

Standards and trade

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By Royal Charter

National Standards Body

Standards & services

Information solutions

Professional services

Voluntary assurance

Regulatory services

BSI Group

84,000

clients across a wide
range of industries

81%

of the Nikkei 225

84%

of the FTSE 100

50%

of the Fortune 500

Revenue

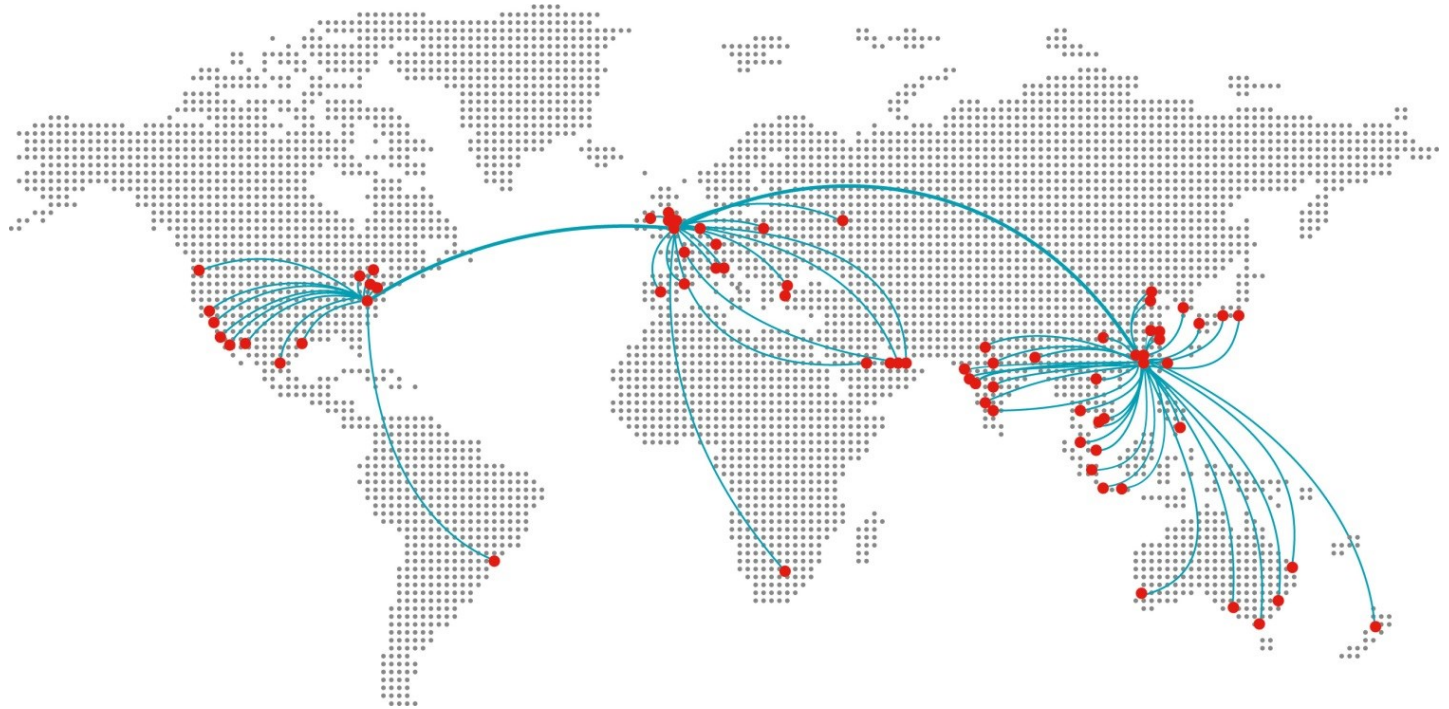
£511.9m +8%

2017: £473.0m

Average employees

4,784 +10%

2017: 4,333

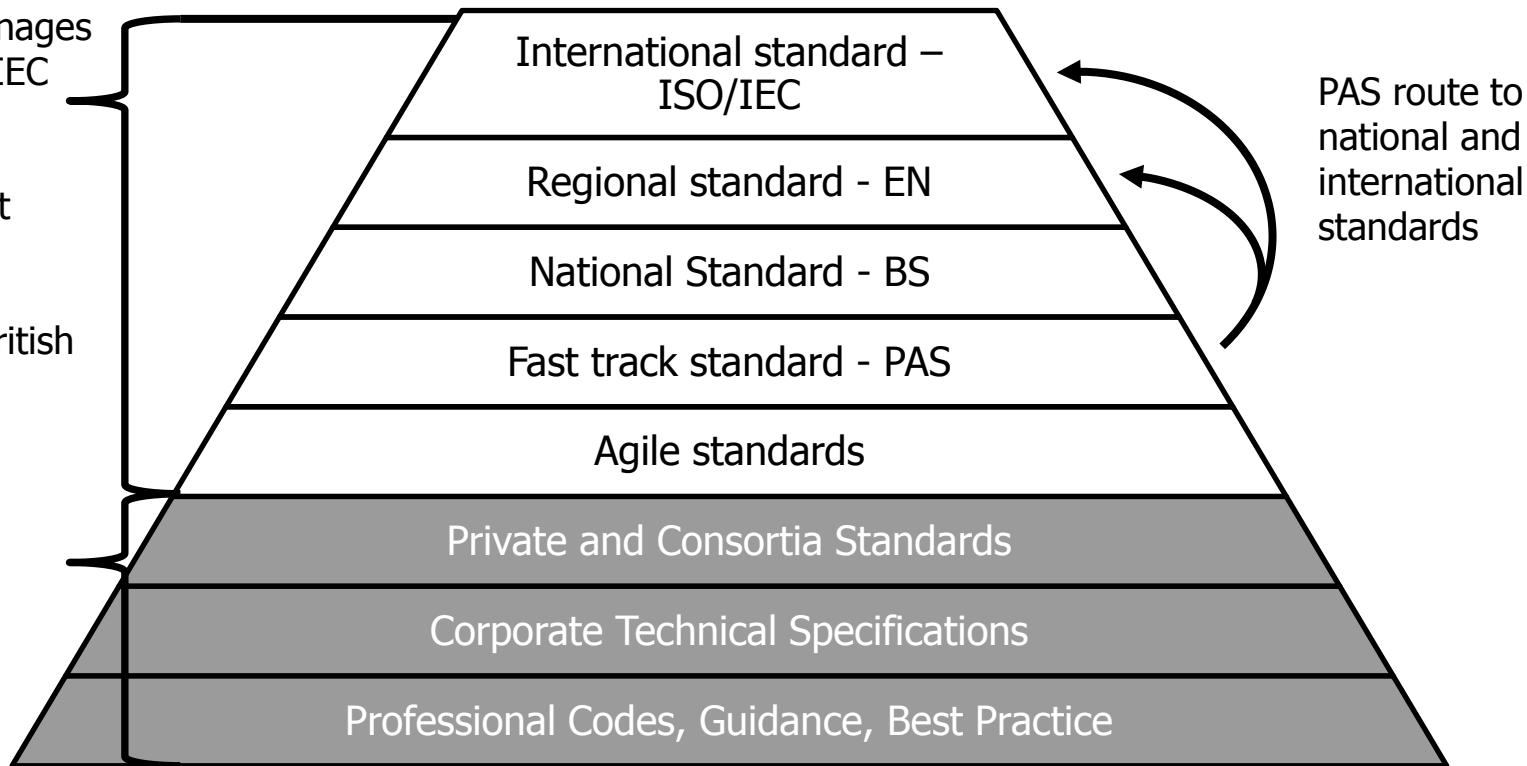


Standards in the UK

BSI as NSB manages
BS, EN & ISO, IEC
standards.

