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May/June 2009

Algeciras on the ascent

Ports in the Straits of Gibraltar make up Europe's second largest market for bunkering. Bunker sales in Algeciras have been growing, and the Spanish port looks poised to continue expanding its bunker market share in the next few years.

The Port of Algeciras Bay is Spain's number one port for marine fuel supplies and holds a top position in the Mediterranean, according to the Port of Algeciras Bay Authority (APBA).

The ports in the Straits - Algeciras, Ceuta and Gibraltar - are second only to the so-called Amsterdam-Rotterdam-Antwerp (ARA) bunker market in Europe.

"In the Strait of Gibraltar there are three main players regarding bunker supply, each one with specific characteristics. For these reasons, from the shipowner point of view, the Bay of Algeciras is an ideal location for bunkering and other related activities (ship repairs, for example)," APBA told Bunkerworld.

Algeciras lags behind Gibraltar, but bunker sales in the Spanish port continued to grow in 2008, bucking the fall observed in its nearest neighbour and competitor last year. Observers say bunker sales in Gibraltar, which shifted a record 4.47 million metric tonnes (mt) of marine fuels in 2007, may have peaked because the port has run out of space to expand its bunker infrastructure.

Meanwhile, developments are afoot in Algeciras that will boost the port's bunkering potential significantly.

Bucking the downturn

In 2008, a total of 24,535 vessels called at the Port of Algeciras Bay (Algeciras) for different purposes,

according to APBA.

"More than 1,220 hectares of anchorage waters, exceptional sheltering conditions and great draughts have made our port an ideal location for all types of bunkering and related operations," the port said.

Of the total, 2,173 vessels took bunkers, either at berth or anchor, bringing 2008 bunker sales for Algeciras to a total of 2.4 million mt. That was a 4.8% year-on-year increase at a time when a slowdown in world trade was beginning to impact bunker sales. Gibraltar bunker sales, for example, decreased by 6% in 2008 to just under 4.2 million mt.

The port of Algeciras port is not immune from the international financial crisis that has rocked

the world since late 2008.

"One of the financial crisis effects has been the decrease of consumption of goods manufactured in Asia, so container lines are suffering the lack of cargo. At the moment, shipping lines are trying to reschedule their services, optimising the existing fleet capacity, establishing alliances with other shipping lines and trying to adapt themselves to the new market conditions. The ports worldwide will witness a decrease in traffic until the international economic recovery arrives," APBA told Bunkerworld. "However, regarding the bunker market, we hope to keep our market share and to the end of 2009 we also expect to obtain a similar figure to the one from last year."



Algeciras Bay is Spain's number one bunkering port.

Mediterranean Special

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bunker world

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**BUNKERWORLD
ANNUAL SUBSCRIPTION
RATES:**

Magazine: \$95
For online subscriptions
to Bunkerworld, see:
www.bunkerworld.com/store

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The port authority also said it expects to reach a similar figure for 2010. After that, it hopes new infrastructure projects will make a difference.

Growth potential

"Our intention is increase [bunker sales] volume from 2011, considering two different favourable circumstances: On the one hand, the arrival of Alpetrol, a new bunker facility to the Port of Algeciras Bay, which will set up a new liquid bulk storage facility with 6 hectares of surface in Isla Verde Exterior area. On the other hand, the Compañía Logística de Hidrocarburos (CLH) will increase its storage capacity in Algeciras," APBA told Bunkerworld.

According to what the port authority has planned and promoted over the recent years, oil and bunker storage capacity at Algeciras will increase 21%, reaching a total capacity of 2.6 million cubic metres (m3), once the Alpetrol and CLH projects become operational.

The new Isla Verde Hydrocarbon Maritime Storage and Distribution Terminal, totalling an investment of some 110 million euro (\$142.5 million), is due for commissioning in 2011. Alpetrol Terminal S.A. was chosen by the Port of Algeciras to develop the terminal in 2005.

Apart from the extra bunker storage capacity coming from the Alpetrol and CHL expansion projects, bunkering capacity at Algeciras Bay is also expected to grow "because of the increase in the number of barges available to meet new demand," the port added. "We do hope as well that the increase from the offer side will be traduced in an increase in volume overall."

