How To Get Your Household and Similar Electrical Appliances Certified for Brazil

Preparing for one of the fastest growing markets in the world.
Brazil’s Robust Growth = Opportunities for Appliance/CE Sales

While the industrial world is recovering from a recession, many emergent countries have been weathering the storm quite well, even growing their economies. According to the International Monetary Fund and the World Bank, Brazil, which is part of BRIC (Brazil, Russia, India and China), is the largest national economy in Latin America and the eighth largest worldwide. It is predicted to become one of the five largest economies in the world in the coming decades.

In addition to growing its economy, Brazil has become one of the world’s most attractive destinations for foreign direct investment (FDI). According to World Bank statistics, Brazil enjoyed a three percent increase in FDI in 2010, receiving almost US$38 billion. Although annual GDP growth in Brazil has averaged only three to four percent, this slower pace of growth reflects Brazil’s increased economic stability, which has resulted in job growth and higher wages for Brazil’s population of over 180 million.

Home Appliances Market
This growth can also be seen in the home appliance and consumer electronics markets, and is largely due to growing consumer confidence, consistently low unemployment rates and increased disposable income, especially among lower-income consumer groups. Major appliances had record retail sales growth in 2010 while small appliances also performed well, specifically in the personal care appliances, small cooking appliances and vacuum cleaners sector.

ABINEE, a not-for-profit organization that represents the Brazilian electrical and electronic industrial sector, reported actual household appliances import data, shown in Figure 1. Although there is a dip in 2009 due to the recession, it is expected that with the projected recovery, sales will reach and surpass pre-recession levels. With this steady growth, manufacturers need to look at expanding their distribution networks to include this lucrative market, starting now.
**Projected Market Growth for Consumer Electronics**
In addition to growth in the household appliance market, Brazil’s consumer electronics (CE) devices market – which includes computing devices, mobile handsets and video, audio and gaming products – was estimated at US$22.5 billion in 2010. Although, consumer electronics retailer’s sales slowed down in 2009, consumer spending on PCs, mobile handsets and other devices bounced back in 2010.

Government subsidies for handsets and PC procurement, combined with recent increases to Brazilian incomes, directly impact the sales of CE in this country. From smartphones to home entertainment electronics, sales are growing steadily and are expected to reach over US$30 billion by 2014.

**Why Stop at Brazil?**
In addition to the current size and projected growth of the Brazilian appliances and consumer electronics market, there are also many opportunities available through Mercosur (Southern Common Market), an economic and political agreement between Argentina, Brazil, Paraguay and Uruguay which supports free trade.

This union, similar to the North American Free Trade Agreement (NAFTA), greatly simplifies exporters’ ability to expand into all four markets.

This agreement allows manufacturers who certify their products’ compliance with Brazilian requirements to expand their foothold quickly. It also allows manufacturers to leverage their brand awareness, already garnered in the Brazilian market, across several other countries.

This union continues to expand to include more Latin American countries, allowing importers to reap sizeable benefits through interactions within this growing trading zone.
Getting Ready for Certification and Regulation Changes

How can manufacturers of household appliances and CE actually leverage Brazil’s growing market? As with many countries, regulations are constantly evolving for products that will be sold in this market. To stay compliant with these regulations, a manufacturer needs to partner with an expert certification and testing laboratory that is ready to help today. This partnership will be especially beneficial to manufacturers while navigating the certification process and when getting ready to ship to a foreign country.

INMETRO, the National Institute of Methodology, Standardization and Industrial Quality, is the accreditation body of conformity assessment approved by the Brazilian Government. Residential appliances and CE products entering the Brazilian market must get certified by an INMETRO accredited laboratory and carry the Mark of that lab along with the mandatory INMETRO mark.

Requirements: Where to Start?
First of all, it is important to understand the requirements that apply to your product. Learn to differentiate between mandatory versus voluntary, and safety versus performance related regulations.

In regards to voluntary requirements, concerning energy consumption for example, a manufacturer may choose to apply for the voluntary PROCEL program. PROCEL was developed and provided by the National Electricity Conservation and is coordinated by the Ministry of Mines and Energy (MME) in conjunction with the Brazilian Electric Power Company, Eletrobrás.

A common example of mandatory compliance regards noise generation. If your product is a hair dryer, a vacuum cleaner or a blender, it is mandatory to label your product with its sound level. INMETRO and IBAMA (Brazilian Institute of Environment and Renewable Natural Resources) created the Seal Noise, part of the Silence Program, which aims to combat noise pollution by guiding the consumer to purchase quieter appliances and encouraging manufacturers to produce products with increasingly lower noise levels.

In addition to the performance aspects of a product, safety must also be considered. Important regulation changes for the appliance and electronics markets, including Decree 371, are coming in 2011.
Decree 371 – What it Means and Critical Milestones Vendors Need to Know
Decree 371 was issued in 2009 and requires all household appliances to be included on the list of products that need mandatory certification by Brazilian Government accredited bodies. All products that pass testing successfully will need to display the compulsory INMETRO mark. As highlighted in the chart below, the first deadline for adopting the Decree No 371 is July 1, 2011 and manufacturers will need a testing and certification body to navigate these rules and ensure that all milestones are met for quick and cost-effective approvals.

This regulation has been divided into the following three stages of compliance to allow manufacturers and importers adequate time to adapt to the new requirements in accordance with IEC 60335-1 and IEC 60335-2-x standards.

