

QUALITY MANAGEMENT: LINKING TPOs AND NSBs FOR EXPORT SUCCESS

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I. INTRODUCTION

1. Quality measured through standards, technical regulations and conformity assessment has become an inevitable pre-requisite of international trade. Informal or voluntary requirements are gaining currency, and with every coming day the binding requirements through law or otherwise, technical regulations and private standards are burdening the entrepreneur of developing countries in terms of cost and capacity. Moreover, the speed with which the requirements are piling up, it is extremely difficult to keep pace with the requirements of exports. It is perceived that technical barriers restrict the trade from developing countries as these are unable to participate effectively in setting of standards, lack infrastructure to fulfill multiple requirements of international trade.

II. THE ROLE, STRUCTURE AND SCOPE OF THE NSB IN PAKISTAN

Evolution of Quality Regime in Pakistan

2. In Pakistan quality control and standardization institutional framework, in one or other form have existed since early 1950s that is just few years after its independence in 1947. The various components of this institutional arrangement were:

Standards Institution (PSI) - Established in 1951 under Ministry of Industries with objective of formulation of national standards keeping in view the concept of quality, safety, health efficiency as basic parameters for the sustainable development. The PSI was also responsible for certification and conformity assessment of items to meet national standards on mandatory basis.

Testing Laboratory (CTL) - Established in 1951 under the Ministry of Industries to undertake testing of industrial raw materials and finished products for conformity assessment to establish their quality, with reference to national/international standards.

3. Pakistan being a member of WTO right from its inception needed to re-align its institutional setting to meet the opportunities as well as the challenges of globalization. In this perspective the Pakistan Standards & Quality Control Authority (**PSQCA**) was established under the administrative control of Ministry of Science & Technology; through Act of the Parliament in March, 1996 by merging the two institutions. PSQCA provides statutory as well as infra-structural basis of one-window services for standardization and quality control compatible with global requirements.

THE MAIN FUNCTIONS OF NSB

4. The Pakistan Standards and Quality Control Authority (PSQCA) remains the national standardization body; and in this capacity and in accordance with international practices has to deal with the subject of preparation and promulgation of national standards, promotion of the implementation of standards , certification of products, provision of information on standards and related technical matters, with regard to both national and international standards, and country representation in international activities and at forums that deal with standards.
5. In line with broad array of functions of an NSB, PSQCA has been empowered by law inter alia for:
 - i. Framing and adoption of the Pakistan Standards in relation to any article, product, process, and measurement.
 - ii Enforcement of national standards on **notified** articles.
 - iii Inspection and testing of products and services for their quality, specification and characteristics.
 - iv. Administration of licenses for the use of any of the PSQCA marks.
 - v. Levying of fees, for checking, inspection and testing of products.
 - vi. Coordination and cooperation with other national, regional and international organizations.

PSQCA & WTO/TBT Agreement

6. **PSQCA** being responsible for adoption, preparation and implementation of technical regulations, standards and conformity assessment in the country, deals with issues arising from the WTO Agreement on Technical Barriers to Trade (TBT) in liaison with Ministry of Commerce and is designated WTO/TBT National Enquiry Point for Pakistan.

Services to the Enterprises

7. In Pakistan like other developing countries, the linkages between institutions and government agencies are not well functioning and even at times the responsibilities and functions are overlapping. However, with the passage of time the interaction is improving and there is growing sensitivity to improve coordination among all the agencies responsible for trade in this country. The government in its Strategic Policy Framework has recognized this concern and has assigned Ministry of Commerce to *establish efficient steering and coordination mechanism that make the functional linkages between the Structural Trade Policy Framework with the planning process and relevant government agencies.*
8. The PSQCA in discharge of its functions and with resources available is providing access to standards from various international organizations like ANSI, ASTM etc., to stakeholders. The PSQCA has inked various MoUs and MRAs with its counter parts in some countries for exchange of information, capacity building and development of infrastructure in Pakistan. These agreements are recent developments therefore; the exact implementation of these has not been achieved yet.
9. In Pakistan the NSB has established connections with various government agencies which directly or indirectly are responsible for trade promotion in the country and provide necessary input to improve the operational efficiency of the industry. The PSQCA has three internationally accredited laboratories and maintains close liaison with Pakistan National Accreditation Council (PNAC) and Pakistan Council for Scientific and Industrial Research (PCSIR) for the purpose of providing testing services to the exporters. Moreover, the PSQCA is also responsible for registration of inspection

agencies which play a very critical role in quality certification of export consignments from Pakistan.

10. The TBT National Enquiry Point holds very important position in dissemination of information about developments in the arena of standards, technical regulations and conformity assessment requirements to the exporters. The PSQCA with the assistance of UNIDO under TRTA has established National Enquiry Point two years back. Being a new phenomenon, the downward linkages with industry are not well established; however, there is growing recognition to avail this channel of information.

