Persatuan Pembuat
Cat Malaysia
Malaysian Paint
Manufacturers' Association
(Registered in Malaysia)

Global Trend on coatings and the impact on raw Materials in the Paint Industry in Malaysia – Year 2018

Global Outlook

Asia-Pacific is expected to remain the fastest growing region in the global coatings market however the rate is slightly decline from the growth seen in recent years. The factors having the most influence on the growth of the Asia-Pacific coatings market are GDP, construction activity, automotive builds and industrial production. All are expected to remain growing but just not at a high rate. The main reason for the lowering of growth expectations is that China's economic growth is gradually slowing down.

Overall, Markets expects India, China, Vietnam, and Indonesia to lead the Asia-Pacific architectural coatings market.

Coating Key Trends

Over the last few years, Asian paint and coatings market has undergone several changes. Stricter environmental regulations in China has been enforcing paint makers for lower VOC content in paints, as well as the emissions generated at the paint plants.

Leadership in Energy and Environmental Design (LEED) and the green building movement are gaining momentum. LEED is the most widely used green building rating system in the world. Available for virtually all building, community and home project types.

Consumers are looking for high-quality paints and coatings that can offer convenience, durability, easy application and pleasing aesthetics without strong odours and high volatile organic compounds.

Raw Material Key Trends

2018 will be remembered for many reasons and China's influence on global manufacturing is one of the key highlight. The consolidation of basic chemical manufacturing into China has left some of the coatings industry vulnerable to fast-paced political and environmental changes. Trade wars and tariffs may or may not be permanent and are certainly significant, but the rapid moves by Chinese authorities to achieve environmental improvements have impacted many levels of the coatings industry. During the year of 2018, China government has enforced the strict control on the polluting industries and has ordered the shutdown of many manufacturing facilities including the Titanium Dioxide and BIT (Benzisothiazolinone) and precursor products. As a result of the shortage of these raw materials, the prices has been escalated and eventually raising up the production costs of mainly decorative paints.

Environmental regulations and social change for sustainable raw materials with less environmental impact are driving rapid change and innovation in all segments of the coatings market.

Biocides

Legislation control over MIT limit and supply issues with BIT, both common actives for wet-state preservation, forced the industry to look for effective alternatives."

Market concern relative to the use of biocides is not only confined to longer protection performance with improved resistance to heat and chemical stability in the paint, it is also on safety, stewardship, handling and dealing with increasing regulatory pressure.

Customers are looking for versatile, broad-spectrum biocides with good toxicological profiles, disclosure of heavy metal content are required to comply with Environmental and safety regulations. Formaldehyde levels are under heavy scrutiny and are under controlled.

Pigment

There have been significant shortages and price increases of raw materials for organic pigments.

Customers increasingly demand sustainable solutions to meet stricter regulations, e.g. for lead chromate replacement and VOC (volatile organic compound) limits.

We are also seeing more focus placed on reducing carbon footprint across, a step in the direction to help reduce pollution around the world. Easily Dispersible Pigments helps

improve the eco-footprint in paint manufacture by removing the bead mill step. The shortened processing time leads to increased production capacity while simultaneously generating savings in electricity consumption and generating less waste water.

There are environmental benefit comes from pigment with higher tint strength, allowing formulators to reduce their usage. Reducing consumption is one of the most effective ways to improve all environmental aspects from CO2 output and raw material usage to energy reduction, packaging, and shipping.

Resin

Customers continue to look for improved cost and performance balance, which can be measured in variety ways, including: cost as applied; reduced waste improved transfer; improved substrate protection (fewer or thinner layers) and increased protection period (longer service life).

The trend continues to move forward in Europe and the U.S., but is quickly growing in Asia driven by China's regulations for improved air quality and reduced VOC emissions.

Summary of Regulatory in Asia Pacific Region

India - India government via Central Insecticides Board and Registration Committee (CIBRC) have enforced the registration on the biocides. They also provide the guidelines require the Paint and Coating products do not carry labels claiming biocides inhibit the growth of microorganisms or repel or kill insects.

Vietnam - Ministry of Science and Technology has imposed the new rules and technical regulations to improve the indoor quality. This including the set standards, detailing the sampling of nitrogen dioxide, carbon dioxide, mould detection, formaldehyde and VOCs.

South Korea - Ministry of Environment has proposed measures to reduce domestic fine dust emission by 30% by year 2022.

Taiwan - Bureau of Standards, Metrology and Inspection (BSM) introduced the inspection standard rules for coatings enhancing the clarity in product labelling and stricter methods for emissions of formaldehyde and heavy metal contents.

Japan - The government has restricted the imported paints containing with designated polychlorinated linear-chain paraffins with 10-13 carbons and chlorine content more than 48% of their total weight. Anything more than that are considered as "toxic for humans or other animals at the top of the food chain".

New Zealand - Environmental Protection Authority (EPA) has banned anti-fouling paints containing the Diuron, Octhilinone or Ziram. These paints are considered slow-release toxic coatings and the build up substance can affect people and environment.

Thailand - Department of Industrial Works has announced a planned release of Existing Chemicals Inventory (ECI), covering chemical products on sales in the country including paints and coating.

Malaysia - Has established a natural inventory of existing chemicals authorise for use in the country and carrying out risk assessment of chemicals of prioritised concerns. The government is concerned about human and environmental exposure of toxic substances and unregulated chemicals used in a wide range of products including coatings. There are also existing registration requirement on the biocide products with the substances listed in the Pesticides Board Annex I list.

Indonesia - Centre for Human Resource Planning & Development and Human Resources Counselling & Development Agency of the country's Environment and Forestry Ministry are working with chemical product manufacturers to draft new Indonesia national work competency standards for hazardous and toxic waste. They have also imposed the biocides registration requirement since year 2017 and only allowed registered biocidal products to be imported in to the country.

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