



Canadian Paint  
and Coatings  
Association

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



# ECONOMIC IMPACT REPORT

*Canadian Paint and Coatings Industry Making  
Real Contributions to Canada's Economy*

**ORR & BOSS**  
Creating Client Value

Industry embraces the United Nations  
Sustainable Development Goals of  
relevance to the coatings industry.

2 ZERO  
HUNGER



3 GOOD HEALTH  
AND WELL-BEING



6 CLEAN WATER  
AND SANITATION



7 AFFORDABLE AND  
CLEAN ENERGY



8 DECENT WORK AND  
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



13 CLIMATE  
ACTION



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The Economic Impact Study is published every three years by the Canadian Paint and Coatings Association (CPCA). CPCA engaged an independent consultant Orr & Boss to conduct research and market analysis of the Canadian Paint and Coatings Industry including the coatings, adhesives, sealants and elastomers (CASE) sectors. CPCA strives to provide economic updates that are accurate and relevant to industry. CPCA is not responsible for information that may be outdated at the time of distribution of this publication.

### Canadian Paint and Coatings Association

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Founded In 1947 by Leslie Orr and Harold Boss, Orr & Boss is a management consulting firm focused on the paint & coatings industry. From the very beginning, our philosophy has been to create value for our clients by improving their profitability. In the 1970s, Orr & Boss began to specialize in the Coatings, Adhesives & Sealants, and Elastomers (CASE) industries. In the 1980s, Orr & Boss moved its international headquarters from London to North America. The firm is now headquartered in Toronto, Ontario Canada with consultants located around the world.

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*This report was independently produced by Orr & Boss.*





A strong coatings industry is critical  
in helping others reduce 'their'  
environmental footprint.

# Executive Summary

In Canada, CPCA members have more than 200 coatings, adhesive and sealant (CASE) manufacturing establishments, supply products to more than 5,000 retail stores and 8,000 auto body shops. This represents product shipments of \$3.8 billion in 2022 and annual direct and indirect sales of more than \$19.5 billion, employing directly and indirectly over 82,000 employees.

The paint and coatings industry includes a wide range of coatings, adhesives, sealants as well as elastomers, commonly referred in the industry as CASE. CPCA members represent 85 percent of the volume in that industry in Canada. The coatings industry is a key driver of economic activity in Canada with substantial economic impacts generated directly, indirectly and induced. The industry is an important and dynamic part of the nation's economy with a pivotal role in protecting valuable assets and manufactured goods in use everyday. This includes coatings that extend the life of Canada's most critical infrastructure such as pipelines and bridges; protects a family's most valuable assets such as their homes and automobiles; and everyday items from chairs to cell phones. More than just the paint on walls and garage floors, there are many highly performing functional coatings that require extensive investment in technology, innovation and R&D. **All of this is delivered by an industry increasingly focused on product stewardship and sustainability.**

The Canadian coatings industry is an economic driver with an annual economic impact of \$19.5 billion. Just about everything that is manufactured has a coating, adding value to every product made with enhancements related to aesthetics, performance and life-span. **This report focuses on the economic**

## **impacts of the coatings industry revealing the multi-dimensional nature of the sector in Canada.**

The coatings industry generates employment in excess of **82,000 jobs, which tend to be higher paying jobs than those in other industries.** Adding induced jobs the number exceeds 130,000, which shows paint and coatings products touch many end-use markets such as construction, automotive, oil & gas, mining, wood and metal products, aerospace, machinery, paper, metal containers, coil, transportation equipment and general industrial manufacturing.

Paint and coatings continue to make massive investments in research and development (R&D) generating new technologies in product formulations. All have led to increasingly more functional coatings for residential, commercial and industrial segments. A strong coatings industry is critical to maintaining and improving Canada's overall economic performance as reflected in its **contribution to Canada's Gross Domestic Product (GDP) estimated at \$8.5 billion annually.**

## **Sustainable Coatings**

**CPCA members have made great strides in advancing sustainability across its many product segments.** For example, it has lowered VOC emissions in 'architectural coatings' with 90 percent emissions reduction in Canada to date equalling 40 kilotonnes. Paint manufacturers also pay 100% of the costs of waste paint recycling in Canada with a program in every Province leading to approximately 20 million kilograms of paint recycled annually. Antifouling 'marine coatings' contain eco-efficiency benefits when applied to tankers, bulk cargo, and other vessel types reducing greenhouse gas and



other emissions by an average of 9 percent leading to vast reductions in global shipping costs and an estimated 2–4 percent of total global greenhouse gas emissions. Cool ‘roof coatings’ enhance the ability of commercial buildings and homes to regulate temperature reducing energy usage and savings between 10 and 70 percent. ‘Corrosion-resistant coatings’ for water transport improves pipeline infrastructure for both potable and non-potable water. ‘Automotive monocoat coating’ technology results in more durable paint, use less energy and water and reduces CO<sub>2</sub> and particulate matter.

The corporate strategies of coatings companies by both manufacturers and suppliers are aligned with the coatings industry’s long-standing commitment to worker and product safety, first evidenced in the principles of Coatings Care®. The industry is now embracing the United Nations Sustainable Development Goals of relevance to the coatings industry with more sustainable products that help other industry sectors extend the life-cycle of their assets and reduce ‘their’ environmental footprint.

## Fair Regulations

**The industry does not rely on government subsidies, but as one of the most highly regulated sectors in the economy it seeks to have a level playing field on which to compete.** If there are to be regulations they must be appropriate regulations. Given the highly integrated nature of the North American economy, especially with the United States, the industry seeks greater alignment of regulations between the two countries to facilitate positive trade flows. This is especially important for Canada with close to half of the coatings used in Canada now imported from the United States. Despite some challenges in this regard the industry continues to deliver substantial economic impacts for Canada as this study reveals.



## Economic Impact

**Economic impacts are defined as changes to an economy because of a specific undertaking or activity.** With those activities come benefits impacting the size and structure of an economy. This happens as goods and services are produced and purchased resulting in direct inflows of capital for construction of new facilities or delivery of new and better services. The ‘shipment’ of goods noted in this report is defined as goods produced or imported and sold in the Canadian market.

A summary of the total economic impact of the paint, coatings, adhesives, and sealants (CASE) industry is as follows:

- Annual direct and indirect economic output of **\$19.5 billion**
- Paint & Coatings product shipments of **\$3.7 billion** in 2022, up 12 percent from 2021
- Annual direct and indirect employment of **82,856**
- Estimated total annual ‘direct and indirect’ wages and salaries of **\$4.93 billion**
- Average annual paint and coatings wages and salaries was **\$51,860**
- Wages and salaries are **18 percent higher** than the national average in Canada
- Annual induced employment of **48,130**
- Estimated annual total ‘induced’ wages and salaries of **\$2.2 billion**
- Annual contribution to GDP of **\$8.54 billion**
- Annual federal and provincial taxes generated is **\$2.9 billion**
- Ontario and Quebec are the leading beneficiaries of the Canadian paint and coatings industry with an estimated 44 percent and 22 percent share of GDP as noted above, respectively
- Manufacturing and sales is the key driver of economic output, including adhesives and sealants, accounting for **30 percent of the overall economic output**.
- Raw material suppliers/distributors, professional coatings contractors, and retail stores combined account for the remaining **70 percent of overall economic output**.

