

# National Paint and Coatings Association

## Paint and Coatings Industry National and State International Trade Key Findings

### National Key Findings

#### **U.S. Paint and Coatings Industry International Trade Trends**

- The United States exported \$1.6 billion in paint and coatings products in 2006, up by nine percent, or \$126 million, from 2005.
- Paint and coatings trade is comprised of the following product sectors: oil-based paint and varnish; water-based paint and varnish; and paints and varnishes for leather.
- The United States imported \$621 million in paint and coatings products in 2006, up by 14 percent from 2005.
- The U.S. paint and coatings industry posted a trade surplus of \$930 million in 2006, rising six percent from 2005 and 51 percent from 1997.
- The oil-based paint and varnish product sector was the largest paint and coatings sector by both exports and imports, at \$1 billion and \$478 million, respectively, in 2006. This industry sector had a trade surplus of over one-half billion dollars in 2006.
- The next largest product sector was water-based paint and varnish with U.S. exports of \$497 million and imports of \$138 million in 2006.
- Two-way trade of paint and coatings products (the sum of exports and imports) totaled \$2.2 billion in 2006, a 10 percent increase from 2005.

#### **U.S. Paint and Coatings Industry Exports by Country**

- The U.S. NAFTA partners of Canada and Mexico were the first and second largest markets for U.S. exports in paint and coatings products for 2006. U.S. exports to Canada reached a record high of \$749 million, while exports to Mexico totaled \$268 million in 2006.
- Two-thirds of all U.S. paint and coatings industry exports were sold to our NAFTA partners in 2006, totaling more than \$1 billion.
- The third largest export market for U.S. paint and coatings products was China at \$56 million in 2006.
- Germany and South Korea rounded out the top five leading export markets of U.S. paint and coatings products in 2006, at \$46 million and \$39 million, respectively.

#### **U.S. Paint and Coatings Industry Imports by Country**

- The United States imported nearly half of all paint and coatings products from Canada, \$294 million in 2006.
- Germany was the second largest supplier of paint and coatings products in 2006 at \$88 million.
- Rounding out the top five leading exporters of paint and coatings products into the United States in 2006 were Mexico (\$67 million), Japan (\$50 million), and the United Kingdom (\$29 million).

#### **U.S. Paint and Coatings Industry Two-Way Trade by Country**

- Of the \$2.2 billion in two-way paint and coatings products trade with the world, the majority (63 percent) is with the NAFTA countries of Canada and Mexico.
- Canada ranked first in two-way trade of paint and coatings products with the United States, at over \$1 billion in 2006.

- Mexico was the second largest two-way trading partner with the United States in 2006, with \$335 million in paint and coatings products.

## State Key Findings

### **Paint and Coatings Industry Export Trends by State**

- The state with the most paint and coatings exports was Illinois, with \$221 million in 2006, an increase of 16 percent from 2005.
- Following closely behind Illinois was Ohio, which reported \$199 million in paint and coatings exports in 2006.
- Texas followed Ohio, exporting \$144 million in paint and coatings products in 2006, growing by 11 percent from 2005.
- California and Michigan completed the top five leading states by paint and coatings exports in 2006, at \$126 million and \$115 million, respectively.
- Illinois posted the largest dollar value increase in paint and coatings exports between 2005 and 2006, growing by \$31 million, followed by New Jersey with exports up by \$21 million.
- Ohio and Texas were the leading states by oil-based paint and varnish exports in 2006, at \$131 million and \$120 million, respectively.
- Illinois was the leading state by water-based paint and varnish exports in 2006, at \$103 million.
- California, Pennsylvania, and New Jersey were the leading states by paints and varnishes for leather exports in 2006, at \$7.6 million, \$6.9 million, and \$6.0 million, respectively.

### **Notes about Methodology**

Data are based on the following 3 four-digit Harmonized System (HS) codes:

3208 Oil-based Paint and Varnish  
 3209 Water-based Paint and Varnish  
 3210 Paints and Varnishes for Leather

This definition is a conservative representation of the core of the paint and coatings industry. In an effort to produce solid statistics, the National Paint and Coatings Association does not include broad industry categories if the paint and coatings products do not represent a clear majority.

The trade statistics were derived from U.S. Bureau of Census data and are reported on a Census or Customs basis. The Census basis goods data are compiled from the documents collected by the U.S. Customs Service and reflect the movement of goods between foreign countries and the United States.

All state export statistics are drawn from the Origin of Movement (OM) series compiled by the Foreign Trade Division of the U.S. Census Bureau. OM data cover exports of goods only. There are no comparable statistics for state imports of goods. Consequently, it is not possible to calculate trade balances or total two-way trade for individual states.