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# ASIAN COATING ADDITIVES

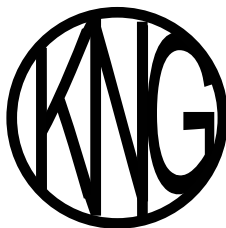
**Biocides  
Dispersants  
Foam Control  
Rheology Modifiers  
Slip/Rub  
UV Stabilizers  
Wetting Agents**

**A Multiclient Study**

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**May, 2008**



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## **ASIAN ADDITIVES: CHANGE IN A GROWING MARKET**

Consumption of seven leading coating additives in Asia was 660 MM lb worth \$1.53 billion in 2007. This compares to U.S. consumption of \$800 MM for the same additive types which include: biocides, rheology modifiers, dispersants, foam control, wetting, and slip and rub materials. Coating additive growth in Asia is forecast to be 9% per year through 2012, more than four times that of the U.S.

Asia has become the world's largest region for coating consumption with 21.3 billion pounds valued at \$28.7 billion consumed in 2007. An 8% yearly increase is forecast for coating poundage in Asia through 2012. Architectural coatings is the largest volume segment in Asia with nearly one-half of the pounds, but is second in dollars with a 36% share. Original equipment manufacturers (OEM) are the leading coating outlet in dollars with 42% of the value. OEM coatings are second in poundage with about one-third of the total. Special purpose coatings comprise 19% of the volume and 22% of the dollars.

As shown in Table 1, China is the largest consumer of coating additives in Asia taking 37% of the dollars. Continued growth in building and manufacturing activity will give coating additives a robust 13% annual rate of growth in China. Japan is the second largest consumer of coating additives with 28% of the dollars. Little growth is forecast for coating additives in Japan. South Korea is third in coating additive use in Asia with 14% of the dollars. Growth is placed at a mature 3% annual rate. India consumes only 7% of the coating additives, but is the fastest growing country with a 14% annual rate projected through 2012. India's housing industry is expanding, which is spurring the demand for architectural coatings. Industrial coating consumption is small in India, but growing rapidly.

Biocides are the largest coating additive type in Asia with 28% of the value. Most is consumed in marine antifouling coatings, with architectural in-can preservatives and dry film fungicides the other major outlets. Rheology modifiers are the second largest type with 23% of the dollars. Cellulosics, WB synthetic, organoclays, etc. are among the numerous rheology modifiers employed. Dispersants are next in value with 13% of the dollars. Dispersing titanium dioxide and fillers in architectural paints is a large volume outlet. More sophisticated dispersants are used for the specialized pigments found in industrial coatings.

Although there are thousands of coating suppliers in Asia, the top thirty companies capture one-half of the sales. The additive supplier structure is even more concentrated with the top twenty capturing two-thirds of the sales.

<b>Table 1</b>					
<b>ASIAN COATING ADDITIVE CONSUMPTION BY COUNTRY</b>					
<b>Country</b>	<b>2007</b>		<b>2012</b>		<b>%AG R LB</b>
	<b>\$Million</b>	<b>%</b>	<b>\$Million</b>	<b>%</b>	
China	565	37	1050	46	13
Japan	430	28	455	20	1
South Korea	215	14	255	11	3
India	100	7	200	9	14
Other	220	14	300	13	6
<b>TOTAL</b>	<b>1530</b>	<b>100</b>	<b>2260</b>	<b>100</b>	<b>9</b>

## **THE STUDY**

**ASIAN COATING ADDITIVES** characterizes consumption for base year 2007 and provides projections to the year 2012. The report gives a comprehensive analysis of the leading additives in coatings by country. The study estimates the market size of each of the additives in pounds and dollars for the major countries in the region. Growth rates, trends, recent developments, opportunities, supplier structure, pricing, applications, and end users will be assessed. An analysis of coating dynamics is an important component of each of the chapters. A separate section of the report summarizes each of the additive types.

An Executive Summary provides subscribers a concise, easy to read representation of the selected additives. A thorough Business Analysis includes profiles of the leading additive suppliers in the region. An assessment of recent developments and a review of mergers and acquisitions is part of the Business Analysis. **ASIAN COATING ADDITIVES** accurately portrays the position of the various additive types in the identified countries, and provides critical insights into future developments.

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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, and adhesive & sealant industries. Kusumgar, Nerlfi & Growney is dedicated to providing comprehensive and accurate information and insight on technology driven markets.

The information and analyses contained in **ASIAN COATING ADDITIVES** was developed by Michael Growney, Minesh Kusumgar and Steven Nerlfi. 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 multiclient projects are **ASIAN PAINT & COATINGS** and **ASIAN ADHESIVES & SEALANTS**. These studies will provide subscribers with detailed information on paint and coatings, and adhesives and sealants by end use in Asia. Significant trends, regulatory implications, technology and mergers and acquisitions will be covered in detail. **ASIAN PAINT & COATINGS** follows-up on our **ASIAN COATINGS INDUSTRY** study of 2005. **ASIAN ADHESIVES & SEALANTS** expands upon our **ADHESIVES IN DEVELOPING REGIONS** report of 2003.

Our recently completed studies include **THE U.S. PAINT & COATINGS INDUSTRY, 2006-2012** and **RADIATION-CURED PRODUCTS**. We have also issued two **ADDITIVE** multiclient studies in recent years which covered the U.S. market. Interested parties are invited to contact Kusumgar, Nerlfi & Growney for brochures and additional information. We welcome inquires for projects of a proprietary nature.

## SUBSCRIPTION INFORMATION

**ASIAN COATING ADDITIVES** is available through subscription. The price of the study is \$12,000. Subscribers will receive 8 copies of the report. Additional copies are available upon request. To subscribe, please complete and sign the contract on the following page and return to Kusumgar, Nerlfi & Growney. For additional information please call Kusumgar, Nerlfi & Growney at 973/439-0030 (FAX: 973/439-0031) or e-mail us at nerlfikng@cs.com.

# CONTRACT FOR ASIAN COATING ADDITIVES

**KUSUMGAR, NERLFI & GROWNEY, INC.**  
**One DeBaun Avenue C**  
**West Caldwell, NJ 07006**

Please initiate our participation in **ASIAN COATING ADDITIVES**. 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 **ASIAN COATING ADDITIVES** is \$12,000.

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

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Name

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Title

Title

Date

Date

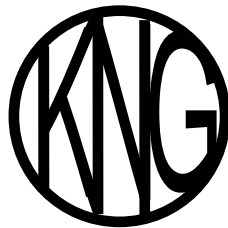
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## **ADDITIONAL SERVICES**

**ASIAN COATING ADDITIVES** is Kusumgar, Nerlfi & Growney's thirteenth multiclient study. Studies immediately available, or scheduled for completion, include:

- **ADHESIVES IN DEVELOPING REGIONS**, December 2003
- **ADDITIVES, 2003-2008**, September 2004
- **THE ASIAN COATINGS INDUSTRY**, September 2005
- **RADIATION-CURED PRODUCTS, 2005-2010**, July 2006
- **THE U.S. PAINT & COATINGS INDUSTRY, 2006-2011**, September 2007
- **ASIAN PAINT & COATINGS**, due July 2008
- **ASIAN ADHESIVES & SEALANTS**, due December 2008

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