



# The International Bunker Industry Association

Capt Peter W Hall

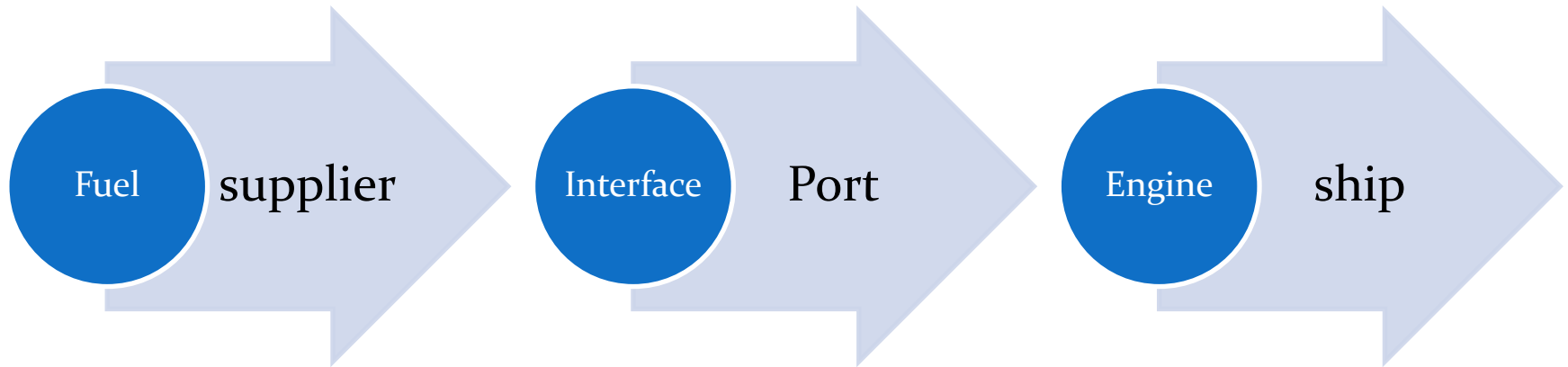




# IBIA's-AIMS ?

- To provide an international forum for bunker industry issues;
- To represent the industry in discussions and negotiations with national and international policy makers, legislators and other groups and bodies;
- To review, clarify, improve, develop and endorse where appropriate, industry methods, practices and documentation;
- To increase the professional understanding and competence of all who work in the industry;
- To provide services and facilities for members and others as the Board shall from time to time consider appropriate.

