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Global Bitumen Price

Week 4 of August 2026

Middle East pricing turned firmer at the producer level in Week 4. Iran rose by roughly \$10–15/MT across packed 60/70 grades and Iraq gained about \$10–15/MT, while Turkey rebounded much more sharply at Mersin. Jebel Ali edged about \$5/MT higher as firmer Iranian factory prices were only partly passed through through re-export and logistics costs. Russia remained mixed, with the Iran-origin CFR Novorossiysk range easing slightly while the domestic BND refinery reference stayed unchanged.

Asia-Pacific was mostly firmer. Singapore recorded the strongest hub increase, China rose modestly across the listed CFR ports, and

Australia and Sri Lanka also moved higher. South Korea was nearly unchanged, while India gained roughly \$12–15/MT across its main ports as higher Gulf replacement costs passed through more directly. Malaysia, Vietnam, Indonesia, Bangladesh and Thailand all strengthened to varying degrees.

In the Atlantic and African markets, Brazil moved higher in line with the rise in Iran-origin replacement costs, with long-haul freight keeping the delivered range wide. South Africa's Durban drum indication firmed modestly, while the domestic 50/70 EXW range remains high but was corrected to a more realistic \$870–905/MT. Venezuela

moved about \$5/MT lower across Jose, Puerto La Cruz and Amuay.

Europe remained comparatively stable. Hamburg import indications were unchanged, while Germany's domestic EXW range edged higher. Spain showed only a small increase in both CFR and domestic truck values, and Italy's port indications were flat with a slight rise in the EXW range. Overall, the week shows firmer Gulf- and Asia-linked markets but limited movement across most of Europe.

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Iran

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 4 of August 2026	60/70 (Drum)	385±5	EXW factory
	60/70 (Jumbo Bag)	370±5	EXW factory
	60/70 (Flexi Bag)	355 ±5	EXW factory

Iranian factory prices moved higher week on week, with 60/70 drum up \$10/MT, jumbo bag up \$15/MT and flexi bag up \$10/MT. The firmer producer tone is consistent with tighter export replacement costs, although final FOB levels can still differ materially once handling, freight and Gulf logistics are included.

Russia

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 4 of August 2026	60/70 (Iran-origin import)	620–650	CFR Novorossiysk Origin: FOB Bandar Abbas, Iran
	BND road grade (bulk)	406 ±5	EXW / refinery-market index; VAT excluded

Russia remains a two-tier market. The Iran-origin 60/70 CFR Novorossiysk range eased by about \$5/MT to \$620–650, while the domestic BND refinery-market reference stayed at \$406/MT excluding VAT. Freight, sanctions exposure and route risk continue to keep imported and domestic values far apart.

Singapore

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 4 of August 2026	60/70 (drum)	730 ±5	FOB Singapore
	60/70 (bulk)	660 ±5	FOB Singapore

Singapore strengthened sharply this week. The 60/70 drum benchmark rose \$30/MT and bulk gained \$38/MT, reflecting firmer regional replacement costs and a higher trading-hub premium. The gap between packed and bulk material remains substantial because packaging, handling and short-haul redistribution costs are embedded in drum offers.

China

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 4 of August 2026	60/70 (drum)	617 ±5	CFR Chongqing
	60/70 (drum)	620 ±5	CFR Hong Kong
	60/70 (drum)	620 ±5	CFR Ningbo
	60/70 (drum)	620±5	CFR Huangpu
	60/70 (drum)	622 ±5	CFR Yunfu
	60/70 (drum)	627 ±5	CFR Tianjin
	60/70 (drum)	620±5	CFR Dalian
	60/70 (drum)	620 ±5	CFR Guangzhou
	60/70 (drum)	620 ±5	CFR Nansha
	60/70 (drum)	620 ±5	CFR Zhuhai

China moved modestly higher across the listed 60/70 CFR indications, with gains of roughly \$5-11/MT depending on the port. The direction is consistent with firmer domestic 70# wholesale signals, although the domestic 70# assessment and imported 60/70 CFR indications are not identical grades or pricing bases.

UAE

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 4 of August 2026	60/70 (drum)	580 ±5	FOB Jebel Ali
	60/70 (drum)	590 ±5	CFR Jebel Ali

The UAE market edged slightly higher this week, with 60/70 drum indications rising by about \$5/MT at Jebel Ali. Firmer Iranian factory prices provided some upward pressure, although re-export margins, handling costs and Gulf logistics limited the full pass-through of upstream increases. Overall, Jebel Ali remains comparatively stable, with no indication of a sharp weekly price move.

Sri Lanka

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 4 of August 2026	60/70 (drum)	500 ±5	CFR Colombo

Sri Lanka firmed by about \$20/MT to \$500/MT CFR Colombo. As an import-dependent market, Colombo is highly sensitive to Gulf and Asian replacement costs, freight and shipment timing. The weekly increase is therefore larger than in some Southeast Asian markets where local or nearby regional supply provides a stronger buffer.

The Strait of Hormuz Is Redrawing Asia's Bitumen Trade Map Who Can Replace Iran?

Ahmad Reza Yousefi – Infinity Galaxy

How bitumen supply routes changed from the start of the crisis through 14 August 2026?

The prolonged disruption in the Strait of Hormuz has done more than change bitumen prices. It has altered the role of supply origins, widened the gap between headline and executable prices, and pushed Asia toward a network of limited substitutes.

