

PRIME TIME NEWS

Canada's Trusted Source for Industry News on
Innovation, Technology, Sustainability, and the Economy



Prime Time NEWS is available for everyone. **Subscribe today!**

“ AI is a very significant opportunity – if used in a responsible way. ”

Ursula von der Leyen, President of the European Commission



Merry Christmas HAPPY NEW YEAR

Wishing all our Members and Industry Associates the very best for the holiday season. May the New Year be filled with opportunities and peace.



Canadian Paint
and Coatings
Association

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

PRESIDENT'S **MESSAGE**



December 2024

Taking Stock of the Costs of Regulation in the CASE Industry

and jobs in Canada. It's no secret that Canada is near the bottom of many metrics in terms of the economy. Large lobby groups, including the Canadian Manufacturers & Exporters, the Business Council of Canada and the Canadian Chamber of Commerce, have made that very clear. The problem is not a secret.

The biggest problems are falling productivity over the past several years, low or no direct foreign investment in Canada, and the reshoring of jobs from Canada to the United States. Productivity can only be addressed with more jobs, which means more manufacturing is needed, not less. This requires creating a climate for manufacturers to increase production. It cannot be done by spending taxpayer dollars and increasing the debt for Canadians and the cost of servicing that debt. Direct foreign investment requires Canada to have a fair regulatory environment that allows companies, for example, to take minerals out of the ground within a few years, not 12 years as is the case now in Canada, in order to power new sustainability initiatives such as EV production. There are more such issues, which many have commented on over the past several years.

Consider the impact of the coatings industry in Canada, which is a complex and heavily regulated industry in 15 industry coating segments including decorative, industrial, automotive, aerospace, traffic marking, packaging, etc. These formulated products are used in many other industry sectors representing 75% of Canada's GDP, empowering them to increase 'their' productivity and more jobs for Canadians. These things matter.

Consider the impact of crippling regulations on the coatings industry, which have tripled over the past few years. This has been noted in this space before and by the larger industry groups noted above. We have also mentioned many times in this space the regulations that impact our sector specifically. As the year ends we briefly note the real impact in terms of costs of excessive regulations made under the guise of protecting human health and the environment. The fact is most of these impacts have yet proven to cause harm to the environment or human health. Several of these issues are noted below. Most of these issues will likely be finalized in 2025 and if they are as currently proposed will have serious impact on our industry.

Biocides used to preserve waterborne paint products: Implementation of recent amendments to the Pest Control Products Act, with bans and use restrictions, will increase costs for raw material suppliers and by extension manufacturers; the refusal of PMRA to use modern ISO assessment methods like other jurisdictions such as the EU, Australia and the US will increase costs 5-10 times for antifouling raw materials; and registration fees for preservatives used in CASE products will increase up to 10-times current fees in some cases. **All these costs will be passed on to manufacturers of formulated products and then, Canadian consumers.**

***CPCA is issuing a Correction following an updated from Environment and Climate Change Canada.**

Volatile Organic Compounds: VOC regulations for all classes of CASE products including AIM, ICAS, and AR continues. Lower limits in VOC Regulation for Architectural products in 49 categories will be ***proposed in the Spring of 2025. Manufacturers will either have to reformulate or abandon products altogether with an estimated cost in the order of \$200 million in Canada.**

Chemicals Management Plan: The growing number of chemicals in commerce being assessed for regulation, via a new more stricter regulatory framework, will lead to restrictions and bans. **Costs to reformulate or abandon products with those chemicals could be in the hundreds of millions in the CASE industry.**

Watch-List for Chemicals: This is effectively 'a black-list' for chemicals used in many formulated coatings products already in commerce that are deemed 'potentially' toxic and 'may' cause cancer in the distant future. There are likely to be 20 chemicals or more identified as a start, if and when this Black-List is finalized, and many more to

many Canadians will stop buying products containing those chemicals because they were added to the 'Black-list'? Also unclear is the cost to industry because of the Black-list in terms of revenues and jobs lost in what is already a weak economy.