**Tables 1.1 and 1.2** summarize the data noted above. **Table 1.1** provides information on Output, Wages & Salaries and Employment. **Table 1.2** provides information, by province, on GDP that includes total taxes collected and induced employment. Output and GDP differ in that output is the ‘cumulative sales revenue at each step of the process’ whereas GDP is the ‘value-added at each step of the process’ and thus represents the unduplicated value of economic activity.

### Summary of Economic Impact of the Paint and Coatings Industry CAD \$M

Summary of...	Direct	Indirect	Total Economic Impact
Output	\$ 5793	\$ 13,666	\$ 19,459
Wages and Salaries	\$ 581	\$ 4,347	\$ 4,928
Employment (Number of Jobs)	7110	75,746	82,856

Table 1.1

### Summary of GDP, Taxes, and Induced Employment CAD \$M

Province	Total GDP by Province	Total Taxes Collected	Induced Employment
Ontario	\$ 3,757	\$ 1,285	20,328
Québec	\$ 1,897	\$ 691	10,822
Alberta	\$ 1,029	\$ 284	5,797
British Columbia	\$ 949	\$ 335	5,918
Manitoba	\$ 256	\$ 87	1,574
Saskatchewan	\$ 157	\$ 51	957
Nova Scotia	\$ 181	\$ 66	1,123
New Brunswick	\$ 154	\$ 56	938
Newfoundland & Labrador	\$ 80	\$ 28	474
Prince Edward Island	\$ 30	\$ 11	194

Table 1.2

**The Canadian paint and coatings industry has proven to be a strong and steadily growing industry with an average of 11.9 litres of paint used by each Canadian annually.** A highly regulated sector, paint and coatings has shown tremendous responsibility in cooperating with all levels of government to ensure products are safe to human health and the environment, while still performing to the standards expected by customers.

Recent federal government testing of architectural paint products revealed strong industry compliance with VOC regulations in Canada. The industry reduced VOC emissions by more than 75 percent over the past 15 years with 95 percent of architectural coatings now water-based and emissions reduced by 40,000 tonnes. As part of the industry’s ongoing sustainability efforts it also recycled more than 20 million kilograms of paint in Canada in 2023 and the number continues to grow annually. CPCA urges the entire industry, including non-members and end-users, to continue maximizing economic benefits in a sustainable manner and to ensure full compliance with existing laws. **CPCA works closely with all levels of government to help develop appropriate regulations for industry and to promote compliance with existing regulations thereby ensuring strong and sustainable industry brands for the future.**





## Introduction

The Canadian Paint and Coatings Association (CPCA) engaged Orr & Boss to determine the estimated economic impact of the Canadian paint and coatings industry. This is a follow-up study to the one that was completed in 2017. The structure of this report is very similar to the one that was completed in 2017 and methodology that Orr & Boss used was like that in 2017 with the exception that in this analysis, we used an economic input/output software called IMPLAN to assist in the analysis. The IMPLAN software helped us better analyze the indirect impact, GDP, taxes collected and induced impact.

The study objective was to obtain a greater understanding of the current economic contributions generated by industry outputs using key economic indicators such as contributions to GDP, government taxes paid and employment generated. The key types of impacts considered are noted below.

### Direct Impacts

Total employment, output, and GDP directly generated by the paint and coatings manufacturing industry, which also includes adhesives and sealants manufacturing.

### Indirect Impacts

Other economic impacts are generated by the industry because of the purchase of goods and services, such as raw material supplies, to produce a wide range of products and the downstream impacts from related sales and applications.

### Induced Impacts

Personal expenditures by people or firms having received wages and salaries or revenues in support of business operations for purposes such as facility construction, facility operations, event staging, production of indirect goods and services, etc.



## Data Sources

Data presented in this report was collected from several sources. The major ones are as follows:

- Interviews with CPCA member companies
- Government data sources such as Statistics Canada and Industry Canada
- CPCA data collected from member companies
- Private Commercial Data providers including IMPLAN and Dun & Bradstreet

## Orr & Boss Consulting Incorporated

Orr & Boss Consulting Incorporated, headquartered in Toronto, is a leading management consulting firm to the paint and coatings industry. Orr & Boss Consulting, founded in 1947, is an experienced, highly respected international management, marketing, and strategic planning consulting firm. For more than three decades, Orr & Boss has specialized in the coatings industry, and has worked for many of the leading coatings manufacturers and the raw material suppliers to those companies. It has also worked for many of the smaller regional formulators and suppliers across Canada and around the globe.

## Impact Report Overview

Orr & Boss Consulting Incorporated (O&B) was engaged by the Canadian Paint and Coatings Association (CPCA) to estimate the direct and indirect economic impacts of the Canadian paint and coatings industry. For the purposes of this study, the Canadian paint and coatings industry consists of companies engaged in the development, manufacture and distribution of a wide variety of paint and coatings product that is best categorized as CASE (coatings, adhesives, sealants and elastomers). **It includes data for both members and non-members of the Association.** CPCA represents member companies constituting 90 percent of the volume of paint and coatings sold in Canada.

Since 1913, CPCA has represented Canada's major paint and coatings manufacturers and their industry suppliers and distributors in three primary product categories: architectural, industrial, and automotive. These members include large national and multinational companies as well as small and medium-sized enterprises (SME), which have a long and established presence in the Canadian market. Some of the SMEs are family-owned companies involved in niche markets for many decades. In Canada, CPCA members have more than 200 coatings, adhesive

and sealant (CASE) manufacturing establishments, supply products to more than 5,000 retail stores and 8,000 auto body shops. This represents product shipments of \$3.8 billion in 2022 and annual direct and indirect sales of more than \$19.5 billion, employing directly and indirectly over 82,000 employees.

A number of CPCA member companies are also engaged in the development, manufacture, distribution and use of adhesives and sealants (A&S). A&S products are normally sold beside paint in retail establishments and are included in the "*paint aisle*" sales in more than 8000 retail sites across Canada. Twenty-five CPCA members companies manufacture or distribute adhesives and sealants products. Thus, the A&S sector is included in the study.

**The major change in the coatings industry during the last 40 years has been the adoption of new coating technologies with extensive investment in R&D establishments by large, small and medium-sized enterprises. These investments have driven innovation in product development and created a highly competitive industry.** Until the early 1970s most coatings were conventional low-solids, solvent-based formulations and water-borne (latex) paints. These were used in architectural applications accounting for only 20 percent of the total. In the late 1970s the federal government introduced codes of practice for volatile organic compounds (VOCs) which were emission controls with several focused on industrial coatings applications. This initiative stimulated the further development of low-solvent and solvent-less coatings that could reduce VOC emission levels from coatings. Energy conservation and rising solvent costs were also a contributing factor to this shift.

These new coatings technologies included waterborne coatings (thermosetting emulsion, colloidal dispersion, water-soluble), high-solid coatings, two-component systems, powder coatings, and radiation curable coatings. Recent regulations in 2010 for lower VOC concentrations in both architectural and automotive refinish coatings led to a tremendous increase in waterborne coatings for architectural use. Water-based coatings now represent more than 95 percent of the total architectural volume. VOC emissions from both architectural and automotive paint and coatings were reduced by a further 75 percent over the past ten years as a result of new federal government VOC regulations introduced under CEPA (Canadian Environmental Protection Act) in 2010.



