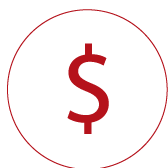


PRIME TIME NEWS



— A Brief Look Inside Canada's Coatings Industry —



ECONOMIC IMPACT



CANADA CoatingsHUB



ISSUE MANAGEMENT



ADVOCACY



BLOG

IN THIS ISSUE

JANUARY 2021

LATEST ADVOCACY
CPCA REPORT
SUSTAINABILITY
ECONOMIC NEWS

PRESIDENT'S MESSAGE
MEMBER NEWS
TECH & INNOVATION
INTERNATIONAL NEWS

ACTUALITÉS PRIME 
HEURE

Subscribe to the French version

“

It's very easy to be different
but very difficult to be better.

Jonathan Ive, Chief Design Officer, Apple

CPCA'S LATEST ADVOCACY EFFORTS

- Health Canada Publishes Proposal to Align Canada with GHS Revision 7
- CPCA Submits Comments on PMRA's Proposed Amendment to the *Pest Control Products Regulations*
- CPCA Members Review Uses of Key Paint Preservative Under Re-evaluation
- Pesticide Label Improvement Initiatives Under Development
- PMRA Integrated Approach on Pesticide Program Renewal Underway
- Coatings and Adhesives Expert Working Group Meeting Planned for Q1
- Members Reminded to Comply with 2-BE Content in Indoor Consumer Products
- CPCA Will Provide Additional Technical Details on Federal Proposal to Adopt California VOC Limits
- Members Review Several Recent Draft and Final Screening Assessment Reports
- Compliance Reminder Issued on the Use of Limited Quantity Markings in Transport of Dangerous Goods Regulations
- CPCA Publishes Key Information on Impacts of Further COVID-19 Lockdowns in Certain Provinces
- World Coatings Council Seeks Critical Input on TiO₂ Classification in Europe
- US EPA Releases Final Risk Evaluation for NMP

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.



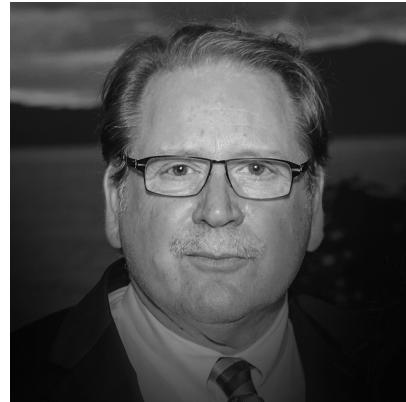
INSIGHT
CANADA'S SOURCE FOR
INDUSTRY INSIGHTS IN
THE PAINT & CASE SECTORS

*CPCA'S Annual Guide & Director for 2021
will soon be available. Complete with market
updates, the latest on industry issues, and more...*

SEND ME A COPY

PRESIDENT'S MESSAGE

Happy new year! Saying there are many things to be concerned about would be stating the obvious. Maybe it's best to look to the positive as we move into the new year. The first positive sign is the light at the end of the pandemic tunnel. We remain hopeful that it is indeed positive for the coatings industry, their families and workers. It does appear to be positive for the coatings industry in North America and around the globe generally. Of course, there were some challenging spots as in the value of non-decorative industrial coatings in 2020. A recent Orr & Boss forecast showed that the global coatings market declined 2.6% in value terms in 2020, but with some bright spots for decorative coatings grew by 2% globally. North America was up by more than 7% overall in decorative coatings. Non-decorative industrial coatings declined by nearly 6.5% globally for all regions.



The study goes on to note the forecast for 2021 is a relatively strong recovery with the global coatings market expected to grow nearly 6%. Decorative coatings are expected to grow by 6.5%. Asia will be the strongest market forecasted to register a growth rate of 7% in 2021. Growth is expected to remain positive into 2023 with values from 2-4% depending on the region of the world. North America is projected to be in the realm of 4% value for both decorative and non-decorative coatings during that period.