Plastics: Plastics and microplastics is now clearly on the Government's agenda with a view to banning and/or recycling more plastics. While plastic manufacturers will be the 'regulated producer' and will incur increased costs **these costs will be passed on to coatings manufacturers for packaging. Add to that the excessive costs of a Plastics Registry in Canada, which has no clear useful purpose whatsoever, will also add to the CASE industry's costs and many other industries.**

Excessive NEW Labelling: Current labelling in the CASE industry has cost the industry a lot over the years. There is now an aggressive push for MORE labelling not seen before in Canada such as CEPA labelling related to supply chain transparency and labelling for Human Health Hazards of Concern, and more. One estimate suggests there may be more than 10 different actions to comply with 'one' new labelling requirement such as the HHHOC! **Multiplying that cost alone for literally changing millions of labels will mean hundreds of millions of dollars in new costs for industry.**

The new cost of doing business in Canada, beyond what is already known, has yet to be calculated for the CASE and other industries. However, one can assume that with the continued drop in productivity and investment in Canada some have already calculated the cost and are no longer manufacturing products in Canada at the same rate or not at all.

CPCA continues to work hard on many files related to these and other issues, which you can get more insight on via the [Canada CoatingsHUB](#).

Happy New Year to all and a prosperous 2025!

Gary LeRoux
President & CEO

CPCA IN THE NEWS



Regulatory Goals for 2025!

NEW Year, NEW Challenges, and NEW Opportunities

CPCA continues to move forward on **regulatory issues of importance** to the coatings industry and our members. We are now looking down the pipeline of regulatory changes being finalized and rolled out over the course of 2025 and beyond. Three key things to keep top of mind for all those who are following the regulatory proceedings closely in Canada or are directly impacted by them.

1. What's Good for the Goose is NOT Always Good for the Gander
2. Evidence-based Data + Sound Science = Fair Regulations
3. Regulation has Impacted Innovation and Productivity



Registration for the 2025 World Coatings Summit is Now Open!

Registration is now open for the **2025 World Coatings Summit**, which will be held Jan. 15 – 17 at the Andaz Singapore. Hosted since 2003 by the World Coatings Council in partnership with Vincentz Network, the summit has evolved into the most sought-after gathering of industry executives and leadership as a forum for addressing topics ranging from economic and market trends to business strategy, sustainability, and new technology. The 2025 Coatings Summit already boasts a lineup of distinguished speakers from around the globe and the global industry's largest companies.

ADVOCACY REPORT



CPCA Advocacy Efforts Supporting a Stronger Canadian Coatings Industry

- CPCA Closely Monitored Plastics Pollution Treaty Progress (Post-INC-5) in 2025
- Members' Attention Drawn to Government's Forward Regulatory Plan 2025-2026
- World Coatings Council (WCC) Shows Huge Victory at the Last UN Sub Committee of Experts on the Transport of Dangerous Goods (UN SCE TDG)
- CPCA Insight No Longer Offered in a Printed Format, Online Only

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 gathering, formal submissions, bilateral meetings, extensive industry engagement, technical committee work, etc. If your company is interested in or indeed impacted by 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**. Or, become a member and get full access to the only digital regulatory 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**. Or, become

CPCA Closely Monitored Plastics Pollution Treaty Progress at INC-5 and to Watch Post-INC-5 Decisions to be Made in 2025

The United Nations Intergovernmental Negotiating Committee (INC) for an international binding treaty to address plastic pollution met for the fifth time in South Korea from Nov. 25 through Dec. 1 but could not end up with an agreement on the treaty. This time, the WCC (World Coatings Council) and CPCA were not officially present as delegates but closely monitored the negotiations remotely. Despite some progress, the following points of contention remained: the push to cap plastics production, a financial mechanism to implement the agreement and the management of “chemicals of concern”. The INC-5 Chair’s text will now serve as the starting point for negotiations at another session, dubbed INC-5.2, to be held in the first part of 2025.

On November 26, several countries, including Canada, continued advocating for the plastics treaty to include provisions to restrict or prohibit chemicals of concern identified to be present or used for the manufacture of plastics. CPCA obtained and shared the text with its members, which indicated the criteria used to build a preliminary Annex of chemicals of concern, which included BPA, four phthalates, lead and cadmium compounds. The text supported a listing of chemicals of concern in the United Nations Treaty that will restrict or prohibit or phase out these ingredients in plastics. The US also published a document listing chemicals of concern and containing a larger list of chemicals than Canada, including some common chemicals (BPA, phthalates), but also TCEP, TPP, PIP 3:1, vinyl chloride, and additional phthalates. However, the US proposal included a list of measures to choose from by each Party with respect of the use of chemicals of concern in the production of plastic and plastic products (each country shall take one or more in the list to carry on).

