

Quality Management: Linking Trade Promotion Organisations (TPOs) and National Standards Bodies (NSBs) for Export Success

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I. INTRODUCTION

With the establishment of organisational setups like the WTO and growing FTAs between countries, the tariff barriers are in the process of gradual elimination encouraging easier market access especially by the developing countries. The ground reality is, however, far off from the intended achievements of the objectives of the organisational setups. International market access by the developing economies is being highly restricted with unwanted standards and certification requirements and trade distorting measures such as anti-dumping and countervailing measures etc.

Restrictions introduced under the guise of standards and certification requirements include difficult, undesirable and at times old technical specifications, stringent unwanted testing and certification needs etc. reflecting the intentions of protectionist measures and regulation of trade adopted by various countries. A few of the unjustified standards and certification requirements imposed by developed countries are like standards for bovine meat are made more stringent than the OIE Terrestrial Animal Health Code, EIC Conformity certificates are not recognised and certification with respect to swine fever and FMD are insisted upon for poultry exports which are not relevant. Some of the countries impose certification requirements (including prior approval) for the export of chemicals, pharmaceuticals, computer and medical equipments adding to the cost of exports etc. These standards are used as non tariff measures to deny the gains of market access.

II THE ROLE STRUCTURE AND SCOPE OF THE ORGANISATION

The Federation of Indian Export Organisations (FIEO) is the apex international trade promotion organisation of India. Directly and indirectly it represents the interests of over 100,000 exporters and importers in India. The direct members which are around 13000

in number are spread across India and contribute over 70% of India's exports. FIEO being the apex body of all export promotion councils, commodity boards and export development authorities in the country represents the interests of both product and service exporters from every product and service sector – Engineering, Chemical and chemical products, Drugs and Pharmaceuticals, Gems and Jewellery, Leather and Leather products, Plastics, Food and Food products etc. to name a few of the product sectors and Travel & Tourism, Education, Research & Development, Medical Tourism, Law, Education etc. from the services sector, to name a few.

FIEO partners the Government of India in promoting India's global trade. At the supply side in order to promote productive capacities of exporters FIEO organizes seminars and workshops on best trade practices, promotion of eCommerce, concepts like the "Just-in-time", encouragement to go for quality certification and ISO standards etc. Short duration management development programmes are also organised at various clusters.

FIEO acts as a platform between the exporters, importers and the government to facilitate exporters to take up their issues with the Government, help their early resolution with regular interaction with the Government departments, facilitators etc. FIEO is invited by the Ministry of Finance for Pre-budget consultations with Trade & Industry. It submits pre and post budget memorandum so that the interests of the exporters and importers are well taken care of while formulating the Budget of the country. On similar lines FIEO advises the Government on drafting Foreign Trade Policy, Credit policy etc. It also undertakes frequent research programmes to identify the transaction costs and advises the Government on the ways and means for the reduction of such costs.

FIEO has representation in high level decision making bodies. It represents various committees set-up by the Government of India like the Standing Committee on Promotion of Exports by Sea (SCOPE: SEA), Standing Committee on Promotion of Exports by Air (SCOPE: AIR) which have a vital role to play in easing procedure / reducing turnaround time and reducing transaction cost, besides, strengthening inter-

governmental relationship. FIEO is also represented at the Inter-ministerial committees on Infrastructure, All India Export Advisory Committee-Apex Committee constituted by the Reserve Bank of India(RBI), Pre-Policy consultations by Governor, RBI, State level bankers committees constituted by RBI, Standing Parliamentary Committees: Commerce & Finance, Board of Trade, Grievance Committee constituted by the Directorate General of Foreign Trade (DGFT)/Central Board of Excise & Customs (CBEC), Board of Directors of Export Credit Guarantee Corporation (ECGC) etc.

FIEO provides clarifications on policy issues to the exporters, guides them to make use of the provisions of Foreign Trade Policy in their best interest. Such clarifications are provided online using the chat service at FIEO website (<http://www.fieo.org>), through email etc. Exporters' issues are also taken care of by organising Open House Meets with the policy framing bodies of the country like the DGFT, CBEC etc.

FIEO is the registering body of the exporting committees and issues Registration cum Membership Certificate (RCMC) which is required by the exporters to avail the benefits extended under the Foreign Trade Policy. FIEO is also an authorized body to issue Certificate of Origin to the exporters and certification under SAPTA and APTA. It being an ISO 9001:2000 organisation, ensures prompt issuance of RCMC and also certificate of origin.

