

Pierre Pitaud

Director HBI Group



Biorenewables Ahead

EUROPEAN CASTOR OIL MARKET OUTLOOK

23rd February 2024

AGILITY



SECURITY



ADVICE



SUMMARY OF THE PRESENTATION

Introduction

Imports

Consumption

Market
Outlook

The HBI Group – brokerage and agency house

2023

> 825,000 mt
of biorenewables

A FOCUSED PORTFOLIO OF PRODUCTS :

GLYCERINE
CASTOR OIL
FATTY ACIDS
FREIGHT
BIODIESEL FEEDSTOCKS

A SALES-OBSESSED TEAM

Constantly improving
our procedures,
ISO certified since 1994

ADD SECURITY TO YOUR DECISIONS

The HBI Group – brokerage and agency house

45 EMPLOYEES

including a 15-strong team of
experts in international
administration and logistics

*Less than 3% of our contracts
have been cancelled*

*Less than 10% of our contracts
are delayed*

8
BRANCHES

■ Houston
USA

■ Buenos Aires
ARGENTINA

■ Phnom Penh
CAMBODIA

■ Paris
FRANCE

■ Mumbai
INDIA

■ Istanbul
TURKEY

■ Nanjing
CHINA

■ Kuala Lumpur
MALAYSIA

ADD SECURITY TO YOUR DECISIONS

2023 HBI Group Sales Breakdown: **825,000 mt** of Bio-Renewables

460,000 mt of Crude Glycerine:

- 150 kmt into China
- 70 kmt into Biogas
- 170 kmt from South America

22,000 mt of Castor Oil into Europe and the USA, mostly ex-tank .

All qualities + castor derivatives

100,000 mt of biodiesel feedstocks:

- 90,000 mt of vegetable oils
- 11,000 mt of acid oils and tallow
- 11,000 mt of catalysts

16,000 mt of Fatty Acids

C8/10 - C12 - C12/14 -C16/18

160,000 mt of Refined Glycerine

- 120 kmt into China
 - 70 kmt from South America
- Pioneers in Organic Glycerine**

Freight brokerage for 30,000 mt of biorenewable products

Specialists in oleochemical product
reverse auctions since 2000

REMAIN AHEAD WITH HBI

Why operate without the best information?

Oleoline®
The Independent Oleo Reporter 

4 GLYCERINE MARKET REPORTS
THE BEST OLEOCHEMICAL REPORT
VEG OILS – BIODIESEL

UNIQUE DATABASES KEEPING
TRACK OF **PRODUCERS**
THROUGHOUT THE WORLD

**7th GLOBAL GLYCERINE
CONFERENCES**
Next 2025

2 OLEOCHEMICAL CONFERENCES
18th April 2024 in Paris

**AN ANNUAL CASTOR OIL
CONFERENCE since 2012**

OUR BROKERS ARE
CONSTANTLY IN THE MARKET,
SCANNING ALL AVAILABLE OPTIONS

AS AGENTS **WE OFFER PRIVILEGED
ACCESS** TO COMPLICATED MARKETS

THE KEY INGREDIENTS OF SUCCESS
ARE SPEED AND CONTROL

VALUABLE ADVICE IN UNCERTAIN MARKETS

Partners of the HBI Group: our agency agreements

■ Castor Oil in Europe on an ex tank basis with **Adani Wilmar Ltd**

■ Short Chain Fatty Acids for the European market with **Unilever OI**, Sei Mangkei, Indonesia

■ Nickel Catalysts with **Suhans Chemicals**, India and sodium methyleate from **Anhui**, China

