

Sustainability... and the Global Lubricants Industry

*Apu Gosalia, FUCHS' Head of Global Strategic Marketing and Chief Sustainability Officer presented the following key note paper at the recent 16th ICIS World Base Oils & Lubricants Conference held in London, that considered what had changed in the global lubricants market. His paper covered the process and value chain of markets, manufacturers, mergers and finally some new movements that are also affecting the worldwide lubricants business: **Sustainability and Resilience.***

Markets

Gosalia began by reflecting that three years ago in February 2009, when he last spoke at ICIS, most of the world was right in the middle of the economic and financial crisis and at the beginning of a remarkable year for the worldwide lubricants industry too, as it turned out to reveal the lowest level of global lubricant consumption ever in 40 years, since FUCHS started to record lube market data, trends, etc.

Since then, a lot of things happened...

Gosalia started by looking at the global and regional lubricant market developments.

The global lube market volume was at around 36 million tons at the turn of the millennium and more or less quite stable till the year 2008. Then, lubricants demand plunged by more than 10% year-on-year on a worldwide basis to just around 32 million metric tons in 2009, some regions – especially Europe – were hit much worse. 2010 saw only a partial recovery in light of the partly unexpected rapid economic growth, but not quite back to the old level.

FUCHS believes 2011 was up by about 2% over that, so overall the market was back to around 35 million tons, i.e. to the level of demand last seen in 2003.

However, Gosalia does not believe that we will see the peak numbers of years 2006/2007 again short term.

