

# Newsmakers

## Synthetics to Rule Global Lubes Market

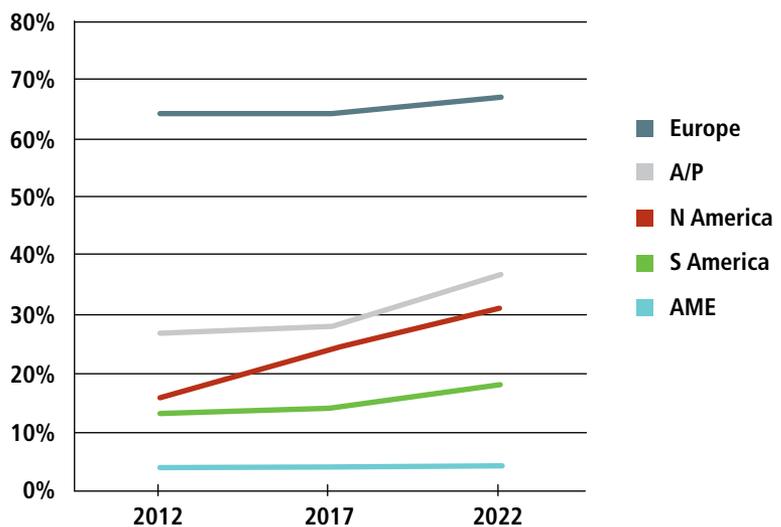
Low viscosity SAE 0W-XX passenger car motor oil accounted for less than 5 percent of total global PCMO demand in 2014. However, this grade is forecast to increase to over 7 percent by 2023, according to the recently released LubesNet Database, from Kline & Co.

Moreover, 5W-XX and 0W-XX combined accounted for about 40 percent of the finished lubricant market in 2014, according to the latest Global Lubricants: Market Analysis and Assessment report. The continuing global migration to lower viscosity grade PCMO will result in higher penetration of synthetics and semisynthetics, higher revenues, and, conversely, longer oil drain intervals and suppressed overall PCMO growth, the report noted.

In the past, 0Ws were found only in high performance sports cars and ultra-luxury vehicles. Today, a base model Toyota Corolla leaves the factory with 0W-20 in its crankcase. Additionally, the GF-6 product specification upgrade planned for the 2017-2018 timeframe will create technical demand for these lower viscosity grade products.

George Morvey, Industry Manager for Kline's Energy Practice, com-

Synthetic & Semisynthetic PCMO Penetration, 2012-2022



Source: Kline & Co.

mented, "As government and OEM recommendations become universal, the shift toward 0W's and low viscosity grade products will persist. Furthermore, as engine and bolt-on hardware technologies such as turbochargers and gasoline direct injection evolve to reduce emissions and improve fuel economy, the shift will also play a role in driving demand for synthetic lubricants. Moreover, as new vehicles enter the vehicle parc, demand for synthetics will also rise."

Morvey added, "The development of the synthetic market comes

from different fronts. In the automotive industry, for example, OEMs had different specifications for different countries. Now, OEMs are converging to global platforms with global specifications. What we now see is that the type of oil you put in the car that is built in the United States will be the same type of oil, regardless of where you purchased the vehicle." The coming ubiquitous presence of synthetics allows for brands and marketers to focus on maintaining a simple synthetic product portfolio that can be used across global markets.