

# FAQ: B24 (Ucome & VLSFO) dob Fujairah

## What has Argus launched?

Argus has launched the first marine biodiesel price for the Middle East — B24 dob Fujairah — adding to its existing coverage for Asia, with prices also published at the ports of Singapore and Guangzhou. B24 dob Fujairah is calculated as a netforward by adding the daily freight rate to the B24 dob Singapore daily spot price. The B24 dob Singapore spot price assessment includes blends of 24pc used cooking oil methyl ester (Ucome) and 76pc very-low sulphur fuel oil (VLSFO).

## Why is Argus publishing this price?

B24 dob Fujairah will bring pricing transparency to the Middle East's marine biodiesel market as it evolves, supporting biodiesel producers, traders and shipowners targeting this growth opportunity.

B24 demand is driven by vessels refuelling at Fujairah before calling at EU ports which need to comply with EU regulations. These vessels are currently impacted by the EU's Emission Trading System (ETS), IMO's Carbon Intensity Indicator (CII) and will need to comply with FuelEU Maritime from 2025.

B24 can reduce CO2 emissions by 15-20pc compared with conventional bunker fuel. As a drop in low-carbon fuel it is relatively low-cost option which is available at key ports globally. B24 can be bunkered to reduce EU ETS costs, improve a vessels CII score or to meet FuelEU Maritime's 2pc greenhouse gas (GHG) full lifecycle reduction requirement from 2025.

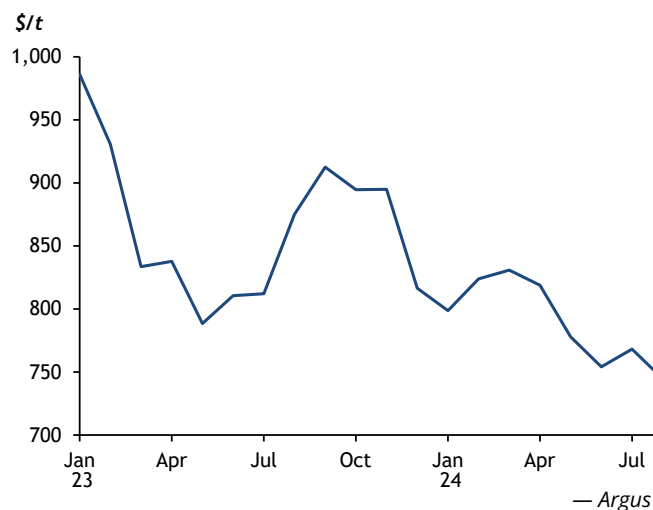
## How is the marine biodiesel market developing in the UAE?

While Fujairah is the largest bunkering hub in the Middle East and the third largest in the world, it has been lagging Singapore, Amsterdam-Rotterdam-Antwerp (ARA) and Mediterranean ports in terms of marine biodiesel development. In response to growing demand from shipowners, suppliers may look to import or blend domestically in the coming years.

Total Ucome nameplate capacity in the UAE amounts to 95,000 t/yr. This includes two producers in Dubai; Lootah with 52,800 t/yr and BioD with 30,000 t/yr Ucome and advanced Fame capacity. Neutral Fuels Holdings has 12,000 t/yr of Ucome capacity at two plants in the Gulf Co-operation Council region.

Much of current domestic production is going into the road

## B24 dob Fujairah



and aviation sectors, with biodiesel producers recognising the need to invest and grow capacity in line with additional demand from the marine sector. In July 2024 the Fujairah Oil Industry Zone (FOIZ) allocated 54,000m<sup>2</sup> of land for the construction of a biofuel processing plant.

## Why is B24 dob Fujairah a useful price?

This price is a useful reference for the value of a B24 Ucome and VLSFO blend delivered on board at the port of Fujairah. It allows domestic biodiesel producers, traders and shipowners calling at Fujairah to monitor and compare to prices in other ports like B24 dob Singapore, B24 dob Algeciras-Gibraltar and B30 prices in ARA.

## Methodology: B24 marine Ucome dob Fujairah

It is calculated as the B24 marine UCOME dob Singapore assessment plus the daily freight differential between Singapore and Fujairah. It is published in US dollars/tonne, \$/t VLSFO-equivalent, \$/t MGO-equivalent and \$/mn Btu.

B24 dob Fujairah is published daily in the Argus Marine Fuels, Argus Middle East and Indian Ocean Products and Argus Biofuels reports.

## How can these prices be used?

**Contracts:** Companies can use this price in term contracts, spot contracts and in contract negotiations with bunker suppliers. The price can also be used for internal transfer within organisations.

**Optimisation:** Shipowners can use this price to determine

the cost benefit of bunkering B24 at Fujairah compared with Singapore or European ports. It can be used to determine the cost of bunkering marine biodiesel to improve a vessel's CII score, reduce EU ETS costs or meet FuelEU Maritime requirements. Refiners, traders and bunker suppliers selling marine biodiesel can identify shortages/oversupply to manage production and maximise profits and margins.

**Risk management:** Companies buying Ucome and VLSFO for blending can use this independent index for mark-to-market valuations.

**Analysis:** B24 dob Fujairah can be used to monitor the evolving premium to conventional bunkers and as an input to price forecasts. This price can also be compared with Argus global marine biodiesel prices to determine competitiveness.

## Argus' biodiesel for bunkering prices for use by ocean-going vessels



### For more information

This price is published in the *Argus Marine Fuels*, *Argus Biofuels* and *Argus Middle East and Indian Ocean* daily spot price reports.

For general queries on our global marine biodiesel price suite and to talk to one of our experts, please contact [oil-products@argusmedia.com](mailto:oil-products@argusmedia.com).

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