■ Refined Glycerine with **Bojagro's** 30,000 mt per annum plant in Argentina

■ Crude Glycerine with **B8**, Brazil and **Tecosol**, Ochsenfurt, Germany

■ **ABS and DLG** for Biogas

■ **Green Glycols** for Green MPG

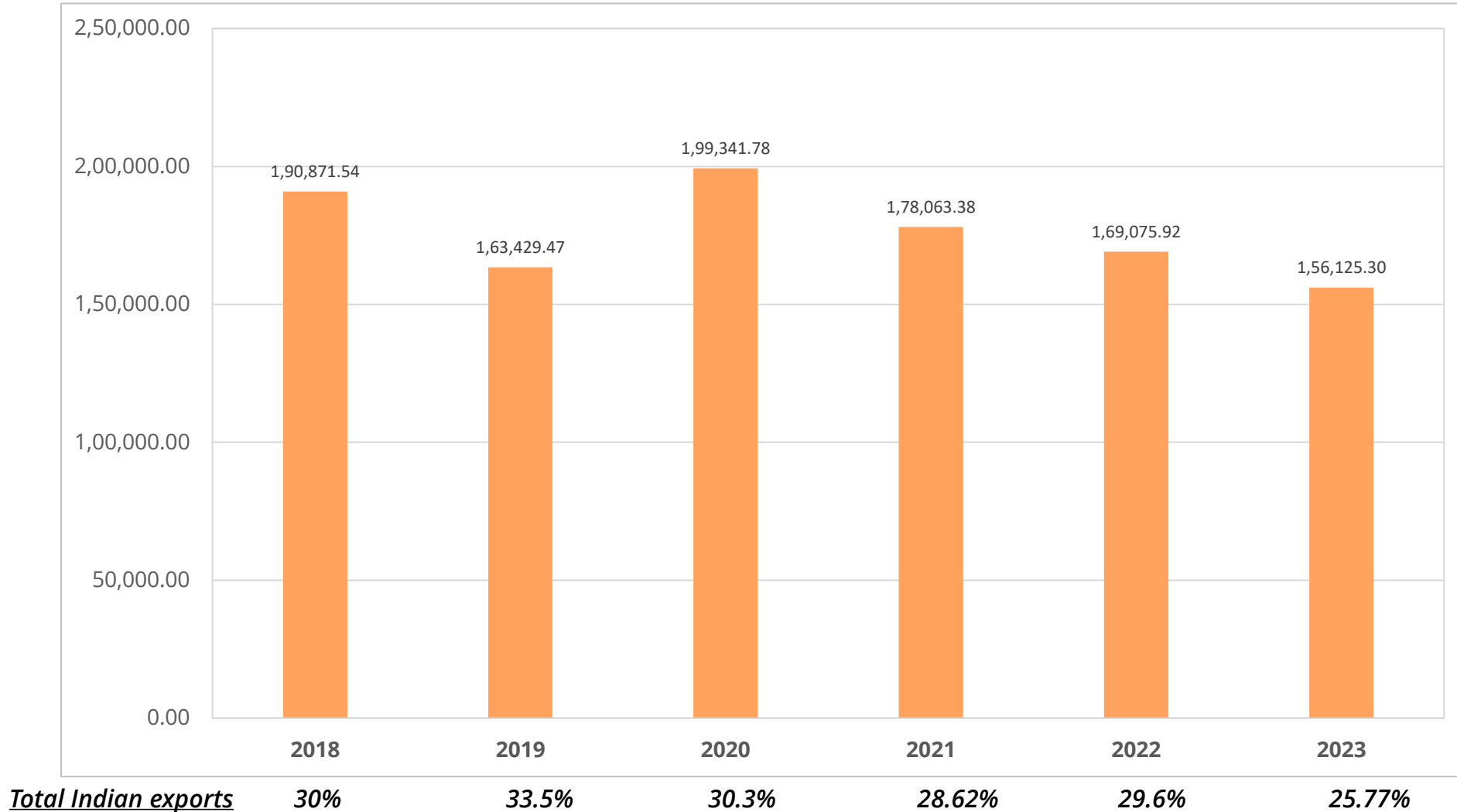
■ **Aryan** for Organic Glycerine

PART 1: IMPORTS

European castor oil imports from India

2018-2023

In mt

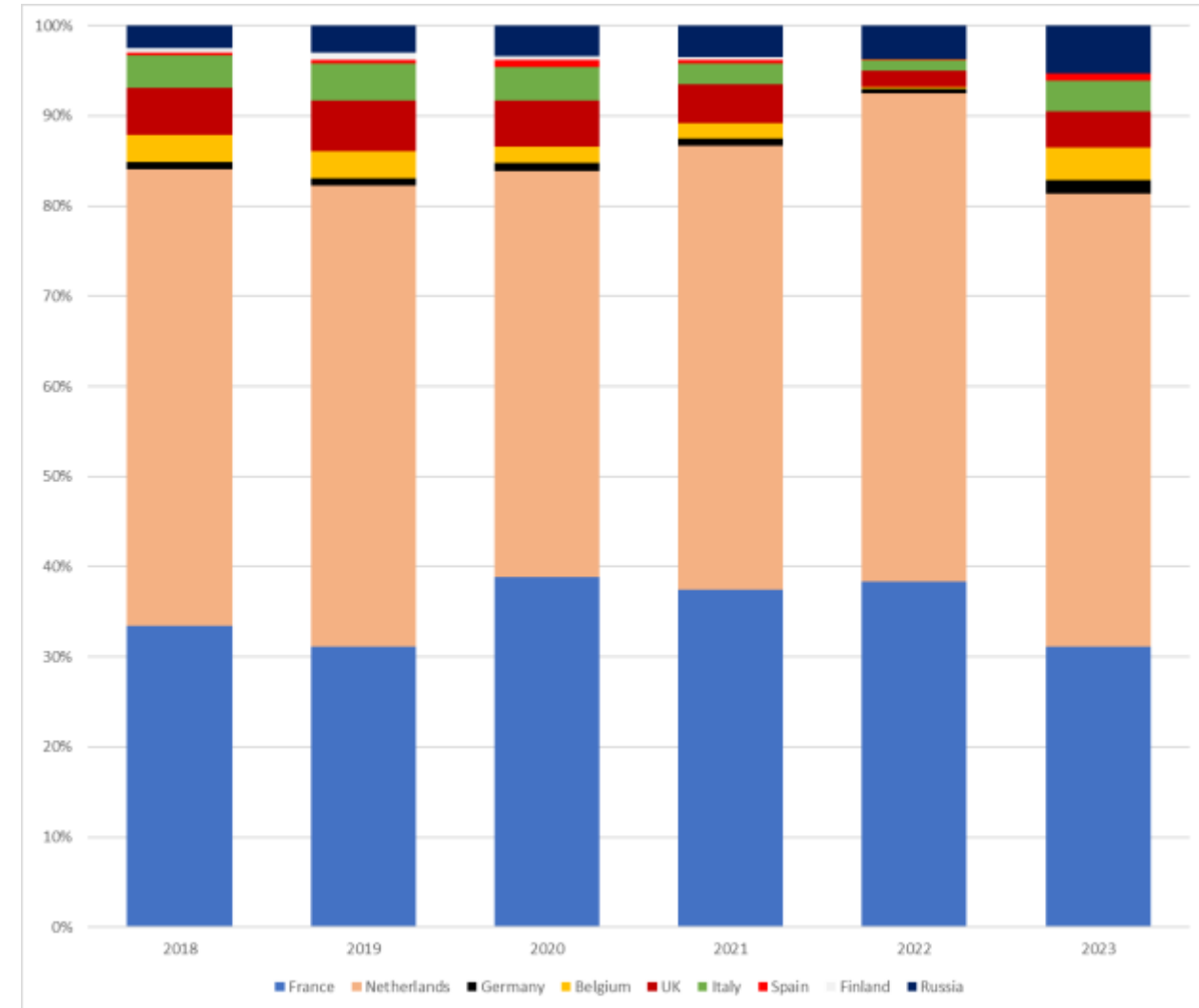


European castor oil imports per country

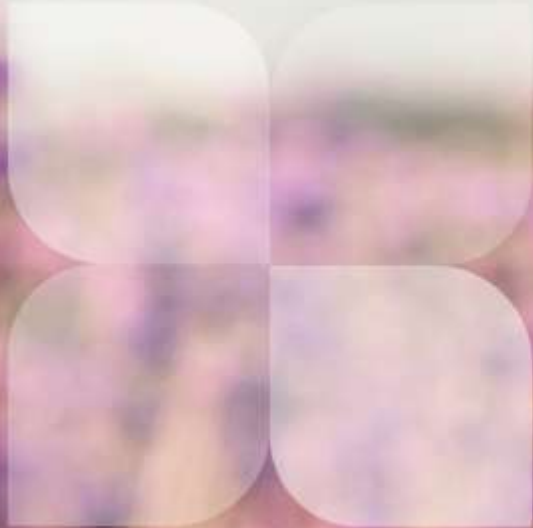
2018-2023

In mt

	2018	2019	2020	2021	2022	2023	%
Europe	190 871,54	163 429,47	199 341,78	178 063,38	169 075,92	156 125,30	
France	63 222,06	50 359,68	76 901,61	66 167,08	64 528,96	48 062,79	30,78%
Netherlands	96 041,44	82 817,58	89 106,49	86 951,03	90 915,20	77 512,48	49,64%
Germany	1 412,85	1 324,38	1 834,67	1 326,55	828,44	2 232,36	1,43%
Belgium	5 794,32	4 852,69	3 482,47	3 032,77	413,72	5 619,55	3,6%
UK	9 876,53	9 055,78	10 147,16	7 591,89	2 974,77	6 136,21	3,93%
Italy	6 772,16	6 672,59	7 359,37	4 152,60	2 086,14	5 296,97	3,39%
Spain	527,08	738,10	1 541,49	611,82	139,55	1 298,88	0,8%
Finland	878,23	1 201,26	700,87	653,55	0,01	0,00	
Russia	4 818,73	4 931,03	6 820,15	6 126,04	6 258,48	8 167,48	5,23%