Singapore has absorbed a scarcity premium, South Korea has filled part of the gap, China has begun exporting alongside its imports, and India is caught between lower domestic refinery prices and expensive foreign supply. Iran, meanwhile, has lost part of its advantage despite lower quoted prices because regular and predictable shipping remains unavailable.

The market initially treated the crisis as temporary. It gradually became clear, however, that a political agreement or the passage of a few vessels would not automatically bring back shipowners, insurers, banks, and buyers. Instead of finding one complete replacement for Iranian supply, buyers divided orders among South Korea, Singapore, China, the Mediterranean, and limited overland routes.

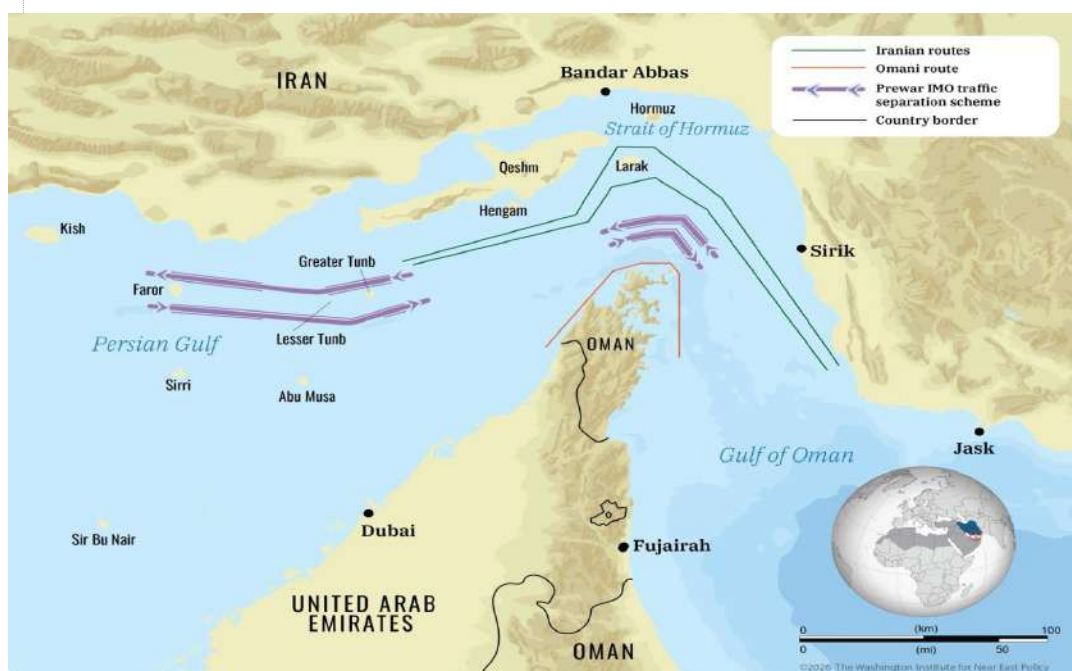
1. From February Shock to August Deadlock: Three Distinct Phases

On 20 February, Singapore export bitumen was assessed at \$355-365/t, South Korea at \$365-370/t, and the Mediterranean at approximately \$364-369/t. East China was at \$395-410/t CFR, while Mumbai bulk prices stood at \$553-588/t. Price gaps among the main Asian origins were limited, and buyers could still prioritize quality, transit time, and commercial relationships.

The first phase emerged as the conflict widened and passage through the Strait of Hormuz became disrupted. By 5 June, Singapore had climbed to \$585-590/t, South Korea to \$550-560/t, and East China to \$590-600/t CFR. Mediterranean values reached approximately \$576-580/t, while Mumbai rose to \$777-840/t. In less than four months, prices in several markets had increased by more than 50pc.

The second phase began in mid-June. The temporary Iran-US understanding, a limited authorization for Iranian oil sales, and the gradual departure of some stranded vessels reduced the war premium. Brent returned to nearly \$72/bl in early July, while Mediterranean bitumen fell to around \$420/t. Yet the physical bitumen market

did not normalize because the movement of a few vessels failed to establish a reliable export schedule. The third phase started on 7 July with renewed attacks, the withdrawal of the oil-sales authorization, and the return of the blockade. By 10 July, Singapore had risen to \$605-615/t, while South Korea fell to \$515-529/t. The lower end of Mideast Persian Gulf assessments dropped to \$328/t.



Strait of Hormuz shipping routes and the regional traffic separation scheme.

France and Saudi Arabia Turn Hormuz Bypass Talks Into a Logistics Task Force



According to WPB, France and Saudi Arabia are moving discussions over alternatives to the Strait of Hormuz into a more formal energy and logistics process, with Omani ports, expanded pipelines and new rail connections now among the options under consideration. French President Emmanuel Macron and Saudi Crown Prince Mohammed bin Salman are expected to address the plans during the crown prince's two-day visit to Paris beginning August 23, 2026.

Officials from the French presidency said the proposals include increasing trade through Omani ports located outside the Persian Gulf, expanding or potentially doubling pipeline capacity in Saudi Arabia and other countries, and developing new rail links. France and Saudi Arabia have also established a joint task force focused on energy and logistics connections between the Middle East and Europe. The group is scheduled to meet at ministerial level on August 24, with work centered on identifying strategic projects, securing financing and defining potential roles for French companies.

The development is significant because it moves the Hormuz diversification debate beyond general political statements and into an organized project-selection process. It does not, however, mean that new bypass capacity has been commissioned. No detailed pipeline capacities, investment amounts, construction schedules

or final project selections have been publicly announced. The initiative remains at the planning, financing and coordination stage.