The economic forecasts are generally positive for the coatings industry and one can see more details in the Orr & Boss forecast for all segments below. While the economic forecasts remain a bright light going forward, the policy and regulatory front could present more challenges for the coatings industry. At the end of the day, it is never clear how increasing regulatory challenges will impact the coatings industry in terms of product mix or value, but it invariably will in some way.

management. We have seen that most recently in both jurisdictions with the actions taken on macroplastics/microplastics, biocide re-evaluations and proposed new limits for VOC emission reductions. Canada is in the grip of a strong environmental push from both inside and outside the Federal Government. While the United States has had somewhat of a regulatory reprieve with the previous Administration, the new Administration has already signaled a hard left turn with the cancellation of the Keystone XL Pipeline, re-entering the Paris Accord and more announcements expected in the coming days. This will be combined with a doubling down on the 'Buy American' approach to goods and services. It's unclear how this will impact Canada over the long term.

These recent developments will mean more vigilance and increased advocacy for Associations generally, but especially those in the chemical sectors, which have already been under fire for some time. It's unclear where it will all end up, but some continue to argue for an overhaul of the *Canadian Environmental Protection Act* to raise both the bar on risk assessment and regulation in pursuit of more bans and restrictions of critical inputs in thousands of products. Only time will tell.

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

Orr&Boss Forecasts Relatively Strong Global Paint Industry Recovery in 2021

Orr&Boss estimates that the global coatings market declined by 2.6 per cent in value terms in 2020. However, the market is expected to grow nearly 6 per cent in 2021. Decorative coatings will trend higher by 6.5 per cent and should remain particularly strong in North America, although the construction projects that were started pre-pandemic are about to finish and the current economic uncertainty has resulted in fewer new projects. Asia will be the strongest market registering a growth rate of 7 per cent. For 2022 and 2023, Orr&Boss expects global coatings to grow by 4 per cent. CPCA members can access the complete Orr&Boss report on the CPCA CoatingsHUB.

World Coatings Council Wrapping Up Survey on Sustainability Reporting Globally

CPCA and other World Coatings Council (WCC) members issued a Request for Proposal for a survey in support of sustainability reporting approaches for coatings companies around the world. Such a reporting approach or template, once finalized, could be used for a paint company's annual sustainability reporting. CPCA has been reaching out to all Canadian-based companies including SMEs that can provide significant feedback on this WCC priority. A final WCC report will be made available later this year. It will accurately portray all efforts being made by the paint industry to account for and report on sustainability as they relate the widely recognized UN Sustainability Development Goals. This report will reflect to all governments, stakeholders and the general public how the coatings industry meets accepted sustainability goals to reduce its environmental footprint and protect those who use their products.

to Align with GHS Revision 7

On December 19, Health Canada published the proposal amending the *Hazardous Products Regulations* (GHS, Seventh Revised Edition) and the Order amending Schedule 2 to the *Hazardous Products Act* in the *Canada Gazette, Part I*. The proposed amendments would enable Canada to meet its international commitment to align with Revision 7 of the UN GHS. They include modifications to several definitions, the adoption of a new hazard category for non-flammable aerosols and new subcategories for Flammable Gases, the addition of a new test procedure for Oxidizing Solids, and modifications to Schedule 1 to the *Hazardous Products Regulations* to update the information elements required to be provided on safety data sheets. The final adoption and coming into force of GHS Revision 7 in Canada are anticipated to align with related US amendments. Members of the WHMIS Current Issues Committee (CIC), including CPCA, have been tasked to estimate the implementation costs related to Revision 7 beforehand, as the chemical manufacturing sector will be the most impacted. Overall, the government estimated that 205,000 Safety Data Sheets would need to be revised in Canada and that the national cost estimate associated with revising SDS, labels and training would be \$52 million over a 10-year period (based on 2019 data). CPCA members were urged to review the proposal and share any comments prior to February 27.

