

# **Saudi Arabia Automotive Lubricant Market, By Vehicle Type (Passenger Car, Commercial Vehicle, Two-Wheeler), By Demand Type (OEM, Aftermarket), By Lubricant Type (Engine Oil, Transmission Oil, Hydraulic Fluids, Greases, Others), By Region, Competition, Opportunities and Forecast, 2019-2029F**

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## **Abstracts**

The Saudi Arabia Automotive Lubricant Market was valued at USD 729 Million in 2023 and is expected to reach USD 1322.37 Million by 2029 with a CAGR of 10.54% during the forecast period. The Saudi Arabian automotive lubricant market is experiencing significant growth, driven by increasing vehicle ownership and rising demand for maintenance products. As one of the largest automotive markets in the Middle East, Saudi Arabia's lubricant industry benefits from the country's strong oil and gas sector, providing access to high-quality base oils. The market is dominated by both global brands and local manufacturers, with a growing focus on synthetic and semi-synthetic lubricants. Increasing vehicle fleet sizes, coupled with the expansion of automotive repair and service stations, is boosting lubricant consumption. Moreover, the shift towards electric vehicles (EVs) is gradually influencing lubricant demand, though internal combustion engine (ICE) vehicles still dominate. The market is expected to continue evolving, with innovations in energy-efficient lubricants and improved fuel economy. Regulatory pressures for cleaner, more sustainable products also shape the market's development.

### **Market Drivers**

Expansion of Automotive Service and Maintenance Network

The vehicle population in Saudi Arabia continues to grow, the automotive service and maintenance industry is expanding to meet the demand for oil changes, maintenance, and repairs. This expanding network of service centres, workshops, and fast lube stations has led to an uptick in lubricant consumption. The need for high-performance lubricants that improve engine efficiency and extend vehicle lifespans is driving the demand for advanced lubricants in the market.

### Technological Advancements in Lubricant

The introduction of high-performance, synthetic, and semi-synthetic lubricants is revolutionizing the Saudi Arabian automotive lubricant market. The shift towards technologically advanced lubricants designed for superior fuel efficiency, enhanced engine protection, and longer intervals between oil changes is becoming more prevalent. With improvements in viscosity, thermal stability, and oxidation resistance, modern lubricants are becoming increasingly important for consumers seeking optimized engine performance. Technological innovations, such as low SAPS (sulfated ash, phosphorus, and sulfur) lubricants, are contributing to the growth in demand as they offer better protection for modern engines and fuel efficiency. For Instance, in may 2023, Lumax Auto Technologies has introduced a new range of high-performance lubricants and coolants in the Indian market, aiming to meet the needs of modern vehicles across various segments. This strategic expansion leverages Lumax's expertise in automotive solutions, reinforcing its commitment to quality and innovation. The newly launched products are designed to enhance engine efficiency, reduce wear, and improve overall vehicle longevity. With this launch, Lumax strengthens its portfolio and positions itself as a key player in the automotive aftermarket.

### Regulatory Push for Environmental Sustainability

Increasing environmental regulations are another crucial driver of the automotive lubricant market in Saudi Arabia. The government is pushing for cleaner and more sustainable automotive technologies, which is spurring demand for lubricants that comply with stricter emission and sustainability standards. Additionally, the growing emphasis on reducing carbon footprints and improving fuel efficiency is contributing to the adoption of low-viscosity oils and eco-friendly lubricants, which are designed to meet both regulatory and consumer expectations for sustainability.

### Rising Popularity of Electric Vehicles (EVs)

While traditional internal combustion engine (ICE) vehicles still dominate the Saudi

Arabian market, the rise of electric vehicles (EVs) is gradually influencing the automotive lubricant landscape. Although EVs require fewer lubricants than ICE vehicles, they still require lubricants for parts like gearboxes, motors, and bearings. Additionally, as Saudi Arabia aims to increase the adoption of EVs, lubricant manufacturers are innovating to cater to the specific needs of electric vehicles, helping to secure future demand in this evolving market.

## Key Market Challenges

### Intense Competition in the Market

One of the most prominent challenges in the Saudi Arabian automotive lubricant market is the intense competition among domestic and international players. The market is dominated by several global and regional lubricant brands, such as Shell, ExxonMobil, and TotalEnergies, along with local players, which increases competition in terms of product quality, pricing, and marketing. For new entrants or smaller companies, this competitive pressure makes it difficult to differentiate their products and capture market share. Additionally, maintaining brand loyalty can be challenging as consumers often prioritize affordability and availability over brand preference, leading to price wars and shrinking profit margins.

