Greening of the Decorative Paint Sector in Western Europe

The Western European market for paints and coatings was estimated at 6.05 million tonnes in 2009, reflecting a contraction of demand across the construction and industrial coatings sectors across much of Western Europe. The top five leading economies; Germany, Italy, Spain, France and the UK, have all been hit hard by the recessionary period, which has been a major consequence of the global economic crisis rooted in 2008. As investor sentiment falls and unemployment rises, so the decorative paint markets are being tilted more towards growth in the decorative DIY segment, rather than the professional or construction segment. Consumers are currently keen to save money and many are spending on small jobs such as interior decorating, abstaining from spending on big projects and use of professionals.

A host of factors continue to drive the decorative coatings market. The ever-present aspects of price and quality are still major factors, but more than ever environmental awareness is driving eco-orientation within the industry, while innovation is in high demand by the consumer and the paintmaker alike. Legislation continues to drive decorative paints towards low-, if not totally zero-VOC formulations. This prompted IRL to conduct a survey of the greening of the decorative coatings sector, as part of its most recent ‘Profile of the Western European Paint Industry,’ published in 2009.

The background to this survey, entitled ‘The Greening of the Decorative Paint Sector in Western Europe,’ is rooted in the upsurge of information and industry investment in bio-based raw materials and a number of marked trends within the paint industry which have indicated significant strides in the decorative paint sector going green. In mature economies such as those of Western Europe and the USA, increasing pressure is being exerted upon the industry for environmentally-friendly products, not only from legislation but also from corporate and individual customers alike.

The current standing of the industry, based on the varied sample of top paintmakers responding to the survey, is that about 70% of decorative paintmakers in Western Europe produce zero-VOC decorative paints. Of these companies some 51% see zero-VOC paints accounting for between 10 and 50% of their decorative paint sales in their home country, while 21% of them have no, or almost no, sales of zero-VOC paints. The remaining 28% of companies see the majority of their decorative paint sales in zero-VOC types. By 2014, many companies expect to have improved on these positions, particularly with some going for 100% decorative sales being zero-VOC, as shown in Chart 1. However half of the respondent companies have indicated that they only expect between 10-30% of their decorative coatings to be free of VOCs by 2014. Respondents from large multinational paint producers have indicated a varied difference in opinion regarding this with some only expecting to see 10% of their products being VOC free decorative paints, and others expecting to fully convert their decorative sales to be VOC-free. The companies have been classified according to their size, namely large or small multinationals, regional players or domestic players. This has been defined according to how many different countries each company sells decorative paints in.
The target consumers sought by manufacturers of zero-VOC decorative paints are fairly equal across the professional/DIY balance, some companies going purely for DIY consumers and some in pursuit of only professional consumers. Interestingly, professional consumers tend to have the least interest in environmental concerns.

With regard to sustainable or renewable raw materials, resins were considered the most interesting prospect by the companies concerned, with 47% of companies thinking they would be a good option. Some 12% of decorative paintmakers have no interest at all in renewable raw materials; for them the emphasis is plainly on quality at the moment.

Wide variation is observed in the importance of being seen as a coatings producer working with sustainable raw materials; across a whole range of decorative paint companies, scoring varies from 0/10 to 10/10 in terms of importance. Most, however, consider that the importance of this will increase to some degree in the future.

A majority of companies identify interior paints as being the best application prospect for sustainable raw materials. Just 50% think that they would be most suitable for stains, while increasing numbers acknowledge their potential for use in trim paints and wall paints. The greater demands made on exterior coatings of all types render renewable raw materials less useful in that part of the market, in the eyes of the industry.

Considering the different approaches to formulating environmentally-friendly decorative paints, efficiency is placed just ahead of sustainability as the leading approach, this therefore disposing the industry towards the use of fewer raw materials but to greater effect. After energy conservation (from the aspect of
the paintmaker’s processes in formulation and production), carbon footprint reduction was placed near the bottom of the list and efficacy last - relating to the formulation of coatings with long lifetimes to reduce maintenance and re-application in the future. By far the most attractive target area for the continued greening of decorative paint offerings is the complete elimination of VOCs from decorative coatings (58%) followed by the use of alternative packaging.

Over half of the decorative paint companies surveyed were active in environmental education or initiatives aimed at consumers. Of those companies which are not engaged in such measures in 2009, a further 56% consider that they would be likely to embark upon such drives in the future. Some die-hard companies clearly will not.

With regard to recycling or reclamation of paint or paint packaging nearly two-thirds of decorative paintmakers are involved in such measures, sometimes internally (their own paint waste) and/or externally (their consumers’ paint (or paint packaging)) waste. A further half of those companies not active in this area plan to become so in the future.

When paintmakers were asked about the relative balance between economy and ecology by the professional and DIY consumers in their own countries, 38% of respondent companies see the emphasis by professional painters on absolute economy, with just 11% going as far as a 50-50 trade-off between economy and the ecology as shown in Chart 2. In the DIY segment however, as seen in Chart 3, the shift is more ecological, with 38% of decorative paintmakers witnessing a 50-50 balance between weighing up cost with ecology, while 12% see their customers putting the environment ahead of costs. This nonetheless still leaves 50% of companies saying that their customers place cost ahead of environmental matters.

**Chart 2**

![Economical-Ecological Balance of Professional Paint consumer According to Company Type](chart2.png)
Despite the recession, the UK paint market could potentially emerge as one of the best growth areas in the next decade, largely due to the arrival of the Olympic Games in London in 2012. This is almost certain to create strong demand for paints and coatings across a host of infrastructure and venue projects in the coming years, and continued demand for paints and coatings as the ongoing redevelopment of parts of East London takes shape once the games are finished. The Olympic focus is on sustainability, with the idea of the London Olympics being the greenest ever, which shows that organisers are very much in tune with the times.

Post-2010, the EU decorative paint market will be firmly fixed by the effects of the tightening EU legislation, so the question will be just how eco-friendly any coatings used are – will they be merely zero-VOC rated or will they too be up to the challenges of sustainability by then as well?

‘A Profile of the Western European Paint Industry, 4th Edition’, is available to buy now and contains information on the decorative and selected industrial coatings markets, as well as IRL’s survey on the greening of the decorative paint sector. The cost of the full report (344 pp and 261 tables) is €3,250.

For more information, go to www.informationresearch.co.uk or phone +44 (0) 208 832 7830.