

Engaging Small and Medium-sized (SME) Paint Manufacturers

Jeiel Guarino
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Outline

- Understanding the SME perspective
- What challenges do the SMEs face?
- The Philippine experience on engaging SMEs

Understanding the SME perspective



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What is an SME?

- The definition of an SME varies between countries, and refers to a wide range of businesses with very different capacities
- Most often defined by number of employees or annual sales
- Includes small low-tech paint manufacturers, as well as companies with several hundreds of employees and high-tech solutions
- Countries generally have a great number of SME paint manufacturers, but a few larger companies usually hold the largest market share

Reference: <http://web.unep.org/chemicalsandwaste/noleadinpaint/toolkit>



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Why do many SMEs still produce lead paint?

- Old habits will prevail if there is no reason for change
- Lack of knowledge about hazards of lead in paint
- Lack of access to know-how about paint reformulation
- Lack of knowledge on consequences of changing production

Reference: <http://web.unep.org/chemicalsandwaste/noleadinpaint/toolkit>



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What challenges do the SMEs face?



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Challenges specific to SMEs

- Access to raw material appropriate to their needs at a competitive price
- Lack of R & D expertise and resources
- Access to information on the selection of substitute ingredients and their use

Reference: <http://web.unep.org/chemicalsandwaste/noleadinpaint/toolkit>



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Access to uncontaminated raw material

- Manufacturers seek the least costly ingredients that meet their needs
- Some cheaper raw materials may be contaminated with lead
- SMEs need access to vendors who can provide them with lead-free pigments and driers and can reliably ensure these and the other ingredients they supply are not contaminated with lead

Reference: <http://web.unep.org/chemicalsandwaste/noleadinpaint/toolkit>



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Cost-effective ingredients

- SMEs produce less paint than large manufacturers and need smaller quantities of raw materials
- Their traditional vendors may lack experience in providing lead-free substitutes
- As national markets shift, vendors who service SMEs have a growing incentive to supply them with smaller quantities of substitute ingredients at a reasonable price

Reference: <http://web.unep.org/chemicalsandwaste/noleadinpaint/toolkit>



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Lead paint reformulation

- Reformulating paint cost-effectively while retaining the paint's color and properties takes time and involves trial and error
- Large paint companies generally have research and development divisions, with expertise in paint chemistry
- SMEs often have less expertise and less resources for research and development
- SMEs often depend on their ingredient vendors for expertise in the selection and use of the appropriate substitute ingredients.

Reference: <http://web.unep.org/chemicalsandwaste/noleadinpaint/toolkit>



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The Philippine experience on engaging SMEs



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Policy background

- Chemical Control Order (CCO) for Lead and Lead Compounds approved in December 2013
- Seeks to prohibit the use, manufacture, import, export and sale of paints with total lead content above 90 parts per million (ppm)
- Establishes three-year (2013-2016) phase-out period for architectural, decorative and household paints, and six years (2013-2019) for industrial paints that contain lead



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Lead content reductions indicating paint reformulation

Brand	Color	2013 Lead Content (ppm)	2015 Lead Content (ppm)
Brand 1	Yellow	126,000	290
Brand 2	Yellow	32,600	1,280
Brand 3	Yellow	23,200	18
Brand 4	Yellow	17,700	300
Brand 5	Red	2,330	15



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Industry role to promote compliance

- The Philippine Association of Paint Manufacturers (PAPM) conducted regular paint technology courses and related capacity-building seminars among members, which also includes raw material suppliers
- PAPM's Technical Committee regularly met to discuss emerging issues such as lead in paint and third-party certification program
- The EcoWaste Coalition was invited to be part of the Technical Committee from 2013-2014



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NGO efforts to engage SMEs

- Seminars conducted with experts from the IPEN network
- Meeting with individual companies to inform results of paint studies, understand SME concerns and challenges on shifting to non-lead paints, and know the status of their reformulations
- Promulgation of the CCO greatly influenced companies to switch to non-lead paint production as it provided the impetus for companies, especially SMEs, to reformulate and seek ways to comply with the law



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Responses from SMEs

- Andaluca Manufacturing Corp.
- FH Colors and Coatings Corp.
- Globesco, Inc.
- H-Chem Industries, Inc.
- Super Globe, Inc.
- Times Paint Corp.
- Treasure Island Industrial Corp.



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LEAD PAINT ALLIANCE

Andalucia Manufacturing Corp.

- During first quarter of 2015, learned that by January 2017, all architectural paints in the market must be lead-free.
- Started compliance to CCO by purchasing zirconium octet drier as replacement for lead drier in alkyd paints
- Started inquiring about lead-free pigments (yellow, orange, red, blue, green) from their suppliers
- Once stock of lead driers and pigments are consumed, they will start production of lead-safe paints



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LEAD PAINT ALLIANCE

Andalucia Manufacturing Corp.

