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Session 2

Market Access : Taking Brand Bhutan to Market ”

ECONOMIC REFORMS OF RGoB

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Standards, Certification and Testing challenges in the Food Business Sector of Bhutan

► Our experience on challenges of food export

- ✓ *Inadequate infrastructure at the border check points (Poor roads/ lack of satellite laboratories/ inspection sites/quarantine facilities)*
- ✓ *Inadequate laboratory testing facilities and costly testing / certification of products*
- ✓ *Manual inspection of consignments*
- ✓ *Complex regulatory procedures (Procedural delays)*

Standards, Certification and Testing challenges in the FB Sector Bhutan

- ✓ Absence of Harmonized Standards
 - ✓ *Certificates issued under the SPS / food safety /environment /technical standards not recognized by the exporting countries*
- ✓ Lack of Market information
 - ✓ *Emerging CSI (FB) not aware on where to market and standards and certification to follow*

Initiatives to Support the CSI (FB) Sector:

BAFRA

- i. **Development:** Mandatory Standards/Technical Regulations based on *Codex Standards (Harmonized international standards and best practices)*
- ii. **Certification:** Food and Agri-products (*ISO 17065*)
- iii. **NFTL (*ISO 17025*)-** Testing food products for export/ import/ inspection and certification
- iv. **Food Safety Licensing** of Food Business (FBs) – 2016
- v. **Plant Import Permit and Export Certificate** (PSC certificate)
- vi. **Training** of Food Handlers (prerequisite)– 2008
- vii. **Livestock Import Permit and Export Certificate**
- viii. **Training** of FBO on GMP/GHP/Food Safety/Food Import/Biosecurity

Initiatives to Support the CSI (FB) Sector: BSB

- i. Development/Adoption of National Standards
 - ✓ *Textiles & Food – developing standards and certification under CSI Flagship*
- ii. Product certification (ISO 17065) – construction (civil & electrical)
 - ✓ *Accreditation scope- cement steel and bitumen emulsion*
- iii. Calibration of weights and measures (e.g. electronic weighing scales)
- iv. Testing services for construction materials and products
- v. Awareness programs on standardization and conformity assessment (testing and certification)
- vi. Research on Local Indigenous Products – (textiles /art craft)

Joint Initiatives under Process

- ▶ BSB – **Develop** National Standards (voluntary)
- ▶ BAFRA- **Certify** identified Food and Agricultural Products
- ▶ Awareness training on GMP/GHP and Product Certification
- ▶ Harmonization of Standards:
 - ✓ *SARSO standards to be adopted as national standards by member states to facilitate trade and market access*
 - ✓ *BSB and BAFRA - packaged drinking water, spring water and natural mineral water standards as SARSO standards*
- BAFRA- Initiated dialogue with FSSAI on the recognition of export inspection and certification system of BAFRA by FSSAI, India

Role of BAFRA & BSB

BAFRA	BSB
<p><u>Mandatory</u> Food safety Standards - Technical Regulations</p>	<p><u>Voluntary</u> National standards</p>
<p>Minimum Food Safety Standards application to all FBs for public health and safety</p>	<p>Higher level private/company standards and may not be applicable to all FBs</p>
<p>Standards driven by <u>legislation</u> and the <u>need of the country</u> based on <u>Codex Standards</u> (Bhutan codex standard procedure guideline/ NCC and NFQSC)</p>	<p>Standards driven by <u>market demands</u> based on the <u>principle of consensus</u> following ISO Standardization Process</p>
<p>Standards development not driven on the request of one individual/FBO (no consensus required)</p>	<p>Standard development can be driven on the request of one individual /FBO /company</p>

Role of BAFRA & BSB

BAFRA	BSB
Standard Dev process less time consuming No standard time requirement	requires 405 days (ISO requirements)
Regulatory/Mandatory Standards are available for Free	ISO Standards are Private/company standards - chargeable
<u>NFTL</u> - Testing of Food /Agri products Product Certification of Food and Agri products	<u>Metrology lab</u> - Calibrations services Product testing lab- constructions materials /electrical safety
SPS Enquiry Point	TBT Enquiry Point

Prioritized Recommendations

- I. **Mutual Recognition of conformity Assessment- Inspection, Testing, Certification**
 - ✓ *MOU/ MRAs /Equivalence/Technical Cooperation and Exchange of Information- Exporting Countries*
 - ✓ *Harmonization or Recognition of Standards*
 - ✓ *Effective cross border coordination with focus on “**building trust**” between the technical/regulatory agencies of the exporting and importing countries*
- II. **Strengthen Institutional technical capacity in CAB**
 - ✓ *MoU/MRAs and initiatives to strengthen the relevant CAB institutions*
 - ✓ *Strengthen the existing **Licensing/Regulation/Certification** system involving many govt. agencies with real-time ICT connectivity (FB licensing/Sectoral Clearance etc)*

Prioritized Recommendations

- ✓ **Focus on Laboratory capacity building- using ICT**
 - *Increase the scope of NFTL accreditation to cover all SPS and Food Safety testing*
 - ***Laboratories-** Networked to provide automated analytical reports to regulators and clients through the LIMS*
 - *Upgrade existing Laboratories- **Equipment + HRD + Training-** Tripod*
 - *Small Satellite Laboratories at the borders*

Prioritized Recommendations

III. Technical capacity building of CSI- Food Businesses

- ✓ Technical capacity - **Standards, certification and regulations**
- ✓ Develop private sector engagement and explore possible future investment partnership – **Testing and Certification**
- ✓ Encourage and Promote **Self Regulation** in food business
- ✓ Foster **Food Safety Culture** in food business to revolutionize the way people in the food sector think and work

Tashi Delek!