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**Saudi Arabia's 515M-litre
lubricant market is undergoing
rapid change as Vision 2030 drives
shifts in mobility, industry, and
sustainability across the Kingdom**

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Saudi Arabia's 515M-litre lubricant market

is undergoing rapid change as Vision 2030 drives shifts in mobility, industry, and sustainability across the Kingdom

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A market at a turning point

Saudi Arabia stands as the GCC's largest lubricant market, consuming more than 515 million litres annually. Once defined by steady demand from conventional transport and industrial sectors, the Kingdom's lubricant profile is now in the midst of profound transformation. At the core of this shift is Vision 2030, the government's ambitious roadmap to diversify the economy and modernise infrastructure. Mega projects, new mobility solutions, and a growing emphasis on sustainability are creating both opportunities and pressures for lubricant producers, distributors, and additive suppliers. Electric vehicles (EVs), fleet expansion, and industrial diversification are changing the nature of demand — pushing the market beyond traditional volumes and into specialised, higher-performance products. This evolving landscape signals not just growth, but a redefinition of what lubricants mean in Saudi Arabia's future economy.



Saudi Arabia's lubricant market in numbers

With annual consumption exceeding 515 million litres, Saudi Arabia is by far the largest lubricant market in the GCC. Historically, demand has been dominated by the automotive sector, particularly passenger vehicles and light-duty trucks, which account for a significant share of volumes. Industrial and commercial uses — from heavy machinery in construction and mining to lubricants for power generation and marine applications — make up the balance.

In the past decade, Saudi Arabia's market profile

has been relatively stable, reflecting steady vehicle ownership growth and consistent industrial output. However, as the Kingdom accelerates reforms under Vision 2030, the market is poised for structural change. Fleet operators, OEMs, and industrial users are seeking higher-quality, specialised lubricants that deliver improved performance, energy efficiency, and compliance with evolving standards.

Local supply is also in transition. While several global and regional majors maintain strong distribution networks, Saudi Arabia is prioritising local production

and value-added manufacturing as part of its diversification strategy. This shift is expected to gradually reshape the balance between imported finished lubricants, local blending operations, and the wider supply chain.

The result is a lubricant market that is not only the largest in the region by volume, but also one of the most strategically significant — offering opportunities for growth, innovation, and deeper integration with Saudi Arabia's industrial ambitions.

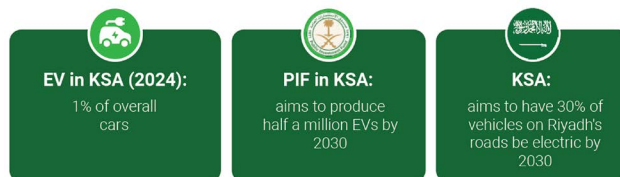
Mobility transformation and EV impact

Mobility in Saudi Arabia is evolving at an unprecedented pace. The Kingdom is investing heavily in public transport networks, including new metro lines, bus fleets, and integrated mobility hubs designed to reduce reliance on private cars. At the same time, private vehicle ownership continues to rise, supported by population growth, urbanisation, and new social dynamics such as more women on the road since 2018. These trends are reshaping lubricant consumption, particularly in the automotive segment.

A defining factor for the future is the emergence of electric vehicles (EVs). While EV penetration in Saudi Arabia is still modest compared to mature markets, Vision 2030 places strong emphasis on electrification and alternative energy mobility. Global OEMs have already announced plans to establish production capacity in the Kingdom, and local authorities are introducing incentives to accelerate adoption.

For the lubricant sector, the shift is less about decline than about redefinition of demand. EVs reduce requirements for traditional engine oils but increase the need for advanced fluids — including coolants,

greases, e-transmission lubricants, and thermal management solutions. This transition creates opportunities for suppliers with the technology and expertise to innovate.



The rise of electric vehicles in Saudi Arabia does not signal the end of lubricants, but rather a shift in demand. EVs require advanced fluids for cooling, transmission, and durability — creating new opportunities for innovation in the lubricant sector.

