



June 2021

Message from the President



Dear readers,

Over the last decades, value chains have become more complex as companies have expanded their business globally, with the value of intermediates traded globally tripling since 2000. The lubricant industry was no exception to this globalisation trend. As supply chains became more complex, businesses focused on minimization of inventory levels, just-in-time deliveries, and short lead times. Cost efficiency was prioritized over business resilience.

The impact of the COVID pandemic is the most striking evidence of the vulnerabilities of this model. Still, over the last decade our industry had to deal with numerous other supply challenges, with hurricanes and storms disrupting some of the largest US refineries, leading to global shortages of base oils and price surges.

The current base oil and additive availability issues are indeed the combined result of the impact of the COVID pandemic – collateral damage of refineries running at low throughput in response to plunging fuel demand – and exceptional weather events in the US.

The effect on the supply chain of other disruptors such as trade disputes or political events – albeit predictable – should also be factored in, as the impact of political instability on trade has increased over the past decades. Many analysts expect more trade disputes, higher tariffs, and broader geopolitical

uncertainty in the near future.

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Valentina Serra-Holm

President

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Technical and Competition Committees

The Technical and Competition Committees' latest meeting was held on the 26th of May, during which members discussed the ongoing work on the legal cases currently open. A key milestone is the recent publication of an [OEM Bulletin](#) on the Skoda case.

On the advocacy side, the Committees have continued liaising with the European institutions regarding the evaluation of the Motor Vehicle Block Exemption Regulation (MVBBER) and the adoption of the draft Delegated Regulation amending Annex X of Regulation 2018/858 (on approval and market surveillance of motor vehicles and their trailers).

The [evaluation report](#) on the MVBBER was published by the European Commission on the 28th of May and is under assessment by the UEIL Committees. The next step is for the Commission to decide whether to let the current MVBBER regime lapse by the 31st of May 2023, renew it, or revise it.

[Read more](#)

Sustainability Committee

June was a busy month for the UEIL Sustainability Committee. The Committee published an interesting piece on "What Does Sustainability Mean to the European Lubricants Industry?" in the latest edition of [Lube Magazine](#). It also closed on the 18th of June the first UEIL Sustainability Survey, with 189 participants! Stay tuned for the results in our next newsletter.

[Read more](#)

Health, Safety & Environment Committee

The latest meeting of the HSE Committee took place at the end of May. While it was organised online, some members hope to meet again in person as of September. During the meeting, members were introduced to a new issue tracker: a tool to keep track of all important health, safety & environment issues of relevance for UEIL, and monitor the latest developments. This tool is designed to be a living document and members are therefore invited to suggest new topics to be added to the tracker on an ongoing basis. Other interested parties are also invited to suggest new action items for the HSE Committee.

The HSE Committee decided to intensify its efforts to establish contacts with the EU and national authorities and make them more aware of the importance of lubricants for the economy and EU sustainability objectives. Without lubricants, the EU's green ambitions cannot be achieved.

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Taxation Task Force

The European Commission is currently reviewing the Energy Taxation Directive which was withdrawn by the European Commission in 2015 and will publish a revised Energy Taxation Directive, most likely later this month.

Related to UEIL's objective to prevent the inclusion of lubes under EMCS, certain EU Member States are concerned about increased fraud with lubes across Europe and are once again increasing the pressure to include lubes under EMCS. UEIL will continue its outreach to EU Member States in the coming weeks to express its concern and will discuss with the European Commission the option of a definition of 'light lubes' that might be included under EMCS in the near future.

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GEIR Update

Since March, the work of the European Union has been progressing on different pieces of legislation of relevance to the re-refining industry.

The European Commission has recently put forward two Inception Impact Assessments, also called roadmaps, aiming to revise the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and the Classification, Labelling and Packaging (CLP) regulations. As envisaged in the EU Chemicals Strategy for Sustainability, the revision of these pieces of legislation would serve as a first legislative step towards a more sustainable EU chemical legislation. This fits into the general approach of the EU Green Deal which promotes the development of greener processes and products. GEIR will closely follow the discussions and participate as an active stakeholder in all the consultations of interest to present its best practice in circular and decarbonized economy with a LCA approach.

