New spirit of optimism in North America

Electric mobility: Partnership with Tesla
Collision industry: BASF supports education
Dear readers,

**North America is on the rise.** After a sharp downturn, our economy is on the road to recovery. The automotive market in particular is in the midst of an upswing and BASF is ready to support its customers. One of our strategic principles states “We add value as one company”. This line comes to life with our partnership with Tesla, an innovative manufacturer of electric cars. BASF is one of the primary suppliers of automotive coatings for Tesla and also supplies the car manufacturer with engineering plastics materials.

**In this edition of Coatings Partner** you will also read a story about our new partnership with Ford Otosan in Turkey. This company will use the 3-Wet technology which is quickly becoming the recommended technology for Ford plants globally. This technology was developed by Ford and BASF. It shortens the production time, lowers the emissions and has the additional advantage of less energy consumption. This way, it unifies innovation with sustainability – two other principles of the BASF strategy.

**Lastly you will read** how BASF supports the future of the collision industry by partnering with the Collision Repair Education Foundation. This nonprofit organization is committed to ensuring that students have access to the very best collision repair education. BASF offers not only money but modern equipment to enable schools to convert to waterborne refinish technology.

I hope you enjoy reading these stories and gain some insights into BASF in North America. Best regards,

Juan-Carlos Ordoñez,
Senior Vice President Coatings North America

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**New resin plant in Shanghai**

The start-up of a new large-scale production line at the Shanghai Chemical Industry Park is planned for the second half of 2015. BASF is investing around €90 million to set up a plant to produce high-performance resins and electrocoat. “The continued investment in strengthening our infrastructure and capacity demonstrates our commitment to supporting our customers’ growing business in the automotive market in the region, particularly in China,” said Peter Fischer, Senior Vice President, Coatings Solutions Asia Pacific. The new plant will be located adjacent to a basecoat plant that broke ground at the same site in early 2013. With the new plant in place, BASF will be in an excellent position to quickly and efficiently supply its customers in Asia with the entire range of high-quality coating materials.

**BASF Argentina receives World Excellence Award**

When Ford Motor Company presents a supplier with its World Excellence Award, it means that the manufacturer has demonstrated superior quality, delivery and cost performance. BASF Argentina Coatings has now been honored with the company’s highest distinction – the Gold Award. “We are honored by this recognition from Ford,” said Sergio Haberstroh, Ford Regional Account Manager at BASF Argentina Coatings. “It highlights the excellent teamwork between customer and supplier.” The BASF team at the Tortuguitas site in Argentina supports Ford with modern paint processes and innovative technologies.

**Joining forces for success**

At the renowned Autorama car show in Detroit in March, two cars refinished with BASF automotive paints were among the top eight recipients of the coveted Ridler Award. The award honors restored cars that have been presented at the Autorama for the first time.

**Higher production capacity in Brazil**

BASF has invested well €2.5 million in the expansion of its Demarchi production site in São Paulo state, Brazil. The project, which is to considerably increase capacity for producing waterborne basecoats, is scheduled to be completed by early 2014. “By increasing our production capacity, we aim to meet our customers’ demand, which has been driven by new automotive manufacturing plants in Brazil, as well as by the tendency to use waterborne technology instead of solventborne,” said Antonio Carlos Lacerda, Senior Vice President of the Functional Solutions Segment and Infrastructure for BASF South America. BASF is the pioneer in developing waterborne basecoats for the automotive industry. The technology is eco-efficient because water replaces most of the organic solvents.
**New low VOC basecoat system for North American market**

BASF has announced the launch of its new R-M® automotive refinish brand ONYX™ HD Low VOC Productive System basecoat system, which was specially created to meet the requirements of the North American market. It is offered in either waterborne or solventborne versions, both of which meet the current volatile organic compound (VOC) regulations in the United States and Canada. ONYX™ HD Low VOC is easy to spray, dries quickly – even under common humidity and temperature conditions – and offers improved surface treatment. The first collision repair centers have already tested the system and have reported significant decreases in drying times.

