

# **QUALITY MANAGEMENT TRAINING ON LINKING TPOS AND NSBS FOR EXPORT SUCCESS**

## **1. INTRODUCTION**

## **2. THE ROLE, STRUCTURE AND SCOPE OF THE ORGANIZATION**

Sri Lanka Standards Institution (SLSI) is the National Standards Body of Sri Lanka, established under the Bureau of Ceylon Standards Act No. 38 of 1964. The Institution functioned under the name of Bureau of Ceylon Standards until the Act was repealed and replaced by the Sri Lanka Standards Institution Act No. 6 of 1984. The Institution now functions under the Ministry of Science and Technology and is governed by a Council appointed by the Minister in terms of the above Act.

The principal aims of the Institutions are,

- To formulate National standards relating to products, commodities, materials, and processes and revise/amend them as the need arises
- To promote the adoption of standards at national level
- To maintain laboratories for product testing and instrument calibration
- To undertake training activities on quality management and standardization and also to promote consumer education
- To disseminate information on quality management and standardization
- To promote quality management and standardization at national and international level

The National Standards formulated by the Sri Lanka Standards Institution are developed by committees through a consultative process with the voluntary involvement and the co-operative effort of all interested parties representing consumers, producers, users, public institutions and independent technical organizations.

## **2.1 SERVICES TO ENTERPRISES PROVIDED BY THE NSB**

SLSI and Industrial Development Board (IDB) have signed a MoU to improve the quality of products intended for export. This scheme involves the provision of training and certification to upgrade product quality of exporters. IDB additionally assists industry by providing technology, low cost machinery, and financial support through bank loans.

The fisheries industry is one of the oldest industries in Sri Lanka and this industry has significantly contributed to the development of the country over the last two decades. It is a fast growing in importance in the Sri Lankan economy. A health certificate (Food Safety Certificate) issued by the Department of Fisheries and Aquatic Resources and hazard analysis critical control point (HACCP) certification issued by the SLSI is mandatory when exporting seafood to European Union (EU). The HACCP certification scheme was initially started by the SLSI and now it is undertaken by the competent authority and SLSI acts as an inspection body.

In addition to above, SLSI has signed a MoU with Sri Lanka Tea Board (SLTB) to upgrade quality, safety and reliability of tea sold. This scheme is based on Sri Lankan Standards SLS 1315:2007 *Code of practise for tea industry*, SLS 135:1979 *Black tea*, ISO 3720 :1986 *Black tea -- Definition and basic requirements* and Sri Lanka Tea Board standards and guidelines for “Sri Lankan origin tea”. It is intended that this arrangement provides an internationally recognized single certificate for the export market.

## **2.2 QUALITY MANAGEMENT NEEDS OF EXPORTERS**

The Quality Systems Certification Scheme is designed as per ISO/IEC Guide 62<sup>1</sup> to meet international requirements in certifying quality systems of organizations according to the ISO 9001:2000 standard. This scheme is accredited for nineteen scope sectors by RvA, the Netherlands based accreditation body, and participant in the international recognition system established by the IAF<sup>2</sup>. Thus the certificates issued under this scheme are recognized all over the world.

Food safety assurance is another arena where SLSI provides certification services to the industry and commerce. A certificate holder develops and maintains its food safety assurance programme based on the internationally accepted principles of ISO 22000 *Food safety management systems -- Requirements for any organization in the food chain* and SLS 1266 *Food safety management system requirements*. Both schemes are accredited by RvA.

Environmental management systems certification is a voluntary certification scheme of SLSI which supports the industry to comply with the requirements of ISO 14001 *Environmental management systems -- Requirements with guidance for use* and to demonstrate company's commitment to environmental protection.

SLSI has trained many consultants on product/system certification schemes to provide necessary guidance for implementing quality systems for exporters.

### **Exportable products listed under TPOs of Sri Lanka**

Following items have been selected as priority products for export.

- Aquarium fish, aqua culture, and seafood
- Apparel and accessories
- Coconut and coconut products
- Light engineering products
- Foliage and cut flowers
- Footwear and leather products
- Fruits, vegetables, cereals and agriculture products

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<sup>1</sup> ISO/IEC Guide 62:1996 *General requirements for bodies operating assessment and certification/registration of quality systems*

<sup>2</sup> IAF, The International Accreditation Forum

- Food, beverages and edible oil
- Handicrafts
- Handloom textile products
- Gems and jewellery and diamond products
- Granite and mineral sands
- Plastic products
- Porcelain and ceramic
- Rubber and rubber products
- Spices, essential oils and medicinal herbs
- Tea
- Toys
- Wooden furniture

## **POTENTIAL MARKETS**

- United States of America
- Thailand
- Japan
- Malaysia
- Korea
- Spain
- Philippines
- Australia
- Pakistan
- Vietnam

## **2.3 FACILITIES/GUIDANCE/TRAINING PROVIDED TO EXPORTERS**

The institution provides training on standardization and quality management for personnel in the industry with a view to impart the knowledge required for producing good quality products and services. SLSI covers training programmes on standardization and quality management, ISO 9001 quality management systems, ISO 14001 environmental management systems, ISO 22000 and HACCP food safety management systems and other quality related fields for all grades of industrial personnel; ranging from top management to shop floor workforce..

The Laboratory Service Division also offers product-testing services to the industry, trade and commercial interests. These tests are carried out in accordance with company, national or international standards. In addition it offers certain technical services such as establishment of laboratories and technical training for laboratory personnel.

Laboratory Service Division comprises of six specialized laboratories in the fields of Chemical, Electrical, Food, Materials, Microbiology and Textiles.

