

## **ANSI India Mission - Summary**

March 20 - 29, 2007

Background

ANSI recently completed its first staff-level fact-finding mission to India (Delhi and Chennai) in response to the rising importance India and its key stage in economic and policy development. This mission followed on a visit to India by ANSI President and CEO Joe Bhatia in January 2007. ANSI was joined by staff-level representatives of the U.S. Department of Commerce (DOC): International Trade Administration (ITA) and National Institutue of Standards and Technology (NIST). The mission consisted of seven working days of meetings and other activities with various public and private-sector organizations and focused primarily on understanding the "lay of the land" and identifying areas for future U.S. cooperation with India in the areas of standards and conformance (S&C). ANSI worked closely with the Confederation of Indian Industries (CII), which provided key substance and logistical support and will serve as a key strategic partner for ANSI in the future.

A full itinerary and additional information on delegation members can be found in the attached documents "ANSI India Mission – Itinerary" and "ANSI India Mission – Delegation." Reference numbers in this document to link statements to individual meetings listed on the itinerary.

**Mission Objectives** 

The key purpose of the ANSI India Mission was to lay a foundation for a strong ANSI – India relationship "ahead of the curve" so that U.S. positions and perspectives will be understood and considered as India develops and refines policies and practices affecting standards and conformance (S&C). It is anticipated that this relationship will create opportunities for cooperation both for ANSI and its members. Special focus was placed on priority policy areas identified by ANSI members:

- **Transparency**: Encouraging greater transparency for and understanding of the S&C policies, practices and players, as well as relevant mandatory and voluntary technical requirements in the U.S. and India.
- **Conformity Assessment**: Encouraging greater efficiencies in conformity assessment policies and practices in order to facilitate trade.
- **Participation**: Encourage greater Indian participation and investment in regional and international fora.

## **Opportunities**

- **Industry**: Industry in India carries a strong voice and is highly organized and influential through associations such as the Confederation of Indian Industries (CII). When clearly explained, Indian industry seems to be strongly drawn to the market relevance and efficiency of the U.S. system. Further, Indian industry is keenly interested in gaining a better understanding of the voluntary standards and technical regulations needed to enter and compete in the U.S. market. (3,7,8,10,13,14,16)
- **Policies in Flux**: Many relevant Indian policies and practices relating to standards and conformance are currently under development or under review, including the Planning Commission of India's Eleventh Five-Year Plan (2007-2012) and the <u>Bureau of Indian</u> <u>Standards Act</u>. ANSI and its members have an opportunity to provide input and perspectives into the formulation of these policies. (2,3,4,19,23)
- **Open Discussion**: While recognizing definite benefits in the U.S. approach to standards and conformance, most Indian public and private-sector representatives expressed concern or suspicion over certain elements. The willingness to express these reservations openly presents an opportunity to address concerns through frank discussion. (2,3,11,17,19,23)

## Threats

- Limited Industry Focus on S&C: Faced with more immediate concerns (taxation, distribution, tariffs, etc.) most U.S. and Indian companies doing business in India currently place little or no focus on concerns relating to standards and conformance. However, without input and participation during this pivotal stage in Indian policy development, industry views and perspectives are not likely to be considered. (11,15,16,19)
- BIS Not Linked to Commerce and Trade: Organizationally situated within the Ministry of Consumer Affairs (rather than the Ministry of Commerce), the Bureau of Indian Standards (BIS) is not as directly linked to trade-related considerations or the vision of "one standards, one test, accepted everywhere." WTO-TBT agreement related issues are addressed by the Ministry of Commerce and there appears to be little interaction between BIS and the Ministry of Commerce (4,5,23).
- **Bureaucracy**: Entrenched government bureaucracy stifles government representatives from taking positive actions and implementation programs and initiatives. These issues are compounded by high-turnover among Indian bureaucrats. (GOI meetings, *esp.* 4, 23)
- Perceived U.S. NTBs: Both government and private sector representatives complain of nontariff barriers (NTBs) -- often referred to as technical barriers to trade (TBTs) -- faced by Indian companies exporting to the U.S. ANSI and its members will lack credibility to a certain degree until these perceived NTBs are addressed or clarified. By far the most common complaint was the difficulty faced by Indian companies in determining with which voluntary and mandatory product requirements they must comply and which conformance measures they must complete in order to enter and compete in the U.S. market. Other concerns included the lack of WTO notification for voluntary standards that are "de-facto mandatory technical requirements" in the U.S. market, and perceived conflict between federal and state-level technical regulations. Both industry and government representatives in India expressed frustration and concern about the inability to find "publicly available" information related accessing US markets, and the lack of responses from US regulators when contacted on specific issues (2,7,8,11,19,22).

## Next Steps

- **Standards Portal**: ANSI will work with BIS and CII to develop Indian content for <u>www.standardsportal.org</u>. Further, ANSI will work to develop a directory of the mandatory and voluntary technical requirements used in the U.S. market, organized by industry sector and product.
- **Standards Foundation**: ANSI will encourage and support CII in the establishment of a "Standards Foundation," or private-sector umbrella organization that would bring together all relevant public and private-sector stakeholders in India to discuss relevant developments and formulate consensus positions. These positions would be communicated to BIS MOC, and other relevant GOI policy bodies. The Standards Foundation would provide institutional knowledge to support senior GOI officials, whose postings tend not to exceed three years.
- **PASC Participation**: ANSI has extended invitations both to BIS and CII to participant in the Pacific Area Standards Congress (PASC) in April 2007, rounding out India's participation in Asia-Pacific Specialist Regional Body (SRB) activities. ANSI will continue to encourage active Indian government and private-sector participation in regional and international fora.
- **Workshop**: ANSI will hold either a single "big-picture" workshop, or a series of industry or issue-specific workshops with India.
- **Capacity Building and Cooperation**: In addition to conducting high-level outreach with India, ANSI will encourage and facilitate its members' to engage India in industry- and issuespecific capacity building and cooperation.

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