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Marie Hattar, SVP and CMO

PRESIDENT'S MESSAGE



June 2024

More Competition Requires Focus on Productivity and Fair Regulations

Our industry and other sectors continue to grapple with the flood of new regulations in Canada while at the same time working to ensure critical chemicals remain in commerce with good-paying jobs for Canadians. As such, it would be prudent for Government to take the sage advice from a senior official in the federal Government, the Commissioner of Competition in the Competition Bureau of Canada, Matthew Boswell. The advice appeared in Canada's national paper, the Globe & Mail, this past week. As noted in this space several times as well as by the media regularly, Canada is now at a serious tipping point in public policy when it comes to the economy. In fact, the Competition Commissioner puts it succinctly when he says in his recent article, "The alarm bells are ringing." By that, he means Canada's economy continues its downward trend and is now less productive than at any time in its history. He says, "That means Canadians are missing out on higher wages and an overall better standard of living." Again, that is from a senior Government of Canada official! The politicians running the Government must think otherwise given the fact that Canada's productivity is half that of the United States and made worse over the past several years.

Another official, the senior deputy Governor of the Bank of Canada, also recently noted the

urgency of the situation when she said, "It's an emergency – it's time to break the glass ceiling." Commissioner's recommendation to address this dire economic situation is to ensure more competition, not less, as it will increase productivity and grow the economy at the same time.

The Commissioner went on to note that, "The evidence is clear: Competition is the key to unlocking our productivity and growing our economy.... It is borne out in study after study that the impact of increased competition can lead to better economic performance. Without meaningful competition, companies grow complacent. For consumers, that complacency means higher prices and poorer service." Canadians have seen this in growing and persistent inflation. More importantly, the Commissioner notes exactly what industry has been saying to Government over the past few years that Canada's laws, policies, and regulations are "outdated and no longer serve the public interest (and) the uncomfortable truth is that Canada imposes far more public restraints on competition than most other countries. In fact, Canada ranks near the bottom in OECD indicators that measure regulatory barriers to competition."

The Commissioner says the Government must start by reviewing existing regulations through a competition lens and noted that Australia did this in the 1990s and "it led to the most significant and successful economic reforms in its history, amounting to a permanent increase of at least 2.5 percent in Australia's GDP, or around \$5,000 Australian dollars a household per year." Recent studies in Canada reveal its lagging productivity as measured in dollars per household per year has decreased by \$4,200 since 2014.

Over the past few years Associations like CPCA have argued for fair and better regulations, which must be aligned with those of the United States, our largest trading partner by far; and that regulations must be considered in terms of the economic impact it has on business and competition. In fact, those critical principles are ingrained in the federal Government's own Cabinet Directive on Regulations, but it seems Government departments are not fully aware of their existence. This has been the case even when the requirement to consider 'economic impact' is specifically stated in the Governing Act related to specific regulations. In some instances where the United States applies the 'economic impact' lens to specific regulations and competition, the same lens is not applied in Canada for the exact same regulations. Why not if the goal is regulatory cooperation and alignment? The result is productivity suffers and Canada loses because there is less competition in Canada for essential products, prices go up and jobs go down.

The Commissioner concludes his astute observations by saying, "These ideas are just the tip of the iceberg. There are many ways of promoting competition. But this is a discussion we need to be having in order to turn the tide on Canada's productivity crisis." Industry groups have been saying this for several years and the time has come to 'turn the tide', rather than pay lip service to it.