Coatings provide two primary functions — decoration and protection — both of which are of considerable economic importance. About 50 percent of the coatings produced worldwide are used to decorate and protect new construction as well as to maintain existing structures, including residential homes and apartments, public buildings, plants and factories. These are referred to as “*architectural or decorative*” coatings or simply as “*paints*.” Another 35 percent of coatings are used to decorate and/or protect industrial products called “*product finishes*.” Without coatings, product life cycles are shortened and in some cases drastically reduced. Many products made for general consumption would not even be marketable due to environmental degradation or wear and tear or simply lack the necessary aesthetic appeal. Most of the remaining coatings, called “*special purpose*” are used for miscellaneous applications such as traffic paints or markings, vehicle refinishing, high-performance coatings for industrial plants and equipment, and the protection of marine structures and vessels.

The CASE industry in Canada consists of raw material suppliers, raw material distributors, manufacturers, wholesalers, retailers (home centers, lumber and building suppliers, paint and hardware stores), professional contractors, and end users. **The approach of this study was to estimate the economic activity in terms of output and the salary and wages generated by employment for all paint, coatings, adhesives, sealants and elastomers used for industrial and commercial activities in Canada.**

Paint and coatings products are used in many different end-use segments, on many different substrates, whether for metal, wood, plastic, paper, glass, rubber, ceramic, concrete, or composite with a vast and diverse range of products. In fact, almost all end-use segments use some form of paint, coatings, adhesives or sealants in manufactured finished goods. Thus, the key drivers of the coatings manufacturing industry are generally the drivers of the overall Canadian economy (e.g., construction, transportation, energy, etc.). Key segments in the Canadian paint and coatings industry include: architectural coatings, automotive OEM, automotive refinish, coatings for other means of transportation, industrial maintenance and protective, wood, powder, coil, packaging, general industrial, and marine coatings.

They are also used in the oil & gas, mining, paper, pharmaceutical industries as well as other application like infrastructure project and power

generation plants. Most common types of industrial coatings include inorganic zinc, phosphate and pharmaceutical industries as well as other application like infrastructure project and power generation plants. Most common types of industrial coatings include inorganic zinc, phosphate and physical vapour deposition. Polymers used in these coatings are fluoropolymer, polyurethane, epoxy and moisture-cure urethane.

## Types of Paint and Coatings

The industry goes way beyond simply color and encompasses many types of coatings used on every type of surface or substrate imaginable for many different value-added purposes.



### Automotive OEM Manufacturers

These are paints applied to passenger cars, light trucks, and vans (light commercial vehicles) at assembly plants as well as by Tier 1 suppliers, with

a wide range of applications that include phosphate, electrocoating, primers, basecoat, pigments, clearcoat and more.



### Automotive Refinish

These coatings protect a vehicle's body from external elements like extreme temperatures and UV radiation and from deterioration caused by foreign

particles such as stones and other debris. The materials are friendly to the environment and are either water-borne products or low solvent products.



### Coil coating

Coil coating is the continuous and highly automated industrial process for efficiently coating coils of metal.

Formed components can have many holes, recessed areas, valleys, and hidden areas that make it difficult to clean and uniformly paint or coat. The coil coating process according to EN 10169, is a process in which an (organic) coating material is applied on rolled metal strips in a continuous process, which includes cleaning if necessary or chemical pre-treatment of the metal surface.



### Architectural

Also called decorative paint used to paint the interior or exterior of homes. These paints are purchased

and applied by homeowners (Do-It-Yourself or DIY) or professional contractors.



### General Industrial Finishes

Different industry sectors require finishes for their products such as steel, other metal, and plastic product manufacturers; automotive spare-parts vendors; heavy industrial machinery and transformer producers; metal furniture makers; and appliances.



### Industrial Maintenance (IM) and Protective Coatings (PC)

Used for their protective and aesthetic properties they are used primarily for corrosion control of steel structures like bridges, underground pipelines and offshore platforms. They are also used in the oil & gas, mining, paper, pharmaceutical industries as well as other application like infrastructure project and power generation plants.



### Marine

These coatings are waterproof, protective layers that fight corrosion and fouling of ships, ferries and other ocean-bound materials. Coatings include clear, base and top coats; paints, primers, varnishes and stains; inks, marking materials and sealers or surface sealants. They are categorized according to technology (e. g. laser fusing and laser marking, film drying and air setting, reactive or moisture curing, UV radiation) and are designed for specific substrate materials (e. g. aluminum, fabrics, bitumen, rubber, concrete).



### Packaging Finishes

Water-based and Ultraviolet (UV) coatings offer matte or glossy finishes. Water-based coatings are less expensive, and some are used to ensure food contact safety upon approval by food regulatory agencies. UV coatings are costlier but more advantageous as the finishes are more pronounced and brighter colours. They protect against scuffing and abrasions and come with more options like scents, textures and fibres.



### Powder

Available in different chemistries and systems to provide protective and decorative finishes for various end uses, especially for metal objects, MDF, glass and plastics. They do not contain solvent, have

little impact on the environment—emit no VOCs—produce thicker coatings without risk of sagging, and provide excellent paint finishes.



### Transportation

These are paints and coatings are applied to railcars, airplanes, helicopters, heavy-duty trucks, buses, and other transportation vehicles. Water-borne, solvent-borne or powder resins are offered for transportation applications with consistency in colour, brand and styling. The resins offer protection from corrosion, abrasion, temperature oscillation, chemicals, and weathering.



### Industrial Wood Finishes

Industrial wood coatings are applied at wood product manufacturing factory locations by manufacturers of furniture manufacturers, trim & paneling, flooring plants, and cabinets. These include highly durable surface coatings, clear protective finishes, non-clear finishes, penetrating oil products, waxes to seal and protect wood, enhancing wood stains, glazing, bleaching, and more.



### Adhesives

A substance that sticks to the surface of an object, such that surfaces become bonded. It is used interchangeably with cement, glue, mucilage or paste offering various advantages including being able to bond different materials together using a more cost-efficient mechanized process, increased design flexibility, and improved aesthetic design. Adhesives can be made naturally or synthetically.



### Sealants

Used to block the passage of fluids through the surface, joints or openings in materials. Also known as adhesive-sealants or structural sealants, they may be permanent or temporary, strong, or weak, flexible or rigid. They are effective in waterproofing processes and provide thermal and acoustical insulation. Most popular sealants are anaerobic acrylic sealants because they cure in the absence of air.



The background image shows the front of a blue car in a parking lot, with its headlights and side mirror visible. The image is overlaid with large, semi-transparent geometric shapes: a light green trapezoid at the top, a dark blue triangle on the left, and a dark blue trapezoid at the bottom. The text is centered in the middle of the image.

The 8,000 automotive body shops are one of the major users and economic drivers for paint and coatings products in Canada.



# Canadian Paint and Coatings Industry

**In 2022, Canadian paint and coatings industry shipments were estimated to be \$ 3.8 billion.** This includes sales of paint at the paint company level and all paint sold into the Canadian market whether it is manufactured in Canada or imported into Canada. The market grew at a 14 percent rate from 2021.

