



SECTORIAL OVERVIEW

Paints Chemicals & Printing Inks . SECTOR



JULY 4, 2025

1. Introduction

The paint, chemicals, and printing inks industry plays a crucial role in both global and local economies. These industries are deeply interconnected with construction, manufacturing, packaging, and consumer goods sectors. Globally, the paint and coatings market was valued at over USD 200 billion in 2023, while the global specialty chemicals market surpassed USD 750 billion. Printing inks, essential for packaging and publications, contribute significantly to trade and industrial branding. In Sri Lanka, this sector is vital for local industrial growth, import substitution, and value addition across multiple manufacturing lines

2. Content

2.1 Global Paint, Chemicals & Printing Ink industry

The global paint, chemicals, and printing inks industry is characterized by rapid innovation, environmental regulations, and shifting consumer demands. Major sub-sectors include decorative and industrial coatings, agrochemicals, construction chemicals, and various printing ink formulations (solvent-based, UV-curable, and water-based). Key producers include China, the USA, Germany, India, and Japan. The global market is witnessing trends such as the shift toward water-based paints, digital printing inks, and bio-based chemicals. Top consumers span the construction, automotive, FMCG, textile, and publishing industries. Major raw material suppliers are concentrated in Asia-Pacific, with oil derivatives, titanium dioxide, and solvents forming the bulk. Global demand is expected to grow steadily at 4–5% CAGR through 2030, driven by urbanization and infrastructural expansions.

The global paint and coatings market is valued at over USD 180 billion and is projected to grow steadily with increasing demand from the construction, automotive, and furniture sectors. Innovations in water-based, low-VOC, and high-performance coatings are being driven by regulatory pressures and consumer awareness around health and environmental safety. Major global players are investing in R&D to produce smart coatings with antimicrobial, heat-reflective, and self-healing properties, aligning with green building standards.

The chemicals industry, which supports almost every other manufacturing sector, is undergoing a transformation globally, with increasing emphasis on sustainable and green chemistry, circular economy models, and reduced dependency on fossil-based raw materials. Specialty chemicals, which offer higher value addition, are gaining prominence due to their customized industrial applications and export potential.

The global printing ink sector, though impacted by the rise of digital media, remains resilient due to strong demand in packaging, labelling, and textile printing. Environmentally friendly inks such as UV-curable, soy-based, and water-based formulations are becoming industry norms in response to sustainability concerns.

2.2 Sri Lankan Paint, Chemicals & Printing Ink industry

2.2.1 Government policy on the sector

The Government of Sri Lanka supports the paint, chemical, and printing inks industry through strategic initiatives under the Ministry of Industries. Policies include import substitution, promoting local raw material sourcing, ensuring environmental compliance, and encouraging value addition. BOI incentives and SLSI standardization programs also bolster the sector.

2.2.2 Vision

To create world class manufacturers of paints, chemicals and printing materials meeting today's needs.

2.2.3 Mission

To be manufacturer of quality conscious, cost effective and put health safety and environment first.

2.2.4 Objectives

1. To encourage import substitution for selected industrial and specialty chemicals with high domestic demand.
2. To safeguard local manufacturers through rationalized tariff structures and stronger product classification to avoid misuse of HS codes.
3. To promote R&D and public-private partnerships for eco-friendly and high-performance coatings and inks.
4. To facilitate access to finance and raw materials for SMEs in this sector.
5. To ensure quality standards, environmental compliance, and certification schemes to support export competitiveness

2.2.5 General Introduction

The industrial development of paints, chemicals, and inks in Sri Lanka dates back to the pre-independence era, with early local players like Lankem and CIC emerging in the 1950s and 1960s. The sector experienced significant growth in the 1980s–2000s, driven by construction booms and export-oriented industrialization. Inks and chemical imports increased to support the

textile, FMCG, and packaging sectors. Today, Sri Lanka has a mix of local producers, importers, and blenders, with some exporting to South Asia and Africa.

Globally, the paint and chemical industries have evolved since the Industrial Revolution, with rapid expansion after World War II, especially in Europe, the U.S., and later Asia. The global ink industry transformed with digital and flexible packaging technologies in the 2000s.

Market Value & GDP Contribution

Global Market Values (2023):

- Paints & Coatings: USD 186 billion
- Chemicals: USD 5.7 trillion
- Printing Inks: USD 20.3 billion

Sri Lanka Market Estimates (2023):

- Paints: LKR 45–55 billion
- Chemicals (industrial and specialty): LKR 90–110 billion
- Printing Inks: LKR 6–8 billion

GDP Contribution: The combined contribution of chemicals, paints, and allied industries to Sri Lanka's industrial GDP is estimated at 1.5–2.0%, with direct and indirect employment exceeding 70,000 workers.

