



# Lubricant Market Report

2017

**Public Utilities Commission of Sri Lanka**

*Shadow Regulator of the Lubricant Market*

---

As the shadow regulator of the lubricant market,  
Public Utilities Commission of Sri Lanka,  
collects and records operational information of the lubricant  
market.

This report summarizes the operational information  
and provides an  
overview of lubricant market in Sri Lanka.

---

# Contents

- 1. Role of PUCSL as the Shadow Regulator ..... 4
- 2. Authorized Parties/Brands ..... 5
- 3. Market Growth and Market Share ..... 6
- 4. Lubricant Sales..... 9
- 5. Automotive Lubricant..... 16
- 6. Lubricant Sales (Synthetic) ..... 18
- 7. Imports ..... 20
- 8. Exports ..... 22
- 9. Production ..... 22
- 10. Lubricant Standards ..... 23
- 11. Government Revenue..... 23
- 12. Market Analysis..... 24

## List of Figures

Figure 1 : Market Growth .....	6
Figure 2 : Lubricant Sales (Quantity) .....	7
Figure 3 : Lubricant Sales (Revenue) .....	8
Figure 4 : Lubricant (Automotive) Sales .....	10
Figure 5: Lubricant (Industrial) Sales .....	10
Figure 6 : Lubricant (Marine) Sales.....	11
Figure 7 : Lubricant (Greases) Sales.....	11
Figure 8 : Lubricant Sales (kL) by Company – 2010 to 2017 .....	12
Figure 9 : Lubricant Sales Revenue (LKR in M) by Company – 2010 to 2017 .....	13
Figure 10 : Lubricant Sales Quantity by Type -2017 .....	14
Figure 11 : Lubricant Sales Revenue by Type - 2017 .....	14
Figure 12 : Lubricant Sales Quantity by Type – 2010 to 2017 .....	15
Figure 13 : Automotive Lubricant Sales (Quantity) Breakdown - 2017 .....	16
Figure 14 : Automotive Lubricant Sales (Revenue) Breakdown - 2017 .....	17
Figure 15: Synthetic Lubricant Sales Quantity by Type- 2017 .....	18
Figure 16 : Synthetic Lubricant Sales Quantity by Company- 2017.....	19
Figure 17 : Lubricant Imports Quantity by Type - 2017.....	20
Figure 18: Lubricant Imports Quantity by Type - 2010 to 2017 .....	21

## List of Tables

Table 1 : List of authorized parties/brands and activities in Sri Lankan Lubricant Market .....	5
Table 2 : Total Sales History.....	6
Table 3 : Sales and the Market Share .....	7
Table 4 : Lubricant Sales (Company) Quantity (kL) – 2010 to 2017 .....	9
Table 5 : Lubricant Sales (Type) Quantity (kL) – 2010 to 2017 .....	9
Table 6 : Automotive Lubricant Sales Breakdown - 2017.....	16
Table 7: Lubricant Sales (Synthetic) Quantity - 2017 .....	18
Table 8 : Lubricant Sales (Synthetic) Quantity by Company - 2017 .....	18
Table 9 : Lubricant (Finished Products) Imports Quantity - 2017 .....	20
Table 10: Total base oil and additives - 2017 .....	21
Table 11: Lubricant Exports Quantity - 2017.....	22
Table 12 :Lubricant Exports Quantity by Company - 2017.....	22
Table 13 : Lubricant Standards .....	23

## **1. Role of PUCSL as the Shadow Regulator**

The lubricant market is regulated and governed under the provisions of the Petroleum Products (Special Provisions) Act No. 33 of 2002 and the Ceylon Petroleum Corporation Act No. 28 of 1961. The importation, exportation, blending, production, sale, supply and distribution of lubricants including greases require specific authorization from the Government.

Authorization is granted only to qualified parties who possess proper technical know-how and adequate financial capability, to ensure that substandard products do not enter the market.

The Government has appointed Public Utilities Commission of Sri Lanka (PUCSL) as the shadow regulator for Lubricants through a Cabinet decision in 2006 (Liberalization of the lubricant market and interim regulation by the Public Utilities Commission of Sri Lanka).

As the shadow regulator of the lubricants market, the PUCSL advises the Ministry of Petroleum Resources Development on policy and regulatory matters with respect to liberalization of the lubricants industry. This includes following aspects,

- Providing advice on renewal of licenses of importers of lubricant products.
- Engage in the process of preparing tender documents for issuing licenses to lubricant importers.
- Participate in the preparation of standards for lubricant products at the Sri Lanka Standard Institute.
- Look into the unauthorized activities in lubricant market and advice Ministry of Petroleum Resources Development on such activities.
- Launch customer awareness/ education programs on lubricant products.

The regulation of the downstream petroleum industry is to be assigned to the Commission under PUCSL Act, No. 35 of 2002. The Schedule of Act, No. 35 of 2002 was amended in July 2006, by way of a resolution passed in Parliament to include the Petroleum industry in the list of public utilities to be regulated by the Commission.

However, the respective acts (The Petroleum Products (Special Provisions) (Amendment) Bill and Ceylon Petroleum Corporation (Amendment) Bill), which would empower the Commission to regulate economic, technical, competition and safety aspects of the petroleum industry, is to be presented to the parliament for enactment.

At present, the Commission provides assistance to the Ministry of Petroleum Resources Development to regulate the downstream petroleum products. Petroleum products include petrol, diesel, kerosene, aviation fuel, marine fuel, furnace oil, liquefied petroleum gas and lubricants.

The Government had shown a green light in giving provisions to PUCSL to regulate the petroleum industry in its budget speech 2015. Further, as indicated in the 2016 budget speech, Government of Sri Lanka has decided to fully liberalize the lubricant market. Ministry of Petroleum Resources Development is in the process of implementing this decision and a new licensing round will be announced shortly. PUCSL is advising and assisting the ministry in this regard.

## 2. Authorized Parties/Brands

As at end of year 2017, there were thirteen (13) parties authorized to import, export, sell, supply and distribute lubricants (Activity 2) and three (3) parties were authorized to import, export, sell, supply, distribute and blend lubricants (Activity 1) under following authorized brands in Sri Lanka.

Table 1 : List of authorized parties/brands and activities in Sri Lankan Lubricant Market

Brand(s)	Company	Nominee	Activity
 (Caltex, Chevron, Texaco, Lanka)	Chevron Ceylon Limited	Chevron Lubricants Lanka PLC	Activity 1
 (Servo)	Indian Oil Corporation Limited	Lanka IOC PLC	Activity 1
  (ExxonMobil, Esso, Mobil, Cat)	ExxonMobil Asia Pacific Pte. Limited.	McLarens Lubricants Limited	Activity 2
 (Valvoline)	Valvoline LLC	United Motors Lanka Limited	Activity 2
 (Shell)	Shell Markets (Middle East) Limited	N. M. Distributors (Pvt) Limited	Activity 2
 (BP, Castrol)	BP Middle East LLC.	Associated Motorways Limited	Activity 2
 (Laugfs)	Laugfs Holdings Limited	Laugfs Lubricants Limited	Activity 1
 (MAK)	Bharat Petroleum Corporation Limited	TVS Lanka (Pvt) Limited	Activity 2
 (Motul)	Motul	Transmec International	Activity 2
 (Greatwall, Sinopec)	Lubricant Company Sinopec Corporation	Interocean Lubricants Limited	Activity 2
 (Toyota)	Toyota Tsusho Corporation	Toyota Lanka (Pvt) Limited	Activity 2
 (Total, Elf)	Total Oil India Private Limited	Navaloka Petroleum (Pvt) Limited	Activity 2
 (Hyrax)	Ceylon Petroleum Corporation		Activity 2

### 3. Market Growth and Market Share

A total of 64,485 kL of lubricants worth of LKR 26.52 billion were sold during the year 2017, which is 100 kL shorter compared to the total sales (quantity) of year 2016.

