

## International Update

International and regional items of interest for September 2016 are as follows:

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2. World Trade Organization Public Forum was held on 27-29 September [More>>](#)

ISO items of interest for September 2016 are as follows:

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## International

### 1. WTO: Outcome of 2016 Essay Award for Young Economists is announced

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The outcome of 2016 Essay Award for Young Economists was announced at the annual meeting of the European Trade Study Group in Helsinki on 8-10 September 2016. The winner is Matthieu Bellon of Columbia University. His paper, entitled "Trade Liberalization and Inequality: a Dynamic Model with Firm and Worker Heterogeneity", was ranked first by the Selection Panel. The panel also awarded an honourable mention to Eunhee Lee of Yale University for her work entitled "Trade, Inequality, and the Endogenous Sorting of Heterogeneous Workers".

The paper by Matthieu Bellon focuses on the dynamic effect of trade liberalization on wage distribution. It develops a dynamic general equilibrium model with worker and firm heterogeneity. The paper finds that trade liberalization increases overall welfare and provides firms with both new export markets and new sources of competition. Expanding high-paying firms increase wages to recruit better workers at a faster rate. Workers in the firms threatened by competition accept wage cuts to delay their employers' exit from the market and to keep their job. Using firm-worker data from France, the author shows that, following trade liberalization, inequality initially increases and peaks after three years, but eventually falls back to half of its peak level in the longer term.

The paper by Eunhee Lee investigates the effect of international trade on inequality and shows the mechanism through which a reduction in trade costs can increase inequality in developing countries. This paper shows that although the reduction of trade costs produces overall welfare gains for a country as a whole, inequality between skilled and unskilled workers increases because wages for high-skilled occupations rise more than wages in low-skill occupations. The paper shows that inequality between workers with different levels of education increased due to trade shocks in both high- and low-income countries between 2000 and 2010. Although the paper does not address policy implications, it highlights that understanding these mechanisms and effects is key to crafting better policies to avoid or minimize the negative social impacts of trade opening. Developing and implementing such policies would provide a better chance of maintaining support for open trade since trade continues to be beneficial overall for all countries and all occupations and types of worker.

### 2. World Trade Organization Public Forum was held on 27-29 September

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A total of 102 sessions were held at the 2016 WTO Public Forum from 27 to 29 September at the WTO's headquarters in Geneva. Entitled "Inclusive Trade", the Forum focused on how to ensure that trade benefits everyone, with a particular emphasis on enabling women, innovative start-ups and small and medium-sized enterprises (SMEs) to take advantage of the opportunities provided by trade.

The sessions were organized by a wide range of participants, including WTO members, businesses, non-governmental organizations, academia, law firms and international organizations. They also participated two high-level plenary debates on 27 September.

In the first debate, entitled "Making Trade Truly Inclusive", the participants looked at how the WTO can foster SMEs' participation in global trade, how trade has helped countries to innovate and how women can overcome the constraints preventing them from reaping the benefits of trade. The second plenary debate saw the launch of the WTO's flagship publication, the World Trade Report, which looked at SMEs' participation in international trade.

## 1. ISO week in China: the 39<sup>th</sup> ISO General Assembly in Beijing on 12-14 September

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The 39<sup>th</sup> ISO General Assembly was held in Beijing, China, on 10-14 September 2016. The meeting served as a platform for the “ISO Week in China”, a week-long gathering that offered an excellent opportunity for the world’s standardization community to come together for discussions that will shape the direction of ISO’s future products, services and systems. More than 500 delegates and accompanying persons from ISO’s 163 member countries attended the meetings held during this period, including ISO Council, ISO Committee on developing country matters (DEVCO), Technical Management Board (TMB) and Open sessions on “Standards improve global connectivity”.

President Xi Jinping of China underlined how “standards have become the common language of the world” in a written message addressed today to the 39<sup>th</sup> ISO General Assembly in Beijing. The message was delivered by Zhi Shuping, Minister of the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) of the People's Republic of China.

