

People's Republic of China (Free Trade Agreement)

China – NZ EEE agreement

On 7 April 2008, China and NZ signed an agreement applying to Electrical and Electronic goods traded between them as a part of NZ's FTA with China.

Overview

This agreement applies to specified types of Electrical and Electronic Equipment (EEE) that is regulated in China under the CCC system and is also either a Declared Article in NZ or a product covered by NZ's Supplier Declaration of Conformity regime (SDoC).

The agreement applies to Safety, EMC and Harmonic emission compliance.

The specific products covered by the agreement are listed in the annexes to the agreement. (Note: the 'general' section of each category of the annex sets out the criteria applying to all products listed in that category.)

The agreement is based on Risk Management principles and includes aspects of inter-regulatory co-operation targeted at improving compliance.

The agreement differs from most common forms of agreement in that:

- It embodies the Equivalence principles of the WTO as far as practical, given the two participant's Regulatory infrastructures (It can be compared in some aspects to the TTMRA in this regard);
- It is not symmetrical (It does not apply the same compliance verification criteria to products traded in either direction); It takes particular advantage of the strengths of China's domestic compliance infrastructure.
- It uses international Standards to address the accreditation complexities created by the different languages involved.
- It is not a testing or certification agreement, applying the importing country's Standards, like the NZ - EU or NZ - Singapore agreements.
- It contains features specifically designed to support and enhance Regulatory outcomes in both countries.

Like other agreements, not only does it improve speed to market, lower compliance costs, but it also further reduces duplicate testing and accreditation requirements.

Products destined for China

The agreement allows NZ manufacturers to obtain an authorisation to place the Chinese Certification system CCC mark on their products through services provided by the NZ Conformance infrastructure. This includes the testing of product samples, issuing of certification, and factory inspection.

Products are tested and certified (and test laboratory and certification body accreditation is) against IEC Standards and specified variations to those Standards as set out in the annexes to the agreement. Without the agreement products would otherwise be required to comply with, (and test and certification bodies would have to accredited to) China's own domestic Standards in Chinese.

The agreement commits China to provide all the procedural documentation in English when required.

The agreement establishes IANZ and JAS-ANZ as the accreditation bodies for the certification services and couples them to the Chinese infrastructure to achieve any necessary product and process registrations.

Products destined for New Zealand

The agreement allows Chinese manufacturers to obtain certification recognised as equivalent to an approval by the secretary for a declared article, or recognised as being compliant with the Regulations for a supplier declaration item through the Chinese Regulatory and conformance infrastructure.

Products are certified through the CCC scheme in China against relevant Chinese (GB) Standards and deviations from those Standards as set out in the annexes to the agreement, thus applying the full strengths of the CCC system to products destined for NZ.

Compliant products are entitled to bear a CCC mark modified by the addition of an NZ indicator.

Exchange of information and enforcement

The agreement commits both participants to share information regarding compliance problems encountered within their respective markets relating to the types of products covered by the agreement and also binds both parties to carry out enforcement activities on suppliers who supply products, or documentation, that contravenes the agreement. The compliance pathways applied through the agreement (e.g. GB based compliance assessments for products destined for NZ) lead to mutual benefits from surveillance and other enforcement activity information interchange, and co-operation, by increasing the relevance of one markets information to the other.

The agreement seeks to increase compliance through co-operation between the two country's Regulatory agencies.

Benefits for New Zealand

This agreement is the first arrangement that allows full approval to apply the CCC mark to be given outside of China without the direct involvement of the Chinese regulatory infrastructure.

The agreement is expected to improve access to NZ manufacturers, and improve the compliance of products supplied into the NZ marketplace.

The benefits begin through the immediate improved access to NZ's requirements in a form relevant to the Chinese conformance infrastructure and extend to the ability to apply sanctions to manufacturers in China who disregard NZ's requirements.

In these respects this agreement, through its innovative structure, represents a win – win situation for the NZ economy. While the process of negotiating the agreement has also provided a significant learning experience and commitment to ongoing co-operation to both country's Regulatory and conformance agencies.

Further information, including the full text of the agreement, can be obtained from the China – NZ FTA website www.Chinafta.govt.nz