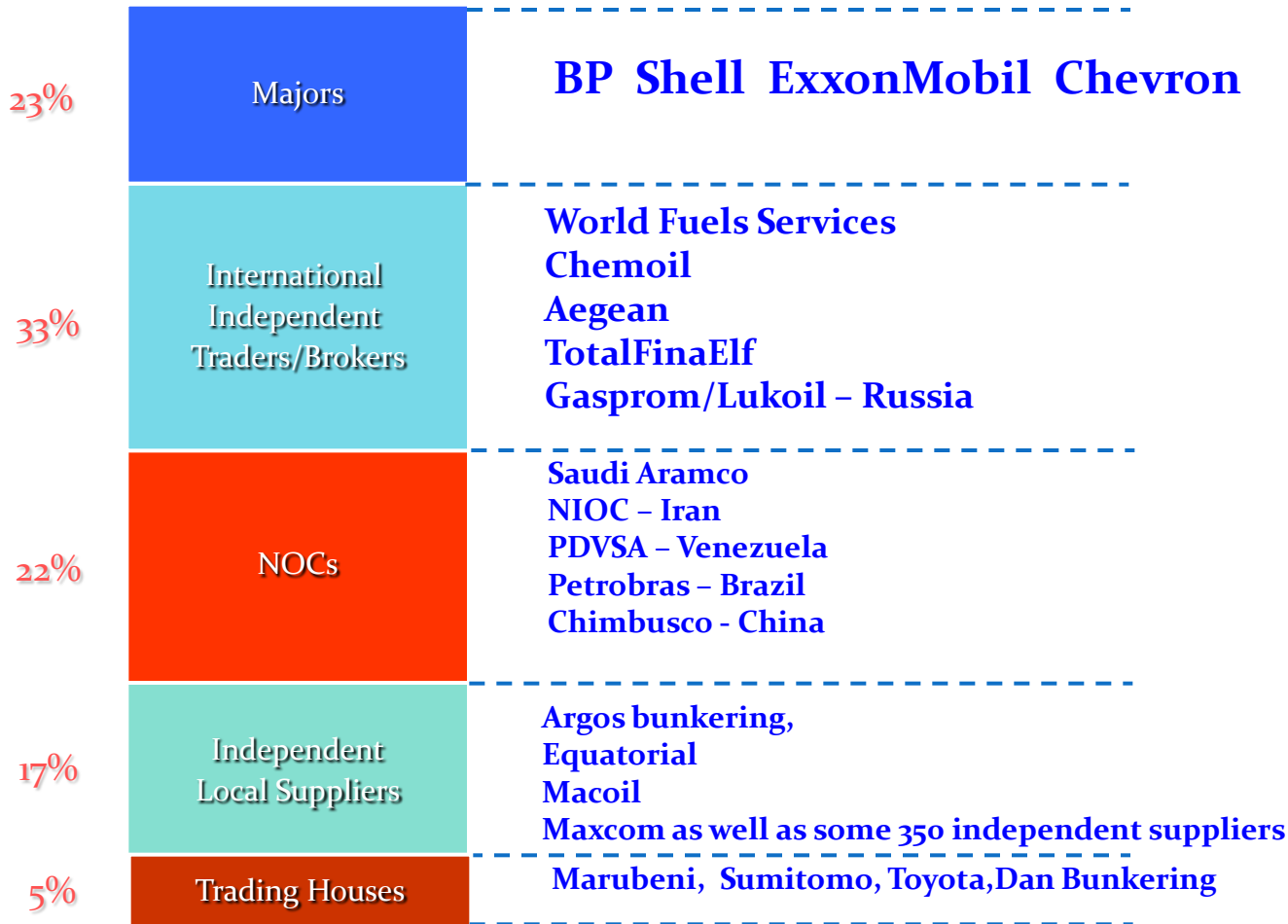
# Looking at the Supply chain



# Who sells the