



Part of a distillation unit at the refinery of Cyclon Hellas s.a

Greece

Cyclon Hellas s.a

Local report



In the Greek market, the broader lubricants market includes companies that produce base oils, lubricants blending and packaging companies as well as import companies. The biggest challenge that lubricants manufacturers and sellers have to face in the Greek market is the oversaturation of different lubricant brands, domestic and imported.

On the other hand the lubricants market in Greece seems to shrink due to the economic crisis and the resulting recession for the last 3 years. The total vehicle fleet in the country during 2013 vs.2012 decreased by 2% and the industrial production shows a constant decline since 2008.

As a result, the domestic consumption of lubricants records a constant fall in recent years. Based on a survey conducted in a major number of firms in the industry and in accordance with market estimates, domestic vehicle lubricant consumption expected to show a further reduction in 2014 of around 5% (by volume).

The downward trend of the market size is also associated with the less frequent lubricant changes required by the modern vehicles, as well as the improved quality of the lubricants which allows the modern vehicles to make oil changes less frequently (more kilometers) than the past.

A similar trend is estimated for the domestic industrial lubricants market in 2014 (a decrease of 5%). Sales of marine lubricants are harder to forecast, but the outlook is more positive (smaller percentage reductions for 2014) compared to those of vehicle and industrial lubricants.

Given the current situation, the main axes on which companies in the industry should move to strengthen or even maintain their position in the market are:

- Extension of export activity (for companies with facilities production / blending lubricants) through penetration into new markets.
- The expansion of distribution networks companies in more outlets.
- Enhancing the 'visibility' of corporate signs of the companies with a view not only maintaining the existing customer base but also to attract new customers from the competition.
- Environmental legislation. – waste lubricants collection and regeneration targets. (Presidential Decree 82/2004).

Despite this macro economic environment, Cyclon is a leader in the total Greek lubricants market keeping an increase in its market share up to almost 12% in 2013 with a stable forecast for 2014.

During the last 5 years Cyclon has strengthen its export orientation transforming Cyclon into a major Greek exporter. Cyclon exports lubricants in more than 27 countries around the world ensuring high quality products and services for all Cyclon customers.

LINK
www.cyclon.gr