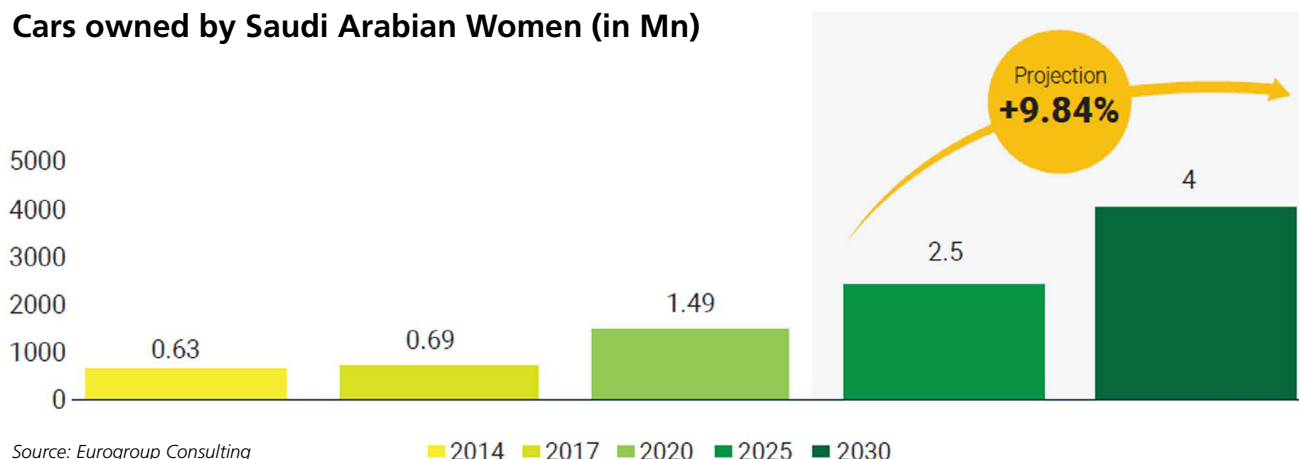
As the market evolves, OEM partnerships and technology transfer will be critical for aligning with Saudi Arabia's electrification roadmap and positioning lubricant suppliers for long-term relevance.

Industrial growth and diversification

Industrial expansion is another powerful driver reshaping lubricant demand in Saudi Arabia. As part of Vision 2030, the Kingdom is diversifying its economy beyond oil, with a surge of mega projects such as NEOM, the Red Sea Project, and Qiddiya, alongside major expansions in manufacturing, logistics, and petrochemicals. These initiatives are generating increased requirements for industrial lubricants to support construction equipment, heavy machinery, and ongoing operations.

The government's industrial strategy also emphasises local content and supply chain resilience. This means greater demand for specialised lubricants tailored to local conditions — from extreme desert climates

Cars owned by Saudi Arabian Women (in Mn)



to high-performance applications in energy and infrastructure. Manufacturing and processing plants, which previously relied on a mix of imports and regional suppliers, are now expected to strengthen ties with domestic blending facilities and international partners that can bring advanced technologies into the Kingdom.

This wave of diversification presents new opportunities for lubricant companies, particularly those offering synthetic and high-performance products designed for efficiency, durability, and regulatory compliance. At the same time, it increases competition, as both international players and local firms seek to position themselves in an evolving industrial ecosystem. Ultimately, Saudi Arabia's industrial transformation will ensure that lubricants remain a critical enabler of productivity and growth — even as the overall market composition shifts.



Sustainability and regulatory shifts

Sustainability has become a central pillar of Saudi Arabia's transformation agenda, and the lubricant sector is no exception. Under Vision 2030, the Kingdom has introduced ambitious environmental and efficiency targets, pushing industries to adopt cleaner, higher-quality products. For lubricants, this translates into greater emphasis on low-emission formulations, extended drain intervals, and improved energy efficiency.

At the same time, regulatory frameworks are evolving to align with international standards. Saudi authorities are gradually strengthening specifications to ensure lubricant quality, reduce counterfeit products, and encourage the use of synthetic and semi-synthetic blends that deliver higher performance while lowering environmental impact. These changes raise the bar for suppliers but also create opportunities for companies able to meet or exceed compliance requirements.