bunkers



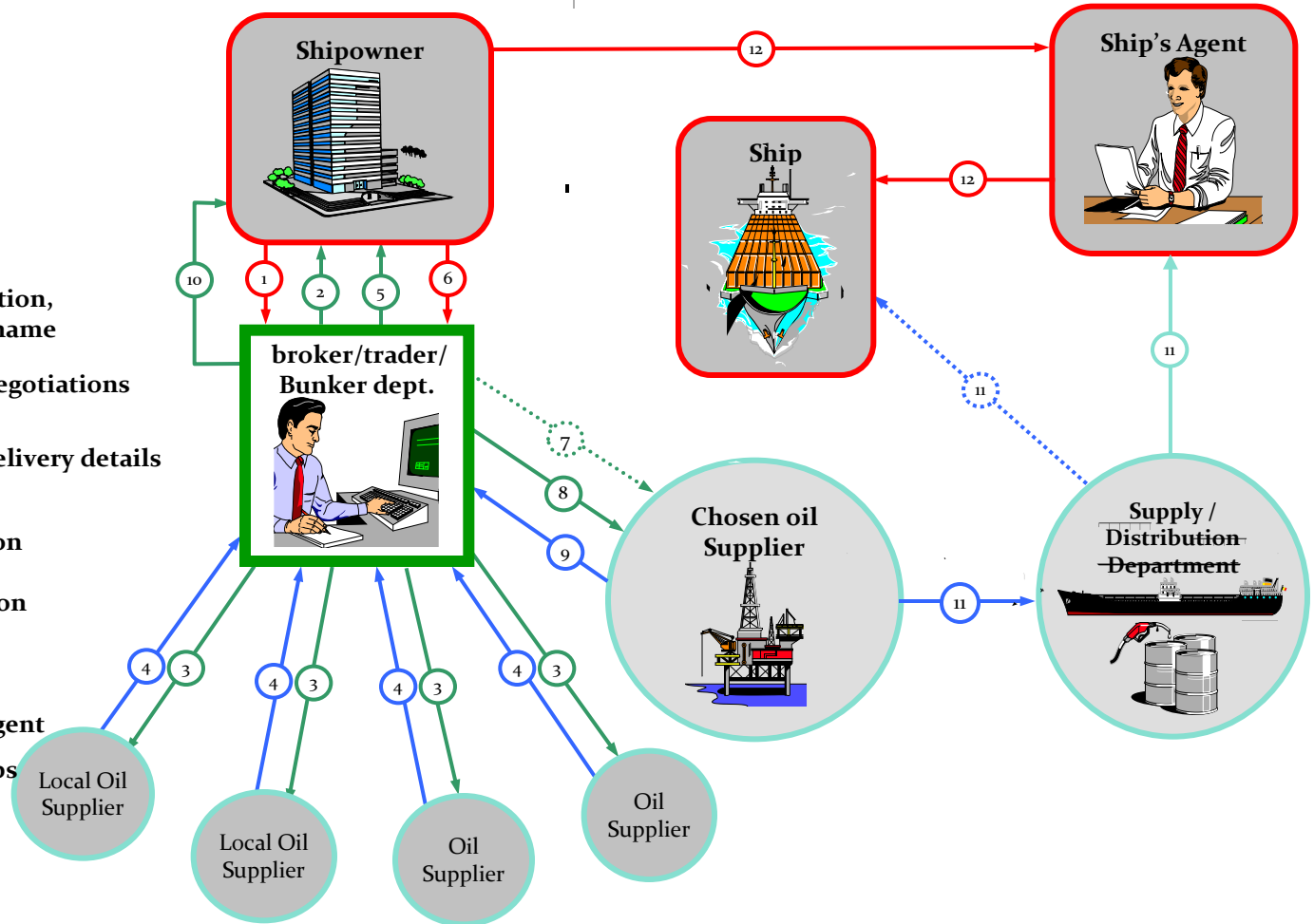
## *Into-Ship Revenues*



