World Paint & Coatings

Industry Study with Forecasts for 2015 & 2020

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Table of Contents

EXECUTIVE SUMMARY

MARKET ENVIRONMENT

General ....................... 4
World Economic Overview ........ 5
Recent Historical Trends ........ 6
World Economic Outlook ......... 8
World Population Outlook ...... 11
World Gross Fixed Investment Outlook .... 13
World Building Construction Outlook .... 15
Residential Building Construction .... 16
Nonresidential Building Construction .... 20
World Manufacturing Outlook .... 22
World Motor Vehicle Production .... 24
World Motor Vehicles in Use .... 27
Environmental & Regulatory Considerations .... 29
Volatile Organic Compounds .... 30
Other Environmental Issues .... 32

OVERVIEW

General ..................... 34
Demand by Region .......... 37
Demand by Formulation .... 39
Water-Based ................. 43
Solvent-Based ................ 45
Powder Coatings & Other ...... 47
Demand by Market .......... 50
Architectural ................ 53
Manufacturing ............... 56
Maintenance & Specialty .... 60
Production by Region .... 64
International Trade Flows .... 67

NORTH AMERICA

Economic Overview ........ 70
Paint & Coatings Demand .... 72
United States ............... 75
Canada .................. 82
Mexico .................. 86
Suppliers & Market Share .... 91

WESTERN EUROPE

Economic Overview ........ 95
Paint & Coatings Demand .... 98
Germany ............. 100
Italy ................ 106
France .............. 110
United Kingdom .......... 115
Spain .................. 120
Netherlands ............ 125
Other Western Europe .... 130
Supplies & Market Share .... 135

ASIA/PACIFIC

Economic Overview .......... 138
Paint & Coatings Demand .... 141
China .................. 143
India .................. 151
Japan .................. 156
South Korea ............. 163
Indonesia .............. 168
Thailand ............... 172
Taiwan ................ 177
Australia ................ 182
Other Asia/Pacific ........ 187
Suppliers & Market Share .... 192

OTHER REGIONS

Central & South America .... 195
Economic Overview ........ 195
Paint & Coatings Demand .... 197
Brazil .................. 199
Other Central & South America ...... 204
Eastern Europe ........... 209
Economic Overview ........ 209
Paint & Coatings Demand .... 212
Russia .................. 214
Poland .................. 220
Other Eastern Europe .... 224
Africa/Mideast ............. 229
Economic Overview ........ 229
Paint & Coatings Demand .... 232
Turkey .................. 234
Iran .................... 239
South Africa ............. 244
Other Africa/Mideast .... 249

INDUSTRY STRUCTURE

General ...................... 255
Market Share ................ 258
Acquisitions & Industry Restructuring ...... 263
Cooperative Agreements .......... 266
Channels of Distribution ........ 269
Competitive Strategies .......... 271
Research & Development .... 273

COMPANY PROFILES

Akzo Nobel .................. 275
Asian Paints ................. 287
BASF SE .................. 291
Berger Paints India ....... 295
Berkshire Hathaway ........ 298
Boero Group ............... 302
Brillux GmbH ............. 303
Consortio Comex .......... 306
Dai Nippon Toryo .......... 310
Deutsche Amphibolin-Werke von Robert ........ 312
Murjahn Stiftung & Company ...... 312
Dunn-Edward Corporation ...... 315
DuPont (Ei) de Nemours .... 317
Fluegger A/S ................ 321
Helios Group ............... 323
Hempel A/S ................ 325

List of Tables/Charts

EXECUTIVE SUMMARY

MARKET ENVIRONMENT

1 World Gross Domestic Product by Region ........ 11
2 World Population by Region ........ 13
3 World Gross Fixed Capital Formation by Region .... 15
4 World Building Construction Expenditures by Region .......... 16
5 World Residential Building Construction Expenditures by Region .......... 18
6 World Nonresidential Building Construction Expenditures by Region .......... 20
7 World Nonbuilding Construction Expenditures by Region .......... 22
8 World Manufacturing Value Added by Region .......... 24
9 World Motor Vehicle Production by Region 27
10 World Motor Vehicles in Use by Region ........ 29

