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PAIN AND COATINGS INDUSTRY IN BANGLADESH:

MOVING TOWARDS SUSTAINABLE AND ECO-FRIENDLY
PRACTICES

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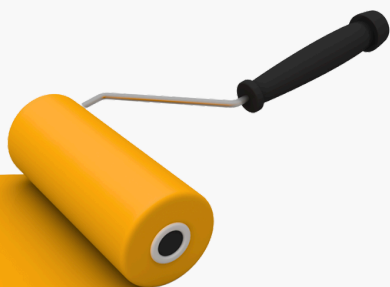
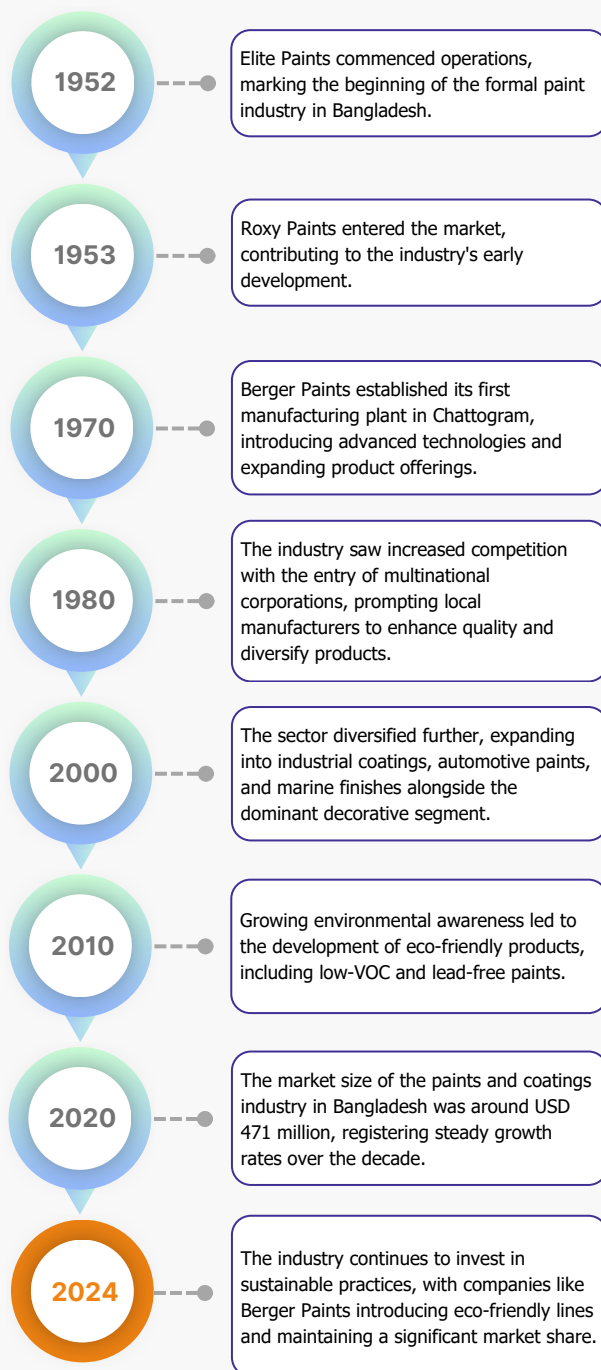
ABSTRACT

The paint and coatings industry in Bangladesh is undergoing a significant transformation, driven by technological advancements and an increasing focus on sustainability. This analysis highlights the industry's evolution, characterized by a shift towards eco-friendly practices and innovative product formulations that respond to consumer demand for non-hazardous materials. The market, currently valued at approximately BDT 6.25 billion, is projected to grow at a rate of 6% annually, fueled by urbanization and rising disposable incomes. Despite facing challenges such as high raw material costs and competition from multinational corporations (MNCs), local manufacturers are gradually enhancing their offerings and adapting to market demands.

The competitive landscape is dominated by MNCs, which hold around 86% of the market share. Key players include Berger Paints, Asian Paints, and Kansai, Nerolac, among others. These companies leverage advanced technology and marketing strategies to maintain their dominance. In contrast, local brands struggle with resource limitations but are beginning to carve out niches by focusing on quality and localized services.

The report also emphasizes the potential for growth within the sector, particularly as per capita paint consumption in Bangladesh remains low compared to neighboring countries. With ongoing investments in infrastructure and a growing population, the future outlook for the paint and coatings industry appears optimistic. Overall, this analysis provides a comprehensive overview of the current state of the industry, its challenges, opportunities for innovation, and the evolving dynamics between local and international players.

