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Sing Fuels goes beyond Singapore and fuels

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(From left) Sing Fuels chief executive officer Vikash Dhanuka, marcomms manager Jez Lee, head of global business Sonnich Thomsen and business analyst Shivani Jha. In its latest diversification move in September 2022, the company launched its own brand of lubricant with over 300 grades, aimed at the automotive and industrial sectors in emerging geographies in Africa, Asia and Latin America. PHOTO: SING FUELS

A DECADE ago, two men took a chance and entered bunker broking – connecting ships with fuel suppliers – amid a downturn in the global shipping industry. Now, the company they founded has not only made a mark in the global bunker market, but is also exploring new territory.

Over the years, Sing Fuels has expanded into other areas of the oil industry – including cargo, base oil and energy trading – and broadened its suite of services to include ship chartering for dry bulk, tanker and gas shipping.

In its latest diversification move in September 2022, the company launched its own brand of lubricant with over 300 grades, aimed at the automotive and industrial sectors in emerging geographies in Africa, Asia and Latin America.

"The lubricants line is a natural extension of our product capabilities," said chief executive officer Vikash Dhanuka. "The emerging geographies have typically been underserved by the bigger names. With the depth of our support in these markets coupled with sustainable innovation in products, the lubricants market is ripe for some new ideas and execution."

Growing and expanding

Sing Fuels' journey began in 2012, when Dhanuka and co-founder Satnam Singh took the plunge and founded the company despite choppy waters in the global shipping industry.

Their calculated gamble paid off. Sing Fuels now commands an estimated 1.5 per cent of the global bunker market, with operations in the United Arab Emirates, South Africa, United Kingdom, United States and Greece.

The company attributes its growth to its operational expertise, extensive market knowledge and competitive pricing. Even as global demand weakened during the Covid-19 pandemic, its sales volume in metric tonnes rose 21 per cent to a record high in financial year 2021, with revenue rising 15 per cent.

From the start, the founders knew that they had to internationalise. Although Singapore is the largest bunkering market in the world, supplying about 50 million tonnes of marine fuel annually, competition is sharp and margins low. In 2020, Sing Fuels set up representative offices and hired talent in two key trading centres: the US and South Africa. In 2021, chief operating officer Singh relocated to Dubai to strengthen the company's presence in the Middle East and Africa.

In 2022, Sing Fuels acquired Prime's Bunkerplus Services in Greece, giving it a foothold in one of the world's largest shipping markets and supporting its expansion into Europe. This acquisition gave the company its fifth international office.

This was part of Sing Fuels' plan to increase market share by building a global alliance of independent brokerage and trading partners with deep knowledge and specialisation in their respective markets. The company intends to use the same expansion tactic in the UK and US to reach a wider client base and achieve its ambition of serving clients from the Pacific to the Atlantic.

Going green

Apart from expanding into new businesses and markets, Sing Fuels is also exploring the growing area of environmental, social and governance (ESG) initiatives.

The need to develop a sustainable supply chain and provide green solutions – in line with ESG values – is becoming an important consideration for businesses. Banks, financial backers and insurers are increasingly scrutinising businesses' ESG strategy and implementation.

As a global trading company, Sing Fuels recognises the importance of incorporating practical sustainability measures in its operations.

It is also pursuing growth in the renewable energy sector, including biofuels and clean technology alternatives.

In February 2022, Sing Fuels entered into a joint venture with VFlowTech, a Singapore-based company that develops high-performance vanadium batteries.

Under the joint venture, the two companies will provide clean energy services and sell such batteries to mobile network operators, mining companies and other infrastructure owners in Africa, where energy is a key challenge.

Sing Fuels is also developing a platform where customers can voluntarily offset their carbon emissions.

For its own part, the company aims to be carbon-neutral by 2030. Its Singapore headquarters was eco-office certified and conferred the Professional Award by the Singapore Environment Council in 2021. Starting from 2023, Sing Fuels also plans to report ESG activities in compliance with global standards.

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