



PAINTS AND COATINGS TRENDS

Participants of the 15th Paints and Raw Materials Markets International Conference gathered in Sochi in early November to address challenges facing the industry and discuss promotion of paint and coating products in the market and improvement of feedstock availability.

Key market players and industry majors presented over 40 reports during the conference, which gave them an opportunity to discuss trends in the commodities market and turnkey industrial solutions and present new products and research articles.

IN 1H 2017, THE PRODUCTION OF PAINTS AND COATINGS IN RUSSIA TOTALLED 714.6 KT (UP 5.2% Y-O-Y), WHEREAS CONSUMPTION OF THESE MATERIALS IN RUSSIA DURING THE SAME PERIOD STOOD AT 798.6 KT (UP 6.9% Y-O-Y).

Import substitution for basic grades in the water-borne paints segment became one of the most popular topics. Experts believe that the industry will shortly start focusing on more sophisticated technologies. Another major trend in the paints and coatings market noted by the participants is the decrease in output of outdated products underpinned by the global industry's push towards innovations.

Oksana Stebalina, chief expert at SIBUR's Fuel Components and Alcohols Division, delivered a speech at the varnishes, resins and feedstock market session saying that the current growth trend in the domestic oxo alcohol market looks promising, especially after an extended period of stagnation. The market dictates new rules, and producers today are forced not only to focus on sales of raw materials, but also move on to the next stage of value creation. Oksana cited the new butyl acrylate production at Gazprom neftekhim Salavat and Russia's only 2-ethylhexyl acrylate production at SIBUR's Dzerzhinsk site (SIBUR-Neftekhim) as relevant examples.

In addition to the main programme, representatives of the key market players participated in dedicated round table discussions. SIBUR also held a round table talk for its clients: the meeting became one of the conference's biggest, with seven SIBUR experts and over 20 representatives of the customer companies attending the event. The round table was scheduled to share the Company's vision of the monomer market with its clients, and also openly discuss the challenges facing the participants and opportunities for joint development.

"We wanted to align the participants on the latest market trends and discuss some of the industry's main challenges. We had not previously used this format to communicate with clients from different industry segments. This conference was the first time we tried it. The round table provided an opportunity to present SIBUR's materials, discuss Russia's monomer market in general and the need to come up with some new products. Our experts also shared the Company's forecasts on industry trends," said Natalia Koshelenko, chief sales expert at SIBUR's Plastics, Elastomers and Organic Synthesis Division.

Among the speakers at SIBUR's round table was Oleg Podobryansky, executive director of KRATA Group (JSC Pigment), whose speech on import substitution provoked a heated debate.

“Discussions took up the largest part of the round table event. The most popular topics were the balance and availability of styrene products, the slower pace of import substitution, opportunities for long-term partnership with SIBUR and the Company’s support of joint development projects with customers,” added Lyudmila Sukhina, marketing expert at SIBUR’s Plastics, Elastomers and Organic Synthesis Division.



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