Table 2 : Total Sales History

Year	Lubricants - Total Sales		Annual Increase (%)	
	Quantity (kL)	Revenue (LKR Mil.)	Quantity	Revenue
2017	64,485	26,522	(0.15)	1.57
2016	64,585	26,112	11.4	11.3
2015	57,978	23,463	6.8	3.6
2014	54,265	22,640	1.0	11.0
2013	53,708	20,397	(4.7)	(2.2)
2012	56,334	20,854	(3.8)	11.1
2011	58,554	18,775	7.7	33.8
2010	54,369	14,035	21.0	27.1
2009	44,945	11,039		

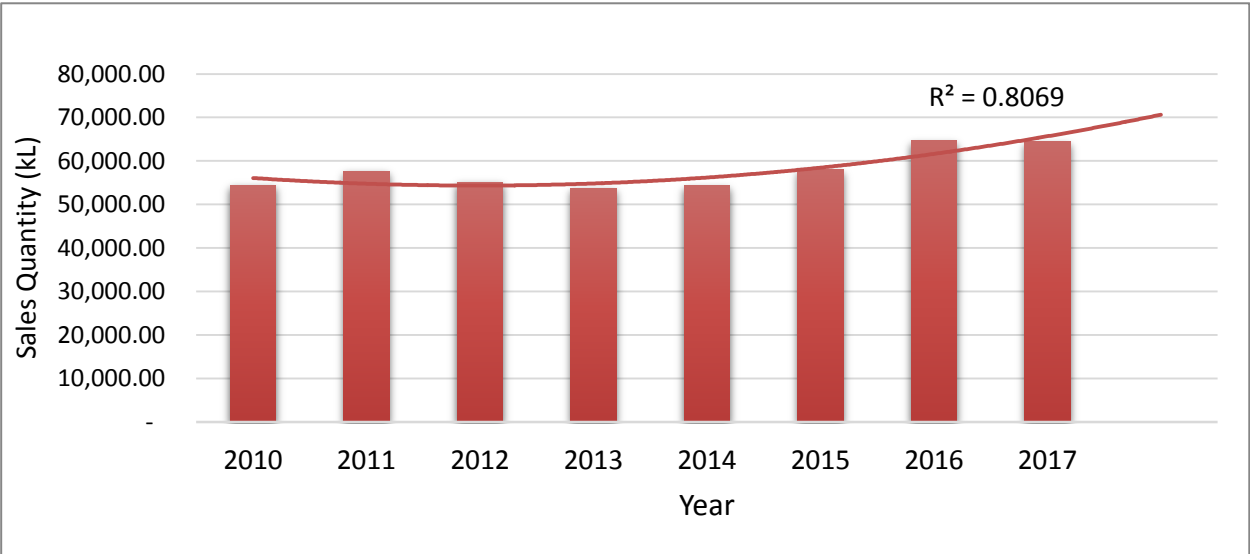


Figure 1 : Market Growth

According to table 3, market leader held a share of 40 % in 2017 (45 % in 2016) with nearest competitor seized 17 % of market share in the same year up from 16 % in 2016.

Table 3 : Sales and the Market Share

Company	SALES QUANTITIES					
	2017		2016		2015	
	kL	%	kL	%	kL	%
Chevron Ceylon Limited	25,721.00	39.89	29,251.30	45.29	27,585.20	47.58
Indian Oil Corporation Limited	10,969.60	17.01	10,590.26	16.40	8,618.00	14.86
Ceylon Petroleum Corporation	5,411.60	8.39	5,445.90	8.43	5,325.85	9.19
Laugfs Holdings Limited	4,949.56	7.68	3,419.59	5.29	2,858.29	4.93
ExxonMobil Asia Pacific Pte. Limited	3,534.70	5.48	3,105.96	4.81	2,857.62	4.93
Bharat Petroleum Corporation	3,452.00	5.35	3,710.27	5.74	2,951.40	5.09
Toyota Tsusho Corporation	2,110.00	3.27	1,911.99	2.96	1,483.16	2.56
Lubricant Company Sinopec	1,986.00	3.08	1,569.20	2.43	1,527.20	2.63
Valvoline LLC	1,949.84	3.02	1,869.49	2.89	1,300.16	2.24
Shell Markets (Middle East) Limited	1,898.34	2.94	1,290.11	2.00	1,412.93	2.44
BP Middle East LLC	1,639.54	2.54	1,693.26	2.62	1,519.11	2.62
Total Oil India Private Limited	720.89	1.12	593.12	0.92	479.26	0.83
Motul	141.91	0.22	134.88	0.21	59.93	0.10
<b>Total</b>	<b>64,484.98</b>	<b>100.00</b>	<b>64,585.33</b>	<b>100.00</b>	<b>57,978.13</b>	<b>100.00</b>

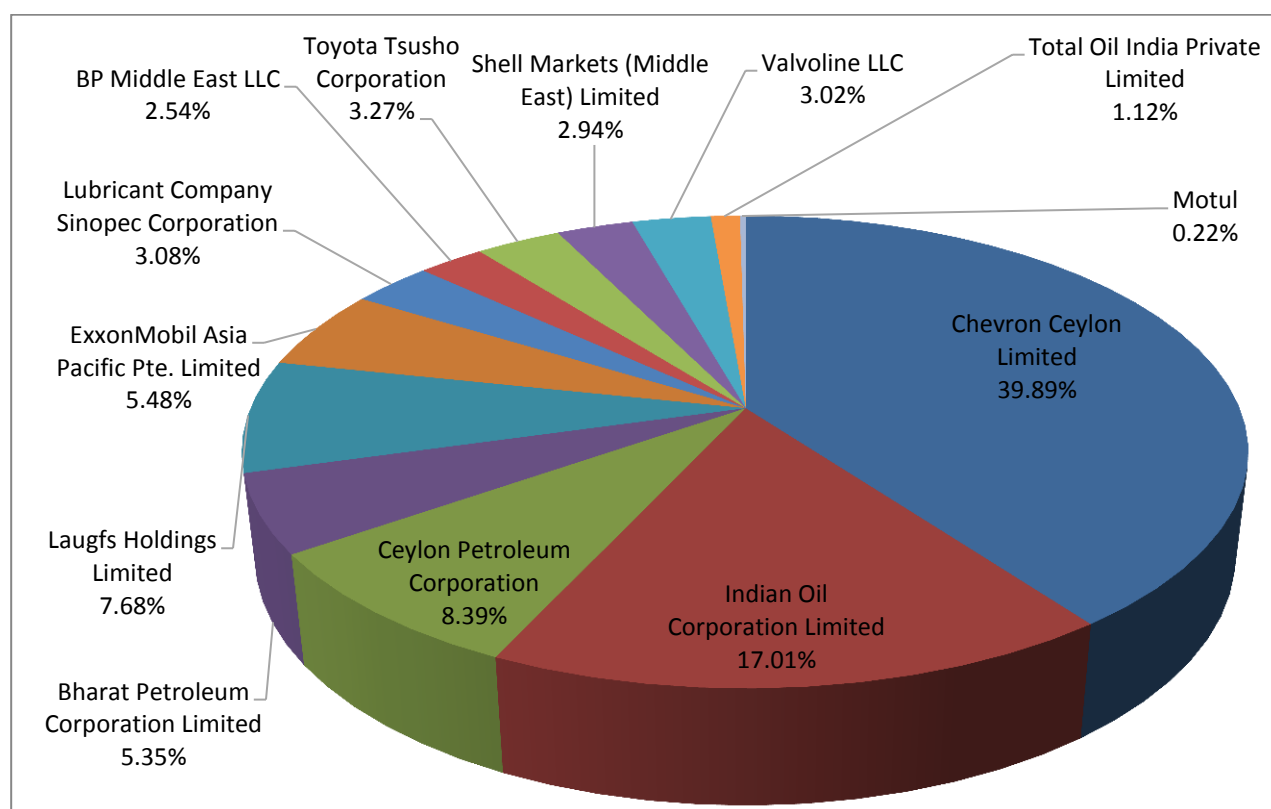


Figure 2 : Lubricant Sales (Quantity)



