

QUALITY *info*

Newsletter of **QALEB** *Strengthening Quality Management, Capabilities and Infrastructure in Lebanon*



“Lebanon must find solutions to reduce the number of rejections, for its exported products”

So stated H.E. Dimyanos Kattar, Minister of Finance and Economy & Trade, at the official launching of the Quality Programme, recently held in Chtaura, in the presence of H.E. Patrick Renaud, the Head of Delegation of the European Commission in Lebanon, along with leading public and private sector representatives, including Mr. Wajih Bizri, Chairman of the QAC (Quality Advisory Committee). H.E. went on to highlight a number of specific cases where Lebanese exporters had met with barriers to enter various European markets.

- ◆ **50% of rejected Lebanese food exports arise from labelling irregularities** (*as many Lebanese exporters/producers are not aware of the requirements of the importing country*)
- ◆ **About 35% of rejected cases arise due to the use of illegal and unsafe additives and colorants**
- ◆ **About 5% of rejects arise due to the presence of salmonella**

The Minister emphasised the need for much greater co-operation between producers, exporters, the Lebanese public sector and the Quality Programme, in order to find solutions to reduce the number of rejections in the short and longer term.

The Quality Programme is one of a number of projects, which Lebanon is executing arising from the Association Agreement, signed with the European Union (EU), which constitutes an important incentive in Lebanese trade policy, in addition to accession to the WTO (World Trade Organisation) and implementation of the Greater Arab Free Trade Agreement. The Quality Programme will assist Lebanon in enhancing and developing a quality infrastructure at national and local producer levels, to better protect the health and safety of consumers while increasing Lebanese exports to the markets of the EU.



A view from the official launching of the Quality programme

H.E. Patrick Renaud commented on the importance of integrating industry in the economic development of Lebanon, encompassing all regions (*refer to complete speech on page 2*).

Dr. Ali Berro, Director of the Quality Programme, welcomed all of the invitees representing Embassies, Ministries, Municipalities, Association of Lebanese Industrialists, Chambers of Commerce, Industry & Agriculture, Laboratories, International Organisations, Universities and other private sector representatives. Dr. Berro insisted on the full participation of both the private and public sectors in the implementation of the programme activities, for its overall success.

Mr. Wajih Bizri, Chairman of the QAC, expressed his thanks to the EU for providing help to Lebanon's private and public sectors in adopting quality standards in a variety of fields. Mr. Bizri continued "Quality is an urgent necessity for Lebanese economic life, which constitutes the basis for production and exports. Lebanon needs such a programme to ensure that industrialists and manufacturers in all fields are aware of the importance of quality". "Many sectors in Lebanon face the problem of import conditions (laws and examinations) imposed by the European markets and accordingly, there is a need for legal amendments, assistance for established laboratories, conformity assessment, testing certification and ratification of mutual recognition agreements with international conformity assessment organisations" concluded Mr. Bizri.

Dr. Fadi Makki, Director General of Ministry of Economy & Trade, highlighted the importance of the Association Agreement and its role in growing the volume of trade exchanges between Lebanon and the EU. He further emphasised the need for continuity of the Quality Programme in the longer term, insisting that the Quality Unit of the Ministry would continue to deliver on the activities of quality, long after the formal programme has ended.

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"A Quality vision for Lebanon"

The globalisation process has led to the opening-up of international markets and has increased competition among producers, leading to much greater consumer choice.

It has also sent manufacturing industry into a world-wide search for low cost labour, which in turn has led to major problems for small producers in developed economies, like Lebanon, who are not ready to face competition from companies better positioned to sell quality certified products.



Ali Berro

The technical impediments, also known as non-tariff trade barriers (consisting of technical regulations, technical standards and procedures for conformity assessment, varying from one country to another), constitute a substantial obstacle to the process of import and export activities. When technical reference standards and certification procedures are harmonised, these barriers are automatically removed, thus guaranteeing the free circulation of goods and services.

