

SWITZERLAND

Industry's quality helps it push through COVID-19 pandemic

Barbara Bierach reports on the effects of the pandemic and looks at why Switzerland's paints and coatings industry is held in such high respect globally

Switzerland may be a small country of 8.5M people, with an area of 41,285km², 60% of which is mountainous, but its paint and varnish industry is substantial and growing, despite the COVID-19 pandemic. Of course, it helps that Switzerland is rich. It had a GDP in 2019 of around US\$703bn – US\$85,500 gross national income per capita, according to the World Bank. The industry association Verband der Schweizerischen Lack- und Farbenindustrie (VSLF) represents about 80 companies producing coatings, paints and inks, as such speaking for 90% of the Swiss sector, commanding 4500 employees.

Overall, the Swiss production of paints and varnishes – the aggregation of paints, varnishes and driers, prepared pigments, enamels, glazes and printing ink – generated a turnover of Swiss francs CHF2.14bn (US\$2.34bn) in 2019, a yr-on-yr increase of 1.5%, according to market research provider Euromonitor International. For 2020, despite the impact of the coronavirus, Euromonitor expects the industry's turnover for making paints and varnishes to be CHF2.16bn (US\$2.36bn), an increase of 1.1%. This is despite Switzerland having a relatively poor COVID-19 performance with 4935 cases per million population as per September 2 and 232 deaths per million people. See <https://www.worldometers.info/coronavirus/> For 2021, Euromonitor predicts a rise in turnover in Swiss paints and varnishes production of 4.7% to CHF2.26bn (US\$2.47bn).

■ **SECTOR TRUSTED AND RESPECTED GLOBALLY**

One reason for this strong performance is that the Swiss paint and ink sector is trusted throughout the world – according to the VSLF, the Swiss paint sector exports about 40% of the industry's production. Matthias Baumberger, Director of the Winterthur, near Zurich-based VSLF, was just back from the association's annual meeting with recent impressions from the mood amongst his members when he spoke to *PPCJ*. The Swiss construction



■ **Sicpa produces security inks for banknotes**

industry is still going strong and, hence, the professional sector – producers of architectural colours, wood and façade protection – are doing “about as well as in the previous year”, according to Baumberger. Rather more dim is the situation for suppliers of industrial coatings and varnishes to car manufacturers or watchmakers. The DIY part of the market, though, remains lively, as many Swiss spent enforced lockdown time due to COVID-19 on home improvements.

Swiss products are known for their quality, said Baumberger, pointing to the fact that “many private label colour products are sourced in Switzerland”. One reason for the high Swiss standards in the sector is the focus on professional development, he told *PPCJ*: “Ten years ago, for example, the profession of the ‘Farb- und Lacklaborant’ was created, to train laboratory technicians specialising in the production of paints, coatings and varnishes.”

■ **HIGH SECURITY INKS FOR BANKNOTES**

A good example of how the Swiss industry has developed such a strong reputation is Sicpa, the world market leader for the colour of money, based in Chavornay, in Vaud canton, whose capital is Lausanne. It produces high-security ink for banknotes, such as high-quality intaglio inks, optical effect inks, such as OVI and SPARK, luminescent inks and a range of machine-readable solutions to address the challenges of automated banknote handling. According to Sicpa, more than 50% of all banknotes worldwide

are produced using their polymer-based products. This “hidden champion” is indeed mostly “hidden”: the clients, the world's central banks, expect Sicpa to keep its secrets behind the high walls that surround the production plant.

Another reason for the success of the Swiss paint sector, according to the VSLF, is the “regulatory environment”, which is a lot more flexible than that of the European Union (EU), which Switzerland has never joined. As a result, Switzerland does not follow the EU REACH chemical control system and is not regulated by the European Chemicals Agency.

Also, there is the power of competition to trigger innovation: “We are a small country and the pressure to learn from each other and to be agile and flexible is massive”, said Baumberger. And the fact that Switzerland's citizens speak German, French and Italian, helps to deliver to the world markets.

■ **A “TYPICALLY SWISS” COMPANY**

Among the success stories is Monopol AG, a producer of coatings for metal façades, industrial varnishes and anti-corrosion products, based in Fislisbach, Aargau canton, also near Zurich, and in Mumbai, India. Its list of clients is both international and impressive. A few years ago, it produced the paint for the main building of Apple's new headquarters in California named ‘AC2’ (Apple Campus 2), pictured below. The 47m high façade of the Mercedes-Benz Museum in Stuttgart, Germany, is also coated in Monopol product.