The paint and coatings industry in Bangladesh has experienced significant milestones from the 1950s to 2024, reflecting its growth and adaptation to global trends. Here's a timeline highlighting key events:





INTRODUCTION

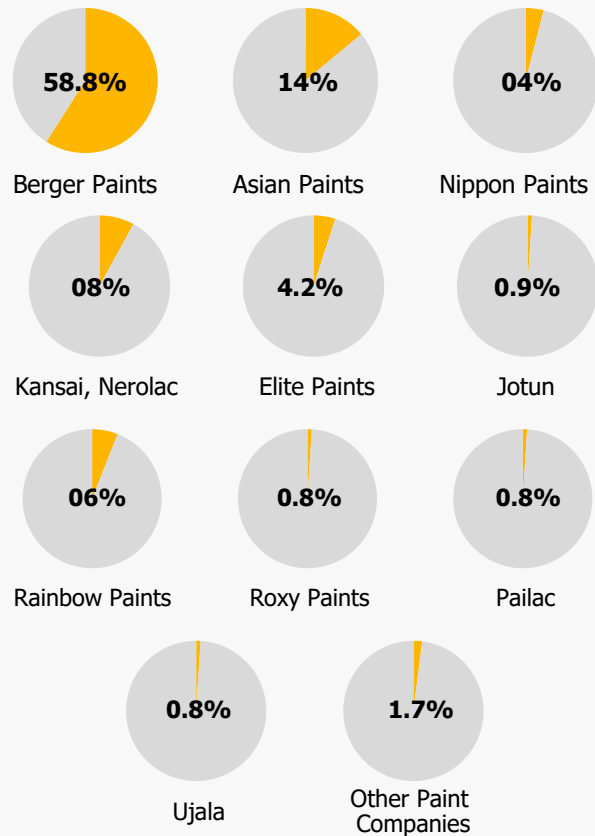
The paint and coatings industry in Bangladesh has undergone a remarkable transformation over the past few decades, evolving from a modest, import-dependent sector into a dynamic and diversified industry with significant contributions to the country's economy. This journey of growth and development has been fueled by rapid urbanization, industrialization, and the increasing purchasing power of consumers. Today, the industry stands as a vital component of Bangladesh's infrastructure, construction, and consumer goods sectors, playing a pivotal role in shaping the country's economic and aesthetic landscape.

Historically, the industry began as a small-scale operation catering to basic decorative needs in a developing economy. In the decades following independence, most paints were imported, and domestic production was limited to a handful of local manufacturers operating with rudimentary technology. The 1980s marked a turning point with the entry of multinational corporations such as Berger Paints, which introduced advanced technologies, improved production processes, and a wider range of products to the Bangladeshi market. This influx of global expertise and competition drove local manufacturers to modernize and diversify their offerings, leading to a more competitive and robust industry by the 1990s. By the early 2000s, the sector had diversified further, expanding into industrial coatings, automotive paints, and marine finishes alongside the dominant decorative segment.

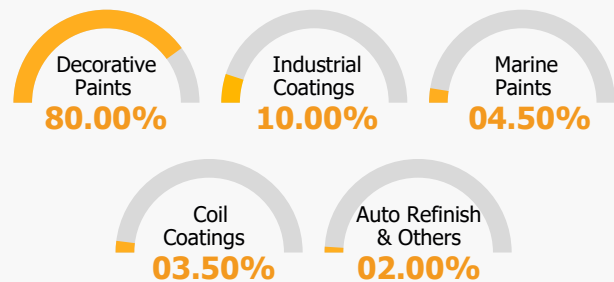
As of 2024, the market in Bangladesh is valued at approximately BDT 6.25 billion, with an annual growth rate of 6% (BPMA, 2024), contributing to the GDP and reflecting its economic importance. The paint and coatings industry employs over 100,000 individuals (IDLC Business Review, June 2023), spanning roles in manufacturing, distribution, and retail, thereby supporting livelihoods across the country. The industry is heavily dominated by multinational corporations, which account for a significant portion of the market share. Berger Paints Bangladesh, the market leader, holds approximately 58.8% of the share, followed by Asian Paints and Kansai Nerolac with 14% and 8%, respectively (BPMA, 2024). Local manufacturers such as Elite Paints, Rainbow Paints and others operate in the remaining market space but face challenges in competing with the well-established global players. The market is segmented into various categories, with decorative paints accounting for 80% of total sales (BPMA, 2024). Industrial coatings represent around 10%, while automotive, marine, and coil coatings collectively make up the remaining 10% (BPMA, 2024).



