

**SME Development Fund
Final Report of Approved Project**

Project Title : A Support Programme for SMEs to Comply with the U.S.
(Reference No.) : Consumer Product Safety Improvement Act (CPSIA)
(D09 001 029)

Period covered : From 1 September 2009 to 31 August 2010
(dd/mm/yy) (dd/mm/yy)

1. Project Details

Please mark with "*" if any of the following project details is different from that in the project proposal appended to the project agreement.

Project Reference and Title

D09 001 029 - A Support Programme for SMEs to Comply with the U.S. Consumer Product Safety Improvement Act (CPSIA)

Project Summary (in not more than 150 words)

The project aimed to assist the SMEs in acquiring a thorough understanding of their obligations under the CPSIA, keeping abreast of the regulatory developments, and to learn the principles of a sound hazardous substance management system which will lead them in success to maintain business opportunities with clients in the U.S. and other countries with similar legislation in place. Highlights of the project were to :

- (a) organize **Four Seminars**, covering the key requirements of CPSIA to let SMEs familiarize with the legislative requirements, enforcement approaches, litigation circumstances and management approaches to reach compliance;
 - (b) organize **Two Study Tours** to observe and learn how leading enterprises getting themselves ready for the CPSIA requirements;
 - (c) prepare a **Practical Guide** (both printed and CD-Rom versions) addressing various issues of the CPSIA, including a summary of the legislative requirements, enforcement details and guidance, essential requirements of hazardous substance management system and industry case studies as a means of experience-sharing; and
 - (d) operate a **Telephone Hotline** for answering SMEs inquires and providing guidance on issues associated with the CPSIA.
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Project Objective(s) (in not more than 80 words)

The overall objective of this project was to assist the SMEs in meeting the requirements of the U.S. CPSIA through a comprehensive support programme.

Specific objectives were to:

- (a) enhance the SMEs' understanding of the CPSIA requirements;
 - (b) assist local SMEs in acquiring the knowledge to achieve CPSIA compliance;
 - (c) provide up-to-date information on the CPSIA to the SMEs through experience-sharing in seminars and study tours, publication of CPSIA guide, information dissemination on websites; and
 - (d) provide technical supports to the SMEs on hazardous substances management in order to comply with the CPSIA requirements.
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Recipient/Collaborating/Implementation Organisation

Recipient Organisation : Federation of Hong Kong Industries (FHKI)

Collaborating Organisation(s) : Not Applicable

Implementation Agent(s) : Hong Kong Productivity Council (HKPC)

Key Personnel

	<u>Name</u>	<u>Company/Organisation</u>	<u>Tel No. & Fax No.</u>
Project Coordinator	: Ms. Kin-mei Kwan	Federation of Hong Kong Industries	2732 3165 2721 3494
Deputy Project Coordinator	: Ms. Kandy Lui	Federation of Hong Kong Industries	2732 3170 2721 3494

Project Period

	<u>Commencement Date (day/month/year)</u>	<u>Completion Date (day/month/year)</u>	<u>Project Duration (No. of months)</u>
As stated in project agreement	1 September 2009	31 August 2010	12 months
Revised (if applicable)	NA	NA	NA

Methodology Employed

The following methodologies were employed during project implementation:

a) Organizing Seminars

4 seminars were designed with specific themes so that participants would be able to understand various aspects of the CPSIA which might affect their business operation. The themes of the seminars in this project were: i) Awareness of CPSIA Requirements; ii) Litigation Issues Associated with the CPSIA; iii) Management Strategies to Reach Hazardous Substances Compliance; and iv) Enforcement Issues and Latest Development of the CPSIA.

