

ENTERPRISE AFRICA



**Keeping Everything
Running Smoothly**



BLENDCOR

Keeping Everything Running Smoothly

PRODUCTION: **Sam Hendricks**

Co-owned by international oil giants Shell and BP, Blendcor was formed in 1992, and from its Durban home continues to strive for excellence in the manufacture of lubricants, oils and greases to ensure the slick running of vital sectors such as automotive, mining and energy.



INDUSTRY FOCUS: MANUFACTURING



// In its various guises, Blendcor has been behind the production of top-quality products and the fullest range of lubricants for coming up to 70 years, with its initial founding dating back to 1956 in the Port of Durban alongside other major industrial outfits.

Geared toward automotive, mining, and energy related products, Blendcor is pivotal in the smooth running of industry as a whole in South Africa, making businesses move and thrive, enabling continued opportunity creation and keeping the country's lights on.

"Our vision is to deliver excellence through customer satisfaction, borderless thinking, innovation and

teamwork," Blendcor stipulates. "At Blendcor, we believe in achieving business excellence through attaining the best possible business results."

SIGNIFICANT SECTOR

2023 has been a year of good news and tangible progress for one of South Africa's most important sectors to date, with manufacturing seeing production grow yet further in April. Stats SA's data indicated that South Africa's GDP grew by 0.4% and manufacturing was the main growth driver, with output jumping by 1.5% to add 0.2 of a percentage point to GDP improvement.

Year-on-year manufacturing jumped 3.4% from April 2022 and

2023, with motor vehicles, parts and accessories and other transport equipment and basic iron and steel, non-ferrous metal products, metal products and machinery all key elements behind the renewed

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strength. On a purely month-by-month basis manufacturing activity as a whole increased in April, by 0.5% from March 2023.

Naturally, this all came as music to the ears of the Shell/BP joint venture, one which remains vital for the local economy while contributing ever more significantly to wider South African society: burgeoning manufacturing and automotive sectors demand engine oils and greases, which serves to create opportunity for Blendcor as key player in the lubricants business as demand for transmission and hydraulic fluid, gear oil and grease, and food-grade lubricant continues to drive market development.

"We are a significant manufacturer of lubricants and grease," Blendcor affirms. "As an operating unit of Shell and BP, two of the world's largest

oil companies, we are obliged to conform to the international standards set by these two companies as well as any statutory, local, regional, and national requirements."

Blendcor is a JV in which Shell Southern Africa and BP Southern Africa each own an equal half-share stake, resulting after BP Southern Africa purchased a 50% stake in the plant. Blendcor produces almost all types of grease and lubes, across automotive and industrial, at its single facility, where 285 people produce more than 180 million litres of lubricants and 8-12 kilotons of grease each year across 700 SKUs and 150-170 grades and pack sizes, making it the largest blending facility in Africa selling direct to the market.

Being globally benchmarked against Shell and BP blending facilities

around the world makes it vital for Blendcor to operate effectively in what remains a highly competitive market, and in conversation with Enterprise Africa last year CEO Wonderboy Cele made plain that

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SIGNIFICANT
MANUFACTURER
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he intends for Blendcor to retain a healthy portion of a sector set to sustain its strong recent growth.

FOCUS PILLARS

"Our 53,000m2 location is very strategic from both an import and export perspective, in Island View, right at the harbour," he begins of a notable strategic advantage. "We have had to review the asset

purpose and develop a new strategy plan, with a new vision and a couple of focus areas, to improve its competitiveness and safety standards.

"We now have a new five-year strategy with key focus pillars, to respond to the current high-cost pressure environment," Cele says of the company's fresh set of strategies. "One is sustainability, which is always good business, second is

responding to the Fourth Industrial Revolution in terms of automation to drive operational efficiencies, third is cost competitiveness and fourth is our people.

"We must find a balance between Fourth Industrial Revolution demands and unemployment while maintaining cost competitiveness - in the not-so-distant future there will be massive availability of skills with high competition for talent and people not staying for a lengthy period in one role or one organisation," he identifies. "There will be job-hopping as there will be an abundance of skills. So, we must make sure we have a very

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robust people agenda focusing on succession and talent retention.”

“That means clear developmental plans for people and clear critical role cover across the organisation. We must retain talent or always have a strong pipeline – that is a key focus area for us based on what we see in the industry right now.”

Additionally, he stresses, Blendcor is particularly on the lookout for improved cost competitiveness in every decision taken. “For us, being cost competitive will drive growth. Our strategic position and location to supply to southern Africa is also a massive opportunity for our

shareholders to grow their market share in Africa.” This is why Blendcor works closely with reliable and high-quality local partners such as materials and packaging supplier, Full Imput, a leading plastics manufacturer. Without such relationships, the company would be forced to look to expensive imports and unreliable bulk orders from companies that do not directly benefit the regional economy.

The distribution channel that Blendcor enjoys into southern Africa is likely to prove key, with the lubricants market for the continent set to increase yet further approaching 2029 as the automotive industry’s

blossoming shows no signs of abating. Currently representing just 6% of the total global market, Africa brings an abundance of opportunities along with its strengthening purchase power. “We are looking forward to being part of that growth curve,” Cele beams, with Blendcor able to offer an abundance of experience, skill and efficiencies at the forefront of this key South African industry. **Ei**

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