All EN and most
international
standards are
“adopted” as British
Standards

Private &
professional
standards,
codes and
guidance



Knowledge solutions

350 staff

1,200 Technical Committees

12,200 Committee members

37,000 standards

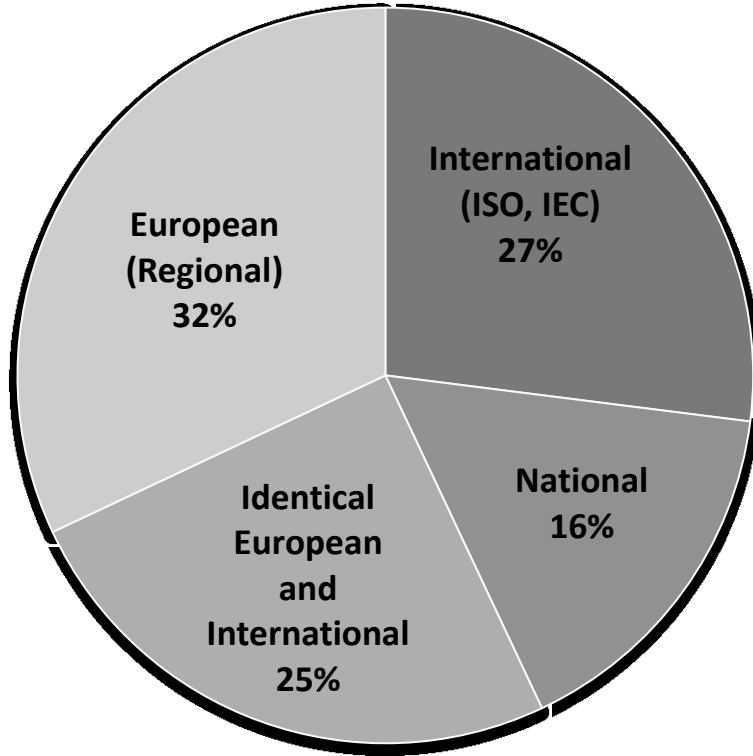
84% International and European origin

7,000 Active projects

2,700 published per year

1,500 Withdrawn

UK National Standards (BS) catalogue by origin



UK – Single National Standard Model

- Adoption of one agreed standard on any given industry issue.
- 84% of national standards are international standards.
- No conflicting standards in the national catalogue (37,000+)
- Increases certainty and efficiency for business.
- Simplifies citation of standards by Government
- Easy to understand for consumers and SMEs.

95% of new British Standards, year on year, are European and international

Standards facilitate trade and improve business

Products

Starting in 1901, BSI's first generation of standards focused on technical product specifications to harmonize and facilitate commerce and reduce duplication. These are still the most numerous standards, including:

- Steel specifications
- Construction
- Agricultural commodities
- Consumer and electrical products
- Personal safety equipment
- Medical devices

Business processes

The second generation of standards focused on business processes to ensure consistent quality output.

BSI shaped forerunner standards for:

- Quality management (ISO 9001)
- Information security (ISO/IEC 27001)
- Environment management (ISO 14001)
- Occupational health and safety (ISO 45001)
- IT service management (ISO/IEC 20000-1)
- Business continuity (ISO 22301)
- Sustainable events (ISO 20121)

Business potential

The latest generation of standards is centred around people behaviour and values to help organizations realize potential and protect their corporate reputation.

Key standards include:

- Anti-bribery management system (BS 10500, ISO 37001)
- Corporate social responsibility guidance (ISO 26001)
- Collaborative business relationships (ISO 44001)

Standards facilitate international trade

Standards play an important role in facilitating international commerce. They provide for interoperability, reduce transaction costs and provide a signal of quality to customers. International standards act as a major catalyst for trade – allowing companies to sell their goods and services across multiple markets without the need for adaptation.

Standards have been hugely influential in boosting the sales of UK products and services abroad.

Reported impacts averaging
3.2%
of annual exports.

