

Chapter 9

Quality first

'The most important thing for trade development specialists to possess is quality management skills.' *A.O. Oyejola, Secretary General, African Regional Organization for Standardization, Kenya, in the 2001 e-Discussions.*

'The key point is that at present the standards organization in Ghana is not a part of the trade support network.' *Osei Boeh-Ocansey, Director General, Private Enterprise Foundation, Accra, Ghana.*

'The two recognized pillars of internationalization and competitiveness are standardization and certification of products and companies.' *Fabio Tobón, Executive Director, Colombian Institute of Standards and Certification (ICONTEC), Bogotá.*

How the quality issue fits into the Colombian Development and Export Plan

The Colombian Development Plan entitled 'Change to Build Peace' contains a chapter on the importance of increasing exports as an engine to increase development. The main strategies to achieve this growth in exports are assistance to companies to increase their competitiveness and productivity through financing, quality assurance, technological innovation and a vigorous policy on export promotion.

The quality assurance aspect of the strategy is based on the following best practice considerations:

- ❑ *There should be one law that encompasses all quality-related legislation;*
- ❑ *Requirements on standardization and conformity assessment should be in accordance with the directives of the World Trade Organization;*
- ❑ *A central governing body within the public sector should coordinate all efforts and policies regarding standardization and conformity assessment;*
- ❑ *National standards should be based on international standards;*
- ❑ *A governmental institution, with membership in the International Accreditation Forum and the International Laboratory Accreditation Cooperation, should be in charge of the accreditation of all actors in the national conformity assessment system, i.e. certification and inspection bodies, and testing and calibration laboratories; and*
- ❑ *There should be a national quality programme to support small and medium-sized enterprises wanting to implement ISO 9000 quality systems and to obtain ISO 9000 certification;*

A recent study of Colombian industry confirmed that 90 per cent of the companies that have implemented ISO 9000 believe that the cost/benefit outcome was beneficial. Almost two-thirds say that ISO certification has led to increased exports.

Adapted from a paper contributed to Executive Forum 2001 by Fabio Tobón, Executive Director, Colombian Institute of Standards and Certification (ICONTEC), Bogotá.

Meeting technical and quality requirements in the international marketplace is a tall order. Exporters must ensure that their products meet the *mandatory* technical specifications of the targeted market that have been established to protect consumers' health and safety and the environment. Exporters must also meet the 'voluntary' quality standards applicable to the market and specifications laid down by the prospective buyer.

First, exporters have to obtain information about the mandatory technical regulations and voluntary standards applicable in the importing country. Second, they must adapt their products to meet these requirements, as well as the preferences of the buyer. Third, they must be able to demonstrate to the regulatory authorities in the country of import and to their buyer that the products meet the relevant requirements. For each step the exporter needs assistance from the national trade support network.

'A Quality Council is needed to coordinate the development of SQAM.' *Shyam Gujadhur, Senior Adviser on Export Quality Management, ITC.*

To deliver this support, the national network must provide four core services, known collectively as the SQAM system. This comprises:

- ❑ *Standardization*: the establishment of standards and the provision of information on standards, technical regulations and conformity assessment procedures;
- ❑ *Quality assurance*: the certification of products to specifications and of quality management systems to ISO 9000;
- ❑ *Accreditation*: the formal recognition of certification and inspection bodies and of testing and calibration laboratories;
- ❑ *Metrology*: the ensuring of traceability of measurements and accuracy of test results.

'After 80 years as part of the former Soviet Union, Moldova's standards are not oriented to the needs of major target markets, and all the standards organizations are located within the government administration. This is a major concern for all economies in transition. It is difficult to know how to proceed.' *Valeriu Canna, Director General, Moldovan Export Promotion Organization, Chisinau.*

It is complex. It is expensive and time-consuming for the would-be exporter. It is considerably more complex, expensive and time-consuming for the trade support network. But the existence of a SQAM infrastructure in the country is a fundamental aspect of ensuring the competitiveness of the export sector. Without it, the national trade support network cannot claim to be working.

Yet this aspect is not given sufficient attention by export strategy-makers in many developing and transition economies.

Given the investment involved, best practice suggests that a *step-by-step approach* to building a national SQAM infrastructure should be taken. The trade support network should, as a first step, work to provide a basic level of quality-related services to the export community. These should include:

- ❑ Testing, calibration and inspection (conformity assessment) and measurement traceability services (metrology), which should be provided by the National Standards Body; and
- ❑ Technical information services on issues relating to technical barriers to trade (TBT) and sanitary and phytosanitary measures (SPS), which should be obtained through the local National Enquiry Points for TBT and SPS.

Best practice principle 22:

Ensure the national enquiry point networks effectively with its counterparts

The creation of a National Enquiry Point to provide information on standards, technical regulations and conformity assessment procedures as applied in the country is a commitment of all WTO member countries.

Through its ability to obtain information on standards, etc. in foreign markets, the National Enquiry Point can make a major contribution to the national export effort. The efficient functioning of the Enquiry Point should, therefore, be a priority of the national trade support network.

'Implementation of a national quality programme must be a public–private sector joint venture.' *Shyam Gujadhur, Senior Adviser on Export Quality Management, ITC.*

'Mauritius has taken incremental steps in completing its national quality infrastructure, with the emphasis now on the operation of MAURITAS, the national accreditation body and the conclusion of MRAs (multilateral recognition agreements) internationally.' *B.A. Boodoo, Director, MAURITAS, Port Louis, Mauritius.*

Stage two should focus on encouraging the private sector to provide a range of conformity assessment services, with public sector bodies such as the national standards body assuming responsibility for the delivery of similar services in areas of national interest or to sectors where there is little interest among private sector organizations in providing such services. In the absence of a recognized national accreditation body, accreditation of local conformity assessment bodies will have to be conducted by foreign accreditation bodies.

The third and final stage would involve the setting up of a national accreditation body whose accreditation is recognized in foreign markets.

Eventually the network must not only seek to assist local industry to be competitive through setting national standards, advising on quality management and international standards, and providing certification services, it must participate in the setting of international standards which will reinforce or, at the very least, protect its industries' competitiveness.

Best practice principle 23:

SQAM should be a public–private sector partnership

The public sector should concentrate on non-commercial activities, leaving conformity assessment services to the private sector.



Annex

Quality incentives

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Incentives are a key aspect of a national drive to improve quality.

The Government of Malaysia operates an Industrial Technical Assistance Fund (ITAF) that provides matching grants to small and medium-sized enterprises in the areas of:

- ❑ Business planning and development;*
- ❑ Process and product development upgrading;*
- ❑ Productivity and quality improvement and certification;*
- ❑ Market development.*

The Productivity and Quality Improvement and Certification Scheme (ITAF 3) focuses on supporting local enterprises in upgrading productivity and quality and attaining international standards and certification. Eligible expenses covered under the matching grant include:

- ❑ Consultancy;*
- ❑ Acquisition of technology and skills through training;*
- ❑ Testing and calibration;*
- ❑ Purchase of testing equipment.*

Adapted from a presentation made at Executive Forum 2001 by A. Aziz Mat, President, Institute of Quality Malaysia, Shah Alam, Selangor.