

## **Lubricant Market Monitoring Program: Inspection of retail outlets – January to August, 2023**

Presently, there are 26 parties authorized to import, export, blend, manufacture, distribute and sell lubricants under 37 brands. Out of the 26 parties, only 4 parties have been authorized to import raw materials and blend lubricants in Sri Lanka. The full list of authorized parties and brands can be viewed from [here](#).

The Sri Lanka Standards Institution (SLSI) has published Sri Lanka Standards (SLS) for Gasoline Engine Lubricating Oil, Diesel Engine Lubricating Oil, Automotive Gear Oil, Four Stroke Motorcycle, General-Purpose Greases, Two-Stroke Cycle Gasoline Engine Oil and Base Oils, as SLS 1374, SLS 1373, SLS 1396, SLS 1409, SLS 1424, SLS 1446 and SLS 1721 respectively. These SLS have been developed based on the latest international standards for lubricants and greases and are promulgated as currently applicable minimum standards in Sri Lanka. They can be obtained from the SLSI or extracts of same can be viewed [here](#).

The aforementioned parties are required to ensure compliance to the legal requirements including conformance of their products to the (minimum) SLS or higher, as per the agreements entered in to with the Government of Sri Lanka. However, it is evident that illegal and unsafe counterfeit and adulterated lubricants and greases are widely available in the market. The presence of these illegal products negates the existence of fair market conditions for such parties and deprives the rights of legitimate customers.

As part of the regulatory framework, the Public Utilities Commission of Sri Lanka (PUCSL) launched a Market Monitoring Program in January 2023 to ensure lubricant and grease products available in the market comply with mandatory requirements and do not endanger use of them in intended applications. This market monitoring program is coupled with awareness sessions for the staff of retail outlets to enhance their knowledge on product quality and applications.

With the Market Monitoring Program, the PUCSL intends to cover randomly selected sales outlets throughout the Island during the year 2023. Samples are drawn from products available in the market, especially from highly vulnerable bulk containers and to have them analyzed in manufacturer's laboratory and/or accredited independent laboratories to establish compliance with original batch specifications. The information gathered during the Market Monitoring Program will be used to eradicate un-authorized activities in the marketplace and also for legal prosecution, if required.

The progress of the said program up to end July 2023 is summarized below.

### Retail Outlet Inspection

Number of retail outlets planned to be inspected for 2023 : 368  
No of outlets investigated up to end July 2023 : 168

### Types of retail outlets inspected

Exclusive lube shops covered : 48  
Multi brand shops covered : 120  
Retail outlets having agreements with market participants : 89

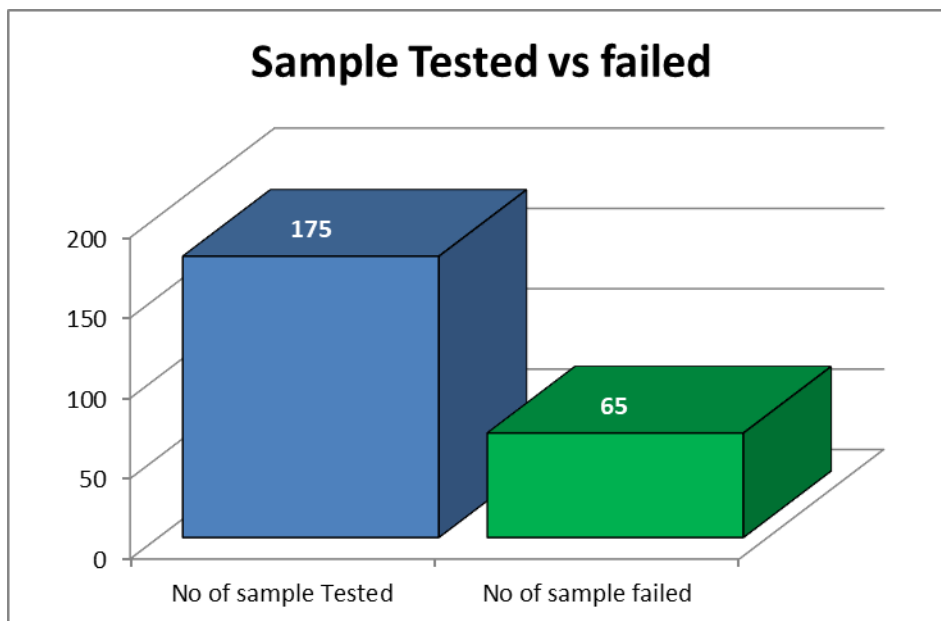
### Market Sample Collection

Planned Number of samples to be collected for 2023 : 400  
Number of samples collected (Majoring loose forms) : 197

