ACTIVITY REPORT

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"Fostering understanding of the EU's quality management system for industrial products"

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1. Executive summary

The current study aims to provide the public authorities and private sector of Viet Nam with a concise overview of the European Union's (EU) regulatory system for technical regulations and standards. It is divided into two main parts, Part A: looking at the EU regulatory system for technical regulations and standards and Part B: looking at EU labelling regulations.

After an introductory section that explains the basics of Community (as compared to Member State) competences, the main European agencies involved, the difference between technical regulations and standards, links to the WTO rules on technical barriers to trade (TBTs) and the economic costs of TBTs and their impact on exporters, the first substantive chapter, **chapter three deals with product legislation and harmonised approaches to standardisation in the EU**, including the institutional arrangements and key terminology. The text describes the 1985 "New Approach" (which separated responsibilities between the EC/EU as the legislator and European standards bodies as standardisers in the legal frameworks for the free movement of goods) and explains how directives are drawn up by the European Commission defining the "essential requirements" which products must meet (for safety, health, environmental and consumer protection) when placed on the market, and how the European standards bodies (CEN, CENELEC and ETSI) draw up the corresponding technical specifications or "harmonised standards" to meet the essential requirements – compliance with which offers "presumption of conformity".

The corresponding "Global Approach" for conformity assessment i.e. testing and certification based on mutual recognition and the use of CE marking as a market-driven guarantee of conformity, according to regulators' assessment of a product risk, is explained, as is the "New legislative framework" (NLF) for the marketing of products, which was adopted in 2008 and is designed to help the EU Internal Market for goods work better, and to strengthen and modernise the conditions for placing a range of industrial products on the EU market.

What happens where products are not covered by common European legislation or harmonised European "EN" standards is also discussed, and the chapter provides details on sources of documentation on EU legislation including EUR-Lex and Official Journal of the EU – and how to use these tools. Last but not least, the chapter looks at some of the main EU legislation (technical regulations) affecting trade in textiles, leather, shoes and plastics; noting that in most cases if a Vietnamese product is accepted for sale in one EU Member State it can be sold in all 28 Member States: a market of more than 500 million people, worth more than 16 trillion USD annually, or close to a quarter of the world's total GDP.

The next chapter, **chapter four looks at metrology** in which as the science of measurement, together with calibration, provides the "physical" and legal foundation for various aspects of conformity assessment. The institutional frameworks and main EU legislative instruments in the area of legal metrology are described.

Chapter 5 describes European and international practices in the area of accreditation i.e. the procedure by which designated accreditation bodies (usually only one per country) give formal recognition to certification bodies, laboratories, inspection bodies, or other attestation bodies involved in conformity assessment (CA) in that country that they have the competence to undertake specific CA tasks, based on regular audits which determine their scope of accreditation. The role of European co-operation for Accreditation (EA) and the EA

Multilateral agreement (MLA) to facilitate the free movement of products and services within Europe, based on international standards are explained: the MLA eliminating the need for suppliers of goods or services to be certified in each EU Member State, since any product or service that has the EA accreditation body's mark on the certificate or test report exported to another MLA signatory country will be accepted, and is not subject to additional testing or inspection. The international dimensions of accreditation through EA membership of the International Laboratory Accreditation Co-operation (ILAC) and International Accreditation Forum (IAF) are explored, together with the work of these organisations, and ILAC membership in Viet Nam. The role of Asia Pacific Laboratory Accreditation Co-operation (APLAC) and Pacific Accreditation Cooperation (PAC) which promote co-operation on the accreditation of laboratories and inspection bodies (linked to ILAC and the IAF) are also examined, and weaknesses and opportunities in the current arrangements identified.

The next section, **chapter 6 deals with conformity assessment** i.e. the processes by which products, materials, services, systems or people are checked against the specifications of a given standard. Some products require testing for conformity with specifications or compliance with safety or other regulations before they can be put the market, often with supporting technical documentation that includes test data. This is particularly important when there are health or environmental implications. Given the rapid expansion in international trade, the point is made that it can be more practical for some CA activities to be sub-contracted to specialised third parties, rather than being done by the business operators themselves. In some cases, legislation may require testing to be carried out by independent conformity assessment bodies (CABs). The guiding principles of EU conformity assessment policy and main legislative texts are explained, and the taxonomy of CA described in terms of: a) Calibration, b) Testing, c) Product certification, d) Management systems certification, e) Certification of persons, and f) Inspection to determine that a product fulfils the relevant requirements of the applicable technical (harmonised) legislation. Each of these is covered further in a subsequent sub-section, outlining the main EU regulations and international standards on which they are based. A final sub-section looks in more detail at the CE marking system – the letters "CE" being required for many products to attests to a completed verification by the manufacturer that its products meet EU safety, health or environmental requirements.

Chapter 7 looks at European market surveillance systems to ensure that products on the EU market are in conformity with the applicable law. The points are made that market surveillance is undertaken post-market, whereas conformity assessment takes place pre-market; and the two systems are complementary and equally necessary. The main legislative texts are explained together with the responsibilities of the competent authorities in each Member State responsible for market surveillance, which includes the organisation and carrying out of monitoring to ensure that products covered by harmonised EU legislation meet the requirements for protection of public interests such as health or safety.

Chapter 8 takes a brief look at the Agreements on Conformity Assessment and Acceptance of Industrial Products (ACAAs) as a specific type of mutual recognition agreement based on the alignment of the legislative system and infrastructure of the country concerned with those of the EU. The adoption of the EU system by other countries can contribute to the elimination of TBTs, increasing the accessibility of the EU market to third countries and vice versa. From an EU perspective it also helps consolidate its model as one appropriate for product regulation beyond the EU, and contributes towards upgrading of the quality infrastructure and technical development in partner countries.

One of the more detailed sections, **chapter 9 looks at standardisation and "EN" standards affecting textiles, leather, shoes and plastics** – with sub-sections dedicated to each of these four sectors. A common structure is applied, in each case identifying the main industry associations and harmonised EN standards as a complement to the main EU legislation i.e. technical regulations affecting trade in textiles, leather, shoes and plastics described in chapter 3.

Chapter 10 examines the increasing importance of private industry standards in relation to textiles, leather, shoes and plastics – market reality being that multinational companies (and traders that supply goods to these retailers, companies and brands) often have their own strictly controlled supply chains, their own quality management systems and manuals, with which suppliers must comply. The current study does not permit an exhaustive treatment of such "private" industry standards; indeed, many of the underlying documents are copyrighted and/or embargoed. Given their similarities, textiles, leather, shoes are looked at jointly, with standards categorised in terms of three main groups: a) chemical, b) environmental, and c) social.

The penultimate chapter, **chapter 11 provides a basic gap analysis in terms Vietnamese EQI,** looking at the background to EU-Viet Nam trade in the relevant sectors, current supply chains, and specific aspects of Vietnamese legislation, administrative capacity, physical infrastructure and human resources.

Completing Part A of the report, **chapter 12 provides some recommendations for trade facilitation with the EU**, both generally and in terms of specific sectors. The initial point is made that for textiles, footwear and leather goods Viet Nam's comparative advantage derives mainly from the cost and availability of skilled labour to produce products that meet the standards of international brands as part of a CMT i.e. assembly-based model. Few factories (estimated at less than 2%) currently produce goods to their own designs, and even fewer under their own brands. This may change, but it is the purchasing firms that determine quality standards, through strict supply chain control, product testing and surveillance.

That said, the report makes the following recommendations, based on feedback received as part of the mission meeting schedule and through a questionnaire developed and circulated by the MUTRAP and PMU Team and discussed at a stakeholder workshop in Ha Noi:

1. There is a need to provide business and regulators with (or facilitate access to) information on regulations and standards in major export markets including the EU;
2. A simple information portal could be established to provide basic information (much of which has already been collected through the current study), links to other information sources and news on changes to EU regulations, standards, test methods, etc., keeping industry associations and businesses in Viet Nam informed;
3. An Export "Help Desk" should also be developed within MOIT; and
4. Training courses and workshops should be used to disseminate information on specific issues and topics; and

5. Over the longer term, there is also a need to continue to strengthen the current EQI system to help Vietnamese manufacturers produce goods that comply with EU regulations and industry standards – this includes:

a) Upgrading Viet Nam's legal document/ regulation/ standardisation systems – the most immediate challenge being to accelerate the development and publication of national TRs and standards that are harmonised with those used internationally in order to facilitate trade;
b) Examining the potential benefits of a change in the law to make accreditation (as opposed to registration) of CABs mandatory to increase consistency, as well as national and international confidence, in local CA results;
c) Providing support to the Vietnamese Bureau of Accreditation for the development of an online database of accredited CABs, with search functions by product, market, test method etc.
d) Encouraging investment in testing laboratories in the private sector, and allowing these a greater role, with public funds used to develop a smaller number of higher quality laboratories (perhaps focussed on training, intercomparison testing and inspection services) for the purposes official control, together with consideration of the need to develop and/or nominate at least one main reference laboratory in each of the priority sectors; and
e) Encouraging greater international networking between CABs, with more Vietnamese laboratories linking up with counterparts and/or reference laboratories in the EU.

Part B of the study focuses on the EU labelling regulations as well as eco-labelling and other voluntary labelling schemes. **The first chapter in Part B provides anoverall view of labelling in the EU**. In 1993 the Council of Ministers representing the Member States' governments reaffirmed that labelling is an important tool to ensure transparency and provide information to consumers. Subsequently numerous labelling regulations have been adopted in the EU, covering a wide range of products, for example in the food sector and for energy-consuming equipment. The purposes vary but the interests of the citizens' health and safety as well as the functioning of the Internal Market is often the main reason for introducing new labelling regulations. Besides the labelling regulations aimed at specific product groups, the EU also has horizontal regulations on product labelling; especially the Unfair Commercial Practices Directive EC/2005/29 which covers misleading actions in commercial practices, for example untruthful information or information which is likely to deceive the average consumer, even if the information is correct. Finally the chapter touches briefly on the rules of origin.

Chapter 14 focuses on the specific labelling regulations for the 4 sectors – textiles, leather, footwear and plastics. The most important part of the EU legislative framework concerning textile labelling is the Regulation on textile fibre names and related labelling and the marking of the fibre composition of textile products (EC/2011/1007). The Regulation applies to all textile products on the EU market. For leather there is no EU legislation on labelling. This allows for national regulation of the field and at present Austria, Belgium, France, Italy, Lithuania, and Spain all do so. With regard to footwear, labelling is regulated by Directive EC/94/11. There is no one set of labelling rules for plastics. Given the fact that 80% of the plastic products exported by Viet Nam are in the form of packaging and a substantial proportion of these products are designed to come into contact with food, the study focuses on this. Two regulations are of particular importance. These are Regulation EC/2004/1935 which lays down a general framework for all materials and articles that are intended to come into contact with food and Regulation EC/2011/10 which establishes specific requirements applicable to manufacturers of plastic products intended to come into contact with food.

Chapter 15 presents 3 eco-labelling systems in Europe – the EU Ecolabel; the German Blue Angel and the Nordic Swan. Besides these three well-known labels several other environmental labels exist.

The EU Ecolabel, the Nordic Swan and the German Blue Angel use broadly the same general criteria for textiles. Besides these three eco-labelling schemes for textiles there is also Oeko-Tex, which is an association of independent laboratories mainly located in Europe, that administers certification in accordance with the textile standards Oeko-Tex 100 and Oeko-Tex 1000, of which the former is the most widely used in Europe. In addition to these standards, readers are advised of the "Made in Green" or "Global Organic Textiles" standards.

The German Blue Angel is the only of the three labels which addresses leather as a product. However, it is only upholstery leather which is covered. The two other labels include criteria for leather under the textile criteria or only under footwear. Only the EU Ecolabel and the German Blue Angel have developed criteria documents for footwear.

Chapter 16 looks at other voluntary labelling systems. Size and care labelling are of particular importance to the textiles industry. Care labelling is in practice based on the symbols developed by GINETEX (the International Association for Textile Care Labelling) while size labelling differs from region to region or even from country to country. There are three approaches for size-labelling of clothes: body dimensions, product dimensions and ad-hoc sizes. Both the international standardisation organisation ISO and in the European CEN working groups have for decades tried to agree on a common system, but they have not yet succeeded.

Besides these two – relevant – voluntary labelling systems a wide range of environmental labelling schemes exist and cover different issues. These labels are differentiated in terms of both the criteria applied and the control system. They can be more or less reliable and more or less accurate and the different labels also mandate very different levels of environmental performance.

Chapter 17 briefly describes the characteristics of the labelling process in the 4 sectors in Viet Nam. The major part of the textile and footwear production is based on contracts with international companies which use the Vietnamese enterprises as their "factories" for production or processing, while the rest of the value-chain including the labelling is carried out or strictly controlled by the International counterpart.

Chapter 18 presents the Vietnamese labelling requirements mainly covered under Decree No. 89/2006/ND-CP of August 30, 2006, on the Labelling of Goods. The Decree provides the requirements for the labelling of goods produced in Vietnam for domestic circulation and for export. The basic content of a label is the following: name of goods; name and address of the organization or individual responsible for the goods and origin of goods. Furthermore – depending on the kind of goods – there are other compulsory requirements to the labelling. For textiles, garments, leather and footwear the following supplementary information must be included in the labelling: composition or quantitative compositions; technical specifications; hygiene, safety information and warnings and instructions on use and preservation. For plastic products the quantity, month of manufacture, composition; technical specifications, hygiene, safety information and warnings must be included. For plastics in contact with food further requirements are contained in Circular 34/2011/TT-BYT.

In chapter 19 a comparison of the Vietnamese labelling regulation and the EU labelling regulation is presented. The comparison shows that the approaches to product labelling are different in Viet Nam and the EU. The Vietnamese regulation has few basic labelling requirements supplemented with specific labelling requirements for the different types of products. Overall, the disclosure requirements are quite extensive for Vietnamese products such as textiles and shoes. As regards the European labelling requirements, the regulations only focus on meeting the specific objectives of the relevant legislation. For example the shoe marking is only focused on the information that ensures that the customer is fully informed of the components of the shoes in order to avoid fraud with materials. Other issues such as hygiene or month of production are omitted. The major difference is in the documentation requirements. In the EU these are clearer and often test reports issued by accredited laboratories are required. In addition, the enforcement of the legislation may be stricter in Europe than in Vietnam.

I**n chapters 20 and 21 some general and some more sector specific recommendations are given**. These should be seen as supplementary to the recommendations give in Part A of the study. The general recommendations address the challenges Vietnamese companies face with regard to obtaining the necessary knowledge and skills – also in labelling and the execution of the underlying tests. These recommendations can therefore be considered as long-term recommendations:

1. Cluster thinking

In certain areas, Viet Nam has a particularly strong position which should be utilized. This includes the production of textiles and shoes but other areas may be developed to become future export successes. The experience from other countries is that comparative advantages are established when factors such as good legislative frameworks combine with the availability of people with the right skills, and the appropriate educational and research institutions contributing positively to the industry/business. Such business environments can be created in Vietnam by supporting the establishment of clusters for selected businesses/industries.

2. Vocational education and training.

In some industries, the foreign contractors undertake most of the tasks in the production chain. Only processing is handled by Vietnamese companies. Therefore, only modest knowledge of the overall value chain is built up. With this in mind it is recommended to invest in vocational education and training at all stages of the value chain so that the design, production planning, testing, labelling, distribution, etc. can be undertaken by Vietnamese. Thus, the chance of new locally owned "spin-off companies" will be increased.

Besides the above long-term recommendations, also some sector specific recommendations are proposed. These are:

3. Strengthened test facilities for the textiles industry

Regulation 1007/2011 specifies in Annex VIII (Methods for the quantitative analysis of binary and ternary textile fibre mixtures) different methods to be used for test of the fibres used for the labelling. Since it is rather complicated with test methods that require

sophisticated equipment and highly qualified staff, an analysis of the present laboratory capabilities and comparison of these results with the needs of the sector is proposed. Based on this, a plan for the strengthening of the laboratories can be developed.

4. Information about the European market

International companies dominate Vietnamese textile manufactures. Therefore, the incentive to obtain knowledge of export markets is limited. In order to motivate Vietnamese manufacturers to increase exports to Europe easy access to information about standards, legislation and standards should be established as mentioned in Part A of this study. The information system described in Chapter 22 of this study could be the first step.

5. Ecolabelling

The textile, leather and footwear industries may within few years be asked to meet the criteria underlying the Ecolabelling schemes. Therefore a database should be established where companies and test laboratories can obtain information about the requirements to be met.

6. Information and training – business development in the footwear industry

Like the textile industry, the footwear and leather industries are to a large extent controlled by international companies. The information system described in Chapter 22 would meet this need.

Part B ends with chapter 22 which deals with the **requirements to an Information system for Vietnamese producers and exporters on EU regulations.** The regulation of the European market is quite complicated and therefore, the introduction of an on-line information platform that gives Vietnamese exporters easy access to the information, is the most suitable way to share this information in an efficient and user-friendly manner.

The EU Commission has for several years hosted the web-based portal "Export Helpdesk" which is a one-stop-shop to access information concerning the European market. The portal has shown to be a big success. In order to ease the use of the helpdesk it is recommended to develop a Vietnamese interface with guides in the use of the two information systems including "screenshots" and "step-by-step" instructions.

It is recommended that a Vietnamese website/gateway to the EU information portal is hosted by MoIT.

Part A: The EU regulatory system for technical regulations and standards

2. Introduction

Within the European Union (EU), trade issues are a Community competence. That means there is one common trade policy covering all 28 EU Member States. In addition, by virtue of the EU's Internal Market, if a product can be marketed legally in one Member State, it can be sold throughout the European Economic Area – a market of over 500 million people. This applies to imports from countries outside the Internal Market (such as Viet Nam) too.

The Directorate General for Trade of the European Commission (DG TRADE) is in charge of implementing the common European trade policy. DG Trade relies, in turn, on the work of other Commission Directorates General and the European standardisation organisations (with inputs from the Member States and other stakeholders, such as consumer associations and industry) to adopt and enforce technical regulations and standards across a variety of different sectors, that are aligned with multilateral trading rules and practices to facilitate safe, responsible, international trade.

Key terminology: Technical regulations vs. Standards

Technical regulations (TRs) and standards are used to describe the specific characteristics of a product – such as its size, shape, design, functions and performance, or the way it is should be packaged or labelled before it is put on sale. In simple terms, the difference between a TR and a standard lies is in the *requirement* for compliance.

TRs are mandatory: they must be adhered to and are enacted under law. Standards are voluntary, although failure to apply them may affect a producer's ability to market its products.

TRs are generally used when a product is considered to embody a high level of risk – in terms of safety (e.g. some electrical products), health (e.g. food products), the environment (e.g. plastics), or consumer protection (e.g. labelling or instructions for product use). Standards are used to facilitate trade where the risk is low or zero (e.g. the sizes of bedframes, mattresses, and bed sheets are fixed according to international standards), or as an accepted means of demonstrating compliance with certain technical characteristics or functional requirements.

Article 20 of the General Agreement on Tariffs and Trade (GATT) on General Exceptions allows governments to regulate trade in order to protect human, animal or plant life or health, provided they do not discriminate, or use technical regulations and standards as a disguised means to protect their domestic market, or give local operators an unfair advantage. In other words, World Trade Organisation (WTO) rules recognise countries' rights to adopt the technical regulations and standards they consider appropriate, provided they are non-discriminatory, scientifically based and proportionate, and have a clear role in ensuring safety, health, environmental or consumer protection (sometimes referred to as SHEC).

Two specific WTO agreements deal with food safety and animal and plant health and safety – the Sanitary and Phytosanitary Measures (SPS) Agreement; and product standards in general

– the Technical Barriers to Trade Agreement (TBT) Agreement. Together these Agreements promote rules to recognise countries' legitimate needs to offer social, health, environmental and consumer protection through standards, whilst avoiding protectionism in disguise.

The costs to exporters in meeting TRs and standards in overseas markets can be high – and include the loss of economies of scale (having to make different products for different markets), conformity assessment costs (testing and certification), information costs and "surprise" costs. (See the box below). With tariffs levels reduced by successive WTO trade rounds and in many cases close to zero, non-tariff barriers, including TBTs, are considered a far greater obstacle to international trade – a phenomenon some people have compared to "seabed rocks appearing when the tide goes down".

Technical barriers to trade: Divergent regulations – costs for exporters

Loss of economies of scale
If a firm has to adjust its production facilities to comply with different technical requirements in individual markets, production costs per unit are likely to increase. This is a handicap, particularly for small- and medium-sized enterprises.

Conformity assessment costs
Compliance with technical regulations generally needs to be confirmed. Payments to testing laboratories, certification bodies or inspectorates are generally at the company's expense, and may require repeat testing and certification in different destination markets, due the different standards that apply or a lack of mutual recognition.

Information costs
These include the costs of evaluating the technical impact of foreign regulations, training of experts, translating and disseminating product information, production of different labels etc.

Surprise costs
Exporters are normally at a disadvantage vis-à-vis domestic firms, in terms of adjustment costs, if confronted with new regulations.

Source WTO: Technical Information on Technical Barriers to Trade
www.wto.org/english/tratop_e/tbt_e/tbt_info_e.htm

In order to facilitate international trade, the WTO encourages its members to adopt common, international standards. If a country applies international standards, it is less likely to be challenged legally in the WTO than if it sets its own standards. The WTO also requires both governments and non-governmental bodies to follow a code of good practice in the preparation, adoption and application of voluntary standards, with national enquiry points to ensure transparency.

3. Product legislation and harmonised approaches to standardisation in the EU

The main European Commission Directorates General concerned with legislating the marketing of products for the purposes of safety, health, environmental or consumer protection are Enterprise and Industry (DG ENTR), Internal Market and Services (DG MARKT), Health and Consumers (DG SANCO), and Environment (DG ENV). DG ENTR, Unit C/3, also acts as the designated EU TBT Notification and Enquiry Point under the TBT Agreement (see above) and co-ordinates the EU's position with regard to third county notifications. The address for the European Union's TBT Notification and Enquiry Point is eu-tbt@ec.europa.eu.

A full list of European Commission DG services and websites can be found here.[1]

EU legislation comes in the form of regulations, directives, decisions, recommendations and opinions, supported by judgments of the European Courts (for the purposes of case law). The essential differences between these forms of legislation are described in the box below. Together they form what is known as the Community acquis or *acquis communautaire* (in French) – the accumulated legislation, legal acts, and court decisions which constitute the body of EU law.

Key terminology: Regulations, directives, decisions, recommendations and opinions

- **Regulations**
  An EU "regulation" is a binding, Europe-wide legislative act. Regulations are immediately and simultaneously enforceable as law in all Member States from the day they are adopted and published in the Official Journal of the European Union (OJEU), and must be applied in their entirety across the EU.

- **Directives**
  An EU "directive" is a legislative act that sets out an objective that all EU countries must achieve, but it is for the individual Member States to decide how. Directives provide some flexibility in the means through which EU Member States implement common rules through the enactment of their own national laws.

- **Decisions**
  A "decision" is binding only on those to whom it is addressed (e.g. an EU country or an individual company) and is directly applicable. For example, the Commission issues decisions in the area of completion policy.

- **Recommendations and opinions**
  These are non-binding, and do not impose any legal obligation on the persons to whom, or subject on which, they are addressed.

Not all products are covered by common European legislation or harmonised standards. Where this is the case, the Commission seeks to prevent new barriers to trade through the

[1] http://ec.europa.eu/about/ds_en.htm

management of the notification procedure under Directive 98/34/EC. Just as the Commission notifies new EU legislation via the OJEU, and new harmonised standards in conformity with Regulation (EU) No 1025/2012 of the European Parliament and of the Council on European standardisation (for details see below), the procedure obliges Member States to notify to the Commission their draft technical regulations related to all products, mainly in the non-harmonised areas. [2]

Draft texts and their translations are made available to the Member States and the public. This allows economic operators to get acquainted with the rules proposed by the countries in which they market their products. The Commission and the other Member States may also take action if the draft appears incompatible with EU law, or if its quality could be improved.

Key terminology: European harmonised standards (EN standards)

Under the so-called "New Approach", a *harmonised standard* is a European standard (EN standard) elaborated on the basis of a request from the European Commission to one of the recognised European standardisation organisations to develop a common standard that provides solutions for compliance with a legal provision. They are important because compliance with the harmonised standard(s) provides a presumption of conformity with the corresponding requirements of harmonisation legislation.

Manufacturers, other economic operators, or conformity assessment bodies can use harmonised standards to demonstrate that products, services or processes comply with the relevant EU legislation. To confer this presumption of conformity, the references of EU harmonised standards must be published in the OJEU. As already described, the use of these standards is voluntary; manufacturers, other economic operators or conformity assessment bodies are free to choose any other technical solution that provides compliance with the mandatory legal requirements established under EU legislation.

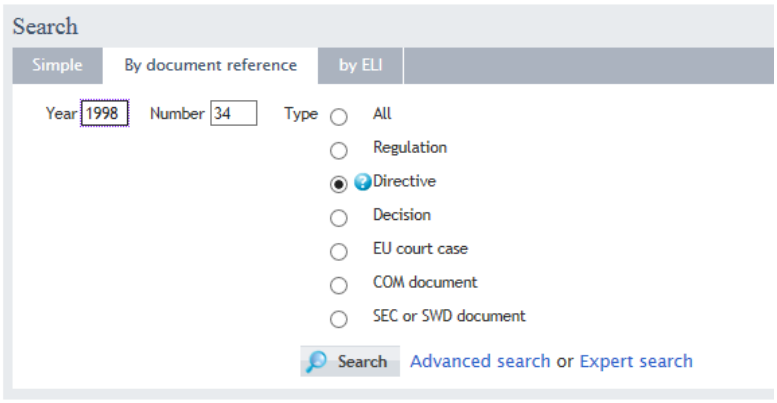
The main sources of documentation on EU legislation are:

EUR-Lex Access to European Union law

The EUR-Lex website provides free access to the complete body of EU law and other documents considered to be public. The website is available in the 24 official languages of the European Union. It contains daily editions of the Official Journal of the European Union (OJEU) online, provides simple search, advanced search and browsing options, the possibility to display and/or download documents (in PDF, HTML, DOC, TIFF formats), and analytical metadata for each document. The EUR-Lex website was updated in 2013, with the new English version available at: http://new.eur-lex.europa.eu/homepage.html?locale=en. The simplest way to search Eur-Lex (if known) is with the document number and year: for

[2] Details on the notification procedure are available at http://ec.europa.eu/enterprise/tris/about/index_en.htm. The key point is that the procedure is intended as a tool for information, prevention and dialogue, including extensive consultation with Member States and the industry. Annual reports to the European Parliament with a statistical breakdown of consultations by sector and by Member State are also provided.

example for Directive 98/34/EC, the search fields should be completed (using 4 digits for the year) as follows:



This will generate the following search results:

Simple text searches are also possible, based on the document text or title, as well as advanced search options by title, year, document type, language etc.

The Official Journal of the European Union is the "gazette of record" for the EU. It is the principal source of EUR-Lex content and is published every morning, with content from the previous working day. It consists of two main series: the L (or Legislation) series comprised of regulations, directives, decisions, recommendations and opinions; and the C series of Information and Notices, including the judgments of the European Courts, calls for expressions of interest for EU programmes and projects; public contracts for food aid; etc. A supplementary S series contains invitations to tender. The OJEU is fully integrated with EUR-Lex and can be accessed at http://eur-lex.europa.eu/JOIndex.do.

3.1. "Old Approach" to harmonisation and conformity assessment

With the removal of tariff barriers by the late 1960s, the establishment of a single European market (based upon the free movement of goods) depended, in large measure, on the achievement of an adequate level of technical harmonisation – as many technical and administrative barriers to trade remained. Until 1985, so-called "Old Approach" directives

tended to be product specific and/or contain too much technical detail. In some cases they failed to keep pace with industrial innovation, and Member States would introduce national standards and/or regulations faster than the European Commission could finalise common directives to replace them. The problems encountered were well-documented, some of which found expression in the famous "Cecchini" report into the Costs of non-Europe, published in 1988. Recognising these facts, the European Member States adopted the Single European Act, designed to foster the completion of the single market by 1992 (including through the introduction of new legislative procedures and decision-making by qualified majority voting), together with the New and Global Approaches to technical harmonisation and conformity assessment described below.

3.2. Improvements under the "New Approach" and Global Approach

The so-called "New Approach" to harmonisation and standardisation, defined in a 1985 European Council Resolution was central to overcoming the limitations of the "Old Approach". It introduced, amongst other things, a clear separation of responsibilities between the EC/EU as legislator and the European standards bodies as standardisers in the legal frameworks allowing for the free movement of goods.

Under the New Approach, directives drawn up by the European Commission define the "essential requirements" (for safety, health, environmental and consumer protection) that goods must meet when placed on the market. Thereafter, the European standards bodies (CEN, CENELEC and ETSI) are tasked with drawing up the corresponding technical specifications to meet the essential requirements, compliance with which will offer "presumption of conformity" with the essential requirements. Such specifications are referred to as "harmonised standards".

The key principles of the New Approach are that:

- There is a clear separation between European legislation and standardisation;
- Legislative harmonisation (in the form of regulations or directives) is limited to the essential requirements (safety requirements of general interest) needed to ensure the free movement of products within the EU Internal Market;
- The task of drawing up the corresponding technical specifications is entrusted to the European standardisation bodies (CEN, CENELEC and ETSI);
- Products manufactured in conformity with harmonised standards are presumed to conform to the essential requirements;
- Standards are not mandatory, they remain voluntary. Alternate paths are possible but economic operators must prove that their products are in conformity with the essential requirements;
- Standards must offer a guarantee of quality with regard to the essential requirements;
- Public authorities are still responsible for the protection requirements in their territory (e.g. market surveillance);
- Safety clauses require Member States to take all appropriate measures to withdraw unsafe products from their market(s).

The advantages of the approach are that, in comparison with former directives, New Approach legislation: a) deals with large families of products; b) covers horizontal risks and not specific products; c) establishes close co-operation between public authorities and market

operators; and d) is based on "total" harmonisation (replacing diverging national legislation) as compared to "optional" harmonisation (based on a dual regime).