Export Revenue

- Paints & Surface Coatings: ~USD 12 million/year (mainly to Maldives, Bangladesh, Kenya)
- Specialty Chemicals & Blends: ~USD 25 million/year
- Printing Inks: Minimal exports; some trade in flexo and textile inks

Source: Export Development Board (EDB) Annual Report 2023

Sub Sectors

1. Paints and Coatings: Decorative paints, industrial coatings, automotive paints, wood finishes
2. Industrial Chemicals: Solvents, binders, adhesives, surfactants, water treatment
3. Specialty Chemicals: Textile auxiliaries, additives, emulsifiers
4. Printing Inks: Offset, flexographic, gravure, UV-curable, textile, digital inks
5. Resins & Pigments: Largely imported; limited local blending
6. Adhesives & Sealants: Packaging, construction, furniture industries

Major Producers in Sri Lanka

Paints:

- Causeway Paints Lanka Pvt Ltd
- Nippon Paint Lanka Pvt Ltd
- Multilac (Macksons Paints Lanka Pvt Ltd)
- Lankem Ceylon PLC

- Akzonobel Paint Lanka Pvt Ltd
- Jat Holdings PLC
- St. Anthoney's Coatings Pvt Ltd
- Latex Lanka International Pvt Ltd
- Asian Paints (Lanka) Ltd

Chemicals:

- CIC PLC
- Union Chemicals Lanka PLC
- Pidilite Lanka PVT LTD
- Croplife Sri Lanka pvt ltd
- Hayleys Agriculture Holdings LTD
- Eco Chem Pvt Ltd
- Cee Green Engineering Pvt Ltd

Printing Inks:

- DIC Lanka Pvt Ltd
- Colorcroma pvt ltd
- Sithara Pvt ltd
- Croma inks pvt ltd
- Varna Printing and Packaging Pvt Ltd

Major Consumers (Local)

- Construction and Real Estate – for decorative paints and coatings
- Apparel/Textile Industry – for printing inks, dyes, and textile auxiliaries
- Packaging and Printing – flexible packaging, labeling, paper printing
- Furniture and Woodwork – for lacquers, varnishes, wood coatings
- Automotive and Marine Sector – for specialty paints and adhesives

Major Exporters (Local)

- Causeway –(to Maldives)
- Jat Holdings (to Maldives , Bangladesh, South Africa)
- Multilac (to Maldives, India, Bangladesh, East Africa)
- Echo Chem (Bangladesh)
- S & D Chemicals (Bangladesh, Maldives, Vietnam, Pakistan, India, Ethiopia)

Major Raw Material Producers

Most raw materials are imported, including:

- Titanium dioxide, iron oxides (pigments)

- Monomers, polyesters, resins
- Solvents (toluene, xylene, ethanol, etc.)
- Additives (anti-fungal, anti-corrosive, plasticizers)

Supportive Government and Private Institutions

Government Institutions:

- Ministry of Industries
- Industrial Development Board (IDB)
- Sri Lanka Standards Institution (SLSI)
- Sri Lanka Customs
- Export Development Board (EDB)

Private/Trade Associations:

- Sri Lanka Paint Manufacturers Association (SLPMA)
- Sri Lanka Association of Printers
- National Chamber of Exporters (NCE)
- Ceylon Chamber of Commerce (CCC)
- BOI-registered manufacturers

Current Trends

- Eco-friendly Products: Surge in low-VOC and water-based paints and inks
- Digital Printing Growth: Rising demand for UV-curable and inkjet inks
- Import Substitution: Government encouragement for local raw material blending
- Green Building Certifications: Driving demand for certified, non-toxic coatings
- Smart Coatings: Anti-bacterial, heat-reflective, and self-cleaning technologies
- Circular Economy: Paint recycling and solvent recovery becoming more common

2.2.6 Sub Sectors

- Decorative Paints
- Industrial Coatings
- Printing Inks
- Agrochemicals
- Specialty Chemicals (adhesives, sealants, surfactants)
- Household and Industrial Cleaning Chemicals
- Solvents and Thinners
- Construction Chemicals (e.g., waterproofing compounds, tile adhesives)

2.2.7 Current Status of the Sector

2.2.7.1. Employment Details

	Number of Industries	No. of employees			
		Local		Foreign	
		Male	Female	Male	Female
Large scale industries	16	8000	750	48	5
Medium scale industries	24	2500	1000	10	2
Small scale industries	145	5420	3250	-	-
Micro scale industries	612	4500	3500	-	-
Total	797	20420	8500	58	7

2.2.7.2. Annual Production Details

Type of Product (As clusters)	Production/ annum		Domestic Consumption (Demand)/ MT	Imported Raw Materials	Locally found raw materials
	Capacity /MT	Value			
Decorative Paints	150 000	150B	90 000	Pigments, Resins, solvents	Water, Binders, Calcium Carbonate
Industrial Coatings	3000	6B	2000	Rosin	Silica
Printing Inks	450	4.5B	425	Pigments, binders, solvents	-
Agrochemicals	6500	9.7B	7000	Urea , Preservatives	

