

TRENDS IN GLOBAL RUBBER GLOVE TRADE

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ABSTRACT

In terms of value, the global demand for rubber gloves increased at a CAGR of 18.0% for the period 2000 to 2009. The trend was one of monotonic increase, except for 2009 where the effect of the economic slowdown could be discerned. The year-on-year decline in 2009 was 5.2%.

The increase in value of global glove imports from 2000 to 2009 was mirrored by the corresponding increase in quantity. The CAGR during the period for glove imports in terms of quantity was 18.9%. Unlike the trend in value, there was no dip in demand in terms of quantity during the 2008 – 2009 economic turmoil. The year-on-year increase was, however, only 1%, reflecting the softening in demand.

In 2007, a major geographical shift occurred in the import of gloves. The USA which had always dominated the imports of gloves was relegated by the European Union (EU27), taken as a single market block, to second place. Both, in terms of quantity and value, the EU27 is now the largest import market for gloves. In 2009, in terms of value, EU27 commanded 35.0% of total world imports of gloves compared to 32.9% for the USA. The corresponding figures for quantity were 35.7% for EU27 and 32.3% for the USA.

As would be expected, glove exports track glove imports quite well. The largest exporter of gloves in the world is Malaysia. In 2009, Malaysia commanded 49.7% of the export value of the world's total glove export. Thailand was the second largest with 15.9%. In quantity terms, Malaysia's dominance is more striking, accounting for 60.8% of total world exports of gloves. Second-placed Thailand's share was 16.8%.

Global data are not available for the different types of gloves traded. MREPC, however, has data for Malaysian exports of natural and synthetic rubber gloves for both powdered and powder-free types. Since Malaysia is the largest exporter of gloves in the world, Malaysia's data provide a first approximation to the global export market for these gloves.

Malaysia's data suggest that the use of synthetic rubber (predominantly nitrile) gloves is increasing. For the first six months of 2010, the year-on-year increase in the value of exports of synthetic rubber gloves was 48%. The corresponding figure for NR gloves was 20%. In quantity terms, the year-on-year increases for the first six months of 2010 were 11% for NR and 65% for synthetic rubber. The increases, in both value and quantity, of exports of synthetic rubber gloves outstripped those of NR. The ratio of NR to synthetic rubber glove export in the first half of 2010 was 72:28. The same ratio in 2009 was 77:23. It is clear from these figures that the importance of synthetic rubber or nitrile gloves is increasing. NR gloves, however, remain dominant. The main markets for synthetic rubber gloves are the USA and EU27.

MREPC data for Malaysian exports of examination gloves shows there is an increasing preference for powder-free gloves. In the first half of 2009, 61% of all examination gloves exported was powder-free. The corresponding figure for 2010 was 63%. For surgical gloves, no significant shift is observed in the use of powdered or powder-free gloves.

1. Introduction

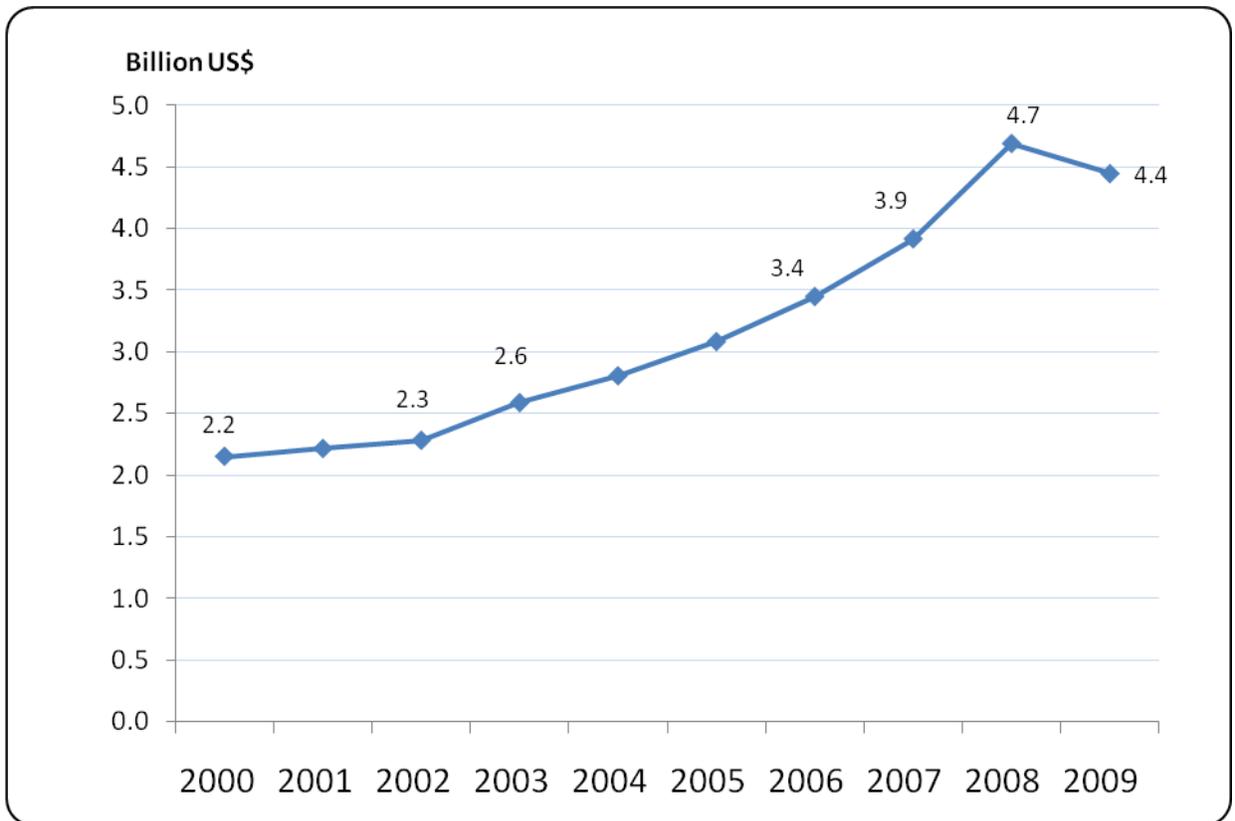
This review of the trend in the global glove trade has been put together using data obtained from the Global Trade Atlas and the International Trade Center. Due to the coarse classification of the trade data, it has not been possible to detail the trade in the different types of gloves. MREPC, however, has a comprehensive set of data on Malaysian exports of all types of rubber gloves. As Malaysia is the dominant exporter of rubber gloves in the world, Malaysia's data, to a first approximation, reflects the overall situation of the global trade in rubber gloves. Using MREPC's data, there is much that could be said on trade in the different types of gloves, but for the purpose of this paper, the coverage is restricted to an analysis of the growing importance of synthetic rubber gloves and the shifting markets from powdered to powder-free gloves.

