

- **Architectural coatings** formulated for application on commercial, institutional, residential, and industrial structures. The products are generally distributed through wholesale and retail channels and are purchased by the general public, painters, building contractors and government agencies.
- **Product coatings** custom-prepared for original equipment manufacturers to meet the end-use or application requirements. These products include industrial product finishes and original-equipment lacquers.
- **Special purpose coatings** including coatings for the transportation aftermarket formulated for special applications or extreme environments. Products in this category include industrial maintenance exterior and interior paints and miscellaneous specialty coatings such as metallic, traffic, automotive, marine and aerosol.
- **Other coatings** including wood and textile preservatives, putty and glazing compounds, paint and varnish removers, brush cleaners, thinners, lacquers, oleoresinous thinners, aerosol paints, organosols and plastisols, paint and varnish dryers, pigment dispersions, ink vehicles, and shellac.

The USDOC notes that manufacturers in the paints and allied products industry reduced their product shipments by 5% compared to 1986 levels to \$11.14 billion (U.S.) in 1987. It is believed that most of the change was accounted for by architectural and original equipment coatings shipments. However, the USDOC estimates that shipments increased in 1988 to \$11.9 billion (U.S.) and will likely increase again in 1989 to \$12.1 billion (U.S.). Much of this increase will result from the efforts of U.S. based producers to gain share in the domestic market rather than increase exports to other countries.

This expected growth of industry shipments in 1989 of approximately 4% over 1988 (measured in constant 1982 dollars) will be dependent upon developments in the construction and manufacturing industries which are, in turn, dependent upon favourable changes in the tax laws and continued availability of credit.

In 1987, exports rose 21% over 1986 levels to approximately \$303 million (U.S.). In 1988, however, the growth of exports dropped, increasing only 2.9% over 1987 levels. The major U.S. export markets were Canada, Mexico, Japan and the Netherlands. Over the 1986-87 period, imports grew almost 25% to \$186 million (U.S.). In 1988, however, the growth of imports also declined to 4.3% with total imports reaching \$194 million (U.S.). The USDOC predicts that in