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# **THE ASIAN COATINGS INDUSTRY**

**2004-2009**

**A Multiclient Study**

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**NOW AVAILABLE**

**September, 2005**



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## A RAPIDLY CHANGING REGION

Asian coating consumption in 2004 surged to 7.9 MM metric tons (MT) with a sales value of \$20.5 billion. An 8% annual rate of growth (AGR) is forecast for the region through 2009, significantly higher than the mature growth rates found in the U.S. and Europe. As shown in Table 1, China and India are the fastest growing countries for coatings in Asia, both expanding at double digit rates. China has recently surpassed Japan to become the largest coating market in Asia. In 2004, China accounted for 42% of the coating volume and one-third of the dollars in the region. Coating demand in China is being propelled by a strong housing market, infrastructure building, the increased domestic consumption of goods, and growing exports of coated products. Indian coating usage is also expanding because of a strong housing market and infrastructure building. However, India is significantly behind China in the manufacture of most goods utilizing paint. Vehicle production in India is rapidly increasing.

In contrast to China and India, coating consumption in Japan has stagnated. Japan remains the largest consumer of automotive coatings in Asia, but China will surpass the country by 2009. Japan has also lost its leadership position in shipbuilding to Korea; both countries are facing stiff competition from China. Japan's and South Korea's share of the Asian coating market is projected to decline. In 2004 the two countries combined were 27% of the coating tonnage, but are forecast to fall to a 20% share by 2009. The combined share of coating tonnage for China and India will rise from 54% to 63%.

Architectural coatings (also referred to as construction or decorative paints) were the largest **end use** for coatings in Asia representing 52% of the region's coating volume and 35% of the dollar value. Interior applications were two-thirds of the volume and 60% of the value with exterior applications the remainder. Emulsion-based paints have grown rapidly in the developing Asian countries. Automotive OEM applications captured 8% of the coating volume in the region and 14% of the dollars. Included are coatings for cars and trucks as well as for metal and plastic parts. Japan, Korea, China and India consumed over 90% of the automotive OEM coatings in Asia. Japan and Korea are mature outlets; China and India are experiencing double digit rates of growth.

Industrial maintenance and marine are the next largest end uses for coatings in Asia, each representing about 9-10% of the dollars. Industrial maintenance coatings are growing strongly in the developing economies owing to rapid infrastructure building. Expanding global trade is increasing the demand for new ships and the maintenance of existing ships. The requirement for double hull oil tankers is an additional factor in the increased demand for marine paints. Korea, Japan, and China are the largest consumers of marine paint.

Solvent-based coatings are the most prevalent **technology** in Asia with nearly 4 MM tons worth \$11.7 billion consumed in 2004. Water-based coatings were next with 3.5 MM tons valued at \$6.2 billion. The bulk of the water-based coating is employed in architectural paints and relies upon emulsion polymers. Powder coating consumption was \$1.8 billion and radcure coatings an additional \$500 MM.

**Table 1**  
**COATING CONSUMPTION IN ASIA BY COUNTRY, IN MILLIONS**

Region	2004		2009		%AGR
	Metric Ton	\$	Metric Ton	\$	
China	3.34	6,630	5.74	12,000	11
Japan	1.31	5,340	1.30	5,340	0
South Korea	0.85	2,760	0.99	3,250	3
India	0.95	1,860	1.53	3,105	10
All Other	1.45	3,910	1.90	5,100	6
<b>TOTAL</b>	<b>7.9</b>	<b>20,500</b>	<b>11.5</b>	<b>28,800</b>	<b>8</b>

## THE STUDY

**THE ASIAN COATINGS INDUSTRY** characterizes coating consumption in eleven Asian countries during 2004 and provides estimates for 2009. This 500 page report is a comprehensive analysis of coating consumption in each of the countries in Asia by end use, technology and type. Separate sections of the report summarize Asian coating consumption by end use and polymer type. A thorough business analysis is provided which includes profiles of the leading coating suppliers.

Subscribers will find **THE ASIAN COATINGS INDUSTRY** the definitive reference work. Current participants and those contemplating entry will find the study essential in their planning process. Firms introducing new materials and technologies to the global marketplace will find the study particularly attractive.