The legal validity of the quality cycle - including standardisation, metrology, accreditation, certification and market surveillance - are a matter of first importance for each country's economy.

This is particularly the case for the Lebanese economy, given the number of small and medium enterprises, who have defined a clear strategy of quality in very competitive markets and are willing to operate globally. For such companies, a declaration of conformity for products and/or quality system has become an essential element for survival and on-going success.

It is vital to emphasise the importance placed on national quality systems and on accreditation and certification systems, including conformity to the international technical standards which govern matters of quality within the European Union and the World Trade Organisation. We must also remember that the European Union considers an existing strong national conformity assessment infrastructure, to be a key factor in the acceptance of goods exported to its markets. The United Nations Industrial Development Organisation (UNIDO) has also launched a high profile campaign of technical assistance in this area, for the benefit of developing countries, to allow the capability and manufacturing output of emerging economies to conform with the requirements of the World Trade Organisation agreements.

Ali Berro

Quality Programme Director

Discours de M. l'Ambassadeur Patrick Renaud,

Chef de la Délégation de la Commission Européenne au Liban

À L'OCCASION DU LANCEMENT DU PROJET « QUALITE » • CHTAURA - 24 JUIN 2005

Au lendemain de l'indépendance du Liban, (en 1943) un débat essentiel sur l'orientation de l'économie s'est ouvert : le Liban devait-il comme de nombreux pays à cette époque chercher à bâtir une industrie et trouver un équilibre entre les secteurs productifs et agricoles d'une part et le secteur tertiaire d'autre part? Le Liban devait-il au contraire promouvoir sa vocation de plateforme commerciale avec pour pilier central une économie ouverte et constituée au bénéfice d'une «*République de Marchands*»? »

Nous savons quelle approche a finalement prévalu.

Nous savons que les dirigeants libanais de l'époque ont opté pour l'ouverture, et une doctrine active du laissez-faire économique, favorisant ainsi le secteur commercial. Dans cette approche, on ne cherchait ni à encourager une meilleure répartition économique sur le territoire national ni à orienter un développement industriel sur le long terme. Cette méthode a pourtant été l'un des facteurs à l'origine d'une accumulation spectaculaire de capitaux dans les décennies suivantes et d'une croissance soutenue pour le pays. Ce sont des faits indéniables. Cette approche a aussi contribué à forger une image parfois mythique de «richesse insulaire» du Liban, qui est toujours ancrée dans les esprits d'aujourd'hui.

Mais les temps ont changé et nous avons été, comme vous tous, les témoins lucides des limites de ce choix qui aujourd'hui se trouve être l'origine d'un déséquilibre considérable dans le développement économique du pays : déséquilibre en faveur de Beyrouth au détriment des autres régions.

Déséquilibre en faveur du commerce au détriment des métiers nouveaux, de la créativité, de l'esprit d'entreprise.

C'est pourquoi Monsieur le Ministre, votre décision de choisir un site hors de Beyrouth pour célébrer le lancement du projet « Qualité » est remarquable. Par notre présence à Chtaura, nous adressons aujourd'hui aux industriels, aux entrepreneurs un double message :

D'abord notre soutien technique et financier n'est réservé à aucune « caste » influente et exclusive de la capitale : Nous ne sommes pas prisonniers de Beyrouth !

Ensuite, l'industrie est bien une force diffuse sur l'ensemble du territoire libanais. Pour travailler avec elle, les équipes du projet rencontrent les entreprises chez elles, sur le terrain.

Nous adhérons pleinement à cette démarche, Monsieur le Ministre et nous la soutiendrons jusqu'au bout.

Si j'ai fait allusion à l'absence d'une politique industrielle au Liban dans le passé, je ne me suis pas livré à un constat d'échec ou de résignation. Songeons à la formidable résistance de l'industrie libanaise à travers de longues périodes dominées par un environnement hostile. La région de Chtaura nous offre un exemple concret de la permanence d'un savoir-faire dans les produits transformés. Un exemple de réussite à travers les siècles.