France had already placed diversification of energy routes on the international agenda during the G7 summit in June. The French presidency said participants had committed to accelerating alternative routes for moving oil and gas out of the region and reducing the world economy's vulnerability to Hormuz. Macron also discussed pipelines capable of moving Gulf energy toward alternative coastlines rather than relying exclusively on the strait.

Saudi Arabia enters those discussions with existing infrastructure that already provides some geographic flexibility. Saudi Aramco's East-West Pipeline connects production facilities in the Eastern Province with Yanbu on the Red Sea, allowing hydrocarbons to move between the kingdom's eastern and western coasts. That system is strategically important because crude reaching Yanbu does not need to pass through Hormuz to enter international markets.

But that distinction is also where the bitumen analysis becomes more complicated. A crude-oil pipeline is not a finished-bitumen route. Road bitumen cannot simply be injected into crude infrastructure and emerge at a Red Sea terminal ready for export. Finished bitumen

China's State Tankers Are Abandoning the Chokepoints: Could Fujairah and Oman Become the New Gateways for Asian Bitumen?



According to WPB, two of China's largest state-controlled tanker operators are no longer treating the Strait of Hormuz and Bab el-Mandeb as routine passages for their oil fleets. Since late July 2026, COSCO Shipping Energy Transportation and China Merchants Energy Shipping, or CMES, have kept their tankers away from both Middle Eastern chokepoints and increasingly positioned vessels to collect crude outside the Gulf, particularly around Fujairah in the United Arab Emirates and waters near Omani ports. The shift goes beyond another short-term reaction to maritime attacks. It shows that one of Asia's largest energy buyers is beginning to redesign the logistics of obtaining Middle Eastern oil around vessel exposure rather than assuming that conventional loading routes will remain commercially usable.

The scale of the companies involved makes the change especially important. COSCO Shipping Energy Transportation and CMES together control more than 100 very large crude carriers, each typically capable of carrying about 2 million barrels of oil. Before the Iran war began in February 2026, the two state-controlled operators handled roughly half of China's Middle Eastern crude imports, according to shipping-market estimates. China imported an average of about 4.9 million barrels per day of Middle Eastern crude excluding sanctioned Iranian supply in 2025, placing the two companies at the center of one of the world's largest long-haul tanker trades. Their withdrawal from high-risk passages is

therefore materially different from a single independent owner refusing one voyage.

Evidence of the new logistics model is already visible outside the Gulf. Ship-to-ship transfers involving China- and Hong Kong-owned vessels in the Gulf of Oman exceeded 600,000 barrels per day during June and July, while comparable activity was essentially absent in April and May and remained below 30,000 barrels per day during each of the first two months of 2026. Four COSCO-operated VLCCs and one CMES vessel loaded crude through STS transfers at Fujairah during July. From August through mid-September, about a dozen supertankers controlled by each company are scheduled to load outside the Gulf, mainly at Fujairah and at or near Omani ports, meaning roughly two dozen Chinese state-linked VLCCs are already being positioned around a system that avoids sending the receiving vessel deep into the Gulf.

The economics help explain why such an arrangement can work despite the extra operational complexity. On August 14, daily freight for an Oman-to-China VLCC voyage was assessed at approximately \$140,000, while one shipping executive estimated the daily margin at close to \$110,000. Before the conflict, profit on a comparable voyage was roughly \$30,000 to \$40,000 per day.

India's Bitumen Imports Collapse 50% Just as Demand Turns Higher

According to WPB, India's bitumen supply balance has shifted sharply in 2026, with imports falling to approximately 905,000 metric tons in January-June, about half the 1.81 million tons recorded in the same period of 2025. The contraction became substantially more severe during the second quarter, when imports dropped to 271,356 tons from 857,419 tons a year earlier, a decline of approximately 68%.

The scale of the second-quarter fall is particularly important. Based on the six-month totals, first-quarter imports were approximately 634,000 tons, around 33% below the comparable 2025 level. By the second quarter, the annual decline had more than doubled in percentage terms. This shows that India's import contraction was not simply the continuation of a weak start to the year; external supply became significantly more difficult as the first half progressed.

32

India's official trade system provides import quantities at the eight-digit customs level, including HS 27132000 for petroleum bitumen, with data currently available through June 2026. The latest trade figures therefore provide a clearer picture of the physical disruption than price movements alone. India remained able to import bitumen, but the volumes entering the country were far below the levels normally used to support one of the world's largest road-building markets.

The change is especially significant because India has historically relied on imported material to supplement domestic refinery production. Gulf suppliers have played an important role in that balance because of geographic proximity, competitive product pricing and established bulk-bitumen shipping routes to India's west coast. When those routes became more difficult, India did not have enough immediately available alternative supply to replace lost Gulf volumes on a one-for-one basis.

The April data had already provided an early warning. India imported approximately 236,000 tons of bitumen in April 2026, compared with around 297,000 tons in April 2025. At that stage, the year-on-year contraction was slightly above 20%. The full second-quarter figure now shows that conditions deteriorated considerably beyond April.

One of the clearest signs of that disruption appeared in June, when an Indian state-controlled refiner sourced approximately 5,000 tons of bitumen from South China to meet urgent requirements. It was the second South China-origin cargo imported during 2026. The volume itself is small relative to India's total market, but its importance lies in what it reveals about procurement behavior.