MARKET SHARE



MARKET SEGMENT



ANNUAL REVENUE

BDT 6.25 BILLION

6.0% ANNUAL GROWTH RATE

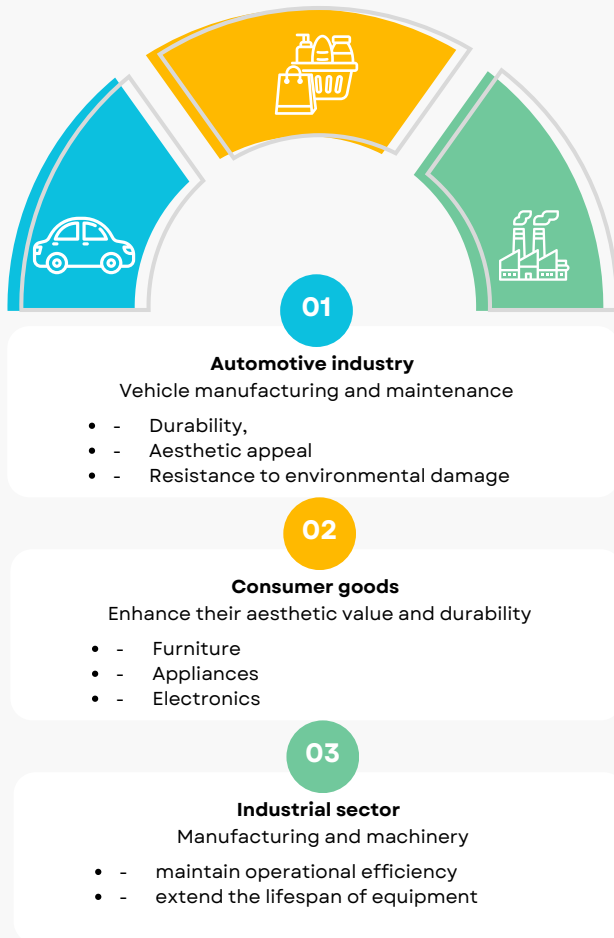
EMPLOYMENT

(Approximately) **100,000**

The construction and infrastructure sectors are the backbone of the paint and coatings industry, accounting for the majority of its demand. Bangladesh's rapid urbanization, with an urban population growth rate of 3.12% annually (Trading Economics, 2024), has spurred a construction boom, particularly in residential, commercial, and industrial spaces. Infrastructure projects have further increased the demand for high-quality paints and coatings to protect these structures from environmental factors and enhance their longevity.

Paints used in these sectors are not just decorative but serve critical protective functions, shielding materials from corrosion, moisture, and wear, thereby improving durability.

Beyond construction, the industry is integral to various other sectors. In the automotive industry, coatings are essential for vehicle manufacturing and maintenance, ensuring durability, aesthetic appeal, and resistance to environmental damage. Consumer goods such as furniture, appliances, and electronics also rely on specialized paints and coatings to enhance their aesthetic value and durability. The industrial sector, particularly manufacturing and machinery, uses protective coatings to maintain operational efficiency and extend the lifespan of equipment.



Recent developments in the industry highlight its adaptability and readiness to embrace modern trends and challenges. Major players like Berger Paints and Asian Paints are investing in production capacity expansion, research and development, and sustainable practices. The industry's growth trajectory aligns with increasing consumer awareness of eco-friendly and health-conscious products. Decorative paints are now being formulated with lower VOC (Volatile Organic Compounds) levels, while industrial and protective coatings are incorporating advanced materials for better performance and sustainability. While the domestic market remains the primary focus, the industry also holds untapped potential for export, particularly in eco-friendly and niche products that align with global sustainability trends.

Despite these advancements, the industry faces challenges that could hinder its growth potential. One of the most pressing issues is its heavy reliance on imported raw materials, which accounts for 99% of its input needs (BPMA, 2024). Fluctuations in global prices and supply chain disruptions directly impact production costs and profitability. Furthermore, local manufacturers often lack the resources for extensive research and development, limiting their ability to innovate and compete with multinational corporations. Regulatory frameworks, while improving, need to align more closely with international standards to ensure the industry's competitiveness in global markets.

RELIANCE % ON RAW MATERIALS IMPORTED

In conclusion, the paint and coatings industry in Bangladesh has come a long way, evolving into a dynamic and essential sector with far-reaching economic and social impacts. Its role in construction, infrastructure, and consumer goods underscores its importance in shaping the nation's progress. As the industry looks toward the future, its ability to adapt to global trends, embrace sustainability, and overcome local challenges will determine its trajectory. By investing in eco-friendly practices and leveraging the growing demand for sustainable products, the paint and coatings industry in Bangladesh is poised to achieve greater heights while contributing to a greener and more prosperous future.

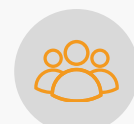
TRENDS AND DRIVERS IN THE INDUSTRY

The demand for the paint and coatings in Bangladesh is driven by urbanization, shifting consumer preferences, technological innovations, regulatory changes, and global market trends. These factors collectively define the industry's direction and underscore its critical role in the nation's development. As Bangladesh continues to urbanize and modernize, the demand for paints and coatings in construction, infrastructure, and consumer goods is surging, making this industry an essential contributor to the economy.