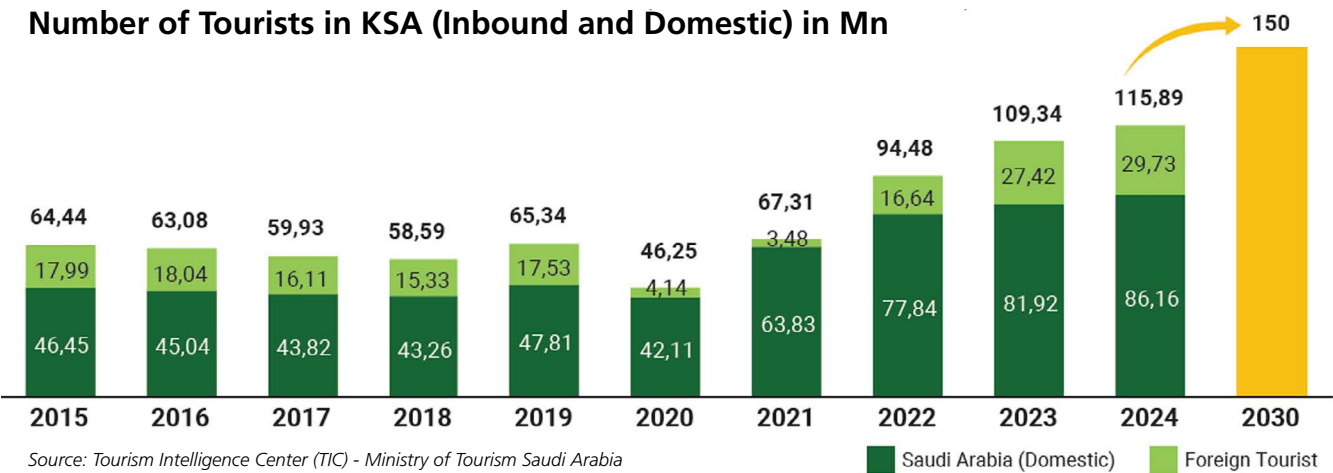
The circular economy is another emerging theme. Interest in re-refining used oils and promoting sustainable disposal practices is gaining momentum, reflecting both environmental priorities and economic diversification goals. As infrastructure develops, this could become a significant area of growth for specialised players.

For lubricant manufacturers and distributors, these sustainability and regulatory shifts mean that success in Saudi Arabia will increasingly depend on innovation, certification, and alignment with national priorities. Those who can demonstrate value not only in product performance but also in sustainability credentials will be best positioned for long-term growth in the market.

Consumer and demographic trends

Shifts in Saudi Arabia's demographics and consumer behavior are also influencing lubricant demand. One of the most notable changes has been the rise of women drivers, following the lifting of driving restrictions in 2018. This has expanded the passenger car segment, increasing demand for automotive lubricants, particularly in urban centers such as Riyadh and Jeddah.

Number of Tourists in KSA (Inbound and Domestic) in Mn



Another driver is the tourism boom, spurred by Vision 2030 initiatives to attract 150 million visitors annually by 2030. This surge in tourism is expected to place significant pressure on transportation networks, leading to rising demand from rental fleets, logistics providers, and service operators, all of which contribute to higher lubricant consumption in the commercial vehicle segment.

In addition, Saudi Arabia's young population — with a median age of around 30 — is more open to adopting new mobility solutions, including electric vehicles and ride-sharing services. This generational shift accelerates changes in lubricant requirements, favoring synthetic and high-performance products suited for modern fleets and next-generation vehicles.

Together, these demographic and consumer dynamics are broadening the lubricant market, while also creating new demands for product differentiation, targeted marketing, and stronger aftersales support.

Strategic implications for industry stakeholders

Saudi Arabia's lubricant market transition presents both opportunities and challenges for manufacturers, distributors, and additive suppliers. Success will depend on how quickly and effectively companies can adapt to the Kingdom's evolving landscape.

First, portfolio diversification is becoming essential. As EV adoption grows and industrial projects expand, demand is shifting toward synthetic and specialised lubricants that deliver higher performance, durability, and compliance with new standards. Companies that invest in R&D to develop advanced formulations —

including EV fluids and industrial lubricants — will be well positioned to capture future growth.

Second, localisation and partnerships are critical. Vision 2030 places strong emphasis on developing domestic supply chains and increasing local content. Lubricant players can respond by building partnerships with Saudi manufacturers, establishing blending operations, and investing in local distribution networks that align with government priorities.