Et surtout comment peut-on « dévaluer » la réalité et le poids de l'industrie libanaise quand celle-ci représente aujourd'hui plus de 120.000 emplois, quand ses actifs sont supérieurs à 4 milliards de dollars et que sa contribution à la valeur ajoutée nationale



Ambassador Patrick Renaud

* Selon la célèbre formule de Carolyn Gates in "The Merchant Republic, Rise of an Open Economy" publié en 1989

frôle le seuil de 2 milliards de dollars par an ; quand, enfin ses exportations augmentent de 140% depuis 5 ans ?

Ces quelques chiffres illustrent pour moi autant la déraison du défaitisme que la nécessité de donner à l'industrie libanaise de nouvelles perspectives.

La nouvelle Politique européenne de Voisinage peut y contribuer : Elle prolonge le partenariat de Barcelone avec la promesse plus stimulante encore d'intégrer le Liban dans le champ de l'espace économique européen. Que signifie cette promesse pour le Liban? Tout simplement qu'il pourrait s'intégrer un jour à cet espace et partager nos quatre libertés fondamentales en matière de circulation des biens, des marchandises, des capitaux et des personnes.

Si l'industrie au Liban veut réaliser cette ambition, elle doit dresser un programme dynamique qui valorise ses avantages comparatifs et mobilise les ressources technologiques et éducatives nécessaires. Dans ce sens, j'adhère aux réflexions de l'économiste Toufic Gaspard lorsqu'il évoque la nécessité d'une politique de développement pour l'industrie libanaise : le «laissez-faire» peut être, mais celui-ci ne peut pas se confondre avec «laisser-aller».

Le premier bilan postérieur au démarrage du processus de Barcelone témoigne de l'ampleur du travail qui reste à accomplir. La part des exportations libanaises vers l'Union européenne est passée de 23% du total en 1996 à seulement 9% en 2004. En valeur, ce volume n'a jamais pu franchir le seuil modeste de 170 millions de dollars.

C'est ce bilan que je dois rappeler aujourd'hui à tous ceux qui ont l'ambition de construire la place de l'industrie libanaise dans un espace euro méditerranéen de 690 millions de consommateurs. C'est ce bilan aussi qui donne plus que jamais un sens au projet «Qualité» et à l'outil qu'il représente pour réussir ce nouveau défi.

Certes «l'outil» est là. Mais, il est essentiel que la volonté politique et un réel esprit de coopération entre les secteurs publics et privés soient également là.

Or, des questions urgentes se posent dès aujourd'hui : je pense par exemple aux blocages dans la création de l'organisme national d'accréditation : la loi de février 2004 permettant sa création n'est toujours pas appliquée à ce jour. Je pense à l'urgence pour les décideurs de mettre un terme aux chevauchements de responsabilités entre de nombreux laboratoires. Je pense enfin à la sous-utilisation des laboratoires du secteur privé pour les tests de qualité alors qu'ils s'engagent résolument vers l'accréditation internationale. Avancer sur ces questions fondamentales exige une vraie formule de dialogue entre les pouvoirs publics et le secteur privé. A cet égard, je salue la présence d'une personnalité de l'industrie, Monsieur Wajih Bizri qui préside au nouveau *Comité de Conseil pour la Qualité*. Je salue son investissement personnel dans cette initiative.

Je conclurai par cette réflexion : l'amélioration de la qualité des produits est par nature un processus toujours inachevé. **La « démarche qualité » ne peut donc jamais être interrompue.** Elle repose sur le discernement et la modernité du fournisseur à toujours saisir les aspirations nouvelles des consommateurs. C'est à ce titre que nous invitons tous les Libanais à s'investir dans ce projet pour mieux en partager les fruits.

