

Why Have UAE Biofuel Sales Doubled?

Emirati company Neutral Fuels has revealed that it sold more than twice as many biofuels in 2022 as the year prior – and that demand for the coming 12 months is already strong. The sharp uplift in sales is being driven largely by the shipping sector, which is pivoting towards more environmentally friendly sources as a result of new regulations from the International Maritime Organisation (IMO).

However, other industries, such as haulage transportation and power generation, are also fuelling the demand for biofuels. As the producer of a unique blend of biodiesel in strategic ports around the Arab Gulf, Neutral Fuels are in a strong position to capitalize on the changing market climate.

A bumper 2022

Neutral Fuels enjoyed a bumper year in 2022, according to its founder Karl W Feilder. The company is the only one in the Gulf Cooperation Council (GCC) to offer a biodiesel containing 10% to 20% fatty acid methyl ester (FAME), alongside very low sulphur fuel oil and marine gas oil (MGO).

The firm already has partnerships in place with the state-owned Abu Dhabi National Oil Company (ADNOC) to supply its biodiesel blend for cargo and passenger ships departing from the capital. Meanwhile, it's also involved in a trial partnership with a host of Japanese oil companies, who are piloting the use of a biodiesel made from used cooking oil in their vessels.

Changing times

The turnaround in the fortunes of biofuels has been swift. The IMO only approved its use on a trial basis in 2020, with regular usage given the green light last year. As the shipping industry has been the subject of much public criticism over its failure to adopt more sustainable practices across the last two decades, there is an increasing demand to address the issue.

Of course, shipping companies are not quite so happy about the fact that biofuels are currently much more expensive than their traditional counterparts. However, blending the latter with a 10% infusion of the former can curb carbon emissions by 8.5%, according to Feilder. Doubling that blend to 20% incurs twice as many carbon savings. Best of all, no engine modifications are required to take advantage of the benefits immediately.

Other sectors on board

While the shipping industry's newfound adoption of biofuels might be generating the biggest headlines, it's far from the only factor contributing to the prosperity Neutral Fuels (and the wider biofuel industry). More and more corporations are signing up to use biofuels in the trucks and HGVs used to ferry their products around the world.

For example, McDonalds has been a partner of Neutral Fuels for over a decade and recently began using 100% biofuels for every vehicle used to transport its goods from the central warehouse in Dubai to its 190 restaurants around the country, spanning a total of 24 million kilometres. Other notable customers include Unilever, Carrefour, Del Monte, IKEA and Nestle.