In addition to the principles of the New Approach, the European Member States identified a need to improve the conditions for reliable conformity assessment. The key elements in this respect were recognition of the need to build mutual confidence through competence and transparency, and the establishment of a comprehensive policy and framework for conformity assessment. A Council Resolution of 1989 on the Global Approach to certification and testing provided the following guiding principles for Community policies and practices for conformity assessment:

- A consistent legislative approach was developed by devising modules for the various phases of conformity assessment, and by laying down criteria for the use of the associated procedures, for the designation of bodies operating these procedures, and for the use of CE marking (as a market-driven guarantee of conformity);
- The use of European standards relating to quality assurance (EN ISO 9000 series), and to the requirements to be fulfilled by conformity assessment bodies operating quality assurance (EN 45000 series), was generalised;
- Mutual recognition agreements concerning testing and certification in the non-regulatory sphere (i.e. non-regulated goods sectors) were promoted;
- The establishment of accreditation systems and use of inter-comparison techniques were promoted in Member States and at the Community level; subsequently through systems of national and regional reference laboratories, and European co-operation for Accreditation (EA), a not-for-profit association established in 1997 to promote common standards for accreditation, which was formally appointed as the body responsible for the European accreditation infrastructure under Regulation (EC) No 765/2008 of the European Parliament and of the Council, to provide for mutual recognition of conformity assessment results, based on Multilateral Agreements (MLAs) between its members;[3]
- The differences between existing quality infrastructures (such as calibration and metrology systems, testing laboratories, certification and inspection bodies, and accreditation bodies) between Member States and between industrial sectors are minimised by co-operation programmes;
- International trade between the EU and third countries was promoted by means of mutual recognition agreements, co-operation and technical assistance programmes.

A useful *Guide to the implementation of directives based on the New Approach and the Global Approach* – which covers the Scope of New Approach directives, Responsibilities, Compliance with directives, Conformity assessment procedures, Notified bodies, CE marking, Market surveillance, and External aspects (such as mutual recognition agreements, European conformity assessment protocols, and technical assistance) – is available on the DG ENTR website here.[4]

3.3. The New Legislative Framework

Last but not least, the "New legislative framework" (NLF) for the marketing of products was a package of measures, adopted and published in the Official Journal in 2008, designed to help the Internal Market for goods work better, and to strengthen and modernise the

[3] For details see section 6.

[4] http://ec.europa.eu/enterprise/policies/single-market-goods/files/blue-guide/guidepublic_en.pdf

conditions for placing a range of industrial products on the EU market. The main legal texts for the NLF, which replaced those previously enacted, were:

- Regulation (EC) No 764/2008 of the European Parliament and of the Council laying down procedures relating to the application of certain national technical rules to products lawfully marketed in another Member State;
- Regulation (EC) No 765/2008 of the European Parliament and of the Council setting out the requirements for accreditation and market surveillance relating to the marketing of products; and
- Decision No 768/2008/EC of the European Parliament and of the Council on a common framework for the marketing of products.

The package builds on existing systems to reinforce the application and enforcement of Internal Market legislation. More specifically, it:

- Improves market surveillance rules, to better protect both consumers and professionals from unsafe products, including imports from third countries. This particularly applies to procedures for products which can be a hazard to, health or the environment, which will be withdrawn from the market;

- Boosts the quality of (and hence confidence in) the conformity assessment of products through stronger, clearer rules on the requirements for the notification of conformity assessment bodies (testing, certification and inspection laboratories) including the increased use of accreditation: the system used to ensure that assessment bodies provide the high quality services that manufacturers, consumers and public authorities need;

- Clarifies the meaning of CE marking in order to enhance its credibility. In addition, CE marking is now protected as a trade mark, giving authorities and competitors additional means to take legal action against abuse; and

- Establishes a common legal framework for industrial products in the form of a toolbox of measures for use in future legislation. This includes provisions to support market surveillance and the application of the CE marking, definitions of terms commonly used in product legislation (but not uniformly applied) and procedures to allow future sectoral legislation to become more consistent and easier to implement.

It can be important to understand the above measures, since they provide much of the background on which the marketing of products in the EU (and the associated quality management, conformity assessment and consumer protection systems) are based.

However, business operators in Viet Nam are more directly concerned by the EU legislation and "EN" standards affecting the sectors in focus (i.e. textiles, leather, shoes and plastics). These fall into two main categories: those of a general nature and/or those which are specific to a particular sector or product (group).

They are covered in more detail in the sections that follow.

3.4. EU legislation affecting textiles, leather, shoes and plastics

3.4.1. General

For some (groups of) products there are specific EU regulations or directives. These apply, in particular, to products or sectors that present a high level of potential risk. Since there is no single regulatory instrument that consolidates all the requirements that the four main product groups covered by this study (textiles, leather, shoes and plastics) need to comply with when entering the EU market, it is up to business operators to keep informed of the relevant legal requirements, and ensure that their products comply with the laws in place.

A variety of instruments have been put in place to ensure consumers are protected, across all sectors. The three most notable among these are:

- Directive 2001/95/EC of the European Parliament and of the Council on general product safety (the "General Product Safety Directive", or GPSD) lays down general safety requirements applicable to all consumer products placed in the EU market, regardless of whether the product is used, new or reconditioned, as long as it is not marketed as an "antique", or needs to be repaired before being used. Products that are not safe will be rejected from the EU market.

  Note – the GPSD also serves as the umbrella directive for the publication of titles and references of a variety of European standards, such as EN 14682:2007 Safety of children's clothing - Cords and drawstrings on children's clothing – Specifications, where safety issues have been known to occur (and a RAPEX notification made against goods originating in Viet Nam).

  The GPSD is further supported by the European Rapid Alert System (RAPEX) – a notification system by which EU Member States are informed of unsafe products placed on the EU market, so that measures can be adopted before EU consumers are exposed to dangerous products.

- Directive 85/374/EEC of the Council on the approximation of the laws, regulations and administrative provisions of the Member States concerning liability for defective products, in the EU (the "Defective Products Directive") lays down rules on product liability. Although as a general rule importers are held liable in case they do not comply with the requirements established, the Defective Products Directive allows for situations where legal claims may be passed on to suppliers, namely when the EU importer expected a certain level of product safety, normally agreed by contract, which was not met.

- Directive 2005/29/EC of the European Parliament and of the Council concerning unfair business-to-consumer commercial practices in the internal market (the "Unfair Commercial Practices Directive") aims to help smooth the functioning of the EU Internal Market, as it affects consumers, by protecting them from unfair commercial practices. This Directive touches on questions relating to country of origin, traceability and environmental and social labelling, insofar as certain uses of such labels can mislead consumers.

Labelling and packaging rules may also apply, insofar as good imported to the European Economic Area are subject to EU legislation aimed at preventing the production of packaging waste, promoting the reuse of packaging and reducing the final disposal of such waste.

Directive 94/62/EC of the European Parliament and of the Council on packaging and packaging waste (the "Packaging Directive") establishes rules on maximum concentration

levels for heavy metals contained in packaging, as well as on labelling (marking and identification of the materials used). Directive 2006/12/EC is also relevant for the definition of "waste".

There is not one legislative instrument for the labelling of products on the European market. Of general relevance is the "Unfair Commercial Practices Directive" referred to above, whilst a large number of labelling requirements (and rules on contact materials and articles) apply specifically to foodstuffs. These are discussed, together with the labelling rules that apply to the four main product groups covered by this study (textiles, leather, shoes and plastics) under Part B. Of note is the EU legislation related to Ecolabelling, Textile products: textile fibre names and labelling, Labelling of footwear, the Classification, packaging and labelling of chemicals and their mixtures, the Classification, packaging and labelling of dangerous substances, and the Classification, packaging and labelling of dangerous preparations.

Key terminology: Competent authorities and business operators

EU legislation, in the form of regulations and directives, often refers to the "competent authority". The competent authority is the person or organisation (natural or legal persons) with the legally delegated or invested authority, capacity, or power to perform a designated function. This can include the formulation of policy and drafting and formal adoption of laws and other forms of regulation, but is more often associated with implementation and enforcement. For example, the responsibilities of the competent authorities in the EU Member States may include the management of official systems of inspection or certification at the national, sub-regional or local level.

The terms economic and/or "business operator" is used to refer to the natural or legal persons (whether the manufacturer, trading company, wholesaler or retailer) responsible for placing a product on the EU market and/or ensuring that the requirements of EU law are met.

In conjunction with these regulatory instruments, Regulation (EU) No 1025/2012 of the European Parliament and of the Council on European standardisation (which replaced or amended other legislative texts dating back to 1987) provides the legal basis for the use of European (EN) standards for products and for services in support of Union legislation and policies, the identification of ICT technical specifications to improve co-operation and speed up decision making between the national standardisation bodies in the EU Member States and the European standardisation organisations (CEN, CENELEC and ETSI), and financing arrangements for European standardisation. An RSS feed providing the latest news on European harmonised standards cited in the OJEU can be found here.[5]

References of harmonised standards and of other European standards published in the OJEU of specific relevance to the sectors covered by the current study include:

- **Horizontal**: General product safety (GPSD); the New Legislative Framework (NLF); the Eco-Management and Audit Scheme (EMAS); Ecodesign and energy labelling
- **Plastics**: Chemical substances (REACH); and the Restriction of the use of certain hazardous substances (RoHS)

[5] http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/rss_en.xml

- **Shoes and textiles**: Personal protective equipment (PPE)

Plus the labelling issues referred to above. Further information is available here.[6]

The relevant legislative texts (technical regulations) and EN harmonised standards for each of the four main sectors covered by this study (textiles, leather, shoes and plastics) are given in the sections that follow.

3.4.2. Textiles

There is no specific legislative instrument in the EU for textiles industry. However, the sector is affected by a number of European measures aimed at ensuring safety, health, environmental and consumer protection, including the use of chemicals, the marketing and use of certain dangerous substances and the use of animal by-products.

- Regulation (EU) No. 1007/2011 of the European Parliament and of the Council on textile fibre names and related labelling and marking of the fibre composition of textile products constitutes the final outcome of a revision and simplification process of previous existing legal instruments in the field of textile fibre names and related labelling and marking under the New Legislative Framework, including methods of analysis. It requires textile products to include a label with information about their fibre composition using harmonised fibre names. It also applies to leather. It does not apply to products which have been contracted out to persons working in their own homes, products made in independent firms without property being transferred and textile products made up by self-employed tailors.

  The textile products covered by the regulation must use the textile fibre names listed in Annex I (e.g. cashmere, cotton, silk, wool etc.) to the regulation – or apply for a new name / designation – and the products must carry indications of the textiles used on durable legible, visible and accessible labels or markings. The labels must be displayed in the language or languages of the EU Member State where products are marketed. For intermediate products (not intended for the final consumer), such labelling or marking may be replaced with accompanying commercial documents. Textile products composed of several fibres must be labelled with the name and percentage by weight of all constituent fibres, in descending order. The use of the terms "100%", "pure" or "all" is limited to products composed of a single textile fibre. Non-textile parts of animal origin in textile products must be indicated as such on the labelling.

  Economic operators who place textile products on the market are responsible for their labelling or marking. Descriptions of textile fibre composition must also appear in catalogues, trade literature, and on packaging. In addition, where the products are sold online this information must be visible. Checks on the conformity of the fibre composition of textile products are carried out by market surveillance authorities.

- Apparel designed to be worn for protection against hazards to health and safety is considered "personal protective equipment" (PPE) and must comply with EU requirements under Council Directive 89/686/EEC on the approximation of the laws of the Member States relating to the design of personal protective equipment. These include harmonised

[6] http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards

standards for the product's design, manufacture, materials, testing, instructions and the information which must be supplied with the product and conformity assessments must be carried out. Assessment of the conformity of PPE with the essential requirements and other provisions of the directive is the responsibility of the bodies notified by the EU Member States in accordance with the minimum assessment criteria, or of the manufacturer or its representative established in the Community. Where compliant, the apparel must carry the CE marking, which must be affixed in a visible, easily legible form to the apparel.

- The textile industry is also affected by the Regulation (EC) No. 1907/2006 of the European Parliament and of the Council concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals, concerning chemicals. REACH stands for Registration, Evaluation, Authorisation and Restriction of Chemicals and the Regulation lays down a number of rules aimed at ensuring that the handling of chemicals at the industrial level does not poses risks for human health or the environment. It also foresees alternative test methods and promotes the free circulation of substances in the EU market, as well as competitiveness and innovation among companies.

  Annex XVII of the REACH regulation sets out a list of restrictions on the manufacture, placing on the market and use of dangerous chemical substances, mixtures and articles, and – of particular relevance for the textiles sector – on persistent organic pollutants. Information about the safe use of chemicals (risk management measures) must be communicated up and down the supply chain (i.e., from the manufacturer of the chemicals to textile products and apparel manufacturers) in the form of Safety Data Sheets or Chemical Safety Reports. Article 33 of the regulation makes it mandatory for suppliers to provide specific information on substances considered harmful to the health and the environment that are contained in products (in concentrations above 0.1%) to downstream customers, and to consumers upon their request.

The lack of a compact framework at the EU-level for textile products means there is no clear-cut framework for EU Member States' treatment of such goods. Competent authorities and business operators are required to stay abreast of the various legislative frameworks in place in the EU, as well as the processes that may be triggered under a variety of circumstances.

By way of example, the RAPEX (rapid alert) notification system requires businesses and inspectorates to report to the competent authorities the existence of dangerous products in the EU market, so that they can withdraw such products from the market, recall them from consumers, or issue the adequate warnings. **The main non-compliances of Vietnamese textiles exports to the EU under RAPEX have been in relation to the GPSD and REACH regulation. That is:**

- European standard EN 14682 - Safety of children's clothing. Cords and drawstrings on children's clothing
- Use of azodyes; 4-amino-azobenzene (CAS 60-09-03)
- Note - European Chemicals Agency proposal to restrict Chromium VI in leather articles

Further details are given in Annex to this report.

Further information on the European textiles and clothing industry, implications of the EU Internal Market for the industry, environmental issues, research & development and external dimensions is available at http://ec.europa.eu/enterprise/sectors/textiles/index_en.htm.

3.4.3. Leather

There is no specific legislative instrument in the EU for the leather and tanning industry. However, the sector is affected by a number of European measures aimed at ensuring safety, health, environmental and consumer protection, including the use of chemicals, the marketing and use of certain dangerous substances and the use of animal by-products.

- Most importantly, since hides and skins constitute raw materials of animal origin used outside the human food chain, they are subject to the provisions of Regulation (EC) No. 1774/2002 of the European Parliament and of the Council laying down health rules concerning animal by-products not intended for human consumption. Leather manufacturers and importers need to follow these rules when processing or disposing of, as well as when trading, hides and skins, since they can be dangerous to human health if not properly handled. In particular, operators need to observe the rules and requirements especially when producing, collecting, transporting, storing, using or disposing such raw materials.

- Regulation (EU) No. 1007/2011 of the European Parliament and of the Council on textile fibre names and related labelling and marking of the fibre composition of textile products also applies to leather goods as mentioned above, and covered by Part B of the study.

- Meanwhile, the leather and tanning industries are affected by Regulation (EC) No. 1907/2006 of the European Parliament and of the Council concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (the "REACH Regulation"). REACH lays down a number of rules aimed at ensuring that the handling of chemicals at the industrial level is not carried out in a way that poses risks to human health or the environment. It also foresees alternative test methods and promotes the free circulation of substances in the EU market, as well as competitiveness and innovation among companies, together with the establishment of a European Chemicals Agency.

  REACH is of particular relevance to the tanning industry, since the Chemical Safety Assessment (CSA) system requires an assessment to be made of a chemical's properties and the uses where exposures can arise as a component of the registration dossier, for example in relation to waste water. Measures are required to reduce the environmental exposure where the expected environmental concentration exceeds the concentration at which no harmful effect is likely to occur.

  For many leather auxiliary ingredients (products used in leather processing), the chemical safety reports require an exposure description and risk characterisation to be carried out, including the effects of exposure on human health in the workplace (so-called "occupational safety related aspects"); and, since it is assumed that some components of the mixture (preparation) will remain in or on the finished leather article, there is a risk of exposure when the leather article is used by the consumer. For this reason, an exposure description and risk characterisation for the relevant ingredients must be part of the chemical safety report, which must also include the effects of exposure on human health (so-called "consumer protection related aspects"). A useful overview of all these issues can be obtained here.[7]

[7] www.tegewa.de/uploads/media/2011_06_Leather_Tanner_REACH_final_Vers.1.1_02.pdf

The REACH Regulation also applies to leather and leather products insofar as it addresses concerns such as nickel in clothing accessories and jewellery, azo dyes in textile and leather products, or cadmium, a known carcinogen, in several products, including (leather) jewellery.

A number of other instruments restrict the marketing and use of dangerous substances and preparations, which may have implications for the leather industry:

- Directive 2003/53/EC of the European Parliament and of the Council relating to restrictions on the marketing and use of certain dangerous substances and preparations (nonylphenol, nonylphenol ethoxylate and cement) is of relevance;
- Commission Decision of 17 March 2009, and subsequent implementing decisions, requiring Member States to ensure that products containing the biocide dimethylfumarate are not placed or made available on the market lays down a prohibition on dimethylfumarate (DMF), a chemical used in sachets placed in the packaging of products in order to prevent deterioration of the fabric or leather when it is stored in a humid climate. When it evaporates, it impregnates the goods, and may penetrate the consumer's skin, causing health problems; and
- Directive 76/769/EEC relating to restrictions on the marketing and use of certain dangerous substances and preparations, and its amendments, in particular Directive 2002/61/EC relating to azocolourants.

Other legislative instruments of possible relevance to leather products imported into the EU are:

- Council Directive 2000/29/EC on protective measures against the introduction into the Community of organisms harmful to plants or plant products and against their spread within the Community deals with wood packaging materials used for transport, and affects leather and leather products insofar as they may be wrapped with or supported by those. Wood packaging materials used for transport need to comply with a number of rules aimed at preventing the entry of pests to the EU, and which mainly concern the wood's debarking (wood materials need to be free from tree bark), treatment (with one of the EU approved methods), and marking (all wood packaging materials need to bear a stamp that certifies compliance with EU requirements); and

- The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) regulates trade in endangered plants, animals or products thereof, such as leather. The EU has implemented the requirements established in CITES by means of two Regulations (often referred to as "The Wildlife Trade Regulations"):

  - Council Regulation (EC) No. 338/97 on the protection of species of wild fauna and flora by regulating trade therein, which regulates trade in species and gives a detailed list of species of which trade is prohibited, or restricted; and
  - Commission Regulation (EC) No. 865/2006 laying down detailed rules concerning the implementation of Council Regulation (EC) No. 338/97 on the protection of species of wild fauna and flora by regulating trade therein, which provides for administrative and technical details to regulate trade of endangered species.

The lack of a compact framework at the EU-level for leather products means there is no clear-cut framework for EU Member States' treatment of such goods. Competent authorities and business operators are required to stay abreast of the various mechanisms in place in the EU, as well as the processes that may be triggered under a variety of circumstances.

By way of example, the RAPEX (rapid alert) notification system requires businesses and inspectorates to report to the competent authorities the existence of dangerous products in the EU market, so that they can withdraw such products from the market, recall them from consumers, or issue the adequate warnings. **The main non-compliances of Vietnamese leather exports to the EU under RAPEX have been in relation to the GPSD and REACH regulation. That is:**

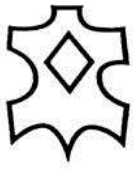
- Commission Decision 2009/251/EC requiring Member States to ensure that products containing the biocide dimethylfumarate are not placed or made available on the market
- Note - European Chemicals Agency proposal to restrict Chromium VI in leather articles

Further details are given in Annex to this report.

- Regulation (EU) No. 1007/2011 of the European Parliament and of the Council on textile fibre names and related labelling and marking of the fibre composition of textile products constitutes the final outcome of a revision and simplification process of previous existing legal instruments in the field of textile fibre names and related labelling and marking under the New Legislative Framework, including methods of analysis. It requires textile products to include a label with information about their fibre composition using harmonised fibre names. It applies to leather.

- Directive 94/11/EC of the European Parliament and Council on the approximation of laws, regulations and administrative provisions of the Member States relating to labelling of the materials used in the main components of footwear for sale to the consumer lays down labelling requirements for footwear which, along with other materials, also affect its leather components. It establishes that the authenticity of the leather material used in footwear is to be guaranteed by the label. In particular, the directive mandates the transmission of this information through a set of simple and easily recognisable pictograms. Leather components of footwear need to be represented as follows:

Pure leather is represented by a symbol resembling a stretched out raw hide.



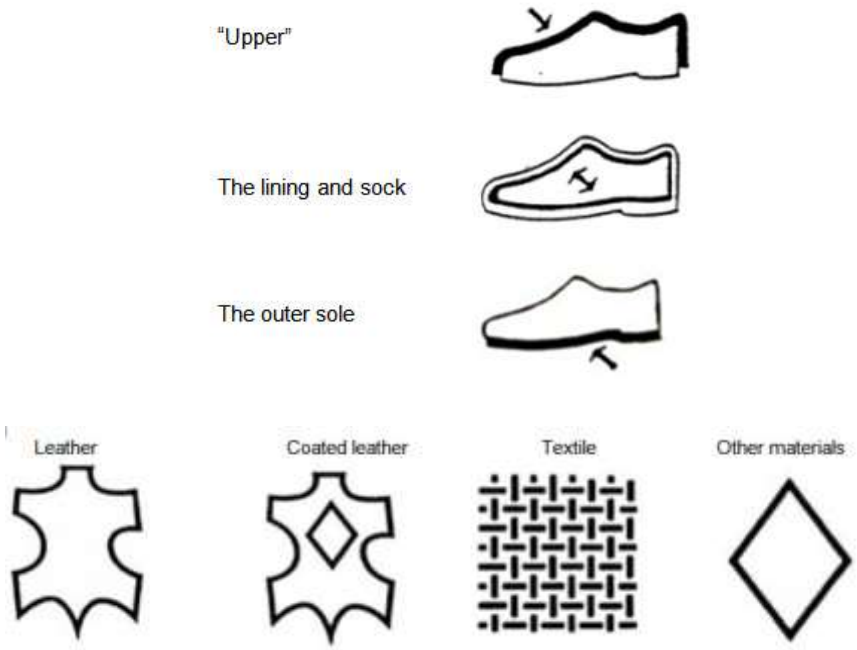
Coated leather (leather where its surface consists of a glue or surface (coating) which is more than 0.15 mm, but less than one third of the total thickness of the product) is represented by a similar symbol with a diamond in the centre.

Further information on the European leather tanning industry, implications of the EU Internal Market for the leather industry, environmental issues and external dimensions is available at: http://ec.europa.eu/enterprise/sectors/leather/index_en.htm.

3.4.4. Shoes (footwear)

There is no specific legislative instrument in the EU for the footwear industry. However, the sector is affected by a number of European measures aimed at ensuring safety, health, environmental and consumer protection, including the use of chemicals, the marketing and use of certain dangerous substances and the use of animal by-products.

- Directive 94/11/EC of the European Parliament and Council on the approximation of laws, regulations and administrative provisions of the Member States relating to labelling of the materials used in the main components of footwear for sale to the consumer lays down labelling requirements for footwear. It establishes that the authenticity of the leather material used in footwear is to be guaranteed by the label. In particular, the directive mandates the transmission of this information through a set of simple and easily recognisable pictograms. Leather components of footwear need to be represented as follows:



An Evaluation Report on the Implementation of Directive 94/11/EC: Labelling of the materials used in the main components of footwear is available at:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2000:0812:FIN:EN:PDF

- Regulation (EC) No. 1907/2006 of the European Parliament and of the Council concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals imposes obligations on footwear manufacturers in respect of the leather, textiles and upstream manufacturing involved in footwear production and rules to ensure that the handling of chemicals at the industrial level does not pose risks for human health or the environment. Footwear producers should be aware in particular of production processes that involve the use of Nonyl Phenols (NP) and Nonyl Phenol Ethoxylates (NPEs) in textiles and leathers used as surfactants and detergents in the production of footwear. Exporters should be aware of the REACH environmental restrictions imposed on the use of these chemicals.

REACH is also relevant for footwear containing leather and textiles inasmuch as it addresses concerns such as nickel, azo dyes, or cadmium (a known carcinogen) in products that include footwear and its components.

Footwear containing residues of Dimethylfumarate (DMF), a biocide used to prevent mould growth on leather footwear during storage or transport, was banned on the basis of Commission Decision of 17 March 2009 requiring Member States to ensure that products containing the biocide dimethylfumarate are not placed or made available on the market.

The lack of a compact framework at the EU-level for leather products means there is no clear-cut framework for EU Member States' treatment of such goods. Competent authorities and business operators are required to stay abreast of the various mechanisms in place in the EU, as well as the processes that may be triggered under a variety of circumstances.

By way of example, the RAPEX (rapid alert) notification system requires businesses and inspectorates to report to the competent authorities the existence of dangerous products in the EU market, so that they can withdraw such products from the market, recall them from consumers, or issue the adequate warnings. **The main non-compliances of Vietnamese footwear exports to the EU under RAPEX have been in relation to the GPSD and REACH regulation. That is:**

- Commission Decision 2009/251/EC requiring Member States to ensure that products containing the biocide dimethylfumarate are not placed or made available on the market
- Use of azodyes; 4-amino-azobenzene (CAS 60-09-03)
- Note - European Chemicals Agency proposal to restrict Chromium VI in leather articles

Further details are given in Annex to this report.

Further information on the European footwear industry, implications of the EU Internal Market for the footwear industry, environmental issues and external dimensions is available at http://ec.europa.eu/enterprise/sectors/footwear/index_en.htm.

Note – The EU imposed **anti-dumping duties** on Chinese and Vietnamese footwear with uppers of leather from 2006 to 2011. The duties were imposed by the Council of the European Union in October 2006 through Council Regulation (EC) No. 1472/2006 imposing a definitive anti-dumping duty and collecting definitely the provisional duty imposed on imports of certain footwear with uppers of leather originating in the People's Republic of China and Viet Nam, following an investigation by the Commission. The investigation was launched after a complaint was lodged by the European Confederation of the Footwear Industry on 30 May 2005 on behalf of producers representing more than 40% of the total EU production of certain footwear. The anti-dumping duties lasted until 31 March 2011.

3.4.5. Plastics

There is no specific legislative instrument in the EU for plastics industry. However, the sector is affected by a number of European measures aimed at ensuring safety, health, environmental and consumer protection, including the use of chemicals, and the marketing and use of certain dangerous substances.

The most pertinent of these regard food contact materials (FCMs).

Directive 2007/42/EC relating to materials and articles made of regenerated cellulose film intended to come into contact with foodstuffs lists authorised substances and conditions for their use and include provisions for plastic coated regenerated cellulose film.

Regulation EC 282/2008 on recycled plastic materials and articles intended to come into contact with foods and amending Regulation (EC) No 2023/2006 sets requirements for recycled plastics to be used in food contact materials; and introduces an authorisation procedure of recycling processes used in the manufacture of recycled plastics for food contact use.

Regulation EC 450/2009 on active and intelligent materials and articles intended to come into contact with food (which may include plastics) adds requirements to Regulation EC 1935/2004 for their safe use and introduces an authorisation scheme for substances used for active and intelligent functions in food contact materials.

Regulation EU/10/2011 on plastic materials and articles intended to come into contact with food sets the rules for plastic food contact materials; with further amendments provided under Regulation EU 321/2011 banning the use of Bishenol A in plastic infant feeding bottles; and Regulation EU 1282/2011 adding new substances and amending restrictions and specifications of already authorised substances in the EU list.

Further information on the European chemicals industry, the Registration, Evaluation, Authorisation & restriction of CHemicals (REACH), the Classification, labelling and packaging of substances and mixtures (CLP), CLP legislation, and CLP based on the Globally Harmonised System of Classification and Labelling of Chemicals (GHS) guidance and archives is available http://ec.europa.eu/enterprise/sectors/chemicals/index_en.htm, with a helpful explanation of the EU's REACH Regulation produced by the UK Health and Safety Executive at www.hse.gov.uk/reach.

Packaging and labelling issues are covered in detail under Part B of this study.

News on plastics regulations can be found at www.europeanplasticsnews.com/regulation. The website of the Association of Plastics Manufacturers in Europe is at www.plasticseurope.org. Standardisation issues for plastics products are covered under section 9.1.4. below.

4. Metrology

Metrology is the science of measurement. It includes all theoretical and practical aspects of measurement and together with calibration, provides the "physical" foundation for various aspects of conformity assessment.

Metrology is defined by the International Bureau of Weights and Measures (BIPM) as "the science of measurement, embracing both experimental and theoretical determinations at any level of uncertainty in any field of science and technology". The specific concepts and international vocabulary of metrology is maintained by the Joint Committee for Guides in Metrology (JCGM), a group made up of eight international organisations – BIPM, together with the IEC, IFCC, ISO, IUPAC, IUPAP, OIML and ILAC.[8]

[8] International Electrotechnical Commission, International Federation of Clinical Chemistry, International Organization for Standardization, International Union of Pure and Applied Chemistry , International Union of

The number of organisations involved illustrates the breadth of the metrological field, which is usually divided into three basic sub-fields:

- Scientific or fundamental metrology;
- Applied, technical or industrial metrology; and
- Legal metrology

These are in turn made up by three (overlapping) areas of metrological activity:

- The definition of internationally accepted unit of measurement
- The practical realisation of these units of measurement
- The application of chains of "traceability" linking measurements made in practice to reference standards.

The European Association of National Metrology Institutes (EURAMET) is the European Regional Metrology Organisation (RMO). It co-ordinates co-operation between the national (Member State) metrology institutes in terms of research, the traceability of measurements to the International System of Units, the international recognition of national measurement standards and related calibration and measurement capabilities of its members. Knowledge transfer and co-operation programmes facilitate the development of the national metrology infrastructure. EURAMET is also responsible for the European Metrology Research Programme (EMRP), designed to encourage collaboration between European national metrology institutes and partners in industry or academia.

