



# PAINTS AND DYES IN COLOMBIA

EXPORT AND FOREIGN INVESTMENT OPPORTUNITIES

2020



**PROCOLOMBIA**  
EXPORTACIONES TURISMO INVERSIÓN MARCA PAÍS



El futuro  
es de todos

Gobierno  
de Colombia



# ABOUT PROCOLOMBIA

Country brand



Exports



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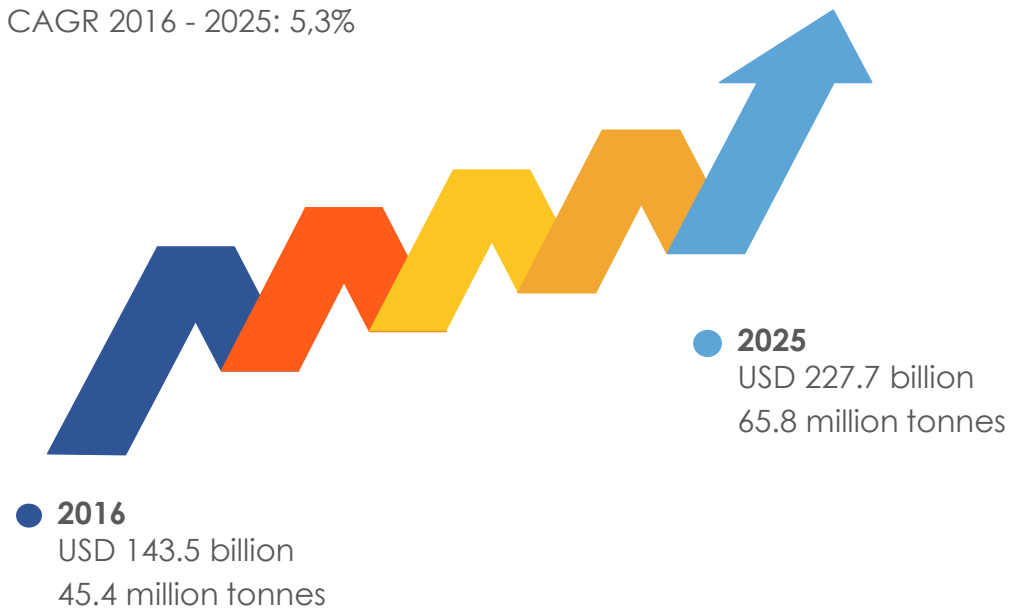
Foreign  
Direct  
Investment



The architectural segment represents the largest market share in the industry, however, the overall industrial sector is expected to be the fastest growing segment by 2025

### Global sales of paints and coatings 2016 - 2025

CAGR 2016 - 2025: 5,3%



### Top 10 global players

BASF SE  
PPG Industries  
Sherwin-Williams Company  
Akzonobel  
Axalta Coating System  
Valspar Corporation  
Kansai Paint  
RPM International Inc.  
Nippon Paint Holdings  
Jotun Group

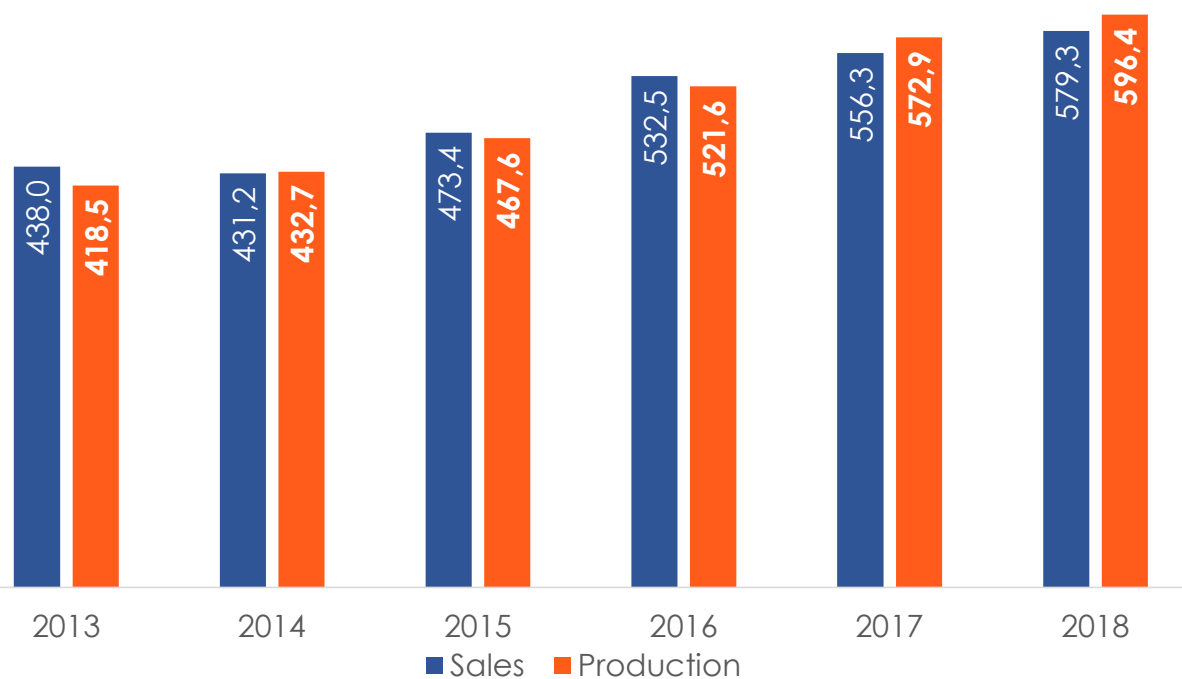
Source: Grand View Research.