“Association Agreement opens the door to international trade”

The Association Agreement, signed with the EU in June 2002, represents a key pillar of Lebanon's trade policy, along with accession to the World Trade Organisation and implementation of the Greater Arab Free Trade Area. Accordingly, this repositioning places Lebanon on the world trade map, as a primary trade centre in the region and a central intersection between the Greater Arab Free Trade Area and The Euro-Mediterranean Free Trade Area.

Under the terms of the Association Agreement and part of the EU technical assistance provided under **MEDA II**, the Quality Programme was identified, in consultation with the concerned Ministries and private sector entities, as a strategic and important initiative which is badly needed for our economy in general and for our industries in particular.

The activities of the Quality Programme provide a great opportunity to increase the share of Lebanese products in international trade, through better conformity with technical requirements and international standards. The programme will also assist in establishing a regulatory and institutional environment that will create the enabling conditions for the Lebanese private sector, to adapt to the more liberalised international trading environment of the 21st century.

The Quality Programme, which includes the development of a comprehensive National Quality Policy, will not be a stand-alone initiative. It will also create the necessary operational conditions and legal framework for an effective and modern quality system, which will ensure food quality & safety, health, social, environmental and economic benefits for Lebanese consumers and producers alike. Other initiatives being undertaken by the Ministry of Economy & Trade, including the SME Programme and the development of new legislation, including new consumer protection laws, will complement this work.



The signature of the Association Agreement in June 2002

Finally, the Quality Programme, through its support to the quality infrastructure in Lebanon, will enhance and accelerate higher quality Lebanese products and services, that face more major competitive challenges in the future in international markets. It will also increase the number of Lebanese products compliant with national and international standards and technical regulations, thus increasing competitiveness in penetrating European and other international markets, while also contributing to the better protection of Lebanese consumers.

Fadi Makki, PhD. (Cantab.)
Director General of Ministry of Economy & Trade

"Slovenia heading for complete EU harmonisation"

Natasa Mejak-Vukovic, Metrology Institute of the Republic of Slovenia (MIRS), writes about national metrology in Slovenia.

Slovenia is among the smallest countries in Europe (area of about 20,000 km² and has a population of about 2 million people. The per capita gross national product (GNP) is about \$10,500 US with real GNP growth of about +4.3 %. The Slovenian economy is represented by 38 % industry and about 58 % services. The major portion of Slovenia's exports and imports are traded with the EU and EFTA countries (67.4 % of exports and 71 % of imports). Slovenia became a full member of the EU, on May 1st, 2004, along with nine additional countries, making up the current level of 25.

Development of a metrology system in Slovenia – the criteria used

The identification of national needs and capabilities, led to the development of what is now called a 'distributed' national metrology system in Slovenia. An adequate metrology system in the country must be optimised to best suit the three key criteria of:

- ◊ the global market requirements
- ◊ the national capabilities
- ◊ the national needs

In order to ensure proper functioning of the metrology system, an adequate system for traceability of measurements (scientific and industrial metrology) together with a well functioning accreditation service and a national standards body needs to be in place.

Institutional environment for adequate operation of the metrology system

After completion of institutional reorganisation of the Standards and Metrology Institute of the Republic of Slovenia, there were two key actions implemented:

- ◊ the Institute for Slovenian Accreditation (SA) was established on 3rd May, 2001
- ◊ the Slovenian Institute for Standardisation (SIST) was established on 1st September, 2001