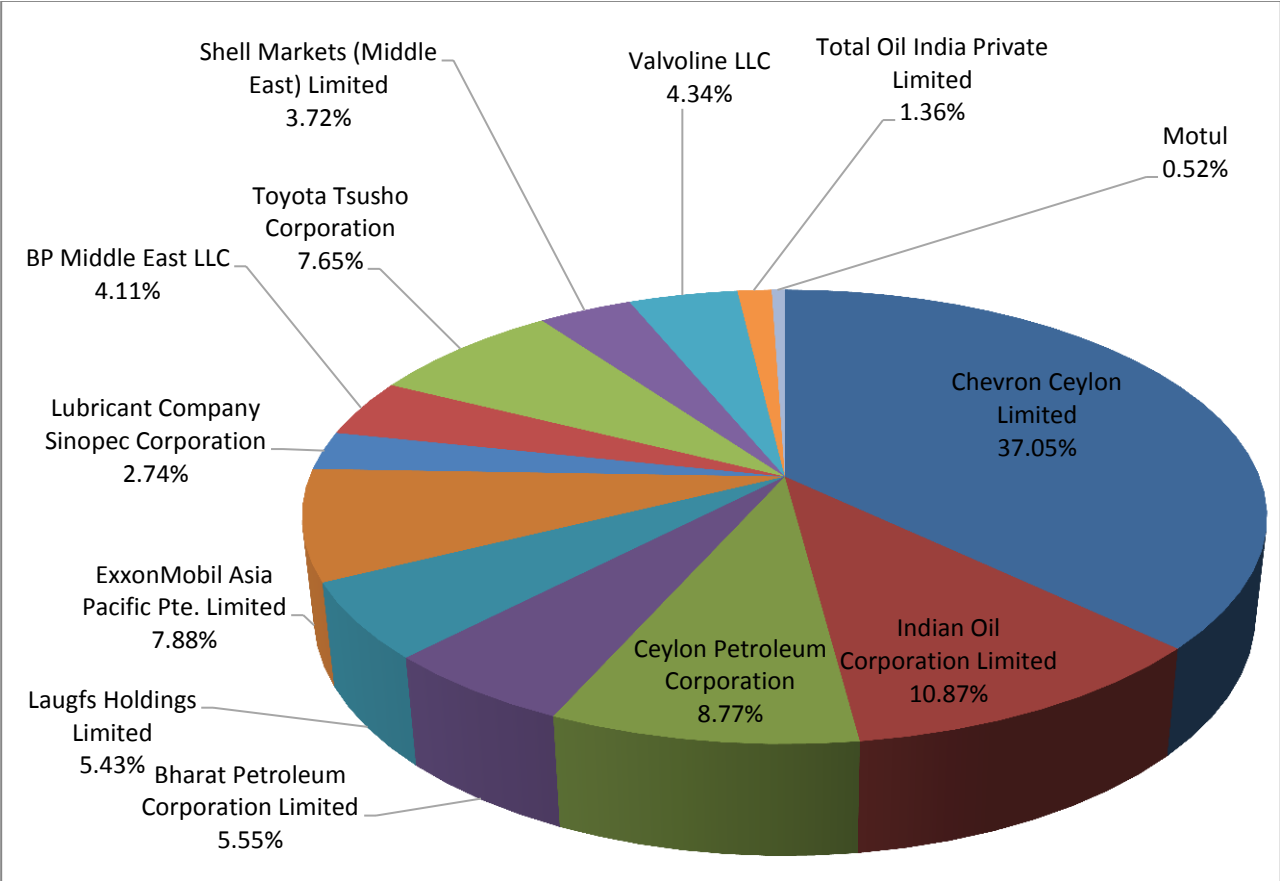


Figure 3 : Lubricant Sales (Revenue)

## 4. Lubricant Sales

Table 4 : Lubricant Sales (Company) Quantity (kL) – 2010 to 2017

Company	Lubricant Sales Quantity (kL)							
	2010	2011	2012	2013	2014	2015	2016	2017
Chevron Ceylon Limited	35,232.00	33,297.42	31,028.90	28,240.58	26,752.97	27,585.20	29,251.30	25,721.00
Indian Oil Corporation Limited	6,780.00	6,565.92	6,230.91	6,738.02	6,832.69	8,618.00	10,590.26	10,969.60
Ceylon Petroleum Corporation	3,468.00	4,915.50	5,589.95	6,452.68	5,718.70	5,325.85	5,445.90	5,411.60
Laugfs Holdings Limited	1,699.00	2,620.43	1,910.47	1,798.00	2,896.76	2,858.29	3,419.59	4,949.56
ExxonMobil Asia Pacific Pte. Limited	2,151.00	4,065.34	4,302.50	3,120.15	3,680.42	2,857.62	3,105.96	3,534.70
Bharat Petroleum Corporation Limited	1,580.00	1,771.00	1,565.46	1,759.79	2,241.17	2,951.40	3,710.27	3,452.00
Toyota Tsusho Corporation	296.00	542.58	729.00	798.00	1,027.39	1,483.16	1,911.99	2,110.00
Lubricant Company Sinopec Corporation	503.00	1,784.89	1,565.80	1,221.19	1,207.70	1,527.20	1,569.20	1,986.00
Valvoline LLC	607.80	663.53	710.79	784.76	1,076.61	1,300.16	1,869.49	1,949.84
Shell Markets (Middle East) Limited	933.00	1,183.12	1,183.12	1,160.74	1,183.12	1,412.93	1,290.11	1,898.34
BP Middle East LLC	978.00	54.34	20.55	1,475.52	1,314.44	1,519.11	1,693.26	1,639.54
Total Oil India Private Limited	14.00	144.28	160.86	112.20	286.90	479.26	593.12	720.89
Motul	-	21.05	56.21	46.08	46.08	59.93	134.88	141.91
<b>Total</b>	<b>54,241.80</b>	<b>57,629.40</b>	<b>55,054.51</b>	<b>53,707.71</b>	<b>54,264.95</b>	<b>57,978.13</b>	<b>64,585.33</b>	<b>64,484.98</b>

Table 5 : Lubricant Sales (Type) Quantity (kL) – 2010 to 2017

Type	Lubricant Sales Quantity (kL)							
	2010	2011	2012	2013	2014	2015	2016	2017
Automotive	38,024.30	39,963.51	37,389.75	37,418.58	38,942.46	42,858.17	46,607.04	46,804.41
Industrial	8,700.00	9,648.68	10,418.57	11,361.83	9,956.82	10,724.53	11,625.05	10,624.04
Marine	3,656.00	3,723.61	3,316.90	2,546.41	2,870.92	1,786.63	3,417.49	4,159.89
Greases	2,295.50	2,545.86	2,459.13	2,380.90	2,491.37	2,608.79	2,810.94	2,645.27
Other	1,693.00	1,726.69	1,470.16	-	3.38	-	124.80	252.37
<b>Total</b>	<b>54,368.80</b>	<b>57,608.35</b>	<b>55,054.51</b>	<b>53,707.71</b>	<b>54,264.95</b>	<b>57,978.13</b>	<b>64,585.33</b>	<b>64,484.98</b>

