

## **USCBC Position: The Safety of Goods Made in China**

Washington, DC, July 25, 2007 - In recent months, the safety of goods made in China has become a high-profile issue for US consumers and companies. The US-China Business Council (USCBC) has been speaking with US and PRC government officials in Washington, DC, and Beijing about the importance of moving quickly and transparently to maintain public confidence in the product quality and safety system.

USCBC has stressed the following points in its discussions with government officials and the media:

- Product safety and quality are serious matters that must be addressed quickly and transparently to maintain consumer confidence. It is important to pursue a fact-based assessment of the issue to ensure accurate understanding of the problems and address them with the appropriate solutions. The Bush administration's move to establish a US Import Safety Working Group is a step in the right direction.
- Though no product safety violation is acceptable, US companies and consumers should bear in mind that most imports from China are safe, and the product safety issue should not be used as a reason to adopt blanket bans of all products made in China.
- The following data provide some useful context:
  - Less than 1 percent of the food sold in the United States comes from China;
  - Less than 1 percent of the drugs and toiletries sold in the United States come from China;
  - About 7 percent of US car and motorcycle tires come from China; and
  - Sixty-three percent of toys sold in the United States come from China.Source: The Trade Partnership from US International Trade Commission data
- Both sides must take action to address this issue effectively. The United States needs to work with China--and indeed, with all other economies whose suppliers produce goods for global markets--to ensure that the proper standards and procedures are in place and are being enforced. Similar actions must also be taken in the United States.
- Although the issue has many facets and will require various approaches and solutions, one longstanding problem highlighted by recent episodes is the need for stronger criminal penalties in China to deter counterfeiting. USCBC has been recommending such penalties to the PRC government for some time ([www.uschina.org/public/documents/2006/08/ipr-law-changes-english.pdf](http://www.uschina.org/public/documents/2006/08/ipr-law-changes-english.pdf)).
- It is important to note that under US law, US importers have the legal obligation to ensure that the products they import from anywhere in the world meet US quality and safety standards. The majority of US companies have a good track record of doing so, but some need to step up their efforts. Most larger US companies with better-known brands have existing, effective, vigorous supplier compliance programs that they use in China and elsewhere.
- It should also be noted that many US companies that invest in China bring their global product quality and safety standards to their China facilities. These companies serve as models for improving product quality and safety in China, just as they do on other important issues such as workplace safety. Product quality issues tend to surface in Chinese enterprises and occasionally in enterprises of other foreign investors that have yet to develop a good track record of complying with product standards.

- On this issue, the United States has more allies in China than opponents. The PRC central government, Chinese consumers, and legitimate Chinese producers all share interests similar to those of concerned parties in the United States.

USCBC has proposed that this issue be addressed bilaterally under the Strategic Economic Dialogue umbrella, particularly given the number of agencies in both countries that are involved in assuring product quality and safety and the need to coordinate a comprehensive set of actions by both sides.

**USCBC contacts**

**Washington:** John Frisbie ([jfrisbie@uschina.org](mailto:jfrisbie@uschina.org)); Erin Ennis ([eennis@uschina.org](mailto:eennis@uschina.org)); Catherine Gelb ([cgelb@uschina.org](mailto:cgelb@uschina.org))

**Beijing:** Robert Poole ([rpoole@uschina.org.cn](mailto:rpoole@uschina.org.cn))