# Shell Delays Biofuels Plant Construction in Rotterdam Due to Cost Concerns



Shell has announced a temporary pause on the construction of its flagship biofuels plant in Rotterdam, Netherlands. Initially approved in 2021, the facility was designed to produce up to 820,000 tonnes of biofuels annually, including sustainable aviation fuel (SAF) and renewable diesel derived from waste materials. The project, which would have significantly contributed to reducing carbon emissions, is now postponed with completion pushed to 2025 instead of the original target of April 2024.

Shell attributed the decision to the need for cost control and project sequencing optimization amid challenging market conditions. This move will likely result in job cuts and a reduction in on-site contractor numbers. The company has witnessed rising costs linked to renewable energy developments amid inflationary pressures, prompting a reassessment of its green project commitments.

This development comes amidst a broader trend within the oil and gas industry, where companies like Shell and BP are re-evaluating their investments in low-carbon energy due to investor concerns over returns. Both companies have shown increased focus on fossil fuel production, capitalizing on high oil and gas prices.

Despite the pause, Shell remains committed to achieving net-zero emissions by 2050, emphasizing a disciplined approach to capital use in its renewable endeavors.