NEWS RELEASE

For Immediate Release

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US Demand for Lubricant Additives to Approach $3.9 Billion in 2017

United States demand for lubricant additives is forecast to increase 4.3 percent annually to nearly $3.9 billion in 2017. A recovery in volume demand combined with a continued shift toward new, high performance (and more expensive) additive products will support growth in market value. Key drivers for change will be the industry's response to OEM performance requirements, fuel efficiency concerns, and emissions regulations. These and other trends are presented in ***Lubricant Additives,*** a new study from **The Freedonia Group, Inc.**, a Cleveland-based industry market research firm.

Increases in volume demand will be stronger for additives used in industrial lubricants. Though smaller in volume than the automotive lubricant market, industrial lubricants will exhibit stronger growth in both lubricant production and additive concentrations. Gear oils, greases, hydraulic fluids, and general oils will exhibit the most rapidly rising additive treat rates in order to meet heightening performance demands, with antiwear and extreme pressure additives experiencing the fastest growth in these markets.

Demand for additives in automotive applications will also rise, though advances will be restrained due to weak growth in vehicle miles traveled, lengthening service intervals, and little room to further increase additive concentrations. This will have the greatest impact on deposit control additives -- dispersants and detergents -- which are a major component of engine oils and account for the largest share of total lubricant additive demand. As a result, deposit control additives will grow at a below average rate, despite benefiting from strict requirements for engine cleanliness. Additives such as friction modifiers and antioxidants will see the fastest growth overall.

Environmental concerns will continue to play a major role in lubricant formulation and use. Reduction in use of elements such as chlorine, phosphorus, sulfur, and metals has proceeded at a rapid pace over the past decade, particularly in automotive lubricants. Although there is no immediate regulatory push for further reduction in use of these chemicals in automotive lubricants, end users in all markets will increasingly demand lubricants perceived to be less harmful to equipment, worker health, and the environment. Use of more environmentally friendly fuels, including renewable fuels, in both automotive and industrial engines will also drive changes in lubricant formulation and additive demand -- with varied effects. While the expansion of biodiesel in the motor vehicle fuel pool will require additives in diesel engine oils to provide better oxidation and corrosion protection, widening restrictions on sulfur in marine fuel oil may reduce the need for detergents in marine engine lubricants.

US LUBRICANT ADDITIVE DEMAND
(million dollars)

Item	2007	2012	2017	% Annual Growth 2007-2012	% Annual Growth 2012-2017
Lubricant Additive Demand	2525	3125	3860	4.4	4.3
Automotive	1600	1995	2395	4.5	3.7
Industrial	925	1130	1465	4.1	5.3

Lubricant Additives (published 04/2013, 212 pages) is available for $4900 from The Freedonia Group, Inc., 767 Beta Drive, Cleveland, OH 44143-2326. For further details, please contact Corinne Gangloff by phone 440.684.9600, fax 440.646.0484 or e-mail **pr@freedoniagroup.com**. Information may also be obtained through **www.freedoniagroup.com.**

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