South China is not traditionally the first supply option for Indian bitumen buyers when Gulf-origin material is available under normal freight conditions. Moving a cargo from China to India involves a different sailing distance, freight structure and regional price relationship. The fact that buyers turned to South China indicates that supply security had become important enough to justify using a less conventional route. That does not mean China is about to replace the Gulf as India's principal external source of bitumen. Chinese availability depends heavily on domestic refinery production, local road demand, fuel-oil economics and regional prices. South China can occasionally release export cargoes when conditions permit, but it does not represent an unlimited pool of replacement supply.

The June cargo is more useful as evidence that India's sourcing map is being forced to broaden. When traditional supply becomes difficult to access, procurement shifts from asking which origin offers the lowest FOB price to asking which origin can actually deliver suitable material within the required project schedule.

That distinction is becoming more important because Indian demand is no longer moving in the same direction as imports. Oil ministry data show that bitumen consumption increased 8.5% year on year in July 2026, reversing the negative annual comparisons recorded during May and June. July remained seasonally weaker than June because of the monsoon, but the return to positive annual growth indicates that domestic consumption has begun to recover even though first-half imports collapsed.

This is the central tension in India's current bitumen market: imports have fallen dramatically, but demand is showing signs of strengthening.

The decline in imports therefore cannot be explained simply by weaker road construction. Seasonal rainfall

Orsk Strike Knocks a Russian Bitumen Producer Offline for Up to Six Months

According to WPB, Russia has lost the output of a refinery that directly produces road bitumen after the Orsknefteorgsintez refinery in the Orenburg region halted processing following a drone attack on August 11, 2026. The disruption is more significant for the bitumen market than a generic refinery outage because Orsk's confirmed product slate includes road paving bitumen, heavy fuel oil and the heavy refinery streams from which bitumen economics are built. Repairs to damaged infrastructure could take as long as six months, according to the regional government, although that estimate should not be interpreted as confirmation that the entire refinery will remain completely offline for the full period.

34

Orsknefteorgsintez has processing capacity of approximately 5.76 million metric tons per year, equivalent to about 115,200 barrels per day. The refinery processed roughly 4.2 million tons of crude in 2024 and produced substantial volumes of diesel, gasoline, bitumen and fuel oil. The company's own product documentation confirms production of viscous petroleum road bitumen grades BND 60/90 and BND 70/100, alongside fuel oil and heavy residue. This makes the connection between the shutdown and bitumen supply direct rather than theoretical.

The refinery stopped processing after the attack damaged operating units and triggered a fire. By August 13, authorities in the Orenburg region described the damage to key infrastructure as severe and warned that restoration could require imported equipment that is difficult to obtain under existing sanctions. The repair period was estimated at as much as six months. That timeline remains an estimate rather than a confirmed restart schedule, but it introduces the possibility that Orsk could remain constrained through a substantial portion of Russia's road construction season and into the colder months.

For the Russian bitumen market, the critical issue is not the refinery's headline crude capacity alone. A refinery does not convert every barrel of crude into bitumen, and no verified current figure has been published showing exactly how many tons of bitumen production have been removed by the shutdown. The stronger conclusion is narrower: an operating refinery with confirmed road-bitumen production has stopped processing, and its return could be delayed for months.

Historical operating data demonstrate that bitumen is not a marginal product at Orsk. In March 2021, the refinery reported producing around 19,000 tons of bitumen in a single month while processing approximately 353,000 tons of feedstock. That historical figure cannot be used as a proxy for current monthly output, since refinery configurations, operating rates and product economics change over time. It does, however, confirm that the facility has previously produced road binder at commercially meaningful volumes rather than simply listing bitumen as an occasional secondary product.



Azerbaijan's Bitumen Paradox: Exports Double as Output Plunges 42.2%

According to WPB, Azerbaijan's bitumen market is sending two sharply different signals. Petroleum bitumen production fell 42.2% year on year to 81,700 metric tons in January-July 2026, while customs data for the first half of the year showed exports more than doubling to 8,109 tons. The contrast is striking: Azerbaijan is producing substantially less bitumen than a year earlier while simultaneously shipping more of it abroad.



The production decline stands out even within Azerbaijan's broader refining data. Total petroleum-product output by value fell 4.9% during the seven-month period, but the movements among individual products were far less uniform. Gasoline production increased 2.3%, petroleum coke rose 10%, lubricating-oil output increased 20.1%, and fuel oil production climbed 31.1%. By contrast, diesel declined only 1.9% and jet kerosene fell 20.3%. Bitumen's 42.2% contraction was therefore one of the sharpest declines among the refinery products reported for the period.

The latest inventory data add another layer to the picture. As of August 1, industrial warehouses held 14,700 tons of petroleum bitumen. That stock level is significant when placed beside the 8,109 tons exported during the entire

first half of 2026. It suggests that the export increase, while dramatic in percentage terms, still represents a relatively modest physical volume within Azerbaijan's overall bitumen system. The country is not exporting the majority of its output; instead, a comparatively small export stream has expanded rapidly from a low base.

This distinction is essential. Azerbaijan exported 4,277 tons more bitumen in January-June 2026 than in the same period of 2025, taking first-half volume to 8,109 tons. Export revenue reached about \$2.3 million, rising roughly 2.3 times year on year, slightly faster than the increase in physical volume. Bitumen still accounted for only around 0.01% of Azerbaijan's total exports, so the development does not represent a major shift in the country's overall hydrocarbon trade. For the regional bitumen market, however, the direction of travel is commercially relevant. The key question is not whether exports rose—they clearly did—but how Azerbaijan managed to expand external sales while production was falling so sharply. The available statistics do not provide a definitive explanation. Several mechanisms could produce such a pattern without contradiction: producers could draw on inventories accumulated earlier, domestic consumption could weaken, production and export timing could differ from month to month, or a larger share of available material could be allocated to foreign buyers. Without monthly production, domestic consumption and stock-flow data aligned with individual export shipments, none of those explanations can yet be treated as confirmed.



