

5 Strategic Fields for Development of Nat'l Standards in 2007

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Sharing the Benefits of Global Standards

In line with its initiative to share the benefits of global standards with partners around the world, KATS has expanded programs that support developing countries in the area of standardization. These programs aim to provide participants with the standards expertise and know-how that have played a key role in Korea's economic development.



Strengthened Industrial Product Safety Control Sets Sail

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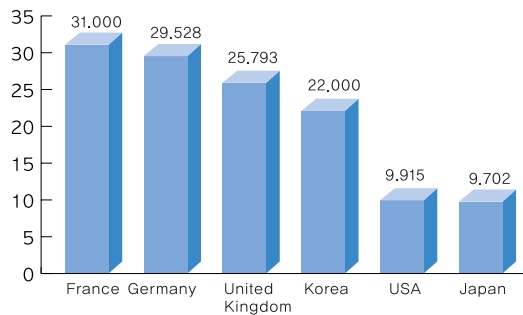
5 Strategic Fields for Development of Nat'l Standards in 2007

KATS has selected five strategic KS (Korean Industrial Standard) fields from which to develop about 500 kinds of new national standards in 2007.

The five strategic fields are future growth engine industries, service industries, public safety & convenience sector, energy development sector and national infrastructure sector.

To maximize the ripple effects on other industries and market linkages by encouraging the participation of related private specialist agencies, KATS has also decided to further upgrade the standards designation and operating systems of its standards development body.

Number of National Standards



The content and targets of the standards development plan by field are as follows:

Field	Detailed Areas	Targeted No. of Standards
Future Growth Engine Industries	Bio medicines, automobile black boxes, carbon nanotubes, next-generation displays, etc.	About 100 kinds
Service Industries	Rehabilitation exercise therapy devices, equipment & devices for the disabled, nursing facilities for the elderly, cinemas, photos, etc.	About 110 kinds
Public Safety & Convenience	GMO-detection methods, management of indoor air quality, disaster management, etc.	About 150 kinds
Energy Development	Home-use fuel cells, solar energy, standby power for electronic products, etc.	About 60 kinds
National Infrastructure	Protection of individual information, RFID utilization, biometrics, logistics distribution tech, compatibility of industrial facilities, etc.	About 80 kinds

Among the national standards that have been in place for at least five years, KATS also plans to continue to revise about 2,000 to enhance the quality of national standards through reflection of rapidly changing technologies and changes in domestic industrial environments.

Having adopted about 22,000 national standards as of the end of 2006, Korea joined the ranks of advanced countries in terms of the number of secured standards, comparable with 31,000 of France, 29,583 of Germany, 25,793 of the U.K., 9,915 of the United States and 9,702 of Japan.

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Gov't to Expand Environmental Management Awards

The Ministry of Commerce, Industry and Energy (MOCIE) and Ministry of Environment (ME) plan to expand the government's '2007 National Environmental Management Grand Prix.'

The plan is designed to spread a corporate environmental management atmosphere and to stimulate the morale of those firms and contributors that have achieved excellent environmental management.

To be newly included in the grand prix for 2007 are 'Green Partnership Award' and 'Environment Industry Export Promotion Award' presented respectively to those firms that have pursued an environmental management system for partner companies through win-win cooperation between large firms and SMEs and to those that have contributed to enhancing the international competitiveness of environment-related companies through exploration of overseas markets.

The awards will be given in early June when the '2007 National Environmental Management Promotion Contest' is held. Auxiliary events, presentation of excellent practices and seminars on environmental management, etc., also are scheduled on a grand scale together with the contest.

MOCIE - ME
National Environmental Management Grand Prix ('06~)



MOCIE
National Environment-Friendly Management Grand Prix ('04~'05)

ME
Environmental Management Grand Prix ('99~'05)-
Sustainable Development Grand Prix ('05)

KATS Launches 'KS Hyperlink Search Service'



For the first time in the world, KATS has launched an 'Automatic Standards Information Search Service' starting February 1. When a specification number in

the original text of KS standards is clicked, this service enables users to see the content of the relevant specifications immediately.

