

PRIME TIME NEWS



— *A Brief Look Inside Canada's Coatings Industry* —

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JUNE 2020

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The shift to lifelong learning is absolutely essential. As the pace of technological change quickens, we need to be sure that employees are keeping up with the right skills to thrive in the Fourth Industrial Revolution. That applies to both technical and soft skills. There will be changes in both areas.

*Zvika Krieger, Head Technology Policy/Partnerships,
World Economic Forum*

CPCA'S LATEST ADVOCACY EFFORTS

- Members Provided with Federal/Provincial COVID-19 Updates and Employer Preparedness Guidelines for Businesses Reopening
- Members Notified of Government's Intent to Resume Publication of CMP Risk Assessments for 2020
- Health Canada Risk Managers To Address the Issue of MEKO in Canadian Indoor Consumer Alkyd Paint
- CPCA's New CMP Substance Database Officially Launched as an Integral Part of the Canada CoatingsHUB
- CPCA Responds to RPRA Consultation Refunding 100 per cent of Paint Recycling Surplus Funds Accumulated by Stewardship Ontario to Product Care
- Federal Officials Informed of Two Major Online Trade Issues Unfairly Impacting Canadian Paint Manufacturers During Pandemic
- More Issues Raised with Federal Officials on Broader Challenges Faced by Chemical Manufacturers and Distributors During the Pandemic
- Federal Officials Contacted on Status of the Risk Management Measures for Cobalt Compounds
- CPCA to Participate in Industry-Government Review of Chemicals in Consumer Products Education and Outreach
- Canada-US Paint Industry Submits Joint Recommendations to Regulatory Cooperation Council on North American Misalignment for Critical Paint Biocides
- CPCA/ACA Submit Joint Recommendations to PMRA for Improved Alignment Between the US and Canada

PLEASE NOTE: Should members require further information on any of the above or other items included in this newsletter they can search them on the CoatingsHUB or contact CPCA directly.



INSIGHT 2021
ADVERTISING
OPPORTUNITIES NOW OPEN

CPCA INSIGHT, Industry Guide and Directory, is the resource for the most relevant Canadian paint and coatings industry information. Providing an annual snapshot of the Canadian paint and coatings industry and offering a wealth of useful, easily accessible reference information about the CPCA, its members, its activities and its services. INSIGHT is distributed along with CFCM's Buyer's Guide to over 5,000 CASE companies in Canada and the US. With a readership comprised of high level executives and the c-suite advertisers can bolster their marketing efforts. INSIGHT is also available online and in a digital format for all CPCA Members.

To Advertise visit canpaint.com
or contact mditullio@canpaint.com



RESCHEDULED TO MAY 2021

CPCA'S 107th ANNUAL CONFERENCE & AGM
**Driving Change & Innovation:
One Coating at a Time**

*CPCA's Annual Conference has been rescheduled for next May.
Mark your Calendars as the Conference will take place May 26 & 27, 2021
at the Fairmont Chateau Frontenac in Québec City.*

CANADIAN PAINT AND COATINGS ASSOCIATION
ASSOCIATION CANADIENNE DE L'INDUSTRIE DE LA PEINTURE ET DU REVÊTEMENT

**WELCOME
NEW MEMBERS**

DEBRO
Celebrating 100 Years

delivering integrity, personalized customer service, and valued partnerships with their principals. Headquartered in Brampton, Ontario, their services are provided nationwide with warehousing partners in Vancouver, Calgary, Edmonton and Montreal. Their extensive product lines range from resins and pigments to performance minerals and surfactants, and Debro's knowledgeable account managers make sure customers get the raw materials they require to meet the demands for quality. With almost a century of assisting customers with formulation innovation, Debro is the distributor of choice for businesses seeking reliable and time-tested distribution solutions.

PRESIDENT'S MESSAGE

CPCA staff and members have remained active on a number of important files since the onset of the pandemic. The association sought to support members as much as possible on a number of matters that included helping to secure the essential service designation by Public Safety Canada for paint and coatings, a specific Canadian coatings industry economic impact study on pandemic challenges, reduced membership dues by 30 per cent for all members in 2020, and a comprehensive Covid-19 section on the website for regular policy updates throughout the various stages of the emergency period. Whatever we do it is hard to make up for the loss of business and personal turmoil experienced in the first half of 2020 amongst our members. We sincerely hope that the second half of 2020 will be stronger than usual as the economy approaches full capacity into the fall.