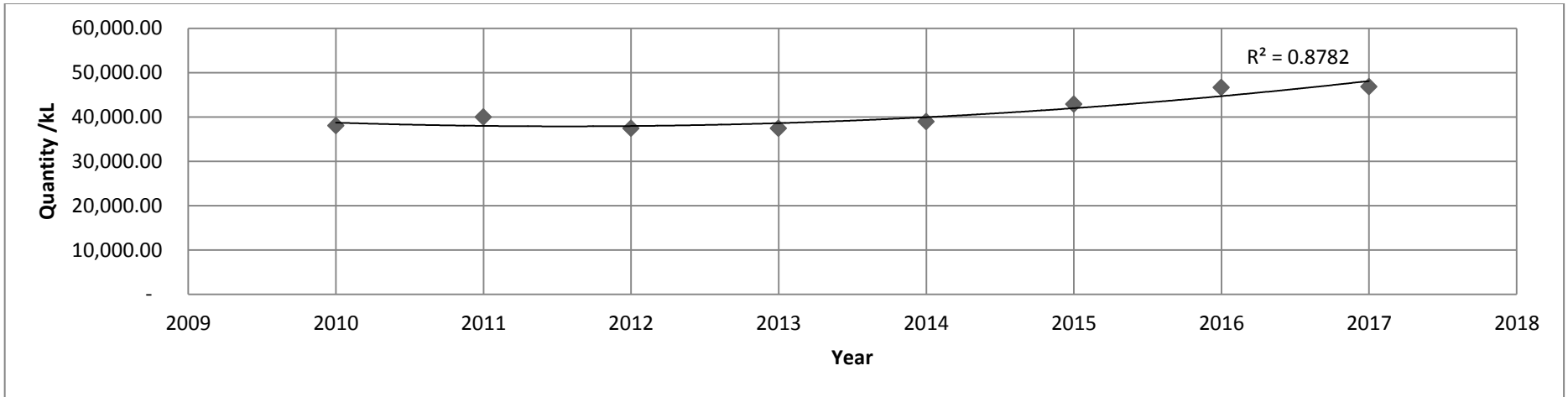


Figure 4 : Lubricant (Automotive) Sales

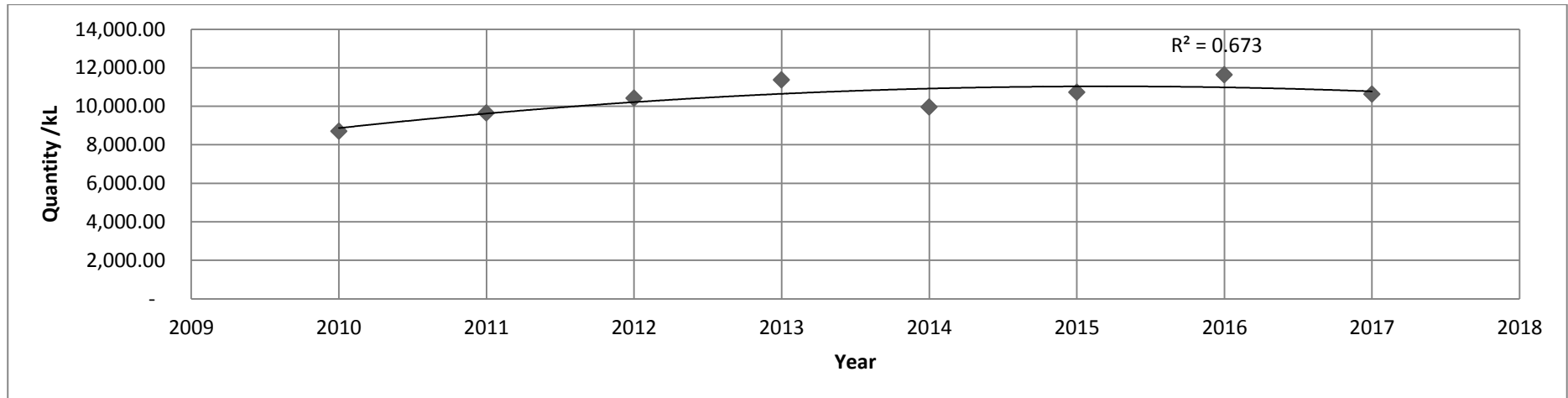


Figure 5: Lubricant (Industrial) Sales

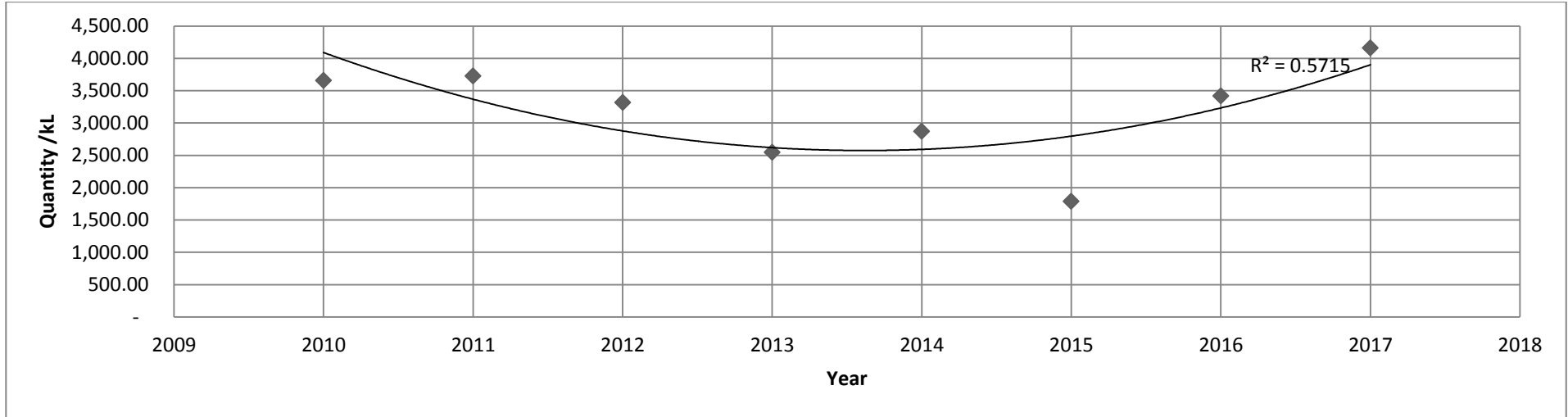


Figure 6 : Lubricant (Marine) Sales

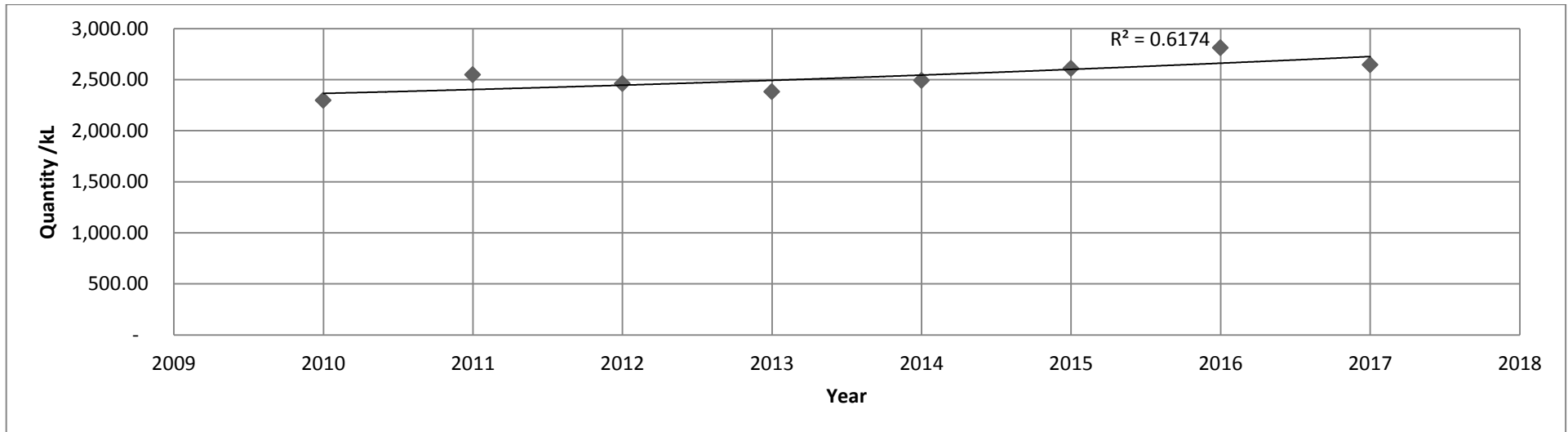


Figure 7 : Lubricant (Greases) Sales

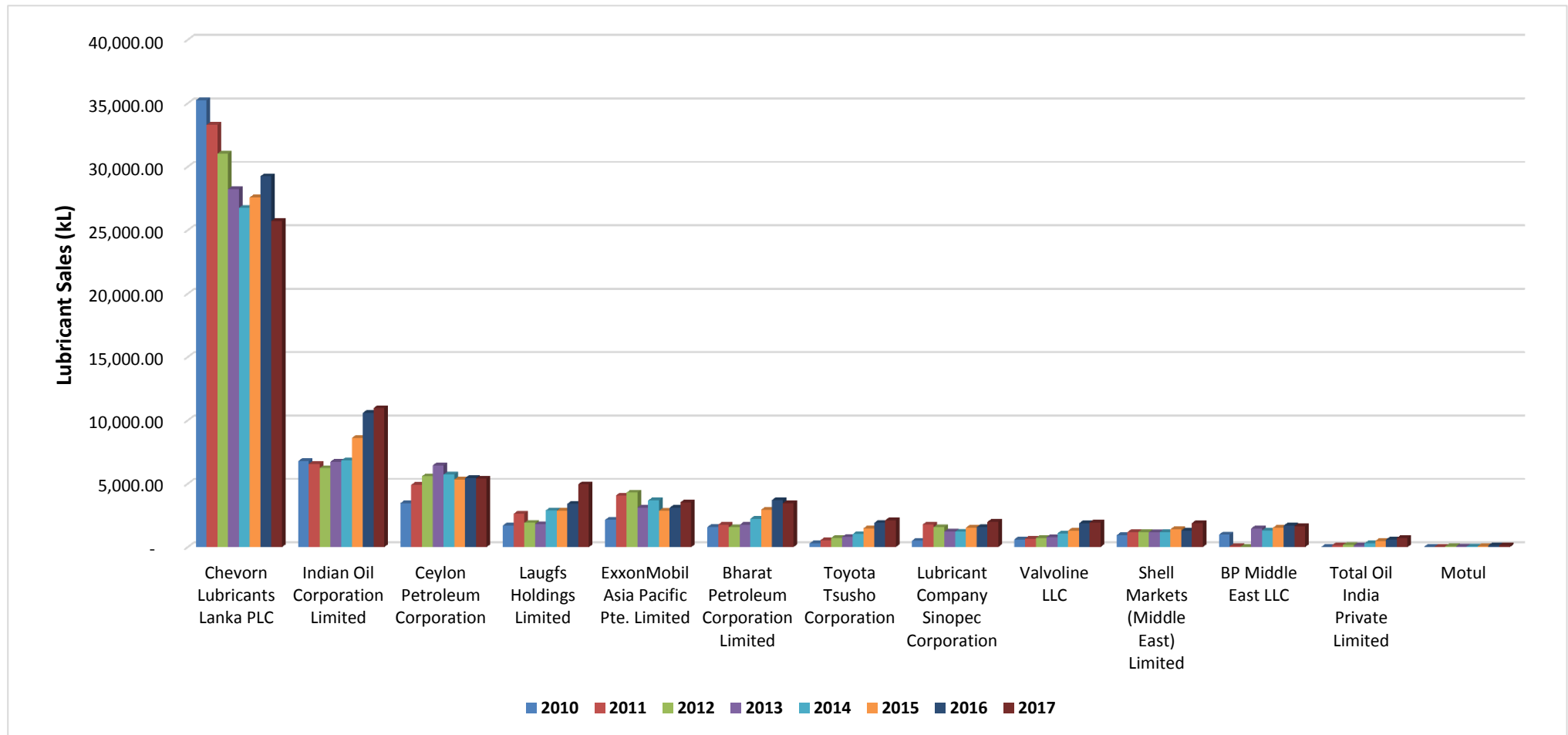


Figure 8 : Lubricant Sales (kL) by Company – 2010 to 2017