At the market entry level FIEO provides considerable assistance to the exporters to understand and meet international market requirements. FIEO conducts market research on a country whenever a need arises to sponsor trade delegation to that country or organize/participate in trade fairs there. The country reports are disseminated amongst the exporters either through its monthly bulletin – “FIEO News”, through the Members Area of its website or by circulating the report independently. FIEO's recommendations led to the announcement of Focus Area programme by the Government of India known as Focus LAC, Focus Africa, Focus CIS and Focus ASEAN.

In order to encourage diversification of markets by the exporters, FIEO disburses Market Development Assistance, on behalf of the Department of Commerce, to the eligible exporting companies from SME segment.

FIEO also provides a platform between the foreign buyers, sellers and the Indian exporters and importers facilitating match making and exchange of business queries online through its website – <http://www.fieo.org> and offline by fax, e-mail.

FIEO also works with quality certification bodies to encourage exporting and importing companies to go for quality certification. Workshops and seminars are organized to create awareness and education on the standards requirements of various products for different markets. Experts on standards requirements on various products like the food and pharma for the US market etc. are invited to share and discuss the same with the Indian exporters.

FIEO is working towards implementation of social accountability standards to strongly promote and ensure child labour free industry esp. in the carpet industry, handicraft industry etc. and also ward off any incidences of child labour practices in future. These sectors are national development priorities of the country.

FIEO has plans to set up Quality Cell to provide advisory services to its registered exporters. It provides guidance to SME entrepreneurs to avail Government subsidy on attaining quality certification by approved agencies.

III THE POTENTIAL RELATIONSHIP BETWEEN NSBs AND TPOs

FIEO is one of the council members of the Quality Council of India which was set up with the objective to establish and operate national accreditation structure in India. FIEO also works closely with the Bureau of Indian Standards (BIS) which is the National Standards Body of India in promoting the standards developed by it. FIEO participates in various technical committees and brings the industry feedback to the committees.

The standards released by BIS are disseminated amongst the exporting companies. Technical guidance if required is also brought to the exporters through the BIS.

FIEO being the apex body of all Export Promotion Councils (EPC) viz., Engineering EPC, Gem & Jewellery EPC, Apparel EPC, Council for Leather Exports, Handicrafts EPC, Textile EPC, Service EPC, Electronics and Software EPC etc., Commodity Boards viz., Tea Board, Coffee Board, Rubber Board, Tobacco Board, Coir Board. and Export Development Authorities (EDA) viz., Agricultural Produce EDA, Marine Products EDA, engaged in the promotion of respective product and service sectors, have these organisations as its members. These organisations are also represented on the Board of FIEO which provides direction to FIEO's activities.

In order to undertake international trade promotion activities FIEO enters into MoU with Trade Promotion Organisations abroad. However, there has been no specific move towards entering into MoU with NSBs of other countries as FIEO relies on the BIS for all its standards related requirements. Moreover, there is need to enter into Mutual Recognition Agreement among countries to give definite push to this movement.

It would, however, be of great help if a direct relationship is established with NSBs of other countries to help address exporters' queries with speed and accuracy.

IV THE POTENTIAL FUTURE RELATIONSHIP BETWEEN NSBs AND TPOs

There is effective relationship between the NSB and the TPOs in India. The TPOs are represented in the technical committees constituted by the NSB for the development of product specific standards. Industry feedback on a particular developed standard is sought by the NSB through the TPOs.

The potential service area of cooperation between NSB and TPOs is with regard to providing prompt information on standards and certification requirements of a particular product in a particular country. This will require NSBs to maintain a world-wide product/country-wise updated database of standards and certification requirement of

various products for different countries. The TPOs should have access to the database to facilitate prompt response to the exporters. Based on the exporters' requirements the NSBs should promptly assist an exporter to update its product standards, meet the certification needs, take them through the registration requirements etc.

The NSBs should also take a proactive approach and advise the TPOs about the changes in the standards requirements which are happening in the international market so that the exporters can keep themselves updated accordingly.

However, it may not be possible for the NSBs of every country to maintain such updated information about the standards and certification needs of different countries. It would require wide tie-up with various countries which is resource intensive in terms of finances, manpower and computer database creation and maintenance.

Hence it is suggested that the International Trade Centre and the ISO help network the NSBs of various countries and bring them together on one platform so that the latest standards and certification requirements of every product for entry into a country is easily ascertained.

With regard to the value addition by FIEO it could provide feedback of the exporters on the standards which can then be taken up by the NSB with the respective countries.

The existing relationship which is formal in nature is perfectly acceptable and works well between the NSB and FIEO.

V CONCLUSION

Collaboration between the NSBs and TPOs is very well established in India. While the NSBs have been doing a very good job they are required to remain updated on the standards, registration and certification needs of various countries. They should also take up the undue standards and certification needs imposed by various countries

directly with concerned countries and also through Joint Business Council Meeting in bilateral meetings.