OVERVIEW

1 World Paint & Coatings Demand .... 36
2 World Paint & Coatings Demand by Region .... 38
3 Cht World Paint & Coatings Demand by Formulaion .... 42
Cht World Paint & Coatings Demand by Region, 2010 ........ 39
3 World Paint & Coatings Demand by Formulaion .......... 42
Cht World Paint & Coatings Demand by Formulaion in Selected Regions, 2000-2020 .......... 42
4 World Water-Based Paint & Coatings Demand by Region .......... 45
5 World Solvent-Based Paint & Coatings Demand by Region .......... 47
6 World Powder Coatings & Other Demand by Region .......... 50
7 World Paint & Coatings Demand by Market .......... 52
(continued on following page)
### List of Tables/Charts

(continued from previous page)

<table>
<thead>
<tr>
<th>Page</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>77</td>
<td>Chrt World Paint &amp; Coatings Demand by Market, 2010 ..................................</td>
</tr>
<tr>
<td>78</td>
<td>8 World Architectural Markets for Paint &amp; Coatings by Segment &amp; Formulation ........</td>
</tr>
<tr>
<td>79</td>
<td>9 World Manufacturing Markets for Paint &amp; Coatings by Segment &amp; Formulation ..........</td>
</tr>
<tr>
<td>80</td>
<td>10 World Maintenance &amp; Specialty Markets for Paint &amp; Coatings by Segment &amp; Formulation</td>
</tr>
<tr>
<td>81</td>
<td>11 World Paint &amp; Coatings Production by Region ........................................</td>
</tr>
<tr>
<td>82</td>
<td>Chrt World Paint &amp; Coatings Production by Region, 2010 ..................................</td>
</tr>
<tr>
<td>83</td>
<td>12 World Paint &amp; Coatings Net Exports by Region ........................................</td>
</tr>
<tr>
<td>84</td>
<td>asia/Pacific: Paint &amp; Coatings ........................................</td>
</tr>
<tr>
<td>85</td>
<td>1 Asia/Pacific: Paint &amp; Coatings Supply &amp; Demand .......................................</td>
</tr>
<tr>
<td>86</td>
<td>2 Asia/Pacific: Paint &amp; Coatings Demand by Market &amp; Formulation ......................</td>
</tr>
<tr>
<td>87</td>
<td>Chrt Asia/Pacific: Paint &amp; Coatings Demand by Country, 2010 ..........................</td>
</tr>
<tr>
<td>88</td>
<td>3 China: Paint &amp; Coatings Supply &amp; Demand ..............................................</td>
</tr>
<tr>
<td>89</td>
<td>4 China: Paint &amp; Coatings Demand by Market &amp; Formulation ................................</td>
</tr>
<tr>
<td>90</td>
<td>5 India: Paint &amp; Coatings Supply &amp; Demand ...............................................</td>
</tr>
<tr>
<td>91</td>
<td>6 India: Paint &amp; Coatings Demand by Market &amp; Formulation ................................</td>
</tr>
<tr>
<td>92</td>
<td>7 Japan: Paint &amp; Coatings Supply &amp; Demand ...............................................</td>
</tr>
<tr>
<td>93</td>
<td>8 Japan: Paint &amp; Coatings Demand by Market &amp; Formulation ................................</td>
</tr>
<tr>
<td>94</td>
<td>9 South Korea: Paint &amp; Coatings Supply &amp; Demand .......................................</td>
</tr>
<tr>
<td>95</td>
<td>10 South Korea: Paint &amp; Coatings Demand by Market &amp; Formulation .....................</td>
</tr>
<tr>
<td>96</td>
<td>11 Indonesia: Paint &amp; Coatings Supply &amp; Demand .........................................</td>
</tr>
<tr>
<td>97</td>
<td>12 Indonesia: Paint &amp; Coatings Demand by Market &amp; Formulation .......................</td>
</tr>
<tr>
<td>98</td>
<td>13 Thailand: Paint &amp; Coatings Supply &amp; Demand ..........................................</td>
</tr>
<tr>
<td>99</td>
<td>14 Thailand: Paint &amp; Coatings Demand by Market &amp; Formulation ..........................</td>
</tr>
<tr>
<td>100</td>
<td>15 Taiwan: Paint &amp; Coatings Supply &amp; Demand .............................................</td>
</tr>
<tr>
<td>101</td>
<td>16 Taiwan: Paint &amp; Coatings Demand by Market &amp; Formulation ............................</td>
</tr>
<tr>
<td>102</td>
<td>17 Australia: Paint &amp; Coatings Supply &amp; Demand .........................................</td>
</tr>
<tr>
<td>103</td>
<td>18 Australia: Paint &amp; Coatings Demand by Market &amp; Formulation ........................</td>
</tr>
<tr>
<td>104</td>
<td>19 Other Asia/Pacific: Paint &amp; Coatings Supply &amp; Demand ................................</td>
