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TAE 16<sup>th</sup> International Colloquium Tribology Automotive & Industrial Lubrication, January 15-17, 2008 in Stuttgart



**The Dynamics of the Global Lubricants Industry**  
**- Markets, Competitors & Trends -**

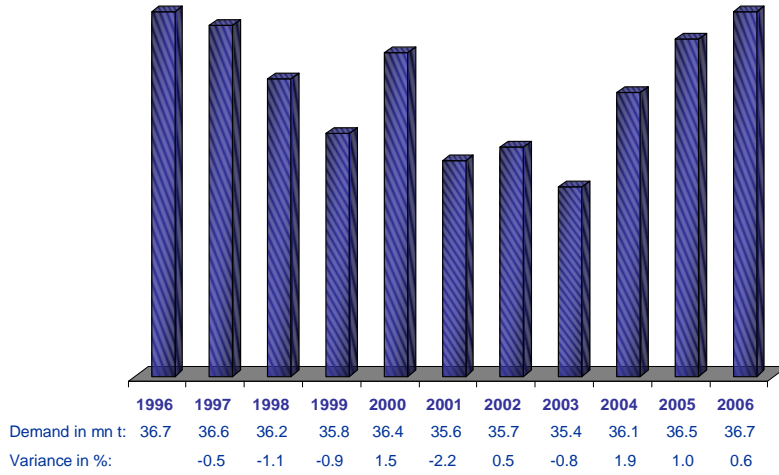
Dr. Georg Lingg  
Apu Gosalia

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## Development Global Lubricants Market (without marine oils)

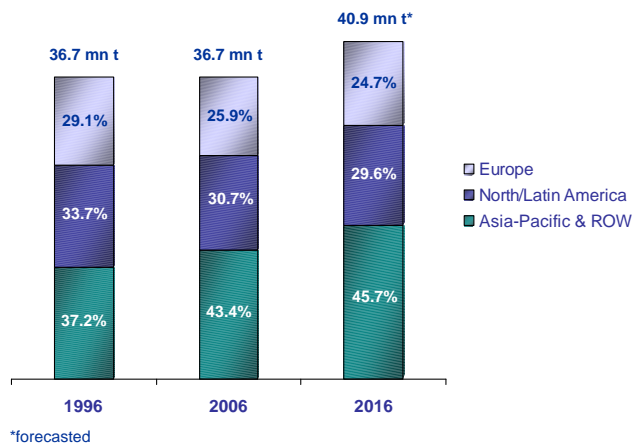


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## Development & Forecast Global Lubricants Market



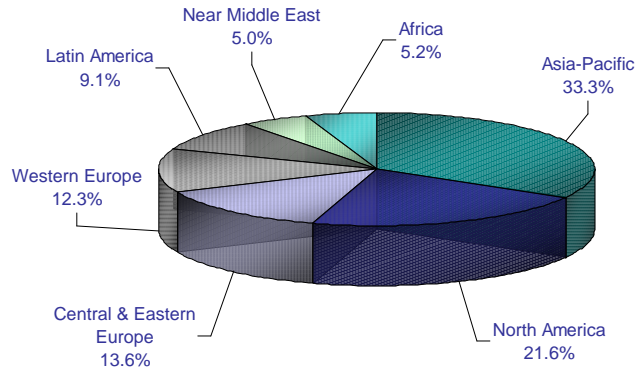
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## Regional Breakdown Global Lubricants Market

Global Lubricants Demand 2006: 36.7 mn t



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## Regional Development Global Lubricants Market

