

Public Consultation on Quality and Prices of Lubricants in Sri Lanka:
Responses to Comments

Person submitting comment	Summary of Comment	Response
1. Mr. J. C. R. Jayatilake Director, Department of Trade & Investment Policy	Government has liberalized the lubricant market, and has instructed the Ministry of Petroleum Resources Development (MoPRD) to allow participants to enter the market.	Recommend appointment of standing technical evaluation and procurement committees to review applications as and when they are received – will advise relevant authorities in this regard.
2. Mr. A. H. S. Wijesinghe Additional Secretary (Development), Ministry of Petroleum Resources Development	New (third) round of selecting prospective market participants is underway, and action is being taken regarding illegal activities.	Recommend appointment of standing technical evaluation and procurement committees to review applications as and when they are received – will advise relevant authorities in this regard. Recommend implementation of the mechanism for investigation and prosecution of unauthorized activities – see note below.
3. K. Gomes Chief Executive Officer, Chevron Lubricants Lanka PLC	Recycling of used lubricants should not be allowed as the quantum of used lubricants that can be collected from the local market is not sufficient and parties may import same thus aggravating the situation. Proposed duty differential of 10% is not sufficient and suggest reverting to original gap of 13%. Additional market participation is not required given the number and caliber of existing market participants. Limit participation to the present number and encourage them to manufacture locally. Decisions on what is best for the country need to be taken within a policy framework and through discussion. Government receives substantial income from market participants. Removal of the ceiling on the variable registration fee is a detriment to local manufacturers, whose variable registration fee has increased tenfold as a result and as such recommend re-imposition of the cap of Rupees ten million. Rights of parties involved need to be protected. An estimated 20% of market share comprise of adulterated lubricants. Numerous complaints were submitted to the MoPRD and PUCSL, but no raids have been conducted to date. The fine for offence is too low. Proposed mechanism for investigation and prosecution of	Recommend mandating that used lubricants be handed over to parties authorized to dispose of or re-refine same possessing requisite processes, technology and an environment license to do so – will formulate mechanism for disposal and guidelines for re-refining of used lubricants. Recommend revising the duty structure taking into consideration local value addition and investment by local blenders, and in the interim maintain the effective duty differential at ten percent - will advise relevant authorities in this regard. The Government has liberalized the lubricant market, and has instructed the MoPRD to allow participants to enter the market. The Government has through the Budget 2016 removed the cap on variable registration fee. The variable registration fee which is based on sales was introduced to be fair by all market participants. Recommend implementation of the mechanism for

	<p>unauthorized activities is in line with what was agreed and must be implemented expediently.</p> <p>An estimated 10% of market share comprise of unauthorized imports. Proposed guidelines on importation of lubricants seem effective, but right checks and balances on an ongoing basis will be required.</p> <p>Independent laboratory needs to be established to test lubricants, base oils and additives imported.</p> <p>Continuous awareness campaign must be carried out through electronic and print media to educate consumers.</p> <p>State fuel retailing channel must be opened for all.</p> <p>There is a conflict of interest in the Minister of Petroleum Resources Development regulating the market as Ceylon Petroleum Corporation is one of the market participants. Hence, an independent body must be appointed to regulate the market.</p>	<p>investigation and prosecution of unauthorized activities – see note below. Deterrent fines have been incorporated in the proposed legislation empowering the PUCSL to regulate the petroleum industry.</p> <p>Recommend implementation of the guidelines on importation of lubricants – see note below.</p> <p>The Industrial Technology Institute will be established as a fully-fledged lubricant and grease testing laboratory by July 2018.</p> <p>Recommend educating customers through a sustained awareness campaign – will formulate awareness campaign. The Ceylon Petroleum Corporation and Lanka IOC (Private) Limited cannot be forced to retail all available brands.</p> <p>Recommend empowering the PUCSL to regulate the lubricant market – will advise relevant authorities in this regard.</p>
4. Ms. C. Weerathunge Chief Operations Officer, Environmental Foundation Limited	<p>Waste oil contaminates water, air and soil causing serious health issues. Contamination occurs through improper disposal of waste oil and disposal of waste water from service stations without proper waste water treatment. Policy and legal measures need to be taken to minimize harmful effects. Waste oil should be refined at industrial scale.</p>	<p>Recommend mandating that used lubricants be handed over to parties authorized to dispose of or re-refine same possessing requisite processes, technology and an environment license to do so - will formulate mechanism for disposal and guidelines for re-refining of used lubricants.</p> <p>Recommend implementation of the guidelines on importation of lubricants – see note below.</p>
5. Mr. M. M. S. Fernando Director (Engineering Standardization), Sri Lanka Standards Institution	<p>Sri Lanka standards for automotive lubricants and greases were formulated commencing 2007. Some of the standards are based on API classifications which are currently obsolete and need to be revised.</p>	<p>Recommend reviewing and updating Sri Lanka standards as required – will advise relevant authorities in this regard.</p>

