

Implementation of SDoC in Korea's Automotive Sector

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Contents

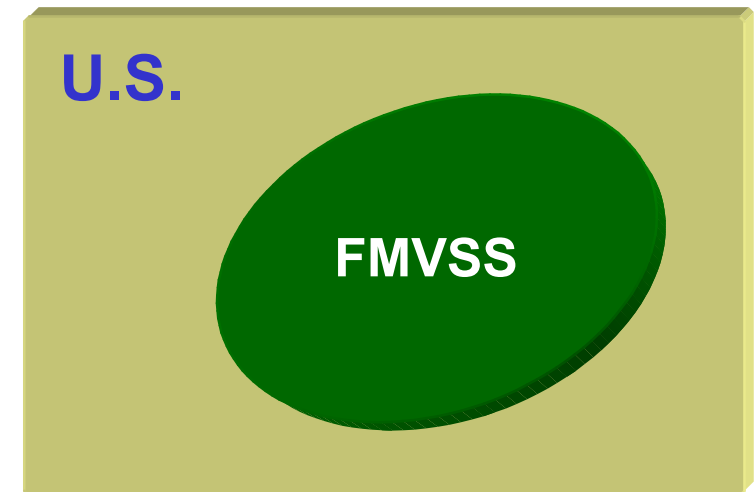
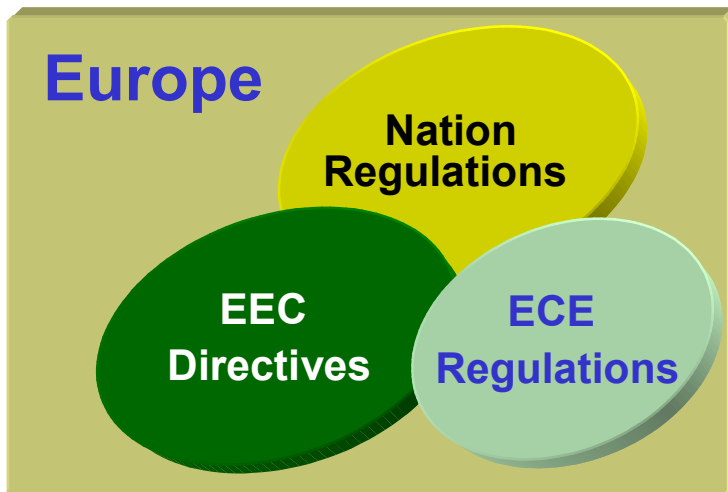
- 1. Vehicle Safety Standards**
- 2. Korea's regulatory practice**
- 3. Harmonization of Safety Standards**
- 4. Conformity Assessment Streamlining**
- 5. Conclusion**

