
SHIPPING RESEARCH BUREAU

George - As you can see, some people never give up!

PRESS RELEASE

Regards,
Bernard

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REPORT IDENTIFIES COMPANIES THAT VIOLATE THE OIL EMBARGO

AGAINST SOUTH AFRICA

A report released today identifies over twenty oil and shipping companies which appear to have violated the oil embargo that is imposed against South Africa by nearly all oil-exporting countries. The lucrative and highly secret oil trade with South Africa (a country with no crude oil of its own) is worth at least \$3,000 million per annum.

The report identifies 256 oil tankers which called at South Africa during 1980 and the first half of 1981, and highlights and provides background information on 52 of these which are considered to be the most likely to have made deliveries of crude oil during their visits to South Africa.

Most of the companies that have been identified as owning the oil carried in these 52 "most suspicious" tankers are partly or wholly based in the Netherlands.

The most important of these is Shell, which is based in the Netherlands and the United Kingdom and has major investments in South Africa.

The report also reveals the significant roles played by two little-known Netherlands-based oil-trading companies, Transworld Oil B.V. and Vitol B.V.

Transworld Oil B.V. chartered the Havdrott, a Norwegian tanker which has been more involved than any other ship in delivering oil to South Africa. The report shows how for two years the Havdrott conducted a secret "shuttle service" from the Arabian Gulf to South Africa and back again.

Nearly half of the 52 "most suspicious" tankers in the report were Norwegian-owned and flew the Norwegian flag. (The government of Norway does not permit Norwegian crude oil to be sent to South Africa, but it does permit Norwegian companies and ships to deliver crude oil to South Africa if it originates anywhere else.)

Other countries whose oil and shipping companies are linked with several of the 52 "most suspicious" tankers include Denmark, the United Kingdom, and the United States.

The report reveals that there are two basic ways in which companies evade the embargo. Firstly, tankers purportedly destined for locations such as Singapore or Europe set out with a cargo of oil from the Arabian Gulf (an oil-exporting region in which all countries embargo South Africa), then change their destination to South Africa once they are on the high seas. This happened with about half of the 52 "most suspicious" tankers in the report.

As a second way of evading the embargo, companies sometimes purchase crude oil in a country that embargoes South Africa, then send the oil to a trans-shipment port such as Rotterdam and put it into storage, then load it into another tanker, and finally send it to South Africa.

These and other findings are contained in the report Oil Tankers to South Africa 1980 - 1981, which was compiled by the Shipping Research Bureau, a Netherlands-based non-profit organisation set up two years ago to assist the many governments and organisations which are seeking to render the oil embargo against South Africa more effective. The work of the Bureau has also been of assistance to those companies which do not wish to re-sell embargoed oil (or do not wish to provide shipping capacity) to oil companies which are involved in embargo violations.

The Shipping Research Bureau conducts its research by analysing publicly-available data on shipping movements, and by interviewing and corresponding with oil and shipping industry personnel.

Speaking on the occasion of the report's release in Amsterdam, Cor Groenendijk, Chairman of the Shipping Research Bureau, said today:

"This report should help oil-exporting countries to identify which ships and companies are violating the oil embargo against South Africa.

"The oil embargo is working far less well than it could be. Intermediary companies, many of them small and little known by the public, appear to be making enormous profits by secretly diverting embargoed oil to South Africa.

"If all countries that embargo South Africa act as effectively in enforcing the embargo as Nigeria and certain others already do, the oil embargo will become a powerful weapon indeed."

This is the second full report to be released by the Shipping Research Bureau. The first, covering January 1979 to March 1980, was released in March 1981.