

“We plan to set up three more plants in Indonesia, China and Singapore”

In the global market, Shell Lubricants has a market share of 13 per cent for finished lubricants in terms of volume, and delivers market-leading lubricants to consumers in over 100 countries. In an interview with ELIZA WAGHMARE, Shell Lubricants' Managing Director Nitin Prasad speaks on their plans for the international market.



Shell Lubricants is partnering with Tractors and Farm Equipments (TAFE), the flagship of Chennai-based Amalgamations' Group.

Report suggests that the Indian lubricants market is the fifth largest market in the world in terms of consumption volume after the US, China, Russia and Japan. How do you look at this market in India?

The market for lubricants is strong in India with rising opportunities. The industry is linked to various sectors such as coal, power, mining, construction, automotive, etc. Percentage-wise, in India, around 55 per cent of the lubricants are being consumed by the automobile sector, and the rest is being used by industrial and marine industry. At present, India has a reasonable gross domestic product (GDP) of 4.8 per cent. If the economy improves further with the required investments, then the entire lubricants industry is expected to witness a much positive growth in the coming years.

The company has plans to set up more plants in the international market. Please share more details on this?

With a 13 per cent market share, we have our business growing every year, which then leads to capacity addition. Our lubricants are manufactured at

base oil plants, blending plants and grease plants before being delivered to customers through distribution facilities worldwide. Shell manufactures and sells more than 3,000 different types of lubricants to meet the demands of the customers. Shell's products are marketed in more than 120 countries.

In India, we already have a lube oil blending plant at Taloja near Mumbai. It is rated as one of the best in Asia. We also have our presence globally, and with a focus to extend our presence even further, we plan to set up three more plants – Indonesia, China and Singapore. These plants are expected to be operational in the next 2-3 years.

The Royal Dutch Shell PLC (RDSA) has already begun the construction of \$200 million lubricant plant in Indonesia. It will be built on 75,000 sq m of land, and will produce a range of high-quality transport, industrial and marine lubricants. The plant is expected to have a capacity of 120,000 tonne per year, making it the largest lubricant blending plant in the country.

Apart from this, we are also expanding and upgrading our lubricant blending plant site at Zhapu, Zhejiang province,

China. With a doubled capacity of 400 million litre per annum (mlpa), it will be one of the largest plants in Shell's China network. In fact, it is the first lubricant plant in Shell China where in-line blending technology has been incorporated into the plant design. This is a simultaneous blending technology with automated control systems, which then facilitates fast and accurate blending of larger volumes of lubricants.

The work has also commenced on our new lube oil blending plant (LOBP) and grease manufacturing plant (GMP) at Tuas in southwest Singapore. These plants are expected to have an increased capacity of approximately 40 per cent, and will produce Shell's major brands like Shell Helix, Shell Advance, Shell Rimula, Shell Tellus, Shell Spirax and Shell Omala.

How much is the company's spending on research and development (R&D)?

Globally, we spend around \$1.3 million annually on R&D. Our R&D centres in North America, Japan, Germany and the United Kingdom has more than 200 Shell scientists and engineers dedicated to R&D.

We also have more than 350 lubrication specialists working on this field.

Brief us on your recently completed technical centre in Bangalore?

We have three technical centres in the world and one among them is in Bangalore. This technical centre not only focuses on the lubricants segment, but also focuses on upstream exploration and production activities as well as downstream chemical, gas and refinery operations. We have people working on deeper water technology, water conversation, CO₂, LNG projects, etc. The centre seeks to deliver advanced technical studies, projects and services for Shell around the world as well as support Shell's interests in India.

In future, we do have plans to expand this facility and add more capabilities. In another 2-3 years, the expansion plan is expected to be operational. We will also be building a new facility, which will be closer to the Bangalore airport. The work has already been started on this.

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