Vehicle Safety Standards

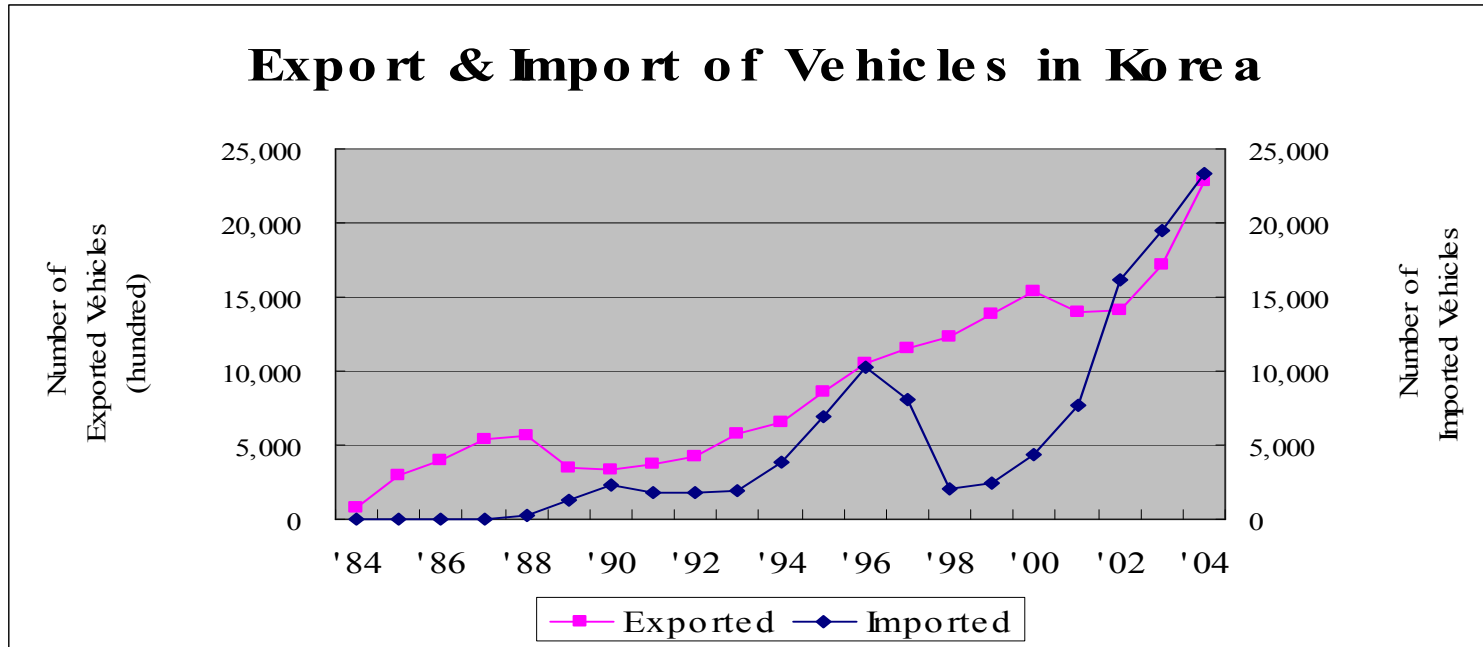


Vehicle Safety Standards & Conformity Assessment Procedure

Most countries have their own vehicle safety standards & conformity assessment procedure, often resulting in technical barriers to trade.



Korea's Regulatory Practice



Differences in safety standards and conformity assessment procedure burdens to both the government and manufacturers