The main EU legislative instruments in the area of legal metrology are:

- Directive 2009/3/EC of the European Parliament and of the Council on the approximation of the laws of the Member States relating to units of measurement
- Directive 2009/34/EC of the European Parliament and of the Council relating to common provisions for both measuring instruments and methods of metrological control
- Directive 76/211/EEC of the Council on the approximation of the laws of the Member States relating to the making-up by weight or by volume of certain pre-packaged products
- Directive 75/107/EEC of the Council on the approximation of the laws of the Member States relating to bottles used as measuring containers

Over the last decade work has also been ongoing on chemical measurement and testing in order to develop quality systems and to put in place a measurement and testing infrastructure. The development of a system for metrology in chemistry is expected to include:

- Validated methods
- Procedures for determining measurement uncertainty
- Procedures and tools for establishing traceability
- Pure substance reference materials and calibration standards
- Matrix reference materials

Pure and Applied Physics, Organisation Internationale de Métrologie Légale (the International Organization of Legal Metrology) and the International Laboratory Accreditation Cooperation.

- Proficiency testing and third party accreditation to an international standard

and should lead to the development of a structured support system based on traceable standards and analogous to the systems developed under the aegis of the CCQM (Consultative Committee on Amount of Substance), EUROMET and EURACHEM.

5. Accreditation

Accreditation is the procedure by which an authoritative body gives formal recognition to a person or organisation for their competence to carry out specific tasks. This recognition can be awarded to certification bodies, laboratories, inspection bodies, or other attestation bodies which demonstrate to the satisfaction of the accreditation body that they have the competence to undertake the tasks for which they are seeking accreditation.

Throughout the world, accreditation uses criteria and procedures specifically developed to determine technical competence. These are usually based on ISO standards. Whereas, for example, ISO 9001 certification demonstrates conformity to the standard requirements, accreditation demonstrates specific technical **competence**.

5.1. Accreditation in the EU

European co-operation for Accreditation (EA) is a not-for-profit association established in Brussels in 1997 to promote common standards for accreditation. EA was formally appointed as the body responsible for the European accreditation infrastructure under Regulation (EC) No 765/2008 of the European Parliament and of the Council, setting out the requirements for accreditation and market surveillance relating to the marketing of products. The work of EA is based on international standards:

For Laboratories	Testing (ISO/IEC 17025 – General requirements for the competence of testing and calibration laboratories) Medical examinations (ISO 15189 Medical laboratories – Requirements for quality and competence) Calibration (ISO/IEC17025 General requirements for the competence of testing and calibration laboratories)
For Inspection bodies	Inspection services (ISO/IEC 17020 Conformity assessment – Requirements for the operation of various types of bodies performing inspection)
Certification bodies	Product Certification (EN45011- ISO/IEC 17065 Conformity assessment – Requirements for bodies certifying products, processes and services) Certification of Persons (ISO/IEC 17024 Conformity assessment – General requirements for bodies operating certification of persons) Management Systems Certification (ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems)
Verification bodies	According to the European Management and Audit Scheme (EMAS) or EU/ETS Regulations

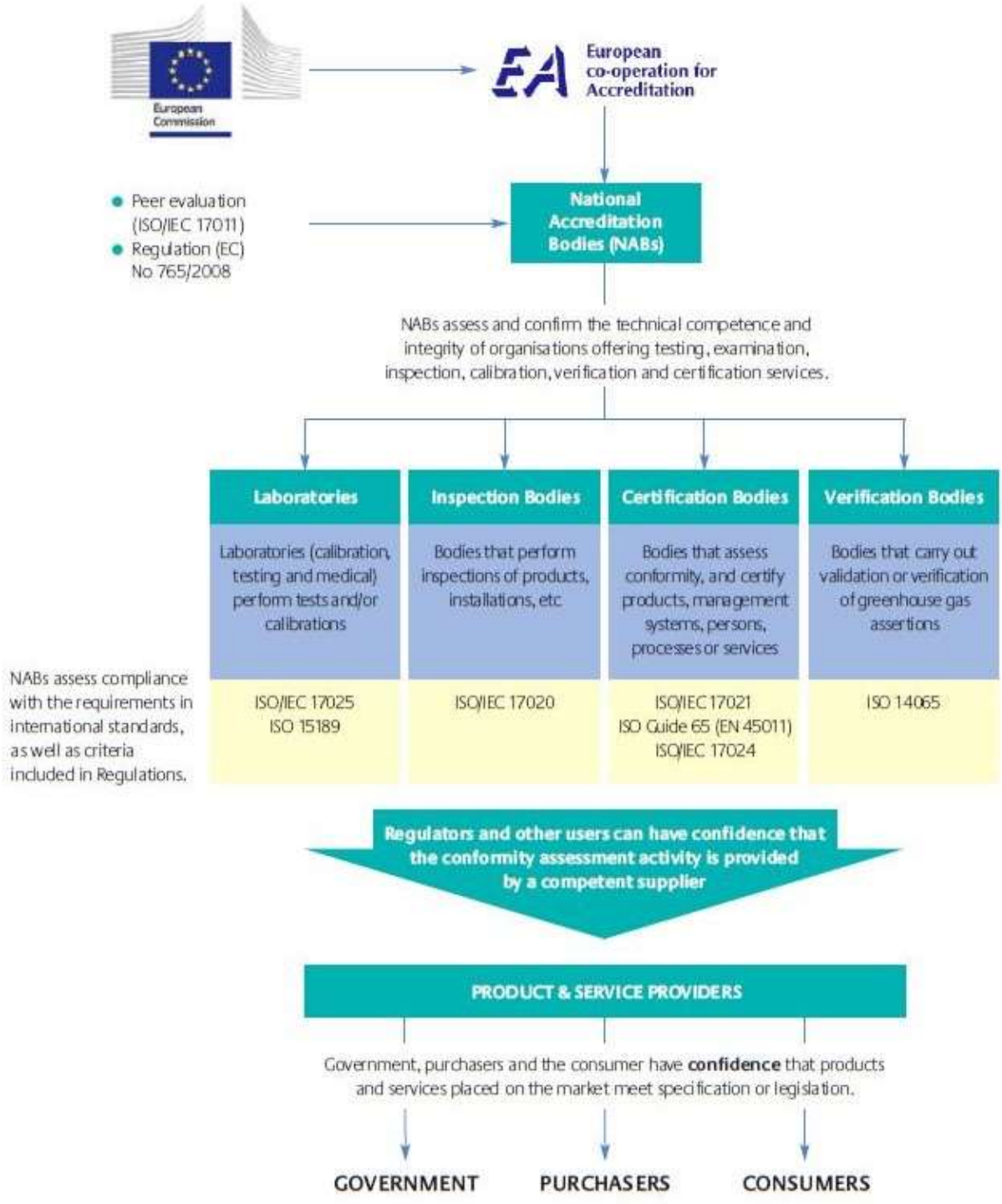
The EA Multilateral agreement (MLA) facilitates free movement of products and services within Europe. The MLA eliminates the need for suppliers of goods or services to be certified in each country where they sell their products or services. In other words, **any product or service that has the accreditation body's mark on the certificate or test report exported to another MLA signatory country will be accepted, and will not be subject to additional testing or inspection**.

All EA members that are signatories to the EA MLA are subject to regular and stringent peer evaluations conducted by the other EA members. The purpose of these evaluations is to verify the signatories' continuing conformity with the internationally accepted criteria. These peer evaluations ensure consistent, harmonised accreditation practices and also facilitate the exchange of information and experiences between the signatories.

The EA MLA "works", because it is underpinned by Regulation (EC) No 765/2008, establishing a common legal basis for accreditation, and comprehensive legal framework for regulating the organisation of accreditation within the European Economic Area (EEA). Under the Regulation, it is recognised that whether voluntary or compulsory, accreditation is the last level of control of the suitability of conformity assessment services. Accreditation has no commercial purpose, since this would reduce its value and credibility. As such:

- There can be only one accreditation body per Member State;
- There is no competition between accreditation bodies and conformity assessment bodies;
- Accreditation is carried out by a public authority; and
- Accreditation bodies operate on a not-for-profit basis and comply with the principles of impartiality and objectivity.

An overview of the European Accreditation Structure and Process: Source EA



5.2. International dimensions of accreditation

For accreditation bodies located outside the EU or European Free Trade Area (EFTA), signing a bilateral agreement with EA under the conditions applicable to EA MLA signatories gives access to the European market to products tested by conformity assessment bodies accredited by these non-EU or EFTA accreditation bodies. It enables recognition of test,

certification and inspection results at the European market thus facilitating export and trade between Europe and non-European countries. Such "BLAs" (the scope of which may be limited to Calibration, Testing, Product certification, Management Systems Certification, Certification of Persons, or Inspection) have been signed with Bosnia Herzegovina, Tunisia, and Ukraine.

The MLA also supports accreditation as a "passport" to facilitate access to the EU and international markets through co-operation with the International Laboratory Accreditation Co-operation (ILAC) and International Accreditation Forum (IAF). EA is a regional co-operation body member of ILAC and IAF.

The ILAC Mutual Recognition Arrangement (MRA) supports international trade by promoting international confidence and acceptance of accredited testing and calibration laboratory and (since 2012) inspection results – on the basis of the slogan "**Tested once, accepted everywhere**". It works through a process of peer reviews between ILAC MRA signatories, who are expected to maintain conformance with the current version of ISO/IEC 17011 for the Accreditation of Proficiency Testing Providers (a peer evaluation standard ILAC helped to develop), related ILAC guidance documents, and supplementary requirements; and ensure that all accredited laboratories comply with ISO/IEC 17025 or ISO 15189 (for medical testing laboratories) or ISO/IEC 17020 for inspection bodies and related ILAC policy and guidance documents. Information on ILAC's international arrangements can be found at: https://www.ilac.org/ilacarrangement.html and a brochure on the ILAC MRA in English at: https://www.ilac.org/documents/Bro_english/ILAC_MRA_English.pdf.

The IAF acts as the world association of Conformity Assessment Accreditation Bodies and other bodies interested in conformity assessment in the fields of management systems, products, services, personnel and other programmes of conformity assessment. Like ILAC, it aims to develop a single worldwide program of conformity assessment to reduce the risk for business and its customers by assuring them that accredited certificates may be relied upon. It works under the slogan "**Certified once, accepted everywhere**". Its main instrument is the IAF Multilateral Agreement (MLA). The MLA relies on regional accreditation groups including EA and PAC for the necessary peer reviews. The scope of the IAF arrangement covers accreditation of certification bodies in the field of quality management system certification, environmental management system and product certification. Further information is available at http://www.iaf.nu//articles/IAF_MLA/14.

The two ILAC members in Viet Nam are:

Full Member (MRA Signatory)
Bureau of Accreditation
www.boa.gov.vn

Associate Member
Accreditation of Vietnam (Joint Stock Co.)
www.aov.vn

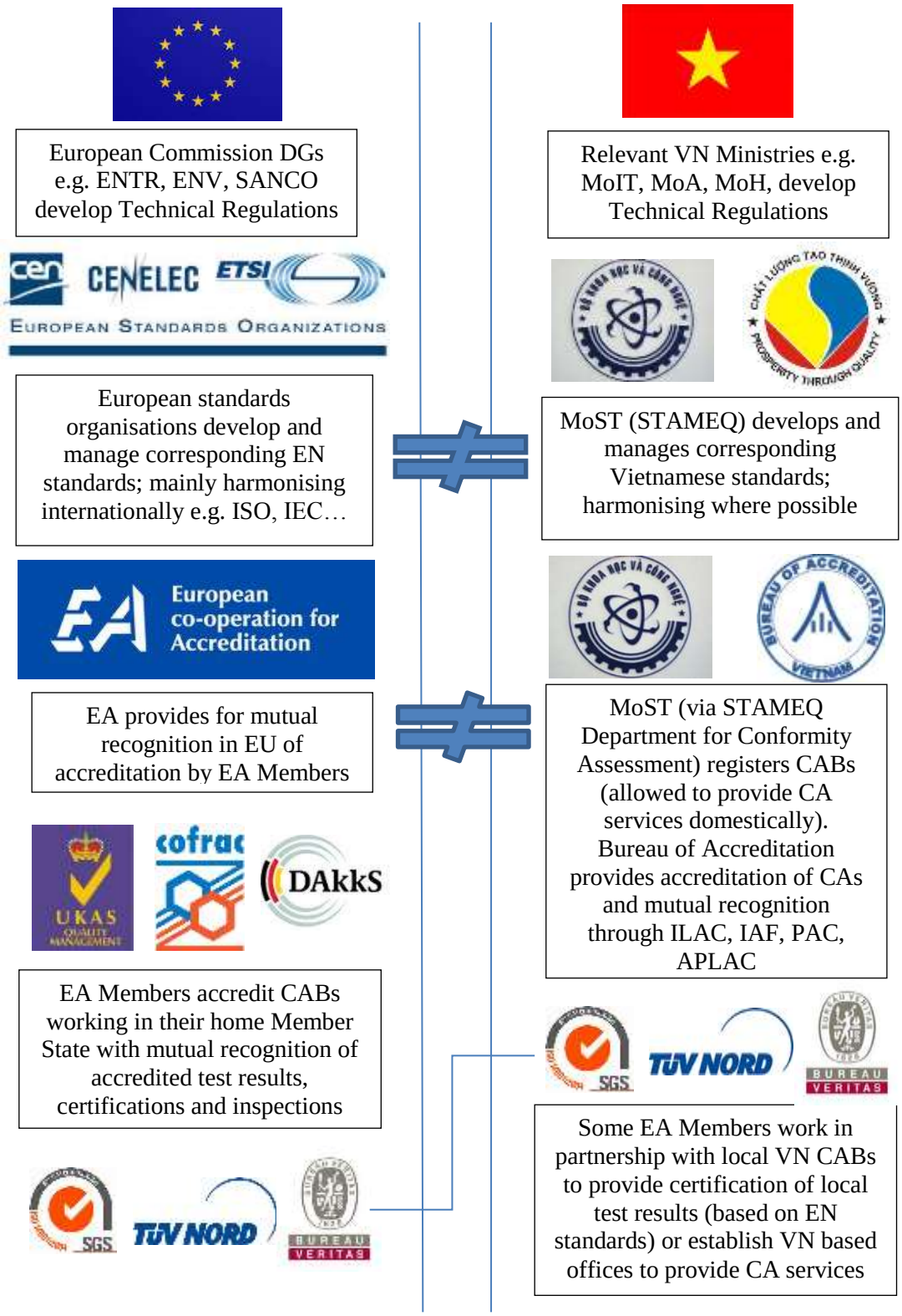
According to the ILAC website, neither organisation has an online directory of accredited bodies. However the Bureau of Accreditation (BoA) produces a comprehensive hardcopy Directory of Accredited Bodies in English and Vietnamese (1,750 pages), the 2013 edition of which provides complete information on testing, calibration, and medical laboratories,

inspection bodies and certification bodies which have been accredited by BoA, a version of which is available with an online search tool in English and Vietnamese.

Further information on BoA is provided in section 12 of this study, covering the Gap analysis with respect to Viet Nam. BoA also runs a voluntary Laboratory Accreditation scheme (VILAS) in accordance with ISO/IEC 17011 and ISO/IEC 17025, and is a member of the IAF MLA. The scope of its membership covers Management systems (MS) certification – ISO/IEC 17021, Product certification – ISO/IEC Guide 65, and MS certification: ISO 9001.

In the Asia-Pacific region, the Asia Pacific Laboratory Accreditation Co-operation (APLAC) promotes co-operation on the accreditation of laboratories and inspection bodies and also a member of ILAC and the IAF. APLAC provides a forum for the exchange of information and promotion of discussion, improvement of the standard of accreditation services, organisation of proficiency testing, the development of mutual confidence in the technical competence of its members and the *promotion* of mutual recognition and the international acceptance of endorsed test, calibration and inspection reports issued by laboratories and inspection bodies accredited by signatories to the APLAC MRA. As such it there is no common legal basis for mutual recognition with the EU.

EU and Viet Nam quality infrastructure: A basic comparison



Note – MR between the EU and VN does not work at the ILAC, IAF, etc. level because the MLAs work at the organisational level and are not G2G. There is no effective mutual recognition between EA and the Vietnamese BoA. This could be overcome via a bilateral agreement. In terms of trade facilitation, there is a strong argument for making accreditation mandatory in VN to increase the value of and trust in the integrity of CA.

The Pacific Accreditation Cooperation (PAC) is an association of accreditation bodies and other interested parties whose objective is to facilitate trade and commerce among economies in the Asia Pacific region. Its ultimate objective is the creation of a global system that grants international recognition of certification or registration of management systems, products, services, personnel and other programmes of conformity assessment. Its main tool is a series of Multilateral Recognition Arrangements (MLAs) covering the Accreditors of Quality Management Systems, Product Certification, Food Safety Management Systems, and Environmental Management Systems (of which Viet Nam is a signatory to the first two). Again, there is no common legal basis for mutual recognition with the EU.

The Viet Nam Bureau of Accreditation is a member of APLAC and PAC. APLAC and PAC are both signatories to the ILAC and IAF international multilateral arrangements.

The international dimensions of accreditation: Some weaknesses…and opportunities

- Both ILAC and IAF have developed marks, which can be used by their member accreditation bodies and their conformity assessment bodies under specific conditions set out in a licence agreement. The IAF and ILAC marks demonstrate that a test report or certificate has been issued by a body accredited by a member of the ILAC/IAF arrangements. As such, they "may" be recognised and accepted by any of the signatories of these arrangements.

- The main limitation of these marks and schemes is that they do not yet work as an internationally recognised "stamp of approval", accepted by governments and regulators to demonstrate compliance against agreed standards and requirements. As such, the main contribution of ILAC and IAF to trade facilitation are in the areas of international co-operation, approximation and capacity development,

- The only means of ensuring complete freedom acceptance of Vietnamese calibration, testing, certification, and inspection services by CABs accredited by the Vietnamese Bureau of Accreditation (and the products they assess) would be for the Bureau of Accreditation to conclude a BLA with EA. But this seems unrealistic, at the present time, given current levels of capacity and development.

- The "next best" alternative is to encourage the establishment of conformity assessment bodies accredited by EA MLA members (such as COFRAC, DAkkS, RVA, SWEDAC, UKAS, etc.) within Vietnam.

See also section 8 of this study, dealing with Agreements on Conformity Assessment and Acceptance of Industrial Products (ACAAs) below.

6. Conformity assessment

Conformity assessment (CA) refers the processes by which products, materials, services, systems or people are checked against the specifications of a given standard. Some products require testing for conformity with specifications or compliance with safety or other regulations before they can be put the market. Even simple products may require supporting technical documentation that includes test data. This is particularly important when there are

health or environmental implications. With so much trade taking place across borders, it may be more practical for some CA activities to be sub-contracted to specialised third parties, rather than being done the business operators themselves. And in some cases, legislation may require testing to be carried out by independent conformity assessment bodies (CABs).

As outlined in the preceding sections, the free movement of goods is a cornerstone of the EU Internal Market. The mechanisms in place to achieve this are based on prevention of new barriers to trade, mutual recognition and technical harmonisation. The placing on the market and putting into service of a product can only take place when it complies with the provisions of all the technical harmonisation legislation that applies to it, and when conformity assessment has been carried out in accordance with that legislation. The manufacturer has an obligation to ensure that a product intended to be placed on the EU market is designed and manufactured, and its conformity assessed, to the essential requirements in accordance with the provisions of the applicable legislation.

The assessment of the conformity of a product is carried out before the product is placed on the market and consists of demonstrating that it fulfils all the legislative requirements that apply to it. CA is performed following technical procedures which are specified in the sectoral legislation. Manufacturers may choose between different CA procedures provided for in the applicable directive(s). The assessment of the conformity of a product may be carried out either by the manufacturer himself, or by an external CAB (see above) depending on the provisions of the modules selected by the relevant sectoral legislative instrument.

Council Resolution of 21 December 1989 on a global approach to conformity assessment on a Global Approach to certification and testing, describes the guiding principles for EU policy on conformity assessment. That is:

- *A consistent approach in Community legislation should be ensured by devising modules for the various phases of conformity assessment procedures and by laying down criteria for the use of those procedures, for the designation and notification of bodies under those procedures, and for use of the CE mark;*
- *Generalized use of the European standards relating to quality assurance (EN 29 000) and to the requirements to be fulfilled by the abovementioned bodies concerned (EN 45 000), the setting-up of accreditation systems and the use of techniques of intercomparison should be promoted in all Community Member States as well as at Community level;*
- *The promotion of mutual recognition agreements on certification and testing between bodies operating in the non-regulatory sphere is essential for the completion of the internal market; the setting-up of a flexible, unbureaucratic testing and certification organization at European level with the basic role of promoting such agreements and of providing a prime forum within which to frame them should significantly contribute to the furtherance of that objective;*
- *Possible differences in levels of development in the Community and in industrial sectors with regard to quality infrastructure (especially calibration and metrology systems, testing laboratories, certification and inspection bodies, and accreditation systems) such as are likely to have an adverse effect on the operation of the internal market should be studied with a view to the preparation of a programme of Community measures, possibly including budgetary measures, as soon as possible; and*
- *In its relations with third countries the Community will endeavour to promote international trade in regulated products, in particular by concluding mutual recognition*

agreements on the basis of Article 113 of the Treaty in accordance with Community law and with the Community's international obligations, while ensuring in the latter case that:

- *The competence of the third country bodies is and remains on a par with that required of their Community counterparts;*
- *The mutual recognition arrangements are confined to reports, certificates and marks drawn up and issued directly by the bodies designated in the agreements; and*
- *In cases where the Community wishes to have its own bodies recognized, the agreements establish a balanced situation with regard to the advantages derived by the parties in all matters relating to conformity assessment for the products concerned.*

The Global Approach was completed by Council Decision 90/683/EEC, which was replaced and brought up to date by Council Decision 93/465/EEC of 22 July 1993, concerning the modules for the various phases of the conformity assessment procedures and the rules for the affixing and use of the CE conformity marking, which are intended to be used in the technical harmonisation directives. Together, these legislative acts lay down general guidelines and detailed procedures for conformity assessment to be used in New Approach directives.

The main types of conformity assessment activities are: Calibration, Testing, Product certification, Management systems certification, Certification of persons, and Inspection to determine that a product fulfils the relevant requirements of the applicable technical harmonisation legislation. They are covered individually in the sub-sections below. Up-to-date information on how is available here.[9]

Key terminology: Testing, Certification, Inspection and Accreditation

The terms "accreditation" and "certification" are sometimes confused.

"Accreditation" ensures the **integrity** of the conformity assessment system, providing formal recognition of the competence and impartiality of conformity assessment bodies (CABs) to carry out specific conformity assessment tasks (testing, certification and inspection). The ISO definition of accreditation is *third-party attestation related to a conformity assessment body conveying formal demonstration of its competence to carry out specific conformity assessment tasks*

"Testing", "Certification" and "Inspection" are used to establish the **conformity** of products to a particular standard or specification. Testing is undertaken in test centres or laboratories, and certification and inspection by the certification and inspection bodies. The ISO definition of certification is *third-party attestation related to products, processes, systems or persons.* CABs must be accredited in the country in which the goods are to be sold – or through mutual recognition between the authorities in their own country and those in the destination market – for their attestations to be recognised.

"Conformity assessment" should not be confused with market surveillance, which consists of controls after the product has been placed on the market. Both techniques are complementary and equally necessary to ensure the smooth functioning of the EU Internal Market.

[9] http://ec.europa.eu/enterprise/policies/single-market-goods/internal-market-for-products/index_en.htm

Note – for CABs operating in third (non-EU) countries, Mutual Recognition Agreements (MRAs) lay down the conditions under which the EU and the third country concerned will accept test reports, certificates and marks of conformity issued by the CABs of the other party to the agreement, in conformity with the legislation of the other party. MRAs include the finalisation of relevant lists of designated laboratories, inspection bodies and conformity assessment bodies in both the EU and the third country. Such Agreements currently exist with Australia, Canada, Japan, New Zealand, South Korea, Switzerland and the USA. See also section 6 on Accreditation below.

6.1. Calibration

The International Bureau of Weights and Measures (BIPM) is the global authority for calibration, which it defines as an "operation that, under specified conditions, in a first step, establishes a relation between the quantity values with measurement uncertainties provided by measurement standards and corresponding indications with associated measurement uncertainties (of the calibrated instrument or secondary standard) and, in a second step, uses this information to establish a relation for obtaining a measurement result from an indication".

Like other CA services, calibration is covered by Regulation (EC) No 765/2008. The primary standard for calibration laboratories is ISO/IEC17025 – General requirements for the competence of testing and calibration laboratories.

6.2. Testing

Like other CA services, testing services are covered by Regulation (EC) No 765/2008. The primary standard for testing laboratories is ISO/IEC17025 – General requirements for the competence of testing and calibration laboratories, whilst for Medical examinations it is ISO 15189 Medical laboratories – Requirements for quality and competence.

ISO/IEC 17025:2005 specifies the general requirements for the competence to carry out tests and/or calibrations, including sampling. It covers testing and calibration performed using standard methods, non-standard methods, and laboratory-developed methods.

It is applies to all organisations that perform tests and/or calibrations. These include, for example, first-, second- and third-party laboratories, and laboratories where testing and/or calibration forms part of inspection and product certification.

ISO/IEC 17025:2005 is applicable to all laboratories regardless of the number of personnel or the extent of the scope of testing and/or calibration activities. When a laboratory does not undertake one or more of the activities covered by ISO/IEC 17025:2005, such as sampling and the design/development of new methods, the requirements of those clauses do not apply.

ISO/IEC 17025:2005 is for use by laboratories in developing their management system for quality, administrative and technical operations. Laboratory customers, regulatory authorities and accreditation bodies may also use it in confirming or recognizing the competence of laboratories. ISO/IEC 17025:2005 is not intended to be used as the basis for certification of laboratories.

Compliance with regulatory and safety requirements on the operation of laboratories is not covered by ISO/IEC 17025:2005.

Source: http://www.iso.org/iso/catalogue_detail.htm?csnumber=39883

6.3. Certification

Certification is the procedure by which a certification body confirms that a product, process or service conforms to a specific standard or specification. In the EU, certification is a commercial activity where certification bodies compete with each other for business whereas, accreditation assures the integrity and competence of the services provided by these certification bodies and cannot be a commercial activity.

For certification to be accepted and recognised by a company's clients, the certification body must be accredited by an accreditation body that operates in the market in which the good is sold, or that is signatory to a mutual recognition agreement (such as a European co-operation for Accreditation Multilateral Agreements or MLAs).

The primary standards for certification services are: Product Certification (EN45011-ISO/IEC 17065 Conformity assessment – Requirements for bodies certifying products, processes and services); Certification of Persons (ISO/IEC 17024 Conformity assessment – General requirements for bodies operating certification of persons); Management Systems Certification (ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems).

6.4. Inspection

The primary standard for inspection services is ISO/IEC 17020 Conformity assessment – Requirements for the operation of various types of bodies performing inspection.

6.5. CE marking

The letters 'CE' appear on many products that are traded on the Internal Market in the European Economic Area (EEA), consisting of the 28 Member States of the EU and EFTA countries. The CE marking is required for many products and attests the verification by a manufacturer that these products meet EU safety, health or environmental requirements.

CE marking is a key indicator of a product's compliance with EU legislation and enables the free movement of products within the European market. By affixing the CE marking on a product, a manufacturer is declaring, on his sole responsibility, conformity with all of the legal requirements to achieve CE marking and therefore ensuring validity for that product to be sold throughout the EEA. This also applies to products made in third countries which are sold in the EEA and Turkey.

Not all products must bear the CE marking. Only those products which are covered by the scope of one or more of the New Approach directives that provide for the CE marking are required to be CE marked. A list of European Union Directives that require the CE mark is available at www.ce-mark.com/cedirectives.html.

CE marking does not indicate that a product was made in the EEA, but merely states that the product is assessed before being placed on the market and thus satisfies the legislative requirements, e.g. a harmonised level of safety, to be sold there. It means that the manufacturer has verified that the product complies with all relevant essential requirements, e.g. health and safety requirements, of the applicable directive(s) or, if stipulated in the directive(s), had it examined by a notified conformity assessment body.

It is the manufacturer's responsibility to:

- Carry out the conformity assessment
- Set up the technical file
- Issue the EC Declaration of Conformity (DoC); and
- Affix CE marking on a product

Distributors must verify the presence of both the CE marking and the necessary supporting documentation. If the product is being imported from a third country, the importer has to verify that the manufacturer outside the EU has undertaken the necessary steps and that the documentation is available upon request.

A six-step process is suggested (depending on the directives that apply to the product):

1. Identify the directive(s) and harmonised standards applicable to the product

There are more than 20 directives setting out the product categories requiring CE marking. The essential requirements that products have to fulfil, e.g. safety, are harmonised at EU level and are set out in general terms in these directives. Harmonised European "EN" standards are issued with reference to the applied directives and express in detailed technical terms the essential requirements.

2. Verify the product-specific requirements

It is up to the business operator to ensure that its product comply with the essential requirements of the relevant EU legislation. Full compliance of a product to the harmonised standards gives a product the presumption of conformity with the relevant essential requirements. The use of harmonised standards remains voluntary. Business operators may decide to choose other ways to fulfil these essential requirements.

3. Identify whether an independent conformity assessment is required from a Notified Body

Each directive specifies whether an authorised third party (Notified Body) must be involved in the conformity assessment procedure necessary for CE marking. This is not obligatory for all products, so it is important to check whether the involvement of a Notified Body is indeed required. These Bodies are authorised by national authorities and officially 'notified' to the European Commission and listed in the NANDO (New Approach Notified and Designated Organisations) database.

4. Test the product and check its conformity

Testing the product and checking its conformity to the EU legislation (Conformity Assessment Procedure) is the responsibility of the manufacturer. One part of the procedure is,

as a general rule, a risk assessment. By applying the relevant harmonised European standards, business operators will be able to fulfil the essential legislative requirements of the directives.

5. Draw up and keep available the required technical documentation

The manufacturer has to establish the technical documentation required by the directive(s) for the assessment of the product's conformity to the relevant requirements, and for the risk assessment. Together with the EC DoC, the technical documentation must be presented on request to the relevant national authorities.

6. Affixation of the CE marking to your product and EC Declaration of Conformity

The CE marking must be affixed by the manufacturer, or by his authorised representative within the EEA or Turkey. It must be affixed according to its legal format visibly, legibly and indelibly to the product or its data plate. If a Notified Body was involved in the production control phase, its identification number must also be displayed. It is the manufacturer's responsibility to draw up and sign an 'EC DoC' proving that the product meets the requirements.