“With the deepening of economic globalization, standardization is playing an increasingly important role in facilitating business transactions, supporting industrial development, promoting scientific progress, and regulating social governance,” he said. “Standards have become the common language of the world.”

The Chinese President pointed out in the address how standards facilitate innovative development and lead the way for progress in our times. “International Standards are the major technical foundation of the development of a global governance system and the development of economic and trade cooperation.”

President Xi Jinping went on to deal with the role of standards in China. “China will actively implement the strategy of standardization,” he wrote. “We will promote innovative, coordinated, green, open and sharing development with the support of standards. Together with all countries in the world, we are ready to deepen cooperation in standards, enhance exchanges and mutual learning, and improve the system of International Standards.”

In conclusion, the Chinese President told the delegations of ISO member countries in his written message: “I hope that the participants of this assembly will pool wisdom and build consensus to jointly explore the active role of standardization in improving global governance and promoting sustainable development, so as to contribute to a better future of mankind.”

## 2. Australian appointed as Vice-President (Finance) of International Organization for Standardization (ISO)

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Standards Australia CEO, Dr Bronwyn Evans, has been appointed Vice-President (Finance) of the International Organization for Standardization (ISO), the world's largest developer of international standards made up of members from the national standards bodies of 163 countries.

Dr Bronwyn Evans said that the appointment reinforces Australia's leading role internationally at technical, governance and policy levels. "This demonstrates Australia's leadership position globally as a key contributor to international standards, supports industry and trade policy and strengthens links in the international standards setting system.

"ISO international standards can remove barriers to world trade by providing the technical basis on which political trade agreements can be put into practice, whether they are at the regional or international level.

"Standards Australia has already positioned Australia as a leading standards organisation with Australia driving world-first projects, like blockchain standards," said Dr Evans.

President-elect of ISO and CEO of Standards Council of Canada, John Walter, said he is pleased to welcome the expertise of Dr Bronwyn Evans' standing to the ISO team.

"She will have an important contribution to make in terms of competitiveness, innovation and productivity, said Mr Walter.

Minister for Industry, Innovation and Science, The Hon Greg Hunt MP, has welcomed the appointment. "Standards are vital technical infrastructure in any advanced economy, ensuring the safety and quality of products and services, facilitating international trade and improving the environment in which we live in.

"This two year term as one of the ISO governance and policy leaders further embeds Australia's role as an innovative economy in the global context," said Mr Hunt.

### 3. ISO/TC 307 – Blockchain and electronic distributed ledger technologies

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At the ISO September 2016 meeting, the Technical Management Board (TMB) adopted Resolution 111/2016, which approved a proposal to establish a new Technical Committee ISO/TC 307.

This new Technical Committee will have a provisional title: Blockchain and electronic distributed ledger technologies. Its scope covers Standardisation of blockchains and distributed ledger technologies to support interoperability and data interchange among users, applications and systems.

Australia is a Participating member on this Technical Committee (ISO/TC 307) and the secretariat of this has been allocated to SA (Australia).

### 4. ISO/PC 308 – Chain of custody

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At the ISO September 2016 meeting, the Technical Management Board (TMB) adopted Resolution 112/2016, which approved a proposal to establish a new Project Committee: ISO/PC 308.

The new Project Committee will have a provisional title: Chain of custody. Its scope covers Standardization in the field of chain of custody.

The secretariat of this Project Committee (ISO/PC 308) has been allocated to NEN (The Netherlands). Australia is a Participating member on ISO/PC 308.

### 5. Establishment of Technical Committee ISO/TC 309 – Organizational governance

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At the ISO September 2016 meeting, the Technical Management Board (TMB) adopted Resolution 113/2016, which approved a proposal to establish a new Technical Committee: ISO/TC 309.

The new Technical Committee will have a provisional title: Organizational governance. Its scope covers Standardization of organizational governance, including aspects of accountability, direction and control—which may include principles of governance, anti-bribery, conflict of interest, due diligence, whistleblowing, compliance, remuneration structures and external reporting, amongst others.