</tr>
<tr>
<td>105</td>
<td>20 Other Asia/Pacific: Paint &amp; Coatings Demand by Market &amp; Formulation ................</td>
</tr>
<tr>
<td>106</td>
<td>asia/Pacific: Paint &amp; Coatings ........................................</td>
</tr>
<tr>
<td>107</td>
<td>Chrt Asia/Pacific: Paint &amp; Coatings Market Share, 2010 ................................</td>
</tr>
<tr>
<td>108</td>
<td>OTHER REGIONS: Paint &amp; Coatings .........................................................</td>
</tr>
<tr>
<td>109</td>
<td>1 Central &amp; South America: Paint &amp; Coatings Supply &amp; Demand ..........................</td>
</tr>
<tr>
<td>110</td>
<td>2 Central &amp; South America: Paint &amp; Coatings Demand by Market &amp; Formulation ........</td>
</tr>
<tr>
<td>111</td>
<td>3 Brazil: Paint &amp; Coatings Supply &amp; Demand .............................................</td>
</tr>
<tr>
<td>112</td>
<td>4 Brazil: Paint &amp; Coatings Demand by Market &amp; Formulation ............................</td>
</tr>
<tr>
<td>113</td>
<td>5 Other Central &amp; South America: Paint &amp; Coatings Supply &amp; Demand ....................</td>
</tr>
<tr>
<td>114</td>
<td>6 Other Central &amp; South America: Paint &amp; Coatings Demand by Market &amp; Formulation .....</td>
</tr>
<tr>
<td>115</td>
<td>7 Eastern Europe: Paint &amp; Coatings Supply &amp; Demand ..................................</td>
</tr>
<tr>
<td>116</td>
<td>8 Eastern Europe: Paint &amp; Coatings Demand by Market &amp; Formulation ...................</td>
</tr>
<tr>
<td>117</td>
<td>9 Russia: Paint &amp; Coatings Supply &amp; Demand .............................................</td>
</tr>
<tr>
<td>118</td>
<td>10 Russia: Paint &amp; Coatings Demand by Market &amp; Formulation ...........................</td>
</tr>
<tr>
<td>119</td>
<td>11 Poland: Paint &amp; Coatings Supply &amp; Demand ..........................................</td>
</tr>
<tr>
<td>120</td>
<td>12 Poland: Paint &amp; Coatings Demand by Market &amp; Formulation ...........................</td>
</tr>
<tr>
<td>121</td>
<td>13 Other Eastern Europe: Paint &amp; Coatings Supply &amp; Demand ............................</td>
</tr>
<tr>
<td>122</td>
<td>14 Other Eastern Europe: Paint &amp; Coatings Demand by Market &amp; Formulation ............</td>
</tr>
<tr>
<td>123</td>
<td>15 Africa/Mideast: Paint &amp; Coatings Supply &amp; Demand ..................................</td>
</tr>
<tr>
<td>124</td>
<td>16 Africa/Mideast: Paint &amp; Coatings Demand by Market &amp; Formulation ..................</td>
</tr>
<tr>
<td>125</td>
<td>17 Turkey: Paint &amp; Coatings Supply &amp; Demand ............................................</td>
</tr>
<tr>
<td>126</td>
<td>18 Turkey: Paint &amp; Coatings Demand by Market &amp; Formulation ...........................</td>
</tr>
<tr>
<td>127</td>
<td>19 Iran: Paint &amp; Coatings Supply &amp; Demand ..............................................</td>
</tr>
<tr>
<td>128</td>
<td>20 Iran: Paint &amp; Coatings Demand by Market &amp; Formulation ................................</td>
</tr>
<tr>
<td>129</td>
<td>21 South Africa: Paint &amp; Coatings Supply &amp; Demand .....................................</td>
</tr>
<tr>
<td>130</td>
<td>22 South Africa: Paint &amp; Coatings Demand by Market &amp; Formulation ....................</td>
</tr>
<tr>
<td>131</td>
<td>23 Other Africa/Mideast: Paint &amp; Coatings Supply &amp; Demand .............................</td>
</tr>
<tr>
<td>132</td>
<td>24 Other Africa/Mideast: Paint &amp; Coatings Demand by Market &amp; Formulation .............</td>
</tr>
<tr>
<td>133</td>
<td>INDUSTRY STRUCTURE: Paint &amp; Coatings ...................................................</td>
</tr>
<tr>
<td>134</td>
<td>1 World Paint &amp; Coatings Sales by Company, 2010 ......................................</td>
</tr>
<tr>
<td>135</td>
<td>Chrt World Paint &amp; Coatings Market Share by Company, 2010 ............................</td>
</tr>
<tr>
<td>136</td>
<td>2 Selected Acquisitions &amp; Divestitures ....................................................</td>
</tr>
<tr>
<td>137</td>
<td>3 Selected Cooperative Agreements ..........................................................</td>
</tr>
</tbody>
</table>
World demand to rise 5.4% annually through 2015