**A new twist on the show car**

Based on a 1958 BMW Isetta 250, BASF has demonstrated how the famous “bubble car” looks when it has been restored with innovative products. BASF’s “Mysetta” show car made different stops during its extensive restoration. For example, the chassis, the body, the add-on parts and the interior were completely refurbished. For the overhaul, BASF paints, coated fabrics and flexible foam were used. In order to achieve the original colors as well as possible, the BASF color designers specially created the colors Big White and Bluetta. Afterward, the Mysetta’s interior was also given a new design before the mini-car was debuted at the BASF Annual Shareholders’ Meeting in Mannheim.

**The Museum for Lacquer Art turns twenty**

BASF has a long tradition of promoting art and culture. The Museum for Lacquer Art run by BASF Coatings in Münster is celebrating the 20th anniversary of its founding. The museum hosts a unique collection of lacquer art from East Asia, Europe and the Islamic world, presenting objects from over two millennia. Special exhibits bring out individual aspects of the lacquer art, which include both traditional and contemporary works of art.

**Sparkling finish**

With BASF’s new basecoats, nomen est omen. The new “XSpark® – designed by BASF” basecoats sparkle like thousands of stars in the night sky. This pronounced sparkle is brought about by very fine glass particles in the coating. Depending on how the light hits them, the particles glitter at various levels of intensity, “from subdued yet elegant to intensive and crystal-like,” said Mark Gutjahr, head of Design Europe at BASF. “With XSpark, we have achieved an unprecedented exclusive effect,” added Stephan Schwarte, head of Basecoat Pigments/Dispersions & Color Design Lab.
Restructuring on the horizon

By Jeff Schuster, Senior Vice President of Forecasting at LMC Automotive

The North American light vehicle sales market has been recovering successfully during the past several years after the significant 2008-2009 global recession devastated vehicle demand across the North American region, and especially the U.S. market. Changing dynamics now start to drive a market transformation.

While the global recession caused a significant decline in vehicle demand across North America, there were other developments earlier in the decade that played into the resulting GM and Chrysler bankruptcies and substantial restructuring at Ford. The Detroit manufacturers were plagued with high legacy costs for retiree pensions and health care that made them uncompetitive against the foreign manufacturers that had established manufacturing operations in the region with a younger, cheaper workforce. The Detroit Three automakers were caught in a pattern of building vehicles to keep the factories running at a higher utilization and focused less on natural demand. This approach forced the use of high incentives to consumers and higher sales to rental car companies. Both actions were an effort to maintain a high level of sales, but ended up eroding profit margins. Everything came to an abrupt halt as the severe recession cramped available credit and the ability of consumers to purchase new vehicles. Production utilization of the Detroit Three was about 87% in 2002, but was cut in half, to a low of 43%, in 2009 when demand fell abruptly. There had been some efforts by the Detroit Three prior to the recession to reduce their manufacturing footprint by eliminating older, less efficient plants, but not enough was done. Their high fixed cost structure was nowhere near prepared to weather the recession, which, in the end, allowed a sea change in the cost structure of GM, Chrysler, and Ford. After the painful, but necessary capacity downsizing, nearly 4.1 mil-
lion units of excess capacity was removed in North America. With the new footprint and improved sales pace, the Detroit OEMs are expected to have a healthy 84% production utilization rate this year.

Consumers respond as fuel costs rise
Another major factor leading to the restructuring of the domestic auto industry was the change in the size of vehicles, as consumer purchases were shifting to smaller, more fuel-efficient models. Fuel prices in the U.S. have been relatively low compared to other markets for quite some time. However, as global demand increased in the 2000’s, with an emerging Chinese automotive market, fuel costs steadily increased for the American consumer. As a result, consumer vehicle preferences were adapted to smaller vehicles.

The Detroit-based manufacturers traditionally relied on midsize car and large truck models for their sales and consequently their profits, as only 9% of their combined 2002 sales came from the compact segments. As the gas pricing climbed in the mid-2000s, this larger model reliance resulted in enormous losses for the Detroit Three OEMs and consequently their market share eroded as well.

Play catch-up with small vehicles
The Detroit Three was caught without competitive model offerings in the smaller segments, as fuel prices accelerated a change in buyer preferences. However, product development then began to prioritize smaller vehicles and diversify the model lineup in order to complete with the adapting consumer needs and the upcoming U.S. fuel efficiency mandates. The Detroit Three offered a combined 17 models in the compact segments back in 2002, with the now shuttered Pontiac, Saturn brands accounting for 1/3 of the models. This year, they offer 28 compact-sized models. With the lineup changes, the Detroit Three carmakers are expected to reach 14% share of compact models this year, up nearly 5 percentage points from 2002.

