A study on the Developing Strategy for Remove/Ease the TBT

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Abstract

This paper purpose make to remove and to easy TBT of smart city related good such as IT, S/W, IOT, Home network between Korea and China. Research methodology is review 2nd data analysis and focus group Interview (Government officer, Professor and CEO). This paper compare & analyze International rule & system as follow. First, It is to compare & analyze the smart city system, technical regulation, standard, Test & certification procedure and Inspection. Second, it is review electric/electronic Test, certification and calibration. Third, it is analyze MRA between Korea and china, SDoC, Mutual Acceptance of International certification such as ILAC(APLAC) and IEC CB scheme. This paper intends to draw conclusion and make implication as follows. First, we must promote FTA, MRA. Second, we make to remove and to easy TBT by MRA between Korea and China. Although the MRA is a system where all parties that have concluded agreement enjoy the advantage. Korea is under a state of concluding only the stage 1 agreements(exchange test & certification document among countries) with 5 countries such as United States, Canada, Chile, Japan and Vietnam.

Keywords : TBT, WTO, Standards, MRA, NTBs,

1. Introduction

In this study, the elimination strategy of TBT with aid of technical regulations or standards is excluded, and only the conformity assessment shall be considered as the strategic measure of eliminating TBT. The measure for every membership country to accord with the international standards corresponding to their technical regulations and standards, is only to present TBT related Specific Trade Concern(STC) to WTO. However, each of countries retains its own conformity assessment area, and measures to settle such differences are various as well. Therefore, it is likely required an appropriate level of harmonization in them to carry forward this scheme.
2. Expansion Strategy to Remove/Ease the TBT

2.1 Definition of TBT Concept

TBT is an abbreviation for 'Technical Barriers to Trade' while this stands for the various obstacles in terms of trade that hinder the free movement of goods and services as the trading partner countries adopt and apply different Technical Regulations, Standards, Certification Procedures and Inspection Systems, etc. from each other[1].

2.2 Tools for Distribution of TBT

TBT makes the countries to harmonize technical regulations, standards or conformity assessments with the international standards and does not occur in case of being transparent.

TBT agreement requires the membership countries to conform with the rules of 'Harmonization' and 'Transparency' when adopting Technical Regulations, Standards and Conformity Assessment. The rule of 'Harmonization' refers to where WTO membership countries enact and review the following technical regulations, standards and conformity assessment procedures in line with international standards. The rule of 'Transparency' is to reveal their operating standards and technical regulations, etc. based on enacted or legislative purposes[5].

However, the fact is that TBT occurs if a specific country does not comply with the principles above during legislation and amendment of the laws related to technical regulations, standards or conformity assessments while STC must be submitted to settle this TBT. In the conformity assessment of ICT section, various methods of solution exist on TBT depending on the issue other than filing a lawsuit to WTO if a specific country operates the conformity assessment section differently from TBT[2][6].

As it is specified in the TBT Agreement, the tests and the certification results implemented at the exporting country may be accepted through various channels. In other words, the tests and certification results implemented at the partner country may be recognized through the Mutual Recognition Agreement (hereinafter 'MRA') or the mutual acceptance plan of an internationally certified test report. Also, offshore manufacturers are able to present the conformity assessment results required by the partner country in a relatively easy way if SDoC system is introduced. Accordingly, this study intends to discuss the conclusion of MRA,
introduction of SDoC on the conformity assessment system, mutual acceptance of internationally certified test report and test-certification infrastructure setup support, etc. as plans to actually eliminate the TBT due to the dissimilarity of conformity assessment. Such plan would conclude the MRA and also enable mutual acceptance of the internationally certified test report.

1) Conclusion of MRA

The manufacturers of industrial products are able to export only after acquiring a compulsory standard certification mark. While MRA is concluded in order to save cost and time required for this, only the test report implemented at the exporting country is recognized if MRA stage 1 is concluded while both the test report and the certification market may be implemented at the exporting country may be implemented if MRA stage 2 is concluded.

If both countries conclude the MRA, it would be opening the homeland market to the manufacturer of partner country since it is customs-free.

Among APBC members, time and cost required for preparing the copy of agreement can be saved if the MRA Guide prepared by this organization is used. Although Korea has concluded MRA stage 1 with the United States, Canada, Chile and Vietnam, etc., the effect is clearly shown only in the MRA with the United States.