DRIVERS OF PAINT AND COATING INDUSTRY



Urbanization



Shifting consumer preferences



Technological innovations

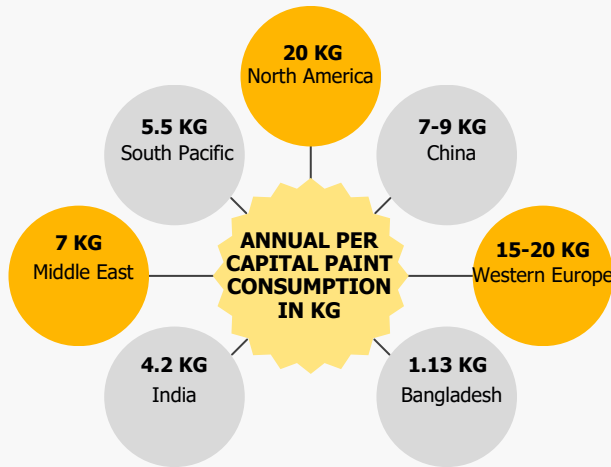


Regulatory changes

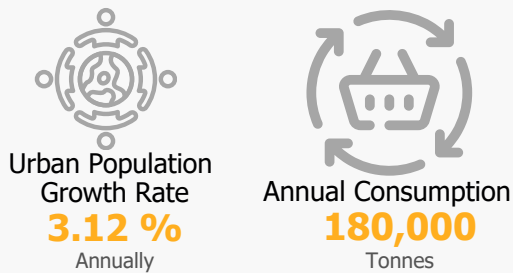


Global market trends

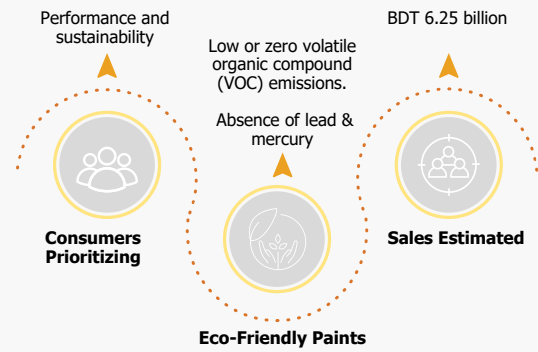
The paint and coatings industry of Bangladesh has untapped opportunities awaiting the sector in the coming days, as per capita paint consumption in the country is still limited to only 1.1 kg, while it is 4.2 kg in India and nearly 9.0 kg in China (BPMA, 2024).



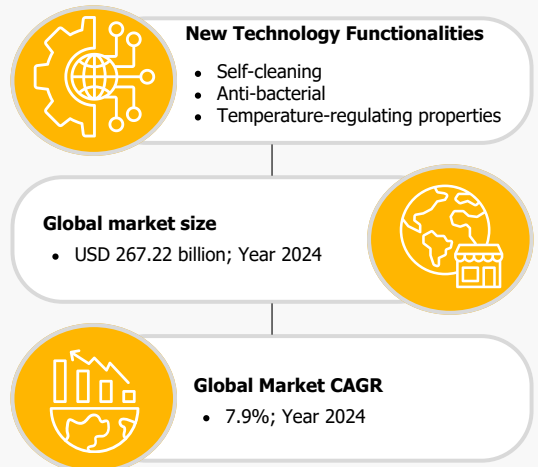
Urbanization is a primary driver of the industry's growth. Bangladesh's urban population is growing at a rate of 3.12% annually (Trading Economics, 2024), leading to a construction boom across residential, commercial, and industrial sectors. According to industry estimates, the country's annual paint consumption now exceeds 180,000 tonnes (BlueQuark Research & Consulting, 2024), reflecting the growing demand for paints and coatings to support new construction projects and infrastructure development. Large-scale infrastructure projects such as the Padma Bridge, Dhaka Metro Rail, and Karnaphuli Tunnel have significantly increased the need for high-performance coatings to protect structures from environmental factors like corrosion and humidity. These projects not only stimulate demand but also emphasize the importance of coatings that offer durability and enhance structural aesthetics.



Parallel to urbanization, consumer preferences are shifting toward premium and eco-friendly products. As disposable incomes rise, particularly in urban areas, consumers are increasingly willing to invest in higher-quality paints that prioritize both performance and sustainability. Eco-friendly paints, characterized by low or zero volatile organic compound (VOC) emissions and the absence of hazardous materials like lead, are gaining traction. Companies such as Berger Paints Bangladesh and Asian Paints are leading the shift, offering low-VOC and lead-free products that cater to environmentally conscious consumers. This trend aligns with global movements toward sustainability and healthier living environments, indicating that Bangladeshi consumers are increasingly aware of the impact of their purchasing decisions on the environment.



Technological advancements in the global paint and coatings sector are reshaping the Bangladeshi market as well. Innovations such as smart coatings and nanotechnology are enabling manufacturers to create paints with enhanced functionalities, including self-cleaning, anti-bacterial, and temperature-regulating properties. These advanced products address specific needs in both residential and industrial applications, improving durability and offering added value to consumers. Additionally, efforts to reduce VOC content in paints are aligned with international environmental standards, helping manufacturers cater to the growing eco-conscious segment. Globally, the paint and coatings market is projected to grow at a compound annual growth rate (CAGR) of 7.9%, from USD 247.72 billion in 2023 to USD 267.22 billion in 2024 (Research and Markets Ltd-Paints and Coatings Global Market Report, 2024), reflecting the significance of technological innovation. This growth provides a roadmap for Bangladeshi manufacturers to leverage cutting-edge technology and expand their offerings to meet both local and international demand.



Regulatory measures introduced by the Bangladeshi government have also played a crucial role in shaping the industry. Policies aimed at reducing hazardous chemicals in paint formulations, such as lead and mercury, and promoting sustainable manufacturing practices have compelled manufacturers to innovate and adopt environmentally friendly production methods. These regulations are not only critical for safeguarding public health but also for ensuring the industry's alignment with global sustainability standards. For instance, the government's push to phase out lead from decorative paints has been a significant milestone, encouraging manufacturers to develop safer and more sustainable alternatives. While such regulations can pose challenges, especially for smaller manufacturers with limited resources, they have been instrumental in fostering a more sustainable industry landscape.



