

# Weekly Market News

17th - 21st March 2025

## How much biofuel is needed for compliance?

Find the answer to this question in Chris Turner's latest Bunker Quality Trends Report

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UPDATE



## First biofuel bunkering in Ningbo-Zhoushan

A COSCO Shipping Lines-owned container ship was bunkered with 1,600 mt of B24-HSFO in China's Ningbo-Zhoushan Port. The B24 biofuel blend was made up of 24% biofuel derived from used cooking oil (UCO) and 76% HSFO. The blend was supplied from China's state-owned oil company Sinochem's Zhoushan Xingzhong Oil Depot, according to the Zhoushan port authority. The stem was delivered to the COSCO Italy container ship using the Sijie 21 bunkering vessel. "This is the first biofuel refueling business for an international ship in Ningbo Port, marking a 'zero breakthrough' in the field of marine biofuel oil refueling," according to an update posted on the regional government's website.

## Axpo taps Spanish LNG bunkering market

Swiss energy firm Axpo has delivered approximately 2,800 mt of LNG to one of Mediterranean Shipping Company's dual-fuel container ships in the Spanish port of Malaga.

"It is the first operation carried out via Axpo's chartered small-scale LNG vessel in Spain," the company said. The fuel was supplied in a ship-to-ship simultaneous bunkering operation (SIMOPs) using an LNG bunkering vessel chartered from UK-based Avenir LNG.

SIMOPs allows LNG to be bunkered during cargo loading and unloading operations.

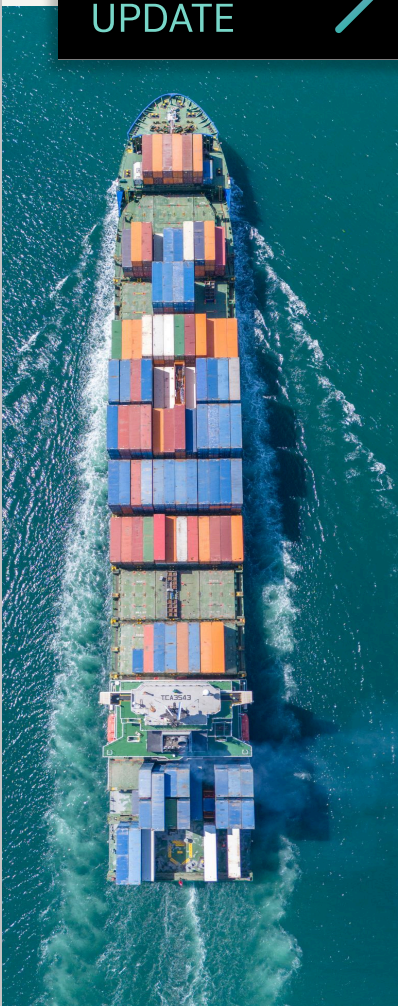
Axpo will also deliver LNG stems in the ports of Algeciras, Valencia and Barcelona. It plans to deploy two LNG bunker barges with capacities of 7,500 cbm and 12,500 cbm to support these physical LNG bunker fuel deliveries. "In addition to bunkering operations, Axpo will offer gassing up and cool down services in the Mediterranean area," it added.

## Danish Shipping calls for more green fuel investments

Denmark-based shipping companies are ready to invest in low-emission ships, but lack the green fuels to power them, according to Danish Shipping, a trade body representing Danish shipowners. The current funding available is "insufficient" to scale up existing technologies, while the high cost of green fuels remains a major roadblock to their wider adoption, the organisation said in a recent report. Danish shipowners will contribute approximately 3.8 billion Danish Krone (\$555 million) in revenue from shipping's inclusion in the EU Emissions Trading System (ETS), according Danish Shipping. It suggests that a significant portion of this revenue should be directed toward scaling up green fuel production. The EU can provide additional financial incentives through the EU Innovation Fund and the EU Hydrogen Bank, it said.

