# Shell Nederland Raffinaderij B.V. Temporarily Halts Biofuels Facility Construction in Rotterdam



Shell Nederland Raffinaderij B.V., a subsidiary of Shell plc, announced on July 2, 2023, the temporary pause of on-site construction at its biofuels facility within the Shell Energy and Chemicals Park Rotterdam, Netherlands. The project, targeting an annual output of 820,000 tonnes of biofuels, began in September 2021 with an anticipated operational start in 2025. The halt comes amid Shell’s reassessment of market conditions to ensure future competitiveness, with Huibert Vigeveno, Shell's Downstream, Renewables, and Energy Solutions Director, emphasizing cost control and project optimization.

The pause will reduce contractor numbers on-site and slow activity, aiming to align project delivery with current commercial realities. This move is part of Shell’s broader strategy to achieve net-zero emissions by 2050, focusing on low-carbon fuels while judiciously using shareholder capital.

This decision aligns with industry trends, as BP similarly paused biofuel projects in Germany and the US. Under CEO Wael Sawan, Shell has also scaled back hydrogen and renewable energy investments. The company's share price has increased by 12% in 2023.

Shell’s Rotterdam facility aims to produce sustainable aviation fuel and renewable diesel, integral to decarbonization strategies endorsed by industries like aviation. The current pause reflects Shell’s cautious stance on the biofuels market given existing economic conditions.