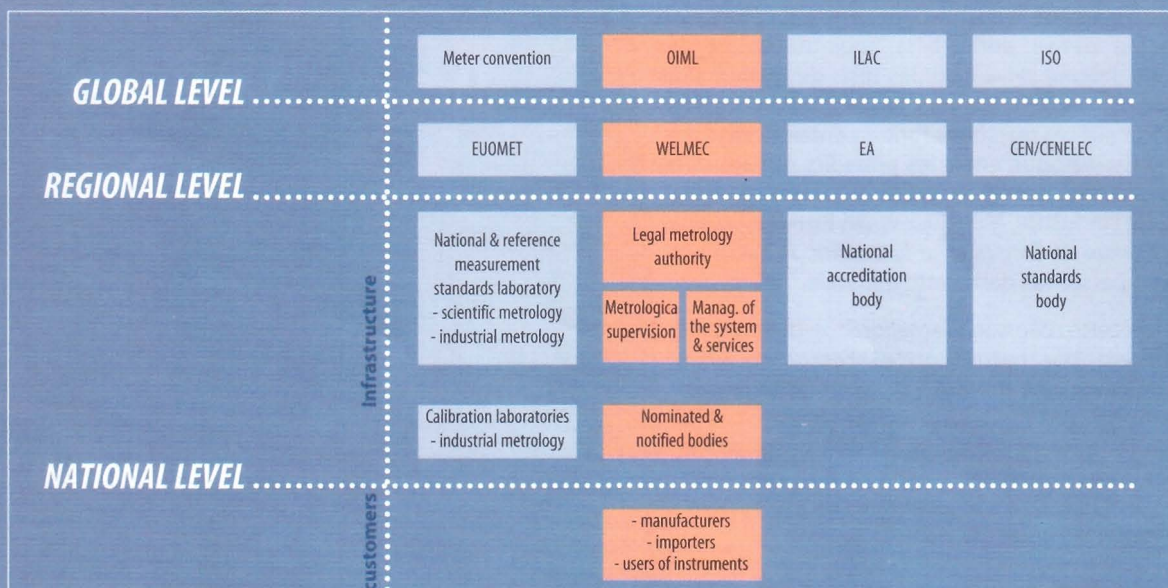
Ceremony of the signature in Athens

The responsibility for the national and reference measurement standards, together with the legal metrology system, has remained with the Metrology Institute of the Republic of Slovenia (MIRS), a restructured SMIS Institute.

Slovenian needs and capacities

Besides global and regional requirements which support international trade with the removal of technical barriers, Slovenian national requirements also needed to be taken into account. These mainly relate to adequate supports for the national economy, where both private and public sector interests are taken into account.

The national metrology infrastructure is a very expensive system, which has been evident from the beginning of the process, with all available human and material resources employed, in building-up an adequate metrology system for Slovenia - based on existing capabilities and within the framework of given financial resources. Because of all the requirements and restrictions, a distributed system appeared to be the only viable solution.



“Protecting Lebanese consumers”

The Metrology Institute of the Republic of Slovenia (MIRS) is responsible for the complete national metrology system - national and reference measurement standards management, legal metrology management and precious metals system management. Based on the Metrology Act, verifications may be performed by MIRS or by nominated legal entities. Verification activities are performed primarily by nominated legal entities. The nomination is done by the Minister responsible for metrology and based on accreditation, according to ISO 17020. While verifications are, whenever possible, outsourced, MIRS pays particular attention to the implementation of the NAWI Directive, in relation to software testing capacities and metrological supervision.

Conclusions

Based on the experience so far, it can be easily concluded that the harmonisation of the national metrology system is far from being a simple task. It requires proper involvement at all relevant levels, although the National Metrology Institute appears to play the most important and responsible role.

It has been proven that the decision to set up the national metrology system, requires a professional approach, based on the identification and prioritisation of the national needs and a developed, adequate national strategy. As a result, the national metrology system is able to support the national economy and its international co-operation commitments, based on equal terms and in an optimal way - taking into account all relevant criteria.

Reduced costs and greater control

Iskra Emeco Company, Kranj Slovenia is a world wide producer of electricity meters.

Following Slovenia becoming a full EU Member, Iskra Emeco, with an approved quality system by MIRS, is now able to perform verifications (EC first verifications according to electricity meters Directive) in-house. This is implemented without intervention of a competent body from another EU country. The company performs verifications for about 500,000 electricity meters, annually.