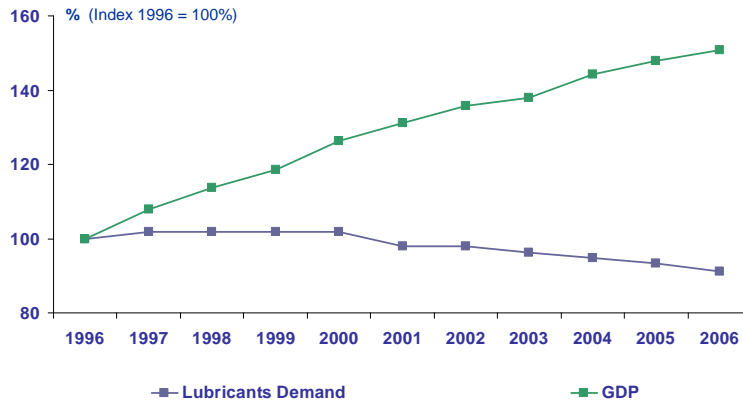
Region	2005 in KT	2006 in KT	Variance in %
North America	8,130	7,945	-2.3%
Latin America	3,295	3,345	1.5%
Western Europe	4,635	4,520	-2.5%
Central & Eastern Europe	4,905	4,980	1.5%
Near Middle East	1,795	1,820	1.4%
Africa	1,870	1,900	1.6%
Asia-Pacific	11,870	12,225	3.0%
<b>WORLD</b>	<b>36,500</b>	<b>36,735</b>	<b>0.6%</b>

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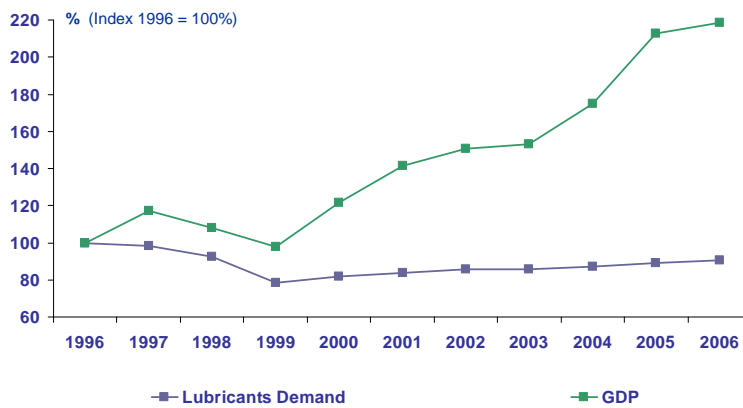
## Development Lubricants Market vs. GDP Western Europe



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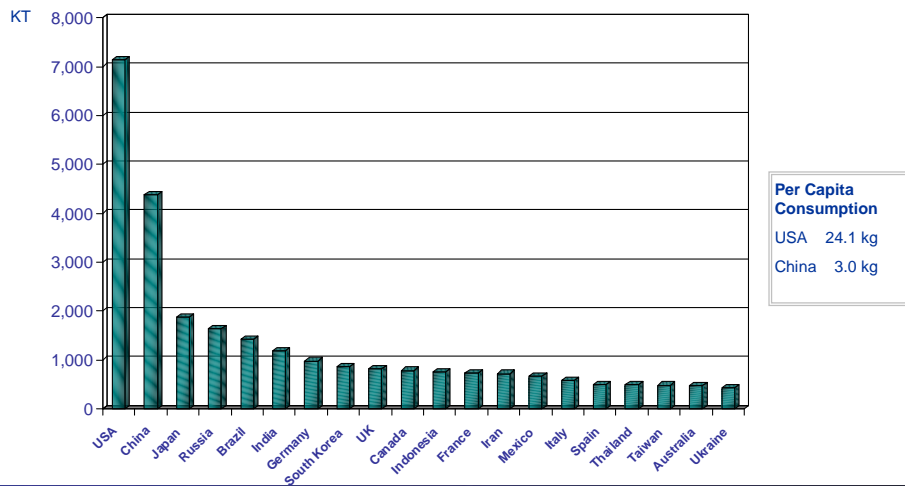
## Development Lubricants Market vs. GDP Central/Eastern Europe