But it noted that it will be actual bunker demand that determines how the port's bunker suppliers will do for market share.

New opportunities?

Bunkering in Algeciras is currently dominated by two major suppliers; Cepsa Marine Fuels (CMF) and Repsol YPF.

"Cepsa Marine Fuels provides higher volumes throughout the year, but we also have to take into consideration that CMF is a sister company from CEPESA, whose refinery is located at the Bay," said APBA.

It said the port's developments "may offer good business opportunities for bunker suppliers" but could not specify which bunker suppliers will benefit from the new storage capacity coming from Alpetrol and CHL.

"We are afraid that this is a commercial question to be answered by both Alpetrol and CLH," it said.



Port plans to expand to add a third container terminal.

There could be room for new players and Bunkerworld asked what is required for a company to operate as a bunker supplier in Algeciras.

"The Port of Algeciras Bay welcome any business opportunity that could enrich our port community and surrounding areas. Any company interested in operating in our port will have to submit a business plan to the Port Authority in order to prove that their modus operandi is reliable and that they meet all the legal requirements. Once approved, it is be the Board of Administration of the Port Authority who has the final decision on its approval," said APBA.

Environmental record

The port authority is proud to report that there were "absolutely no spills" recorded during all the 2008 bunkering operations in the waters of Algeciras. The Port of Algeciras Bay has developed an Marine Pollution Contingency Internal Plan, which is completed by other plans drawn up by each fuel company operating at the port.

APBA is also proud of its record on waste collection in compliance with the international MARPOL Convention.

"The Port of Algeciras Bay is currently the top waste collecting port and the one with the lowest costs in Spain," APBA told Bunkerworld. "The growth in the collection and treatment of waste oil and solid residue from vessels has been a significant one over

the last years."

In a recent announcement, it said oil waste collections reached 1,641 m3 for 2008: 1,487 m3 from ships at berth and 154 m3 from ships anchored in the waters managed by the port authority - more than double the amount returned in the previous year.

"Dramar Andalucía performs this Marpol service at the Port of Algeciras, where the company has its Total Treatment Plant that extracts fuel oil and water from the waste. The fuel oil is then sold for reuse, whereas the clean water extracted returns to the sea," ABPA said.

The supply sector and associated services at the Port of Algeciras Bay is a major employer. The results of an economic impact study made by the University of Cadiz (UCA) showed that supplies, bunkers, repairs and associated services at the Port of Algeciras Bay currently support 1,238 jobs throughout Andalusia.

New port developments could make the figure bigger still. It is estimated that construction of Alpetrol's new liquid bulk terminal will create 400 direct jobs during construction and a further 150 direct and indirect jobs once operational.

Isla Verde extension

The Alpetrol Terminal is part of a huge port infrastructure project set to affect shipping, and by extension bunkering volumes, at Algeciras port.

"At present, Isla Verde Exterior is the most important

development area of the Port of Algeciras Bay," APBA told Bunkerworld.

APBA is currently investing \$520 million in the Isla Verde Exterior project, which is set to house the third container terminal at the port. The common user container terminal, to be built and run by Total Terminal International Algeciras (TTIA), a sister company to Korean Hanjin Shipping corporation, is due to commence operations on Isla Verde Exterior in 2010.

The Alpetrol infrastructure project at the Isla Verde area "includes construction of a new jetty to avoid delays in operations and ensure the programmed calls and, especially, the security conditions," ABPA said. Besides, CLH facilities in Isla Verde are being amplified, it added.

"Among the works in Isla Verde Exterior we must especially highlight an exempt breakwater with 2,024 metres length and a section with depths of more than 40 metres."

At present, the Port Authority continues to invest in Phase B of the Isla Verde Exterior project. TTI Algeciras has "first right of refusal on its future levelled area". On completion, the terminal will amount to a gross levelled area that totals 72 hectares.

"A new ro-ro terminal, which will welcome new traffic, is also being planned for Isla Verde Exterior area," APBA said. ■

Unni Einemo