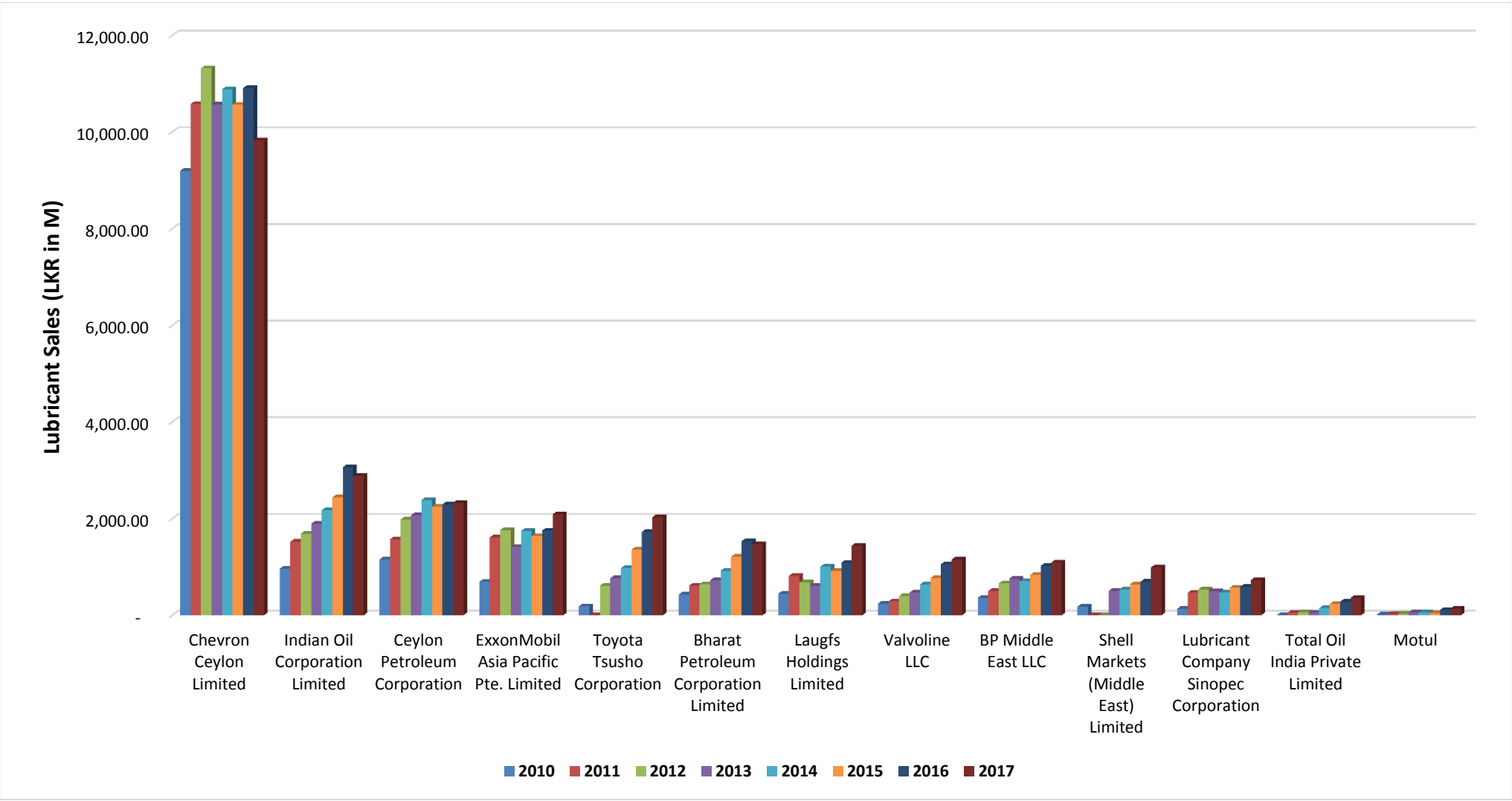


Figure 9 : Lubricant Sales Revenue (LKR in M) by Company – 2010 to 2017

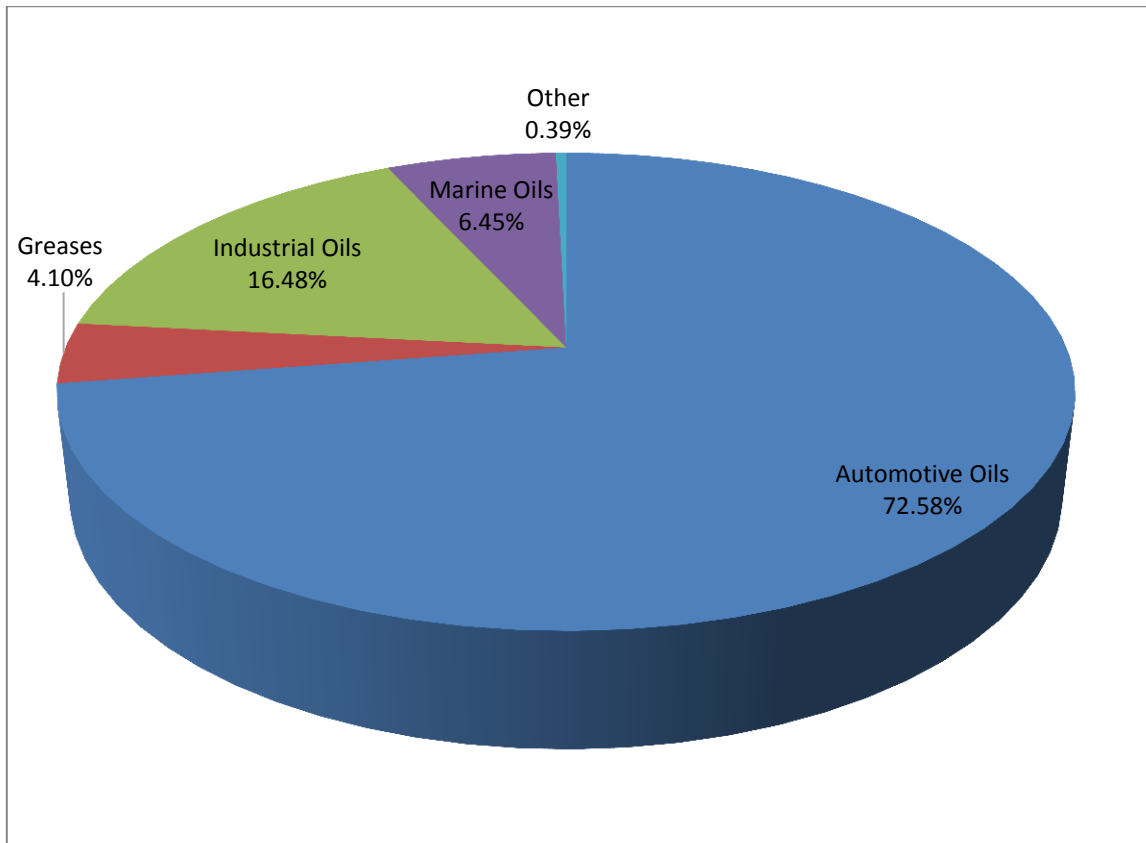


Figure 10 : Lubricant Sales Quantity by Type -2017

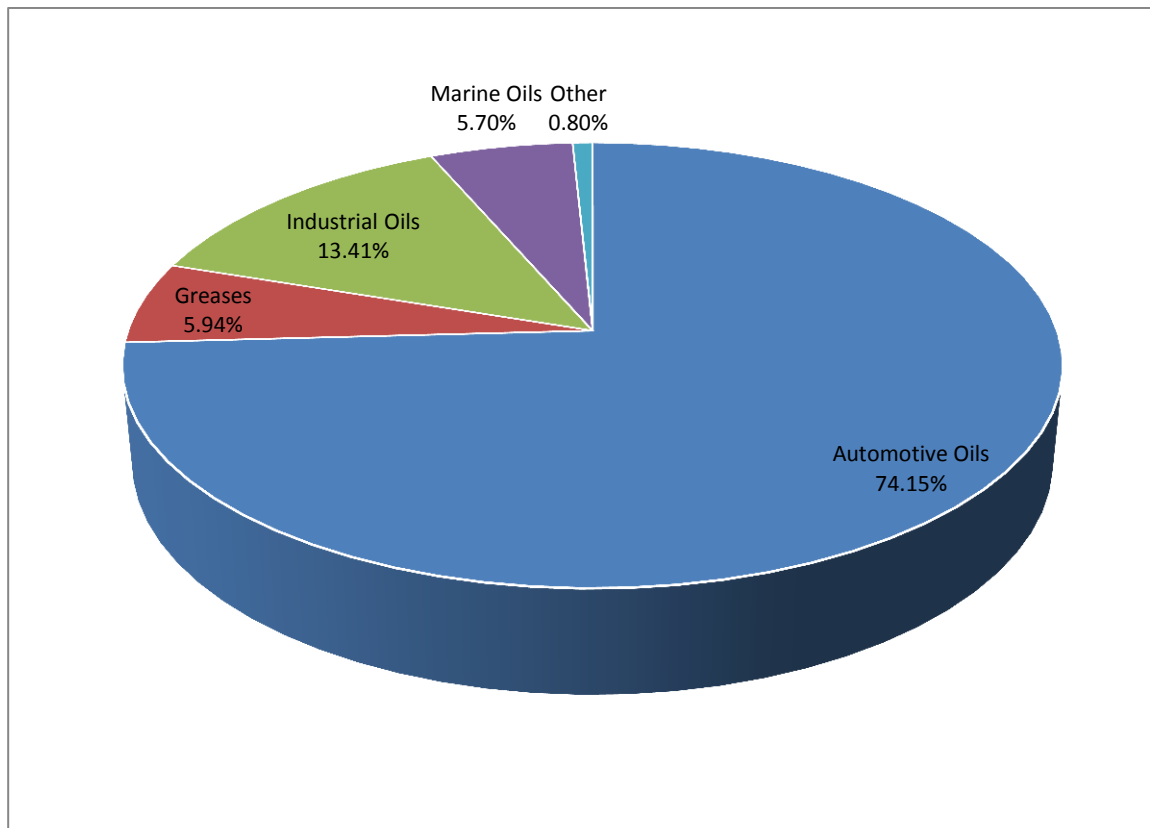


Figure 11 : Lubricant Sales Revenue by Type - 2017

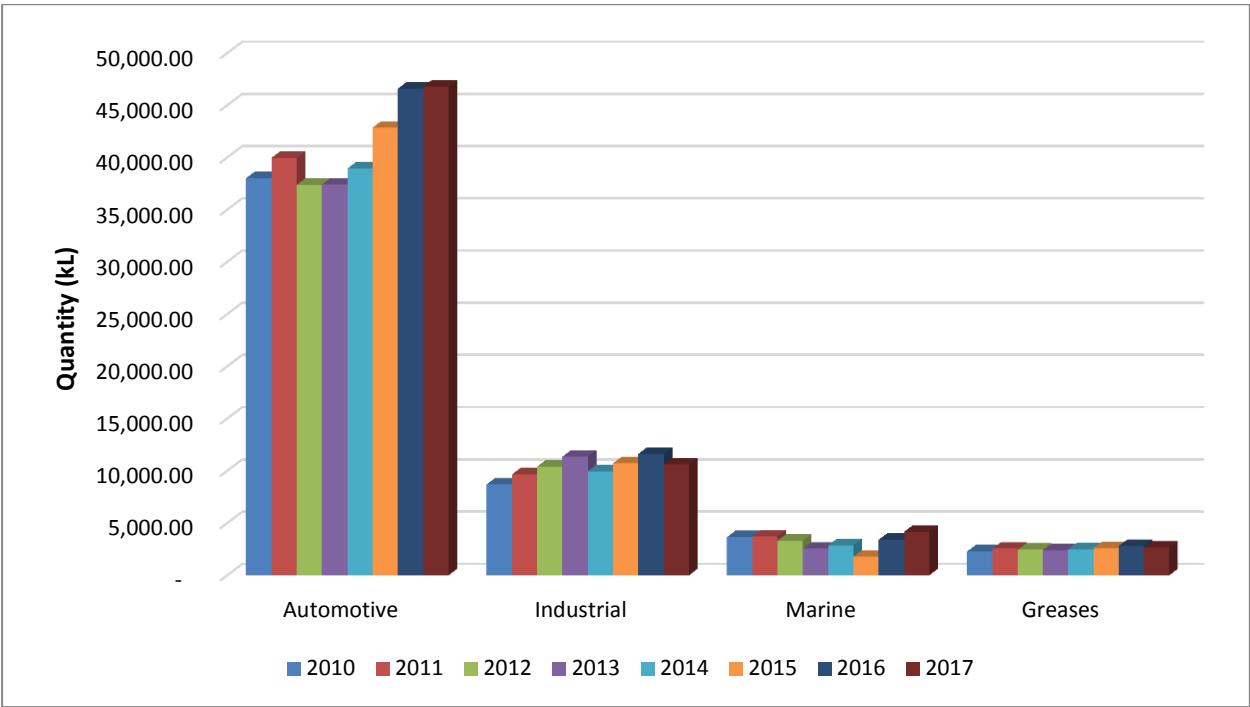


Figure 12 : Lubricant Sales Quantity by Type – 2010 to 2017



## 5 Automotive Lubricant

Table 6 : Automotive Lubricant Sales Breakdown - 2017

Automotive Lubricant Breakdown	Quantity (kL)
Gasoline Engine Oils -Multi Grade	4,100.41
Gasoline Engine Oils-Mono Grade	1,085.26
Diesel Engine Oils-Multi Grade	7,024.12
Diesel Engine Oils	16,859.14
Four Stroke Motor Cycle Oils-Mono Grade	10,106.98
Two Stroke Oils	4,271.36
Automotive Gear Oils	2,361.66
Automatic Transmission Fluids	889.73
Other	108.45
<b>Total</b>	<b>46,807.11</b>

