

Germany

Lubricants Sales

Edwin Leber, *UNITI*



Generally the economy has now grown for the eighth year in succession. In 2017, Germany experienced an economic growth of 2%; globally we have even seen an increase of 3%. The lubricants market in Germany reached about 1,030,000 tons in 2017, however this is a marginal decrease compared to 2016 (1,040,000). With this volume Germany remains by far the largest lubricants producer in Europe. All in all, especially for the German lubricants SMEs, 2017 showed a successful business development.

In order to cope with the upcoming challenges, high levels of flexibility paired with new innovations are key for the continued success of German SMEs. Furthermore the continuous support of organisations like UNITI or UEIL with a high level of expertise in the fields of technical specifications and legal and chemical regulations are vital for their members.

Automotive Lubricants

On the one hand, for engine oils a trend towards decreasing figures is visible. This is due to significantly increased oil change intervals and the effect of downsizing. Particularly in the case of engine oils, we have to face the fact with significantly increased requirements, such as the high priority to reduce carbon dioxide, comes increased pressure to develop low viscosity fuel economy oils. In most cases these oils have to fulfill tailor-made OEM specifications with enormous development and approval costs.

On the other hand the volumes for automotive transmission oils oil again increased in 2017. There are signs that this market will continue to grow as more comfortable driving will increase the usage of more automatic and double clutch transmissions. Fortunately for our industry the required volumes for ATFs and DCFs are much higher compared to MTFs. Moreover due to the extreme technical requirements in most cases for DC transmission an oil change interval of about 60,000 km is recommended by the OEMs whereas we usually have "fill for life" for MTFs and ATFs.

Industrial Lubricants

Due to the generally good economic climate the positive trend of the last years for metal working fluids

has continued. Depending on the company, customer profile and product portfolio, increasing rates have been in the range of 5% to 10%. This market shows a very stable domestic but also a strong growing export demand. Also for greases, due to the very strong machinery industry, an increase has been seen, whereas the demand for industrial gear oils was flattened.

Outlook

Due to the current more pessimistic economic forecast, the general outlook for lubricants is only cautiously optimistic.

It is increasingly clear that e-mobility alone will not be the silver bullet for our society. Comprehensive studies taking into account issues such as availability and extraction of rare earth metal e.g. lithium, cobalt or battery disposal and safety issues clearly shows that other alternatives are needed urgently. UNITI is convinced that E-Fuels have a very high potential for sustainable energy and we are very active to push this technology as a game changer for a carbon neutral energy transition. Despite many over-optimistic perspectives regarding e-mobility, in reality the market share is still developing very slowly. Therefore the combustion engine will remain the key pillar for future mobility. With this scenario it is expected that the volumes for advanced engine and powertrain lubricants will remain fairly stable.

The German SMEs are well prepared to cope with emerging challenges. The high level of flexibility and innovation combined with excellent expertise know-how as well as highly motivated personal offers very good conditions for a stable market for high quality lubricants Made in Germany. UNITI, assisted by our internal lubrication and additive committee, actively supports its members on a political level as well as expert consultancy regarding legal regulations and specifications. Furthermore, members benefit from a versatile tailor-made choice of seminars covering specific lubricant topics as well as chemical and environmental legislation.

LINK
www.uniti.de