



**Asia-Pacific  
Economic Cooperation**

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Agenda Item: 3.C.ii

## **9<sup>th</sup> Progress Report on the Implementation of GHS in APEC Economies**

Purpose: Information  
Submitted by: Australia



**20<sup>th</sup> Chemical Dialogue**  
**Port Moresby, Papua New Guinea**  
**25 February 2018**

**9<sup>th</sup> Progress Report on the Implementation of GHS in APEC Economies  
APEC Chemical Dialogue Virtual Working Group on GHS  
January 2018**

**SUMMARY AND DISCUSSION**

The implementation of GHS is continuing to progress in the APEC region for the Industrial Workplace sector. All 11 economies that have provided a status report have either fully implemented GHS or are in the process of staged transition or implementation.

GHS does not appear to be a risk management system of choice for consumer products in most APEC economies. In previous reports, the cost of GHS implementation outweighing the benefits for consumer products has been highlighted as a major reason for GHS not being implemented for this sector.

Similarly, for agricultural products, GHS does not appear to be appropriate as a risk management system for agricultural products on its own. No further details were provided by the three economies that have previously indicated plans to implement GHS for the agriculture sector: Chile, Chinese Taipei and the USA. While the implementation of GHS in the workplace has affected the agriculture sector in Australia, the two separate sets of requirements, GHS and the existing agricultural chemicals regulatory regime, are being maintained side by side, including two different sets of requirements for labelling.

It was noted in previous reports that the greatest benefit from GHS implementation would be derived from the industrial workplace sector if GHS could be implemented consistently between trading partners. However, significant inconsistencies continue to exist in APEC economies for all aspects of GHS implementation e.g. timing of implementation, classification “building blocks” adopted and use of economy specific mandatory classification databases.

Identified impediments to harmonisation include:

- Different “building blocks” being implemented by different economies leading to divergent implementation of GHS
- Different editions of GHS being implemented by different economies
- Discrepancies in classifications of the same chemical by different economies
- International GHS implementation schedule not being aligned
- Keeping local legislation up to date with GHS revisions
- Unclear implementation plan and timeline for local legislation when updating to incorporate revised GHS editions
- Implementation of non-GHS building blocks by some economies
- Difficulty finding necessary GHS compliance information from some APEC economies, including restricted access to regulations, information, and/or websites
- Country requirements that include all options for mixture cut-off values without specifying which is appropriate for compliance; and
- Divergence in the SDS requirements from GHS SDS format by different regulatory bodies.

Many of these issues may only be resolved if economies agree to the implementation of common elements of GHS only. To carry this work forward, the Virtual Working Group on GHS (VWGGHS) hosted a session at the Capacity Building workshop held prior to CD19 to focus on how regulators identify which building blocks to choose. To build on that presentation, the VWGGHS has also developed a survey which seeks to generate information about which building blocks various economies had chosen and reasons for doing so.

We note that some of the issues raised in the GHS implementation status reports are not dependent on regulatory convergence and can be addressed by individual economies. For example, where the legislation/regulations are only available to the local entities currently, this

could be amended by the economy so that the legislation/regulations can be accessed by everyone. Where an economy is maintaining a mandatory GHS classification database, the economy could consider the possibility of changing the rules to make the database an information source, rather than a mandatory classification list.

At the APEC Ministerial meeting in Viet Nam in November 2017, Ministers noted the efforts of the APEC Chemical Dialogue to encourage the use of good regulatory practices and address divergences in the Globally Harmonized System of Classification and Labeling of Chemicals (GHS) to facilitate trade<sup>1</sup>.

## **RECOMMENDATIONS**

- 1 That the CD Notes the Executive Summary and Attached Report.
- 2 That the CD Agrees that the Executive Summary be used as a basis for its Report to MRT on implementation of the GHS in APEC Economies to be finalised out of session.
- 3 To address divergences in GHS, the CD recommends that:
  - APEC CD regulators work with each other to find possible ways to deliver a convergent implementation of GHS over time.
  - Each APEC CD economy considers and amends elements of its own local rules for GHS implementation that may impede convergent implementation of GHS within the APEC region.
  - Economies adopt common building blocks to facilitate trade.
  - Economies adopt later editions of GHS.
- 4 To improve the quality of Progress Reports, each economy nominates a single coordinator to report on progress with GHS implementation.

