American Coatings ASSOCIATION

THE COATINGS INDUSTRY PERSPECTIVE

Ensuring American Manufacturing & Securing America's Supply Chain

The Issue

With more than **360,000 employees and $36 billion combined in global shipments and exports**, the U.S. paint and coatings industry is a significant contributor to our national growth and our global economy.

Tariff policy could negatively impact our largest trading partners and place American jobs at risk. For example, Canada and Mexico account for **70% of our exports**. Shifting tariffs are creating uncertainty and will negatively impact the industry.

The Impact

Although most coatings are produced domestically, many **critical raw materials must be sourced from abroad**. Reliable access to these inputs is essential for manufacturing safe, effective products.

Without improved trade agreements, the coatings industry could potentially lose a $2B trade market for coatings products which will impact hundreds of thousands of U.S. jobs.

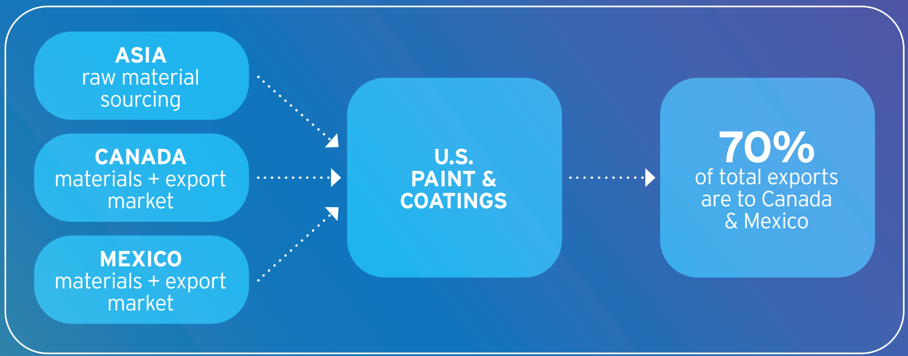
Our Ask

- **Support continuation of USMCA with improvements to Rules of Origin to increase flexibility for raw material imports.**
- **Protect and expand the Annex II tariff exemption list for essential industry goods.**
- **Specifically, the Rules of Origin should be amended to allow paint and coatings products to use Rule 3 for Mixtures and Blends**
  - **Revise the rules of origin to allow for transformation from "subheading,"rather than "chapter";**
  - **Include HTS 3208 in Section VI, Chapter 32 as an exclusion from the preferential origin calculation and treat it the same as HTS 3206 and 3212; and**
  - ***De Minimis* provisions should be retained**

The coatings industry depends on a stable, predictable trade environment.

$33B	360K+	$2.8B
U.S. Industry Product Shipments	Industry Employees	2025 U.S. industry Exports

RAW MATERIALS & EXPORT DEMAND FLOW



Sources: U.S. Census Bureau's Annual Survey of Manufactures and Manufacturers' Shipments, Inventories, and Orders (M3) Survey; Bureau of Labor Statistics

COATINGS: Growing America. Protecting America.

To learn more about ACA's policy objectives and priorities visit **Paint.org/advocacy/priorities**.