



# The benefits of standards for international trade

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# Standards facilitate international trade

Standards play an important role in facilitating international commerce. They provide for interoperability, reduce transaction costs and provide a signal of quality to customers. International standards act as a major catalyst for trade – allowing companies to sell their goods and services across multiple markets without the need for adaptation.

There are five main ways through which standards enhance trade:

## Quality

Standards provide a signal of quality to consumers and trade partners. They drive **quality based competition**, and **improve transparency**, allowing buyers and sellers to make **optimal purchasing decisions**.

## Compatibility

International standards create a **common language** for trading partners, enabling **compatibility** of products and services, lowering trade barriers and production costs, and supporting firms to **trade across global supply chains**.

Standards have been hugely influential in boosting the sales of UK products and services abroad.

Reported impacts averaging **3.2%** of annual exports.

An estimated **£6.1bn** per year in additional exports.

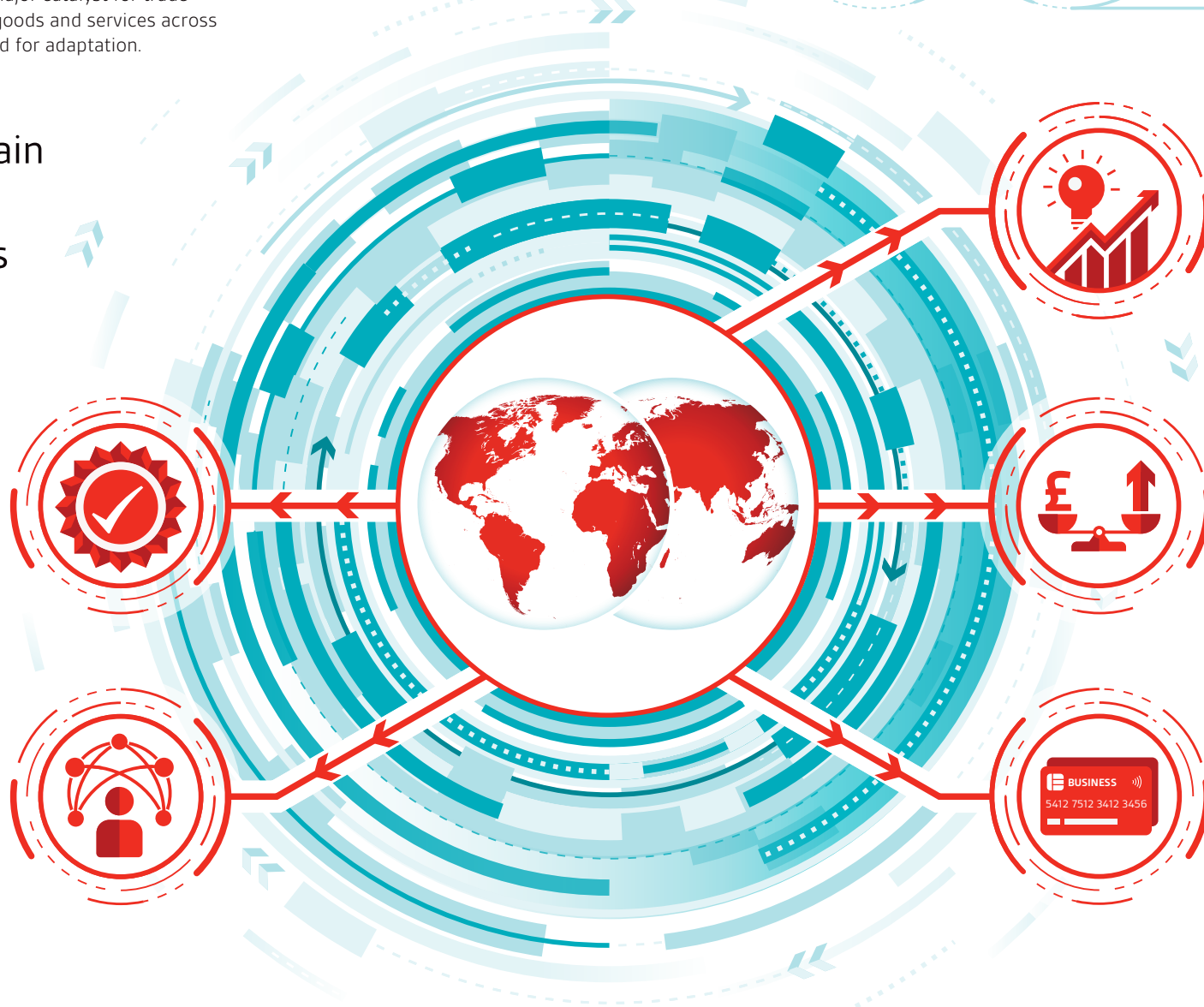
SMEs are:

