



PRIME TIME NEWS

“Innovation distinguishes between a leader and a follower.”

Steve Jobs



PRESIDENT'S MESSAGE

September, 2023

The recent attacks on the chemistry industry in Canada as part of ‘modernizing’ the *Canadian Environmental Protection Act* (Bill S-5) — evidenced in the proposed amendments to CEPA by the Senate of Canada — are misguided, unfair and without evidence-based science for the most part. In the 60 proposed amendments, supported widely by the Environmental NGO community, there was a complete disregard for the highly praised approach for Canada’s world-leading chemical assessment work under the Chemical Management Plan over the past 20 years. That approach is evidenced-based, uses the best available science, and takes appropriate action based on the ‘science’ for the benefit of both human health and the environment. These actions include restricting and banning chemical use in products sold in Canada. The last CEPA amendments were brought forward by a previous Liberal Government more than 20 years ago and the initial amendments in Bill S-5 were brought forward by the current Government, and for the most part, they will improve future assessments of chemicals in commerce. However, the Senate amendments go well beyond the scope of the Government’s own proposed amendments in Bill S-5.

It is hoped that when the elected representatives in Parliament, in the House of Commons, consider the originally proposed ‘Government’ amendments, many of those put forward by the Senate will be discarded. The Government must get back to a review of the amendments based on the evidence and dispense with further politicization of chemical assessment in Canada. Rather, it must focus entirely on all the available, peer-reviewed science to make informed decisions.

It might also be wise for the House of Commons Committee, charged with reviewing the proposed amendments to CEPA, to consider what the President and CEO of the

chemicals and plastics industries due to ‘unfounded environmental concerns’:

“Everyone has a fundamental human right to clean air and water and access to energy sources that will help create a cleaner, healthier, and safer future. With more than 135,000 workers across Texas, Louisiana, and Ohio, ACC member company employees are also community members. They live on the same land, breathe the same air, and drink the same water—and they’re committed to helping to protect it for their families and fellow neighbors.

Members of the chemistry industry do not throw stones—we create solutions. As the science behind sustainability, chemistry is the single most important element to transitioning to renewable energy and combating climate change. Nothing the environmental community wishes to achieve on climate can be accomplished without chemistry. From lithium-ion batteries to solar cells and wind turbines, to energy-efficient insulation and windows, to lightweight materials for fuel-efficient cars and automobiles, chemistry—and the facilities that produce chemistry—are guiding the way forward. And even as demand for chemistry products has increased, we reduced the GHG intensity of our operations by 10 percent between 2017 and 2020.”

“ACC members will continue to welcome the opportunity to partner with governments and the activist community on our journey to becoming even better corporate stewards. Regretfully, characterizing industry in a negative light has proven too lucrative of a fundraising strategy for some activists, while others recognize immense value of partnership, hard work, and collaboration. We encourage the NGO community to put fundraising rhetoric aside and join us in maximizing chemistry’s potential to solve the world’s sustainability challenges while continuing to safeguard the communities where we live, work, and play.”

All those in the chemical industries in Canada live by that very same approach mentioned above, as do Government officials charged with implementing existing legislation and amending it to make improvements where necessary. But, those decisions **must** be based on the science, real science, not one-off studies in support of an activist agenda and fundraising efforts.



For industry insights, articles, and updates on current issues follow or connect with me on LinkedIn!



Gary LeRoux, President & CEO, CPCA



Canadian Paint
and Coatings
Association

Association canadienne
de l'industrie de la peinture
et du revêtement

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May 24 & 25, 2023

CPCA's Annual Conference & AGM
Queen's Landing, Vintage Hotels, Niagara-on-the-Lake

The Association's cornerstone event provides the latest information on the coatings industry in Canada featuring leaders from across North America, covering topics on regulations, coatings innovation, and sustainability.

