

Straits Energy Resources unit certified to enter marine biofuel industry

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Kuala Lumpur

KUALA LUMPUR: Bursa Malaysia-listed Straits Energy Resources Bhd said its subsidiary Tumpuan Megah Development Sdn Bhd is set to enter the marine biofuel trading and bunkering industry in the first quarter of 2024 after it was certified by the International Sustainability and Carbon Certification (ISCC EU) scheme.

The breakthrough comes as the maritime industry's accelerates its transition to low-carbon alternative fuels, such as sustainable biofuels, as part of the global decarbonisation agenda.

According to maritime industry adviser DNV, global production of sustainable biofuels is expected to grow from 11 million tonnes of oil equivalent (Mtoe) per year to 23 Mtoe by 2026.

However, DNV estimates that 250 Mtoe of biofuels would be needed yearly if shipping, using mostly biofuels, was to fully decarbonize by 2050. This would imply a more than tenfold expansion of the market.

Tumpuan Megah is the first Malaysian industry player to achieve ISCC EU certification as a biofuel supplier and trader, spearheading the industry's efforts to lower shipping's carbon footprint.

With ISCC EU certification, maritime industry players can exhibit compliance with the sustainability and GHG emission-saving criteria of the European Union (EU).

This includes the stringent requirements established by the EU Renewable Energy Directive (RED II) to classify biofuels as sustainable. The European Union, the United Kingdom, Japan, and Singapore, recognise ISCC accreditation.

Straits Energy Resources Bhd managing director Datuk Seri Ron Ho Kam Choy said shipping is the least carbon-intensive method to move products compared with air travel and road transportation.

The shipping industry has been transitioning to alternative fuels and energy sources to reduce environmental impact in line with the International Maritime Organisation's 2023 greenhouse gas strategy. - Bernama