



Concerns on China's Planned Energy Efficiency Label

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Introduction

Orgalime is the liaison group representing the interests of the European mechanical, electrical, electronic and metalworking industries at the level of the EU. Orgalime's members include, at the present time, 33 national trade federations representing some 130,000 companies in 23 European countries. These industries, which include mainly small and medium-sized companies, employ some 7 million people and account for around 1,175 billion Euro in the GNP.

Over 21 billion Euros of products manufactured by our industry were exported to the People's Republic of China in 2003. Our industry is therefore in general extremely sensitive to requirements and regulations that hinder the free flow of trade between the EU and China, and especially to a new Energy Efficiency Label that Chinese authorities have announced to introduce as of early next year. Due to their nature, a range of our products would fall under this planned labelling requirement.

The Issue

The People's Republic of China has announced at the WTO under article 2.9.2 a new "Administrative Regulation for Energy Efficiency label" (G/TBT/N/CHN/59, dated 2004-09-07). This regulation contains the following main issues:

- > Beginning from 1 March 2005 "energy using products" brought to the Chinese market will have to be tagged with a special label indicating the class of energy efficiency and other specific data. After 1 March 2005, the import of products which are within the defined scope and do not comply with this new regulation will no longer be allowed;
- > The energy efficiency will have to be tested according to product specific national Chinese standards;
- > Each product will have to be registered with a competent Chinese authority before it is placed on the market. Test reports and other documents will need to be produced in Chinese;
- > The exact scope of the regulation will be defined in a catalogue of products. Detailed provisions for the procedure will be laid down in special implementation rules. Both the catalogue of products and the implementation rules have not yet been published.

European industry' concerns

Although this new regulation seems to be in compliance with the rules of the WTO, Orgalime fears that this regulation will give rise to significant problems for our industry; in particular, we seriously doubt that it will be possible for European manufacturers to fulfill these provisions before March 2005.

Up to now the exact scope, the detailed implementation rules and the Chinese standards which have to be applied are unknown. Therefore European manufacturers will have no chance to prepare and to complete the necessary product tests and registration. In addition to this, the publication of the regulations and acceptance of documents only in Chinese presents a serious problem for European manufacturers.

Orgalime therefore requests the European Commission to communicate to the Chinese authorities the following demands:

1. Postponement of the date on which the regulation comes into force. This should not be earlier than one year after publication of all necessary details of the rules, such as exact scope of products concerned, implementation rules, standards, etc..
2. The relevant national Chinese standards should be based solely on international standards (ISO/IEC).
3. Test reports should be permitted in languages other than Chinese.
4. In the long run, the Chinese energy label system should be brought into line with existing international systems, such as, for example European directive 92/75/EC, with the aim of applying the same standards thereby avoiding complicated and time consuming registration procedures which provide little benefit.

Conclusion

Orgalime very much welcomes the support of the Commission on this matter. Orgalime stresses that this concern is of considerable importance to our which is a major exporter to the Chinese market.