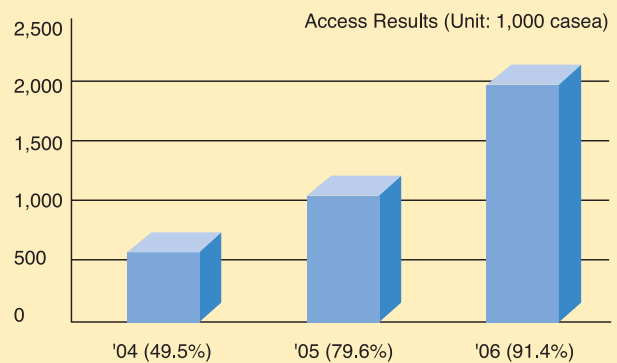
As part of efforts to provide the public with 'Quivice'(Quick & Quality Service) regarding KS standards, KATS has developed the so-called 'KS Hyperlink Search Service.' Under the service, with a single Internet search, users now can read about 31,000 kinds of standards, including 22,058 KS standards (as of the end of 2006) and about 9,100 standards that have been either abolished or revised, at the homepage of Korean Standards Information Center (www.standard.go.kr) as well as on portals Naver and Empass.

In the past, it was inconvenient to have to start a search from the beginning when users wanted to find out about other standards after finding certain standards first via the

Internet. KATS expects that the launch of the new service will not only resolve the inconvenience but also increase use of KS standards by the general public as well as industrial communities, leading to development of new industrial technologies and greater convenience in people's lives.

In 2007, KATS also plans to establish an automatic search system for ISO and IEC standards to be launched around the end of the year.

Status of Accessing KS Standards via the Internet



(The figures in parentheses are year-on-year changes.)

One Test, One Certificate Accepted Everywhere!

A working-level team of KATS plans to hold explanatory sessions on ways of innovating national standards and certification systems for six days from January 30 for certification/testing agencies and businesses and consumer organizations.

The planned sessions are expected to be utilized as a venue for discussion to suggest various opinions as well as to enhance understanding of the agency's national project for standards and certification systems, upholding a principle 'one test, one certificate accepted everywhere!'

The key content of the sessions will include explanations about the background for promotion of the national project, corporate burden and consumer confusion caused by as many as 140 diverse certification systems and also about the progress of the project.

At the sessions, KATS also plans to collect wide-ranging opinions from related ministries, experts and business communities on four methods regarding introduction of its draft module examination system for the fields requiring mandatory product inspection or certification, such as electrical appliances, living goods and communication equipment & devices, the core areas for innovation thus far examined by experts and the working-level team.

Realizing that cooperation and participation of related ministries and organizations is the key to success of the project, the team plans to actively collect opinions suggested at the sessions and utilize them in system designs. In the future, the team also plans to widen the belt of consensus for innovation by holding workshops with related ministries and staging on- and off-line publicity activities on a sustained basis.

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5 Strategic Fields for Development...

Definitions of national standards, real-time search of the latest establishment and revision of KS standards, requests for revision, etc. are available at the National Standards Information Center

(www.standard.go.kr), and one can also search required KS standards at private portal sites like Naver (www.naver.com) and Empass (www.empass.com).

Support for Developing Countries Sharing the Benefits of Global Standards



In line with its initiative to share the benefits of global standards with partners around the world, KATS has expanded programs that support developing countries in the area of standardization. These programs aim to provide participants with the standards expertise and know-how that have played a key role in Korea's economic development.

Based on the Korean model of transformation from developing to developed country, the standardization education and training that KATS offers is tailored to address the specific situations and issues facing developing countries. Examples of the types of programs available to developing country officials are summarized below.

In October 2002, KATS, in cooperation with the International Cooperation Training Center and Korea International Cooperation Agency (KOICA), began a training program for ASEAN countries under the WTO/TBT Protocol on Technical & Training Activities for Developing Countries. This program falls under Korea's commitment to training assistance for ASEAN+3 member countries. Topics included in the curriculum are Development of Standardization, Conformity Assessment System and other subjects tailored to the needs of the participating countries. As of the end of 2006, 96 personnel from countries like Malaysia, Philippines, Thailand, Vietnam, Laos, Indonesia, India, Myanmar and Cambodia have benefited from the opportunities offered by the two-week courses held in Seoul.

In addition to courses that include participants from several nations such as the ASEAN program explained above, KATS offers bilateral training upon request of individual countries. Countries taking advantage of this type of training in recent years are Vietnam, Bangladesh and Sudan.

From Oct. 30 to Nov. 3, 2006, KATS organized training for five senior Vietnamese government officials in Seoul at the request of Vietnam based on the Korea-Vietnam Memorandum of Understanding (MOU) on Standards, Measurement & Conformity Assessment. In the previous year, the Bangladesh Standards & Testing Institution and the United Nations Industrial Development Organization requested that KATS support Bangladesh's vice industry minister's study trip to Korea. The topics included in the minister's training were standardization development and conformity assessment.

