

Filters at a compressor station of Gazprom's gas pipeline have been protected with products from OOO Gamma Industrial Coatings.

As a result of a deal completed in April 2007, Tikkurila acquired ownership in two industrial coatings factories in Russia in addition to the existing four decorative paints factories. Tikkurila was once the first Western company to start paint production in that country, and now it was the first to start producing industrial coatings.



# Russian industrial paint companies expand product range

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OOO GAMMA INDUSTRIAL COATINGS &  
OOO TIKKURILA POWDER COATINGS, RUSSIA

PHOTO: OOO STROYHIMZASCHITA AND OOO STROYRESURS

In accordance with its corporate strategy, Tikkurila has strengthened its position in the growing Russian paint market by acquiring a 70% share in two St. Petersburg-based factories producing metal industry coatings. The businesses, formerly known as OOO "Gamma" and OOO "Ohtinskij zavod poroshkovyh krasok", continue their activities under the new names OOO Gamma Industrial Coatings and OOO Tikkurila Powder Coatings.

This first industrial coatings business acquisition in Russia was an important step in Tikkurila's efforts to increase sales in CIS countries

and especially in Russia. The deal opened up opportunities to achieve a prominent position as a local industrial coatings producer. Through this move, Tikkurila's total share of metal industry coatings sales in Russia doubled to over ten percent and Tikkurila became the country's second largest supplier in the field.

## Wider product range

The new companies' products added nicely to Tikkurila's own range of metal industry coatings. OOO Gamma Industrial Coatings, which produces liquid coatings for metal and con-

crete surfaces, has developed products specifically for the shipbuilding and ship repair industries, as well as for oil and gas industry needs. These coatings rank in the mid-range in price and quality comparisons, thus offering Russian customers a more affordable alternative to the metal industry coatings manufactured by Tikkurila in Finland.

OOO Tikkurila Powder Coatings' products in turn support sales of liquid metal industry coatings and complement the Rohm and Haas powder coatings range which we are able to offer customers through an exclusive distributor alliance.



Storage tanks for oil refinery products at the village of Dangi in the Island of Sakhalin.



Gamma and Ohtek are well-known brands to Russian industrial companies.

It is of particular strategic importance that Tikkurila now also produces powder coatings. It has been estimated that the Russian powder coatings market will experience strong growth in the coming years. This is a result of a shift in production and subcontracting closer to the growing markets of Eastern Europe and lower production costs in countries such as Russia. Attempts are also being made to reduce solvent emissions by upgrading production facilities and moving over to the use of powder coatings, which do not cause solvent emissions.

OOO Tikkurila Powder Coatings produces and markets epoxy, polyester and hybrid powder coatings under the OHTEK brand name. One of the factory's assets is its capacity to produce many different colours and structures. These are not by any means always standard colours, so the laboratory staff develop a new formula to match the sample provided by the customer when necessary.

The company has developed a product for repair painting powder-

coated surfaces as well as an adhesion primer that is especially recommended for difficult aluminium and zinc surfaces. Tikkurila intends to expand production at the powder coatings factory in the coming years in order to respond to the needs of the growing market.

### Guaranteed quality for industry

OOO Gamma Industrial Coatings' quality assurance system has been certified according to ISO 9001:2000. Even in Russia, a certified system has become a prerequisite for competitiveness in certain industries, especially the shipbuilding and ship repair industry, as well as the oil and gas industry, where we are competing against other international paint producers for market share.

In recent years, the company's product development efforts have focused particularly on the development of water-borne and low-solvent products. The factory is known for metal industry coatings which are especially suited to northern climates,

and it intends to continue to increase production.

### Tinting making its way

We also intend to incorporate the cornerstone of Tikkurila's marketing, the tinting system and base paints, with OOO Gamma Industrial Coatings' service selection. Tikkurila's R&D Centre in Finland has begun development work on base paints using the Russian company's products that can be tinted with Temaspeed colourants. Thus we are advancing Tikkurila's expertise.

The entire skilled and professional staff of OOO Gamma Industrial Coatings and OOO Tikkurila Powder Coatings transferred to the new companies after the acquisition was complete. As a well-known and established company, Tikkurila has been accepted well and collaboration is off to a better-than-expected start, overcoming differences in nationality and language. The economic payoff has been better than expected as well. ●