

NRCS PRESENTATION TO THE PORTFOLIO COMMITTEE ON TRADE, INDUSTRY AND COMPETITION ON 2026/27 FY ANNUAL PERFORMANCE PLAN

**“Protecting health,
safety, and the
environment while
ensuring fair trade.”**

Delegation

Mr. Duncan Mutengwe

Acting CEO

Ms. Nadine Thomas

Chief Financial Officer

Ms. Meisie Katz

**General Manager
Foods**

Mr. Edward Matemba

**Senior Manager
Strategy and Risk**



SCOPE OF PRESENTATION

NRCS Mandate

- NRCS Mandate
- Strategic Goals
- Regulated Industries

Strategic Focus Areas

- Illicit Economy/Non-compliances
- Trade
- Collaboration with SARS, NCC and SAPS
- Alignment to government priorities

Key Performance Areas

- Compulsory Specifications Development
- Enforcement of Technical Regulations
- Stakeholder Engagement
- Financial Management, Human Resources Management & ICT

Budget

- 2026/27 Budget
- Income and Expenditure

NRCS AT A GLANCE



Mandate

NRCS mandate is to promote public health, safety and environmental protection through the development and enforcement of compulsory specifications/technical regulations and ensuring fair trade



Human Resources

Organisational structure has 363 positions

Current staff compliment 319, comprising of 294 permanent, 2 contactors, and 23 interns

69 vacant position



Strategic Focus Areas

Illicit Market/Non-compliances

Export facilitation

Digitalisation

Ports of Entries

Manufacturers

Collaboration with SARS
NCC & SAPS

NRCS LEGISLATIVE MANDATE



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

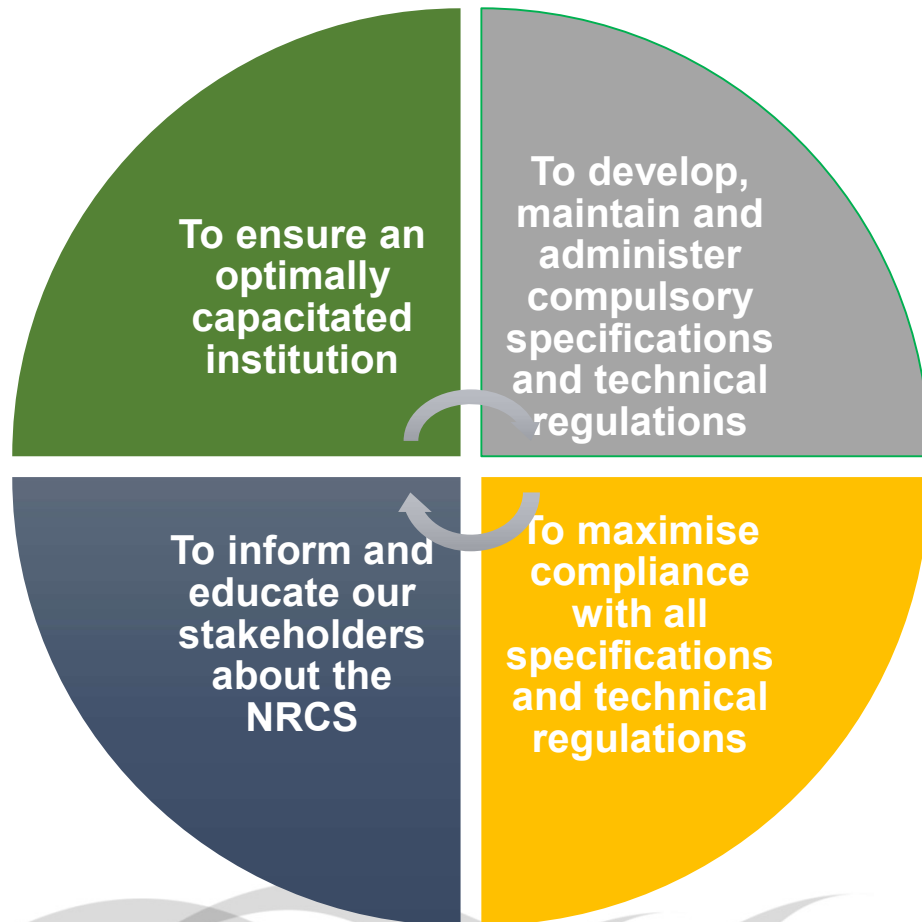
**Legal Metrology Act
(Act No. 9 of 2014)**