The secretariat of this Technical Committee (ISO/TC 309) has been allocated to BSI (United Kingdom). Australia is a Participating member on this committee.

## 6. New Field of Technical Activity (NFTA) for Collaborative Business Relationship Management

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The Secretary of ISO/PC 286 has submitted a formal proposal to ISO for a new field of technical activity on Collaborative Business Relationship Management. The scope of the activity is: Standardization in the field of collaborative business relationship management.

The proposed initial programme of work includes:

1. Guidance on the application of ISO 11000 (Publication target 2020)
2. Guidance on the application of ISO 11000 to small and medium enterprises (Technical Specification, publication target 2020)
3. Guidance on the application of ISO 11000 to networks (Technical Specification, publication target 2020)
4. Principles of collaborative working (Technical Specification or Technical Report, Publication target 2021)
5. Assessment criteria for certification (Publication target 2022)
6. Guidance on the application of ISO 11000 in the construction industry (Publication target 2022)
7. Guidance on the application of ISO 11000 in service industries (Publication target 2022)

Standards Australia will be consulting with stakeholders on this proposal. For more information or to make a submission, please contact [Jonathan.Avery@standards.org.au](mailto:Jonathan.Avery@standards.org.au) by 16<sup>th</sup> November 2016.

## 7. ISO standards help meet SDGs

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Trade and standards are key for meeting the United Nations Sustainable Development Goals (UN SDGs), said Cecile Fruman, World Bank Group Director, Trade and Competitiveness Global Practices. Fruman was speaking at the opening of the annual meeting of the ISO Committee on developing country matters (DEVCO), which took place in Beijing, China, on 11 September 2016.

The SDGs are a priority for the World Bank Group. “We are proud to have recently signed a Memorandum of Understanding (MOU) with ISO, and it’s heartening to note that ISO addresses a number of the SDGs directly.” Fruman cited ISO 26000 on social responsibility as an example of a standard contributing to sustainable development. “It is the most comprehensive guidance of what an organization should do to contribute to sustainable development. More broadly, ISO’s portfolio of more than 21,000 standards provides practical tools for all three dimensions of sustainable development: economic, environmental and societal.”

She emphasized two powerful ways in which ISO standards contribute to achieving the SDGs. First, by helping to increase developing country participation in trade – failing to do this is one of the greatest barriers to investment and outsourcing. Second, as a vessel for practical solutions to implement the SDGs.

Promoting standardization is therefore an important goal for the World Bank Group. For World Bank Group’s Cecile Fruman, the benefits of international standards are:

- support sustainable economic growth and productivity gains;
- help facilitate the adoption of good regulatory practice and create economies of scale that are particularly beneficial for small and medium enterprises;
- promote open international trade by reducing technical barriers and building confidence in the quality and safety of traded products, and increasingly also services;
- promote innovation and technology diffusion;
- level the playing field on environmental and societal issues, and codify international agreements
- provide common ground for understanding and agreement on difficult issues, e.g. social responsibility;
- help to protect communities and consumers from unsafe and harmful products and practices.

## 8. ISO 14001 experts won technical excellence award

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ISO technical committee ISO/TC 207, Environmental management, subcommittee SC 1, Environmental management systems, has been awarded the Lawrence D. Eicher Award for excellence in technical work at the 39<sup>th</sup> ISO General Assembly, in Beijing, China. This group of experts develops ISO 14001, the world's most recognized framework for environmental management systems.

The distinction recognizes the significant contribution of an ISO technical committee or subcommittee to the development of International Standards. According to ISO President Dr Zhang Xiaogang, ISO technical committee ISO/TC 207, Environmental management, subcommittee SC 1, Environmental management systems, was chosen for introducing "a number of innovations to help support its members and to promote its work externally".

