

GOOD MANUFACTURING PRACTICE: GMP AND COSMETIC INDUSTRIAL BUSINESS DEVELOPMENT IN ASEAN ECONOMIC COMMUNITY

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ABSTRACT

The world's cosmetic manufacturing business changed according to the international standards as per the importance of consumer protection and therefore Thai cosmetic industries had awareness and prioritization of the criteria of good manufacturing practices or so-called Good Manufacturing Practice: GMP. This research purpose was studying the implementation of production standards that affected the development of Thai cosmetic industrial exporting organizations in the ASEAN Economic Community. Quantitative research methods were done through collecting data from 120 herbal cosmetics exporting entrepreneurs in Bangkok area, systematic sampling method and analyzed of results with multiple regression analysis techniques. The findings found that hygienic location, production buildings, production tools, machinery, equipment, production process control, personnel, maintenance, cleaning and sanitation were factors that affected the development of Thai cosmetic industrial business organizations.

Keyword: Production standard, Thai industrial cosmetic, ASEAN Economic Community

INTRODUCTION

The development of standards and quality of cosmetics into the ASEAN Economic Community (AEC), which was received attention and a concrete operation market. Therefore manufacturers sought conducts to develop cosmetic manufacturers to comply the standard system and good manufacturing practices (GMP) in compliance with guidance, regulations and practices in good production and finished products with standard quality which covered the production site equipment, machinery, personnel, materials, documents and facilities that were related to in step of inbound raw materials into production sites through various production processes and quality inspection, packing and packaging as well as storage finished product and sold to the public in order to ensure the final product was confidentially quality and safety. In addition, GMP was a basic quality assurance system before developing into other quality assurance systems that contributed all industrial entrepreneurs must pay attention to the safety production process. In the initial production by applying the rules and Good Manufacturing Practices (GMP) as a quality assurance system that has been implemented and proven by scholars around the world that it can make products with standard quality and the most secure.

ASEAN Economic Community and concept of business development supported of liberalism in goods and services in ASEAN with challenge to business sectors and the economic system of each country, due to each country reviewed its readiness and competitiveness according to challenging support and embracing advantage of the being an ASEAN Economic Community opportunities, that caused the expansion of cross-border business management among ASEAN member countries and therefore to coordinate and link with related strategies which focused on increasing production efficiency and sustained standardization for efficient and effective achievement.

Objective

To studied the implementation of product production standards that affected the development of Thai cosmetic industrial exporting organizations in the ASEAN Economic Community.

LITERATURE REVIEW

GMP was familiar in many industries such as medicine, cosmetics and food, but GMP that related to food which a term derived from the laws of the United States of America that were defined in the Code of Federal Regulation title No. 21 Part 110, in comparison to the international standards of the food standard program FAO / WHO (Codex) in word “General Principles of Food Hygiene”.

Food academics used the word GMP, because it was an abbreviation that understood the good practice criteria for food production that was the basic criteria or fundamentally essential requirements of manufacturer’s compliance in production and control which complied by manufacturer and contributed to produce safety food by focusing on prevention and the risks elimination that may cause food poisoning to customers (Kalyani Deeprasertwong, 2009).

Guidance and procedures to GMP. GMP regulations for general sanitation. There were six categories as follows: 1) location and food production 2) tools, machinery and equipment for production 3) production process control 4) sanitation 5) maintenance and cleaning and 6) personal hygiene.

In each criteria had main objective to allow manufacturers having measure of prevent contamination, dangerous in both of chemical and physical microorganisms to the product which may come from the building environment, machinery and equipment used in step of production including hygiene management in terms of cleanliness maintenance and employees.

According to the World Cosmetics Organization's business organization had changed to comply international standards focused on the importance of consumer protection. (United Nations, 2014). Consumer protection was a universal principle that executives and leaders of the health and beauty organization had to be aware of and had vision of the importance on the basic principles of human protection according to the Universal Declaration of Human Rights 1949 of the United Nations Agreement. According to the economic guidelines in consumer protection that when the world grows, the economy and trade and services that countries in the world must consider in society and general interest of the public. The rights of consumers should be protected, "(Susom Suphannit, 2003). These agreements affected the cosmetic manufacturing sector. However, large and medium-sized cosmetic industries that had good systems or practices with GMP (production standards), had less impact than small producers or cosmetics manufacturers in the household, including a large number of community enterprises that were local makers still had limitations in the development of production facilities to meet good production standards. It may be budget limitation, location and knowledgeable personnel, therefore in order to develop and promote sustainable cosmetic production sector that can be still in market and have continuously developed to meet cosmetic GMP with strength and competitiveness in the international market.

Association of Southeast Asian Nations (Association of Southeast Asian Nations: ASEAN) or "ASEAN" were the geopolitical and economic cooperation organization in Southeast Asia, was announced by the Bangkok Declaration on 8 August 1967. There were currently 10 members in the Republic of Indonesia. Republic of the Philippines Republic of Singapore, Malaysia, Thailand, Brunei Darussalam, Socialist Republic of Vietnam, Lao People's Democratic Republic, Republic of the Union of Myanmar and the Kingdom of Cambodia.

ASEAN was an international organization that was most important to Thailand in all aspects. In 2003, ASEAN leaders agreed that it was time for ASEAN working together, stronger and more stable and therefore to establish an ASEAN Community consisting of 3 pillars, namely ASEAN Political Security Community, ASEAN Economic Community and ASEAN Socio-Cultural Community within the year 2020.

The postponement of schedule for the incorporation of the faster into the year 2015 (Department of ASEAN, Ministry of Foreign Affairs, 2010) , which caused economic expansion, trading both of production and export, tariff reduction among member countries, cancellation of non-tariff measures on moving goods, service and skilled workers in liberal.

Under framework arrangements lead to moving more skilled-workers, transportation and logistics system development including the development of efficient product and service quality. The ASEAN integration made the product market bigger, more investment from countries in the group and outside the group that resulting in increased employment.

Integration of ASEAN economy with the world economy resulted in ASEAN becoming a single market and production base after ASEAN had established the ASEAN Free Trade Area. An important thing about cosmetics was "Agreement on the plan to synchronize cosmetic regulations Agreement on ASEAN Harmonized Cosmetic Regulatory Scheme: AHCRS", which was very important to adjust the regulations of member countries that were different to be harmonized with each other agreed together, these were to ensure that all cosmetics were safe with quality standards and benefits for consumers, then there was the establishment of the ASEAN Consultative Committee for Standard and Quality (ACCSQ). The laws of ASEAN member countries were adjusted to be consistent so that to reduce non-tariff barriers (Non Tariff Barrier: NTB) with a request from the ASEAN Cosmetic Association (ACA). The Cosmetic Product Working Group: CPWG had been appointed to review draft of important documents about AHCRS.

METHODOLOGY

The target population were 120 herbal cosmetic exporting entrepreneurs in the Bangkok area through systematic random method. The tools used in the research were questionnaires through validation of content validity and reliability of the instruments, data analysis and multiple regression analysis.

FINDINGS

The finding found that Standards Production (GMP) consisted of hygiene of the location and production building, equipment, machinery and facilities equipment, production process control, personnel, maintenance, cleaning and sanitation affected the development of the Thai cosmetic industries business organization.

RECOMMENDATION

Thai cosmetics entrepreneurs had to enter the standard system and good manufacturing practices (GMP) to gain the competitive advantage, which contributed into the Thai cosmetic industries business being able to export and compete in the ASEAN Economic Community.

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