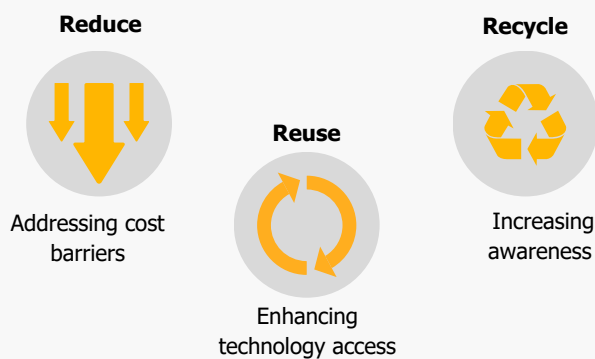
Global trends continue to influence local markets, particularly in the transition toward water-based paints. Water-based paints, which emit fewer harmful chemicals compared to solvent-based alternatives, are becoming increasingly popular among environmentally conscious consumers worldwide. This shift is prompting local manufacturers in Bangladesh to adjust their product lines to include more water-based options, ensuring they remain competitive in both domestic and international markets. The growing emphasis on sustainability in the global market is pushing Bangladeshi manufacturers to align their practices and products with international standards, creating opportunities for export and collaboration with global players.

The interplay of these factors underscores the industry's critical role in supporting Bangladesh's development while also highlighting the challenges and opportunities ahead. As the industry evolves, it must navigate the complexities of balancing growth with sustainability, innovation with cost efficiency, and local needs with global trends. By leveraging these drivers effectively, the paint and coatings industry in Bangladesh is well-positioned to play a pivotal role in the country's economic and environmental future.

SUSTAINABILITY AND ECO-FRIENDLY PRACTICES IN THE INDUSTRY

Sustainability in the paints and coatings industry refers to the development and application of products that minimize environmental impact, promote health safety, and ensure economic viability throughout their lifecycle. This encompasses the use of eco-friendly materials, adoption of green manufacturing processes, and the implementation of waste reduction strategies. In Bangladesh, the significance of sustainability in this sector has grown, driven by increasing environmental concerns, regulatory pressures, and a shift in consumer preferences towards greener products.

Water-based paints reduce air pollution and health risks due to low VOC content which is a key aspect of sustainable practices in the paint industry. Nippon Paint Bangladesh's Green Choice Series exemplifies this shift, offering water-based coatings with near-zero VOCs, free from added lead and mercury (Nippon Paint Bangladesh, 2024). Berger also have introduced ultra-low VOC and lead-free paints, which are eco-friendly and antibacterial, catering to the growing demand for sustainable products. Similarly, bio-based resins derived from renewable sources are being integrated into formulations to lessen dependence on fossil fuels. Lead-free pigments are also becoming standard, with companies like Elite Paint receiving Lead Safe Paint certification, underscoring their commitment to eliminating hazardous substances (IPEN, 2017). This initiative reflects their commitment to environmental preservation and public health. Additionally, the upcoming Paint Bangladesh 2025 event aims to accelerate sustainability by promoting environmentally and socially responsible practices within the industry (Paint Bangladesh, 2024).



Manufacturing innovations play a crucial role in enhancing sustainability within the industry. Implementing waste reduction techniques, such as the 3R (Reduce, Reuse, Recycle) principle, helps minimize environmental footprints. Asian Paints Bangladesh emphasizes preventing pollution by leveraging these principles and aims for zero industrial effluent generation and zero hazardous solid waste disposal (Asian Paints Bangladesh, 2024). Energy efficiency measures, including the adoption of renewable energy sources like solar power, are being pursued to reduce carbon emissions. Additionally, green technologies that minimize water usage and pollution are being integrated into production processes, aligning with global sustainability trends (Business Daily, 2024).

Despite these advancements, the industry faces challenges in fully embracing sustainable practices. The cost of eco-friendly materials and technologies can be prohibitive, especially for small and medium-sized enterprises. Access to advanced technology is often limited, hindering the widespread adoption of green manufacturing processes. Moreover, there is a need to raise awareness among consumers and industry stakeholders about the benefits of sustainable products to drive demand and justify investments in this area.

CHALLENGES IN THE PAINT AND COATINGS INDUSTRY

This industry has experienced significant growth, driven by rapid urbanization, infrastructural development, and rising disposable incomes. Despite this positive trajectory, the industry faces several challenges that could impede its sustainability and competitiveness.

Dependence on Imports: One of the most pressing issues is the high dependency on imported raw materials which is nearly 99% and is exposed to risks of currency fluctuations, dollar crises, and high customs duties. The sector relies heavily on imports for essential components like pigments, binders, and solvents, making it vulnerable to global supply chain disruptions and price volatility. This import dependency has been exacerbated by recent macroeconomic challenges, including inflation and rising import costs (OECD & United Nations Conference on Trade and Development, 2023).