<p>6. Mr. R. Silva National Organizer, Sri Lanka Automobile Service Providers Association</p>	<p>Lubricants required for modern vehicles are not available as authorized market participants do not supply and no one else is authorized to import. Service stations should be regulated to prevent improper disposal of used lubricants. Market participation should not be restricted and free enterprise should be allowed.</p>	<p>No-objection certificate can be issued by the Ministry to import specialty lubricants not available in the market. Recommend mandating that used lubricants be handed over to parties authorized to dispose of or re-refine same possessing requisite processes, technology and an environment license to do so - will formulate mechanism for disposal and guidelines for re-refining of used lubricants. Recommend appointment of a standing technical evaluation and procurement committees should be appointed to review applications as and when they are received – will advise relevant authorities in this regard.</p>
<p>7. Ms. K. Vidyalkara Assistant Controller, Import & Export Control Department</p>	<p>Import of mineral and synthetic lubricants is licensed, and the Department relies on recommendations of the Ministry of Petroleum Resources Development for issuance of import licenses. Department encounters difficulties when lubricants are misclassified under non-licensed classifications. Department may impose conditions on imports, including quality certificates. Recommend compulsory import inspection of lubricants to safeguard quality and consumers.</p>	<p>Recommend reviewing conditions imposed and implementation of the guidelines on importation of lubricants – see note below. Recommend compulsory import inspection once independent testing laboratory is in place – will advise relevant authorities in this regard.</p>
<p>8. Mr. P. D. A. L. P. Saparamadu Deputy Director of Customs (Policy Planning & Research Directorate), Sri Lanka Customs</p>	<p>Misclassification of HS Codes due to the duty differential between synthetic and mineral lubricants has been rectified by equalizing duties as per Budget proposal 2016. Complaints on any irregularities can be referred to the Department.</p>	<p>Recommend reviewing HS Classifications and implementation of the guidelines on importation of lubricants – see note below.</p>

<p>9. Mr. D. Hettiarachchi Secretary Consumer Consultative Committee</p>	<p>Customers are unaware of the correct lubricant required for their vehicle due to lack of education on same and as such are misguided by service stations and advertising campaigns. There are lower priced adulterated lubricants in the market and as such uncertainty regards genuineness, quality and price of lubricants. Lubricants should be tested before entering the market. Waste oil is not recycled properly and is disposed without proper waste management methods. There is no organization to look into these matters.</p>	<p>Recommend educating customers through a sustained awareness campaign – will formulate awareness campaign. Recommend implementation of the mechanism for investigation and prosecution of unauthorized activities – see note below. The Industrial Technology Institute will be established as a fully-fledged lubricant and grease testing laboratory by July 2018. Recommend empowering the PUCSL to regulate the lubricant market – will advise relevant authorities in this regard. Recommend implementation of the guidelines on importation of lubricants – see note below. Recommend mandating that used lubricants be handed over to parties authorized to dispose of or re-refine same possessing requisite processes, technology and an environment license to do so - will formulate mechanism for disposal and guidelines for re-refining of used lubricants.</p>
<p>10. Ms. W. Herath Member Consumer Consultative Committee</p>	<p>Survey carried out among three-wheeler drivers, motorcyclists and service stations indicate that there are adulterated lubricants in the market and accordingly prices vary between Rs.350-500 per liter. While some surveyed choose quality lubricants others allow the service station to decide due to lack of knowledge. Vehicle users need to be made aware about advantages of using quality lubricants. Catalytic convertor in petrol vehicles and diesel particulate filter in diesel vehicles get damaged due to use of adulterated lubricants and are removed as a result leading to air pollution. Technicians should be educated to properly repair/replace catalytic converters and other emission control equipment in order to safeguard the environment.</p>	<p>Recommend educating customers through a sustained awareness campaign – will formulate awareness campaign. With regard to the removal of emission control equipment, relevant authorities such as Central Environmental Authority will be consulted on possible course of action.</p>

