

100
JAHRE **DIN**
1917-2017



China's Standardization Reform

August 2017

DIN e.V.

An DIN-Platz
Burggrafenstraße 6
10787 Berlin
Germany
www.din.de

Contact:

Sibylle Gabler
Head of Government Relations
Phone 030 2601-1112
Fax: 030 2601-1115
E-Mail: sibylle.gabler@din.de

Principles of International Standardization

International Standards provide a common language for the technical world, supporting global trade. The development and use of International Standards is recommended by the World Trade Organization (WTO) as a means of preventing technical barriers to trade due to national standards. International Standards are developed within one of the three international standards organizations, ISO, IEC or ITU. Each EU Member State has a National Standards Body which is member in ISO and sends delegations of experts to participate in ISO's working bodies. International Standards are adopted in voting procedures, with each ISO member having one vote. International Standards can be adopted as national standards - but unlike European Standards - national adoption is not obligatory. To avoid duplication of work and to harmonize European and international standardization, ISO and CEN (and IEC and CENELEC) have agreements for simultaneous adoption of International and European Standards. The use of International Standards is voluntary. European stakeholders believe in the principle of "one standard, one test, accepted everywhere."

The National Standards Body of China (and Chinese member in ISO and IEC) is the Standardization Administration of the People's Republic of China (SAC). It is under the supervision of General Administration of Quality Supervision, Inspection & Quarantine of the People's Republic of China (AQSIQ).

Revision of the Chinese Standardization Law

In 2013, Chinese President Xi Jinping introduced the **Belt and Road Initiative (BRI)** aiming at establishing a new economic route by combining the "Silk Road Economic Belt" and "21st-Century Maritime Silk Road". In 2016, a first draft for the revision of Chinese standardization law was presented. Among other aspects, it limits mandatory standards to the national level and introduces association standards as voluntary standards elaborated by social organizations under the supervision of SAC. The legislation is supposed to be formally issued by the end of 2017.

The goal of the revision is to simplify the current standardization law and allow for the market to play a more important role in the standardization process. Accordingly, China seeks to streamline and consolidate the number of mandatory standards, deepen cooperation with key partnering countries along the Belt and Road and expedite mutual recognition of standards. In the process, China moreover seeks to strengthen the distribution of its own national standards into BRI-countries and place Chinese standards more actively in international standardization efforts under the roof of ISO (International Organization for Standardization) and IEC (International Electrotechnical Commission).

Complex division of responsibilities

The draft for the revision of the Chinese standardization law is rather imprecise on possible impacts it may have on non-Chinese companies. Even though the aim of the reform was to harmonize the Chinese standardization landscape, several governmental levels and administration bodies are still to be involved in the process, which could induce a new complexity. The draft e.g. intends that standards in the fields of pharmaceuticals, health care, aerospace, underground engineering and environmental protection will be administrated by the respective ministries rather than by the national standardization body.

Regional, national and international standards

Within the framework of the BRI, SAC has reached out to several European standardization bodies in order to propose Mutual Recognition Agreements (MRA). These bilateral initiatives, however, are foiling international cooperation in the field of standardization since they are only viable when common international standards are not implemented by all countries.

Focusing on pushing national and regional standards will distort the global market in the long run, holds the risk of unnecessary transaction costs and build up international trade barriers.

From a European point of view keys to the success of the revision of the standardization law are instead:

- the adoption of international standards without national modifications,
- up-to-dateness of Chinese standards particularly for safety and quality as well as
- the willingness to seek international cooperation along the standardization processes.

Recommendations

DIN endorses change in the Chinese standardization landscape. China's intention to revise standardization legislation provides wide possibilities for fostering trade, innovation and economic and social development by reducing restrictions.

DIN has, along with other international standardization bodies, voiced several needs for adjustment. This was communicated to the Chinese partners as the Chinese State Council had requested feedback on the draft legislation.

- **Precedence must be given to international standards.**

International trade, including the trade of Chinese products, will benefit mostly from Chinese participating in international standardization projects under the umbrella of ISO und IEC and the consequent adoption of international standards without national modifications. Use of international ISO/IEC standards needs to be preferred to the promotion of own national standards.

DIN therefore supports the invigorated importance placed on international standardization by China, emphasizes the need to strive for international consensus and proposes to enhance the involvement of Chinese experts in the technical work of ISO and IEC.

- **Strive to a coherent collection of standards.**

A coherent collection of standards is essential for stakeholders in China and trade partners likewise. Clearly defined competences of different Chinese authorities are helpful for forming the basis for this collection.

- **Involvement of all relevant stakeholders in the standardization process needs to be ensured.**

When standards are being developed, all stakeholders (be they domestic, foreign-invested or wholly foreign owned enterprises) should be involved on an equal footing by ensuring equal access.

- **Transparent guidelines for non-Chinese companies are essential.**

China needs to clarify and communicate conditions, responsibilities and guidelines for involvement in the standardization process for foreign companies.

- **The role of association standards should be substantiated.**

The relationship between the planned association standards and other types of standards (e.g. national, industry, local and enterprises) should be laid out in detail.

- **Copyrights of ISO, IEC and European standards need to be preserved.**

International standards must not be distributed free of charge.

German-Chinese cooperation in the field of standardization

Since 1979, DIN and the Standardization Administration of China (SAC) have been working in close cooperation. The German-Chinese Standardization Cooperation Commission was formed in June 2011 out of the previous "Working Group Standardization" of the German-Chinese Joint Committee of Industry and Trade. The Commission is an important platform for dialogue concerning standardization strategies and meets on an annual basis. DIN is looking forward to deepening the cooperation in this regard, e.g. by working together on international standardization projects, fostering international expert exchange and consulting on new standardization proposals. Corresponding agreements to cooperate in specific fields (e.g. energy management, biotechnology or civil aviation) have been made during the meetings of the Joint Committee.