Paints and coatings in Hungary  
Market characteristics

- The Hungarian paint and coating market have been ones of the markets hit hardest by the economic crisis in Europe. As a result of the decline in manufacturing activity (1.8%), construction sector (-5.6%) and real household income in 2012, the week demand is expected to continue to be low in 2013. In 2013 the paint and coating market market is expected to face a 15% market decline.

- In 2012 the main suppliers of paints were the following countries:

<table>
<thead>
<tr>
<th>Country</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>36.26</td>
</tr>
<tr>
<td>Austria</td>
<td>9.55</td>
</tr>
<tr>
<td>Italy</td>
<td>8.6</td>
</tr>
<tr>
<td>Poland</td>
<td>5.47</td>
</tr>
<tr>
<td>Belgium</td>
<td>5.2</td>
</tr>
<tr>
<td>France</td>
<td>4.73</td>
</tr>
</tbody>
</table>

- The decorative coating segment enjoys 80-85% share of the market, and more than half are water-borne. The retail distribution of consumer decorative coatings is largely done via Do-It-Yourself (DIY) stores, dominated by foreign companies, including Obi, Praktiker and Bauhaus from Germany, Austria’s Baumax, and France’s Bricostore. (Bricostore stopped its activity at early 2013.)

- The industrial sector, which suffered an 1.8% decline in industrial production in 2012 shows the most potential with a forecast 2% growth in 2014. This is believed to stimulate demand for industrial coatings. In addition, one of the growth areas has been industrial wood coatings, due to the relocation of German and Italian wood processing companies to the country, which has increased sales of industrial wood coatings, especially solvent-borne.

- Hungary is a small producer of coatings and paints in the EU. It is the fifteenth largest, behind Denmark and Austria, but ahead of the Czech Republic and Romania. Major paints and coating producers in Hungary include Trilak Festékgyártó Kft, Poli Farbe Kft and Akzo Nobel. They represent 70 per cent of the Hungarian paint market (110 million Euro).

Main market players

- **Trilak Festékgyártó Kft.** is member of the US based PPG EMEA Group. Its market share came up to 40 per cent in 2012.

- **Poli Farbe Kft** Hungarian owned paint manufacturer is cooperative partner of DUPONT. In 2011 Poli Farbe Kft has founded the Pannon Paint Sales Chain in Hungary which involves nearly 100 Hungarian SME selling mainly Poli Farbe products. Poli Farbe’s market share is about 20 per cent.
Although Akzo Nobel Coatings Festékgyártó és Kereskedelmi Rt closed its local factory in 2011 the company still among the leading coating and paint distributors in the country. (Market share 10%)

**Trade channels and finding trading partners**

The most recommended trade channels for paints and coatings exporter are distributors, subcontracting and agents. The best way to approach prospects is by attending trade fairs in Hungary. In addition, the Internet is a highly valuable source to find potential trading partners. Relevant country-specific sources to find prospects are:

- Chemexpo - [http://www.chemexpo.hu](http://www.chemexpo.hu) - chemical trade fair, including the coating sector, held every even year (May), in Budapest.

- Eszbotno - [http://www.eszbonto.hu](http://www.eszbonto.hu) - portal for the Hungarian coating importers and distributors.

- Hungarian Chemical Industry Association - [http://www.mavesz.hu](http://www.mavesz.hu) - represents chemical companies in the industry; click on ‘Tagvállalatok’ (member companies).

- Hungarian Paint Producers Association - [http://www.mafeosz.hu](http://www.mafeosz.hu) - to view members, click on ‘Member Companies’.

- Hungarocoat - [http://www.hungarocoat.hu](http://www.hungarocoat.hu) - exhibition for coatings and paint raw materials, held every three years. The last fair was held in November 2011, in Budapest.

- Startlap - [http://festek.lap.hu](http://festek.lap.hu) - portal for the Hungarian coating and paints importers and distributors. Coatings and in Hungary