**Stage 1: July 1st, 2011**
- New appliances and electronics must comply to decree 371
- Certified products must display INMETRO mark

**Stage 2: July 1st, 2012**
- For one year
  - All products without INMETRO certification, already in warehouses, allowed to be sold

**Stage 3: January 1st, 2013**
- For six months
  - All products without INMETRO certification, already in the Brazilian market, allowed to be sold

**NOTE:** While the above deadlines have been set in place, more updates are still to come. Ordinance #153, issued in April 2011, modifies the schedule of conformance implementation specifically for products classified under IEC 60335-2-80 Particular Requirements for Fans. This ordinance also specifies that products classified under IEC 60335-2-80 meet the Brazilian Energy Efficiency labeling requirements to be in compliance with this ordinance. The adoption dates for Ordinance #153 are as follows:

- 04/01/2012 – Manufacturers and importers shall manufacture or import only certified equipment
- 10/01/2012 – Equipment already in Brazilian market is allowed to be sold with or without certification
- 10/01/2014 – Only certified equipment may be sold

Governmental agencies can change or modify regulations at any time. Please contact your Intertek representative for the most up to date information relative to your specific product opportunity.
What About EMC?
Now, let’s assume that with all of its products, your company always carries out complete EMC (electromagnetic compatibility) testing for the US and EU. Is that enough to allow you to place products everywhere in the world? Unfortunately, this is not the case. Many countries that require EMC compliance also impose additional requirements to market entry in terms of deviations to international standards, in-country testing or country presence.

In Brazil, INMETRO is again the authority with jurisdiction over the general safety of products as well as EMC. However, there are very few general products that require safety for INMETRO certification and none that require EMC at this time. Intertek is constantly monitoring the global regulatory landscape and is prepared if this position changes.

How Intertek Can Assist
Intertek holds the accreditations and affiliations that manufacturers need to get their products into the global market. Intertek is an INMETRO-accredited certification body with partnerships in Brazil, providing an extensive scope of certification services in home appliances and consumer electronics. Intertek is well-versed in the new regulations that affect the appliance and CE market and can help get your product ready for this market and avoid potential obstacles. Intertek offers the following services in Brazil:

- **On-site Audit**: The scope of the audit is dependent on the technical regulation requirements. Intertek also has local auditors for better support.
- **Testing**: Intertek can help you comply with all decrees and regulations – we can conduct testing and provide you with the CB (Certification Body) test report so your product can obtain the INMETRO Mark.
- **Inspection**: Intertek local auditors can provide inspection for both pre-license and follow-up inspection. Inspection services are designed as a check of the product’s continued compliance.
- **Certification**: National marks such as INMETRO, as well as additional in country performance evaluations.
- **Maintenance of Certificate**: Intertek will verify that your product continues to comply with the requirements of the applicable product safety standard and other requirements, as well as provide the Issuance of the Certificate of Compliance Maintenance.
- **Cost Saving and Speed**: With Intertek’s fast turnaround time, your savings will be automatic and your speedy entry will position you as a leader in the market.
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Brazil Certification, In a Snapshot:

| Mandatory Certification – Safety | • Compulsory certification for household appliances announced for July 2011 |
| Certification body | • According to SBAC, the mandatory certification for household and similar electrical appliances should be performed by the Product Certification Organization – OCP, accredited by INMETRO |
| Energy Efficiency Requirements | • Mandatory Energy Efficiency labelling is requested for certain products |
| Safety standards | • Brazil National Standards (NBR) are primarily IEC-based standards  
• Power supply cords must meet specific requirements for conformity assessment  
• Household and similar single phase appliances safety of nominal voltage not higher than 250 V  
• 480 V for other appliances |
| Mandatory certification mark | • INMETRO Mark plus the mark of the certifying organization |
| EMC requirement | • Not required |
| User manual in local language | • Portuguese is required for mandatory certification  
• Portuguese, Spanish or English is acceptable for voluntary certification  
• Portuguese rating and label required |
| Delivery time at the certification body | • Varies between 1-3 months for product and certification requirements |
| Annual Requirements | • Post-production requirements  
• Follow up services  
• Annual retesting |
Summary

The Brazilian market projects steady increases in profitability for manufacturers. Be aware of in-country specifics to ensure that you see the sizable advantages that this fast-emerging market can offer. Intertek’s product testing and certification specialists will provide the knowledge and guidance you need to focus on the details – numbers, timing, process – to certify your home appliances and consumer electronics for use in the Brazilian market.

Intertek’s partnerships in Brazil allow us to accelerate not only the testing reports, but the entire certification process, saving you both time and money. For example, with Intertek’s local auditors, you won’t need to fly an auditor from Brazil (and spend the time and money to get his visa!) just because you manufacture your product in another country!

Intertek has been in business worldwide for over 100 years and can act as a consultant to help manufacturers know what they will need to be in compliance with Brazilian standards.

Establishing yourself in Brazil will provide you a foothold into the South American market - and Intertek can help you get there!

About Intertek

Intertek is a leading provider of quality and safety solutions serving a wide range of industries around the world. From auditing and inspection, to testing, quality assurance and certification, Intertek people are dedicated to adding value to customers’ products and processes, supporting their success in the global marketplace. Intertek has the expertise, resources and global reach to support its customers through its network of more than 1,000 laboratories and offices and 30,000 people in over 100 countries around the world. Intertek Group plc (LSE: ITRK) is listed on the London Stock Exchange and is a constituent of the FTSE 100 index. Visit: www.intertek.com

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