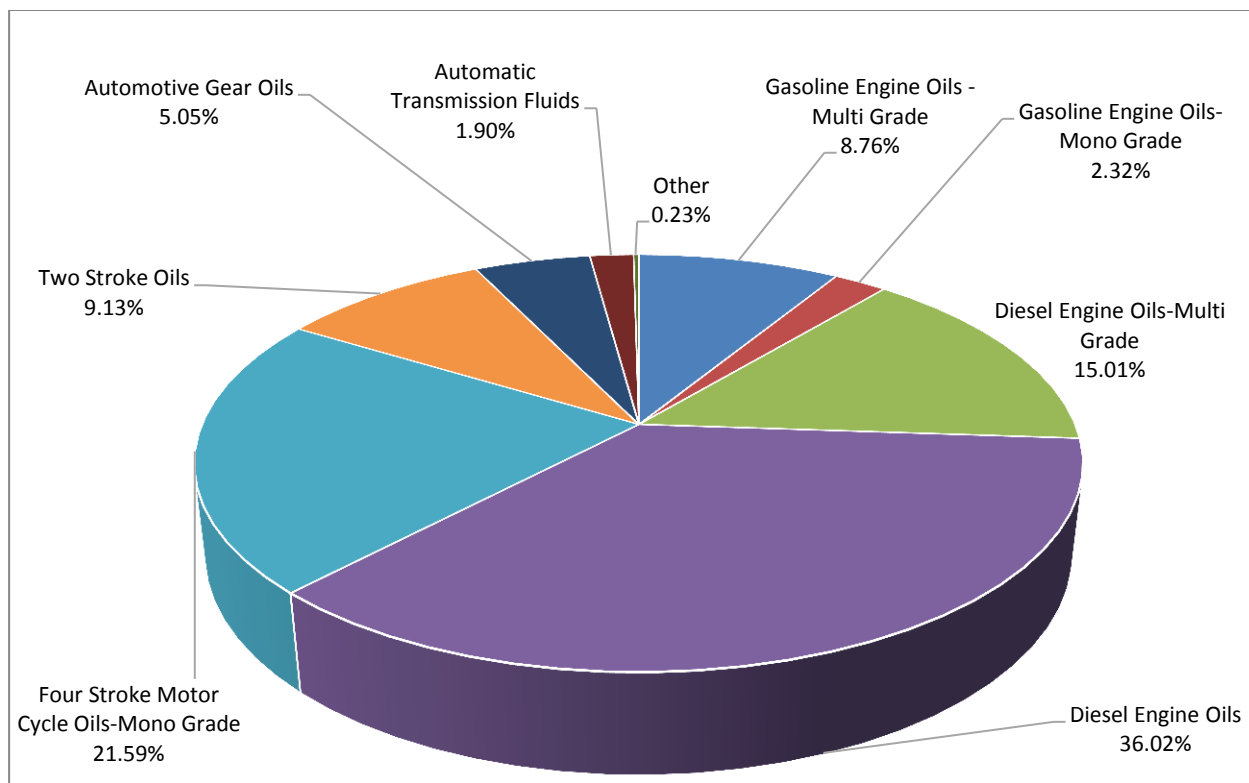


Figure 13 : Automotive Lubricant Sales (Quantity) Breakdown - 2017

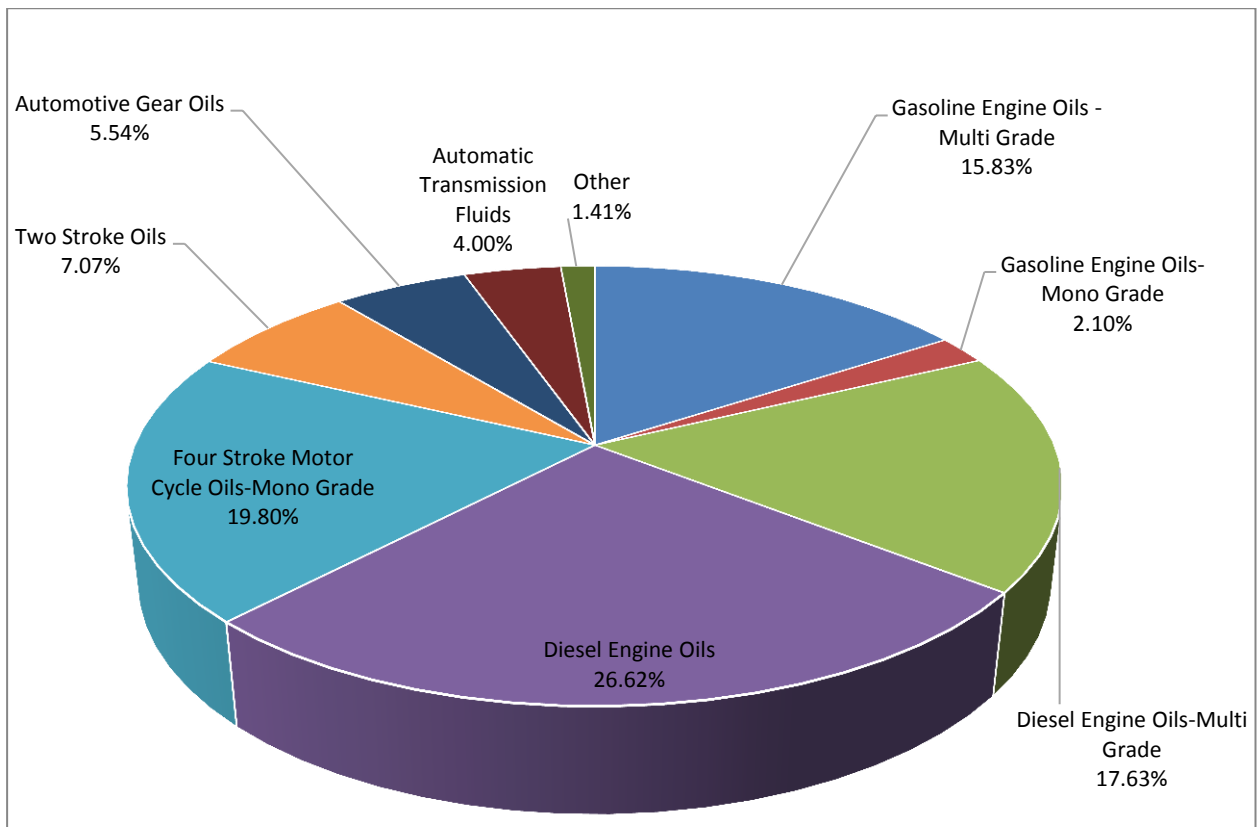


Figure 14 : Automotive Lubricant Sales (Revenue) Breakdown - 2017

## 6 Lubricant Sales (Synthetic)

Table 7: Lubricant Sales (Synthetic) Quantity - 2017

Lubricant (synthetic)	Amount (kL)
Automotive Oils	398.24
Industrial Oils	4.63
Marine Oils	66.26
Greases	0.71
Other	0.12
<b>Total</b>	<b>469.96</b>

Table 8 : Lubricant Sales (Synthetic) Quantity by Company - 2017

Company	Lubricant Sales (Synthetic) - kL
Chevron Ceylon Limited	195.00
ExxonMobil Asia Pacific Pte. Limited	142.55
BP Middle East LLC	52.52
Valvoline LLC	39.99
Motul	21.27
Shell Markets (Middle East) Limited	12.22
Laugfs Holdings Limited	3.39
Total Oil India Private Limited	3.02
<b>Total</b>	<b>469.96</b>

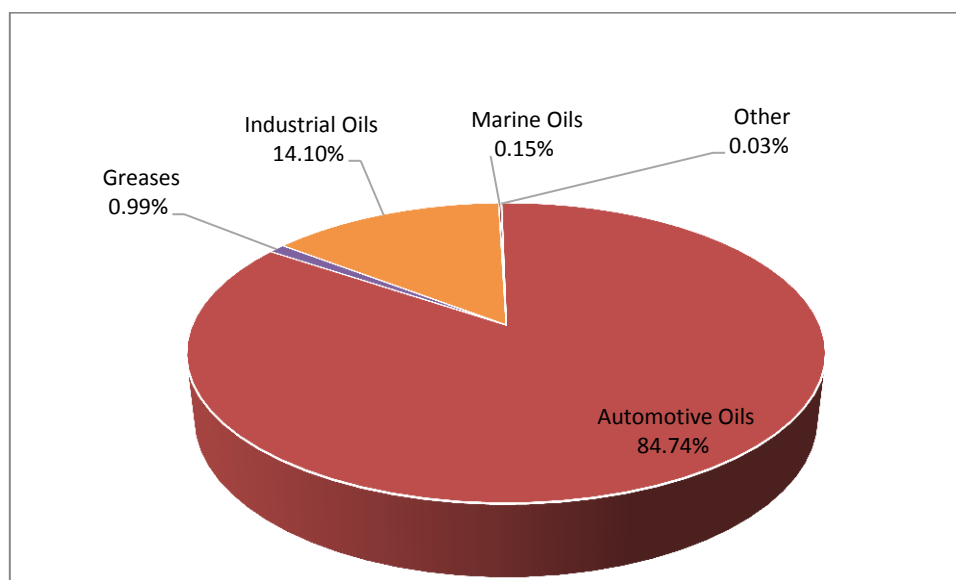


Figure 15: Synthetic Lubricant Sales Quantity by Type- 2017

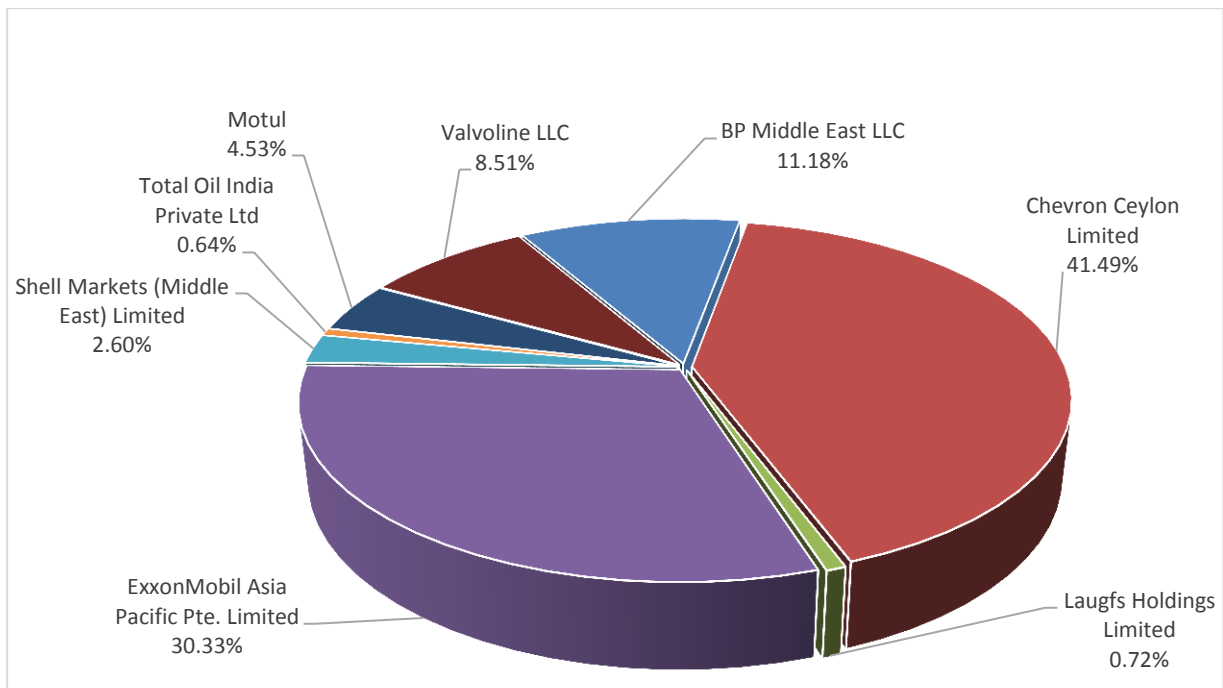


Figure 16 : Synthetic Lubricant Sales Quantity by Company- 2017

## 7 Imports

During the year 2017, a total of 24739.82 Kilo Liters of Lubricants were imported and its lubricant type wise breakdown is listed below.

Table 9 : Lubricant Imports Quantity - 2017

Lubricant	Amount (kL)
Automotive Oils	17118.39
Industrial Oils	2956.19
Marine Oils	1651.41
Greases	2554.27
Other	459.56
<b>Total</b>	<b>24739.82</b>

