

# Weekly Market News

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REPORT



## MPA tightens biofuel regulations in Singapore

The new mandate requires all licensed bunker suppliers in Singapore to issue a **Proof of Sustainability** (PoS) document from a recognised certification scheme, along with a bunker delivery note (BDN) when supplying biofuel blends to vessels in the **Port of Singapore**, the Maritime Port Authority of Singapore (MPA) said in its latest circular. Suppliers will be required to submit copies of the PoS or similar documents to the MPA Standards and Investigation – Marine Fuel (SIMF) Department. The MPA will then conduct random inspection checks on bunker suppliers. The port authority has encouraged bunker suppliers to supply International Sustainability and Carbon Certification (ISCC)-certified biofuel blends in the port.

## BB Energy launches bunker supply in ARA region

BB Energy Belgium, a part of energy trading company BB Energy Group, has commenced bunker operations in the **ARA region**, the company told ENGINE. It will supply all three marine fuel grades – VLSFO, LSMGO and HSFO – in the ARA hub. The supplier currently operates three bunker barges, but is actively looking to charter more barges to grow its fleet. BB Energy Belgium intends to operate up to seven barges in the region by 2024. Rotterdam is the world's second biggest bunker port, while Antwerp-Bruges is among the world's biggest. About 9.72 million mt of bunkers was sold in Rotterdam last year, with 40% of sales being VLSFO. A total of 4.86 million mt of bunkers was sold in the first six months of this year.

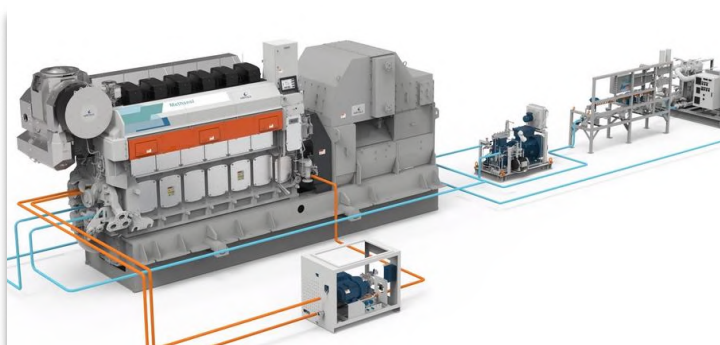
## FincoEnergies expands operations to the Americas

Netherlands-based FincoEnergies is expanding its subsidiaries GoodFuels, GoodShipping, and GoodZero into the US. The new US-based teams will “provide real-time support for and access to commercially-proven **sustainable biofuels**, carbon in-setting and carbon offsetting offerings across the Americas,” FincoEnergies said. FincoEnergies Americas is the company's second base outside Europe, after it launched its Singapore office in 2022. “Following our remarkable success in Europe and scope 3 insetting services, and our entry into the Asian market, we are now poised to channel our efforts toward serving the rapidly emerging Americas market,” said the managing director of business innovation of FincoEnergies Americas, Kimon Palinginis.

## BIMCO adopts new CII clause for voyage charterers

The new clause “aims to facilitate collaboration and provide certainty between shipowners and charterers as new regulations come into force,” global shipping association BIMCO said. The clause was adopted by the BIMCO's Documentary Committee on 11 October, and is the new addition to their portfolio of carbon clauses. In November 2022, the committee adopted the CII operations clause for time charter parties, ahead of the IMO's **Carbon Intensity Indicator** (CII) regulation that came into effect in January this year.

Following its publication, a subcommittee was formed to develop a CII clause for voyage charter parties, which has now been adopted. The new clause for voyage charter parties focuses on course adjustment, speed reduction and data sharing. CII is a measure of how efficiently a ship transports goods or passengers. It is expressed in grams of carbon dioxide (gCO<sub>2</sub>) emitted per mt [gCO<sub>2</sub>/mt] of cargo and nautical mile. The ship is then rated every year from A to E (A being the highest), and the rating criteria will become stricter by 2030.



## Wärtsilä and Raizen will test ethanol as a marine fuel

Finnish marine engine maker Wärtsilä and Brazilian energy company Raizen will explore using ethanol as a bunker fuel **alternative to methanol**. Wärtsilä already manufacture methanol dual-fuel marine engines, and these engines will now be tested to see if they can run on Raizen's ethanol. Ethanol is produced from cellulose in agricultural wastes or biomass. Its chemical and physical properties are very similar to methanol.



## More use of zero-emission fuels needed to meet IMO's 2030 goal

The shipping sector needs to consume at least **25% of zero-emission bunker fuels** or 29% of B100 biofuel to achieve the IMO's indicative checkpoint of reducing GHG emissions by 20-30% by 2030, according to classification society ClassNK. The IMO proposed that 5-10% of total bunker consumption should be zero- or near-zero-emission fuels. But to meet IMO's 2030 target, 25% of total bunker consumption must be zero-emission fuels, ClassNK said.

### Bio-bunker sales in September

43,000 mt

### Bio-bunker sales in August

53,000 mt

## Singapore biofuel bunker sales declined in September

Singapore sold around 1,400 mt/day of **bio-bunkers** in September, down from almost 1,700 mt/day in August, according to preliminary figures from the port authority. All of the 43,000 mt of bio-blended bunkers sold in Singapore in September was VLSFO blended with a bio component – typically 24% fatty acid methyl ester (FAME). Total biofuel bunker sales across the first nine months of this year stood at 328,000 mt – more than double the amount that Singapore sold through all of last year.

**LNG sales plunged** by 51% in September. Around 260 mt/day of LNG was sold in September, down from 500 mt/day in August. No methanol sales were recorded in September.

Meanwhile, higher sales of HSFO contributed to push the port's total sales of conventional marine fuels higher by 1% on the month in September, to 4.21 million mt. Singapore's HSFO sales grew by 6%, while LSMGO sales rose by 1%. VLSFO sales in the port declined by 2%, and noted their lowest level since June this year.

## Weekly Brent developments

Front-month Brent is trading at roughly the same level as its close last week. Concerns about tight global oil supply eased after the US government relaxed sanctions on Venezuelan oil. But fears of escalating geopolitical tensions in the Middle East capped losses.

### Downward pressure:

The US government has announced "limited sanctions relief" for Venezuela's oil and gas sector after the country's government and opposition agreed to hold presidential elections in the second half of 2024.

Besides, oil market analysts remain concerned about yet another interest rate hike by the US Federal Reserve in the fourth quarter of this year to tame inflation. Higher interest rates can hamper demand for dollar-denominated commodities like crude oil.

### Upward pressure:

Brent futures continued to gain support from the Israel-Hamas conflict, which has raised fears about disrupted oil supplies in the Middle East. Tension escalated in the region after more than 500 people got killed in an air strike in central Gaza on Tuesday.

Commercial US crude inventories fell by 4.5 million bbls on the week, to 419.75 million bbls on 13 October, fresh data from the US Energy Information Administration (EIA) showed.

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