Other Legislative Mandate

- National Building Regulations and Buildings Standards Act
- National Road Traffic Act
- Various MOUs with other Government Departments



NRCS STRATEGIC GOALS (SG)



MISSION & VISION



INDUSTRIES REGULATED BY NRCS



Automotive

Vehicles,
Replacements
components,
Registration of
Manufactures
Importers and Builders
of motor vehicles



Chemicals, Mechanical and Materials

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



Electro-technical

Electrical and
Electronic products

INDUSTRIES REGULATED BY NRCS



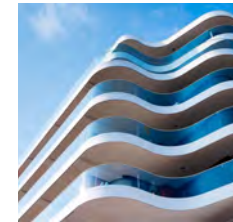
Food and Associated Industries

Fish and Fishery products, canned meat and processed meat



Legal Metrology

Regulation of measurable products and services, measurements in trade, health, safety and environment and any measuring instrument used for prescribed purpose



National Building Regulations

Ensure uniform interpretation of National Building Regulations and Standards Act

AUDIT OUTCOME



Audit Opinion

The NRCS received an Unqualified audit opinion (clean audit opinion)



Material findings

There were no material findings and the NRCS was assessed as a going concern



House Keeping findings

There were 17 housekeeping findings identified by the AGSA, of these 6 have been closed and 11 remain as work in progress. Management has developed an action matrix to manage and monitor these findings

STRATEGIC FOCUS AREAS

Illicit Economy/Non-Compliances

- ❖ There are high levels of non-compliance and illicit trade within the various regulated markets
- ❖ NRCS aims to dedicate about 50% of its resources over the medium term towards the non-compliant businesses/industries/products
- ❖ Over the medium term the NRCS aims to identify and sanction products valued at approximately worth R11,351 billion

Trade Facilitation

- ❖ Facilitate exportation of various regulated products to various markets and also in support of the butterfly strategy
- ❖ Within the foods and associated industries NRCS aims to facilitate exportation of products worth about R38 billion over the medium term

Stakeholder Engagement

- ❖ The NRCS will collaborate with South African Revenue Service (SARS), National Consumer Commission (NCC), South African SAPS, Department of Transport, Department of Agriculture, Department of Forestry Fisheries and Environment and Department of Electricity and Energy
- ❖ The NRCS will also engage with various associations and business in addressing non-compliances within the ecommerce trade

Alignment with Government Priorities

- ❖ Illicit Market
- ❖ Exports
- ❖ Red-tape reduction - reduction in turnaround times
- ❖ Decarbonization – Energy efficiency, Electric Vehicles and Lithium batteries
- ❖ Diversification – New export markets and products
- ❖ Digitalisation – Accessibility of the NRCS through the digital platform
- ❖ Job Creation – direct and indirect jobs
- ❖ Transformation – designation of private laboratories and repair bodies

WORK OF THE NRCS

Market Surveillance Activities

Inspections

Pre-market approval/
Approval certificates/
Letters of Authority/Health
Guarantees

Risk based approach
for all industries except
foods

Inspect 100% of all
declared foods
consignments

Sanction

Remove non-
compliant products

Increase the % of
resources dedicated to
the non-compliant
companies and
industries

Target ecommerce to
identify and remove
non-compliant
industries

Illicit Economy

Collaborate with
SARS, NCC and
SAPS to target illicit
economy

Engage in high impact
projects to remove
illicit and non-
compliant products
enabling local
industries to trade
fairly

Industrialization

SMME development

Fast tracked
approval for SMMEs
introducing new
products or new
SMMES employing
more than 10 people

Create jobs through
various programs of
the NRCS

Key Performance Indicators

KEY PERFORMANCE AREAS - PROGRAMME 1

Indicator / Measure	Target 2026/27	Target 2027/28	Target 2028/29
Outcome: A safer society protected from unsafe products			
% of compulsory specification reviewed within the set timeframes.	80% of compulsory specification reviewed within 18 months.	80% of compulsory specification reviewed within 18 months.	80% of compulsory specification reviewed within 18 months.
Number of new compulsory specifications introduced to enhance consumer protection	5 new compulsory specifications introduced to enhance consumer safety	5 new compulsory specifications introduced to enhance consumer safety	7 new compulsory specifications introduced to enhance consumer safety

