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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.



Trying to make Sense of the Glove Market Part 2

When we look at the pricing on gloves, we must take into account the many components that effect pricing. Basically they are as follows:

- 1- Raw Material (Latex, Nitrile or 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.

And—These are real costs before Omni or any other company adds warehousing, labor, shipping, etc. into the equation.

The following is an approximate percentage breakdown of material and labor costs incurred in the manufacturing of Latex gloves:

1- Latex	28%
2- Chemicals	7%
3- Packaging Material	7%
4- Labor	10%

To try to put everything relative to pricing in prospective, Natural Latex has increased by more than 20% in the last 12 months. Chemicals have actually increased at a higher percentage, over 23%. Packaging materials are up over 15% increases and Labor up over 6-10%.

We now must look at the other costs related to getting these gloves delivered to the U.S. and Canada. The major cost factors here are Ocean freight and Overland Trucking. Given the price of Crude Oil today exceeding U.S. \$125.00 per barrel (Diesel Fuel is over \$4.70/ Gallon), we will continue to see further escalating costs.

The continuing escalating costs of Crude Oil will further affect costs on Chemicals, Energy, Packing Materials and Freight.

Last, but certainly not to be overlooked, is the Currency issue. Do to the continuing weakening of the U.S. Dollar we are seeing Currency exchange rates, depending on Country of Manufacture (Latex & Nitrile, Malaysia and Thailand; Vinyl, China), have anywhere from a 7-20% impact on costs.

The current outlook for the balance of the year is - prices will continue to increase. We think it is important to note that we are currently selling gloves substantially below pricing levels of the mid 1980's through early 1990's. This pricing is based on a non adjusted inflation rate. Gloves may be the only medical commodity item that fits this criteria.

Nobody in the entire chain of getting gloves to market is either happy with, or making any additional profits given these escalating costs. In fact, we are seeing just the opposite effect. Many small to mid-size glove manufacturing facilities have already closed their doors. Larger manufacturers are taking a "wait and see attitude" about increasing production. Many U.S. distributors are already experiencing a tightening of supplies, especially within the Vinyl Examination Gloves area.

Omni will continue to offer our valued distributor partners the highest quality products, with our outstanding customer service at the most competitive pricing today and for years to come. We are one of very few "Glove" companies that maintain a full time employee in Asia working closely with our long term Manufacturing Partners, to assure an uninterrupted source, of high quality hand covering products for all of our customers! Please call us at 888-999-6664 if we can assist you. Thank you for your business.