Each of the Detroit automakers were able to show strong profitability in 2012, a tremendous turnaround from the 2008-2009 low point, thanks to restructuring and reprioritizing with a more diverse vehicle lineup. In fact, Ford’s Focus model outsold the traditional best-selling Toyota Corolla model globally last year with over 1 million units, highlighting the progress made both in North America and around the world.

In summary, the North American automotive market has made significant progress in recent years, after a disastrous 2008-2009 recession that saw the near collapse of the domestic industry and painful restructuring. However, this has led to a stronger, healthier automotive environment that is expected to continue over the next several years.
**Premium market – bright future**

**By the end of the decade**, premium models are expected to grow to a 14% market share in the United States. A strong product cadence in the coming years is expected to drive growth in the premium segments. The emphasis in recent and future product activity is on smaller, lower priced vehicles and lower volume, specialty models, both driving up the model activity in the premium market. This is illustrated by the fact that 69 unique premium models (29% of the total number of vehicles in the marketplace) had a combined share of 9.5% of the total U.S. market in 2000.

In 2013, 116 premium models (38% of the total vehicle count) are expected to account for 12% of market. By 2020, 132 premium models (42% of the total vehicle count) are forecast to control 14% of the U.S. market. The number of premium models is nearly twice what it was in 2000 by 2020, but market share is expected to increase by 50% for the same period.

Upside potential does remain with the added focus on smaller premium vehicles, many of which start in the $30,000 price range, that are expected to battle with non-premium segments. European manufacturers (BMW, Volkswagen and Daimler) are leading the way in this premium market emphasis, but GM and Ford are spending significant dollars to revitalize their Cadillac and Lincoln brands. The Japanese brands are not sitting by the sidelines and are adding performance attribute to their luxury focus and Hyundai is eyeing a premium lineup or brand as well.
A strong partnership

Electric vehicles are becoming more and more popular. One important manufacturer of electric cars is Tesla Motors, whose headquarters are in Palo Alto, California. BASF is one of the primary suppliers of automotive coatings for Tesla and also supports the car manufacturer with engineering plastics materials.

The global market for electric cars is growing rapidly. A market study released by Pike Research estimates global sales of about 3.8 million electric or plug-in-hybrid cars in 2020. The study anticipates that sales of plug-in cars will grow by 40 percent annually. In comparison overall car sales will grow by only two percent during the same period.

Thanks to the partnership with Tesla Motors BASF is positioned very well in this high-growth-sector. The first contact was in July 2010. “I was contacted by one of the Tesla managers,” recalled John Van Antwerp, BASF Account Manager. At that time, Tesla was only interested in BASF’s coatings capability. But Van Antwerp seized the opportunity and presented not only the benefits offered by a partnership with BASF for coatings but also the opportunities of a cross-business unit approach with BASF, which is the world’s leading automotive supplier in the chemical industry. “My colleagues and I saw potential for other BASF segments. As a manufacturer of electric cars, it was obvious that Tesla would have a particular interest in lightweighting, heat management and electric vehicle-related innovations,” Van Antwerp said. To this end, he also presented BASF’s broad automotive portfolio to help the company stand out from the competition.

A few months later, in October 2010, BASF succeeded. Since then Tesla has used coatings products and engineering plastics from BASF. “It is a solid and dynamic partnership. The production of the Tesla Motors Model S vehicle continues to grow and their vehicles are seen as leaders in the electric car market,” Van Antwerp said.
Transplants in the U.S.

Interview with BASF managers
Ted Morris and Alejandro Shimazaki

“It all boils down to trust”

In 1980, Honda was the first car manufacturer in Asia that decided to build cars in the United States – and the whole automotive industry was skeptical. But that “transplant”, as these foreign-owned facilities are known in the industry, with its first car built in November 1982, opened the floodgates. In the three decades since, Japanese, European and South Korean carmakers have opened more and more assembly and parts factories in the United States. With Ted Morris and Alejandro Shimazaki, who are both responsible for transplants within BASF, we talked about transplants and the opportunities they offer for BASF.