PART 2: CONSUMPTION

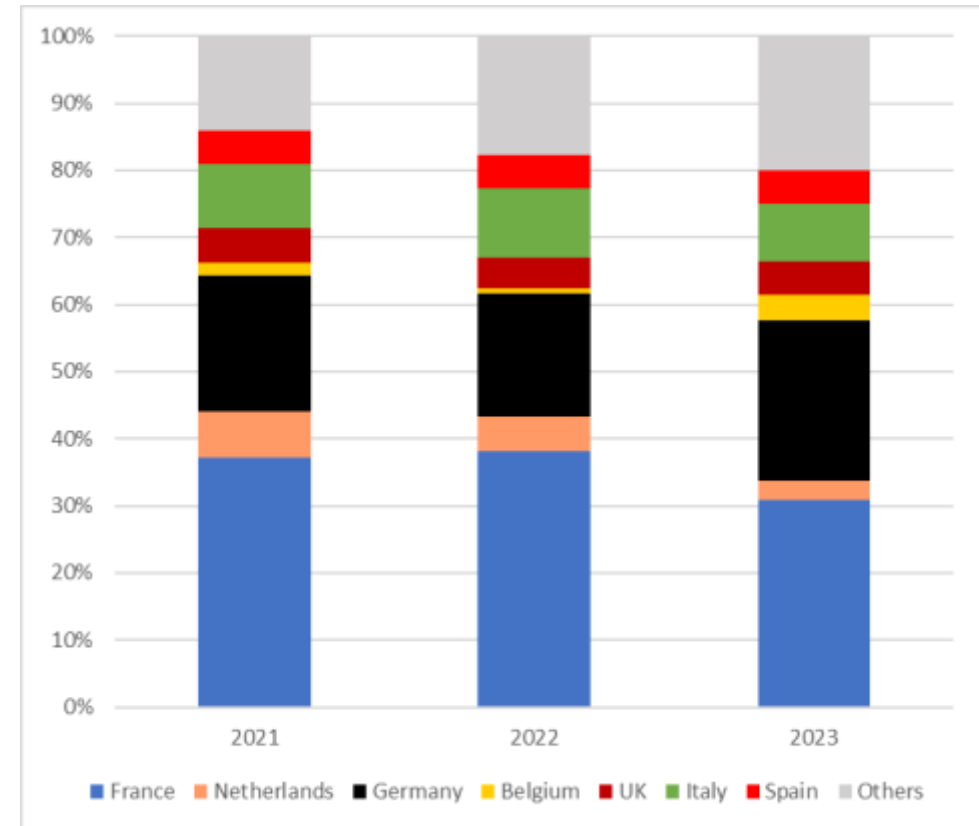


European castor oil consumption per country

2021-2023, by country

In mt

	2021	2022	2023	%
Total Europe	178 063,38	169 075,92	156 125,30	
France	66 167,08	64 528,96	48 062,79	30,78%
Netherlands	12 382,70	8 529,00	4 521,16	2,89%
Germany	36 036,70	31 318,23	37 456,84	24%
Belgium	3 437,43	1 118,30	5 839,51	3,74%
UK	8 966,92	7 840,75	7 952,01	5%
Italy	17 219,07	17 460,51	13 358,87	8,55%
Spain	8 834,21	8 350,60	7 597,61	4,86%
Others	25 019,27	29 929,57	31 336,51	20%



- **Lubricants**

- ✓ hydraulic fluids
- ✓ lubricating grease
- ✓ heavy duty automotive
- ✓ aircraft lubricants
- ✓ jet engine
- ✓ Lubricants
- ✓ Greases
- ✓ racing car lubricants
- ✓ fuel additives
- ✓ corrosion inhibitors

- **Food**

- ✓ Surfactants
- ✓ Viscosity reducing activities
- ✓ Flavourings
- ✓ Food packaging

- **Paper**

- ✓ Flypapers
- ✓ Defoamers
- ✓ Waterproofing additives

- **Agriculture**

- ✓ Organic fertilisers

- **Plastic & Rubber**

- ✓ Polyamide 11 (Nylon)
- ✓ Polyols
- ✓ Plastic films
- ✓ synthetic resins
- ✓ Adhesives
- ✓ Plasticizers
- ✓ Coupling agents

- **Cosmetics & Perfumeries :**

- ✓ perfumery products
- ✓ Polishes
- ✓ Lipsticks
- ✓ Emulsifiers
- ✓ hair tonics
- ✓ Deodorants
- ✓ Shampoos

- **Pharmaceuticals**

- ✓ Antihelmintic
- ✓ Emulsifiers
- ✓ anti-dandruff
- ✓ Encapsulants
- ✓ Cathartic
- ✓ Expectorant
- ✓ Emollient
- ✓ laxatives & purgative

- **Paints, inks & additives**

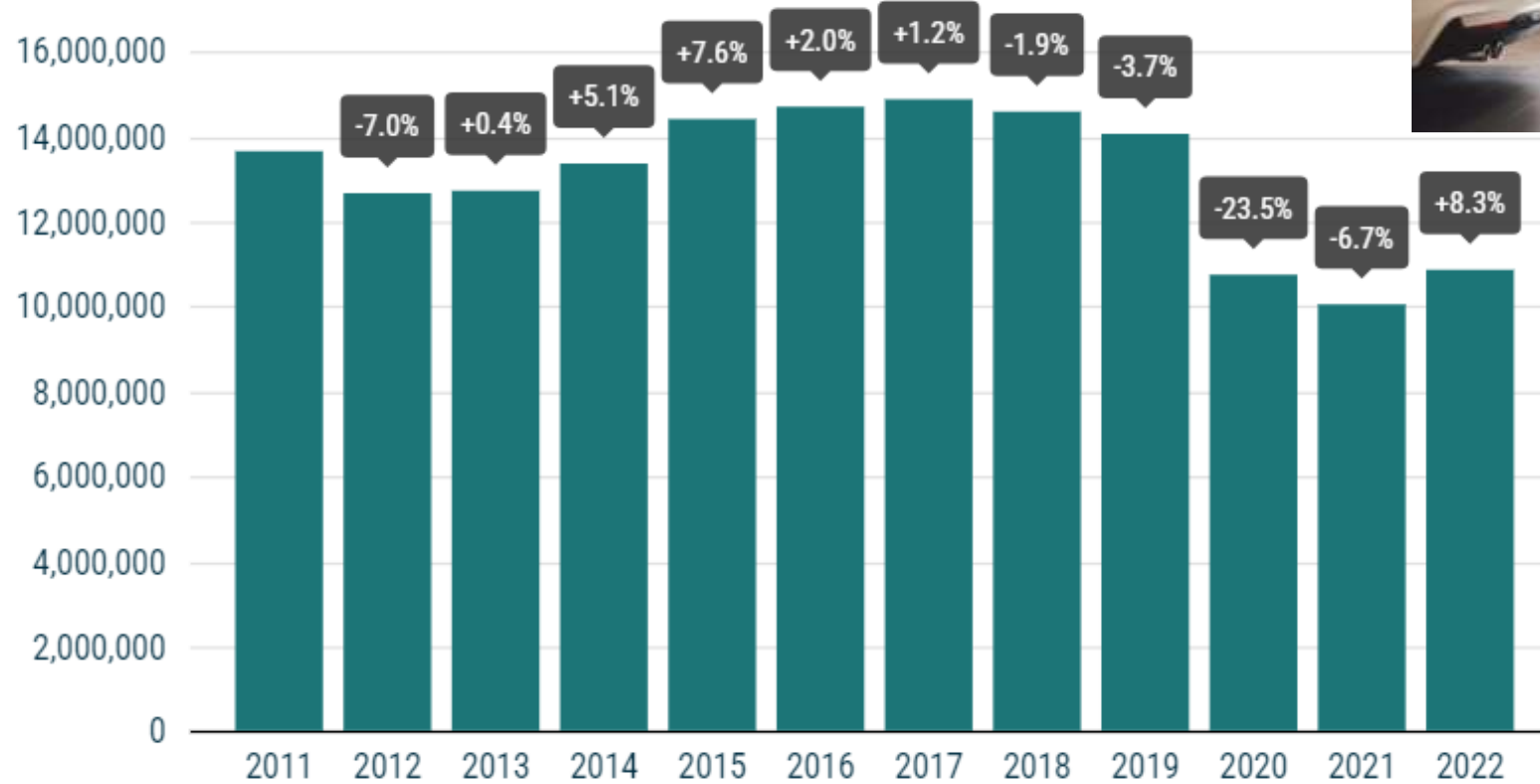
- ✓ Inks
- ✓ paint strippers
- ✓ plasticizers for coatings
- ✓ adhesive removers
- ✓ Varnishes
- ✓ wetting & dispersing additives
- ✓ Lacquers