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<sup>1</sup> See [https://www.apec.org/Meeting-Papers/Annual-Ministerial-Meetings/2017/2017\\_amm](https://www.apec.org/Meeting-Papers/Annual-Ministerial-Meetings/2017/2017_amm)

## BACKGROUND

At the 7<sup>th</sup> Chemical Dialogue (CD) meeting in Peru in 2008, the report of the Virtual Working Group on GHS titled *“Developing Clarity and Consistency in the Implementation of the Globally Harmonized System for the Classification and Labelling of Chemicals (GHS)”* was endorsed. This recognized the progress made and difficulties faced by APEC CD Members in their work to implement GHS across the region, and with our trading partners.

The Virtual Working Group (VWG) subsequently developed the GHS Implementation Reporting Template to be used for regular reporting of GHS implementation progress. Input is expected from regulatory authorities and industry in each of the APEC economies. Information from these reports is to be used to identify issues surrounding GHS implementation for each chemical industry sector (industrial workplace, consumer, agricultural chemical and transport).

Nine APEC CD economies provided responses in 2008/09 using the GHS Implementation Status Reporting Template. Information compiled from the first round of responses was provided to the Trade Ministers highlighting the continuing progress made by the APEC region in implementing GHS and the difficulties surrounding some aspects of implementation including continued revision of GHS at the UN level, lack of uniformity in implementation of GHS and the need for capacity building.

Participating economies noted the positive outcomes by completing the template, indicating that certain details of GHS implementation that were not being considered were brought to the fore, and potential issues arising from GHS implementation that would not otherwise have been considered until post-implementation were able to be discussed. The APEC CD is required to provide an annual GHS implementation status report to Trade Ministers.

At the 13<sup>th</sup> CD meeting in China in August 2014, the CD agreed to trial the Smart Form that was developed by Australia to allow electronic submission of the GHS implementation reports by the APEC economies.

At the 16<sup>th</sup> CD meeting in Peru in February 2016, the CD agreed to a new timeline for annual GHS Implementation Status Reports to better align with the annual reporting cycle to Trade Ministers. The CD agreed to finalise the seventh GHS Implementation Status Report by 22 April 2016 and begin work on the eighth status report from post CD SOM 3 meeting in 2016.

In addition, the CD agreed to use the Smart Form only for reporting from the eighth GHS Implementation Status Report. A User Guide for the Smart Form was provided to facilitate submission. At the 18<sup>th</sup> CD meeting in Vietnam, the CD reiterated its continued support for the use of the Smart Form for GHS Implementation Status Reporting.

At the 19<sup>th</sup> CD Meeting in Viet Nam in August 2017, the CD agreed to enable a consolidated report to be made for CD consideration at SOM 1 2018. This earlier reporting cycle will enable more timely and considered CD advice to Trade Ministers.

## PROGRESS REPORT

This 2018 report is the ninth progress report of GHS implementation by APEC economies.

Of the 21 Member economies, the following is a table of those economies that have contributed to the GHS implementation report by completing the reporting template over time. Economies that have not contributed any reports are not included in this list.

	2008/09	2010/11	2012	2013	2014	2015	2016	2017	2018
Australia	✓	✓	✓	✓	✓	✓	✓	✓	✓
Canada							✓	✓	
Chile	✓	✓	✓		✓			✓	✓
China								✓#	
Chinese Taipei	✓	✓	✓	✓			✓	✓	✓
Hong Kong, China	✓	✓	✓	✓		✓	✓	✓	✓
Indonesia				✓	✓		✓#		
Japan	✓	✓	✓	✓	✓	✓	✓	✓	✓#
Malaysia		✓			✓		✓#		✓
Mexico						✓			
New Zealand	✓						✓		
Peru						✓			
The Philippines	✓#						✓	✓	✓*
Republic of Korea	✓								
Russia		✓			✓		✓	✓	✓
Singapore	✓				✓			✓	✓
Thailand			✓	✓					
Viet Nam						✓	✓		✓#
The United States	✓	✓*	✓*	✓*	✓*	✓*	✓	✓*	✓^

#Only the general information section was completed.

