

## FOCUS

## National Standards Body Needs to Play a Broader Role in Development Efforts

Most importantly, the national standards body needs to function with the main objectives of increasing the qualitative and competitive aspects and status of local industries, increasing the trade and merchandizing capacity and productivity as well as increasing the process of technology transfer among countries.

by Dr. Golam Mowlah

It is presently observed that the global trade has been increased manifold if compared with the world production volume. This is related to the increase of export volume of world merchandise due to globalization of world economy. The increase of global trade has been stimulated and fueled by the market liberalization policy, elimination of technical barriers (TBT) and other barriers to trades. Presently, one hundred twenty countries of the world are participating in the world trade and economic activities following the concept of market oriented economic policy of the World Trade Organization (WTO). As such people of this planet are directly and/or indirectly involved and exposed to the impacts and effects of free trading and merchandising policies and practices influencing the development activities of the individual economy. This requires moulding, shaping and new strategies for national economic and technological development efforts and activities for individual economy -- for successful participation in the process of attaining the balanced and fair development of economics of the world. The globalization and merchandising economics have increased the importance of national standards body. At the same time, the strategic role and responsibility of national

standards body have been furthered and multiplied manifold due to the legal authority and qualitative dimension of the international standards. The national standards body supported by policy and guideline is very much effective in matters related to avoiding non-tariff barriers, achieving worldwide compatibility and transferring technologies through appropriate instrumentation of standards and testings.

Now it is high time, if not late, to understand rightfully that national standards body has a very different role to play in the context of economic policies of the present-day world. It must adapt appropriate policies and related laws and regulations in promoting, developing and nourishing the local, regional and world economies. It requires to be dynamic and strategic to maintain and attain international competitiveness and productivity.

If a microscopic look is given into the existing legal status of the national standards bodies of the world it will be evident that a small number of them in developed world are run by private institutions whereas an overwhelming majority of them in developing countries are under public sectors and a few of them are functioning as autonomous and corporate bodies. However, the legal status of national standards

process of technology transfer among countries.

In order for the national standards body to fulfil the present day's requirement in national economy in the context of today's world economic situation, it is deemed essential that it has to have independence, capacity and functional flexibility. In the latest concept of the national standards body requires to be under less bureaucratic and cost control activities as a process of helping and assisting the formulation, implementation and carrying out long range, stable, innovative, strategic and cost effective programmes and activities. The body requires to be activated and provided with all inputs to maintain the situation and environment for remaining as productive organisation through better use of the economic resources.

So, in today's situation the national standards body is transformed into a service sector instead of being regulatory policy type. And it takes leadership in standardization, certification, quality competitiveness and productivity aspects of economic development of the country concerned.

The author, a former Director General of Bangladesh Standards and Testing Institution, is a professor and Director, Institute of Nutrition and Food Science, Dhaka University.

## Economics and Business: The Relevance Factor

Management decision-making is influenced by the general economic environment in which it is made. However, some people may try to ignore the economic background factor. To them this is determined by the government and nothing can be done by the businessmen about it. In their planning, they therefore tend to assume that things will more or less continue as they are.

by ABMS Zahur

ECONOMICS has a very real relevance to the business decision-making activity. It can be useful to the executive, particularly in the following ways: It provides him with terminology and principles representing convenient generalisations of the countless individual instances making up the business scene. When the particular cases come along he can easily identify them for what they are, be aware of their usual features and tendencies. Economic theory highlights the most usual pattern of cause and effect relationships, both in the industrial environment as well as throughout the economy. This enables the course of economic cycles to be intelligently anticipated and the various features likely to impinge upon the firm can thereby be taken into account in business planning. As similar principles operate in other countries they can guide towards developments in export market, and as it can explain contemporary institutions and government policies facing the businessman, it makes the businessman conversant with the general configuration of the whole economy.

Management decision-making is influenced by the general economic environment in which it is made. However, some people may try to ignore the economic background factor. To them this is determined by the government and nothing can be done by the businessmen about it. In their planning, they therefore tend to assume that things will more or less continue as they are. Unless

the ministry of finance does something to stop it, and who can be expected to plan for this unknown factor? Others ignore that their products are so specialised and technical, serving a restricted market, that they are relatively unaffected by any variations in the level of the activity in the economy as a whole.

