Two exhibitions, one clear message for the lubricant industry

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Two international lubricant trade exhibitions held 8,000 kilometres apart, within 3 months of each other, had delivered a remarkably consistent message by Q4 2025. Inter Lubric in Shanghai and Lubricant Expo in Düsseldorf both pointed to the same underlying shift; lubricant demand is re-aligning geographically, and the industry's response is increasingly collaborative rather than vertically isolated.

What stood out was not any single technology or product launch, it was the clear alignment of behaviours across the value chain. To examine how these dynamics are unfolding, researchers from The Strategy Works conducted structured interviews with exhibitors across both events, assessing commercial priorities and mapping the themes that are beginning to converge.

Global demand pivots from West to East

The global lubricants market is shifting structurally, with China, India, and Southeast Asia becoming the dominant drivers of volume and growth. Meanwhile, Western demand is being reshaped by Gen Z's waning interest in costly car ownership - now less tied to identity or independence - as expanding urban transit networks, stronger environmental awareness, and the rapid rise of mobility-as-a-service models influence behaviours.

In contrast, in many Asian markets, first time ownership amongst under 30s continues to grow, driven by income growth, expanding middle classes, and the persistent social values attached to private mobility. That demographic divergence is already shaping demand patterns.

Trade flows mirror the shift: Chinese customs data shows sustained automotive-additive exports into regional hubs such as Singapore, South Korea, and the UAE, which together absorbed more than half of China's outbound volumes in the ten months to October 2025. The commercial footprint is widening too. Ten Chinese exhibitors from Shanghai secured booths in Düsseldorf, twice the 2024 count, with companies such as Jiangsu Aorun Advanced Materials and DowPol Chemical International reporting that exports now account for 70% of their sales.

Regulation is reshaping supply chains

Lubricant demand follows this trajectory with a deliberate reorientation towards fast growing markets with stable growth and fewer regulatory bottlenecks. Markets such as Indonesia and Vietnam remain fundamentally ICE-dominated, whereas Thailand's more developed automotive base continues to generate demand through ongoing fleet renewal and rising specification standards.

Europe remains strategically important, but exhibitors were clear that compliance now comes at a price. The result is a push-pull dynamic. Europe retains its role as a technology reference point, while emerging markets increasingly anchor volume growth. Companies pursuing global footprints are therefore balancing innovation, sustainability, and compliance with greater precision, making selective regional choices.

This recalibration was visible across both exhibitions, not in headline announcements, but in the way booths were staffed, partnerships evident, and future pipelines discussed.

Futureproofing – evident across two-time horizons

Innovation was a dominant theme at both events, but it presented itself in two distinct time horizons. In the short term, futureproofing is tactical. Formulation adjustments, carbon-footprint reductions, and compatibility with tightening specifications are designed to preserve relevance through the next regulatory cycle. These initiatives extend the life of existing product categories rather than redefine them.

Exhibitors emphasised formulation adaptation to meet the next specification cycle. That includes low ash and low phosphorus chemistries for aftertreatment compatibility, dispersant systems for extended drains, and friction modifiers that enable lower viscosity grades without sacrificing wear protection. In Shanghai, Shenyang Ninesen highlighted low sulphurised TBN400 magnesium salts aimed at reducing particulate emissions while meeting China VI and Euro VI requirements, a practical response to immediate regulatory pressure.

Afton's new hydrogen engine additives, showcased in Dusseldorf, are positioned on the trend-line of hydrogen adoption. These additives represent a necessary step toward compatibility with emerging fuel types, unlocking the potential of Hydrogen ICE engines.

Longer-term strategies, by contrast, reflect a more fundamental reassessment of the role lubricants will play in a decarbonising transport system. Here, the focus shifts away from incremental compliance toward materials science, alternative feedstocks, and friction reduction at the system level. These investments are higher risk, slower to commercialise, and less easily framed within existing standards, but they signal where parts of the industry believe future value will reside.