Recent Final Screening Assessment Reports (FSAR)

Confirm Non-Toxicity in Three Groups

- **The FSAR for the Used and Re-refined Oils Group** contains eight substances that are believed to be used in the Coatings, Adhesives, Sealants and Elastomers (CASE) production. The eight substances do not meet any of the toxicity criteria for a later toxic designation under CEPA and no follow-up is required.
- **The FSAR for Four Substances in the Substituted Alkyl Imidazolines Group** concluded that none of the substances meet any of the toxicity criteria for a later toxic designation and that no follow-up activities will be needed. A few specific paint removers, corrosion inhibitors and disinfectants may be implicated.
- **The FSAR for the Phosphoric Acid Derivatives Group** indicates that all three substances do not meet the toxicity criteria for a later toxic designation. However, a Significant New Activity Notice is proposed for one substance-related to its use in consumer adhesives and sealants products sold in Canada. This substance is used in natural rubber-polyterpene-based adhesives.

Federal Northern Contaminants Program (NCP)

Calls for New Projects

The **NCP Proposal** continues to engage research and monitoring of long-range contaminants in the Canadian Arctic. These 2021-2022 project findings will inform

Microplastics: INRS Research Report Showing Promising Treatment of Microplastics in Water by Anodic Oxidation

At the end of 2020, CPCA submitted comments on "Canada's Integrated Management Approach" to plastic products, recommending the development/use of standardized analytical research methods, the adoption a proper definition of microplastics (MPs), the distinction between primary versus secondary releases, and supporting a narrow focus on risk and waste management activities related to macroplastics and microplastics along with a much more robust scientific evaluation of the risks associated with these materials. The INRS researchers recently published a study report on the degradation of a synthetic suspension of polystyrene microbeads with an average size of 26 micrometers. Results obtained from an electrooxidation process show that it can degrade a significant amount of macroplastics in 1 hour. In addition, the MPs did not break into smaller particles and they degraded directly into gaseous products. This INRS work shows this is a promising process for degradation/elimination of macro and microplastics in wastewaters without production of any wastes or by-products. The government should focus on promoting this type of research in MP wastewater management.



Please consult the CPCA [Canada CoatingsHUB](#) for more details on each topic.

MEMBER RECOGNITION

Several CPCA Member Company CEOs Among the First 25 in ICIS Special Report

This report highlights [40 Chemical leaders](#) shaping the industry. Dow's Chairman and CEO Fitterling tops this global ranking for leading Dow in a new direction through capital-disciplined growth combined with zero sustainability, zero-carbon. BASF CEO Martin Burdermuller ranked sixth for speeding up investments in battery technologies. Sherwin-Williams CEO John Morikis ranked 21st for financial performance after SW gained the ICIS Company of Year Award in 2019. Brenntag CEO Christian Kohlpaintner ranked 33rd for its cost-saving programme to improve financial performance. Clariant CEO Conrad Keijzer is listed among several new leaders of the chemical industry and power players to watch over the next few years.

MAPEI Won Twice at TTMAC 2020 Hardsurface Awards

Mapei's two projects won this year's [Terrazzo Tile & Marble Association of Canada \(TTMAC\) Hardsurface Awards](#). MAPEI's contribution to the new-build Avenir Centre in Moncton was recognized as the best project in the "Manufactured Tile" category. MAPEI's

CPCA Wants to Share your Success Stories

If your company receives an award or special recognition, please inform CPCA!



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

The advertisement features a background image of a sunlit forest. On the right side, there is a green overlay containing text and logos. At the top right, the logos for 'CANADIAN PAINT AND COATINGS ASSOCIATION' and 'ASSOCIATION CANADIENNE DE L'INDUSTRIE DE LA PEINTURE ET DU REVÊTEMENT' are displayed. Below these, the headline reads 'CREATING CLEANER AIR ONE TREE AT A TIME!'. A paragraph follows: 'CPCA is a proud supporter of Tree Canada. Providing yearly donations on behalf of CPCA & the entire Membership which contribute to the sequestering of Co2 and reforestation efforts across Canada.' At the bottom right, the 'TreeCanada' and 'ArbresCanada' logos are shown, featuring a stylized tree icon.