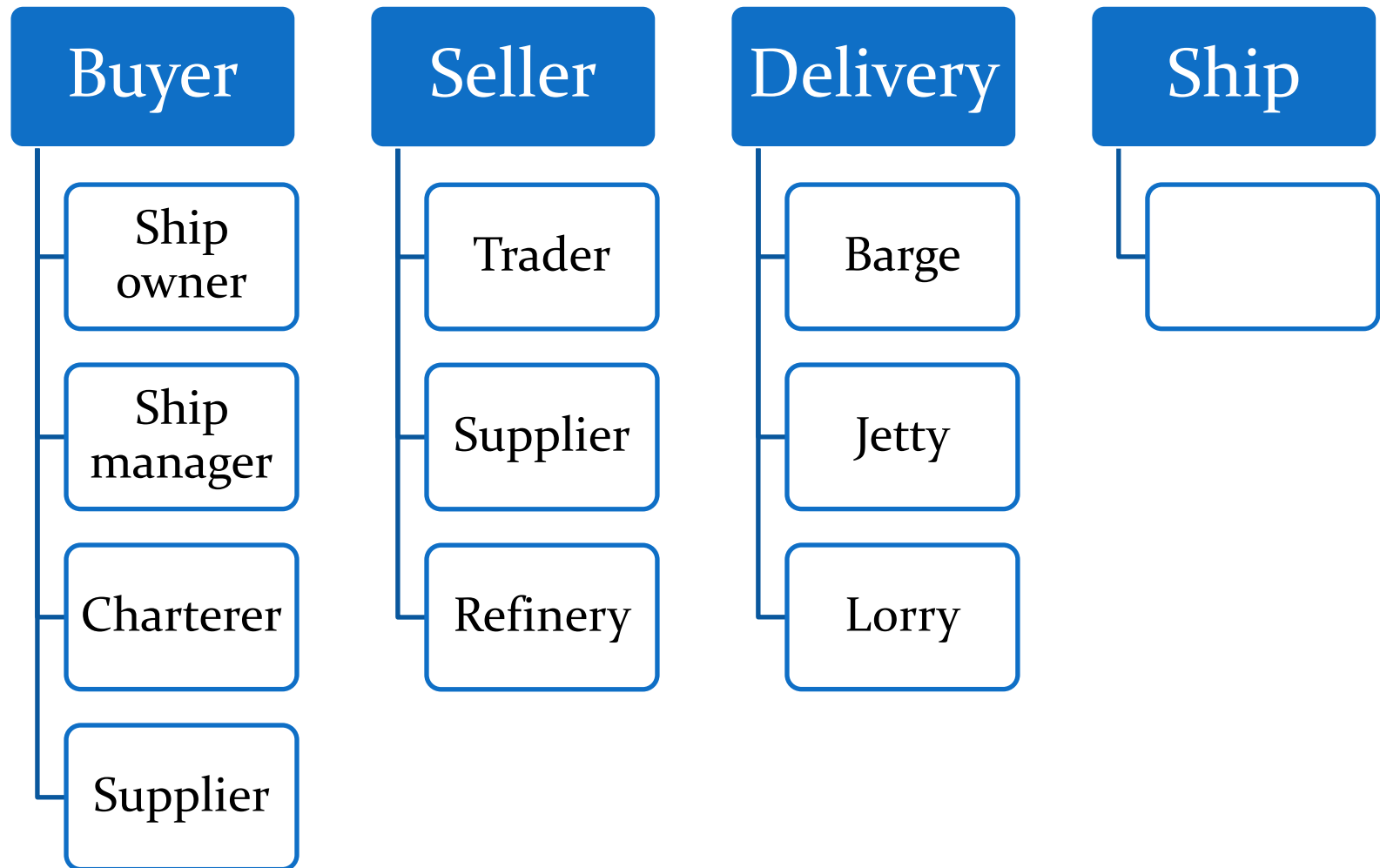
**There are some 1,200 supply offices operated by 600 companies**