CPCA has always sought ways to modernize and ensure member services remain relevant, especially with respect to our core services. These include issues management and regulatory support as part of our ongoing advocacy efforts. That work is focused on critical matters such as chemical assessment, air quality, product stewardship, hazard communications as well as environment, health and safety in general. A major initiative in that regard was the launch of the **Canada CoatingsHUB** last year and the addition of a substance database to the Hub several weeks ago. The database allows members to search all chemicals of relevance to paint and coatings commerce in Canada - by chemical number - to ascertain their current status and determine if actions are being taken with respect to risk assessment and risk management measures going forward. Our new focus on digitization of member services within our core competency allows members to track current issues on all digital platforms. This helps support their internal efforts on regulatory compliance and risk mitigation, both of which are critical for companies operating in the chemical space to sustain the reputation of their long-standing brands.

Another part of CPCA's ongoing renewal and modernization includes communicating the association's value to members, stakeholders and the public. The customization of

access in a timely manner to all association data and the ability to do research when needed. This assures they can remain nimble in dealing with current and emerging regulatory issues. This work also includes the use of digital platforms for more member-focused webinars, enhanced efforts via social media, automated Hub notifications, blogs, and more. CPCA's regular informative publications continue to keep members, and in some cases, stakeholders fully informed and up to date. These include our monthly publications: the *Prime Time News* and indispensable members-only *Regulatory Radar*. Regular member bulletins and submissions, as well as industry position papers, which are published when necessary. All of this is supported at year-end by the annual *CPCA Insight: Guide & Directory*. Of course, all of this requires CPCA staff to engage closely and regularly with the Board and seek the invaluable input and support of our technical committees.

CPCA will continue to seek innovative ways to deliver services for member companies. We wish to extend our thanks to all members for their work and support for front line workers and their own employees during the pandemic. The coatings industry is strong and resilient and we look forward to more normal times for both our members' families and their employees in the days ahead.

Gary LeRoux
President & CEO



NOW LIVE

CPCA's CMP SUBSTANCE DATABASE

CPCA's Substance Database is NOW LIVE on the Canada CoatingsHUB, complete with over 1,100 CASE related chemicals, sorted by CAS-RN, providing members the current status on chemicals in commerce and any changes being considered.

*To book a training session
contact mditullio@canpaint.com*



REGULATORY RADAR

WHAT MEMBERS READ TO STAY
AHEAD OF REGULATIONS

The RegulatoryRADAR is Canada's premiere publication for the coatings industry. Get this 'member only' publication for better outcomes for your business.

To learn more visit canpaint.com or contact CPCA to become a member!



CPCA REPORT

CPCA Continues to Regularly Update Its COVID-19 Resources Webpage

CPCA continues to assist members with national and provincial regulatory development, business impacts, and updated guidance to help industry reopen more safely. Visit CPCA's COVID-19 resource webpage for detailed information including government funding, pandemic safety guidance for re-opening and other business support.

CPCA Endorses Canadian Manufacturing Coalition's Manufacturing Long-term Strategy

The CMC coalition sent a letter to Prime Minister Trudeau to emphasize the challenges faced by the manufacturing sector during the pandemic along with outstanding issues surrounding access to the various assistance programs. This request for a Canadian manufacturing strategy help ensure long-term prosperity and limit negative economic impacts in the short-term. Strategic long-term growth will only come through a modern industrial strategy that focuses on strengthening Canada's business competitiveness and through fundamental reforms to Canada's approach to innovation and economic development. Canada must capitalize on shifting societal needs for local manufacturing, on strategic opportunities to leverage health care and technology, and on long-term global opportunities in many areas of Canada's historic strengths. Visit Canada's CoatingsHUB for more details on the strategy.

ACA and CPCA Urge RCC to Resolve U.S.-Canada Biocides Misalignment

The American Coatings Association (ACA) joined with CPCA in comments submitted to the U.S.-Canada Regulatory Cooperation Council (RCC) urging immediate action to resolve issues related to the regulation of critical biocides used in paint formulations.

The US Environmental Protection Agency recently published a Draft Risk Assessment for several ITAs (Isothiazolinones) such as BIT, BBIT, DCOIT, MIT/CMIT and OIT. ITAs are the most important family of biocides used in the paint and coatings industry. The agency adopted a conservative approach that will call for risk mitigation. CPCA members are concerned with the indirect impact of these US EPA decisions on the PMRA current re-evaluation framework. An ACC IT Task Force document was recently developed to emphasize the benefits of ITAs on various segments such as metalworking fluids, cooling tower water systems, paint and coatings, building materials, wood preservation, and emulsions, polymer dispersions, solutions and lattices.

