Singapore as a bunkering port

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From coal heaps to fuel oil

Bunkering in Singapore began with coal. When steamships appeared in Asian waters in the nineteenth century, the port became a coaling station for the steamship networks that linked Europe, India, China and Australia.[1] The coal had to be imported, stored and carried on board by gangs of labourers. The speed of coaling soon became a factor in the competition between ports. Chapter V of Part B described the coal wharves of the Tanjong Pagar Dock Company and the contract rate of forty tons per hour. The word itself survives from that period: the "bunkers" were the compartments in which a steamship stored its coal, a term that passed to the fuel oil that replaced coal in the twentieth century.[2]

The transition to oil linked bunkering to the oil industry that grew up on the southern islands. In the early 1890s M. Samuel & Co., the London firm that later created Shell Transport and Trading, had a petroleum tank depot built on Pulau Bukom. The island later became the site of a major refinery and terminal.[3] The refineries built in Singapore from the 1960s, which Chapter II of this part examines, produced the residual fuel oil that ocean-going ships burned. Fuel oil was the heavy end of the refining barrel, which had few other uses. A port that refined crude oil for the region therefore had a natural outlet for its residues in the ships that passed

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through its waters. The shipyards established after the British military withdrawal, examined in Chapter III of Part C, added repair and maintenance to the services that drew ships to Singapore.

The scale of the market

The growth of the market since 2010 has been almost continuous. Annual bunker sales rose from 40.9 million tonnes in 2010 to 45.2 million tonnes in 2015 and 50.6 million tonnes in 2017. They fell back to 47.5 million tonnes in 2019 and to 47.9 million tonnes in 2022, then reached 51.8 million tonnes in 2023 and 54.9 million tonnes in 2024.[4] The figure for 2025, 56.77 million tonnes as first announced and 56.79 million tonnes in the MPA's revised series, was the highest ever recorded. Sales of high-sulphur fuel oil rose by 7.8 per cent to 21.73 million tonnes, the fifth consecutive annual increase, while sales of low-sulphur fuel oil fell by 2.5 per cent to 28.83 million tonnes.[5] The remainder consisted mainly of marine gasoil and of alternative fuels, discussed below.

The trend continued in 2026, although more slowly. Sales from January to August 2026 reached 37.77 million tonnes, about 2.4 per cent more than in the same months of 2025, despite the Hormuz crisis that Chapter II of this part examines. Preliminary figures put sales for the first nine months at 42.50 million tonnes. Biofuel blends were the exception, falling to about 0.52 million tonnes in the first eight months from 1.05 million tonnes a year earlier.[6] Bunker sales should be read together with the traffic of the port. In 2025 the tonnage of vessels arriving in Singapore reached a record 3.22 billion gross tons, while container throughput reached 44.66 million TEU.[7] Many of the ships that take bunkers in Singapore do not load or discharge cargo there. They call only for fuel, supplies and crew changes, using the anchorages as a service station on the route between the Indian Ocean and the South China Sea.

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Why ships bunker in Singapore

The first reason is geography. Chapter I of Part A showed that the Strait of Malacca is one of the principal chokepoints of world trade. A ship sailing between Europe, the Middle East or India and East Asia passes Singapore whether it calls there or not. Taking fuel there costs a short deviation at most, while the alternative ports on the route either lack the volumes and the choice of suppliers or are located at the margins of the main shipping lanes. Fujairah in the United Arab Emirates, described as the world's second largest bunkering hub, serves ships at the entrance to the Gulf.[8] Rotterdam plays the corresponding role for northern Europe. Neither competes directly with Singapore for the trade of East Asia.

The second reason is supply. Singapore combines refineries, independent storage terminals and a large oil trading community, which Chapters II and V of this part examine. Fuel oil and gasoil are refined locally or imported from the Middle East, India, China and Europe, then blended in storage terminals to the specifications that ships require. Price discovery takes place in the same city, since Singapore assessments of fuel oil prices serve as benchmarks for the whole of Asia. A shipowner can therefore buy fuel in Singapore at a transparent price, from a range of competing suppliers and in almost any quantity.