Tanker Rates Surge:

Why Bitumen Landed Costs Could Rise Even Without a Major FOB Move

According to WPB, Tanker freight markets have entered a period of exceptional volatility as oil exporters in the Gulf compete for vessel capacity while shipowners reassess the risks of trading through the Strait of Hormuz and surrounding routes. As of August 20, 2026, spot earnings for some crude tankers have moved above \$550,000 per day, while vessel values have reached their highest levels since 2008. The immediate effect is being felt across crude shipping, but the implications extend beyond crude oil because freight, insurance, vessel availability and routing are increasingly important components of the delivered cost of energy-related commodities.

For the bitumen market, however, the impact should be assessed carefully. A surge in VLCC earnings does not mean that bitumen freight has increased by the same percentage. Crude oil is predominantly carried on large crude carriers, while molten bitumen is transported in specialized heated vessels and packaged bitumen moves mainly in containers or other suitable cargo equipment. These are different shipping markets with different vessel pools, cargo requirements and terminal infrastructure. There is currently no reliable public benchmark showing that dedicated bitumen tanker rates have risen in direct proportion to VLCC earnings.

The more relevant conclusion is that the regional shipping environment has become more expensive and less predictable. That can affect bitumen through several channels, particularly where a cargo depends on Gulf loading, specialized vessel availability, war-risk insurance, longer voyages, transshipment or a narrow window for loading and discharge.

The latest tanker market data illustrate the scale of the broader freight shock. Freight for an Oman-to-China VLCC voyage was assessed at around \$140,000 per day in August 2026, compared with approximately \$30,000-

\$40,000 per day in normal pre-conflict conditions, according to shipping-market data cited by industry participants. The same data indicated that the higher freight environment was producing substantially higher daily margins for vessels operating on the route.

At the same time, tanker demand is being reshaped by the way Gulf producers are trying to keep their export programs functioning. Some vessels are avoiding the highest-risk chokepoints and loading through alternative locations outside the Gulf, including waters near Oman and Fujairah. Ship-to-ship transfers in the Gulf of Oman have also increased, demonstrating that the market is adapting operationally rather than simply stopping.

This distinction is important for Iranian bitumen traders. Higher freight does not automatically eliminate the competitiveness of Iranian material. Instead, it increases the importance of choosing the right logistics structure for each destination. A cargo that is commercially attractive on an FOB basis can have a very different economics after freight, insurance, handling, waiting time and other transport-related costs are included.



China's Bitumen Squeeze Moves From Futures to Physical Supply



According to WPB, China's bitumen market has moved beyond a financial-market rally into a much tighter physical supply environment, with domestic spot prices rising further on August 24, 2026 as refinery operating rates remained unusually low, inventories continued to fall and several producers reduced or halted output.

The national physical-market reference price reached approximately CNY 4,754 per metric ton on August 24, up CNY 31 from the previous assessment. The daily increase was relatively modest at the national level, but regional price movements showed considerably greater pressure. In the Yangtze River Delta, mainstream transactions climbed to around CNY 4,780–4,950 per ton, with the regional midpoint rising by as much as CNY 135 in a single day.

The latest move is important because it differs from the earlier rise in China's exchange-traded and benchmark indicators. Futures and CFD-linked prices can provide useful information about market expectations, but they do not necessarily represent the price at which physical road bitumen is available from a refinery, terminal or trading storage facility. The latest development is being driven much more directly by product availability.

Supply remains the central problem. China's refinery operating rate for bitumen fell to approximately 23.43% in the latest weekly assessment. National bitumen production was about 391,000 tons, down 2.74% from the previous

week and roughly 33.5% lower than a year earlier. The figures indicate that less than one-quarter of the surveyed bitumen production capacity was operating, leaving the physical market with significantly less flexibility than under normal conditions.

The August production program is also running behind schedule. Refiners had planned approximately 1.701 million tons of bitumen production for the month, but output had reached only about 1.174 million tons by the latest reporting point, equivalent to 69.02% of the planned total. Several facilities remained offline or were operating at reduced rates, raising the possibility that national production will finish August below the original program.

The Yangtze River Delta provides the clearest example of how those production constraints are moving into the physical market. Low output from major refineries and limited commercial inventories have tightened available supply. Some facilities have suspended road deliveries and are prioritizing previously agreed marine contracts, reducing the amount of material immediately available to inland buyers.

That distinction matters to asphalt producers. A refinery can still be producing and shipping bitumen while the local spot market experiences a shortage if most available material has already been committed under previous contracts.

Washington Puts Shipping at the Center of Iran Sanctions as Gulf Trade Faces a New Compliance Squeeze

According to WPB, the United States has placed shipping at the center of a broader sanctions campaign against Iran, creating a new layer of exposure for shipowners, charterers, banks, traders and logistics companies involved in Iranian trade. Measures announced on August 24, 2026 formally brought Iran's shipping sector under an additional sanctions authority while expanding the potential reach of secondary sanctions against companies and financial channels operating through third countries.

