Consultation on Quality management: Linking TPOs and NSBs for Export Success

(Experience of BSN-Indonesia)

Kuala Lumpur-Malaysia, 1-3 December 2009
Name: HENDRO KUSUMO
Position: Head of Division for International Cooperation on Standardization
Unit: Center for Cooperation on Standardization
Institution: the National Standardization Agency of Indonesia (BSN)
Email: hendro@bsn.or.id or hendro@bsn.go.id
NOTE: All issues dealing with the conformity assessment activities are managed by Center for Accreditation of Laboratory and Inspection Body and Center for Accreditation of Certification Body.
THE ROLE, STRUCTURE AND SCOPE OF THE NATIONAL STANDARDIZATION AGENCY OF INDONESIA - BSN
BSN – National Standardization Body

Established in 1997 by Presidential Decree as a non-departmental government institution which main responsibility is to develop and coordinate standardization activities in Indonesia

Supported by 2 Policy Commissions:
- Technical Management on Standard Development (TMSD)
- Technical Management on Conformity Assessment (TMCA)

As a Member of ISO, Secretariat of Indonesian National Committee for IEC and CODEX

Appointed as National Notification Body and Enquiry Point for WTO-TBT Agreement

Representing the Government of the Republic of Indonesia in ACCSQ, PASC and APEC SCSC, and other regional and bilateral cooperation in the field of standardization
BSN is a member of ISO.

National Standardization Institutional Framework

The Governance of National Standardization
- TMSD
- BSN
- TMCA

Adoption of SNI (BSN)
Facilitation of Stakeholder Participation (MASTAN)
Programming and Drafting of SNI (TC/STC)

Accreditation (KAN)
Conformity Assessment
- Product Certification
- Management System Certification
- Inspection
- Testing Laboratory
- Calibration Laboratory

Metrology
(NMI – KSNSU - NLM)
Organisation Structure of BSN

- Chairman

Inspectorat

- Deputy for Research and Cooperation on Standardization
  - Centre for Research and Development for Standardization (PPPS)
  - Centre for Standardisation Cooperation (PKS)
  - Centre for Standard Development (PPS)

- Deputy for Standard Implementation and Accreditation
  - Centre for Standard Implementation System PSPS
  - Centre for Accreditation of Certification Bodies (PALS)
  - Centre for Accreditation of laboratories and inspection bodies (PALLI)

- Deputy for Information and Promotion of Standardization
  - Centre for Education and Promotion on Standardization (Pusdikmas)
  - Centre for Information and Documentation of Standardization (Pusido)

Principal Secretary (SESTAMA)

- Bureau of Planning, Finance and Administration (BPKT)
- Bureau of Legal affairs, Organization and Public Relation (BHOH)

NOTE: Red box is the unit of Participant
BSN’s Vision

To make SNI an effective national standard for strengthening national competitiveness, improving the market transparency and efficiency while protecting consumer safety, public health, environment and security.
Mission of BSN

In line with the BSN vision, the mission of BSN is to contribute to the economic development by:

1. Developing and enhancing standardization institutions and infrastructure;

2. Developing an open, transparent and impartial process for stakeholders to participate, put forward their interest and vote during SNI development;

3. Improving public awareness on the benefit of SNI for professional activities and daily life;

4. Providing the support and facilitation for SNI application;

5. Increasing international cooperation in standardization;

6. Developing the knowledge and expertise in standardization.
Function of BSN

1. Assessment and establishment of national policy in national standardization;
2. Coordination of functional activities in executing BSN takes;
3. Facilitation and direction for government institution activities related to national standardization activities;
4. Organization of cooperation activities in standardization, both at national and international level;
5. Guidance and administration services in planning, administration, organization and procedures, human resources, finance, archive, legal matters, encryption, supplies and household.
Business Strategy of BSN

Strengthening Policy & Legislation

Broadening Stakeholders Participation

Improving Regional and International Participation

Strengthening Organizational Performance

Improving SNI Development Process

Promoting Trustworthy Conformity Assessment

Promoting Public Awareness & SNI Application
THE EXISTING RELATIONSHIP BETWEEN NSBs AND TPOs
Enhancing in the International Participation and Cooperation: Why It is Important for BSN

- Improve awareness on international trade issues
- Early anticipation on global market requirements
- Expose stakeholders to global standardization
- Stimulate adoption of international standard
- Extend collaboration network
- Accelerate learning process

Participation in International Standardization
BSN as an Enquiry Point of TBT

By means of Presidential Decree 102/2000 the Government of Indonesia designated BSN as the National Enquiry Point as well as the Notifications Authority for Indonesia under the TBT Agreement

Conducted the following activities:

- Handling enquiries on Indonesian Technical Regulations, Standards and Conformity Assessment procedures
- Handling Indonesian notifications (outgoing notifications)
- Handling Foreign notifications (incoming notifications)
BSN as an Enquiry Point of TBT (contd)

- Handling enquiries on Indonesian Technical Regulations and Standards
  - Answering queries coming from other WTO Members on existing and proposed Indonesian Standards, Regulations and Conformity Assessment Procedures
  - Answering domestic queries on existing and proposed Indonesian Standards, Regulations and Conformity Assessment Procedures

