

## NEWS RELEASE

### For Immediate Release

#### **China's Anti-Corrosion Coatings Industry Grows on Rising Demand for Quality – Window of Opportunity**

**BEIJING – August 12, 2011** – While domestic suppliers of anti-corrosion coatings control almost 60% of the revenues in this market, only large foreign conglomerates have the capacity to compete on quality and at scale.

The market for anti-corrosion coatings in China is valued at RMB 30 Bn at year-end 2010. The industry is growing at 13% annually, but growth is expected to rise significantly due to economic recovery in downstream industries, a rise in domestic demand and awareness of quality issues.

A well-applied, high-quality coating will protect a structure from corrosion for up to 20 years or more. Domestic customers are also starting to realize this. In the period between 2010 and 2015, growth is forecasted at 19% on average.

However, domestic coatings suppliers cannot compete with large multinational conglomerates on quality and scale, providing excellent opportunities for foreign coating manufacturers.

Domestic suppliers are mostly small manufacturers that are regionally active and benefit from long standing customer relations. The market leaders are a handful of foreign suppliers – AkzoNobel, Jotun, Hempel, PPG – that generate up to 100 times the revenue of their domestic competitors.

The Chinese government aims to address this situation by stimulating market consolidation and eliminating outdated production capacity. Strict quality and environmental regulations force small domestic suppliers to innovate or die.

GCiS research shows that the government is booking some success. Several large domestic suppliers are maturing, along with the technology that they have access to. These suppliers will soon be able to compete with foreign competitors on quality, scale, and price.

But this is a slow process. For the moment the anti-corrosion coatings market offers great opportunities to foreign suppliers of high-quality coating products.

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### **About the GCiS Anti-Corrosion Coatings Study**

This GCiS market study draws on a three month, in-depth primary survey of over 100 of the market's supply side and channel players. It is essential reading for any professional needing accurate and detailed strategic information of this market. Major areas covered include: market size and shares, five-year projections, market structure, new vs. replacement sales, pricing trends, distribution, consumption, an assessment of key suppliers and more.

### **About GCiS China Strategic Research**

GCiS ([www.GCiS.com.cn](http://www.GCiS.com.cn)) is a China-based market research and advisory firm focused on business to business markets. Since 1997, GCiS has been working with leading multinationals such as Siemens and GE in sectors ranging from technology to industrial markets, medical, chemicals, resources, and a few others.