A smaller but vocal cohort at both trade shows demonstrated investment in materials science and alternative feedstocks that could redefine lubricant value. Graphene XT SRL's work on graphene based lubricants and BELLINI SPA's and Goncord Oil's development of plant based synthetic esters point to a future where friction reduction, thermal stability and lifecycle carbon become primary differentiators. These technologies are higher risk and slower to commercialise, but they signal where parts of the industry expect margins and relevance to migrate.

Sustainability narrative shifts from marketing rhetoric to feedstock reality

Across both exhibitions, sustainability was most convincing where it was framed as an engineering or supply-chain constraint rather than a branding exercise.

Oil recycling provides a clear example. Re-refining used oils into high-quality base stocks is no longer positioned solely as an environmental benefit, but as a route to feedstock security, emissions reduction, and regulatory resilience. The economics are increasingly compelling where a confluence exists of scale, process efficiency, and integration with downstream blending.

The circular economy in action was evident in Düsseldorf. Avista Oil Deutschland and Thermopac Process Engineering in Dusseldorf showcased turnkey re-refining solutions that convert used oil into high quality base oils. Exhibitors argued that re-refining becomes commercially compelling where process efficiency and integration reduce reliance on virgin feedstocks and stabilise supply.

Similarly, interest in EV-related fluids was less about volume growth and more about technical complexity. Thermal management fluids, dielectric lubricants, and specialty greases introduce new performance criteria around material compatibility, heat transfer, and electrical insulation. While still niche in volume terms, these applications demand higher margins and deeper technical engagement.

Low carbon base stocks, plant based esters and advanced synthetics were prominent. Goncord Oil, with significant synthetic ester capacity and partnerships with PetroChina, BASF and Dow, and BELLINI SPA are positioning renewable feedstocks as a credible performance option with a lower lifecycle carbon footprint. These approaches are not yet universal, but they are moving from lab curiosity to commercial pilot.

Supply chain partnerships

Emerging intermediaries are also stepping into the supply chain. RT Chem B.V. (Netherlands) is positioning itself as a facilitator between Chinese manufacturers and European customers, focusing on lubricant additives, base oils, and logistics - effectively packaging supply, compliance navigation, and delivery into a single proposition.

In a European example of localisation aimed at the Asian market, German motor oils and additives manufacturer Liqui Moly announced in September 2025 the opening of a new production facility in Thailand - its first outside Germany. By blending locally, the company will cut delivery times, lower costs, and build a more agile supply chain, less vulnerable to disruption.

From its Thai base, Liqui Moly also plans to serve Australia, reducing its carbon footprint by avoiding long ocean shipments from Germany and reinforcing sustainability as part of its growth strategy.

Recalibration reshapes the landscape

From Shanghai and Düsseldorf, the message was unmistakable: the lubricants industry is actively reorganising itself around new centres of gravity, new technical demands, and new forms of partnership.

The shift in demand from West to East is no longer a forecast but a commercial reality, reinforced by trade flows, exhibitor behaviour, and the strategic choices companies are now making about where to innovate and where to scale.

What these exhibitions ultimately revealed is an industry that is neither retreating nor waiting for clarity. It is adapting in layers, tactically through formulation evolution, structurally through supply-chain redesign, and strategically through long-term horizon plays on materials science and renewable feedstocks. Sustainability, once a marketing veneer, is now embedded in engineering decisions, feedstock strategies, and nearshoring (which rose to prominence post Covid) will continue to gather pace, fuelled by external geo-political factors.

Perhaps the most striking reminder of this resilience comes from the very market many assumed would contract fastest. The automotive additives segment now exceeding 4 million tonnes, continues to confound expectations by holding firm on ICE, underscoring a broader truth running through both exhibitions: the transition will be uneven, at different speeds and far more geographically differentiated than early narratives suggested.

In that sense, the two shows did more than showcase products. They captured an industry in motion, pragmatic, globally rebalanced, and increasingly confident that its future will be shaped not by a single technology pathway, but by its ability to innovate across multiple pathways.

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