In addition to offering training in Korea, KATS is prepared to dispatch personnel to other countries to conduct programs on site. One example of this is the dispatch of a KATS official to Sudan from Nov. 25 to Dec. 23, 2004, under the Korea-Sudan MOU on Standardization, Conformity Assessment & Legal Metrology. This training focused on an introduction to



▲ Providing Training Activities for ASEAN Countries



▲ Training Program for Vietnamese Senior Government Officials



▲ Bangladesh Vice Industry Minister's Study Trip to Korea



▲ Dispatch of a KATS Official to Sudan

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Strengthened Industrial Product Safety Control Sets Sail



To prevent dangerous situations due to explosion of rice pressure cookers, KATS will implement a strengthened safety management system starting in March this year.

At present, KATS manages rice pressure cooker safety through product inspections since designating it a safety inspection item. However, in the future, the agency plans to designate the product as an item for safety certification, which will require factory examination in addition to product inspection.



Factory inspection is a system that appraises the production system of manufacturers, including production facilities and quality management.

Moreover, KATS also plans to reinforce the safety inspection criteria for product inspections in order to ensure mechanical safety by making it mandatory for manufacturers to develop rice pressure rice cooker design that will allow steam to escape even when the safety device is clogged and also to clearly label usage precautions on the product. Most of rice pressure cooker accidents occur due to its use as a cooking device other than its originally intended usage.



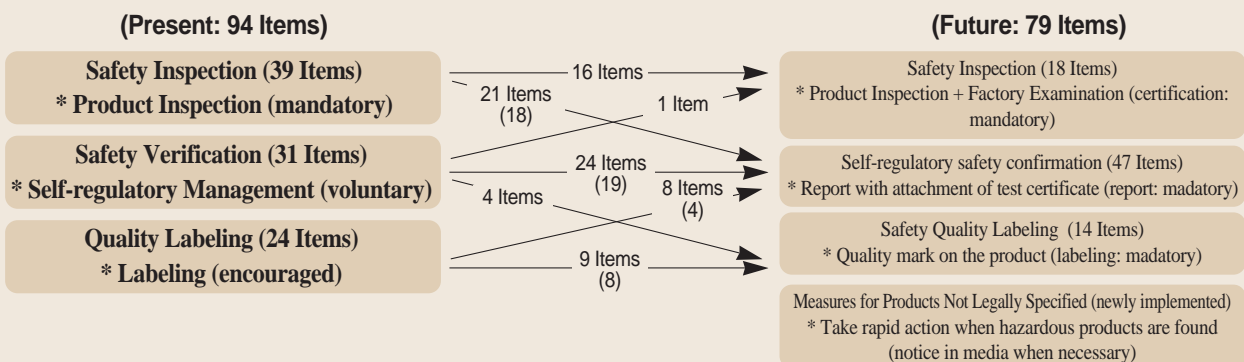
In an effort to minimize safety accidents related to living goods, including the rice pressure cooker, KATS plans to supplement technical items in the safety criteria on a continuous basis. For items that are vulnerable to safety problems, the agency intends to develop and supply guidelines for purchase and use, while conducting investigation of the products in the market throughout the year to prevent distribution of illegal or substandard products.

Reinforcement/Improvement of Industrial Safety Management System

- Revision of Safety Management System

Present	Future	Remarks
Safety Inspection (mandatory) * Product Inspection	Safety Certification (mandatory) * Product Inspection + Factory Examination	• Items presenting grave danger to the extent that fatal accidents can occur
Safety Verification (voluntary)	Self-regulatory Safety Confirmation (mandatory) * Report after receipt of inspection from a public certified agency	• Items with the potential to cause safety hazard to human body
Quality Labeling (voluntary)	Safety/Quality Expression (mandatory)	• Items that can secure safety if proper attention is paid when using
-	Measures for Products Legally Specified (newly implemented)	• When hazardous products are found or damage is feared to spread

- Adjustment of Safety Management Items



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Explanatory Roadshow on Certification Systems & LABCON