Source: the above paragraphs are an adaptation of public sector information licensed under the UK Open Government Licence v2.0.

The full guide to CE marking is available at: https://www.gov.uk/ce-marking.

7. Market surveillance

Market surveillance for products ensures that products on the market are in conformity with the applicable law. In the European Union Member States are responsible for market surveillance. Market surveillance is undertaken post-market, whereas conformity assessment takes place pre-market. The two systems are complementary and equally necessary to ensure the smooth functioning of the Internal Market.

Under Regulation (EC) No 765/2008 of the European Parliament and of the Council, setting out the requirements for accreditation and market surveillance relating to the marketing of products, Member States guarantee effective surveillance of their market. They are required to organise and carry out monitoring so that the products covered by harmonised EU legislation meet the requirements for protection of public interests such as health or safety.

The competent market surveillance authorities in each Member State responsible for:

- Monitoring compliance with product safety requirements (through documentary, physical and laboratory checks, as well as site visits to business operators' premises, as required to perform these surveillance tasks);
- Following up complaints or reports on product-related risks;
- Monitoring accidents and damage to health suspected to have been caused by these products;
- Verifying corrective actions have been taken;
- Following up and updating scientific and technical knowledge concerning safety issues; and

- Following up on the notification of dangerous products on RAPEX (to ensure that the economic operator and Commission are aware of the problem; that the product is recalled or withdrawn; and that the product is modified and the risk removed).

EU Member States are required to co-operate with each other, and ensure that information is exchanged between them and the Commission and the relevant Community agencies.

Where controls on products entering the Internal Market from third countries (such as Viet Nam) are concerned, the Member States must provide their customs authorities with the means necessary to ensure that the appropriate checks are carried out on products' safety before they are released for free circulation. In the event of serious danger, assumed or actual, or in the absence of the necessary accompanying documents, the customs authorities must suspend release for free circulation of the product(s) in question. The market surveillance authorities and customs authorities must therefore work closely together to ensure effective control of product safety.

Regulation (EC) No 882/2004 of the European Parliament and of the Council on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules, provides specific coverage for these sectors, supported by inspections by the European Commission's Food and Veterinary Office (FVO).

8. The EU Agreements on Conformity Assessment and Acceptance (ACAAs)

Agreements on Conformity Assessment and Acceptance of Industrial Products (ACAAs) are a specific type of mutual recognition agreement based on the alignment of the legislative system and infrastructure of the country concerned with those of the European Union.[10]

The adoption of the EU system by other countries can contribute to the elimination of TBTs, increasing the accessibility of the EU market to such third countries and vice versa.

From an EU perspective it also helps consolidate its model as one appropriate for product regulation beyond the EU and contributes towards upgrading of the quality infrastructure and technical development in the partner countries.

At the same time, the levels of health and safety protection that exist in the EU are ensured.

ACCAs are currently being prepared and negotiated with so-called "Neighbouring" countries, notably in the Mediterranean basin (Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestinian Authority and Tunisia) and the Ukraine, in industrial sectors where legislation is harmonised at EU level. The sectors concerned are mainly machinery, electrical products, construction products, pressure equipment, toys, medical appliances, gas appliances and pharmaceuticals. A first ACAA with Israel on good manufacturing practice for pharmaceutical products entered into force on 19 January 2013.

[10] Source: http://ec.europa.eu/enterprise/policies/single-market-goods/international-aspects/acaa-neighbouring-countries/index_en.htm

9. Standardisation and "EN" standards affecting textiles, leather, shoes and plastics

Under the "New Approach", a *harmonised standard* is a European standard (EN standard) elaborated on the basis of a request from the European Commission to one of the recognised European standardisation organisations (CEN, CENELEC or ETSI – see box below) to develop a common standard that provides solutions for compliance with a legal provision. They are important because compliance with the harmonised standard(s) provides a presumption of conformity with the corresponding requirements of harmonisation legislation.

Manufacturers, other economic operators, or conformity assessment bodies can use harmonised standards to demonstrate that products, services or processes comply with the relevant EU legislation. To confer this presumption of conformity, the references of EU harmonised standards must be published in the OJEU. As already described, the use of these standards is voluntary; manufacturers, other economic operators or conformity assessment bodies are free to choose any other technical solution that provides compliance with the mandatory legal requirements established under EU legislation.

The Communication from the Commission to the European Parliament, the Council and the Economic and Social Committee of 1 June 2011, COM(2011)311 final – A strategic vision for European standards: Moving forward to enhance and accelerate the sustainable growth of the European economy by 2020, explains the approach to European standardisation in the global economy, with a view to meeting the following strategic objectives:

- Standards are powerful strategic tools for businesses to increase their competitiveness and facilitate the market penetration of innovative goods;
- Standards must keep pace with ever faster product development cycles and be quickly available (especially but not only) to assure the interoperability between ICT services and applications;
- Standards developed by the European standardisation organisations will need to respond to increasing demand, and as a tool to support European policies and legislation, whilst reducing production costs (mainly through economies of scale);
- The European standardisation system must be as inclusive as possible since European standards will affect more and more groups in European society;
- Standards have an important role to play in supporting the competitiveness of European businesses in the global market, allowing them to access foreign markets and establish business partnerships around the world; and
- Green growth is also seen an area that could benefit from European standards insofar as they would contribute to fostering a transition towards a low-carbon economy

In terms of actions it is proposed that:

1) The Commission establish an annual Work Programme to identify priorities for European standardisation and the mandates required with corresponding deadlines, after broad consultation of relevant stakeholders;
2) The Commission demand that European standards for innovative products and services be quickly elaborated and adopted , for example in the field of ecodesign;
3) The Commission make funding of the European standardisation organisations conditional on their fulfilment of performance criteria and their meeting defined objectives e.g. that the ESOs optimise the speed of standards development and modernise their working practices,

reducing the average time to develop European standards or European standardisation deliverables requested by the Commission by 50% by 2020;

4) When standards that have a scientific component are to be incorporated into EU policy, the Commission take all necessary steps to assure that impartial, sound and balanced scientific evidence is at the basis of the European standardisation process, with scientific input from the Joint Research Centre of the European Commission to ensure that standards take into account economic competitiveness, social needs, safety/security concerns and environmental impacts throughout their life cycle; and
5) ESOs, Member States and other standardisation bodies improve awareness and education about standardisation and potential links with research projects. Public knowledge about standardisation be increased by means of training, awareness-raising activities and targeted workshops.

Key players in European and international standardisation

European Standards Organisations

CEN, CENELEC and ETSI are tasked with developing common EN standards to provide solutions for compliance with the provisions of EU legislation. They are important because compliance with the harmonised standard(s) provides a presumption of conformity with the corresponding requirements of harmonisation legislation.

CEN: the European Committee for Standardisation
CENELEC: the European Committee for Electrotechnical Standardization
ETSI: the European Telecommunications Standards Institute
The joint CEN/CENELEC website is at www.cencenelec.eu/Pages/default.aspx

International Standards Organisations

ISO: the International Organization for Standardization
IEC: the International Electrotechnical Commission
ITU: the International Telecommunication Union

9.1.1. Textiles

The main business associations involved in the European textiles and clothing sector are the European Association of Fashion Retailers (AEDT), the European Man-made Fibres Association (CIRFS/BISA), and the European Apparel and Textile Organisation (Euratex).

ISO has developed a number of standards for textiles. Some ISO standards have been incorporated as EU standards in the form of "EN" standards in order to make industry more efficient and effective and the Joint ISO-CEN Coordinating Group of the Technical (Management) Boards works to ensure that EU standards are in line with international standards. There are 293 EN standards which currently apply to textiles, which cover a variety of areas. Some examples of these are given in the table below:

CEN/TC 248 - Textiles and textile products

EN ISO 12945-1:2000	Textiles - Determination of fabric propensity to surface fuzzing and to pilling - Part 1: Pilling box method (ISO 12945-1:2000)
EN 1773:1996	Textiles - Fabrics - Determination of width and length
EN 1102:1995	Textiles and textile products - Burning behaviour - Curtains and drapes - Detailed procedure to determine the flame spread of vertically oriented specimens
EN ISO 105-E10:1996	Textiles - Tests for colour fastness - Part E10: Colour fastness to decatizing (ISO-E10:1994)
EN ISO 105-E03:2010	Textiles - Tests for colour fastness - Part E03: Colour fastness to chlorinated water (swimming-pool water) (ISO 105-E03:2010)
EN 14971:2006	Textiles - Knitted fabrics - Determination of number of stitches per unit length and unit area
EN ISO 105-Z10:1999	Textiles - Tests for colour fastness - Part Z10: Determination of relative colour strength of dyes in solution (ISO 105-Z10:1997)
EN ISO 139:2005/A1:2011	Textiles - Standard atmospheres for conditioning and testing - Amendment 1 (ISO 139:2005/AMD 1:2011)
EN 14621:2005	Textiles - Multifilament yarns - Methods of test for textured or non-textured filament yarns
EN ISO 30023:2012	Textiles - Qualification symbols for labelling workwear to be industrially laundered (ISO 30023:2010)

The sizing system of EU clothing is covered also by a voluntary European standard – EN 13402 on the size designation of clothes. This sizing system is not uniformly applied, with different size labelling systems commonly used in different EU Member States. The standard does, however, set out the terms, definitions and measuring points in order to determine size and includes standards on the primary and secondary dimensions to use when sizing garments. The table below summarises the main components of these standards:

EN 13402-1:2001	Size designation of clothes - Part 1: Terms, definitions and body measurement procedure (ISO 3635:1981 modified)
EN 13402-2:2002	Size designation of clothes - Part 2: Primary and secondary dimensions
EN 13402-3:2004	Size designation of clothes - Part 3: Measurements and intervals

In terms of care labelling, although there is no mandatory regime at the EU level, voluntary care labelling systems applied by manufacturers and importers are generally based on the ISO 3758 standard which, in turn, is based on the care symbols developed by GINETEX, the International Association for Textile Care Labelling.

ISO 3758 was adopted by CEN as a European standard ISO EN 3758. A list of symbols is available here.

9.1.2. Leather

The main business associations involved in the European leather industry is the Confederation of National Associations of Tanners and Dressers of the European Community which manages the Euroleather website. International organisations operating in the leather sector include the International Council of Tanners (ICT), the International Council of Hide Skin & Leather Traders Associations (ICHSLTA), and the International Union of Leather Technologists and Chemists Societies (IULTCS).

At the international level, leather standards are developed by ISO and the IULTCS. As the world's leading developer of international standards, ISO standards specify the requirements for state-of-the-art products, services, processes, materials and systems, and for conformity assessment, managerial and organisational practice. They are designed to be implemented worldwide. The fact that many members of ISO are part of the governmental structure of their respective countries, while others relate uniquely to the private sector, allows ISO to act as a bridging organisation where consensus can be reached on solutions that meet both the requirements of business and the broader needs of society, especially those of consumers.

The IULTCS provides a forum for the scientific debate on the leather industry worldwide and formulates relevant test methods to leather manufacture and leather usage. The IULTCS test methods (IUC: IULTCS chemical test methods, IUF: IULTCS fastness test methods, and IUP: IULTCS physical test methods) are recognised by ISO and many are adopted by the ISO as international standards.

Information on current leather test methods, drafts for comment and ISO and IULTCS can be found at http://www.iultcs.org/home.asp.

In the EU, CEN develops European "EN" standards to codify available best practices and has adopted many of the IULTCS methods in parallel agreement with ISO, the use of which is mandatory in EU Member States. Consequently, the work of the IULTCS has led to leather test methods that are now adopted as international, European and national standards.

The table below provides an illustration of the EN standards that affect leather and leather products adopted under CEN Technical Committees 162, 193 and 289:

CEN/TC 162 – Protective clothing including hand and ram protection and lifejackets

EN 1082-3:2000	Protective clothing – Gloves and arm guards protecting against cuts and stabs by hand knives – Part 3: Impact cut test for fabric, leather and other materials

CEN/TC 193 - Adhesives

EN 12961:2001	Adhesives for leather and footwear materials – Determination of optimum activation temperatures and maximum activation life of solvent-based and dispersion adhesives
EN 12964:2001	Adhesives for leather and footwear materials – Lasting adhesives – Testing heat resistance of bonds at increasing temperature

EN 14510:2005	Adhesives for leather and footwear materials – Solvent-based and dispersion adhesives – Determination of sole positioning tack (spotting tack)
EN 1392:2006	Adhesives for leather and footwear materials – Solvent-based and dispersion adhesives – Testing of bond strength under specified conditions
EN 15062:2006	Adhesives for leather and footwear materials – Solvent-based and dispersion adhesives – Testing ageing of bonds under specified conditions
EN 12961:2001/A1:2005	Adhesives for leather and footwear materials – Determination of optimum activation temperatures and maximum activation life or solvent-based and dispersion adhesives
EN 15307:2007	Adhesives for leather and footwear materials – Sole-upper bonds – Minimum strength requirements
EN 14294:2010	Adhesives for leather and footwear materials – Preparation of bonded test pieces by moulding-on processes
EN 12705:2011	Adhesives for leather and footwear materials – Determination of colour change of white or bright coloured leather surfaces by migration
EN 12545:2000 + A1:2009	Footwear, leather and imitation leather goods manufacturing machines – Noise test code – Common requirements
EN 930:1997 + A2:2009	Footwear, leather and imitation leather goods manufacturing machines – Roughing, scouring, polishing and trimming machines – Safety requirements

CEN/TC 289 – Leather

EN ISO 11646:1998	Leather – Measurement of area (ISO 11646:1993)
EN ISO 2589:2002	Leather – Physical and mechanical tests – Determination of thickness (ISO 2589:2002)
EN ISO 2420:2002	Leather – Physical and mechanical tests – Determination of apparent density (ISO 2420:2002)
EN ISO 5398-2:2009	Leather – Chemical determination of chromic oxide content – Part 2: Quantification by colorimetric determination (ISO 5398-2:2009)
EN ISO 5398-3:2007	Leather – Chemical determination of chromic oxide content – Part 3: Quantification by atomic absorption spectrometry (ISO 5398-3:2007)
EN ISO 5403-2:2011	Leather – Determination of resistance of flexible leather – Part 2: Repeated angular compression (Maeser) (ISO 5403-2:2011)

EN ISO 5403-1:2011	Leather – Determination of water resistance of flexible leather – Part 1: Repeated linear compression (penetrometer) (ISO 5403-1:2011)
EN ISO 5404:2011	Leather – Physical test methods – Determination of water resistance of heavy leathers (ISO 5404:2011)
EN ISO 3376:2011	Leather – Physical and mechanical tests – Determination of tensile strength and percentage extension (ISO 3376:2011)
EN ISO 3377-1:2011	Leather – Physical and mechanical tests – Determination of tear load – Part 1: Single edge tear (ISO 3377-1:2011)
EN ISO 5402-1:2011	Leather – Determination of flex resistance – Part 1: Flexometer method (ISO 5402-1:2011)
EN ISO 17186:2011	Leather – Physical and mechanical tests – Determination of surface coating thickness (ISO 17186:2011)
EN 14906:2012	Leather – Leather for automotive – Test methods and testing parameters
EN ISO 17234-2:2011	Leather – Chemical tests for the determination of certain azo colorants in dyed leathers – Part 2: Determination of 4-aminoazobenzene (ISO 17234-2:2011)
EN ISO 13365:2011	Leather – Chemical tests – Determination of the preservative (TCMTB, PCMC, OPP, OIT) content in leather by liquid chromatography (ISO 13365:2011)
EN ISO 17235:2011	Leather – Physical and mechanical tests – Determination of softness (ISO 17235:2011)
EN ISO 14088:2012	Leather – Chemical tests – Quantitative analysis of tanning agents by filter method (ISO 14088:2012)
EN ISO 17226-3:2011	Leather – Chemical determination of formaldehyde content – Part 3: Determination of formaldehyde emissions from leather (ISO 17226-3:2011)
EN ISO 26082-1:2012	Leather – Physical and mechanical test methods for the determination of soiling – Part 1: Rubbing (Martindale) method (ISO 26082-1:20112)
EN ISO 17076-1:2012	Leather – Determination of abrasion resistance – Part 1: Taber method (ISO 17076-1:2012)
EN ISO 17076-2:2011	Leather – Determination of abrasion resistance: Part 2: Martindale ball plate method (ISO 17076-2:2011)
EN ISO 14087:2011	Leather – Physical and mechanical tests - Determination of bending force (ISO 14087:2011)

EN ISO 11642:2012	Leather – Tests for colour fastness – Colour fastness to water (ISO 11642:2012)
EN 16055:2012	Leather – Raw bovine hides and skins – Description, presentation and preservation
EN ISO 2419:2012	Leather – Physical and mechanical tests – Sample preparation and conditioning (ISO 2419:2012)
EN ISO 26082-2:2012	Leather – Physical and mechanical test methods for the determination of soiling – Part 2: Tumbling method (ISO 26082-2:2012)
EN ISO 17074:2011	Leather – Physical and mechanical tests – Determination of resistance to horizontal spread of flame (ISO 17074:2006)
EN ISO 17071:2011	Leather – Physical and mechanical tests – Determination of fogging characteristics (ISO 17071:2006)
EN ISO 17230:2011	Leather – Physical and mechanical tests – Determination of water penetration pressure (ISO 17230:2006)
EN 16223:2012	Leather – Requirements for the designation and description of leather in upholstery and automotive interior applications
EN ISO 17231:2011	Leather – Physical and mechanical tests – Determination of water repellency of garment leather (ISO 17231:20006)
EN ISO 17131:2012	Leather – Identification of leather with microscopy (ISO 17131:2012)
EN ISO 20433:2012	Leather – Test for colour fastness – Colour fastness to crocking (ISO 20433:2012)
EN ISO 17226-2:2208/AC:2009	Leather – Chemical determination of formaldehyde content – Part 2: Method using colorimetric analysis (ISO 17226-2:2008/Cor 1:2009)

9.1.3. Shoes (footwear)

The World Federation of the Sporting Goods Industry (WFSGI) is an independent group of sports manufacturers, suppliers, retailers, national/regional federations, industry and trade associations and sporting goods industry related businesses. The Federation of the European Sporting Goods Industry is a group of around 1,800 European sporting goods manufacturers that serves as a basis for interaction with the European Institutions, other international sport federations and other associations. The main European associations are the European Confederation of the Footwear Industry (CEC) and European Confederation of the Shoe Retailers Associations (CEDDEC).

ISO has developed standards for footwear. Some ISO standards have been adopted as EU "EN" standards. There are 106 EN standards developed via the CEN Technical Committees 161, 162, 193 and 309 which currently apply to footwear. These include:

CEN/TC 161 - Foot and leg protectors

EN ISO 17249:2004	Safety footwear with resistance to chain saw cutting - (ISO 17249:2004)
EN ISO 20346:2004	Personal protective equipment - Protective footwear (ISO 20346:2004)
EN 13832-1:2006	Footwear protecting against chemicals - Part 1: Terminology and test methods
EN ISO 17249:2004/A1:2007	Safety footwear with resistance to chain saw cutting - Amendment 1 (ISO 17249:2004/Amd 1:2007)
EN ISO 20346:2004/A1:2007	Personal protective equipment - Protective footwear - Amendment 1 (ISO 20346:2004/Amd 1:2007)
EN ISO 20349:2010	Personal protective equipment - Footwear protecting against thermal risks and molten metal splashes as found in foundries and welding - Requirements and test method (ISO 20349:2010)
EN ISO 13287:2012	Personal protective equipment - Footwear - Test method for slip resistance (ISO 13287:2012)
EN 15090:2012	Footwear for firefighters
EN ISO 20344:2011	Personal protective equipment - Test methods for footwear (ISO 20344:2011)
EN ISO 20345:2011	Personal protective equipment - Safety footwear (ISO 20345:2011)
EN ISO 20347:2012	Personal protective equipment - Occupational footwear (ISO 20347:2012)

CEN/TC 162 - Protective clothing including hand and arm protection and lifejackets

EN 381-3:1996	Protective clothing for users of hand-held chain-saws - Part 3: Test methods for footwear

CEN/TC 193 – Adhesives

EN 12964:2001	Adhesives for leather and footwear materials - Lasting adhesives - Testing heat resistance of bonds at increasing temperature
EN 14510:2005	Adhesives for leather and footwear materials - Solvent-based and dispersion adhesives - Determination of sole positioning tack (spotting tack)
EN 1392:2006	Adhesives for leather and footwear materials-Solvent-based and dispersion adhesives-Testing of bond strength under specified conditions

CEN/TC 309 – Footwear

EN ISO 17708:2003	Footwear - Test methods for whole shoe - Upper sole adhesion (ISO 17708:2003)
EN 13073:2001	Footwear - Test methods for whole shoe - Water resistance
EN 12785:2000	Footwear - Test methods for whole shoe - Heel attachment

Footwear sizes have been generally unified by ISO's Mondopoint shoe sizing system, but there are two sizing systems still used in the EU: the continental system (where sizes usually range from 36 to 41 in adult women's shoes and from 40 to 46 in adult men's shoes) and the English sizing system. Some types of footwear are also available in half sizes and in different widths, particularly children's shoes and shoes targeted to the elderly or orthopaedic shoes.

The EU Ecolabel is a voluntary scheme that producers, importers and retailers, including those in the footwear industry, can apply for recognition of their environmental standards. The criteria in order to qualify for an "Ecoflower" label are currently being revised; however the 2009 criteria include rules relating to:

- Limited water pollution during production;
- A reduction of emissions of volatile organic compounds during production;
- The exclusion of substances harmful for the environment and health;
- Limited residues of metals and formaldhedyde in the final product;
- The use of recycled packaging; and
- The careful control of different aspects of durability

9.1.4. Plastics

The Association of Plastics Manufacturers in Europe (or PlasticsEurope) is one of the leading European trade associations and has created a helpful portal website at www.plasticseurope.org. It also has a Standardisation Working Group to identify relevant standardisation issues and to encourage participation of its members. Other relevant bodies include the European Association of Plastics Recycling and Recovery Organisations (EPRO), the European Plastic Pipes and Fittings Association and the European Plastics Distributors Association.

Due to the prevalence of the material in modern manufactures, plastics cover a vast area. A number of European safety standards apply to specific types of plastics including food contact materials (plastic bottle, trays, films, etc.), building and construction materials, electronics and electrical goods, medical and health, children's toys, bioplastics – in relation to the Packaging and Packaging Waste (94/62/EC) Directive, and machinery used for manufacturing different types of plastics, amongst others. Some of these are covered below:

Food contact materials

Regulation (EC) No. 1935/2004 sets out the law on chemical migration from all materials and articles in contact with food and is supplemented by specific laws governing particular materials, such as food contact plastics (Regulation 10/2011) and active and intelligent food contact materials (Regulation 450/2009), for example that indicate when a product is past its sell by date. The UK Foods Standards Agency provides a good overview of these, together with a guide for business – noting that businesses importing goods from companies located outside the EU must be particularly careful to ensure that their suppliers are aware of the EU legislation and other rules and standards (such as good manufacturing practice, quality assurance and control systems, identification and traceability) with which goods must comply.[11] There are also EN standard methods of test for materials and articles intended to come into contact with foodstuffs, developed by a series of Working Groups including those dealing with overall migration from plastics (WG1); test methods for monomers (WG2); polymeric coatings on metal substrates for food contact (WG5); polymeric coatings on cellulosic substrates for food contact (WG6). Some of the most important of these are:

EN 1186	Is a fifteen part standards, dealing with Overall migration tests methods for plastics materials and articles intended to come into contact with foodstuffs
EN 13130	Standard for test methods for plastics monomers intended to come into contact with foodstuffs
CEN/TS 14235	Determination of overall migration from polymeric coatings on metal substrates. This technical specification will not be replaced by an EN standard until the EU Coatings' Directive and any requirements for overall migration testing have been fully identified

There are also EN test methods to determine the substances BADGE (bisphenol A-diglycidyl ether, or alternative chemical name: 2,2-bis(4-hydroxyphenyl)propane bis(2,3-epoxypropyl ether) and BFDGE (bis(hydroxyphenyl)methane bis(2,3-epoxypropyl)ether), together with the hydrolysis products and chloro-derivatives, in foodstuffs and food simulants due to migration; as well as to determine the presence of Novolac glycidyl ethers (epoxy novalacs or NOGE) in finished materials.

Product standards for plastics pipe systems (including construction materials)

Product standards for plastics pipe systems are prepared within the standards committee CEN/TC155 as the basis for the use of Voluntary Quality Marks. A set of four harmonised standards have been developed and issued as the basis for CE marking in relation to Soil & Waste, Drainage and Sewer, Pressure and Hot & Cold. Standards also apply to pipe diameters etc. ISO/TC 138 deals with plastics pipes, fittings and valves for the transport of fluids.

[11] See http://multimedia.food.gov.uk/multimedia/pdfs/publication/legalcompliancefoodpackaging.pdf.

Bioplastics

CEN/TS 16137:2011	Plastics – Determination of biobased carbon content specifies the calculation method for determining the biobased carbon content in monomers, polymers and plastic materials and products, based on the 14C content measurement
EN 13432:2000 Packaging	Defines the technical specifications for the compostability of packaging materials and the requirements for recovery through composting and biodegradation linked to the European Directive on Packaging and Packaging Waste (94/62/EC)
EN 14995:2006 Plastics	Defines the technical specifications for the compostability of other plastics (in additional to packaging)

EN standards applicable to machinery used for manufacturing plastics

EN 201	Injection Moulding Machines
EN 289	Compression and Transfer Moulding Presses
EN 1114-1	Extruders
EN 1114-2	Die-faced Pelletisers
EN 1114-3	Haul-off Devices
EN 1417	Two Roll Mills
EN 422	Blow Moulding Machines
EN12012-1	Blade Granulators
EN12012-2	Strand Pelletisers
EN12012-3	Shredders
EN12012-3	Agglomerators
EN 12013	Internal Mixers
EN 12301	Calenders

Note is also made of the safety in Manufacturing Plastics (SIMPL) initiative and its strategy aimed at improving health and safety standards in the plastics industry, launched by the UK Health and Safety Executive. See www.hse.gov.uk/plastics/simpl-final.pdf

10. Private standards in textiles, leather, shoes and plastics

The preceding sections have looked at the public (government, regulatory, international...) frameworks for the control of product safety and quality and the use of harmonised standards to facilitate trade, focussing on the EU. Armed with such information, and access to internationally recognised conformity assessment services, it should be possible for

companies in third markets to trade directly with buyers in the EU Member States. Organisations such as UNIDO and the Dutch CBI have looked at the institutional capacity for conformity assessment and worked on Viet Nam Export Programmes (to build a solid infrastructure for doing business with European importers, and provide information on business opportunities for importers and exporters) that are helping Vietnamese companies open up markets overseas. To the extent that such programmes allow business operators in Viet Nam to develop their markets and capture a greater share of the product value-added, such work is important and should be expanded.[12]

The reality, however, is that multinational companies – and traders that supply goods to such brands via offices in Hong Kong, Korea or Taiwan (especially for garments, footwear and accessories) – have their own strictly controlled supply chains, their own quality management systems and manuals, with which suppliers must fully comply.

10.1. Garments, footwear and accessories

Production models and private standards in the international textiles market

There are three main production models for the textiles industry in Viet Nam: locally invested foreign companies, local companies that produce under contract or license for foreign companies, agents or buyers (often, initially, via competitive tender), and local companies selling directly into international wholesale or retail markets (under what is sometimes referred to as "FOB sourcing" – from the INCOTERM "Free on Board" meaning that the manufacturer assumes the responsibility for their product meeting the product safety and quality requirements in the destination country).

In the case of the first two "Cut-Make-Trim" (CMT) models, it is common for the foreign company or client to provide the raw materials (fabric, accessories, labels etc.) together, invariably, with a full set of instructions for compliance in the form of a technical rider to the contract or set of company production regulations. In such cases the Vietnamese business operator simply needs to "follow" the instructions; although experience of applying quality management systems may be required and help secure (further) contract(s) in the case of competitive tenders. Such private industry standards are often company specific and exceed the statutory requirements of the technical regulations and standards in the destination market. It is imperative that the Vietnamese business operator fulfils these requirements and has the human capacity and management systems in place to do so.[13]

[12] More information on the CBI Viet Nam Export Programme for the textiles industry is available online at: www.cbi.eu/About%20CBI/subweb/for-participants/140300. In terms of market intelligence, the CBI has put together fact sheets plus information on buyer requirements, trends, channels and segments etc. available at: www.cbi.eu/marketintel_platform/Apparel/135943. Much of this same information is covered by the current study.

[13] To simplify the production chain into sex steps: 1. Samples are made to match the customer's design, and win the order; 2. The patterns designed in the sampling phase are used for consumption calculations and pricing; 3. The fabrics, accessories, and packing elements are purchased; 4. The fabric is cut and then bundled by style, size and colour (the CUT phase); 5. The different sewing steps are performed in a workshop (the MAKE phase); and 6. The finished products are trimmed, checked one last time, and packed for shipment (the TRIM phase).

As part of this study, the consulting Team interviewed several dozen Vietnamese companies and conformity assessment bodies providing CMT and testing services for international clothing, footwear and accessory (e.g. belts and handbags) brands.

Most of the major EU brands (such as Adidas, C&A, Esprit, H&M, Mango, or Marks and Spencer) have their own, discrete, quality departments with group policies for the specification, control and monitoring of hazardous substances, including chemical restrictions, test methods, detection limits, etc. as well as environmental and other social standards, typically based on International Labour Organization (ILO) conventions and model codes of conduct such as those of the World Federation of Sporting Goods Industries. Suppliers are contractually required to follow these.

The current study does not permit an exhaustive treatment of such "private industry" standards; indeed, many of the underlying documents are copyrighted and/or embargoed. However, they can be categorized in terms of three main groups: a) chemical, b) environmental, and c) social.