Guidance/Training & Services

11. The PSQCA from time to time, has conducted several trainings in the areas of Quality Management System (ISO 9000), Environmental Management System (ISO 14000), Food Safety Management Systems (ISO 22000, BRC and Organic Farming), Occupational Health and Safety (OHSAS 18001) and Inspection Bodies (ISO 17020).
12. The organization envisions to have fully functional System Certification and Training Centre to make this activity regular feature and complement its delivery of services on standards, technical regulations and conformity assessment. The Government of Pakistan has also assigned Ministry of Science & Technology to develop Halal Certification Board to capitalize latent potential demand of Halal food products in the country. PSQCA's institutional linkage with its counterpart in Malaysia and other Muslim countries will definitely come handy to achieve objective of this initiative.
13. The PSQCA is in the process of finalizing standards on Halal Slaughtering, Halal Food Management Systems and allied matters by taking all the stakeholders including industry and religious scholars on board. Moreover, the organization keeping in view the importance of the subject is also playing a lead role at the platform of Organization of Islamic Countries (OIC) for development of standards for Halal meat and products thereof.

Gaps in Service Delivery

14. In Pakistan, there is general perception of industry that Certification of Management Systems gives automatic recognition to products and there is no requirement for a product's conformance with standards. Industry does not fully understand the role of product standards, technical regulations and conformity assessment in global trade. Exports from Pakistan face strict import requirements in export markets and many a times face border rejections. The complexity of and distinction between TBT and SPS measures also plays as a major impediment in addressing the issues effectively. Moreover, weak capacity of institutions in private and public sector creates significant gaps in service delivery by these institutions.

III. THE EXISTING RELATINSHIP BETWEEN NSBs AND TPOs

15. Pakistan Standards and Quality Control Authority being responsible for MSTQ¹ along with National Enquiry Point (NEP) under TBT Agreement holds very vital role in promotion of Pakistani trade. With the passage of time, the role of PSQCA is gaining recognition with the government departments/ministries dealing directly or indirectly with trade promotion in the country and the industry. In this respect, the Authority has established liaison with several ministries including the Ministries of Commerce, Food and Agriculture, Industries, Revenue (Customs), Environment.

16. In order to assure a regular input from Chamber of Commerce & Industries, the PSQCA Act provides that members from that particular segment of the stakeholders are appointed to its Board of Directors as well as the to the Council, which are the two set of bodies that administer the regular functioning and lay down policy direction of PSQCA respectively.

Constraints in Inter-Linkage between NSB & TPOs:

¹ MSTQ refers to metrology, standards, testing and quality

17. The principal constraints that the organization faces in terms of inter-linking with counter part TPOs is the lack of coordination and close association. The cross cutting issues of SPS and TBT and in some cases overlapping functioning of different organizations also hampers overall effectiveness of the organizations. Lack of capacity and weak institutional infrastructure are also major handicaps in addressing the very specialized subject of standards and technical regulations.

IV. THE POTENTIAL FUTURE RELATIONSHIP BETWEEN NSBs AND TPOs

18. The government in Pakistan is conscious of opportunities and threats in global trade acting to improve the much needed coordination among various stakeholders. Frequent interaction, dialogues and communication between the stakeholders is creating an enabling environment for the development of a potent MSTQ infrastructure to improve operational efficiency of the economy as a whole. As mentioned earlier, the government is sensitive to importance of strong linkages between all the stake holders on the broader spectrum.

19. It is believed that this close liaison between the NSB and TPOs will definitely facilitate industry in general and exporting sector in particular to meet international requirements for standards and conformance. Pakistan's export portfolio is very narrow and major exports include textile goods and agricultural products constituting overwhelming share of exports. Pakistan's biggest trading partners are United States, EU and Middle East with more than quarter of exports is to the USA. The PSQCA having MoUs with ANSI and ASTM can play an important role in promoting national exports. The MRA with Saudi Arabia, is also a very useful instrument to cut costs in terms of money and time with enhanced acceptance of Pakistan's exports. Therefore, there is very high potential for the NSB and TPOs to put in collective efforts to facilitate exports in traditional goods and create avenues for exports of other goods as well.

20. Additionally, Pakistan has also good prospects to boost exports in the areas of gems and jewellery. In this respect initiative has been taken to develop standards and standard operating procedure on Hall Marking in consultation with the gems & jewellery industry.

Implication in terms of getting the required

21. Promotion of exports and competitiveness of industry are in the lead on the policy agenda of the government and the NSB's perceived actions are aligned with these overall policy objectives of the government. Moreover, the Ministry of Science & Technology as Ministry responsible for both, the PSQCA and Pakistan National Accreditation Council (PNAC), is in a better position to ensure that both the organizations complement each other and work closely with other government agencies dealing with the trade and commerce.

22. PSQCA definitely requires its capacity to be enhanced, in terms of human resources and institutional arrangements to fulfill its statutory role more effectively. Presently, the Authority is self finances its operations. In order to develop capacity, improve its service delivery and keep abreast with international developments, it needs additional financial resources to developing infrastructure and training of its staff.

V. CONCLUSION

23. Enterprises in developing countries, especially the small and medium enterprises, are generally unable to satisfy quality, health and safety parameters of the export markets. Rejection of exports because of non-conformance to the buyer's and/or importing countries' requirements jeopardizes not only that company's future export prospects but also the image of the exporting country. One way to avoid this situation is to adopt effective export quality control measures at the national level that minimize the possibility of non-conformance. Establishment of better communication and coordination between NSBs and trade promotion organizations is an effective way to promote quality consciousness and leads to better understanding of requirements of the international market which can in turn boost the exports.

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