

Press release

Standards worth £2.5bn to UK business

Standards contribute £2.5bn per annum to the UK economy according to a new study published by the Department of Trade and Industry (DTI) and the British Standards Institution (BSI). The value of standards to the economy has been quantified for the first time ever and the research highlights their contribution to productivity, growth, innovation and international trade.

Standards, which can be for anything from household goods, to bridges, to sophisticated services, represent an indispensable level of know-how about a given area. They set rules, guidelines or definitions to help make business simpler by increasing the reliability of many goods and services and providing a common language for all businesses.

The DTI commissioned research reveals:

- Standards make an annual contribution of £2.5 billion to the UK economy;
- 13% of the growth in labour productivity is attributed to the role of standards;
- Standards are an enabler of innovation and facilitator of technological change; and
- The economic return from investment in standards makes sound business sense at both a macro and micro-economic level.

The DTI report – *The Empirical Economics of Standards* – quantifies the extent to which standards enhance products and services, build trading relationships, improve management practices and help organisations to reduce risk. As a result, the research finds they are a key driver of growth and labour productivity across the economy.

Developed by a research team from the University of Surrey, Nottingham University Business School and the Fraunhofer Institute for Systems and Innovation Research in Germany, the findings also reveal that Standards help drive innovation and underpin the adoption of new technology.

Standards are present in nearly every aspect of life and exist to make us safer and improve the effectiveness of many goods and services we use. They cover a diverse range of activities from technical guidelines for the aerospace industry to specifications for the management of CCTV systems, customer complaints and clothes sizes. The role of standards is at the heart of the drive for excellence in UK businesses of all sizes – ranging from SMEs to transnational corporations.

Lord Sainsbury, Minister for Science and Innovation, said:

"Industry standards, which spread best practice, are essential for business efficiency and gaining the competitive edge.

"Standards are the foundation on which UK business builds success, innovates and increases productivity. They are at the heart of the drive for excellence.

"This research shows standards make a significant contribution to the UK economy and are a valuable strategic tool for business."

Welcoming the research on behalf of BSI British Standards, Director Mike Low said:

"This report demonstrates the fiscal benefits of standards to British business and reveals the wider economic benefits to the UK economy and the consumer.

"It shows that British Standards are at the foundation of making UK business more competitive by supporting innovation, streamlining business efficiency and providing a framework for sustainable growth.

“This independent analysis of the benefits of standardization also provides evidence of BSI’s ongoing drive to support British business.”

The research identifies standards as contributing to business in three specific ways:

1. Encouraging innovation

Standards stimulate innovation and provide support for businesses from concept to market. They have the power to shape the way sectors work by sharing knowledge and creating effective synergies that accelerate the speed to market for products and services.

2. Foundation for growth

Standards increase profitability by improving business efficiency and reducing costs, increasing consumer confidence and providing a foundation for growth.

3. Promoting market access

Standards provide better access to markets and facilitate trade. They promote competition in the market place by helping industries capture knowledge, share insight and with it reduce risk.

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Notes to editors

1. A soft copy of research can be found at http://www.dti.gov.uk/iese/The_Empirical_Economics_of_Standards.pdf
2. The research was based on the formal standards catalogue of the UK’s national standards body, the British Standards Institution.
3. This research was commissioned by the DTI under the banner of the National Standardization Strategic Framework (NSSF). The NSSF was developed by BSI, CBI and the DTI to increase the awareness understanding, and use of standards and standardization in the UK.
4. The DTI is responsible for the National Measurement System (NMS), which provides world-class measurement standards for UK. These enable UK businesses and public authorities to make accurate measurements that are nationally and internationally accepted and

support innovation. More often than not standards will contain an aspect of measurement. The objectives of the NSSF are closely linked with NMS's remit to enable innovation and reduce technical barriers on the measurement side. For further information on the NMS please visit <http://www.dti.gov.uk/nms/>

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BSI British Standards

BSI British Standards was the world's first national standards-making body and is number one in the world today. Part of the BSI Group, BSI British Standards develops standards and standardization solutions to meet the needs of business and society. BSI works with government, businesses and consumers to represent UK interests and facilitate the production of British, European and international standards.

For further information on British Standards please visit:
www.bsi-global.com/british_standards

Department of Trade and Industry

The DTI drives our ambition of 'prosperity for all' by working to create the best environment for business success in the UK. We help people and companies become more productive by promoting enterprise, innovation and creativity. We champion UK business at home and abroad. We invest heavily in world-class science and technology. We protect the rights of working people and consumers. And we stand up for fair and open markets in the UK, Europe and the world.