SUSTAINABILITY

Sansin Launches an Innovative System for Superior Wood Protection

Last December, **Sansin** launched a new penetrating wood coating system that can be used to create an array of on-trend weathered looks and effects, all the while delivering exceptional water repellency and protection from UV, moisture, blackening, discolouration and wood rot. With WoodForce, even new wood can be made to look weathered and aged without sacrificing the health of the wood. Designers, architects and homeowners can utilize these products for unique results. The WoodForce Intermix system is based on Sansin's established Precision Coat formula that has been utilized for 25 years around the world as the leading weathered wood protection solution for large commercial projects.

AkzoNobel Releases 100% UV Cured Wood Coatings

Window manufacturers can now make their production process more efficient and sustainable with the AkzoNobel's first of kind instant drying solution, **RUBBOL 100% UV cured wood coatings**, which cuts out up to 16 hours of drying time, saving production time and energy costs.

[Clariant](#) partnered with a key [OE Environment Programme](#) project to accelerate the phase-out of lead in paint and was one of the first companies to end the production of lead-based pigments in the 1980s. Clariant's focus is to support the SMEs' transition to a lead-free paint market, along with an emphasis on providing safer solutions in developing countries. Clariant's alternatives are both easy-to-disperse powder pigments and pre-dispersed, liquid color concentrates. The existing equipment in local paint companies is sufficient to allow clever lead-free reformulation without having to invest in new production hardware.

PPG Launches Traffic Solutions Business

In this effort [PPG partners with its Mobility Team](#) to supply innovative coatings for future connected, electric, and shared vehicles solutions. Following the acquisition of Ennis-Flint, PPG recently established a new business unit called Traffic Solutions, which will manufacture and supply a broad, global portfolio of pavement-marking products, including paint, thermoplastics, and other advanced technologies. It will partner with PPG's mobility team to identify opportunities to supply innovative coatings to help support infrastructure needs for future autonomous, connected, electric and shared vehicle solutions. The Traffic Solutions unit joins PPG's Architectural Coatings, Aerospace, Automotive Refinish, and Protective and Marine Coatings strategic units as part of PPG Performance Coatings.

BASF Signs a Power Purchase Agreement for Texas Solar Energy

[The EDF Renewables North America's Space City Solar Project](#) is progressing with critical development milestones in Texas, which is expected to commence construction in Summer 2021 and begin delivery of clean electricity in Summer 2022. BASF announced last year its plans to purchase solar energy and to share CO2 emissions data for their entire portfolio of around 45,000 products with customers.

Turning Plastic Bags into Adhesives

[A new chemical process](#) developed at the [University of California, Berkeley](#), converts polyethylene plastic into a strong and more valuable adhesive. The processability, thermal stability and mechanical properties seem to be unharmed while enhancing adhesion. The chemical process adds a chemical group to the polyethylene polymer that makes it stick to metal: something polyethylene normally does poorly. It can then be painted with water-based latex.

Additional Readings

- [On-Demand Webinar: Harnessing Digital Solutions to Improve Product Sustainability and Supply Chain Transparency](#)
- [Global Pigments Market Witnesses an Urgent Shift Towards Eco-friendly Paints](#)
- [EU Life BioPaint Project Helps Achieve First Fully Automated Paint Factory for Bio-based UV Wood Coatings](#)
- [Two-thirds of Employees Want Climate-positive Action from Companies](#)
- [Forbes: Empowered Consumers Call For Sustainability Transformation](#)

TECHNOLOGY & INNOVATION

Sustainable Paint Made from Plant Stems

AkzoNobel chemists from the Dutch University of Groningen have developed a technique to make environmentally-friendly paint based on biomass. The new bio-based paint aims to eventually replace petroleum-based acrylic paints. AN researchers applied for a patent covering two different steps in the lignocellulose-based process and are now working on the production of another building block derived from furfural aiming to make other coating types.

