

MANAGING RISK IN A HIGHLY COMPETITIVE INDUSTRY

With a strong but volatile outlook for the mining sector, the industry is focused on future growth through expanded production, without losing sight of operational efficiency and cost optimisation. Equipment reliability, total cost of ownership and use of environmental sustainable solutions will be the key drivers of the mining industry.

Nearly every business in mining sector is under increasing pressure to lower operating costs and increase efficiency. This often means doing more with fewer people and using equipment for longer duration. This challenge has prompted increased attention to lubrication and its role in equipment reliability and expense.

GS Caltex Mining Lubricants Portfolio focuses on all types of costs including product cost, maintenance cost and administration cost, thereby reducing the total cost of ownership for a business house.

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 and gearboxes run freer and more reliably, operating costs are lower only because they consume less. Just one per cent lower fuel consumption means, fuel savings of several hundred rupees per vehicle and year, depending on operating conditions.

Also, due to focus and investments towards environmentally sustainable



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lubricant solutions market is moving towards fully synthetic products (Group III and PAO-based base oils). The increasing popularity of the synthetic lubricants due to the various advantages over conventional lubricants such as excellent thermal stability, wear and tear protection, coupled with other properties such as good load carrying capacity and low friction, are anticipated to propel industry growth in construction and mining segment over the next five years. A suitable example here would be GS Caltex-developed PAO (polyalphaolefin)-based fully synthetic fluids. Kixx PAO DX Euro 15W40 is a synthetic engine oil based on the tri-synthetic formula including PAO. Satisfying the American Petroleum Institute (API) performance standards and European standards, the Kixx PAO line-up boasts superior oxidation stability, delivers a smooth and comfortable ride, and provides complete engine protection.

GS Caltex Group II+ and Group III base oils possess all

five base oil attributes that are key to industrial oil quality such as: Operates over high viscosity range; Excellent oxidation and thermal stability; Improved water separability; Excellent low temperature properties; and Enhanced air release properties.

Research and Development (R&D) is the core strength of GS Caltex in developing product competitiveness for lubricants and polymers. GSC R&D facility is located near Seoul in South Korea which has developed many award-winning lubricants to forge partnerships with major OEMs and Key Accounts. Our very impressive range of high quality finished lubricants is now supplied to large businesses including major OEMs viz, Hyundai Motors, Volvo Construction Equipment, Volvo Trucks and Buses, Hyundai Construction Equipment India, POSCO, KPCL, JSPL, KOHLER, SDLG, HYVA, Indus Towers, Sona Koyo, Honda, Ajax Fiori, L&T, IRB etc, to name a few from our list.

However, we need to keep in mind the challenges of this industry sector as well. Base oil prices have been volatile and that does create risk in the marketplace. As an integrated oil company, we participate in the full value chain and are able to manage this risk through our own base oils 'Kixx Lubo' imported from our own refinery in South Korea. The key is to continue innovating customer-centric product and services to reduce the impact of volatility and build a positive perception in the market place to be successful in Indian market.

(Communication provided by company)