HOW DID KEEPING CHILDREN SAFE GET SO COMPLICATED IN ASIA?

Governments must keep citizens safe from harm and this responsibility can be seen most starkly in protecting children. Governments have to write and enforce regulations to ensure the health and safety of children’s products like toys.

But this can be a balancing act. For example, a regulation could require that every single product be individually inspected by hand for safety. Such a rule might be thought to improve health outcomes. Yet the impact of such a requirement might produce the opposite—faced with expensive and lengthy delays in complying with the law, unscrupulous companies might cut corners, skip inspections entirely and put even more unregulated, uninspected toy products on the shelves.

Hence the best systems have to create a safe and healthy environment for children and their toys while creating stable, transparent regulations for companies that ensure efficient compliance and reduce illicit and counterfeit products. Perhaps as a result of the complexity and challenges of obtaining conformity assessment certification and fulfilling product registration requirements, Asian markets are also prone to high levels of counterfeit toy products. Fake toy products are not simply a problem of intellectual property theft, but also can present serious health and safety risks for children—circumventing precisely the original intent of product standards for the toy industry.

Across Asia, governments have taken divergent paths to ensuring safety in toys. The resulting regulatory and testing regime fragmentation can be difficult for companies to navigate effectively. It can be particularly hard and expensive for smaller firms with safe, innovative products to break into new markets in the region.

It can also be difficult for distributors or retailers to offer safe, licensed, non-counterfeit options to their customers because complicated and expensive testing procedures, for example, mean that fewer genuine products are available in the marketplace.

The toy industry shows how much variation exists across different countries in obtaining certification and meeting testing requirements at the domestic level for individual markets. While every government wants to protect children, wide differences in standards—from voluntary to national-level and country-specific standards to international standards—means this laudable goal may not be effectively achieved across in Asia.

Voluntary Standards

The regulatory environment for some governments in Asia currently allow the use of voluntary safety standards for toy products for children.

As an example, India currently does not have mandatory safety standards or testing procedures in place for toy products. But the voluntary standards India has provided are aligned with ISO international guidelines, so major toy companies automatically comply with what are now “voluntary” standards. Producers that want to sell domestically in India or export outside of the country will want to match the provisions, even if they are categorized as voluntary in nature.

India has voluntary standards for: IS 9873- Safety Requirements for Toys - Part 1: Safety Aspects related to Mechanical and Physical Properties, Part 2: Flammability, Part 3: Migration of certain elements. All imported toy products are required to show EN71, ASTM or ISO 8124 marks to Indian customs authorities.

The primary reason for not having mandatory standards, despite several discussions of moving in this direction in recent years, is that the domestic toy industry in India is made up of largely small scale, labor-intensive firms.
National Standards and Domestic Marks

Other governments want to ensure that, before entering the market, toy products must demonstrate safety. However, many countries in Asia have set national-level standards with often different criteria. Toys are tested for flammability in some markets but not in all or for certain types of heavy metals in some countries but not in others.

As shown below, while Indonesia, South Korea, China and Malaysia all require toy products to show that they have met standards, each defines, tests and enforces their standards differently. Toy companies are required to obtain a national standard certificate and have a standard “mark” on the product before items are legally allowed to be sold in the market.

Toys that are designed and destined for use in multiple markets may have more than one mark on the product.

Indonesia’s Mandatory National Standard (SNI) for Toys

Indonesian National Standard (SNI) is the national standard for all consumer products sold in Indonesia.

Overall, SNI is applied on voluntary basis, but SNI is mandatory for most toy products as specified in the Decree of Ministry of Industry on Mandatory Implementation of Indonesia National Standard and Technical Specification for Toys.1

For the Indonesian market, toys are defined as products designed for children up to and including 14 years of age. The regulation covers toys made both locally, and imported from abroad. The Ministry of Industry defines all applicable toys that fall within the scope of the regulation with specific Harmonised System (HS, Tariff) codes. These include:

- Construction toys
- Dolls
- Inflatable toys
- Plush toys
- Puzzles
- Soft toys
- Tricycles
- Toy figurines

Category 12 is a catch-all section, which incorporates any product designed as a toy for the 0 to 14 age group, and not included in categories 2 to 11.4

To be sold in Indonesian markets, toy products must have the SNI marking as formulated by the Technical Committee and assigned by National Standardization Agency of Indonesia (BSN).5 The SNI mark shows that a toy product has fulfilled the SNI requirements and is qualified to get on shelves in Indonesia. SNI mark should be put on every product.6

To ensure that products meet SNI standards, they must undergo conformity assessment testing. SNI conformity assessment is handled by the National Accreditation Committee (KAN). KAN is in charge of accrediting conformity assessment bodies like testing laboratories, calibration laboratories and certification bodies. Only conformity bodies accredited by KAN have the right to perform testing or issue the SNI certificate.7

All the procedures needed to get the SNI marks - including product testing - have to be done in accredited bodies.8 Thus, every product to be sold in Indonesia has to be tested in Indonesia. Sampling of specific products for testing must be done by personnel approved by a Product Certification Institution (LSPro) who are, in turn, approved by the Ministry of Industry.

In early 2016, there were 13 Product Certification Bodies and 39 Testing Laboratories allowed to issue SNI and perform testing based on SNI in Indonesia.9

2016 Compulsory SNI Requirements for Toys

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</table>
Korea’s Mandatory KC Certification for Toys

Participation in the Korean safety certification scheme is mandatory for consumer products in Korea, including for toys used in daily life. Safety certification procedures include four steps: application for safety certification, a factory inspection, product testing and surveillance.

