

I. INTRODUCTION

It will be difficult for a domestic medical glove manufacturing industry to be competitive in the global market with any Asian companies. Medical gloves are a commodity made with inexpensive labor that cannot be duplicated in the States, so the price will always be a premium. Moreover, the government, during and after the COVID pandemic of 2020, gave large grants to domestic manufacturers. Aside from one, none of them were successful. If the United States needs 100 billion gloves a year, it is inane and nonsensical to have the expectation that domestic production could ever be self-sufficient. Thus, the medical glove market, particularly in Malaysia, will continue to dominate because of its low labor costs, proximity to raw materials, and mature supply chains which give overwhelming cost advantages over any US or developed economy manufacturer.

II. COVID and Federal Subsidies Case Studies:

The process to manufacture medical gloves is not a simple task and involves a complex process: including facility cleaning, coagulant dipping, latex dipping, beaching, leaching, drying and vulcanization, powdering, and finally stripping before being sent off for packaging.¹ The industry is very labor-intensive, requiring significant manpower to manufacture and produce.² Top producers, like Malaysia, have dominated this industry due to its supply of rubber trees and government support and assistance since the 1990s.³

In response to the COVID-19 pandemic, the U.S. government issued a series of federal grants to expand domestic nitrile (NBR) glove manufacturing and reduce dependence on foreign supply chains. Several companies received major awards under this effort: Rhino Health, Inc. received \$56 million to increase production capacity at its Fort Worth, Texas facility;⁴ Renco Corporation received \$13.1 million, later supplemented with an additional \$35 million, to add glove dipping lines in New Hampshire and Texas;⁵ U.S. Medical Glove Company, LLC received \$63.6 million to install 24 production lines in Kentucky;⁶ SHOWA Best Glove, Inc. received \$37.6 million to expand nitrile glove manufacturing at its Alabama and Georgia operations;⁷ United Safety Technology (UST) received \$96.1 million to build a large-scale glove production facility in

¹ <https://www.sciencedirect.com/science/article/pii/S2405896322001434>

² <https://www.sciencedirect.com/science/article/pii/S2405896322001434>

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https://www.usitc.gov/publications/332/executive_briefings/ebot_glove_story_global_glove_production_a_midst_covid-19_pandemic.pdf

⁴ <https://www.war.gov/News/Releases/Release/Article/2622339/dod-awards-56-million-contract-to-rhino-health-inc-to-increase-domestic-product/>

⁵ <https://www.war.gov/News/Releases/Release/Article/2634814/dod-awards-131-million-contract-to-rengo-corporation-to-increase-domestic-produ/>

⁶ <https://www.war.gov/News/Releases/Release/Article/2639178/dod-announces-2263-million-in-industrial-base-expansion-actions/>

⁷ <https://www.war.gov/News/Releases/Release/Article/2662760/dod-awards-376-million-contract-to-showa-best-glove-inc-to-increase-domestic-pr/>

Sparrows Point, Maryland;⁸ and Blue Star NBR, LLC received \$123.1 million to construct a domestic nitrile butadiene rubber (NBR) plant in Virginia to supply raw materials for glove makers.⁹

CHART SUMMARY:

Company	Expected Production / Capacity	Actual Outcome
Rhino Health, Inc.	120 million nitrile gloves per month by November 2022	No data confirming success; no public record of achieved output ¹⁰
Renco Corporation	Add glove dip lines in NH/TX (target capacity not specified)	Laid off 170 of 180 workers in 2022; no evidence target achieved ¹¹
U.S. Medical Glove Company, LLC	2.31 billion gloves per year (24 lines in KY)	Company claims goal met, but no third-party verification ¹²
SHOWA Best Glove, Inc.	66.7 million gloves per month (AL/GA facilities)	Company claims goal met; no independent audit available ¹³
United Safety Technology (UST)	216 million gloves per month (Sparrows Point, MD)	Plant never opened; 0 produced to date despite federal funding ¹⁴

⁸ <https://www.war.gov/News/Releases/Release/Article/2665215/dod-awards-961-million-contract-to-united-safety-technology-inc-to-increase-dom/>