Size of the Canadian Paint and Coatings Market

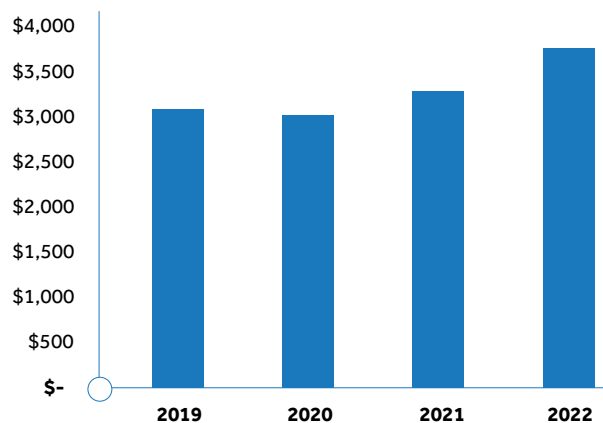


Figure 2.1

The key segments of the Canadian paint and coatings industry are Architectural, Industrial Wood, Automotive OEM, and Automotive refinish coatings. These four segments account for nearly 82 percent of the value of the market. Other key segments include Industrial Maintenance and Protective Coatings (IM & PC), General Industrial, Wood, and Coil. **Figure 2.2** and **Table 2.1** provide a breakdown of the Canadian paint and coatings market. The data presented is based on sales at the paint company level.

Canadian Paint and Coating Market Value (\$)

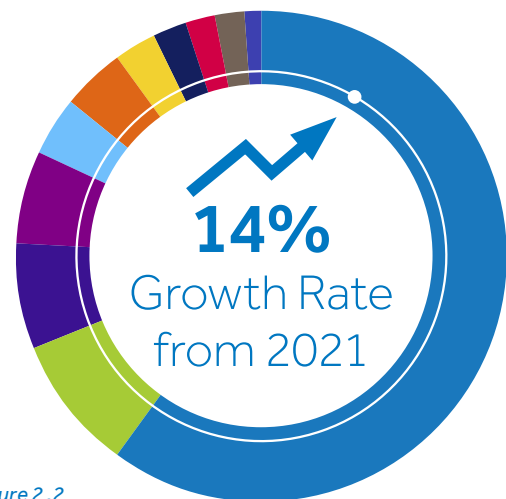


Figure 2.2



## Canadian Paint and Coating Market Value (\$)

Industry Segment	Millions of Litres				Millions of CADs			
	2019	2020	2021	2022 E	2019	2020	2021	2022 E
Architectural	299	307	318	311	\$ 1,1776	\$ 1,833	\$ 1,995	\$ 2,244
Auto OEM	36	25	21	23	\$ 329	\$ 250	\$ 199	\$ 244
Auto Refinish	9	8	7	8	\$ 193	\$ 162	\$ 203	\$ 246
IM & PC	20	18	17	18	\$ 138	\$ 133	\$ 134	\$ 155
General Industrial	23	20	21	22	\$ 134	\$ 129	\$ 144	\$ 164
Industrial Wood	47	44	45	47	\$ 257	\$ 261	\$ 282	\$ 334
Coil	10	10	10	9	\$ 82	\$ 83	\$ 120	\$ 126
Powder	11	10	10	11	\$ 63	\$ 60	\$ 71	\$ 85
Packaging	10	10	10	11	\$ 44	\$ 48	\$ 56	\$ 64
Other Trans	5	4	4	4	\$ 49	\$ 40	\$ 62	\$ 71
Marine	1	1	1	1	\$ 19	\$ 20	\$ 20	\$ 23
<b>Total</b>	<b>471</b>	<b>458</b>	<b>467</b>	<b>466</b>	<b>\$ 3,083</b>	<b>\$ 3,017</b>	<b>\$ 3,286</b>	<b>\$ 3,757</b>

Table 2.1

## Paint & Coatings Industry Value Chain

The industry key players are listed below.

### Paint Manufacturers

These are the companies that manufacture the paint and coatings. Some of these companies have plants in Canada while others manufacture in the United States or elsewhere and import them into Canada. In either case, they likely have locations across Canada to manufacture, warehouse and distribute coatings.

### Raw Material Suppliers

These are the companies that supply raw materials to paint and coatings companies in Canada. Many of the Canadian paint and coatings raw material suppliers are multinational companies with plants located around the world. In many cases, these companies produce raw materials outside of Canada but have sales and administration offices within Canada as well as warehouses. In other cases, the raw material suppliers manufacture the raw materials in Canada. Examples include calcium carbonate production, titanium dioxide production, and packaging materials (paint cans, lids, and labels).

### Raw Material Distributors

In some cases, raw materials are sold to paint and coatings manufacturers not by the raw material manufacturers but by distributors who purchase raw materials from raw material manufacturers or international distributors. They then warehouse them, formulate certain batch mixtures in some cases and sell directly to Canadian paint and coatings manufacturers. For the purposes of this

study, the distributors are included in the raw material supplier data.

### Paint Accessories and Allied Products

In addition to the paint sold and consumed in Canada, there are a host of ancillary products that are needed to apply paint. These include brushes, rollers, tape, sand paper, and many other items. Some of these items are manufactured in Canada while others are imported, warehoused and distributed in Canada. In either case, they are contributing to the economic output in Canada.

### Paint Stores and Retailers

Paint companies sell their product to their customers in a variety of ways. Some paint companies have corporate owned stores where the paint companies own and operate retail stores. In other cases, the paint is sold through independently owned and operated paint stores. These are all 'retail' outlets and fall into several categories including hardware stores like ACE and Home Hardware, big box stores like Home Depot and Lowes, mass merchants like Walmart and various Lumber & Building supply stores. Some privately owned retailers are also 'brand owners,' which have operating agreements with paint manufacturers for private label products.

### Paint Users

Besides the public who regularly purchase paint for DIY projects, there are three main groups of paint users in Canada as follows: 1) trade contractors, 2) professional applicators, and 3) auto refinishing body shops. Trade contractors buy paint from paint stores and/or retailers under contract to a business or

homeowner and apply the paint or coating to various types of substrates. Most of these contractors specialize in painting homes for individual homeowners. Professionally trained applicators specialize in large commercial or institutional jobs and in industrial maintenance painting. These include contractors who specialize in applying paint and coatings in manufacturing plants like chemical and petroleum plants, paper plants, industrial building sites, and other manufacturing companies. Examples of structures painted or repainted include tanks and other types of holding equipment, commercial or plant flooring, bridges and buildings, and boats. Also, there are painters who work in a factory setting applying paint to a product such as those employed at an automotive assembly plant working in the paint shop; furniture manufacturing facility applying paint to furniture or wood fixtures; or paint applied at other OEM manufacturing facilities such as for heavy equipment, computers, sporting goods, containers, machinery, pipes, etc.

The final major user of paint and coatings in Canada are the 8000 automotive body shops. The body shops buy paint from either the paint companies directly or through distributors, sometimes referred to as jobbers in the body shop industry, and apply paint in an aftermarket setting to cars and trucks. Most often the paint is applied after a collision occurs.

## Plant Equipment

Similar to raw material suppliers, plant and lab equipment suppliers sell to paint companies manufacturing paint and coatings in Canada. Examples include tanks, pumps, piping, conveyors, cans, totes, packaging materials and quality control and quality assurance lab equipment.

## Freight Companies

Freight companies are employed across Canada to ship product across the country. These companies move the paint from the manufacturing or warehouse sites to the actual retail or paint store locations. Paint manufacturers and suppliers or distributors also have their own fleets.

## Product Stewardship

The Canadian paint and coatings industry is a leader in the management of paint waste. Throughout Canada there are organizations that specialize in the handling and recycling of unused paint products on behalf of the manufacturers or brand owners. The paint and coatings industry supports these ongoing stewardship initiatives, which are now an integral part of the circular economy approach to handling products. Examples of these organizations include Eco-Peinture, Product Care and Alberta Recycling Management Authority.

## Paint and Coatings Value Chain



Figure 2.3

The coatings industry creates employment with wages that are 18% higher than other sectors while contributing \$8.4 billion to Canada's GDP.