2. Global Rubber Glove Imports, 2000 – 2009

2.1 Value

World glove imports, in terms of value, showed an increasing trend during the period 2000 – 2009 (Figure 1). The CAGR during this period was 18.0%. The

trend was monotonic up to 2008. Due to the economic slowdown of 2008/2009, there was a year-on-year decrease in 2009 of 5.2%. It would be tempting to attribute this to the softening in demand due to the recession, but it is not the whole story. In quantity terms, there was a year-on-year increase in 2009 (Figure 2). This, however, was small at 1%. There was indeed a softening in demand, but, more significantly, the average price of latex at RM5.71/kg wet in 2008 was higher than that in 2009 of RM4.47/kg wet (source: Malaysian Rubber Board).



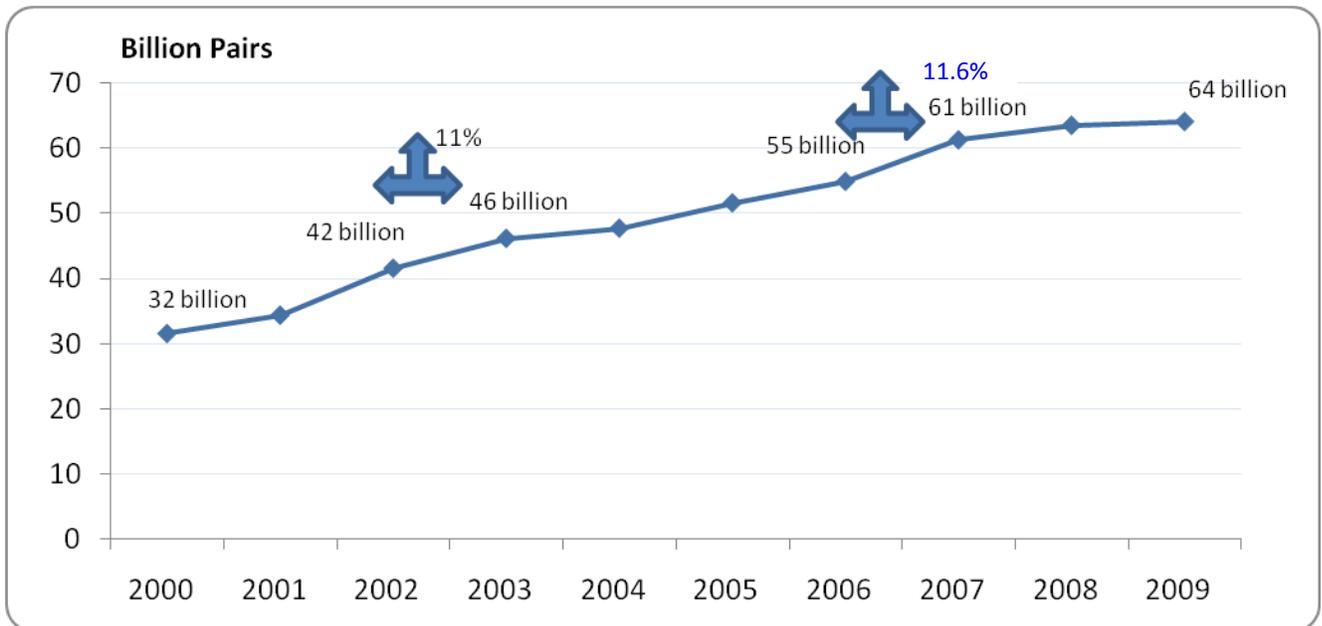
Source: GTA/ITC

Figure 1. Global glove imports in terms of value, 2000 – 2009

2.2 Quantity

World's import of rubber gloves, in terms of quantity, increased from 31 billion pairs in 2000 to 6 billion pairs in 2009 (Figure 2). The CAGR for this period was 18.9%. There had been a slowdown in demand in 2008 and 2009. The year-on-year increase for 2008 was 4% and 2009 was 1%, reflecting the economic turmoil of the period. That there was even positive growth in 2009 lends credence to the statement that the glove industry could be recession proof.

Close scrutiny of Figure 2 shows a surge in imports in 2003 and 2007. This coincided with the outbreak of avian influenza (H5N1) in 2003 and influenza A (H1N1) in 2007.