An estimated
£6.1bn
per year in additional exports.

SMEs are:
41%
more likely to export if they use standards, and larger companies are
36%
more likely to export.

There are five main ways through which standards enhance trade:

Quality

Standards provide a signal of quality to consumers and trade partners. They drive **quality based competition**, and **improve transparency**, allowing buyers and sellers to make **optimal purchasing decisions**.

Compatibility

International standards create a **common language** for trading partners, enabling **compatibility** of products and services, lowering trade barriers and production costs, and supporting firms to **trade across global supply chains**.

Innovation

Standards have a **catalytic effect** on innovation, **reducing time to market**, promoting the global diffusion of **innovative products** and services.

Economies of scale

Standards **lower barriers** to trade, allowing companies to access a **global customer base**, offering opportunities for economies of scale and **reducing production costs**.

Transaction costs

Compatibility standards **promote opportunities** for firms to **outsource** and off-shore certain tasks, **promoting efficiency** and business optimization.

Standards and trade

Globalised supply chains

Standards enhance the supply chain of industries by promoting compatibility between products and processes and boosting confidence between suppliers and clients.

Market entry

Standards can galvanise trade by lowering barriers to entry and providing a foundation for competition based on product and service characteristics, such as quality. A consequence of this is the strengthening of competition in markets which fosters further opportunities including in international export markets.

Standards and trade

WTO – Technical Barriers to Trade

The Technical Barriers to Trade (TBT) Agreement aims to ensure that technical regulations, standards, and conformity assessment procedures are non-discriminatory and do not create unnecessary obstacles to trade. At the same time, it recognises WTO members' right to implement measures to achieve legitimate policy objectives, such as the protection of human health and safety, or protection of the environment. The TBT Agreement strongly encourages members to base their measures on international standards as a means to facilitate trade. Through its transparency provisions, it also aims to create a predictable trading environment.

Standards and trade

Trade agreements

EU Japan Economic Partnership Agreement - Chapter 7 – Technical Barriers to Trade - the objectives of this Chapter are to facilitate and to increase trade in goods between the Parties by:

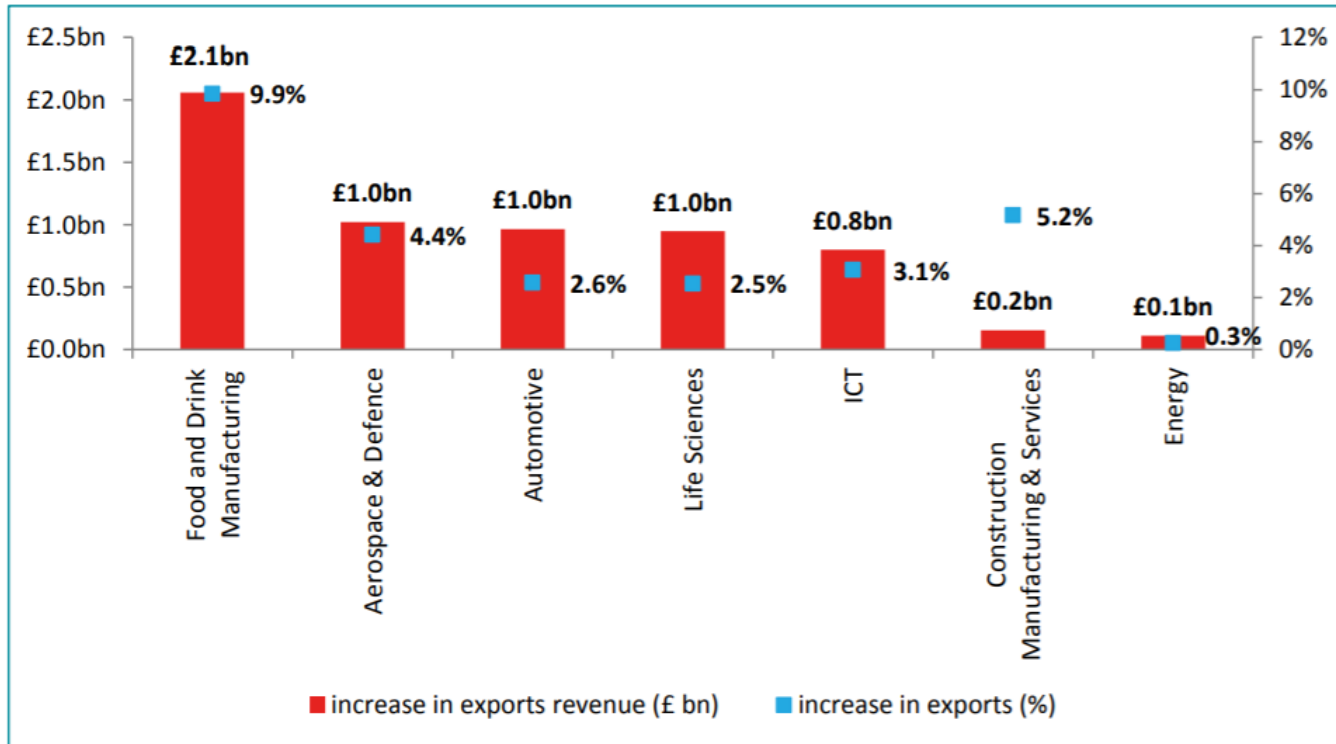
- (a) ensuring that technical regulations, standards and conformity assessment procedures do not create unnecessary obstacles to trade;
- (b) enhancing joint cooperation between the Parties, including on the implementation of the TBT Agreement; and
- (c) pursuing appropriate ways to reduce unnecessary negative effects on trade by measures within the scope of this Chapter