\*Only industry responses have been received.

^Only regulator responses have been received.

In total, there are 21 GHS reporting templates from 11 economies for analysis for this report. Reports were received from – Australia; Chile; Chinese Taipei; Hong Kong, China; Japan; Malaysia; the Philippines; Russia; Singapore; Viet Nam, and the United States. The completeness of the report varies from only one section being completed (by 4 economies), to every section being completed. The reports from each of the economies are provided as attachments to this report. Where the economy identified no changes since the last report, the previous completed report is also provided as an attachment.

Problems with the Smart Form are ongoing. One of the main issues is that many economies are submitting more than one template/Smart Form i.e. there were 21 Smart Forms submitted for only 11 economies. As an example, for this reporting period, one economy submitted 5 Smart Forms. This results in duplication of information and in some cases information provided by the same economy was contradictory. The Smart Form is designed such that each economy completes only one template containing all GHS information on chemical labelling for the three sections: general, regulator and industry. As described in the instruction manual the form can be added, saved (for a period of 6 weeks) and shared by multiple users via the unique tracking code that is issued once a Smart Form template is started. It is recommended that one person/department is nominated as the contact for each economy to coordinate this process going forward.

There were only 5 economies which completed the industry section of the Smart Form. Even if economies have not implemented GHS in the industry sector this information should be notified as a 'No' on the Smart Form rather than leaving it blank.

### Industrial Workplace

As previously reported, the Industrial Workplace sector continues to be the focal point for implementation of GHS.

Economies have highlighted the potential advantages of GHS implementation to this sector:

- Reduces the diverse classification of chemicals.
- Single unified GHS adoption amongst all countries.

- Better harmonisation in classification of chemicals with standardized hazard pictograms providing better understanding and communication to employees handling chemicals.
- Help minimize accidents / incidents at workplace.
- Facilitate international trade.
- Beneficial in terms of hazard communication having a uniform hazard point.
- Reduce cost in creating a multiple format of label and SDS- fulfil international trade requirements; and
- Improved quality and consistency of hazard communication information to stakeholders.

All economies except Chile, Japan, Philippines, and Viet Nam completed the regulator section for industrial workplace. Only five economies completed the industry section for the industrial workplace: Australia, Chile, Malaysia, Philippines and Singapore. The majority of economies have GHS in force or are in a staged transitional period. Chile has indicated that transition timelines have been extended due to lack of resources. It was noted in the 8<sup>th</sup> CD progress report that Hong Kong, China plans to implement GHS for Industrial Workplace. No further details have been provided in this current reporting period.

Classification remains an area of concern for most economies. These concerns included a lack of expertise in the country for GHS classification (including available tools) especially in physical hazards due to limited testing facilities in country. In some economies industry is not ready to comply with GHS requirements because of absence of data on chemicals for comparison with GHS criteria. Whilst the approach for each economy to choose the building blocks they wish to implement gives flexibility, this has also caused additional work for import/export country requirements with APEC trading partners.

The challenges and concerns identified in this report continue to mirror the challenges raised in previous reports. These include:

- Different “building blocks” being implemented by different economies leading to divergent implementation of GHS
- Different editions of GHS being implemented by different economies
- Discrepancies in classifications of the same chemical by different economies
- International GHS implementation schedule not being aligned
- Keeping local legislation up to date with GHS revisions
- Unclear implementation plan and timeline for local legislation when updating to incorporate revised GHS editions
- Implementation of non-GHS building blocks by some economies
- Difficulty finding necessary GHS compliance information from some APEC economies, including restricted access to regulations, information, and/or websites
- Country requirements that include all options for mixture cut-off values without specifying which is appropriate for compliance
- Divergence in the SDS requirements from GHS SDS format by different regulatory bodies; and
- Lack of understanding and knowledge in GHS particularly by some industry sectors.