Car production in Europe

2011-2022

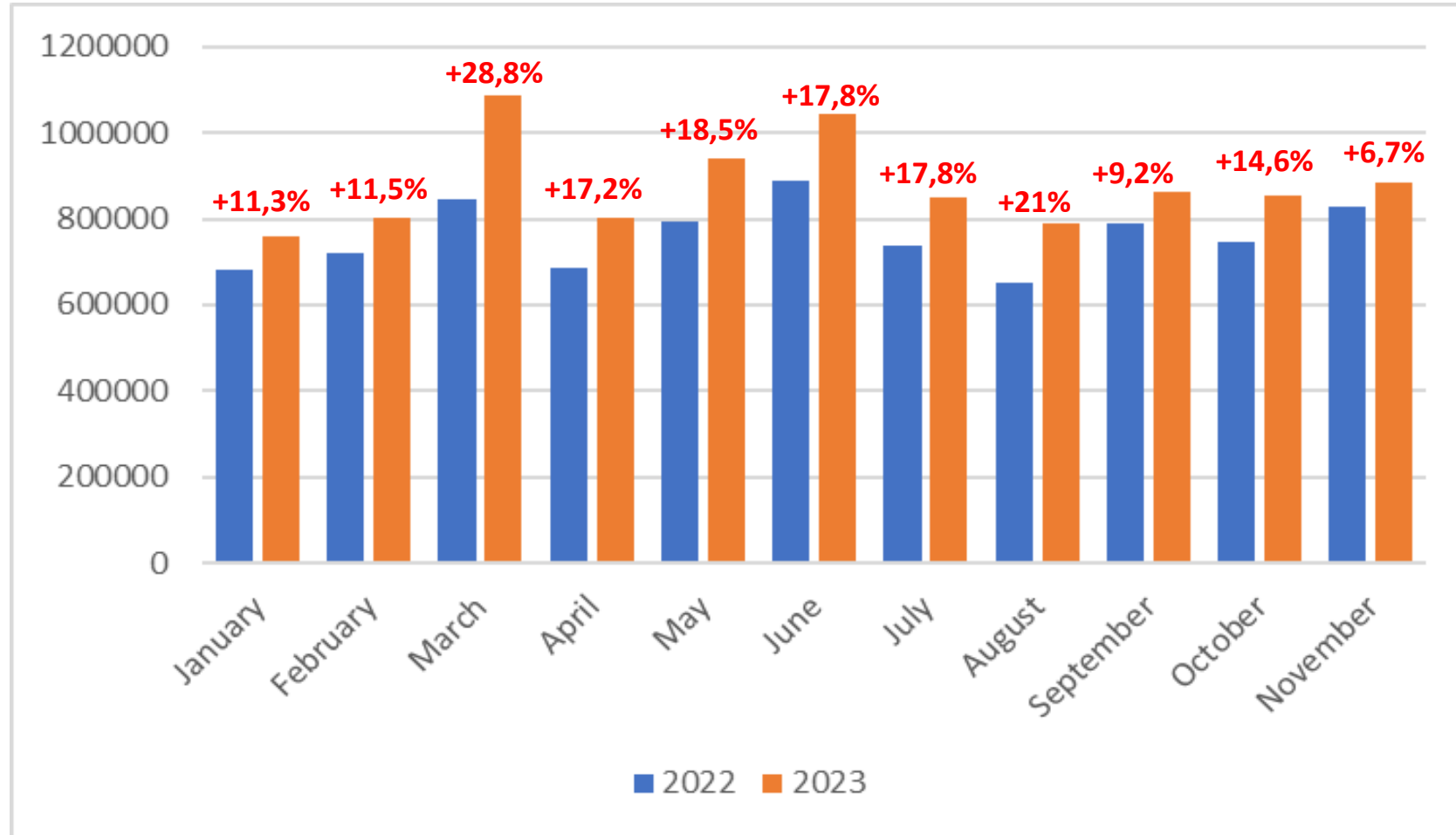
In units, % change



New car registration in Europe

2022-2023 (January till November)

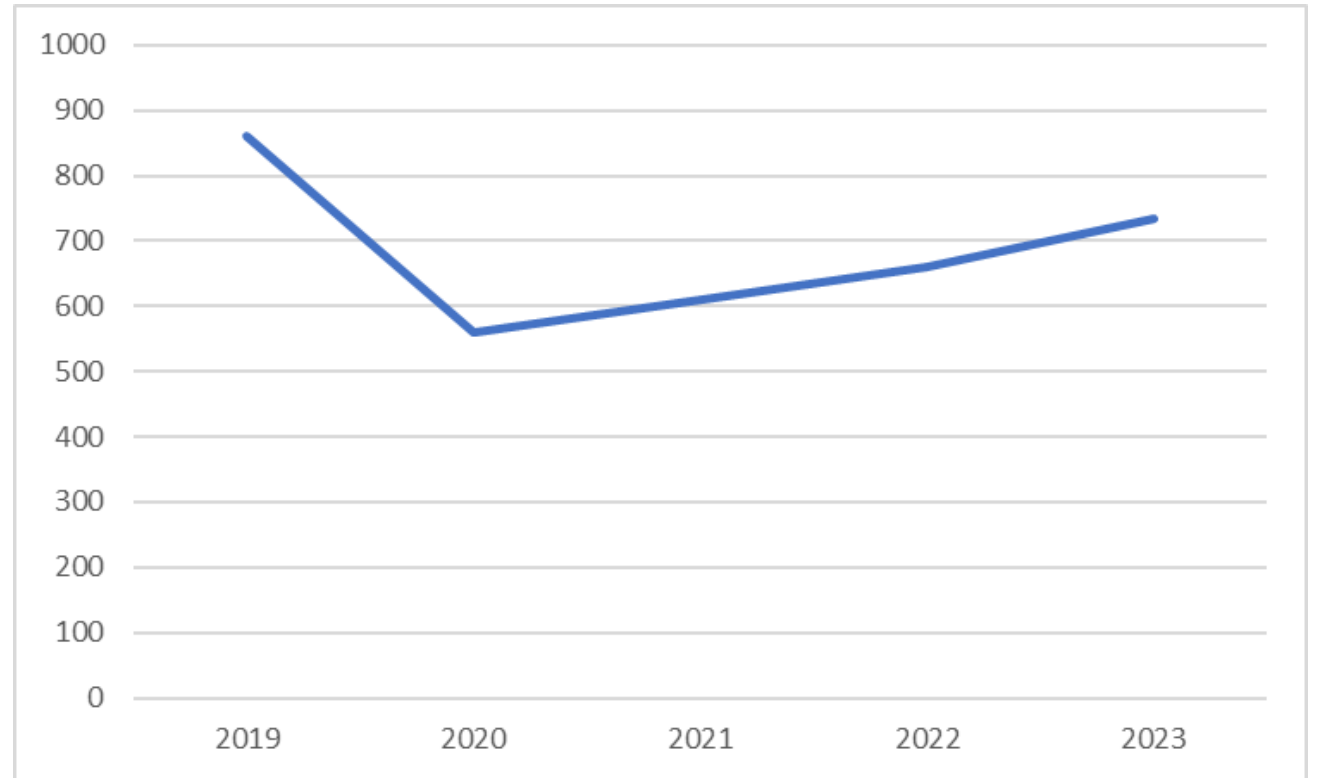
In units, % change



Production Aircrafts Airbus

2019-2023 (in units)

2019	2020	2021	2022	2023
860	560	611	661	735





2015-2024**

- Revenues in billion USD

2015	2016	2017	2018	2019	2020	2021	2022	2023*	2024**
721	709	755	812	838	384	513	736	896	964

- Traffic in billion transported passengers

2015	2016	2017	2018	2019	2020	2021	2022	2023*	2024**
3.6	3.8	4.1	4.4	4.5	1.8	2.3	3.5	4.3	4.7