# Economic Impact of The Canadian Paint and Coatings Industry

In this section of the report, the economic impact of the Canadian paint and coatings industry was categorized into two types of economic impact. The **direct impact** or the economic impacts resulting from business activity by coatings companies themselves, which is the revenue generated by those companies. The **indirect impacts** consider the "**multiplier**" effect of the coatings industry in Canada. When paint and coatings companies procure raw materials, they generate economic activity by their raw material suppliers and distributors. Also, when the end-users of paint and coatings buy the products, economic activity is generated at the paint store or retailer end of the supply chain. At all these points in the value chain, employment is generated with attractive wages and

salaries paid in the various segments. The output is the total sum of all economic activity from both the direct and indirect impacts along the supply chain. Section V of the report will investigate the impact on GDP, tax revenue and other induced benefits.

## Paint Manufacturers

The size of the Canadian paint and coatings market is estimated to be **\$3.8 billion** based on shipments at wholesale prices. **Ontario and Quebec are the leading provinces** accounting for 59 percent of the employment and 61 percent of the revenue. These two provinces account for 61 percent of the population and 58 percent of the total GDP of Canada.

Paint Manufacturers Employment and Revenue CAD \$M

Province	Paint Company Employment	Paint Company Output
Ontario	2,397	\$ 2,220
Québec	1,204	\$ 980
Alberta	314	\$ 138
British Columbia	315	\$ 286
Manitoba	96	\$ 42
Saskatchewan	82	\$ 36
Nova Scotia	68	\$ 30
New Brunswick	54	\$ 24
Newfoundland & Labrador	36	\$ 16
Prince Edward Island	11	\$ 5
<b>Total</b>	<b>4,612</b>	<b>\$ 3,757</b>

Table 3.1



## Raw Material Suppliers

The total chemical raw material, packaging, and other items sold to the Canadian paint and coatings manufacturers is estimated at **\$1.7 billion/yr.** The Other items would be any expenditure that a paint & coating manufacturer purchases, so would include items like capital equipment, freight, production supplies, and professional services. The employment created by this expenditure on raw material supply is **5,418 jobs.** As with most parts of the Canadian paint and coatings industry, Ontario and Quebec are the key provinces where the economic activity is generated by strong clusters of companies in the paint and coatings industry. **These two provinces combined account for 64 percent of the employment and revenue of the total paint related revenues and employment.**

### Raw Material, Packaging, and Other Supplier CAD \$M

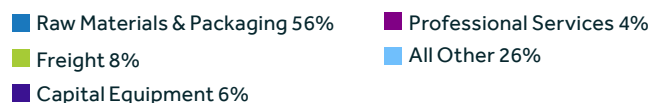
Province	Paint Related Employment	Paint Related Revenues
Ontario	2,207	\$ 697
Québec	1,246	\$ 393
Alberta	1,457	\$ 460
British Columbia	282	\$ 89
Manitoba	167	\$ 53
Saskatchewan	41	\$ 13
Nova Scotia	34	\$ 11
New Brunswick	27	\$ 8
Newfoundland & Labrador	18	\$ 6
<b>Total</b>	<b>5,418</b>	<b>\$ 1,731</b>

Table 3.2

### Breakdown of the Indirect Paint & Coatings Output



Figure 3.1



## Paint Accessories and Allied Products

Orr & Boss estimates that the total sales and employment of Paint Accessories and Allied Products, which includes brushes, rolls and other paint related items like tape and sand paper to be **\$827 million and 4,383 jobs**. This is based on using a ratio of 0.22:1 for paint accessories and allied products to paint sales. For every \$1.00 spent on paint manufacturing at the retail level there is \$0.22 spent on paint accessories and allied products. The revenues and sales were spread across the provinces based on actual paint company sales.

### Paint Accessories and Allied Product Employment and Sales CAD \$M

Province	Paint & Allied Product Employment	Paint & Allied Product Revenue
Ontario	2,278	\$ 484
Québec	1,144	\$ 216
Alberta	298	\$ 31
British Columbia	333	\$ 63
Manitoba	91	\$ 9
Saskatchewan	78	\$ 8
Nova Scotia	64	\$ 7
New Brunswick	51	\$ 5
Newfoundland & Labrador	35	\$ 4
Prince Edward Island	10	\$ 1
<b>Total</b>	<b>4,383</b>	<b>\$ 827</b>

Table 3.3

## Paint Retail Stores

There are three types of paint stores. The first is the corporate owned store, which are retail stores owned and operated by the paint manufacturers or brand owners with recognizable storefronts across Canada. These can be multinational manufacturers, most of which are publicly traded companies operating worldwide or privately held, Canadian- owned and operated stores. The output and the employment generated by these stores are included in **Table 3.1** above (Paint Manufacturers Employment and Revenue). The second type of paint store is the **independently owned and operated paint store** or dealer buying paint from the paint manufacturer

and selling to customers such as contractors, home owners and various types of applicators noted herein.

In addition to the stand-alone paint stores there are several other categories of retailers selling paint and coatings. These retailers fall into several categories and include hardware stores like ACE and Home Hardware; home centres or '**big box**' stores like Home Depot and Lowes; **mass merchants** like Walmart and Canadian Tire; and various lumber & building supply stores. **The total number of employees and output generated by paint stores and retailers is 9,386 and the revenue generated is \$2.05 billion.** The data was generated using third party sources and confirmed through interviews with industry executives.

### Paint Store and Retailer Employment and Revenue CAD \$M

Province	Paint Retailer Employment	Paint Retailer Revenue
Ontario	3,996	\$ 874
Québec	1,939	\$ 424
Alberta	937	\$ 205
British Columbia	1,161	\$ 254
Manitoba	342	\$ 75
Saskatchewan	263	\$ 58
Nova Scotia	290	\$ 64
New Brunswick	292	\$ 64
Newfoundland & Labrador	125	\$ 27
Prince Edward Island	41	\$ 9
<b>Total</b>	<b>9,386</b>	<b>\$ 2,053</b>

Table 3.4



## End Users

There are three sets of major end users: contractors, body shops, and applicators .

**Painting contractors** are trades people who buy paint and apply it to a surface or substrate and who are compensated by the owner of the structure. Often the contractors paint individual homes or residences. There are also contractors who apply paint in an industrial setting. For example, chemical companies will often hire contractors to paint tanks, piping, and other equipment at a chemical plant. **Table 3.5** provides the data for contractors with **revenue generated at \$1.78 billion and employment at 17,750 jobs**.

### Painting Contractors Employment and Revenue CAD \$M

Province	Paint Contractors Employment	Paint Contractors Revenue
Ontario	7036	\$ 1194
Québec	3939	\$ 668
Alberta	2270	\$ 385
British Columbia	3412	\$ 579
Manitoba	619	\$ 105
Saskatchewan	338	\$ 57
Nova Scotia	477	\$ 78
New Brunswick	463	\$ 57
Newfoundland & Labrador	155	\$ 26
Prince Edward Island	92	\$ 16
<b>Total</b>	<b>18,658</b>	<b>\$ 3,166</b>

Table 3.5

**Body shops** generate substantial paint-related employment and economic activity in Canada. One of the major activities of the body shop industry within Canada is painting or repainting cars that were in collisions or in some cases where owners want to repaint their car for aesthetic appeal. There are over 8,000 body shops in Canada that consume automotive refinish paint. Each of these body shops employ staff who apply paint. **Table 3.6** provides estimates for employment (**5,862 jobs**) as well as revenue (**\$809 million**) generated by the body shop industry that can be attributed to paint application.