CPCA reminds all that the final treaty to end plastic pollution, if it includes chemicals of concern, may have a direct trade impact on CPCA members, depending on the list of ingredients and proposed scope of action agreed upon or as a consequence of work done at the recent Conference of Parties (CoP) level.

Government Published Its Forward Regulatory Plan 2025-2026

Forward regulatory plans intend to help businesses and trading partners, plan for future regulatory changes and prepare in advance. The following regulations are currently under review such as the revised VOC Concentration Limits for Architectural Coatings Regulations (SOR/2009-264), the Masked Name Regulations, and the New Substances Fees Regulations.

CPCA also noted the importance of a long list of publications that will have some impact on the CASE industry: Regulatory Plan 2025-2026 includes the publication of the: Recycled Content and Labelling for Plastic Packaging and Single-Use Items Regulations; Final Screening Assessment Report for PFAS & Risk Management Approach; New labelling requirements of toxic substances in products, including toxic Flame Retardants; Implementation of the Right to a Healthy Environment (RTHE) Framework, of the Plan of Priorities under the Chemicals Management Program (CMP); Publication of the Watch List; Development of NAMs and Final Strategy to Replace, Reduce or Refine Vertebrate Animal Testing; Regulations Amending the Storage Tank Systems for Petroleum Products and Allied Petroleum Products Regulations; Proposed Amendment to the Automotive Refinish VOC Regulations; and, the Review of the Environmental Violations AMP Regulations.

NOTE: CPCA will actively participate in the consultation process on these regulatory initiatives and monitor their progress to ensure a satisfactory outcome for the CASE sector and invite all non-members to join CPCA in these efforts if they are concerned with the impact on their businesses. The TIME to ACT is NOW!

At the 65th Session of the UN Sub Committee of Experts on the Transport of Dangerous Goods (UN SCE TDG), WCC introduced two documents that were aimed at finding a solution for industry's transport packaging issues with small quantities of environmentally hazardous paint and printing ink (working document 99 and INF.61). Ultimately, the UN SCE TDG agreed to WCC's updated proposal in INF.61 on a 9-2 vote, accounting for minor changes to the text discussed in plenary. WCC secured the new special packing provision (PP99) to packing instruction P001 in section 4.1.4.1 of the UN Model Regulations. This is a huge victory for industry, as WCC has pressed this matter with the Sub-Committee for the past several years.

The WCC works 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 facing the industry and serves as a global voice for the industry. The breadth and variety of topics on which the council is engaged illustrates its leadership role on issues that impact its members and the global coatings industry. The WCC publishes quarterly updates highlighting the matters on which it has been active and communicating with its members over the last three months.

CPCA Insight No Longer Offered in a Printed Format, Online Only

CPCA's **INSIGHT** is Canada's trusted source for 'insights' on regulatory compliance and ongoing regulatory change for the Coatings, Adhesives, Sealants, and Elastomers (CASE) industry. The publication provides insight on what is in the pipeline for chemical regulations in the year or two ahead. **INSIGHT** also features articles on topics of key interest to the industry: regulatory and operational challenges, technological advances, and sustainability initiatives – all shaping the future of the industry.

This CPCA decision to no longer offer a printed format of the Insight follows the close of the CFCM magazine this year, one of the primary distribution channels for the printed Insight. CPCA will continue with advertising opportunities and the next online edition, which is expected in Q1 2025.

Contact CPCA for more information on [advertising opportunities](#).

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/Int'l 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](#)



Canadian Paint
and Coatings
Association

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



Canadian Coatings Conference

MAY 21 - 23, 2025
HALIFAX HARBOURFRONT

LEARN MORE



Canadian Paint
and Coatings
Association

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

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.

Plant a Tree



TreeCanada
ArbresCanada

GREEN INITIATIVES



BASF Coatings and Koch International Rely on Electric Trucks for Long-distance Transport

BASF Coatings and Koch International, an international logistics service provider, have successfully tested the use of electric trucks for long distances and have now implemented this sustainable transport solution for BASF Coatings in long-distance transport. The efforts are part of BASF's comprehensive sustainability approach to focus on innovative solutions for a sustainable future along the entire value chain.

AkzoNobel to Support Sinopec's Transition to Green Energy with Protective Coatings

AkzoNobel's **Marine and Protective Coatings business** has signed a Memorandum of Cooperation with Sinopec to support the Chinese energy and chemical company's global expansion while jointly promoting the ongoing transition to green energy. The partnership includes providing anti-corrosive coatings for steel structures, protective coatings specifically designed for high temperature resistance, chemical-resistant coatings for storage tanks and high-performance fireproof coatings.



