

# Provision's Exclusive PPE Guide For RCPA Members

Chinese New Year  
is Arriving Quickly





Chinese New Year (CNY) is the most anticipated festival in the Chinese calendar. Known as the Spring Festival or Lunar New Year, it is the most celebrated event in the community. Though the festival lasts for only seven days, it can often disrupt businesses for almost 35-40 days unless planned well in advance. Chinese New Year 2021 officially begins on Friday, February 12, 2021.



# Why is it important to know this during the pandemic?

China is a global supplier of medical and hospital gear. The fear of the pandemic and the necessary protection, especially the rising demand for Personal Protective Equipment (PPE), has only reiterated the importance of the supplies from China. If we consider PPE, China provided 43% of the world imports of face shields, protective garments, mouth-nose-protection equipment, gloves, and goggles in 2018. Though many countries produce these locally, still as a share of imports, China is a major player. Leading up to the COVID-19 pandemic, China was the source of 50% of EU PPE imports, including as high as 71% of the mouth-nose-protection equipment. China was also the source of 48% imports of PPE to the USA in 2018 and 45% of the protective garments.

# Why is it important to know this during the pandemic?

In 2020, when the pandemic started, supply manufacturers were already disrupted due to the Chinese New Year. In early March, the World Health Organization (WHO) noted that the price of surgical masks had increased sixfold, the price of N95 respirators had tripled, and the price of surgical gowns had doubled since the start of the pandemic. The World Health Organization urged the industry to raise its production of PPE by 40%. Though the fall in exports of PPE by China was hardly 15%-20%, different countries competed within themselves to secure the stocks. The trend was so disturbing that it prompted WHO Director-General Tedros Adhanom Ghebreyesus to declare the shortage as one of the most urgent threats.



## What happens during Chinese New Year?

Almost ten days before the festival officially begins, businesses, including factories, shut down to enable the workers to travel home. The information flow is also cut short during this time and no one picks up the phone if you call. There is an urgent rush to ship products out of ports, which may lead to increased freight costs and longer transit times. Besides, there is also the time required to get back to work. The Chinese New Year is also the prime time for Chinese employees to switch jobs, and some workers may not return to work at all, leading to even longer production times as factories struggle to find new recruits. Anyone who relies on imports from China is sure to be affected by CNY. Baidu, China's version of Google, has come up with an interactive map tracking the migration patterns around the country.

CNY is seen as the time for the Chinese people to return home and spend time with their respective families. Therefore, not many people will be taking meetings or attending work during this time. If necessary, precautions should be taken to make the arrangements well in advance for goods to be shipped on time to America.



**You can't afford a supply chain disruption during a pandemic. Order your PPE now.**

**Healthcare Products**







## Developing a trusting relationship with your supply chain partner

It is important to maintain a trusting relationship with your supply chain partner to learn about their network of vendors, for the sheer factor that the better your relationship with them, the more they will prioritize your work. If you have just begun to build your supplier network, then things will be difficult. The pressure on the Chinese factories during the CNY is immense, and if your business is the newest account, your goods will likely be the last priority. Now is the time to make sure that they have the experience in handling the CNY crunch. Work closely with them to make sure that they have measures in place to ensure their customers plan for CNY



## Creating a forecast

Since the time of the CNY changes every year, it is important to mark the dates on the calendar. Add a month before and after the CNY celebrations. For example, figure out how much product you will need for the first three to four months of the next year, and that may help ensure that your company has enough stock to last through the CNY. For example, if you know that you will not receive any shipments for March, divide the order into two or more parts and add those to the orders of the previous months. Communicating with your suppliers in advance also helps. For any supplies that you would receive around April, start the discussions from November/December itself. Another reason for doing this is that during and around this time, costs also go up manifold.







## Booking shipments in advance

Along with the factories, the shipping companies take time off during the CNY. If the arrangement of logistics from China to your company or the customer's door is your responsibility, book shipments with steamship lines in advance. Steamship lines are notoriously famous for taking advantage of the CNY rush. The demand to load the cargo is high, and hence the freight rates are higher too. Those who can afford the pricey rates have the privilege to get their shipment loaded first. The other containers get rolled to the next booking which may cause a delay of days or weeks. A trusted relationship with a freight owner comes in handy here because some shipping lines are more reliable and organised than the others.



## Quality Management

Understandably, before the holidays commence, factories are in an urgent rush to get out the orders. This means that there are more quality issues than normal. Due to a large number of workers switching jobs, new workers need to be hired too. These personnel may take time to learn, increasing the chances of more mistakes. Avoiding shipping delays due to defective goods means stepping up the quality inspection efforts before and after the festival. Conducting immediate third-party inspection on every purchase becomes most necessary. This is another important time when a good and transparent relationship with your supplier or manufacturer will help immensely.



# Provision

Provision can help you solve any and all supply chain backlogs you may have with a trusted chain of sources and providers. Book a consultation with one of our advisory specialists today!

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