

Challenges in standardization for SMEs of Peru

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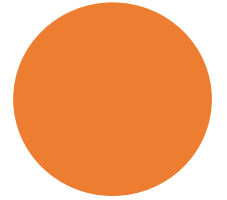
Standards Developed in Perú

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Micro, small and medium-sized companies

Micro, small and medium-sized companies in Latin America

- Despite the fact that micro, small and medium-sized companies (MSMEs) account for 99% of the industrial fabric and create the majority of jobs, their productivity is extremely low compared with that of large companies.
- To redress this situation, the region must develop production chains comprising different-sized companies —and especially MSMEs— in order to boost job creation and wages as a way to reduce the heterogeneity of its economies.
- Further internationalization of these companies, particularly in their exporting activities, contributes to improve productivity and the labor conditions of their workers. (Cepal, 2022)



Micro, small and medium-sized companies in Perú

- According to Enaho figures, in 2020, MSMEs represented 95% of Peruvian companies and employed 26.6% of the Economically Active Population (EAP), which evidenced a 21.2 percentage point (pp) drop in the percentage of the EAP that worked in 2019.
- According to Sunat figures, the informality of MSMEs amounts to 85%.



Micro, small and medium-sized companies in Perú - Characteristics



75.3% of MSMEs do not keep any accounting records.

50.5% have a dedicated place of business, while 49.5% do not have an established place of business.

21.2% only keep personal notes of expenses or revenues

81.3% of the workers were relatives of the business owner.

Challenges Micro, small and medium-sized companies

- Accompanied by an appropriate policy framework, these companies, could become a factor of change in Latin American economies by carrying out the following tasks:
 - Contribute to increasing productivity through the introduction of technological and organizational changes.
 - In this way, they would act as agents that promote structural change by helping to create and disseminate innovations and develop new markets.

Challenges Micro, small and medium-sized companies

- Develop an important role in creating productive clusters, conceived as a collaboration between economic agents and institutions at the local level, with the aim of generating a competitive benefit.
- Contribute to social inclusion by increasing the income of microenterprises and reducing their vulnerability.
- Design and development of technical standards, technical regulations or guidelines to help standardize processes, products and management of MSMEs in all sectors.

Micro, small and medium-sized Standards and Technical barriers to trade

- Governments and industry in the developing and least developed countries make serious efforts to increase exports and reach new international markets.
- It is essential that our customers are satisfied with both non-price and price factors.
- Quality of the product and its conformance to customer requirements is very often the single most important consideration in securing export growth.

Technical barriers

- Among several constraints to trade, such as economic and procedural matters, technical (non-tariff) barriers to trade have emerged as a vexing problem. Technical barriers include standards, technical regulations, testing of products from accredited laboratories, sampling, inspection and certification systems.
- This results in three undesirable situations.
 - First, for the same product the requirements of different States are different when national standards are compared.
 - Second, for the same product there is divergence in the State between national standards and governmental and industry standards.
 - Third, some States may have more than one standard that may cover different aspects of the same product.

Technical barriers

- This creates a major challenge for exporters, who may find it difficult to know which standards need to be satisfied for the same product.
- In the process, exporters may face losses due to low volumes of sales, increases in costs and eventually, they may even lose their markets altogether.



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Standardization

International Standardization

- The ultimate goal of standardization is to achieve international accord on all technical matters relating to the exchange of goods and services between one nation and another.
- Standards by the ISO are voluntary. Some ISO standards, especially those that deal with health, safety or the environment, may be adopted by the regulatory authorities in the countries as a part of their legislation.
- The ISO itself does not regulate or legislate. However, although ISO standards are voluntary, they may become a market requirement, as has happened with the ISO 9000 Quality Management System.

Aims of standardization

- Fitness for purpose
- Interchangeability
- Variety reduction
- Compatibility
- Guarding against factors that affect the health and safety of consumers
- Environmental protection
- Better utilization of resources
- Better communication and understanding
- Transfer of technology
- Removal of trade barriers



Benefits of standardization

For manufacturers, standards:

- Rationalize the manufacturing process
- Eliminate or reduce wasteful material or labour.
- Reduce inventories of both raw material and finished products.
- Reduce the cost of manufacture.



Benefits of standardization

For customers, standards:

- Assure the quality of goods purchased and services received.
- Provide better value for money.
- Are convenient for settling disputes, if any, with suppliers.