**THE ASIAN COATINGS INDUSTRY** is based on over 200 interviews with formulators, raw material suppliers, trade associations, and governmental agencies. Additionally, current literature, company web sites, government reports, etc. were reviewed and analyzed. Kusumgar, Nerlfi & Growney's extensive knowledge of the coatings industry, gained over the past three decades, insures an accurate and comprehensive report

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## OUR QUALIFICATIONS

Kusumgar, Nerlfi & Growney is a consulting firm specializing in market research and business analysis for the polymer and chemical industries. Members of the firm possess some 70 years of experience analyzing the coating, ink, adhesive, and sealant industries. Kusumgar, Nerlfi & Growney is dedicated to providing comprehensive and accurate information and insight on technology driven markets.

The information and analysis contained in **THE ASIAN COATINGS INDUSTRY** was developed by Michael Growney, Steven Nerlfi and Minesh Kusumgar. No outside contractors were employed. Our expertise has been gained from conducting over 35 multiclient, and numerous proprietary, studies.

## ADDITIONAL SERVICES

Kusumgar, Nerlfi & Growney's current project is **RADIATION-CURED PRODUCTS, 2005-2010**. Completion of the study is expected in mid-2006. Interested parties should contact Kusumgar, Nerlfi & Growney for the prospectus and additional information. Additionally, Kusumgar, Nerlfi & Growney has recently announced the commencement of their **U.S. PAINT & COATINGS INDUSTRY, 2006-2011**, study which will be completed in 2007. Kusumgar, Nerlfi & Growney also welcomes inquiries for projects of a proprietary nature.

## SUBSCRIPTION INFORMATION

**THE ASIAN COATINGS INDUSTRY** is available through subscription. The price of the study is \$12,000 and includes eight copies of the report. Additional copies are available upon request. To subscribe, please complete the contract on the following page and return to Kusumgar, Nerlfi & Growney. For additional information please contact Kusumgar, Nerlfi & Growney at 973/439-0030 or nerlfikng@cs.com.

# CONTRACT FOR THE ASIAN COATINGS INDUSTRY

## KUSUMGAR, NERLFI & GROWNEY

One DeBaun Avenue C  
West Caldwell, NJ 07006

Please initiate our participation in **THE ASIAN COATINGS INDUSTRY**. We understand our subscription entitles us to eight copies of the final report.

We agree that for a period of three years from publication to:

1. Not reproduce the study, in whole or in part, by any means.
2. Restrict use of the study to our own employees.
3. Prevent the disclosure of its contents, to the best of our ability, to any other firm or person.

We understand that we may disclose the contents of this study to any firm that we own more than half of, or to a company that maintains more than a half interest in our firm. We may use or disclose any information in the study which is public knowledge, in our possession before receiving the report, or that has been obtained from third parties, but not from this study.

Kusumgar, Nerlfi & Growney will take reasonable precautions to prevent disclosure of the contents of this study, except to subscribers, for a period of three years after it is issued.

We understand the fee for **THE ASIAN COATINGS INDUSTRY** is \$12,000 (U.S. dollars).

Kusumgar, Nerlfi & Growney will invoice us for the full amount upon acceptance of our participation, after a countersigned copy of this contract is returned to us for our records. We will pay this invoice within thirty days.

**Accepted: Kusumgar, Nerlfi & Growney**

**Subscriber**

Signature

Signature

Name

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Title

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Date

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## **ADDITIONAL SERVICES**

**THE ASIAN COATINGS INDUSTRY** is Kusumgar, Nerlfi & Growney's tenth multiclient study. Studies immediately available, or scheduled for completion, include:

- **RADIATION CURED PRODUCTS & SYSTEMS**, February 1996
- **THE U. S. PAINT & COATINGS INDUSTRY**, June 1997
- **HOT MELT ADHESIVES**, May 1988
- **ADDITIVES**, June 1999
- **WATER-BASED PRODUCTS**, July 2000
- **RADIATION CURED PRODUCTS**, July 2001
- **THE U. S. PAINT AND COATINGS INDUSTRY**, December 2002
- **ADHESIVES IN DEVELOPING REGIONS**, December 2003
- **ADDITIVES, 2003-2008**, September 2004
- **RADIATION-CURED PRODUCTS, 2005-2010**, due mid 2006
- **THE U.S PAINT & COATINGS INDUSTRY, 2006-2011**, due mid 2007

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