* Estimates

**Forecasts



Biorenewables Ahead

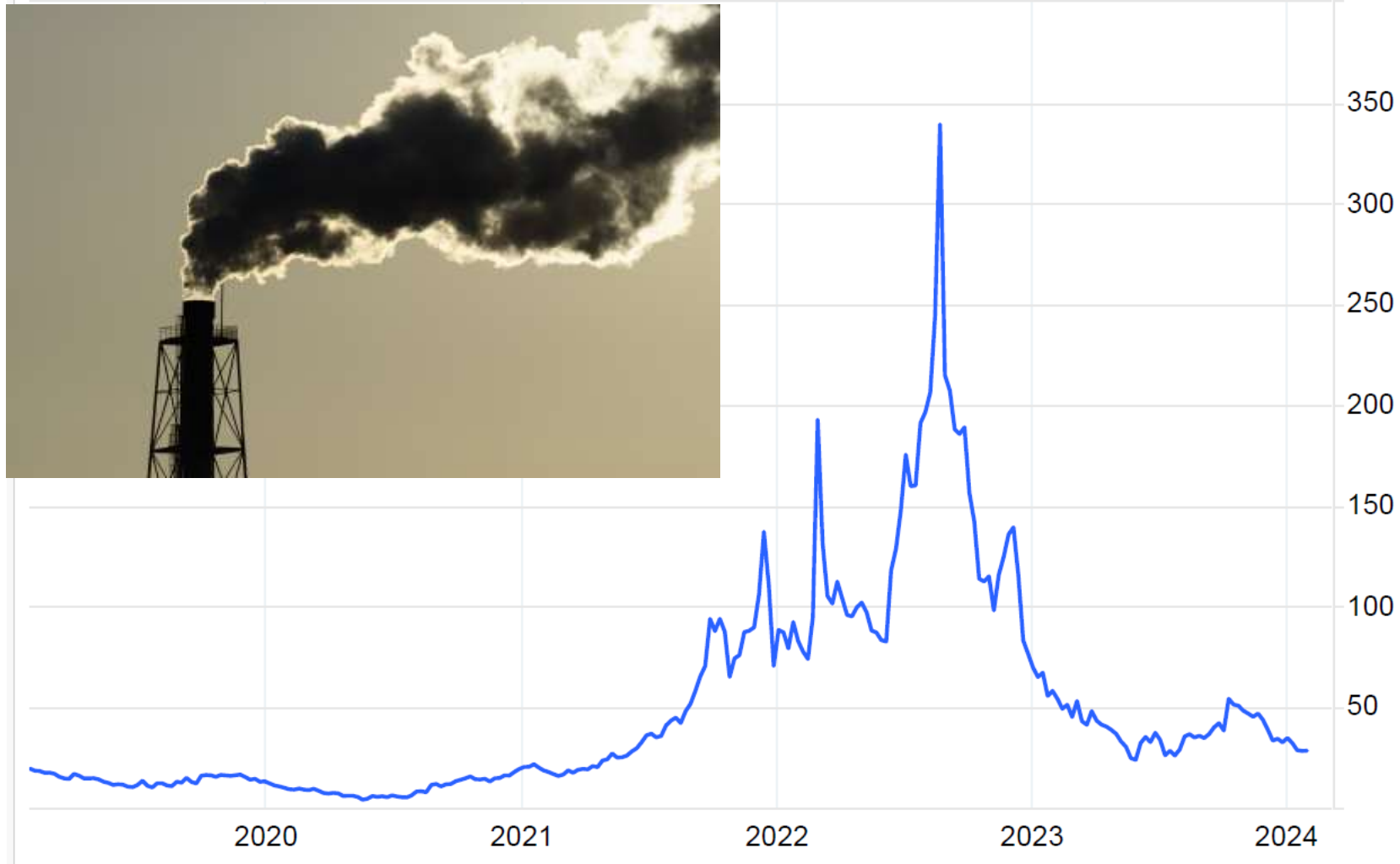
PART 3: Market Outlook

HB INTERNATIONAL S.A.S
www.hbint.com

Natural Gas EU Dutch TTF

2019-2023

Euro/MWh



EU27 chemicals output

2008-2023

EU27 chemicals output, far below the previous year's level

EU27 chemical industry production



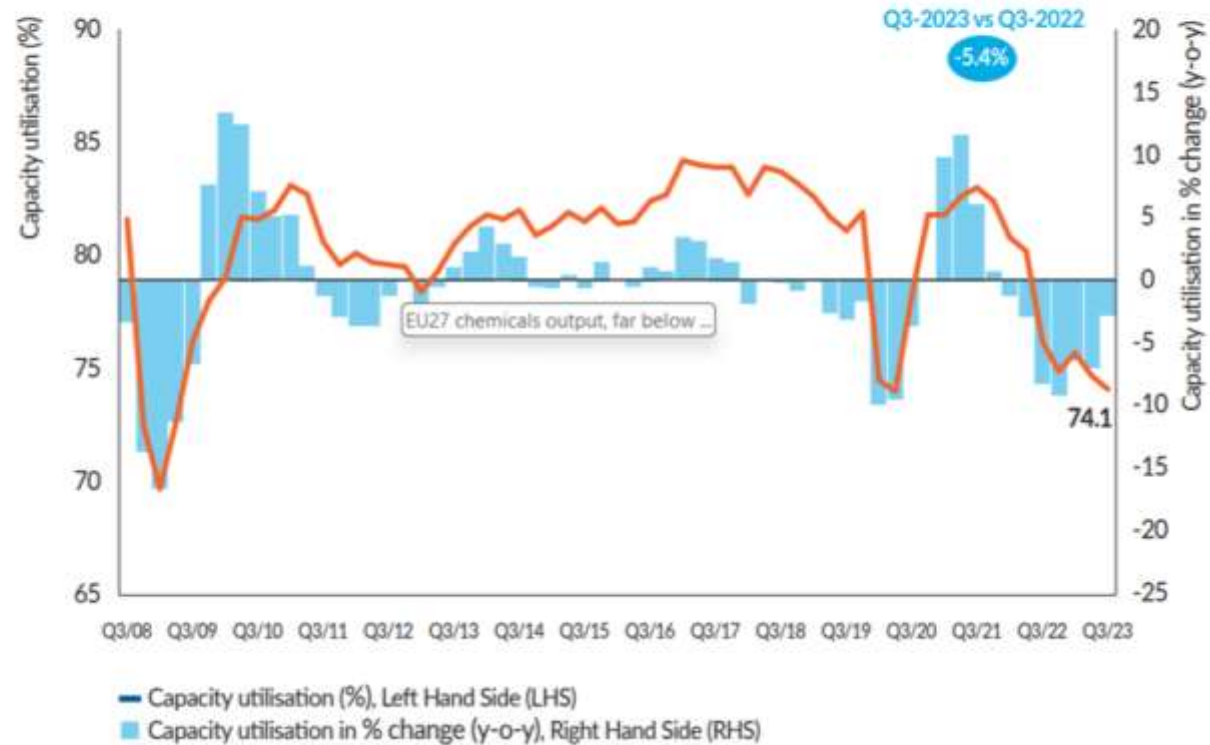
Source: Cefic, Chemdata International

EU27 chemicals capacity utilisation

2008-2023

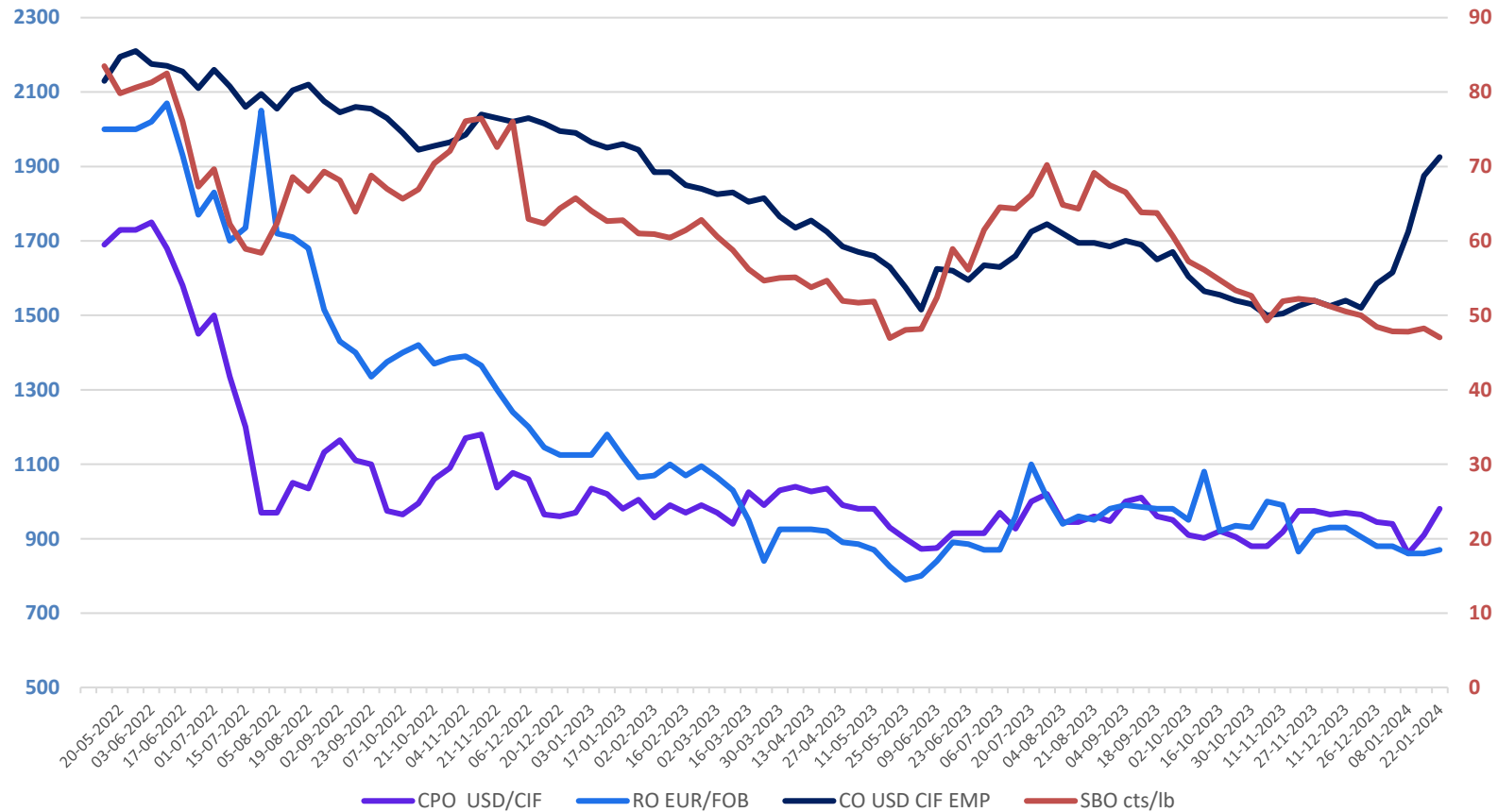
EU27 capacity utilisation below its long-term average

