

MASSMART**SABS****MEDIA RELEASE****Massmart and the SABS boost SMME competitiveness**

Johannesburg, 11 October 2011 SABS CEO Bony Mehlomakulu and Massmart CEO Grant Pattison today announced a technical partnership on quality management between the SABS and Massmart that will ultimately boost the competitiveness of Small, Medium and Micro Enterprises (SMMEs) in South Africa (SA). The main objectives of the partnership are to establish simplified guidelines for product and system certification, which will eventually prepare SMMEs for full quality management audits, thereby encouraging and supporting local enterprises to become credible players in Massmart's value chain.

The initiative, which makes SABS Massmart's technical partner of choice in quality assurance and product testing, will also see SABS support Massmart's buyers and merchants on matters of quality assurance, management systems, application of relevant industry standards, product testing and certification of local products.

The establishment of the technical partnership embodies the principles of quality local products, global competitiveness of local suppliers, extending mutual support, promoting common development of SMMEs and ensuring consumer protection. It accords with the broad interests of government, the Department of Trade and Industry (**the dti**), local companies and the people of South Africa.

"The quality assurance partnership is a first for South African producers, in light of its intent to promote small enterprise development, third party quality assurance and certification, assisting SMMEs in meeting the requirements of the Consumer Protection Act," said Boni Mehlomakulu.

The partnership aims to promote cooperation on quality, the application of South African National Standards (SANS) and the international recognition of local standards between the SABS, Massmart and its suppliers, building on Massmart's established record of standards development and conformity assessment.

"The Consumer Protection Act that came into effect in April 2011 fuelled the initiative as we recognise the opportunity to develop our local supplier base while ensuring safer, higher quality products for our customers," said Grant Pattison.

The SABS will provide management systems, conformity assessment and training services for all types of enterprises (not limited to SMMEs) in order to better perform its role as a third party - a cooperation bridge between consumers, retailers and suppliers. The initiative will initially focus on conducting SABS process audits of the Massmart SMME supplier base that does not have a certified quality management system, i.e. ISO 9001:2008.

Thereafter the focus will be on getting Massmart's suppliers to meet the requirements of the ISO 9001:2008 quality management system standard. The process will therefore include the testing of products by the SABS against the applicable SANS or Massmart Holdings specification, the introduction of a SABS process audit scheme to the Massmart supplier base specifically targeting SMMEs, SABS product certification as well as consignment inspections and other relevant certification schemes.



“We aim to stimulate growth for our SMMEs by investing in product and system certification processes. Entrepreneurs often find it hard to secure capital to start a business in South Africa and obtain the necessary certification. We hope to add value to our SMME partners by enabling sustainable growth,” said Pattison.

The partnership will focus, but may not be limited to, the following industries and fields:

- a. Textiles, leather and footwear
- b. Agriculture, food and health related products
- c. Manufacturing industries
- d. Electronics, such as electric appliances and electronic accessories
- e. Building materials; and
- f. Chemicals

With its new laboratory infrastructure, the SABS is geared towards increasing the market agility of its customers. This is enabled through its testing and certification expertise, which are maximised through agreements such as the Massmart partnership. “We aim to be proactive in providing trusted and independent standardisation services to South African business and industry. Standardisation is pivotal in protecting the integrity of the South African market, throughout the value chain,” concluded Mehlomakulu.

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Issued by Brunswick on behalf of Massmart and SABS

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