<p>11. Mr. P. De Silva General Manager TVS Automotive Pvt Ltd (Representing McLarens Lubricants Limited, TVS Automotives (Pvt) Limited, Toyota Lanka (Pvt) Limited, United Motorways (Pvt) Limited, Associated Motorways (Pvt) Limited, Interocean Lubricants (Pvt) Limited, N. M. Distributors (Pvt) Limited, Nawloka ABC Petroleum (Pvt) Limited and Micro Cars (Pvt) Limited)</p>	<p>Need a robust mechanism to stop recycling of used lubricants and importation of unauthorized lubricants. Agree with the proposed mechanism to investigate illegal activities, but PUCSL should be given legislative powers to action in this regard. Agree with the proposal regarding disposal and re-refining of used lubricants and guidelines on importation of lubricants. Recommend educating consumers regarding authorized parties and brands as well as setting up of a hotline to receive complaints.</p> <p>Combined net effect of duty differential varies from 13% to 20% presently. Recommend increasing duty and/or cess on base oil imports to reduce the effective gap to 10% compared to finished lube imports currently at 11.76%. Recommend imposing duty and cess on additive imports to reduce the effective gap on tax to 10% compared to finished lubricant imports currently at 33.36%. Agree with the proposal to review the duty differential. Recommend combining activities 1 and 2 thus allowing importers to also locally manufacture.</p> <p>The absence of a regulator with legal powers with the existing unfair duty differential will lead to anti-competition resulting in lesser known brands of lower quality lubricants</p>	<p>Recommend implementation of the mechanism for investigation and prosecution of unauthorized activities as well as the guidelines on importation of lubricants – see note below.</p> <p>Recommend empowering the PUCSL to regulate the lubricant market – will advise relevant authorities in this regard.</p> <p>Recommend mandating that used lubricants be handed over to parties authorized to dispose of or re-refine same possessing requisite processes, technology and an environment license to do so - will formulate mechanism for disposal and guidelines for re-refining of used lubricants.</p> <p>Recommend review of the duty differential – will advise relevant authorities in this regard.</p> <p>Recommend reviewing and updating the policy and RFQ with respect to local lubricant technology development – will advise relevant authorities in this regard.</p> <p>Recommend allowing importers to locally manufacture, subject to meeting requirements – will advise relevant authorities in this regard.</p>
<p>12. Ms. S. Weerasinghe Assistant Director (Competition Promotion) Consumer Affairs Authority</p>	<p>The Authority has so far not issued any directives with regard to lubricants, but there is provision to do so in respect of price marking, labelling or packing of items and take action against those who do not comply.</p> <p>In addition, the Authority can mandate any specification or standard as compulsory for any good or service and remove from the market those who do not comply.</p>	<p>Recommend mandating SLSI standards as compulsory – will advise relevant authorities in this regard.</p>
<p>13. Mr. M. Renz Territory Development Manager Liqui Moly</p>	<p>Liqui Molly has requested authorization from the Ministry of Petroleum Resources Development but not received any response. Request the market to be further liberalized, subject to entry requirements.</p>	<p>Recommend appointment of a standing technical evaluation and procurement committees should be appointed to review applications as and when they are received – will advise relevant authorities in this regard.</p>