- Handling Indonesian notifications (outgoing notifications)
  - Preparing and submitting notifications to WTO, in cooperation with the national regulators, on Indonesian proposed technical regulations
  - Handling any relevant information requests and supplying any additional documentation requested by other WTO Members
BSN as an Enquiry Point of TBT (contd)

- Handling Foreign notifications (incoming notifications)
  - Receiving and reviewing foreign notifications
  - Circulating foreign notifications to stakeholders
  - Coordinating comments on foreign notification for submission to the notifying authority
ENFORCEMENT OF THE TECHNICAL REGULATION

Mandatory SNI

Technical regulations

BSN

Guidance

Post market Surveillance

Regulator

WTO

Notification

Pre market inspection

Manufacturers and Importer

Certification Bodies

Market

BSN is member of ISO
Members of WG which are consist of the representatives from the respective government institution, scientist/academia, industries, and association of industries, divided into 7 (seven) sector as follow:

<table>
<thead>
<tr>
<th>Product sector I:</th>
<th>Food and beverages, Medicines, Poultry products, and Animal and Vegetable Fat/oils</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product sector II:</td>
<td>Electronic products, Machineries and Transportation/vehicles</td>
</tr>
<tr>
<td>Product sector III:</td>
<td>Textiles, Leathers, Footwear and apparels, and Toys</td>
</tr>
<tr>
<td>Product sector IV:</td>
<td>Wood and wood products, Rubber products, Furniture, Pulp and papers</td>
</tr>
<tr>
<td>Product sector V:</td>
<td>Plastic products, Chemical, Cement, Ceramics, and Glass</td>
</tr>
<tr>
<td>Product sector VI:</td>
<td>Mineral, Metal products and Multifarious Industries</td>
</tr>
<tr>
<td>Product sector VII:</td>
<td>Medical devices and healthcare products</td>
</tr>
</tbody>
</table>
THE POTENTIAL FUTURE RELATIONSHIP BETWEEN NSBs AND TPOs
Trade promotion Organizations in Indonesia was coordinated by The National Agency for Export Development (BPEN) (www.nafed.go.id)

NAFED functions as a focal point for Indonesian exporters and foreign importers to source for trade related information. Its objective is to assist and support local manufacturers in identifying and penetrating overseas markets for their products, which is done by providing market research information and relevant advice.

Mission of NAFED:
- To increase the competitiveness of product and service`s export.
- To increase the exporters` competence to penetrate the global market.
- To expand the prime quality service to the business`s players.
- To strengthen the institutions of export development.
- To increase the officers` professionalism, transparency and performance`s accountability
Potential cooperation between BSN and BPEN

Role of BPEN
- Providing the relevant database as a basis information in exploring the potential products for export and destination country of export
- Acting as a main channel in providing the relevant information dealing with the existing export requirements, as necessary
- Assisting in disseminating all export requirements which will be imposed by country destination (incoming notification) to exporters

Role of BSN
- Providing the relevant database dealing with the technical regulation, standards, and conformity assessment procedures of the member of WTO
- Acting as NA/EP of TBT-WTO in providing the export alert system of the exported potential products and destination country
- Coordinating the comments according to the national interest to the incoming notification which may influence the exported products
Impact of standards and technical regulations on exports of developing countries

Standards and Technical Regulations: Do They Matter to Export Success in Developing Countries?
Summary of the Findings Prepared for the OECD Workshop 2005

- Firms that are impacted by testing procedures have a 9% smaller export share
- 16% smaller export share if firms are domestically owned.
- Information access difficulty discourages exporters by 18% of their total sales.
- In particular, both testing procedures and lengthy inspection process constitute a greater concern to agricultural firms.
- The firms whose abilities are affected by standards are 7% less likely to export to more than three markets
- Non-harmonised international standards reduce exports
- Standards harmonised to ISO standards are less trade restricting
CONCLUSION
Special focus: Studies on the effects of standards on exports

There have been a number of international studies, discussing the impact of international standards to exports. It is undeniable that meeting the foreign standards is expensive for exporters.

Some tools offered by TBT could help ease this process:

Using the TBT Agreement

- Dissemination of information on foreign standards and notifications imposed by destination country of the exported main national products
- Contacts with foreign enquiry points to gain all relevant information
- Negotiating the possible MRAs with destination country
- Promote harmonisation with international standards, both locally and internationally
RECOMMENDATION

- NSBs and TPOs are encouraged to have Close Cooperation through a comprehensive programme to support the national exporter in enhancing their trade volume and seeking the new potential market, if any.

- There will be needed to set up a Permanent Link of exchange of information between NSBs and TPOs which will be used by as main database for all parties concerned at national level.

- It was recommended to establish the National Working Group consisting all respective parties as a forum to discuss and exchange of information all relevant issues dealing with standard, technical regulation, conformity assessment procedures, and export requirements of destination country of export.
Thank you for your kind attention

http://www.bsn.go.id

Center for Cooperation on Standardization
The National Standardization Agency of Indonesia - BSN

Manggala Wanabakti Bld. Block IV 4th Floor
Jl. Jend. Gatot Subroto, Senayan, Jakarta Pusat
Phone. (62 21) 574 7043/44 ext 117, Fax. (62 21) 574 7045
e-mail: kerj_int@bsn.or.id
website: http://www.bsn.go.id