Lubes AFRICA

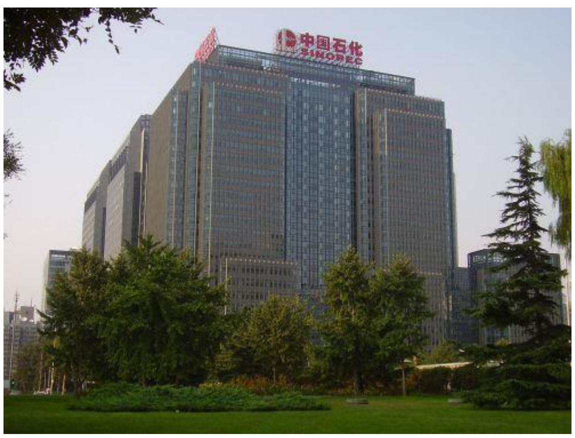
Newsletter

Sinopec moves closer to winning Chevron's South Africa assets

At stake is an oil refinery in Cape Town, a lubricants plant in Durban and 820 petrol stations and other oil storage facilities

by Lubezine · February 1, 2018

China's Sinopec Corp just recently inched closer to victory over Glencore in their battle for Chevron's South Africa and Botswana assets, saying the South African government favored its bid.



Sinopec offices

South Africa's Competition Commission recommended the roughly $900 million transaction with Sinopec be approved with certain conditions, Asia's largest refiner said in a statement. South Africa's government later announced that it had reached an agreement with Sinopec on public interest issues and that the transaction was pending final approval. However, Sinopec could still lose out.

"Implementation of the transaction is conditional on approval by the competition authorities of South Africa and will be concluded unless the minority shareholders in Chevron South Africa successfully implement their right of first refusal," Sinopec's statement said.

In October, the minority shareholders in Chevron's South African subsidiary exercised pre-emption rights following delays to the Sinopec deal and brought in Glencore, which placed a $937 million bid. At stake is a 75 percent share in Chevron's South African subsidiary that runs a 100,000-barrels-per-day oil refinery in Cape Town, a lubricants plant in Durban and 820 petrol stations and other oil storage facilities. The sale also includes 220 convenience stores across South Africa and Botswana.

A Glencore spokesman said there was "no change to the position of Glencore or Off the Shelf Investments Fifty-six (OTS, the minority shareholders) relating to the proposed acquisition… Considerable progress is being made in satisfying OTS' conditions to complete the transaction."A final decision from South Africa's Competition Tribunal is expected in March or April, a Beijing-based source with direct knowledge of the matter said.

"Sinopec was thrown into confusion after local shareholders exercised pre-emptive rights … but then the company was advised by the government to proceed with regulatory procedures," the source said.

Sinopec has given additional commitments to the government, including investments over five years post-acquisitions to upgrade the Cape Town refinery into a world-class plant. The Chinese firm also pledged to develop the fuel marketing business by launching small and black-owned businesses as fuel retailers. Sinopec said it would establish a development fund targeted at small and black-owned businesses, thus increasing local procurement of goods and services.

Glencore's bid was aimed at securing the trader its first refining asset since it ventured into downstream investments. The remaining 25 percent stake will stay with a consortium of black economic empowerment shareholders and an employee trust.

Winning the deal would mark a second major refinery investment for Sinopec as the state oil major looks to expand overseas amid a saturated domestic market. Sinopec owns a stake in the Yanbu refinery in Saudi Arabia controlled by Saudi Aramco.

Fuchs Lubricants South Africa creates specialty lubricants division

by Lubezine · February 1, 2018

The Lubritech division is meant to shift more focus on specialty lubricants as reported by MD, Fuchs Lubricants SA.

Fuchs Lubricants South Africa has established a Lubritech Division effective January 2018. This follows an announcement made by the lubricants manufacturer late last year. Fuchs Lubritech GmBH is part of Fuchs Petrolub SE, the world's largest independent lubricant manufacturer, with more than 500 employees worldwide. Based in Kaiserslautern, Germany, Fuchs Lubritech operates flexibly and independently of its parent, with a specialized product range.

With the integration of the Lubritene and Lubrasa business in South Africa and Australia into Fuchs Lubricants South Africa in 2014, the company has determined that now is the opportune time to start a specialty lubricants division.

The Lubritene product range complemented the lubricants portfolio of Fuchs' mining business. The Lubrasa activities extended the Fuchs product portfolio for food-grade applications in Southern Africa. These acquired businesses brought initial sales growth and now offers numerous prospects for further expansion in South Africa and the entire Southern African region, the company said.

