



The 12th International Fujairah Bunkering & Fuel Oil Forum Fuelling The Future - Solutions & Challenges

23 - 24 March 2021

FUJAIRAH
BUNKERING
Week 2021

In conjunction with the Fujairah Bunkering Week, 15-24 March 2021

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23 March 2021

S&P Global Platts

Fujairah mulls boosting storage capacity by 70% in four years

March 23

Fujairah, the biggest bunkering and oil product trading hub in the Middle East, is considering boosting crude and product storage capacity in the next three to four years to 17 million cu m from more than 10 million cu m currently to cater to increasing demand at its port, an official said March 23.

"Our policy or our strategy is to stay ahead of the market," Captain Salem al-Hamoudi, director of Fujairah Oil Industry Zone, told the Fujairah Bunkering and Fuel Oil virtual forum 2021 organized by Conference Connection.

Fujairah Oil Industry Zone is the authority that manages the land used for tanks and refining in the UAE emirate, which has a strategic location outside the Strait of Hormuz.

The Port of Fujairah currently has 16 oil and product storage terminals and is anticipating a pick-up in demand for crude infrastructure from Abu Dhabi National Oil Co. and other existing customers, according to Martijn Heijboer, the port's business development manager.

"As early as this year we might need to make investment decisions to expand our infrastructure," Heijboer said. "We need to anticipate what is coming to make sure we stay ahead of the market."

ADNOC Operations

The Port of Fujairah, which mainly has oil product storage, is predicting a surge in crude demand as Abu Dhabi National Oil Co. expands its operations there.

ADNOC is building underground storage caverns in Fujairah that will be able to hold 42 million barrels of crude, including its flagship Murban grade.

Murban futures contract will begin trading on March 29 at ICE Futures Abu Dhabi and physical delivery of the grade will take place in Fujairah.

The underground storage project "is ongoing and will be connected to the port in the coming two years, that means there will be additional flows," said Heijboer.

The Port of Fujairah may expand its berth and jetty infrastructure as part of growth plans, Heijboer said.

The most probable expansion project "will be indeed an additional jetty infrastructure and a potential interconnectivity pipeline because we see on the short-term influx of new volumes," he said.

"We see some terminals improving their connectivity with the port again to accommodate more volumes."

Another project may be the addition of LPG loading arms and infrastructure to existing facilities due to an increase in LPG terminal inquiries for local supply and trade, Heijboer added.