However, the actions of the ministry of finance are not intended to be either arbitrary or capricious. There are usually a reaction to underlying economic forces which can be identified and their development closely watched. The restrictive measures of the government may be anticipated and appropriate action taken to withstand the adverse effects. Should the expected government policies encourage expansion the firm may go for raising production and stock levels and take advantage of the economic upturn when it comes.

All business decisions are concerned with the same goal, namely profit maximization. The total amount of profit may be increased by improving the profitability of existing operations, either by cutting costs or increasing prices; or by extending operations, in terms of selling more of existing products or by developing into other areas.

Increased sales of existing products may be achieved if the total demand in the economy increases; or at the expense of competitors, by capturing an increased share of the market. While sales growth is necessarily linked to the general expansion of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

In the field of industrial relations, intelligent anticipation by management is also useful, and again can be achieved by economic forecasting. When the economy is expected to enter an expansion phase, then, along with the build-up of stocks, new operatives can be recruited and trained before the labour market becomes tight again. Once the expansion gets well under way the bargaining power of labour rises accordingly, and therefore in cost-estimating exercises provision should be made for a somewhat faster increase in wage costs. Wage demand will also be stimulated by a faster rise in the cost of living and by evidence of rising profits and dividend increases. Considering what have been discussed above it may safely be concluded that economic factors of life do have a very definite relevance to the making of business decisions.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

The total value of sales can be increased by the introduction of new items into a firm's product range. The funding of new products is frequently left to research, development or technical departments to come up with something new. A more sensible preliminary activity is to study the broad economic and social trends operating in the country, together with government policy pronouncements. In planning expansion of the firm's production facilities, the existence of a cycle in fixed capital formation should be taken into account, since to place orders for new equipment, at the same moment as everyone files, is to risk delay in delivery and possibly higher prices. In the period that is slack, equipment can often be obtained much more quickly and with greater certainty of delivery on the due date.

Increased sales of existing products may be achieved if the total demand in the economy increases; or at the expense of competitors, by capturing an increased share of the market. While sales growth is necessarily linked to the general expansion of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

In the field of industrial relations, intelligent anticipation by management is also useful, and again can be achieved by economic forecasting. When the economy is expected to enter an expansion phase, then, along with the build-up of stocks, new operatives can be recruited and trained before the labour market becomes tight again. Once the expansion gets well under way the bargaining power of labour rises accordingly, and therefore in cost-estimating exercises provision should be made for a somewhat faster increase in wage costs. Wage demand will also be stimulated by a faster rise in the cost of living and by evidence of rising profits and dividend increases. Considering what have been discussed above it may safely be concluded that economic factors of life do have a very definite relevance to the making of business decisions.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

The total value of sales can be increased by the introduction of new items into a firm's product range. The funding of new products is frequently left to research, development or technical departments to come up with something new. A more sensible preliminary activity is to study the broad economic and social trends operating in the country, together with government policy pronouncements. In planning expansion of the firm's production facilities, the existence of a cycle in fixed capital formation should be taken into account, since to place orders for new equipment, at the same moment as everyone files, is to risk delay in delivery and possibly higher prices. In the period that is slack, equipment can often be obtained much more quickly and with greater certainty of delivery on the due date.

Increased sales of existing products may be achieved if the total demand in the economy increases; or at the expense of competitors, by capturing an increased share of the market. While sales growth is necessarily linked to the general expansion of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

The total value of sales can be increased by the introduction of new items into a firm's product range. The funding of new products is frequently left to research, development or technical departments to come up with something new. A more sensible preliminary activity is to study the broad economic and social trends operating in the country, together with government policy pronouncements. In planning expansion of the firm's production facilities, the existence of a cycle in fixed capital formation should be taken into account, since to place orders for new equipment, at the same moment as everyone files, is to risk delay in delivery and possibly higher prices. In the period that is slack, equipment can often be obtained much more quickly and with greater certainty of delivery on the due date.

Increased sales of existing products may be achieved if the total demand in the economy increases; or at the expense of competitors, by capturing an increased share of the market. While sales growth is necessarily linked to the general expansion of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures can place a heavy fixed charge burden on the company's future earnings, particularly if the rate of inflation slackens.

Enlargement of sales volume and production facilities may also be achieved by the take-

over of, or merger with, other companies. When a company requires additional capital, care should be taken in the timing of issue of new shares, for when ordinary share prices are high, new equity capital can be successfully raised on the basis of a low yield. But when the outlook for equities becomes clouded and interest rates are high, then the raising of new money by debentures