Chemical standards

European companies with extensive international supply chains often have corporate policies for the control and monitoring of hazardous substances. These cover a broad range of different materials and substances, the objective being to comply with best practice standards, based on continuous monitoring and control through tests in independent laboratories. As an example, European sportswear and clothing firms often have specific rules on the use of AZO dyes, hazardous chemicals and heavy metals, and footwear manufacturers on elimination of chemicals in cement systems or finishes (e.g. waxes, polishes and spot cleaners) as well as solvent based inks and dyes based on the EU REACH Directive EC 1907/2006. Some buyers go so far as to list all restricted substances together with accepted test methods and reporting limits for each product line or category of product and the packaging of these products.

For example in the case of leather products, one European retailer lists the following:

Restricted substance	**Limit**
Nonylphenol Ethoxylates (NPE) Octylphenol Ethoxylates (OPE)	100 ppm
Nonylphenol (NP) Octylphenol (OP)	Not detected
Chlorobenzenes Chloronaphthalenes Chlorotoluenes Chloroxylenes Chloroparaffins	2 ppm, per listed substance group
Short chained (SCCPs) C10-C13	Not detected
Medium chained (MCCPs) C14-C17	1000 ppm
Chromium VI (Cr6+)	Not detected
Azo Dyes & Pigments	20 ppm, per listed amine

Other Azo Dyes	Not detected
Other Dyes	Not detected, per listed other dye
Aniline	Not detected
Antimony (Sb)	60 ppm
Barium (Ba)	1000 ppm
Chromium (Cr)	60 ppm
Selenium (Se)	500 ppm
Formaldehyde	20-300 ppm (depending on product)
Cobalt (Co) Nickel (Ni) Arsenic (As) Cadmium (Cd)	1 ppm (total or extractable amounts)
Lead (Pb)	90 ppm
Mercury (Hg)	0.5 ppm
Dibutyltin (DBT) Dioctyltin (DOT)	1 ppm
Other listed organotins	Not detected
Other not listed tri-substituted organotins	1 ppm
Dieldrine	0.01 ppm
Sum of listed pesticides	<1 ppm
Pentachlorophenol (PCP) and its salts and esters Tetrachlorophenol (TeCP) and its salts and esters	Not detected
o-Phenylphenol (OPP)	50 ppm
Polychlorinated Biphenyls (PCB) Polychlorinated Triphenyls (PCT)	< 0.5 ppm

Firms also encourage their business partners to improve the environmental impact of the materials they supply (see below).

Environmental standards

Many European business operators require their partners, suppliers and sub-contractors to integrate principles of sustainability into their business operations. This includes the responsible use of natural resources, the adoption of cleaner production and pollution prevention measures, and designing and developing products, materials and technologies based on the principles of sustainability.

Environmental requirements in the textiles, leather and footwear sector are often underpinned by legal restrictions on the use of certain chemicals (see above)|. Where hazardous substances attract attention from pressure groups, or are brought to light by new scientific evidence,

companies may choose to restrict or ban their use before they become restricted by legal means, acting to maintain a positive brand image and stay one step ahead of their competitors.

Marks & Spencer: an example of private industry standards on the environment

Like many large multinationals, Marks & Spencer, a UK-based retailer publishes its basic codes of conduct, which include a specific "eco-plan", online.[14]

For suppliers, these documents state that:

"We work in partnership to make sure all our suppliers comply with the requirements of our Global Sourcing Principles and over time adopt the recognised international standards contained in the Ethical Trading Initiative Base Code. We also work with suppliers to make sure we adhere to the highest standards of animal welfare, sustainable fishing and farming".

And, in terms of the environment, that:

"We have a responsibility to current and future generations to use natural resources in a responsible manner and to prevent unnecessary pollution. We include environmental considerations in our decisions and specifications. We publicly report on our environmental performance every year in our how we do business report which is available on our website…"

More specifically, the company has a strict Environmental and Chemical Policy (ECP) for Textile Processing, for example, with every dye-house, printer, finisher, laundry, and tannery in its supply chains required to read the ECP documentation, and complete a self-audit prior to production, together with formal confirmation that they comply with all ECP requirements, a status that is reviewed every 18 months. The company also reserves the right, under contract, to return or recall products that fail to meet its ECP standards and/or apply financial penalties to the operators concerned. This is not atypical for the textiles and apparel industry.

Other types of environmental standard enforced at the company level may include a requirement to use specific types of raw material (such as organic cotton), bans on the use of leather from specific countries (such as China and India), bans on the use of furs, hides or skins of certain animals, down or feathers plucked from living birds, or those where forced feeding is used, etc.

Social and labour standards

Media reports and other documented examples of poor working conditions, low wages, child labour, and workers' exposure to dangerous substances in overseas factories mean companies are at pains to protect their brand image and ensure consumers as to the "moral integrity" of their supply chains.

According to the CBI website, "Social requirements can be found in a number of instruments: company codes of conduct, managements systems and labels."[15] Most initiatives are based on

[14] http://corporate.marksandspencer.com/documents/how_we_do_business/code_of_ethics.pdf

ILO standards, the key areas being: 1) employment rights (covering issues such as child and forced labour, disciplinary practices, discrimination, freedom of association and collective bargaining, working hours, etc.); and 2) occupational health and safety (including protection from fire, accidents and toxic substances, access to adequate lighting, heating, ventilation, and sanitary facilities). Apart from their intrinsic "moral" value, such standards play a key role in creating a level playing field and international legal framework for fair and stable globalisation.[16] Supply contracts with the larger European purchasers also, typically, require these rights to be clearly communicated to employees.

In terms of management systems, among the most important are the Business Social Compliance Initiative (BSCI), which is a leading business-driven initiative for companies committed to improving working conditions in factories and farms. The BSCI Code of Conduct can be downloaded free-of-charge in English and Vietnamese.

See www.bsci-intl.org/resources/code-of-conduct

The Fairtrade standard for cotton goods is well-established, and a Fairtrade label for garments based on new standard for the textiles' supply chain is gaining interest, together with generic standards for contract production, hired labour and trade.

Such systems and labels are largely based on the main principles of ILO.

Also worth noting are the ISO 26000 guidelines on Social Responsibility. ISO 26000 provides a framework to help business operators map out and address sustainability issues. It is not certifiable; however, references to the guidelines are increasingly common. More information is available here.[17] The European Commission is a keen advocate of Corporate Social Responsibility (CSR) based on ISO 26000. The EU's main CSR webpage is at http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/guidelines-principles/index_en.htm. The sub-pages on promoting CSR in specific sectors include information on work being undertaken in the chemicals, construction and textiles sectors, amongst others.

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[15] www.cbi.eu/system/files/marketintel/Buyers__requirements_Apparel.pdf
[16] A summary of international labour standards and the subjects covered by them is given on the ILO website at www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/lang--en/index.htm.
[17] www.cbi.eu/system/files/marketintel/ISO26000.pdf

10.2. Plastics

As noted in section 9, due to the prevalence of the plastics in modern manufactures this covers a vast area. It is sufficient to state that private industry standards may in some cases exceed the statutory European safety standards that apply to specific types of plastics such as food contact materials, building and construction materials, electronics and electrical goods, medical and health, children's toys and so on.

For example, in the case of food contact materials, purchasing contracts will often refer to the need for compliance with EU Regulation 10/2011 on plastic materials and articles intended to come into contact with food, including its amendments. They may then go on to specify restricted substances and detection limits for polycyclic aromatic hydrocarbons (PAHs) and PAH migrations, as well as for substances such as acetal resins, acryl resins, melamine resins, polyamide, polyethylene, polyethylene terphthalate, polyoxymethylene, polypropylene, polystyrene, polyurethane, rubber, silicone, temperature resistant coatings, and thermoplastic elastomers, etc.

Lastly in this section, reference is made to the CBI website www.cbi.eu/marketintel_platform. Business operators can click on the relevant sector (e.g. apparel), then on Buyer Requirements to access simple, well documented information on the key market access requirements for their product.

In many cases, this includes not only information on cross-cutting regulations such as REACH, but also on the legislative acts through which EU directives are implemented in the EU Member States as well as on additional national-level standards and requirements, together with associated requirements with regard to labelling and packaging.

The information is available to download in PDF formats. For apparel there are 79 Buyer Requirements; for Pipes and Process Equipment (which may include plastics) there are 85.

11. Gap analysis with respect to Viet Nam

11.1. Background to EU-Viet Nam trade in the relevant sectors

Data on current production and trade in the four focal sectors is given in Annex to this report, in the form of industry "Snapshots" that include information on the number of enterprises and distribution (by region, business type, number of employees), production capacity, export capacity, main export markets and use of labour in each sector. Overall, as can be seen, the trend has been extremely positive, with significant nominal growth exports to the EU and the growth of Europe an export market both for textiles and apparel (the value of which increased from 1.70 billion USD to 2.36 billion USD between 2008 and 2012) and leather and footwear products (up from 1.08 billion USD to 2.24 billion USD between 2008 and 2012). The value of plastics product exports also doubled, globally, over an equivalent period.

The inward and outward supply chains for textiles and footwear are such that many of the materials required for manufacture or assembly are imported. Viet Nam's comparative advantage derives from the cost and availability of skilled labour to produce products that

meet the standards of international brands – often as part of a CMT i.e. assembly-based "closed loop". Few factories (estimated at less than 2%) currently produce goods to their own designs, and even fewer manufacturers under their own brands. This may change over time, but currently it is the purchasing firms that determine quality standards, through strict supply chain control, product testing and surveillance.

11.2. Legislation

The Vietnamese Law on Standards and Technical Regulations was promulgated in 2006 and is available on the Ministry of Justice (MoJ) website at:
www.moj.gov.vn/vbpq/en/Lists/Vn%20bn%20php%20lut/View_Detail.aspx?ItemID=4755

It contains chapters on General provisions (Chapter I); the Formulation, announcement and application of standards (Chapter II); the Formulation, promulgation and application of technical regulations (Chapter III); the Assessment of conformity with standards and technical regulations – including Mutual accreditation and recognition (Chapter IV); Responsibilities of agencies, organisations and individuals operating in the area of standards and technical regulations (Chapter V); Inspection, handling of violations, settlement of complaints and denunciations and disputes related to activities in the area of standards and technical regulations (Chapter VI); and Implementation provisions (Chapter VII).

The Law comprehensively reformed the existing system, with standards and technical regulations simplified to two main levels regulatory and non-regulatory comprising: national technical regulations (QCVNs or Quy chuẩn Việt Nam in Vietnamese); national standards (TCVNs or Tiêu chuẩn Việt Nam) and "organisational" standards applied voluntarily by businesses and individuals (TCCSs or Tiêu chuẩn cơ sở); plus local technical regulations (QCDPs or Quy chuẩn địa phương).

In line with international norms, technical regulations are mandatory, whereas standards are voluntary. The Law identifies the Ministry of Science and Technology (MoST) as the responsible agency for issuing and managing national standards, while line ministries are responsible for developing national technical regulations.[18] Following accession to the WTO, Vietnam's Directorate for Standards, Metrology and Quality (STAMEQ) under the Ministry of Science and Technology has hosted the central enquiry and notification point for the WTO TBT Agreement.

Fewer than 40% of Viet Nam's standards are harmonised with international (e.g. ISO, IEC, Codex, etc.) standards. The Vietnam Standards and Quality Institute (VSQI) works under STAMEQ and is responsible for organising national technical committee activities; developing and printing national standards, and providing other related services. It has established relationships with relevant domestic ministries/agencies, as well as international and national standardisation organizations. For more information see: www.vsqi.gov.vn/en. A full list of TRs is available at www.mic.gov.vn.

The 2007 Law on Product and Goods Quality is also available on the MoJ website at: www.moj.gov.vn/vbpq/en/Lists/Vn%20bn%20php%20lut/View_Detail.aspx?ItemID=3024. It complements the 2006 Law on Standards and Technical Regulations and contains chapters on General Provisions (Chapter I); Rights and obligations of organisations and individuals

[18] The main competent Ministry for textiles, leather, footwear and plastics in Viet Nam is MOIT.

towards product and goods quality (Chapter II); the Control of product and goods quality in production, import, export, circulation on the market and use (Chapter III); Examination and inspect of product and goods quality (Chapter IV); the Settlement of disputes, compensation for damage, settlement of complaints and denunciations, and handling of violations of the Law on product and goods quality (Chapter V); Responsibilities for State control of product and goods quality (Chapter VI); and Implementation provisions (Chapter VII).

A national Metrology Law No. 04/2011/QH13 was approved by the National Assembly and promulgated on 11 November 2011.

In terms of challenges, reports suggest there is some overlap between TRs and standards, with some products subject to both. However, the most immediate challenge is in accelerating the development and publication of national TRs and standards harmonised that are compatible with those used internationally in order to facilitate trade.

11.3. Administrative capacity

Accreditation and CA

Section 5 of Chapter IV of the 2006 Law on Standards and Technical Regulations deals with recognition of mutual accreditation. Article 53 entitled "Accreditation" states that accreditation will be done for Testing laboratories, Calibration laboratories, Conformity certification organizations, and Inspection organisations on the basis of national standards and international standards; and that accreditation will be done by accreditation organisations specified in Article 54. Article 54 entitled "Accreditation organisations" (plural) states that they should be non-business scientific units with the organisational apparatus and capability to satisfy requirements in national standards and international standards for accreditation organisations, having been recognised by international and regional accreditation organisations; operate in accordance with requirements in national standards and international standards for accreditation organisations; have established and maintained a management system meeting requirements in national standards and international standards; operate in an independent and objective manner.

The Minister of Science and Technology is given the authority to stipulate and control the operation of accreditation organisations, which are in turn expected (Article 55 on Rights and obligations) to grant and withdraw accreditation certificates; carry out accreditation at the request of organisations or individuals; ensure objectivity and fairness in accreditation activities; keep confidential information collected in the course of conducting accreditation; and supervise accredited organisations in order to ensure their sustained capabilities in conformity with relevant standards;

However, accreditation is not mandatory in Viet Nam. Possibly in order to accommodate some (public) CABs, which if assessed would not meet the standards required for accreditation. Instead, Article 25 of the 2007 Law on Product and Goods Quality requires CABs to be registered with a competent state agency.

In practice, this function is fulfilled by STAMEQ.[19] The Conformity Assessment Department of STAMEQ maintains a list of registered CABs, but in the absence of an underlying accreditation process, the list provides no guarantee of competence (based on international norms for the organisation of a national accreditation system). The list of registered CABs is available online via the TCVN "Vietnam Standards" website. The same website has a list of national TCVN standards issued by the Vietnam Standards and Quality Institute, which, is also part STAMEQ. See: http://en.tcvn.vn/default.asp.

A comprehensive directory of accredited CABs is maintained by the Bureau of Accreditation in hardcopy, in English and Vietnamese, with the latest edition (1,750 pages) published in 2013. The Directory provides information on testing, calibration, and medical laboratories, inspection bodies and certification bodies which have been accredited by BoA, a version of which is available with an online search tool (also in English and Vietnamese) at the following addresses:

Laboratories: www.boa.gov.vn/accredited-bodies/laboratories

Inspection bodies: www.boa.gov.vn/accredited-bodies/inspection-bodies

Certification bodies: www.boa.gov.vn/accredited-bodies/certification-bodies

Medical labs: www.boa.gov.vn/accredited-bodies/medical-laboratories

The information fields cover the name of the conformity assessment body, its contacts details (address, telephone, fax, e-mail etc.), contact person, the materials or products covered, the name of the specific tests, detection limits and test methods.

11.4. Physical infrastructure and human resources

Conformity assessment

A 2011 UNIDO feasibility study on testing capacity for the textiles and garments (apparel) industry carried out in the context of the SME Cluster Development (C2C) estimated the testing market in Viet Nam for the sector to be around 20 million USD annually. 80% of this market is controlled by the major multinational CABs, such as Bureau Veritas (UK), Intertek (UK), and SGS (CH). Annual growth in the testing market was estimated at around 10%. Quality requirements are driven by the buyers – with most Vietnamese manufacturers exporting into the supply chains of international brands and retail chains – and the main CA activities are: a) inspection of manufacturing and distribution (i.e. factories, custody transfers, pre-production inspection, random sampling, pre-shipment and loading supervision) in order to ensure compliance with TRs, standards and customer specifications; and b) testing using

[19] More specifically, Article 25. Conformity evaluation, states that certification and inspection should be conducted by designated organizations, with testing and certification conducted according to agreements with testing and certification organisations. It further states that CABs must be duly organised and capable to meet the general requirements under relevant national or international standards, establish and maintain an appropriate management system conforming to requirements under relevant national or international standards, and be registered for the purposes of conformity assessment with a competent state agency. Thereafter, Article 34. Conditions for ensuring imported goods' quality, requires imported group-2 goods (i.e. goods that could be potentially unsafe) to be certified in terms of conformity with relevant technical regulations related to the production process and end product by designated or accredited certification organizations according to Article 26 for the purposes of (mutual) recognition of CA results.

internationally approved standards, test methods, equipment and guidelines on products, raw materials, components, etc. to inform the producers and buyers as to the content and performance characteristics of their product(s) against external safety requirements and internal quality standards.

The study found that both the international and Vietnamese laboratories visited to be of a high standard, the main difference being in the quality of human resources and the consistency of competency-based training for staff at all levels to ensure the optimal analysis of data. However, since staff in all cases were Vietnamese, it concluded that it was possible to select and recruit staff with the required capacity, and that it is the CABs' management that is key.

This could be improved, it was suggested, by encouraging greater international networking among the Vietnamese laboratories – e.g. with corresponding EU centres or reference laboratories – as well as through a specific project to develop the capacity of one para-State facility, the Textile Research Institute (TRI) which should be rebranded as the "Vietnamese National Textile Garment Services Centre" and take over these services from Quatest, the State Quality Assurance and Testing Centre(s).[20]

[20] Other activities proposed included: technical workshops on new products and applications, new technologies in dyeing and finishing and developing capacity in design and creativity. This reflects the SWOT analysis conducted i.e. that too many raw materials are imported, supporting industries (e.g. textiles, accessories, finishing and dying) are underdeveloped, management skills are poor, understanding of chemical compliance issues (vis-à-vis consumer safety and the environmental protection) is low, local brand names are weak, and most activities are based on Cut-Make-Trim (CMT) – the production model where all input materials are provided by the foreign buyers.

Case study: Vietnamese Textile Research Institute's co-operation with Italian partners

As part of a 2012 follow-up to the above study, a study tour to Italy and participation in a business-to-business forum in Ho Chi Minh City, allowed TRI's management to visit various Italian partners with experience in testing, certification, consultancy and training and sign co-operation agreements (MoUs) with 3 Italian textile service providers. That is with:

- Città Studi SpA Biella for training;
- ICQ Global for providing testing and certification services; and
- Next Technology Technotessile in training and consultancy services

This type of co-operation could be envisaged for the other 3 sectors, specifically for leather and footwear – the overall objective being to develop Vietnamese centres of excellence in the area of conformity assessment on which government regulators, local CABs and the domestic accreditation system (e.g. for the organisation of intercomparison programmes, proficiency testing, information dissemination on new methods, etc.) can rely.

12. Recommendations for trade facilitation with the EU

The MUTRAP Team developed a questionnaire (see annex) to assess industry's views of the challenges they face in relation to the safety, quality and conformity assessment and as a basis for recommendations as to how to strengthen Viet Nam's export quality infrastructure (i.e. the systems needed to comply with the technical regulations and standards, conformity assessment and management systems applied by EU regulators and business operators for the purposes of product safety, product quality, environmental and consumer protection).

Businesses were asked to rank the following list of issues in terms of the challenges posed when exporting to the EU:

a) Lack of information on EU regulations
b) Lack of understanding of EU regulations
c) Lack of information on private industry standards
d) Lack of understanding of private industry standards
e) Lack of Vietnamese standards
f) Differences between the standards used by Viet Nam and the EU
g) Applying the required quality management systems (ISO, HACCP, GMP, GHP, etc.)
h) Lack of recognition of Vietnamese test results and test certificates
i) Problems in meeting packaging or labelling requirements

They were also asked to identify any specific problems encountered, how these problems could be overcome or improved, and whether they had any specific recommendations in terms of the types of activities for MUTRAP assistance.

The top three most common problems identified were:

1. Lack of information on EU regulations;
2. Lack of recognition of Vietnamese test results and test certificates; and
3. Lack of information on private industry standards.

Companies specifically mentioned lack of training and information in the Vietnamese language, and the need to develop information materials in Vietnamese, together with an export help desk, and training workshops on specific topics – particularly in relation to new market access requirements or modifications to current EU or EU Member State regulations.

In terms of general recommendations, the study concludes, therefore, that:

1. There is a need to provide business and regulators with (or facilitate access to) information on regulations and standards in major export markets including the EU;
2. A simple information portal could be established to provide basic information (much of which has already been collected through the current study), links to other information sources and news on changes to EU regulations, standards, test methods, etc., keeping industry associations and businesses in Viet Nam informed;

3. An Export "Help Desk" should also be developed within MOIT; and
4. Training courses and workshops should be used to disseminate information on specific issues and topics;[21] and

5. Over the longer term, there is also a need to continue to strengthen the current EQI system to help Vietnamese manufacturers produce goods that comply with EU regulations and industry standards – this includes:

f) Upgrading Viet Nam's legal document/ regulation/ standardisation systems – the most immediate challenge being to accelerate the development and publication of national TRs and standards that are harmonised with those used internationally in order to facilitate trade;
g) Examining the potential benefits of a change in the law to make accreditation (as opposed to registration) of CABs mandatory to increase consistency, as well as national and international confidence, in local CA results;
h) Providing support to the Vietnamese Bureau of Accreditation for the development of an online database of accredited CABs, with search functions by product, market, test method etc.
i) Encouraging investment in testing laboratories in the private sector, and allowing these a greater role, with public funds used to develop a smaller number of higher quality laboratories (perhaps focussed on training, intercomparison testing and inspection services) for the purposes official control, together with consideration of the need to develop and/or nominate at least one main reference laboratory in each of the priority sectors; and
j) Encouraging greater international networking between CABs, with more Vietnamese laboratories linking up with counterparts and/or reference laboratories in the EU.

In terms of sector-specific recommendations, note is made of a 2013 World Bank study on improving trade competitiveness footwear and garments industry in the region. That is to:

1) Encourage contract manufacturers to engage in collective ordering of inputs in order to benefit from economies of scale and reduce costs;
2) Incentivise garment manufacturers to move up the value chain from production of basic apparel, which is increasingly crowded, to producing niche higher value items;
3) Improve the performance of the trade corridors to ports in Vietnam which have more frequent vessels calls with direct shipping to reduce sailing times and so order cycle times;
4) Develop garment clusters that offer reliable utilities and logistics services, access to a large pool of labour, credit and support services, in order to attract more FDI; and
5) Streamline and expedite the issuance of certificates of origin, and reduce renewal costs.

And of a similar study on improving trade competitiveness in the footwear industry, the recommendations of which were to:

[21] As noted in the previous footnote, this could technical workshops on new market access regulations, standards and test methods as well as on product sourcing, the development of new products and applications, new technologies in dyeing and finishing and so on; the issue being that too many raw materials are currently imported, supporting industries are underdeveloped, management skills are poor, understanding of chemical compliance issues is low, local brand names are weak, and most activities are based a CMT production model where all input materials are provided by the foreign buyers, inhibiting further progression up the value chain.

1) Encourage the increased use of locally sourced inputs, as well as greater value addition in the country;
2) Develop footwear industry clusters to increase volume, have access to a larger pool of labour, and obtain the benefits from economies of scale from co-location, through public-private partnerships;
3) Develop the required trade and transport corridors to ports in Viet Nam with the required frequency of vessels to key markets for inputs and exports; and
4) Increase the availability of finance, for contract manufacturers in particular, so they can increase quality and capacity.

Part B: EU Labelling Regulations

13. General EU labelling regulations

13.1. Introduction

There is no one set of rules for the labeling of products on the European market. It is an area which has gradually been developed in different areas as the need arose. In a European Council decision from 1993[22] labelling is reaffirmed as an important means of achieving better information and transparency for the consumer and of ensuring that the internal market functions harmoniously.

An example of this is the food area, which has been subject to the introduction of various new labeling schemes. As new production methods are developed or research shows that some of the ingredients used have inappropriate consequences, there is a need to supply further information to consumers. In 2004, new regulations for the labelling of genetically modified foods and feed came into effect, as consumers were unsure whether these products were safe. Labelling gives them the choice of choosing or not choosing to consume genetically modified food.

Another example from the food sector is the directive[23] which ensures food products containing caffeine and quinine are clearly labelled as such. Quinine may be unhealthy for people with certain metabolic disorders when it is used in certain soft drinks. Caffeine, when excessively consumed, may produce similar side effects.

Industrial non-food products covered by the so -called New Approach Directives must also be labeled. Most importantly, a CE-mark must be affixed by the manufacturer or distributer before a product is placed on the market to show that it complies with the requirements of relevant directives. The mark does not give the consumers much information, but it is important for the market surveillance authorities and the companies that sell these products and are responsible for ensuring that their products are safe.

Most recently, an increased focus on CO2 emissions and energy consumption has resulted in labelling requirements for a wide range of products and today there are labelling requirements for household machines, automobiles, windows etc.

[22] Council Resolution of 5 April 1993 on future action on the labelling of products in the interest of the consumer
(93/C 110/01)
[23] Directive EC/2002/67 on the Labelling of foodstuffs containing quinine, and of foodstuffs containing caffeine

This is to show that the labelling regulations in EU are not systematic, generic or foreseeable, but are introduced when the need for further product information arise.

For the four sectors, that are the focus of this study there are completely different laws and regulations that are important for exports to the EU. These regulations are described below under chapter 14. However, also some horizontal regulations and directives have a direct impact on labelling and must be taken into consideration when Vietnamese exporters provide information about their products.

13.2. Horizontal regulations related to the labelling regulations

In addition to the laws that directly require labelling of certain products there is also legislation which is closely related to labelling. This concern in particular the laws that regulate the information applied to the products. It is both information about product characteristics and the origin of the product. For the latter, the information may have a direct influence on the customs regulations applicable to the product and, therefore, it's pricing.

The Unfair Commercial Practices Directive EC/2005/29 (UCPD) is one such horizontal directive regulation the information about the product. It was adopted in 2005 and fully implemented in 2007. An important aspect of the directive concerns misleading actions in commercial practices. A commercial action is considered misleading if it contains false information and is therefore untruthful. It is also misleading if the overall presentation, is likely to deceive the average consumer, even if the information is correct. This also includes omissions of information. A vendor must provide nothing more than the material information that the average consumer needs. It is, for example, misleading to:

- Omit material information that the average consumer needs, according to the context, to take an informed decision;
- Hide or provide material information in an unclear, ambiguous, unintelligible, or untimely manner; or
- Fail to identify the commercial intent of the commercial practice if not clear already.

The UCPD touches also on the country of origin. The rules of origin are important to exporters from developing countries as the origin or a product determines whether or not the goods are eligible for preferential tariff treatment under the EU's General System of Preferences (GSP) scheme. Therefore misleading information is not only important for the consumers, but also for the customs authorities.

The UCPD has, however, left scope for interpretation in terms of national implementing measures, which means that these provisions are more effective in some countries than in others.

European Customs Code[24] is contained in the Community Customs Code (CCC)[25] and the Code's Implementing Provisions[26] (IPC). These regulations are essential when determining whether a product can be classified as having its origin in, for example, Vietnam. The Customs Code includes provisions defining the non-preferential rules of origin. Although it

[24] Regulation EC/450/2008 laying down the Community Customs Code (Modernised Customs Code)
[25] Regulation EC//2913/92 establishing the Community Customs Code
[26] Regulation EEC/2454/93 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code.

does not make explicit reference to the European Customs Code, the Code nevertheless contains the only product origin definition in European law and therefore it holds a special status.
Although the EU operates as a Customs Union, Rules of origin are typically administered by the national Customs departments of the Member States. there are two fundamental concepts that determine the origin of a product in EU: "wholly obtained" products and products having undergone a "last substantial transformation". These are the central concepts applied in the CCC.

If only one country is involved in the supply of raw materials or components, the "wholly obtained" concept will be applied. In practice, this will be restricted to products obtained in their natural state (e.g. minerals) and products derived from wholly obtained products. If two or more countries are involved in the production of goods, the concept of '"last, substantial transformation" determines the origin of the goods.

Although the principle of last substantial transformation is recognised within the WTO contracting countries, there is a variation in the practice of the governments. To determine the last substantial transformation, one or more of the following three types of criteria are usually applied:

1) A rule requiring a change of tariff. (i.e. a product moves from one category to another in the Harmonized System Nomenclature);
2) A list of manufacturing or processing operations that do or do not confer on the goods the origin of the country in which these operations were carried out; or
3) A value added rule, where the increase in value resulting from assembly operations and incorporation of originating materials represents a specified level of the ex-works price of the product.

In 2011 the European Commission initiated a revision of the rules of origin for products imported under the Generalised System of Preferences (GSP). The regulation simplifies rules and procedures for developing countries wishing to access the EU's preferential trade arrangements. The proposal put forward is for a new procedure for demonstrating proof of origin, which places more responsibility on the operators. From 2017, the current system of certification of origin carried out by the third country authorities will be replaced by statements of origin made out directly by exporters registered via an electronic system.

For ASEAN countries an agreement about self-certification (ATIGA)[27] was agreed in February 2009. The system enables certified exporters to make out invoice declarations on the origin of goods. The core concept is the shift of responsibility from the government to the private and will ensure that ASEAN originating products can move freely within ASEAN without the requirements of presenting all supporting documents for each consignment.

As shown in the above presentation of the horizontal legislation, the process behind the labelling is often quite complex and requires in-depth knowledge of the legislation in EU. In the following chapter we will try to explain the specific labelling requirements in EU for the four sectors we are focusing on.

14. Sector specific EU labelling regulations

[27] ATIGA – ASEAN Trade In Goods Agreement.

As described in the previous chapter, the rules for labelling of products have gradually been developed to meet the needs of information regarding safety, origin, content, environment, energy consumption, etc. In this section, the focus will be directed towards the EU labelling regulations with regard to textiles, leather, shoes and plastic. As the EU member states are allowed to have their own national laws and regulations in areas not subject to common European regulation the presentation will also include a brief introduction to the national regulatory framework that exists for one of the product areas (leather).

