

**QUALITY MANAGEMENT:
LINKING TPOs & NSBs
FOR EXPORT SUCCESS**

*Export Quality Management,
Challenge for Today, Necessity for Tomorrow*

Mohammad Haddadi
Director General, Foreign Trade Information Office

TRADE PROMOTION ORGANIZATION OF IRAN

November 2009

▪ INTRODUCTION

Today developing countries face numerous barriers to accessing the global trade system, and standardization and its conformity assessment are the significant challenges to ensuring their access to export markets.

The Collaboration between the Trade Promotion Organizations (TPOs) and National Standards Bodies (NSBs) have a fundamental role to promote the quality management approach as a key strategic element of competitiveness in both domestic and international markets and engage developing countries in international standardization for their export products.

▪ THE ROLE, STRUCTURE & SCOPE OF THE ORGANIZATION

The Export Promotion Center of Iran with nearly four decades of hands-on experience in promoting the non-oil export sector was restructured in 2004 and took up its new mandate as “Trade Promotion Organization of Iran”. Trade policy, trade promotion, and trade facilitation are the functional pillars of Iran TPO.

In order to increase quality and raise export standards, the High council for the Promotion of Non-Oil Exports of I.R. Iran approved **The Export Quality Management Comprehensive Plan (EQMCP)** in 2008 and implementation process of the plan has been officially started after the approval by the Ministers of Commerce, Industry & Mine and Agriculture.

Trade Promotion Organization of Iran has been appointed as an enquiry point for technical regulation with collaboration of the working group as follows:

- Institute of Standards & Industrial Research of Iran
- Iran Ministry of Commerce
- Iran Ministry of Industry & Mine
- Iran Ministry of Agriculture
- Iran Ministry of Health
- Iran Customs Administration
- Iran Chamber of Commerce, Industries and Mines
- Iran Central Chamber of Cooperative

The purpose of this Export Quality Management Comprehensive Plan (EQMCP) is to establish the goals, processes, and responsibilities required to implement effective quality management functions by the guidance of Iran TPO and the related working group.

The Preparation and dissemination of information on the quality management needs of Iranian exporters has been planned as a priority focus area in Iran TPO. The latest Information regarding standards and quality requirements on the country's main goods and services exported to the main foreign markets prepares by the Commercial Services Office and disseminates by the Trade Information Office of Iran TPO.

They also maintain a website to create awareness of the issues, with links to the Institute of Standards & Industrial Research of Iran and other related organizations from public or private sector which can assist Iranian exporters to keep up to date with changes. The enquiry point is going to develop a system which automatically enters notifications received into an online database, coded by subject areas, using the international classification of standards. This system ensures that they receive only relevant notifications and enables exporters to receive daily e-mail updates without any associated cost on new notifications on technical regulations and conformity assessment procedures. This system will enable the enquiry point to cover all business sectors with relevant information on standardization and its conformity assessment.

In order to support business community in the country, Trade Promotion Organization of Iran provides a range of advisory and support services to enhance productive capacities of Iranian exporters. The Trade Assistance Division of Iran TPO undertakes the responsibility of supporting services in the area of trade and capacity building. This division provides assistance on policies designed to improve the trade performance and productive capacities of the country. These cover a range of areas, including: export performance, implementation of trade and rules, research, and training on trade and related issues. The Trade Assistance Division of Iran TPO supports the Iranian exporters in helping to determine whether products meet requirements and providing consultancy services to overcome market access barriers relating to technical standards. To improve participation in standardization activities at international level, take more active in standardization by creating awareness among industry and trade associations and also to meet requirements in export markets that explain technical regulations and SPS measures applicable are major steps of the technical assistance goals of the division.

The Training center of Iran TPO organizes a wide range of quality management training courses and seminars annually to meet the exporter's needs on the procedures to adapt the products or services. The aim of these training activities is to run awareness, especially among the export-oriented business community, of the importance of improving and maintaining market access through standards and conformity assessment in international trade.

The strategic vision of Trade Promotion Organization of Iran regarding quality management implementation is based on the Export Quality Management Comprehensive Plan (EQMCP) approach to development National Quality Infrastructure.

▪ **THE EXISTING RELATIONSHIP BETWEEN NSBs AND TPOs**

The main relationship between Iran TPO, an affiliate of the Iran Ministry of Commerce, and Institute of Standards & Industrial Research of Iran (ISIR), an affiliate of the Iran Ministry of Industry & Mine, has existed through the quality control of export goods subject to compulsory standards and competition chance with similar foreign goods and maintaining international markets and also quality control of imported goods in order to protect consumers and domestic producers as well as to prevent imported of

low - quality goods. The duties of ISIR are based on the determination, development, and publication of national standards as the official authority in the country. Although ISIR conducts research aimed at standardization, improvement of the quality of goods and helping enhancement of production processes and industrial efficiency, Iran TPO should be found out what the country's exporters require by way of information and support. Quality upgrading of exportable goods through preventing the export of low-quality, applying incentive methods to prompt Iranian exporters to comply with the world standards, upgrading the technical knowledge of agencies supervising the quality of exports and also selecting Iranian exemplary exporters are major joint working programs and committees between two bodies.

The principal constrain that Iran TPO faces in terms of linking up with the counterpart ISIR is result from the existence of two separate decision-making structures based on the two Ministries of Commerce and also Industry & Mine in the country. In most of the countries, there is a Trade & Industry Ministry but in Iran they are separated in two administrative parts.

▪ **THE POTENTIAL FUTURE RELATIONSHIP BETWEEN NSBs AND TPOs**

In order to overcome the current challenges in the field of Export Quality Management, an effective cooperation and working relationship with the counterpart ISIR is established through the Export Quality Management Comprehensive Plan (EQMCP). This plan is the most potential for cooperation between two bodies as a challenge for today and necessity for tomorrow.

Preparation of a strategic plan to identify goals and set targets for the development of the National Quality Infrastructure and conformity assessment in the country by mutual cooperation of Trade Promotion Organization of Iran and Institute of Standards & Industrial Research of Iran is crucial to address the needs of Iranian exporters and to ensure that they can meet growing market demands.

▪ **CONCLUSION**

The stronger collaboration between Trade Promotion Organization of Iran and Institute of Standards & Industrial Research of Iran as the authorized NSB and TPO of the country is the key issue to promote the quality management approach and strengthen to support the international competitiveness of Iranian SMEs. The emphasizing linkages between Iran TPO and ISIR will help Iranian exporters address this constraint through a guided, practical thematic approach based on the updated export strategy formulation with reinforced module on Quality Management.