The new action goes beyond another round of vessel designations. Under a determination issued pursuant to Executive Order 13902, the shipping sector joined aviation, digital assets, gold and technology as sectors of the Iranian economy in which persons can be targeted for operating. The determination took effect on August 24 and gives U.S. authorities additional legal scope to sanction foreign persons connected to those activities.

At the same time, nearly 60 individuals, companies and vessels were sanctioned across several jurisdictions. The targeted networks included brokers, companies and shadow-fleet vessels operating through the United Arab Emirates, Hong Kong, China, Singapore, Switzerland, Europe and other locations to transport Iranian oil or channel related revenues. International companies involved in the movement and sale of Iranian crude and petroleum products were also included.

The more important change for international trade may be the warning about what comes next. U.S. authorities said countries would be given defined periods to wind down identified Iran-related activities and warned that companies facilitating sanctions evasion or money laundering could lose access to the U.S. financial system. Washington also indicated that the range of conduct potentially exposed to secondary sanctions would ex-

pand as enforcement intensifies.

The measures nevertheless stop short of imposing a blanket prohibition on every foreign company trading with Iran. Major Chinese banks suspected of facilitating some Iranian oil payments were not included in the initial designations, while officials did not identify every country, bank or company that could face penalties in subsequent stages. As of August 25, the central warning was that continued Iran-related activity could create greater secondary-sanctions exposure, rather than that every transaction had automatically become prohibited.

That distinction is particularly important for the bitumen market. Nothing announced on August 24 states that every shipment of Iranian road bitumen is now subject to a new worldwide prohibition, while Iran's petroleum trade was already covered by extensive U.S. restrictions. The legal and commercial risk surrounding an individual cargo still depends on its counterparties, vessel, financial institutions, services, jurisdiction and the specific sanctions authorities involved.

What has changed more clearly is the risk surrounding the transportation chain. A foreign shipping company can no longer focus only on whether a particular vessel or Iranian counterparty appears on a sanctions list, because operating in Iran's shipping sector can itself provide a basis for future designation under the new determination.



Iran's Hormuz Vessel Blacklist Creates a Two-Sided Compliance Trap for Bitumen Shipping

According to WPB, Iran has added a new layer of commercial risk to shipping through the Strait of Hormuz by publishing a list of dozens of vessels it says violated transit arrangements and warning that those ships could face restrictions, fines or seizure during future passages. The development shifts the problem for shipowners beyond physical war risk: charterers, insurers and vessel operators

may now have to examine a ship's previous Hormuz activity before deciding whether it is commercially acceptable for another Gulf voyage.

The recently created Persian Gulf Strait Authority published the list as traffic through the waterway remained heavily restricted. The authority did not publicly establish that every vessel on the list had already been penalized. Instead, it said the ships had violated arrangements governing transit and could face action during subsequent crossings. That distinction is important. The list represents a stated future enforcement risk, not confirmation that dozens of vessels have already been detained or seized.

At the same time, the U.S. military said its blockade of Iranian ports had redirected 70 commercial ships and disabled three as of August 23. Separate ship-tracking data showed that commercial traffic remained dramatically below normal levels. Only four commodity vessels crossed Hormuz on August 23 after 13 on August 22, while traffic during the week ending August 21 remained roughly 90% below pre-conflict levels. Some vessels may not appear in conventional tracking because their transponders are switched off, so visible traffic should not be interpreted as a complete count of every movement.

For the bitumen market, the significance lies in the interaction between vessel history and an already constrained tanker pool. Bulk bitumen normally moves in specialized

vessels capable of keeping cargo heated throughout loading, voyage and discharge. That fleet is much smaller than the global crude and standard product-tanker fleets. When even a limited number of ships become commercially unattractive for a particular route, the effect on available bitumen tonnage can therefore be disproportionately large.

A charterer considering a Gulf bitumen voyage may now need to ask an additional set of questions. Has the vessel previously transited Hormuz under conditions Iran considers noncompliant? Is it on the newly published list? Could calling at a Gulf port expose the ship to detention or delay on a later passage? Will the owner accept that risk? Will the insurer continue to provide cover, and will the charter party clearly allocate the financial consequences if a vessel is stopped?

These questions are separate from conventional war-risk calculations. War-risk insurance is designed around the probability of physical damage, attack, detention and related losses. A vessel-specific compliance list creates another problem because the risk can follow the ship itself. Two otherwise similar tankers may therefore carry different commercial risk depending on their previous trading history. The situation becomes more complicated because the Iranian authority itself is under U.S. sanctions. The U.S. Treasury designated the Persian Gulf Strait Authority on May 27, 2026 and linked it to the Islamic Revolutionary Guard Corps. Official sanctions guidance also states that U.S. persons are not authorized to make payments to the Iranian government or the IRGC for safe passage through Hormuz and are prohibited from receiving related safe-passage services.

This creates a potentially difficult compliance environment for internationally financed shipping. A vessel owner may

want to satisfy requirements imposed by Iranian authorities in order to reduce the risk of detention, while banks, insurers or counterparties with U.S. exposure may be unable or unwilling to participate in transactions involving the sanctioned authority. The result is not necessarily a legal contradiction in every voyage, because individual circumstances and jurisdictions differ, but it creates a much more complicated screening process before a ship can be fixed. For bitumen chartering, additional screening can translate directly into fewer available vessels. An owner that might normally consider a voyage to load hot bitumen in the Gulf could decide that the freight premium is not sufficient to compensate for sanctions review, insurance uncertainty and the possibility that the ship itself has a problematic transit history. Another owner may accept the voyage but demand stronger charter-party protections or a substantially higher rate.