Representatives from various leading organizations with good practices on hazardous substances control were invited as the speakers to share their experience in managing CPSIA compliance issues. In addition, U.S. litigation experts from an international law firm were also invited in one of the seminars to discuss the litigation issues associated with the CPSIA and product compliance. To keep the industries updated of the enforcement status and latest development of the CPSIA, officials from the U.S. Consumer Product Safety Commission (CPSC) were invited in one of the seminars to share their views on the implementation of CPSIA with the industries.

b) Organizing Study Tours

Two study tours were arranged, aiming to provide opportunities for participants in understanding the actual operation and management practices of companies on CPSIA issues. During the study tours, participants were able to discuss with the representatives of visiting organizations on various issues of the CPSIA. In addition, participants were given the opportunities to share their experience with others on the implementation of management practices for further developing their compliance works.

c) Preparation of a CPSIA Guide for the SMEs

2,000 copies of a CPSIA Guide (both printed and CD-ROM versions) were prepared for distribution to industries. The guidebooks were distributed to around 200 participants of the last seminar held on 23 August 2010. In addition, 1,400 copies were distributed to trade associations such as the FHKI, Hong Kong Electrical Industry Association (HKEIA), Hong Kong Electrical Appliances, Manufacturers Association (HKEAMA), Hong Kong Mould and Die Technology Association (HKMDTA), Hong Kong Watch Manufacturers Association Limited, Federation of Hong Kong Garment Manufacturers, etc. and then further disseminated to their members.

d) Operation of a CPSIA Telephone Hotline

During the project implementation period, a telephone hotline was established to handle industries inquires on the CPSIA issues. Through the operation of this telephone hotline, the industries were able to obtain the latest information related to the CPSIA. In addition, it was expected that the industries could make use of this hotline to enhance their compliance management knowledge and get prepared for the works in meeting the CPSIA requirements.

2. Summary of Project Results

Project Deliverables

Please list out the targeted project deliverables as stated in the project proposal appended to the project agreement and provide details of actual result achieved, including beneficiaries, for each of them.

The project provided both information and technical support which assisted the SMEs in achieving compliance with the CPSIA.

The benefits of this project were to increase SMEs awareness and readiness to achieve CPSIA compliance, which resulted in maintaining market competitiveness for their export markets.

Our project deliverables include:

- (a) A series of four seminars with specific themes to enhance the industries' capabilities in achieving the CPSIA compliance;
- (b) Two study tours to learn how factories preparing for and complying with the CPSIA;
- (c) A CPSIA Guide (both printed and CD-Rom versions) on how to prepare and achieve the CPSIA compliance addressing technical issues on hazardous substances management; and
- (d) A telephone hotline to assist industries to comply with the CPSIA.

The major CPSIA information, including summary of CPSIA requirements, a CPSIA FAQ, news update, seminars presentation material etc., had been uploaded on a FHKI managed website and a HKPC managed website to provide industries with the first-hand information.

Actual Benefits to SMEs

Please indicate *in clear, specific, tangible and quantifiable terms* the benefits of the project and its contribution to enhancing the competitiveness of Hong Kong's SMEs in general or SMEs in specific sectors, in not more than 400 words.

The project provided both information and support to various industries, including electronic and electrical, toy, textile and clothing, watch and clock, jewelry etc., to build up their knowledge and capability in achieving compliance with the U.S. CPSIA requirements. Specific benefits were:

- (a) **CPSIA Seminars** – Four seminars with a total of 829 participants were successfully held during the project period. The contents of the four seminars were carefully designed with different themes to allow the industries to collect information on the CPSIA regulatory requirements, enforcement details, associated litigation issues and hazardous substances management measures. According to the returned survey questionnaires of the seminars, on average 98% respondents of the survey questionnaires found that the seminars were helpful. In addition, on average 88% respondents of the survey questionnaires indicated that they would apply the knowledge collected from the seminars to their operations.
- (b) **Study Tours** – Two study tours were successfully held during the project period with a total of 84 participants. During the study tours participants were arranged to visit companies which had implemented successful measures to meet the CPSIA requirements. In addition, during the study tours participants were able to discuss how practical measures could be applied in their operation to cope with the requirements of the CPSIA. According to the returned survey questionnaires of the study tours, all respondents claimed that the study tours were helpful. In addition, about 90% of the respondents indicated that they would apply the knowledge obtained from the study tours for improving their operations.
- (c) **CPSIA Guide** – 2,000 printed copies and 2,000 CD-ROM of the CPSIA Guide were issued for distribution to the industries. At the time of reporting, about 1,800 printed copies and 750 CD-ROM of the CPSIA Guide had been disseminated through the CPSIA seminar, trade associations and the direct inquiry of the Telephone Hotline. The remaining copies of CPSIA Guide will continue to be distributed to the industries through various channels.
- (d) **Telephone Hotline** – A total of 108 telephone consultations were handled regarding issues on the CPSIA requirements, CPSIA news update, CPSIA enforcement details and matters associated with various organized activities for this project.

