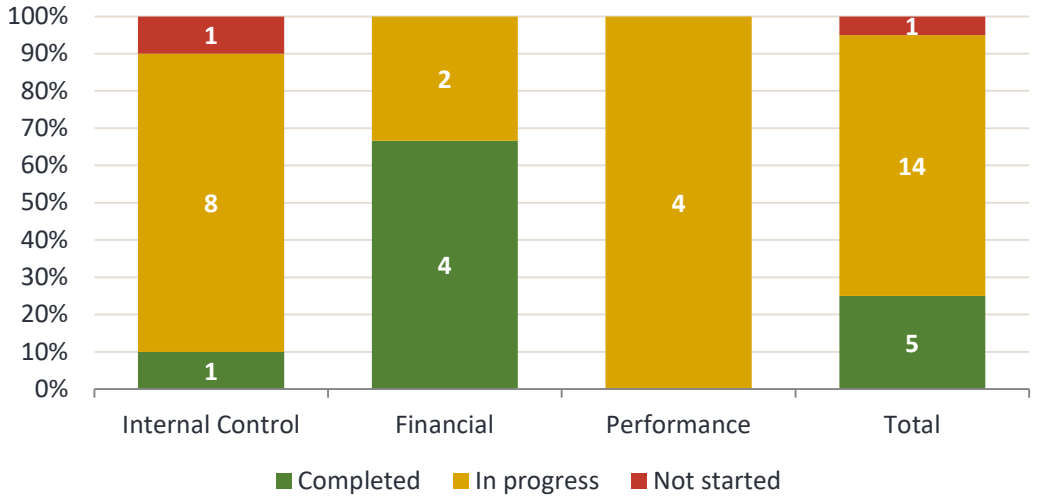
One material uncorrected misstatement in an Annual Performance Report indicator resulted in a regression in the audit opinion. **The final audit opinion was Unqualified with findings.**

MANAGEMENT RESPONSE

An audit action plan is being finalised to address the findings in the management report.

2025/26 FY AGSA EXTERNAL AUDIT FINDINGS





Key area	Completed	In progress	Not started	Total
Internal Control	1	8	1	10
Financial	4	2	0	6
Performance	0	4	0	4
Total	**5**	**14**	**1**	**20**

20
audit findings in total

MTEF EXPENDITURE

Statement of financial performance	Audited outcome	Audited outcome	Audited outcome	Audited outcome	Audited outcome	Budget	Medium-term estimate		
R thousand	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Revenue									
Tax revenue	–	–	–				–	–	–
Non-tax revenue	**335,024**	**301,136**	**318,781**	**368,579**	**408,487**	**399,851**	**413,126**	**431,675**	**444,625**
Sale of goods and services other than capital assets	323,301	279,537	296,740	329,765	381,715	379,199	392,861	410,500	422,815
Other non-tax revenue	11,723	21,599	22,041	38,814	26,772	20,652	20,265	21,175	21,810
Transfers received	**144,099**	**147,560**	**138,611**	**145,734**	**149,235**	**153,522**	**159,648**	**164,610**	**169,567**
Total revenue	**479,123**	**448,696**	**457,392**	**514,313**	**557,722**	**553,373**	**572,774**	**596,285**	**614,192**
Expenses									
Compensation of employees	373,075	413,831	401,252	409,378	414,677	463,625	492,273	514,372	529,792
Goods and services	101,678	114,719	166,297	91,105	116,072	89,748	80,501	81,913	84,400
Transfers and subsidies	–	–	–			–	–	–	
Total expenses	**474,753**	**528,550**	**567,549**	**500,483**	**530,749**	**553,373**	**572,774**	**596,285**	**614,192**
Surplus/(Deficit)	**4,370**	**(79,854)**	**(110,157)**	**13,830**	**26,973**	**-**	**-**	**-**	**–**




NRCS
national regulator for
compulsory specifications
Thank You!