

# COVIDCRISIS

## Communication #3



September 8, 2020

Covid-19 is having a significant impact on the global supply chain for PPE. Unfortunately, the strain on the supply chain will be felt well into 2021. This is your monthly communication to keep you informed of the changes occurring in this dynamic situation.

### OCEAN CARRIER ISSUES

- Ocean carriers are suffering lengthy delays from Asia to North America.
- Shipping capacity is at its highest level since January.
- Carriers are fully booked resulting in many shipments rolling into future months.
- Canceled sailings and capacity restrictions are causing unprecedented spikes in rates.
- Fear of a second round of lock-downs during normal peak season has been cited as the reason for the surge in demand and rates.
- Rates have risen 3 consecutive months with further increases expected.
- Rates from China to the of the US West Coast are 148% higher than the same time last year.

### MANUFACTURING LEAD TIMES

- Lead times are still extended.
- Demand remains at 60% above production capacity.
- Orders have been placed into 2022 for some products.
- Lead times are also being affected by peak season shipping constraints.

### INVENTORY IMPACT

- Vinyl products are in very tight supply. Alternate sources are in the process of being secured.
- We will soon be offering **GripStrong® Poly (GSPE)**, a new viable vinyl glove alternative. It is currently available for pre-sale on containers.
- Products that will experience spot outages in Q3 and Q4 are:
  - **SemperCare® Synthetic Vinyl (EVNP)**
  - **SemperCare® Stretch vinyl (SCVNP)**
  - **SemperGuard® Powdered Vinyl (VP)**
  - **GripStrong® Vinyl (GSVF)**
- We will experience rolling backorders for:
  - **SemperForce® Black Nitrile (BKNF)**
  - **SemperGuard® Nitrile (INIPFT)**
  - **SemperCare® Latex (SCLT)**
- We will experience long-term backorders for:
  - **SemperGuard® Stretch Vinyl (SGSVF)**
  - **SemperShield Nitrile (SSSC )**

### PRICING

- Due to overwhelming demand, prices are rising at a rapid, significant, and unpredictable rate.
- Unprecedented increases are occurring on a monthly basis.
- Separate pricing communication will be sent out as needed. Your salesperson will contact you with your specific and individual pricing when it is changing.