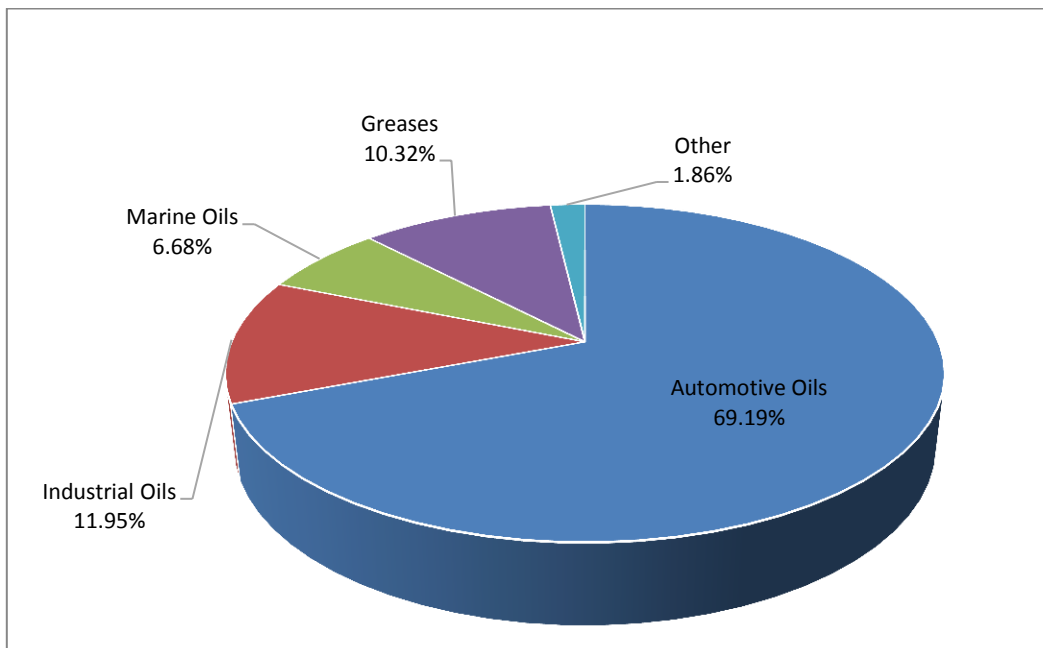


Figure 17 : Lubricant Imports Quantity by Type - 2017

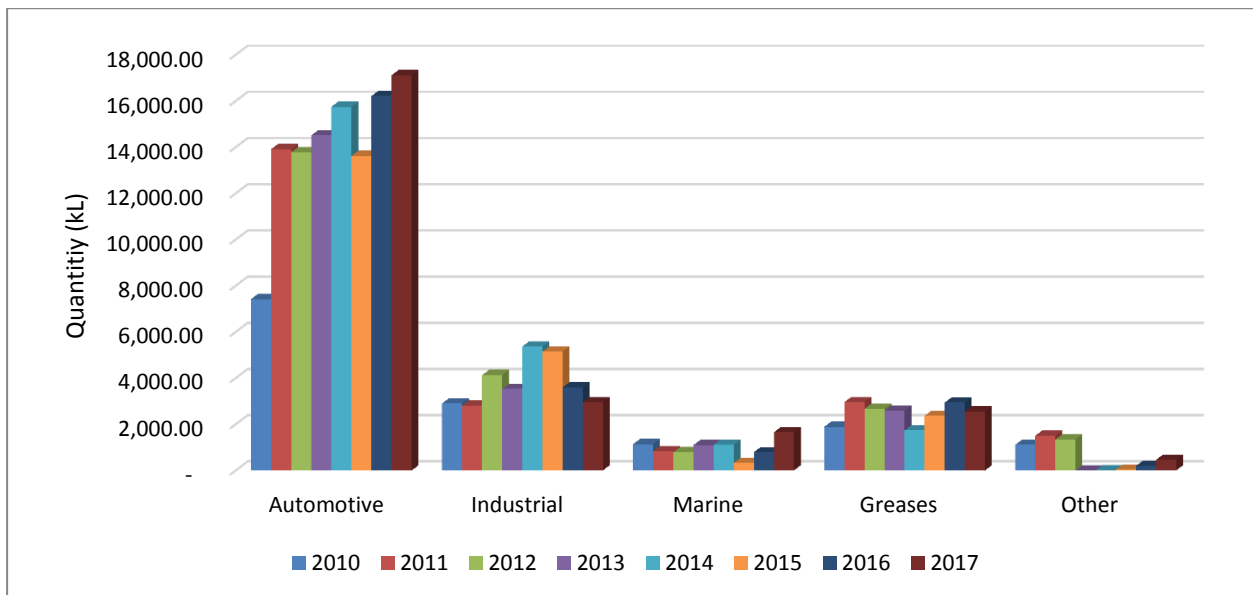


Figure 18: Lubricant Imports Quantity by Type - 2010 to 2017

Total imported quantities of base oil and additives are tabulated below

Table 10: Total base oil and additives - 2017

Company	Base Oils/kL	Additives/kL
Chevron Ceylon Limited	21,209.00	2,672.00
Indian Oil Corporation Limited	7,534.67	835.94
Laugfs Holdings Limited	4,237.00	442.97
<b>Total</b>	<b>32,980.67</b>	<b>3,950.91</b>

## 8 Exports

During the year 2017, a total of 4,569 Kilo Liters of Lubricants were exported to regional markets. This is 17 % growth with respect to year 2016. Lubricant type wise and company wise Export quantities are tabulated below.

Table 11: Lubricant Exports Quantity - 2017

Lubricant	Amount (kL)
Automotive Oils	2,925.86
Industrial Oils	425.63
Marine Oils	1,189.74
Greases	27.35
<b>Total</b>	<b>4,568.58</b>

Table 12 :Lubricant Exports Quantity by Company - 2017

Company	Amount (kL)
Chevron Ceylon Limited	3,776.00
Indian Oil Corporation Limited	509.08
Shell Markets (Middle East) Limited	248.74
ExxonMobil Asia Pacific Pte. Limited	34.76
<b>Total</b>	<b>4,568.58</b>

## 9 Production

During year 2017, 45,367 kL of lubricants was produced (blended) locally. 65 % of that blending was carried out at the lube blending plant of Chevron Lubricants Lanka PLC, 25 % was produced at lube blending plant belonging to Lanka IOC PLC and remaining 10 % was produced by Laugfs Lubricants Limited.

## 10 Lubricant Standards

The mandatory minimum quality standards for imported and blended lubricants and greases stipulated by the Government of Sri Lanka (GOSL), have been based on standards published by international organizations such as American Petroleum Institute (API), Japanese Automobile Standards Organization (JASO) etc. Recently, Sri Lanka Standards Institute (SLSI) has published Sri Lanka standards for Gasoline Engine Lubricating Oil, Diesel Engine Lubricating Oil, Automotive Gear Oil, Four Stroke Motorcycle and general-purpose Greases and these are used as the currently applicable minimum standards. Sri Lankan Standards may be obtained from SLSI. Currently applicable minimum standards are given below.

Table 13 : Lubricant Standards

Type of Lubricant	Minimum Standard	Equivalent International Standard	Other Standards Above Minimum Standard
Gasoline Engine Oil	SLS 1374/2009	API SJ	API SL, API SM
Diesel Engine Oil	SLS 1373/2009	API CF	API CF-2, API CG-4, API CH-4, API CL-4, API CJ-4
Two Stroke Engine Oil	SLS 1446/2012	JASO FC	JASO FD
Four Stroke Motorcycle Engine Oil	SLS 1409/2011	API SG and JASO MA	API SL and JASO MA , API SM and JASO MA, API SL and JASO MA
Automotive Gear Oil	SLS 1396/2010	API GL 4	API GL 5, API GL 6
Automatic Transmission Oil	DEXRON IID, DEXRON III MERCON, ALLISON C4, JASO M315 Type Group A	DEXRON IID, DEXRON III MERCON, ALLISON C4, JASO M315 Type Group A	OEM Recommended Oils
Grease	SLS 1424/2011	NLGI LA	NLGI LB, NLGI GA, NLGI GB NLGI GC

## 11 Government Revenue

The GOSL receives income from the authorized parties by way of a bi-annual fixed and in some cases a variable registration fee, which is equivalent to 2.5 million Rupees or 0.75 % of total invoiced sales for that period, whichever is higher. In 2017 the total recognized revenue to the Government is approximately LKR 205 million.



## 12 Market Analysis

Sri Lankan Lubricant market has shown a negative growth of 0.15 % in year 2017 compared to year 2016. During the year 2017, 64,485 kL of lubricants worth of 26.5 billion were sold which is 100 kL lesser than that of in year 2016. However, the Lubricant market achieved 11% growth in the year 2016 compared to the year 2015.

Automotive lubricant holds around 70 % of the lubricant market in Sri Lanka. As per the data from Department of Motor Traffic Sri Lanka, there were 451,653 new vehicles of all types registered in 2017, which was lower compared to 493,328 new registrations in 2016. In 2017, there was a significant drop in new car registrations (39,142 in 2017 against 45,172 in 2016), while the new motor cycle registration showed a slight growth at 344,380 (340,129 in 2016). These new addition to the vehicle fleet has caused to increase the total vehicle population in the country to 7,247,122 in year 2017 from 6,795,469 in year 2016. Nevertheless, automotive lubricant sales have increased only by around 200 kL (0.42 % growth compared with 2016). While, it can be assumed that new generation of vehicles would consume less lubricants, it is fair to assume growth of total vehicle population should contribute to some growth in the lubricant market. Therefore, it is possible that the lubricant gray market is partially responsible for the negative growth and this needs to be investigated.

Further, all other lubricant categories (Marine, Industrial and Greases) of lubricants haven't showed much significant growth of their sales quantities when it is compared with the corresponding sales in year 2016. Even though it was recorded 8.4% growth of industrial lubricant sales in year 2016, in year 2017, it dropped down to 8.16 %. As per figure 05, Sri Lanka has shown a gradual decline of industrial lubricant usage during the period of year 2010 to 2017. However marine lubricant market has shown a 21.72 % growth in 2017 compared to year 2016 while greases market has shown a negative growth of 5.89 % in year 2017 compared to year 2016.

Frequent changes happening in tax policies, introduction of high mileage lube oils as well as new generation vehicles and some other unobserved reasons like adulteration of lubricant have direct impact over these fluctuations in sales amounts in Sri Lankan Lubricant Market. However as per figure 01, still the positive market growth trend in lubricant industry can be predicted in years to come.