

# **QUALITY MANAGEMENT: LINKING TPOs AND NSBs FOR EXPORT SUCCESS**

## **1. Introduction**

The strong competition in the economic world today has forced several countries to reduce their import whereas several countries have been trying very hard to increase their income from the export by looking for wider markets. A number of new strategies have been introduced by the manufacturers to improve and develop their products and services so as to be able to accede the international markets. Although the government's support is necessary, the success in trade depends very much on the competitiveness of the manufacturers themselves. In the competitive international market where traders must abide by international rules and regulations, the successful manufacturers will be the ones who can successfully develop their products and services to fully satisfy the customer requirements.

## **2. Organization roles, structures and scopes**

### **2.1 Organization responsibility/structure**

In the international markets today, international standards have played a significant role. Therefore, most countries have increased their attention to standardization. It is undeniable that the international standards on management systems have played a significant part in promoting and supporting the Thai industry as well as the public sector in developing their products and service to the international level.

The Thai Industrial Standards Institute (TISI) is responsible for the national standardization. TISI is in charge of promoting, supporting, developing and controlling the industrial products which are locally produced or imported to be in

compliance with the specified standards so as to increase the competitiveness of the Thai industrial products in the world market and to protect the environment and consumers. Presently, the scope of TISI has been expanded to cover management systems, development of SMEs and SMCEs (small and micro community enterprises). TISI is also responsible for accreditation of the inspection bodies and certification bodies in compliance with the international standards so as to increase the competitiveness of the Thai manufacturers in the international trade.

Being the national standards body (NSB) of Thailand established by the Industrial Product Standards Act, B.E. 2511(1968), TISI has a major role in national standards development, certification, representing Thailand in the international organizations for standardization and promotion of the implementation of standards in the public and private sectors. In conducting its mission, a focus has been given on building a network of regulatory bodies involving standardization to increase the effectiveness and unity in the national standardization system, reduce redundancy, increase mutual acceptance of work results, increase resources sharing and to reduce the manufacturers' burden in contacting several regulatory bodies. Recently, TISI has proposed a new structure for coordination of the organizations involving in standardization under the National Standard Act, B.E. 2551 (2008). Under the mentioned Act, a supervisory committee is established responsible for setting policy and direction of the national standardization system. The purpose of the Act is to eliminate duplication in standards development and conformity assessment activities carried out by several organizations in the country so that there will be a clear and tangible uniformity in the national standardization system while reducing the manufacturers' burden and increasing the confidence of the trading partners.

## **2.2 Provision of quality management service to exporters**

In the early years of its establishment, the objectives of TISI is to promote the implementation of standards by the industry to increase the competitiveness of the local products with the imported products and to protect the consumers. TISI's work in the early years was focused on standard development and certification of local industrial products. In the area of international standardization, TISI has participated in the international and regional organizations in standardization particularly in the activity of standards development. Recently, TISI has undergone improvement in terms of its capability and organizational structure to cope with the increasing task including the international standards which are requirements of the international trade. In addition, TISI also focuses on the promotion and assistance of the manufacturers which still need further development such as small and medium enterprises as well as producers of community products.

Nowadays, the trend of the Thai industry has changed from production for domestic consumption to substitute import to production for export. In the production for export, the manufacturers have to comply with the standards and requirements of the trading partners which, in most cases, refer to the international standards. Presently, the international standards have widely cover different areas including product standards, management standards as well as standards relating to health protection, safety, environment, energy saving, labour, social responsibility and societal security .

## **2.3 Service in facilitating/manual/training to entrepreneur, vision related strategy for 3 years ahead and how that vision is in line with the national policy**

### **1. Standard promotion and development activities**

## **(1.1) Standard development**

Standards development is among the principal task of TISI. The objective of standards development is to increase the competitiveness of the Thai products in the world market and to preserve the environment and natural resources. For the purpose of trade, international standards are adopted as national standards taking into account the need and capability of the local manufacturers. National standards are developed by consensus of the members of the technical committees comprising the manufacturers, consumers and technical people. The promulgated standards are subject to revision every 5 years or when necessary.

## **(1.2) Promotion of standardization activity**

To promote the implementation of the national and international standards among the manufacturers to improve their management system to increase their competitiveness in trade, and to solve the problem of imported products of low quality and to increase export, TISI has conducted the following promotion activities:

### **1.2.1 Training of Lead Consultancy Project (TLC)**

The objective of the project is to provide training and consultancy to the manufacturers in establishing and developing their quality system according to ISO 9001, ISO 14001, TIS 18001, HACCP, etc.