Standards and trade

Estimated financial benefit of standards UK - 2015

Sector	Automotive	Life sciences	Food & Drink
Reported % impact on turnover	3.8%	3.3%	5.3%
Annual impact on turnover (£m)	£4,900	£5,200	£10,200
Estimated direct GVA impact (£m)	£540	£1,800	£1,100
Reported % impact on exports	2.6%	2.5%	9.9%
Annual impact on exports (£m)	£970	£950	£2,100

Standards and trade



Source: ONS Supply-Use Tables 2012, ONS GDP Low Level Aggregates 2014 Q4, BSI Standards in Industry Survey, Cebr analysis

Standards and trade

Quality infrastructure

Standardization

Creates the national and international standards that describe good practice in how things are made and done

Measurement

Implementation of specifications and standards to ensure accuracy, validity and consistency

Accreditation

Ensures that those who carry out testing, certification and inspection are competent to do so

Conformity Assessment

Testing and certification to ensure the quality, performance, reliability or safety of products meet specifications and standards before they enter the market

Economic benefits of standards



Independent research by
Cebr

Commissioned by BSI and
funded by BIS

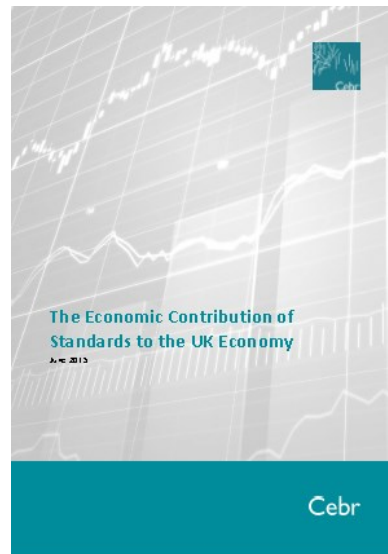
Updates previous research
published by DTI in 2005

Looks at macroeconomic
data from the period 1921–
2013

Also provides
microeconomic-level analysis
of 527 companies in seven
key sectors



How standards benefit
businesses and the UK economy



Standards the benefits

Why companies use standards



73%

of companies say that standards allow greater control of environmental problems



89%

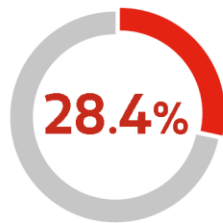
of companies say that standards contribute to the optimization of compliance with regulations such as health and safety legislation



