



Disposable Glove Prices: An Update

January 2021

SUMMARY

Since COVID-19 first appeared, disposable glove prices have gone in only one direction: up. This is not news to our customers, and not the first time we have written about this. The purpose of these updates is to provide insights into the forces driving the disposable glove market for distributors and their clients.

The underlying reasons for rising glove prices have not changed. Instead of seeing the coronavirus wane, we watch as [infections and deaths soar worldwide](#). As a result, demand for gloves and other personal protective equipment [remains at an all-time high](#).

Supply of disposable gloves continues to lag—the world needs more gloves, and manufacturers [continue to struggle](#) to meet the demand. [High demand and limited supply](#) drive prices higher.

We expect that prices will peak in 2021, but we do not know precisely when. Plus, this is unlikely to lead to significant price declines across all products, specifically on nitrile, as the demand for disposable gloves remains very strong. Currently, we continue to sell out of all available inventory.

WHAT CONTINUES TO DRIVE DEMAND?

The pandemic is global, and every country in the world needs more disposable gloves. Manufacturing capacity, on nitrile especially, will take many months to catch up.

Despite significant efforts, [the pandemic will be with us](#) on a large scale through most of 2021 and will continue to spur demand. The rollout of vaccines [is off to a slow start](#), and we cannot expect inoculations to make a significant difference toward achieving “herd immunity” until the second half of 2021 at the earliest. By itself, the rollout of vaccines may help drive demand.

Overall, the number of infections [is growing worldwide](#), and glove use will continue to be highly recommended, if not required, for anyone with a risk of exposure to the virus. That will only boost demand, especially for exam-grade gloves.

During this pandemic, the demand for gloves has surged across all countries and use cases. The U.S. has been the leader in disposable glove use since the AIDS epidemic in the 1980s. On average, [glove use in the U.S.](#) is more than 100 gloves per capita. This is by far the highest in the world, even more than in Europe and Japan, which maintain notably high standards for hygiene.

Historically, disposable glove use worldwide had been growing at 10-15% per year, but the pandemic has changed that by packing a decade of growth into a few months on a global scale. For example, hospital staff worldwide now use more gloves per person a day. Workers in U.S. and E.U. senior care facilities are now required to change gloves frequently. Worldwide, glove use is highly recommended for all types of cleaning. Even in industries that have routinely used gloves before, such as food service, gloves are now recommended for more staff and for more functions. All indications are that no government or agency will explicitly tell anyone to stop using gloves after the pandemic is over.

Everybody needs more disposable gloves. Even once the pandemic is under control, disposable glove use is unlikely to decline and will continue to grow, albeit at a slower pace than 2020.

WHY IS SUPPLY STILL CONSTRAINED?

Between shortages of raw materials, labor, and production capacity, manufacturers could not meet the demand starting in the first half of 2020. For some products, such as exam-grade nitrile, the required production capacity may not come online for many months.

Nitrile butadiene rubber, the critical component in the world's most popular material for disposable gloves, is produced by only a handful of major companies. Until last year, they had never needed to increase output so quickly and in such large quantities. Even with numerous new facilities planned or currently under construction, there is no relief likely in 2021.

In addition to raw materials, challenges involving logistics and labor make rapid production increases difficult. [Surges of the virus](#) in local populations and [resulting movement restrictions](#) across Southeast Asia limit production capabilities and increase strain on the reeling supply chain.

Manufacturing capacity across the industry can increase by only 15% to 20% per year. With the billions of dollars in investment required—and the fact that nitrile disposable glove production is concentrated in Southeast Asia—there will be no quick ramp-up supply.

PROJECTING GLOVE PRICES IN 2021 AND BEYOND

When anticipating glove prices, everyone wants to find the “Goldilocks moment” and time their glove purchases “just right.” We cannot predict market movements with precision and instead elect to focus on making sure that our customers continue to have access to a consistent supply, even at the all-time-high factory-level prices.

We expect the global shortage of gloves, especially nitrile, to go on for months. Prices will eventually stabilize in 2021. However, in the short-term, nitrile will continue to be expensive.

Delays in the supply chain could be further exacerbated by mutating strains of the coronavirus; by restrictions placed by Southeast Asia governments in anticipation of Chinese New Year, which include [limits on travel](#), workers, equipment, packaging, materials, and transportation; and the need to wait for [herd immunity](#) to ease demand.

We understand that end-users of gloves are growing frustrated with the price increases. As a result, we advise our clients to educate their customers about the complex forces that drive disposable glove marketing amid a global pandemic. The path to discovering the balance between supply and demand—and seeing stabilization in glove prices—is unpredictable. Patience and understanding will be essential for everyone involved.