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**PARLIAMENTARY HEARINGS ON ACCREDITATION FOR CONFORMITY  
ASSESSMENT, CALIBRATION AND GOOD LABORATORY PRACTICE AND  
MEASUREMENT UNITS AND MEASUREMENT STANDARDS BILLS**

**SUBMISSION BY**

**BUSINESS UNITY SOUTH AFRICA (BUSA)**

**INTRODUCTION**

Business Unity South Africa (BUSA) is a confederation of chambers of commerce and industry, professional associations, corporate associations and unisectoral organizations. In that role it represents South African business on macro-economic issues that affect it at the national and international levels (Annexure A sets out the member organizations affiliated to BUSA). BUSA's function is to ensure that business plays a constructive role in the country's economic growth, development and transformation and thereby create an environment in which businesses of all sizes and in all sectors can thrive, expand and be competitive.

BUSA welcomes the opportunity to make a submission on the Accreditation and Conformity Assessment, Calibration and Good Laboratory Practice Bill and Measurement Units and Measurement Standards Bill and recalls that the Bills need to be seen in the context of the Government's overall approach to technical regulatory infrastructure.

BUSA understands that Technical Regulatory Infrastructure in a country comprises the network of institutions that support technical regulation, like standards authority, an accreditation system and calibration facilities and regulators that can be either government departments or regulatory agencies.

The operation of these institutions and the development and implementation of the wide range of technical regulations that national governments promulgate to protect consumers' health, safety and environment are required to comply with the World Trade Organisation Agreement on Technical Barriers to Trade.

**INDUSTRIAL STRATEGY CONTEXT OF THE BILLS**

BUSA views industrial policy as an important framework within which more detailed strategies for key sub sectors and cross cutting interventions can be developed and implemented. In this regard it is essential that the industrial policy provides an enabling framework within which the specific interventions identified in the Accelerated Shared Growth Initiative can also be implemented.

BUSA has always recognized the need for Government to play a leading role in the economy but has always argued for this role to be focused on providing the enabling environment that promotes enterprise development. BUSA agrees with Government that enterprise development, particularly at the SMME level is one of the keys to economic growth and employment creation while at the same time ensuring that more citizens participate in the mainstream economy. BUSA sees these Bills as an important intervention in improving the enabling environment for investment.

The ultimate aim of the draft industrial strategy is seen as being to increase the attractiveness of the South African economy relative to other investment destinations. Providing a clear and unambiguous technical regulatory system is a major contributor to achieving this objective.

The need for industrial policy to lead trade policy more explicitly has long been recognised. Business supports a more creative approach to specific bilateral agreements and would support a much more coherent and comprehensive government approach to trade negotiations, which focuses not only on preferential tariffs but also ways to identify and overcome non tariff barriers.

Business supports a much more assertive approach to market access issues such as specific non-tariff barriers. Business supports the development of specific implementation strategies for each bilateral agreement and believes that this approach, which has been agreed in Nedlac, should be initiated urgently. The national accreditation and metrology systems can play major roles in the successful implementation of such strategies and should be incorporated.

It is understood that the development of more refined foreign direct investment (FDI) and export promotion strategies is currently underway. Discussions have already commenced on a draft export strategy, which Business believes should contain specific reference to the role of the technical regulatory infrastructure including these Bills in facilitating market access.

BBBEE is an integral element of industrial policy and BUSA welcomes the application of accreditation criteria to BBBEE scorecard verification agencies as this provides a clear framework within which all verification agencies will operate thus increasing the credibility of the BBBEE scorecards.

The importance of these bills is reflected in the positive impact that they could have on some of the binding constraints to growth identified by ASGISA.  
*on SMMEs.*

While the accreditation and measurement systems have been in place for some time, acceptance of the role, particularly amongst regulators has been slower than business would have liked. The establishment of these systems as statutory bodies will raise the profile of the institutions, particularly amongst government institutions so that greater use is made of them in technical regulation.

This should lead to more effective use of resources in that companies that make use of accredited facilities to certify performance will be able to demonstrate this thus relieving the regulator of the need to check compliance.

implementation of the system could thus alleviate the enforcement burden on the state and should increase the enforcement effectiveness in the critical areas of safety, health and environmental performance in particular.

Increasingly companies are using external verification of their safety, health and environmental performance and as such use accredited certification agencies. Increasingly authorized inspection authorities are being used to supplement the state's capacity to enforce occupational health and safety legislation.

While the key manufacturing sectors identified in the Industrial Strategy and ASGISA already benefit from accreditation in that Business currently uses accreditation services over a wide range of activities, it may be useful to consider the contribution that accreditation and measurement can make to achieving economic growth. Accurate measurement lies at the heart of any compliance assessment that requires quantitative evaluation and the role of the National Metrology Institute is therefore clear. Equipment used for measuring must be calibrated to ensure accuracy. Facilities undertaking calibration are accredited.

Some examples of the use of accreditation in the key sectors identified by ASGISA include the following:

- Chemical: chemical safety testing results are accepted by major trading partners thus saving South African exporters the cost of sending samples abroad for testing.
- Biofuels: biofuels will be produced to comply with a national standard still to be developed. Testing for compliance with that standard will be undertaken by accredited testing facilities.
- White goods: household appliances are required to conform with safety standards against which products must be tested.
- Agriculture: testing of export produce for pesticide residues and plant diseases.
- World Cup 2010: Drug testing can be carried out in South Africa by a testing facility accredited by the national accreditation system.

In addition to the benefits to key manufacturing sectors, the value to the regulatory system in pursuit of key government social development objectives should also not be overlooked. Health services are a good example of the use of accreditation. Already accreditation services are provided to blood transfusion facilities, pharmaceutical and medical laboratories.

## **CONCLUSION**

In conclusion, BUSA would like to highlight the following points.

The finalization of the review of the technical regulatory infrastructure, of which these Bills are part, is recognised as a key action in the draft industrial strategy.

Achievement of economic growth targets requires increased access to global markets. Such access can be facilitated by a strong national accreditation system that enjoys

international recognition.

The challenges of the global market place require that the national metrology and accreditation systems are internationally recognised. As a country we need to be able to demonstrate comparability to international standards.

These national systems allow us to do that and BUSA supports the establishment of the National Metrology Institute and the National Accreditation System as independent statutory bodies.

We believe that the adoption of this legislation is an important intervention by Government in establishing an investor friendly environment.

We have been consulted on the Bills and believe that they achieve their stated purpose as drafted.

BUSA therefore welcomes the tabling of these Bills in parliament and looks forward to their promulgation next year.