### Technological Advancements and Innovation

Rapid technological advancements in the automotive sector, such as the increasing adoption of electric vehicles (EVs), pose a challenge for traditional automotive lubricant manufacturers. While EVs do not require conventional lubricants for the engine, they still require specialized lubricants for components like electric motors, gearboxes, and cooling systems. The demand for lubricants in this segment is still emerging, and the lack of widespread EV adoption in Saudi Arabia means that lubricant companies must adapt their product offerings to cater to this niche, investing in R&D and innovation. Additionally, keeping up with advances in lubricant technology, such as enhanced synthetic oils, friction-reducing additives, and oils that support hybrid and autonomous vehicles, can be resource-intensive and costly. For example in August 2023, Amsoil has unveiled three new lines of advanced synthetic lubricants designed for specific vehicle needs. The 100% Synthetic High-Mileage Motor Oil is formulated for vehicles with over 75,000 miles, offering enhanced detergency and seal conditioners to remove deposits and prevent oil breakdown for up to 12,000 miles. The 100% Synthetic Hybrid Motor Oil is tailored for HEV and PHEV vehicles, addressing issues like infrequent engine use and stop/start activity, and is available in 0W-16 and 0W-20 viscosities. Additionally, the

Extended-Life 100% Synthetic Motor Oil incorporates a proprietary blend of synthetic base oils and additives to resist sludge, corrosion, and carbon deposits, ensuring engine longevity and performance.

### Consumer Education and Awareness

The availability of high-performance lubricants, there remains a lack of consumer education about the benefits of using advanced and specialized automotive lubricants. Many consumers in Saudi Arabia continue to choose conventional lubricants based on price rather than performance benefits, which hinders the growth of premium product segments. Lubricant companies need to invest in educational campaigns and product awareness to encourage the adoption of higher-quality lubricants, which can protect vehicle engines more effectively and improve fuel efficiency.

The Saudi Arabian automotive lubricant market faces several challenges, including intense competition, fluctuating raw material prices, environmental regulations, changing consumer preferences, and technological advancements. Addressing these challenges requires a strategic approach that involves innovation, cost management, consumer education, and compliance with sustainability goals. By overcoming these obstacles, lubricant manufacturers can continue to thrive in this growing market.

### Key Market Trends

#### Shift Towards High-Performance and Synthetic Lubricants

A significant trend in the Saudi Arabian automotive lubricant market is the growing preference for high-performance and synthetic lubricants. Consumers and businesses alike are increasingly opting for lubricants that provide superior engine protection, enhanced fuel efficiency, and longer service intervals. Synthetic oils, due to their advanced formulation, offer benefits such as improved temperature stability and better protection under extreme conditions compared to conventional oils. As vehicle engines become more complex and performance-focused, demand for synthetic and semi-synthetic lubricants is expected to rise. This shift is also supported by automakers recommending the use of premium lubricants for newer vehicle models. For Instance, In April 2024, General Petroleum has launched a new line of high-quality automotive lubricants, crafted to deliver enhanced engine protection and optimal performance across a range of vehicles. This product expansion aligns with the company's mission to offer advanced, reliable solutions to meet evolving industry demands. With formulations that reduce friction and extend engine life, these lubricants cater to both

consumer and commercial automotive segments. General Petroleum's new offerings further reinforce its presence as a trusted partner in the automotive maintenance sector.

### Focus on Sustainability and Eco-friendly Lubricants

Sustainability has become a central focus in the automotive industry, and lubricant manufacturers in Saudi Arabia are responding by increasing their efforts to develop eco-friendly lubricants. With growing environmental awareness and stricter regulations regarding emissions and waste management, there is a rising demand for lubricants that are biodegradable, reduce harmful emissions, and offer better fuel economy. Companies are now focusing on producing lubricants that meet global environmental standards, such as low-SAPS (Sulphated Ash, Phosphorus, and Sulfur) oils, which reduce particulate emissions and improve the efficiency of diesel engines. As the demand for sustainable solutions grows, the development of green lubricants is expected to be a key trend in the coming years. For instance, Chevron, in collaboration with HPCL, has launched the Caltex lubricant brand in India, aiming to expand its footprint in the automotive and industrial sectors. The partnership focuses on strengthening its presence through strategic OEM alliances and offering premium lubricant solutions. With a focus on innovation and performance, Caltex aims to cater to the growing demand for high-quality lubricants in the region. This launch positions Chevron and HPCL for enhanced market leadership in the lubricants industry.