Innovative Coating Makes Medical Devices Safer

UGA scientists developed a new coating that can prevent liquids like water and blood from sticking onto surfaces. The liquid-repellant coating can also kill bacteria and halt blood clot formation on an object's surface.

Bio-based Healable Non-isocyanate Polyurethanes

A series of isocyanate-free polyurethanes, showing an **intrinsic thermo-healing performance**, have been synthesized from sustainable vegetable oil-based cyclic carbonates and bio-based amines. The bio-based contents are higher than 78% and show a 98.1% self-healing efficiency at 25°C.

Formulating with Intelligence:

Machine Learning in the Coatings Laboratory

Artificial intelligence and machine learning applications are making broad and deep impacts in diverse fields and industries around the world. Join an **EC Short Course Online on March 2** and learn tactics and strategies as new alternatives of approaching formulation science and for implementing AI and ML lab workflows.

New Coatings to Prevent Infections in Hospitals

The EU MOBACT project is developing bio-based solutions as an environmentally sustainable alternative to metal in order to fight the major public health problem of hospital-acquired infection. The centre's research aims at obtaining new materials based on active substances with bacteriostatic or bactericidal capacity that can be applied as coatings to furniture and surfaces or for mass production of injected parts that prevent the proliferation of microorganisms. Another project goal and work is to ensure these materials are environmentally sustainable such as renewable alternatives to metal compounds, which have traditionally been used as solutions to hospital-acquired health issues.

Coating in Development for Rope Safety

Swiss EMPA researchers are working on developing a **coating that changes colour** when exposed to high temperatures through friction or fire. The technology is being developed

Development of Fluorine-free Anti-stain Textile Finishing Agents

Partially biobased, [VOC-free polymer coatings](#) confer water-repellency and acceptable oil-repellence to fatty triglycerides.

Additional Readings

- [Tech That Will Change Your Life in 2021](#)
- [The Road to Permanently Hygienic Wooden Surfaces](#)
- [Overview of Recent Advances in Graphene Oxide-Based Anticorrosive Coatings](#)
- [Structural Glazing: A Key Application of Construction Sealants](#)

ECONOMIC NEWS

Deloitte Economic Outlooks for 2021

It will take many more months before the vaccines reach enough of the population that our society and economy can begin to truly recover after being in the grips of deadly waves of infection. See also [Deloitte's specific 2021 outlooks for Chemicals, Aerospace and Defense, Oils and Markets, Engineering and Construction, Retail Distribution, and Global Marketing](#).

Canadian Manufacturing Output on the Rise in December

The [IHS Markit Canada Manufacturing Purchasing Managers' Index](#) (PMI) rose to a seasonally adjusted 57.9 in December, the sixth straight month that the PMI exceeded the 50 threshold that marks expansion. It was the highest PMI level since the survey began in October 2010. However, last November, Manufacturing sales decreased for the first time in three months, declining 0.6 per cent. Sales were down in 5 of 21 industries, driven mainly by the aerospace and motor vehicle and vehicle parts industries.

Seventeen Percent of Canadian SMEs in Danger of Closing

The [Canadian Federation of Independent Business](#) recently found that one in six or about 181,000 Canadian small business owners are [seriously contemplating closing](#). That's an increase from one in seven or 158,000 businesses last July.

