



NEWSFLASH

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Please see herein interesting industry information that may be relevant and valuable to you. If you would like more information on any comments noted herein please contact us directly and we will gladly expand or investigate further for you – please direct all enquiries to Graeme Impson on graeme.impson@sctsolutions.co.za

NEW SCT APPOINTMENT: INTERNATIONAL FORWARDING MANAGER

SCT are very excited to welcome Colleen Khanayia to our SCT management team as International Forwarding Manager. Colleen joins our team with a wealth of supply chain experience across all sectors of the business but has a particularly strong record and ability in the international forwarding arena. She is also a highly accredited and experienced lecturer in supply chain modules for SDS (the leading industry training entity) so brings this experience and knowledge to our team. As Colleen settles into her roles here with SCT you will be introduced further but we know our client base and international partners will benefit significantly from her input into our business. Colleen's contact details are provided below:

Colleen Khanayia

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NRCS crisis leaves importers in the lurch

Liesl Venter

The National Regulator for Compulsory Specifications (NRCS) has been plunged into chaos following the resignation of CEO Asogan Moodley just over a week ago.

Moodley is believed to have handed in his notice only a day after making several commitments to industry in Parliament in Cape Town to speed up the issuance of Letters of Authority (LOA).

Moodley had told Parliament that a risk-based system, based on a new IT platform, as well as a pre-import verification

programme of conformity of goods to South African standards would be used to increase the speed at which the NRCS issued LOAs.

The NRCS, the body that approves the technical specifications of products imported and sold in the country, has been widely criticised over the time it takes to issue LOAs.

In October last year Parliament's portfolio committee on trade and industry agreed with industry and instructed the organisation to speed up the issuing of LOAs from the more than the 120 working

days it was taking at the time to no more than 120 calendar days. Industry sources say it is debatable whether any notable difference was really experienced on the ground.

"LOA issuance delay is technically a non-tariff barrier to trade, and is costing the country billions in demurrage costs and loss of revenue," a source told FTW.

It is believed that Moodley resigned due to the frustration he was experiencing at the NRCS over the speeding up of LOAs. This claim has been denied by the Department of

Trade and Industry (dti).

"He has been under pressure for the past 18 months from industry and various trade and technical associations to deliver LOAs faster," said the source.

It is alleged Moodley issued a directive last week calling upon NRCS staff to get all hands on deck to assist with LOA backlog issuance, but staff and union leaders refused to cooperate. They in turn are said to have turned to the dti which asked Moodley to withdraw his directive, which he refused to do.

"Moodley explained

internally that the dti was supporting the union and wasn't supporting NRCS, as a result of which he had no choice but to resign, as he couldn't do his job," said the source.

"This could very easily become a national crisis as there are literally thousands of LOAs representing billions of rands' worth of goods, now waiting for approval, which may never be issued. This is a catastrophic governance failure and spells serious chaos and an almost inevitable Moody rating downgrade."

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One expert told FTW the entire catastrophe could have been avoided if the dti had taken immediate remedial action and appointed a strong technical leader to head up the NRCS instead of making political appointments several years ago.

"The head of the NRCS is at the pinnacle of South Africa's fair trade and consumer protection and it is essential that it is someone with the necessary technical background," he said. "This entire chaotic situation could spell the end of South Africa's fair trade."

Another source told FTW that the entire approach by the NRCS was ludicrous.

"Not only is it more often than not a duplication of customs processes and procedures, but the goods they are stopping have often been verified to standards internationally superior to those being required by South Africa. Not to mention that the NRCS uses methods to stop and check containers completely different from that of any other government department. It does not make sense. And it all costs money."

In a statement, the dti denied that it had asked Moodley to withdraw any directives and said Minister Rob Davies simply expected management and labour to implement the targets with respect to LOAs.

Davies said he had also accepted Moodley's resignation and that dti director-general Lionel October was engaging with NRCS management and labour to resolve any issues.

We thank you for your continued support and partnership

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