Benefits of standardization

For Traders, standards:

- Provide a workable basis for acceptance or rejection of goods or consequential disputes, if any.
- Minimize delays, correspondence, etc., resulting from inaccurate or incomplete specification of materials or products.

For Technologists, standards:

- Provide starting points for research and development for further improvement of goods and services.

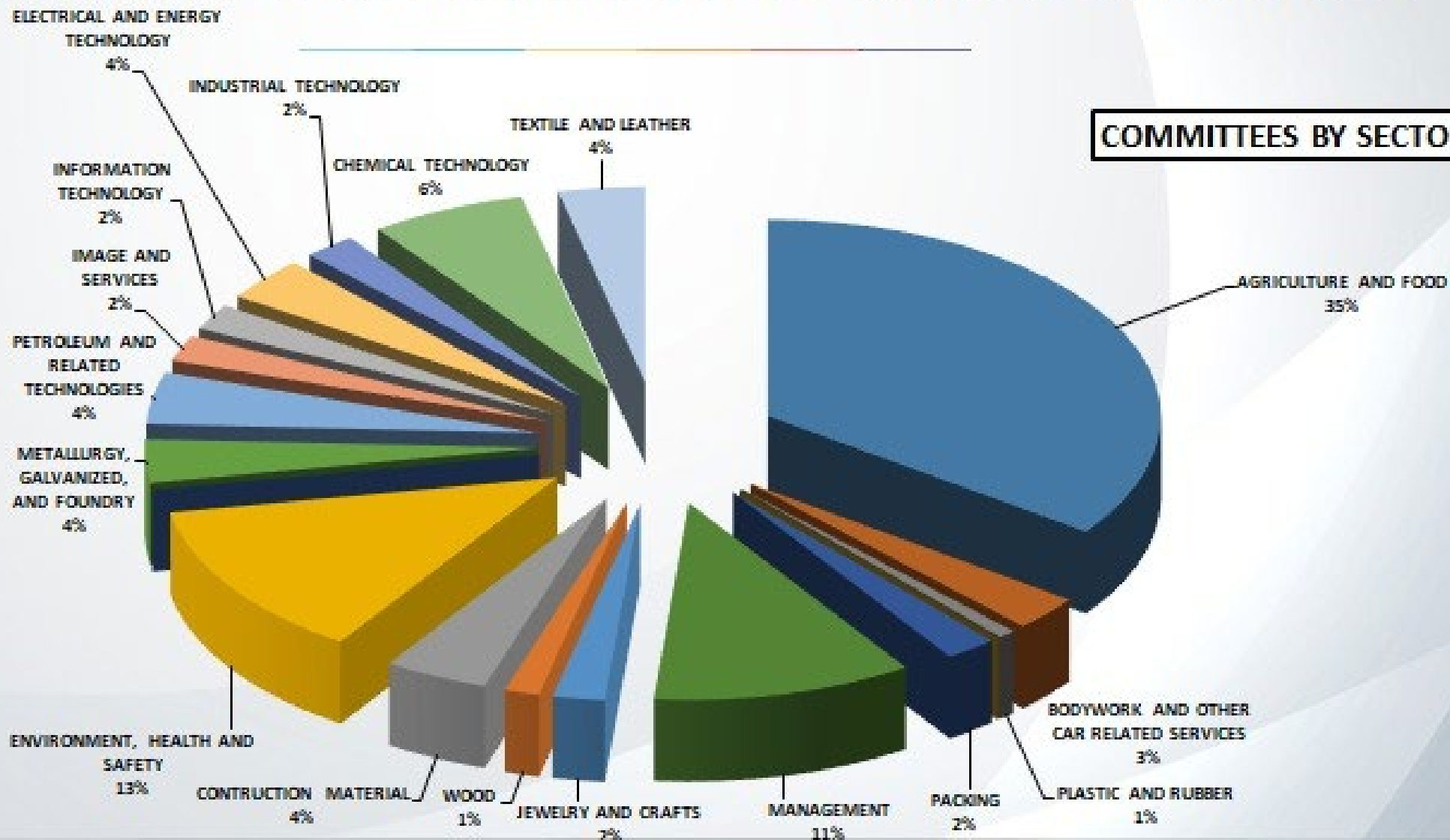
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Standards Developed in Perú

NATIONAL INSTITUTE OF QUALITY - INACAL



National Standardization Technical Committees



NATIONAL INSTITUTE OF QUALITY – INACAL

Technical standards developed and approved

Year	Standardization program	Updating program	Total
2017	293	692	985
2018	356	520	876
2019	305	526	831
2020	297	320	617
2021	336	222	558