Global demand for paint and coatings is forecast to rise 5.4 percent per year to 45.6 million metric tons in 2015. Advances will be driven by a strong acceleration in world building construction spending, particularly residential construction, which is expected to rebound in North America and Western Europe. Healthy growth in global manufacturing activity will also fuel increased demand for coatings used in the production of motor vehicles and other durable goods, as well as industrial maintenance applications. Solvent-based paint and coatings will continue to see their share of the market decline in both developed and developing markets, as ongoing efforts to reduce the emission of volatile organic compounds (VOCs) are spurring the rise of alternative formulations.

Asia/Pacific region to offer best growth prospects

The Asia/Pacific region will remain the leading consumer of paint and coatings through 2015, and will also see the most rapid gains. Regional demand will be fueled by China and India, the two largest markets in Asia and two of the fastest-growing coatings markets in the world. Additionally, an improved outlook for coatings demand in Japan will bolster gains in the Asia/Pacific region. Above-average advances are also forecast for North America, rebounding strongly from the declining demand of the 2005-2010 period. Coatings demand in the region will benefit from a greatly improved outlook for building construction and manufacturing activity in the US. While paint and coatings demand in Western Europe will see a similar recovery from recent declines, the region will be the world’s slowest-growing regional market. Among the other areas of the world, the best opportunities are expected in the Africa/Mideast region, where paint demand per capita is the lowest in the world.

Architectural market to remain dominant segment

Architectural markets will continue to account for a majority of paint and coatings demand in 2015. Demand for architectural paint will be fueled by healthy growth in residential construction spending, particularly in the US, Western Europe and Japan. Coatings demand in manufacturing applications will benefit from a pickup in world motor vehicle production, as well as an improvement in building construction activity, which will drive demand for furniture coatings. Maintenance and specialty coatings markets will see moderately slower gains, restrained by a downturn in marine applications, as well as a more negative outlook for vehicle refinish coatings in the developed countries of the world.
India: Paint & Coatings Demand

Demand for paint and coatings in India is projected to increase 9.0 percent per year through 2015 to 2.8 million metric tons, valued at $6.3 billion. Although slowing moderately from the double-digit gains of the 2000-2010 decade, advances will be the fastest of any major market in the world. Growth will be fueled by continued strong increases in both residential and nonresidential construction spending, as well as manufacturing output. Given the low level of current paint demand per capita in India, there exist ample opportunities for market growth as the country’s economy continues to expand. Paint and coating prices in India are also among the lowest in the world, providing opportunities for value growth as well, as per capita income and consumer spending in India rise.