Cost remains an ongoing concern and limiting factor in the successful implementation of GHS for some APEC economies. These additional costs include:

- Relabeling and higher printing costs due to more labels being required
- Companies incurring costs to engage expertise to classify chemicals,
- Preparing/translating SDS to local languages (some economies have many languages)
- Training employees and contractors to ensure compliance; and
- Necessary expansion in laboratory infrastructure.

Reports from industry noted that trade facilitation, one of the key expected benefits from the implementation of GHS has not materialised due to the challenges highlighted above.

At the APEC Ministerial meeting in Peru in November 2016, the Ministers welcomed the GHS implementation status report and recommendations on reducing divergence in GHS implementation and instructed “officials to report on implementation of those recommendations in 2017.”

Recognising that many of these issues may only be resolved if economies agree to the implementation of common elements of GHS only, at the CD18 in Viet Nam, the CD agreed to include an agenda item either at the regulatory cooperation workshop on the margins of CD19. The VWGGHS hosted a session at the Capacity Building workshop held prior to CD19 to focus on how regulators identify which building blocks to choose. To build on that presentation, the VWGGHS has also developed a survey which seeks to generate information about which building blocks various Economies had chosen and reasons for doing so.

It is noted that most of the economies that have provided GHS implementation status report have implemented the 4<sup>th</sup> edition of GHS, with some economies contemplating updating their legislation to later versions of GHS. Economies highlighted the time/costs incurred in reviewing GHS reference document (UN Purple Book) which changes every two years and the advantages to having trading partners adopt the same edition of GHS. It may be useful for regulators to also discuss the update mechanisms in place in their local legislation to pick up later editions of GHS, and whether this could be aligned so that APEC economies are adopting the same version of GHS at around the same time.

Some of the issues raised in the GHS implementation status reports can be addressed by individual economies. For example, where the legislation/regulations are only available to the local entities currently, this could be amended by the economy so that the legislation/regulations can be accessed by everyone.

### Consumer

As previously reported, GHS implementation for Consumer products does not appear to be a priority for most of the APEC economies.

In the 2016 progress report Australia, Chile, Chinese Taipei, Hong Kong, China, Japan and the USA (API) provided responses for the consumer products sector. Chile has indicated in previous progress reports that it has definite and clear plans to adopt GHS similar to that of the EU. Implementation is expected in 2018. There has been no further notification of progress made. In this current reporting session only 3 economies provided responses for the consumer products sector including: Australia, Chinese Taipei and Russia. In Australia, consumer products have been affected by implementation of GHS in the workplace sector. GHS classification and SDS is required for consumer products including cosmetics, but not labelling. Chinese Taipei and Russia have indicated that they will not implement GHS for consumer product.

This year’s reports appear consistent with previous GHS implementation reports. Previous reports identified that economies, particularly those with established systems for managing the risks of consumer products, were experiencing difficulty establishing the overall benefit of implementing GHS, as the benefits for GHS implementation identified in the industrial workplace sector did not apply to the consumer products sector. Language differences, cultural preferences and other local regulatory requirements were identified as more significant factors for consumer products than they were for industrial workplace chemicals.

### Agriculture

Similar to the Consumer products sector, GHS implementation for the Agriculture sector does not appear to be a priority in the majority of the APEC economies.

Australia, Chinese Taipei, Hong Kong, China, Russia provided reports on GHS implementation for the agriculture sector.

Of the four economies, Chinese Taipei has indicated plans to implement GHS for the agriculture sector. However, no detailed plans are in place. Hong Kong China and Russia identified that it does not plan to implement GHS for agriculture.

Australia has identified that the GHS implementation for the workplace chemicals has affected agricultural chemicals. However, the report noted that other than a few GHS labelling elements on the label i.e. hazard and precautionary statements, the regulation of agricultural chemicals in Australia will continue as it had in the past.

In previous reports, economies had indicated that they follow the UN Food and Agricultural Organisation (FAO) rules. WHO and FAO labelling were the internationally accepted labelling for agricultural pesticides. This still appears to be the generally accepted standard.