

Investigation into the Summer Market of Personal Epidemic Prevention Materials

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Abstract

This article is aiming to explore that from Jan,2020 to Aug, 2020, how the Covid-19 outbreak in China had influenced the domestic and global market of epidemic prevention materials, especially of masks, which had long been treated as a type of decoration or unnecessary items in daily life. We cut to the influencing factors through a series of background research, including price fluctuation, residents' consumption behavior transformation, policy interpretation and international epidemic situation. By means of elaborate analysis, we have come to several conclusions that present macroeconomic situation and give a probable trend with respect to the market of personal epidemic prevention materials. this article is to provide small enterprises producing epidemic prevention materials with actual financial support and reliable market prediction, so that they can act ahead of time in terms of tax reduction and loan interest rate reduction.

Keywords

Covid-19; Epidemic Prevention Materials; Global Economy Fluctuation.

1. Introduction

In December 2019, a plague about to change the global way of life was quietly fermenting on this planet. As of August 29, 2020, novel coronavirus was diagnosed in China at 90323, and 4725 of the total deaths. The total cumulative diagnosis was 8340520, and the cumulative death figure was 15644651. This virus is a new strain of coronavirus family. The common signs of infection include respiratory symptoms, fever, cough, anhelation and dyspnea. In severe cases, infection can lead to pneumonia, severe acute respiratory syndrome, renal failure, and even death. Before novel coronavirus was confirmed to be transmitted to humans, the epidemic had spread. This outbreak has unprecedented impact on a wide range of countries. People's awareness of prevention and control of infectious diseases has been significantly improved compared with the past. It has become extraordinary common for people to consciously wear masks and use other protective equipment.

Unlike Japan, which pays enough attention to the prevention and control of infectious diseases and makes masks daily, masks are not very common daily necessities in China. Usually it only appears in the respiratory department of the hospital, or used for personal hygiene isolation, or used for decoration. Though once considered dispensable, mask has become very important in this epidemic situation since this coronavirus spread mainly through droplets. As there is no specific drug for this relatively high mortality rate of novel coronavirus in the short term, prevention has become a top priority in people's minds. At the beginning of the epidemic, China's demand for masks rose sharply. This is not only because of the improvement of people's awareness of self-control, but also because of the rigid requirement of wearing masks in many public places. Especially after returning to work, the subway, bus, and other vehicles with large passenger flow require all passengers to wear masks throughout the journey. In other words, as people's public health protection awareness has become a collective consciousness, the use of masks has gradually extended from the original narrow sense of medical protective equipment to the broad sense of necessities of life.

As demand increased, it exceeded supply momentarily, and the market price of masks has been astronomically more than its regular price. In order to meet social needs, in spring 2020, many factories have aggrandized their investments in mask production, and even some clothing factories have joined the market. By June 2020, the epidemic in China has been basically under control, while supply was still growing steadily, but demand was not as urgent as the early epidemic. Therefore, in China, supply and demand of masks were beginning to balance. With the repeated and changing of epidemic situation, the market of epidemic prevention materials is constantly fluctuating. So what factors are the market of epidemic prevention materials affected by? Can we infer the future trend of epidemic prevention materials market based on these factors? After the outbreak, where should these new companies move on? Can the management mode continue in the severe period of epidemic? In this paper, the author will try to answer these questions one by one, and provide reference for all the relevant industries of epidemic prevention materials.

2. Generation

As to whether there will be a stable demand for masks and other personal goods in China in the future, we can learn from Japan, which faces across the sea from China. China and Japan belong to the East Asian culture, different from the individualism of individual independence advocated by the West. We respect Confucianism, have similar culture and values, and the core value orientation is the responsibility and obligation to the internal group. Therefore, Japan's progress in the prevention and control of infectious diseases and the public's awareness of self-protection are worth learning from.

According to the data of Japan Federation of sanitary materials, from April 2018 to March 2019, 5.532 billion masks were consumed in Japan, with 43 masks used per year per capita, and an average of 3 masks per person per month. Japan's enthusiasm for masks stems from their miserable past. In 1918, 23 million people were infected with H1N1 influenza A in Japan, and 390000 people died. At the call of the government, people realized the importance of wearing masks to prevent the invasion of influenza. After the outbreak in China, people's awareness of infectious disease prevention has increased significantly. With people's awareness of public health protection becoming a collective consciousness, the use of masks had gradually extended from merely medical protective equipment to a broad sense of necessities of life. The improvement of people's awareness of infectious disease prevention was not limited to the new epidemic, and the demand for masks also increased in spring and autumn when influenza is at a high incidence stage.

3. Popularization

For instance, the restart of the economy will inevitably bring about the flow of population. In the face of the coming autumn and winter season, no one is sure whether the novel coronavirus epidemic will break out again. However, the public will carry out prevention and control of risks in advance. With the 'lessons learned from the past' in the first half of the year, no one dares to relax in the face of high-risk seasons. Now masks have gradually become a necessity in people's daily life. The function of the mask also needs to be upgraded to meet the needs of consumers. Personalized masks with different functions are derived for different groups.