### Body Shop Employment and Revenue CAD \$M

Province	Body Shop Paint Related Employment	Body Shop Paint Related Revenue
Ontario	2,037	\$ 281
Québec	1,351	\$ 186
Alberta	822	\$ 113
British Columbia	833	\$ 115
Manitoba	217	\$ 37
Saskatchewan	218	\$ 30
Nova Scotia	126	\$ 17
New Brunswick	115	\$ 16
Newfoundland & Labrador	63	\$ 9
Prince Edward Island	27	\$ 4
<b>Total</b>	<b>5,862</b>	<b>\$ 809</b>

Table 3.6



**Paint applicators** are defined in this report as people applying paint to a structure in an industrial setting, that is, applicators working in an industrial setting painting goods or materials for assembly. An example would include people working in an automotive assembly plant's paint shop. In this report, applicators are different than painting contractors discussed above and shown in **Table 3.8**. In total, Orr & Boss estimates that there were **3,507 jobs** for paint applicators within Canada in OEM applications. **Table 3.7** below provides this data. This is based on the amount of paint consumed as noted in **Table 2.1** above.

### Paint Applicator Number of Employees

Province	Number of Employees
Ontario	1,524
Québec	1,000
Alberta	263
British Columbia	353
Manitoba	126
Saskatchewan	56
Nova Scotia	73
New Brunswick	71
Newfoundland & Labrador	23
Prince Edward Island	21
<b>Total</b>	<b>3,507</b>

Table 3.7

### Product Stewardship

Product Stewardship is a very important function within the Canadian paint and coatings industry. In fact, the Canadian paint and coatings industry has been a global leader in this field of product stewardship. Organizations such as Product Care, Eco-Peinture, and Alberta Recycling Management Authority are the designated program operators for paint recycling under provincially mandated paint recycling programs. These organizations are Not-for-Profit organizations representing the paint companies that are the obligated stewards, per provincial legislation, for paint recovery and recycling in all provinces. Program operators recover and recycle leftover paint on behalf of the paint companies with 100 percent of the costs paid for by manufacturers. **In 2023, there were more than 20 million kilograms of paint recovered in Canada.**

The total cost to paint companies or the brand owners or first importer, for these **stewardship programs is approximately \$60 million per year**. The stewardship costs can vary from province to province based on regulations, volume recovered, geography, transportation, collection, processing, density, and other required services. **The estimated total employment for these organizations is 500 jobs.** **Table 3.8** provides the number of jobs and related costs per province for these programs.

### Paint Product Stewardship Number of Employees and Costs CAD \$M

Province	Number of Employees	Produce Stewardship Costs
Ontario	219	\$ 21
Québec	128	\$ 14
Alberta	68	\$ 9
British Columbia	76	\$ 8
Manitoba	21	\$ 5
Saskatchewan	18	\$ 1
Nova Scotia	15	\$ 1
New Brunswick	12	\$ 1
Newfoundland & Labrador	8	\$ 0
<b>Total</b>	<b>566</b>	<b>\$ 60</b>

Table 3.8



## Average Wages and Salaries

In addition to the actual number of jobs and the economic output created by the paint and coatings sector, the average wages for certain functions were examined. CPCA collects wage and salary data from the large to very large member companies (over \$20 million in annual sales). Orr & Boss compared that data in 2023 with the 2017 data collected by the federal government department, Statistics Canada.

The data reveals that for those functions where direct comparisons are available, **the paint and coatings wages and salaries are 18 percent higher than the Canadian average**. The primary reason is the coatings industry is a productive one with labour content comprising a relatively small portion of the costs to manufacture paint. The trend of higher wages follows the chemical industry as a whole. For all employees, Statistics Canada data indicate that the average hourly earnings in Canada is **\$25.93/hour or \$51,860 per year**. The Chemistry Industry Association of Canada (CIAC) estimates that the average wage and salary paid in the Canadian chemical industry is \$72,000 (based on 2015 estimates). Thus, the chemical industry as a whole pays an average wage that is 39 percent higher than the average Canadian industry sector. **The paint and coatings industry is part of the chemical industry and thus it is not surprising that wages are higher for paint and coatings companies.**

### Wages & Salaries CAD \$K

Role	Canadian Paint and Coatings Wages & Salaries	Average Canadian Wages & Salaries
Chemists	\$ 74.7	\$ 66.3
Brand Manager / Senior Business Analysis	\$ 105.3	\$ 85.6
Plant & Warehouse Personnel / Operators	\$ 52.1	\$ 44.1
<b>Average Wage</b>	<b>\$ 77.4</b>	<b>\$ 65.3</b>

Table 3.9



## Economic Impact of Adhesives and Sealants

Many paint and coatings companies also manufacture Adhesives and Sealants (A&S) products. Thus, Orr & Boss investigated the impact of the A&S market in Canada as part of this study. **Table 4.1** gives the data for the A&S manufacturing companies.

In general, the A&S market follows the trends noted in the paint and coatings market. Ontario and Quebec are the provinces with the largest concentration of A&S manufacturers. These two provinces account for about 66 percent of A&S economic output and a similar amount of employment by A&S companies with revenues at **\$1.3 billion and employment at 2,036 jobs.**

### Adhesive and Sealant Manufacturers Employment & Revenue CAD \$M

Province	A&S Company Employment	A&S Company Revenue
Ontario	1,192	\$ 120
Québec	531	\$ 53
British Columbia	155	\$ 16
Alberta	75	\$ 7
Manitoba	23	\$ 33
Saskatchewan	20	\$ 26
Nova Scotia	16	\$ 13
Newfoundland & Labrador	9	\$ 7
New Brunswick	13	\$ 4
<b>Total</b>	<b>2,036</b>	<b>\$ 1,304</b>

Table 4.1

Like the paint and coatings industry, the A&S sector also contributes to the Canadian economy through the economic activity created by suppliers, end-users and plant and lab equipment suppliers. **The A&S industry segment is smaller than paint and coatings sales in Canada at 34 percent of the economic output of paint and coatings.** It is somewhat more difficult to obtain precise data on suppliers and users in the A&S industry. Also, many companies that supply and use paint and coatings also supply the A&S industry and use A&S products. Therefore, to estimate the entire impact of the A&S industry on the Canadian economy, Orr & Boss scaled these indirect benefits to the paint and coatings data that was provided above in Section 6 of this report.

**Table 4.2** provides a summary of employment and revenues of A&S suppliers. Like the paint companies, these suppliers would include raw material, packaging, freight, professional services, and other suppliers. Many of the companies supplying the paint and coatings industry also supply the A&S market. In fact, many of the raw materials are the same or very similar such as acrylic resins and epoxy resins. The percentage of the raw material 'cost of sales' price is very similar to that of the coatings industry.



## A&S Supplier Employment and Revenues CAD \$M

Province	A&S Related Employment	A&S Revenues
Ontario	1,212	\$ 380
Quebec	684	\$ 214
British Columbia	155	\$ 49
Alberta	800	\$ 251
Manitoba	92	\$ 29
Saskatchewan	22	\$ 7
Nova Scotia	18	\$ 6
New Brunswick	15	\$ 5
Newfoundland & Labrador	10	\$ 3
<b>Total</b>	<b>3,010</b>	<b>\$ 943</b>

Table 4.2

## Breakdown of A&S Supplier Markets

While DIY use is part of retail sales for adhesives and sealants as noted below, the large majority is used by professional applicators and contractors on large building projects such as high rise building construction and other OEM manufacturing such as automotive and furniture. A&S retail sales for DIY use is detailed separately.