<p>14. Mr. L. Dharmasena Seemasahitha Lanka Threerodha Ratha Riyadurange Wurtheeya Sangamaya</p>	<p>There are issues regarding correct measure when purchasing loose lubricants and doubt as to whether some grease sold is actually grease. Must ensure that for the price paid lubricants sold must be of correct measure and right quality.</p>	<p>Recommend directing petroleum marketing companies to use a properly graduated measuring container when supplying lubricants to three-wheelers and two stroke motorcycles – will advise relevant authorities in this regard. Recommend mandating that used lubricants be handed over to parties authorized to dispose of or re-refine same possessing requisite processes, technology and an environment license to do so - will formulate mechanism for disposal and guidelines for re-refining of used lubricants.</p>
<p>15. Mr. N. Kumaratunga Director (Services & Utilities), Board of Investment</p>	<p>The Board allows companies to import project related items including lubricants on duty free basis as part of investment facilitation subject to recommendation by the Ministry of Petroleum Resources Development - very few companies at present. The Board has not given approval for recycling of lubricants for local market</p>	<p>Recommend that all requests for importation of lubricants by Board approved projects be referred to and authorization to be granted by the Ministry of Petroleum Resources Development – will advise relevant authorities in this regard</p>
<p>16. Mr. M. Elikawela Managing Director, Evermo Corporation</p>	<p>Consumers are not able to discern correctness of the lubricants supplied. Require continuous consumer driven awareness programs. PUCSL should be elevated to a fully-fledged regulator. A consumer awareness committee to be established comprised of all lubricant license holders chaired by PUCSL. Revise minimum lubricant standards to be as per most prevalent vehicle engine categories such as hybrid and combustion engines. Upgrade diesel engine lubricants from monograde to multi grade. Import of specialty lubricants under written authority need to be scrutinized and further regulated, as imports of white oils are being misused in large scale for back-yard grease manufacturing. Fully-synthetic and semi-synthetic HS Classification must be strictly monitored to curtail unscrupulous imports made under the guise of spare parts. Curtail imports of OEM engine oils and allow only OEM ancillary products such as ATF required to meet the OEM warranty criteria. Encourage local blending for export market. Form a task force with relevant law enforcement authorities to curtail adulteration of lubricants.</p>	<p>Recommend educating customers through a sustained awareness campaign – will formulate awareness campaign. Recommend empowering the PUCSL to regulate the lubricant market – will advise relevant authorities in this regard. Recommend reviewing and updating Sri Lanka standards as required – will advise relevant authorities in this regard. Recommend implementation of the mechanism for investigation and prosecution of unauthorized activities – see note below. Recommend implementation of the guidelines on importation of lubricants as well as the mechanism for investigation and prosecution of unauthorized activities – see note below. Recommend appointment of a standing technical evaluation and procurement committees should be appointed to review applications as and when they are</p>

	Market should be truly liberalized. Protect the right of consumers to choose product from wide range of top notch brands with new generation of OEM approvals.	received – will advise relevant authorities in this regard. Presently, no-objection certificate are not issued by the Ministry to import OEM engine oils.
17. Mr. P. De Silva Country Managing Director, Intertek Lanka Private Limited	Independent laboratory testing services are available for testing of lubricants and petroleum products, which may be utilized in regulating the lubricant market in Sri Lanka.	Acknowledge.
18. Mr. R. P. L. Wijesiri Chairman, ENZ Lab (Pvt) Limited and Petroleum Product Dealer	Passenger car engine oil classification panel should be formed so that consumers can inquire about the correct lubricant for their vehicle. Labeling of price and expiry date on the product container is required as per the Consumer Affairs Authority but not provided by Lubricant manufacturers. CPC does not allow franchise fuel stations to sell other lubricant brands.	The establishment of a panel is not practical as the panel would need to source information from the OEM or search on the internet. International practice of lubricant packaging does not indicate the expiry or manufacturing date. CPC or any other party cannot be forced to retail all available brands.
19. Mr. Niroshan CEO, Laugfs Lubricant (In place of Mr. Asanga Rajasinghe, Sector Managing Director, Laugfs Lubricants)	The CPC and Lanka IOC (Private) Limited restrict market access by not allowing other brands to be sold in their fueling stations. Recommend delisting defaulters defrauding suppliers. There is adulteration of lubricants. Do not recommend price regulation of lubricants.	The CPC and Lanka IOC (Private) Limited cannot be forced to retail all available brands. Market participants need to take action against defaulters under laws of the country but can organize such a scheme themselves as regulatory purview does not extend to distributors. Price regulation of lubricants is not intended.
20. Mr. C. Suduwella Consultant (Petroleum/Lubricant), Industrial Technology Institute	The Industrial Technology Institute will be established as a fully-fledged lubricant and grease testing laboratory by July 2018 and anyone can avail themselves of such services.	Acknowledge.
21. Mr. H. A. K. Amarakoon AGM (Lab Services), National Water Supply & Drainage Board	Surface and ground water pollution is caused by improper disposal of waste oils from industries and service stations. It is difficult to treat water containing oil and grease. This results in an additional cost for water treatment as well as cause damage to water treatment plant equipment and difficulties in cleaning plant equipment and distribution lines. Direct contact as well as exposure to water contaminated with oil is a health hazard.	Recommend mandating that used lubricants be handed over to parties authorized to dispose of or re-refine same possessing requisite processes, technology and an environment license to do so - will formulate mechanism for disposal and guidelines for re-refining of used lubricants.

