

EXPANDING TO MEET DEMAND

A world leader in the production of specialty oils, Ergon recently expanded its Antwerp site. Ergon International's Per Dahlstedt talks to *Tank Storage Magazine*

> BUSINESS is booming for specialty oils in Europe at the moment, and one company determined to make the most of the opportunity is Ergon International, which recently announced an expansion at its terminal in Antwerp in Belgium.

Ergon International is part of US-based firm Ergon, which has 3,200 employees worldwide, and distributes products from two other Ergon subsidiaries – Ergon Refining, the world's largest producer of specialty naphthenic oils, and Ergon West Virginia, a major manufacturer of Group I and Group II paraffinic base oils. Naphthenic and paraffinic oils are most commonly used to provide solvency and viscosity in the production of materials including rubber, plastics, coatings, adhesives, metalworking fluids and lubricants.

Ergon International started life in 2007 as Ergon Europe, to tap into the European naphthenic specialty oils market, which was then served by only two suppliers. Ergon Europe later extended into the Asia Pacific region, when it was renamed Ergon International. It now supplies specialty oils such as insulating, base and process oils in 100 countries in Europe, the Middle East, Africa, India, Indonesia and elsewhere in Asia. Its headquarters is in Waterloo, Belgium, and it also has offices in Singapore and Indonesia, as well as sales staff in Europe and Asia.

'Ergon International now employs 19 people, including the team in Asia. Ergon's bulk tanks in Antwerp, supplied via ocean vessels, allow the company to maintain substantial inventories on the continent and to meet and react quickly to customers' changing needs. Moreover, the international connection of Antwerp to Asia, the Middle East and Africa provides additional capabilities and flexibility for Ergon's global operation to support customer needs,' explains Per Dahlstedt, managing director of Ergon International.

ANTWERP TERMINAL

The tanks at Antwerp are leased on long-term contracts, and are supplied by Ergon's refinery in Vicksburg, Mississippi, US, which is the largest naphthenic oil

refinery in the world. Refined oils from Vicksburg are first transported to Ergon's terminal in Gretna, Louisiana, before being distributed throughout the world. The Antwerp terminal specifically stores Ergon's HyGold base oils, HyPrene process oils and HyVolt insulating oils, which arrive in bulk vessels.

The expansion at Antwerp added three new storage tanks with a total capacity of 9,000 m³, taking the terminal's capacity to 39,000 m³, the equivalent of 36,650 tonnes.

'The Antwerp terminal expansion increases Ergon's footprint and enhances security of supply for customers by allowing rapid response in this demanding and fast-moving market,' says Dahlstedt, adding: 'Ergon believes that refining trends and continuing shifts in solvency and viscosities available in the oils produced in regions outside the United States will lead to a greater need for our specialty oils in the future. Our 2020 expansion in Antwerp will ensure that Ergon has the assets in place to serve the growing needs of international customers and markets well into the future.'

CHANGING REFINING TRENDS AND DEMAND

There is currently only one naphthenic oils producer in Europe, and the Antwerp terminal allows Ergon to keep inventories in Europe and react more quickly to customer needs in the continent and elsewhere, through Antwerp's good global connections. Dahlstedt believes that the expansion at the terminal means that Ergon has the assets in place to respond to changing refining trends, which will lead to a greater need for Ergon's products.

'Refineries that produce base oils and process oils are slowly redirecting their focus toward the production of highly saturated Group II and Group III lubricant oils. As this happens, the solvency and viscosities required by the rubber industry, and other process oil and base oil applications, is decreasing. Large shifts to Group II and Group III base oil production have already led to the closure of many Group I refineries in the US, which provide paraffinics with a level



of solvency and high viscosity as well as aromatic extracts with a high level of solvency,' Dahlstedt explains.

Demand for Ergon products continues to rise in all industries and applications, and the company was not adversely affected by the COVID-19 pandemic. Its supply chain was not disrupted as a result of its strong procurement abilities and the fact that it sells to lots of different industries meant that the downturn in the rubber and tyre industries was not too much of a problem.

Dahlstedt says that Ergon continues to expand, and is making 'substantial capital investments in facilities, capabilities, and distribution infrastructure'.

'Ergon's foremost goal is to be a solutions provider for the market. Our technical sales team can offer the chemistry that is right for our key applications to serve our core markets the best way possible. Ergon will continue to evolve to meet our customers' future needs even outside of traditional process oil solutions,' he says.

For more information:

www.ergoninternational.com

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