What exactly is a transplant?
MORRIS: It is a foreign-based automaker, manufacturing vehicles domestically.
SHIMAZAKI: At the beginning, the transplants concept was considered by politics an “invasion” from a foreign company into North American soil. But more than two decades after, this perception was slowly and steadily changed by the adaption of a simple value proposition that still rules today: “High quality at an attractive price” and “Made in the USA”.

What impact do transplants have?
SHIMAZAKI: They have a very strong impact. Besides capital investment, transplants create jobs, income for families, know-how and technology. The government profits from the tax revenue. By creating a more competitive market they also have another major effect on the market landscape in favor of the final consumers: They can choose from a wider selection of vehicles based on design, vehicle segment, interior, quality, price range and availability.
MORRIS: As we continue to grow our business, the transplants are the key to our growth. Sometimes the transplants are referred to as the “New American” car manufacturers. They continue to grow domestically and provide many economic benefits to many communities throughout North America. Today, you even hear about the Big 6: GM, Ford, Chrysler, Toyota, Honda and Nissan. That trend appears to be continuing and BASF wants to be part of that trend.
Transplants in the U.S.

What are the reasons for foreign car manufacturers to build transplants in the U.S.?

MORRIS: Lower currency fluctuation impact, less transportation across the ocean and a strong labor market are appealing reasons for building plants in the United States. Currently, thanks to attractive economic conditions, we are seeing an increase in the number of vehicles being built by the transplants for export. For example, Honda in Marysville, Ohio, is exporting a significant number of vehicles to other continents. A few years ago, no one would have guessed that would happen!

SHIMAZAKI: The car manufacturers are aware of the fact that the United States have a highly educated and trained workforce. Moreover, specific consumer tastes like SUV, CUV and pick-up trucks require a certain degree of customization and sophistication in the design phases. In the U.S., the local personnel understands and knows the local culture, the needs and wants when it comes to those specific consumer tastes. That is one of the reasons why BMW and Mercedes-Benz have established their global hub for SUV and CUV manufacturing in the United States.

What kind of support does BASF offer car manufacturers which operate transplants in the U.S.?

MORRIS: BASF is a global leader in automotive coatings. We have a key objective to “Help our customers succeed”. As such, we are constantly supporting the transplants – both in the U.S. and in their respective home country.

SHIMAZAKI: BASF can provide several unique value propositions to the automotive industry. We offer our customers for example multiple automotive materials beyond coatings. We supply the car manufacturers in North America with a variety of products – from chemicals over plastics to coatings. We also feature a global network capability: BASF delivers technical service, know-how, expertise and products on the same service and quality level as in the headquarters of the car manufacturers. With our local personnel, we eliminate cultural and language barriers.

Mr. Shimazaki, you have already worked for BASF in Mexico and Japan. Does your familiarity with these countries benefit your work?

SHIMAZAKI: I have learned during my different assignments that it all boils down to trust at the end. This universal emotion has the same meaning regardless of the country, culture or language. But each culture has its uniqueness in terms of behaviors and actions that are considered building blocks for trust. Accepting, understanding and executing the previous, represents an advantage which allows BASF to form strong bonds and relationships with transplants customers.

“As we continue to grow our business, the transplants are the key to our growth.”

“BASF provides transplants with technical service”
Automotive production in Mexico is becoming more significant internationally. To better address customer requirements in Mexico, BASF has expanded its Tultitlán site.
**Mexico**

**With three million cars produced in 2012,** Mexico’s automotive production ranks 10th worldwide and 5th when it comes to the production of car parts. Mexico’s skilled workforce and dense network of suppliers make it attractive for international automotive manufacturers. BASF recognized this development early. Already since 1990, the company has production and laboratory facilities at its Tultitlán site. Together with the sites in Southfield and Greenville (USA) and Windsor (Canada), it forms a network to supply customers in North America in the best possible way.

Additionally, in 2012, BASF invested nine million US dollars in the expansion of a development laboratory and a new application center for automotive OEM coatings at its Tultitlán site. The expansion included a paint laboratory, spraybooths with electrostatic and manual operations and a dispersions laboratory.