22. Mr. D. N. P. Wickramanayake , Secretary, Colombo District Taxi Drivers & Owners Cooperative Society Limited	There is uncertainty regarding the quality of lubricants and there is no way of checking the quality. Recommend establishment of a simple mechanism to report as well as test the quality of lubricants	Recommend mechanism for testing the quality of lubricants – will formulate mechanism in this regard.
23. Mr. S. Wijeratne Chemist & Metallurgist, Sri Lanka Railways	Need to import OEM recommended lubricants.	No-objection certificate can be issued by the Ministry to import specialty lubricants not available in the market.
24. Dr. G. Amarasekera Director Technical/Consultant, EST Innovo Tech (Pvt) Limited	<p>Waste oil poses challenges such as environment pollution, backyard filtration, adulteration and disposal. Recommend introduction of limited number of licenses for re-refining using correct technology with proper monitoring and supervision.</p> <p>There needs to be a reasonable duty differential between locally blended versus imported lubricants in order for there to be healthy competition - high duty differential will discourage imports and low duty differential will discourage local production. Current duty differential of 13.2% is too high for effective competition.</p> <p>Recommend that the minimum standard for two stroke engine oils be changed to API TC and JASO FC or JASO FC. Recommend introduction of a minimum standard for four-stroke engine oil for scooters as JASO MB.</p> <p>Lack of periodic or ongoing selection of new entrants is a barrier to entry for innovative companies, deprive consumers from new technology products, discourage investments, deprive government of revenue and result in inconsistent policy.</p> <p>Present market is dependent on foreign companies and does not support development of local lubricant technology, and as such Government should support development of local lubricant technology. Recommend treating local lubricant technology development based on proper R&D separately from the current licensing process and giving priority to locally produced raw materials.</p>	<p>Recommend mandating that used lubricants be handed over to parties authorized to dispose of or re-refine same possessing requisite processes, technology and an environment license to do so - will formulate mechanism for disposal and guidelines for re-refining of used lubricants.</p> <p>Recommend revising the duty structure taking into consideration local value addition and investment by local blenders, and in the interim maintain the effective duty differential at ten percent – will advise relevant authorities in this regard.</p> <p>Recommend reviewing and updating Sri Lanka standards as required – will advise relevant authorities in this regard.</p> <p>Recommend appointment of a standing technical evaluation and procurement committees should be appointed to review applications as and when they are received – will advise relevant authorities in this regard.</p> <p>Recommend reviewing and updating the policy and RFQ with respect to local lubricant technology development – will advise relevant authorities in this regard.</p>

<p>25. Mr. V. R. Rupasinghe Deputy Mechanical Engineer(Maintenance), Sri Lanka Transport Board</p>	<p>Request the establishment of a laboratory to test lubricants and greases, as there is no credible government entity at present. Request a government agency to buy waste oil, as waste oil current being sold in bulk maybe used for adulteration.</p>	<p>The Industrial Technology Institute will be established as a fully-fledged lubricant and grease testing laboratory by July 2018 and anyone can avail themselves of such services. Recommend mandating that used lubricants be handed over to parties authorized to dispose of or re-refine same possessing requisite processes, technology and an environment license to do so - will formulate mechanism for disposal and guidelines for re-refining of used lubricants.</p>
<p>26. Mr.T. Gamage Assistant Director (Waste Management), Central Environmental Authority</p>	<p>In terms of regulations issued by the Authority, waste lubricants is a hazardous waste and require a license to generate, collect, transport, store, recover, recycle or dispose and must be done in accordance with conditions specified</p>	<p>Recommend mandating that used lubricants be handed over to parties authorized to dispose of or re-refine same possessing requisite processes, technology and an environment license to do so - will formulate mechanism for disposal and guidelines for re-refining of used lubricants.</p>
<p>27. Mr. C. V. Ratnayake Managing Director, Enhance Technologies Private Limited</p>	<p>Modern refrigeration systems require fully synthetic lubricants. There are fake refrigerant lubricants claiming to be fully synthetic but are mineral lubricants. Use of fake refrigerant lubricants leads to poor performance, damage to equipment, higher energy consumption etc. Way to control fake refrigerant lubricant is government controls and customer education.</p>	<p>With regard to fake refrigerant lubricant imports and sales, relevant authorities such as Sri Lanka Customs and Consumer Affairs Authority will be consulted on possible course of action. Recommend educating customers through a sustained awareness campaign – will formulate awareness campaign.</p>
<p>28. Mr. N. W. A. Vitanage, Managing Director, Vonlan Lanka (Pvt) Limited</p>	<p>The quality of imported lubricants has not been tested by any Government agency and facilities to do so need to be established in the future. Large scale outflow of money for import of lubricants should be stopped by not allowing more foreign companies to import lubricants. Instead local companies should be allowed to blend lubricants and assistance must be provided for them to obtain compliance with international standards such as API. There is adulteration of lubricants happening on a large scale and current market participants are also responsible for this by imposing high sales targets on distributors.</p>	<p>Multinational companies manufacture lubricants for the international market meeting international standards which are verified by documentation. Regular testing of lubricants is not practical in view of high costs involved, but tests may be carried out if there any complaints. The Industrial Technology Institute will be established as a fully-fledged lubricant and grease testing laboratory by July 2018. The policy of the Government is to promote competition and there is no barrier for local companies to participate.</p>

