

Bunker Fuel Market Expected to Grow at 4.3% CAGR to Reach Value of \$164.9 billion Globally

Rise in offshore oil & gas exploration activities and the IMO regulations on sulfur content in marine fuel have boosted the growth of the global market.

PORTLAND, OREGON, UNITED STATES, July 11, 2022 /EINPresswire.com/ -- The bunker fuel market size was valued at \$109.6 billion in 2020, and is estimated to reach \$164.9 billion by 2030, growing at a CAGR of 4.3% from 2021

to 2030. Bunker fuel is a type of fuel oil used on ships that travel internationally. It is put into the bunkers of ships to fuel the engines. Bunker fuel gets its name from tanks on ports and in ships that it is stored in. It was known as coal bunker initially, but now it is called as bunker fuel tank. Bunker fuels are used to power their motors, engine, drive, and other equipment in the marine vessels. In January 2020, key players operating in this market focused on utilization of low sulfur fuel oil with the implementation of IMO-2020 regulations on sulfur content in the marine fuel. However, heavy fuel oil or high sulfur fuel oil can be used on the ships where scrubbers are installed.



Bunker Fuel Industry

Rise in marine trade increased the [demand for bunker fuel](#) and bunkering services. Increase in oil & gas exploration activities in emerging oil regions drives the growth of the bunker fuel market as many bunker fuel suppliers changed their focus of operation to these offshore resource sites. In addition, fuel reduction initiatives by shipping industries hamper the market growth. Therefore, due to stringent environmental regulations regarding marine environment, the shipping industry decided to reduce the use of residual fuel oil that contains contaminants, including nitrogen and sulfur. The shipping industry focus toward new alternative such as liquefied natural gas (LNG), which is less harmful to the marine environment. Growth in opportunities for market players to expand business in the developing countries such as India, Japan, and China is expected to provide lucrative growth opportunities for the global bunker fuel market, due to exploration of untapped hydrocarbon reserves in these oil emerging countries.

Depending on the type, the low sulfur fuel oil segment held the highest [bunker fuel market share](#) of around 65.17% in 2020, and is expected to be dominant during the forecast period. This is due to implementation of IMO-2020, hence there will be decrease in demand for HSFO, which, in turn, is expected to fuel the market growth for low sulfur fuel oil in the future.

Depending on commercial distributor, the oil major segment holds the largest share, in terms of revenue, and is expected to maintain its dominance during the forecast period. This growth is attributed to dominance of oil majors in the crude oil tanker chartering business across the globe.

By application, the container segment holds the largest share, in terms of revenue, and is expected to grow at a CAGR of 4.6%. This is attributed to increase in demand for cargo transportation through ships and rise in trade-related agreements. In addition, rise in number of manufacturing units and factories in the region such as Asia-Pacific and LAMEA drive the growth of the bunker fuel market for container shipping.

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Region wise, the market is analyzed across four major regions such as North America, Europe, Asia-Pacific, and LAMEA. Asia-Pacific garnered the dominant share in 2020, and is anticipated to maintain this trend during the forecast period. This is attributed to numerous factors such as presence of huge consumer base and increase in maritime trade activities in the region. Moreover, presence of the developing countries such as China, Japan, Singapore, South Korea, and India contribute toward the growth of the bunker fuel market in Asia-Pacific.

The global [bunker fuel market analysis](#) covers in-depth information of the major industry participants. The key players operating and profiled in the report include BP p.l.c., Exxon Mobil Corporation, Royal Dutch Shell PLC., Lukoil, Sinopec Group, Gazprom Neft PJSC, Chevron Corporation, PETRONAS, Total SE, and Neste.

Other players operating in the value chain of the global bunker fuel market are Saudi Arabian Oil Company, Marathon Petroleum Corporation, Valero Energy Corporation, Minerve Bunkering, World Fuel Services Corporation, Gac Bunker Fuels Limited, and Bomin Bunker Oil Corp.

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COVID-19 Impact on the Market

- The Covid-19 pandemic hampered the market due to temporary ban on import and export activities. Moreover, the prolonged lockdown disrupted the supply chain.
- During the pandemic, the demand for marine fuel reduced significantly, which negatively affected the market.

KEY FINDINGS OF THE STUDY

- In 2020, low sulfur fuel oil segment accounted for majority of the share of the global bunker fuel market, and is expected to down throughout the bunker fuel market forecast period.
- In 2020, the oil major segment accounted for about 44.9% of the share in the global bunker fuel market, and is expected to maintain its dominance till the end of the forecast period.
- The container segment is accounted for 22.8% market share in the year 2020, and is anticipated to grow at a rate of 4.6% in terms of revenue, increasing its share in the global bunker fuel market.
- Low sulfur fuel oil is the fastest-growing fuel type in the Asia-Pacific bunker fuel market, expected to grow at a CAGR of 5.2% during 2021–2030.
- Asia-Pacific is expected to grow at the fastest rate, registering a CAGR of 4.7%, throughout the forecast period.
- In 2020, Asia-Pacific dominated the global bunker fuel market with more than 47.04% of the share, in terms of revenue.

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