Source: GTA/MREPC

Figure 2. Global glove exports in terms of quantity, 2000 – 2009

3. Imports by Country and Region-

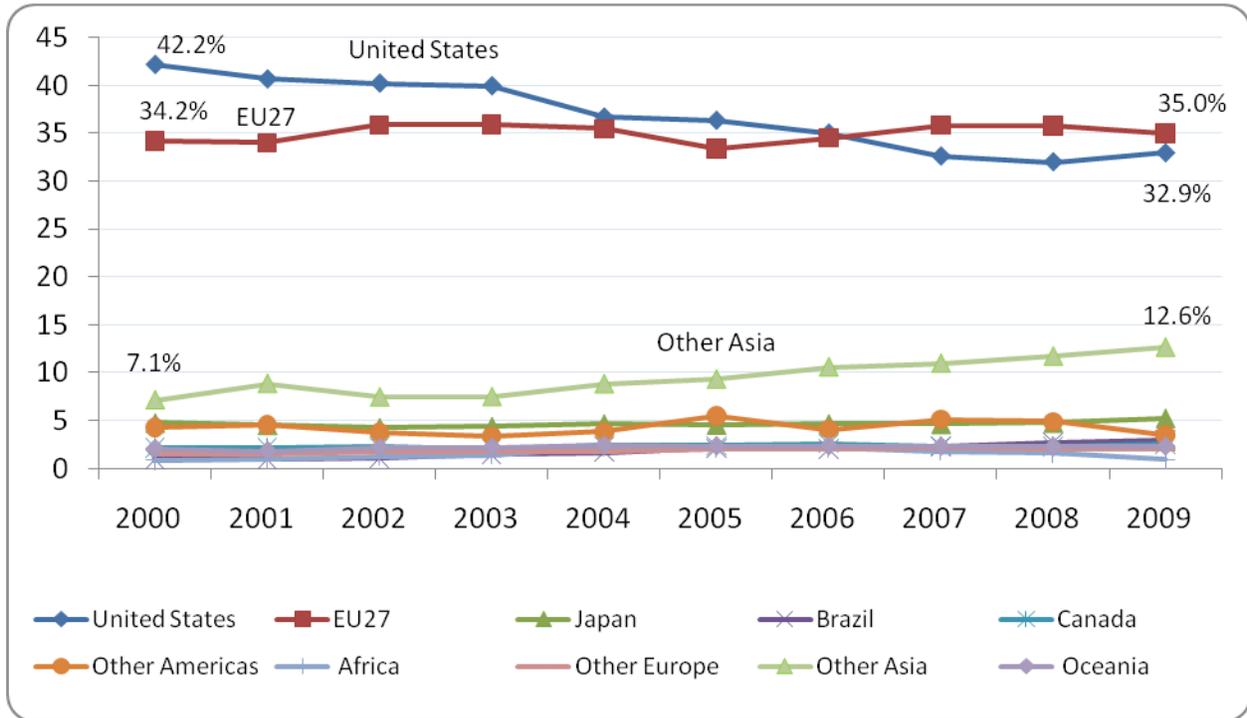
3.1 Value

Figure 3 shows the share of imports of rubber gloves, in terms of value, by country and region. It is clear that the share of world imports of rubber gloves by the US has been on the decline. In the period 2000 – 2009, the share of imports of gloves by the US fell from 42% to 33%. In the same period, EU27's share of the world imports of gloves increased slightly from 34.2% to 35.0%. This small increase, coupled with the large decrease in the US share of imports, was sufficient for the EU27 to overtake the US to be the largest rubber glove market in the world in 2007, a position it has been able to sustain to this day.

Other markets which showed increases in their share of world imports of rubber gloves in the period 2000 – 2009 include Brazil (202%), Asia (excluding Japan)

(77%), Other Europe (38%), Canada (18%), Oceania (12%), Japan (12%) and Africa (9%). The increases, however, were from low base figures.

Other Americas, or the Americas excluding Brazil, share of the world imports of rubber gloves fell 18%.



Source: GTA/ITC/MREPC

Figure 3. Share of value of rubber glove imports by country and region, 2000 – 2009