<p>29. Mr. R. Withanage Chairman at National Movement for Consumer Rights Protection</p>	<p>Consumers experiencing problems regarding lubricants have no recourse as there is no regulatory agency to refer complaints and as such an independent regulator needs to be established to regulate the lubricant market.</p> <p>Lubricant prices vary from one company to another but it is important for consumers to have standardized prices and quality standards. There is uncertainty regarding the quality of lubricants due to adulteration of lubricants and lack of information regarding lubricants purchased such as whether recycled or not and dates of production and expiry.</p> <p>There is uncertainty regarding quantity as only loose lubricants are sold at night.</p> <p>There is improper disposal of waste lubricants and there should be proper mechanism to collect and dispose of waste lubricants by market participants themselves.</p>	<p>Recommend empowering the PUCSL to regulate the lubricant market – will advise relevant authorities in this regard.</p> <p>Due to proprietary formulations and brand value prices of lubricants vary from company another.</p> <p>In terms of the Sri Lanka standards, recycled lubricants cannot be imported or produced.</p> <p>Multinational companies manufacture lubricants for the international market meeting international standards which can be verified by documentation.</p> <p>The Industrial Technology Institute will be established as a fully-fledged lubricant and grease testing laboratory by July 2018 and anyone can avail themselves of such services.</p> <p>International practice of lubricant packaging does not indicate the expiry or manufacturing date.</p> <p>Recommend mandating that used lubricants be handed over to parties authorized to dispose of or re-refine same possessing requisite processes, technology and an environment license to do so - will formulate mechanism for disposal and guidelines for re-refining of used lubricants.</p>
<p>30. Mr. E. M. Piyasena Former Deputy Refinery Manager (Manufacturing & Operation), Ceylon Petroleum Corporation</p>	<p>There are issues regarding incompatibility due mixing of different brands of lubricants and use of correct technology for re-refining of used lubricants</p>	<p>Recommend mandating that used lubricants be handed over to parties authorized to dispose of or re-refine same possessing requisite processes, technology and an environment license to do so - will formulate mechanism for disposal and guidelines for re-refining of used lubricants.</p>
<p>31. Mr. J. Wijesinge Environmentalist</p>	<p>There are issues regarding the disposal of waste oils causing damage to the environment. Proper methodology is required for disposing of used lubricants. Market participants have a responsibility for taking action to reduce harmful impact on the environment</p>	<p>Recommend mandating that used lubricants be handed over to parties authorized to dispose of or re-refine same possessing requisite processes, technology and an environment license to do so - will formulate mechanism for disposal and guidelines for re-refining of used lubricants.</p>