# The chain

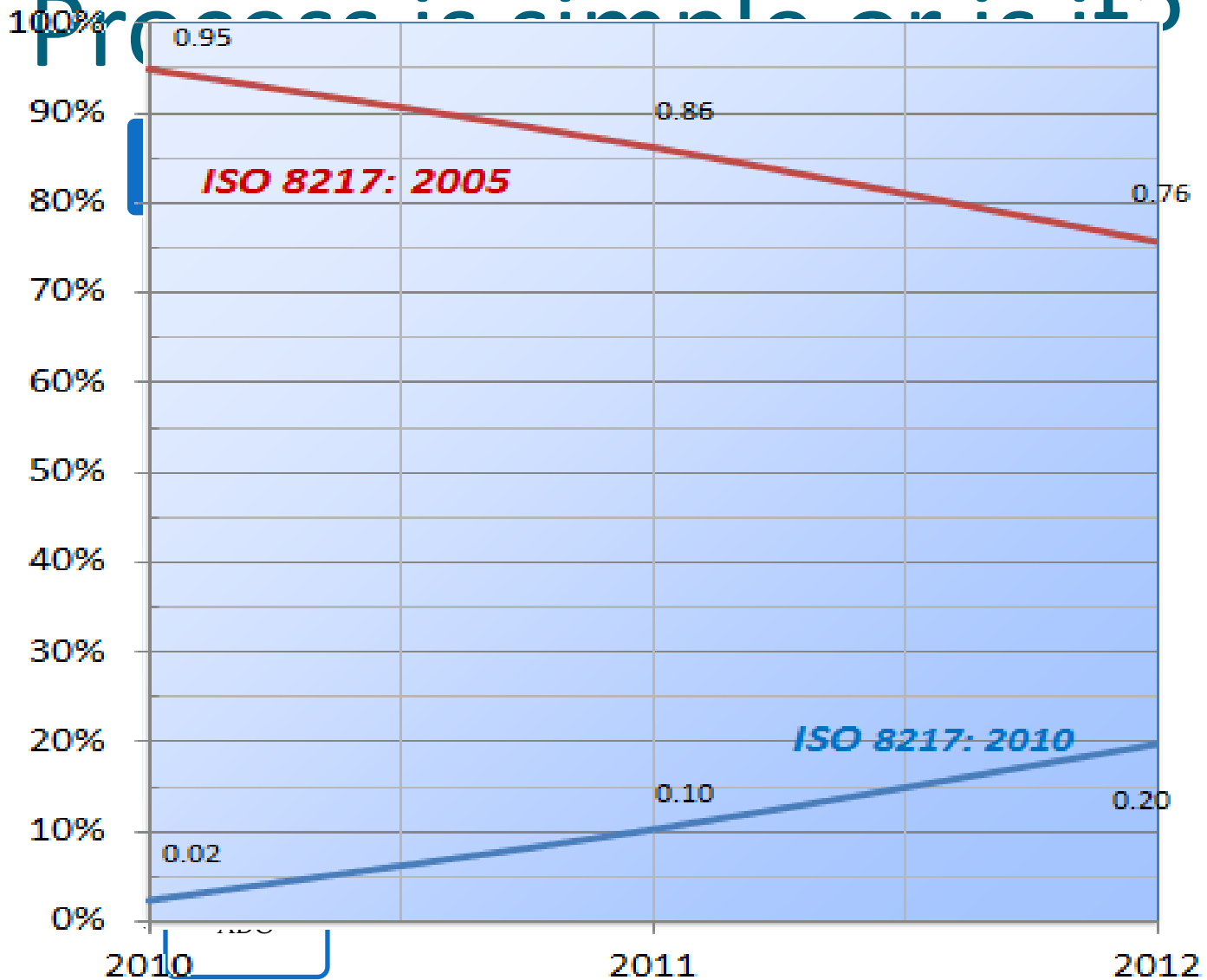
- 1 Inquiry to purchase
- 2 Enquiry acknowledged
- 3 Enquiry to Suppliers
- 4 Quotation or refusal
- 5 Optimum price option
- 6 Counter or accept quotation, delivery details, agents name
- 7 Further possible price negotiations
- 8 Firm nomination plus delivery details
- 9 Acceptance of nomination
- 10 Confirmation: nomination placed and accepted
- 11 Instructions to supply ship, liaise with ship's agent
- 12 Instructions to ship/ships agent and vessel



