



A PROFILE OF THE SOUTH AMERICAN PAINTS INDUSTRY 3RD EDITION

IRL is pleased to announce the publication of a new edition of its popular *Profile of the South American Paints Industry*.

This report covers the markets for paints and coatings in Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela. It segments each country market into nine mainstream coatings sectors for 2011, and also includes overall market forecasts to 2016.

South American Market for Paints & Coatings, 2011 (Tonnes)

Segment	Market Size (Tonnes)
Decorative Paints	2,102,250
Industrial Wood Coatings	164,350
Automotive OEM Coatings	89,800
Automotive Refinishes	84,050
Powder Coatings	108,700
General Industrial Coatings	180,000
Protective Coatings	69,500
Marine Paints	16,950
Coatings for Plastics	4,000
Total	2,819,600

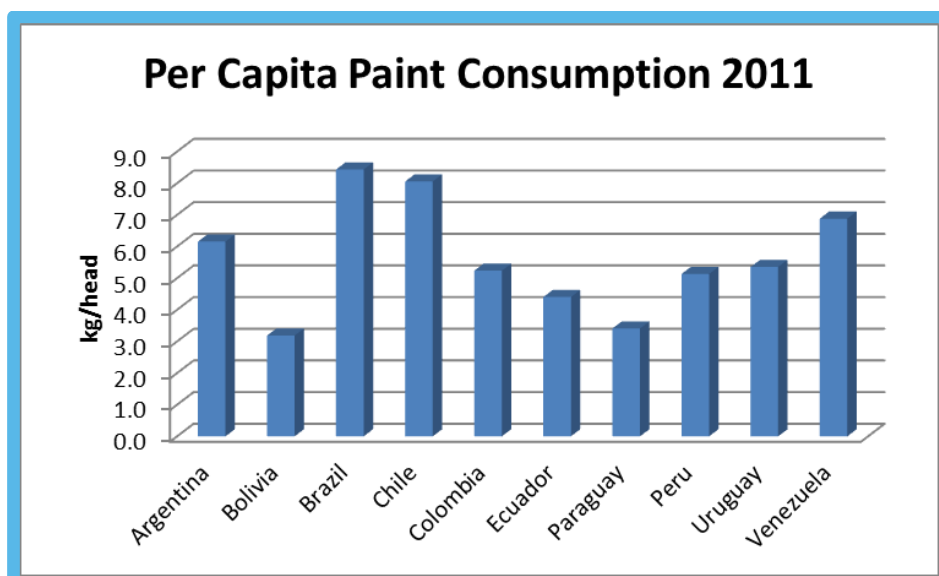
- Brazil is by far the largest country market in South America, accounting for some 60% of total demand for paints and coatings.
- Argentina and Colombia are the second and third largest markets respectively, while Uruguay and Paraguay are the smallest.
- The major multinational paints and coatings companies have a strong presence in South America and continue to invest in the market, via organic growth and also through strategic acquisitions.
- Official population statistics give a per capita paint consumption of 7.1kg for the South America region as a whole, with the highest levels seen in Brazil and Chile. Bolivia has the lowest paint consumption per person.

- Despite starting from a small base, Bolivia is expected to show the fastest growth in its coatings market over the medium term (around 8% p.a.), followed by Chile and Uruguay.

There are several key drivers behind the expected future growth in the South American market:

- The growth of the oil and gas industries - Brazil is rushing to develop its vast offshore petroleum resources, while Argentina has newly discovered shale gas reserves and Colombia and Peru are expanding their refineries – and alternative energy projects such as thermoelectric, hydroelectric and wind power.
- Investment in the mining sector – Bolivia (tin, zinc, lithium), Chile (copper), Colombia (gold and coal), Peru (silver, gold, copper) etc.
- The advent of the Football World Cup to Brazil in 2014 and the Olympic Games in 2016, which will bring significant investment to improve infrastructure and build new sporting and accommodation facilities.
- Government social housing programmes to address the housing deficit, notably ‘Minha Casa Minha Vida’ (‘My Home My Life’) in Brazil and similar schemes in Argentina, Bolivia, Chile, Peru, Venezuela etc. Rural migration and emigrants returning from Europe add to the housing problems in many countries.
- Rising car ownership, due to greater spending power and higher living standards, along with poor quality roads and frequent traffic accidents, will boost the market for automotive refinishes.
- South America’s coastline provides opportunities for the marine coatings industry – Brazil’s Petrobras is currently modernising its tanker fleet, Chile is the world’s second largest salmon producer and Peru has the second largest fishing industry in the world.

Per Capita Paint Consumption in South America in 2011



South America continues to face challenges too, not least arising from political, economic and social instabilities. Problems facing the paint industry include:

- Reliance on imports for many raw materials required for paint production e.g. resins, pigments.
- Lack of regulation concerning environmental aspects of paints and coatings, which can undermine consumer confidence in product quality.
- Corruption at government and industry level – Chile and Colombia have recently passed legislation to specifically tackle corruption problems.
- Venezuela’s wide scale nationalisation programme has forced many investment projects to be put on hold.
- Argentina’s controversial nationalisation of oil company YPF (Yacimientos Petrolíferos Fiscales) and its expropriation from Spanish energy firm Repsol has caused political turmoil.

‘A Profile of the South American Paints Industry’ is available now from IRL at the price of €3,250. It includes market data for 2011 and forecasts to 2016 for each country included in the report, plus a SWOT analysis of the South American coatings industry overall and market splits by end-use sector. It also outlines the key industry players in each country and shows key trends in the decorative and industrial segments.