## Paint sales and production in Colombia showed an annual growth of 4.1% in 2018

Sales and production of the paint sector in Colombia,  
2013 - 2018 (USD million)

### Main paints produced 2018

- 1 **Water paint, P.V.A. and similar (emulsions)**  
USD 188.3 million
- 2 **Industrial protection paints (vinyl, epoxy, polyester)**  
USD 60.6 million
- 3 **General purpose glazes**  
USD 47.0 million



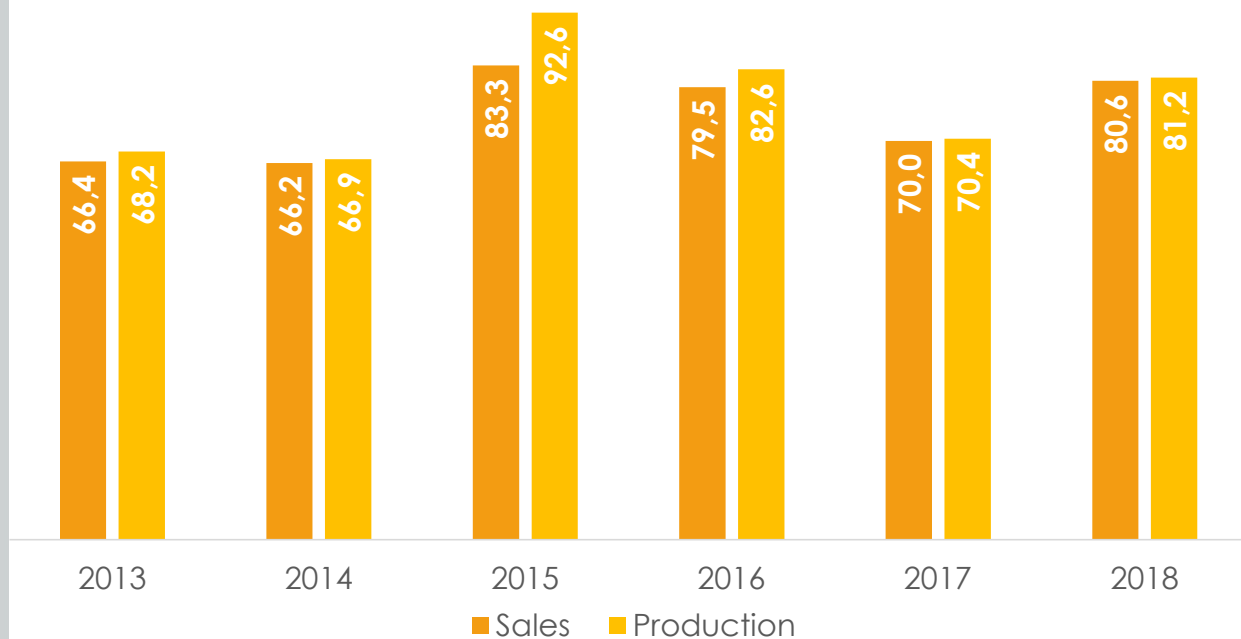
Source: National Administrative Department of Statistics - Annual Manufacturing Survey (AMS). 2020.