1.2.2 Providing basic knowledge on ISO 9000, ISO 14001, TIS 18001 through the seminars on standards and quality.

## **(1.3) Increase capability of the Thai manufacturers in complying with technical regulations of the trading partners**

To assist the manufacturers in complying with the Directives of the European Union, database on environmental

and energy technical regulations as well as a life cycle inventory database will be developed. TISI will become a contact point for the implementation of the EU REACH Directive in the country. Moreover, testing laboratories for automotive parts and for textile will be improved to provide testing for the products impacted by the EU RoHs, ELV and REACH Directives respectively. A Centre of Excellence for Eco-Product Development will be established.

#### **(1.4) Conformity assessment**

Beside standard development, TISI has carried out conformity assessment activities which include product certification and management system certification according to TISI standards and international standards.

TISI has established a networking of conformity assessment bodies particularly the regulatory bodies in order to reduce duplicate conformity assessment. TISI has signed a Memorandum of Understanding (MoU) with the following regulatory bodies. The National Bureau of Agricultural Commodity and Food Standards, Ministry of Agriculture and Cooperatives. The Office of Tourism Development, Ministry of Tourism and Sports. Department of Medical Sciences, Ministry of Public Health and Department of Science Service, Ministry of Science and Technology. National Telecommunication Commission of Thailand

## **2. Strategy**

### **(2.1) Strengthening national standardization to be with unity and recognized internationally**

#### **Strategy**

##### **2.1.1 Establishment of a single national network in standardization**

- Coordination to establish a single national network in standardization

2.1.2 Provision of more opportunity for private sector to be involved in standardization activity

- Development of the capability of the public and private sectors
- Establishment of the mutual recognition arrangement to reduce redundancy in the work

2.1.3 Establishment of a database on conformity assessment bodies.

- Establishment of a database on the organizations involving in standards development
- Establishment of the national standardization network
- Establishment of the accreditation network (Laboratory/personnel/system)

2.1.4 Strengthening the conformity assessment bodies to meet the international standards

- Coordination with conformity assessment bodies, organizing their conformity assessment system in accordance with the international standards

2.1.5 Strengthening the capability of the testing laboratories.

- Preparation of a plan for development of the laboratories to meet the international standards

## **(2.2) Expansion of TISI service to meet the needs of society and the target groups**

### **Strategy**

2.2.1 Development of standards according to the need of the target groups

- Development of standards in the target sectors according to the international standards
- Monitoring the implementation of the standards by the manufacturers

## 2.2.2 Encouraging participation of the professional institutions in the standards development activity as a network

- Identification of the professional institutions in the public and private sectors and invitation to join the network
- Adoption of the standards developed by members of the network as TISI standards
- Some part of standard development task are assigned to the outside organizations

## 2.2.3 Encouragement of participation of the capable institutions in the conformity assessment activity of TISI and establishment of the service delivery unit (SDU)

- Establishment of SDU inconformity assessment
- Assessment of the capability of the conformity assessment bodies and appointment as competent CAB

## 2.2.4 Improvement of the conformity assessment procedures to reduce the burden of the manufacturers

## 2.2.5 Implementation of the self- declaration system by the capable manufacturers

## **(2.3) Strengthening the role of Thailand in the international standardization**

### **Strategy**

## 2.3.1 Encouragement of the academics and the manufacturers to participate in the development of international and regional standards

- Development of a plan to encourage participation of the academics and the manufacturers in the international and regional standard development

### 2.3.2 Facilitation of the manufacturers in trade

- Establishment of technical agreement with trading partners
- Representation of the international certification body in some targeted products

### 2.3.3 Promotion of the technical cooperation with foreign and international standards institutions

- Organization of regional training/seminar
- Fulfillment of the obligations in standardization of the international organizations which Thailand is member
- Provision of information on foreign standards and regulations
- Establishment of database on foreign standards and technical regulations
- Preparation of export manuals

## **(2.4) Promotion and development of the manufacturers**

### **Strategy**

#### 2.4.1 Implementation of the proactive PR

- Implementing integrated marketing communication (IMC) with the target groups
- Brand building to enable the consumers to recognize the quality and uniqueness of TISI

#### 2.4.2 Dissemination of the knowledge and information on standardization to the public and private sectors particularly in the educational system

- Increasing the syllabus in standardization for the primary schools.