Registration opens January 1, 2023
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ADVOCACY REPORT

CPCA Advocacy Efforts Supporting a Stronger Canadian Coatings Industry

- CPCA Comments on Several Important Regulatory Developments
- Environment and Climate Change Canada (ECCC) Consults on Proposed Regulations for PAHs in Pavement and Roofing Sealants
- Federal Government to Consult on New Architectural VOC Regulations
- Health Canada to Introduce New Engagement Model for the WHMIS Current Issues Committee (CIC)
- World Coatings Council (WCC) Update on Microplastics, Sustainability Report, and Upcoming Summit
- Chemquest Shares Insight on Global Economy with WCC
- Orr & Boss Issues Global Paint and Coatings Forecast

NOTE: Members requiring further information on any items included in this newsletter can search them on the [CoatingsHUB](#) or contact [CPCA directly](#).

CPCA Comments on Several Important Federal Regulatory Developments

The House of Commons began its Fall session where the content of the Senate Bill S-5 and its 60 amendments to CEPA will be tabled and debated until the end of 2022. As a first round of engagement, CPCA and other industry groups sent a joint statement to the House of Commons Environment Committee. CPCA will follow this important file very closely. The government recently published its final screening assessment (FSA) decisions for the CMP Phase 3 Resins and Rosins Group, which recommends CTO as toxic and proposes to add SNAc requirements to four other non-toxic rosins that are CASE-implicated. Several years following the publication of the FSAR for MEKO, ECCC risk managers have decided to impose a new mandatory instrument that will lower the maximum concentration levels of MEKO for an extended scope of consumer alkyd

be imposed for each category of products are well below 0.1% w/w or at levels where MEKO is no longer effective. CPCA gathered data from members and provided specific comments to government officials regarding the new risk management initiatives for MEKO and rosins.

Federal Government Consults on a Proposed Regulation for PAHs in Pavement and Roofing Sealants

ECCC considers regulations to prohibit the import and manufacture of pavement and roofing sealant products with a combined Polycyclic Aromatic Hydrocarbons (PAHs) content above 1000 ppm in Canada in order eliminate the risk of a regrettable substitution following the prohibition of all coal tar-based sealant products in Canada.

ECCC to Consult on New Architectural VOC Regulations

Officials will soon be releasing a consultation document on proposed amendments to the Volatile Organic Compound (VOC) Concentration Limits for Architectural Coatings Regulations which will endorse US VOC rules restrictions. CPCA will soon meet with officials and continues gathering members' input. Canadian-based non-member SMEs are urged to pay attention to these new restrictions and to join the discussions. While CPCA continues monitoring and advocating for a balanced approach to public policy and regulation, it is time to recognize the tremendous success of the industry on the sustainability front. CPCA members have made great strides in lowering VOC emissions in architectural and other coatings. In the Architectural sector alone more than 90 percent of VOC emissions have been reduced by industry as confirmed by the Federal Government's own study.

Health Canada to Introduces New Engagement Model for the WHMIS Current Issues Committee (CIC)

Health Canada's Current Issues Committee (CIC) on WHMIS will cease to officially exist and will be replaced by a modernized stakeholder engagement process based on the specific nature and technical complexity of the issue at hand. The number and type of stakeholders invited for discussions with officials, on a multilateral or bilateral basis, will now vary according to the issues. Health Canada aims for a more flexible and agile approach to inform its decisions on current issues. CPCA, as a CIC member, has solicited members' input and believes a more formal consultation protocol or firmer process needs to be established to ensure that well-balanced dialogue with industry is maintained at all times.

World Coatings Council (WCC) Update on Key Issues

The WCC microplastics paper challenges any suggestions in media and literature that coatings are a source of microplastics. The paper is all based on the available science as opposed to certain documents casting spurious suggestions otherwise without substantive data. The WCC sustainability report and its related KPIs (Key Performance Indicators) will soon be finalized and shared with WCC members globally for their final review. CPCA members are reminded of the upcoming World Coatings Summit(not WCC, so pls delete) **WCC Summit, co-hosted with Vincentz, in Miami in December 5-7, 2022.**

Chemquest Shares Insight with WCC Members on Global Feedstock Availability

conflict is problematic for the chemicals industry. If gas shortages persist in Germany this winter, this will require rolling blackouts and shutting down large raw material sites like BASF and Covestro. This could have knock-on impacts for feedstock availability for coatings manufacturing. Many companies have a lot of inventory up to 60-day's worth, low demand and high inflation at the moment and this could lead to a recession in NA.