This year, ISO 14001 celebrates its 20<sup>th</sup> anniversary. It provides assurance to company management and employees, as well as external stakeholders, that environmental impact is being measured and improved. "For two decades, ISO 14001 has been helping organizations to better manage the impact of their activities on the environment," said Acting ISO Secretary-General Kevin McKinley during the awards ceremony. "It is implemented in over 300,000 organizations and helps to support the United Nations Sustainable Development Goals."

The Lawrence D. Eicher Leadership Award was developed in 2002 to acknowledge excellence and innovation in technical work, as a tribute to ISO's late Secretary-General who served from 1986 to 2002.

Australia is a Participating member on this committee.

## 9. Highlights from the September Technical Management Board (TMB) meeting

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The ISO Technical Management Board (TMB) met in September 2016 as part of the ISO General Assembly. Highlights from the meeting included:

### 1. Recommendations from the SAG Industry 4.0/Smart manufacturing

This Strategic Advisory Group (SAG) was established in June 2015 in response to a recognized need for a joint future approach in the field of Industry 4.0/Smart manufacturing. The SAG was composed of industry representatives nominated by ISO member bodies, along with representatives from related ISO committees, IEC and ITU-T. The SAG submitted their final report with recommendations for the TMB September 2016 meeting, which included an ISO vision for 'Smart manufacturing'.

### 2. Addition of an 18-month track for standards development

As a result of a TMB project looking at how to improve project management for standards development, the TMB approved the addition of a new 18-month development track (in addition to the existing 24, 36, and 48-month tracks) – see TMB Resolution 101/2016. The proposal is based on shortening the WD/CD development stage from 12 to 8 months and the comment resolution stage from 7 to 5 months.

### 3. Remote participation in committee meetings – new Guidelines

At its June 2016 meeting, the TMB approved remote participation in ISO committee meetings (see TMB Resolution 70/2016), but requested that the Guidelines be revised to take into account input from the pilot and to provide meeting hosts with more details on the technical capabilities and specifications that are required to successfully host remote participants.

### 4. Change of format of ISO logo, edition dates on standards and move to PDF version 1.7

(1) The date of edition that appears on the cover of ISO Standards and deliverables will be simplified by adopting the format YYYY-MM. This is something IEC and ITU have already implemented.

(2) The design of the ISO logo was slightly modified in line with the overall new visual identity for the organization two years ago. The new logo will be used on all new deliverables made available on ISOSTD as of 1 January 2017.

(3) The version of PDF to produce ISO Standards and publications will be moved to Version 1.7, the latest version available, on 1 March 2017.

**5. IWA on Using ISO 26000 Guidance on social responsibility in management systems**

The TMB has approved a proposal from SIS (Sweden) for a new International Workshop Agreement (IWA) on Using 'ISO 26000 Guidance on social responsibility' in management systems.



## 1. Significant milestone for Smart City development

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In the wake of the World Smart City Forum, which was held on 13 July 2016 in Singapore, representatives of IEC, ISO, ITU, IEEE, CEN, CENELEC and ETSI gathered for a meeting initiated by the IEC. This meeting was a global first and part of an ongoing dialog among standards organizations. The aim was to accelerate and better align Smart City standardization work, which is essential for successful Smart City deployment. Between 60% and 70% of humanity is expected to be living in urban environments by 2050. Major standards organizations from around the world agree to work together to help move cities faster to greater smartness.

In today's cities much of the infrastructure is installed by a diverse set of suppliers and maintained by different agencies who sometimes work in isolation. To connect them both physically and virtually, standardized interfaces need to be put in place, and this is where standards organizations such as the IEC, ISO, ITU, IEEE, CEN, CENELEC, ETSI and others will have an important role to play.

Cities need to make better use of resources and become more efficient: Policies, regulation, citizen involvement and standards are all key components needed to build a viable Smart City. While all are important, in a path towards smarter cities, standardization will play a key role in ensuring consistent outcomes. Standards are relevant in the physical world, where they allow for the interconnection of hardware and technologies, but also in the virtual space where they facilitate data collection/sharing as well as city operation.