CPCA Member Alberta Recycling Management Authority (ARMA) Consulting With Stakeholders on Potential Changes to Alberta's Paint Recycling Program Fees

In December 2019, the Government of Alberta removed the environmental surcharges from the regulations, providing more flexibility for ARMA to make adjustments to the fees bringing them in line with current markets and ensuring a sustainable paint recycling program. Alberta's current environmental fees (which have remained unchanged since 2009) do not accurately reflect the cost to responsibly manage the leftover paint and paint containers that enter the program at end-of-life. The paint program has to-date recycled 25.7 million litres of paint. ARMA will soon be consulting with CPCA members (as well as other stakeholders and producers) on potential adjustments to environmental fees. The consultation process and analysis will support a cross-jurisdictional review, comparing environmental fees and how Alberta's fees harmonize with other jurisdictions. ARMA expects the fees to increase later this year. Consultation on the fee change will be followed by a 90-day implementation phase from August 1, 2020 – October 30, 2020. The new fees could possibly come into effect November 1, 2020.

CPCA Files Submission on the Proposed Return of Surplus Funds Paid by the Paint Industry in Ontario

On June 10, the Resource Recovery and Productivity Authority (RRPA) hosted a consultation on the Minister's recent Direction Letter to hand over 100% of the lump sum surplus funds to Product Care as the current program operator for paint stewards in Ontario. On June 5, Stewardship Ontario (SO) had submitted proposed amendments to RRPA, as SO seeks to retain as much as possible of the surplus funds in every MHSW material-specific category including those stewards that have not been under their operations for years (paint, pesticides and fertilizers, solvents, oil filters, antifreeze). Their rationale is that it is needed for their own administration and management costs for the wind-up of the MHSW Program, yet they only have one small program under their operations of \$1.2 million/year. Therefore, it's very difficult to understand why SO requires approximately \$10 million to windup a program for which it now has only one material category left and have had nothing to do with the operators who run 80 per cent of materials in the program for years. The lack of transparency related to the use of those funds is another major concern as

wind-up reserve despite protests that those stewards now operating outside Stewardship Ontario should not have to fund their wind-up! This most recent matter once again sheds light on the lack of transparency and accountability, and the high costs in the waste recycling sector in Ontario, which no other provincial jurisdiction has to endure.

CPCA continues to work closely with Product Care in an attempt to ensure the matter is resolved soon and the \$15 million (now arbitrarily readjusted by SO to \$14.550 million) to be returned to the paint stewards in Ontario. RPRA anticipates approving SO's proposed amendments by June 25 with the paint surplus funds transferred to Product Care two weeks later. However, one never knows the exact number as the SO numbers keep changing and yet they demand a disclaimer for the integrity of those numbers in the surplus transfer agreement. SO's recommendations include a requirement that notices issued to ISP members include acknowledgements recognizing the Ministerial expectation that fee reductions will benefit consumers and a requirement to provide data sharing between the parties necessary to implement the terms of the Agreements.

The paint industry and many stakeholders do not understand why it is so difficult for the paint industry to get 'their' surplus funds, which should never have been charged in the first place, returned by an 'industry' organization. It is not a government entity stalling the return of funds improperly charged in the first place, but an industry group. CPCA wishes it had a more rational explanation as to why this continues to persist, but explanations of how things are done on the waste file in Ontario are very challenging. This was the reason CPCA members initiated the move away from Stewardship Ontario to Product Care in 2014 and now being drawn back in to pay for costs with little accounting support for those costs. Had there been no surplus funds left with Stewardship Ontario, they would have no choice but to make do with what they have or provide clear and transparent accounting of any costs they sought to recoup such costs from program operators, like Product Care for paint, running programs completely independent of them for years.

CPCA Survey Results for Paint Shipments in Architectural and Automotive Refinish Sectors Show Resilience in Q1 2020

The first quarter of 2020 results indicate that these two paint and coatings manufacturing sectors showed a very solid rebound in sales volume on the order of 6-12% compared to the same quarter in 2019. This early resilience shown by Canadian paint sectors at the beginning of the COVID-19 pandemic will likely lessen its impact on paint manufacturing later this year, which is likely due to the fact that paint products with wide consumption are perceived as essential products. More broadly, the shipments of industrial chemicals rose 6% during the same quarter following strong gains in several specific sectors.

MEMBER RECOGNITION

PPG Receives Two Awards for IT Innovation from IDG's CIO Magazine

PPG earned the **FutureEdge 50 award** for its PPG ASSET INTEGRITY MANAGEMENT™ (AIM™) system, which was introduced in the U.S. and Canada last year. Created for PPG's protective and marine coatings (PMC) business, the software-based program uses PPG-developed proprietary algorithms to help facility owners, managers and engineers schedule, budget and optimize corrosion protection of metal assets. The 2020 CIO Award, which was also presented in recognition of the PPG AIM system, represents the fifth time PPG has received this honour.