KEY PERFORMANCE AREAS – PROGRAMME 2

Indicator / Measure	Target 2026/27	Target 2027/28	Target 2028/29
Outcomes Programme 2: A safer society protected from unsafe products, Red tape reduction, Promote market access in strategic global & Broadening economic participation			
% sanctioning rate of illicit products	40% illicit products	45% illicit products	50% illicit products
% Compliance rate for all imported NRCS regulated food products.	99% Compliance rate for all imported NRCS regulated food products	100% Compliance rate for all imported NRCS regulated food products.	100% Compliance rate for all imported NRCS regulated food products
% Compliance rate for all locally produced and exported regulated food products.	100 % Compliance rate for all locally produced and exported regulated food products.	100 % Compliance rate for all locally produced and exported regulated food products.	100 % Compliance rate for all locally produced and exported regulated food products.
Number of districts covered under the blitz inspections.	15 districts covered under the blitz inspections.	17 districts covered under the blitz inspections.	20 districts covered under the blitz inspections.

KEY PERFORMANCE AREAS – PROGRAMME 2

Indicator / Measure	Target 2026/27	Target 2027/28	Target 2028/29
Rand value of illicit products sanctioned	R3,351 billion worth of illicit products sanctioned	R3,400 billion worth of illicit products sanctioned	R3,450 billion worth of illicit products sanctioned.
Percentage of all pre-market approval certificates/rejections issued/finalised within set time frames	98% of all pre-market approval certificates finalised within 80 calendar days.	98% of all pre-market approval certificates finalised within 70 calendar days.	98% of all pre-market approval certificates finalised within 60 calendar days.
Rand value of canned meat, fish and fishery products exported from South Africa.	R9,4 billion	R9,6 billion	R9,6 billion
Number of new SMMEs participating in the NRCS regulated value chains.	10	15	15
Number of new job opportunities created through designation of private laboratories and repair bodies to conduct work on NRCS' behalf as per Legal Metrology Act	20	25	30
Number of new job opportunities created based on new companies/pre-market approvals	200	250	300

KEY PERFORMANCE AREAS – PROGRAMME 3 & 4

Indicator / Measure	Target 2026/27	Target 2027/28	Target 2028/29
Outcomes: High performing organisation			
Increased Stakeholder satisfaction score	70% stakeholder satisfaction score	75% stakeholder satisfaction score	80% stakeholder satisfaction score
Vacancy rate .	10% vacancy rate.	8% vacancy rate.	7% vacancy rate.
Number of interns employed by the NRCS.	40	40	45
% increase number of women and people with disability	4% increase number of women and people with disability	5% increase number of women and people with disability	7% increase number of women and people with disability
% of NRCS services accessed through the digital platform	70% of NRCS services accessed through the digital platform	85% of NRCS services accessed through the digital platform	100% of NRCS services accessed through the digital platform
% increase in NRCS Revenue	7% increase in NRCS Revenue	7.5% increase in NRCS Revenue	8% increase in NRCS Revenue
B-BBEE rating	B-BBEE level 3	B-BBEE level 3	B-BBEE level 3



Financial



FINANCIAL PERFORMANCE – 2026/27 MTEF

Statement of financial performance	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
Revenue									
Tax revenue	–	–	–	–	–	–	–	–	–
Non-tax revenue	335,024	301,136	318,781	368,579	371,306	399,851	413,126	431,675	
Sale of goods and services other than capital assets	323,301	279,537	296,740	329,765	355,487	379,199	392,861	410,500	
<i>Other non-tax revenue</i>	11,723	21,599	22,041	38,814	15,819	20,652	20,265	21,175	
Transfers received	144,099	147,560	138,611	145,734	149,235	153,522	159,648	164,610	
Total revenue	479,123	448,696	457,392	514,313	520,541	553,373	572,774	596,285	
Expenses									
Compensation of employees	373,075	413,831	401,252	409,378	422,515	463,625	492,273	514,372	
Goods and services	101,678	114,719	166,297	91,105	98,026	89,748	80,501	81,913	
Transfers and subsidies	–	–	–	–	–	–	–	–	
Total expenses	474,753	528,550	567,549	500,483	520,541	553,373	572,774	596,285	
Surplus/(Deficit)	4,370	(79,854)	(110,157)	13,830	-	-	-	-	



Thank You!