

# Spain

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In 2023, Spain became the third largest consumer of finished lubricants and base oils in Europe, after Germany and the Netherlands, making up 17% of total consumption.<sup>(1)</sup> It has seen significant growth in recent years, driven by several key factors. To begin with, Spain's strategic location as a gateway to Europe and Africa has made it an attractive market for lubricant manufacturers and distributors. Additionally, the country's robust manufacturing and automotive sectors have created a strong demand for lubricants across a wide range of applications.

One of the main drivers of growth in the Spanish lubricants industry is the automotive sector. Spain is home to several major automotive manufacturers, including SEAT and Volkswagen, as well as a network of automotive suppliers and service providers. As a result, there is a substantial need for high-quality lubricants to support the production, maintenance, and operation of vehicles and machinery.

As per the Association des Constructeurs Européens d'Automobiles (ACEA) statistics, new passenger car registrations in 2022 stood at 25,644,595, showcasing an increase of 1.2% from the previous year, including an increase in the registration of electric and hybrid vehicles.

Since engine oils are utilised in various heavy-duty equipment in the construction industry, the performance and investments in the construction industry in Spain also influence the demand for engine oils.

Several investments in large-scale housing projects were witnessed by private companies in 2022 that require heavy machinery for construction activities. For instance, Las Lomas del Higuero Residential Complex Project, worth EUR 648 million, was onset in Q1 2022. The project aims to meet the increasing demand for luxurious apartments. The project will be completed at the end of 2025.<sup>(2)</sup>

Furthermore, Spain's position as a leading tourist destination has contributed to a growing demand for lubricants in the transport and hospitality sectors. With millions of vehicles and machinery used in the tourism industry each year, there is a continuous need for lubricants to ensure smooth operation and optimal performance.

In recent years, the Spanish lubricants industry has also seen significant innovation and investment in research and development. Manufacturers are increasingly focused on creating environmentally friendly and sustainable lubricant solutions to meet the evolving needs of both domestic and international markets. This focus on sustainability has not only led to the development of high-performance lubricants but has also positioned Spain as a leader in the global lubricants industry. Growing research and developments in synthetic and bio-based lubricants will likely create opportunities for the market studied in the coming years.

When it comes to the competitive landscape, the Spanish lubricants industry is comprised of both domestic and international players. Some of the key domestic companies include Repsol, and Cepsa, while major international players like Shell, ExxonMobil, and TotalEnergies also have a significant presence in the market. This mix of domestic and international competition has led to a diverse range of products and services, providing customers with a wide array of options to choose from.

The impact of COVID-19 on the lubricants market was adverse in Spain. Demand from the major automotive segment witnessed a steep fall owing to the decline in sales units of vehicles. However, the demand substantially recovered with the reopening of 2021 but remained way below the pre-pandemic levels.

One of the major drivers for lubricant demand in Spain is the consistent increase in investments in the power generation industry.

The Spanish lubricants industry is a vibrant and evolving sector that is driven by strong demand from key industries such as automotive, manufacturing, and tourism. With a focus on innovation, sustainability, and a diverse competitive landscape, the industry is well-positioned to continue its growth and make a significant impact on both the domestic and global stage.

*(1) According to estimates by Argus Media*

*(2) <https://www.mordorintelligence.com/industry-reports/spain-lubricants-market>*