4. Fervorization

From the beginning of the year's serious shortage of capacity, to today's overcapacity. Mask manufacturers are facing the survival of the fittest. In order to withdraw from this battle, enterprises also need to find a new way. The maximum daily production capacity of China's mask industry is 20 million pieces, and the annual output accounts for about 50% of the world. The hard "injury" of the brand cannot be concealed behind the output. According to statistics, during the most severe period of the epidemic, the brands with the highest search volume on e-commerce platforms were: 3M, robust and Honeywell. Besides robust, they share a characteristic, 'imported'. Nowadays, the epidemic situation has been effectively controlled, and the pursuit of comfortable and beautiful masks in Japan is favored by young people, especially women. In this, the domestic brand seems not to be recognized and remembered. In addition to looking for new sales channels, mask manufacturers should pay more attention to brand management and introduce suitable types of masks for different genders and ages. Mask manufacturers can choose to directly cooperate with large enterprises, factories, and government agencies to provide masks for them.

5. Policy

In the context of the new epidemic situation, the work of enhancing the accessibility of personal epidemic prevention materials was more urgent than ever before. [1,2] the Central People's government stipulates that people should wear masks in closed public places, in specific environments and in case of illness. China is a big producer and has a greater demand for professional medical materials. It is suggested that the relevant laws and regulations should be adjusted according to the changes of the actual situation. [3] For example, during the epidemic period, temporary applications for medical device registration certificate and medical device production license were added to shorten the application process, thus increasing the circulation of epidemic prevention materials such as masks in the market. At the same time, [4] the market supervision and administration bureau should make every effort to ensure the price stability of anti-epidemic materials such as masks, [5] and strengthen the investigation and treatment of non-medical standard masks. [6] The food and drug administration should further standardize the registration of medical masks, strengthen the supply level of anti-epidemic materials such as masks, and control from the internal means of production.

6. Demographics

6.1. Children

1. Family needs: the elders are most concerned about the healthy growth of children. Therefore, in the daily consumption of families, children's expenditure is generally accepted and encouraged by the family. Therefore, no matter what the price of personal anti-materials is,

parents will generally choose products with higher epidemic prevention level instead of putting the price in the first place.

2. School requirements: the school has rigid regulations for students to wear masks every day, to bring their own hand sanitizer and disinfectant tissue, and to use personal thermometer to measure their body temperature in the morning and evening. Therefore, the consumption of personal epidemic prevention and health products is also necessary in the market.

6.2. Middle aged and young people

1. In the era of Internet with advanced information channel, the ideas of these consumers are more objective and their demands are more diversified. Therefore, more novel stuff should be made in the marketing methods of personal epidemic prevention materials, such as: making full use of the current popular network live broadcast and other ways to increase publicity; improving logistics efficiency and circulation speed.

2. Starting from the young people's herd mentality, they can constantly bring forth new ideas in the design and production of products, and even seek new cooperation fields of fashion products to lead the trend.

6.3. The elderly

1. Marketing suggestions: China's elderly have developed a strong concept of health care, and China has also developed a relatively mature health care product market. If we continue to uphold the health concept and publicize the importance of personal epidemic prevention materials to the elderly consumer groups, it is bound to eliminate the fluke mind of individual elderly people who are trying to save money and effort, stimulate demands, and increase the market share of this part;

2. Suggestions for product development: Research and design personal epidemic prevention products for the elderly. The specific problems of two different levels of customer groups are analyzed as follow.

(1) For the elderly people who pursue health more actively and pay more attention to quality, the price is not a problem, but the material and anti-epidemic effect of the products should be promoted;

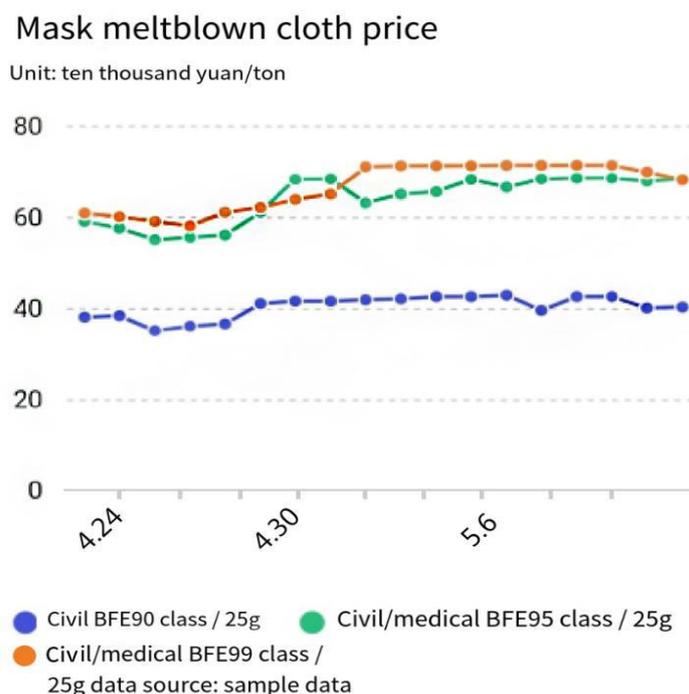


Figure 1. Mask meltblown cloth price

(2) For the low-income and powerless elderly groups, use low-cost or replaceable materials, increase the recycling rate as far as possible under the condition of ensuring safety, and win with small profits and high sales.

