



July 13, 2017

Vinyl Glove Market Status

Volatility continues to impact the vinyl glove market

As a valued customer, we feel it is important to relay the most up to date information surrounding glove production in China until we begin to see some stability.

In the coming weeks, production shutdowns will likely occur similar to last year in an effort to control hazardous VOC emissions. However, since most factories have converted from coal to liquefied natural gas (LNG), the pollution is not projected to be as bad as it was last year. The EPA enforced shutdowns are expected to reduce production in certain facilities by 20% - 40% depending on the VOC levels in the area. The provinces of Hebei and Shandong have been closely monitored by the EPA, therefore, we anticipate lower production from factories located in those areas.

In the approaching months additional capacity will not be coming on line. The factories will continue making upgrades to reduce their hazardous emissions and orders will be spread out based on availability of production lines.

Gradual increases in pricing are expected due to the added costs for the energy upgrades. These costs are too great for the factories to absorb and the anticipated shutdowns reducing capacity all contribute to the continued increases. Currently, resin prices have remained stable as shown in the chart below and not been a driver for the price increases.

As conditions continue to evolve in the glove market, we will do our best to provide the most up to date information to our customers.

Thank you for your business!

Director of Marketing
AmerCareRoyal