⁹ <https://www.war.gov/News/Releases/Release/Article/2639178/dod-announces-2263-million-in-industrial-base-expansion-actions/>

¹⁰ <https://www.ien.com/operations/news/22911297/us-medical-glove-company-marks-one-year-at-formerly-dormant-factory?>

¹¹ <https://www.nhpr.org/nh-news/2022-09-06/35-million-in-federal-aid-helps-colebrook-glove-maker-expand-but-not-avoid-170-layoffs?>

¹² <https://www.ien.com/operations/news/22911297/us-medical-glove-company-marks-one-year-at-formerly-dormant-factory?>

¹³ <https://www.war.gov/News/Releases/Release/Article/2665215/dod-awards-961-million-contract-to-united-safety-technology-inc-to-increase-dom/>

¹⁴ <https://foxbaltimore.com/news/local/covid-glove-factory-fails-open-despite-100-million-in-federal-funding>

Blue Star NBR, LLC	90,000 metric tons of NBR per year (raw material for gloves)	Project stalled; construction on hold after financing collapsed ¹⁵
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Despite receiving hundreds of millions in federal funding to expand domestic nitrile glove production, evidence shows that most U.S. companies have struggled to meet their expected capacity targets. Several projects never reached operational status, while others like Rhino Health and Renco reported delays or workforce reductions. Firms that did achieve limited production rely on unverified self-reported figures rather than audited output.

Greg Burel, the former stockpile director, stated that American PPE manufacturers simply are “never going to outcompete many of the foreign-made products.”¹⁶ The CEO of a different would-be glove manufacturer emphasized that it is nonsensical to produce domestic gloves if the United States is already relying on imported raw materials, including NBR.¹⁷ Even if the government set up subsidies and incentives to make American PPE more attractive to American consumers, customers would be spending money for something that, most of the time, isn’t needed.¹⁸ To the usual customers, like large hospital consortiums and healthcare distributors, it would be “a really hard sell.”¹⁹

Overall, the results indicate that U.S. manufacturers remain far from achieving competitive scale or cost-efficiency compared to established international producers, underscoring that the domestic glove industry cannot sustain itself in the global market.

A. Maxter Glove Production Facilities in Brazoria County

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In 2022, Maxter Healthcare, a subsidiary of Malaysian glove manufacturer Supermax Corporation, announced plans to develop a \$500 million glove manufacturing facility in Brazoria County, Texas creating 1,200 jobs.²⁰ To sweeten the deal, Brazoria County and Alvin, Texas offered 7 years of tax incentives to Maxter and planned to establish a special industrial district to protect the company’s facility from annexation.²¹ These tax incentives came with the understanding that the waived tax revenue would be replenished by the employment the facility would provide. Maxter’s CEO sweetened the deal with a lofty promise stating that the company intended to produce “10-15 percent of the total annual glove imports into the country over the

¹⁵ https://virginiabusiness.com/wytheville-rubber-glove-facility-is-on-hold/?utm_source=chatgpt.com

¹⁶ <https://www.npr.org/sections/health-shots/2023/11/03/1198434566/medical-gloves-china-u-s-makers-personal-protective-gear-struggle>

¹⁷ <https://www.npr.org/sections/health-shots/2023/11/03/1198434566/medical-gloves-china-u-s-makers-personal-protective-gear-struggle>

¹⁸ <https://www.npr.org/sections/health-shots/2023/11/03/1198434566/medical-gloves-china-u-s-makers-personal-protective-gear-struggle>

¹⁹ <https://www.npr.org/sections/health-shots/2023/11/03/1198434566/medical-gloves-china-u-s-makers-personal-protective-gear-struggle>

²⁰ https://www.alvinsun.net/news/article_dc37afaa-1d85-11ed-8ab9-934443110c16.html

²¹ https://www.alvinsun.net/news/article_dc37afaa-1d85-11ed-8ab9-934443110c16.html

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next two to four years" with an eventual upscale to "20-25 percent of domestic demand and consumption" within four to six years.²²

