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OEM/Lube News

Lube Related OEM News, Lube Industry Personnel Appointments, New Lube Blending and Base Oil Plants, Mergers & Acqusitions, and Other Corporate News

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Univar Appointed Exclusive North American Distributor of UCON™ Fluids and Lubricants

Univar Inc., a global chemical and ingredient distributor and provider of value-added services, announced last Thursday that it will expand its relationship with The Dow Chemical Company (Dow) to include exclusive distribution rights for UCON™ Fluids and Lubricants in North America. This authorization for Univar will complement an already long-standing relationship between Dow and ChemPoint.com Inc., a technology-enabled sales and marketing organization that is a wholly-owned subsidiary of Univar. "Univar and Dow have enjoyed a strong relationship that spans approximately seventy-five years of serving customers in a wide-variety of industries," says Brian Jurcak, VP of Product Management for Univar. "Dow's global leadership, reputation for quality, and their commitment to growth in key end markets creates tremendous value. Pair that with Univar's industry know-how and value-added services, including excellent technical and laboratory support, as well as formulation proficiency, and we can now deliver an exceptional experience for our customers." UCON™ is a leading brand of polyalkylene glycol (PAG) fluids and lubricants utilized in a wide variety of applications and end-markets, including: compressor and gear lubricants, hydraulic fluids, metalworking fluids, turbine lubricants, greases, and food grade lubricants. This authorization also includes the oil soluble PAG (OSP) base fluids product line. UCON™ OSP base fluids allow formulators to incorporate the advantages of a PAG synthetic base fluid, in combination with mineral, synthetic hydrocarbon or other oils, to achieve a balanced formulation that capitalizes on the strengths of multiple chemistries. The resulting lubricant can provide enhanced wear performance, deposit control, oxidation stability, viscosity index, low-temperature stability, and other valuable properties. "The combination of Univar and ChemPoint representing this product line offers Dow market-leading capabilities to help drive our growth," said Andrew Larson, North America market manager for Dow. "Customers across North America, in key end market segments such as industrial lubricants and metalworking fluids, will benefit from Univar's extensive supply chain network, commitment to customer success, and leading digital technology." Founded in 1924, Univar is a global chemical and ingredients distributor and provider of value-added services, working with leading suppliers worldwide. Univar operates hundreds of distribution facilities throughout North America, Western Europe, Asia-Pacific and Latin America.

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Base Oil Price Increases Continue

Phillips 66, Motiva, Calumet, HollyFrontier, ExxonMobil and PBF (Paulsboro Refining) last week announced base oil price increases, their second or third such increase this year. Phillips 66 increased its Group II+/III base oils, Ultra S2, Ultra S3, Ultra S4 and Ultra S8 all by 20 CPG, effective February 20, 2018. Late last month, Phillips 66 increased its Group II+/III base oils, Ultra S2 and Ultra S3 by 24 CPG and Ultra S4 and Ultra S8 by 22 CPG, effective January 25, 2018. Motiva increased postings for its N105 (STAR 4), N220 (STAR 6) and N600 (STAR 12) Group II and its 4 cst (STAR HVI 4) and 6 cst (STAR HVI 6) Group III base stocks by 20 CPG, effective February 13, 2018. Motiva announced a couple weeks prior a price increase for its 4 cSt (Star HVI 4) and 6 cSt (Star HVI 6) Group III base oils by 10 CPG. In early January, Motiva increased prices of its Star 4, Star 6 and STAR 12 by 10 CPG, effective January 5, 2018. Calumet increased prices on all paraffinic Group I and Group II base oils; Calpar 325 and lighter grades increased by 20 CPG, and heavier than 325-vis increased by 15 CPG effective February 16, 2018. A couple weeks ago Calumet increased the price of its CALPAR™ 4GIII (Group III 4 cSt) base oil by 22 CPG effective February 1, 2018 and earlier this year, Calumet increased all Group II Calpar grades (80, 100, 150, 325) by 15 CPG, effective January 19, 2018. Calpar 600 (Group I) also increase by 15 CPG at that time with no increase to Calpar 2500 (Paraffinic Bright Stock). HollyFrontier Refining & Marketing announced a price increase on its SN 70 through SN 350 grades by 20 CPG and its SN 500 through SN 150 BS grades by 15 CPG effective February 16, 2018. Last month, HollyFrontier increased the price of its Group I base oils by 15 CPG on all grades except Brightstock, effective January 26, 2018. Sources advised us that ExxonMobil's CORE (Group I) and EHC (Group II/II+) prices increased by 20 CPG, with the exception of its Group I SN600 and bright stock, which increased by 15 CPG effective February 16, 2018. In January, ExxonMobil increased the price of its Group I base oils by 15 CPG, except bright stock, which remained unchanged. It also increased its Group II and II+ base oils by 22 CPG, all effective January 26, 2018. PBF Holding announced it would be increasing posted prices on its VP 100 through VP 165 by 20 CPG and its VP 500 through VP 150BS by 15 CPG effective February 21, 2018. PBF also noted its base oil products blended with these oils are also increasing 15-19 CPG. Last month, Paulsboro Refining increased its Group I base oils by 15 CPG effective January 31, 2018. On Friday, February 16, West Texas Intermediate futures closed on the CME/Nymex at $61.67 per barrel. Brent was trading at $64.84 per barrel on the CME on February 16.

