

13TH SINGAPORE INTERNATIONAL BUNKERING CONFERENCE (SIBCON) – 23-25 SEPTEMBER 2004

Fact Sheet

Singapore's Bunkering Performance

In 2003, a total of 20.8m tonnes of bunkers were supplied to ships in Singapore. This new achievement erased the previous record of 20.35m tonnes set in 2001. The new record boosted Singapore's top bunkering port status in the world in 2003 and reaffirmed the Republic's continuing attraction as a major bunkering port.

Accreditation Scheme for Bunker Suppliers

First announced at SIBCON 2002, the Scheme serves to recognise good bunker suppliers and to safeguard the integrity of the bunker trade in Singapore. The requirements for accreditation include a minimum paid-up capital of S\$200,000, having in place a Quality Management System for Bunker Supply Chain (QMBS) based on Technical Reference 8 (TR8) : 2003 published by SPRING Singapore, and satisfying a set of key performance indicators.

The QMBS is a quality management system covering the entire process of bunker supply, from procurement to delivery. To put in place a QMBS, bunker suppliers are required to engage a certification body accredited by the Singapore Accreditation Council for quality management system to certify their conformance to the TR8 : 2003 by 31 May 05.

MPA is providing financial assistance, as an incentive, to bunker suppliers who meet the requirements of the Scheme within the two-year period, from 1 Jun 03 to 31 May 05. Support is provided to cover 30% of the certification fee for the TR8: 2003 on QMBS. Bunker suppliers may apply for the financial assistance upon attaining the accreditation status. This assistance scheme would benefit all bunker suppliers who have attained accreditation.

Additional Condition for Bunker Tankers to Operate Outside Port Limit (OPL)

In Jul 04, as a further step to safeguard the quality of bunkers supplied in port, MPA imposed an additional condition upon SB licensed harbour craft that they shall not leave the port to go OPL without the approval of the Port Master. This will prevent bunker tankers from carrying oil cargoes of unknown quality loaded from unknown sources into the port and enhance quality assurance of bunkers supplied to ships in port.

Singapore Standard for Bunkering (SS CP60)

The Singapore Standard for Bunkering, CP 60 has been revised by the national Technical Committee (TC) on Bunkering under the Singapore standardisation programme led by SPRING Singapore. The programme, which is guided by the industry led Standards Council, focuses on developing, implementing and promoting the use of standards in industry. The TC on Bunkering consists of representatives from the Singapore Shipping Association (SSA), Singapore Nautical Institute (SNI), Society of Naval Architects and Marine Engineers, Singapore (SNAMES), International Association of Independent Tanker Owners (INTERTANKO), bunker suppliers, shipping companies, testing laboratories and MPA.

The revision covers the whole CP 60 based on the 1996 edition. CP 60 is a Singapore Standard and was used as one of the references by ISO for the development of an ISO Technical Report in 1998. The new CP 60 added in a new section on Pre-Delivery Conference, which includes an Annex on Safety, Health and the Environment, to promote safe bunkering in port. It also tightened the bunker delivery process to enhance accuracy of delivered quantity, and improved sampling requirements to provide better quality assurance to ship owners.

Phasing Out Of Single-Hulled Tankers (SHTs) Including Carriage Of Heavy Grade Oil (HGO)

The International Maritime Organisation (IMO) adopted amendments to Annex I of the MARPOL Convention that relates to phasing out of SHTs and the ban on carriage of heavy grade oil (HGO) on SHTs. The release of about 19,800 tonnes of cargo fuel oil into the Bay of Biscay in Dec 1999 due to the break up and sinking of old SHT "*Erika*" off the coast of France triggered the first MARPOL Amendments on phasing out of SHTs.

In November 2002, another old SHT "*Prestige*" broke up and sank off the coast of Spain in the Bay of Biscay spilling 25,000 tonnes of highly persistent oil cargo. Total costs of the incident are currently estimated to be about 700 million Sterling Pounds. The European Union threatened unilateral action unless the IMO accelerates the phase-out schedule introduced after the *Erika* incident and introduces more stringent requirements for SHTs.

The IMO introduced regulations and a schedule to phase-out SHTs by 2015. An SHT is allowed under these Amendments to continue trading until it is 25 years old or 2015 whichever occurs earlier subject to a special survey (Condition Assessment Scheme (CAS)). Flag Administrations of SHTs are allowed to permit ships fitted with some special protective construction to continue trading until 25 years of age or 2017 whichever occurs earlier. The regulations and phase-out schedule came into force internationally in September 2002. The Amendments provide that States could deny entry of SHT operating beyond 2015 to their ports.