“The goal was to be able to address the requests of our customers in Mexico and North America even better,” said Frank Hezel, responsible for BASF’s Coatings business in Mexico. “Our lab in Mexico is working in a close R&D Verbund with BASF experts in North America and other regions, strengthening our ‘One Lab’ culture.” For BASF customers, the lab expansion offers a huge advantage: Many processes that used to be assigned to different sites are now consolidated in Tultitlán or are coordinated from there. “Expanding our lab has given us the opportunity to offer not just individual products, but entire solutions,” Hezel remarked.

Initial success has demonstrated how well the collaboration works. “Since late 2012, BASF has supplied Nissan at its Smyrna, Tennessee, site with all paint systems for the Pathfinder and Infiniti models, from e-coat and basecoat to clearcoat. In addition, for the first time, we introduced an integrated, and therefore shortened process there,” reported Hezel.

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**The Mexican automotive market**

**Three million cars** produced in Mexico in 2012 marked a new record for the country.

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**Exports in percent**

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**The production of automotive parts rose to a value of €57.4 billion in 2012.**

Mexico ranks fifth internationally, after China, Japan, USA and Germany.

Sources: Asociacion Mexicana de Distribuidores de Automotores (AMDA), Industria Nacional de Autopartes (INA)
“Making Headway”

BASF’s international design team focuses this year’s automotive trend collection on the topic ‘progress’. It has developed color worlds that allow everybody to express his or her individuality.

“It’s about time for us to have more color,” said Mark Gutjahr, head of Design Europe at BASF, summing up the key message of this year’s color trends, “Making Headway”. For more than ten years, black, silver, white and, most recently, browns have dominated the scene. Now the BASF design team expects a shift to more colorful coatings in the future and is presenting designers and car manufacturers with a total of 65 new colors.
Europe: greens are gaining ground
In Europe, greens are becoming increasingly popular. BASF designers already identified this color trend in its early stages last year. “With new technologies, new models and new mobility concepts, a shift in values is on the horizon. In this context, green as the color of growth and a new beginning is playing a key role,” explained Gutjahr. Green symbolizes new values such as simplicity and responsibility, but also harmony and balance. In the coming years, the new automotive greens will shed their present eco image. “We are not finding answers to questions about society’s value shift in a romanticizing version of ‘back to nature’, but instead in intelligent solutions and technologies,” he said.

Accordingly, soberness and quality will continue to characterize the design language in Europe. Balanced and detailed yet bold colors such as dark green and emeralds create well-proportioned effects. Rich greens are refined by highlights and effects such as BASF “XSpark”. Here, the use of special-effect pigments ensures a striking sparkle that makes a clearer, cleaner and more intensive impression than ever known before.

North America strives for individuality
In his region, Paul Czornij, head of BASF Color Design in North America, observes a growing desire for individuality. “That’s why we are trying to develop colors that express at a glance: This is me.” Czornij is convinced that people want to show more colors again. In a recently conducted survey – including via Facebook – he and his colleagues interviewed customers in North America about their preferences concerning automotive coatings. According to the results, currently about 60 percent drive a car with a neutral color like silver, black or white. However, in response to the question of whether they could imagine driving a car with a more vivid color from the current BASF trend collection, at least half of the participants chose jewel-colored shades of red and blue. The trend color green will play an increasingly important role in North America, together with light yellow colors such as lemon. BASF has therefore reworked its greens in addition to colors like blue, dark red and brown to lend them greater depth and contrast. Grouped together in the “Aspire to” family, these colors aim to underscore the optimism in North America, where people still live the ideal of the American dream.

Asia in search of contrasts
The end of a phase of rapid growth in Asia is slowly giving way to a shift in thinking. Variety is becoming more important, not only in material values, but also in lifestyle. People appreciate their cultural identity – regardless of the trends in established industrialized countries. “Young people in particular want more and more color in their lives and are looking for designs beyond the mainstream,” said Chiharu Matsuhara, head of BASF Color Design Center Asia Pacific. “In the foreseeable future, we therefore expect to see more fresh and fashionable colors on the roads, for example, lime green and pastels.” Grays will also continue to be in great demand in Asia, but with a trend toward warmer, more natural nuances like olive green or bluish gray.

