

Croatia

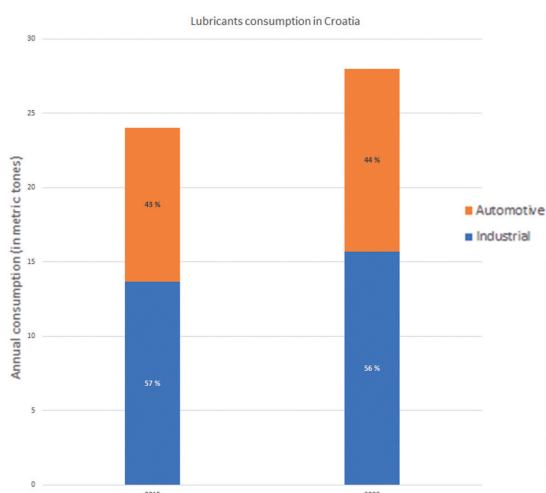
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The Croatian lubricants market has been continuously growing in recent years, and now accounts for around a 28 thousand tons. Transformer oils are not included in this quantity, and they represent an additional 8 thousand tons per year, the largest part of which is consumed by the domestic producer of electric transformers, the company Končar from Zagreb.

Although the COVID-19 crisis has caused major supply disruptions, there has generally been no decline in lubricant consumption. In fact, there is even a slight increase. This may represent the usual fluctuations in consumption, but it is most likely a consequence of greater activity in the construction sector that followed two devastating earthquakes in 2020 in the vicinity of Zagreb. The earthquakes happened 9 months apart. Therefore, earthquakes of magnitude 5.5 and 6.2 on the Richter scale left much to be repaired.

According to the data of the World Bank, the gross domestic product (GDP) in Croatia has increased by over 35% in the last 7 years, which consequently influenced the increase in the consumption of lubricants, but not at the same growth rate. The increase in lubricant consumption in the same period was about 17%. The reason for such a difference lies in the fact that the gross domestic product (GDP) grew in short term due to the inflation caused by the COVID-19 crisis and the war in Ukraine.



At the same time, the number of registered vehicles increased by 21% in those 7 years. The relative increase of both registered commercial vehicles and passenger vehicles is the same. For this reason, there is a noticeable increase in the consumption of lubricants in the automotive segment. Products for vehicles make up about 44% of the total consumption of lubricants in Croatia. The rest of the consumption is made up of industrial lubricants, including lubricating greases and metalworking fluids.

Although there is a noticeable increase in newly purchased passenger cars, the SAE 10W-XX and SAE 15W-XX viscosity grades still account for almost three quarters of the PCEO market. A low viscosity engine oils SAE 0W-XX and 5W-XX still represent a smaller part of consumption in the PCEO segment. The situation is quite similar in the HDDEO segment and with SAE 5W-XX viscosity grade engine oils making up a much smaller part of consumption and still less than 10%. Monograde engine oils are slowly disappearing and represent only a few percent of total consumption and are used only for special purpose equipment and vehicles. Therefore, SAE 15W-40 viscosity grade engine oils represent the majority here as well.

Although industrial lubricants have not followed the increase in consumption like automotive lubricants, they still account for the majority of lubricants consumption in Croatia with a share of around 56%. Hydraulic oils represent the majority of consumption from the segment of industrial lubricants, primarily conventional HLP hydraulic fluids. In general, high-performance industrial lubricants based on PAO, PAG and ester base oils are required by users of new or under-warranty equipment and are not widely adopted due to high initial costs. Hope that this will change in the future.

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