

Focus

Chinese Government to Promote Green Purchasing System

As living standards in China rise, the public have gradually become more aware of environmental protection and are more concerned with whether the products they buy meet green standards.

When using public funds, all central and provincial budget departments are required to give priority to purchases of green products when sourcing, effective 1st January 2007. The regulation will be extended to and implemented at all levels of state authorities, public institutions and group organizations across the country from 1st January 2008.

According to regulations stated in the "Opinion on the Implementing of Governmental Procurement of Environmentally-Labelled Products" and the "Government Procurement List on Environmental Labelling Products" jointly issued by the Ministry of Finance and the State Environmental Protection Administration (SEPA), the state has selected and confirmed a list of green products which have been certified by state-approved accreditation institutions. The economic development of the population, the technical performance of products, their credibility and the maturity of the market were all considered when making product selections. The list consists of thousands of products across 14 categories.

ties for the games". The Beijing Olympic Organizing Committee had also issued a set of requirements for each category of products, to give first priority to environmentally-labelled products.

As the public are starting to become familiarised with the government's green purchasing concept, some industries and enterprises have also initiated their own green procurement plans. Large scale supermarkets and home improvement markets require products meet relevant environmental protection requirements, or acquire a certification of environmental labelling.

The implementation of a green purchasing system has encouraged enterprises to produce recyclable, low polluting, resource-preserving products, as well as promoting technology advancement and environmental protection awareness. It has also introduced a higher standard to the government's purchasing system, and the certification of environmentally-labelled products.

SEPA's survey showed that nearly 70% of the public are very concerned with the environment, while 80% are willing to spend more money to purchase environmentally-friendly products. The implementation of the green purchasing system signifies that the Chinese government has formally integrated environmental standards into its procurement practice. The act implies a very positive and important meaning in paving the way for green manufacturing and consumption.

According to a spokesperson with SEPA, green purchasing has great prospects for development, and has seen progress within the government in recent years. SEPA suggested "establishing a green-consumption purchasing system among all organisations related to all districts" based on the requirements of the state's ISO14000 model district construction documents. The action plan for the Beijing 2008 Olympic Games clearly stated that "environmentally-protective building materials are to be widely used in the construction of facili-



Poor Fire Prevention Measures Cause Deaths of Seven Workers at Shenzhen Underwear Factory

Seven women workers died of suffocation in a devastating blaze that occurred in an underwear factory located at the Shenzhen district of Baoan in late January. It was Shenzhen's largest deadly fire-related accident in eight years.

The factory was located on the second floor of a privately-owned residential building. This home-based workshop occupied an area of approximately 300 square metres, and had never undergone any fire prevention examinations since production there commenced in November 2006.

There were 15 workers at the scene when the fire occurred. Three of them took the stairs and escaped, while fire fighters saved five others through the restroom and storeroom. The remaining workers died as a result of the fire.

There was only one staircase in the factory, and virtually no separation between the manufacturing and storage areas, which were cluttered with raw materials and finished products.

The factory used mostly second hand machinery; bought in from other textile factories. It is suspected that a short circuit ignited the fire, which spread rapidly due to the presence of unprotected raw materials. Finished products located near the front door also blocked the workers' exit. It was clear that the tragedy was caused by a deficiency in fire prevention readiness, something that cannot be overlooked.



The New Draft of "Labour Contract Law, PRC China"

Background

When China joined the World Trade Organization (WTO) in 2001, millions of workers became part of the market economy. With the forces of supply & demand affecting the order book, employees' rights and interests suffered when employers terminated work contracts at their own will.

The existing labour contract system was enacted in 1994. China now recognizes the need to improve these outdated laws. China's top legislature, National People's Congress (NPC) published the full text of the "Draft Labour Contract Law" on 20 March 2006 and is looking for public feedback on the law, which will affect almost all workers in the country.

Highlights of the Draft

The 7 Chapter draft details the establishment, revocation, revision and termination of labour contracts.

Some important areas were highlighted:

The draft law requires a written contract between employer and employee to record and define the employer-employee relationship.

A "change of objective circumstances" test is required if a company calls for mass lay-offs.

The length of the probationary period must be based upon the type of work that is carried out.

If the employer chooses not to renew a fixed-term contract, then the employer is required to pay severance payment to employee.

In cases of unlawful dismissal, employers must pay double of normal payment in lieu of notice.

The role of labour unions will be strengthened.

Implications

The draft recognizes that workers in coastal cities are entering into loose employment agreements which offer limited protection. These workers are often overworked, not paid and denied benefits and job security. The draft has made substantial amendments and supplements to the original labour law. Many provisions protect labours that are in a disadvantaged position in the 'laissez-faire' economy. However, the draft still cannot serve to resolve the fundamental disconnection between legislative intent and non-enforcement in China.

The proposed rules have integrated the international standards and norms that hiring is easier than firing. Employers, ranging from large multinationals to small privately owned business are worried about the current flexibility in hiring and firing which are guaranteed in

China economic reforms. Corporations may need to review and restructure their labour contract policies and human resources strategies in order to facilitate long term economic development in China.

Local trade associations, businesses sectors and legal experts are submitting comments and criticisms. Public opinion and debate will help towards creating a new law that is more effective in safeguarding employees' rights and builds a far more harmonious employment relationship. The draft will likely go through at least one more iteration by lawmakers (sitting on the Standing Committee of NPC) before a final version is enshrined in law.

*Professor Philip Yeung, Executive Director,
Clothing Industry Training Authority,
Dec 2006*



For enquiries:

Janet Cheng ✉ Janet.Cheng@sgs.com

☎ or +852 2774 7414 or Fax : + 852 2363 3846

Asia – Hong Kong. Tel: +852 2334 4481 Fax: +852 2144 7001 ✉ mktg.hk@sgs.com

Australasia – Perth. Tel: +61 (0) 3 9790 3418 Fax: +61 (0) 3 9701 0988 ✉ au.cts@sgs.com

Europe – London, UK. Tel: +44(0) 20 8991 3410 Fax: +44 (0) 20 8991 3417 ✉ gb.cts.sales@sgs.com

Africa & Middle East – Turkey. Tel: +90 212 225 0024 Fax: +90 212 296 47 82 ✉ sgs.turkey@sgs.com

Americas – N.J., USA. Tel: +1 973 575 5252 Fax: +1 973 575 1193 ✉ Marketing.CTS.US@sgs.com

Web: www.sgs.com/csrs

If you wish to unsubscribe to this technical bulletin, go here: [Unsubscribe](#)

© 2005 SGS. All rights reserved. This is a publication of SGS, except for 3rd parties' contents submitted or licensed for use by SGS. SGS neither endorses nor disapproves said 3rd parties contents. This publication is intended to provide Corporate Social Responsibility Services information. It is strictly educational and does not replace any legal requirements or applicable regulations. It is not intended to constitute consulting or professional advice. The information contained herein is provided "as is" and SGS does not warrant that it will be error-free or will meet any particular criteria of performance or quality. Do not quote or refer any information herein without SGS's prior written consent.