



Italy

Local report



FEDERCHIMICA

AISPEC - GAIL

GRUPPO AZIENDE INDUSTRIALI DELLA LUBRIFICAZIONE



The Group of industrial companies of lubrication (GAIL) is one of the 14 product groups of AISPEC - National Association of fine chemical companies and specialist areas - belonging to Federchimica - National Federation of the chemical industry.

Currently GAIL consists of 30 companies for a total of approximately 1,200 employees and an annual turnover of over one billion Euros. GAIL represents all the sector's organisations, different for configuration and size: there are national companies, international companies, independent companies and also companies integrated into larger groups. Alongside the independent companies, there are the companies that regenerate waste oils, some oil companies and companies producing additives for lubricants.

The Group works on the institutional and technical level. Through the dedicated staff and the resources available in the Federation, the Group provides to companies not only expert advice and technical-regulatory support, but also the protection and representation of the interests of the sector with the national and foreign institutional bodies.

GAIL is structured in an organic way with a Steering Committee and a Presidential Committee that control three committees (Technical Committee, Tax Committee and Competition Committee) and some working groups with the aim of addressing the various issues with the purpose to propose decisive interventions, to share opinions and best practices and create strategic plans for the development of the sector. One of the main goals is undoubtedly the spread of a shared technical-scientific culture, based on knowledge and respect of the rules, which is the cornerstone of virtuous behaviour and of a competitive approach to the business.

The Group also organises the LUBE-DAY: an annual day of meeting free of charge, open to all operators in the sector, which is an important moment for the update on various topics of interest of the Companies' members and for the comparison with the relevant authorities about development of regulations and their impact on sector.

GAIL collaborates with other Italian and European industry associations and especially with the Union of European Lubricants Industry (UEIL), international reference point of the sector which includes GAIL among the founder members and that, through many working groups, works at the European level to protect the member companies.

Compared to the rest of Europe, the lubricants industry in Italy is experiencing a really difficult historical period due also to the disadvantage procured from the existence of the excise duty (almost unique case in Europe). The domestic companies have also to fight the competitive disadvantage due to the actions of unfair competition by those who sell lubricants without paying the tax due. The Group has commissioned to the Bocconi University a study whose results show the situation described so far, highlighting the unsustainability of excise duty in Italy.

Looking at the Italian market, sales of lubricants in Italy suffered a consistent drop of 29% in the last 10 years because of the strong economic recession, but also for the product technology evolution of the last years, that reduced the demand.

In particular, the automotive engine oils sector decreased by 35% from 2003 to 2013; this data could appear strange looking compared to the growth of fleets of cars and industrial vehicles, but it depends mainly on the increased drain interval. Also industrial oils and other sales have suffered a great decrease in the same decade (about 26%), but a positive signal was registered in 2013, with an increase of 6% that gives some chance of recovery for future sales of these products.

The expected improvement in the economic situation for the coming years with a recovery of industrial activities leads to an expected increase in the sales of lubricants or at least a reduction of their market loss.

LINK
gail.federchimica.it