- *“Our company is thankful for organizations like yours. Rest assured, we will do our part to support you in your advocacy.” — Ma. Corazon B. Ramirez (Chemist); Jose C. Que Pua Jr. (Assistant General Manager)*



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LEAD PAINT ALLIANCE

FH Colors and Coatings Corp.

- Fully aware of the harmful effects of lead
- Started its lead phase-out program well before the signing of the CCO last December 2013
- First phased out enamel red lead primer, followed by lead-based drying catalyst for alkyd enamel paints
- Last phase is the replacement of lead-based pigments



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LEAD PAINT ALLIANCE

FH Colors and Coatings Corp.

- *“FH Colors and Coatings Corp. fully supports the Philippine Government’s initiative to phase out the use of lead compounds in paints. Right now, the company is satisfied with the progress of its program and is confident that its products will have lead levels lower than 90 ppm before the 2016 deadline for decorative paints and 2019 for industrial paints. Rest assured that we will follow the CCO on lead and lead compounds.” — Gemmar Gibe (Vice President-Business Development)*



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Globesco, Inc.

- Exerts effort to eliminate lead in QDE products and are much aware of the effects of lead
- Started shift to lead-free driers in QDE products in 2007
- Started shift to lead-free pigments in 2011
- Next plan is to require suppliers of raw materials to submit third party lead-free certificates



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LEAD PAINT ALLIANCE

Globesco, Inc.

- *“We recognize the role and effort of NGO such as EcoWaste Coalition towards promoting environment protection and chemical safety not only for the present but for future generations as well. Rest assured that we are partners in promoting chemical safety particularly the elimination of lead-added paint.” — Lilia A. Mamenta (Technical Manager); Jerry Sy (Treasurer and Director)*



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LEAD PAINT ALLIANCE

H-Chem Industries, Inc.

- Committed to comply with the requirements stipulated in the CCO and abide with the mandate of totally eliminating lead paints by 2016
- Already replaced lead driers with other non-lead containing raw materials since 2014
- Currently evaluating several lead-free pigments to replace existing lead pigments (yellow and orange)
- Initial batch of reformulated paints will be ready for submission to an accredited testing center for the voluntary Lead Safe Certification Program by November 2015; colors not conforming shall not be released for sale



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LEAD PAINT ALLIANCE

H-Chem Industries, Inc.

- *“The company is committed to comply with the requirements stipulated in the CCO and abide with the mandate of totally eliminating lead paints by 2016 as a responsible manufacturer of paint products.” — Brigida Bedro (Technical Head)*



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Super Globe, Inc.

- Used lead for the last two decades; taking them out of current formulas will take time and effort
- Aware that paint should be lead-free by end of 2016
- Started resorting to other suppliers providing raw materials without lead
- Started reformulating products without affecting the price and quality
- Started redesigning packaging labels



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LEAD PAINT ALLIANCE

Super Globe, Inc.

- *“We would like to express our gratitude and appreciation for all your efforts to eliminate lead in household enamel paints. The company agrees with your vision and objective. We are seeking your patience and understanding as this is not an easy task. Rest assured that we are constantly monitoring developments within and without our company premises in ensuring a lead-free paint environment.” — Charles Ernest A. Ele (General Manager)*



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LEAD PAINT ALLIANCE

Times Paint Corp.

- Oldest and one of the “most trusted” paint manufacturer in the Philippines
- Firmly believe responsibility to customers in taking action to minimize and eliminate hazardous, toxic chemicals
- Committed in reducing to manageable levels, or even eliminate, the presence of lead in all products



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LEAD PAINT ALLIANCE

Times Paint Corp.

- *“We firmly believe that there’s no conflict between economic prosperity and environmental stewardship. While we know that our initiatives may affect our business in the short term, we believe that in order to grow, businesses should embrace sustainability, as they will prove to be more efficient, have lower costs, have a better relationship with all stakeholders and ultimately, be able to offer the best quality paints at the lowest possible prices.” - Reginald T. Yu (President)*



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LEAD PAINT ALLIANCE

Treasure Island Industrial Corp.

- Lead-free conversion initiatives started in 2013
- R&D group strives to eliminate lead in all products from common household paints to highly specialized industrial paints
- 50% of lead-containing household paints have been converted to lead-free paints
- New brands will be launched to separate lead-free products
- Committed to ensure that 100% of household paints be lead-free at the end of 2015, and industrial paints by 2018



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LEAD PAINT ALLIANCE

Treasure Island Industrial Corp.

- *“Our company and EcoWaste Coalition have been on the same page on the elimination of leaded paints in the Philippines. Being stewards of our community, we are proud to have EcoWaste Coalition as our partner in this thrust.” — Emmanuel O. Ong (Senior Vice President)*



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Thank You!



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