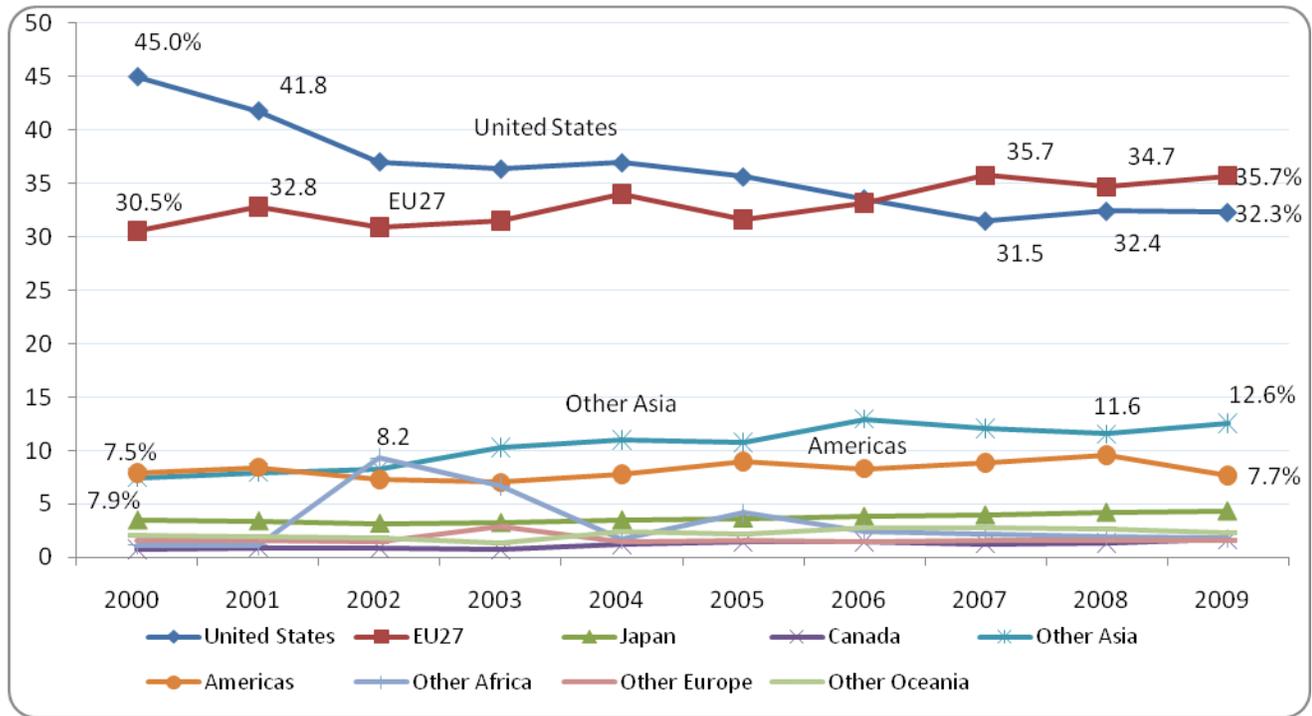
3.2 Quantity

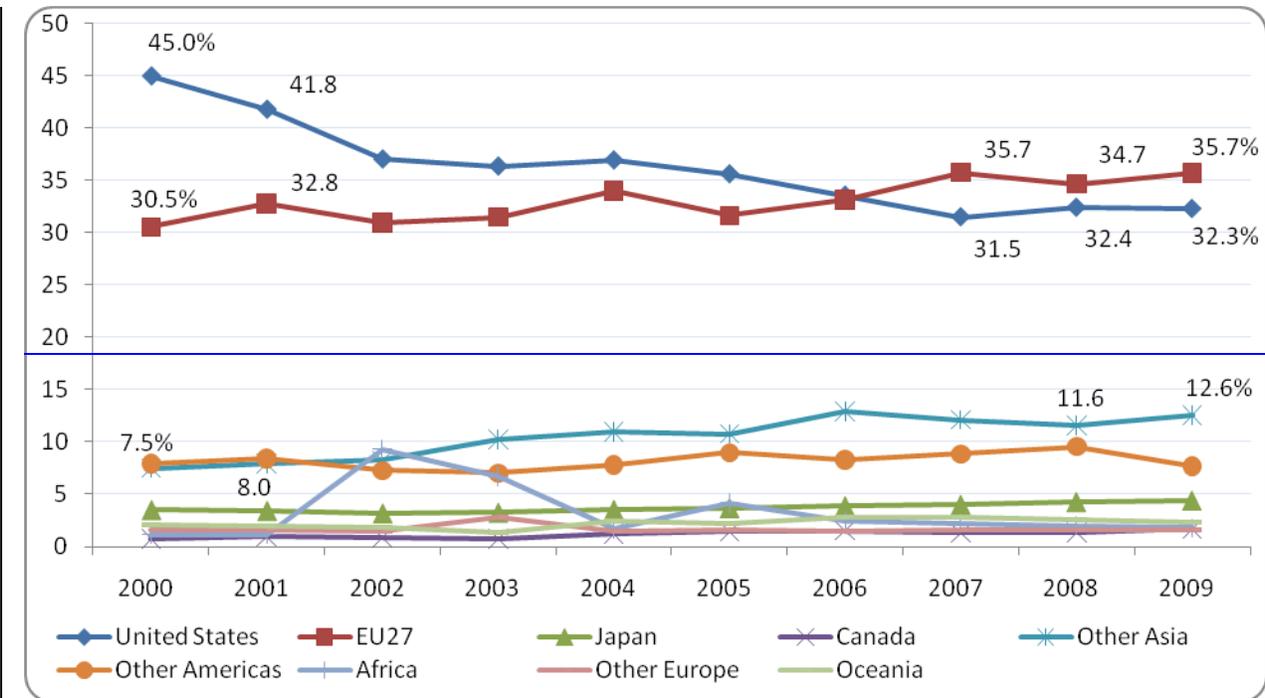
As with value, in quantity terms, the US share of the world imports of rubber gloves showed a decline in the period 2000 – 2009 (Figure 4). In 2000, the US share of world imports was 45%. In 2009, it was 35.7%.

The decline in the US share of the world rubber glove imports in the period 2000 – 2009, was also reflected in the decline in quantity terms. As with value, the EU overtook the US in 2007 to be the largest importer of rubber gloves in the world. In 2007, EU27’s share of the world glove imports was 35.7%. The US recorded 31.5%, the same year. In 2009, the figures for EU27 and the US were 35.7% and 32.3%, respectively.

It is clear that the market for rubber gloves is dominated by the EU and the US. Together they took 68% the world imports of rubber gloves in 2009. When compared to the corresponding figure of 76% in 2000, this domination of the EU and US in the market for rubber gloves is seen to be declining.

The share of the world imports of rubber gloves by Asia, Africa and Canada showed increases of 68%, 54% and 118%, respectively, between 2000 and 2009.