14.1. Textiles

The most important part of The EU legislative framework concerning textile labelling is the Regulation on textile fibre names and related labelling and marking of the fibre composition of textile products (EC/2011/1007), which replaced the so called "textile directives".[28]

The Regulation is based on these textile directives and continues to lay down the conditions and rules for the labelling and marking of textile products and the rules on textile fibre names. The Regulation covers products at all stages of the supply chain and requires that textile products sold in the EU are labelled or marked to provide information about their fibre composition.

The main features of the Regulation are that:

- The Regulation shall apply to all textile products on the EU market. Textile products shall only be made available on the market provided that such products are labelled, marked or accompanied with commercial documents in compliance with the Regulation.
- Only the textile fibre names listed in Annex I to the Regulation shall be used for the description of fibre compositions on labels and markings of textile products.
- Only textile products exclusively composed of the same fibre may be labelled or marked as "100 %", "pure" or "all". Similarly a textile product may be labelled or marked "fleece wool" or "virgin wool" provided it is composed exclusively by fibre which has not previously been incorporated in a finished product.
- Visible, isolable fibres which are purely decorative and do not exceed 7 % of the weight of the finished product do not have to be taken into account in the fibre composition
- Any textile product containing two or more textile components which have different textile fibre contents shall bear a label or marking stating the textile fibre content of each component.
- The presence of non-textile parts of animal origin in textile products shall be indicated by using the phrase 'Contains non-textile parts of animal origin'
- Textile products shall be labelled or marked to give an indication of their fibre composition whenever they are made available on the market.
- When placing a textile product on the market, the manufacturer shall ensure the supply of the label or marking and the accuracy of the information contained therein. If the manufacturer is not established in the Union, the importer shall ensure the supply of the label or marking and the accuracy of the information contained therein

[28] Directives EC/2008/121 on textile names, Directive EC/96/73 on certain methods for the quantitative analysis of binary textile fibre mixtures and Directive EEC/73/44 relating to the quantitative analysis of ternary fibre mixtures.

- A textile product shall be labelled or marked with the name and percentage by weight of all constituent fibres in descending order.

Compared to earlier provisions in the textile directives the main novelties in the Regulation are the following:

- The Regulation includes a significant change with regard to labelling of textile products containing non-textile parts of animal origin[29]. The presence of these parts is required to be marked as "Contains non-textile parts of animal origin" on the labelling. Obvious items falling under this remit are leather and real fur.
- The Regulation underlines the fact that "The labelling or marking shall be provided in the official language or languages of the Member State of the territory of which the products are made available to the consumer."[30] This is now obligatory no matter if an EU state decides otherwise for other kinds of labelling.
- Regarding the use of textile fibre names, the Regulation recognises that the information regarding labelling must be clearly visible where the product is made available on the market[31]. This has always been the case, but the new regulation now includes purchasing by electronic means, such as via the internet, so the fibre content must be visible when consumer purchase clothes on the internet.
- There are changes to the list of textile products that cannot be made subject to mandatory labelling or marking. In particular, felts and felt hats have been removed from the list of items not subject to mandatory labelling, so they now require to be labelled with regard to fibre content.

When a textile product is placed on the market the Market surveillance authorities in the Member States are required to carry out checks on the conformity of the fibre composition of textile products with the supplied information on the label. For the purpose of determining the fibre composition of textile products, the same authorities carry out checks in accordance with the one or more of the 16 different test methods set out in annex VIII to the Regulation.

Besides these sector-specific requirements, horizontal legislation such the Unfair Commercial Practices Directive and the General Product Safety Directive (EC/2001/95) should also be considered when labelling textile products.

14.2. Leather

Until now the EU has not introduced a specific labelling regulation for leather. The leather industry covers a large number of activities from the removal of skins and hides from animals, their cleaning, tanning, coloration and finishing. These processes all take place before the leather is sewn together to form a final product. Leather is used in a large variety of different contexts including garments, shoes, suitcases, furniture and the interiors of cars and airplanes[32].

[29] Article 12 of Regulation EC/1007/2011
[30] Article 16 Paragraph 3 of Regulation EC/1007/2011
[31] Article 16 of Regulation EC/1007/2011
[32] According to page 23 in European Commission DG Enterprise and Industry, Study on the feasibility of a leather labelling system at European level, 24 January, 2013

In order to clarify the upsides and downsides of introducing a specific labelling regulation for leather the EU Commission has recently carried out a study[33] describing how the existing national and voluntary labelling schemes work and this study points out their advantages and disadvantages. The study also analyses some issues raised by the lack of a European leather label indicating that the "leather product" actually is made of leather. Finally it assesses other labelling possibilities.

The overall rationale behind obligatory labelling requirements is that labelling can compensate for information gaps in the market and ensure better information and transparency for the consumer. Labelling allows consumers to estimate and the quality and the functionalities associated with the products so that they can take a well informed decision when they purchase. At the same time, providing this information can encourage businesses to compete in new areas, and limit misleading product information. Harmonised international labelling also has the potential to facilitate cross-border trade by creating equal conditions for companies on different markets. Finally, labelling can help consumers make purchasing choices based on the environmental or social impact of their leather products, which can increase the sustainability of the leather sector.

The Study on the feasibility of a leather labelling system at European level[34] does not come up with any clear recommendation regarding a common EU labelling regulation, besides including leather in the voluntary EU Ecolabel system. As such, European consumers and the exporters from other countries have to live with the current patchwork of legislative acts and labelling schemes.

As regards obligatory labelling regulations in the EU territory, these are limited to the regulations listed in the table below[35]. The information here provides an overview of the legal requirements for Vietnamese exporters on the different European national markets.

EU member state	**Regulation**	**Content**
Austria	BGB1. No 407/1986	Labels must identify the nature and care of leather and fur clothes. The legislation does not concern leather to produce gloves, hats, ties and braces, and it only refers to those hides and skins with the original fibrous structure maintained. Leather label must include: name and type of leather skin or fur, processing mode and name of importer in the case of imported goods. The care information must include: suitability for professional cleaning and cleaning methods, type of tanning process.
Belgium	Decree of 17 January 1983	The 1983 Decree regulates the names of leather and raw hide Products
France	Decree 2010-29 of 8 January	The Decree 2010-29 of 8 January 2010 regulates the name of leather products. The required information differs in terms of sale purposes and

[33] European Commission DG Enterprise and Industry, Study on the feasibility of a leather labelling system at European level, 24 January, 2013

[34] European Commission DG Enterprise and Industry, Study on the feasibility of a leather labelling system at European level, 24 January, 2013

[35] According to page 34 in European Commission DG Enterprise and Industry, Study on the feasibility of a leather labelling system at European level, 24 January, 2013

	2010 Order of 8 February 2010	type of leather
Italy	Law No. 1112 of 16 December 1966	The Law regulates the name of leather products.
Lithuania	Order No. 170 of 15 May 2002	Requires specifically clothing of leather and fur to carry care and size labels.
Spain	Royal Decree 165/1988 Royal Decree 769/1984 Order of 15 February 1990	Royal Decree 165/1988 amending Royal Decree 769/1984 regulates the name of leather products, tanned leather and fur during the phases of preparation, circulation and trade. The label must contain information in the Spanish language on the composition of the product, origin of leather, name of fabricants. Order of 15 February 1990 establishes regulations for informative labelling of gloves.

Overview of the legal requirements for leather products on the different European national markets.

14.3. Shoes

The labelling of footwear is regulated under a single Directive EC/94/11[36], which has only been updated when Bulgaria and Romania became EU members.[37]

The Directive sets the standards for the composition labelling of footwear products.
For each pair, at least one of the footwear items (defined and illustrated in the Directive) must bear information relating to the upper, the lining and insole sock, and the outer-sole of the footwear article. The information may be shown by using the approved pictograms or textual information, as defined and illustrated in the Annex 1 to the Directive.

Pictograms

(a) **Upper**

This is the outer face of the structural element which is attached to the outersole.

[36] Directive 94/11/EC on the approximation of the laws, regulations and administrative provisions of the Member States relating to labelling of the materials used in the main components of footwear for sale to the consumer.

[37] Directive 2006/96/EC adapting certain Directives in the field of free movement of goods, by reason of the accession of Bulgaria and Romania

(b) **Lining and sock**

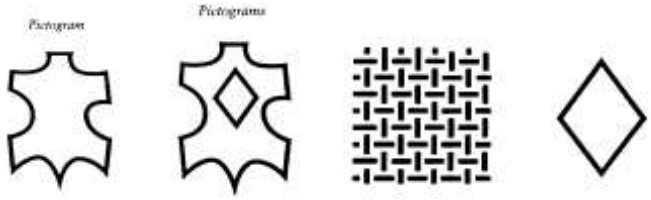
These are the lining of the upper and the insole, constituting the inside of the footwear article.

(c) **Outer sole**

This is the bottom part of the footwear article, which is subjected to abrasive wear and attached to the upper.

Pictograms from Directive 94/11, Annex 1

Furthermore it must relate to the material which constitutes at least 80 % of the surface area of the upper, the lining and insole sock of the footwear article, and at least 80 % of the volume of the outer-sole. However, if no single material accounts for at least 80 %, information must be given concerning the two main materials in the composition of the article.



Pictograms from Directive 94/11, Annex 1: Leather, coated leather, natural materials and synthetic *or* non-woven *textiles*

Given that the aim of the above measures is to provide information, the label must be legible, durable and accessible, and the manufacturer or his European agent is responsible for attaching the label and for the information contained on it. Only the information provided for in the Directive has to be supplied, but there is nothing to prevent additional information being given on the label as long as such information is not in conflict with the rules set down in the Unfair Commercial Practices Directive.

14.4. Plastics

Internationally the most known general_labelling scheme for plastic products is probably the SPI (Society of the Plastics Industry) resin identification coding system, which is a set of symbols placed on plastics to identify the polymer type. It is developed by the Society of the Plastics Industry, and is used internationally mainly for recycling purposes.

The primary purpose of the codes is to permit separation of different polymer types for recycling.

The symbols used in the code consist of arrows that cycle clockwise to form a rounded triangle and enclosing a number, often with an acronym representing the plastic below the triangle. When the number is omitted, the symbol is known as the universal Recycling Symbol, indicating generic recyclable materials.

Image	Polymer name	Examples of use
	Polyethylene terephthalate	Polyester fibers, thermoformed sheet, strapping, and soft drink bottles
	High-density polyethylene	Bottles, grocery bags, milk jugs, recycling bins, agricultural pipe, base cups, car stops, playground equipment, and plastic lumber
	Polyvinyl chloride	Pipe, fencing, shower, chairs, nonfoodbottles
	Low-density polyethylene	Plastic bags, 6 pack rings, various containers
	Polypropylene	Auto parts, industrial fibers, food containers
	Polystyrene	Desk accessories, cafeteria trays, toys
	Other plastics	Bottles, plastic lumber applications, safety shields.

Pictograms used on plastic products

As described in the introduction to chapter 13 EU labelling requirements have gradually been developed as needs have arisen. One concern was the risk of transfer of unhealthy substances from food packaging materials to the food. Given that 80% of the plastic products exported by Viet Nam are in the form of packaging and a substantial proportion of these products are designed to come into contact with food (e.g. bottles or plastic film), section below will focus on EU regulations in this field.

Plastic in contact with food

Regulation EC/2004/1935[38] lays down a general framework for materials and articles that are intended to come into contact with food. All materials and articles used to package food must comply with the requirements of this Regulation.

Annex I of Regulation EC/2004/1935 identifies 17 groups of materials and articles for which specific measures may be adopted. One of these materials is plastic. Therefore, the EU has established migration limits applicable to substances constituting the plastic materials. This is to guarantee food safety.

This is done by the Regulation EC/2011/10[39] which establishes specific requirements applicable to the manufacture and marketing of plastic materials and articles intended to come into contact with food.

As regards the labelling requirements set out in Regulation EC/1935/2004, it is required that the nature of materials and articles intended to come into contact with food is described on their labelling. Materials and articles which are not clearly intended to contain or to package

[38] Regulation EC/2004/1935 on materials and articles intended to come in contact with food.
[39] Regulation EC/2011/10 on plastic materials and articles intended to come in contact with food

food (e.g. plastic plates or plastic cutlery) must bear the words “For food contact” or the symbol:

Pictogram given in Annex II to the regulation EC/1935/2004.

Plastic materials and articles intended to come into contact with food must therefore comply with:

- The requirements for use, labelling and traceability set out in Regulation EC/1035/2004 on materials and articles intended to come into contact with food, and
- The compositional and declaration requirements set out in Regulation EC/2011/10 on plastic materials and articles intended to come into contact with food.

As regards the compositional and declaration requirements set out in Regulation EC/2011/10 it is important to note that only the substances included in the EU list (Annex 1 to the Regulation) may be intentionally used in the manufacture of plastic layers in plastic materials and articles.

The list contains: (a) monomers or other starting substances; (b) additives excluding colorants; (c) polymer production aids excluding solvents; (d) macromolecules obtained from microbial fermentation.

The Regulation (EC/2011/10) has provisions describing general requirements, restrictions and specifications regarding substances used in plastic production and furthermore a chapter in the Regulation sets out the requirement to the declaration of compliance and the documentation.

When the product is placed on the market, the business operator must write a statement containing the following information:

1. The identity and address of the business operator issuing the declaration of compliance;
2. The identity and address of the business operator which manufactures or imports the plastic materials or articles or products from intermediate stages of their manufacturing or the substances intended for the manufacturing of those materials and articles;
3. The identity of the materials, the articles, products from intermediate stages of manufacture or the substances intended for the manufacturing of those materials and articles;
4. The date of the declaration;
5. Confirmation that the plastic materials or articles, products from intermediate stages of manufacture or the substances meet relevant requirements laid down in Regulation EC/10/2011 and Regulation EC/1935/2004;
6. Adequate information relative to the substances used or products of degradation thereof for which restrictions and/or specifications are set out in the Annexes I (EU list with approved substances) and II (Restrictions on materials and articles) to the

Regulation EC/10/2011 to allow the downstream business operators to ensure compliance with those restrictions;

7. Adequate information relative to the substances which are subject to a restriction in food, obtained by experimental data or theoretical calculation about the level of their specific migration and, where appropriate, purity criteria in accordance with Directives 2008/60/EC[40], EC/95/45[41] and EC/2008/84[42] to enable the user of these materials or articles to comply with the relevant EU provisions or, in their absence, with national provisions applicable to food;
8. Specifications on the use of the material or article, such as:
    a. type or types of food with which it is intended to be put in contact;
    b. time and temperature of treatment and storage in contact with the food;
    c. ratio of food contact surface area to volume used to establish the compliance of the material or article;
9. When a functional barrier is used in a multi-layer material or article, the confirmation that the material or article complies with the requirements of Article 13(2), (3) and (4) or Article 14(2) and (3) of the Regulation.

As shown above, the requirements for labelling, testing and documentation are quite extensive when plastic materials are intended to come in contact with food which is typical for products which pose a potential health risk to consumers.

15. Eco-labelling

ISO (The International Organization for Standardization) has identified three broad types of voluntary labelling systems:

Key terminology: Categorization of voluntary labelling system

Type 1: A voluntary, multiple-criteria based, third party program that awards a license that authorizes the use of environmental labels on products indicating overall environmental preferability of a product within a particular product category based on life cycle considerations.

Type 2: Informative environmental self-declaration claims

Type 3: Voluntary programs that provide quantified environmental data of a product, under pre-set categories of parameters set by a qualified third party and based on life cycle assessment, and verified by that or another qualified third party

ISO 14020 family covers three types of *labelling* schemes described in the table

Although differing in strength and authority, the different types of environmental label identified by ISO share a common goal, which is:

"*...through communication of verifiable and accurate information that is not misleading on environmental aspects of products and services, to encourage the demand for and supply of those products and services that cause less stress on the environment, thereby stimulating the potential for market-driven continuous environmental improvement*."

[40] Directive EC/2008/60 laying down specific purity criteria concerning sweeteners for use in foodstuffs
[41] Directive EC/95/45 laying down specific purity criteria concerning colours for use in foodstuffs
[42] Directive EC/2008/84 laying down specific purity criteria on food additives other than colours and sweeteners

In Europe "The Blue Angel" was the first environment-related label for products and services. It was created in 1978 on the initiative of the Federal Ministry of the Interior of West Germany. Since then a number of different Eco-labels or environmental schemes have been launched. However, the most important pure Eco-labels in Europe today are the EU Ecolabel, The Blue Angel in Germany and The Nordic Swan.

The EU Ecolabel was launched in 1992 when the European Community decided to develop a Europe-wide voluntary environmental scheme that consumers could trust. Since then, the number of products and services awarded the EU Ecolabel has increased every year. By the end of 2011, more than 1,300 licences had been awarded. A licence gives a company the right to use the EU Ecolabel logo for a specific product group. And today, the EU Ecolabel can be found on more than 17,000 products.

Development of criteria documents for the EU Ecolabel

The development of criteria documents is carried out by Ad-Hoc Working Group (AHWG), bringing together all stakeholders: industry, experts, NGOs, public authorities and other interested parties. The AHWG meets about three times a year in order to draft the criteria according to the results of the preparatory work. The preparatory work includes feasibility, environmental and market studies, improvement analysis and revision of existing life cycle analysis or implementation of new analyses where necessary.

The European Union Ecolabelling Board (EUEB) discusses the drafts during the criteria development process. A draft of the criteria is circulated among the relevant services of the European Commission for approval. When the draft of the criteria is approved by the EUEB a vote is taken by a Regulatory Committee of national authorities. If the criteria document is approved it will be adopted through a Commission Decision, which is published in the Official Journal.

The Nordic Ecolabel – The Nordic Swan - is the official Ecolabel of the Nordic countries and was established in 1989 by the Nordic Council of Ministers with the purpose of providing an environmental labelling scheme that would contribute to a sustainable consumption. It is voluntary and covers a wide range of products and services. The Nordic Ecolabel was also initiated as a practical tool for consumers to help them actively choose environmentally-sound products. It is an ISO 14024 type 1 Ecolabelling system which requires involvement of third-party control organ.

The development of criteria for new areas is based on a feasibility study covering the area with particular focus on the areas with most environmental impact and therefore expected to be suitable for environmental requirements.

Development of criteria documents for the Nordic Ecolabel

It is employees of the Nordic Ecolabelling organisations who are participating in the working groups developing proposals for new or revised criteria documents. This is done in close contact with companies and other stakeholders who have knowledge of the area - and of course by using available literature or expertise from knowledge institutions and experts.

The working group develop a specific proposal for criteria and a rationale for the criteria described in a so-called background document. These documents are sent to public enquiry, and based in the comments the document may be adapted. The final proposal is approved by the Nordic Ecolabelling Board. Once a proposal is adopted it will be subsequently be added on the Environmental Labelling website along with the background document and comments from the public enquiry.

Criteria documents are adopted with an expiration date - usually 4 years after adoption. It is possible to extend the period for a criteria document if an evaluation has shown that the environmental level is still high. It is also

possible to change the criteria along the way if it turns out that a requirement has been set in a way so that it is practically impossible to meet for the companies.

The Nordic Swan and the EU Ecolabel are both eco-labelling schemes taking a multi-criteria and life cycle approach. Therefore the procedural requirements for awarding these labels means that control of the final product only is not sufficient. The control is much more comprehensive. This is one of several reasons why these standards are viewed as more costly.

The Blue Angel in Germany is designed to identify the positive environmental features of products and services. Today about 11700 products and services in about 120 product categories carry the Blue Angel label. Like the Nordic Swan and the EU Ecolabel, the Blue Angel is a category 1 label based on a product's life cycle.

The criteria are typically developed to ensure that 10% to 20% of the most environmentally friendly products on the market can meet them. It is the philosophy of the ecolabelling organisations that the requirements must be realistic so that the producers are applying, and thereby a positive environmental impact is ensured.

How much does it cost to apply and hold a license (EU Ecolabel)?
The three ecolabelling schemes have different prices. The prices for the EU Ecolabel vary slightly between the Competent Bodies in the member states and from one product to another. Reduced fees are available for SMEs, micro-enterprises and **companies from developing countries**.

Type of applicant	**One-off-applicant fee**	**Annual fee**
Micro-enterprises	200-350 €	18750 €
SMEs and devel countries	200-600€	18750 €
All other companies	200-2000 €	25000 €

Annual fee can be a flat fee or a fee based on the annual value of sales within the EU of the product awarded the EU Ecolabel. Where the annual fee is calculated as a percentage of the annual sales value, it will not be more than 0,15 % of that value. In the case of SMEs, micro-enterprises or applicants from **developing countries**, the annual fee is reduced by at least 25 %

There are no reliable statistics about how many percentages of the total range of products that is eco-labelled.

15.1. Textiles

The EU Ecolabel, the Nordic Swan and the German Blue Angel use broadly the same general criteria for textile products, namely a variety of criteria encompassing health and environmental aspects as well as requirements for fitness for use.

The overall objectives of the EU Ecolabel schemes are the following:

- Limited substances harmful to health
- Reduced water and air pollution
- Textiles shrink resistance during washing and ironing.
- Colour resistance to perspiration, washing, wet and dry rubbing and light exposure.

The criterions focus on:

- Type of fibres
- Limitation of toxic residues in fibres
- Reduction of air pollution during fibre process
- Reduction of water pollution during fibre process
- Limitation of the use of substances harmful for the environment (in particular aquatic environment) and health process
- Performance and durability

In order to achieve a Nordic Ecolabel license for textile products, the following eco-labelling requirements shall be met (extracts from the application document):

Testing item	**Nordic Ecolabel requirements**
Information about the product	1.Information on the trademark/trade name 2.Information on where the product is expected to be on sale 3.Information on the forecast annual sales of the products (in terms of numbers of products and turnover) in each individual Nordic country 4.A description of the product and an overview of suppliers and the whole production process 5.A sample of a representative product
Natural vegetable fibres	Natural vegetable fibres used in Nordic Ecolabelled textiles must be organically cultivated or cultivated in a process that represents a transition to organic production. Examples include: cotton, flax, hemp, ramie, jute and kapok. Viscose is not classified as a natural vegetable fibre.
Energy and water consumption	A plan must be compiled for reducing energy and water consumption per unit manufactured in plants in which Nordic Ecolabelled textiles, skins and leather are wet processed. Total energy and water consumption in relation to overall production must be documented, and if possible figures for each individual wet processing stage in the production process must be submitted.
Ethical production	The licence holder is obligated to publish a plan for ethical production (Code of Conduct), where it is written how work with the following subjects secure acceptable ethical conditions: • child labour • forced labour • health and safety • freedom of association and right to collective bargaining • discrimination • discipline • working hours • compensation
Recycling systems	Relevant national laws, rules and agreements with the line of business concerning systems for recycling of products and packaging must be met in the Nordic country where the ecolabelled products are sold.

Overview of criteria for Nordic Ecolabel license for textile products[43]

No brands, products or vendors are currently licensed to carry the Blue Angel in the field of textiles. The criteria document was published in February 2011.

Oeko-Tex is an association of independent laboratories mainly located in Europe. Together, they administer the certification standards Oeko-Tex 100 and Oeko-Tex 1000, of which the former is by far the most widely used environmental standard in Europe. However, saying

[43] More information in Nordic Ecolabelling of Textiles, hides/skins and leather (Includes products for apparel and furnishings), Version 4.0 • 12 December 2012 – 31 December 2016

that Oeko-Tex 100 is an environmental standard is misleading as its focus is exclusively on the absence of chemicals dangerous to human health rather than on environmental impact. This distinguishes it from labels such as the European Ecolabel, which takes a multicriteria and life cycle approach. Nevertheless, the Oeko-Tex label is verified by a third party, and emphasis is on random laboratory checks of certified garments. Its popularity can be attributed to the fact that final product control is very cost-effective compared with expensive inspections.

"Made in Green" is a textile-specific certification that covers health, social aspects and environmental impact. It is predominantly used in Spain but also exists in Belgium and the UK. Company certificates must be renewed annually to receive certification. The process involves not only the company requesting certification but also the certification of all suppliers, wherever they are located.

The Global Organic Textiles Standards (GOTS) initiative builds on the definition of organic produce, which is defined by law in the United States and EU. In Europe, it is the European regulation on organic production and labelling of organic products (EC/834/2007), which governs the area. It sets down the criteria for farming products to be considered organic. Such products are defined as products coming from or related to organic production. The specific principles applicable to farming include the maintenance and enhancement of soil life, the minimisation of the use of non-renewable resources and off-farm inputs, the recycling of wastes and by-products of plants and animals, taking account of the local or regional ecological balance. So far, a certification of products containing 70% and 95% organically produced fibres, respectively, has been developed. The latter was introduced following pressure from businesses exceeding the basic requirements. This label also includes the basic social standards developed by the International Labour Organisation (ILO). GOTS has approved 15 certification bodies worldwide to carry out inspections. The cost of certification depends on the size and type of the business and the range of products processed traded with GOTS certification. Certification bodies will charge a fee for the certification of the business and GOTS collects an annual license fee from certification bodies.

Besides the Eco-labelling schemes, there is also a range of other voluntary labelling systems. The main voluntary systems are: size labelling (EN 13402), Care labelling (ISO 3758/GINETEX) and environmental/social labelling. The other voluntary labelling schemes are described under chapter xx.

15.2. Leather

Environmental labelling of leather products is a patchwork with an abundance of standards and labels.

Among the Type I [44] ecolabels, the German Blue Angel appears to be important, although it addresses only upholstery leather. The focus of the Blue Angel is on the health and environmental impacts of the whole life cycle of the products. It is awarded to products which have:

- no adverse effects on human health in the living environment/indoor spaces because

[44] Type 1: A voluntary, multiple-criteria based, third party program that awards a license that authorizes the use of environmental labels on products indicating overall environmental preferability of a product within a particular product category based on life cycle considerations.

- Low emissions;
- been tested for chromium VI and preservatives; and been manufactured in an environmentally friendly way – especially in terms of water consumption and wastewater criteria

The Nordic Swan includes requirement for leather products in the same document as forms the basis for ecolabelling of textiles. In order to achieve a Nordic Ecolabel license for leather products, the following ecolabelling requirements shall be met (extracts from the application document):

Testing items	**Nordic Ecolabel requirements**
Information about the product	1.Information on the trademark/trade name 2.Information on where the product is expected to be on sale 3.Information on the forecast annual sales of the products (in terms of numbers of products and turnover) in each individual Nordic country 4.A description of the product and an overview of suppliers and the whole production process 5.A sample of a representative product
Skins and leather- Tanning	**Chromium(VI)** The average concentration of chromium (VI) in finished skins and leather must not exceed 3 ppm **Arsenic, cadmium and lead** No residual concentrations of arsenic, cadmium or lead must be present in the end product. **Chromium (III)** Waste water from leather tanneries released after processing must not contain more than 1 mg chromium (III) per litre. **Reduction in COD in waste water** Waste water released by the leather tannery must be treated either in the tannery's treatment plant or in a municipal treatment plant, so that a reduction in COD content of at least 85% is achieved.
Skins and leather - Treatment with chemical products	**Preparation of skins and leather** In the criteria document (attached as Appendix 2) for textiles in the EU Ecolabel scheme the demands in points 5, 11, 14, 15, 17, 18, 21 - 23, 25 - 28 and 30 must be fulfilled in the preparation of skins and leather.
Performance requirements - Leather - Tear strength	The tear strength must not be less than 20 N.
Flex resistance	The flex resistance of the leather or skin must be such that it is capable of withstanding 20,000 test repetitions (20 kc) without visible damage.
Colourfastness	Colourfastness must as a minimum comply with Note 3.
Colourfastness to rubbing	Colourfastness to rubbing must as a minimum comply with Note 3 (for both wet and dry rubbing).
Recycling systems	Relevant national laws, rules and agreements with the line of business concerning systems for recycling of products and packaging must be met in the Nordic country where the ecolabelled products are sold.
Energy and water consumption	A plan must be compiled for reducing energy and water consumption per unit manufactured in plants in which Nordic Ecolabelled textiles, skins and leather are wet processed. Total energy and water consumption in

	relation to overall production must be documented, and if possible figures for each individual wet processing stage in the production process must be submitted.
Ethical production	The licence holder is obligated to publish a plan for ethical production (Code of Conduct), where it is written how work with the following subjects secure acceptable ethical conditions: • child labour • forced labour • health and safety • freedom of association and right to collective bargaining • discrimination • discipline • working hours • compensation.

Criteria for achieving license to Nordic Ecolabel license for leather products[45]

Finally, the EU Ecolabel presently covers leather products under the heading of footwear products, but these requirements cannot be considered to be "full scale". However, a set of criteria for leather is expected to be developed soon.

Apart from the above, there are a few smaller private labels. In Portugal, for example, the industry has introduced a label for "vegetable tanning". This requires the tanner to avoid using chrome in the process. In the UK, there are test laboratories, which perform screenings for "restricted substances". One of these is the BLC Leather Technology Centre. The centre can award labels based on laboratory test results. In Germany, there is also an energy label for leather regarding carbon dioxide emissions (Eco2Leder).

Finally, there is a Leather Working Group comprising some of the most important retailers of leather products including footwear (e.g. Doc Martens, Adidas and Puma), clothing (e.g. Marks and Spencer and H&M) and furniture (e.g. IKEA). This group engages in developing criteria for environmentally friendly tanning, which are monitored by independent audits. Based on these audits, the tanneries are rated gold, silver or bronze. The different labels are presented in the below table.

Geographical coverage	**Environmental label**
International	'The leather working group' – a privateassociation of large corporations, which rates tanneries based on environmental audits in tanneries
Europe	EU Ecolabel (Regulation (EC/66/2010) (currently for footwear only; criteria for leather foreseen to be developed by end 2013)
Nordic countries	Nordic Swan, provisions for leather but equated with textile products, so very difficult for leather producers to comply. New leather-specific provisions might be under way.
Germany	German Blue Angel
UK	UK Leather Confederation (licensed through UKLF) Leathersure, Qualitysure, Consumersure, Metalsure, Ecosure
Portugal	'Vegetable tanning licensed through the Associacao Portuguesa dos Industriais de Curtume'

Overview of national leather labels (Source: European Commission DG Enterprise and Industry Study on the feasibility of a leather labelling system at European level, January 2013)

15.3. Shoes

[45] More information in Nordic Ecolabelling of Textiles, hides/skins and leather (Includes products for apparel and furnishings), Version 4.0 • 12 December 2012 – 31 December 2016

The EU Ecolabel and the German Blue Angel have developed criteria document for footwear while the Nordic Swan does not offer the manufacturers of shoes this service.