Third, digital transformation is reshaping how lubricants are marketed and sold. From fleet management platforms to e-commerce channels, customers increasingly expect more efficient, data-driven solutions. Companies that integrate digital tools into customer engagement and aftersales services will gain a competitive advantage.

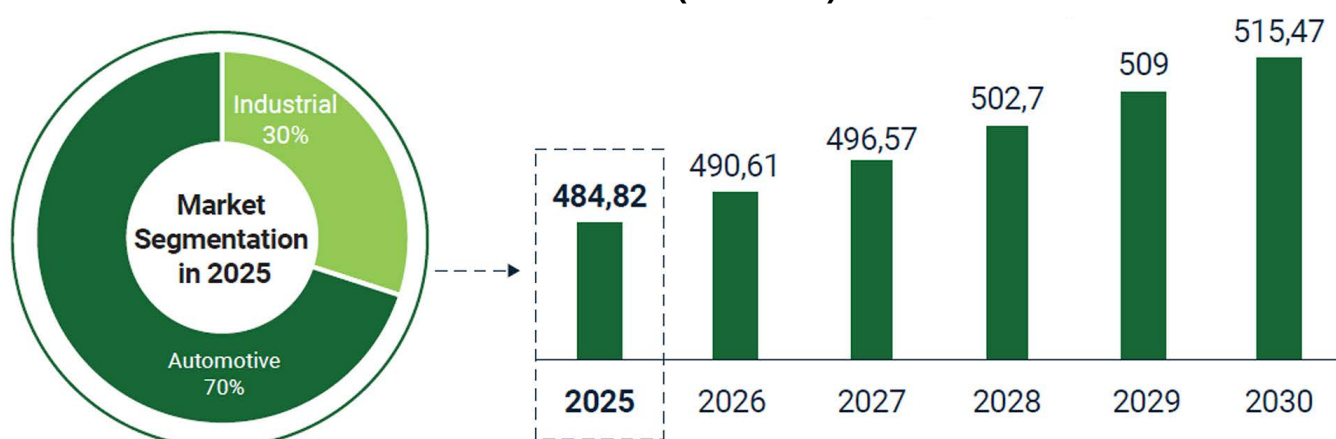
Finally, industry players must navigate intensifying competition. Global majors, regional suppliers, and emerging local companies are all targeting the Kingdom, making differentiation through technology, service, and sustainability credentials more important than ever.

In short, the Saudi market is moving beyond a focus on volume alone. To thrive, stakeholders will need to innovate, localise, and partner strategically, ensuring their offerings remain aligned with the Kingdom's transformation agenda.

Outlook for the next decade

The Kingdom of Saudi Arabia is entering a decisive decade for its lubricant sector. With annual

Calculated Total Lubricants Market in KSA (Mn Liters)



Source: Eurogroup Consulting

consumption of more than 515 million litres, the market will continue to hold a dominant position in the GCC — but its composition and dynamics are changing rapidly. Vision 2030 reforms are reshaping mobility, industrial activity, and sustainability priorities, creating new pressures and opportunities for suppliers across the value chain.

The rise of EVs, growth in public transport and fleets, and diversification into new industries are gradually transforming lubricant demand away from conventional products and toward synthetic, high-performance, and specialised fluids. At the same time, stronger regulations and a national push for local content are setting higher expectations for innovation and partnerships.

For stakeholders, the message is clear: Saudi Arabia's lubricant market is no longer defined by volume alone. The next decade will reward companies that can align with the Kingdom's transformation, anticipate shifting customer needs, and position lubricants as an enabler of efficiency, innovation, and sustainable growth.



About Eurogroup Consulting

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With offices across Asia and the Middle East, we deliver tailored strategies in Construction, Healthcare, Supply Chain & Logistics, Transport & Mobility, Energy, Consumer Goods, and Lubricants. Our work in the lubricant sector spans market analysis, growth strategies, and transformation projects, supporting global and regional players as they adapt to evolving industry challenges.

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Access the **Changing Patterns in the KSA Lubricant Market** whitepaper for a deeper market perspective.

For further insights, examine **Saudi Arabia's market and industry trends**.