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**Keynote remarks** Confederation of Indian Industry

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Good morning. My name is Joe Bhatia, and I am president and CEO of the American National Standards

Institute.

(pause)

Standardization has become the playing field on which competitors meet in the race to succeed in domestic

and global markets.

According to the WTO, global export trade surpassed \$12.5 trillion in 2005. That's more than three times

India's total GDP.

Current estimates maintain that standards and conformity assessment influence 80% of all exports - that's

more than \$10 trillion.

Clearly, those who understand how to effectively influence standardization and compliance programs will

have the greatest success in the global marketplace.

(pause)

ANSI represents the interests of more than 125,000 companies and organizations and more than 3.5 million

professionals worldwide. I am here today on behalf of the ANSI federation to initiate positive working

relationships that will benefit manufacturers, companies and organizations in our respective nations.

(pause)

America's trade relationship with India is healthy and growing.

To maintain this progress, we need to ensure alignment in our international relations and strength in our

economic ties. Our mutual goal should be to provide the products and services that meet the needs of our

customers - wherever they are.

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India is well on its way to becoming an economic power—not just in Asia but worldwide. Ever since I emigrated to the U.S. in 1964, I've routinely traveled back to India to visit family and friends as well as for business purposes. I've witnessed India's growth firsthand. In the 1990s, I launched UL's initial operation in Bangalore with a staff of two. This eventually evolved into offices in many locations in India serving hundreds of manufacturers in dozens of industry sectors.

["As many of you know," or "As Mr. D'Aloisio mentioned"] a delegation of nearly 250 U.S. executives participated in last November's American trade mission to India. With nearly 200 companies represented, this was the largest trade mission ever assembled by the U.S. government. Its goal was to improve the policy framework and promote business between our two nations.

This morning, I am here to represent ANSI and our very broad constituencies and reinforce <u>our</u> commitment to that objective.

Since many of you may not be too familiar with the Institute, a few words about who we are and what we do might help set the stage for this discussion.

- ANSI is responsible for coordinating the voluntary consensus standards and conformity assessment systems in the United States.
- We are the national member body for ISO, the International Organization for Standardization and, via the U.S. National Committee to the IEC, the International Electrotechnical Commission.
- We also represent the U.S. in regional organizations such as the Pacific Area Standards Congress (PASC), the Pan American Standards Commission (COPANT), MERCUSOR in South America and the standards organizations of the EU.
- ANSI accredits not only standards developing organizations, but also the certification bodies in the product, personnel, and quality management system areas.
- Our membership and Board participation includes industry, government, consumers and academia.

While ANSI's area of focus is quite broad, some of our responsibilities are similar to those of the Bureau of Indian Standards, who you will also be hearing from today.

(pause)

I started my career as an electrical engineer at the very ripe age of 21, and served for three decades at Underwriters Laboratories before I came to ANSI. Over the years I have seen industries leverage standards, technical regulations and the related compliance programs to boost their competitive position in the marketplace, domestically and globally.

I want to present ANSI—a non-government and non-profit organization—as the <u>U.S. resource and</u> solutions provider on standards-related market access issues.

To make this happen, we are laying the groundwork to establish partnerships with CII, BIS, and other key Indian organizations. In my view, future market success depends upon cooperation and collaboration.

(pause)

The health of U.S.-India trade is reflected in the numbers. The bilateral trade in merchandise goods has increased almost 400% in the last 15 years. From 2004 to 2005, cross-border commerce increased 25%: Indian exports to the U.S. increased by \$3.2 billion and U.S. exports to India grew by \$2 billion.

Alliances between Indian and American firms are creating investment openings across industries. Several ANSI members—including IBM, Intel, Microsoft, GE and Boeing—have found their footing in the IT, services and manufacturing sectors. They are recognizing the economic promise in the Indian business environment.

During the Mumbai Business Summit in November, Undersecretary Lavin said he would like every Indian company to have as much access to the American market as possible, and for every American company to have as much access as possible to Indian consumers.