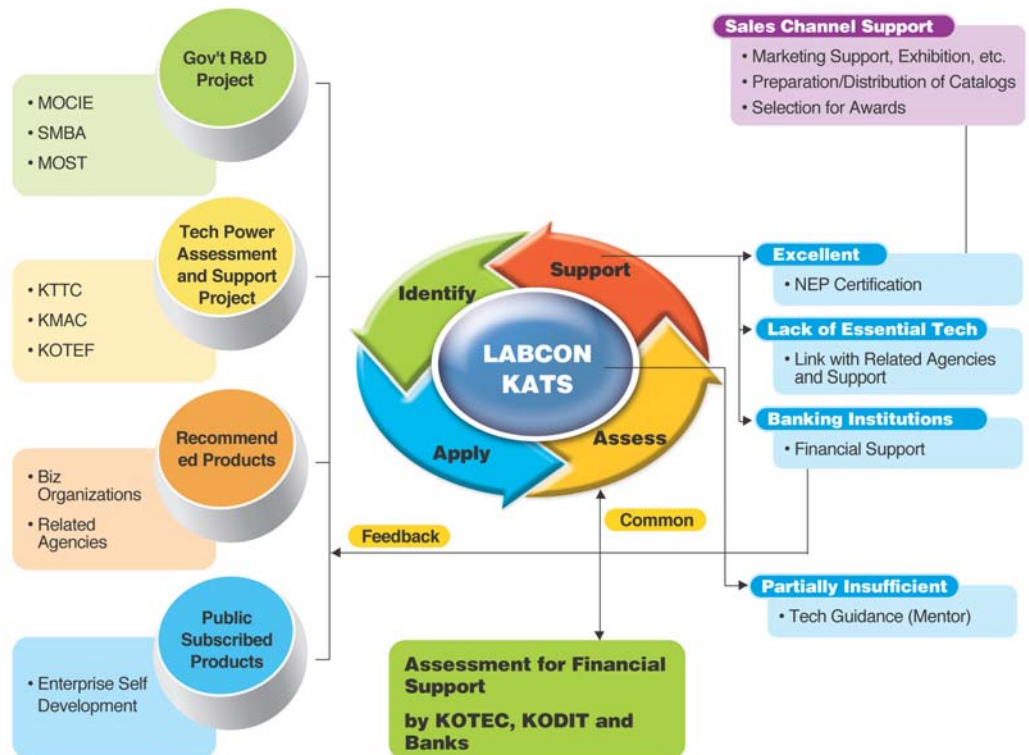
KATS is undertaking a roadshow January 24-February 27 to explain the overall content of the NEP certification system and LABCON support system for manufacturers and purchasers nationwide.

The explanatory roadshow is being conducted jointly with Korea Technology Transfer Center (KTTC), Machinery Insurance Cooperative (MIC) and Korea High-Tech Goods Certified Association (KHTGCA) at regional offices of the Small and Medium Business Administration (SMBA) and Techno Parks.

NEP (New Excellent Product) is a certification granted to new-tech products with excellent functions and quality and large ripple effects among those developed for the first time in Korea. LABCON (Laboratory to Containership) is a system that identifies SME-developed promising new-tech products and supports certification, sales channel development, financing, etc.

During the sessions, KATS intends to provide a guide to the content of individual certification systems, GR (good recycled products), LS (standardized logistics equipment) and ES (excellent machine, mechanism and materials) along with NEP, which were changed in accordance with the revised Industrial Technology Innovation Promotion Act last year.

For NEP, the revised act made mandatory the submittal of a prior technology investigation report when filing for certification, while stipulating that 58 public organizations should have NEP-certified products account for more than 20% of their procurements. Regarding GR, the revised act specifies



items by product. Concerning LS and ES, it also includes provisions to designate specialized private agencies to conduct certification evaluations.

In addition, KATS will explain the LABCON system in detail, which is designed to identify SME-developed excellent new-tech products at an early date, provide technological guidance, support acquisition of NEP certification and enable expansion of sales channels.

At the projected explanatory sessions in seven regions, KATS plans to explain various kinds of government support systems for sales promotion of certified products, including credit sales system, maintenance guarantee system, etc. so that certified enterprises located in provincial areas can obtain substantial benefits. In the future, the agency also plans to expand its sales promotion and financial support for certified products through establishment of networks with specialized private organizations.

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Sharing the Benefits of Global Standards...

KTS, highlights of the global standards system (ISO, IEC, etc.), conformity assessment, measurement services, and WTO/TBT.

expertise in the standards field with developing countries anywhere in the world and the broad range of customized training that is available upon request.

These programs reflect KATS' desire to share its hard-earned

e-Era, u-Service

Practicing the principle of “participate, create and share the benefits of global standards,” KATS is solidifying its position by restructuring its organization to take advantage of the emerging ubiquitous-service paradigm, which promises easy access for all, anywhere, anytime, with any device, on any network, using any service.

Combining KATS’ experience and expertise in the standardization arena, the agency established an Internet portal designed to better support and provide greater momentum for international standardization activities.