Prior to 1 May 2004, the company had to send all its meters to one of the EU countries for EC verifications. The direct result of EU Membership, in the case of Iskra Emeco, is that the procedure of EC first verifications, has been reduced by 14 days and the costs for the company have been greatly reduced (by up to 2 euro per piece (depending on the type of meter and the place of prior verifications)).

This is how Dr. Zouheir Berro, President of Consumers Lebanon, described the new Consumer Protection law, “New hopes for the Lebanese Society”.

The Consumer Protection Law saw the light, five years after Consumers Lebanon had submitted a draft law to the Government and the Parliament and three years after the Ministry of Economy and Trade and a specialised international bureau, had worked on it. 16 Chapters and 132 articles constitute this modern, integrated and independent law, which sets out to meet all consumers’ needs. If applied properly, this law will be a real incentive for both the Lebanese economy and society as a whole.

This is an opportunity to congratulate Lebanese consumers in benefiting from a tangible law, which guarantees their fundamental rights, as follows:

- ◊ The right to protect their health and safety, when using a product or service
- ◊ The right to fair treatment
- ◊ The right to receive precise, clear and sufficient information
- ◊ The right to exchange a service or product, or to get a refund of its price, when such a product or service does not comply with the applicable or agreed standards
- ◊ The right to obtain full compensation for damages
- ◊ The right to establish or join Consumer Protection Associations
- ◊ The right to sue directly or through Consumer Protection Associations, for the assertion of rights

To guarantee these rights, the law states that a **National Council for Consumer Protection** and an **Arbitral Committee** be established, to settle the disputes and appoint a mediator to solve conflicts between the consumers and the suppliers or manufacturers.

The law strengthens the Directorate of consumer protection in the Ministry of Economy and Trade, so that it becomes modern and efficient; in addition, the law strengthens the inspection of the merchandise, the services, and conformity to technical regulations and specifies a strong range of sanctions that will make violators think twice before committing a breach of the law.

However, this law will not reach its real dimensions, without the presence of an organised, professional and efficient Consumer Movement, that deals with consumers, receives their complaints, implements research studies of the market, investigates the actual situation of merchandise and services with full transparency and offers to consumers, general and legal guidance and information.

Coming back to the issue of the consumer who buys expired merchandise in a store.

What should the consumer do?

Some consumers will throw it away, some will eat it, saying that it is a matter of a few days - very few of them will return it back to the store and get a refund (if they still have the receipt). Some others would say that it is a pity to harm the trader.

What does the law state in its article 120?

Whoever sells expired merchandise in his store shall be punished by a fine, varying from LBP 5 million to 20 million.

How shall the consumer react? Shall he ignore this fact by carelessness or by pity with expired merchandise remaining in the store, for other potential victims?

Or shall he play his natural role in participating in the economic operation with the supplier, the manufacturer, the craft worker and the service provider?

The consumer protection law is the beginning of the road and the Association of Consumers will implement the largest awareness campaign through informing the consumers, suppliers and manufacturers of their rights and obligations in the field of merchandise and services.

Dr. Zouheir Berro

President of Consumers Lebanon

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"Farewell to Roberto"

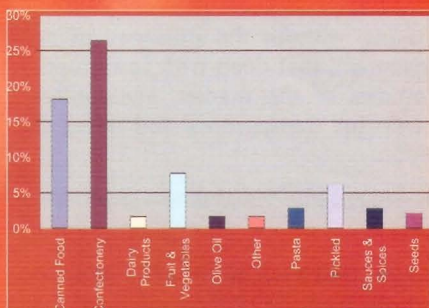
Dr. Roberto Perissi, an Italian from Turin, has worked on the Quality Programme for the last six months, as Senior Policy Adviser. He is a Doctor of Physics and has long experience in top level Quality Chain functions, in national/international organisations/institutions. He is president of UNI-CEI standardisation Committee for Quality (1988-2005), has been national secretary of **SIT** (*Italian Calibration Service*), Director of **SINCERT** (Accreditation of Certification Bodies) and a Vice-President of **SINAL** (*Italian Body for Accreditation of Testing Laboratories*). He has worked for many years in many geographic locations as a short term expert, on issues of Quality, Accreditation & Standardisation.