I believe effective standardization strategies are key to making that a reality.

(pause)

Regardless of industry, companies need access to definitive information about the standards and regulations that affect the entrance of their products into a market. They need to understand the systems by which those standards and regulations are set. And they need to know how to influence the standards and regulations that will impact their business.

ANSI is positioned to act as the focal point organization in the U.S. We can provide critical information that will meet the needs of not only those who are based in the U.S. but also those who are interested in selling to the U.S. from other geographies.

Through its network of industry leaders, government officials, and trade representatives, the Institute has insights and input on the standards and codes that affect market access, as well as on health, safety and

environmental issues. Our alliances help to open vital lines of communication and trade networks that other private sector organizations or government agencies cannot access in the same way.

At the forefront is the ANSI Standards Portal, a unique bilingual information resource that was developed by ANSI through a grant from the National Institute of Standards and Technology (NIST) and launched in September.

The People's Republic of China was the initial sphere of reference for the Standards Portal. Go to the website—standards portal dot org—and you will have 24-hour access to information from the U.S. and China on the voluntary standards, mandatory requirements, and compliance programs that business leaders and policy makers need to influence their global commerce activities.

The site is a <u>living resource</u>. It was designed with the functionality and flexibility to accommodate the needs of new stakeholders from other countries and regions. India is the next logical partner. Through a partnership with CII and the Bureau of Indian Standards, we can add the <u>next dimension</u> to the Standards Portal.

We feel that providing a global resource on standards information is critical, particularly if we are to succeed in providing outreach and technical assistance to fast developing nations.

The emergence of developing economies in China, Korea, Taiwan, <a href="herein India">here in India</a>, and in several of the Eastern European nations, are having a tremendous impact on global standards . . . and global markets. Other developing countries are experiencing rapid growth in niche industries such as software or renewable energy enterprises, but may not yet have a solid standardization infrastructure in place. They are missing out on significant fiscal and trade opportunities.

As representatives of Indian industry, do you know whether representation of Indian industry at the international standardization table is where it needs to be?

You should. My own observation, based on first-hand information and feedback from top international leaders, is that it needs to be strengthened.

Effective, engaged participation in standardization allows developing economies to benefit from the transfer of technology that standards make possible. When products and services incorporate global requirements and demonstrate compliance with world market needs, the results are enhanced competitiveness, increased market share and healthier prices of exports.

Some developed nations are leveraging significant financial resources to provide technical assistance efforts that further trade with these emerging economies. As an example, the EU and its 27 member nations – Bulgaria and Romania are the newest additions, joining the EU on January first – have been spending tens of millions of Euros annually to provide technical assistance to China. Their efforts often include providing free standards, training and even translations of standards, in return for commitments by the recipient nations to adopt or otherwise use their standards.

And now China, a country of focus for India for sure, is becoming a player in its own right in the standards arena. It has begun asserting some of its homegrown technology in the marketplace and in the standards process. China's evolving standards policies are being closely observed by international and regional standardization bodies as well as government officials.

In countries where exclusive, national standards policies exist, they may be limiting their own ability to compete on the global stage, as well as limiting the competitiveness of trading partners around the world.

Those of you who play – or plan to play – in the international arena know that standards are only half the story. Achieving confidence in the minds of buyers that your products comply with all the standards, rules and regulations of the receiving market is the real challenge for manufacturers.

Here again, ANSI can help. As the coordinator of the U.S. conformity assessment system, and accreditor of product, personnel and quality management system certifiers, we have vast knowledge of their accredited programs and capabilities. Further, we have the ability to train, prepare and qualify conformity assessment programs and new certification services and systems.

But we need to do more. We need to engage CII and the industry it represents in this effort.

We recommend that CII – alone, or in cooperation with others in India – establish a market access executive on the ground in India that will be the point person for all standards, conformity assessment, and technical regulations matters. This individual would have a technical background, political sensitivities, as well as experience dealing with business and government.

