

Product Safety Steps Drastically Stiffened Reporting System on Product Accidents in Place

By *MATSUI Hideo*

1. Introduction

THIS article seeks to brief readers on a system introduced recently to report and publicize information on accidents associated with consumer products. The system is based on the revised Consumer Product Safety Law. The Ministry of Economy, Trade and Industry (METI) submitted a bill to revise the law to the Diet in the fall of 2006. The revised law, enacted in November that year, came into force on May 14, 2007. The revision was intended to call for the whole society to share information on accidents involving consumer products and prevent a recurrence of similar accidents.

2. Why Revised

(1) Product accidents rising sharply

The number of accidents involving consumer products ranged from about 1,600 to 1,800 annually until fiscal 2003 that ended on March 31, 2004. The figures cover accidents reported to the National Institute of Technology and Evaluation on a voluntary basis. But the number began to increase sharply in fiscal 2004, topping the 2,500 mark in recent years. Such a steep rise can be attributed to the following factors. First, products have become more sophisticated and got more complicated to handle. Secondly, makers have made greater efforts to upgrade products and cut costs while failing to pay sufficient attention to improving the margin of product safety. Thirdly, consumers have been accustomed to products of fail-safe design and have neglected to pay their own attention to safety. And fourthly, product accidents have drawn greater social attention.

(2) Conventional safety rules limited

Most conventional regulations on product safety call for risky products to be specified in advance, set technical safety standards on the products specified, and require makers or sellers to confirm the clearance of safety criteria at the stage of their shipment. Such a conventional safety system cannot deter damage from accidents involving products unspecified or from unknown sources of risk. Moreover, some product accidents in recent years were caused by improper remodeling work done after consumers began to use the product in question. These accidents are unexpected at the stage of product shipment and cannot be prevented only through the imposition of technical safety regulations at the time of shipment.

(3) Needs for legal revision

A fresh mechanism was deemed necessary to cope with these problems and prevent product accidents from occurring or expanding. Under the proposed new mechanism, when similar accidents involving a certain product are repeatedly reported, administrative authorities are to publicize information about the accidents even before the cause is not known, draw consumers' attention and urge them to avoid risks by their own efforts, and swiftly issue an order for manufacturers or retailers to take action, including a recall of the product in question, after the cause of the accidents has been identified as a defect in the product. In addition, it is essential for administrative authorities to collect as much information as possible at an early date to publicize information on product accidents and issue an order.

Product accident information has so far been collected by the National Institute of Technology and Evaluation, based on reports filed by makers or sellers on a voluntary basis. But as seen in a series of gas-poisoning disasters caused by gas water heaters, some business operators were aware of the accidents involving their products but neglected to inform administrative authorities about them. Therefore, administrative bodies need to collect product accident information completely by requiring business firms to file reports on accidents with authorities. To "protect consumers' lives and prevent danger to their bodies," METI decided to revise the Consumer Product Safety Law to give administrative organizations the authority to issue orders, including one on a product recall, in the event of accidents involving all products used by consumers.

3. Outline of Revised Law

(1) Scope of consumer products

It is defined as products mainly used in consumers' daily life. But products on which safety regulations are imposed under separate laws or ordinances are excluded from the list of consumer products covered by the revised law.

(2) Definition of serious product accidents

i. Product accidents

Product accidents are defined as, among those involving the use of consumer products, (1) those that endangered consumers' lives or bodies or (2) those that led to a loss of or damage to consumer products and at the same time might have endangered consumers' lives or bodies. But the definition excludes accidents that apparently were not caused by defects in consumer products. In other words, the law does not cover accidents apparently caused by product defects.

Photo: PANA

ii. Serious product accidents

Serious product accidents are defined as those that inflicted critical damage. Specifically, these accidents involve (1) death, (2) serious injuries, (3) carbon monoxide poisoning, (4) loss of body parts and (5) fires.

(3) Obligation to report serious accidents

Manufacturers or importers are required to file reports with the administrative authorities concerned within 10 days after they notice serious accidents involving their products.

(4) Announcement of serious accidents

The central government must publicize the name of the business firm concerned, the name of its product involved, and specifics of the accident concerned within five business days after receiving a report of a serious product accident. But it is supposed to publicize only an outline of the accident involved at the initial stage if it is not known whether the accident was caused by the product itself. The names of the company and its product involved are not to be publicized at this moment. After analyzing information on the accident, the government is required to publicize the company and product names if the accident is suspected of having been caused by the product.

(5) Action against report neglectors

The government is to issue an order to business operators failing to report or filing false reports, instructing them to establish a business structure necessary to collect, manage and provide information on product accidents. Imprisonment of up to a year or a fine of ¥1 million is to be imposed on those violating the order. Both punitive measures may be imposed at the same time in some cases.

4. Conclusion

Ensuring safety for consumer life is essential to achieve affluence in its true meaning. To attain the goal, consumer product-related business operators, administrative organizations and consumers themselves need to fully recognize their own responsibilities and take sustainable action voluntarily to improve product safety. In other words, it is not enough for businesses only to perform duties under related laws. They also need to have a high consciousness of being one of the active entities in society, make efforts to provide safer products to consumers and prevent accidents involving their products, and perform their social responsibilities as businesses. Needless to say, businesses need a long period of time to win consumer confidence while a single product accident can easily lead to a loss of confidence. This must be fully taken into account by business management.

Consequently, in order to help businesses build up a voluntary action mechanism toward improving their product safety and win consumer appreciation, METI plans to work out the state's own voluntary action guidelines on product safety and then encourage businesses to map out their own voluntary action plans based on the national guidelines.

Through the process of hammering out action plans, businesses are to improve the safety of their products in a sustain-



Shredders collected for their safety test (National Consumer Information Center in Tokyo)

able manner. This can be regarded effective to help businesses perform their duties under the Consumer Product Safety Law.

Meanwhile, on the part of consumers, it is hoped that they will avoid focusing attention only on product prices, choose products offered by safety-oriented manufacturers, confirm the prescribed means of use and check the products by themselves in order to use them safely, and have the awareness of being product users.

And administrative authorities should give top priority to establishing a social framework backing up these voluntary activities by businesses and consumers toward improving product safety. Such a social framework can be expected to help safety-oriented businesses win support from consumers, improve their earnings performance and produce fresh goods, services and values added. It is hoped that such a favorable cycle can be thus formulated.

Such a favorable spiral could be an incentive for businesses, consumers and the nation as a whole to improve product safety in a sustainable and positive manner, and is expected to lead to the creation of a fresh sense of value that can be termed the so-called “culture of product safety.”

J.S

Matsui Hideo was Adviser, the Japan Economic Foundation.