Source: GTA/ITC/MREPC

Figure 4. Share of quantity of rubber glove imports by country and region, 2000 – 2009

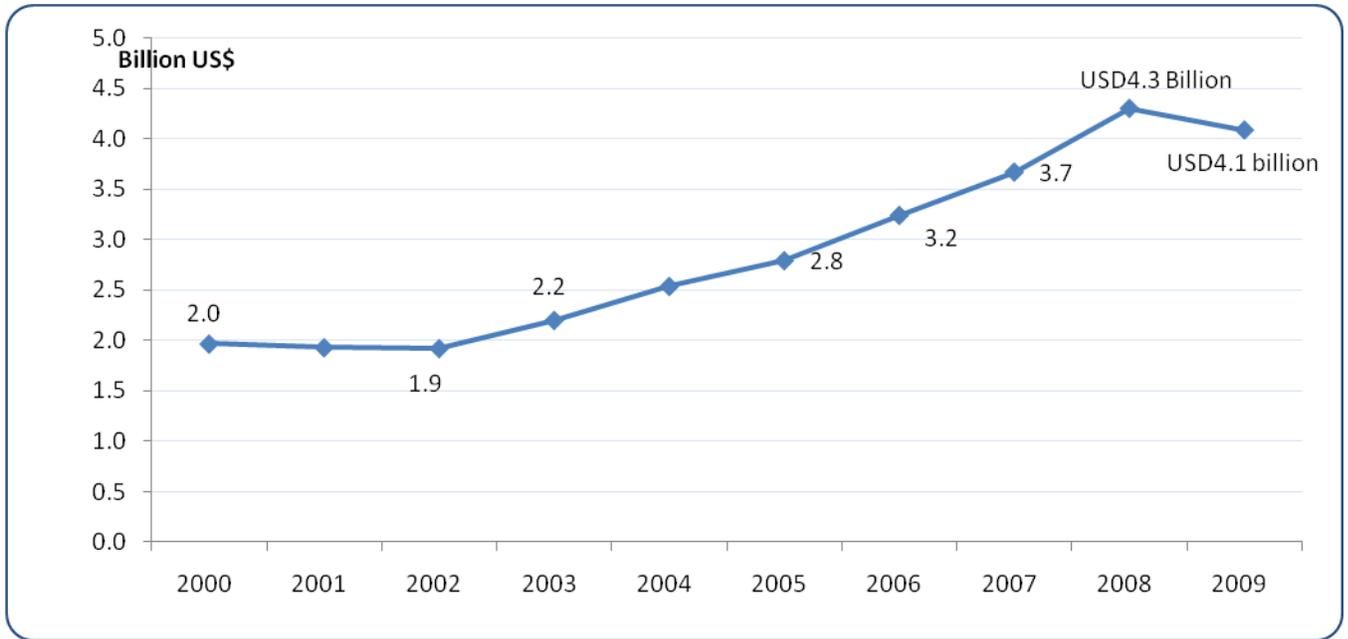
4. Global Rubber Glove Exports, 2000 – 2009

4.1 Value

The global exports of rubber gloves were valued at US\$4.1 billion in 2009. The CAGR between 2000 and 2009 was 17.9% (Figure 5).

Based on data from the GTA, all major exporters of rubber gloves – Malaysia, Thailand, China and Indonesia – reported declines in the value of their glove exports. Year-on-year decline in 2009 were 3.5%, 1.1%, 6.4% and 6.1% for Malaysia, Thailand, China and Indonesia, respectively.

There was no let up in the demand for rubber gloves in 2009 (Figure 6). The average latex price in 2009 was, however, much lower than that of 2008. This could be a reason for the drop in the value of exports, despite the growth in their quantity.

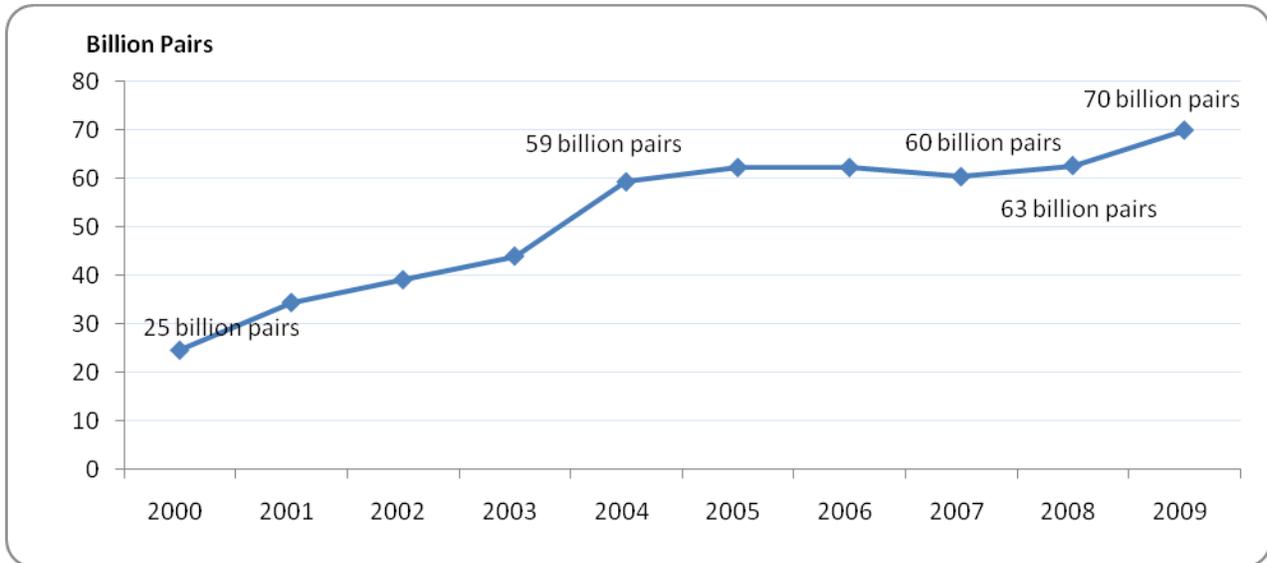


Source: GTA/ITC/MREPC

Figure 5. Global rubber glove exports in terms of value, 2000 – 2009

4.2 Quantity

Global rubber glove exports reached 69.8 billion pairs in 2009, an increase of 12% when compared to the 2008 figure of 62.5 billion pairs (Figure 76). The CAGR in the period 2000 – 2009 was 24.8%. The effect of the 2008/2009 recession was not seen.