A look at Supermax Corporation's most recent public filings paints a different picture of Maxter's American manufacturing footprint. Supermax states that the market is currently oversaturated with some research firms projecting overcapacity to persist much longer after increased international production capabilities from the COVID-19 pandemic supply chain response. Further, Supermax acknowledged that they are increasingly turning to automation in their manufacturing process jeopardizing the employment promises made to the County.²³

As of August 20th, 2025, Maxter is still in Phase 1 of the Brazoria facility production schedule. They have invested roughly \$244 million into the facility.²⁴ This is notably different than the initial assurance that 20-25% percent of domestic demand being produced within four to six years of the 2022 announcement. Per Maxter's initial timeline, the facility should be producing 1.6 billion gloves per month. As the project is still in its nascent phase, that is very likely not occurring.

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While it is easy to criticize a complex production development process, Maxter's challenges underscore a much larger problem for the medical manufacturing industry. Competing with the low production costs of Asia requires intense subsidization from the federal government and near perfect market conditions. The long-term sustainability of these domestic supply chains cannot withstand global headwinds. A collaborative relationship with international suppliers and an emergency stockpile of medical gloves would lessen production costs while still ensuring American underreliance on foreign sources in a potential global shortage.

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III. Current demands:

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The U.S. demand for medical gloves is about 100 billion and more per year and expecting domestic companies to displace this is unrealistic. The idea of "self-sufficiency" in medical gloves as a meaningful share is a fool's errand under the global economic market.

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Medical glove demand within the United States is projected to rapidly increase with the increase of an aging population, increased standards of healthcare, and a continued emphasis on preventative care. While many hospitals and healthcare facilities amassed stockpiles prior to the implementation of tariffs in 2025, these reserves will inevitably be depleted.²⁵ In fact, HHS has publicly stated that the US "cannot cost effectively produce sufficient supply to meet its own demand."²⁶

²² https://www.alvinsun.net/news/article_dc37afaa-1d85-11ed-8ab9-934443110c16.html

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²³ https://disclosure.bursamalaysia.com/FileAccess/apbursaweb/download?id=234466&name=EA_FR_AT TACHMENTS

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²⁴ https://disclosure.bursamalaysia.com/FileAccess/apbursaweb/download?id=234466&name=EA_FR_AT TACHMENTS

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²⁵ https://www.hida.org/distribution/news/Executive_Articles/manufacturing-medical-supplies-us.aspx

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²⁶ <https://aspr.hhs.gov/MCM/IBx/2022Report/Pages/Personal-Protective-Equipment-and-Durable-Medical-Equipment.aspx>

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IV. Medical Gloves are Not a National Security Threat

A. Diversified Supply Chains Ensure Security

The U.S. does not rely on a single foreign source for gloves, and since 2020, supply chains for gloves have diversified across multiple countries, including Malaysia, Thailand, and Indonesia. This reduces the risks of becoming over-dependent on any one source and disruptions during global crises. Imports strengthen domestic manufacturing by supporting steady flow of essential goods and help maintain a secure and reliable stock. Maintaining open trade ensures that the U.S. can draw from global suppliers, ensuring readiness for future emergencies.

B. PPE Is a Commercial Product— Not a Defense Material

Gloves are basic and high-volume medical goods rather than defense materials. They can be safely stockpiled for long periods and restricting trade in such goods on national security grounds would be counterproductive to an industry where demand consistently meets a minimum threshold.

C. Stockpiling Mitigates Any National Security Concerns

A potential natural security concern can be addressed through a one-time investment to expand the number of gloves in the Strategic National Stockpile. Regular replenishment of federal and state reserves with both domestic and imported supplies strengthens America's readiness and resilience in emergencies.

IV. Conclusion

It isn't realistic to expect a U.S. medical glove industry to match Malaysia, Thailand, or China in size or cost. Even with heavy federal funding, most domestic projects have struggled to get off the ground or sustain operations. The U.S. faces higher labor and material costs, a smaller supplier base, and a market that consistently buys from the lowest-priced source.

A smarter path is to focus on maintaining a modest level of domestic production to protect against future supply shocks, while using targeted subsidies or long-term government purchasing agreements to keep those facilities viable. Expectations should be practical, and domestic manufacturers can play a role in national preparedness, but they will never replace the global suppliers that dominate the market.

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