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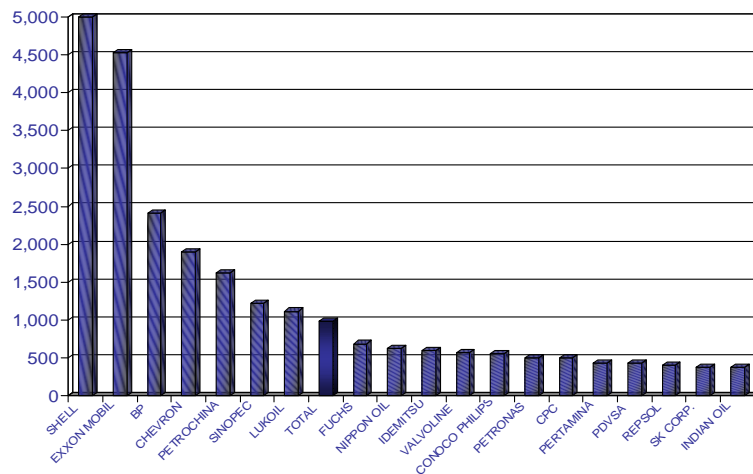
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## Global Ranking Top 20 Lubricants Markets



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## Global Ranking Top 20 Lubricants Manufacturers



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## Development Structure Global Lubricants Industry

### Mid-90s

200 Majors  
1,500 Independents  
 1,700 Manufacturers

### End of 2005

130 Majors  
590 Independents  
 720 Manufacturers

- ⇒ Decline in the number of players by almost 60 % due to consolidation & concentration
- ⇒ High degree of fragmentation continues in the industry, especially among smaller companies
- ⇒ The top 10 finished lubricants manufacturers hold more than 50 % of the global market, while the rest of more than 700 manufacturers share less than 50 %

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## Structure Global Lubricants Industry Size & Type

Type of manufacturers	Size (KT)	Number
Major oil companies with very large lubricants divisions	1,000 – 5,000	5
Major oil companies with mid-sized lubricants divisions; large independent lubricants companies	300 – 999	15
Major oil companies with small lubricants divisions; mid-sized independent lubricants companies	50 – 299	60
Major oil companies with very small lubricants divisions; small and very small independent lubricants companies	1 – 49	640
<b>Total</b>	<b>1 – 5,000</b>	<b>720</b>

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## Regional Breakdown Structure Global Lubricants Industry

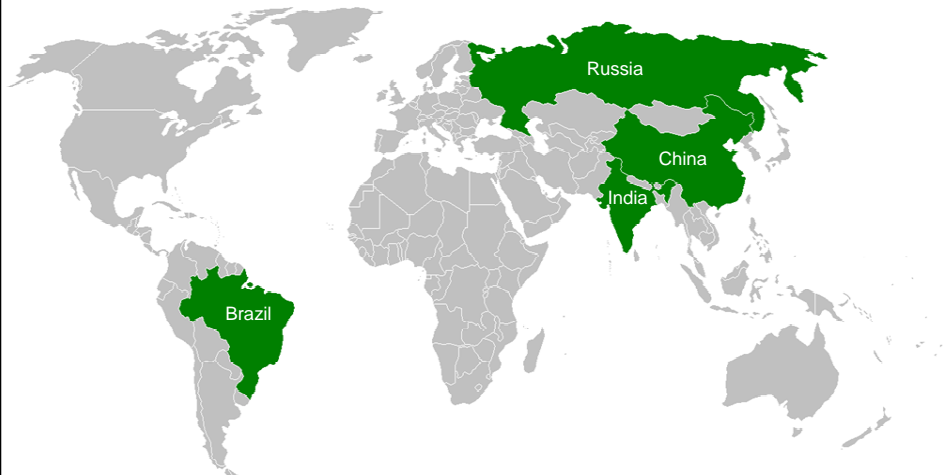
Regional breakdown <i>(by location of company headquarter)</i>	Europe	Americas	Asia- Pacific & ROW	Total
Majors	45	20	65	130
Independents	230	160	200	590
<b>Manufacturers</b>	<b>275</b>	<b>180</b>	<b>265</b>	<b>720</b>