#### 2.4.3 Increasing the capability of the manufacturers to comply with the international standards



- Training and consultancy in management system standards

#### 2.4.3 Encouragement of the manufacturers to implement the standards

- According privilege to the manufacturers who are implementing the standards

### 2.4 What are high significant target group:

Target industry: Automotive industry, Electronic and ICT  
Electronic and ICT

### 2.5 Significant service gap confronted by exporter:

1. Provision of markets for exporters
2. Provision of useful information to exporters

## 3. Relation between standard institution and export promotion division: today (clause 3.).

**3.1 How your institute, now, have relation with export promotion division, how happen and preservation, where not have describe why and how your institute have relation with other division (e.g. association etc.).**

To strengthen the national standardization, TISI has been expanding its cooperation network and encouraging wider participation of the members of the network in its standardization activities to cope with the rising demand of the industry. Examples of cooperation are as follows:

- **Department of Export Promotion:**

Representation in the technical committees on standards development

- **The Board of Investment of Thailand:**

The organizations which have been assisted by TISI in developing the management system according to the international standards and have been awarded certification are eligible to investment support offered by BOI

- **Department of Industrial Works:**

The organizations which have been assisted by TISI in developing the management system according to the international standards and have been awarded certification are eligible to the exemption of the annual fee required by the Department of Industrial Works

- **TISI and the Industrial Estate Authority of Thailand:**

Seminar on the environmental management system, occupational health and safety and social responsibility were jointly organized

### **3.2 What limitation of your institute in cooperation with export promotion division and how that limit effected to your division efficiency?**

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## **4. Future relation between NSB and export promotion organization**

To increase the efficiency TISI in coping with the needs of private sector and to protect consumers in terms of health, safety and environment as well as to keep pace with the

progress of globalization, TISI has focused on building a network consisting of relevant professional organizations, public and private sectors to carry out standardization activities. The objectives of the network establishment are as follows:

- Development of standards to meet the demand of the industry and the consumers
- Reduction of the redundancy of the work in the area of standardization
- Strengthening relation among relevant organizations
- Promotion of wider implementation of standards
- Public relations on the cooperation of the members of the network

During the fiscal year 2007–2008, TISI has signed a memorandum of understanding (MOU) with a number of professional institutions, government agencies and private organizations as follows:

**1. Department of Alternative Energy Development and Efficiency:**

Scope of cooperation: Development of standards for electrical products, fuel, gas saving relating to material and equipment such as glass and gas stove

**2. Department of Industrial Works:**

Scope of cooperation: Organization of training courses/training

**3. The Engineering Institute of Thailand Under H.M The King's Patronage:**

Scope of cooperation:

- Development of standards relating to working procedure, safety in construction, building control and installation of gas in vehicles

- Inspection body for buildings, automobile and boilers
- Organization of training courses/ training personnel

#### 4. **The Federation of Thai Industries:**

Scope of cooperation:

- Development of standards, representation in TISI technical committee
- Promotion of private testing laboratories which comply with the international standards
- Coordination with its members concerning foreign standards and appointing its members to participate in the development of international standards

#### 5. **Thai Society for Non-Destructive Testing:**

Scope of cooperation: Development of standards for non-destructive testing personnel

#### 6. **Occupational Health and Safety at Work Association:**

Scope of cooperation: Development of standards for safety at work, e.g. measurement standards for heat, light, noise and air in workplace, personnel registration

#### 7. **Thai Boiler and Pressure Vessel Manufacturers Association:**

Scope of cooperation: Development of standards for boilers, e.g. installation, operation, material used and maintenance

#### 8. **National Electronics and Computer Technology Center:**

Scope of cooperation: Acting as inspection body for

electronics products and computer

**9. Office of Small and Medium Enterprise Promotion (OSMEP):**

Scope of cooperation: Participation in TISI's project of testing laboratory development to comply with EU's Directives

**10. National Bureau of Agricultural Commodity and Food Standards:**

Scope of cooperation: Development of Thai agricultural commodity and food industry

**11. Geo-Informatics and Space Technology Development Agency:**

Scope of cooperation: Standards development and certification in the area of geographic informatics, e.g. TIS 19115-2548: Geographic Information – Metadata.

Network formation is, therefore, a strategy which has been currently focused by TISI and in the future.

## **5. Conclusion**

TISI is committed to continue its mission in standardization for the maximum benefits of the manufacturers, consumers and the country as a whole. TISI will also continue to promote unity in standards development and conformity assessment in the country to achieve efficiency and effectiveness in the national standardization.