

China Coating Additives Market By Type (Acrylic, Fluoropolymers, Urethanes, Metallic Additives, Others), By End User (Architectural, Industrial, Automotive, Wood and Furniture, Others), By Region, Competition, Forecast & Opportunities, 2019-2029F

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Abstracts

China Coating Additives Market was valued at USD 861.35 Million in 2023 and is anticipated to reach USD 1046.05 Million in the forecast period with a CAGR of 3.25% through 2029. The coating additives market in China is experiencing significant growth, driven by the rising demand for low VOC paints and a surge in automotive and construction projects. This thriving market scenario can be attributed to China's expanding industrial sector and its strong commitment to sustainability.

China's dominance in the Asia Pacific paint additives market is undeniable, accounting for more than 50% of the market share. Several factors contribute to this dominance. The country's rapid urbanization and industrialization have led to increased construction activities, creating a higher demand for high-quality coating additives. The growing automotive industry in China has also played a pivotal role in the market's expansion.

In addition to these factors, the increasing demand for eco-friendly and sustainable products is significantly influencing the coating additives market in China. As more individuals and businesses seek low VOC paints for their projects, manufacturers are compelled to develop and supply environmentally friendly coating additives.

The focus is not solely on meeting the current demand. China is actively investing in research and development activities to innovate and enhance the quality and performance of coating additives. This proactive approach is expected to further propel the market's growth in the coming years, reinforcing China's position as a key player in

the global coating additives industry.

The coating additives market in China is on a steady rise, driven by the country's booming industrial sector, growing demand for sustainable products, and dedicated research and development initiatives. As China continues to progress in these areas, the coating additives market is anticipated to flourish even more, creating new opportunities for manufacturers, and contributing to the overall growth of the industry.

Key Market Drivers

Growing Demand of Coating Additives in Automotive Industry

The automotive sector serves as a significant consumer and beneficiary of coating additives, relying on them to enhance coating performance. These additives play a vital role in delivering desirable features such as improved gloss, enhanced durability, and heightened resistance to harsh environmental conditions. As China's automotive industry experiences substantial growth, the demand for top-quality coating additives escalates correspondingly. China remains the world's largest vehicle market in terms of both annual sales and manufacturing output, with domestic production projected to reach 35 million vehicles by 2025. According to data from the Ministry of Industry and Information Technology, over 26 million vehicles were sold in 2021, including 21.48 million passenger vehicles, reflecting a 7.1% increase from 2020. Sales of commercial vehicles totaled 4.79 million units, representing a 6.6% decline from the previous year. Alongside the automotive industry, the surge in infrastructure development and commercial construction projects across China contributes significantly to the expansion of the coating additives market. These sectors heavily rely on architectural coatings, which leverage coating additives to achieve desired properties, thereby driving up demand.

The increasing emphasis on sustainability and eco-friendly solutions profoundly influences the coating additives market. Manufacturers are actively developing low VOC (volatile organic compound) and biodegradable coating additives to meet the rising demand for environmentally friendly options. This focus on sustainability not only aligns with global trends but also underscores China's commitment to reducing its environmental impact. Also, China's substantial investments in research and development play a pivotal role in propelling market growth by fostering innovation in coating additives. The combined factors of heightened demand from the automotive sector, increased infrastructure and construction activities, and a strong emphasis on sustainability drive the robust growth of China's coating additives market. This market

presents considerable opportunities for expansion and innovation, attracting both domestic and international players in the industry.

Growing Demand of Coating Additives in Construction Industry

China's coating additives market is witnessing a substantial upswing, fueled by the escalating demand from the thriving construction sector. Coating additives play a pivotal role in augmenting the performance and quality of coatings utilized in diverse construction projects. They not only enhance gloss and durability but also offer exceptional resistance to adverse weather conditions. China is the largest construction market globally and has been significantly influenced by shifts in government regulations and policies. Between 2022 and 2023, the residential and non-residential building sectors are projected to experience negative or low growth due to the downturn in the property market. However, infrastructure investments driven by government stimulus are expected to sustain the overall growth of the industry in the coming years.