Government decides to take action

Action Taking

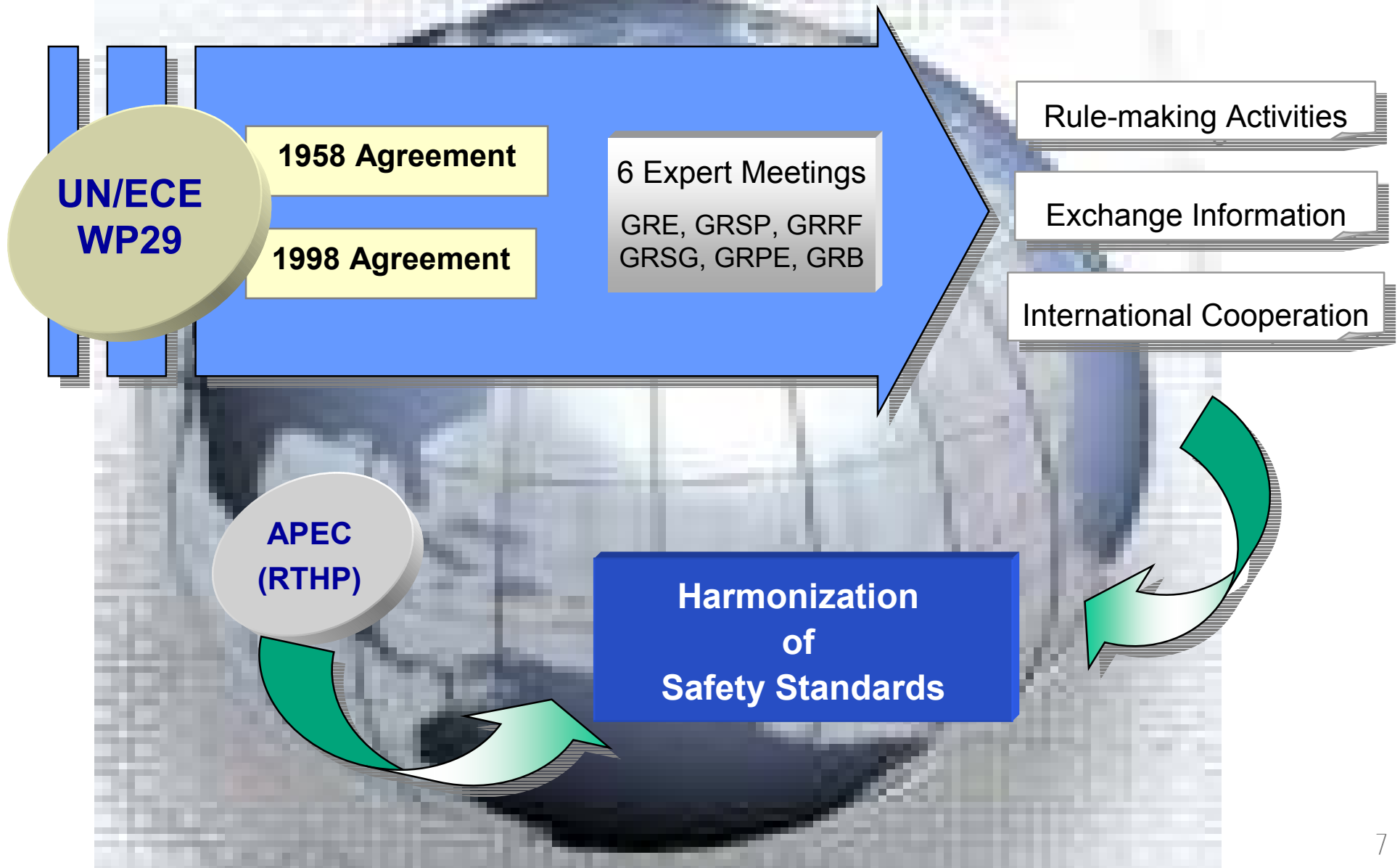
International Harmonization of Vehicle Safety Standards

- Join UN/ECE/WP.29
- Participate in APEC/RTHP(Road Transport Harmonization Project)
- Establish cooperative relationship with other countries
(EU, US, Japan, China etc.)

Conformity Assessment Streamlining

- Switchover from Type Approval System to Self-certification System
(SDoC)

International Harmonization Trend



Harmonization Activities

UN/ECE WP29

- '96. 6 : First participation in WP29
- '01. 1. 1. : Accession to 1998 agreement
- '04. 12.31 : Accession to 1958 agreement

APEC/TPT /RTHP

- '96. 11 : First participation in 10th meeting
- '02. 9 : Elected chairman
- Chairmanship : 22nd ('03.9) – 24th('04.8)

Conformity Assessment Streamlining

Basis for implementing SDoC

- Technical level of manufacturers in vehicle industry
- Consumers' awareness level



**Before overall implementation of SDoC,
Recall System (PL) was introduced in 1992**



Implementation of self-certification (SDoC) : 2003. 1. 1

Expected Effects of Self-certification

Manufacturer

To improve flexibility to market
- reduce costs and time associated with testing

Government

To save regulatory costs
- meet policy objectives such as safety of consumers & protection of the environment

- To facilitate international trade of automobiles by avoiding unnecessary obstacles**

Process of Self-Certification

Registration

Manufacturer/importer registers laboratory with the MOCT before manufacturing or importing vehicles.