Technical standards developed and approved

TYPE OF DOCUMENT	SALES PERIODS					
	2016	2017	2018	2019	2020	2021
Peruvian Technical Standard + Related Texts *	5997	9636	9918	9600	7509	7413
International Standards **	378	396	586	600	162	174

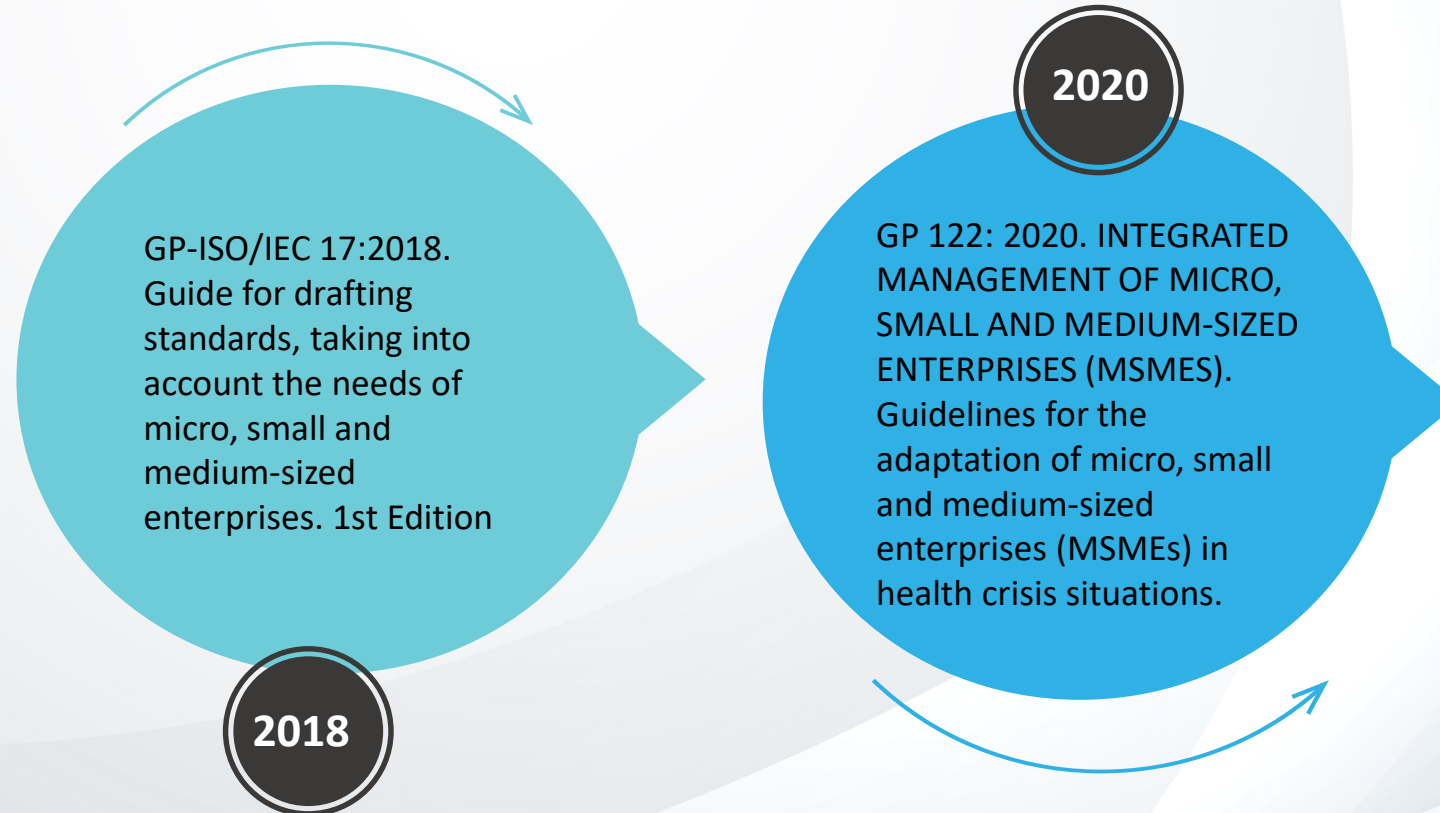
* Related texts are: Guidelines, agreements, specifications, reports, etc.

* International standards are: ISO, ASTM, UNE, IEC, Andean Standards (from 2020).

Standards developed 2017-2021



Guidelines developed 2018 - 2020



Thanks

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