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PRESS RELEASE

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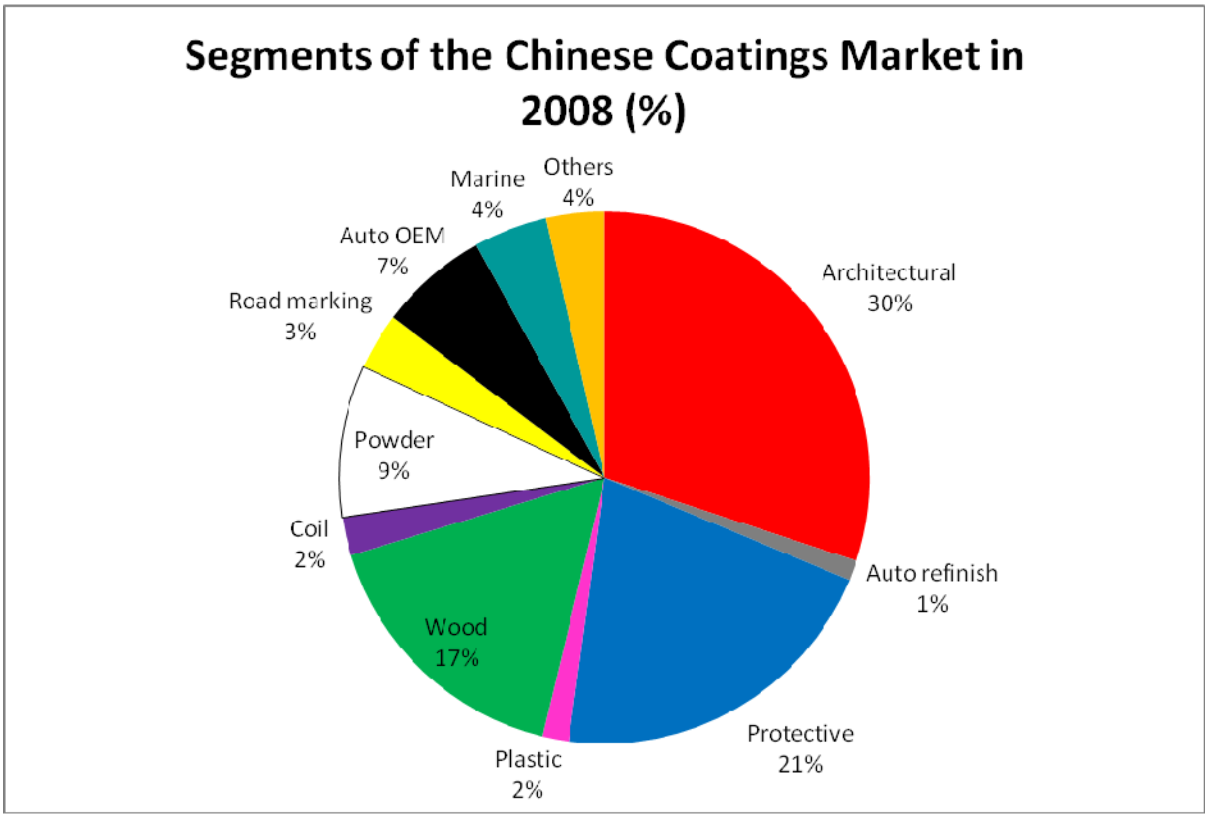
A PROFILE OF THE CHINESE PAINT INDUSTRY, 5TH EDITION

China – it's the 6.4 million-tonne paint market! That is, according to the latest statistics and interpretation of the 2008 market from IRL in its new *Profile of the Chinese Paint Industry, 5th Edition*. With paint production slightly ahead of this figure and imports and exports negligible in comparison, China is increasingly self-sufficient in paints and coatings, with the exception of high-tech and specialised types which it is yet to be equipped for producing.

The national market is expected to recover from the economic wobble it experienced in late 2008 with the help of economic stimulus plans from the government. A noticeable dip in demand from export markets prompting output of Chinese goods to plunge has elicited a wave of economic stimulus plans from the Chinese government, in exactly the same way as has been witnessed in the more mature economies. Emphasis here is in the continued development of rural markets, both in terms of stoking rural consumer expenditure, building better roads to rural communities and targeting rural citizens with small, eco-friendly cars.

The structure of the Chinese coatings market is still highly focused on infrastructural and manufacturing applications, so industrial coatings continue to represent the majority (70%) of the market, as seen below:



The architectural coatings market in China accounts for 30% of all national coatings demand (hence about 1.92 million tonnes), making it the largest single segment of the market, but still in the minority compared to the whole industrial finishing sector. These facts are unlikely to change by 2013, when the architectural paint market is forecast to reach 2.6 million tonnes, its nearest segmental challenger being the protective coatings segment which will reach nearly 2.3 million tonnes by then. Environmental influences exert a strong pull on the architectural coatings market, either through areas such as formaldehyde reduction (or destruction), other aspects of VOC reduction or in terms of heat insulation.

Short-term construction trends continue to favour massive events such as the Shanghai Expo and the Asian Olympic Games, which will be in Guangzhou. Other long-term spending plans hold good for Beijing, where construction and upgrading projects continue apace, and in Sichuan Province, where there will be reconstruction projects following the earthquake of 2008.

The single fastest-growing product segment will almost certainly be automotive refinishes. This is the result of Chinese vehicle ownership reaching more than 64 million in 2008, which has created enormous demand for the services of garages and repair centres. Recent developments in China have seen refinish producers bringing quick-curing products to the market, which reflects China's ongoing demand for high technology. In addition, water-based coatings at the OEM stage are also likely to continue gathering ground, as a result of new, eco-efficient car designs which are being targeted at budding car-owners. Also on the road itself, China will have close to five billion kilometres of road by 2020, as a result of major infrastructure projects and the development of major roads and expressways. This will result in enormous demand for road-marking paints throughout the next decade.

A Profile of the Chinese Paint Industry, 5th Edition, has the following contents:

1. Foreword
2. Executive Summary
3. Background
4. Raw Materials
5. Chinese Paint Production Statistics
6. Chinese Paint Trade
7. Chinese Coating Markets
8. Coatings Distribution
9. End-User Industry Statistics and Trends
10. Regulatory and Environmental Influences
11. Market Forecast, Drivers and Trends
12. Directory of Chinese Paint Manufacturers
13. Sources of Information

A Profile of the Chinese Paint Industry, 5th Edition (213pp and 149 tables), costs €2,950 for a single copy. Sections of the report will be available shortly to buy online at IRL's website,

www.informationresearch.co.uk

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