Specialty Chemicals (adhesives, sealants, surfactants)	43500	32B	23000	Monomers	Water, Polymer emulsions
Household and Industrial Cleaning Chemicals	250000	100B	200000	surfactants	
Construction Chemicals (e.g., waterproofing compounds, tile adhesives)	25000	50B	17500	monomers	binders
Solvents and Thinners	70000	35B-	60000	Xylene, Toluene	

2.2.7.3. Raw Material Requirement (Main)

Imported Raw Materials			Locally found raw materials		
Raw material	Amount	value	Raw material	Amount	value
Titanium Dioxide	2500 MT/year	(LKR 1400 Mn)	Calcium Carbonate	1,2000 MT/year	(LKR 2000Mn)
Solvents (Xylene Toluene)	3000 MT/year	(LKR 1250 Mn)	Silica	400 MT/year	(LKR 80 Mn)
Pigments & Dyes	1800 MT/year	(LKR 950 Mn)	Rosin	300 MT/year	(LKR 60 Mn)

Resins & Binders	2200 MT/year	(LKR 1100 Mn)	Binders	24000MT/ year	(10, 000Mn)
---------------------	-----------------	------------------	---------	------------------	--------------

2.2.7.4. Market

Product (As clusters)	Market Share	
	Imports	Local
Decorative Paints	15%	85%
Industrial Coatings	35%	65%
Printing Inks	45%	55%
Agrochemicals	65%	35%
Specialty Chemicals	35%	65%
Household and Industrial Cleaning Chemicals	25%	75%
Construction Chemicals	45%	55%
Solvents and Thinners	65%	35%

2.2.7.5. Export Details of the Finished Products / Semi-finished Product / Raw Material

Items	Export Destination	Export Quantity	Value
Water-Based Paints	Kenya, Maldives, Bangladesh	1500 MT	920Mn
Speciality Chemicals	Vietnam, Bangladesh ,Thailand	1500MT	1.5B

2.2.7.6. Import Details of the Finished Product

Product	Import Quantity	Country	Value
Decorative paints	2000MT	Germany ,Italy	2B
Printing Inks	200MT	China	1.5B
Speciality Chemicals	12000MT	China, India	4B

2.2.7.7. Specific Areas

2.2.7.7.1 Women Led Enterprises

	Company Name	Address / Contact details	Remarks
	Latex Lanka International	No 1 L , Padukka Road Watareka ,Meegoda	water proofing paints

2.2.7.7.2 Differently Able Person Led Enterprises

	Company Name	Address / Contact details	Remarks
	Data Not Available		

3. TARGETS FOR THE INDUSTRY

Short Term

1. Fixing the time frame for Approvals
2. Promote SLSI certifications for SMEs.
3. Train 500+ technicians on eco-paint formulations.
4. Initiate government procurement quotas for local products.

Medium Term

1. Establish industrial waste disposal site
2. Increase local production by 20% by 2028.
3. Double exports of products by 2027.

Long Term

1. Achieve 80% local production sufficiency by 2030.
2. Position Sri Lanka as a regional export hub for eco-coatings.
3. Develop biopolymer-based paint alternatives.
4. Establish public-private innovation clusters

4. GAP ANALYSES

4.1 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none">- Water based chemicals- Established local brands- Strong SME sector in paints and chemical manufacturing sector- Increasing demand in construction and exports	<ul style="list-style-type: none">- High dependency on imported raw materials- Limited R&D capacity- Environmental regulation compliance gaps- Lack of skills and technology know how- Non availability of bulk storage & transportation- Delay in getting approvals
Opportunities	Threats
<ul style="list-style-type: none">- Growing demand for eco-friendly paints- Export potential to regional markets- Technological upgrading and value addition- Products could be tailor made to local requirements	<ul style="list-style-type: none">- Rising raw material prices globally- Competition from cheap imports- Currency fluctuation and import restrictions- Non availability of industrial Chemicals locally.- High energy cost

4. FUTURE PLANS FOR THE INDUSTRY

Strategies, Projects, and Programmes:

1. Organizing Industrial Exhibitions
2. Reestablish the reduction of three times R & D expenses from the profit and loss account which was repealed in 2017 by the Act no 24
3. Implementation of raw material purchasing for similar sectors, negotiating through central purchasing system.
4. Establish bulk storage facility at Ports
5. Establish Industrial waste disposal site
6. Innovation Grants for green chemistry R&D
7. Raw Material Bank to reduce import dependency
8. Export Facilitation Programs to access new markets
9. Training & Skill Development via NAITA/IDB
10. Support for inclusive and women-led enterprises