

Supply Chain Management

Industry Issue Overview

CASE Industry Focus on Transparency and Safety

Most major chemical companies, including manufacturers and suppliers of raw materials such as additives, extenders, pigments, resins, etc., have implemented effective enterprise resource planning and supply chain management systems (SCM), all of which were seriously disrupted during the Pandemic.

Further exacerbating raw material and manufacturing capacity issues in recent years, there were additional transportation issues involving labour shortages, port, and rail strikes, and civil protests from commercial drivers, and carbon taxation contributing to price inflation for all goods and services. Not all of these acute problems have resolved themselves and those that continue to linger are now compounded with other emerging supply chain issues forcing the Coating, Adhesives, Sealants, and Elastomers (CASE) sector to reflect and prepare accordingly.

Increased bureaucratic red tape and excessive labelling of products for products in the name of supply chain transparency, already subject to effective labelling throughout the supply chain, will only add excessive costs of consumer products with little or no benefit.

What is Supply Chain Transparency?

There is extensive transparency in existing supply chains and has been for many years with Safety Data Sheets listing all ingredients in products, extensive labelling for products sold to consumers via the Globally Harmonized System for Labelling Chemicals in Commerce (GHS), WHMIS regulations in Canada ensuring worker safety and others. These extensive regulations are updated regularly ensuring transparency and safety across the supply chain.

Supply Chain Challenges

Some of the supply chain challenges include assessing the benefits and opportunities of artificial intelligence (AI), planning for continued economic impacts of decarbonization, and escalating carbon taxation, all while aligning Canada with international codes of practice to improve supply chain efficiency and transparency of chemicals in products.

Consumers are demanding more information on the products they purchase with the support of many governments encouraging more transparency, which requires potentially expensive labelling changes and disclosure of ingredient information that may unnecessarily alarm consumers. There must be a clear and fair way to move forward on all the issues without disrupting trade, good paying jobs, and the focus on sourcing more sustainably sourced materials.

Excessive labelling requirements are not a panacea for better chemical disclosure in products as many consumers do not read labels even though ingredients are always disclosed in highly regulated formulated products. At some point, consumers and the public generally will have to rely on the Governments to assess chemicals in products and regulate them. Governments have to have confidence in the regulations they develop at great costs to both industry and Government as well as consumers at the point of sale. Hence, consumers pay twice for regulation, once via their taxes and second when they purchase regulated products.



Bureaucratic Red Tape Hinders Effective Supply Chain Management. Excessive labelling of products in the name of supply chain transparency will only add excessive costs of consumer products with little or no benefit.



CPCA Regulatory Focus on Supply Chain Management

Canada is now involved in a massive undertaking in an effort to increase supply chain transparency. It is unclear how far it will go and what the impacts will be on both government, industry and consumers. And, more importantly, the impact on productivity and businesses operating in Canada. These various trends across the supply chain are increasing customer expectations, which continue to add pressure on chemical manufacturers to improve efficiencies. A critical part of this effort means complying with evolving regulations and standards for formulated products vis-à-vis human health and the environment. Canada is at the leading edge of this regulatory effort and has been for the past twenty years, which includes the world leading Chemicals Management Plan. However, any new regulations will now require ensuring that regulatory and trade alignment issues are resolved for the benefit of Canadians with full consideration of economic impacts vis-à-vis the benefit from increasing regulations.

CPCA continues to support and guide industry leaders as the CASE sector focuses on ensuring they can protect the reputation of their brands with ongoing investment in innovation and R&D for more environmentally sustainable products.



Canadian Paint
and Coatings
Association

Association canadienne
de l'industrie de la peinture
et du revêtement

Canadian Paint and Coatings Association
900-170 Laurier Avenue West
Ottawa ON K1P 5V5
613-231-3604 | info@canpaint.com

*Trusted Advocacy.
Proven Results.*

About CPCA

The Canadian Paint and Coatings Association (CPCA) was founded in 1913 and since then it has forged a legacy as one of Canada's oldest trade associations advocating for the interests of the paint and coatings industry. CPCA's team of regulatory and chemical experts understand how policy, regulations, and industry are intricately connected, providing proactive approaches on legislative and regulatory development for critical issues for the CASE Industry. For more information on this or other issues of interest contact CPCA.