

## NEWSLETTER

### **India can explore USD 80 billion export market in dyes, pigments and paints sectors**

India's specialty chemicals such as dyes, pigments and paint varnishes hold tremendous growth potential. These chemicals are largely used in textile, leather, ink, paper and paint industries. This sector is largely dominated by small scale industries, mostly in Gujarat and Maharashtra.

India has made considerable progress in the exports of dyes, pigments & colours, printing ink, paints and varnishes (chapter 32 of HS Code) in recent years and there is still untapped export potential in this segment. India's rank in world exports of these materials improved from 11 in 2015 to seven in 2019 as the country overtook UK, Italy and France in export of these goods. India's share in world exports of these chemicals grew from 3.4% to 4.2% during this period and this represents the huge untapped growth potential for exports of these chemicals. India has to compete with the leading exporters such as Germany, China, USA, Japan, Netherlands and Belgium that occupy the top six ranking in this order in world exports of these materials and contribute half of the world exports.

#### Potential growth areas:

India has made considerable growth in exports of synthetic organic colouring matter and inorganic mineral colouring matter in recent years. For instance, India's exports of green, red, violet and other pigments grew at a CAGR of 4.5% from USD 221 million in 2011-12 to USD 315 million between 2011-12 and 2019-20. Compared to this, India's overall merchandise exports grew hardly 0.3% during this period. Exports of chrome pigments grew more than three times to USD 38 million in 2019-20 since 2011-12. Similarly, exports of paints & varnishes based on synthetic or chemically manufactured natural polymers have grown five times to USD 20 million since 2011-12. India's exports of certain varieties of printing ink grew around 3 times to USD 122 million in the last eight years, even though export of newspaper inks and black printing ink declined.

Export of paints and varnishes grew around 2.5 times since 2011-12 to USD 96 million in 2019-20. Paints and varnishes include lacquers, emulsion and other paints & varnishes based on acrylic, vinyl polymers and other synthetic polymers.

On the whole, India's exports under the broad category of dyes, pigments & colours, printing ink, paints and varnishes (chapter 32 of HS code) grew at a CAGR of 7.4% since 2011-12 to USD 3.4 billion and our trade surplus in this segment grew three times to USD 1.39 billion, which indicates our growing export competitiveness in this segment.

Currently, major importers of these chemicals are Germany, China, USA, France, Italy, Netherlands, Belgium and South Korea. India largely exports these chemicals to China, USA, Turkey, Bangladesh and Germany, that together account for 40% of our overall exports. World export in this sector stands at USD 80 billion, while India's share is hardly 4.2% or USD 3.5 billion, which represents huge untapped potential. India can also explore export opportunities in Belgium, Netherlands, Italy, South Korea, Mexico and UK, which are other major importers of these commodities.

## **Notifications**

### **PIB**

- [Minister highlights solid Startup ecosystem in India](#)
- [Statement on India-USA 2+2 meeting](#)
- [Ministry unveils new guidelines for awarding bodies and assessment agencies](#)

### **DGFT**

- [Extension of time period for import of tur dal](#)

### **RBI**

- [Scheme for grant of ex-gratia payment to certain categories of borrowers](#)

### **CBIC**

- [Extension of Anti-Dumping duty on Fluoroelastomers \(FKM\)](#)
- [Extension of time period for import of tur dal](#)

### **RBI**

- Scheme for grant of ex-gratia payment to certain categories of borrowers

## **CBIC**

- Extension of Anti-Dumping duty on Fluoroelastomers (FKM)

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