



Setting standards: Towards global acceptance of Indian products

If India's own regulations are based on international standards, it would ensure that the manufacturers are capable of meeting regulations of importing countries.

Now that the Prime Minister has revealed his 'Mann Ki Baat' that India should adopt global standards, it should bring to an end the unnecessary debate that has been going on at many a fora, both in the government and industry, arguing for country-specific standards for a variety of reasons.

As our industry gears up to [access global](#) markets, it faces two kinds of challenges as far as standards and conformity assessment domain is concerned. One, regulations of importing countries on grounds such as health, safety, environment, deceptive trade practices and national security enshrined in the WTO's Agreement on Technical Barriers to Trade (TBT Agreement). Two, the buyers' demand for voluntary standards and certifications, be it in a regulated sector like food or an unregulated sector like textiles.

The TBT Agreement, which lays down rules for technical regulations, standards and conformity assessment, as also the Agreement on Sanitary and Phytosanitary measures (SPS Agreement) that governs agri-food trade so important to India, encourage, not oblige, member nations to adopt international standards in their regulations, deeming them to be not impediments to trade. Most developed nations and many developing nations have done precisely that, and therefore the Prime Minister's advocacy of global standards is so relevant.

Not only the WTO Agreements merely encourage adoption of international standards, they also provide for member nations to adopt even stricter standards if there is valid justification, a provision that many developed countries have used especially in the agri-food sector, making it a big challenge for the Indian industry.

How does the industry, then, access the global market?

All countries that have prescribed regulations for any product also specify the procedure for demonstrating compliance to these regulations. Any individual manufacturer, therefore, can approach the foreign regulator, fulfil its requirements, and get its product accepted. The pharmaceutical sector is a good example to cite of Indian industry's success in using this approach. The challenge here would be the access to right information (imagine regulations in



TamilNadu Fabrics Manufacturers Association (TNFMA)

12 January 2021

Japanese or Chinese languages), the capability to understand and meet the requirements laid down (for example, testing capability), and the cost that may be incurred in the entire exercise, which can be prohibitive but with a judiciously-designed financial assistance scheme can be subsidised for MSMEs.

Ideally, it would help if India's own regulations are based on international standards, which would mean that all the manufacturers would be capable of meeting regulations of importing countries. This is what the Prime Minister's call should lead to.

In fact, this is the first impediment to our export ambitions—either we do not have regulations in place or are unable to adopt international standards in our regulations. We have just begun regulation of telecommunication products or transition to a comprehensive regulation of medical devices. And in sectors like machinery safety and chemicals, we are yet in the process of developing regulations. Therefore, imports and even domestic manufacturers have a free run in the Indian market, both to the detriment of users and consumers, as well as a quality conscious industry which is subject to unfair competition. This explains numerous stories of poor quality PPEs in the media in the recent months. The Department of Commerce's exercise currently on should, hopefully, in the coming months, bridge the deficit in technical regulations India has.

Another problem we have is that where we have regulations in place, we are yet to adopt international standards fully—for example, the adoption of WHO GMP (Good Manufacturing Practices) in drugs which continues to be resisted by the AYUSH industry, or the inclusion of HACCP system in the food industry, due to the unorganised nature of industry we have.

Therefore, there is an urgent need for individual regulators to review their regulations and adopt international standards in a time-bound manner, keeping preparedness of industry and availability of quality infrastructure in mind. However, it is easier said than done—challenging as it is for our vast micro and small industry sectors to upgrade themselves. It is tougher in the unorganised sector as the government recently discovered in toys and proceeded to exempt artisans from the newly notified regulation based on international safety standards. There is a need to provide handholding support to such industry by creating a proper framework of consulting and training, and even financially support them through an appropriate scheme by the Ministry of MSME which covers compliances needed in the market rather than focus on newer models like ZED (Zero Defect Zero Effect).



TamilNadu Fabrics Manufacturers Association (TNFMA)

12 January 2021

Even if we upgrade our regulations to international standards, with the provision for stricter standards allowed in the WTO regime, an issue would remain if importing countries adopt stricter standards which may not be appropriate for India and therefore may not be needed to be adopted in our regulations. This would call for an institutional mechanism to test and certify our products to such stricter regulations which, for example, is available through the Export Inspection Council (EIC) for seafood or the AYUSH Premium Mark or ICMED schemes of the Quality Council of India (QCI) based on international standards like WHO GMP or ISO 13485, the latter having an advantage that these can be operated both for the domestic and overseas markets while the former is mandated only to deal with exports but has the advantage of being able to regulate exports, if needed.

As the above narration would reveal, India needs to fix its domestic regulatory regime and the philosophy that it can have differential standards for domestic market and exports should be buried. Further, it should also highlight that standards and conformity assessment are tools for international trade that has become increasingly complex and there is no one-size-fits-all solution for the myriad challenges India faces in meeting regulations of importing countries for accessing global markets. This calls for an integrated and cohesive approach, failing which India would not only struggle in the overseas markets, but several initiatives of the government like [Make in India](#) or Ease of Doing Business or Atmanirbhar Bharat or ZED approach articulated by the Prime Minister himself would not truly deliver the benefits intended.

The author is former CEO, National Accreditation Board for Certification Bodies (NABCB)