The outlook for the motorcycle market is also especially important in Asia. This means of transportation continues to be popular and Matsuhara and her colleagues see a trend toward vibrant colors and combinations with stark contrasts, offsetting the gray of the big cities. In addition, the demand for individual, colorful graphic decorations will increase.
When you visit Paul Czornij in his office at BASF’s Automotive Campus in Southfield, Michigan, you feel as though you are stepping into a small living room. A porcelain dachshund sits atop the expansive wooden desk, while colorfully filled bookshelves, plants and pictures make for an inspiring atmosphere. Czornij joined the global design team at BASF in 2009. He designs color trend collections for cars in close cooperation with his colleagues from Europe and Asia. In order to forecast car drivers’ future preferences, the team observes developments in an array of areas worldwide. Czornij’s particular focus is on North America. “While the number of small cars on the U.S. roads is growing, compared to other countries sports utility vehicles (SUVs) dominate the roads here,” he says. “These are traditionally finished with muted and darker colors. I have to keep that in mind when developing color trends for North America.”

A color trend developed by Czornij and BASF’s global design team is not seen on the roads until three to five years later. How can the designers tell what color will become a trend? Czornij finds inspiration in architecture, art and technology, as well as pop culture and films. Furthermore, he reads voraciously and tracks political and social movements in order to get a snapshot of the currently predominating moods in North American society. “Moods are extremely important for my work. Not only can moods be expressed by colors, they can also be influenced by them.”

Accurate forecasts
The accuracy of BASF’s design team’s automotive color trend forecasts has been proven many times over. For instance, the BASF designers predicted both the trend toward white and the trend toward brown early on. “Automotive coatings contrast sharply with areas in which only short-term trends play a role, like fashion,” Czornij explained. “In the fashion world, a new collection appears every six months. With automotive coatings, trends are more long-lasting. After all, it’s not as though most people can afford to switch their car color every six months.” On the other hand, Czornij points out that compared to Europe and Asia, the people in North America tend to change their car color more quickly. The U.S. is a comparatively young nation whose population has been formed by people descending from different cultures. I suspect that this is why color trends do not last as long here as in other regions of the world.”

Independent of all trends and in contrast to the rather colorful furnishings in his office, Czornij’s own car sports a black non-metallic finish. When asked about this, he answers with a smile: “I like the sense of mystery surrounding black color spaces.”
Canada

With little more than a spraygun and a prayer

White & Peters is Western Canada’s leading wholesaler for bodyshop and spraypainting supplies and has closely cooperated with BASF for 25 years.

Identifying and exploiting a gap in the market is something many business startups dream of doing. Jim White and Walt Peters already had over 15 years of professional experience under their belts when they launched their specialized wholesaler in 1962. In the 1960s, more and more people in British Columbia were able to afford their own car. In turn, the number of bodyshops grew as well. This meant that someone had to supply them. “With little more than a spraygun and a prayer,” as a newspaper article back in the day described it, White and Peters managed to make their dream come true. The business has expanded into a corporation with over 200 employees who supply nearly all of the around 700 bodyshops in British Columbia with everything they need for their daily work, ranging from sandpaper all the way to BASF paint systems.

Leaders in quality and application

In their business, White & Peters believe in long-term partnerships. This year they will celebrate their 25th anniversary of their collaboration with BASF, which was characterized by innovation and trust from the very beginning. “From the time we included the first BASF products in our program, they were the leaders in terms of both quality and application,” said Mort Hall, General Manager of White & Peters. “We know that BASF has an eye on the future and is constantly refining its products so that they meet our needs.” The partnership has evolved to the point where BASF and White & Peters join forces for certain offers for the market. For example, they offer training courses and workshops for bodyshops on new products and technologies.

Like a big family

“Our excellent collaboration with White & Peters has significantly contributed to us becoming the market leader,” said Louis McCaughan, head of sales for Western Canada at BASF. “We share the same philosophy.” Hall added, “Employees from BASF and White & Peters work together on a team so that we can serve our customers in our refinishing business in the best possible way.” The strategy is successful. Bodyshops supplied by White & Peters are often the most successful shops in their region, owing also to the fact that White & Peters and BASF keep them up to date about new products. “When our customers win, we win too,” Hall said, convinced. “In this way, we will continue to grow in the next 25 years.”
State-of-the-art equipment for students

BASF supports secondary and post-secondary schools in the USA. In a partnership with the Collision Repair Education Foundation, BASF finances equipment for collision training programs.