The end users for the A&S industry are both applicators and contractors. Employment and revenue of the automotive body was not added to the A&S values as in the paint and coatings section. A&S products are used in body shop applications but the people applying the A&S product and the revenue they generate for the body shops are included in the body shop paint and coatings values. Thus, there are two major industrial end-users in the A&S industry and these include Applicators and Contractors. The definition used for A&S applicators and contractors is similar to that used in the paint and coatings section of the report.

An A&S applicator is someone who applies A&S products in an industrial setting. For example, these would include a person applying A&S products in an automobile assembly plant. A contractor is someone who buys A&S products and applies them to a structure or another application during the course of the project for items like windows and doors. There are A&S contractors who only apply A&S products and these A&S contractors are normally applying product to commercial architectural structures or a multi-family residential structure like a condominium. In other cases, contractors are buying and applying A&S products as part of

another service they are providing. For example, a plumber will buy and apply A&S products. In either case, the contractor is an important part of the market. Tables 4.3 and 4.4 provide the employment and revenue generated by A&S applicators and contractors.

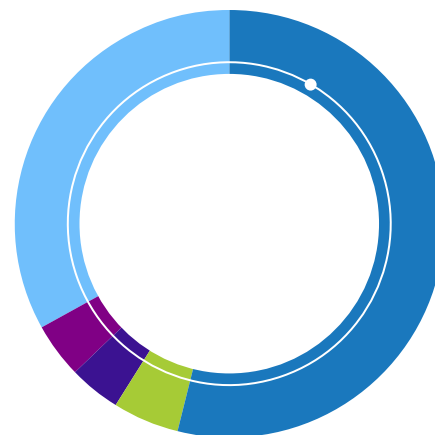


Figure 4.1

- Raw Materials & Packaging 54%
- Freight 5%
- Capital Equipment 4%
- Professional Services 4%
- All Other 33%



## A&S Applicator Employment by Province

Province	A&S Applicator
Ontario	826
Quebec	542
Alberta	145
British Columbia	191
Manitoba	68
Saskatchewan	31
Nova Scotia	39
New Brunswick	38
Newfoundland & Labrador	12
Prince Edward Island	7
<b>Total</b>	<b>1,900</b>

Table 4.3



## A&S Contractors Employment and Revenue CAD \$M

Province	A&S Contractors Employment	A&S Contractors Revenues
Ontario	3813	\$ 647
Quebec	2135	\$ 342
Alberta	1230	\$ 209
British Columbia	1849	\$ 314
Manitoba	335	\$ 57
Nova Scotia	251	\$ 43
Saskatchewan	185	\$ 31
New Brunswick	181	\$ 31
Newfoundland & Labrador	84	\$ 14
Prince Edward Island	50	\$ 8
<b>Total</b>	<b>10,111</b>	<b>\$ 1,716</b>

Table 4.4

Retailers are also an important part of the Canadian A&S industrial segment. Some of these retailers are establishments like big box retailers or hardware stores. Others are companies that focus on distributing A&S products to contractors and various other end users.

## A&S Retailer Employment and Revenue CAD \$M

Province	A&S Retailer Employment	A&S Retailer Revenues
Ontario	2,165	\$ 307
Quebec	1,051	\$ 149
British Columbia	629	\$ 89
Alberta	508	\$ 72
Manitoba	185	\$ 26
Saskatchewan	143	\$ 20
Nova Scotia	157	\$ 22
New Brunswick	158	\$ 22
Newfoundland and Labrador	68	\$ 10
Prince Edward Island	22	\$ 3
<b>Total</b>	<b>5,086</b>	<b>\$ 722</b>

Table 4.5



A woman is seen from behind, standing on a ladder and painting a large mural of water lilies on a wall. The mural features several white water lilies with pink centers and green leaves. The background of the mural is a light blue sky with faint clouds. The woman is wearing a black t-shirt and a tan skirt. The overall scene is set against a backdrop of green hills and a blue sky.

A strong, vibrant, and economically stable paint and coatings industry pays 100% of the costs of sustainable paint recycling programs across Canada.

# Economic Impact on GDP, Taxes, and Induced Benefits

This section of the report summarizes the direct and indirect benefits noted in Sections 3 and 4 of this report and its impact on the Gross Domestic Product (GDP), taxes, and induced benefits. GDP is defined as the total dollar value of all finished goods produced and the services provided in a country during one year. It is used to determine the health of a country's economy.

## Impact on Gross Domestic Product

The tables provided in Sections 3 and 4 provide the output and the employment for each part of the value chain in the paint and coatings industry in Canada. Each step of the value chain impacts a country's GDP. **GDP is the value-added to the economy and is the difference between the value of the output and the value of the inputs.** Thus, it represents the "*unduplicated*" value of economic activity that has taken place.

For the total calculated GDP impact of the industry Orr & Boss used the IMPLAN software and for the various types of companies participating in the Canadian CASE market. For some of the company types we rationed the IMPLAN GDP values by the contribution of paint & coatings.



## GDP Impact by Company Type CAD \$M

Company type	Economic Impact
Paint & Coatings Mfg	\$ 948
Supplier to Pt & Coatings	\$ 863
Paint Contractors	\$ 1,397
Retailers & Distributors	\$ 1,416
Job Shops	\$ 846
Body Shops	\$ 579
Accessories	\$ 209
A&S Manufacturers	\$ 514
Suppliers to the A&S	\$ 467
A&S Contractors	\$ 757
A&S Retailers & Distributors	\$ 498
<b>Total</b>	<b>\$ 8,492</b>

Table 5.1

## GDP Impact by Province CAD \$M

Province	Economic Impact
Ontario	\$ 3,760
Quebec	\$ 1,897
British Columbia	\$ 949
Alberta	\$ 1,029
Manitoba	\$ 256
Saskatchewan	\$ 156
Newfoundland & Labrador	\$ 80
New Brunswick	\$ 154
Nova Scotia	\$ 180
Prince Edward Island	\$ 30
<b>Total</b>	<b>\$ 8,492</b>

Table 5.2



## Tax Contributions to the Governments

This part of the study documents the current contribution to government revenues resulting from economic activity in the paint and coatings industry. This was for federal and provincial contributions, not municipal. There are several types of taxes that are generated directly by the paint and coatings industry. The first are the taxes paid by employees through the wages and salaries they earn. These taxes include federal and provincial income tax as well as the Canada Pension Plan (CPP) and Employment Insurance (EI) contributions, both of which are paid in part by the employee and the employer. These payments are made at source through payroll deductions and forwarded directly to governments by the employer. The second set of taxes paid by companies involved in the coatings industry are corporate income taxes and sales taxes, shared by both the provincial and federal levels of government. These taxes are generated through the sale of paint and coatings and adhesives and sealants products. Finally, there are the sales taxes (either the HST or GST). The total taxes generated as result of the industry is estimated to be \$2.9 billion. **Figure 5.1** shows the breakdown by tax type.

