



Disposable Gloves Market Report

July 2021



In 2021, the disposable glove market remains dynamic and unpredictable due to the pandemic. Disruptions in the global supply chain in particular continue to be a major source of concern.

Global demand for disposable gloves, which more than doubled in the past 18 months, remains strong, particularly for gloves made from nitrile butadiene rubber.

With the coronavirus raging in multiple regions around the world, the demand for gloves will remain robust for the foreseeable future. Manufacturers face ongoing difficulties in cost of raw materials, production capacity, workforce challenges, and supply chain obstacles.

What effect will this have on market conditions? Global demand for disposable gloves will keep prices elevated, relative to pre-COVID levels, for the foreseeable future.

COVID IS THE MAIN GLOBAL CONCERN CONTINUING TO CREATE DEMAND

In the U.S., the vaccination program has gone well, resulting in declining rates of infections and deaths. That has lessened the acute need for disposable gloves in the front lines of the coronavirus battle.

Most of the world, however, remains squarely in the throes of the pandemic. Ongoing outbreaks in [Southeast Asia](#) and [India](#) continue to be a crisis. Other countries [are bracing](#) for a new wave. COVID-19 has infected nearly 180 million people and killed more than 3.8 million globally since January 2020.

The number of infections have accelerated in some of the largest countries, such as [Russia](#) and [Indonesia](#). The more harmful COVID-19 variants known as delta and gamma, which appear to be more easily spread and may be associated with increased severity of the disease, [have surged in the U.K.](#) and [Brazil](#), stoking fears that it [could happen in the U.S.](#)

In [Malaysia](#) and [Thailand](#), where 80% of nitrile and latex gloves are produced, health authorities [have raised concerns](#) about a growing number of coronavirus deaths after a surge in overall infections forced Malaysia into a strict lockdown. With the lockdown [now extended](#), the supply of gloves will be directly impacted.

The pandemic will continue to affect the global demand for gloves for the foreseeable future while also limiting production capacity of key producers in Southeast Asia.

RECENT LOCKDOWNS IMPACT GLOVE PRODUCERS AND SUPPLY

Glove producers will not see a return to unfettered manufacture of disposable gloves for some time, due to challenges with labor, capacity, and the cost of production, especially when considering recent surges in coronavirus infections.

Despite increases in output [by some glovemakers](#) and a [vow by a national trade group](#) that no shortages in PPE production will occur, Malaysia's [latest movement control order](#) (MCO) has limited workforces to about 60% of normal capacity. Outbreaks of coronavirus [among factory workers](#) have also hampered productivity and forced companies into internal quarantines.

While this is less of an issue for large corporations, [it is estimated](#) that 50,000 small and medium enterprises in Malaysia may be out of business should the MCO extend into July.

The deficit in labor is expected to [cause continuing challenges](#). Malaysia's glove industry employed nearly 72,000 workers in 2019, about 39% of whom were native-born with the remainder being foreign migrants. The industry needs to grow its workforce by about 25,000 workers, but a freeze on recruiting overseas workers complicates matters. To compensate, firms are expanding automation and aggressively hiring locals.

All expenditures associated with glove production are on the rise. Raw materials account for about 59% of manufacturing costs; utilities, 14%, and labor, 11%, with the rest being uncategorized—and all of these costs are much higher than two years ago.

These disruptions will continue to push disposable glove supply lower, and global demand will likely continue to keep prices elevated, compared to pre-COVID levels, for the rest of 2021 and into 2022.

A CHALLENGED GLOBAL SUPPLY CHAIN CREATES MARKET HEADWINDS

After years of optimizing supply chain and building around just-in-time inventory across all industries, companies are struggling to keep their products moving around the world at the same pace—and as a result, the world is [running low on everything](#).

Companies are furiously trying to replenish their warehouses, causing a buying frenzy that is pushing supply chains to sputter. Transportation backups, product shortages, and price spikes are nearing the highest levels in recent memory, stoking fears of inflation.

All aspects of disposable glove production and procurement are impacted. While prices may be softening, the cost of nitrile butadiene rubber, the primary ingredient used in the world's most popular disposable gloves, has nearly doubled in the past 18 months, and the PVC resin used to make vinyl gloves is also more expensive.

Shipping containers, currently in short supply, [have risen in cost](#) by several times in some cases. Container vessels are running at capacity, [clogging up ports](#) and creating a trickle-down effect that resonates throughout the U.S. transportation system. Disruptions at a key export hub in China [have further impacted global shipping](#) and led to soaring ocean freight rates.

The only thing more disturbing than the sheer magnitude of the supply chain problem is the fear that it will extend into 2022, which appears very likely. With supply limited while at the same time consumers return to a more favorable cash flow, look for costs to remain high.

ONWARD TO THE NEW NORMAL

Even if the coronavirus is somewhat reined in across the U.S. and Europe, bringing it under control in the rest of the world is years, if not decades, in the future.

While glove prices have in some cases declined off their peaks—AMMEX has some particularly attractive deals on vinyl industrial gloves—it is unrealistic to expect a return to 2019 pricing any time soon given current market conditions.

The disposable glove market remains dynamic with limited availability of thicker nitrile and latex gloves, which prevents significant price reductions on those products. Combined with a volatile supply chain, the result is high uncertainty in months ahead. Nitrile prices will remain elevated throughout the end of the year, and likely beyond, as supply continues to struggle.

Regardless of capacity shortages, demand for gloves is [projected to maintain](#) double-digit growth between 12% and 15%, which could prolong the current gap between supply and demand [into 2023](#).

Over the last 15 months, market conditions brought on by the pandemic forced AMMEX to allocate product to customers. However, adapting to the dynamic market, we have as of June 2021 ended this practice. All inventory will be available to all distributor partners on a first-come, first-served basis.

We highly recommend using our [online portal](#), where you will be able to see which products are currently “in stock” and which are on backorder and listed as “temporarily out of stock.”

There remains a lot of uncertainty about the disposable glove market, both in 2021 and beyond. We expect the market conditions to slowly normalize—but that may take many months. If the last 18 months have taught us anything, it is to expect the unexpected.