# Sales and production of dyes and pigments in Colombia showed an annual growth of more than 15% between 2017 and 2018

Sales and production of the colorants and pigments sector in Colombia, 2013 - 2018  
(USD million)

Main dyes and pigments produced 2018



- 1 **Dyes for plastics**  
USD 31.0 million
- 2 **Textile dyes**  
USD 17.6 million
- 3 **Overseas blue**  
USD 14.3 million

Source: National Administrative Department of Statistics - Annual Manufacturing Survey (AMS). 2020.



## The construction industry represents, on average, 6.5% of GDP in Latin American countries



The contribution of the construction sector to the growth of the Colombian economy is higher than in other large economies in the region.

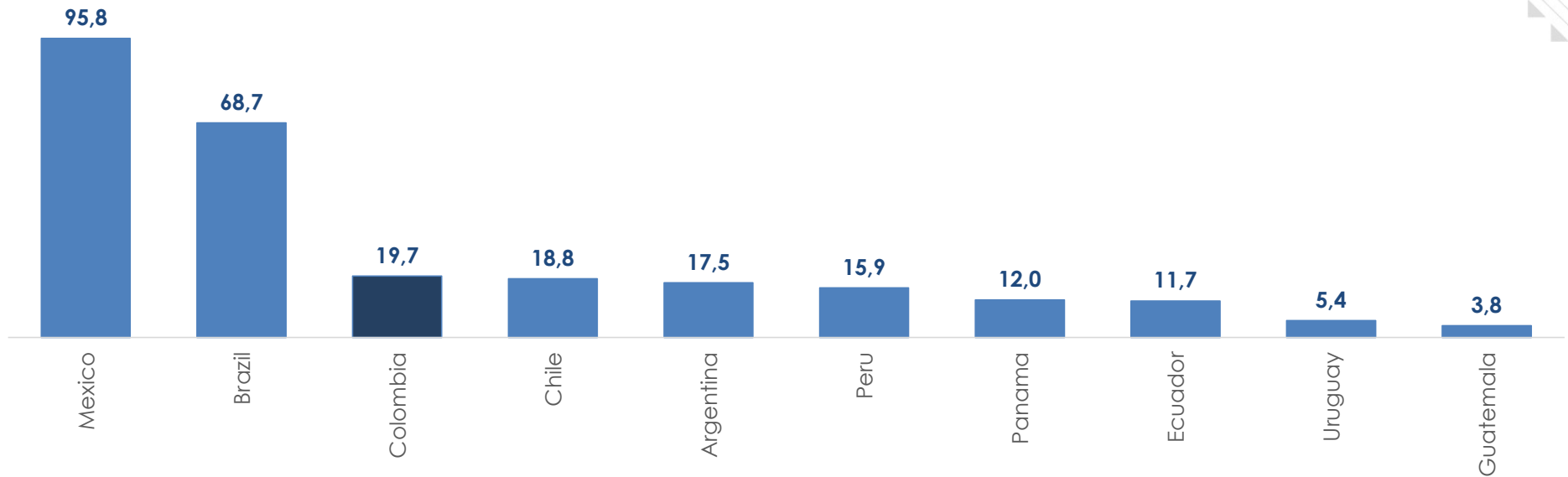
Country	Construction sector's share of GDP, 2019
Panama	17,7
Ecuador	10,9
Uruguay	9,9
Mexico	7,7
Peru	6,8
Chile	6,6
Honduras	6,3
<b>Colombia</b>	<b>6,2</b>
El Salvador	5,6
Nicaragua	4,9
Guatemala	4,6
Argentina	4,4
Costa Rica	4,0
Brazil	3,8

Source: National Administrative Department of Statistics and Fitch Connect. 2020.