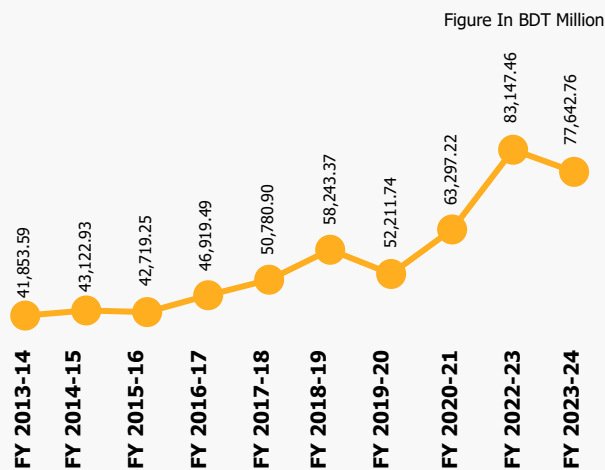


Raw materials imported

- Pigments
- Binders
- Solvents

The production trend of the paint and coating industry has increased over the years due to its use in different sectors. The production trend of some large-scale producers has increased over the years after COVID-19 (2020) and declined after the year 2021. The production has increased by almost 19% in August 2023 as compared to December 2022 (Ceicdata, 2023).

IMPORT OF PAINT IN BANGLADESH



As per import data for the last 10 years (Bangladesh Bank (Import Payments), 2023), the paint, varnish, tanning, and other dyeing materials have experienced a slight increase after the year 2020. Bangladesh's manufacturing companies are still going for expansion and increasing production capacity.

Limited research and development (R&D): Another significant challenge is the limited research and development (R&D) capabilities within the country. Innovation is crucial for developing eco-friendly products and improving production processes (Evana Yasmin, 2022). The industry also faces intense competition from multinational corporations. These global players have established strong footholds in the Bangladeshi market, leveraging advanced technologies, extensive R&D, and significant marketing budgets. Local companies, in contrast, often lack the resources to compete on equal terms, leading to a gradual erosion of their market share.

Lack of Skilled Workforce: Multinational corporations operating in Bangladesh have the resources to invest in research and development (R&D), while local companies often face challenges due to financial constraints and a lack of technical expertise. This disparity hinders the overall ability of the industry to innovate and compete effectively, both domestically and internationally. Moreover, there is currently no paint technology program offered at the university or diploma level in Bangladesh, which limits the availability of skilled personnel (BPMA, 2024). As a result, local companies frequently struggle to attract experienced professionals, who tend to prefer higher-paying positions at multinational firms.

Rising Production Costs: The rising prices of fuel, gas, and electricity are increasing the costs of manufacturing. Additionally, an insufficient supply of gas and electricity forces manufacturers to rely on fuel-burning alternatives, which further drives up expenses. Moreover, advanced technology to eco-friendly products increases production costs and thus product price increases. Many consumers prioritize cost over environmental considerations, leading to a slower adoption rate of sustainable products. This lack of demand discourages manufacturers from investing in the development and marketing of eco-friendly paints, perpetuating the cycle of limited awareness and availability.

Customs and Bureaucratic Hurdles: Paint manufacturers in Bangladesh face significant challenges due to their heavy reliance on imported raw materials. The import process is often hindered by unnecessary delays, including repeated and costly testing requirements, and inconsistent classification of materials under HS codes. Additionally, certain essential raw materials for producing quality paints are restricted for direct import. These materials can only be imported in bulk quantities, which smaller manufacturers cannot meet, forcing them to rely on intermediaries. However, import restrictions on these intermediaries further exacerbate the issue, leaving small-scale manufacturers unable to access critical materials, leading to production halts. Moreover, customs frequently reassess imported materials at inflated prices, further driving up production costs and creating financial strain for the manufacturers.

Unregistered Manufacturers: Unregistered paint manufacturers in Bangladesh present a significant challenge to the industry. These manufacturers often fail to adhere to proper quality standards and production processes, resulting in adulterated and substandard products reaching the market. The use of such poor-quality paints not only damages consumer trust but also tarnishes the reputation of compliant local manufacturers. Additionally, these unregistered producers frequently disregard legal and regulatory requirements, allowing them to sell their inferior products at lower prices, thereby disrupting fair market competition and undermining the overall market integrity. To address this issue, the government should enforce stricter regulations, requiring all paint manufacturers to register with the relevant authorities or associations. This would ensure compliance with quality and legal standards, protecting consumers and supporting the growth of a healthy, competitive paint industry.

Addressing these challenges requires a multifaceted approach. Reducing import dependency through the development of local raw material production can help stabilize costs and reduce vulnerability to external shocks. Enhancing R&D capabilities, perhaps through government incentives or public-private partnerships, can foster innovation and the development of eco-friendly products. Increasing consumer awareness about the benefits of sustainable paints is also crucial. Educational campaigns and stricter regulations on hazardous substances and unregistered manufacturers can drive demand for quality, safer, environmentally friendly products. Finally, supporting local manufacturers through favorable policies and capacity-building initiatives can help them compete more effectively with multinational corporations.



OPPORTUNITIES FOR GROWTH AND INNOVATION

Key areas ripe for development include the rising demand for eco-friendly products, government incentives for sustainable manufacturing, export potential of environmentally friendly paints, collaborations for technology transfer, and increased investments in research and development (R&D).

Rising demand for eco-friendly products: Urban consumers in Bangladesh are becoming increasingly conscious of environmental issues, leading to a growing demand for eco-friendly products. This shift is evident in the paint industry, where companies are investing in the development of environment-friendly paints to meet consumer preferences.