CPCA Monthly Report on M&A and Distribution Agreements, Available on the Canada CoatingsHUB (Members Only)

SUSTAINABILITY

CPCA Members Continue to Help Local, National and Global Fight Against the Coronavirus

A team at **Dow Chemical's facility** in West Virginia used the site's existing resources and teamwork to produce their first batch of hand sanitizer in just six days. Covestro is supporting the development of novel Architectural coatings technology to stand up to stricter hospital infection protocols. As part of its "**Helping Hands**" initiative, **BASF** is donating disinfectant and protective face masks and providing support worldwide to academic research groups in their search for a suitable active ingredient to treat patients infected with the coronavirus. BASF has developed its own computer programs to design molecules and has its own supercomputer called Quiriosity. Additionally, the **BASF TOTAL Petrochemicals** facility in Port Arthur has continued to produce chemicals vital to the fight against the spread of COVID-19, as a result of a joint venture partnership with Total Petrochemicals & Refining USA.

Axalta Launches New Industrial Powder Coating Product Collection in Mexico

Alesta BE+ does not generate emissions of **volatile organic compounds** (VOC), requires less time to cure, and uses less energy, which increases productivity while lowering production costs for customers.

Dow plans to cut its **annual carbon emissions** by 5 million metric tons by 2030 and to achieve carbon neutrality by 2050. Dow plans to invest more in recycling and ensure all of its products are recyclable or reusable by 2050. Its first focus will be on products used in packaging.

Neste and Covestro Strategic Cooperation to Promote Sustainable Raw Materials in the Production of Plastics

Covestro will be supplied with material from renewable sources to replace a significant portion of the fossil raw materials used to date in the manufacture of polycarbonates. This type of high-performance plastic is used, for example, in car headlamps, LED lights, electronic and medical devices and automotive glazing. Covestro is shifting its operations to focus more on "innovation recycling" and less on fossil fuels to help support the circular economy. "Because plastics are used practically everywhere and are the key to solving many pressing challenges, helping to master them is Covestro's main concern to make the world a brighter place" said CEO Markus Steilemann.

Performance and Sustainability: Soy-Based Adhesives and Sealants Excel in Wide-Ranging Applications

Renewable by nature, **soybean oil** is used in a diverse array of bio-based products. From biofuels for vehicles and resins for car and farm machinery parts to spray foam insulation and lubricants, versatile U.S. soy delivers on sustainability and performance for myriad industries and products.

Super Water-repellent Materials Now Durable Enough for the Real World

Superhydrophobic surfaces are extremely useful for antimicrobial coatings but they have one major flaw: they are extremely susceptible to cuts, scratches or dents. Researchers have developed an armour-plated superhydrophobic surface which can take repeated impacts from sharp and blunt objects, and still repel liquids with world-record effectiveness.

Burgeoning Trend of Retailers Enforcing Major Shifts in Sustainability and Rolling Out Sustainability Standards for Brand Partners

[Read More...](#)

TECHNOLOGY & INNOVATION

Breakthroughs in Antimicrobial Coatings

GrapheneCA and Nano Graphene Antibacterial Coating Show 99.9% Effectiveness for Bacteria Proof Surfaces

in the graphene-improved, water-based epoxy coatings blocks the metabolism of microorganisms by restricting cellular respiration and cell division on surfaces.

Scientists Develop Unique Polymer Coating to Tackle Harmful Fungi

University of Nottingham scientists have developed [a new way to control harmful fungi](#), without the need to use chemical bioactives like fungicides or antifungals. The team identified several polymers that resist the attachment of different kinds of fungi, including pathogens, after screening of hundreds of (meth)acrylate polymers.

Functionalized Nanosilica as a Non-Leaching Antimicrobial Additive for Waterborne Paints

Two per cent of the additive NS and PNP-NS (modified with p-nitrophenol) [improved the antifungal properties](#) by 100 per cent and 13 per cent compared to the control sample and commercial antifungal paint, respectively, while the antibacterial property was improved by 50 per cent and 19 per cent.

Researchers Take a Cue from Nature to 3D Print Bulletproof Coatings

Using chitin – [a bio-based material](#) derived of glucose which is found in the cellular walls of arthropods and fungi – to produce chitosan along with 3D printing techniques, Houston researchers could produce high-impact multilayered coatings that can protect soldiers against bullets, lasers, toxic gas and other dangers. Chitin can be harvested and processed to produce chitosan, or de-acetylated chitin fiber which that can be obtained via stable renewable sources.