EU27 chemical capacity utilisation



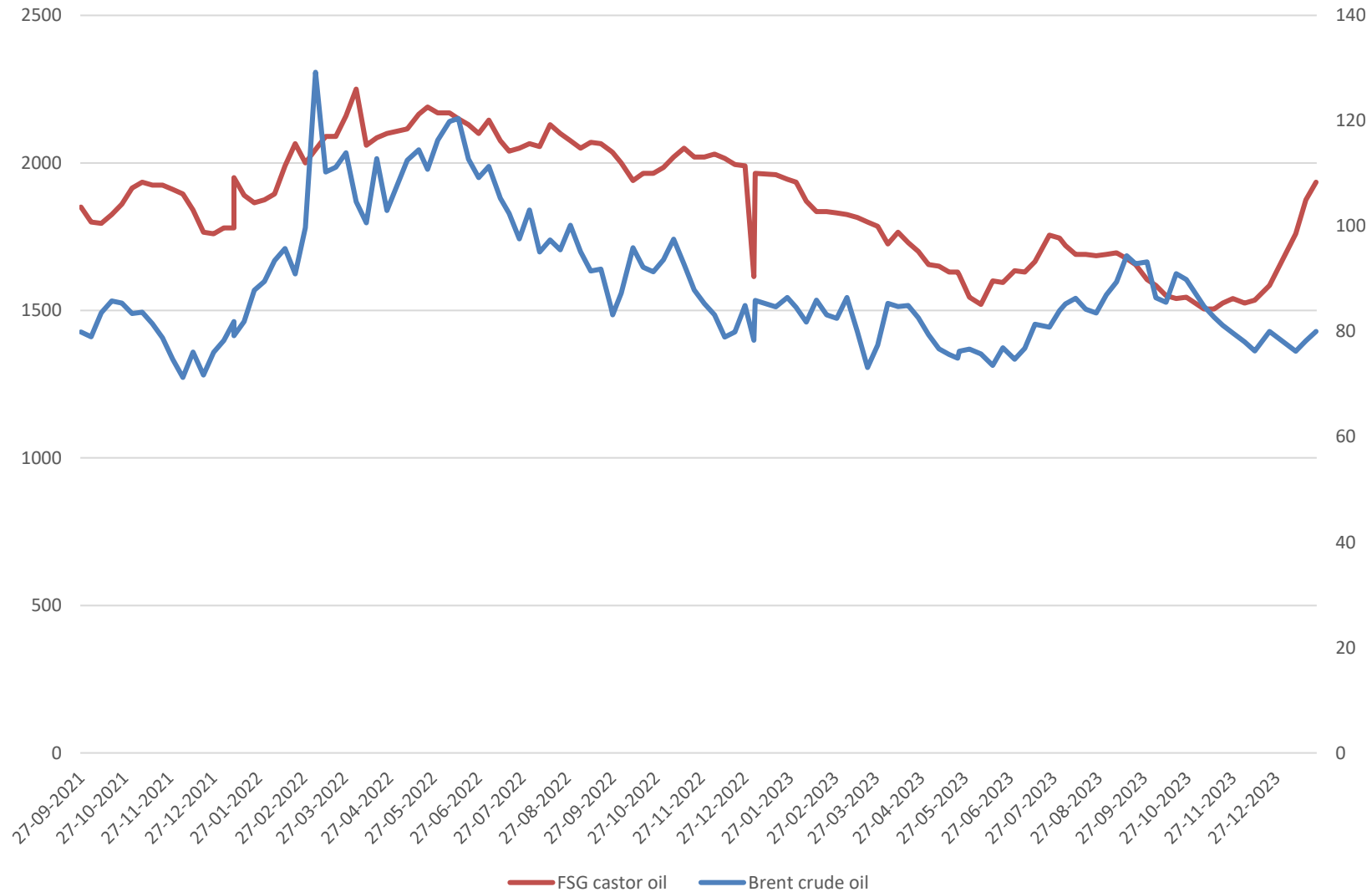
Price comparison vegetable oils

2022-2024



Brent crude oil vs FSG castor oil

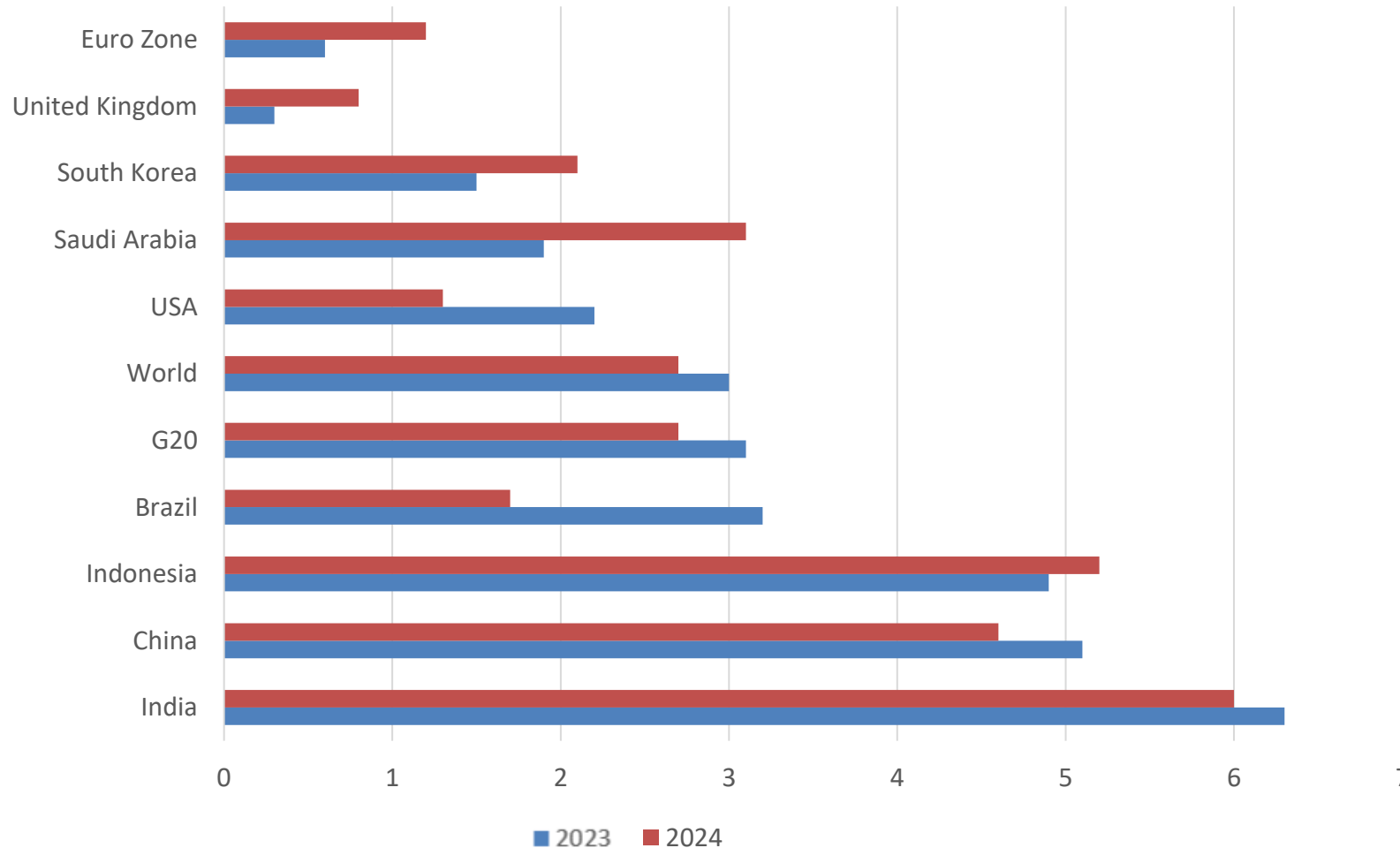
2021-2024



Growth rate OECD world

2023-2024

Estimate in %

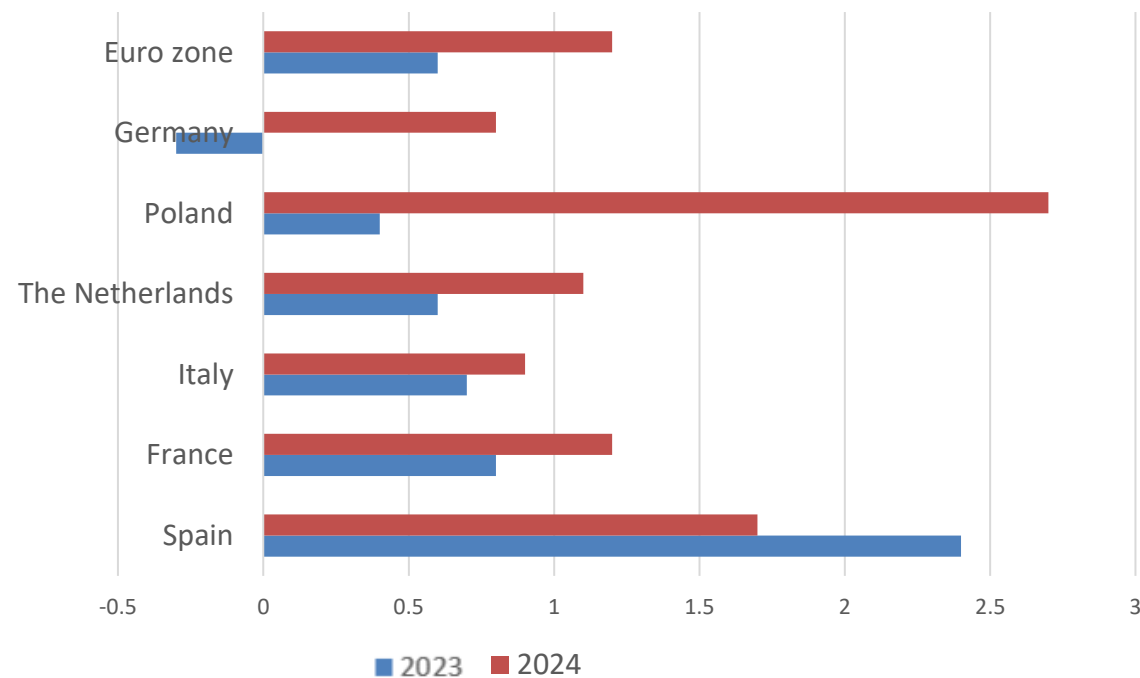


European GDP Growth and inflation rate

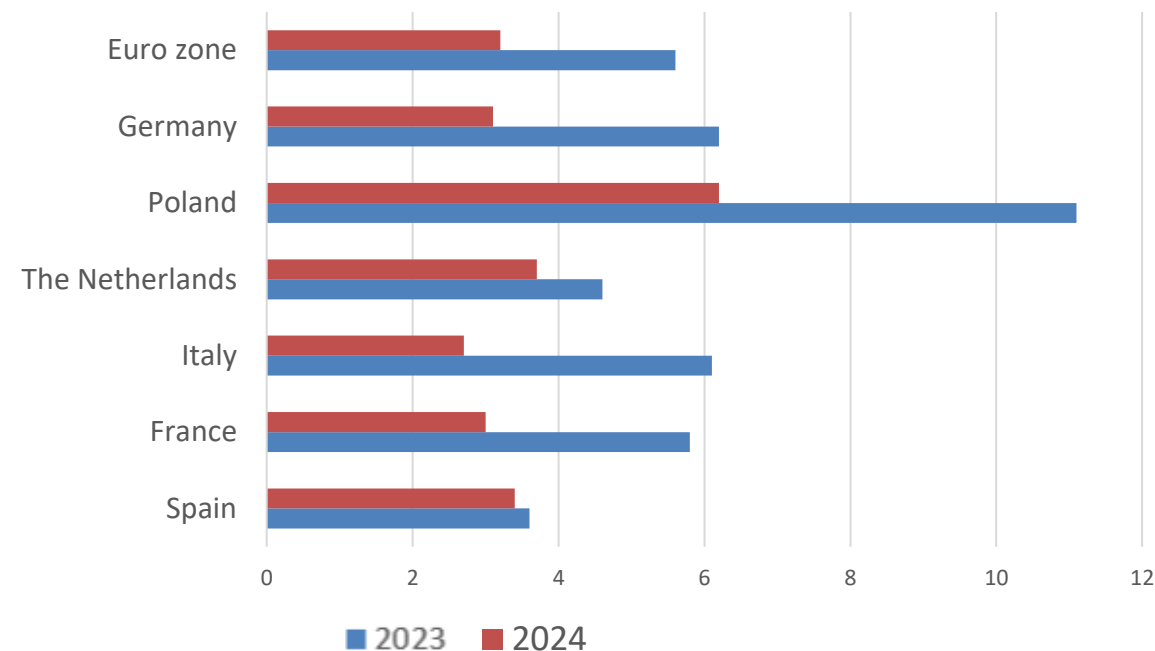
2023-2024

Estimate in %

GDP Growth



Inflation Rate



- High interest rates (to fight inflation rate)
- Increased salaries (to make up for inflation rate)
- Gas price increase and fluctuation (Russian-Ukrainian war)
- Public deficit
- Decarbonization of the European economy (CO2 footprints)
- Delocalization of some industry segments
- Weak building industry
- Increased rail freight costs (expected increase of 8 to 10%)
- Sea freights (expected increase of about 5%)
- Significant increase in leasing rates (trucks, chassis, tanks) up to 70% in part due to implemented risk surcharges, inflation and increased interest rates.



