

Bunker Fuel Market Growth Accelerating at a Rapid Pace due to Innovative Strategies

Rise in marine trade and Increase in oil & gas exploration activities drives the demand for bunker fuel and bunkering services.

PORTLAND, OREGON, UNITED STATES, August 2, 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. Rise in offshore oil & gas exploration activities and the international maritime organization (IMO) regulations on sulfur content in marine fuel have boosted the growth of the global bunker fuel market. On the contrary, fuel reduction initiatives taken by the shipping community hamper the market growth. On the contrary, surge in focus toward LNG as an alternative marine fuel is expected to open new opportunities in the future.



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.

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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.

By type, the LSFO segment held the lion's share in 2020, accounting for nearly two-thirds of the market. However, the segment is projected to portray [the highest CAGR](#) of 4.7% during the forecast period, due to rise in maritime trade activities to transport heavy goods, chemicals, equipment, and other bulk materials. The report includes analysis of the segments such as HSFO, MGO, and others.

By commercial distributor, the large independent segment is anticipated to register the highest CAGR of 4.7% from 2021 to 2030, due to presence of blending facilities, storage terminals, financial stability, and others in these companies. However, the oil major segment held the lion's share in 2020, contributing to more than two-fifths of the market, due to the highest revenues of the companies and dominance in crude oil tanks chartering business.

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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.

By region, the global market across Asia-Pacific is anticipated to register the highest CAGR of 4.7% during the forecast period. In addition, the region held the largest share in 2020, accounting for nearly half of the market, due to presence of huge consumer base and surge in maritime trade activities. The market across North America is expected to register the second-highest CAGR of 4.3% during the forecast period.

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.

The demand for marine fuel decreased, owing to COVID-19 pandemic across the globe. According to the International Energy Agency (IEA), fuel oil demand for end uses including marine bunker, power generation, and industrial uses is expected to decline by 6.3% in 2020. Furthermore, as LNG and crude oil prices declined in the 2nd quarter of 2020, thus, the overall revenue of bunker fuel diminished in the second quarter of 2020. Owing to the implementation of IMO-2020 in January, there was increase in demand for very low sulfur fuel oil, but with the supply chain disruptions there were ups and down in the low sulfur bunker fuel sales throughout 2020. In addition, high sulfur fuel oil demand collapsed due to IMO regulation along with COVID-19 pandemic, restraining the market growth in 2020-2021.

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