## The construction sector in Colombia is the third largest in Latin America

Value of the construction sector in Latin America, 2019  
(USD billion at current prices)



In 2019, the value of the construction industry in Latin America was USD 275 billion

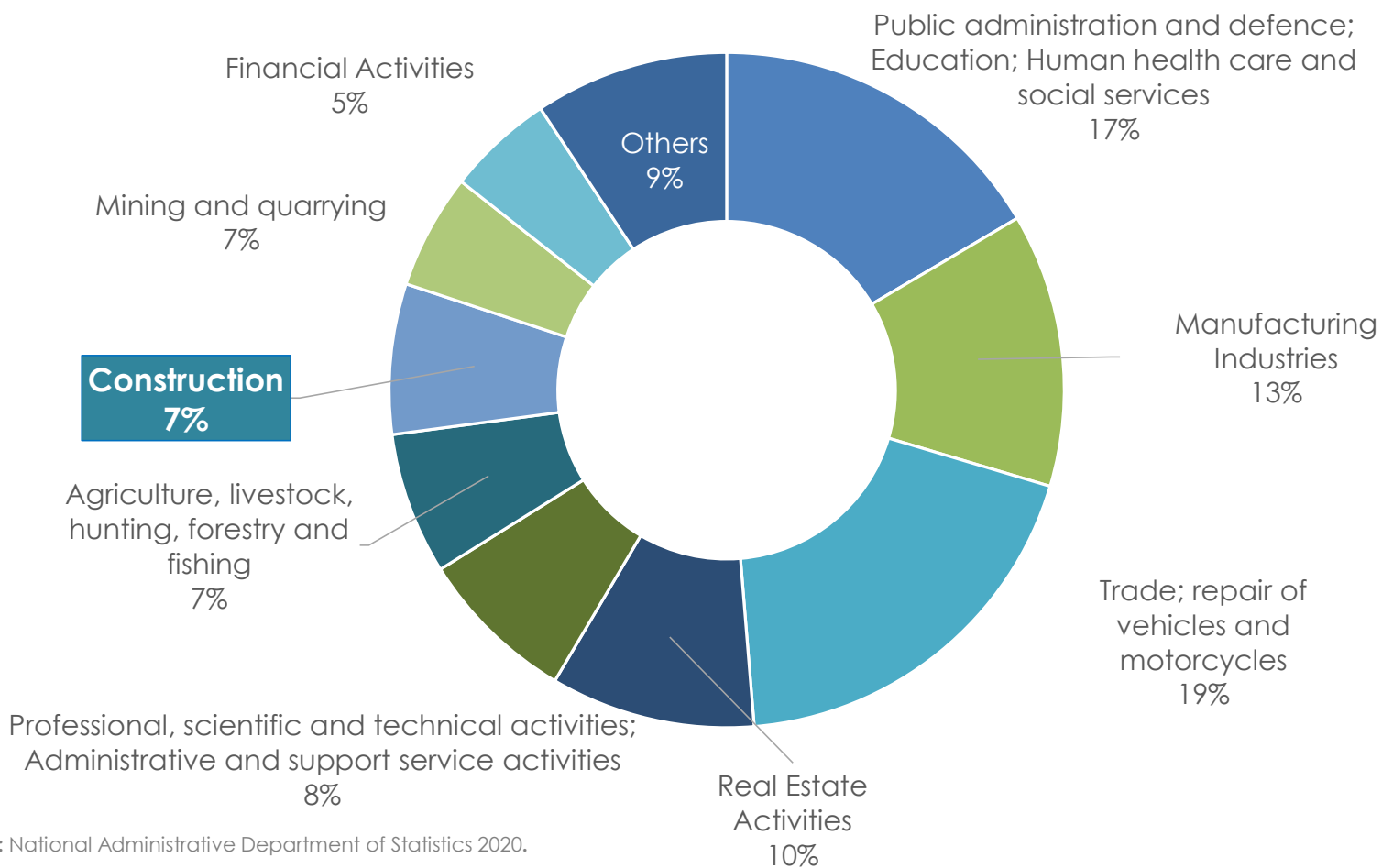
Source: Fitch Connect, 2020.





## Construction activity plays an important role in the growth of the Colombian economy

Colombia's GDP by branch of activity, 2019



Source: National Administrative Department of Statistics 2020.

