

Impact of Quality Infrastructure Reforms (1/2)

Enhance Competitiveness

- To enhance the product quality and compatibility by offering proof that products and services adhere to requirements of governments and/or companies.
- Sales volume depends on conformity assessment and accreditation in product and services markets. These are large multiples, estimated as a factor of 35-60 in conformity assessment, which translates to about 100 for accreditation.

Reduce Testing & Certification Burdensome

- 44% of firms had to conduct significant duplication of testing procedures to meet foreign requirements after domestic requirements have been met;
- 30% of firms had to conduct complete duplication of testing procedures;
- 68% of firms cited testing and certification costs as an important reason for not exporting.

Expand and Open Markets

- 84 % of manufacturing companies in Germany use European and International Standards to gain access to global markets;
- Estimates by OECD and the US Department of Commerce show that standards and related conformity assessment have an impact on 80% of the world's trade in commodities.

Increase Innovation & Technology Diffusion

A survey of British companies found that over 60% of product and process innovators used standards as a source of information for innovation.

Improve Efficiency

To improve dissemination of information, allow interoperability, and economies of scale by improving national standards, and harmonizing with international standards.

Increase Productivity Gains

- In modern industries, metrology is considered to represent about 10-15% of production costs.
- Investment Climate firm-level surveys in developing economies found that ISO 9000 certification achieved average productivity gains between 2.4% and 17.6% for three Central American economies, 1% for four Southeast Asian Economies, and 4.5% in China;
- Standards reform contributed to 13% of growth in labor productivity in the UK.

Ensure Safety, Health, Environmental Application

Help ensure legitimate compliance with health, safety and environmental concerns for export purposes but also for internal consumption towards the wellbeing of the population.

Source: World Bank, 2007, Quality Systems and Standards for a Competitive Edge, Washington DC.

0 Swann and Lambert (2010) use data from the British Community Innovation Survey.

Research study on conformity assessment and accreditation by German Federal Ministry for Economic Affairs and Technology (Technopolis Group 2013).

Impact of Quality Infrastructure Reforms (2/2)

Country Level

Voluntary standards are a vital part of the strength of UK industry and play a crucial and role in supporting economic growth:

- **UK productivity:** 37.4% of UK productivity growth can be attributed to standards;
- **UK GDP growth:** 28.4% of annual UK GDP growth can be attributed to standards, equivalent to GBP8.2 billion at 2014 prices;
- **UK exports:** GBP6.1 billion of additional UK exports per year can be attributed to standards annually.

Firm Level

Benefits in Applying ISO 26000 in the Specialty Hospital in Jordan include:

- Increased patient satisfaction from 87.4% to 91%;
- Increased staff satisfaction from 66% to 74%;
- Reduced consumption of paper by 39%, electricity by 17%, water by 11%, and fuel by 9%
- Saved 86,000 Jordanian dinars.

Economic Benefits of Standards:

- PT Wijaya Karya Beton in Indonesia (construction materials company) had economic benefits generated by standards of USD115,000 annually, which amounted to 0.43% of the annual sales revenue and close to 6% of the annual EBIT;
- NTUC FairPrice in Singapore (food company) increased productivity by doubling the volume of goods handled while retaining the same number of employees;
- Chococam in Cameroon (food company) had economic benefits generated by standards of USD 19.6 million annually (5.2% of total annual sales).