Chart interpretation:

1. The price of melt-blown fabric determines the market price of mask.
2. The severity of the epidemic determines the needs of the public, and it directly determines the price of mask materials and labor.
3. At the beginning of February, the average price of kf94 mask was 25 yuan. Until the beginning of March, the price of kf94 mask fell directly. In the middle of March, the turning point came. Disposable medical mask and medical surgical mask replaced kn95 as the leading role.
4. In April, non-medical masks decreased from 2.1 yuan to 1.2 yuan. This data directly shows that we are clad in armor, and masks have become necessary for personal epidemic prevention materials.

7. Conclusion

As for the requirements of national regulation of epidemic prevention materials production for micro enterprises, that is, in terms of product production, product quality, market circulation, market supervision and other aspects, safety is the priority and process should be as brief as possible.

This article discusses the financial support policies of various departments for epidemic prevention material production enterprises, that is, to provide actual financial support to small enterprises producing epidemic prevention materials in terms of tax reduction and loan interest rate reduction. For instance, in terms of tax policies, enterprises producing epidemic prevention materials will receive a series of tax incentives and other support, including allowing one-time accounting of current costs, deducting before enterprise income tax and full refund of VAT increment allowance after January 1, 2020 for the newly purchased equipment of key materials production enterprises for epidemic prevention and control. The loan interest rate of the bank is basically between 2.4% and 3.15%. On this basis, the Ministry of finance will discount 50% of the loan interest rate to the enterprise. If a key enterprise gets the loan, the actual financing cost will not be higher than 1.6%. Correct analysis and assessment of the impact of the epidemic on China's economy, do a good job of policy reserves, can effectively hedge the impact of the epidemic.

It is also mentioned in the article 'meeting the international demand for epidemic prevention and realizing export growth against the trend' [2] that China's new production capacity at this stage can help countries with severe epidemic situation ease the shortage of personal epidemic prevention materials. It plays a positive role in the global epidemic situation, and enterprises with rich production capacity actively export personal epidemic prevention materials. This also puts forward a new idea for the factories with surplus capacity. At the same time, we can actively explore the international market and realize the adverse growth of export.

At the same time, regarding the performance improvement of personal anti-epidemic materials, especially masks, fast retailing, a famous Japanese enterprise, said that it would use AIRism underwear fabric to produce masks. Also, fast retailing group also said that the fabric has the function of air permeability, moisture absorption and perspiration. The superior air permeability and quick drying performance make the wearer feel more comfortable in summer. [3] It can be seen that people have maintained the daily demand for masks and pursued more comfortable materials and styles.

In the face of this epidemic situation, the emergency response ability of enterprises has also been tested. In the paper "the short board of medical protective materials reserve and

countermeasures and suggestions" [4] it is suggested that the enterprise storage system should rely on the production capacity, take the emergency material procurement contract as the main way, and appropriately subsidize the enterprise inventory. It is not necessary to maintain a specific scale of inventory, only to ensure that when a major public health event breaks out, the production and supply of relevant materials can be started quickly according to the purchase contract. Based on solid national physical reserves, combined with material rotation, the reserve of medical protection materials can be put into hospitals, community health service centers (stations), township health centers, centers for Disease Control and prevention, pharmaceutical dealers, marketing terminals, large and medium-sized enterprises and institutions, communities, etc. at cost or below the market price level. Relying on the rotation system, not only can promote the normal renewal of reserve materials, but also can play a role in stabilizing prices, but also can promote medical institutions, urban and rural households to purchase reasonably and reserve moderately.

To sum up, it has become an inevitable trend to turn personal epidemic prevention materials into daily life, which inevitably requires production companies and enterprises to consider the possible outbreak of epidemic in the future when facing the production capacity planning and business decision-making of enterprises in the future, the saturation degree of the current market and the people's new demand for daily epidemic prevention materials, as well as drawing lessons from developed countries such as Japan. The measures of health events, to predict the future, to establish their own brand effect, to improve the competitiveness of products themselves.

The impact of the novel coronavirus pneumonia on the global economy is depressed, and the impact of labor supply, domestic consumption, and the deterioration of the international trade environment on domestic macro-economy and output [5] stabilizing the basic foreign trade market and boosting the international economic cycle. The novel coronavirus pneumonia has caused the international market demand to shrink, which has a great impact on China's foreign trade. At present, the epidemic situation in China has been effectively controlled, and the production activities of enterprises have basically recovered. However, the epidemic situation in many countries and regions is still very serious. There is a great demand for various epidemic prevention articles and daily necessities in foreign countries, while the production and production capacity of masks and other personal epidemic prevention articles in China are very large. Therefore, we should actively expand the export of epidemic prevention goods and daily necessities to meet the main epidemic countries. In order to meet the domestic demand, more international markets should be developed.

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