"Combining these advantages with the longtime specialty business of Ceplattyn Open Gear Lubricants and Cassida Food Grade Lubricants, we will maintain a strong market position in the Southern African region. At the same time, we have a formidable team in place to increase our market share substantially and to set up new market sectors," says Bernhard Biehl, CEO of Fuchs Lubritech Group.

Inside-a-Fuchs-Lubricants-laboratory

"Fuchs Lubricants South Africa has been purchasing products from Fuchs Lubritech for some time now but with the formation of a Lubritech Division within the company it means that we will focus much more on specialty lubricants," says Paul Deppe, managing director of Fuchs Lubricants South Africa.

"The creation of the Lubritech Division shows our intent to further grow our mining and food lubricants business as well as develop new markets for Fuchs Lubritech products, for example, cement, wind, glass and sugar. We have a skilled team of sales, and product specialists ready to support our customers."

The new Lubritech Division in Southern Africa represents the next milestone in the course of the global development of special application lubricants within the Fuchs Group.

SPECIAL EVENT

CLICK FOR [More info](#) in PDF

[Shell ready to run with new ‘Fitbit for your car’ monitor](#)

by [Lubezine](#) · February 1, 2018

The Fitcar product monitors the car’s functionalities in real time enabling the driver to keep track of any problems arising from the engine, lubrication among other functionalities.

Royal Dutch Shell aims to install Fitbit-type monitors in a million cars this year as part of an expansion of its consumer-facing oil products business. The Anglo-Dutch group has tested its Fitcar product in about 3,000 vehicles in the United States, offering a transport equivalent to wearable health devices.

The monitor transmits data from the car to apps on owners’ phones to alert them to emerging problems with engines, for example. In America, the devices have prompted drivers to visit Shell’s network of more than 2,000 service stations for an oil change or maintenance.

Shell is Europe’s biggest Oil and Gas Company, generating profits of $3.7 billion in the third quarter from a business spanning exploratory drilling to fuel retailing. Ben van Beurden, its chief executive, said in November last year that the company was increasing investment in its oil products business “to add materiality to this very differentiated and high-returns part of our portfolio, particularly in marketing.”

This includes its lubricants business, which makes 2,500 oil products and has an 11 per cent market share around the world.

“One in nine machines, whether a car or bus or industry, is protected by Shell lubricants,” Huibert Vigeveno, executive vice-president of its global commercial division, which comprises lubricants, aviation fuels and marketing, said, adding that he saw strong growth potential for the group’s premium engine lubricants products, which promise to help to improve vehicle efficiency.

The Fitcar offering is one way that Shell aims to expand its market share, initially through its Jiffy Lube service station subsidiary in the US. If successful, it could roll the product out to other markets, including Britain. The technology works employing a device costing between $50 and $100 that plugs into the car’s diagnostics port, usually located below the dashboard. This transmits data to an app. Shell said that it could help to save customers money by identifying problems before the car breaks down.

"The proposition is you can have an app and you'll be able to see what's going on, how many kilometres you are driving, how much fuel you are using, how your lubrication is going", added Vigeveno. He suggested that there was particular appetite for such products among younger drivers, who were "not as closely affiliated with their cars as maybe the generation before."

Hallmark Oil to market Chevron Lubricants' top brand

by Lubezine · February 1, 2018

Hallmark Oil Limited, one of Ghana's leading lubricant suppliers, has clinched a deal to market Chevron Lubricants' globally-recognized Texaco brand. Texaco, one of Chevron Lubricants master brands, is synonymous with advanced technology and includes a comprehensive range of engine oils for cars, under the Havoline brand as well as heavy-duty diesel engine oils for trucks, via the Delo suite of products.

With over one hundred years of experience in other regions around the world, Chevron's automotive and industrial lubricant ranges under the Texaco Havoline and Delo brands, include gear oils, greases, hydraulic fluids and gas engine oils, paper machine oils and turbine oils.

Speaking on the partnership, Chief Executive Officer of Hallmark Oil Limited, Nelson Agyei, noted the market in Ghana is an extremely competitive one, hence the need to remain competitive. "We believe our ability to offer premium lubricant products utilizing a global brand such as Texaco will be of significant interest to our customers, allowing us to sustain and grow new business, with an outstanding product portfolio," he said.

Postal Address:

P O Box 25073-0603
Nairobi

Physical Address:

Aquatec building
Lunga lunga Road
Nairobi

Telephone:
+254 20 2011588
+254 20 2345462
+254 722 803504
+254 722 589156

Email: info@lubesafrica.com