## 2022 Taxes Generated by Type

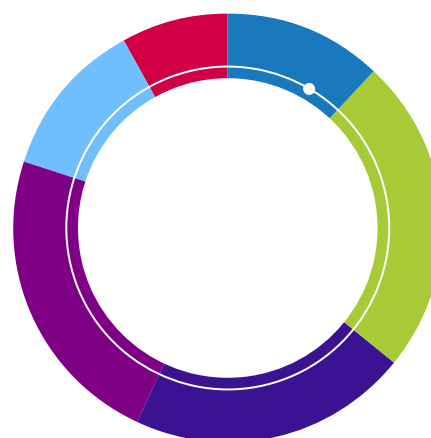


Figure 5.1

- Federal HST Taxes 12%
- Federal Personal Income 24%
- Federal Corporate 21%
- Provincial HST Taxes 23%
- Provincial Personal Income 12%
- Provincial Corporate 8%

**Table 5.3** provides the estimate for the taxes paid to the Federal Government by both companies and by the employees working in the industry. The taxes shown are those collected in each province. The total federal taxes collected are estimated to be \$1.7 billion.

### Federal Taxes paid CAD \$M

Province	Sales Tax	Federal Personal Income Tax	Federal Corporate Tax	Total
Ontario	\$ 181	\$ 343	\$ 298	\$ 823
Quebec	\$ 92	\$ 127	\$ 106	\$ 325
British Columbia	\$ 46	\$ 79	\$ 65	\$ 190
Alberta	\$ 51	\$ 79	\$ 82	\$ 212
Manitoba	\$ 13	\$ 19	\$ 15	\$ 46
Saskatchewan	\$ 8	\$ 12	\$ 9	\$ 29
Newfoundland & Labrador	\$ 4	\$ 6	\$ 4	\$ 13
New Brunswick	\$ 7	\$ 1	\$ 8	\$ 26
Nova Scotia	\$ 9	\$ 13	\$ 9	\$ 30
Prince Edward Island	\$ 1	\$ 2	\$ 1	\$ 5
<b>Total</b>	<b>\$ 412</b>	<b>\$ 690</b>	<b>\$ 597</b>	<b>\$ 1,700</b>

Table 5.3

*Table 5.4 provides the estimate of taxes paid to the provincial governments.*





## Provincial Taxes Paid CAD \$M

Province	Sales Tax	Provincial Personal Income Tax	Provincial Corporate Tax	Total
Ontario	\$ 290	\$ 160	\$ 11	\$ 462
Quebec	\$ 184	\$ 102	\$ 81	\$ 367
British Columbia	\$ 64	\$ 29	\$ 52	\$ 145
Alberta	\$-	\$ 28	\$ 44	\$ 72
Manitoba	\$ 18	\$ 12	\$ 12	\$ 41
Saskatchewan	\$ 9	\$ 5	\$ 8	\$ 21
Newfoundland & Labrador	\$ 8	\$ 4	\$ 4	\$ 15
New Brunswick	\$ 15	\$ 7	\$ 7	\$ 29
Nova Scotia	\$ 17	\$ 10	\$ 8	\$ 36
Prince Edward Island	\$ 3	\$ 2	\$ 2	\$ 6
<b>Total</b>	<b>\$ 608</b>	<b>\$ 358</b>	<b>\$ 229</b>	<b>\$ 1,194</b>

Table 5.4

## Total Taxes Collected by Province CAD \$M

Province	Total Federal Tax	Total Provincial Tax	Grand Total
Ontario	\$ 823	\$ 462	\$ 1,285
Quebec	\$ 325	\$ 367	\$ 691
British Columbia	\$ 190	\$ 145	\$ 335
Alberta	\$ 212	\$ 72	\$ 284
Manitoba	\$ 46	\$ 41	\$ 87
Saskatchewan	\$ 29	\$ 21	\$ 51
Newfoundland & Labrador	\$ 13	\$ 15	\$ 28
New Brunswick	\$ 26	\$ 29	\$ 56
Nova Scotia	\$ 30	\$ 36	\$ 66
Prince Edward Island	\$ 5	\$ 6	\$ 11
<b>Total</b>	<b>\$ 1,170</b>	<b>\$ 1,194</b>	<b>\$ 2,894</b>

Table 5.5



## Induced Economic Impacts

The direct and indirect economic impacts created by the industry result in ‘induced’ economic benefits. These benefits are the result of wages and salaries paid to the employees in the industry who then spend their money on other goods and services, which further creates economic activity. The induced economic activity creates employment and generates wages and salaries. **Table 5.6** below provides the induced number of jobs as well as the wages and salaries earned from those jobs.

### Total Induced Employment, Wages, and Salaries CAD \$M

Province	Induced Employment (In Thousands)	Induced Wages
Ontario	20,328	\$ 967
Quebec	10,822	\$ 503
British Columbia	5,918	\$ 271
Alberta	5,797	\$ 260
Manitoba	1,574	\$ 71
Saskatchewan	957	\$ 43
Newfoundland & Labrador	474	\$ 22
New Brunswick	938	\$ 44
Nova Scotia	1,123	\$ 52
Prince Edward Island	194	\$ 9
<b>Total</b>	<b>48,127</b>	<b>\$ 2,242</b>

Table 5.6



# Conclusion

The total economic output of the Canadian Paint & Coatings Industry, including the Adhesives & Sealants industry, is **\$19.5 billion**. The industry creates an estimated **82,856 jobs in Canada**. The industry's contribution to GDP is **\$8.5 billion**. Ontario and Quebec are the leading provinces and account for **65 percent of the employment, 70 percent of the output and 67 percent of the GDP**. The total taxes generated are estimated to be **\$2.9 billion**. In addition to the values summarized in **Table 5.7**, there are an estimated 48,127 jobs created as a result of the 'induced' economic activity as shown in **Table 5.6**, for a total of 130,983 direct and indirect jobs. These additional jobs collectively generate \$2.2 billion in wages and salaries.

## Total Employment and Economic CAD \$M

Province	Total Direct & Indirect Employment	Total Economic Output	GDP	Total Federal & Provincial Taxes Paid by Province
Ontario	34,998	\$ 9,090	\$ 3,757	\$ 1285
Quebec	18,632	\$ 4,478	\$ 1,897	\$ 691
Alberta	9,981	\$ 2,106	\$ 1,029	\$ 284
British Columbia	10,189	\$ 2,073	\$ 949	\$ 335
Manitoba	2,709	\$ 515	\$ 256	\$ 87
Saskatchewan	1,648	\$ 313	\$ 157	\$ 51
Nova Scotia	1,934	\$ 363	\$ 181	\$ 66
New Brunswick	1,614	\$ 299	\$ 154	\$ 56
Newfoundland & Labrador	816	\$ 160	\$ 89	\$ 28
Prince Edward Island	334	\$ 61	\$ 30	\$ 11
<b>Total</b>	<b>82,856</b>	<b>\$ 19,459</b>	<b>\$ 8,489</b>	<b>\$ 2,894</b>

Table 5.7

**The jobs created directly in the paint and coatings industry tend to be good paying jobs with average wages and salaries about 18% above the 'national' average of wages in the economy as a whole.**

The industry has also enjoyed steady growth over the years. Since 2017, the Canadian paint and coatings market has **grown at a Compounded Annual Growth Rate (CAGR) of 17 percent**. The expectation is that the Canadian paint and coatings industry will continue to grow at a robust level, which will be driven by construction activities, automotive manufacturing, and industrial production. Furthermore, there is room for paint consumption growth in **Canada as the per capita paint consumption is 11.9 litres per person versus that of the US of 15.3 litres per person**. If the paint consumption rate in Canada grew by 28 percent it would equal that of the United States.

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