

# S&P Global Platts Launches SAF and HVO values in Asia

## New Assessments Add Transparency and Support Transition to Lower Carbon Intensity Fuels

SINGAPORE, Jan. 19, 2021 /PRNewswire/ -- S&P Global Platts ("Platts"), the leading independent provider of information and benchmark prices for the commodities and energy markets, has launched new sustainable aviation fuel (SAF) and hydrotreated vegetable oil (HVO) price assessments in Southeast Asia effective January 18, 2021. The new assessments will enhance transparency in renewable fuel markets across Asia as the region is set to become a large producer of advanced biofuels.

The new *Platts Southeast Asia SAF*, and *Platts Southeast Asia HVO*, as well as a Used Cooking Oil price assessment in Asia called *UCO North Asia* follow Platts first-to-market Northwest European SAF and HVO assessments launched on August 17 last year, as well as the launch of SAF values for the US West Coast on September 21.

In compliance with Paris Agreement commitments, countries in Asia have a number of options at their disposal to replace fossil fuels with renewable sources of energy. With growing consumer awareness of the environmental impact of transportation, cleaner fuels like SAF synthesized from renewable feedstocks are emerging as a compelling solution to achieve emissions reductions within the aviation sector itself, in addition to the purchase of carbon credit offsets. Despite the move towards decarbonization, the physical market trading for many of these commodities has not yet reached sufficient volumes to support spot price assessments, therefore the cost-based price for SAF published by S&P Global Platts will be based on existing assessments and other fixed costs.

**Ian Dudden, global pricing director, Metals and Agriculture, S&P Global Platts**, said: "Southeast Asian governments are pursuing aggressive renewable fuels targets which are set to intensify in the future. Embracing advanced biofuels such as HVO and SAF will play an important role in helping nations achieve those goals. In addition, major airlines are already looking at sustainable aviation fuels on a voluntary basis to reduce their carbon footprint. With these Asia-based price assessments rounding out our global offering, S&P Global Platts is poised to bring greater transparency and access to the global renewable fuel market, helping the industry to transition and evolve."

Hydrotreated vegetable oil - HVO (also known as renewable diesel in America) is a biomass-derived transportation fuel suitable for use in diesel engines, like biodiesel. Unlike fossil fuels, it is made of nonpetroleum renewable resources such as natural fats, vegetable oils, and greases and can be blended in traditional diesel or used as a substitute. The majority of production today is derived from waste and residues, such as palm fatty acid distillate (PFAD), tallow (animal fat), and fish oil.

**Patricia Luis-Manso, head of Agriculture & Biofuels analytics, S&P Global Platts** said: "HVO production for road transport across Asia is forecast to exceed 1.8 million mt (metric tonnes) by 2025 and 2.6 million mt by 2030, up from 930,000 mt annual production in 2020. Investment to expand infrastructure such as NESTE's Singapore refinery, as well the launch of two HVO plants in Indonesia, will fuel the region's HVO production going forward."

The new SAF and HVO valuations reflect a FOB Singapore price, and the launch follows extensive consultation with producers, consumers, traders and others in the Asian, European and US oil and biofuel markets as the global demand for renewable diesel grows. The used cooking oil feedstock assessment for Asia reflects the region's position as a leading exporter.

The HVO assessment calculation assumptions, provided by Platts Analytics, are based on existing Platts assessments and other fixed costs. The HVO inputs are Used Cooking Oil North Asia and Japan Hydrogen SMR w/o CCS added to fixed renewable refinery costs, then deducting the byproducts of Propane Refrigerated CFR North Asia, Naphtha FOB Singapore cargo and Gasoil 0.001% sulphur FOB Singapore cargo. S&P Global Platts is committed to reviewing its methodology specifications and assumptions on an ongoing basis as the renewable diesel market evolves, and Platts will continue to engage with the marketplace.

Additional details about the S&P Global Platts SAF & HVO cost-based price assessment methodology can be

The logo for S&P Global Platts. It features the text "S&P Global" in a bold, red, sans-serif font, with "Platts" in a larger, black, serif font below it. A thin horizontal line is positioned above the "S&P Global" text.

found in the [Subscriber Note](#).

**Media Contacts:**

*Americas:* Kathleen Tanzy + 1 917-331-4607, [kathleen.tanzy@spglobal.com](mailto:kathleen.tanzy@spglobal.com)

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For further information: Asia: Melissa Tan + 65-6597-6241, [melissa.tan@spglobal.com](mailto:melissa.tan@spglobal.com); EMEA: Alex Brog +44 207 176 7645, [alex.brog@spglobal.com](mailto:alex.brog@spglobal.com) and Russ Gerry +44 207 176 3569 [russell.gerry@spglobal.com](mailto:russell.gerry@spglobal.com)

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