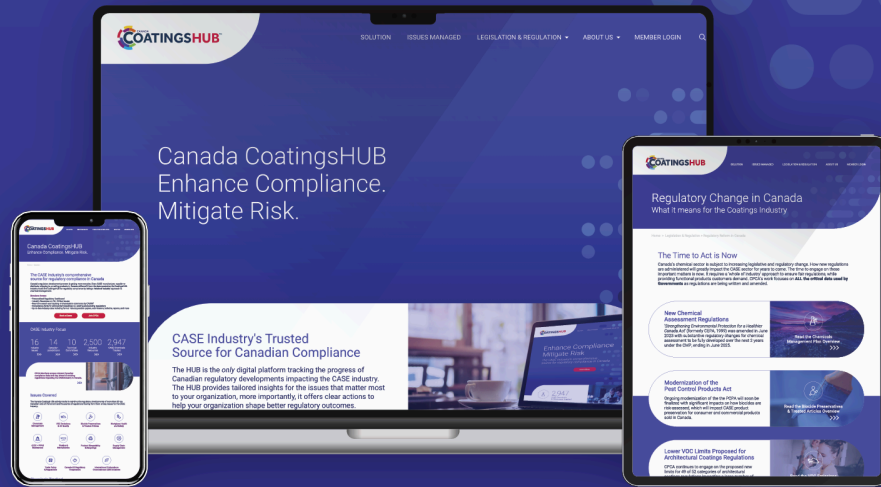
Gary LeRoux

President & CEO



And We're LIVE!

The CASE Industry's comprehensive source for regulatory compliance in Canada



Visit CanadaCoatingsHUB.ca

CPCA launched its new digital platform, the CanadaCoatingsHUB.ca with enhanced functionality for members. The updated site features several new public-facing pages detailing CPCA's wealth of knowledge and expertise in advocacy and government relations. It also highlights the need for the industry to engage with CPCA and support advocacy efforts for the benefit of all those in the CASE industry in Canada. All the existing functions within the Hub's '**member portal**' section remain the same, and members can continue to rely on the **Compliance Calendar**, **Extensive Industry Resources**, and the **User Dashboard** with some functional upgrades members including:

1. New and improved user interface with a clean visual aesthetic
2. Integrated AODA compliance through a 'UserWay' Accessibility Plugin
3. Improved user onboarding & member registration
4. Improved user engagement tracking

Existing users can easily **log in** to the new and enhanced [Canada CoatingsHUB](https://CanadaCoatingsHUB.ca) as of now. The site went live on the morning of March 27th, 2024. CPCA will continue to keep members apprised of updates and is available if support is needed to troubleshoot login or website issues.

If you or a member of your organization do not have access to the HUB you can easily register by clicking on the **member login in** the main menu, followed by the **register here** button in the top right-hand corner. Complete the registration form and indicate you are a member of CPCA. The system will validate your submission and provide you access.

INSIGHT

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de l'industrie de la peinture
et du revêtement

Functional Coatings are the Future!

Coatings are **reliable, responsible,** and **recyclable**. They are also key to **protecting, preserving and providing** for our future. Contact CPCA to share how your coatings product is helping to build back better.

Share my story

ADVOCACY REPORT



CPCA Advocacy Efforts Supporting a Stronger Canadian Coatings Industry

- International Council of Chemical Associations (ICCA) to Highlight Trade Barriers at Next United Nations Sub-Committee of Experts of the Global Harmonizing System (UNSCEGHS)
- Senate Bill C-226 Received Royal Assent to Counter Environmental Racism
- CPCA Issued a Comparative Gap Analysis of Canada's HPR 2022 and the New US HCS 2024
- WCC Publishes Quarterly Review: Q2 2024
- Updated CPCA Paint and Coatings Industry Forecast as of Second Quarter of 2024

Note: This is a very limited view of the extensive work done by CPCA on these few issues. There are 'many' more such issues with several important actions taken such as data

these and other issues please note they are all curated for easy access on the only digital platform for the CASE industry in Canada, the Canada CoatingsHUB. **If you would like a complimentary copy of the most recent 'members only' Regulatory Radar with much more insight on these and other issues please [contact CPCA](#).**

International Council of Chemical Associations (ICCA) to Highlight Trade Barriers at Next United Nations Sub-Committee of Experts of the Global Harmonizing System (UNSCEGHS)

Health Canada officials shared with stakeholders the informal documents that will be reviewed at the next UNSCEGHS meeting to be held in early July. One of the topics to be discussed includes this new ICCA paper initiative, which aims to highlight trade barriers and organize workshops to identify clear actionable items on improving GHS alignment and trade alignment of chemical products.

CPCA fully supports the ICCA Paper and has invited its members to suggest actionable items on improving GHS alignment in trade.