Government Incentives for Sustainable Manufacturing: The Bangladeshi government has recognized the importance of sustainable industrial practices and has introduced policies to encourage eco-friendly manufacturing. The Industrial Policy of 2005 emphasizes incentives for research and development, acceptance, and transfer of environmentally friendly appropriate technology (Industrial Policy 2005). Additionally, the government offers policy incentives for environmentally green investments, outlining opportunities for technology-transfer partnerships and building manufacturing capacity. These measures aim to reduce environmental impact and promote sustainable growth within the industry.

Export Potential of Eco-Friendly Paints: Bangladesh's paint industry holds significant potential for exporting eco-friendly products to international markets. With the Asia-Pacific Paints and Coatings Market is projected to reach USD 133.03 billion by 2030 (P&S Intelligence, 2024), there is a substantial opportunity for Bangladeshi manufacturers to capture a share by offering sustainable solutions. Establishing a reputation for high-quality, eco-friendly paints can open doors to markets in countries with stringent environmental regulations, thereby enhancing Bangladesh's export portfolio.

Collaborations with Global Players: Collaborations with global players present a strategic avenue for technology transfer and expertise acquisition. Such partnerships can facilitate the adoption of advanced manufacturing techniques, improve product quality, and enhance competitiveness. Engaging with international partners can also provide access to new markets and distribution networks, further driving growth.

Investments in R&D: Investments in R&D are crucial for fostering innovation and developing sustainable solutions within the paint industry. Allocating resources towards R&D can lead to the creation of products that meet evolving consumer demands and comply with environmental standards. By focusing on R&D, companies can enhance their product offerings, improve operational efficiency, and achieve long-term success.

REGULATORY FRAMEWORK AND COMPLIANCE

The regulatory framework of this industry is designed to ensure product safety, environmental protection, and sustainability of the industry. This framework encompasses national laws and policies, environmental standards, and compliance requirements, with oversight from government bodies and industry associations. Understanding these regulations is crucial for businesses aiming to operate effectively and responsibly within the Bangladeshi market.

In 2018, the Bangladesh Standards and Testing Institution (BSTI) established a mandatory standard limiting lead content in household paints to a maximum of 90 parts per million (ppm) (Ismail Hossain, 2018). This regulation positions Bangladesh alongside countries with stringent lead restrictions, reflecting a commitment to public health and environmental safety. Environmental standards in Bangladesh's paint industry are enforced through a combination of national policies and international guidelines. The Department of Environment (DoE) oversees compliance with environmental regulations, including waste management and emissions control. Manufacturers are required to implement proper waste disposal methods and minimize volatile organic compound (VOC) emissions to reduce environmental impact. Non-compliance can result in penalties, including fines and operational restrictions.

The government, in collaboration with industry associations, plays a pivotal role in promoting sustainability within the paint sector. Initiatives include providing incentives for adopting eco-friendly technologies and organizing awareness programs about sustainable practices. Additionally, industry leaders like Asian Paints Bangladesh have committed to exceeding statutory environmental, health, and safety (EHS) requirements, working in partnership with the government and industry associations for policy and regulatory reforms related to the environment (Asian Paints Bangladesh, 2024).

When compared to international standards, Bangladesh's regulations on lead content in paints are notably stringent. The 90 ppm limit aligns with global best practices, ensuring that local products can compete in international markets with strict safety standards. However, differences remain in other areas, such as VOC emissions and waste management practices, where international standards may be more comprehensive. Aligning local regulations with these global standards could enhance the competitiveness of Bangladeshi manufacturers and facilitate access to export markets.

RECOMMENDATIONS AND STRATEGIC DIRECTIONS

The paint and coatings industry in Bangladesh stands at a critical juncture, with sustainability emerging as a pivotal factor for future growth and competitiveness. To navigate this evolving landscape, industry stakeholders must adopt strategic measures that encompass eco-friendly practices, consumer awareness, technological investments, policy advocacy, and collaborative efforts.





STRATEGIC STEPS FOR LOCAL COMPANIES TO ADOPT ECO-FRIENDLY PRACTICES

Local paint manufacturers should prioritize the development and promotion of environmentally friendly products. For instance, companies like Berger Paints Bangladesh Limited are investing in such eco-friendly products to meet the growing demand for sustainable solutions. Implementing sustainable manufacturing processes is equally crucial. This involves adopting energy-efficient technologies, minimizing waste through recycling initiatives, and utilizing raw materials responsibly. By integrating these practices, companies can reduce their environmental footprint and align with global sustainability standards.

IMPORTANCE OF CONSUMER AWARENESS CAMPAIGNS AND TRAINING FOR SKILL DEVELOPMENT OF THE LABOUR FORCE

Educating consumers about the benefits of eco-friendly paints is essential for driving market demand. Awareness campaigns can highlight the health advantages of low-VOC and lead-free paints, as well as their positive environmental impact. Such initiatives can shift consumer preferences towards sustainable products, encouraging manufacturers to expand their eco-friendly offerings. Collaborations with environmental organizations and participation in industry exhibitions, like Paint Bangladesh 2025, can serve as platforms to disseminate information and engage with consumers directly (Paint Bangladesh, 2024). These events promote sustainable development and inspire responsible choices among both producers and consumers.