**41%**

more likely to export if they use standards and larger companies are

**36%**

more likely to export.



## Innovation

Standards have a **catalytic effect** on innovation, **reducing time to market**, promoting the global diffusion of **innovative products** and services.

## Economies of scale

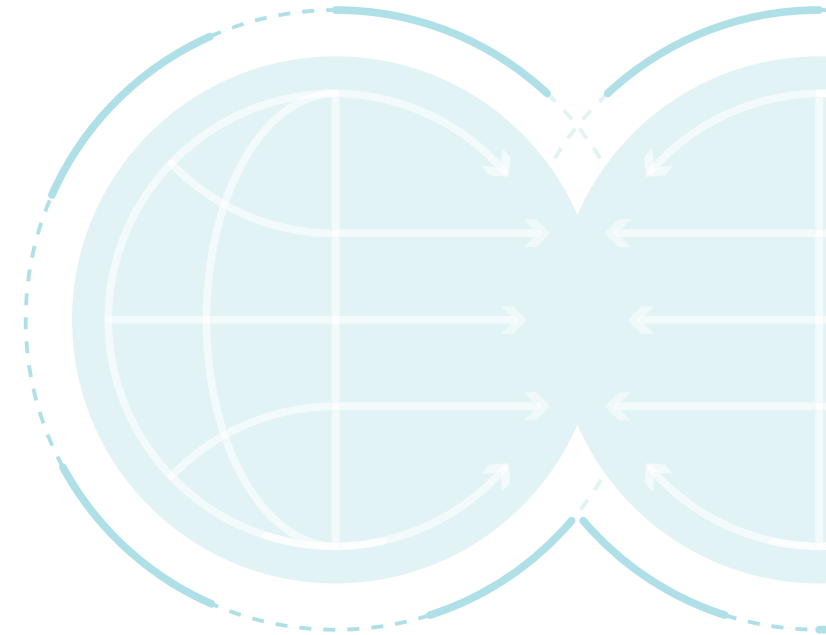
Standards **lower barriers** to trade, allowing companies to access a **global customer** base, offering opportunities for economies of scale and **reducing production costs**.

## Transaction costs

Compatibility standards **promote opportunities** for firms to **outsource** and off-shore certain tasks, **promoting efficiency** and business optimization.

## Benefits of standards for businesses in the UK:

- 1 Improve business productivity and efficiency** – by reductions in waste, improved risk management and better use of raw materials and energy
- 2 Increase competitiveness** – by enhancing the status of firms and demonstrating quality of products and services
- 3 Access new markets** – by lowering barriers to entry providing a foundation for competition based on product and service characteristics, such as quality
- 4 Catalyse innovation** – by access to information and technology and the diffusion of new knowledge
- 5 Enhance supply chains** – by promoting compatibility between products and processes and boosting confidence between suppliers and clients
- 6 Optimise compliance with regulations** – by helping meet health and safety, environmental and risk management requirements



Visit our website for more information – [bsigroup.com/benefits-of-standards-to-trade-uk](https://bsigroup.com/benefits-of-standards-to-trade-uk)  
Or contact us at – [standards.international@bsigroup.com](mailto:standards.international@bsigroup.com)



# bsi.

**BSI Group**


389 Chiswick High Road, London W4 4AL UK

Tel +44 (0)20 8996 9001

Fax +44 (0)20 8996 7001

[www.bsigroup.com](http://www.bsigroup.com)

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