On February 2003, the European Union (EU) announced two directives, possible future requirement on manufacturers to be accountable for the disposal cost of Waste Electrical and Electronic Equipment (WEEE) and restrictions of the use of certain hazardous substances in electrical and electronic equipment (RoHS). Starting July 1, 2006, the EU will implement restrictions on ten major types of electrical and electronic products, which may not contain lead, cadmium, mercury, hexavalent chromium, and two kinds of brominated flame retardants (PBBs and PBDEs). These two directives, and in particular the RoHS, not only have a direct impact on the electrical and electronic products our nation exports to Europe each year, but they also have far reaching influence on the distribution of supply chain partners for multinational enterprises. Sony, HP and Dell have all established green partner programs to stipulate restrictions on the hazardous substances and implementation of these restrictions.

Statistical data show that the production value of the ten major types of electrical and electronic products that Taiwan exported to the EU in 2004 exceeded US$7.8 billion and that more than 30,000 companies were affected. It is therefore a necessity to respond to international environmental trends and meet all requirements on restricted substances in order to make Taiwan’s electrical and electronic industries meet the challenge of international markets and guarantee their green competitiveness.

In 2002, the Ministry of Economic Affairs, MOEA, began to research new green materials selection and green product design, it also initiated relevant consultation and promotion activities in anticipation of the impact that EU directives might have on the electrical and electronic industries. Despite this, the response to RoHS has been slow. This is because one of the characteristics of the domestic electrical and electronic industries is that it is made up mainly of small and medium-sized enterprises (SMEs) engaging in OEM/ODM manufacturing, and also because SMEs are restricted by their relative lack of manpower, capital, and communication channels. The many SMEs are, however, an important foundation for the product manufacturing and supply chain systems in the electrical and electronic industries. The government therefore needs to use more effective ways of leading industries and turning crisis into an opportunity to improve green competitiveness.

In order to achieve this, the MOEA is integrating concerned agencies and bureaus to set up a task force chaired by Minister of MOEA, Ms. Ho Mei-yueh and with Industrial Development Bureau Director General, Mr. Chen Chao-yi as executive
secretary. In addition, the following government agencies will participate in the effort: the Bureau of Foreign Trade, the Bureau of Standards, Meteorology and Inspection, the Small and Medium Enterprise Administration, Department of Industrial Technology, etc. Based on their respective responsibilities and specialties, they will set up information platforms, guidance systems, assessment standards, and inspection mechanisms aimed at EU’s environmental directives in order to help national industries launch an efficient response. Strategies include:

- setting up “RoHS Service Corps” under the task force
- establishing environmental regulations for the domestic electrical and electronic industries
- overcoming barriers for entering the EU market
- researching and developing core technologies of green supply chain (GSC)
- setting up GSC systems
- developing accreditation and verification mechanisms
- developing inspection standards and technologies
- promoting successful industries’ experiences

On May 23, MOEA established the RoHS Service Corps consisting of personnel from governmental agencies, industrial associations in the electronic and electrical industries, consulting organizations, center companies (the companies that had formed corporate synergy system), and the international procurement offices (IPOs) of multinational enterprises. It is hoped that, with the help of industrial associations, the assistance of the consulting organizations, and the leadership of the center companies and the IPOs of the multinational enterprises, Taiwanese businesses will be able to gain a competitive edge in the global greening market.

procurement and green consumption, it is hoped that Taiwanese central firms (the companies that affected by RoHS Directive) will lead other domestic manufacturers in both upstream and downstream sectors of the industry how to move forward. If they can adopt cleaner production process, select green materials, modify current equipment, it will be possible to establish stable GSCs. In addition to enabling the industries to comply with international environmental requirements, the corporations will be able to forge a new enterprise image and take advantage of green business opportunities.

To this end, the MOEA’s RoHS Service Corps plans to utilize a consulting mechanism of GSC management to aid companies to establish GSCs. Through cooperation between central firms and the consulting organizations, it is able to provide those companies in GSC with training concerning EU directives and inventory of restricted substances. It will also offer consultation and advice on production processes and technologies to select green materials, and give consultation and assistance regarding information platforms, test standards, and verification systems. With the mechanisms mentioned above, Taiwan should be able to establish GSCs over a period of time.

It is hoped that the government’s strategies and commitment will serve not only to assist the Taiwanese electrical and electronic industries to comply with the new EU environmental directives, but also to encourage the industries to implement cleaner production and design products environmentally friendly, thereby enhancing the national competitiveness.