ANSI will commit to providing standards, conformity assessment and technical regulations training and an assigned staff resource to liaison between this executive and ANSI's private-public sector network. This will facilitate Indian industry's reach to the U.S., North America, and other regions.

Having a dedicated standards executive will help to communicate what standards-related market access issues are of greatest concern to Indian industry, and in turn, open the lines of communication from U.S. exporters as well.

(pause)

The dynamics are changing. Standards are not limited to just technical specifications for manufactured products or building and safety codes. Internationally, the services sector is one of the fastest growing areas for standards development.

Why? Because services represent the largest and most dynamic segment of the world economy—they account for more than 60% of world GDP.

U.S. statistics are higher than average – but <u>here</u> they are also impressive. <u>India's trade in services has been growing faster than merchandise trade</u>. You are wisely capitalizing on your well-educated, highly skilled English-speaking workforce to become a major exporter of services.

International standards are helping to grease the wheels of services exports. In 2003, the ISO and the IEC developed a global, voluntary benchmark for organizations responsible for certification of personnel.

ISO/IEC 17024, which was recently adopted by BIS as an Indian national standard, is designed to harmonize the personnel certification process worldwide and create a more cost-effective global standard for workers. The standard is playing a prominent role in facilitating global standardization of the certification community, increasing mobility of workers among countries, enhancing public safety, and protecting consumers.

Accreditation of a certification program in any nation provides an assurance to the end user. Accreditation confirms that there is a continuous review process in place and that there is a commitment to the improvement of quality. It leads to greater mobility of skilled workers and lends integrity and confidence.

According to the Indian Ministry of Finance's 2005-2006 Economic Survey, the current lack of accreditation programs in healthcare, accounting, auditing and bookkeeping has become a leading market access limitation in the export of Indian services in those areas.

Getting onboard and involved in the emerging areas of standardization is essential to instilling consumer confidence and harnessing a competitive advantage. India is primed for this.

You have become the world's third most attractive market for investment in the manufacturing of renewable energy devices and systems. There is also expansion in cultivation of biofuel crops, hydroelectric projects, solar energy, and wind energy. This is an area of special interest to many of ANSI's company members, and we are investigating the creation of a new standards coordination body on alternative fuels.

ANSI's Nanotechnology Standards Panel has pooled U.S. experts and stakeholders that are active in developing the first international standards in this field. India possesses a wealth of technology talent and is investing significant capital in nanotech R&D projects. Both India and the U.S. are participating members of ISO Technical Committee 229 on nanotechnologies and will play important roles in the development of international standards there. Opportunities are ripe for our countries to work together in this area to create international solutions. ANSI stands ready to help.

Our newest standards panel is dealing with identity theft and identity management standards. From what I understand, identity theft is becoming a growing problem in India. Statistics from India's leading business daily, the <u>Business Standard</u>, point to as many as one out of 100 Indian people as victims of identity theft. It has been no secret that identity theft is a big concern for U.S. firms that outsource critical services such as accounting and data processing—services that entail the offshore transfer of personal data of customers and employees.

These are just a few examples of where our interests and priorities overlap. In truth, ANSI and CII are driven by a similar mission: to enhance the competitiveness, efficiency and potential business opportunities for the industries that we support.

(pause)

It is time to forge the three collaborative efforts that will further that mission:

- First, let's partner on building the second phase of the Standards Portal. The U.S. information is already loaded and available as a resource for you. The next step is to make India's standards and trade information available and accessible for visitors to the site.
- Second, we call for CII alone, or in cooperation with others in India to establish a dedicated
  executive for all standards, conformity assessment, and technical regulations matters. We will
  provide training and resources to maintain a strong liaison with the ANSI network.

• Third, look to ANSI as your U.S. resource and solutions provider on standards-related market access issues that pertain to standards, conformity assessment and related technical regulations.

Let's build on the success and goodwill of the recent business and trade missions between our two nations, and of course the landmark nuclear agreement between U.S. and India – the world's two largest democracies. We are all poised to benefit from the fertile partnerships we will grow together.

Thank you.

[END]