Asked why so many architects and global corporations chose Monopol



products to add colour to their buildings, Monopol spokespeople point to their high standards: “Quality is a painstaking process” and, therefore, Monopol coatings undergo demanding tests and certifications before they hit the world market. Monopol is “typically Swiss”, they claim. The company offers 32,000 different colours “on demand” – if the client rings them in the morning, Monopol promises to deliver up to 500kg of the chosen product within 24 hours, no matter where: Paris, Rome, Vienna or Hamburg.

Drilling down into the Swiss market, researcher Euromonitor wrote in a study released in April (2020) that the COVID-19 fuelled DIY spending increase may not be maintained. It noted that the Swiss DIY sector only saw modest growth in 2019: “With an ageing society and consumers leading increasingly busy lives, there remains a widespread preference for paying someone to carry out repairs and maintenance jobs around the home.”

Also, private labels retained a strong position in 2019. Retail majors, such as Jumbo-Markt AG, Coop Genossenschaft and Migros Genossenschaftsbund have managed to corner the market in home paint offering a wide range of choices at different price points, according to Euromonitor.

■ ENVIRONMENTAL ETIQUETTE LABEL INTRODUCED

Sustainability is also expected to play an ever-increasing role in domestic and decorative paint sales, since Swiss



The 47m high façade of the Mercedes-Benz Museum in Stuttgart is coated in Monopol paint

consumers already have “more interest and awareness in ecological products than in many other European markets”, wrote Euromonitor’s researchers, “with consumers increasingly looking to avoid ingredients and materials that might be harmful to their health or the environment.”

The Swiss Colour Foundation (Schweizer Stiftung Farbe) in Winterthur, therefore, has not only created an ‘Umwelt-Etikette’ (environmental etiquette) label “to mark environmentally sound paints and coatings”, but also a smartphone



app for consumers to check up on the content of products in seven categories from A to G, with A having the highest standard. Together with the Swiss Climate Foundation (Klimastiftung Schweiz), that particularly supports CO₂ reduction programmes for SMEs, “Switzerland is probably leading in Europe when it comes to promoting sustainability”, reckons VSLF’s Director Baumberger.

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For more information, contact: Keith Nuthall, International News Services
www.internationalnewsservices.com
Tel: +44 (0)207 193 4888

Clariant plays a leading role in the phase out of lead in paints

Last month marked the eighth *International Lead Poisoning Prevention Week*, an initiative of the Global Alliance to Eliminate Lead Paint, jointly led by the UN Environment Programme and the WHO.

As one of the first companies to completely end the production and supply of lead-based pigments in the mid-1980s, Clariant supported the United Nations’ campaign to eliminate lead paint and, through regulatory and legal measures, accelerate progress towards its global phase out. To work towards this goal, Clariant is a supporter of the Strategic Approach to International Chemicals Management (SAICM), hosted by UN Environment Programme, a global policy framework which aims to protect human health and the environment from the unsound management of chemicals and waste, including through early planning support for chemicals management in the 2030 Agenda for Sustainable Development.

“Only 77 countries currently have legally binding controls on the manufacture, import and sale of lead paint, meaning that it is still permitted in a substantial number of countries, presenting a continuing and future source of lead exposure for children and workers.

“That’s why we believe the SAICM/ Global Environment Facility project, ‘Global best practices on emerging chemical policy issues of concern under the Strategic Approach to International Chemicals Management’, is an important initiative that sustainable and forward-looking companies should support,” said John Dunne, Clariant’s Head of Business Unit Pigments.

Supporting small to medium enterprises (SMEs) to transition to a lead-free paint market is one focus for Clariant, along with an emphasis on providing safer solutions in developing countries where paint manufacturing with lead-based materials is still considered a cost advantage.

Clariant’s Hostaperm®, Novoperm®, Permanent and Hansa™ pigment ranges are entirely free of lead-based pigments. Many of the products were developed in the 1970s and 1980s to allow for efficient formulation of shades previously made with lead chrome pigments.

“Clariant’s alternatives are both easy-to-disperse powder pigments and pre-dispersed, liquid colour concentrates, which can be simply stirred into a clear varnish.

“The existing equipment in local paint companies is therefore, enough to allow lead replacement, meaning that clever reformulation efforts can save on having to invest in any new production hardware.

“This enables local paint companies to expand the colour gamut of their paint significantly without increasing costs. Enhanced sustainability can also lead to cost savings and performance improvements,” continued Dunne.