

# The Netherlands



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## The Netherlands

With 17.4 million Dutch inhabitants, the Netherlands is the 16th most densely populated country in the world, and the 5th most densely populated country in Europe.

Despite a growing EV car parc and more than 9 million passenger cars in the Netherlands, the country is still known for its many bicycles: 23 million bikes! Of the 211 billion kilometres driven annually, 17.6 billion kilometre (8.34%) is done by bike.

GDP in Netherlands is expected to reach 925.00 USD Billion by the end of 2021, according to Trading Economics global macro models and analysts expectations. In the long-term, the Netherlands GDP is projected to trend around 950.00 USD Billion in 2022 and 990.00 USD Billion in 2023, according to our econometric models.

## The vehicle parc

Over 9 million vehicles (passenger cars and light commercial vehicles) are driving around in The Netherlands. Volkswagen is taking a share of 12.5%, where Peugeot, Renault and Opel all have around 8%. If you take a closer look at the vehicles registered in the last decade, VW is still the #1, followed by Peugeot, Renault and Kia.

Looking to the oil consumption, the car model with the highest volume is the VW Polo V. On car type first place goes to the Peugeot 107 1.0 and Citroen C1 1.0 (same engines). Regarding approvals the VW 502.00 / 504.00 and PSA B71 2312 / B71 2290 take the lead in The Netherlands looking at the total fleet.

## Base oil production

The Netherlands base oil demand is significant and part import-supplied and yet the country is also an exporter of base oil product. The country has licensed refineries including a 19,000 bpd Group II refinery which opened in the past years. The ports of Rotterdam and Amsterdam are important access gates for imports of base oil from outside the Netherlands and there are multiple base oil storage hubs in the region from where it is further distributed in the wider Europe region.

Combined imported base oil and lubricant volume in 2019 was about 1,200kt, offset by almost 1,160kt exported.

## The lubricant market

In 2019, the lubricant market in the Netherlands was about 115,000 tons, with the automotive segment being the largest (65,000 tons/65%) and about 50,000 tons going into the industrial and other markets. The country has multiple lubricant blending plants most of them concentrated close to the Rotterdam port area.

The changes in the Netherlands lubricant's market over the period have more or less stabilised over the years. For the major oil companies the channels to market and supply chains have been reorganised. There have been amalgamations, combined with reduced sales forces and an increased focus on branded distributors, all part of downstream cost reduction exercises. In the brand-independent channel, the car parts wholesaler has taken on an increasingly important role for the universal garage when it comes to the availability of motor oil.

While 5W-30 is the dominant grade in the automotive engine oil market, continuous product improvement (supported by higher quality base oils and new additive technologies), is leading to longer service life and lower oil consumption.

While the % of the population is still relative low, the EV market is gaining traction in the Netherlands, support by government aid in the purchase of BEV and working on infrastructure charging points.

Both improved oil quality as well as increased uptake of BEV will have an impact on the demand volume in balance with the economic growth expected post covid, but on the other side the complexity in approvals is still increasing.

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