



**Address by J. Denis Bélisle, Executive Director of the
International Trade Centre (ITC)
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Secretary-General of ISO, ISO Vice-President (Technical Management), Chairs of ISO technical committees and subcommittees, Ladies and gentlemen, Mr Secretary-General.

Thank you very much for your kind invitation to address the Chairs of ISO technical committees and subcommittees. I understand that the people occupying these Chairs are the driving force behind the establishment of ISO standards and, hence, are key potential partners for ITC. Our two organizations already enjoy fruitful collaboration and I can only hope that my presence and that of my colleague Shyam Gujadhur with you today will contribute to achieving more and better things jointly for the benefit of the developing world.

For those of you who do not know the International Trade Centre, we are a trade-related technical cooperation agency reporting to both the United Nations and the World Trade Organization. We specialize in enterprise-related aspects of trade development. We work with developing countries and transition economies, and particularly with their business sectors, helping them to develop their exports and improve their import operations.

The progressive liberalization of trade is enabling manufacturers from almost every country to sell products around the world. This has given a new impetus to the development of international standards. To sell around the world, manufacturers would be wise to use internationally accepted standards rather than national or regional standards. The gradual reduction of tariffs worldwide, following the Uruguay Round of negotiations, has focused attention on non-tariff barriers, such as divergent technical regulations. The WTO Agreement on Technical Barriers to Trade (TBT) has laid down a framework to minimize these non-tariff barriers. To facilitate trade between countries, WTO members are required to use international standards as a basis for their technical regulations.

The recent dispute between the European Union (EU) and Peru regarding the classification of sardines has created a precedent for using the WTO dispute settlement procedures to impose the use of international standards in national technical regulations. In this case, the EU had refused to classify the Peru variety of sardines as "sardines" although doing so was contrary to the relevant Codex Alimentarius standard. The EU later modified its regulation to align it with the Codex standard. This case has far-reaching implications for regulators. It forces them to take account of international standards. Indeed, they may, in some cases, have to amend regulations established before the WTO came into existence to make them compatible with international standards.

This case has major implications for international standard-setting bodies such as ISO. ISO has to ensure that the international standards it produces are relevant and that they effectively respond to regulatory as well as market needs. Regulators will more readily accept international standards when it can be demonstrated that they are an effective and appropriate means of fulfilling the legitimate objectives of regulations.

At ITC, we are very pleased to note that the new ISO *Global Relevance Policy and Principles Document* provides a sound basis for ensuring that ISO standards are relevant. The new policy recognizes that there is not

always a single global market, and that this situation requires the promulgation of international standards that can take into account market, societal and essential differences with the ultimate aim of having a single international solution. I understand that ISO 19938:2003, about *Performance and Assessment Requirements for Design Standards on Structural Concrete*, lays down performance requirements and lists regional consensus standards that are "deemed to satisfy" the requirements of the international standard.

International standards not only minimize technical barriers to trade through harmonization of national standards, they are also a vehicle for the transfer of technology. Indeed, the preamble to the WTO Agreement on TBT recognizes the contribution that international standardization can make to the transfer of technology from developed to developing countries. The latter can reduce their technological gaps by adopting international standards. These can help to transfer the relevant technologies at the lowest possible cost. They also provide one of the best and most comprehensive sources of information about technologies that can become candidates for adoption and translate into new business opportunities for developing countries. It is for these reasons that ITC appreciates international standardization. Industrialized countries can also benefit by participating in international standardization. Expenses related to research and development are reduced when participants in international standards work make their results generally available and research need not be duplicated.

Small and medium-sized enterprises (SMEs) need to use international standards to access world markets. Businesses do not have to depend upon a single supplier or suppliers from a particular country. This results in a broader choice for businesses and increased competition among suppliers. SMEs can tap into the market potential that opens up when international standards are used as a basis for procurement. The use of international standards leads to lower transaction costs by making information available and accessible to all interested parties. Furthermore, by using international standards, SMEs can often reduce time-to-market and lower their development costs.

But, as I said on the occasion of the ISO General Assembly last September, the benefits accruing from the use of international standards can be obtained only if a clear message goes to the top. It is imperative to bring standardization and quality assurance to the boardrooms of businesses as strategic issues to be dealt with by senior management. The strategic benefits of international standards are well understood by technical experts involved in the preparation of standards. The problem, however, is that corporate decision-makers are often unaware of these strategic benefits, and do not fully realize the potential benefits arising from the use of standards.

In many, if not most, developing countries, the level of knowledge about standards in general, and international standards in particular, among senior decision-makers in both the public and private sectors is almost non-existent. This explains, in our view, the lack of support from governments and the private sector for participation in international standardization work, even when products of critical importance for a country's economy are concerned.

ITC is organizing next week in Geneva, together with the Commonwealth Secretariat, a workshop based on our publication entitled *Influencing and Meeting International Standards: Challenges for developing countries*. The workshop will consider the recommendations contained in that publication. One of these is to investigate the desirability and feasibility of mentoring and twinning arrangements under which assistance would be given to developing and emerging countries to improve their participation in international technical committees for products of special interest to them. This is an area where ITC could draw on ISO's experience.

As some of you know, ITC collaborated with ISO on the publication on *ISO 9001 for Small Businesses* to facilitate the understanding and implementation of the standard by SMEs in developing countries. ITC has agreed with ISO to produce a Food Safety Management System Checker based on the future ISO 22000. This would be an easy-to-use diagnostic tool meant especially for developing countries and transition economies, to assess the readiness of an enterprise to satisfy the requirements of the standard and obtain some guidance whenever gaps are identified.

I think there is much merit in ISO and ITC jointly exploring ways of explaining to decision-makers in developing countries and transition economies how their countries' participation in international standardization can help to make international standards responsive to national requirements for quality and safety and not develop into barriers to trade for them. Actual case studies highlighting the financial benefits arising from the use of international standards would help to bring the message across. Standardization, in many developing countries, tends to be driven by the national standards bodies instead of industry and business. We need to consider how we could make businesses more aware of the importance of international standards in trade so that we could get them on board to participate in the preparation of international standards for products of interest to them.

You are well aware of the benefits of international standardization. Together, we need to inform developing countries and transition economies of these benefits. We also have to take into account their concerns in the preparation of international standards. It would be to the advantage of all for developing countries to participate effectively in international standardization work. Let us continue to work together to make it happen.