The products covered by the EU Ecolabel are: "All articles of clothing designed to protect or cover the foot, with affixed outer sole which comes into contact with the ground." Footwear must not contain any electric or electronic components. As regards the criteria for footwear[46] they are in some cases process related (i.e. emissions from the production of material). In other cases they are related to the use of certain materials or substances and in other cases they are related to the final product.

The criteria aim in particular at:

- Limiting the levels of toxic residues and the emissions of volatile organic compounds and
- Promoting a more durable product.

And the focus of the Decision is on:

- Reduction of water consumption (only for the tanning of hides and skins)
- Emissions from the production of material
- Use of VOCs during final assembly of shoes
- Energy consumption
- Packaging of the final product
- Information on the packaging
- Information appearing on the Ecolabel
- Parameters contributing to durability

The award of the EU Ecolabel requires an appropriate test which ensures that the product is fit for use[47] meaning that products bearing the EU Ecolabel function in accordance with their intended use.

Verification of compliance with the criteria is a mixture of tests and declarations. The applicant will be expected to complete a specific model and/or laboratory tests report and send these to the Competent Body[48] and assemble a dossier containing all of the relevant data and manufacturers' declarations pertaining to the Ecolabelled product. This dossier should be used to demonstrate compliance with the criteria. The applicant is expected to keep the dossier on site and up to date it in order to demonstrate continuous compliance. Verification and on-site inspections will be carried out systematically irregularity or lack of evidence for compliance can lead to the withdrawal of the permission to use the EU Ecolabel.

If the results of tests and of the site‘s audit are conformed to the Decision 2009/563/EC, the competent body sends a notification to the EU Commission informing that the competent body awards the European Ecolabel to the producer.

[46] Decision 2009/563/EC on establishing the ecological criteria for the award of the Community eco-label for footwear

[47] In the application form the functional unit is one pair of shoes. Requirements are based on shoe size 40 Paris point. For children´s shoes the requirements apply for a size 32 Paris point (or the largest size in the case of maximum sizes smaller than 32 Paris point).

[48] A Competent Body is nominated in each EU member State.

In order to achieve an EU Ecolabel license for shoes, the following ecolabelling requirements shall be met:

Testing Items	**Decision 2009/563/EC requirement**
Chromium VI	Not detectable; 3 ppm limitation by using EN ISO 17075 test method
Arsenic, Cadmium, Lead in the materials used or in final product	Not detectable
Free and hydrolysed formaldehyde	Not detectable; Leather: limit at 150ppm Textile: limit at 20ppm
Reduction of water consumption (Hides) Reduction of water consumption (Skins)	<35 m3/t <55 m3/t
COD in waste water	<250 mg COD/l of water discharged
Chromium (III) in tannery waste water	<1 mg/l
PCP, TCP and its salts and esters	Not detectable; Leather: limit at 0.1ppm Textile: limit at 0.05ppm
Azo dyes	Not detectable; Leather: limit at 30ppm Textile: limit at 30ppm
Carcinogenic, mutagenic toxic substances	Not detectable
APE, PFOS	Not detectable
Sensitising skin substances	According to Directive 67/548/EEC or Directive 1999/45/EC, R43 is banned
Phthalates	Only those comply with Directive 67/548/EEC; DnOP, DINP and DIDP are not permitted in the product
Biocides	Only those permitted in Annex IA of Directive 98/8/EC
VOCs	<20 g/pair
Physical properties	Uppers flex resistant, uppers tear strength, outsoles flex resistance, outsoles abrasion resistance, uppersole adhesion, outsoles tear strength, and colour fastness of footwear inside

Criteria for achieving license to Nordic Ecolabel for shoes

The Blue Angel for footwear is based on the criteria document RAL-UZ-155. It comprises all articles or clothes designed to protect or cover the feet with a solid outsole whose bootleg material consists of leather, textile and/or plastic material.[49] The footwear shall not contain any electric or electronic components.

The criteria document for The Blue Angel differs considerably from the EU Ecolabel criteria and includes:

- Requirements for the Origin and Production of Certain Raw Materials
- Requirements for the Manufacturing Processes for Raw Materials/Materials
- Requirements for Completion Processes (Footwear Manufacture)
- Requirements for Chemicals, Auxiliaries and Dyes
- Serviceability
- Packaging
- Consumer Information
- Working Conditions

[49] The use of polyvinyl chloride (PVC) is not permitted.

Here, once again, environmental standards have been applied to the entire manufacturing process. Companies must demonstrate the origin of the textile raw materials and leather they use, guarantee the absence of all hazardous chemicals, accessories and colorants and meet standards in terms of waste water and extracted air emissions.

15.4. Plastic

Plastic is not subject to eco labelling schemes either under the EU Ecolabel, The Nordic Swan or the Blue Angel. However, plastic may be used in different products and in this context the most important environmental issue must be the possibility of recycling which is indicated using the SPI resin identification coding system (see section 14.4).

16. Other voluntary labelling systems

Size labelling

There are three approaches for size-labeling of clothes: body dimensions, product dimensions and ad-hoc size.

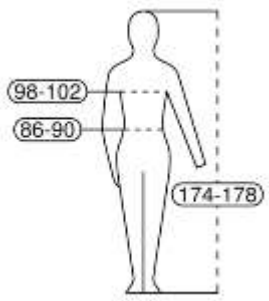
Body dimension is based on a range of body dimensions (e.g. foot length: 28 cm). When product dimension is used the labels states characteristic measures of the product. (Example: jeans labelled with their inner-leg length in centimetres) Finally the ad-hoc size provides a size number or code with no obvious relationship to any measurement. (Example: Size 12 years, S or XL)

Especially ad-hoc size labelling has led to many problems such as country-specific sizes; changes of sizes over time as a consequence of inflation in the body dimensions (height weight etc.) or problems in ordering clothes by mail.

For the past decade, a working group within the European Standardization Body, CEN[50], has negotiated a common voluntary standard for the size labelling of clothes. The standard defines a list of body dimensions to be used for designating clothes sizes, together with an anatomical explanation and measurement guidelines. The measurements includes for example:

- height (vertical distance between the crown of the head and the soles of the feet, measured with the subject standing erect without shoes and with the feet together)
- bust girth (maximum horizontal girth measured during normal breathing with the subject standing erect and the tape-measure passed horizontally, under the armpits (axillae), and across the bust prominence (preferably measured with moderate tension over a brassiere that shall not deform the breast in an unnatural way and shall not displace its volume)
- hip girth (horizontal girth measured round the buttocks at the level of maximum circumference)

[50] European Committee for Standardization



Although the standard is available, the specific measures and size intervals have not yet been developed and it seems as if the work is dead-locked.

In addition to the CEN working group, parallel work on clothing sizes is done within ISO (ISO/TC 133). The ISO approach is also based on body dimensions, but by some stakeholders it is considered to be a simpler proposal.

Care labelling

There is no mandatory care labelling regime at the EU level. At Member State level, the situation varies. In some Member States care labelling is voluntary, while others have mandatory care labelling requirements.

Both the voluntary care labelling systems applied by manufacturers and importers, and the legal requirements in the Member States where care labelling is mandatory, are generally based on the ISO 3758 standard, which again is based on the care symbols developed by GINETEX, the International Association for Textile Care Labelling. This means that in practice, there is only one system in Europe, namely the GINETEX/ISO 3758 system.[51]

The GINETEX symbols are small pictograms indicating recommended forms of washing, drying, ironing, bleaching and dry cleaning and are now widely used in all EU Member States. The symbols are protected as trademarks in many countries, and using them is only allowed following a contract with GINETEX. GINETEX is composed of 18 national councils, which are mandated to represent GINETEX and promote correct use of the symbols. Where the symbols are registered as trademarks, these councils can also charge royalties from businesses that are using the symbols. In some cases, such as Portugal, Denmark and Germany, the national council is a business association for the textile industry. In other cases, such as Finland, Slovenia and the UK, the councils are the standardization bodies or private labelling consultancies. The users of the GINETEX symbols are not subject to random checks or stock controls by any central authority. The responsibility for the accuracy of the labelling is left with the producer.

Environmental/social labelling
Environmental labelling covers a wide range of issues, and the existing labels are differentiated in terms of both the criteria applied and the control system. They can be more or less reliable and more or less accurate and the different labels also mandate very different levels of environmental performance.

[51] Study on Labelling of Textile Products, 2010, Directorate General for Internal Policies

Besides the three European labels already mentioned (EU Ecolabel, The Nordic Swan and the German Blaue Ängel) there are numerous other environmental labels.

Labels certifying social performance are called social labels and are less numerous than environmental ones. Social labelling is being used as a tool for more effective communication about 'ethical trade'. Labelling can provide information and can act as an incentive to improve the social and environmental impact of production and trade.

Within CEN, there is currently a group that is working on the development of industry standards for the use of particular terms such as 'sustainable', 'green' or 'environmentally friendly'. This could eventually lead to better control and a reduction in unsubstantiated claims. However, the working group is still at a very early stage and it is also important to remember that European standards (ENs) are voluntary and the effect may be limited.

Voluntary leather labelling on selected markets

Since no EU legislation exists on leather voluntary labelling schemes are often widely used in selected markets. They should be taken into account. In addition to these leather standards it it should be remembered that eco-labelling schemes also exist.

Geographic coverage	**Voluntary standard for leather**
Europe	Initiatives within the CEN '(WI 00289136) Leather – Terminology – Key definitions for the leather trade (FprEN 15987:2010)' 'Leather – Test method for the identification of leather (New Work Item)
Germany	RAL – Deutsches Institut für Gütesicherung und Kennzeichnung 'Abgrenzung des Begriffes Leder gegen über anderen Materialien – Bezeichnungsvorschriften' (RAL 062 A2)

UK	The UK Standards Institute BS 2780:1983 N.159

Presentation of voluntary leather labelling schemes

In summary, the different areas have developed in different way. In the case of size labelling, the complexity of the process within CEN has left the issue of multiple competing standards unresolved. In the field of care labelling, a common standard has been developed and is used in all Member States. Finally in the field of environmental/social labels, there is a wide variety of labels, often with different focus.

17. Characteristics of the labelling process in the 4 sectors

17.1. Textiles

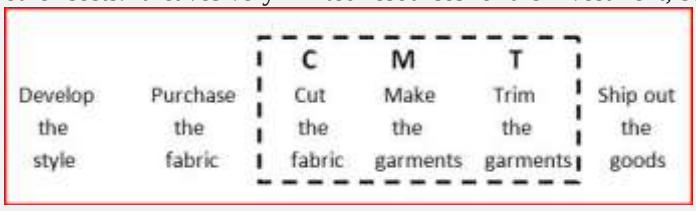
The textile industry in Vietnam is large. By the end of 2012 there were close to 6,800 companies in the textile industry[52]. Most of the companies are engaged in production of garments. However, there are also many companies which are specialized into spinning, weaving, knitting, dyeing and finishing. In total 1,15 million are at present employed in this sector – most of them are women.

The main export markets are the USA (42% and growing), EU (13% and declining from 2011/12) and Japan (7% and growing). These markets are very different. The Americans prioritize casual clothes in big quantities. The style is relaxed, simple and easy to produce.

The Europeans and the Japanese markets are more demanding when it comes to quality, details, correctness etc. At the same time the quantities are much smaller than the ones to the USA.

The main competitor for the Vietnamese textile industry is the Chinese textile industry, which is both effective, cheap and it is considered to produce with high quality products.

A meeting with Vietnam Textile and Apparel Association showed that it is an industry under pressure, which has troubletroubles producing the same quality as the Chinese. It is also a businessan industry with limited development opportunities, as the foreign companies which place orders at the Vietnamese textile companies has in-depth knowledge of all details in the production and only leaves three steps of the value chain to the Vietnamese manufacturer (CMT).cover the costs of the production (salaries) and a minimum overhead to cover other costs. It leaves very limited resources for the investment, business development etc.



The division of tasks has the consequence that the Vietnamese company only has it basic costs (salaries, energy, premises etc.) covered plus a minor profit, which is very limited due to the competition both from domestic and foreign companies. The possibility of investment in new technology and human resources is therefore difficult to spot as the substantial part of the profits goes to the international company.

As regards the products exported the representatives of the Vietnam Textile and Apparel Association were not in doubt that the labelling of the products complies with the requirements on the export markets, as this is controlled by the foreign companies. On the

[52] See more in Annex 19.2. Statistical Analysis of Textiles, Footwear, Leather and Plastics in Vietnam

domestic market - where the quality awareness is very low - it is another situation, also taking into consideration that there is almost no control of textile products and their labelling.

An interview of the laboratory staff at QUATEST 3[53] showed that their test labs were able to perform two tests of textiles – one regarding colour and the other one regarding composition of fibres. In the EU Regulation EC1007/2011 there are listed 16 different test methods for testing the fibre composition of textile. However, the private owned Vietnam Textile Research Institute in Hanoi can carry out most of these tests.

17.1. Leather and Shoes

The Vietnamese Leather and footwear industry is organized in the trade organization LEFASO (Vietnam Leather and Footwear Association) which represents one of the major export sectors in Vietnam. The main export markets are EU, USA and Japan.[54]

Main market	**Value**	**%**
EU	412.74	31,33%
USA	516.98	39,24%
Japan	144.65	10.98%
Others	243.14	18.45%
Total	1,317.51	100.00%

The competitors are primarily the Chinese shoe producers but also the Indonesian companies are competitors on the market. It is characteristic of this sector that the vast majority of the production is controlled by foreign companies. These companies - or their representatives in Vietnam - perform all the tasks that are outside the assembly.

This means that the following tasks are carried out by the companies – typically international brands like Adidas, Converse, Ecco etc. - that place their production in Vietnam:

- market research,
- design,
- development of models,
- selection of raw material suppliers,
- negotiation of prices and procurement of raw material,
- testing of raw materials,
- distribution,
- marketing and
- sales

The consequence of this division of tasks is that there is no significant accumulation of knowledge about the value-chain besides the processes related to the assembly,
As regards the compliance with the labelling requirements and the provision of the necessary supporting test reports LEFASO informed that the international companies typically use test facilities in their home countries or in Hong Kong, Singapore or similar places where the test facilities allows accredited tests in accordance with all the relevant international standards. Furthermore LEFASO informed, that some minor Vietnamese shoe producers exist but since their products are only placed on the Vietnamese market they do not have a demand for advanced Vietnamese test services. Finally LEFASO pointed out that if the knowledge of shoe production should be increased, focus should be directed towards the Vietnamese

[53] Division of the Viet Nam Directorate for Standards, Metrology and Quality (STAMEQ)
[54] Trade figures available in Annex 19.2

producers, which carry out more of the stages in the value chain. However, it would require better framework conditions as well as an upgrade of the quality standards of the manufacturing operations.[55].

17.2. Plastics

The plastics industry has a long history in Vietnam[56], but in comparison with the plastics industries in other countries in the region such as Malaysia, Singapore, Thailand and China it is still an industry which has growth potential.

Currently, there are about 2700 plastic companies in Vietnam (2010 figures), 80% of which are of small or medium size and privately owned. Only 6% are state-owned, but they represent about 20% of the total capital invested in the industry. State-owned companies tend to be larger and to employee more workers and resources than the small or medium sized private competitors. The rest of the plastic producers are owned by foreign companies.

The domestic market is the most important market. The main export markets are Japan, America, EU and the ASEAN countries. In 2010 Vietnam exported over 20 categories of plastic products to world markets, of which three categories had export revenue of over 100 million USD and 8 categories of over 10 million. Packaging material was the biggest category and amounted to about 387 million USD[57]. Four EU countries (Germany, Netherlands, France and the UK) are among the 10 main export markets. In total these markets counts for 208 million USD (2010 figures).

18. Vietnamese labelling requirements

18.1. Decree No. 89/2006/ND-CP of August 30, 2006, on Labelling of Goods

The Ministry of Science and Technology has the primary responsibility for coordinating with other ministries in amending and supplementing compulsory contents of goods labels. On September 30, 2006, the Vietnamese Government issued Decree 89/2006/ND-CP, which became effective on March 13, 2007.

The Decree provides the requirements for the labelling of goods produced in Vietnam for domestic circulation and for export. It also covers goods produced in foreign countries that are imported for sale in Vietnam. The Decree applies to all organizations and individuals manufacturing and trading in goods in Vietnam as well as organizations and individuals exporting or importing goods.

According to the Decree labelling of goods means "*the presentation of necessary and principal contents about goods on their labels in order to help consumers identify the goods and serve as the basis for purchasers to select, consume and use such goods, and for manufacturers and traders to advertise their goods, and for functional agencies to conduct inspection and supervision*".

Not only domestically circulated goods have to be labelled in accordance with the provisions of the Decree. Also exported goods must have labels as required by the Decree. However,

[55] Vietnam Competitiveness report 2010, Central Institute for Economic Management
[56] See Annex 19.2
[57] Vietnam Trade Promotion Agency

there are exemptions from the general rule. Especially the exemptions in Article 5, clause 3 are of particular relevance:

"In case foreign organizations or individuals that import Vietnamese goods request the labeling of goods as stipulated in contracts for goods sale and purchase and take responsibility for their requests, exporting organizations or individuals shall comply with such requests as contracted, provided that such requests do not lead to misunderstanding of the substance of the goods and violate the laws of Vietnam and importing countries."

Article 6, 7 and 8 of the Decree specifies the position, size and color of letters on the label. The general rule is that the labels shall be attached to the good or the commercial packing in a position where the contents of the label can be easily read.

As regards the language used on labels article 9 in the Decree states that the compulsory contents of the label must be in Vietnamese except in the cases where:

- International names or scientific names of medicines for humane use have no corresponding Vietnamese names;
- International names or scientific names enclosed with chemical formulas or chemical composition formulas have not corresponding Vietnamese names
- International names or scientific names of ingredients or ingredient quantities of goods cannot be translated into Vietnamese or if their Vietnamese translations are meaningless;
- Names and addresses of foreign manufacturing or franchising enterprises cannot be translated.

Article 10 of the Decree regulates the responsibility for the labelling. For goods manufactured, assembled, processed or packaged in Vietnam for domestic circulation, the manufacturer (organisation or individual) is responsible for the labelling. For goods manufactured or processed in Vietnam for export, the exporter is responsible for the labelling. In case the goods cannot be exported and are returned for circulation on the Vietnamese market the goods shall be labelled in accordance with the provisions of the Decree. Finally article 10 states that goods imported to Vietnam with original (foreign) labels which fail to meet the provisions of the Decree shall have supplementary labels in accordance with the Decree before such goods are placed on the market.

The basic content of a label is the following:

- Name of goods;
- Name and address of the organization or individual responsible for the goods;
- Origin of goods.

Furthermore – depending on the kind of goods – other compulsory contents are stipulated in Article 12 of the Decree.

In article 12, clause 21 the supplementary content which must be shown on labels on textile, garment, leather and footwear production are listed. These are:

- Composition or quantitative compositions;
- Technical specifications;

- Hygiene, safety information and warnings;
- Instructions on use and preservation.

In article 12, clause 22 the supplementary contents which must be shown on labels on plastic and rubber products are listed. These are:

- Quantity;
- Month of manufacture;
- Composition;
- Technical specifications;
- Hygiene, safety information and warnings.

Besides the above mentioned basic and supplementary labelling requirements the producers of plastic intended to come in contact with food must also meet the provisions in the Circular 34/2011/TT-BYT on Food Packaging and Food Containers.

In article 13 of the Decree it is stated that the names of goods shown that names of goods must not lead to misunderstanding about the substance and uses of goods.

When the organizations or individuals responsible for the goodsattach a label on the goods, there are different requirements to observe:

- For domestically manufactured goods, their labels must show the name of the organization or individual and the address of the manufacturing establishment.
- For goods imported for circulation in Vietnam, their labels must show the name and address of the manufacturing organization or individual and the name and address of the importing organization or individual.
- For goods imported into Vietnam by organizations or individuals acting as sale agents directly for foreign traders, their labels must show the name and address of the manufacturing organization or individual and the name and address of the organization or individual acting as agents to sell such goods.
- For goods franchised or permitted by another organization or individual, their labels must comply with the provisions listed above (if relevant) and in addition the name and address of the franchising or permitting organization or individual shall be shown.

Origin of goods is regulated in article 17 of the Decree. Origin of goods shall be shown as follows: The words "Produced at" or "Manufactured at" or the word "origin" shall be followed by the name of the country or territory where the goods are made. There are no specific specifications of the criteria used to determine the origin.

For goods manufactured in Vietnam for domestic circulation the place where the goods are manufactured has to been shown while the origin of the goods is not be required on the label.
Finally, According to article 24 the enforcement of the Decree is shared between the police, the customs authorities, the market management, the goods quality management and specialized inspection authorities as well as other agencies. Within the scope of their functions, tasks and powers they shall react on violations of the law and act in accordance herewith.

18.2. Circulars - Guiding the implementation of a Decree no. 89/2006/ND-CP

The circular 09/2007/TT-BKHCN and the circular 14/2007/TT-BKHCN are issued by the Ministry of Science and Technology in order to give guidance on the implementation of some articles in the Decree 89. Besides a clarification for organizations and individuals being responsible for several different production facilities the circulars state that the Market Surveillance Agency under Ministry of Industry and Trade is in charge of controlling the products. This is done at the production sites or in the shops. If necessary the products are tested in order to clarify whether the labelling is correct. This is done by an accredited laboratory appointed by the relevant authority.

19. Comparison of EU and Vietnamese labelling requirements

A one-to-one comparative analysis of the labelling requirements in EU and Vietnam is difficult to carry as the legislative regimes are fundamentally different. However, it is possible to compare some of the overall characteristics such as minimum labelling requirements and the required supporting documentation.

Content	**Vietnam** **Decree no. 89/2006/ND-CP**	**EU (textile, shoes and plastic in contact with food)** **No labelling legislation for leather products.**
Purpose	The overall purpose of the labelling Decree is to ensure a presentation of the necessary and principal contents about goods in order to help consumers identify the goods and serve as the basis for purchasers to select, consume and use such goods, and for manufacturers and traders to advertise their goods, and for functional agencies to conduct inspection and supervision.	1. Regulation EC/2011/1007 (textile) In order to eliminate potential obstacles to the proper functioning of the internal market caused by Member States' diverging provisions with regard to textile fibre names. 2. Directive EC/94/11 (shoes) Different provisions in Member States on footwear labelling created obstacles to the functioning of the internal market. Consumer interests needed to be protected by correct information and the risk of fraud for both consumers and industry should be reduced. 3. Regulation EC/2004/1935 and Regulation EC/2011/10 (plastic in contact with food) In order to protect health and safety the regulations establish the general and specific rules for plastic materials in contact with food including labelling requirements.
Scope	The Decree provides the requirements for the labelling of goods produced in Vietnam for domestic circulation and for export, and of goods produced in foreign countries that are imported for sale in the Vietnamese market. The Decree applies to all organization and individuals manufacturing and trading in goods in Vietnam as well as organizations and individuals exporting or importing goods.	1. Regulation EC/2011/1007 (textile) The Regulation applies to textile products made available on the EU market which are containing at least 80 % by weight of textile fibres. 2. Directive EC/94/11 (shoes) The Directive applies to the labelling of the materials used in the main components of footwear for sale to the consumer. 3. Regulation EC/2004/1935 and Regulation EC/2011/10 (plastic in contact with food) apply to materials and articles which are placed on the EU market and fall under the following categories: (a) materials and articles and parts thereof consisting exclusively of plastics; (b) plastic multi-layer materials and articles held

		together by adhesives or by other means; (c) materials and articles referred to in points a) or b) that are printed and/or covered by a coating; (d) plastic layers or plastic coatings, forming gaskets in caps and closures, that together with those caps and closures compose a set of two or more layers of different types of materials; (e) plastic layers in multi-material multi-layer materials and articles.
Information requirements	**Basic information** • Name of goods; • Name and address of the organization or individual responsible for the goods; • Origin of goods. **Supplementary for textile, garment, leather and footwear:** • Composition or quantitative compositions; • Technical specifications; • Hygiene, safety information and warnings; • Instructions on use and preservation. **Supplementary for plastic** • Quantity; • Month of manufacture; • Composition; • Technical specifications; • Hygiene, safety information and warnings.	1. Regulation EC/2011/1007 (textile) Fibre composition 2. Directive EC/94/11 (shoes) The labelling shall provide information on the material, which constitutes at least 80 % of the surface area of the upper, and the lining and sock, of the footwear, and at least 80 % of the volume of the outersole. If no one material accounts for at least 80 %, information should be given on the two main materials used in the composition of the footwear 3. Regulation EC/2004/1935 and Regulation EC/2011/10 (plastic in contact with food. Label indicating whether the plastic is supposed to get in contact with food.
Market control	People's police, customs, market management, goods quality management and specialized inspection and other agencies shall, within the scope of their assigned functions, tasks and powers, when detecting law-breaking acts related to goods labeling, have the right to handle such acts according to current provisions of law. In practice no market control is carried out.	Market surveillance authorities carry out checks of the compliance with the legislative framework for the different products.
Documentation	No provisions describe the requirements for test reports or other kind of documentation for the compliance with the provisions of the Decree.	Appropriate documentation to demonstrate that the materials comply with the requirements of the Regulation or Directive shall be made available by the business operator and be sent to the national competent authorities on request.

Comparison of characteristics of VN and EU labelling legislations

As can be seen from the above comparison, there are two very different approaches to product labelling. The Vietnamese regulation has few mandatory labelling requirements supplemented with specific labelling requirements for the different types of products. Overall, the disclosure requirements are quite extensive for Vietnamese products such as textiles and

shoes. As regards the European labelling requirements the regulations only focus on meeting the specific objectives of the relevant legislation. For example the shoe marking is only focused on the information that ensures that the customer is fully informed of the components of the shoes. Other issues such as hygiene or month of production are omitted. Therefore the European legislation has fewer requirements than Decree no. 89/2006.
the major difference to the Vietnamese decree is that the documentation requirements are clearer and often test reports issued by accredited laboratories are required. In addition, the enforcement of the legislation may be stricter in Europe than in Vietnam. This assumption has been confirmed by interviews with business associations in Vietnam. In general it was perceived that little or no enforcement takes place on the Vietnamese market.
The conclusion of the comparison of the labelling requirements in Vietnam and on the European market are - depending on the industry – so different that the Vietnamese companies have to examine the EU requirements carefully when export is planned – in particular the documentation requirements shall be studied.

20. General recommendations for Vietnam

In the chapter 16 and 17 of this study a number of recommendations are listed. These recommendations are also relevant in relation to labelling.

Following the meetings and discussions with the stakeholders - especially with the Ministry of Industry and Trade - and on the basis of an analysis of the current situation in the four sectors that have been the subject of the study the expert team has deduced the below general recommendations which particularly address the challenges the Vietnamese companies face with regard to obtaining the necessary knowledge and skills - also in labelling and the execution of the underlying test. These can be considered as long tern recommendations

1) Cluster thinking

In certain areas, Vietnam has a particularly strong position which should be utilized. They include the production of textiles and shoes but other areas may be developed to become future export successes. The experience from other countries is that comparative advantages are established when factors such as good legislative framework conditions; people with the right skills and the appropriate educational and research institutions contributes positively to the industry/business. Such business environments can be created in Vietnam by supporting the establishment of clusters for selected businesses/industries.

2) Vocational education and training.

In certain industries the foreign contractors undertake most of the tasks in the production chain. Only processing is handled by Vietnamese companies. Therefore, modest knowledge of the overall value chain is built up. With this in mind it is recommended to invest in vocational education and training at all stages of the value chain so that the design, production planning, testing, labelling, distribution, etc. can be undertaken by Vietnamese. Thus, the chance of new locally owned “spin-off companies” will be increased considerably.

21. Sector specific recommendations for Vietnam

Besides the general – long term – recommendations some initiatives can be taken in order to facilitate the access to the European market for the different sectors. Most of these initiatives are already mentioned in chapter 17 but a few more with clear reference to labelling can be added.

21.1. Textiles

1) Strengthened test facilities

Regulation 1007/2011 specifices in Annex VIII (Methods for the quantitative analysis of binary and ternary textile fibre mixtures) different methods to be used for test of the fibres used for the labelling. Since it is rather complicated test methods that require sophisticated equipment and highly qualified staff it shall be considered to carry out an analysis of the present laboratory capabilities and compare these results with the needs of this important export sector. Based on this a plan for the strengthening of the laboratories can be developed.

2) Information about the European market

The international companies dominate a large part of the Vietnamese textile manufacturers. Therefore the incentive to obtain knowledge of export markets is limited. In order to motivate the Vietnamese manufacturers to increase export to Europe easy access to information about standards, legislation and standards should be established as mentioned in Part A of this study. The information system described in Chapter 22 of this study could be the first step.

3) The textile industry may within few years be asked to meet the criteria underlying the Ecolabelling schemes. Therefore a database should be established where companies and test laboratories can obtain information about the requirements to be met.

21.2. Leather and shoes

1) Information and training – business development

Like the textile industry, the footwear and leather industries are to a large extent controlled by International companies. The information system described in Chapter 22 would meet this need.

2) Information about Ecolabelling

In order to prepare the leather and footwear industry for future demands for ecolabelling of their products a knowledge base with updated (and translated) information about the requirements for ecolabelling should be established.

22. Information system for Vietnamese producers and exporters on EU regulations

The regulation of the European market is quite complicated and the identification of the relevant legislation; the relevant standards and the relevant conformity assessment bodies can for many Vietnamese exporters be a rather demanding task. Therefore, the introduction of an on-line information platform that gives Vietnamese exporters easy access to the necessary information for exporting to Europe, is the most suitable way to share this information in an efficient and user-friendly manner.

The EU Commission has for several years hosted the web-based portal “Export Helpdesk” which is a one-stop-shop to access information concerning the European market. The Export Helpdesk informs on the EU tariffs, requirements, preferential arrangements, quotas and statistics affecting business in developing countries. The portal has shown to be a big success and is available in 6 languages – English, Spanish, French, Portuguese, Russian and Arabic.