The distinction between bulk and packaged bitumen remains essential. Drums and jumbo bags can move through container or conventional cargo networks and are not dependent on specialized heated bitumen tankers. But container lines and general cargo operators also conduct sanctions screening and assess port and route risk. A vessel-list regime can therefore affect packaged cargo indirectly through carrier acceptance, transshipment decisions, documentation requirements and routing.

Bulk bitumen is likely to be more exposed because substitution is harder. If a suitable heated tanker becomes unavailable, a trader cannot simply nominate any conventional tanker as a replacement. Heating systems, cargo-tank configuration, pumping capacity, previous cargo compatibility and terminal requirements all matter. Reducing the commercially acceptable fleet therefore has the potential to increase freight even when the nominal supply of bitumen at the refinery has not changed.

That is the key distinction in assessing the current development. There is no confirmed evidence that the newly published vessel list has already reduced Iranian, Iraqi, Kuwaiti, Bahraini or Emirati bitumen exports by a specific number of tons. It would be premature to describe the measure as a confirmed bitumen supply disruption. The immediate effect

is instead on risk assessment, chartering flexibility and the potential cost of arranging transportation.

Iraq provides a useful example. Several Iraqi tankers received special permission from Iran to transit Hormuz in August after diplomatic discussions between Baghdad and Tehran. That arrangement shows that access to the strait is no longer functioning purely as an open commercial navigation decision for every cargo. Individual permissions, political relationships and compliance conditions can increasingly influence whether a vessel is able to move through the waterway.

For a bitumen buyer, this can make the origin price less informative. An Iraqi or Iranian supplier may quote an attractive FOB level, but the buyer ultimately needs a vessel that can reach the loading point, obtain appropriate insurance, satisfy charter-party requirements and complete the voyage without unacceptable detention risk. If only a smaller group of owners is prepared to take that exposure, freight can rise independently of the product price.

The same principle applies to landed cost. A low FOB price can be offset by higher freight, additional insurance, waiting time, legal screening, alternative routing or a premium demanded by the shipowner. Buyers in India, East Africa and Southeast Asia could therefore face higher delivered costs even if refinery gate prices remain unchanged.

The new vessel list may also change how charterers evaluate ship-to-ship and transshipment histories. Vessel compliance has long included sanctions screening, ownership structures, flag history and previous port calls. Hormuz now introduces another potential layer: whether a vessel's previous behavior in the strait is acceptable to the authority controlling access from the Iranian side.

That can have consequences well beyond vessels directly connected to Iran. International tanker markets operate through repeated employment. A ship that carries one cargo in the Gulf may later be offered for a completely different charter. If its previous voyage creates a risk of restriction during a future Hormuz passage, charterers may discount the vessel even when the new cargo has no connection to the earlier dispute.

Asia's Fuel Squeeze Deepens as Singapore Gasoil Margins Jump **226%**

According to WPB, Asia's refined-fuel shortage is becoming increasingly visible in Southeast Asia, with imports of light and middle distillates falling sharply while refinery margins remain at exceptional levels. Estimated Asian imports of diesel, jet fuel, gasoline and related products stand at about 5.59 million barrels per day in August 2026, 21% below the 7.08 million bpd average recorded during the three months ending in February. The shortfall is no longer evenly distributed across the region, with Indonesia and the Philippines absorbing some of the steepest declines.

Indonesia's light and middle distillate imports are estimated at around 432,000 bpd in August, their lowest level in 13 months and significantly below the approximately 533,000 bpd average recorded before the conflict disrupted regional energy flows. The Philippines is receiving about 257,000 bpd, compared with an earlier average of roughly 362,000 bpd. By contrast, Australia has maintained imports close to previous levels, although securing those supplies has become considerably more expensive.

The contrast highlights an increasingly important feature of Asia's energy market: the problem is not simply whether enough crude oil exists, but whether refineries have access to the right crude grades, sufficient operating capacity and the economic incentive to produce the products individual markets require.

Refining margins demonstrate just how distorted that equation has become. The profit margin for producing gasoil at a Singapore refinery reached approximately \$71.29 per barrel on August 21. That was below the record \$85.63 reached on March 30 but still 226% above the \$21.90 recorded on February 27. Gasoline margins were also sharply higher, reaching \$20.74 per barrel compared with \$8 before the conflict.

These figures matter to the bitumen industry because re-

fineries do not optimize individual products independently. When middle distillates command exceptional margins, the commercial value of maximizing diesel and jet-fuel production increases. Depending on refinery configuration, crude slate and available conversion equipment, this can alter the economic value placed on heavier refinery streams and reduce the incentive to maximize bitumen production.

That does not mean a \$71 gasoil margin automatically causes a reduction in bitumen output. The relationship is more complex. Simple refineries with limited conversion capacity may continue generating substantial quantities of vacuum residue and other heavy material regardless of diesel margins. More complex refineries equipped with cokers, hydrocrackers or other upgrading units have greater flexibility to convert heavy streams into higher-value products. The current Southeast Asian development therefore adds a new dimension to the bitumen outlook. The issue is no longer only that global refining capacity is tight. The latest data show where the shortage is becoming commercially painful and where refiners have the strongest incentive to prioritize transportation fuels.



Iraq Just Approved a Three-Month Hormuz Bypass: Could Its Bitumen Trade Be Next to Move Outside the Gulf?