As China's construction industry continues its robust growth trajectory, the need for top-notch coating additives is anticipated to steadily increase. This trend is further bolstered by China's substantial investment in research and development endeavors aimed at innovating and improving the quality and efficacy of coating additives. Through proactive measures, China is positioned to catalyze further growth in the market in the forthcoming years. The escalating demand for coating additives in the construction sector, coupled with China's steadfast dedication to innovation and sustainability, is propelling remarkable growth in the country's coating additives market. Given China's dominant stature in the global construction arena, the outlook for the coating additives market in the region appears exceedingly promising and poised for sustained expansion.

Key Market Challenges

Volatility in Price of Raw Materials

The coating additives market in China is witnessing a notable upsurge in demand, primarily driven by the thriving construction and automotive sectors. However, amidst this growth, several challenges have emerged, with one of the main concerns being the volatility in raw material prices. Coating additives are synthesized from various raw materials, including acrylic, urethane, fluoropolymers, and metallic compounds. Fluctuations in the prices of these materials directly affect the production costs of coating additives.

In recent times, there has been a discernible increase in the volatility of raw material prices. This volatility can be attributed to factors such as geopolitical tensions, trade disputes, and disruptions in the global supply chain due to the ongoing COVID-19 pandemic. The instability in prices not only results in escalated manufacturing costs for coating additives but also introduces uncertainty in planning and forecasting. Consequently, this volatility impacts the overall profitability of manufacturers operating in the coating additives market. To effectively address these challenges, industry stakeholders must closely monitor market trends, anticipate fluctuations in raw material prices, and develop robust strategies to mitigate their impact on business operations. By doing so, they can ensure sustainable growth and profitability in this dynamic and evolving market landscape.

Key Market Trends

Growing Demand of Waterborne Coatings

Waterborne coatings are experiencing significant growth driven by the increasing demand for environmentally friendly and sustainable coating solutions. Anquamine 469 is a waterborne curing agent specifically formulated for waterborne protective coatings, such as those used in container and transportation applications with low VOC content. It provides exceptional salt spray resistance, strong adhesion, and effective curing at high temperatures and high humidity, making it ideally suited for container production environments. These coatings utilize water as a solvent, making them less hazardous and more eco-friendly compared to traditional solvent-based coatings. With growing awareness of environmental concerns and the emphasis on sustainable practices, the market for waterborne coatings has seen a substantial rise. The application of waterborne coatings extends beyond the construction sector to include the automotive industry. The expansion of car manufacturing, particularly in emerging economies like China, is expected to further propel the adoption of waterborne coatings. As the automotive sector strives to adhere to stricter environmental regulations and reduce its carbon footprint, the use of waterborne coatings becomes essential.

In China specifically, the outlook for waterborne coatings is promising. Covestro, a leading supplier of innovative high-tech materials, has noted that waterborne UV coatings are still in the nascent stages of their development in China. This indicates a significant untapped potential for growth in the Chinese market, offering exciting opportunities for manufacturers and suppliers of waterborne coatings. The increasing demand for waterborne coatings represents a substantial and enduring shift in the

Chinese coating additives market. As the momentum for sustainability continues to build, the preference for eco-friendly coating solutions is expected to persist, creating abundant opportunities for manufacturers in the coating additives market to innovate and meet the evolving demands of the industry. In China, the adoption of waterborne coatings has resulted in lower waste removal costs, as the waste streams associated with waterborne coatings are less hazardous compared to those containing solvents. In architectural applications, the reduced odor levels of water-based paints are a significant factor driving their use. As building occupants and industry operators grow increasingly concerned about solvent odors, the appeal of water-based paints continues to rise, according to Covestro LLC.

Segmental Insights

Type Insights

Based on the category of type, the acrylic emerged as the dominant segment in the Chinese market for Coating Additives in 2023. The ascendancy of acrylic coatings in the coating industry is primarily driven by the increasing demand for environmentally friendly products. Acrylic coatings, being water-based, contribute to lower volatile organic compound (VOC) emissions compared to solvent-based coatings. This characteristic aligns perfectly with the global shift towards sustainability and the regulatory push for eco-friendly materials. Also, the water-based nature of acrylic coatings not only reduces environmental impact but also promotes safer working conditions and easier cleanup.