In order to easen the use of the helpdesk it is recommended to develop Vietnamese interface with guides in the use of the two information systems including “screenshots” and “step-by-step” instructions.

Even if the user finds the information needed, there may still be a need for supplementary information about related issues. Therefore a portal is not always enough. Also a certain level of interactivity with the users is needed. This could be ensured by including a form on the Vietnamese website (the interface) where the exporters can ask questions about specific legislation, standards etc.

Finally – but not least – the visibility of a new information platform for exporting companies has to be visible to the potential users. Therefore promotion through all relevant channels such as business associations, Newsletters, agencies and other business networks is crucial for the success of the information portal.

The above considerations can be summarized into the following general pointers that should be addressed when an information platform designed:

- **Vietnamese user interface** - A Vietnamese information system must operate to a certain level be in Vietnamese. Therefore a Vietnamese interface to the Export Helpdesk and the EUR lex must have instructions in the use of these two portals as well as a translation of News published in the Website. However, the core of the helpdesk must be the EU Export Helpdesk and EUR lex, which are not translated into Vietnamese.
- **Interactivity** – A web-based Information Portal cannot stand alone. The users may need support to use the Portal or support to get further information. Therefore it shall be possible to ask questions about specific legislation, standards etc. on the Vietnamese “gateway” to the two portals.
- **Visibility –** Only by being visible the Portal will be a success. Therefore promotion activities are of the utmost importance until the Portal is used by the export companies.

With this in mind the following sections will in few words outline the structure of an information portal and the organization needed to maintain it.

22.1. Structure

With the above starting point, the structure of a website that will serve as the gateway to information about the European market can be outlined as follows.

The user interface will be a Vietnamese website that introduces the underlying information portals:

- EU Export Helpdesk and
- EUR lex which provides access to all current and historical EU regulation.

In order to increase the usability of these portals "step-by-step" instructions are developed so that the language barrier – to some extent – is eliminated. Furthermore news about new EU legislation of particular interest to the Vietnamese industry is translated into Vietnamese.

22.2. Organisation and hosting

There seem to be two models for the organization of the help desk. Either the helpdesk may be placed in the Ministry of Industry and Trade or in the Vietnamese TBT Office,

The European Market department at the Ministry of Industry and Trade already answers questions about European legislation and other trade related issues and therefore this department has already built up capacity and knowledge about the EU legislative framework. Alternatively the Vietnamese TBT Office can host the website/gateway, but this organisation covers a wide range of tasks already and is not specialized into European legislation.

Based on this it is recommended that a Vietnamese website/gateway to the EU information portals is hosted by MoIT.

23. Annexes

23.1. RAPEX Notifications, Viet Nam, 2008-2013

RAPEX Notifications, Viet Nam, 2008-2013

Year:	2013
Notifying country:	Germany
Risk type:	Serious
Product type:	Consumer
Product:	Light sandals
Category:	Clothing, textiles and fashion items (shoes and leather)
Risk:	Chemical
Description:	The leather parts of the sandals contain 15 g/kg of chromium (VI). Chromium (VI) is classified as sensitising and may trigger allergic reactions
Measures adopted by notifying country:	Voluntary measures: Ban on the marketing of the product and any accompanying measures
Year:	2009
Notifying country:	Italy
Risk type:	Serious
Product type:	Consumer
Product	Trainers
Category:	Clothing, textiles and fashion items (shoes)
Risk:	Chemical
Description:	Counterfeit goods (Nike). The products pose a chemical risk because they contain 0.5-0.7 mg/kg dimethylfumarate (DMF) in the sachets. Dimethylfumarate is a substance which is strongly sensitising on contact with the skin, and consumer products containing dimethylfumarate are banned according to Commission Decision 2009/251/EC
Measures adopted by notifying country:	Compulsory measures: Seizure of the products ordered by the authorities
Year:	2010
Notifying country:	Hungary
Risk type:	Serious
Product type:	Consumer
Product:	Ladies' shoes
Category:	Clothing, textiles and fashion items (shoes)
Risk:	Chemical
Description:	The product poses a chemical risk because it contains 0.3 mg/kg dimethylfumarate (DMF) in lining and the insole. Dimethylfumarate is a substance which is strongly sensitising on contact with the skin, and consumer products containing dimethylfumarate are banned according to Commission Decision 2009/251/EC
Measures adopted by notifying country:	Compulsory measures: Market withdrawal ordered by the authorities
Year:	2011
Notifying country:	Spain
Risk type:	Serious
Product type:	Consumer
Product:	Babies' sweater
Category:	Clothing, textiles and fashion items
Risk:	Strangulation
Description:	3 knitted sweaters for babies in different colours with decorative bows. A label is attached with the code and price on one side, and the brand on the other. The product poses a risk of strangulation due to the presence of decorative cords (ribbons) that are too long in the neck area. The product does not comply with the relevant European standard EN 14682

Measures adopted by notifying country:	Compulsory measures: Withdrawal from the market ordered by the authorities

Year:	2012
Notifying country:	Germany
Risk type:	Serious
Product type:	Consumer
Product	Golf gloves
Category:	Clothing, textiles and fashion items (leather)
Risk:	Chemical
Description:	The product poses a chemical risk because it contains 50 mg/kg of Chromium (VI). Chromium (VI) is classified as sensitising and may trigger allergic reactions
Measures adopted by notifying country:	Voluntary measures: Recall of the product from end users
Year:	2010
Notifying country:	Germany
Risk type:	Serious
Product type:	Consumer
Product	Ladies' shoes
Category:	Clothing, textiles and fashion items (shoes)
Risk:	Chemical
Description:	The product poses a chemical risk because it contains 0.53mg/kg of dimethylfumarate (DMF) in the insole, 0.5 mg/kg in the inner lining and 3.1 mg/kg in the silica gel. Dimethylfumarate is a substance which is strongly sensitising on contact with the skin and consumer products containing dimethylfumarate are banned according to Commission Decision 2009/251/EC
Measures adopted by notifying country:	Voluntary measures: Voluntary recall from consumers by the importer
Year:	2010
Notifying country:	Germany
Risk type:	Serious
Product type:	Consumer
Product	Ladies' shoes
Category:	Clothing, textiles and fashion items (shoes)
Risk:	Chemical
Description:	The product poses a chemical risk because it contains 0.43mg/kg of dimethylfumarate (DMF) in the insole, 0.39 mg/kg in the straps and 4 mg/kg in the silica gel. Dimethylfumarate is a substance which is strongly sensitising on contact with the skin, and consumer products containing dimethylfumarate are banned according to Commission Decision 2009/251/EC
Measures adopted by notifying country:	Voluntary measures: Voluntary recall from consumers by the importer
Year:	2009
Notifying country:	UK
Risk type:	Serious
Product type:	Consumer
Product	Children's shoes
Category:	Clothing, textiles and fashion items (shoes)
Risk:	Choking
Description:	The products poses a risk of choking because the rubber moulding may become detached, resulting in small parts that could be dangerous
Measures adopted by notifying country:	Voluntary measures: Voluntary recall from consumers

Year:	2010
Notifying country:	Germany
Risk type:	Serious
Product type:	Consumer
Product	Gym shoes
Category:	Clothing, textiles and fashion items (shoes)
Risk:	Chemical
Description:	The product poses a chemical risk because it contains 0.2 mg/kg of dimethylfumarate (DMF) in the blue fabric inner lining and 0.28 mg/kg in the in the blue fabric shoelaces. Dimethylfumarate is a substance which is strongly sensitising on contact with the skin, and consumer products containing dimethylfumarate are banned according to Commission Decision 2009/251/EC
Measures adopted by notifying country:	Voluntary measures: Voluntary stop of sales
Year:	2009
Notifying country:	UK
Risk type:	Serious
Product type:	Consumer
Product	Baby crawling shoes
Category:	Clothing, textiles and fashion items (shoes)
Risk:	Choking
Description:	The products pose a risk of choking because the rubber moulding on the sole and toe of the shoe can detach, generating small parts that could be swallowed by children. Two complaints have been reported
Measures adopted by notifying country:	Voluntary measures: Voluntary withdrawal from the market and recall from consumers by the manufacturer
Year:	2009
Notifying country:	Germany
Risk type:	Serious
Product type:	Consumer
Product	Ladies' t-shirts
Category:	Clothing, textiles and fashion items
Risk:	Chemical
Description:	The product poses a chemical risk because it contains azodyes; 4-amino-azobenzene (CAS 60-09-03) with release rates of 70 mg/kg, 71 mg/kg and 88 mg/kg. The product does not comply with the REACH Regulation
Measures adopted by notifying country:	Voluntary measures: Voluntary withdrawal from the market
Year:	2008
Notifying country:	Austria
Risk type:	Serious
Product type:	Consumer
Product	Children's ski suit
Category:	Clothing, textiles and fashion items
Risk:	Suffocation
Description:	The product poses a risk of suffocation by strangulation because it contains drawstrings around the neck, which are not permitted in articles of clothing for children aged 7 and under (body height up to 134 cm)
Measures adopted by notifying country:	Voluntary measures: Voluntary withdrawal from the market

Year:	2011
Notifying country:	Germany
Risk type:	Serious
Product type:	Consumer
Product	Ladies' shoes
Category:	Clothing, textiles and fashion items (shoes and leather)
Risk:	Chemical
Description:	The product poses a chemical risk because it contains 20.5 mg/kg; 38.3 mg/kg and 35.6 mg/kg of Chromium (VI) in the leather part. Chromium (VI) is classified as sensitising and may trigger allergic reactions
Measures adopted by notifying country:	Voluntary measures: Voluntary recall from consumers by the importer
Year:	2011
Notifying country:	Germany
Risk type:	Serious
Product type:	Consumer
Product	Ladies' shoes
Category:	Clothing, textiles and fashion items (shoes and leather)
Risk:	Chemical
Description:	The product poses a chemical risk because it contains 20.5 mg/kg; 38.3 mg/kg and 35.6 mg/kg of Chromium (VI) in the leather part. Chromium (VI) is classified as sensitising and may trigger allergic reactions
Measures adopted by notifying country:	Voluntary measures: Voluntary withdrawal from the market

Analysis

14 out of 32 notifications for Vietnamese goods in last 5 years in the 4 sectors under review:

- Textiles: 4
- Shoes: 6 (10)
- Leather: 4
- Plastics: 0

Reasons for non-compliance / regulations / standards infringed:

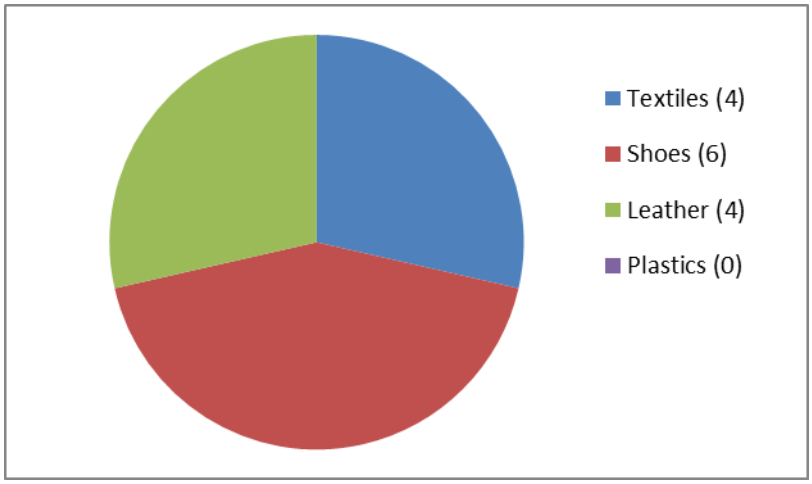
- **General Product Safety Directive (9 notifications)** including:
    - Commission Decision 2009/251/EC requiring Member States to ensure that products containing the biocide dimethylfumarate are not placed or made available on the market
    - European standard EN 14682 - Safety of children's clothing. Cords and drawstrings on children's clothing
    - Note - European Chemicals Agency proposal to restrict Chromium VI in leather articles

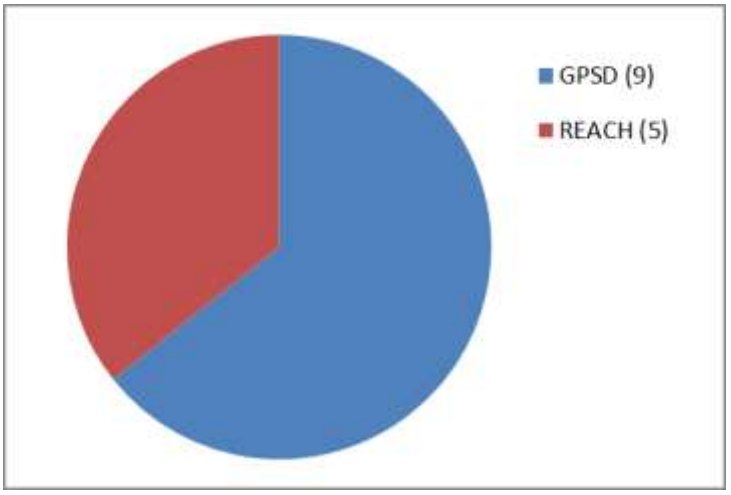
The products concerned were shoes, leather products and textiles.

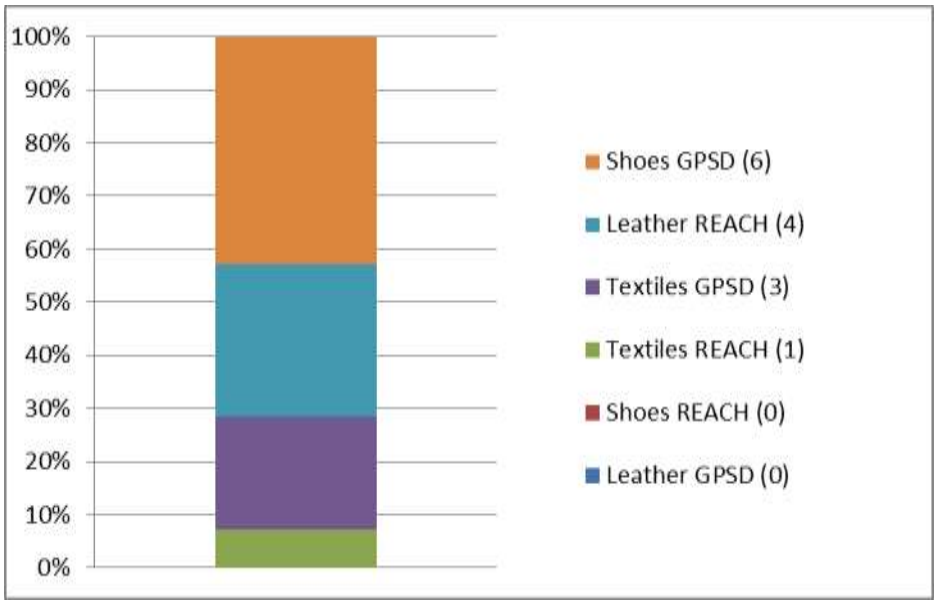
- **REACH Regulation (5 notifications)** including:
    - Use of azodyes; 4-amino-azobenzene (CAS 60-09-03)

- Note - European Chemicals Agency proposal to restrict Chromium VI in leather articles

The sectors concerned were leather products and textiles.







23.2. Statistical Analysis of Textiles, Footwear, Leather and Plastics in Vietnam

Snapshot of the Vietnamese Textiles and Textile Articles Industry (HS Chapters 50-63)

The textiles and textiles articles (apparel) industry is one of Viet Nam's key industries. Over the period 2008-2012, its average contribution to total industrial production (by value) was 7.7% with an average annual growth rate of 17%. It is also a major export earner, with an average annual growth rate over the same period of almost 19% and a total export value in 2012 of 17.7 billion USD, or 15.5% of Viet Nam's total exports. The textiles and apparel industry is also quite labour intensive, accounting for 10.3% of the total industrial labour force.

1. Number of enterprises and distribution of textiles sector:

According to the General Statistics Office (GSO) of Viet Nam data, there are about 6,792 enterprises in the sector, with the heaviest concentration in the South East as shown in the tables below.

1.1. Distribution by region:

Table 1: Distribution of textile enterprises by region

Region	**No of enterprises**	**Rate (%)**
Red river Delta	1,802	26.53
Northern Midlands & Mountainous	147	2.17
Northern Central and the Central Coast	482	7.10
Highlands	57	0.84
South Eastern	4,030	59.33
Mekong Delta	274	4.03
Total	**6,792**	**100**

Source: GSO Statistical Yearbook, 2012

1.2. Distribution by business type:

Table 2: Distribution of textile enterprises by business type

Business type	**No of enterprises**	**Rate (%)**
SOEs	74	1,09
Private	5.724	84,27
Foreign Direct Investment	994	14,64
Total	**6,792**	**100**

Source: GSO Statistical Yearbook, 2012

1.3. Classification by number of employees:

Table 3: Classification of textile enterprises by number of employees

	No of employees	**No of enterprises**
Large enterprises	≥ 5,000	14
Medium enterprises	200 – 4,999	1,000
Small enterprises	50-199	2,515
	10-49	2,300
	<5	963
Total		**6,792**

Source: GSO Statistical Yearbook, 2012

2. Production capacity:

Table 4: Production capacity of major products

Product	Unit	2008	2009	2010	2011	2012
Cotton ginning	Ton		3,903	4,695	4,864	5,180
Yarn	Ton	392,915	538,299	810,151	941,591	1,029,400
Fabric	Million square metre	1,076.4	1,187.3	1,176.9	1,294.8	1,234.7
Garments	Million item	2,175.1	2,776.5	2,604.5	2,890.9	3,125

Source: GSO Statistical Yearbook, 2012

3. Export capacity:

The export growth rate of Viet Nam's textile and apparel industry is high. Over the period 2007-2012, the average rate was about 20.89% per year.

Table 5: Textile export value – in the period 2007-2012

Year	Value (million USD)	Growth rate (%)	Percentage of Vietnam total export value (%)
2007	7,780	31	16.0
2008	9,120	17.68	14.5
2009	9,065	- 0.60	15.9
2010	12,615	39.2	17.5
2011	16,473	30.6	17.0
2012	17,704	7.5	15.5

Source: General Department of Customs

Viet Nam's main export markets for textiles and apparel are: the USA, the EU, Japan, Korea and Taiwan. Currently, Vietnamese textile products are exported to 54 countries. Viet Nam is one of the top 5 largest global exporters, the 2nd largest exporter to the US market, 3rd to Japan and 9th to the EU.

Table 6: Textile export value to some major markets, in million USD (approximate)

Market	2007		2008		2010		2011		2012	
	Value	Share (%)	Value	Share	Value	Share	Value	Share	Value	Share
US	4,400	56.55	5,100	55.85	6,118	48.50	6,872	41.72	7,428	41.96
EU	1,500	19.28	1,700	18.61	1,883	14.93	2,506	15.21	2,356	13.30
Japan	700	8.99	820	8.99	820	6.67	1,132	8.98	1,154	7.00
Others	1,180	15.18	1,510	16.56	3,367	27.42	5,411	32.85	5,962	33.68
Total	7,780	100	9,130	100	12,281	100	12,615	100	16,473	100

Source: General Department of Customs

The top 10 Vietnamese textiles and apparel exports to the EU at the HS code 4 digit level in 2010 were all finished goods as shown in the table below.

Table 7: 2010 Vietnamese Exports to the EU at HS code 4 digit level, in million USD

HS Code 4 digit	Description	Value (million USD)
6204	Womens, girls suits, jacket, dress, skirt, etc, woven	210.1949
6203	Mens or boys suits, jackets, trousers etc not knit	197.6040
6110	Jerseys, pullovers, cardigans, etc, knit or crochet	170.4748
6202	Womens, girls overcoats, capes, windjackets etc, woven	142.5500
6201	Mens, boys overcoats, capes, windjackets etc, woven	137.5638

6205	Mens or boys shirts	107.7354
6109	T-shirts, singlets and other vests, knit or crochet	103.7430
6210	Garments made up of felt or coated fabric	72.1115
6211	Track suits, ski suits and swimwear, other garments	55.3453
6212	Brassieres, girdles, corsets, braces, suspenders, etc	40.5972

Source: GTAP database via TASTE (Tariff Analytical and Simulation Tool for Economists)

4. Labour:

There were about 1.15 million employees in Viet Nam's textiles and apparel industry in 2011; an increase of more than 110,000 employees compared with 2010, accounting for 10.59% of the total industrial workforce. The average annual growth rate over the period of 2005-2010 was 3.24% for textiles and 11% for the apparel industry.

Table 8: Number of textile industry employees

	2005	2010	2011	Average growth rate 2005-2010 (%)
Total number	**6,077,202**	**9,830,896**	**10,895,600**	**10.09**
Textile industry	**666,789**	**1,043,039**	**1,153,364**	**9.36**
-- Textiles	*157,175*	*184,343*	*190,890*	*3.24*
-- Apparel	*509,614*	*858,696*	*962,474*	*11.00*
Share of total workforce	10.97	10.61	10.59	

Source: GSO Statistical Yearbook, 2012

Snapshot of the Vietnamese Leather and Footwear Industry (HS Chapters 41-42; 64)

The leather and footwear industry is the third largest export industry in Viet Nam, after textiles, oil and gas. Customs statistics show that, in 2012, the export value of the sector hit a new record of 7.26 billion USD, up 10.9% on 2011, and accounting for 6.3% of the total exports of all goods from the country. In the first ten months of 2013, the industry created 6.7 billion USD in exports, an increase of 15.13% over the same period of 2012. However, products are mainly exported under the Cut, Make and Trim processing method (CMT), which accounted for over 97% of the total value of leather and footwear exports in 2012.

1. Number of enterprises and distribution of the leather and footwear sector:

According to the General Statistics Office (GSO) of Viet Nam, there are about 800 enterprises in the sector, mainly concentrated in the Southeast as shown in the tables below.

1.1. Distribution by region:

Table 1: Distribution of enterprises by region

Region	**Rate (%)**
Red river Delta	15.7
Northern Central and the Central Coast	2.0
Southeast	79.8
Mekong Delta	2.5
Total	**100**

Source: Vietnam Leather Footwear and Handbag Industry – Directory, 2013

1.2. Distribution by business type:

Table 2: Distribution of enterprises by business type

Business type	**Rate (%)**
SOEs	77
Private	
Foreign Direct Investment	23
Total	**100**

Source: Vietnam Leather Footwear and Handbag Industry – Directory, 2013

2. Production capacity:

Table 3: Production capacity of major products

Product	**Unit**	**Value/ year**
Footwear and shoe	pair	1 billions
Handbag	piece	150 millions
Leather	square feet	350 millions
PVC/PU	square feet	1.4 millions

Source: Vietnam Leather Footwear and Handbag Industry – Directory, 2013

3. Export capacity:

The export value of Viet Nam's leather and footwear industry has increased almost

continuously. Over the period 2007-2012, the average rate was about 13.5% per year.

Table 4: Leather and footwear export value – in the period 2007-2012

Year	Value (billion USD)	Growth rate (%)
2007	3.99	11.2
2008	4.77	19.4
2009	4.07	-14.7
2010	5.12	26
2011	6.55	27.9
2012	7.26	10.9

Source: General Department of Customs

The top five largest importers of Vietnamese goods in the sector in 2012 were: the EU, US, Japan, China and Brazil. Total export value to these markets was 5.77 billion USD, accounting for nearly 80% of Vietnam leather and footwear's export value.

Table 5: Leather and footwear export value to some major markets, in million USD

Market	2008		2009		2010		2011		2012	
	Value	Share (%)	Value	Share	Value	Share	Value	Share	Value	Share
US	2,485	52.32	2,007	47.47	2,404	46.93	3,110	47.5	2,650	36.6
EU	1,075	22.55	1,038	24.56	1,407	27.47	1,847	28.2	2,243	30.95
Japan	137.5	2.89	122.5	2.9	172	3.37	209.6	3.2	328	4.5
Others	1,060	22.24	1,060	25.07	1,139	22.23	1,382	21.1	2,034	27.95
Total	4,757.5	100	4,227.5	100	5,122	100	6,548.6	100	7,246	100

Source: General Department of Customs

The EU is the largest importer of Vietnamese leather and footwear industry products, with a total value of 2.65 billion USD, up slightly by 1.6% from the previous year and accounting for 36.5% of total exports of Vietnamese leather and footwear. Leather and footwear ranks second among all export sectors to the EU market, accounting for 13.1% of the total.

Table 6: Leather and footwear export value to EU market, in 2011-2012

Content		2011	2012
Leather and footwear export value to EU (billion USD)	(A)	2,61	2,65
Leather and footwear export value to all market (billion USD)	(B)	6,55	7,26
Percentage of EU market in the total export value (%)	(C)=(A/B)*100	39,8	36,5
Total export value to EU market (all kind of goods) (billion USD)	(D)	16,55	20,3
Percentage of leather and footwear export value in total export value (to EU market) (%)	(E)=(A/D)*100	15,8	13,1

Source: General Department of Customs

The top 5 Vietnamese leather and footwear exports to the EU at the HS code 4 digit level in 2012 were all finished goods as shown in the table below.

Table 7: 2010 Vietnamese Exports to the EU at HS code 4 digit level, in million USD

No	HS Code 4 digit	Value (million USD)	Share
1	6402	1.733	23,9
2	6403	3.245	44,7
3	6404	2.153	29,7
4	6405	122	1,7
5	Others	9	0,1
Total		7.262	**100,0**

Source: General Department of Customs

Snapshot of the Vietnamese Plastics Industry (HS Chapters 39)

Viet Nam's plastic industry has a long history, but has shown more rapid development over the past 15 years. In the period 2000-2012, the sector had an average annual growth rate of between 20 and 25%. In 2000, total production output was 950 thousand tonnes, in 2005 that had grown to 1.6 million tonnes, and in 2011 it was more than 3 million tonnes. Plastics is considered to be a dynamic industry.

1. Number of enterprises and distribution of the plastics sector:

By 2010, the total number of enterprises operating in the sector was approximately 1,108 (counting enterprises with capital of 25,000 USD or more). They are mainly concentrated in Ho Chi Minh City and the surrounding areas.

1.1. Distribution by region:

Table 1: Distribution of enterprises by region

Region	**Rate (%)**
Red river Delta	13
Northern Central and the Central Coast	2.0
Southeast	85
Total	**100**

Source: Light Industry Department (MOIT), 2013

1.2. Distribution by business type:

Table 2: Distribution of enterprises by business type

Business type	**Rate (%)**
SOEs	0.2
Private	80.1
Foreign Direct Investment	19.7
Total	**100**

Source: Light Industry Department (MOIT), 2013

2. Production structure:

Vietnamese plastic products are mainly divided into four groups with the following structure:

Table 3: Production structure

Product	**Rate (%)**
Packaging	39
Construction material	21
Consumer goods	21
Engineering	19

Source: Light Industry Department (MOIT), 2013

3. Export capacity:

Plastic industry products are mainly packaging (80%), household plastic products and construction products. Export turnover of the plastics industry has increased continuously

since 2000. In 2009, turnover has decreased slightly due to the impact of the recession.

Table 4: Plastic export value – in the period 2007-2013

Year	Value (million USD)	Growth rate (%)
2007	709.5	
2008	933.7	31.6
2009	808	-13.5
2010	1,049	29.8
2011	1,366	30.2
2012	1,596	16.8
2013 (estimated)	1,808	13.3

Source: General Department of Customs

Plastics industry export markets have been widening. In 2010, Vietnamese products were exported to 55 countries, mainly focused on Japan, America, EU (Germany, Netherlands, UK, France…) and ASEAN countries (Cambodia, Indonesia, Malaysia…)

Table 5: Export market structure of the plastics industry

Market	2010	
	Value (mil.USD)	Share (%)
US	106.6	10.3
Germany	69.2	6.7
Netherland	63.9	6.2
Japan	259	25
Cambodia	57.9	5.6
Others	492.4	46.2
Total	1,049	100

Source: Plastic Directory 2011

4. Labour:

The plastics industry is not labour intensive. There are about 119,000 employees in Viet Nam's plastics industry, accounting for 2.9% of the total industrial workforce.

Source: Light Industry Department (MOIT), 2013

23.3. Industry Questionnaire

Stakeholder Questionnaire – MUTRAP IV activity EU-6
Fostering understanding of the EU's quality management system for industrial products

The aim of activity # EU-6, financed under the European Trade Policy and Investment Support Project (EU-MUTRAP), implemented by the Ministry of Industry and Trade of the Socialist Republic of Viet Nam in partnership with the European Commission (www.mutrap.org.vn), is to foster understanding among Vietnamese stakeholders within government, and in the business community, of the European Union's quality systems for industrial products – and the market access requirements that need to be met when exporting Vietnamese goods to the EU.

The main output of the activity will be a study that describes these systems, explains where important information can be found, and recommends how to strengthen Viet Nam's export quality infrastructure (i.e. the systems needed to comply with the technical regulations and standards, conformity assessment and management systems applied by EU regulators and business operators for the purposes of product safety, product quality, environmental and consumer protection).

The study will focus on 4 main industrial sectors – textiles, leather goods, shoes, and plastics. As one of the key stakeholders of this activity, you can improve the outcomes of our work by telling the MUTRAP Team what challenges you experience, and how you think they should be tackled.

We would be grateful, therefore, if you could help by answering the following questions:

1) Which of these issues, in your view, poses the biggest challenge when exporting to the EU?
   (Please rank in order of difficulty 1-9)

   j) Lack of information on EU regulations
   k) Lack of understanding of EU regulations
   l) Lack of information on private industry standards
   m) Lack of understanding of private industry standards
   n) Lack of Vietnamese standards
   o) Differences between the standards used by Viet Nam and the EU
   p) Applying the required quality management systems (ISO, HACCP, GMP, GHP, etc.)
   q) Lack of recognition of Vietnamese test results and test certificates
   r) Problems in meeting packaging or labelling requirements

2) What specific problems do you encounter (e.g. lack of training or information in the Vietnamese language)?

   ……
   ……
   ……

3) How could these problems be overcome or improved?

……
……
……

4) Do you have any specific recommendations to make in terms of the types of activities you think MUTRAP could help with (e.g. in terms of developing information materials, establishing an export help desk, organising training workshops etc.)?

……..
..……
…..……

Thank you!