Canadian Paint
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](#)

MEMBER RECOGNITION



PPG, Sherwin-Williams, and Axalta Named to Newsweek's List of America's Most Responsible Companies 2025

The ranking focuses on a holistic view of **corporate responsibility** that considers the three pillars of ESG: Environment, Social, and Corporate Governance. In its sixth year, this list acknowledges 600 U.S.-based companies for their commitment to making a positive global impact.

BASF Honoured for Leadership at Annual 2024 AIChE Gala

BASF Corp., represented by Michael Heinz, was recognized at the American Institute of Chemical Engineers' "**Inspiring the Power of Good**" gala for operational excellence and commitment to sustainability. Heinz emphasized BASF's dedication to creating a safe, inclusive environment and inspiring the next generation of engineers and scientists.

Get to Know ACA's New President & CEO Mike Johnson

Michael (Mike) W. Johnson joined the **American Coatings Association** (ACA) as president and CEO on Nov. 1. Mike has deep roots in the association and advocacy world. Prior to joining ACA, he was president and CEO of the National Stone, Sand, & Gravel Association (NSSGA) for over 11 years. Before that, he served as executive vice president and chief

We want to know!

Your News Stories are Important - Help Us Share Your Successes.

Please share with CPCA appointments, awards, and special recognition in your company.

Share my News

CANADIAN ECONOMY



2025 Canada Economic Outlook: On the Mend

Following a substantial decline in inflation and lowering interest rates in 2024, the broad economic picture suggests a **GDP rebound** to slightly lower than 2% for the Canadian economy in 2025. Economists expect consumer spending to remain as similar as it's been over the last couple of years with inflation averaging less than 2%. Canada is one of the most interest rate-sensitive economies in the world because of its relatively high levels of household debt and how quickly that debt turns over. However, the one wild card is to what extent and over what time frame President-elect Donald Trump can enact his proposals on trade and tariffs.

CPTPP's Impact on Canada-Asia Pacific Trade

The **Asia Pacific Foundation of Canada's** (APFC) latest report reveals a dramatic **38% increase in merchandise trade with the AP7** (Australia, Brunei, Japan, Malaysia, New Zealand, Singapore and Vietnam), compared to pre-agreement levels. This growth presents numerous possibilities for Canadian businesses to enhance their global reach.

TECH INNOVATIONS



Corrosion Protection Performance in WB Acrylic Epoxy Coatings Boosted with Graphene

Sparc Technologies Limited announces testing results demonstrating **significant improvements in corrosion performance** by incorporating low dosages of carefully selected grades of graphene compared to an unmodified control.

Researchers Develop Double-coated Nanocrystals to be Used as Antimicrobial Agents

Rice University scientists have developed a **new Halide Perovskite Nanocrystal** (HPNC) that is effective at killing bacteria in a biofluid under visible light without experiencing light- and moisture-driven degradation. Not only does it show promise as antimicrobial agent that is stable, effective and easy to produce but the HPNC has unique optical and electrical properties that could accelerate chemical reactions caused by light in the presence of a catalyst.

Durable Supramolecular Plastic is Fully Ocean-degradable and Doesn't Generate Microplastics

Researchers have developed a **new durable plastic** that won't pollute our oceans. The new material is as strong as conventional plastics and biodegradable, but what makes it special is that it breaks down in seawater.

Optimized with a specific ratio of ammonium polyphosphate (APP) and copper oxide (Cu₂O), the coating provides superior fire resistance compared to conventional solutions. The APP/Cu₂O system's ability to form an intumescent layer with high expansion and excellent insulation properties sets a new benchmark for fire protection in construction and industry.



CPCA MEDIA HUB

News • Blog • Events



Members Only

STATISTICS and RESEARCH REPORTS



Members Only

MERGER and AQUISITION REPORTS



CPCA's DIY Centre has everything you need from *tutorials* to *inspiration* so you can *paint-it-yourself*.

Visit canpaint.com/piy-centre



View this email in your browser



The Canadian Paint and Coatings Association

Our mailing address is:
900-170 Laurier Avenue West
Ottawa ON K1P 5V5

Unsubscribe from this list

Copyright © 2022 Canadian Paint and Coatings Association, All rights reserved.