The collision industry needs qualified and well-trained entry-level employees who know how to handle contemporary equipment. But secondary and post-secondary schools in the United States have experienced severe funding cuts from national, state, and local sources. As a result, they are unable to provide updated equipment for their collision training programs, despite full class enrollment. Because BASF is a strong supporter of education, the company decided to partner with the Collision Repair Education Foundation to help fund the equipment for these training programs and ensure that the students are armed with the knowledge to work in today’s collision shop environment.

Due to budgetary concerns many schools do not have the possibility to offer their students access to state-of-the-art equipment. “We recognize the crucial role educational institutions play in the collision repair industry. Automotive technology is changing at an ever increasing rate. Therefore, having access to the latest, most relevant tools and information is essential for a technician to succeed”, stated Joseph Skurka, BASF OEM and Industry Relations Manager. That is why BASF works together with the Collision Repair Education Foundation. This non-profit organization is committed to making sure that students have access to the very best collision repair education. To reach that goal, the foundation needs supporters – like BASF – who offer not only money but also modern equipment to schools.

Only accredited schools receive grants

BASF has already equipped the Washburn Institute of Technology in Topeka, Kansas, and the Owens State Community in Toledo, Ohio. Those donations included paint and related equipment to convert the schools to waterborne refinish technology. They enabled these schools to keep pace with the collision industry by offering training in the latest repair technology. BASF also supports the organization’s general campaign fund that provides for things such as their annual collision student scholarships and school grants. “We decided to work together with the Collision Repair Education Foundation because we believe in its goal of supporting the future of the collision industry. It is also important to us that our donations are received by schools which have met the criteria established by the foundation”, said Skurka.

“In 2013 BASF will increase its donations and provide waterborne refinish technology to about five schools. It’s our hope that students experience the benefits of this new technology for themselves as refinish technicians, for the repair facility and for the environment”, stated Skurka.
The partnership between GM and BASF started over twenty years ago. It evolved from a basic supplier relationship to a very comprehensive partnership. “We have developed a better understanding of how to provide solutions that are mutually beneficial to BASF and GM”, said John Van Antwerp, BASF’s account manager for GM. “We are aligned with GM’s metrics and focused on providing high-quality, innovative coatings and supporting flawless launches.” The long-term partnership has resulted in an increased GM market share for BASF. GM has also benefited from BASF’s commitment to “innovate to make our customers more successful.” The car manufacturer also profited from BASF’s outstanding technical support and customer service. Technical savings opportunities are an advantage for both partners, with the financial benefit shared equally between GM and BASF.

Expectations exceeded
Today, BASF supports GM by combining modern paint processes with special-effect pigments and technologies. BASF offers a broad array of color solutions and development capabilities that enable GM to enhance productivity and environmental performance. Grace Lieblein, GM vice president, praised the partnership with BASF at the awards ceremony for the Supplier of the Year Award. “BASF helped play a critical role in GM’s success in 2012 through their dedication and commitment to consistently exceed our expectations: BASF is innovative, delivers high-quality products and services on time and creates outstanding value. We are thrilled to recognize BASF, whom we consider to be a world-class supplier.”
Interview with Alp Keskin – Ford Otosan

“We are a team”

With Ford Otosan, BASF has acquired a new customer and has supplied basecoats and clearcoats for the company’s plant in Kocaeli, Turkey, since the beginning of this year. Ford Otosan, the leader of the Turkish automotive industry, is positioned as the commercial vehicles production hub of Ford Europe. Alp Keskin, Buyer Petrochemicals at Ford, talks about the first achievements of the partnership.

Mr. Keskin, how do you assess the partnership with BASF? What is so special about BASF?
I’ve been responsible for paintshop materials purchasing at Ford Otosan for more than 3.5 years now and I can tell you that we are in full collaboration with BASF. We feel as one team rather than being in a commercial relationship. Two important points in the automotive industry are a pro-active approach and prompt reactions to problems. That’s what BASF is very good at. We received positive feedback from our technical colleagues as well. The BASF team is always prepared to give us support.