Luberef Yanbu LBOP Expansion Completed

Saudi Aramco Base Oil Company (Luberef) announced last week that it has completed the upgrade and expansion of its base oil plant in Yanbu, Saudi Arabia, and that it has started shipping its Group II lube base oils to customers in India. Luberef shipped its 70N Group II base oils to buyers in India in January sources said. Other grades being offered included 110N and 230N. Luberef said in October last year it planned to have commercially available volumes of Group II base oils by January 2018. Before the expansion, Luberef had capacity to produce a combined 550,000 tonnes/year of Group I base oils and brightstock from its two plants in Jeddah and Yanbu, 270,000 metric tons at Jeddah (also known as Luberef I) and 280,000 metric tons at Yanbu (also known as Luberef II). Base oils presently produced include Group I SN150, SN500 and brightstock grades. In addition to its Group I base oils, Luberef will expand production in its Yanbu Plant to include the manufacturing of 708,000 metric tons per annum of Group II base oils, to be marketed as aramcoPrima, thereby more than doubling its overall production of base oils to about 1.2 million MT per annum. Luberef is a 70-30 joint venture between Saudi Aramco and Saudi investment firm Jadwa Investment Co, which bought ExxonMobil's 30% stake in Luberef in December 2007. In the Middle East, the Abu Dhabi National Oil Co. (ADNOC) also produces Group II base oils at Ruwais, UAE. ADNOC's plant in Ruwais has capacity to make 100,000 tons per year of Group II along with 400,000 t/y of Group III.

Study Provides Perspective on Where the Lubricants Industry Is Headed

A new research report outlining the key trends that have had a lasting impact on the lubricants industry has been published by Kline, a global market research and management consulting firm specializing in the lubricants industry. Kline Perspectives 2018 looks at the events happening in the past year, provides information on the current state of the industry, and analyzes the top 10 trends that are forecast to be shaping the industry in the medium term. “The emergence of new distribution channels, such as e-commerce, electric vehicle mandates, particularly in Europe, the emerging ecosystem for industrial manufacturing or the so-called ‘industry 4.0,’ and the increasing power of OEMs are among the top trends shaping the industry,” comments Kunal Mahajan, project manager at Kline. “These and other trends have the potential to transform the lubricants industry in the next 15 to 20 years, and it is important for lubricant industry participants to be aware of their impact.” “For both global, as well regional lubricant marketers, broad-range and specialty suppliers seeking a proactive rather than a reactive strategy, it is more important than ever to examine the trends holistically,” comments Yana Wilkinson, Director at Kline’s Energy Consulting business. “By this, we mean the need to look at the drivers ‘at source’ —i.e., tracking them down to the consuming industries and applications—to get better clarity on what shapes the lubrication requirements. This first edition of Kline Perspectives is our attempt to refine the way we look at the future and formulate implications for lubricants business. We linked mega-trends to specific implications for your marketing mix, and we did so by looking at how the different parts of the lubricant value chain interact, rather than by focusing on its individual parts. We are looking forward to discussions arising from this and we plan to incorporate the outcome and latest developments into the subsequent editions of the report.” The first part of the study reviews the main events that characterized the past year, from major M&A deals to prominent political events that have had implications for the industry. It also analyzes the trends that every lubricant industry participant should closely watch.   The predictions and implications of these trends are the result of a collaboration between Kline’s lubricant industry research and consulting team experts. Their common ideas resulted in the identification of major lubricant market themes, which reflect mega-trends impacting the lubricant industry, evolving competition and influencers, evolving supply chain, and developments in product and service offering. The second part of the report provides key quantitative information of the lubricants, base oils, and lubricant additives markets. These include figures and data on market size, growth rates, major industry participants, new product launches and main market segments. These insights were built on the in-depth analysis from Kline’s studies, such as Global Lubricants, Global Basestocks, and Global Lubricant Additive Market Analyses, as well as Kline’s proprietary LubesNet database.   LubesNet database provides granular data covering finished lubricant demand at the global, regional, country market, market segment, product type, and viscosity grade level. If you are looking to know, for instance, the ratio of monograde PCMO to multigrade PCMO in Nigeria or which countries consumed more 2T/4T engine oil in 2017, LubesNet answers these questions. In its 11th annual release, three new countries—Kuwait, Oman, and Qatar—are added to make a total of 59 country markets covered.   Kline Perspectives 2018 connects the dots and helps subscribers understand the complexity of the lubricants, basestocks, and additives industries. Capture what trends will affect these industries and your business and identify high-growth opportunities, as well as potential market threats. This report is a key resource not only for direct industry participants, but it also provides a base for potential investment search opportunities.

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