Source: GTA/ITC/MREPC

Figure 6. Global rubber glove exports in terms of quantity, 2000 – 2009

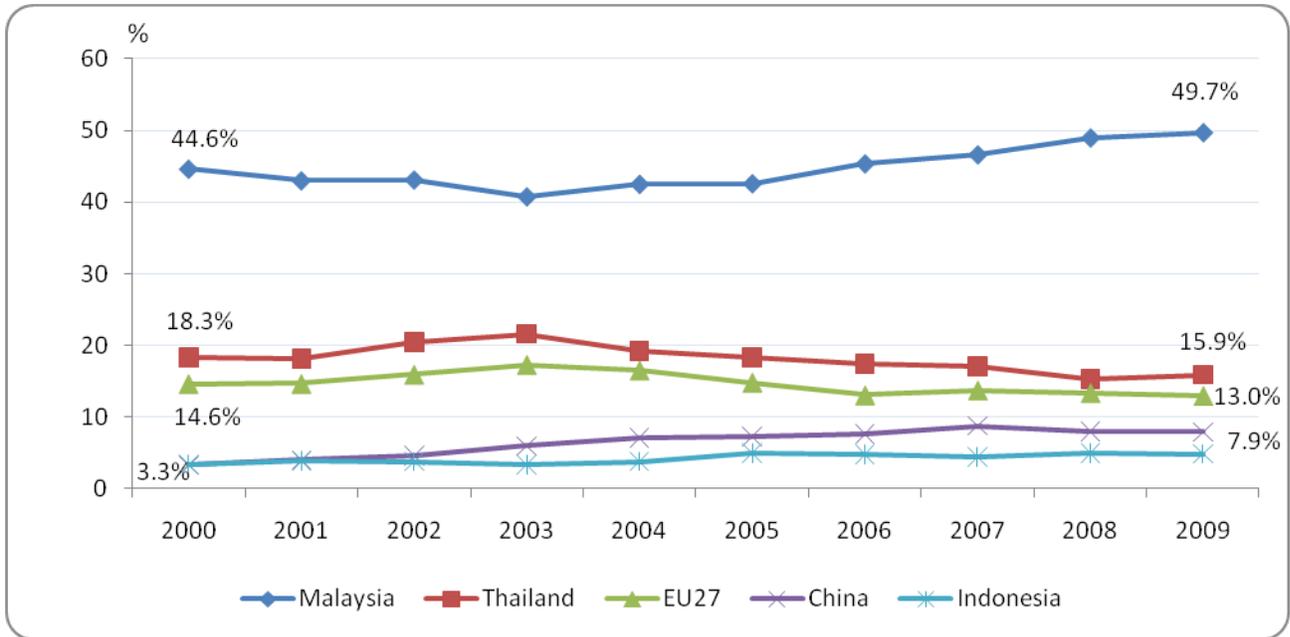
5. Exports by Country and Region

5.1 Value

Malaysia is the world's leading exporter of rubber gloves (Figure 7). Slowly, but steadily, Malaysia is also gaining market share. Malaysia's share of world exports of rubber gloves was 44.6% in 2000. In 2009, it was 49.7%.

Thailand is the second largest world exporter of rubber gloves, but its share of the market is decreasing. In 2000, Thailand commanded 18.3% of the total world export market. This declined to 15.9% in 2009.

From a low base, China's share of the world exports of rubber gloves doubled from 2000 to 2009. In 2000, its share of the world exports was 3.3%. In 2009, it was 7.9%.



