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Omni's Family of Gloves

- 111 Series Latex Powdered Examination Gloves
- 112 Series Latex Powder Free Examination Gloves
- 113 Series Latex Powder Free Examination Gloves
- 202 Series "Lite Touch" Nitrile Examination Gloves
- 212 Series Nitrile Examination Gloves For EMS & Chemotherapy
- 311 Series Powdered Vinyl Examination Gloves
- 312 Series Powder Free Vinyl Examination Gloves
- 361 Series Powdered NSF Food Service Vinyl Gloves
- 362 Series Powder Free NSF Food Service vinyl Gloves
- 412 Series Powder Free Stretch Vinyl Examination Gloves
- 131 Series Powdered Latex Surgeons Gloves
- 132 Series Powder Free Latex Surgeons Gloves

GLOVE LINES

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our next issue.



Why Glove Prices May not Be Falling Yet

It is so nice to see oil around \$115.00 a barrel these days. Of course, if this was still 2007, the thought of oil even nearing \$100.00 per barrel would be devastating. Now we are delighted to see it come down (UP really) to the \$115.00 range.

Vinyl glove pricing has been affected by many different elements. In last month's **GLOVE LINES**, we shared an overview of glove processing components. They were;

1. Raw Material (PVC Resins).
- 2- Chemicals.
- 3- **Energy**
- 4- Labor
- 5- Fringe Benefits Medical Ins. etc.
- 6- Packaging Materials.
- 7- Currency Exchange.
- 8- Ocean Freight.
- 9- Overland Trucking/rail.

You will notice that energy is highlighted. It takes both oil/petroleum and coal to run the vinyl manufacturing plants. Energy hasn't really entered into the equation yet.

We only wish this crude oil price reduction would have an immediate bearing on vinyl glove pricing. You see, the Chinese government has kept pricing controlled to industry. Whereas, most of the world has experienced huge price increases, Chinese manufacturing has been isolated from high energy costs—until now.

Chinese petroleum producers have absorbed huge losses. They have had to purchase oil at the same prices the world has been paying. For instance, China's largest refinery, Sinopec, incurred a loss of more than 20 billion yuan in the first quarter. PetroChina— the country's largest oil company, saw it's net profit fall 30% in the same time period.

In mid-June, the Chinese government raised oil prices for the first time in eight months. This will further affect PVC, chemicals, inland Chinese transportation as well as other entities. That is why we will continue to notice vinyl price increases (and shortages).

Production will also continue to take a hit as certain manufacturers cease doing business....one of the major reasons is they cannot achieve the higher AQL standards set forth by the US FDA, to be implemented in December 2008.

The US dollar has gained strength which will help a little (more noticeable in latex/nitrile). But the damage will continue to multiply on plastics/vinyl as Chinese oil/coal energy producers make up for lost revenue and profits for the first eight months of the year.

We will keep you updated every month here in **GLOVE LINES**. Thanks for allowing us to share our market with you.