84%

of companies say that using standards enhances their reputation

The economic benefits of standards



of annual UK GDP growth can be attributed to standards, equivalent to **£8.2 billion**



37.4%

of UK productivity growth can be attributed to standards



£6.1bn

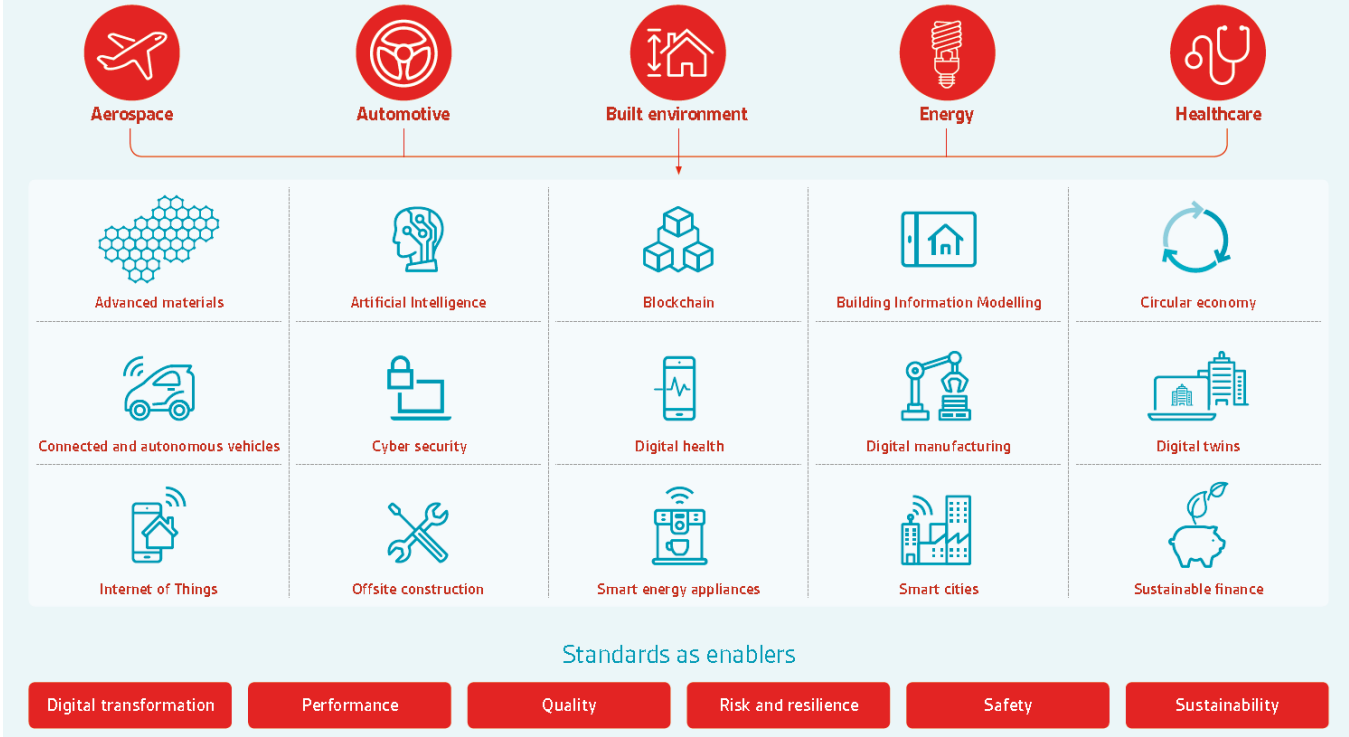
of additional UK exports per year can be attributed to standards



SMEs are

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Standards and innovation





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