Bill C-226 National Strategy Respecting Environmental Racism and Environmental Justice Act Received Senate Royal Assent

Bill C-226 requires the Minister to develop a framework that will create Environmentally Hazardous Areas and compensation for individuals/communities that are deemed to suffer from "environmental racism". All requirements under this new Act will have to be considered in the development of the Right to a Healthy Environment (RTHE). The government is working on an aggressive timeline and will propose its implementation framework document on the Right to a Healthy Environment (RTHE) for consultation in the fall of 2024.

CPCA encourages full participation of its membership regarding the proposed implementation framework of the RTHE as Canada will be moving increasingly toward a 'regulation by litigation' approach. This new framework is also expected to elaborate on a number of important research areas, complex studies and monitoring activities being planned in support of the new right. A central question remains: How will the RTHE factors (economic, scientific, health) and their relative weight in a grid or matrix be identified as relevant in limiting the consideration of the right (reasonable limits) and be rightly contextualized when making risk-based decisions under CEPA? It is critical that this not be an arbitrary or politicized approach to Government decision-making as it will call into question the relevance of the RTHE, which already has very little legal grounding and will likely lead to litigation if inappropriately implemented.

CPCA Issued a Comparative Gap Analysis of Canada's HPR 2022 and the New US HCS 2024

Published in May 2024, the final US HCS 2024 ruling implements Revision 7 of the Global Harmonizing System (GHS) which will come into force on July 19, 2024. The first compliance deadline for manufacturers and importers of substances will be January 19, 2026, and manufacturers/importers/and distributors of mixtures: July 19, 2027. Regarding employers, the final compliance deadline is January 19, 2028. Meanwhile, Canada has implemented Revision 7 of GHS in its *Hazardous Products Regulations* (HPR), which was published on December 14, 2022, and was followed by a 3-year full implementation period for all manufacturers/importers/distributors and employers which extends until the end of next year.

CPCA carefully analyzed the regulatory requirements and created a living document containing an initial gap analysis for GHS Rev. 7. This information is available to all our members on the CoatingsHUB. This preliminary review of Canada's HPR and HCS 2024 was done to more actively help CPCA member manufacturers and suppliers identify the necessary changes to make to their SDS and labels for individual substances and mixtures that are traded between Canada and the United States before the Canadian deadline.

or the most negative ones are reduced or eliminated.

World Coatings Council (WCC) Publishes Quarterly Review in Q2 2024

This new **WCC** work aims to improve communication and coordinate policy on matters of **international concern to the coatings industry**. The council provides a forum for exchange and cooperation on key issues and priorities faced by the industry and serves as a global industry voice. CPCA members can access this publication on the Canada CoatingsHUB. The WCC quarterly review covers issues such as **Engagement at the UN SCE TDG & GHS Summer Session, Continued Negotiations on UN Plastics Treaty, WCC Submission to IMO In-Water Cleaning Correspondence Group**, 2024 Calendars of Regional Webinars, and Reminder of the 2025 World Coatings Summit (to be organized by the WCC in partnership with Vincentz Network, and scheduled for Jan. 15–17 at the Andaz Singapore with registration now being open).

Updated CPCA Paint and Coatings Industry Forecast as of Second Quarter of 2024

The Orr & Boss current 2024 forecast for the global paint & coatings market is a growth by 1.5% in volume and by 1.1% in value. That is slightly lower than its previous forecast which was communicated in Q1 2024. The global decorative coating market is expected to grow by 1.8% in volume and 1.2% in value meanwhile the industrial coating market will only be rising by 1.1% in both volume and value. In North America, existing homes sales and housing starts are both down from the 2023 levels and should both remain flat. So will be the industrial paint manufacturing activity except for the automotive and aerospace sectors. Detailed paint forecasts are available for all main regions of the World.

CPCA shared the detailed paint and coatings market forecast for Canada alone which is now available for members at CPCA as well as on the CPCA CoatingsHuB. If some members have not yet activated their HUB account, [please register here](#).

Canada Passes Law Prohibiting Greenwashing

A new “greenwashing” rule was published towards at the end of June casting a chill over communications by Canadian companies – many of which have scrubbed content from their websites in response. The fallout has been quick and analysts have emphasized potentially crippling constraints on Canadian cleantech.

