

Corporate Activism With a Cherry on Top



Business

'Covidpreneurs' Hawk Body Bags Amid Mexico Shortages

By <u>Lorena Rios</u> 27 july 2020 *Updated*

▶ From spa manager to body bag provider, some make quick switch

▶ 12 million out of work in the pandemic and see opportunity



A young boy sells masks and other medical items during the covid outbreak in Mexico City

With millions of Mexicans out of work due to Covid-19, some are seizing on the pandemic to trade in medical and other equipment, solving shortages while also causing price spikes and supply chaos.

Like in many countries, these entrepreneurs -- some call themselves "covidpreneurs" -- buy and sell everything from surgical masks to body bags. In Mexico, where government regulation isn't for the fainthearted, most skirt official channels, offering their wares through social media, at metro stations, in stationary stores and even on their own doorsteps.

Business is booming and health workers both praise the suppliers and blame them for price gouging and occasional dishonest dealing.

For those willing to step into the highly volatile market, there are real opportunities, along with real disappointments.

Before coronavirus, Noemi Cardenas ran a spa. Surrounded suddenly by illness, she decided to switch from pampering the healthy to burying the dead. Moving quickly, she thought she had orders from funeral homes for some 2 million body bags. But she had unseen competition. In the end, she sold only 2,000 and focuses now on masks, thermometers and gloves.

Luis Enrique Badillo runs Gmed International, a medical supply company in business long before the pandemic. In March, he was facing rivalry from unlikely quarters, including many people he'd never heard of.

As cases peaked in Europe and the U.S., it strained international and domestic supply chains for Mexican hospitals, he said. A long line of brokers emerged offering to sell protective equipment from international suppliers. Badillo's phone rang constantly.

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Among the needs were medical gowns, goggles and masks, thermometers and Covid test kits. By early June, with some 12 million out of work, Mexico began to reopen. That created demand for a different set of products, those needed in the emerging world of life with Covid. These include special boxes that blast ultraviolet light to sanitize keys, wallets and cellphones, and signs with instructions on distancing and mask wearing, said Enrique Zenil who sells those and other protective equipment to companies.

"Everyone who had their business halt due to Covid-19 is trying to sell something," he said.



Enrique Zenil, a seller of medical supplies in Mexico, sits next to some of his products

Hospitals say all that unregulated commerce has sometimes made things harder. Tens of thousands of staff have gotten sick due in part to a lack of protective gear. A fifth of Covid-19 infections occur in the health care sector, about 68,111 workers as of July 19, and 906 have died. Mexico's sanitary health commission didn't respond to a request for comment.

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As a result, says Ivan Carreno, a doctor at Hospital General Xoco in Mexico City, budding suppliers are also contributing to the problem.

"It's my understanding that N95s are scarce because they are sold on the open market, basically to the best seller," he said, referring to the surgical masks most prized by medical workers. "By not having control of that, the hospital is forced to buy a certain number of N95s at a higher price."

Angelica Vargas, a doctor at Hospital Angeles, an upscale private facility in Mexico City, said she's spent around \$900 on N95 and KN95 masks, goggles and surgical scrubs.

One risk with freelance buying like that is that the product may be substandard. "It's like Russian roulette," said a health worker in the topography unit of Hospital Angeles, who asked that his name not be used for fear of reprisal.

As of Monday, the total number of confirmed virus cases in the country reached 395,489, and deaths were at 44,022, according to Johns Hopkins University.

Mexico's medical supply problems existed long before the pandemic. While some products are now sold without meeting the usual requirements, the certification process to sell medical products can take months. But as Alexander Elbittar, an economist at Mexico's CIDE University, notes, a poorly policed system has allowed competitors to emerge quickly and meet demand.

The production of new equipment, however, is far riskier without certification. There, the regulatory system makes things harder, as Octavilo Guajardo, an engineer who partnered with an architect to develop a respirator, learned firsthand.

The two spent months developing a respirator, planning to donate the first ones and then start selling. But they gave up when faced with the regulating agency's slow and expensive certification process. Approval would have taken six months, said Guajardo. "The government is closed off to entrepreneurs," he said. "It's easier for them to say no than to take a risk."

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Latin America's outbreak by the numbers:

COUNTRY	CASES	DEATHS
Brazil	2,419,091	87,004
Peru	375,961	17,843
Mexico	390,516	43,680
Chile	345,790	9,112
Colombia	248,976	8,525
Argentina	165,526	2,939
Ecuador	80,694	5,515
Bolivia	69,429	2,583
Dominican Republic	62,908	1,063
Panama	60,296	1,294
Guatemala	45,053	1,734
Honduras	39,276	1,116

(Updates with total cases in 15th paragraph. Previous version corrected cases and deaths of health care workers in tenth paragraph.)

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