# Current Marine Fuel Supply Chain?



# The Process is simple or is it?







# Europe

## UK/Ireland

2005 – 68.6%  
2010 – 30.7%

## France

2005 – 30.3%  
2010 – 20.3%

## Gib/Algeciras

2005 – 35.6%  
2010 – 17.6%

## ARA

2005 – 49.6%  
2010 – 30.0%

## Baltic

2005 – 76.8%  
2010 – 23.2%

## Italy

2005 – 66.8%  
2010 – 15.4%

## Eastern Med

2005 – 80.4%  
2010 – 17.1%

## Black Sea

2005 – 79.6%  
2010 – 20.1%





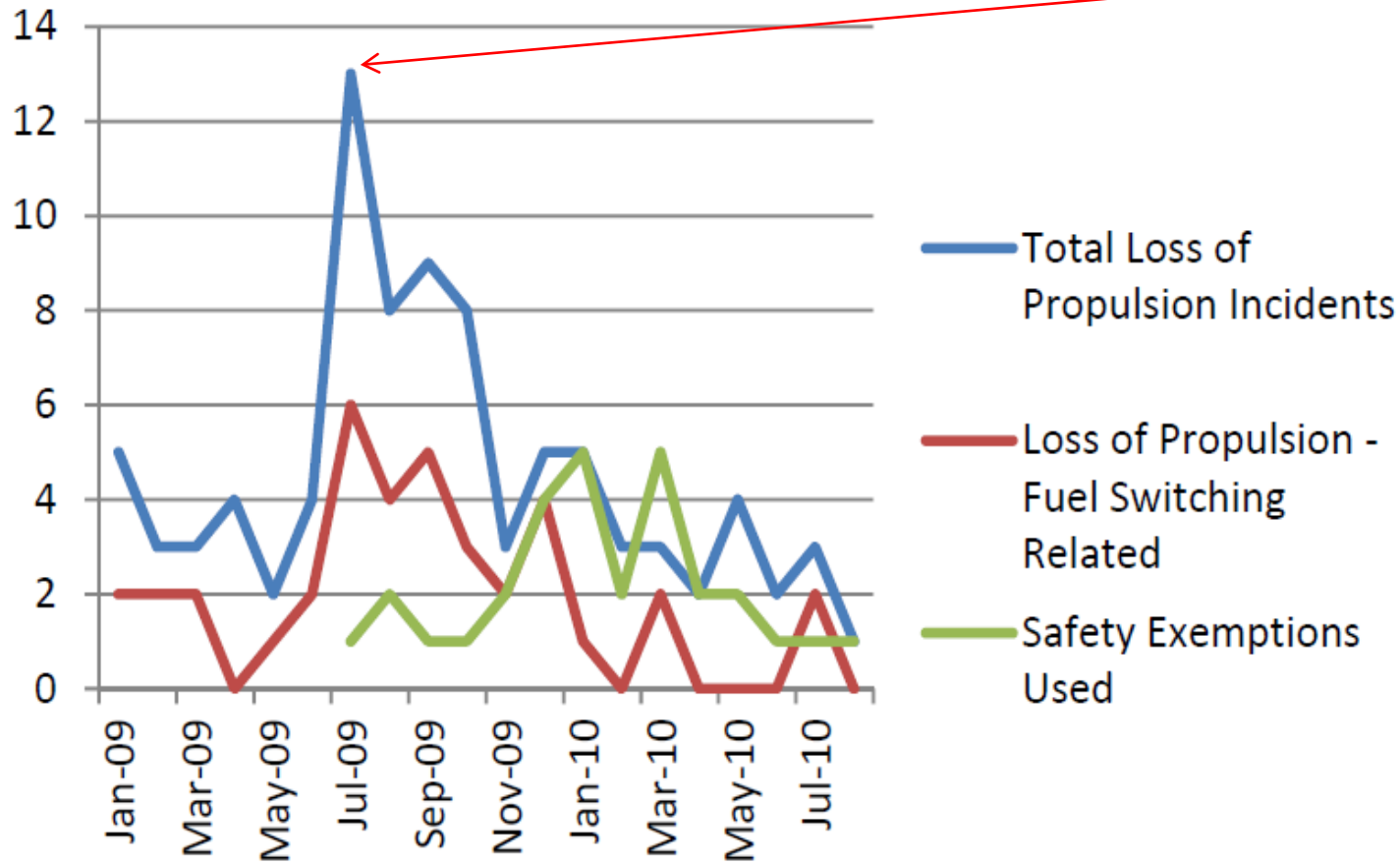
# Pressures on Quality

- Blending to meet lower sulphur requirements
- Inappropriate selection of blend components
- Low cost blend components
- Resulting problems – Stability, Ignition quality and Contamination
- Buyers seeking lowest price in rising market. Fuel is highest operating cost



