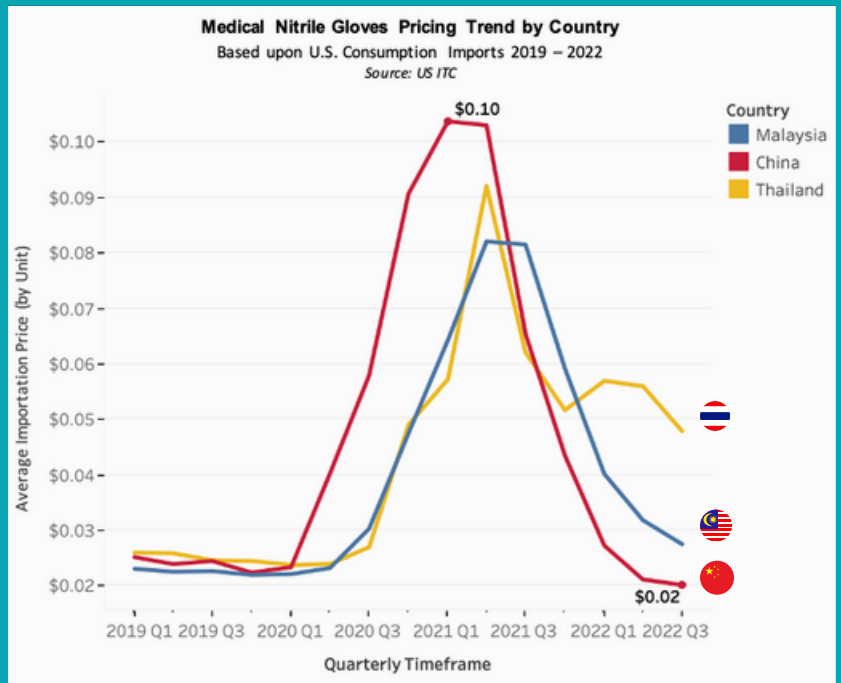


RISK AND REWARD

China Drops Price and Gains Share of Nitrile Gloves Market

China's Race to the Bottom

Historically, the market acquisition price for Nitrile Gloves progressed at a steady rate between \$0.025 and \$0.033 per glove. This is not the “sell price” within the U.S. market but the price at which a large buyer could purchase finished goods from an Asian manufacturer or exporter. Unprecedented demand during the pandemic drove pricing to record highs, which are now diving to record lows. Glove import pricing is dropping rapidly, and arguably falling below actual manufacturing costs. China appears determined to win the race to the bottom.



China Wins - We Lose

Chinese manufacturers expanded heavily during the pandemic and definitely appear to have figured out the simple code - the low cost seller "China" is rewarded. This is evidenced by their surge in market share over the last two years - rocketing from roughly 10% to over 30% (based on U.S. import volumes). For U.S. buyers of Nitrile Gloves it simply means we are more reliant on China's imported gloves and less resilient as a global leader. Said another way - The U.S. is not the winner.