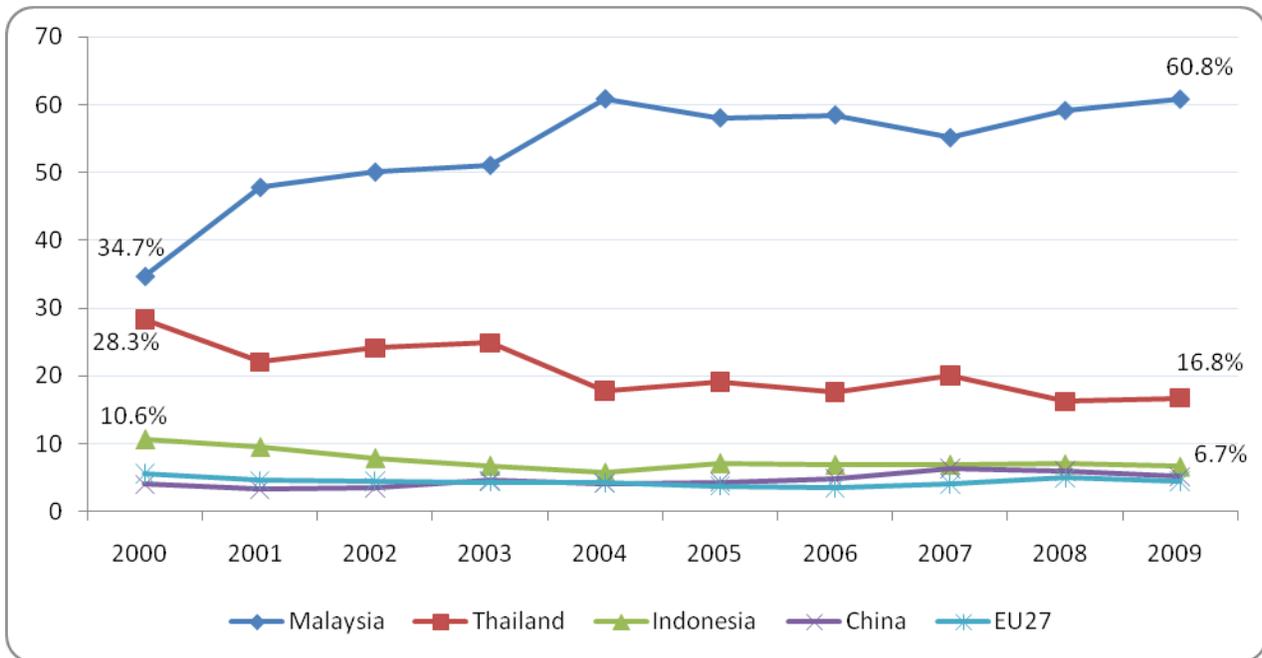
Source: GTA/ITC/MREPC

Figure 7. Share of value of world's rubber glove exports by country and region, 2000 – 2009

5.2 Quantity

Malaysia's share of the global exports of rubber gloves grew from 34.7% in 2000 to 60.8% in 2009 with a CAGR of 44.2% (Figure 8). Malaysia exported 42.4 billion pairs of rubber gloves in 2009. In 2000, the corresponding figure was only 8.5 billion pairs.

Thailand's exports of rubber gloves, in terms of quantity, also increased in the period 2000 – 2009. However, the CAGR of 14.3% during this period was much lower than that shown by Malaysia and the global figure of 24.8%. As a result, Thailand's share of world exports declined from 28.3% in 2000 to 16.8% in 2009.



Source: MREPC

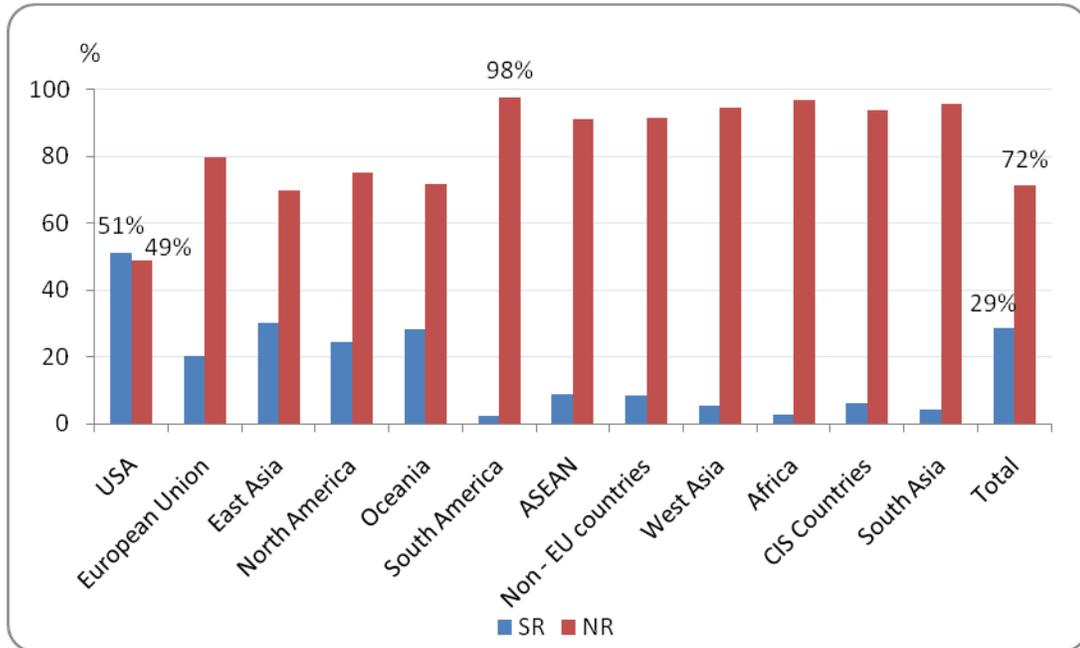
Figure 8 . Share of quantity of world’s rubber glove exports by country and region, 2000 – 2009

6. Malaysian Exports of NR and SR Gloves

MREPC collects data on Malaysian rubber glove exports. The data are categorized in terms of the application of the gloves and the material used for their manufacture, among others. Thus, it is possible for MREPC to track the exports of both NR and synthetic rubber (SR) gloves. As it is not possible to get global data on the trade in NR and SR gloves, separately, Malaysia’s data may give, to a first approximation, the relative demand for NR and SR gloves. This is on account of Malaysia’s dominance as the world’s number one exporter of rubber gloves.

Recent data suggest that the demand for NR gloves remains dominant. In the first half of 2010, 72% of all gloves exported from Malaysia were made of NR. Of the SR gloves exported, those made from nitrile were in greatest demand.

The US shows a somewhat anomalous behavior in its imports of gloves from Malaysia. In the first half of 2010, marginally more synthetic rubber gloves were imported. The ratio of NR to synthetic rubber gloves was 49:51. In all other markets, the demand was higher for NR gloves (Figure 9).