Information on the Website – Useful CPSIA information, including a summary of CPSIA requirements, news update, seminar presentation materials, Frequently Asked Questions (FAQ) and the CPSIA Guide, had been uploaded to a designated website (<http://www.gma.org.hk/questcms/main/main.php>). At the time of reporting, the designated website recorded a "hit-rate" of 2,994. The information had also been uploaded to another website (<http://www.gmn.hkpc.org>) to get a wider spectrum of audience.

Milestones (in chronological order)

Please indicate if the milestone is completed (C), deferred (D) or not achieved (N). If it is deferred, please indicate the revised completion date. For those milestones which are deferred or not achieved, please also provide the reasons under item 2.4.

Milestone (as set out in the project proposal appended to the project agreement)	Original target completion date	Revised target completion date (if applicable)	Status (C/D/N) #
(a) Organizing 4 Seminars	1/9/2009 – 31/8/2010		C
(b) Organizing 2 Study Tours	1/12/2009 – 31/7/2010		C
(c) Operation of a Telephone Hotline	1/10/2009 – 31/7/2010		C
(d) Preparation of a CPSIA Guide	1/10/2009 – 31/7/2010		C
(e) Uploading CPSIA Information on a Website	1/10/2009 – 31/8/2010		C

Marketing/Dissemination Activities (in chronological order)

Please provide details of all completed and on-going promotional and/or dissemination activities for each of the project deliverables. Such activities may include advertisements, seminars, workshops, etc.

<u>Date/ Period</u>	<u>Description</u>	<u>No. of beneficiaries</u> (Please specify whether they are SMEs or not)
Sep 2009 to Aug 2010	Promotion of the project activities and seminars through Trade Development Council e-mail database	Reached about 25,000 companies in which most of them were SMEs
28 Sep 2009	1 st Seminar held in HKPC. The seminar flyers were distributed through the mailing database of FHKI, HKPC and other industry associations	75 SMEs and 29 non-SMEs attended the 1 st Seminar
Sep 2009 to Aug 2010	Promotion of project activities through advertisements in the FHKI publications	About 2,700 members
Sep 2009 to Aug 2010	Promotion of the project activities through 6 e-mail flyers from the Hong Kong Chamber of Small and Medium Business Ltd. to its members	About 1,500 SMEs
22 Jan 2010	2 nd Seminar held in HKPC. The seminar flyers were distributed through the mailing database of FHKI, HKPC and other industry associations	85 SMEs and 20 non-SMEs attended the 2 nd Seminar
Mar to Apr 2010	Promotion of the project through an advertisement in the 2 HKEIA publications (March/April and July/August 2010 Issues)	2,000 copies
9 Jul 2010	3 rd Seminar held in HKPC. The seminar flyers were distributed through the mailing database of FHKI, HKPC and other industry associations	64 SMEs and 22 non-SMEs attended the 3 rd Seminar
Jul to Aug 2010	Promotion of the project through an advertisement in the HKEAMA publication (Summer Issue 2010)	2,000 copies
20 Aug 2010	4 th Seminar held in HKPC. Seminar flyers were distributed through the mailing database of FHKI, HKPC and other industry associations	175 SMEs and 38 non-SMEs attended the 4 th Seminar
Total no. of beneficiaries - No. of SMEs		: Estimated about 20,000
No. of companies which are <u>not</u> SMEs		: 110

Future Plan for Promoting the Project Deliverables

- Continue to update the latest information of CPSIA in website(s) managed by the FHKI and/or HKPC
- Continue to distribute the CPSIA Guide to the industries
- The electronic version of the CPSIA Guide had been uploaded on the Green Manufacturing Alliance website of the FHKI in order to benefit more industries
- Keep close contact with the CPSC officials and update the industries on latest news of CPSIA