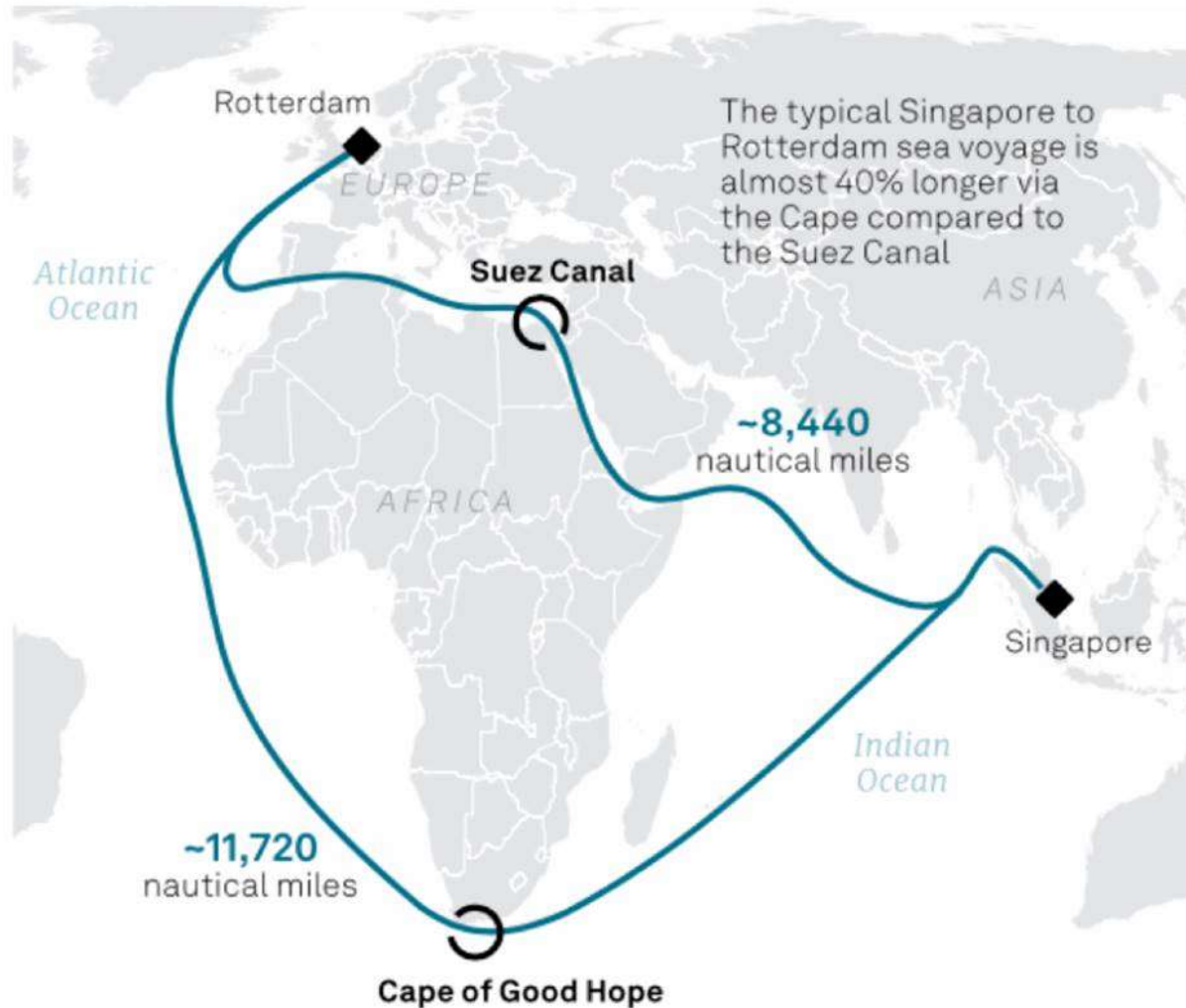
- **Emission Trading System (ETS)** in the shipping sector effective from 1st Jan 2024 :
 - ✓ aiming at reducing the Greenhouse gas (GHG) emissions. Final objective is to become carbon neutral by 2050.
 - ✓ The EU ETS obligates ship operators to pay for the CO2 emissions produced by their vessels. Shipping will have to surrender allowances for a portion of their emissions during an initial phase in period :
 - In 2024 : pay for 40% of emissions
 - In 2025 : pay for 70% of emissions
 - From 2026 : pay for 100% of emissions

=> Shipping companies must optimize vessel routes, reduce idle times and adopt slow steaming practices to align with reduction targets.

- **The Red Sea crisis**

Red Sea re-routes have the potential to create havoc

北欧航线绕行好望角示意图



- As of mid-December, liners are avoiding transit via the Suez Canal until further notice.
- Freight increases announced: USD 1000 to 4000 per container
- Add current limitations of the Panama Canal, vessel operators will say they need to go around Africa which adds 9-20 days transit times
- Uncertainty and price increases!

Vulnerability

- Dependency on gas supplies/local production

Uncertainty

- Geopolitical challenges/European relocalization

Complexity

- EU decarbonization policies/green biofuels

Ambiguity

- Carbon neutrality in 2050/transition to biosourced products

" I am neither
optimistic, nor
pessimistic, but am
fully dedicated to
my mission."

Jean Monnet



CASTOR OIL MARKET OUTLOOK

Pierre Pitaud
Director HBI Group

Visit our
website:
www.hbint.com

HBI's mission is to sell market intelligence to participants to the international trade of biorenewables and by the resulting transactions promote sustainable cultural and economic bonds between regions.



Biorenewables Ahead

Thanks for your attention