The third reason is regulation, which is the subject of the next sections. Shipowners and charterers buy fuel in Singapore because they expect to receive the quantity they pay for, of the quality stated in the documents, from a licensed supplier who can be held to account. Few bunkering ports offer that assurance to the same degree. It is the product of more than two decades of regulatory work by the MPA, which turned a market notorious for short deliveries and malpractice into one that other ports now study.

The bunker supply chain

A typical bunker supply involves several parties. The buyer is the person responsible for the ship's fuel. Under a time charter this is normally the charterer, which explains why many bunker contracts are concluded by charterers and not by owners.

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The Court of Appeal noted in 2012 that under a time charter "it is the charterer who is responsible for the provision and payment for fuel".[9] The buyer often contracts with a bunker trader or broker, who in turn buys from a physical supplier licensed in the port. The physical supplier delivers the fuel by bunker tanker to the ship at anchor or alongside a berth.

The delivery is documented by a bunker delivery note signed by the supplier's cargo officer and by the ship's chief engineer, who may be assisted by an independent bunker surveyor. Samples are drawn during delivery and sealed for later testing. Payment usually follows on credit terms of several weeks, so that the supplier or trader finances the fuel until the buyer pays. The fuel itself is normally consumed long before payment falls due, a fact that becomes important when a party in the chain fails. A bank financing a bunker trader therefore lends against receivables from shipowners and charterers whose creditworthiness it must assess, against fuel that will soon disappear into the engines of the ships.

Notes

1. Wikipedia, "Port of Singapore" (accessed November 2026): from the 1840s Singapore became an important coaling station for steamship networks. ↩
2. Wikipedia, "Bunkering" (accessed November 2026): the term originates in the days of steamships, when coal was stored in bunkers; today "bunker" generally refers to the petroleum products stored in tanks. ↩
3. National Heritage Board, Roots.sg, "Shell in Singapore", and Tilak Doshi, *Houston of Asia: The Singapore Petroleum Industry*, Singapore, ISEAS, 1989, pp. 81–124 (first kerosene storage tanks on Pulau Bukom in 1892), both cited in Chapter II of this part. ↩
4. Wikipedia, "Port of Singapore" (accessed November 2026), table of bunker sales: 40.9 million tonnes (2010), 45.2 (2015), 48.6 (2016), 50.6 (2017), 49.8 (2018), 47.5 (2019), 49.8 (2020), 50.0 (2021), 47.9 (2022), 51.8 (2023), 54.9 (2024), 56.77 (2025). MPA, "Bunker Sales" (Excel file bunker-sales_Sep-2026.xlsx, mpa.gov.sg, Research and Statistics, accessed November

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2026): annual totals of 48,614.5 thousand tonnes (2016) to 54,920.59 thousand tonnes (2024), consistent with these figures; revised total for 2025 of 56,789.46 thousand tonnes. ↩

5. Baird Maritime (Reuters), 13 January 2026 (n above): high-sulphur fuel oil 21.73 million tonnes in 2025, up 7.8 per cent and rising for a fifth straight year; low-sulphur fuel oil 28.83 million tonnes, down 2.5 per cent. ↩
6. MPA, "Bunker Sales" (Excel file bunker-sales_Sep-2026.xlsx, mpa.gov.sg, Research and Statistics, accessed November 2026): monthly totals for January–August 2026 summing to 37,770.41 thousand tonnes, against 36,870.53 thousand tonnes for January–August 2025; January–September 2026 (September a preliminary estimate) 42,496.80 thousand tonnes; bio-blended grades and B100 together 519.82 thousand tonnes in January–August 2026 against 1,050.83 thousand tonnes in January–August 2025. ↩
7. Baird Maritime (Reuters), 13 January 2026 (n above): vessel arrival tonnage of 3.22 billion gross tons and container throughput of 44.66 million TEU in 2025. ↩
8. Wikipedia, "Port of Fujairah" (accessed November 2026): Fujairah described as "the world second largest bunkering hub", citing an S&P Global interview of 16 April 2019. ↩
9. *The "Bunga Melati 5"* [2012] SGCA 46 (Court of Appeal, 21 August 2012), at [70], quoting Girvin: under a time charter "it is the charterer who is responsible for the provision and payment for fuel". ↩

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