At this meeting, participants expressed their commitment to uphold principles of mutual respect, transparency, openness and sharing of new work information. Discussions looked at gaps; where standards are needed but work is not yet advanced; overlaps, where different organizations may be active; and, how the standards world can collaborate to better serve the needs of cities and citizens. Over the coming months the organizations will work together to develop a viable framework for cooperation in order to optimize outcomes and reduce duplication, wasted time and expense. A follow-up meeting organized by ISO is planned for 2017.

## 2. Facilitating rural electrification in developing and newly industrialized countries

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World energy consumption is expected to grow by 37% by 2040, according to the International Energy Agency (IEA) energy markets forecast, which assumes the continuation of existing policies and measures and their implementation.

The Clean Energy Solutions Center, in partnership with the IEC and the United Nations Foundation's Energy Access Practitioner Network, hosted a webinar, attended by more than 100 people, on the role of International Standards to facilitate rural electrification programmes in developing and newly industrialized countries.

Pierre Sebellin, IEC Systems Technical Officer and Secretary of Systems Evaluation Group (SEG) 6: Non-conventional Distribution Networks/Microgrids, talked about the need for a systems approach to be taken in evaluating the status of standardization in low voltage direct current (LVDC) applications, as well as non-conventional distribution networks such as minigrids/microgrids.

SEG 6 is tasked with analysing the status of standardization, identifying where it is needed and evaluating the gaps and stakeholders in order to propose a strategy for the IEC. It addresses all microgrid types, including in large cities for disaster recovery, to prevent blackouts during peak consumption periods and for electricity access in rural areas.

LVDC electricity can provide a cleaner, more efficient, reliable power supply, and supports most of the things people use today. Everything, from electric vehicles, renewable energy technology, island irrigation systems, kitchen appliances, lighting, transport, smart phones and tablets to systems with data and embedded electronics, such as the IoT, smart homes and smart cities, runs on it.

Dr. Arne Jacobson, a member of IEC TC 82 Solar photovoltaic energy, Technical Lead at Lighting Global Quality Assurance and Director of the Schatz Energy Research Center at Humboldt State University, noted that not all these products were quality assured. He highlighted the importance of governments adopting International Standards and the need for product testing.

"The Lighting Global Quality Assurance (QA) programme provides an opportunity to reduce the presence of low quality products in these markets, but implementation issues must be addressed to achieve success. The programme uses Technical Specification IEC TS 62257-9-5:2016, which provides information on IEC Standards and test methods", Jacobson said.

Currently a number of countries have adopted the Lighting Global QA programme, including Kenya, Ethiopia, Bangladesh and Nepal. Recently, the Economic Community of West African States (ECOWAS) adopted a QA framework, which references IEC TS 62257-9-5, so that the 15 member countries can now consider how to use it in national regulation.

IEC continues its important work with other international organizations towards achieving universal energy access, energy efficiency and renewable energy solutions across all emerging markets. It is involved in a number of partnerships, for example the United Nations Sustainable Energy for All (UN SE4ALL) initiative and IEC International Standards support 12 of the 17 Sustainable Development Goals to be achieved by 2030.

### 3. IEC case studies on how different companies benefit from IEC participation

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The IEC Young Professionals (YPs) worked to develop case studies on how different companies benefit from participating in the IEC. This document has been developed compiling these different stories and therefore illustrating the value these companies have gained from their involvement in the IEC.

These success stories on the benefits of participating in IEC activities illustrate the many advantages organizations can gain by being involved and how, in turn, these assets can help them stay ahead of their competitors.

One of the main challenges IEC experts and IEC YPs face is to convince their employers of the benefits of participating and therefore finding support within their organization to enable them to participate. These fifteen case studies will be a useful resource for individuals to help show their employers what companies can gain by participating in the IEC.

The full document and each individual case study can be found at:

<http://iec.us7.list-manage2.com/track/click?u=57bf19922547229aeac42e06a&id=01165dad49&e=507060c162>.