In 2009, Korean Agency for Technology and Standards (KATS) introduced a single, compulsory Korea Certification mark (KC mark).

The certification process is conducted by conformity assessment bodies accredited by government authorities including the Korea Accreditation System (KAS) which oversees accreditation activities and performs surveillance on product certification bodies and by the Korea Laboratory Accreditation Scheme (KOLAS) that handles accrediting calibration/testing laboratories and inspection bodies.

Most of the accreditation criteria are based on international standards like International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC).

Like most countries, Korea revises product safety standards periodically. In September 2016, for instance, the Korean Ministry of Trade, Industry and Energy (MOTIE) revised Article 22 of the Special Act on Safety of Children’s Products to clarify and strengthen some provisions.

China Compulsory Product Certificate (CCC)

China uses the China Compulsory Product Certification, or CCC mark. It was first issued in 2001 by the State General Administration of Quality Supervision, Inspection and Quarantine of People’s Republic of China (PRC).

The requirement of CCC applies to a broad range of consumer products including toys. The CCC applies to both domestic and imported goods. Toys which have not been certified or do not carry the CCC marks will not be allowed to enter Chinese markets.

The CCC system is regulated by the Certification and Accreditation Administration of the PRC (CNCA). The CNCA designates certification bodies and testing laboratories to perform CCC certification. Inspection at manufacturing facilities are also required as part of the process of receiving the CCC mark.

Testing for toys are handled by the China Quality Certification Centre. If the toy passes product testing, marketing permission is granted and companies have to follow the right GB standard (GB stands for Guobiao, Chinese for “National Standard”), GB 5296.5-1996 (Labeling and Instructions for Toys) to properly label the toy for import into China.

The CCC certification process often takes from four to eight months. Testing procedures must be conducted in a designated Chinese laboratory.

After receipt of the CCC certificate, the manufacturer is required to host a factory inspection within six months. This “follow-up inspection” usually takes two days, and is done by CQC auditors flown in from China. Factories may also be subject to future, follow-on testing beyond the original inspection, also done at company expense.

Goods are subject to inspection at customs by Entry-Exit Inspection and by Quarantine Institutions. During the inspection, CCC marks on products will also be checked and verified. Products without valid CCC marks will not be cleared at customs and toys without CCC marks cannot enter China.

Standards for Toy Products in China

<table>
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<th>Standard</th>
<th>Description</th>
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<td>GB/T 27708-2011</td>
<td>General Technical Requirements of Inflatable Toys</td>
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</table>
Using Regional Standards

ASEAN Mutual Recognition Arrangements (MRAs)

Rather than develop domestic level standards and testing procedures, governments could opt to cooperate or harmonize standards at the regional level. ASEAN has tried this approach in the past.

One way of handling the proliferation of standards and testing requirements between countries is to create mutual recognition agreements (MRAs) that recognize or accept conformity assessment testing results of other parties. The objective of MRAs is to facilitate trade by eliminating technical barriers to trade--like duplicative testing or additional conformity assessment requirements for companies selling the same products into different markets.

The ten member states in ASEAN have been engaged in a process to develop MRAs since 1998. So far, nine sectoral MRAs have been written for the following sectors: Electrical and Electronic Equipment, Cosmetics, Pharmaceuticals, Prepared Foodstuffs, Traditional Medicines and Health Supplements, Automotive, Rubber-Based Products, Wood-Based Products, and Medical Devices.

Toys have not been taken up as a separate topic for an MRA, but could be considered for future inclusion. To do so, toys will have to be brought before the ASEAN Consultative Committee for Standards and Quality (ACCSQ) Working Group.

Using International Standards

Singapore’s Use of ISO for Toys

Singapore has not tried to develop its own standards or testing procedures for toys. Instead, the Singapore Standardization Programme uses ISO 8124 (international), EN 71 series (European) or ASTM F963 (American) standards interchangeably for nearly all toy categories.

Conclusions

Governments want to ensure that consumers are offered a wide range of safe, affordable toy options for their citizens. Firms want to create new products that will be desirable in the marketplace.
and do so at price points that are attractive to consumers and still allow a reasonable profit to be made for shareholders. Both sides want rules that are consistent and stable.

Getting stable, consistent rules in place ought not be so difficult but it can be. The creation of an optimum balance of standards, certification and testing for the toy industry in Asia has been handled at the domestic, regional and international levels. Inconsistent and overlapping rules suggests that neither governments nor firms have gotten the policies quite right yet across the region. Understanding the nature of the issues in the sector are the first step towards sorting out responsible and effective solutions that satisfy governments, firms and consumers.

The Asian Trade Centre (ATC) is the premier regional thought leader, advocate and educator for trade in Asia.

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1 In 2009, India banned certain categories of toy products (like tricycles, pedal cars, recreational models and puzzles) from China alleging poor safety. The ban was lifted after discussions at the World Trade Organization (WTO).


16 For example, changes included new rules for electric riding toys, new test methods for hazardous chemical substances, the addition of some chemicals to flame retardant chemical requirements, and microbial requirements for toys with liquids. See “Korea Proposes Amendment of Toys and Children’s Products Safety Standards” November 2016 Regulatory Update, Asia-Inspection.com, Retrieved from: http://www.asiainspection.de/regulatory-updates/November-2016/nov2016-korea-toy-safety-standards [Accessed 2016 Dec 29]


Case Study: How Did Keeping Children Safe Get So Complicated?