



Lubricant Basestocks Merchant Supplier Assessment

To Be Published 4th Quarter 2019

Regional Coverage: Global

The global lubricant basestock market is in the middle of significant structural changes which pose new challenges to basestock suppliers. First, basestock production capacity far exceeds demand, especially for high performance Group II and Group III basestocks. Second, the number of merchant suppliers and merchant supply is growing at the expense of in-house basestock production. With quality basestock readily available in abundance, other factors such as customer service, technical support, wide product slate, and formulation support become the differentiating factors for basestock supplier selection. This study profiles leading merchant basestock suppliers and assesses how they are viewed by lubricant blenders on different performance attributes.

This Report Will Help Subscribers to:

- Profile the basestock business of major merchant basestock marketers
- Identify the major supplier selection criteria (attributes) for basestocks across the world and show how this differs by region, size and type of blender
- Identify top-performing suppliers on each attribute based on perception among blenders
- Identify the changing needs of blenders which will help basestock marketers plan their portfolio for the future



Tentative Report Contents*

The report will have two modules:

- Supplier profiles
- Perception of basestock marketers among lubricant blenders

Supplier Profiles

Brief profiles of leading basestock merchant suppliers listed in Table 1:

- Production capabilities: Basestock production capacity and production (historical and current) by plants, location, API groups, key grades, technology used for production, crude source used, feedstock arrangement
- Product slate and outlook: Key product properties, key approvals, expansion plans, and risk of closure
- Product placement: Key markets served – domestic vs. export sales, logistic infrastructure, distributor tie-ups, storage locations, in-house and merchant market sales

Table 1: Proposed List of Companies to be Covered

Group I	Group II/II+	Group III/III+
ExxonMobil	ExxonMobil	SK
HollyFrontier	Aramco	ADNOC
PBF Energy	Chevron	BAPCO
Lukoil	Excel Paralubes	Neste
JXTG	GS Caltex	Aramco
Shell	Hyundai Shell Baseoil	Petronas
PERTAMINA	Formosa	
Aramco	HollyFrontier (Suncor)	

NOTE: The list is indicative and may change subject to subscribers' input.

Perception of Basestock Marketers Among Lubricant Blenders

- Identify the key attributes** for supplier selection:
 - Product-related: Product quality and performance characteristics, approvals, product consistency, feedstock source
 - Logistics-related: Multiple production sites, widespread storage points/distribution network, logistics support
 - Technical support: Coverage of different additive technologies, support for reformulation, support for a wide number of formulations with minimum number of basestock grades
 - Company-related: Customer friendliness, brand name, customer support, proven track record in the market
 - Price-related: Fair prices, price consistency
 - Commercial terms: Lead time, call-off period, contract flexibility
- How are basestock suppliers perceived based on these attributes?***
 - Performance evaluation of major basestock suppliers on key attributes
 - Identification of differences in perception of major suppliers by region and type of blender
- What is the future direction of the market?
 - Key unmet requirements of blenders
 - Key issues faced by basestock suppliers
 - How these issues can best be addressed
 - Which basestock grades blenders perceive are likely to grow in demand and their perception on the availability of these grades in the future

* Subject to charter subscriber input

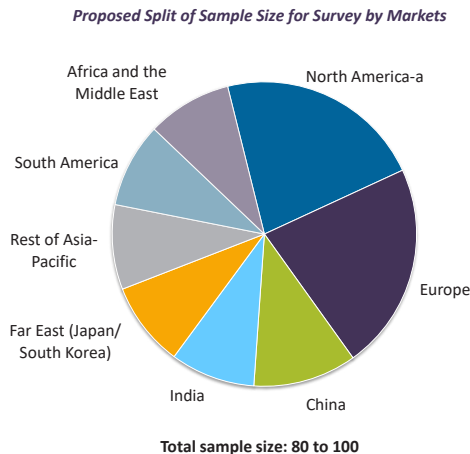
** List of attributes is indicative and may be expanded subject to subscribers' input.

*** Only the top performing suppliers of each of the attributes will be identified along with the relative position of subscriber companies.



Scope

Survey will be conducted with lubricant blenders based across various regions per the following sample plan:



a- The U.S. and Canada.

NOTE: The sample distributed to ensure representation of blenders by size and type.

Key Benefits

Lubricant Basestocks Merchant Supplier Assessment is a syndicated analysis designed to develop an understanding of how lubricant blenders evaluate lubricant basestock suppliers. Lubricant basestocks suppliers are evaluated in terms of what performance attributes are key to buyers and how different suppliers perform on these attributes in the eyes of these buyers.

- The study is a useful tool for merchant marketers of basestocks to understand blenders' requirements and how basestock suppliers can prepare themselves to meet blenders' expectations.
- This study also provides a tool for various marketers to check who tops the chart based on perception among blenders and discover their relative position compared to top performers.
- This study will help blenders assess the level of infrastructure of various suppliers and assess if these suppliers can help meet their requirement.
- The study will also enable blenders to identify which suppliers are perceived as consistently reliable in the market, which will help them in the selection of a basestock supplier.



Methodology

Kline’s approach places principal emphasis on primary research techniques to ensure that the foundation of business intelligence and insight is accurate, current, and reliable. Building on our 60 years in the business and leveraging our worldwide network of offices, our teams of seasoned professionals draw upon pragmatic industrial and commercial experience to understand and interpret global impacts and local perspectives.

Primary Research

We Know Who to Talk to. We Know How to Listen.



A high number of in-depth discussions are conducted by each analyst. All interviews are done with true industry insiders.

Kline’s analysts draw upon pragmatic experience to understand global impacts and local perspectives. Our interviews engage experts across all pertinent fields and sectors including:

- Marketers/manufacturers
- Distributors
- Government agencies
- Retailers
- Suppliers
- Trade organizations

Secondary Research

We Know Where to Look – Mining the Details.



Analysis is further supplemented by secondary research, consisting of constant tracking of annual company reports, national statistics bureaus, trade/ industrial/professional associations, and the like.

Relevant developments are diligently followed and their impact closely monitored. Reports also draw upon non-confidential data from Kline’s internal database, consisting of over half a century’s syndicated research.

Comprehensive Market Intelligence

We Know How to Verify.



Data are rigorously analyzed, cross-checked, distilled, and validated. Kline’s proven methodology allows exceptionally effective, precise, and reliable market

intelligence, giving subscribers a solid foundation on which to grow, refine, and expand their business with confidence.

Kline Credentials

Kline is a leading global management consulting and market research firm offering the complete spectrum of services. The firm has served the management consulting and market research needs of organizations in the chemicals, materials, energy, life sciences, and consumer products industries for 60 years.

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