According to WPB, Iraq has moved its search for alternatives to the Strait of Hormuz from emergency planning toward a defined commercial mechanism. On August 18, 2026, the Iraqi Council of Ministers approved new arrangements allowing Iraqi crude to be exported through specialized international and local companies and through multiple export outlets. Contracts under the mechanism are scheduled to begin on September 1 and will initially run for three months. The decision is commercially significant because Baghdad is no longer discussing diversification only as a future infrastructure objective; it is now establishing a time-bound contractual system intended to move physical barrels through more than one channel.

56

The cabinet announcement still leaves several important questions unanswered. The government has not disclosed which companies will receive the contracts, how much crude will be allocated to each outlet, or which specific export points will be used. It also has not confirmed that bitumen, fuel oil, vacuum residue or other heavy petroleum products will be included under the same three-month mechanism. For the bitumen industry, the immediate importance therefore lies in the potential impact on Iraq's broader production, refinery, storage and export system rather than in any confirmed decision to reroute finished bitumen from September 1.

That distinction is essential because crude-export infrastructure and bitumen-export infrastructure are not interchangeable. A pipeline that carries Iraqi crude toward the Mediterranean cannot simply be used to transport finished paving-grade bitumen, and a crude-export arrangement does not automatically create an alternative corridor for packaged or bulk asphalt products. At the same time, any mechanism that gives Iraq more ways to evacuate crude can reduce pressure elsewhere in the petroleum chain. This is why the August 18 decision matters to bitumen even

though bitumen itself has not yet been formally included.

The policy follows months of severe disruption to Iraq's traditional export system. Before the regional conflict, roughly 3.4 million barrels per day of Iraqi crude normally left through the southern Basra export network, making the Gulf route central to the country's oil economy. When tanker access deteriorated and storage capacity came under pressure, southern production had to be reduced because Iraq could not move the same volume of crude into the international market. Baghdad responded by reviving northern export options, expanding road movements and looking again at routes through Türkiye, Syria and other neighboring areas. What changes with the latest cabinet decision is the commercial structure of that effort. Instead of relying only on government-led infrastructure projects or isolated emergency arrangements, Iraq is authorizing specialized domestic and international companies to participate in a multi-outlet export model for a defined period. The three months beginning September 1 could effectively serve as a commercial trial in which Baghdad measures transportation costs, insurance, loading capacity, intermediary margins, buyer acceptance and the reliability of alternative outlets. If the system performs well, the information generated during those three months could influence Iraqi export policy long after the initial contracts expire.



Iraq Just Approved a Three-Month Hormuz Bypass: Could Its Bitumen Trade Be Next to Move Outside the Gulf?



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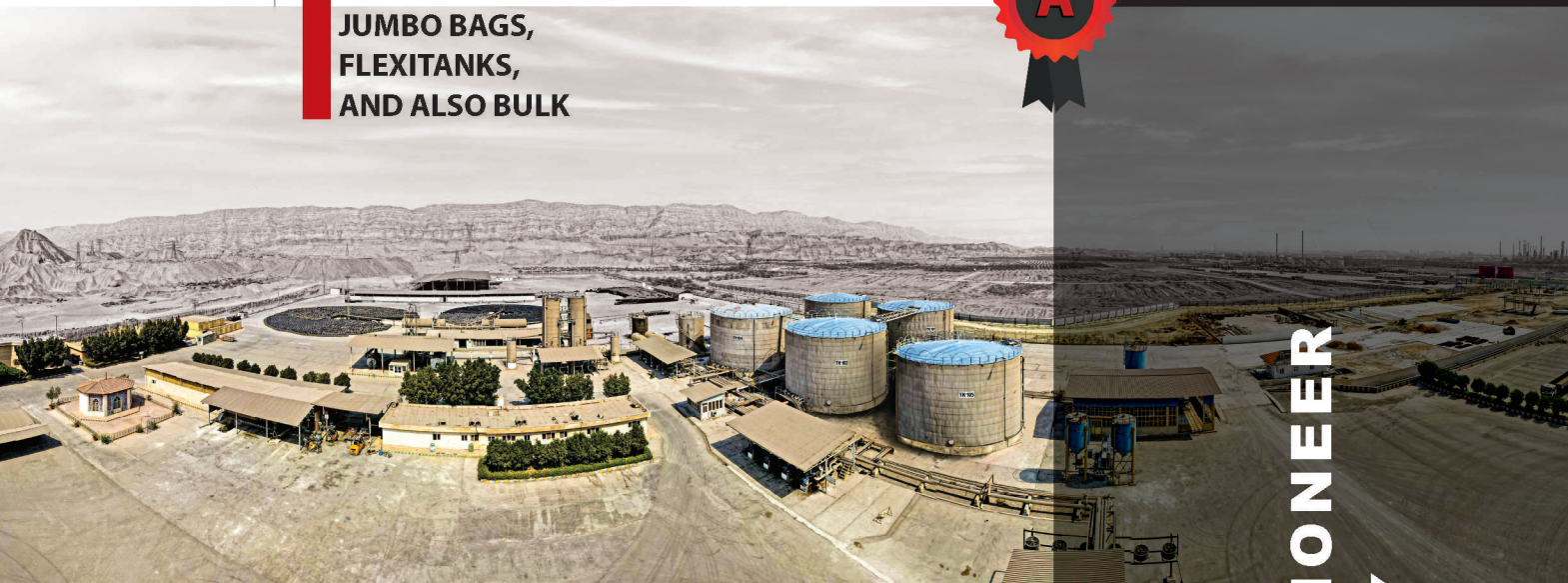


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