Orr & Boss Issues Global Paint and Coatings Forecast and 5-year economic Impact Study Update

CPCA members can consult the most recent Orr & Boss newsletters as well as the 5-year Insight report expected in the fall on the CPCA CoatingsHUB.

Orr & Boss Global Forecast: The Orr&Boss global paint and coatings forecast was downgraded in Europe, Asia, and North America. Their global forecast now indicates a 1.3% increase in volume and a 12.1% increase in value.

- **North America:** The rising interest rates are causing the housing market to decrease. The decorative coatings should decline by 1.9% in volume and increase in value by 19%. NA manufacturing and industrial production will remain stable. The non-deco industrial coatings markets will specifically grow by 2.7% in volume and 17% in value.
- **Europe:** The demand in Europe will continue to decline with negative volume growth expected in most paint and coatings segments in the second half of 2022.
- **Asia:** Little rebound in the Chinese lockdowns will cause the decorative paint market growth to remain below 10%.
- **Raw material availability:** It is improving globally but still not back to normal levels, and not expected before Q2 of 2023, if no further supply shocks occur. One main concern is the potential European energy crisis driving up raw material prices and causing shortages.

More details on these and other industry issues are available for members on the Canada CoatingsHUB or can be found in the Regulatory RADAR.

Not a CPCA Member? Join CPCA Today!



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CREATING CLEANER AIR **ONE TREE AT A TIME!**

CPCA is a proud supporter of Tree Canada, providing annual donations on behalf of CPCA members, which contributes to reforestation efforts across Canada and helps reduce CO₂ in the air we all breathe.

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GREEN INITIATIVES

Coatings have numerous applications for countless substrates. What's remarkable about the environmental advances in coatings is that they are engineered to perform well under varied conditions and provide advanced performance characteristics to the finished product. This means protection from degradation such as corrosion, abrasion, high or low temperatures, ultraviolet rays, moisture, and microbes. All of these enhance the life-cycle of valuable assets and ensures improved product stewardship and sustainability.

87 Percent of Canadian Consumers Favour Companies with Circular Economy Initiatives

Consumer willingness to **pay more for sustainable goods** has increased by an average of **8% from 2021 to 2022**. Similarly in the US, consumers who strongly agree that sustainable products are reasonably priced have doubled since 2021 (32% vs. 16%).

Signs MoU with Sulzer Chemtech on Sustainable Technologies

BASF now offers its plastic additives, customers, product carbon footprints (PCFs) for several antioxidants and light stabilizers using its proprietary digital solution and validated calculations. **BASF cradle-to-gate PCFs** support customers' CO2 emission reduction targets by improving transparency in the value chain. BASF and Sulzer Chemtech signed a MoU with the goal of advancing technologies for renewable fuels and chemically recycled plastics that will further expand the partners' portfolio of sustainable solutions such as improving the conversion of plastic waste into new plastics.

Sansin Corporation Announces Dec Topcoat, Breathable, Durable Topcoat

The Sansin Corporation, a global leader in environmentally friendly, high-performance wood protection, has launched a new product for deck protection, Dec Topcoat, a waterborne, UV stable, easy to clean, breathable topcoat finish that is highly protective and exceptionally durable.

Dow and Mura Technology to Build the Largest Advanced Recycling Site in Europe

The two companies announced the next step in their ongoing collaboration to help solve the global plastics waste issue and **advance circularity**. Dow's climate and circularity target is to enable 1 million metric tons of plastic to be collected, reused or recycled by 2030 and Mura's HydroPRS™ advanced recycling process is unique, as it uses supercritical steam to convert most forms of plastics previously deemed 'unrecyclable.'

Clariant Oil Services Launches D3 PROGRAM to Support Carbon Reduction and Sustainability in the Oil Industry

Clariant Oil Services introduces the D3 program to help customers reduce carbon emissions and enhance safe operations. The initiative optimizes customers' onshore and offshore operations and introduces more environmentally acceptable formulations as energy demand soars. D3 is comprised of three key pillars: Decarb, Densify, and Detox.