Conference Board: Record-high Debt a Long-term Concern for Canada

Under a status quo scenario, in which no new programs or revenue measures are introduced, the federal debt would [stabilize at roughly 55 per cent beyond 2024](#), and eventually start to decline. Over the medium-term, governments will struggle to balance their books, despite relatively low-interest rates, while a longer-term perspective suggests that, on aggregate, the situation for provinces and territories is

ACA CoatingsTech: Paint and Coatings Technologies to Watch for in 2021

There are **five leading areas** being targeted by the industry:

- Increasing use of biobased/biofermented materials and materials derived from post-consumer content
- Increasing use of nanomaterials due to dispersion issues being solved
- New technologies for haptics, scratch resistance, and self-healing
- New technologies for antimicrobial performance (antibacterial, antiviral, antimold)
- Quantum leaps in corrosion performance

Chemical Companies to Eye Smaller M&A Deals in 2021

The value of chemical merger and acquisition deals **remained stable in 2020**, but smaller M&A deals will likely be gaining traction in 2021 as companies look to **acquire or divest focused assets**. Deals may also surge as government stimulus and support mechanisms end. The coatings sector is a prime example of the consolidation in the chemical industry that is driven even further by Covid-19, as shows the latest CPCA monthly report on M&A and distribution agreements.

Raw Material Price Increases Pile Pressure on Paint Manufacturers

Sharp price increases for epoxy resins (and similarly polyester resins) and supply bottlenecks are now adding to the difficulties of paint and coatings manufacturers in the UK and across Europe. The current global shortage of containers aggravated the situation, by leading to a sharp rise in transport costs from Asia to Europe. The short supply of neopentyl glycol and methanol are also reported.

World Economic Forum Report: Global Recovery Requires Stable Chemical Trade

Governments around the world must **break down barriers to chemical trade** to ensure a swift and efficient pandemic recovery.

A Look at Industry 4.0 Innovation Trends

The application of **AI and machine learning** to make factory floors safer against the coronavirus will be one way manufacturers deploy technology in 2021 along with Industry 4.0 operations.

New US Association for Materials Protection and Performance Launched

The Association for Materials Protection and Performance create what will be a unified voice for the corrosion control and protective coatings industries.

Canadian Economic Indicators

[Read More](#)

December 2020 Monthly Housing Starts Key Highlights & CMHC 2021-2022 Outlook

Despite the pandemic, total housing starts have [registered steady gains since May](#). The year-end 2020 SAAR of total starts ended up above the 2019 annual total. According to the Canadian Mortgage and Housing Corporation (CMHC), Canada's real estate market is expected to moderate over the next two years.

Five Automotive Trends to Watch in 2021

[Read More](#)

Additional Readings

- [Adhesives & Sealants Distributor Directory](#)
- [Canada's 2021 Transportation Buying Trends: Intermodal Freight](#)
- [Powder Coating: The Complete Finisher's Handbook 5th Edition Available](#)
- [The Great Reset: How High-Performing Organizations Build HR Business Partnerships](#)
- [2021 Cyber Security Biggest Challenges and Top Priorities: Securing Remote Employees](#)
- [Color Marketing Group® 2022 Global Colour Forecast + North American Key Colour](#)
- [2021 Colours of the Year by CPCA Paint Members](#)
- [Leaders Focus Too Much on Changing Policies, and Not Enough on Changing Minds](#)



Please visit the CPCA CoatingsHub for additional news in the [Management Information Resource](#).

INTERNATIONAL NEWS

CPCA has compiled international market research reports to 2025-2028 in the following market segments:

- Architectural, Release, Rubber, Fire-resistant, Fluoropolymers and UV Curable Coatings.
- SB and WB Adhesives and Sealants, Packaging, Epoxy, Roofing Adhesives and Construction, Surgical Sealants, and many more.
- CASE raw materials.



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

STAY CONNECTED WITH CPCA



COATINGS**TECH**
Online Course

CPCAConnects



[READ THE CPCA BLOG](#)

[VIEW CPCA EVENTS](#)

[view this email in your browser](#)

The Canadian Paint and Coatings Association
Our mailing address is:
900-170 Laurier Avenue West
Ottawa ON K1P 5V5

[Unsubscribe from this list](#)

Copyright © 2020 Canadian Paint and Coatings Association, All rights reserved.