

POLAND



Lubricating Oils Market Overview, POPiHN

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In 2017 the Polish market of lubricating oils reached the level of 226,896 tonnes, which is a 1.62% y/y increase. Despite the stabilization of¹ the whole market, in line with the estimates, once again there were several surprises in individual segments. Just as in the previous year, this time as well the main surprise was the level of economic growth recorded by the entire Polish economy. POPiHN too did forecast a clear economic rebound after a disappointing 2016, yet its scale exceeded the most optimistic predictions from the previous year².

Another surprise is the way in which this unexpected economic growth translated into the situation in the segments of oils for the automotive industry and oils for industry. While in the case of the automotive segment the upward trend continued to grow and further sales records were beaten, a major negative surprise was that a downturn in the industry segment in 2016 not only turned out to be not a momentary one, but, in fact, there were further decreases to the extent that the situation slowly started to resemble the crisis year of 2009.

Due to the above circumstances 2017 was another year in which it was not possible to reach the level of sales volumes recorded in the record-making year of 2007, when in Poland over 245,000 tonnes of lubricating oils were sold.

This situation also leads to further changes in the general market structure. In 2017 the automotive segment share continued to grow and has already reached the level of 60%.

Major changes in the overall market structure are noticeable not that much year to year, but rather in a long-term perspective. From this perspective, above all, we can notice certain changes in the engine oils segment – the most significant change on the scale of the whole market is undoubtedly an increase in the share of passenger car engine oils.

It is particularly worth pointing out that the share of synthetic oils for passenger cars grew on the scale of the whole market from 5.5% in 2007 to 16.29% in 2017.

The above means that this group continues to be the biggest one on the market, placing itself ahead of hydraulic oils for industry. Simultaneously, the biggest decline was recorded for mineral oils for passenger cars, heavy-duty vehicles, as well as monograde oils (respectively: from 10% to 4%, from 13% to 10% and from 7.9% to 2.66%).

In comparison with the automotive segment, in the area of industrial oils application we have been observing a multiannual stabilization, typical of mature, fully formed markets, with a dominating share of hydraulic oils (14.99%) and a diversified category of 'other industrial' (10.63%).

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¹ In the last year's report POPiHN forecast for 2017 was on the level of 230,000 tonnes, so the forecasting error amounted to 1.5%.

² According to the estimates, Poland's GDP in 2017 grew by 4.6% against 2.8% the year before and against 3.5% forecast by POPiHN in the previous year.