AkzoNobel Researchers Discovered New Ways to Create the “Perfect Impasto” of Rembrandt’s 17th-century masterpiece ‘The Night Watch’

AkzoNobel and the Rijksmuseum have partnered to innovate in the restoration of the 377-year-old painting by gaining a better insight into the relationship between Rembrandt's rheology and practical paint-application behaviour. The AkzoNobel research showed that in order to obtain the 3D effect there is no need to add egg yolk to the paint mixture as previously believed. A 30:70 ratio of boiled raw linseed oil and lead white creates the perfect impasto paint, an alternative recipe to use for the restoration project.

Safeguarding Wind Turbine Blades with Polymeric Technology Supports a Net-Zero Future

According to the 2021 **State of Climate Action Report**, wind and solar electricity generation needs to increase by between 72.97-74.7% in order to meet the Paris

CPCA and its membership are Proud Sponsors of Tree Canada and participate in the National Greening Program.

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MEMBER **RECOGNITION**

If you or your colleagues have important information to report about your company such as awards or special recognition, please inform CPCA

PPG Upholds EcoVadis Gold Rating for Sustainability Progress

PPG has maintained a **Gold Rating in corporate social responsibility** from EcoVadis, a trusted business sustainability ratings platform.

Axalta Innovation Wins Globally Distinguished R&D® 100 Award

Axalta's **Abcite® 2060** Thermoplastic Flame Spray Powder Coating has been named a 2022 R&D 100 Award winner for providing best-in-class protection against corrosion and driving productivity. In addition, Imron® Industrial High-Performance Urethane Primer was named a finalist. Both support the company's 2030 Sustainability Goals.

Great Place to Work and Fortune Magazine Recognize Dow for Workplace Culture

Dow has earned a place on the **Great Place to Work®** and FORTUNE 100 Best Companies to Work For® list, for the second consecutive year. Dow is the only materials science company to be recognized and one of only four manufacturing companies to make the list.

PPG Antimicrobial and Antiviral Paints Recognized at the 2022 R&D® 100 Award

Two of PPG's industry-leading antimicrobial and antiviral products have been recognized within the Mechanical/Materials category – **COPPER ARMORTM** antimicrobial paint with Corning® Guardiant® technology and COMEX® VINIMEX® TOTAL.

Appointments in the Industry

- Axalta Promotes Diane Nash to Director, Global Product Stewardship and Regulatory Compliance
- AkzoNobel Appoints Jeff Jirak New Director of Powder Coatings Business
- PPG to Announce New Executive Vice President Leadership Change

Read *CPCA's Economic Impact Study* which provides an overview of the real contributions made by the Canadian Paint and Coatings Industry to the Canadian economy.



CANADIAN ECONOMY

Conference Board of Canada Update: GDP Inched up by 0.1 Percent

Although the GDP growth of 3.3 per cent in Q2 was weaker than **the Bank of Canada had projected**, the economy continues to operate in excess demand but should moderate in the second half of 2022. Canada's merchandise trade surplus narrowed to \$ 4.1 billion in July but this reduction in the trade balance was largely driven by the drop in oil prices and the looming fears of a recession that is slowing down global growth as well as partial lockdowns in China. Weakening consumer confidence suggests households' spending will increasingly cut back on non-essential. Nevertheless, the savings rate is more than double of what it was prior to the pandemic and has remained resilient. Q2 softening gas prices have raised hopes that inflation may be peaking. Sharp interest rate rises contribute to weaken hiring activity.

The Bank of Canada Raises Interest Rates by 75 Basis Points But is Not Done Yet

The Bank rate is at 3.5 per cent and the deposit rate at 3.25 per cent. Even though CPI inflation eased in July to 7.6 per cent, the **core measures of inflation continue to move up** and the policy interest rate needs to rise further to bring inflation down to 2 per cent.

CPI Down a Little More in August

In August, the **Consumer Price Index** (CPI) rose by 7.0 per cent (y/y), following 7.6 per cent increase in July. Gasoline prices fell by 9.6 per cent (m/m) but are still 22.1 per cent higher than a year ago. But this inflationary bout may be entering a new phase as domestic wage growth in the months to come may prolong the inflation.