Self-Certification

Labels affixed to vehicles upon declaration by the manufacturer/importer that the vehicles are in compliance with all applicable safety standards

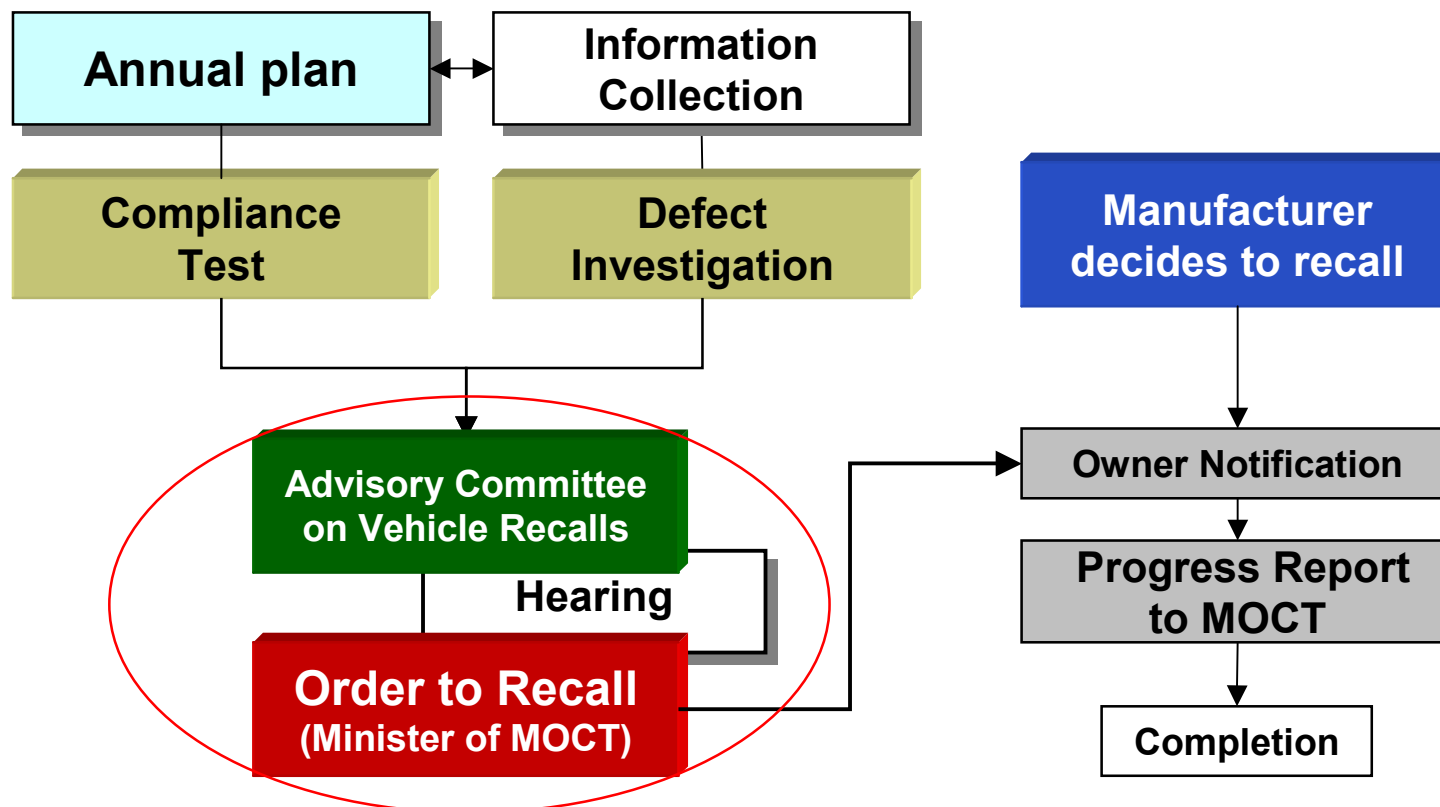
Notification of Vehicle Specification

Manufacturer/importer notifies the MOCT of vehicle specifications before selling vehicles

How to ensure compliance – Recall System

When is a recall necessary?