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## BRIC Development & Trend



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## BRIC Facts

**B** RAZIL  
**R** USSIA  
**I** NDIA  
**C** HINA

- GOLDMAN SACHS investment thesis of 2003
  - 40% of world population
  - 10% of global GDP (G6-countries: 60%)
  - 5-10% expected annual GDP growth rates
- ⇒ **2050 GDP: BRIC > G6-countries**



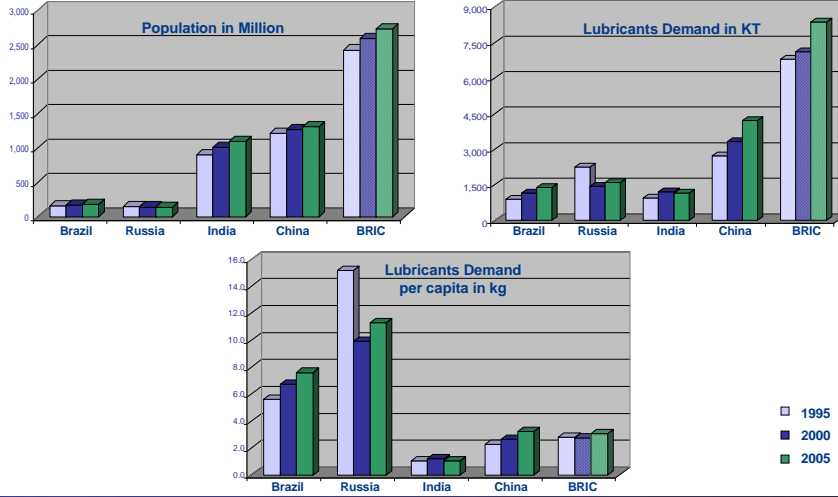
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## BRIC Strengths

- BRIC strengths: Huge natural resources & favourable demography
  - BRAZIL: Raw material supplier for soft & hard commodities
  - RUSSIA: Huge resources of oil & gas
  - INDIA: Think tank & largest producer of generics
  - CHINA: Low wages & high competitiveness
- 84 of the Top 100 companies, identified by a recent BCG-Study "The New Global Challengers" are headquartered in the BRIC region

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## Development BRIC Lubricants Market (nominal & per capita)

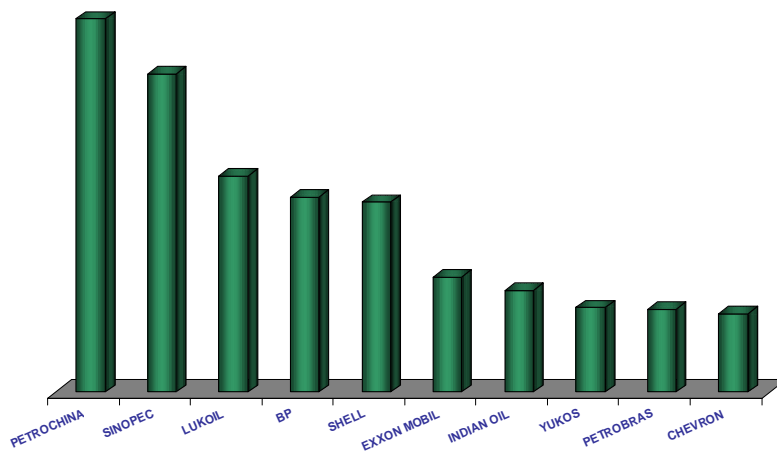


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## BRIC Ranking Top 10 Lubricants Manufacturers



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- Globalisation
- Consolidation & Concentration
- Intensified Competition
- Opportunities & Challenges