2) Request for Introduction of SDoC System

SDoC system stands for the one to guarantee market autonomy and raise efficiency of restriction as a system for the supplier to guarantee by evaluating whether its own product is appropriate for the concerned standard by escaping from the compulsory certification system which requires certification in relation to the product manufacture. Since SDoC(Supplier’s Declaration of Conformity) is a follow-up and legal system, it is the method of releasing new products under the manufacturer’s own responsibility to become responsible for various problems to follow. Therefore, the system can be introduced only in countries where people have an awareness that manufacturers make products considering the benefit of users as well as their own company. And it is appropriate to make supplier pay for even human, physical and mental damages created due to product defect in the countries where this system is under operation. Therefore, this system is the one that must be prepared with insurance system and product liability, etc. as well as social trust.
2.3 Domestic Electric & Electronic Certification System and Related Laws

1) Conformity Assessment System of Korea

Supplier's Declaration of Conformity (SDoC) the one to guarantee market autonomy and raise efficiency of restriction as a system for the supplier to guarantee by evaluating whether its own product is appropriate for the concerned standard by escaping from the conventional compulsory certification system which requires certification in relation to the product manufacture.

In the process of switching as SDoC (Supplier's Declaration of Conformity) from the third party certification method

B) Self confirmation system of electric supply
(testing at a designated testing agency + reporting to a certification agency)

SDoC has strengths in cost reduction, time saving and product information protection aspects compared to the certification system while having vulnerability in terms of product safety issue, etc. Therefore, an effective post market surveillance of the regulation authorities must be supported to be operated effectively. WTO's TBT Committee has suggested that the SDoC is more effective TBT elimination method than the MRA (OECD, 2000)\[3][4][5][6].

2) Acceptance of Internationally Certified Test Report

In addition to the method of concluding an MRA, various methods to recognized the test reports estimated at the partner country or a third country exist. Among them, the most widely used method is the one to accept test reports of the testing agencies that have been recognized by ILAC\(\text{APLAC}\) and CB Scheme. However, the advantage of this is applied the same way to all countries since it normally uses the method of accepting the test reports produced offshore with the method of unilaterally revising the homeland system rather than being a form of MRA with a specific country or a local community\[12][13][14].

3) Test-Certification Based Infrastructure Setup Support

Industrial products vary depending on the technological standard or industrial development standard, etc. But a considerable number of countries in Southeast Asia or Central Asia has not reached the standard of being able to set up a legal system related to the compulsory standard
independently. Not only that, but the testing agencies or certification agencies to assess the conformity do not exist either. Therefore, these countries are importing industrial products from overseas with methods of applying the legal system of nearby countries, recognizing the test reports recognized by an international organization or recognizing the certification marks of other countries. Therefore, while the TBT might seem low at a glance, the high incompleteness of suitability assessment system is becoming a market entrance barrier for the offshore manufacturers[9][11].

2.3.1 Comparative Analysis between TBT Distribution Tools

The systems mentioned above have different characteristics from each other. If the comparative analysis is performed from the perspectives of scope of effect, intensity of effect and usage status in Korea, they can be summarized as follows.

[Figure 1] Comparative Analysis of Characteristics between TBT Distribution Tools

<table>
<thead>
<tr>
<th>Scope of Effect</th>
<th>MRA</th>
<th>SD&amp;C</th>
<th>Mutual Acceptance of International Certification</th>
<th>Infrastructure Setup Support Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner country of agreement</td>
<td>All countries</td>
<td>Participating countries</td>
<td>Beneficiary countries</td>
<td></td>
</tr>
<tr>
<td>Intensity of Effect</td>
<td>In stages</td>
<td>Limited to the products that have applied the system</td>
<td>By accepted field</td>
<td>By accepted field</td>
</tr>
<tr>
<td>Current Status of Usage In Korea</td>
<td>Completed stage 1 conclusion with 5 countries and negotiating with a number of countries</td>
<td>Applied to the products with low level of harm</td>
<td>Field of private sector standards</td>
<td>EMC field is not used</td>
</tr>
<tr>
<td>Remarks</td>
<td>Need to promote upper stage with more countries</td>
<td>Necessity to extend applied products is low in a short run</td>
<td>Handle flexibly depending on the acceptance situation of foreign countries</td>
<td>Handle flexibly depending on the acceptance situation of foreign countries</td>
</tr>
</tbody>
</table>
Although the MRA is a system where all parties that have concluded agreement enjoy the advantage, Korea is under a state of concluding only the stage 1 agreements with 5 countries such as United States, Canada, Chile, Japan and Vietnam[1][2][7][12][13][14].

3. Conclusion

This study intends to draw conclusions and make policy implications as follows.

First, we must promote a multi-track simultaneous agreements with the countries that have necessity of short-term promotion.

Second, the countries with necessity of short-term promotion on the preferential basis are China, Japan and India, etc.

Third, it is necessary to conclude agreement with the leading countries among the countries of Middle East and Central America on the preferential basis. It is necessary to prepare negotiation on the preferential basis with Saudi Arabia or Iran, etc. with large trading scale among the countries of Middle East and conclude agreement on the preferential basis with Brazil with large trading scale which is playing a role of leading country in the region among the countries of Central America.

Fourth, support on the countries that have not fully prepared the conformity assessment system needs to be gradually extended. However, the method of support on these countries also must vary depending on the country[1][2][7][12][13][14][15][16].
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