CPCA alerted its members regarding this new legislation enacted under the omnibus Bill C-59, which appears to be an inappropriate departure from the established goals of the Canadian Competition Act. The Act already includes provisions that address such false or misleading representations and that require an “adequate and proper test” for claims about a product’s performance.

Ensure Nothing is Missed on Regulatory Compliance in Canada

For more details on the issues noted above, and many more over the past month, please review the latest monthly **Regulatory RADAR** (Canada and US Edition) with links to important documents and ongoing actions being taken by CPCA and its committees on behalf of industry.

Note: If you are not a CPCA member, please ask for a **complimentary copy of the latest Regulatory RADAR**.

[Send me a Copy of the Regulatory RADAR](#)



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and Coatings
Association

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

Membership

*Your Support is Essential
To Help Us Better Help 'Your' Industry*

The Canadian Paint and Coatings Association has six Membership Classes priced fairly to benefit each class according to its return in the industry. Your support and participation, along with all like-minded companies seeking better outcomes for the sector in Canada is now more critical than ever. In our case more is better given the current challenges.

[Explore Membership](#)

CPCA IN THE NEWS



J. Gary LeRoux LeRoux, President & CEO of CPCA, and Heidi McAuliffe, VP, Government Affairs at ACA Delivered Facts on the Regulatory Burden Facing the Industry

At the last [CPCA Annual Conference](#) held in Montreal on May 23-24, 2024, Gary Leroux and Heidi McAuliffe stressed to the audience that if there is alignment on anything between Canada and the United States, it is the regulatory overload and the political polarization that has the industry at its tipping point. The bottom line remains there needs to be alignment between Canada and the United States as these two allied countries continue to be the largest single trading block in the world. Canada must refocus and stop the continued erosion of productivity, now only half that of the US; and, most importantly, stop the relocation of manufacturing facilities from Canada to the US due to regulatory misalignment.



Plant a Tree. Grow Clean Air.

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



Did You Know?

*Coatings have numerous applications for countless substrates on a wide range of manufactured products from automobiles to packaging to road markings. What's remarkable about the **environmental advances** in coatings is that they are **engineered for best-in-class performance** providing **protection and superior quality** to the countless finished goods we use every day. 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 **improves product stewardship and sustainability.***

Laurentide Re/sources, Division Renamed Laurentide Environnement & Laurentide Employee Engaged in the 9th Relais pour la vie as a Bearer of Hope

The Société Laurentide division will now evolve under the name of **Laurentide Environnement**, a new identity that will better reflect the division's activities and ensure a better understanding on the part of the community, since Société Laurentide is much more than painting expertise! On June 5, UN World Environment Day, Laurentide posted that each one can make a small gesture from this day and every other day, by buying Boomerang recycled paint and recovered batteries and bringing old paints, oils and other hazardous waste in the right place. By mid-June, Marianne Schlegel, Quality Control Leader at Société Laurentide, had the ingenious idea of creating a friendly gathering place under the Porteurs d'espoir tent and making it festive thanks to the Laurentide Boomerang colours, creating a magnificent work of art, on which people could add their personal touch. **This event raised \$155,000+ for cancer research.**

In automotive manufacturing paint shop is the most energy-intensive area of the assembly process, accounting for 50 to 70 percent of total energy which is largely due to high-temperature ovens curing various paint, adhesive and sealants. **PPG ENVIRO-PRIME EPIC 300** expanded bake window electrocoat can be applied using less energy (-11-13%) and heat (-20 C). The **electrostatic application** of a new PPG line of electrocoat products, SIGMAGLIDE® 2390 fouling release coatings, which cure at a lower temperature in a shorter process time, recently helped achieve a **40% reduction** in overspray and waste at a Belgium shipyard.

BASF Researching CO2-neutral Production of Bio-based Fumarate Using Bacteria Found in Cow Stomachs

BASF collaborates with three universities in the joint research project **FUMBIO** (FUMarsäure BIObasiert). Using the bacterium *Basfia succiniciproducens*, BASF aims to transform sugar and CO2 into fumaric acid, an important intermediate. The bacterium, which was isolated from the rumen of a cow, will be genetically modified to produce large quantities of bio-based fumarate, during fermentation. With this intermediate, BASF can make a wide range of products with a low carbon footprint, including building blocks for polymers.