1. Motor vehicle does not comply with safety standards.
2. Safety-related defects exist in the vehicles.



Compliance Test

Selecting Test Vehicle

Criterion: Large volume of sale

Test

Analysis

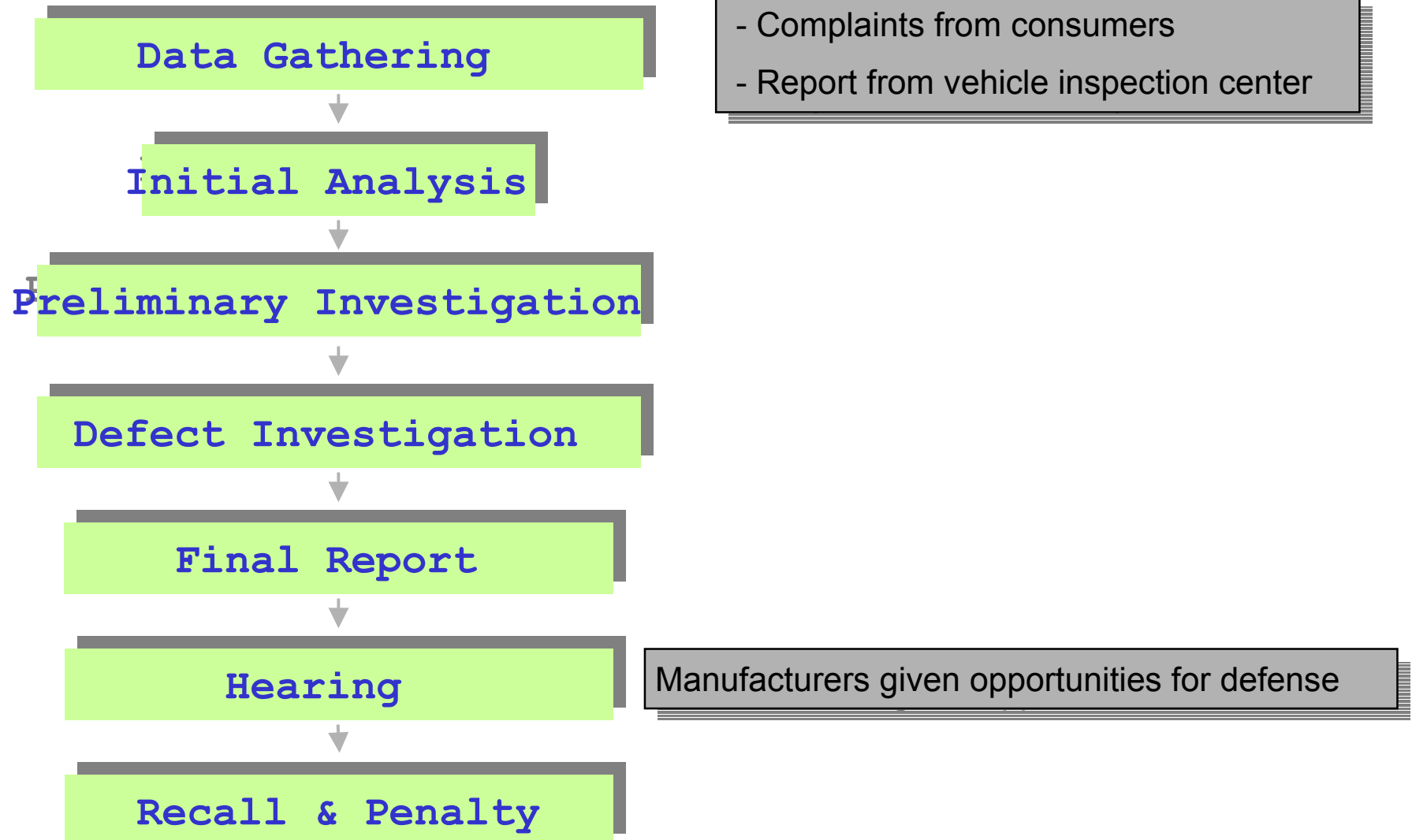
Final Report

Hearing

Manufacturers given opportunities for defense

Recall & Penalty

Defect Investigation



Recall Process

Order to Recall



Submit Remedy Action Plan to the Authorities



Conduct Recall

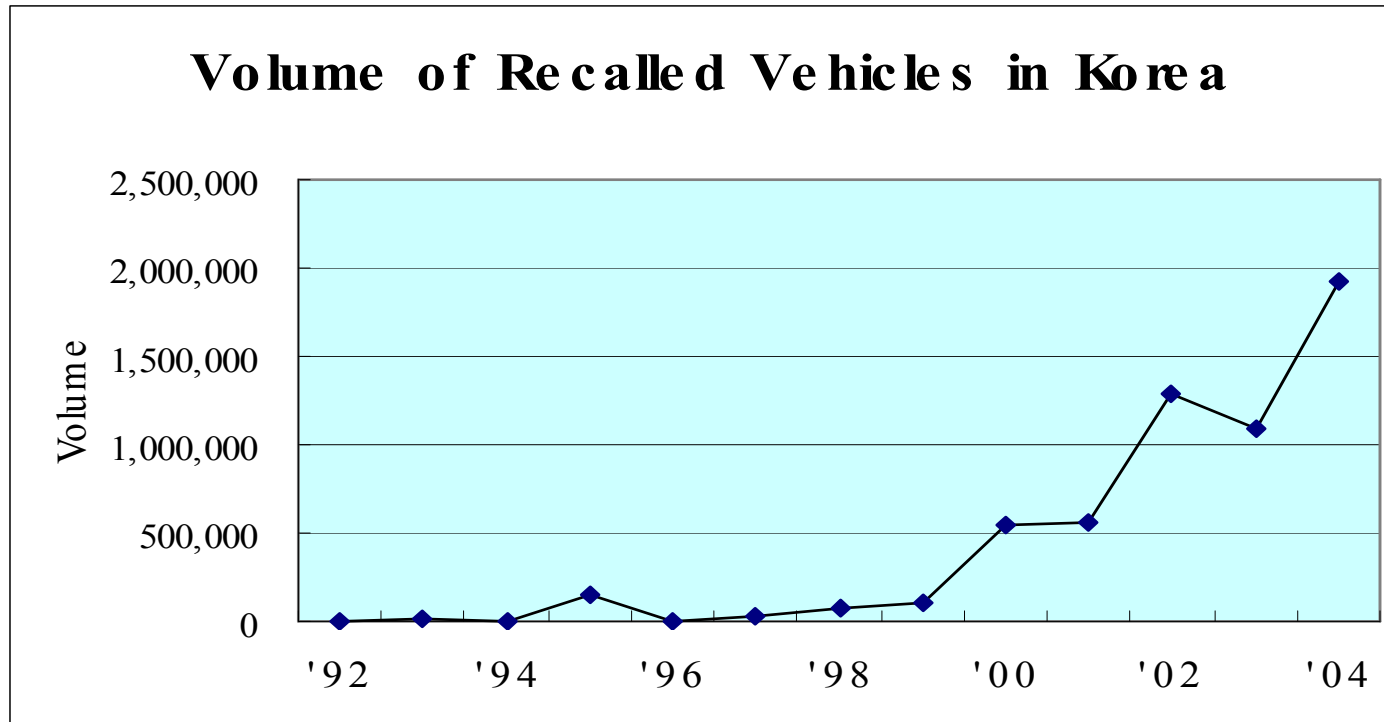
- Vehicle manufacturer is obliged to rectify defects & noncompliance at his costs.
- Quarterly status report to be submitted to MOCT until the recall is completed.



Completion

Maximum fine of \$1 million may be imposed as additional penalty

Recall Statistics in Korea



- Active market surveillance mechanism by consumers resulted in increase of recalled vehicles since 2000.
- Major cause of recall was safety related defects rather than noncompliance.

Conclusion

- Vehicle Safety Standards & Conformity Assessment**
Procedures have become very important in Korea.
- In keeping with Philosophy of the TBT Agreement,**
Korean government has
 - harmonized with international safety standards.**
 - implemented SDoC in automotive sector.**

Thank You Very Much

(Q & A)