What do you expect from BASF in the future?
In addition, BASF is special to us because of its innovative solutions. Their suggestions provide us advantages among the competition in terms of solutions to technical problems as well as lowering the cost for some products. For example, in 2012, by implementing a new white basecoat, we significantly reduced the material consumption per car, which is also very much appreciated by the senior management.
approaches as well as commercial advantages in different product groups, which would obviously bring competitiveness and therefore expand our business with BASF.

What are your challenges in the future and how could BASF support you?
We always need strong support for our new projects where we aim to use cutting edge technologies. We will use the future coatings concept 3-Wet technology at our new plant. This is becoming the recommended technology for Ford plants globally. As we’ll start using this new technology from 2014, we would like to see BASF and its innovative approach as a partner support us again with this process.

What role do quality or sustainability play in your company and what do you expect from BASF?
Since raw material sources are diminishing day by day, the automotive industry’s demand for sustainable products and solutions is rising, as it is the case for every other industry. There are new legal restrictions on using specific raw materials and there are only few companies supplying these approved materials. BASF is a supplier which provides us with these sustainable solutions and thus enables us to follow legal requirements which are in line with our company’s sustainability approach.

Streamlined processes for Ford
Ford retools important production facilities to change over to the 3 Wet High Solids technology, an all-in-one coating technique, in cooperation with BASF.
This technique reduces the production time per vehicle by 20 percent, generates 15 percent less carbon dioxide emissions and releases 5 percent less volatile organic compounds (VOCs) than the previously used process – in short, a technology leading the way into the future.

BASF is a key partner in whose research labs this all-in-one process was jointly developed. The principal advantage is that one drying phase can be eliminated. Previously, vehicle bodies required two 30-minute rounds in the drying oven, after application of the primer and the basecoat/clearcoat. In the new method these three layers are applied wet-on-wet-on-wet, and then subsequently dried. The advantages: shorter production time, less energy consumption, streamlined coating lines and – above all – lower emissions. This results in more cars being coated within the same period of time, greater efficiency and no quality loss in terms of gloss, color brilliancy and durability.

Fully automated: Industrial robots paint a Fiesta body

Ford Tourneo: stylish van thanks to coatings from BASF
The quality you expect – now in a new outfit

Suvinil® is embarking on a new chapter in its history and is presenting itself with a modern, innovative and emotional image campaign.

For over three decades, Suvinil has been the leading brand for decorative paints in South America. Especially in Brazil, Suvinil is a symbol for service and quality, because the brand has always been ahead of the times, responded to customer demands, refined its products and launched new innovations on the market.

However, Suvinil not only continuously develops its marketing and its products, but also constantly refines the brand itself. In line with this, the logo and appearance of the packaging have literally been given a new coat. Special product characteristics like “rinsable” or “low odor” can now be found under the logo of every can. “The repositioning of Suvinil is based on the trends the market has been showing in recent years, as well as on the behavior of the customers and on the way the brand itself has developed,” explained Daniela Tavares, Suvinil Marketing Director. “Adapting or even completely changing the visual aspects of the products is of extreme importance if we want to follow the flow.”

Paints as decorative tools
In the past, customers used to consider the paint as just an extra item on their construction material list, Tavares said. But this has changed. “Paints have become decorative tools. They are an easy, quick and unexpensive way to transform environments.” The message is therefore: Inside a can with the new Suvinil logo on it, there is much more than just paint. It is color that transforms environments and generates emotions.

Ideas and inspiration in the shop
To convey this, not only the logo and the appearance of the packaging were changed. At the points of sale too, Suvinil is being presented in a new light, starting with the shop front and the items included in the product range, as well as the way the sales people address their customers. “We have noticed that consumers are demanding higher performance. Besides a variety of colors and products, they are especially looking for inspiration and ideas in the shops,” explained Ana Pugina, Suvinil Marketing Manager. And this is exactly what Suvinil wants to offer, since it is clearly convinced that even a little bit of color in life can make a big difference.
BASF’s Coatings business in North America

BASF supplies coatings to all important North-American carmakers, such as GM, Ford and Chrysler, as well as to the transplants of foreign car manufacturers. When it comes to refinish paint, BASF is equally successful. In both cases, paints from BASF stand for excellent quality, service, technology and price. That is because the company is always close to its customers and offers direct service at all five sites in North America. 

- Research and development
- Refinish coatings
- OEM coatings
- Administration
- Production