Another service to be introduced under the SLSI Act No 6 of 1984 will be the Export Quality Certification Scheme (EQCS) which provides a sound mechanism to

develop export trade through quality control and inspection. This apex scheme is planned to be an open, independent, voluntary and competent scheme operated in the most cost effective manner. Under this scheme different kinds of certification activities carried out by different organizations in order to facilitate exports are coordinated to guarantee or assure the reliability and the acceptability of such certificates for the benefit of the importing country. Under this scheme, SLSI would have the authority to approve inspection bodies, testing bodies, inspection bodies, and trading and manufacturing organizations based on the requirements stipulated in this scheme, as “approved” organizations, to ensure that such bodies are competent to issue certificates to meet the importing country’s requirements. This apex scheme has two sub schemes, which are developed with the prime intention of covering all types of exports so that the exporters can select the more suitable scheme depending on their requirements. The scheme is coordinated by SLSI under the guidance of the Export Quality Certification Coordinating Committee (EQCCC). These two schemes are;

**1. Consignment-Wise Certification Scheme**  
and  
**2. System Based Certification Scheme**

In operating this scheme SLSI will strictly adhere to the following policies:

- \* Operate the scheme pending international recognition.
- \* Utilize most modern methods, procedures and recognized standards.
- \* Engage competent auditors and technical specialists acceptable to clients.
- \* Develop MoUs at inter governmental levels to ensure recognition of the scheme
- \* Educate and train exporters on quality certifications and other applicable requirements related to this scheme.
- \* Include provisions to cover any compulsory certification of exports
- \* Appoint technical committees as and when a need arises
- \* Maintain an up -to- date directory covering the list of approved organizations

## **STRATEGIC VISION OF SLSI**

Strategic vision of SLSI is to promote and upgrade the quality and standards of suppliers and manufacturers thereby upgrade the quality of products and services to consumers.

This strategic vision will be aligned with national development priorities of the country because after the end of war in the north and east of Sri Lanka, government and other trade organizations will be involved with the development of many industries in Northern and Eastern part of country. SLSI will be playing a major role in upgrading the quality of products and services in this effort.

Presently, SLSI focuses on small medium entrepreneurs to upgrade the quality and standards of their products and services. SLSI has signed a MoU with IDB (Industrial Development Board) and PHDT (Plantation Human Development Trust) to fulfil this objective.

Most significant gaps in service delivery are knowledge management, capacity to provide consultations on quality improvement and management system certification, and related activities.

### **iii THE EXISTING RELATIONSHIP BETWEEN NSBs AND TPOs**

There are several TPOs operating in Sri Lanka . The Export Development Board is the government TPO. In addition to this organization, there are several private sector organizations that act as TPOs;

1. Ceylon Chamber of commerce.
2. National Chamber of Commerce of Sri Lanka.
3. Federation of Chambers of Commerce & Industry of Sri Lanka.
4. National Chamber of Exporters of Sri Lanka.

The relationship between EDB and SLSI was established many years ago. EDB provides financial assistance for machinery and infra structure, organises international trade fairs to promote Sri Lanka's products to international markets. SLSI provides guidance to exporters and SME's on quality improvement, certification and training services.

The chambers of commerce also play a major role within the export market. They provide financial assistance to suppliers to buy machinery and provide training on quality management and development.

Chambers also conduct annual exhibitions for the SME sector to facilitate entry to local and international markets.

### **iv THE POTENTIAL FUTURE RELATIONSHIP BETWEEN NSBs AND TPOs**

It is recommended that the Export Quality Certification Scheme (EQCS) be implemented and MoU's established at inter governmental levels to obtain recognition for the scheme. This will overcome current challenges and to establish an effective working relationship with the TPOs. In Sri Lanka, a larger number of exporters are from small and medium sector and the scheme will be targeted at priority sectors as identified as exportable items by the TPO.

With the exception of the seafood and tea industry, most of the suppliers and exporters lack experience of export market and also lack knowledge of quality requirements. these areas and sectors thus have the highest potential for cooperation between the NSB and TPOs.

To establish an effective cooperation and working relationship with the NSB/TPOs, EQCS scheme and signing of MoU would benefit both parties.

### **BENEFITS TO THE ORGANIZATION**

- \* Organization can act as both inspection and testing body.
- \* Utilize most modern methods, procedures and recognized standards.
- \* Engage competent auditors and technical specialists acceptable to clients.
- \* Maintain an up -to- date directory covering the list of approved Organizations

### **BENEFITS TO THE COUNTERPART**

- Educate and train exporters on quality certifications and other applicable requirements related to this scheme.
- Counterpart can become an inspection body after getting accredited by the Sri Lanka Accreditation Board (SLAB).
- Can involve with consignment wise certification scheme.
- They can issue quality certificates to exporters.
- They can provide necessary guidance to exporters through the island wide branches.

### **BENEFITS TO THE EXPORTERS**

- Internationally recognized scheme which incorporates a a facility to identify international market.
- Provide consumers an assurance of safety, quality and reliability.
- Provide consumer confidence that products meet and continue to meet the relevant standards.

### **IMPLICATIONS FOR GETTING THE REQUIRED ENDORSEMENT**

Operate the Export Quality Certification Scheme (EQCS) pending approval from international recognition. We have made arrangements to recognize this scheme before implementation with NEDA, India.

Resources could be taken from accredited laboratories within the country and government institutions under the Ministry of Science & Technology, Ministry of Agriculture, Sri Lanka Tea Board, Ministry of Fisheries & Aquatic resources, Ministry of Health etc.