INVESTMENTS IN TECHNOLOGY AND PARTNERSHIPS TO MEET SUSTAINABILITY GOALS

Investing in advanced technologies is imperative for achieving sustainability objectives. Automation and digitalization can enhance production efficiency, reduce waste, and lower energy consumption. Additionally, research and development (R&D) focused on innovative materials and processes can lead to the creation of superior eco-friendly products.

Forming strategic partnerships with international firms can facilitate technology transfer and provide access to global best practices. Such collaborations enable local companies to stay competitive and meet international environmental standards, thereby opening avenues for export opportunities. The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) emphasizes that adopting sustainable practices can help achieve goals like reduced carbon footprints and sustainable industrialization.

COLLABORATION AMONG INDUSTRY STAKEHOLDERS FOR A SHARED VISION OF GROWTH

Achieving sustainability in the paint industry requires a collective effort from all stakeholders, including manufacturers, suppliers, consumers, and regulatory bodies. Establishing industry associations dedicated to sustainability can facilitate the sharing of best practices, standard-setting, and advocacy for supportive policies. Regular dialogues and workshops can foster mutual understanding and cooperation among stakeholders. By working together, the industry can develop a cohesive strategy that balances economic growth with environmental responsibility, ensuring long-term success and sustainability.

POLICY RECOMMENDATIONS FOR THE GOVERNMENT TO PROMOTE SUSTAINABILITY

The government plays a pivotal role in steering the industry towards sustainability. Implementing policies that provide financial incentives, such as tax breaks or subsidies for eco-friendly initiatives, can motivate companies to adopt sustainable practices. Additionally, establishing stringent environmental regulations and ensuring their enforcement will compel manufacturers to comply with sustainability standards.

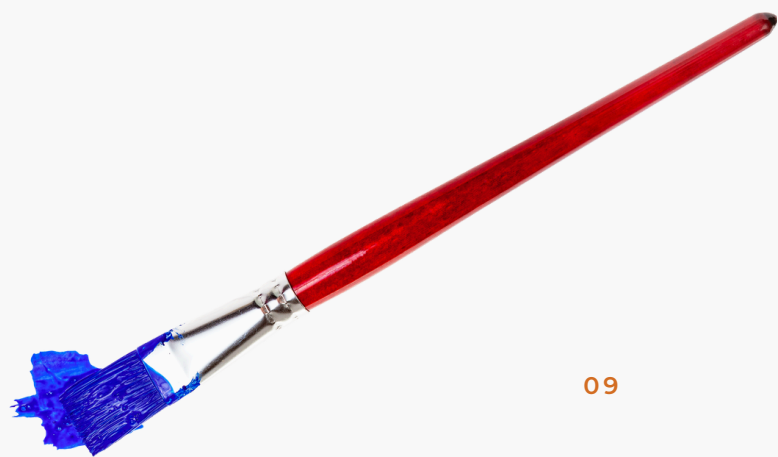
Investing in infrastructure that supports sustainable industrial activities, such as waste treatment facilities and renewable energy sources, is also crucial. Furthermore, integrating sustainability into national development agendas and collaborating with international organizations can provide the necessary framework and resources for green growth. The World Bank recommends creating a governance framework for greener growth and using a mix of incentives to boost environmental markets in Bangladesh.

CONCLUSION

Sustainability is no longer a choice but a necessity for the industry's future. Adopting eco-friendly practices, such as producing lead-free and low-VOC paints, investing in green manufacturing technologies, and adhering to stringent environmental standards, will ensure the industry's alignment with global best practices. These steps not only safeguard environmental and public health but also open doors to international markets and build consumer trust.

This report has highlighted key insights of Bangladesh's paint and coating industry and also its challenges that define the industry, ranging from its heavy reliance on imported raw materials and limited R&D capabilities to environmental and health concerns tied to traditional products. However, the industry also holds immense potential for growth through innovation, collaboration, and sustainability-focused strategies. Increasing demand for eco-friendly products, supportive government policies, export potential, and advancements in technology offer promising avenues for development.

It is now imperative for businesses, consumers, and regulators to work collectively toward achieving sustainability goals. Manufacturers must innovate and invest in greener solutions, while consumers should prioritize eco-friendly products to drive market demand. Regulators, on the other hand, need to enforce strict environmental standards and incentivize sustainable practices. By embracing a shared vision of growth and responsibility, the paint and coatings industry in Bangladesh can become a global leader in sustainable development, contributing to both economic prosperity and environmental preservation.



About ECRL

Emerging Credit Rating Limited (hereinafter referred to as ECRL) began its journey in the year 2009 with the motive to deliver credible superior & quality credit rating opinions in various industry segments around Bangladesh. ECRL obtained a credit rating license from Bangladesh Securities and Exchange Commission (BSEC) in June 2010 as per Credit Rating Companies Rules 1996 and also received Bangladesh Bank Recognition as an External Credit Assessment Institution (ECAI) in October 2010 to do the rating of Banks, Financial Institutions and their borrowers and also from Insurance Development & Regulatory Authority (IDRA) in 2015 to do the rating of Insurance Companies & affiliated with Malaysian Rating Corporation Berhad.


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