# Shell halts construction on biofuels plant in Rotterdam amidst market conditions



Shell has announced a temporary halt on construction for its biofuels plant in Rotterdam, Netherlands. Initially approved in 2021, the plant was expected to produce 820,000 tonnes of biofuels annually, converting waste into sustainable aviation fuel and biodiesel.

Citing "current market conditions," Shell aims to reassess the project's commercial viability. Huibert Vigeveno, a director in Shell’s downstream, renewables, and energy solutions arm, emphasized the company's commitment to net-zero emissions by 2050 while implementing a more measured spending approach. This decision aligns with Chief Executive Wael Sawan’s focus on disciplined investment, even as Shell’s stock has risen 12% this year.

The pause reflects broader challenges in Europe's biofuel market, impacted by oversupply and slower-than-expected demand growth. This follows a similar move by BP, which recently halted biofuel projects in Germany and the US.