

Greece

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The lubricants industry is playing a significant role on the path to sustainable development, and Greece is among the countries within Europe undertaking initiatives in this direction.

The Greek lubricant market has long been established as a key player in the Balkans, demonstrating a continuous growing footprint in the European lubricant landscape. Its lube oil base-stock production capabilities form the basis for this development and allow not only to support local finished lubricants needs but also to export significant quantities abroad. The production of lubricants in Greece depends mainly on two refineries, the Motor Oil Hellas crude oil refinery, producing Group I base oils, and the LPC re-refinery, producing Group I+ re-refined base oil, reaching an annual production capacity of more than 250.000MT.

After the impact of the COVID-19 pandemic on the lubricants value chain, the Greek lubricant market has shown a gradual recovery. In 2021, the market was estimated at 70mLn Lt and is expected to grow due to the economy and transport regeneration combined with an increase in industrial production. The Automotive segment constitutes the largest share, 44% in 2021, while the Industrial & Marine segment 19% and 37% of the domestic market, respectively. There is also a growing grease market, accounting for approximately 2mLn Lt in 2021.

The global trend for synthetic/semi-synthetic oils, driven by stringent emissions and fuel economy norms, is also evident in Greece and is growing by more than 4% within five years. Mineral origin lubricant oils remain a leader in the category but still face a declining contribution trend.

Aligning with the European Commission 'Fit for 55' package, an extensive range of policies and reform measures have been adopted at the national level.

To achieve sustainable development objectives, the legal framework fosters the transition to a low-carbon future, sustainable consumption and production patterns.

% Contribution within Automotive Segment

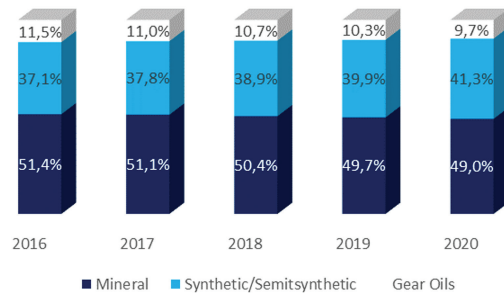


Figure 1: Oil category % contribution within the automotive segment

In the lubricants category, Greece is a benchmark for best practices. In managing waste oils, Greece remains at the top of Europe, exceeding the national targets for recycling since 2015. In 2021, 71%wt of the waste lubricating oils produced in Greece were collected, and 100%wt of these regenerated. The set of mandatory green public procurement (GPP) criteria and targets for lubricants is another example of the move towards a sustainable future.

Thanks to its re-refinery, LPC is one of the reasons for the excellent performance of the Greek EPR system. It has introduced the best available regeneration techniques, including combined techniques of thin film evaporator (TFE) and catalytic hydrotreatment. And it is also the only company in Greece that produces "Bright stock" - the heavy mineral oil fraction - coupling propane extraction with catalytic hydrotreatment. Not only does it allow the achievement of high yields and advanced base oil quality, but it contributes to reducing the carbon footprint of final products.

Greece's lubricant oils industry bears the advantages of Greece's strategic location and compliance with the EU regulatory environment. At the same time, the industry has developed a great refining infrastructure and is continuously building its profile as a credible exporting partner.

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