

Maritime Per Week

Capacity & Impact: The Dangote Refinery, operational since December 2023, is the largest single-train refinery in the world, with a capacity of 650,000 barrels per day. Its production has significantly reduced Nigeria's reliance on imported refined products, particularly gasoline from Europe. This shift is disrupting traditional gasoline trade routes and challenging long-established suppliers.

Foreign Exchange & Export Earnings: Reducing refined product imports, the country can conserve foreign exchange. Additionally, with domestic demand met, Nigeria is positioned to export refined products, boosting foreign exchange earnings, improving the trade balance, and stabilizing the naira.

Strategic Expansion: Ongoing crude oil supply constraints due to limited availability from NNPC contributed to consturction of 6.3 million liters of additional storage capacity. Nigeria's crude production has recovered from 931k bpd in 2022 to 1.5million bpd in 2024, with the potential of 1.8m in 2025.

Energy Diversification: Achieving energy self-sufficiency within the next decade will require transitioning from petrol (PMS) to gas as the primary energy source, incorporating renewables, and leveraging resources like lithium for sustainability. Transparency in the downstream oil and gas sector remains a critical challenge.

The tanker market saw dynamic activity this week, with VLCC and Suezmax earnings on Middle East Gulf and West Africa routes experiencing significant gains. Aframax and MR tankers showed steadier movements, supported by balanced demand in the Atlantic and Asia-Pacific regions. Key Index Movements: The Baltic Dirty Tanker Index (BDTI) rose 34 points to 855, reflecting robust crude demand. The Baltic Clean Tanker Index (BCTI) gained 11 points to 640, underscoring resilience in clean product markets.

Route	Highest TCE Changes - Description	Worldscale	TCE (\$/day)	+/-
TC20	90K CPP Middle East Gulf to UK-Continent (Aframax)	3956250	\$36279	2492 ▲
TD22	270K US Gulf to China	6820000.0	\$29834	2399 ▲
TD8	80K Kuwait to Singapore	138.21	\$28217	2098 ▲
TD15	260K West Africa to China (VLCC)	77.39	\$57966	1591 ▲
TD7	80K North Sea to Continent (Aframax)	110.0	\$20317	1294 ▲

Route	Description - Dirty	Worldscale	TCE (\$/day)	+/-
TD2	270K Middle East Gulf to Singapore	78.0	\$60328	183 ▲
TD3C	270K Middle East Gulf to China (VLCC)	77.15	\$57589	698 ▲
TD6	135K Black Sea to Mediterranean (Suezmax)	90.1	\$28351	645 ▲
TD7	80K North Sea to Continent (Aframax)	110.0	\$20317	1294 ▲
TD8	80K Kuwait to Singapore	138.21	\$28217	2098 ▲
TD9	70K Caribbean to US Gulf (LR1)	131.56	\$22821	-2063 ▼
TD15	260K West Africa to China (VLCC)	77.39	\$57966	1591 ▲
TD20	130K West Africa to UK-Continent (Suezmax)	85.67	\$32492	125 ▲
TD22	270K US Gulf to China	6820000.0	\$29834	2399 ▲
TD25	70K US Gulf to UK-Continent	130.28	\$27378	-1394 ▼
TD27	130K Guyana to ARA	79.33	\$28226	162 ▲

Route	Description	Worldscale	TCE (\$/day)	+/-
TC5	55K CPP Middle East Gulf to Japan (LR1)	172.81	\$25786	-141 ▼
TC8	65K CPP Middle East Gulf to UK-Continent (LR1)	50.33	\$30550	-908 ▼
TC12	35K Naphtha West Coast India to Japan (MR)	160.31	\$13201	236 ▲
TC15	80K Naphtha Mediterranean to Far East (Aframax)	3094167	\$8946	-605 ▼
TC16	60K ARA to Offshore Lome (LR1)	114.72	\$17103	152 ▲
TC17	35K CPP Jubail to Dar es Salaam (MR)	216.07	\$20319	777 ▲
TC18	37K CPP US Gulf to Brazil (MR)	185.0	\$20728	-2818 ▼
TC19	37K CPP Amsterdam to Lagos (MR)	199.06	\$26023	55 ▲
TC20	90K CPP Middle East Gulf to UK-Continent (Aframax)	3956250	\$36279	2492 ▲

Suezmax TCE \$30,422/day +385 \$/day ▲	Aframax TCE \$25,068/day +355 \$/day ▲	VLCC TCE \$57,025/day +1717 \$/day ▲	VLCC OpEX \$8,080/day +102 \$/day ▲
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Regional & Global Dynamics. Decline in MR Tanker Imports: Reduced reliance on gasoline imports will impact traditional MR flows. Foreign refineries, especially in Europe, must explore new markets for their products, potentially leading to inventory buildup and price disruptions.

Rising Export Demand: Increased production capacity is driving regional exports to West-African Coast, South Africa, and abroad, boosting demand for Handysize and MR tankers. This dynamic enhances Nigeria's position as a regional energy hub.

Global Impact: New export routes will emerge as local refining capacity reduces Nigeria's import dependency. This shift reshapes global tanker flows, increases competition in other markets, et al

Geopolitical Considerations: The Dangote Refinery strengthens Nigeria's role in the global oil and gas ecosystem, supporting regional energy security and fostering trade ties. Resistance to this change is anticipated due to its disruption of long-established trade flows.

Global Bunker Prices

