Oil: Refining, Storage and Asian Price Benchmarks

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Singapore has no oil of its own. Yet for more than half a century it has been one of the largest refining centres in the world, the place where much of Asia's fuel is stored, blended and reloaded, and the location whose prices determine what refiners, airlines, shipowners and governments across the region pay for gasoline, jet fuel, gasoil and fuel oil. The story began in the 1890s with a few kerosene tanks on a small island south of the harbour. It continued with a refinery boom in the 1960s and 1970s, with the reclamation of Jurong Island from seven islets, and with the rise of Singapore as the assessment point for the oil product prices that Asia uses in its contracts.

This chapter examines the physical and the financial side of that business together, since in Singapore they cannot be separated. It begins with refining on Pulau Bukom and Jurong Island and with the changes of ownership that have reshaped the industry since 2020. It then turns to storage and blending, to the price assessments known as the Mean of Platts Singapore, and to the swaps and futures through which traders and consumers hedge against those prices. A further section considers the energy transition, the carbon tax and the conversion of refining capacity to

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renewable fuels, together with the lessons of the Hormuz crisis of 2026. The chapter ends with practical consequences for advisers and with a comparison with Geneva and other oil centres.

The comparison is instructive because the two cities reached the oil business from opposite directions. The Geneva volume describes a trading centre that organises, finances and documents cargoes that never touch Swiss soil, and it explains how to read the claim that about a third of the world's oil trade "transits" through the city.[1] Singapore holds the contracts and the barrels together. Its tanks, refineries and jetties give its traders physical options that an office centre cannot offer, and the price of oil products in Asia is formed where those barrels change hands.

Essentials

Shell's predecessor M. Samuel & Co. established a petroleum depot on Pulau Bukom in the early 1890s, and Singapore's first refinery opened there on 26 July 1961. Mobil, Esso, BP and the Singapore Petroleum Company followed in the 1960s and 1970s, while the reclamation of seven islets into Jurong Island, opened in 2000 and completed in 2009, created a single site for refining and petrochemicals. Shell announced in 2020 that it would halve crude capacity at Bukom and later sold its Singapore refining and chemicals assets to a venture of Chandra Asri and Glencore, which took them over in April 2025. Platts assessments of cargoes loading in Singapore, averaged as the Mean of Platts Singapore (MOPS), price oil products throughout Asia and serve as the reference for a large market in swaps and cleared derivatives, which MAS has supervised since the reforms of 2018. The carbon tax, rising to S$45 per tonne in 2026 and 2027, the expansion of Neste's renewable fuels refinery and the supply shock of the Hormuz crisis of 2026 frame the future of the sector.

Notes

1. Ressos, *Genève, place financière internationale*, partie G, chapitre I, section « L'ère du pétrole » : « Le mot "transiter" doit être compris correctement. […]

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Ce qui transite par Genève, ce sont les contrats, les financements, les documents et les décisions. » ↩

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