Integr8 Fuels

Weekly Market News

20th - 24th January 2025

Failing to comply with FuelEU Maritime can lead to costly penalties

More on this in Chris Turner's Bunker Quality Trends Report

READ UPDATE

TFG and OOMCO to start physical supply in Omani ports

Global bunker supplier TFG Marine has partnered with Oman Oil Marketing Company (OOMCO) to start physical bunker supply in the Omani ports of **Duqm**, **Muscat** and **Sohar**.
The joint venture TFG-OOMCO will provide a "full range of marine fuels including biofuels" to buyers across Oman, a TFG Marine representative told ENGINE.
TFG Marine is a joint venture established by the commodity firm Trafigura and shipping companies Frontline and Golden Ocean. TFG Marine has already deployed the bunker delivery vessel Margherita Cosulich in Sohar. The vessel is fitted with a mass flow meter. Bunker supply is stable across Omani ports, with several suppliers offering prompt LSMGO deliveries.

Monjasa to offer biofuel for bunkering in Panama

Global marine fuels supplier Monjasa will start supplying **B30-VLSFO blends** in the Panama Canal area. It aims to supply about 5,000-7,000 mt on a monthly basis. A B30-VLSFO blend consists of a 30% bio-component and 70% VLSFO. The bio component of Monjasa's product is from used cooking oil (UCO) and has been sourced from Europe, the company said in a social media post. Monjasa plans to further expand the range of grades and biofuel blend ratios it offers in Panama. Introducing biofuels in the country has been a slower process compared to major bunkering hubs like Singapore or Rotterdam. This is primarily due to challenges with local feedstock, Monjasa's Latin America general manager Jonas Bruslund said.
The company expects demand for biofuels to rise in 2025, driven by regulations such as the Carbon Intensity Indicator (CII) and FuelEU Maritime.

Taiwan bunkering to be halted for Chinese New Year

Bunkering in several Taiwanese ports will be **temporarily suspended** due to the Chinese New Year holidays, which will be observed between 28 January and 4 February. Bunkering in the ports of Keelung, Taichung and Suao will be halted from 28-30 January, while Hualien port will remain closed from 28-31 January, said state-owned oil company CPC Corporation.
Stems must generally be booked by 24 January to be delivered in time for the holiday period, a source said. Bunkering at Kaohsiung port will continue as usual during the holidays. VLSFO and LSMGO supplies remain stable in Hualien and Taichung ports, with lead times of about two days, unchanged from last week. In Keelung and Kaohsiung, lead times of 2-3 days are recommended. But LSMGO is tight in Kaohsiung as a barge is out for maintenance.

Will not charge FuelEU Maritime surcharges - UECC

Norwegian shipping company United European Car Carriers (UECC) announced that it will not pass on FuelEU Maritime compliance costs to its customers. The company attributed this decision to its compliance surplus under the FuelEU Maritime framework, which is generated by its use of biofuels and liquid biomethane (**LBM**) across its fleet.
"We are running all vessels in our fleet with some kind of alternative fuel, be that **biomethane** or biofuel (**B30 or B100**)," UECC sustainability manager Daniel Gent told ENGINE. Instead, the shipowner shared plans to sell its compliance surplus to third-party vessels as part of the FuelEU Maritime regulation's pooling mechanism, but the exact number of third-party vessels that could benefit from UECC's compliance surplus "depends on the deficit of the receiving vessels," Gent noted. This pooling value could help offset additional costs incurred from bunkering biofuels and LBM, which can cost significantly more than bunkering VLSFO or LNG.

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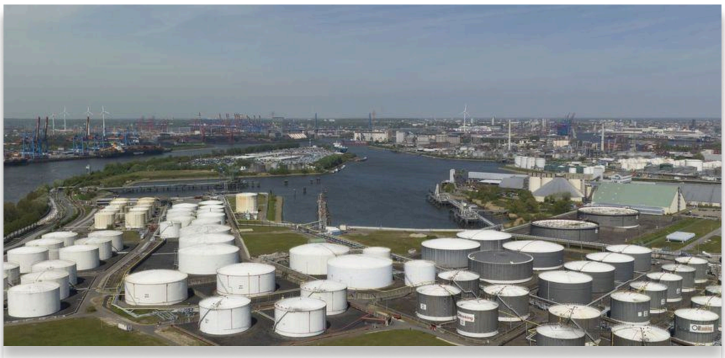
Spanish e-methanol plant to target bunker demand

Spanish project developer Reolum plans to build a plant to produce **140,000 mt/year of e-methanol** for bunkering and other industries. The plant will be located in the Castilla y León region of northwestern Spain and is expected to become operational by 2027. The project complex will consist of a biomass-fuelled renewable electricity plant. CO_2 captured from the biomass plant will be combined with green hydrogen to produce e-methanol.



Mabanaft to convert four tanks for methanol storage in Hamburg

German bunker supplier Mabanaft plans to convert four of its tanks at the Blumensand tank terminal in the Port of Hamburg for **methanol storage**. Retrofitting of the four tanks, with a total capacity of 20,000 cbm, is set to begin in mid-2025, with methanol storage starting in 2027. Mabanaft plans to import methanol for storage and distribution in Germany and potentially other locations.
It expects methanol demand from ships to grow.

Singapore bio-bunker sales in 2024

883,000 mt

Singapore bio-bunker sales in 2023

524,000 mt

Singapore bio-bunker sales hit all-time highs in 2024

Singapore's **bio-blended** bunker sales surged by a significant **69%** in 2024, reaching a record high of 883,000 mt, up from 524,000 mt in 2023, according to preliminary data from the port authority. Of this total, approximately 780,000 mt was VLSFO blended with a bio component (typically 24% in Singapore), while 89,000 mt was HSFO blended with a bio component.
LNG bunker sales shot up by 318% in 2024, with an average of 1,300 mt/day sold, compared to around 300 mt/day in 2023 - marking a more than four-fold increase. **Methanol** sales were at 1,600 mt in 2024, and even though this is relatively small it was over five times the amount sold in 2023.
The Maritime and Port Authority (MPA) also announced the **top five** biofuel bunker suppliers for 2024. Unlike previous years, where rankings were based on volume, the 2024 list was presented in alphabetical order: Chevron Singapore, Maersk Oil Trading, Minerva Bunkering, SK Energy and Vitol Bunkers.

Weekly Brent developments

Front-month ICE Brent is on track to **drop by 2%** on the week amid growing uncertainty over the impact of US President Donald Trump's energy policies on the global oil market.
Downward pressure:
Trump declared a national energy emergency on the first day of his second term in the Oval Office on 20 January. He laid out an elaborate plan to boost oil production in the US and warned of imposing 25% tariffs on all imports from Canada and Mexico from 1 February.
"Oil prices fell after President Trump expanded his tariff threats from Canada and Mexico to Europe and China, potentially triggering a global trade war that may ultimately hurt [demand] growth," analysts from Saxo Bank said.
Upward pressure:
Oil prices remained supported by concerns about the effect of stringent US sanctions on Russian oil flows. The recently departed Joe Biden administration announced sweeping sanctions against Russia's energy sector, targeting oil companies, tankers, insurers, traders, etc. "Crude oil prices continued their volatile performance as traders try to assess the fallout from recent US actions on Russia," ANZ Bank senior commodity strategist Daniel Hynes said.
Also, cold weather in the northern hemisphere has boosted fuel demand for heating.