# What history tells us

CARB Jan 2009 - Jul 2010



*LOP incidents doubled with the induction of CARB distillate regulation*

# Cost of Failure

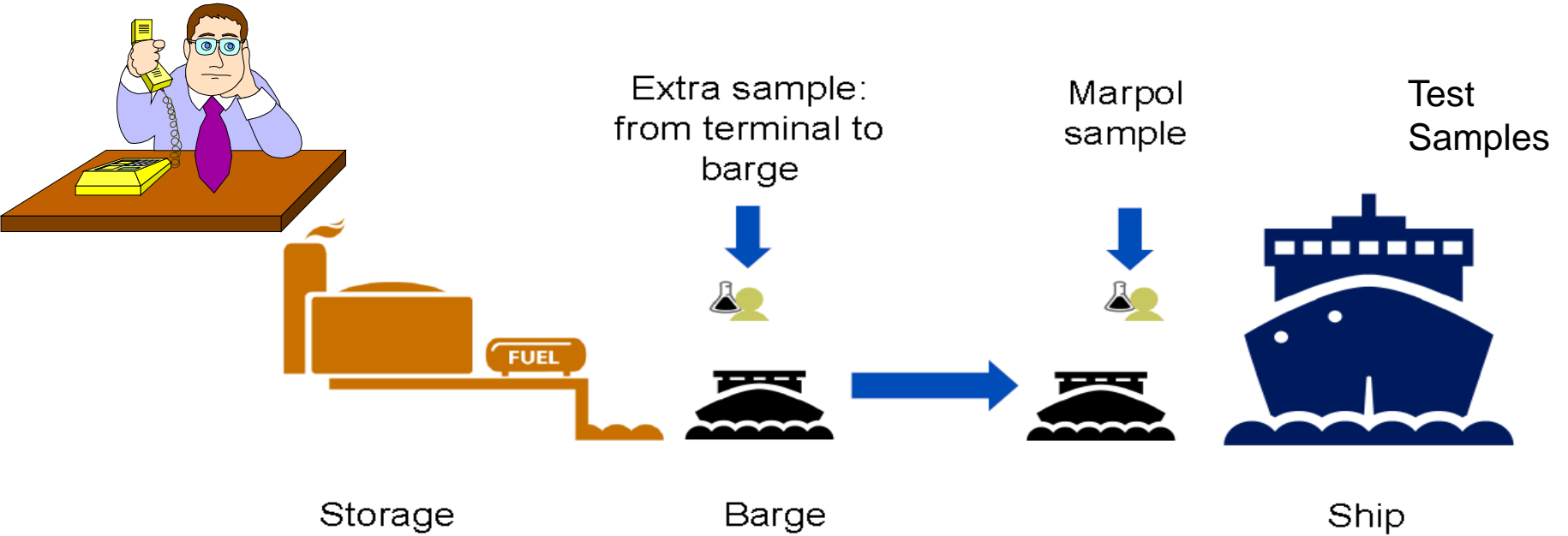
- Engine damage
- Loss of power
- Safety issues – flash point
- De-bunkering
- Off hire
- Arrest



## What is being done to improve quality?

- IMO -
- Contracts and ISO standards improved
- **Ports Charter**
- Ship owners and Operators
- Insurance
- Competency and understanding throughout

