



# GS Caltex Celebrates 10 years in India

In February 2020, GS Caltex India celebrates its 10<sup>th</sup> Anniversary. Since its formation in 2010, the company has built an impressive client base including automotive and construction equipment OEMs, mining companies and many other industrial customers. Today, GS Caltex India has established itself as an award-winning and leading provider of lubrication solutions with Pan India reach at key locations to service needs of customers. In recognition of this momentous occasion, **CONSTRUCTION OPPORTUNITIES** spoke to **RAJESH NAGAR, MD & CEO, GS CALTEX INDIA** to find out more about the organization’s journey so far and future plans for the Indian market.



**GS Caltex completes 10 years in India, talk us thru your journey so far.**

GS Caltex, headquartered in Seoul, South Korea, is a leader in the petroleum, lubricant and petrochemical businesses. It was founded in 1967, as a 50-50 joint venture GS Energy, South Korea & Chevron Corporation, USA. It operates the fourth largest refinery in the world and is the largest producer of aromatics products globally. The Company is a major exporter of petroleum products including lubricants. Building on this competitiveness the company decided to venture into large overseas markets like India, Russia, China & many other countries. The Indian subsidiary was established in Mumbai, India on 2<sup>nd</sup> February 2010; thus, marking the beginning of our Indian journey. For a relatively young company like ours we have managed to make our own place in the Indian lubricant industry on the strength of our superior technology and products.

**Tell us about your range of products. Tell us on your company’s emphasis on innovation and R&D. Detail us on the Cutting edge technological innovations featured in your products.**



## LUBRICANTS & ENGINE OIL

INTERACTION

Research and Development is the core strength of GS Caltex in developing product competitiveness for lubricants and petrochemical products. GSC R&D facility located at Daejeon in South Korea has developed many award-winning lubricants to forge partnerships with major Global OEMs. GS Caltex India might be the only company in India to manufacture high quality premium lubricants using only group II plus/group 3 base oils imported from its own refinery.

### Could you provide details of Tie-ups with OEMs for your products.

GS Caltex & Chevron have significant presence in OEMs globally. It helped us to develop relationships with global OEM's from our initial days in India. We have always worked as a solution provider to our OEM partners rather than being just a supplier. Our relationship with OEMs since inception have helped to challenge our boundaries and meet high standards expected of us from OEMs. In the last decade we have built strong partnerships with global OEM's viz Volvo, Hyundai, Ajax, Amman, Doosan, Kolher, etc:



operating conditions, fuel savings of several thousand rupees per vehicle per year. Every penny saved is penny earned; our constant efforts to help our customers to reduce the cost of ownership has been highly appreciated and has helped us grow. Despite the tough conditions across the automobile sector we were able to ensure growth at the end of the year.

### What will be the impact of BS-VI norms on your product line. Any new products launched or being launched, detail us on the same.

Research & Development have been one of the most important focus areas at GS Caltex. We already have BSVI products in our portfolio which were launched last year at Bauma & the recently held EXCON 2019. We showcased our futuristic range of products meeting BSVI standards which includes Engine Oils Kixx HDX Euro CK-4 15W-40, long life high performance hydraulic oils Kixx HVL range and High performance fully synthetic gear oil

KixxGearSynGL-5 75W-90.

### Which user segments are the biggest demand drivers for your products and major demands made by end-users.

We have seen phenomenal growth specially in the automobile segment. We started in 2010 with automotive products and added industrial products in our portfolio by 2012. Many new lubricant companies entered the already cluttered lubricant market in India but despite the challenge we have seen good growth in both our automobile and industrial segments. We have been able to create brand awareness and reach across segments in OEM, Industrial, Infrastructure and Retail. In the current market dynamics customers are looking not just for good product but for value additions. We at GS Caltex believe in working closely with our partners and ensuring in regular product training to upgrade them on new and upcoming technologies. This separates us from our competitors and helps in relationship building.

### Your strategies in this highly competitive and price sensitive market specially in a downturn economy

We can not be isolated from the market when economic conditions are challenging. We at GS Caltex keep exploring new territories within India and overseas. Customers now demand products that would reduce their down-time and thus reduce the cost of ownership. The high-performance lubricants from GS Caltex offer ultimate reliability at all temperatures, lower oil consumption, significantly lower fuel consumption and specifically extended service intervals. Whenever engines run freer and more reliably, operating costs are lower if only because they consume less; just 1% lower fuel consumption means, depending on

### Future outlook for the industry and from a company perspective

We believe the future looks very promising. It was a cyclical slowdown and the market would improve soon. The numbers from the automobile industry were lowest in decades in 2019 which was not a normal phenomenon. India is an growing economy and with impetus given by the Government to Infrastructure and Construction segment we believe there will good demand for quality products. We see considerable growth in consumption of lubricants, especially in construction and mining industry. India is still lagging behind in infrastructure creation and it is estimated that in next 15-20 years an investment of \$4 trillion will be needed for construction and mining sector to meet the emerging demands of infrastructure development. Out of the \$4 trillion required for the infrastructure and mining activity, a significant portion will be towards equipment machinery in the coming years.

Infrastructure development is on full swing in various segments such as roads, railways, metro rail, ports, airports and urban infrastructure, which will be the key for the growth of industrial lubricants where a lot of equipment will be at work.

Gen-next is highly digital and as a part of reaching out to them we are investing significantly in various digital platforms. We have got excellent results and we hope to continue investing in digital platforms as a part of our brand expansion and strategy.

GS Caltex India will continue to invest in new technologies and superior products catering to existing and new segments with the objective of adding value to our customers and stakeholders. ♦