Acrylic coating additives offer a wide range of high-performance characteristics highly sought after across various industries. They provide excellent color and gloss retention, along with remarkable resistance to weathering, ensuring long-lasting protection for surfaces. Also, acrylic coatings demonstrate superior hardness and durability, making them well-suited for use in harsh environments and demanding applications found in industries such as oil and gas, chemical processing, and construction. The exceptional performance of acrylic coatings adds value to products and extends their lifespan, reducing the need for frequent maintenance and replacement.

The rapid growth of architectural coatings further reinforces the dominance of acrylic in the coating additives market. With the increasing popularity of waterborne coatings, acrylic coating has emerged as the largest and fastest-growing segment in China. This trend is expected to continue as the construction industry in China continues to experience substantial growth. The versatility and adaptability of acrylic coatings make

them a preferred choice for architectural applications, providing not only protection but also aesthetic appeal to buildings and structures. By offering a combination of environmental sustainability, high-performance characteristics, and versatility, acrylic coatings and additives have established themselves as a key player in the coating industry, meeting the evolving needs and demands of various sectors.

End User Insights

Based on End User, the architectural segment is projected to experience rapid growth during the forecast period. The dominant position of the architectural segment in the coating additives market is primarily driven by the robust growth of the construction industry in China. The country's sustained economic development has led to a notable increase in construction activities, encompassing both residential and commercial projects. This surge in construction has created substantial demand for architectural coatings, which are essential for enhancing the durability, aesthetics, and protective properties of buildings.

Another significant factor contributing to this trend is the growing consumer awareness regarding sustainability. As more individuals become mindful of their environmental impact, there is a considerable rise in the demand for eco-friendly architectural coatings. These coatings are formulated to have minimal harm on the environment compared to conventional coatings, making them an appealing choice for environmentally conscious consumers and builders. The increasing popularity of eco-friendly coatings can be attributed to their ability to contribute to a healthier and more sustainable future, without compromising on performance or quality.

Regional Insights

South Central emerged as the dominant region in the China Coating Additives Market in 2023, holding the largest market share in terms of value. One of the primary reasons for South Central China's dominance in the coating additives market is the strategic industrial concentration. As per China's '13th Five-Year Plan' period, the coatings industry is rapidly concentrated in east, central south, and southwest China. This strategic concentration could be attributed to various factors such as the abundant availability of raw materials sourced locally, a highly skilled labor force that specializes in coating technologies, and favorable government policies that encourage investment and growth in the coatings sector.

South Central China is currently experiencing a significant wave of urbanization, which

further contributes to the region's strong position in the coating additives market. With the continuous growth of urban areas, there is an evident increase in construction activities, including the development of new infrastructure, residential buildings, and commercial projects. These projects heavily rely on architectural coatings to provide not only aesthetic appeal but also protection against environmental elements such as moisture, UV radiation, and corrosion.

By catering to the rising demand for coating additives in this dynamic and rapidly urbanizing region, South Central China continues to solidify its position as a key player in the coatings industry. The combination of strategic industrial concentration and the ongoing urbanization trend creates a fertile ground for sustained growth and opportunities in the coating additives market.

Key Market Players

BASF (China) Co. Ltd.

Dow Chemical (China) Investment Co. Ltd.

Evonik Degussa (China) Co. Ltd.

Elementis plc

Lubrizol Corporation

Arkema (China) Investment Co. Ltd.

Report Scope:

In this report, the China Coating Additives Market has been segmented into the following categories, in addition to the industry trends which have also been detailed below:

China Coating Additives Market, By Type:

Acrylic

Fluoropolymers

Urethanes

Metallic Additives

Others

China Coating Additives Market, By End User:

Architectural

Industrial

Automotive

Wood and Furniture

Others

China Coating Additives Market, By Region:

East

North & North-East

Southwest

South Central

Northwest

Competitive Landscape

Company Profiles: Detailed analysis of the major companies present in the China Coating Additives Market.

Available Customizations:

China Coating Additives Market report with the given market data, TechSci Research offers customizations according to a company's specific needs. The following customization options are available for the report:

Company Information

Detailed analysis and profiling of additional market players (up to five).

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