### Growing Aftermarket Lubricant Demand

As the automotive sector in Saudi Arabia continues to expand, the demand for aftermarket automotive products, including lubricants, is also on the rise. The aftermarket segment is driven by the increasing number of vehicles on the road, particularly as Saudi Arabia's middle class continues to grow and more individuals are purchasing personal vehicles. Additionally, as vehicle owners seek to extend the lifespan of their cars, they are turning to high-quality lubricants and fluids for maintenance and repairs. Lubricant manufacturers are tapping into this growing demand by expanding their product lines and ensuring that their offerings meet the specific needs of the aftermarket segment, such as lubricants for older vehicles or specific brands. For instance in October 2023, NanoMalaysia and Micratto Technologies have introduced a cutting-edge, graphene-enhanced automotive lubricant designed to optimize engine efficiency and performance. This advanced formulation leverages graphene's superior thermal and friction-reducing properties, promising extended engine life and improved fuel economy. Developed to meet the rigorous demands of modern vehicles, the lubricant represents a significant innovation in automotive

maintenance. The collaboration underscores both companies' commitment to driving sustainable, high-performance solutions in the automotive sector.

## Segmental Insights

### Vehicle Type Insight

The Saudi Arabia Automotive Lubricant Market is segmented based on vehicle type into passenger cars, commercial vehicles, and two-wheelers. Passenger cars represent a substantial portion of the market, driven by a growing number of vehicles on the road and the increasing focus on maintaining engine performance and longevity. The demand for high-quality lubricants in passenger cars is rising due to the adoption of advanced engine technologies and the need for improved fuel efficiency. Commercial vehicles also contribute significantly to the market, with lubricants being essential for maintaining the performance and operational efficiency of heavy-duty trucks, buses, and other commercial fleets. The focus on reducing maintenance costs and improving fuel economy drives the demand for specialized lubricants in this sector. Two-wheelers, while a smaller segment, continue to see consistent demand for lubricants, particularly as urbanization and the popularity of motorcycles and scooters for personal and commercial use rise. The increasing preference for fuel-efficient and high-performance lubricants, along with advancements in lubricant technology, supports the growth across all segments. Factors such as rising disposable incomes and changes in consumer behavior also influence lubricant demand across vehicle types.

## Region Insights

In 2023, Riyadh remains the dominant region in the Saudi Arabia Automotive Lubricant Market. The city's rapidly growing automotive sector, driven by its position as the political and economic hub of the country, contributes significantly to lubricant demand. With a high number of vehicles on the road and ongoing urban expansion, Riyadh is a key market for automotive lubricants, particularly for passenger cars and commercial vehicles. The city's robust infrastructure development and increasing number of automotive service centers further fuel the need for lubricants, as regular maintenance of both personal and commercial vehicles requires high-quality products.

The demand for lubricants in Riyadh is also influenced by the growing trend of vehicle ownership, especially in the passenger car segment. As consumers increasingly focus on enhancing engine performance and prolonging vehicle life, the need for premium lubricants is on the rise. In the commercial vehicle segment, which includes trucks,

buses, and logistics vehicles, the market for specialized lubricants remains strong. This is attributed to the increasing transportation and logistics activities in Riyadh, supported by the city's strategic location and its role as a major center for trade and business.

The trend toward higher disposable incomes in Riyadh, combined with rising consumer awareness of vehicle maintenance, continues to contribute to the expanding lubricant market in the region. With advancements in lubrication technology and a growing preference for environmentally friendly products, Riyadh's market is poised for sustained growth. The region's infrastructure developments and economic activities will further stimulate demand for automotive lubricants in the years to come.

### Key Market Players

Petromin Corporation

PETRONAS Lubricants International

BP p.l.c. (Castrol)

AMSOIL Inc.

TotalEnergies SE

Shell plc

Repsol S.A.

FUCHS SE

Eni S.p.A

Exxon Mobil Corporation

### Report Scope:

In this report, the Saudi Arabia Automotive Lubricant Market has been segmented into the following categories, in addition to the industry trends which have also been detailed below:

· Saudi Arabia Automotive Lubricant Market, By Vehicle Type:

Passenger Car

Commercial Vehicle

Two-Wheeler

· Saudi Arabia Automotive Lubricant Market, By Demand Type:

OEM

Aftermarket

· Saudi Arabia Automotive Lubricant Market, By Lubricant Type:

Engine Oil

Transmission Oil

Hydraulic Fluids

Greases

Others

· Saudi Arabia Automotive Lubricant Market, By Region:

Riyadh

Jeddah

Dammam

Mecca

## Rest of Saudi Arabia

### Competitive Landscape

Company Profiles: Detailed analysis of the major companies presents in the Saudi Arabia Automotive Lubricant Market.

### Available Customizations:

Saudi Arabia Automotive Lubricant Market report with the given market data, TechSci Research offers customizations according to a company's specific needs. The following customization options are available for the report:

### Company Information

Detailed analysis and profiling of additional market players (up to five).

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