# What is being done to improve Fuel Quality?



**Contract**

**Ports Charter**

**IMO-BDN**

**Competency and understanding across the chain**



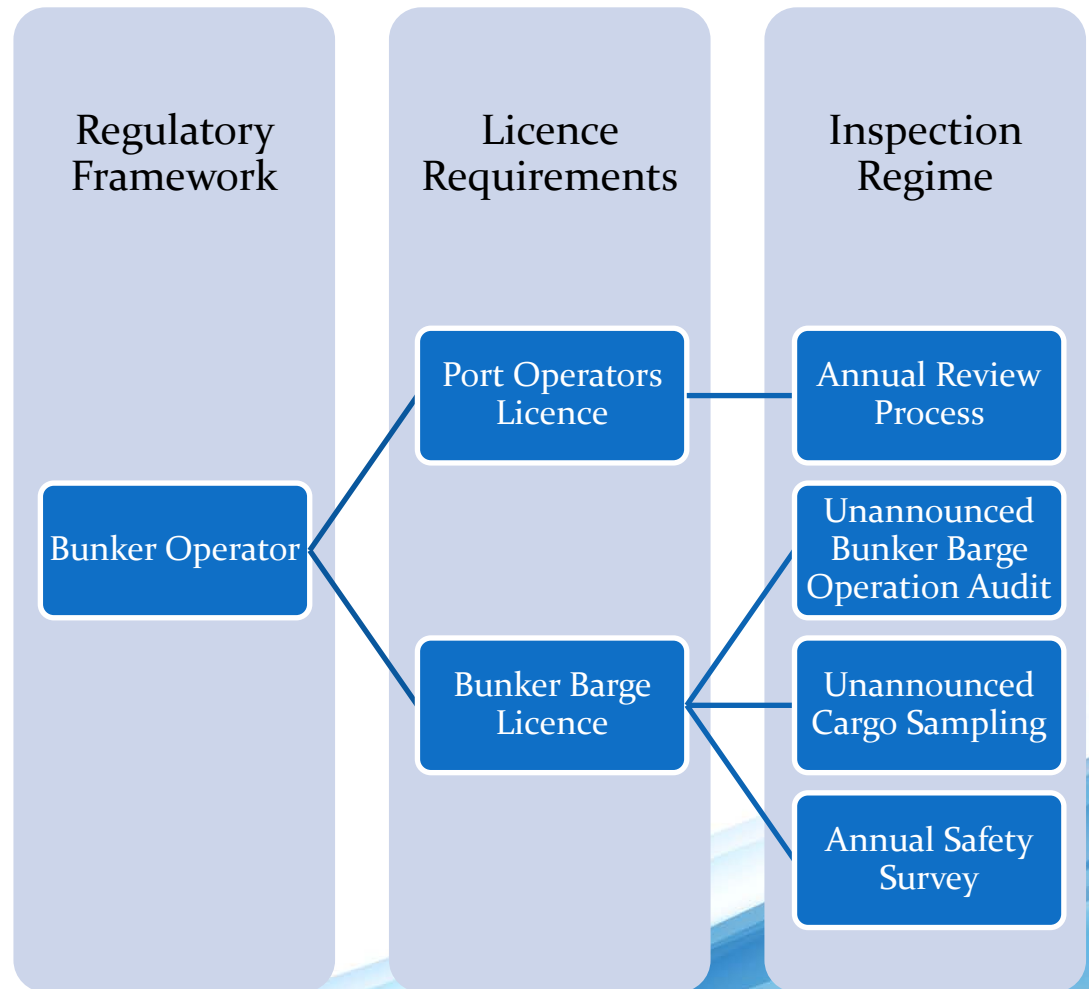
# Ports Charter

- Ports that sign the charter are committed to three key principles,
- Establish measures to enable a **Quality** bunker fuel supply to be delivered.
- Establish measures to ensure that the correct **Quantity** is delivered.
- Demonstrate that the system that is operated within the port is **Transparent**

# ENFORCEMENT & COMPLIANCE– A PORT’S PERSPECTIVE

## Bunkering Regulations in Gibraltar:

- Bunker company must be licenced
- Each Bunker Barge must be licenced
- All licences subject to annual renewal
- Compliance with the Bunkering Code of Practice is compulsory
- Bunker Barges undergo annual Safety Survey inspection Flag State / Port State Standards
- Bunker Barges are subject to unannounced inspections / audits during operations
- Bunker Barges are subject to unannounced cargo sampling





# Conclusions

- Environmental and cost pressure -presses quality
- Standards play catch up -
- On board capability impaired
- Supply chain fragmented and with “new fuels”
- Participation – better solution with all involved
- New fuels are on the horizon.
- Become a member of IBIA?



# Thank You

Why not join IBIA

- Web site - [www.ibia.net](http://www.ibia.net)
- Email-[Ibia@ibia.net](mailto:Ibia@ibia.net)

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