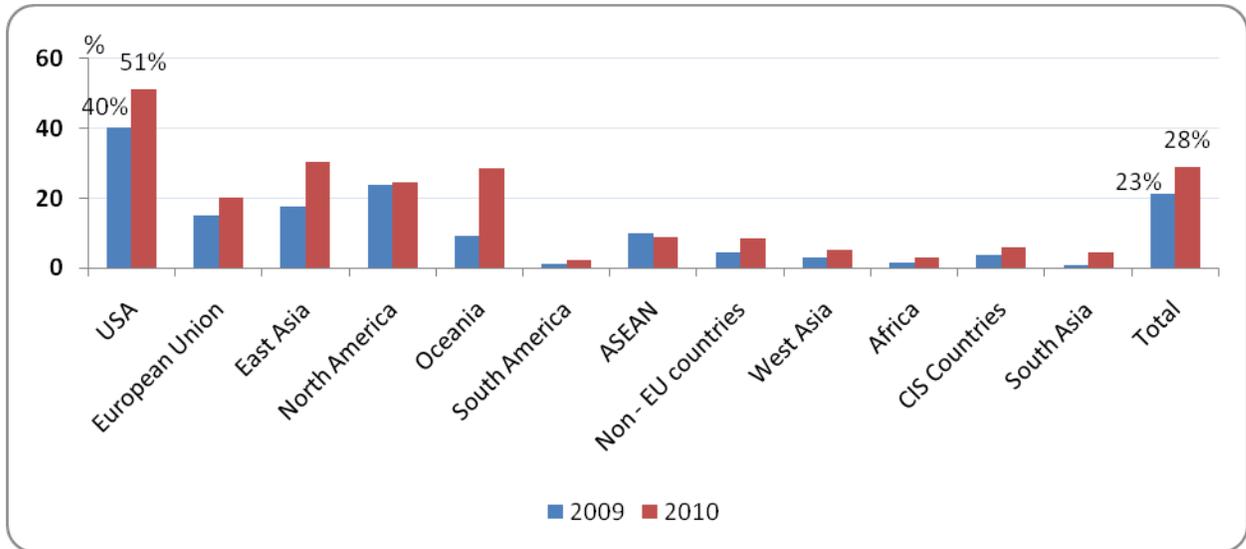


Source: MREPC

Figure 9. Share of Malaysia's NR and SR exports by regions, 1H 2010

Although the US is an exception in importing more SR than NR gloves from Malaysia, the trend in other regions is also one of increased SR glove consumption (Figure 9). In the first half of 2009, the ratio of NR:SR glove exports was 23:77. This changed to 28:72 in the same period of 2010. Demand for SR gloves seems to be increasing at the expense of NR gloves. ASEAN is an exception, but the ASEAN market is relatively small, when compared to the US and EU markets.

The largest year-on-year shift of imports from NR to SR gloves, in the first half of 2010, was shown by Oceania. From 9.2% in 2009, the share of SR imports of Malaysian gloves jumped to 28.4% in 2010.

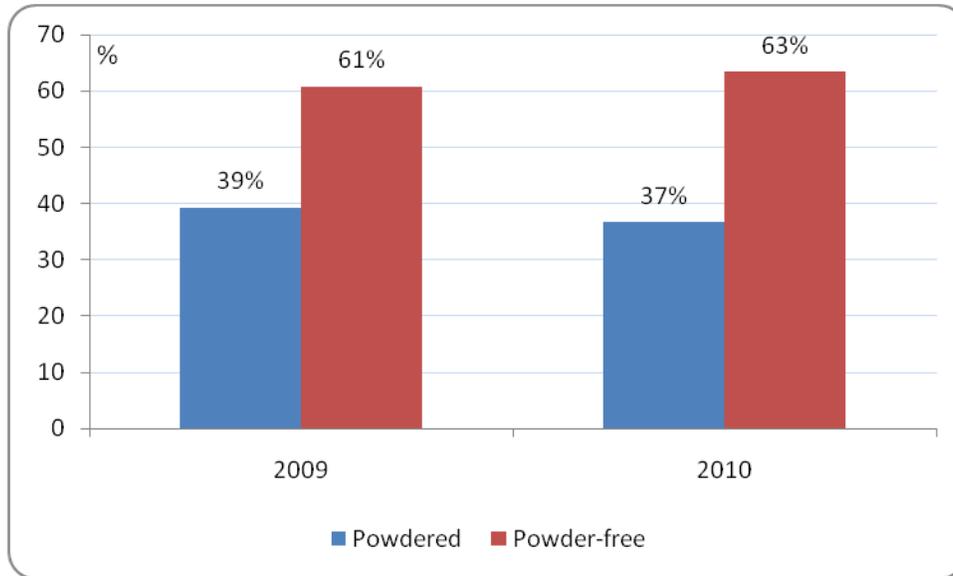


Source: MREPC

Figure 10. Share of Malaysia’s exports of SR gloves, 1H2009 and 1H2010

7. Malaysian Exports of Powdered and Powder-free Examination Gloves

The demand for examination gloves, both powder and powder-free, from Malaysia is increasing. The rate of increase in Malaysian exports of powder-free gloves, however, exceeds that of powdered gloves. In the first half of 2010, there was a year-on-year increase of 24% in Malaysia’s exports of powdered examination gloves. The corresponding figure for powder-free gloves was 29%. Of the total examination glove exports, in the first half of 2010, 63% was powder-free (Figure 11). In 2009, the figure was 61%.



Source: MREPC

Figure 11. Malaysian exports of powdered and powder-free gloves.

8. Conclusion

The world demand for rubber gloves is robust. This could be clearly seen from the global import and export data. Despite the economic recession of 2008/2009, the quantity of rubber gloves traded in 2009 showed no let up from that of 2008.

EU27 is the world's largest market for rubber gloves and has been since 2007, when it overtook the US.

Data of Malaysian exports of rubber gloves suggest that there is an increasing demand for nitrile gloves and there is also an increasing preference for powder-free gloves.