Review and Analysis
On China Standardization Reform

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SESEC III is a project co-financed by the European Commission (EC), the EFTA and the three European Standardization Organisations CEN, CENELEC and ETSI. It builds on two previous phases, SESEC I (2006-2009) and SESEC II (2009-2012).

The project is led by CEN, supported by a Steering Committee involving all partners.
SESEC III
What is the goal?

The SESEC initiative supports European policy and European Standardization Organizations’ strategic objectives in China.

Its ultimate goal is the enhancement of EU-China dialogue and cooperation in the field of standardization, to facilitate the EU industries business in China.
China Standardization Reform Review

• Standardization Law was released in 1988
• Since 2002, there were several rounds of the modification process with no achievements.
• In early 2014, China started the new round of Standardization Reform and the modification of *China Standardization Law*. This work was led by State Council and the plan work was mainly done by SAC (China Standardization Administration).
• On 20\(^{th}\) March 2015, State Council of China issued No. 13 Documents of 2015, “Plan for Deepening Standardization Reforms”. This official document can be regarded as the official endorsement of SAC’s recent proposals.
Main points of Plan for Deepening Standardization Reforms

Problems of current standards system

- First, many standards are void, outdated and lagging much behind, and are hard to meet the needs for boosting the quality, efficiency and upgrade of the economy.
- Second, standards are seriously overlapped and conflicting, making it is hard to build a unified market system.
- Third, the standards system is less than reasonable, and cannot serve the needs of the development of the socialist market economy.
- Fourth, the standardization coordination mechanism is far from sound, which slows the improvement of standardization management efficacy.
Main points of Plan for Deepening Standardization Reforms

Reform Targets

The overall objectives of the reform:

• Build a new-type standards system under which the government-developed standards and market-developed standards develop concurrently and coordinate with and support each other,

• Make the standardization management system more harmonious, more coordinated and efficient,

• Based on government oversight and market supervision, form a model that the standardization effort is lead by government, driven by market, attended by the public and promoted by all the parties collaboratively,

• Form a model that effectively support the development of a unified market system,

• Let standards be a “hard restraint” for quality,

• Push the Chinese economy to move towards higher levels.
Main points of Plan for Deepening Standardization Reforms

Reform measures

1. Build an effective and authoritative standardization coordination mechanism. E.g. Set up a state council standardization coordination promotion mechanism under which a state council leader as the convener and which is attended by the leaders of various relevant departments.
2. Consolidate and streamline mandatory standards.
3. Optimize and improve the recommendatory standards.
4. Cultivate and develop group (or organizational) standards.
5. Relax restrictions on and allow more room for enterprise standards.
6. Boost the internationalization levels of Chinese standards.
Main points of Plan for Deepening Standardization Reforms

Specific reform agenda

1. First phase (2015-2016), actively advance the pilot reform effort.
   • revise the Standardization Law of the People's Republic of China, (Complete before the end of June, 2016)
   • comprehensively clean up the current national standards, industry standards and local standards; Optimize the procedures for approval of standards proposals, shorten the period for standards development; Clean up existing mandatory standards; Make Group standardization management rules; pilot projects for enterprises standards;
   • The number of international standards whose development is led and joined by Chinese experts will account for 50% of total each year. (Complete in 2016)
Main points of Plan for Deepening Standardization Reforms

Specific reform agenda

2. Second phase (2017-2018), stably advance the transition to a new-type standards system

• --For those current mandatory industry standards and local standards whose mandatory status is justified, they will be gradually upgraded into mandatory national standards through integration. (Complete in 2017)

• -- Further clarify the scope of recommendatory standards to be developed, and gradually move toward the public-interests standards falling under government jurisdiction. (Complete in 2018)

• -- Cultivate a number of group standards-setting organizations with wide reputation and influence, and develop a number of group standards meeting the needs of market and innovation. Build a mechanism for assessment and supervision of group standards. (Complete in 2017)

• -- The system for self declaration and supervision of enterprise product and service standards will greatly improve and be implemented widely. (Complete in 2017)

• -- Visibly increased consistency between international and domestic standards, and the consistency degree has reached over 95% in the consumer products sector. (Complete in 2018)
Main points of Plan for Deepening Standardization Reforms

Specific reform agenda

3. Third phase (2019-2020), a well-structured, mutually-supporting, full-ranging new-type standards system meeting the needs of the economic and social development will take shape.

--Build a collaborative and authoritative mandatory national standards management system. (Complete in 2020)

--The recommendatory standards developed under the government lead are confined to public-interests standards, (Complete in 2020)

--The group standards and enterprise standards developed by market players on their own have grown mature, better meeting the needs of market competition and innovation development. (Complete in 2020)

--The capability of participating in international standardization management activities will be further increased, the number of leadership positions or secretariats held by Chinese experts will be increased remarkably. ... making China one of the biggest world’s standards power. (Complete in 2020)
Observations and Analyses

1. China tried to combine the benefits of centered (controlled)/government led standards drafting methods and the market driven standards drafting methods.

2. Generally a good help, with more open, transparent, fair and consensus methods on standards drafting.

3. More serious or reasonable on technical regulation setting (mandatory standards).

4. Less standards, less “double or triple” efforts on standards drafting, result easier picking up on standards.

5. Flexibility on group (organizational standards), especially in IT/ICT areas.

6. More ownerships or flexibility on Industries, like enterprises standards.

7. China government hopes the reform can foster local competitiveness. (like international participation or more leadership position in IEC/ISO)

8. Problems and Risks:
   - Coordinating with different ministries on this reform.
   - Different understanding and explanation of mandatory standards drafting process by SAC and Ministries.
   - Ministries controlled Certification schemes like CCC may still refer to any standards (cause more TBT issues).
   - With Group standards there could be booming/boosting of standards numbers.
Observations and Analyses

For the European industries or European exports to China

1. Generally a good help on easier finding the market access requirements, with more transparent system
2. European industries may be easier to attend the standards drafting processes
4. Group/ organizational/ consortia standard vs. IEC/ISO standards -------may lead to more de facto TBT issues
5. More American way of setting standards, indirectly fostering US competitiveness
6. Competitiveness of enterprises standards to foster local technologies
Thank you!