

Face the music

Despite the fact that the majority of the shipping industry view Singapore as the most effectively policed waters for bunker operations, the Maritime and Port Authority (MPA) felt the need to alter its practices earlier this year. The MPA talks about the need for change and the industry reception.

In late September of this year, Singapore's Maritime and Port Authority (MPA) took the bull by the horns and made good on its promise to shake up its bunker industry after a series of scandals damaged its previously untarnished image.

After reports of contamination and the bribing of surveyors, MPA announced a three-pronged attack on its marine fuel industry, aimed at safeguarding the interest of bunker buyers. The region's operators will now come under closer scrutiny, and will have to apply for accreditation and improve sampling methods.

According to MPA, these changes have been well received. "The industry has responded positively to the new initiatives. We have received good feedback from both bunker buyers and suppliers," says the Authority.

While cynics might argue that after all the problems the Singapore bunker market has encountered over the past couple of years, these initiatives are too little too late, MPA is adamant that it has always been on top of its bunker industry.

"There has been a system in place to monitor the quality and quantity of bunkers supplied in the Port of Singapore since the 1990s. This includes the licensing of bunker suppliers, bunker craft operators and bunker tankers and mandatory compliance with the Singapore Standard: Code of Practice for Bunkering by Bunker Barges/Tankers (SS CP60).

"The bunkering problems encountered recently were isolated cases caused by a few players in the market. The swift and firm manner in which MPA dealt with these problems shows that the system remains effective.

"Nevertheless, MPA is constantly seeking to improve upon the bunkering services in our port, so as to maintain our reputation as a leading quality bunkering port. The Accreditation Scheme for Bunker Suppliers, for example, serves to recognise good bunker suppliers and safeguard the integrity of Singapore's bunker trade. As far as we are aware, there is no such scheme in place for bunkering in any other port in the world."

The costs for enforcing the new initiatives will be borne by MPA initially, but the Authority is leaving open a window of opportunity saying it will consult the industry "should there be a need for them to share the costs in future".

But this talk has not stopped local operators from becoming jittery. They fear that the stricter guidelines might indirectly force fuel prices up as a result of a reduction in the number of operators through accreditation failure. MPA, however, remains undaunted.

"There are about 100 bunker suppliers in Singapore. This is a fairly large number and we are confident that many of them will readily qualify for accreditation. Hence, we are not too concerned about reducing the amount of competition," it says.

MPA initiatives

- Accreditation Scheme for Bunker Suppliers: include a higher paid-up capital of S\$200,000, up from S\$100,000, and the need to put in place a Bunker Supply Chain Management System to cover the entire process of bunker supply from product procurement to bunker delivery. Introduced from June 2003, after which bunker suppliers are given two years to attain the accreditation qualification or lose their bunkering licence.

- Development of a set of Key Performance Indicators through which accredited suppliers can benchmark their performance and enhance their services.
- Improved bunker sampling method, requiring the bunker craft to collect and retain custody transfer samples of oil loaded from oil and storage terminals, currently not a requirement. The new sampling requirement will also apply for bunker tankers that receive bunkers as cargo from other bunker tankers i.e. 'ship-to-ship' transfers of bunkers.
- More intense checks on bunker tankers carrying 'de-bunkered' fuel that is loaded from any vessels in the Singapore port and/or from vessels anchored outside the port.
- Shipping agents required to submit a copy of the Bunker Delivery Receipt to the MPA within 48 hours of departure of the vessel in order to qualify for the concessionary port dues.