<p>32. Mr. Sameera Sandaruwan Consumer</p>	<p>There is leakage of LPG from cylinders. Consumer complaint boxes should be made available at all government agencies, and responses should be provided within a month. Independent institute must be established for testing. Laws must be made stringent. Recommend an emergency response hotline (similar to 119) to give information about illegal activities in respect of lubricants. All the consumer rights must be protected through PUCSL.</p>	<p>Comments relate to LPG, but will be considered in the context of lubricants as applicable.</p>
<p>33. Mr. V. S. Sathishkumar Consumer</p>	<p>There are fake oils in the market affecting consumers but no one is doing anything about it. Consumers are unable to ascertain whether lubricants purchased are genuine or not and whether service station is a reputed dealer or not as there is no published list of authorized dealers. Recommend affixing security labels on the packaging as well as request identification of a hotline to enquire and complain. Market participants should inform consumers regarding authorized distributors. Consumers face difficulties as lubricants are not available widely and at all times. Waste oils affect the environment but market participants are not doing anything to protect the environment.</p>	<p>Recommend implementation of the mechanism for investigation and prosecution of unauthorized activities – see note below. Recommend affixing security labels and indicating a hotline on the packaging as well as publishing list of authorized dealers – will advise relevant authorities in this regard. Recommend mandating that used lubricants be handed over to parties authorized to dispose of or re-refine same possessing requisite processes, technology and an environment license to do so - will formulate mechanism for disposal and guidelines for re-refining of used lubricants.</p>
<p>34. Mr. J. Sunil Secretary, Welivita Divithura Paribhogika Kamituwa</p>	<p>Need to establish an institute to verify the quality of lubricants and refer consumer complaints through a hotline. Prices of lubricants need to be regulated similar to petroleum fuels as service stations do not offer a choice of lubricant brands and recommend the lubricant available based on profit motive (commission). Who is responsible for the safety of the numerous outlets retailing LPG? There is no weighing machine at these outlets for consumers to verify the specified weight of cylinders.</p>	<p>The Industrial Technology Institute will be established as a fully-fledged lubricant and grease testing laboratory by July 2018 and anyone can avail themselves of such services. Recommend empowering the PUCSL to regulate the lubricant market – will advise relevant authorities in this regard. Due to proprietary formulations and brand value prices of lubricants vary from company another. Comments relating to LPG will be referred to the relevant agencies including the MoPRD and Consumer Affairs Authority</p>

<p>35. Mr. H. Fernando Lubricant Industry (Technical) Employee</p>	<p>There is a conflict of interest in the Minister of Petroleum Resources Development regulating the lubricant market as the Ceylon Petroleum Corporation is one of the market participants. The PUCSL should be fully empowered to regulate the lubricant market.</p> <p>Sri Lanka standards need to be updated, and a standard for scooter oils need to be included.</p> <p>Presently, there is no laboratory, capability or expertise to test lubricants.</p> <p>PUCSL need to build capacity to ascertain whether Sri Lanka standards are met or not based on tests carried out by a laboratory. Testing lubricants is not easy and it is not feasible to carry out performance test due to the cost involved. Therefore, a methodology is required to verify the test certificates obtained through internationally recognized institutions such as API. Once capacity is built, as in some other countries, a regulatory council maybe established for issuing quality certificate for licensees.</p> <p>Sri Lanka Customs should be provided stringent criteria for releasing lubricants in order to prevent unauthorized imports.</p> <p>In collaboration with licensees, PUCSL should develop an integrated plan on educating customer which will help to protect environment, reduce cost and advance this industry.</p>	<p>Recommend empowering the PUCSL to regulate the lubricant market – will advise relevant authorities in this regard.</p> <p>Recommend reviewing and updating Sri Lanka standards as required – will advise relevant authorities in this regard.</p> <p>The Industrial Technology Institute will be established as a fully-fledged lubricant and grease testing laboratory by July 2018.</p> <p>Recommend reviewing conditions imposed and implementation of the guidelines on importation of lubricants – see note below.</p> <p>Recommend educating customers through a sustained awareness campaign – will formulate awareness campaign.</p>
<p>36. Mr. R. Karawanella National Organizer of Deshamanya Jathika Balawegaya</p>	<p>Consumers are unable to ascertain whether lubricants purchased are genuine or not and a mechanism needs to be established to verify the quality of lubricants. Marketing statements made by market participants saying that the lubricants are manufactured by most reputed organization and the lubricant meets highest standards is not sufficient.</p> <p>There is a large scale outflow of money for import of lubricants. This should be stopped by allowing local companies to blend lubricants and assistance must be provided for them to do so.</p> <p>There is a dire need for a national policy on transport. Request PUCSL to advice the Ministry of Petroleum Industries in this regard.</p>	<p>The Industrial Technology Institute will be established as a fully-fledged lubricant and grease testing laboratory by July 2018 and anyone can avail themselves of such services.</p> <p>The policy of the Government is to promote competition and there is no barrier for local companies to participate.</p> <p>National transport policy comes under the Ministry of Transport & Civil Aviation, and falls outside the scope of the Commission.</p>