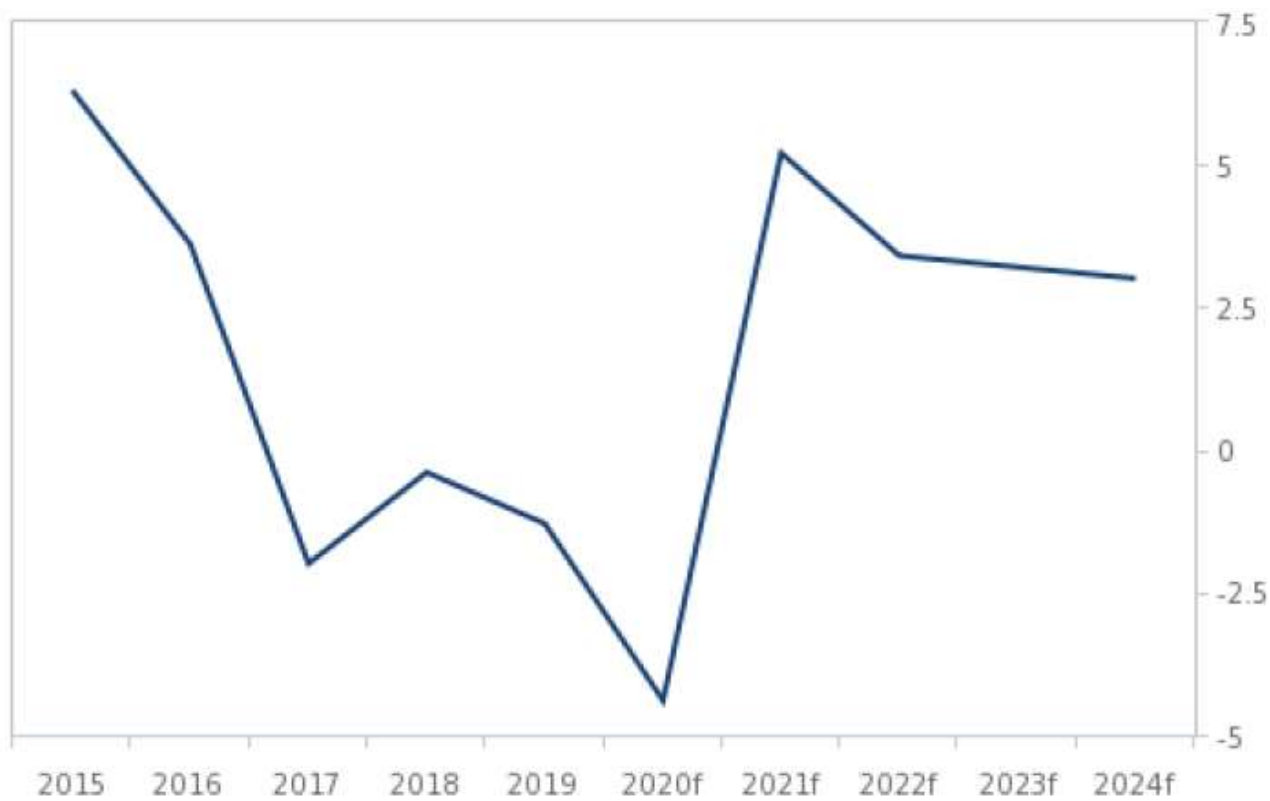






## Coronavirus crisis will impact expected growth in 2020, rebounding in 2021 to 5+% rates

Expected growth for the construction industry  
% - y-o-y



f = Fitch Solutions forecast. Source: DANE, Fitch Solutions

Source: Fitch Connect, 2020.



## Relevant information on the Colombian paint, dye and pigment industry



In 2018, total production of paints, dyes and pigments was USD 677.6 million, growing by 5.3% compared to 2017, when production reached USD 643.3 million.



The products in the paints, dyes and pigments sector with the highest sales in 2018 were

Paints for water, P.V.A. and similar (emulsions)  
Industrial protection paints (vinyl, epoxy, polyester)  
General purpose glazes



Between **2001** and **2018**, the following graduates represented highly qualified labor for the chemical sector throughout the country: **21,209** graduates in chemistry and related fields and **27,172** graduates in chemical engineering and related fields.

**Source:** National Administrative Department of Statistics - Annual Manufacturing Survey (AMS), Labor Observatory for Education (Ministry of Education). 2020.