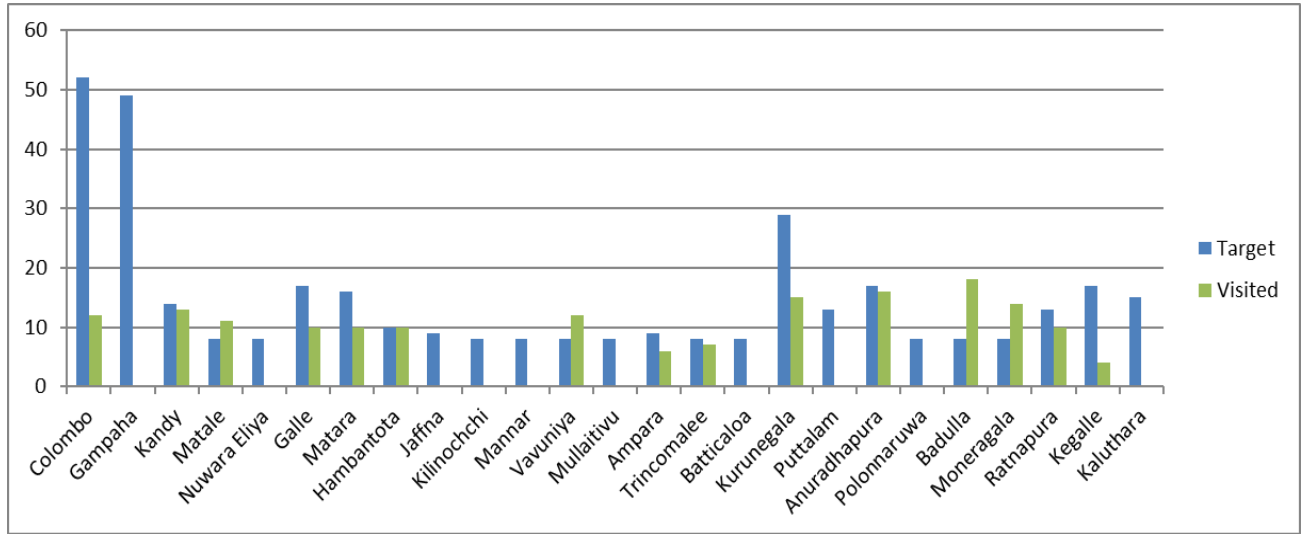
### Sample Testing

Sample Tested = 175  
Number of samples do not meet the specification = 65  
Percentage not conforming to the intended standards = 37.14%

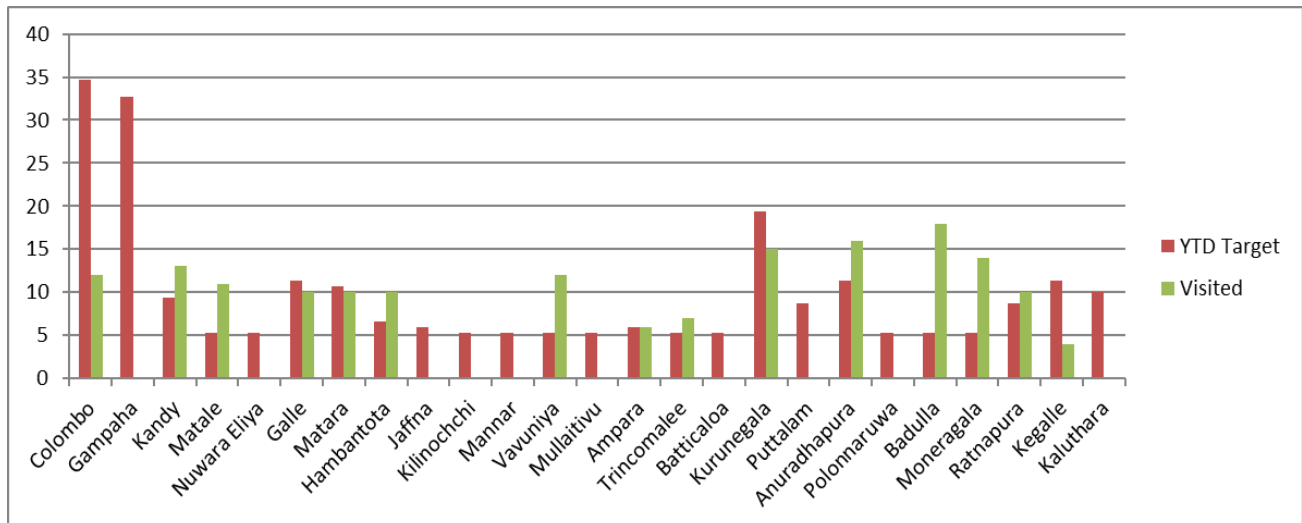
Overall, 37% of the analyzed samples do not meet the original specification of analyzed products.



### Planned inspections Vs Actual inspections



### YTD Performance



### Summary

	Jan-April	May-Aug	YTD
No of outlets investigated	97	71	168
Exclusive lube shops	38	10	48
Multi brand shops	59	61	120
having agreements with market participants	43	46	89
samples collected	100	97	197
Sample Tested	63	112	175
samples do not meet the specification	18	47	65
Percentage not conforming to the intended standards	28.57	41.96	37.14

### **General Observations:**

- I. Lack of awareness by sales staff (Applications, Quality etc.)
- II. Procure loose quantities from distributor/ suppliers (lower priced)
- III. Almost all the retail outlets visited sell fast moving products in loose form
- IV. Many retail outlets do not maintain proper records of products sold (batch no.s etc.)
- V. Availability of products which do not comply with SLS (Non-moving)
- VI. Most retail outlets do not follow FIFO inventory method
- VII. Poor house keeping
- VIII. Pricing irregularities (against quantity)

PUCSL will actively involve with designated authorities to curtail illegal activities in the market, carrying out raids of unauthorized, counterfeit and adulterated products and for legal prosecution against parties involved in such activities.