Canada's Manufacturing Numbers Show Supply Chain Issues Resolving, But Manufacturing Sales Declining

Manufacturing inventories have been on a near-continuous increase since last year, reaching new record highs. High prices for raw materials, the largest component of inventories, have mainly contributed to the increase. Although unpredictable lockdowns in China may create future bottlenecks, current global shipping costs and delivery times are now on the decline causing the price of **goods manufactured in Canada to decline** for the third straight month. Nevertheless, July manufacturing sales are lowering in half of the provinces as well as new orders, such as for aerospace, motor vehicles.

Manufacturing Hit Hardest by Climate-related Disasters

Floods, drought, and storms could result in a **total loss of \$139 billion to Canadian gross domestic product** (GDP) between 2022 and 2050. Canada is warming at double

CPCA's Monthly Report covers recent global mergers and acquisitions and various commercial agreements within the CASE industry and multiple sectors. Members are encouraged to access the Report on the Canada CoatingsHUB.



[Read the Monthly Report](#)



TECH INNOVATIONS

New Antibacterial Coating Development

- **Michigan Researchers Develop Antibacterial Coating**
The coating proved deadly to SARS-CoV-2 and many other pathogens. Even after months of cleaning and traditional wear and tear on real-world surfaces, the coating still killed 99.9% of microbes.
- **Antibacterial Chitosan Based Coatings**
See this novel way of producing antibacterial noncytotoxic coatings for medical device applications.
- **UBC Researchers Develop New antibacterial Nano-copper Coating for High-Traffic Facilities**
The new coating kills bacteria faster and in greater amounts than current formulations and could soon be available for hospitals and high-traffic facilities. It kills 99.7% of Staphylococcus aureus in just one hour.

Novel Membrane Shows High Filtering Effects on Wall Paint Dispersion

Bayreuth researchers developed a new process to remove potentially harmful particles from the dispersion of wall paints into wastewater by filtration. This involves the use of a membrane made of functionalized fibers produced by the electrospinning process. The membrane retains micro- and nanometer-sized particles through fine pores and via interactions between the membrane fibers causing nanoparticles to stick to its surface even though they would fit into the pores. No large-scale clogging is observed. The membrane is able to retain typical color components (i.e. nanoTiO₂).

Painting Asphalt Art Makes Roads Safer

According to a 2022 study, city streets are reportedly safer for pedestrians when the asphalt roadways are painted with art, reducing the rate of car crashes involving pedestrians or cyclists by 50%.

Nanocomposite Coating to Enable Point-of-care Testing of Dopamine

This unique waterborne carbon nanocoating technology provides a point-of-care testing method for dopamine, which **helps the diagnosis and treatment** of diseases such as Parkinson's and depression.

University of Waterloo Engineer Develops Bio-Bricks Running Up in Global Competition

[fully sustainable brick supplies](#) with similar properties at a competitive price.

New Product: Defect Detection Tech

To this date, laboratory personnel relied on [visually evaluating samples](#) when developing a new formulation, which limits the scope for innovation. Coatino Defect Detection (CDD) simplifies daily laboratory routine and frees up formulators for other important tasks.

Newly Ice-shedding Coating 100 times Stronger Than Others

A [University of Houston researcher](#) developed a new sprayable durable coating material that has been tested by Boeing under the worst conditions and has outperformed current state-of-the-art aerospace coating technologies.

Graphene Nanoplatelets Outperform Traditional Protective Additives

[Graphene nanoplatelet dispersions](#) can enable high-performance paints and coatings to effectively protect a substrate against harsh chemicals in highly aggressive environments.

New Technology Allows Logistics and Warehouse Managers Build Unique and Tailored Automation Solutions

[Major advances](#) in software planning technology for the mobile robot market are allowing the coordination of multiple robots from heterogeneous fleets coming from diverse providers in a warehouse environment.

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Market Research Reports

Now available on the [Canada CoatingsHUB for Members Only](#)

Other CPCA Statistics and Research for Members on the [Canada CoatingsHUB](#)

CPCA Monthly Reports on M&A and Distribution Agreements

Each month CPCA updates recent M&A activity as well as various commercial agreements by members and others in the industry of interest to all members. [The current list is available on the Canada CoatingsHUB \(For Members Only\)](#)

CPCA has compiled international market research reports for 2026-2030 for multiple market segments.

[View the Reports](#)





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