## IMO's proposed fuel standard will promote LNG - Maersk

The current proposal for a GHG Fuel Standard (GFS) at the IMO "heavily" favours LNG, argues Morten Bo Christiansen, head of energy transition at Danish shipping firm A.P. Moller - Maersk. Christiansen claims that the proposed framework will effectively make "the principle of pay-to-pollute the financially most attractive strategy for most shipping companies" in the coming decades. Compliance would be assessed by comparing a ship's attained GHG fuel intensity (GFI) with a specified GFI standard. Non-compliant vessels could offset their GFI deficit by purchasing credits from overperforming ships, buying reserve units from the IMO or paying a surcharge. A dual-fuel container ship burning LNG in a diesel slow-speed engine could generate a deficit of only 0.83 units, compared to 1.58 units when burning VLSFO, Christiansen noted. This could result in a cost advantage of approximately \$300 per forty-foot container on a voyage between Asia and Europe.





## Molgas starts bio-LNG bunkering in Zeebrugge

Spanish energy firm Molgas has started physical deliveries of **bio-LNG by truck** in the Belgian port of Zeebrugge. The first deliveries started in January, and more are scheduled in the coming weeks, it said. The company also operates a multi-truck bunkering unit, which allows bio-LNG deliveries of 200-300 mt during cargo loading and unloading operations. Molgas owns a 45% stake in Dutch LNG supplier Titan.



## Proposed US sanctions can dent global trade - BIMCO

Shipping body BIMCO warns that US LNG exports will be particularly hit. In February, the US Trade Representative proposed sanctions against Chinese-built or owned vessels calling at US ports, and that a certain percentage of US exports should be transported on US-flagged vessels, in a bid to boost the construction and operation of US-built vessels. This is likely to dent US LNG exports, BIMCO says, as there is a **lack of US-built or -flagged LNG carriers**.

Singapore bio-bunker sales in February 2025

107,000 mt

Singapore bio-bunker sales in February 2024

16,000 mt

## Singapore bio-bunker sales sharply up on the year

Bunker suppliers in Singapore sold **more than six times** more bio-bunkers in February than a year earlier, according to preliminary port authority figures. Bio-bunker sales totalled 107,000 mt in February, which was slightly down from 108,000 mt in the longer month of January, but massively up from 16,000 mt in February 2024. Of the total biofuel sales, 85,000 mt consisted of VLSFO blended with a bio component, which in Singapore typically contains 24% bio content, while 22,000 mt was HSFO blended with a bio component. Total biofuel bunker sales for the first two months of the year reached 215,000 mt, more than three times higher than the 61,000 mt sold during the same period last year. B100 (100% biofuel) appeared in the sales data for the first time, with 3,800 mt sold. Physical supplier Fratelli Cosulich delivered its first B100 stem last month when it supplied one of Norden's vessels. Vitol is among the port's other suppliers that can deliver B100.

## Weekly Brent developments

Front-month ICE Brent is set to **rise by 2%** on the week amid a flare-up in conflict in the Middle East, and as China announced a "special action plan" to boost domestic consumption.

### Upward pressure:

The US launched a major military operation against the Yemen-based Houthi armed group on Sunday. Soon after the attack, US President Donald Trump vowed to continue military strikes on the Houthis and warned that Iran would be held responsible for any attacks carried out by the group, which has disrupted shipping in the Red Sea. Oil prices were "pushed higher as the escalating tensions in the Middle East raised concerns renewed risks to supply in the region," said Daniel Hynes, senior commodity strategist at ANZ Bank.

Earlier this week, China announced a plan aimed at boosting domestic consumption, including measures to increase residents' income. This has raised hopes for an increase in oil demand.

### Downward pressure:

Commercial US crude oil stocks increased by 1.7 million bbls to touch 437 million bbls in the week ending 14 March, according to the US Energy Information Administration.

Brent felt some downward pressure after Russia agreed to Trump's proposal for a temporary halt in attacks on Ukrainian energy facilities.

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