

## Important Bulletin 10th June 2020: Please Read

### Coronavirus: the impact on the cleaning and hygiene supply chain

This is a summary of the update on product availability in the cleaning and hygiene supply chain provided at the webinar for CHSA members held on 4 June 2020.

Supply-side shortages in biocides and virucides, gloves, disposable polythene aprons and non-woven cleaning wipes continue. Manufacturers are working hard to obtain new supplies, ramp up production in the UK and Europe and develop alternatives but supply will continue to be challenging for the foreseeable future.

The advice to distributors continues to be:

- Plan now for shortages of these products; alert your customers.
- Protect your existing customers first. Meet their needs before taking on board new customers you may struggle to serve.
- Be careful about the commitments you make. Shortages in key areas are likely to make it difficult, if not impossible, to meet demand.

It is also important to be alert to the product efficacy of alternative products and that standards are met. While the Chinese government has tightened controls, product that does not meet the specification is still being shipped.

## Availability of cleaning & hygiene products

### 1. Chemical sector

#### Trigger sprays and soap pumps

The increase in consumer demand for cleaning products with trigger sprays and soap pumps produced a shortage of this packaging for the Away From Home sector. The shortages are expected to continue until at least Spring 2021. Manufacturers may ration supply to support planning and avoid a 'feast' when a shipment arrives from China and a 'famine' between shipments.

#### Biocides and virucides

Demand is exceptionally high, placing real pressure on raw materials. Chemical manufacturers are adapting, reformulating and seeking new. However, manufacturers may temporarily go out of stock.

There have been dubious product claims, such as products keeping surfaces clean for up to 30 days. This is only true in laboratory conditions. In 'real world' environments dirt will get on to the surface and the virus and bacteria will grow on the dirt.

Fogging an environment with cleaning products is being proposed as a solution for businesses returning to work. It is important to note the active ingredient is corrosive and will corrode computers and there may be a risk to people work in an environment that has been fogged.

#### Hand sanitiser

The supply of ethanol, the alcohol used in hand gels, is reducing. The supply from the petroleum supply chain is drying up as people are driving again and the supply from distillers is ceasing. The extraordinary demand for alcohol hand gels, therefore, will continue to far exceed the capacity of available ethanol production.

### 2. Personal Protective Equipment

The demand for some elements of PPE is easing.

#### Nitrile and latex gloves

Access to nitrile gloves is extremely challenging. Demand has increased about 500-fold while supply has been cut by half.

The gloves are manufactured in China. Supply began to drop in January as China responded to the Coronavirus. Product was diverted to China and production was affected by the lockdown and Chinese New Year. In January, UK suppliers turned to Malaysia, where production was also affected by the lockdown. Malaysian factories now have no more capacity – order books are full to Q3 2021. There is evidence some factories, aware of the extraordinary demand, are retaining capacity to supply the product at inflated prices.



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Capacity to produce in the UK and Europe is being developed but it is unlikely to be on stream until Q1 2021 at the earliest.

Against this backdrop, demand is expected to continue to increase as the UK comes out of lockdown.

It may be possible to adopt reusable industrial gloves as an alternative. Polythene gloves may also be useful, but supplies are already low, which brings supply chain challenges when demand goes up. UK production has restarted to meet the extra demand but is not keeping up with the national requirement.

### Gowns and Aprons

Disposable single use polythene aprons have seen a huge increase in demand. These have traditionally been made in the Far East, which brings supply chain challenges when demand goes up. UK production has restarted to meet the extra demand but is not keeping up with the national requirement.

### 3. Wipes

Yellow wipes were the key colour for Covid-19 wards, resulting in very heavy demand. Demand for dry and wet wipes is now changing day-to-day.

Sourced from the Far East, non-woven wipes have been affected by the Chinese New Year and the lockdowns. There is also evidence some factories are holding back materials for use in their own country and / or to obtain higher prices.

The majority of non-woven disinfectant / antibacterial cleaning wipes are polypropylene (PP) based, a material also integral in the manufacture of face masks and other personal protective equipment (PPE). Demand is driving up the price of PP (40-fold increases have been seen), making it non-viable to manufacture non-woven wipes. Production of these wipes is also being affected by the availability of ethanol and the packaging.

## The future

The fragility of the cleaning and hygiene supply chain has been exposed by the Coronavirus.

The downward pressure on price has forced manufacturers to source product from the Far East. By re-directing product to meet the demand of their own countries and having to serve the global market, these factories have not met UK demand. This has been compounded by the behaviour of some in holding back product to capitalise on escalating prices. Manufacturers are working to increase the resilience of the supply chain by developing facilities in the UK and Europe. Prices will rise but contract cleaners and facilities managers will then be certain they can access the products they need to do a good job, safely.

As lockdown is released demand is expected to remain high, keeping pressure on supplies. This is particularly the case as the need to clean and be seen to clean becomes the new way of life.

### 4. Waste sacks

The demand for clinical waste sacks has increased and those for other sacks has decreased. There is currently a good supply of sacks and the supply chain is catching up with any shortage.

### 5. Soft tissue

The supply of paper products is expected to be able to meet demand.

Demand was exceptional in March and April but declined in the Away From Home market from May as the impact of lockdown was felt. Consumer demand continues to be very high.

Sales of hand towels increased but capacity is able to meet demand. There is exceptional demand for dispensers as many facilities are choosing to replace hand dryers with hand towel facilities.

### 6. Supply chain structure

In the midst of the first Coronavirus wave, the NHS took priority, taking from the supply chain the product it needed, impacting what was available in the distributor network. With care homes served by distributors, the consequences were significant. In response the Ministry of Defence (MoD) has set up a new joint venture based on a 'push model' for care homes and the NHS. Product will go into the MoD warehouse and be 'pushed' out to care homes, hospitals, GP surgeries, etc.

The normal distribution network is effectively being pushed out.

Access this link to obtain information on the PPE Dedicated Supply Channel: <https://www.ppe-dedicated-supply-channel.co.uk/community-healthcare-partners/>

