

Vietnam Lubricants Market Future Outlook and Projections

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The report titled “Vietnam Lubricants Market Outlook to 2023 - By Grade (Mineral, Semi-Synthetic and Synthetic Lubricants), By Application (Automotive and Industrial) By Type of Automotive and Industrial Lubricants, By End User of Automotive and Industrial Lubricants End User, and By Distribution Channel of Automotive and Industrial Lubricants” provides information on overview of the lubricants market in Vietnam, Vietnam lubricants market size by revenue and by sales volume, Vietnam lubricants market segmentation by grade (mineral, semi-synthetic and synthetic lubricants), by application (automotive and industrial) by type of automotive lubricant (heavy duty diesel engine oil, motorcycle oil, passenger car motor oil, hydraulic oil, gear oil and greases), by automotive end user (commercial vehicles, motorcycles, passenger cars and marine vessels), by automotive distribution channel (dealer and distributor network, OEM workshops and service stations and supermarket and online retail), by industrial type (hydraulic oil, metal cutting fluid, industrial gear oil, industrial grease, turbine oil, transformer oil, compressor oil and others), by industrial end user (manufacturing, steel projects, construction, power generation and others), by industrial distribution channel (direct sales and dealer and distributor network). The report also covers value chain analysis, competition landscape, trends and developments, issues and challenges, end user analysis and government regulations pertaining to lubricants market in Vietnam. The report concludes with future outlook of lubricants in Vietnam and certain recommendations highlighting the success factors for entering and expanding in the market.

Vietnam Lubricants Market Overview and Size

The lubricants market in Vietnam was witnessed to be growing at a steady rate both in terms of sales volume and revenue owing to rapid industrialization and growth in vehicle sales across the country. Importing majority of its base oil for blending lubricants, Vietnam market lacks refining capabilities, although there is significant presence of blending plants for lubricants. Mineral lubricants registered the highest popularity among all three grades of lubricants, courtesy their low retail price.

Vietnam Lubricants Market Segmentation

By Origin (Mineral, Semi-Synthetic and Synthetic Lubricants)

Mineral based lubricants dominated the market with a leading share in the overall lubricant sales in the year 2018. Higher grade lubricants which are Semi-Synthetic and Synthetic grew their popularity during the period 2013-2018 due to the growing awareness among end users and the growing demand for superior quality.

By Application (Automotive and Industrial)

Automotive lubricants had a greater presence in Vietnam, holding a leading share out of the sales volume in the year 2018. Motorcycles and commercial vehicles were the dominant category in the automotive lubricants segment, while Heavy Duty Diesel Engine Oil and Motorcycle Oil were the leading types. Distribution of automotive lubricants took place primarily through dealer and distributor networks of lubricant companies in the market. On the other hand, industrial lubricant growth was driven by the end users in the manufacturing and steel sector in Vietnam.

By Automotive Lubricant type (Heavy Duty Diesel Engine Oil, Motorcycle Oil, Passenger Car Motor Oil, Hydraulic Oil, Gear Oil and Greases)

Heavy Duty Diesel Engine Oil held a leading share in the automotive lubricant sales in Vietnam in the year 2018. High lubricant volume utilized in commercial vehicles and a high frequency of lubricant change ensured the dominance of Heavy Duty Diesel Engine Oil and a large circulation of motorcycles catapulted the share of motorcycle oil to the second highest in the market.

By Automotive End User (Commercial Vehicles, Motorcycles, Passenger Cars and Marine Vessels)

Commercial vehicles and Motorcycles led the market for the end users in the automotive lubricant segment. Passenger Cars held a low share due to the lower motorization rate in Vietnam and the high preference of motorcycles over cars as modes of passenger transport.

By Automotive Distribution Channel (Dealer and Distributor network, OEM Workshops and Service Stations and Supermarket and Online Retail)

Dealer and Distributor Network held the leading share in the distribution channels for automotive lubricant in Vietnam. The share of supermarkets and online retail is low due to the low trust level attributed and relatively new status of these modes of distribution.

By Industrial Type (Hydraulic Oil, Metal Cutting Fluid, Industrial Gear Oil, Industrial Grease, Turbine Oil, Transformer Oil, Compressor Oil and Others)

Hydraulic Oil segment lead the market of Industrial Lubricants in Vietnam in the year 2018. The segment earned a high share accruing to their indispensability in varied industrial uses and applications. In addition, Metal Cutting Fluid was the second largest type, with hydraulic oils.

By Industrial End User (Manufacturing, Steel Projects, Construction, Power Generation and Others)

Manufacturing industry which includes auto parts, paper, chemicals, food processing and electric appliances held the largest share out of the industrial lubricant sales in the year 2018 in Vietnam. In addition, Steel projects held the second largest share in end users of industrial lubricants in Vietnam.

By Industrial Distribution Channel (Direct Sales and Dealer and Distributor Network)

Direct Sales dominated the distribution channels of industrial lubricant in Vietnam in the year 2018. Preferring to sign long term contracts with lubricant providers, industrial players generally prefer the direct sales avenue to reduce margins and middlemen.

Competitive Landscape in Vietnam Lubricants Market

Competition stage in the Vietnam Lubricants Market was observed to be moderately concentrated in the year 2018. The market contains an amalgamation of foreign and local firms with foreign firms dominating the market, holding more than half of the share in the market as of 2018. The market is led by Castrol BP Petco, a joint venture of English petroleum giant BP and local company Petrolimex in terms of sales volume. Other major players of the market include PLC (Petrolimex Petrochemical Corporation), Shell, Total, Chevron and Mekong Lubricants. Competition driving factors in the market include lubricant price, distribution network and brand reputation.

Vietnam Lubricants Market Future Outlook and Projections

The lubricants market in Vietnam is expected to grow at a steady rate with Sales Volume of lubricants forecasted to grow at a healthy rate year on year over till the year 2023. Growth is expected to be driven by increasing automotive sales with passenger car sales and commercial vehicle sales expected to rise. However, the growth in sale of motorcycles is expected to stabilize accruing to the ban on motorcycles in Hanoi, projected to be implemented full till 2030. The forecast for Industrial Lubricant growth in Vietnam is positive, with inflow of steel projects, rise in manufacturing projects and increasing power generation abilities expected to elevate the share of industrial lubricants in the overall lubricant sales volume by 2023. Semi-Synthetic and Synthetic grades are expected to gain prominence and favor among the consumer segment of the market owing to demand for superior quality and increasing lubricant quality standard awareness among consumers. Their combined share is expected to rise by 2023.

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