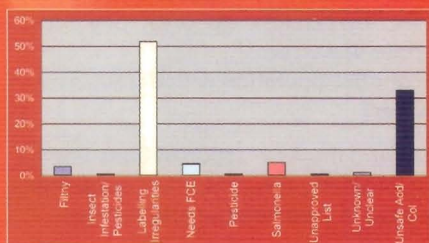
Roberto Perissi

Roberto resigned his position at the end of April in order to return to Italy to be with his family, for personal reasons. He worked with the Quality team under Dr. Ali Berro, during the difficult inception phase of the programme, during which time he oversaw the development of the project planning and completion of the Inception Report. Above all else, Roberto proved himself to be a dedicated and committed team member and motivator to all members of the Quality Programme team.

Detention of Lebanese Agro-Food Exports, 1995-2004

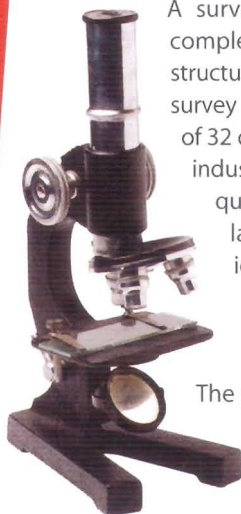


Reasons for Detention of Lebanese Agro-Food Exports, 1995-2004



"Lebanese Laboratory Survey completed"

Lebanese producers face very serious barriers to trade when trying to access international export markets, particularly within the 25 European Union countries. A key problem for the producers is the lack of testing laboratories qualified to carry out relevant tests, needed for approval to enter international markets. Surveys have indicated that up to 60% of food producers suffer from this weakness and the lack of international recognition for local testing facilities. Availability of testing services would facilitate access to export markets allowing Lebanese enterprises to grow and expand.



A survey of Lebanese Metrology Laboratories has now been completed by the Quality Programme, in order to assess the current structures and to identify the real laboratory needs of industry. The survey was undertaken in May/June, using a detailed questionnaire of 32 questions which helped to access current and future needs of industry in relation to international markets. In particular, the questionnaire addressed issues like identification of relevant laboratories, testing and certification requirements for identified sectors, products and markets and the identification and selection of international accredited laboratories, providing relevant certified testing facilities.

The participation of the Lebanese laboratories was comprehensive and has greatly assisted the Quality Programme in implementing its planned activities to support the Lebanese private sector in a practical manner. The results and outcomes of the survey will be published in due course.

"Expert groups news"

The Quality Programme is structured around three individual components, namely Policy, Institutional and Enterprise. One of the key ways, the programme is supporting the Lebanese public and private sectors is to seek their co-operation and support for improving consumer safety and in developing a range of co-operation initiatives in the field of quality control and conformity assessment.

A key development has been the establishment of a number of working or expert groups, which has already demonstrated the importance of such project implementation tools, in order to stay in real touch with the key stakeholders and in receiving continuous feedback on related technical matters.

Some of the working groups already established, reflecting this level of strong co-operation include the following:

- ◆ Metrology working group – to advise on the selection criteria and the establishment of the Lebanese metrology network
- ◆ Laboratory working group – to advise on the selection criteria and how the new Lebanese laboratory landscape will be formed
- ◆ Tahineh & Halaweh – to identify solutions to resolve the issues, affecting these sectors
- ◆ Quality Policy – to develop a National Quality Policy
- ◆ Conformity Assessment – to identify the roles and responsibilities of the relevant Ministries
- ◆ Research & Analysis – to implement a sectoral gap analysis and research the technical information needs of the private sector companies
- ◆ Training, Awareness & Awards – to advise on training activities in education and private sector fields.