Architectural markets in India accounted for three-quarters of paint and coatings demand in 2010, the highest level of any major market in the world. This is due primarily to India’s immense population and relatively small manufacturing sector compared to other countries. However, India generates a great deal of demand from nonresidential markets as well, a sign of rapid economic and infrastructure development in the country. Repainting or remodeling activities account for about three-quarters of architectural paint demand in India. A majority of interior wall repainting is undertaken during the October-December period of festivities associated with religious events such as Diwali, Eid and Christmas, while exterior repainting is typically done right after the monsoon season each year. As in China, the vast majority of architectural paint demand in India is via the professional sector due to the availability of a large and low cost labor force.

Demand for manufacturing coatings in India is limited, as the country is not a significant producer of many paint-consuming durable goods. However, India’s motor vehicle industry is growing rapidly.
Boero Group is a producer of architectural paint and other coatings. The Company operates through three segments: Architecture and Deco, Yachting, and Marine.

The Company is active in the world paint and coatings industry through the Architecture and Deco segment, which generated sales of $111 million in 2010. The segment manufactures a variety of interior and exterior architectural coatings for the do-it-yourself and professional markets. These products are made and marketed under the BOERO, BOERO GRANDI SUPERFICI, ROVER and ATTIVA brand names by the Company’s Boero Bartolomeo SpA subsidiary (Italy). Through these product lines, Boero Bartolomeo produces a range of paint, finishes, enamels and varnishes.

Product offerings from Boero include paints for wood substrates, walls, decorations, glazes and corrosion-prevention. Representative products include GYPSO washable water-based paint for plasterboard; TIARE breathable water-based paint for filling and masking imperfections; LAKISTAR transparent wood finish; and APRILIA enamel solvent interior and exterior paint. Other representative products include

Although solvent-based coatings were the leading product type in India in 2010, water-based paints are expected to increase their share of the market, accounting for the majority of demand by 2015. Water-based products will benefit as consumers trade up from low-cost distempers and solvent-based enamel paints to higher cost emulsions. The shift to water-based architectural paints, particularly in new construction, has been supported by the ...

--Section VI, pg. 155
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Other Studies

Solvents
US solvents demand will continue to rebound from its recessionary lows, rising 1.5 percent per year in volume terms through 2016 to 10.9 billion pounds. Growth in consumer oriented markets and regulations aimed at solvent volatility and toxicity will favor “green” solvents such as butanediol derivatives, terpenes, and alcohols. The construction market will grow the fastest. This study analyzes the 10.1 billion pound US solvent industry, with forecasts for 2016 and 2021 by product and market. The study also evaluates company market share and profiles industry players.

World Emulsion Polymers
Global demand for emulsion polymers is forecast to rise 5.1 percent per year to 13.3 million metric tons (dry basis) in 2016. In developing nations such as China and India, demand will benefit from strong economic growth and increased penetration of waterborne technology in the coatings and adhesives industry. This study analyzes the $26.1 billion world emulsion polymer industry, with forecasts for 2016 and 2021 by market, polymer, world region and for 15 major countries. The study also evaluates company market share and profiles industry participants.

World Kaolin
The world market for kaolin is projected to grow 3.7 percent per year through 2015 to 28.4 million metric tons. The biggest gains will be in China, which will easily overtake the US to become the world’s largest kaolin market. Paper will remain the largest segment while ceramics will grow the fastest. This study analyzes the 24 million metric ton world kaolin industry, with forecasts for 2015 and 2020 by market, world region and for 20 countries. The study also evaluates company market share and profiles industry participants.

Paint & Coatings
US demand for paint and coatings is forecast to increase 7.8 percent annually through 2015, as the industry continues to favor higher-value formulations to meet increasingly stringent regulations. The large architectural sector will be the fastest growing market, with the interior segment remaining larger and growing faster than its exterior counterpart. This study analyzes the $18 billion US paint and coating industry, with forecasts for 2015 and 2020 by market, formulation and substrate. The study also evaluates company market share and profiles industry players.

Automotive Coatings, Adhesives & Sealants
US automotive coating, adhesive and sealant demand will rise 9.4 percent yearly through 2014 as motor vehicle output recovers from the recent downturn. Coatings will remain the dominant segment, with water-based, powder and radiation-curable types leading gains. This study analyzes the $3.6 billion US automotive coating, adhesive and sealant industry with forecasts for 2014 and 2019 by formulation and substrate, polymer, market and application. It also evaluates company market share and profiles industry competitors.