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Industry

The UEIL 2021 Virtual Congress will focus on Sustainable Growth and the future of the Lubricants Industry. This year, the Union of the European Industry of Lubricants will hold its annual Congress virtually over two days, on 20th and 21st October 2021. Building upon the challenges posed in the past two years, the theme of the Congress will be “From business resilience to sustainable growth – Re-imagining the future of the lubricants industry”. Topics will include resilience & growth, sustainability in the lubricants industry, the European Green Deal and its impact on the sector, sustainable mobility, bio-based lubricants and diversity in the industry. Participants will hear a mix of keynote speeches and technical presentations by prominent speakers, as well a series of roundtable discussions. UEIL also appreciates the importance of reconnecting industry members in those particular times and will provide participants a virtual platform to organise bilateral networking meetings. Check out the event programme and more information on the [UEIL website](#). We would like to thank all the sponsors that have already offered their precious support for the 2021 UEIL Congress! For those still looking to increase their visibility in the lubricants industry, please consult the [Congress Sponsorship Brochure](#).

Save the Date! Registrations are open since 30 June!



The graphic features a large, dynamic splash of yellow oil on the left side. To the right, the text is arranged in a clean, modern layout. The main title 'UEIL 2021' is in a bold, yellow font, with 'UEIL' having a horizontal line pattern. Below it, 'VIRTUAL CONGRESS' is in a green, sans-serif font. The dates and time '20 & 21 OCTOBER 2022 | 1.30PM - 5PM cet' are in a smaller, orange font. A call to action 'MARK YOUR CALENDARS!' is in a bold, green font. At the bottom, the theme '“From business resilience to sustainable growth - Re-imagining the future of the lubricants industry”' is written in a smaller, green font.

UEIL 2021
VIRTUAL CONGRESS
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“From business resilience to sustainable growth -
Re-imagining the future of the lubricants industry”

EU UPDATE

Political compromise found on Climate Law proposal

Negotiators from the European Parliament, the Council of the EU and the European Commission ended the latest round of negotiations on the 21st of April with a compromise on the European Climate Law proposal. Following the agreement, the European Parliament adopted its position on 24 June and the Council on 28 June. As regards decarbonisation targets, the agreed 2030 target will amount to at least a 55% greenhouse gas emissions reduction, a mediation between the more ambitious asks of the European Parliament and the more conservative stances of the European Commission and Member States.

Updated European Industrial Strategy

On the 5th of May, the European Commission released the updated version of the EU's Industrial Strategy, that was originally published in March 2020, the day before the WHO declared COVID-19 a pandemic. In order to address the new circumstances of the COVID-19 crisis as well as the green and digital transformations, the Commission has conducted additional analyses on a Single Market Emergency Instrument and Europe's strategic dependencies and capacities.

Formal approval of the EU's Own Resources Decision

Based on the formal notification of all EU Member States to the Council, the European Commission is set to borrow approximately €80 billion on the capital markets in 2021 under the Recovery and Resilience Facility (RRF). These long-term bonds are set to finance part of the EU's recovery from the COVID-19 pandemic under a financial envelope of €672.5 billion. The [Own Resources Decision](#), which was adopted on 14 December 2020, formally entered into force on the 1st of June 2021 after Member States confirmed it was in line with their constitutional requirements. The Commission is expected to begin the borrowing in June and make payments to Member States in July.

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Call for sponsorship of the UEIL Newsletters

Dear Members and Partners of UEIL,

As you know, this is our association's showcase publication and therefore represents an excellent opportunity for regular exposure and profiling your organisation.

We would like to put out a call for interest for any members who are interested in sponsoring the 2021 and 2022 editions of the UEIL newsletter.

Sponsorship of the newsletter includes your logo featured prominently on the newsletter, with a hyperlink taking the reader to your organisation's homepage.

If you'd like to find out more about this opportunity, please do let us know by sending an email to secretariat@ueil.org

Thank you and best regards,
UEIL Secretariat

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