

‘Regulation of manufacturing chemicals hurts MSMEs’

By **BusinessMirror**

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In photo: Photo shows capiz products from RL Handicrafts based in Cavite.

Micro, small and medium-sized enterprises (MSMEs), particularly handicraft entrepreneurs, are appealing to the government to immediately remove from the list of regulated chemicals two commonly used substances in their industry, saying their business survival is at stake.

In e-mails, Floro Salinas, proprietor of FNDG Shells and Handicrafts based in Batangas, sought the help of the Philippine Exporters Confederation Inc. (Philexport) in asking the Philippine Drug Enforcement Agency (PDEA) and Philippine National Police (PNP) to deregulate the use of muriatic acid.

He also urged the PNP to delist hydrogen peroxide, which is a substance not regulated by PDEA.

“These two chemicals are most commonly used by our small handicraft business owners and should be available at most convenient markets as it was

before for them to continue their way of living and for the handicraft industry to survive,” he wrote Ma. Flordeliza C. Leong, Philexport assistant vice president for advocacy and communications.

At the same time, he said an added burden has come up with the new set of requirements for registering or renewing a business permit that is now imposed by local government units.

“[Small handicraft makers] have been having too much problem with our production using hydrogen peroxide. Our suppliers informed us that to purchase even a liter of hydrogen peroxide requires PNP permit,” Salinas said.

He said that, with government control over these chemicals, some retailers have simply stopped selling because “they do not care to apply for the PNP permit.”

As a result, small handicraft suppliers have had to turn down job orders involving these chemicals.

Salinas said he has to cease production of capiz products because of the supply problem. “This year, our product development does not include capiz and other bleached items using hydrogen peroxide,” he said.

Most handicraft suppliers are forced to get their supply of hydrogen peroxide from the black market, which charges as much as 200 percent more, he continued.

“For the small handicraft industry, this deregulation is oppression, a sabotage against our small legal ways of earning a living. We understand the problem that our PNP is facing, but we are not convinced and cannot accept that we are part of the solution they [are thinking of in order] to solve their problem.”

Another manufacturer of handicrafts and bags is seeking clarity from the Department of Trade and Industry (DTI) on allowance limits for hydrogen peroxide and sulfur powder, which are used as bleaching agents in handicrafts.

The export manager explained that calls to chemical-supply stores that they used to buy these from said their permits were still pending.

Last June the implementing rules and regulations (IRR) on controlled chemicals was signed by the PNP chief. The IRR reduced from the original 101 to just 32 the list of regulated chemicals, after PNP consultations with MSMEs and other stakeholders.

However, hydrogen peroxide, a chemical regularly used in manufacturing, was not among those delisted, and is still considered among the high-risk controlled chemicals. The government a few years ago began a clampdown on dangerous chemicals in the wake of increasing terrorist attacks.

On the new requirements of local government units, meanwhile, Salinas described the current business requirement to get a clearance from the Laguna Lake Development Authority as “too hard to process” for small entrepreneurs.

Moreover, the Department of Environment and Natural Resources’s certificate of noncoverage can be done online, “but most small or starters do not have access/knowledge to online facilities,” he said.

And “the technical description is too complicated for simple business owners to accomplish,” while the requirement for a blueprint of the floor plan of the facility to be signed by the city engineer was not doable as MSMEs do business in their backyards or makeshift workshops.

Salinas appealed to the government to simplify business requirements to support MSME development. “Doing business is one noble thing a citizen can do and I just feel the burden that our micro and small entrepreneurs have to pass before going into business.”

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