

HOW MRAs HELP INDUSTRY IN THE REGION

Introduction

Following the signing of the ASEAN Framework Agreement on Mutual Recognition Agreements (MRAs) in 1998, three sectoral MRAs have been concluded in ASEAN each in the area of electrical and electronic, telecommunication and cosmetics. Member Countries are currently in various preparation stage to implement those sectoral MRAs.

The following description aims to provide general explanation of how MRAs work and the expected benefit from its implementation. For further readings please look into the [extract of the Report of the Task Force on Developing Roadmap to Mutual Recognition Agreements in ASEAN](#).

What is MRAs?

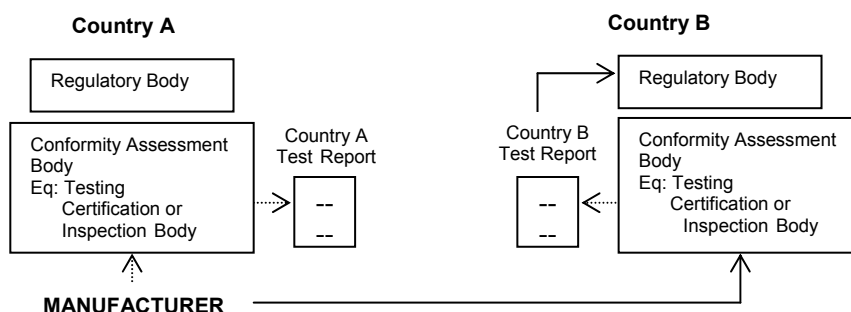
MRAs are agreements between two or more parties to mutually recognize or accept some or all aspects of one another's conformity assessment results (e.g test reports and certificates of compliance).

MRAs can be concluded at the technical or the government-to-government (G to G) levels. Technical MRAs are concluded between technical bodies (e.g testing laboratories, inspection bodies, certification bodies and accreditation bodies) to establish an equivalence in the technical competence of the MRA partners to carry out specific conformity assessment activities. G-to G MRAs are concluded for product sectors regulated by the governments concerned. Under such agreements, the MRA partners are obliged to accept one another's conformity assessment results as meeting its own regulatory requirement. In the context of ASEAN, the MRAs are concluded at the G to G level.

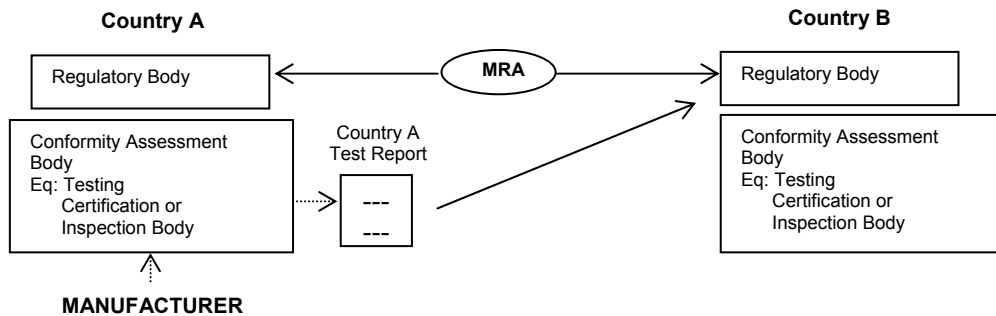
How does the MRAs facilitate trade between countries?

Through MRAs, products that are tested and certified before export can enter the importing country directly without having to undergo similar conformity assessment procedures in the importing country. The following illustrations show how procedure differs before and after MRA:

Before MRAs



After MRAs



Why MRAs?

There are perceived benefits from the implementation of MRAs. For manufacturers/exporters/importers, MRAs would mean:

- *Reduced costs*

With the implementation of sectoral MRAs, manufacturers/traders do not need to undertake repetitive testing or certification process. A single test of which the result shows that a product conform with the requirement of the importing country will be sufficient for market entry. Avoidance to the duplication of testing also means shorter time is required before a product is ready to be marketed in the importing country.

- *Greater certainty of market access*

MRAs enable manufacturers/traders to know that their product has met the technical requirement of the importing countries without having to undertake testing or certification in that particular country.

- *Increased competition, innovation*

With greater market access and reduced cost resulted from the implementation of MRAs, it is expected there will be increased competition through provision of better quality of goods and innovation.

- *Freer flow of trade*

MRAs is one way to facilitate freer flow of trade through reduction of Non-tariff Barrier.

For consumer, MRAs help to ensure the safety of goods marketed in their country. The introduction of MRAs will be accompanied by adequate consumer protection measures by ensuring that only products that meet the safety requirements and are truthfully labeled according to the regulation could be imported. MRAs are also expected to enable availability of greater varieties of goods at lower prices due to the reduced cost imposed to the manufacturers/traders.

The development and implementation of MRAs will also serve as a forum for the respective regulatory agencies to exchange their experience and work towards better regulatory practice. Through MRAs, the conformity assessment processes and regulations became more transparent, thus preempting the development of new TBTs.

