



Vinyl (PVC) Gloves & California Prop65

California Proposition 65 Law

As of January 2015, the California Proposition 65 law has added the plasticizer DINP to its list of banned chemicals. In recent history, DINP was the plasticizer of choice for vinyl glove production throughout China. With the addition of this chemical to the Prop 65 regulation, manufacturers are being forced to re-formulate to a new plasticizer which is being referred to as DOTP. We expect that this re-formulation will also add to the increasing costs of PVC gloves in the foreseeable future.

http://oehha.ca.gov/prop65/CRNR_notices/list_changes/122013P65list.html

Please remember to ask if your gloves are DINP free!

Royal gloves can legally be sold and used in the state of California because all Royal vinyl glove production has converted to DOTP.

Companies selling gloves that contain DINP after January 2015 may be subject to legal action, often resulting in significant monetary penalties.

Royal is dedicated to providing quality products to meet our customer's needs. If you have any questions that are not answered in this informational bulletin, please feel free to contact us at 800.666.6655, or via email customerservice@royalpaper.com.

During the past several years, there has been an influx of capacity into the PVC glove market in China. Excess capacity, in addition to the use of lower cost, lower quality raw materials by many small size manufacturers has driven vinyl glove pricing down significantly to levels which are not sustainable.

In the past 6 months, we have seen many smaller size glove manufacturers in China closing down their operations, unable to withstand the low market pricing. As more manufacturers shut down their operations, we expect that supply and demand will rebalance and that costing may begin to rise.

Separate from Supply and Demand, and the amendments to California Prop 65, there are several other factors that impact the selling price of vinyl gloves. Please find a summary of these cost factors as noted below:

PVC Paste & Plasticizer - Pricing is affected by supply and demand and the health of the world economy.

Labor Cost - China's labor cost will continue to rise. Labor shortages will help to boost wage rates throughout China. We will depend on automation to help counter-balance increasing wage levels.

Energy Cost - We expect that the cost of coal and electricity will continue to increase.

Foreign Exchange Rates - The Yuan is expected to continue its appreciation against the USD in the foreseeable future.