The main content of the portal, which initially is in the Korean language, includes global standards information (ISO, IEC, ITU), international standardization conferences at home and abroad, schedules for voting on international documents, information on screening of international documents and applications for TC/SC membership.

In addition to the new web portal, KATS launched an English-language press release service in October, 2006 providing international access to information on Korea’s standardization activities on a real-time basis. In the first

two months of this Internet-based service, there were more than 2,000 visitors to the press release site. Regardless of your location around the world, this site makes KATS just like your next-door neighbor. These latest communication initiatives will allow the agency to have more frequent day-to-day contact.

KATS’ vision to be the best standards organization in the world requires that it maximizes international cooperation, collaboration and coordination. KATS intends to continue its global standardization initiatives in 2007 with this as its guiding philosophy.



Expanding Standardization of Farm Machinery Parts



KATS has announced that starting on February 5 it will conduct a 15-day fact-finding survey on the status of execution of its unification and simplification order regarding farm machinery parts, an initiative presently being implemented to resolve farmers’ inconvenience in repairing their farm machinery.

The order provides for a system designed to unify and simplify specifications, such as dimensions and shapes, of farm machinery parts for which compatibility is considered important according to Article 16 of the Industrial Standardization Act. The reason why the order is applied mainly to farm machinery parts is because if respectively different parts are manufactured and supplied, timely purchases are difficult due to the characteristics of farm villages.

Starting this year, any farm machinery maker that does not comply with the order will face disadvantages in loan consideration when applying for aid from the ‘Farm Machinery Production Support Fund’ in accordance with the

instruction of the Ministry of Agriculture and Forestry.

Together with the fact-finding survey, KATS also intends to conduct a ‘Farm Machinery Part Standardization Demand Survey’ targeting farm machinery repair centers and makers in order to actively resolve repair inconvenience and to enhance productivity of farm machinery.

In the future, KATS plans to expand its farm machinery standardization project, increasing the number of items subject to the unification and simplification order within a scope that does not undermine new technology development of parts to achieve cost reduction for manufacturers and also to enhance consumer convenience.



Promoting Standardization of Soaps and Detergents



On January 24, KATS revealed that it plans to reflect skin irritation and functional additives, etc. on the labels of safety quality-marked and KS-certified soaps and detergents in an effort to reinforce consumer safety.

KATS said that with people's enhanced sanitation and living standards, consumption of soaps and detergents is increasing. Therefore, the agency disclosed that it is concerned about physical harm due to a lack of consumer information.

In the case of washing detergents, selection of products according to usage and function is important. Bleaching agents in the detergents are divided into oxygen-type and chlorine-type, and if selected without regard to usage and consequences, they can cause unexpected damage.

A producers' consumer preference survey conducted last

year among 500 housewives in their 30s indicated that their concerns about soaps and detergents have changed to human harm (57%) from environmental damage (43%). In the past, they considered the products a main culprit in environmental pollution.

Also, 53% of the surveyed consumers said that they buy goods after reading the labels including trademarks, natural, low-pollution and organic product. They also thought that 28.7% of damage is attributed to a lack of manufacturer labeling of important consumer information.

To minimize consumer damage, KATS plans to investigate soaps and detergents being sold in the market and take strong action regarding those products without sufficient labeling of consumer information, quality marks, consumer precautions, etc.



Strengthening Consumer Safety of Digital Doorlocks

To secure consumer safety, KATS prepared a detailed operating manual for digital doorlocks during times of emergency and initiated publicity on the correct usage of the product.

KATS has endeavored to strengthen related safety, including revision of KS specifications, so that digital doorlocks can be operated even at temperatures as high as 270 °C, while enabling the old and weak to open and close doors with this type of lock manually as well.

In accordance with the Act on Quality and Safety Management of Industrial Products, KATS plans to implement the mandatory KPS (Korea Product Safety)-mark system for digital doorlocks that requires manufacturers to confirm the safety of their products.

In the future, the agency intends to reinforce post-management of the products to ensure that only safe doorlocks are distributed, including testing and assessment after collection of sample products from the market, etc.

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Strengthened Industrial Product Safety Management...

- Integration of 13 similar items (self-regulatory safety confirmation 12, safety quality labeling 1)
- Addition of 9 new items (certification 1, self-regulatory safety confirmation 6, safety quality 2)
- 11 items excluded from management, which have no safety implications and are used by experts or as components of products (safety inspection 2, safety verification 2, quality labeling 7)
- The figures in parentheses are number of excluded items after integration or adjustment.