Intumescent Coatings Based on Alkali-activated Borosilicate Inorganic Polymers

A new paper presents results regarding the possibility of using intumescent alkali-activated borosilicate inorganic polymers ([AABSIP](#)) as passive fire protection for various substrates.

New Material to be Tougher than Plastics, Ceramics for Aerospace and Automotive Applications

Chinese researchers have developed [a new material](#) that withstands extreme heat and is stronger than ceramics, plastics and aluminum alloy. The material, created on cellulose nanofiber, could be used for automobiles, aircraft and in the aerospace industry.

Robotic Technology Brings New Alternative to Powder Coating Industry

Lesta robots are [self-learning robots](#) that can be used by any size manufacturer. They revolutionize the thinking of how robotics can be integrated into a finishing line, as they are programmed by the finisher while finishing the part at hand.

Additional Readings

- [Taking Direct-to-Metal Coatings to the Next Level](#)
- [Design of Robust Superhydrophobic Surfaces Using Nanostructure for Water Repellency and Microstructure for Durability](#)

- Your Virtual Gateway to Latest Industry Innovations

ECONOMIC NEWS

Canadian Economic Outlook According to Bennett Jones

In a recent baseline scenario assuming that an effective vaccine becomes widely administered in the second half of 2021 and that the easing of mandated lockdowns continues without severe outbreaks requiring their widespread reimposition, Bennett Jones forecast that the output in Canada by the end of 2021 returns roughly to its level at the end of 2019, although it would still be almost 4 per cent below where it would have been based on the pre-crisis trend. The federal deficit will reach nearly \$300 billion in 2020-21. In their alternative and more pessimistic scenario, an effective vaccine is not available until 2022 and the relaxation of lockdowns this summer leads to a large second wave in the fall, prompting a reimposition of widespread restrictions. The federal budget for 2021-22 would then have to lay out plans to raise additional revenues and **significantly reduce spending**, starting in 2022. At this time, the first scenario for businesses appears the best but all developments need to be monitored closely.

Canada-U.S. Border to Remain Closed until July 21

By mid-June, there were **100,000+ Covid-19** cases are confirmed in Canada, compared to more than two million in the U.S.

Worldwide Paint and Coatings Industry Records Losses in First Quarter, 2020

The 10 largest **paint and coatings manufacturers** in the world lost 3.0 per cent of their sales turnover on a EUR basis.

Consumers Won't Give up the Convenience of e-Commerce after the Pandemic

Online sales of household appliances, electronics, building materials, and **DIY have skyrocketed** since the outbreak of the COVID-19 pandemic in Canada, growing by 587 per cent between March 11 and April 14, compared to the same period last year. In times where trade-shows and traditional face-to-face interactions are off, not only does e-commerce helps companies through the crisis, but it can position them for faster recovery during the post-COVID-19 new economic reality.

Digital Transformation to Affect US\$500B of Global Chemicals, Materials Industry

In a new report entitled "**The Digital Transformation of Chemicals and Materials**," Lux Research outlines use cases already in practice in facets of the chemicals and

Machine-Learning Research Could Help Develop Tougher Coatings

For engineers developing **new materials** or protective coatings, there are billions of different possibilities to sort through. Lab tests or even detailed computer simulations can take hours, days, or more for each variation in properties. A new artificial intelligence-based approach developed at MIT could reduce that to a matter of milliseconds, making it practical to screen vast arrays of candidate materials.

Canadian economic indicators

CHMC Housing Market Information Portal & Housing Outlook Spring 2020

In 2020, housing starts will likely see **a decline of 51-75 per cent from pre-COVID-19 levels**. While large reductions in demand are also predicted for existing homes, in the **range of 19-29 per cent** from their pre-COVID levels but the demand should recover in late 2020.

- **Canadian Auto Sales Drop 44 per cent in May, an Improvement from April**
- **EDC COVID-19 Video: A Glimmer of Hope?**

Additional Readings

- **Canada's ICPEN: Building Consumer Trust in a Changing Marketplace**
- **Institute for Corporate Productivity: A Pandemic Plus is a More Engaged, Resilient Work Culture**
- **Metallic & Special Effect Pigment Directory**



Please visit the CPCA CoatingsHub for additional news in the **Management Information Resource.**



Open the **Monthly Report on International Market Research for the Paint and Coatings, Adhesives and Sealants Industry.**

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