<p>37. Mr. S. Gooneratne General Manager (Automobile Division), Stafford Motor Co (Pvt)Limited</p>	<p>There is a restriction in importing OEM recommended Honda genuine oils for after sales servicing Honda oils are imported by obtaining a no-object from the MoPRD automobiles, motorcycles and generators, although limited quantities of Honda genuine transmission. However, Honda genuine oils are being illegally imported and widely sold. Given the said restriction, generic lubricants are procured from third parties for after sales servicing thus impacting the efficiency and durability of the engines and transmission systems and higher maintenance cost to our customers.</p>	<p>New (third) round of selecting prospective market participants is underway, and a request for qualification maybe submitted to import Honda genuine oil. Recommend implementation of the mechanism for investigation and prosecution of unauthorized activities as well as the guidelines on importation of lubricants – see note below.</p>
<p>38. Mr. V. Rathnayaka Colombo Dockyards PLC</p>	<p>There is a requirement for direct importation of any OEM recommended marine lubricants on customs bond for ship repair and ship building , subject to speedy approvals from the BOI and MoPRD, as some marine lubricant brands/formulations are not available with local agents.</p>	<p>No-objection certificate can be issued by the Ministry to import specialty lubricants not available in the market.</p>
<p>39. Eng. J. Ranatunga</p>	<p>There is no way to verify which lubricant is superior. Service stations give conflicting responses. Only criteria appear to be brand reputation. Recommend fixed price.</p>	<p>The quality of the lubricant required for a vehicle is specified by the OEM and use of any reputed lubricant brand meeting such standard would suffice. Due to proprietary formulations and brand value prices of lubricants vary from company another.</p>
<p>40. Mr. U. Wijesooriya Unit Head (Lubricants & Car Care), Toyota Lanka (Pvt) Limited</p>	<p>Look forward to the effective implementation of proposed mechanism to investigate illegal activities – subject to imposition of a time frame, proposal regarding disposal and re-refining of used lubricants and guidelines on importation of lubricants. Recommend maintaining a duty differential at 5% as there is no considerable value addition due to importation of base oils, additives and machinery. This will ensure level playing field for all market participants. Recommend appointing a standing technical committee to review the applications.</p>	<p>Recommend implementation of the mechanism for investigation and prosecution of unauthorized activities – see note below. Recommend mandating that used lubricants be handed over to parties authorized to dispose of or re-refine same possessing requisite processes, technology and an environment license to do so - will formulate mechanism for disposal and guidelines for re-refining of used lubricants. Recommend implementation of the guidelines on importation of lubricants – see note below. Recommend review of the duty differential – will advise relevant authorities in this regard. Recommend appointment of standing technical evaluation and procurement committees to review applications as and when they are received – will advise relevant authorities in this regard.</p>

41. Mr. A. Gunawardena Assistant Manager- Business Development (Commercial Vehicle Service Division), Diesel & Motor Engineering PLC	Request liberalizing the lubricant market by removal of entry barriers and enabling interested parties to register at any given time.	New (third) round of selecting prospective market participants is underway. Recommend appointment of standing technical evaluation and procurement committees to review applications as and when they are received – will advise relevant authorities in this regard.
42. Mr. D. W. Basnayake Ace Power Embilipitiya (Pvt) Limited	Quantity of lubricants consumed fluctuates over time despite external parameters remaining unchanged, possibly due changing of blending process i.e. blending method, base oil, ratio of additives, properties etc., by suppliers in spite of requests to maintain uniformity of product and non-provision of element contents.	Recommend referral of the issue to OEM.
43. Mr. C. Wijesinghe Senior Manager (Human Resources & Administration), Camso Laodstar	There should be a central governing body to perform periodic audits to ensure the standards defined in accordance with international standards.	Presume reference is to the quality of lubricants, and if so, once the Industrial Technology Institute is established as a fully-fledged lubricant and grease testing laboratory by July 2018 you may avail of such services. If reference is to internal practices, this falls outside regulatory purview.

Notes:

1. The following proposed remedies that the PUCSL intends to recommend to the Government are more fully identified in the consultation paper on lubricants
 - a. Mechanism for investigating and prosecution of parties carrying out unauthorized/illegal activities in the lubricant and grease market; and
 - b. Guidelines for the issuance of import licenses, importation of lubricants and greases, and clearing of lubricants.