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PRESS RELEASE

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A PROFILE OF THE BRAZILIAN PAINT INDUSTRY, 2ND EDITION

Paint and coatings demand in Brazil is estimated at 1,303,200 tonnes for 2008, which could grow to create a market of 1,651,000 tonnes by 2013. This is equivalent to average annual growth rates in the region of 4-5%, once Brazil has recovered from the effects of the global economic crisis. Almost all industry figures are optimistic about a return to market growth after a current period of uncertainty and possible contraction, according to the results of research published by IRL in its new *Profile of the Brazilian Paint Industry, 2nd Edition*.

The vast majority of the Brazilian paint market lies in the decorative sector, accounting for nearly 74% of the total demand. The decorative paint market is almost entirely in the hands of professional applicators, whether purely professional, or in the case of home applications, in a buy-it-yourself market in which homeowners buy the paint and professionals apply it. Rising home ownership, rising living standards and easier credit availability have all been exerting positive influences over the Brazilian decorative paint market which has been further supported by investments from large American paint companies such as Sherwin-Williams and PPG. Although the long-term trend has been towards rising use of good quality decorative paints, the impact of the economic crisis has reversed this for the short-term, placing the emphasis on cheaper paint use at the moment.

Construction and infrastructure are the key driving forces for the coatings market as a whole, bringing rising demand for decorative, wood and protective coatings. The best growth rates are to be expected in the marine and protective segments, largely as a result of offshore exploration by Petrobras.

Swathes of Brazilian industry are now experiencing a time of greater SHE (safety, health and environment) control. Although there is an absence of formal legislation to drive the coatings market towards compliant technologies, it is beginning to happen anyway. There is already a much greater awareness of the need for environmentally-friendly formulations within the Brazilian populace. ABRAFATI, the Brazilian paint and coatings manufacturers association, has set out guidance on VOC levels and paint production standards which sets the tone for a compliance agenda; it will shake up many of the local manufacturers in what is a very large industry. Furthermore, many of the top companies are continuing to seize the initiative by bringing eco-friendly formulations to the market, which is moving evermore in the direction of US and European levels.

A Profile of the Brazilian Paint Industry, 2nd Edition (87pp and 54 tables), costs €2,750 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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