In December 2003, the IMO adopted further amendments to MARPOL Convention to bring forward the final phase-out date from 2015 to 2010. However, States could allow an SHT built with some protective construction to continue operating beyond 2010 until the vessel is 25 years old or 2015 whichever occurs earlier. These vessels are subject to a special survey. Under these amendments, the SHTs cannot carry heavy grade oil (HGO) in SHTs of 5,000 deadweight tons (DWT) and above from 2005 and in SHTs of 600 DWT and above but less than 5,000 DWT from 2008. The Amendments will come into force on 5 Apr 05 and will replace the Erika Amendments package. The EU has declared that they would exercise their right to deny entry of SHTs operating beyond 2010 to their ports.

'Gate System' For Licensing Bunker Tankers

From 1 Jan 05, MPA will only issue new harbour craft licences to tankers of 600 DWT and above that are double-hulled. Under the IMO's regulations, those below 600 deadweight tonnes are not required to be double-hulled. However, in order to gradually build up a younger and efficient fleet of bunker tankers in the port, the MPA will only issue harbour craft licences to tankers of below 600 DWT, if they are less than 5 years old.

Then, from 1 Apr 06, single-hulled bunker tankers of 25 years and above will only be allowed to carry heavy grade oil in the port for a maximum of two years, if the tanker owners are able to show to MPA that they have firm plans to build new bunker tankers and scrap the old ones. From 1 Apr 08, single-hulled bunker tankers of 25 years and above will no longer be allowed to carry heavy grade oil in port.

MARPOL Annex VI - Regulations for the Prevention of Air Pollution from Ships

In 1997, the IMO adopted the Protocol of 1997 which adds Annex VI to MARPOL 73/78. The new Annex prescribes regulations to control emission of harmful gases such as sulphur oxides, nitrogen oxides and ozone depleting substances from ships and to control emission from shipboard incinerators. Such harmful emission is detrimental to the environment as well as human health.

The Protocol makes issuance and retention of Bunker Delivery Note mandatory. The Protocol also controls bunker quality supplied to ships.

The Protocol will come into force on 19 May 05. Singapore is a Party to the Protocol and our regulations giving effect to it will come into force on the same date. Our accession will facilitate clearance of our ships in ports of other member parties. If a country is a party to the Protocol, its ships are expected to comply with its requirements, and therefore subject to less port inspections compared with ships from non-parties.

The MPA has kept the shipping community informed of the entry into force of the Protocol through its Shipping Circulars.

International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 (Bunker Convention)

The Bunker Convention adopted by IMO in a Conference in 2001 provides a compensation regime for losses and damages arising from bunker pollution from ships other than oil tankers. The Convention bridges the gap in current international civil liability and compensation regime such as the 1992 Civil Liability and Fund Conventions and 1996 Convention on Liability and Compensation dealing with carriage of Hazardous and Noxious Substances by sea, as this is the first time an international regime to cover pollution damage arising from bunker oil spill from non-tankers such as container and passenger ships, bulk carriers has been adopted. Some of these large container and passenger ships carry bunker oil much larger in quantity compared with small oil tankers. Besides, it is much more difficult to clean bunker oil especially those of higher density and viscosity in case of an oil spill compared with crude oil. The clean-up costs of bunker oil are also relatively higher.

The bunker oil as defined by the Convention means hydrocarbon mineral oil including lubricating oil used or intended to be used for the operation or propulsion of the ship, and any residues of such oil. Following the two high profile accidents *Erika* and *Prestige* involving high-density oil, the IMO took swift action to prohibit carriage of high-density fuel oil in single-hulled oil tankers from April 2005. While the IMO's action addresses the carriage requirements of high density oil to prevent the release of such oil into the marine environment, the international system to compensate the victims of pollution by such oil released or spilled from ship's fuel tanks will only be in operation when the Bunker Convention enters into force internationally.

Impact on the Bunker Industry

The responsibilities of shipowners are:

1. Liable for pollution damage caused by any bunker oil on board or originating from the ship. Acceptance of strict liability by shipowner or his insurer under the Convention will provide peace of mind to the victims of pollution as they will now be assured of payment under domestic laws giving effect to the Convention.
2. To maintain insurance or other financial security to cover liability.
3. Ship to carry a certificate issued by the State Party or an institution or organization recognized by it attesting that insurance or other financial security is in force.

Bunker suppliers are responsible for issuing Bunker Delivery Note specifying the quality of bunker supplied to ships. The Note shall be retained for 3 years.

Special Bunkering Anchorages (SBA)

To meet increasing demand of vessels calling at the port solely for bunkering purposes, MPA has designated on 1 Mar 04 two additional anchorages viz the Sudong Bunkering Anchorages "A" and "B" in the western sector of the port under the Special Bunkering Anchorages (SBA) Scheme. Anchorages under the SBA Scheme offer benefits such as allowing qualifying vessels to enter and leave the anchorages without being piloted and concessionary port dues.

To ensure safety of navigation of vessels using these anchorages, tidal atlas would be posted on the website for the master's reference, information of the recommended approach and real-time current flows would be provided to the master.