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# PPE Supply Chain Challenges & Bottlenecks

*A Primer on the Current State of PPE Sourcing from Ground Zero*

## Surging Demand / Urgent Need

COVID-19 has created an environment where demand for PPE is higher than at any time in history. Coupled with this is the urgency of this need. State actors, businesses and individuals cannot wait for product and need as much product as possible in extremely short time frames.

The level of demand and urgency have led to shortages and increased raw material costs. It has also created an entire ecosystem of traders and brokers, many illegitimate or cons, leading to a complex and opaque web of market players and challenges around due diligence.

## Raw Materials Shortages / Supply Chain Opacity

## Capacity Limitations / Pricing Increases

Driven by urgency and demand and further fueled networks of brokers, production capacity is at its limits without enough raw materials or equipment to meet global needs. Pricing is on the increase and is exacerbated by brokers and traders, driving up the price, sometimes by orders of magnitude.

Factors including the ongoing trade war between China and the US, a general anti-China sentiment exacerbated by blame for this pandemic and concerns over the quality of China's exported PPE products have resulted in loss of face for China during this crisis. China seeks to position itself and flex "Brand China" soft power.

## Political Environment / Quality & Compliance

## Regulatory Changes / Logistical Bottlenecks

China Customs makes regular changes to regulations to control the flow/quality of exports, resulting in hold ups, product rejections and bottlenecks. With a limited number of planes in the air and at the mercy of China Customs, freight forwarders and couriers battle for limited space on planes, creating backlogs and bottlenecks

## Need a Solution?

*We Provide PPE Products to Organizations and Offer Services and Solutions to Navigate the PPE Supply Chain*

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