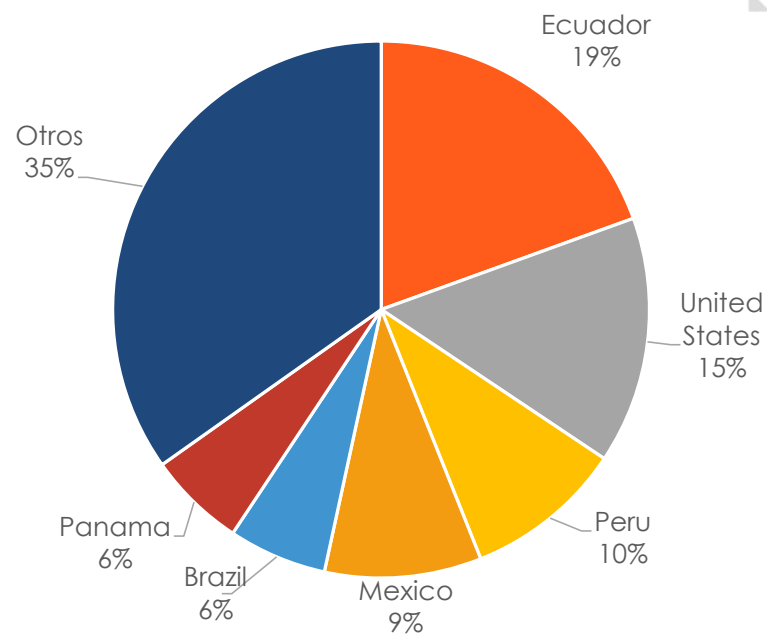


During 2017 - 2019, Colombian exports of paints and pigments grew at an average annual rate of close to 6%

Colombian exports in the paint and pigments sector, 2014 – 2019  
(USD million)



Main export destinations, 2019

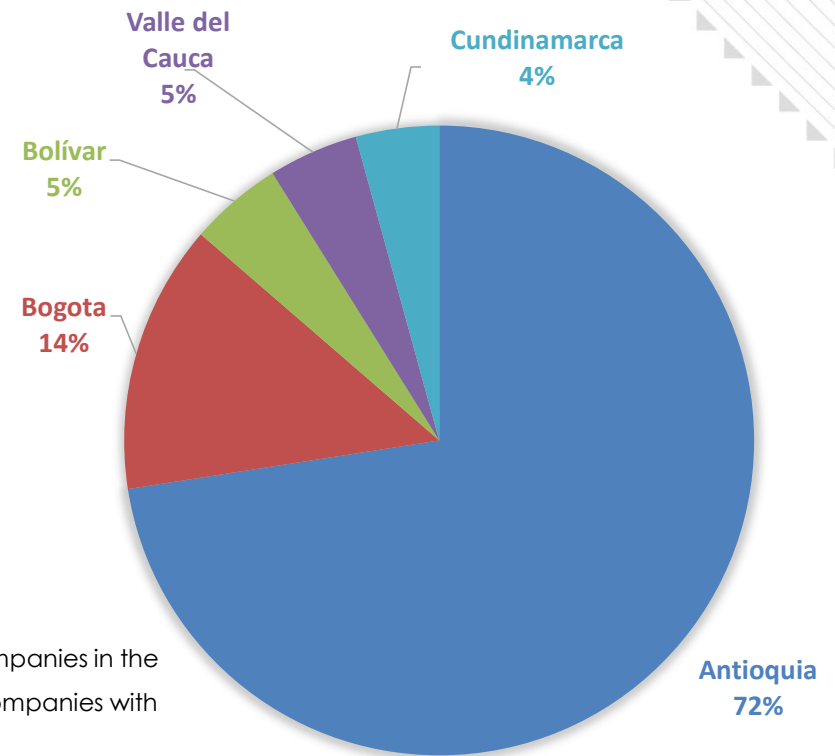


Source: National Administrative Department of Statistics Procolombia calculations. 2020.



# Antioquia and Bogota accounted for 86% of exports in the paint and pigment sector in Colombia during 2019

## Main export departments - 2019



Colombia has 111 export companies in the paint and pigment sector (companies with exports over USD 10,000). The map can reference the same company in different departments.

Source: National Administrative Department of Statistics , Procolombia calculations. 2020.





# Current trends





Opening of shops by  
manufacturing companies

SHOP



**Consumption of high performance paints and coating is being boosted by large investment in public infrastructure**





## Development of dual-purpose paints







# The industry is becoming certified in environmental sustainability

## Quality certificates

- Manufacture and marketing of water-based paints.
- Manufacture and marketing of emulsions for industrial use.



## Certificates of environmental sustainability



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## To Summarize.....

1. Local paint and dyes **consumption is growing** steadily despite COVID-19 impact on construction, mainly due to local manufacturing and public investment in infrastructure.
2. **Low local costs** facilitates local production and distribution.
3. Local initiatives seek to avoid the use of products that impose **health and/or environmental risks**.
4. Strategic location eases **exports** to LATAM markets and USA.
5. Large network of **FTA agreements** provide access to regional market.





# THANK YOU

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