AkzoNobel Partners with EPA Green Power Partnership (GPP) & Opens World-first Testing Facility for Wind Turbines Blades

AkzoNobel has achieved the **EPA GPP** recognition for using 69 million kilowatt-hours of green power annually at its US manufacturing sites. A new AkzoNobel world-testing facility can run simulations at half the speed of sound to support the development of its International protective coatings brand, which supplies wind farms around the globe.

MEMBER RECOGNITION



Three CPCA Members Among the Top 4 Most Valuable Paint Brand List 2024 Published by Brand Finance

Sherwin-Williams **ranks first**, PPG second, and Axalta fourth.

Brand Finance Chemicals 50 2024 Most Valuable and Strongest Chemicals Brands: Four CPCA Members Among the Top 25

BASF retains Title for 10th Consecutive Year, Dow Ranks 4th. **AkzoNobel and Brenntag figure among the Top 25 list.**

Laurentide Environment Received the 2023 Call2Recycle Award

This award recognizes the program's top performers for their commitment to battery **recycling**. Laurentide Environment collected 392,748 kg of batteries. In total, **Call2Recycle** increased its collections by 32% in 2023, diverting nearly 6 million kilograms of batteries from landfills!

PPG Partners for Maritime Sustainability Initiative

PPG, is now officially part of the **Rightship's Zero Harm Innovation Partners Program**, which aims to foster the development and adoption of innovative solutions for a more sustainable marine industry. PPG's Sigmaglidle 2390 biocide-free silicone fouling release is the only hull coating to be approved by the RightShip's product review process for the Zero Harm program.

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CANADIAN ECONOMY



Canadian Economy at a Glance

The Canadian economy **grew modestly in Q1 2024**, although the domestic demand saw its strongest quarterly gain in two years. Real GDP grew at an annualized rate of 1.7 percent. Real GDP growth in Q2 2024 is also expected to remain below 2 percent. Most of the weakness can be attributed to lower business inventories.

EDC Forecast for Canadian Businesses and Exporters

The extra breathing room on loan rates and financing may somewhat counter the still-soft domestic outlook as **households struggle with high debt burdens**. By this time in 2025, Canada's footing should be stronger, benefiting from the ripple effects of the robust U.S. and Mexican economies. But the elections in Mexico and the US will directly affect all three economies but for now, the lookahead is a balance between fiscal restraint and steady growth.

TECH INNOVATIONS



Alberta University Researchers Identify New Coating Material for High-temperature Applications

The engineering researchers identified a new alloy—**AlCrTiVNi5**—for coatings that has superior thermomechanical properties and is promising for high-temperature applications like hydrogen combustion engines.

US Coatings Research Institute Awarded Second Patent on Advanced Hybrid Materials

The first **University of Michigan** research patent established a foundation for Organic-inorganic hybrid coatings, meanwhile the second issued patent, has expanded its invention by incorporating additional chemistries. The new composition and method for creating Organic-inorganic hybrid coatings, utilizing UV light to initiate the curing process, offers an environmentally responsible solution adaptable to industrial coating operations.

Adhesive Coatings Can Prevent Scarring around Medical Implants

The new **adhesive hydrogel coatings** could prolong the lifespan of pacemakers, drug delivery depots, and other medical devices by eliminating the buildup of scar tissue around these implantable devices.

Cool Paint Made Sustainable Using Recycled Plastics

An NTU research team successfully developed new methods to create a type of **"cool paint"** using recycled plastics – namely acrylic, old PVC pipes and polystyrene foam – and barium sulphate, which offer a sustainable and efficient alternative to plastics. The new coating can reach 1.2°C below the surrounding air temperature when exposed to direct sunlight.

Recent Advances in Bio-based Wood Protective Systems

New Thermal Insulation Coatings for Electronic Devices

North Carolina researchers worked with a subset of the class of insulating materials against heat called two-dimensional hybrid organic-inorganic perovskites (2D HOIP), which are thin films consisting of alternating organic and inorganic layers in a highly ordered crystalline structure.



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